BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of) Vectren Energy Delivery of Ohio,) Case No Inc. for approval of an increase in) Gas Rates

Case No. 18-0298-GA-AIR

TESTIMONY OF SUZANNE WILLIAMS RESEARCH AND POLICY DIVISION RATES AND ANALYSIS DEPARTMENT

STAFF EXHIBIT NO.____

| 1 | 1. | Q. | Please state your name and business address. |
|----|----|----|---|
| 2 | | А. | My name is Suzanne Williams. My business address is 180 East Broad |
| 3 | | | Street, Columbus, Ohio 43215-3793. |
| 4 | | | |
| 5 | 2. | Q. | By whom are you employed? |
| 6 | | А. | I am employed by the Public Utilities Commission of Ohio (PUCO or |
| 7 | | | Commission). |
| 8 | | | |
| 9 | 3. | Q. | What is your current position with the Public Utilities Commission of Ohio |
| 10 | | | and what are your duties? |
| 11 | | А. | My current position is Public Utilities Administrator in the Research and |
| 12 | | | Policy Division of the Rates and Analysis Department. My job duties include |
| 13 | | | assisting in the audit and analysis of various utility filings, including the audit |
| 14 | | | and evaluation of various energy efficiency riders. |
| 15 | | | |
| 16 | 4. | Q. | Would you briefly state your educational background? |
| 17 | | А. | I graduated with a Masters in Business Administration from Franklin |
| 18 | | | University and earned a Bachelor of Science in Business Administration, |
| 19 | | | with a major in accounting, from Youngstown State University. |
| 20 | | | |
| 21 | 5. | Q. | Please outline your work experience. |

| 1 | | A. | I previously served as an analyst for the Ohio Board of Regents (now known |
|----|----|----|--|
| 2 | | | as the Ohio Department of Higher Education) and a financial analyst for both |
| 3 | | | NiSource and American Electric Power Company. In 2012, I joined the |
| 4 | | | PUCO as an analyst in the Energy and Environment Department. In 2013, I |
| 5 | | | was promoted to a Utility Specialist in the Utilities Department. In 2014, I |
| 6 | | | was promoted to my current position as a Public Utilities Administrator in |
| 7 | | | the Rates and Analysis Department. |
| 8 | | | |
| 9 | 6. | Q. | What is the purpose of your testimony? |
| 10 | | A. | The purpose of my testimony is to address matters concerning Vectren |
| 11 | | | Energy Delivery of Ohio Inc.'s (VEDO) proposed changes to its |
| 12 | | | Conservation Program. I will specifically address the following objections: |
| 13 | | | Ohio Partners for Affordable Energy (OPAE)'s Objection 1, Environmental |
| 14 | | | Law & Policy Center's (ELPC) Objections 1, 2, and 3, and Ohio Consumers' |
| 15 | | | Counsel's (OCC) Objections 17 and 24. |
| 16 | | | |
| 17 | 7. | Q. | OPAE's and ELPC's Objections 1 objects to Staff's recommendation to limit |
| 18 | | | demand-side management (DSM) and weatherization funding to \$5.6 |
| 19 | | | million. ELPC also argues that the Staff Report is unreasonable because |
| 20 | | | Staff's recommendation for an increase in fixed charges for residential and |
| 21 | | | small commercial customers and low natural gas prices will reduce price |

signals for investment in EE and will expose customers to high or volatile prices in the future. How does Staff respond?

- A. Staff agrees with VEDO's proposal to increase their DSM program's level 3 of funding to \$5.6 million, but believes that those funds should come from 4 the EEFR rider and not base rates. Staff considers the current funding to be 5 adequate. Data received from VEDO indicates that, on average, VEDO spent 6 approximately \$5.2 million annually on its DSM and weatherization 7 programs for years 2013 through 2017. As of September 2018, VEDO had 8 9 only spent approximately 70% of its \$5.7 million budget. The testimony of 10 Staff witness Matthew Snider will address ELPC's argument that the Staff 11 Report is unreasonable because increases in fixed charges for residential and small commercial customers and low natural gas prices reduce price signals 12 for EE investment. 13
- 14

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15 8. Q. OPAE's Objection 1 and ELPC's Objection 3 object to eliminating the
16 collaborative process to approve energy efficiency programs. What is the
17 Staff's response?

A. Staff did not recommend elimination of the collaborative process. Staff simply pointed out that the DSM program initiatives and funding levels, while approved by the Conservation Working Group (CWG), were not Commission approved. The Staff's recommendation is to continue the current collaborative process but recommends that the DSM programs and

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funding levels should be approved by the Commission prior to implementing the programs.

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4 9. Q. ELPC's Objection 2 claims that the Staff Report did not propose any recommendations to ensure that VEDO's DSM program maximizes 5 customer benefits. Similarly, OCC's Objection 24 claims that the Staff 6 7 Report failed to address whether EE programs are cost-effective and should have recommended discontinuation of non-low income programs. Finally, 8 9 OCC's Objection 17 claims that the Staff Report should have found that 10 DSM programs are not beneficial to non-participating customers and that 11 customer's should only be charged for low-income DSM programs. How does the Staff respond? 12

13 A. Customer benefits and the cost-effectiveness of DSM programs should be determined when VEDO files its true-up application and an audit has been 14 conducted. In addition, Staff did not propose any recommendations or 15 comment on whether DSM programs are beneficial to non-participating 16 customers or whether customers should only be charged for low-income 17 DSM programs, as this is a function of the CWG. As stated in the Opinion 18 and Order in Case No. 04-571-GA-AIR, et al., "The Conservation Working 19 Group (CWG) . . . will be responsible for reviewing data and criteria related 20

| 1 | | | to DSM program initiative effectiveness. Decisions of the CWG shall be |
|---|-----|----|---|
| 2 | | | made by consensus." ¹ |
| 3 | | | |
| 4 | 10. | Q. | Does this conclude your testimony? |
| 5 | | А. | Yes. However, I reserve the right to submit supplemental testimony as new |
| 6 | | | information subsequently becomes available. |

¹ In the Matter of the Application of Vectren Energy Delivery of Ohio, Inc. for Authority to Amend its Filed Tariffs to Increase the Rates and Charges for Gas Service and Related Matters, Case No. 04-571-GA-AIR, et al., Opinion and Order at 6 (April 13, 2005).

CERTIFICATE OF SERVICE

This is to certify that the foregoing **Testimony of Suzanne Williams** has been

served upon all of the parties of record in Case No. 18-0298-GA-AIR by electronic

and/or U.S. mail, postage pre-paid mail this 22nd day of January, 2019.

<u>/s/Werner L. Margard III</u> Werner L. Margard III

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Summary: Testimony of Suzanne Williams electronically filed by Ms. Tonnetta Scott on behalf of PUC