

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the 2014 Review of the
Demand Side Management and Energy
Efficiency Rider of Ohio Edison
Company, The Cleveland Electric
Illuminating Company, and The Toledo
Edison Company

CASE NO. 13-2173-EL-RDR

In the Matter of the 2015 Review of the
Demand Side Management and Energy
Efficiency Rider of Ohio Edison
Company, The Cleveland Electric
Illuminating Company, and The Toledo
Edison Company

CASE NO. 14-1947-EL-RDR

In the Matter of the 2016 Review of the
Demand Side Management and Energy
Efficiency Rider of Ohio Edison
Company, The Cleveland Electric
Illuminating Company, and The Toledo
Edison Company

CASE NO. 15-1843-EL-RDR

In the Matter of the 2017 Review of the
Demand Side Management and Energy
Efficiency Rider of Ohio Edison
Company, The Cleveland Electric
Illuminating Company, and The Toledo
Edison Company

CASE NO. 16-2167-EL-RDR

In the Matter of the 2018 Review of the
Demand Side Management and Energy
Efficiency Rider of Ohio Edison
Company, The Cleveland Electric
Illuminating Company, and The Toledo
Edison Company

CASE NO. 17-2277-EL-RDR

**PREPARED TESTIMONY OF
KRISTIN DUPREE
RATES AND ANALYSIS DEPARTMENT
STAFF EX. ____**

December 1, 2020

1 1. Q. Please state your name and business address.

2 A. My name is Kristin DuPree and my business address is 180 East Broad
3 Street, Columbus, Ohio 43215.
4

5 2. Q. By whom and in what capacity are you employed?

6 A. I am employed by the Public Utilities Commission of Ohio (PUCO) as a
7 Public Utilities Administrator in the Rates and Analysis Department.
8

9 3. Q. How long have you been in your present position?

10 A. I assumed my present position in August of 2015.
11

12 4. Q. What are your responsibilities in your current position?

13 A. In my current position, I am responsible for managing the Energy
14 Efficiency & Renewable Portfolio Standard Compliance Team within the
15 Rates and Analysis Department of the PUCO.
16

17 5. Q. Will you describe briefly your educational and business background?

18 A. In June of 2009 I received a Bachelor's degree in Environmental Science
19 from Otterbein College. I have completed the majority of the program to
20 receive my Master's degree in City and Regional Planning at The Ohio
21 State University. I joined the PUCO in June 2009 as an intern and began
22 full time employment as a Utility Analyst in September of 2010. In 2012 I

1 was promoted to a Public Utilities Administrator in the Department of
2 Energy & Environment. In August of 2015, I was promoted to my current
3 position as a Public Utilities Administrator 2 within the Department of
4 Rates and Analysis.

5
6 6. Q. What is the purpose of your testimony?

7 A. The purpose of my testimony is to address lost distribution revenue
8 collected by Ohio Edison Company, The Cleveland Electric Illuminating
9 Company, and The Toledo Edison Company (collectively, FirstEnergy
10 Ohio or the Companies) through the energy efficiency rider (Rider DSE)
11 for the 2014 through 2018 program years.

12
13 7. Q. Has Staff provided recommendations regarding FirstEnergy Ohio's lost
14 distribution revenue in the rider review cases pending here?

15
16 A. Yes, Staff's review and recommendations have been filed for each of the
17 consolidated cases for program years 2014 through 2018. In each of the
18 staff reports filed, Staff noted that the calculation that the Companies used
19 to determine lost distribution revenues appeared appropriate but that the
20 duration or number of years used to determine the respective year's lost
21 distribution revenue for the energy efficiency measures seemed excessive.
22 Staff recommended in each of the cases that the Companies include a

1 maximum of three years of energy savings in the calculation to determine
2 the lost distribution revenue, going forward. Staff's purpose for
3 recommending the use of a maximum of three years of energy savings is to
4 provide a means that permits the utility to collect lost distribution revenues
5 between rate cases but will also prevent the amount being collected from
6 ratepayers from growing exponentially. While lost distribution revenue
7 calculations may vary between utilities and states, Staff believes the three-
8 year methodology to be appropriate and fair to the ratepayers and the
9 Companies.

10
11 8. Q. In the context of the consolidated cases, when does Staff recommend that
12 the Companies begin using three years for the lost distribution revenue
13 calculation and where will those costs appear, going forward?

14
15 A. Staff notes that the lost distribution revenues authorized in Case No. 17-
16 2277-EL-RDR for the 2018 calendar year will be included in the
17 decoupling rider (Rider CSR), at least until the Companies' next rate case,
18 as Am. Sub. H.B. 6 authorized a decoupling mechanism based on the lost
19 distribution revenues for 2018.¹ It is for that reason that Staff recommends
20 that First Energy Ohio recalculate the energy savings and dollar amount of

¹ R.C. 4928.471.

1 lost distribution revenue for program year 2018 and thereafter, using the
2 recommended maximum of three years of energy savings.

3 Additionally, Staff notes that this issue has recently been addressed in Case
4 Nos. 19-2080-EL-ATA and 19-2081-EL-AAM (“decoupling cases”) and
5 the Companies have since removed all lost distribution revenue from the
6 DSE rider (19-1904-EL-RDR) for program year 2019 and, instead, have
7 included it in Rider CSR. Staff clarifies that the recommendation to limit
8 the period over which energy savings of any project are recognized for lost
9 distribution calculation purposes be limited to a maximum of three years
10 should apply whether those lost distribution revenues are recovered through
11 Rider DSE or Rider CSR. The Companies should also remove all lost
12 distribution revenue from their program year 2020 energy efficiency rider
13 filing, if those are reflected in Rider CSR.

14
15 9. Q. Has the Commission addressed this issue historically?

16 A. While most of the other Ohio electric distribution utility (EDU) companies
17 have decoupling riders currently, each of them started by collecting lost
18 distribution revenues through their respective energy efficiency riders. The
19 lost distribution revenues originally collected by other EDUs included a cap
20 on lost distribution revenues or limited the energy savings to three years or
21 less.

1 10. Q. What does Staff recommend going forward?

2 A. Staff recommends that FirstEnergy Ohio change the lost distribution
3 calculation method for 2018 and thereafter, so that the period over which
4 energy savings of any project are recognized for lost distribution
5 calculation purposes be limited to a maximum of three years. In Data
6 Request #2, Staff requested that the Companies recalculate the lost
7 distribution revenue for the years of 2014-2018 using the three-year
8 methodology. However, First Energy Ohio was not able to provide the data
9 that was requested. Without the necessary information from FirstEnergy
10 Ohio, Staff is not able to recommend approval of FirstEnergy Ohio's
11 calculation or to offer a reasonable alternative for the Commission's
12 consideration. Staff notes that OCC witness Colleen Shutrump provided
13 figures for residential lost distribution revenue for each year (2014-2018)
14 using three years (maximum) of energy savings (Direct Testimony filed
15 June 22, 2020). Staff does not object to the method used by Witness
16 Shutrump and finds it to be a reasonable option which should be considered
17 by First Energy Ohio. Staff also recommends that the Commission direct
18 the Companies to work with an energy consultant while working to
19 determine the lost distribution revenue using the three-year methodology
20 for residential and non-residential programs in 2018.

1 11. Q. Does this conclude your testimony?

2 A. Yes.

CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing **Prepared Testimony of Kristin Dupree Rates and Analysis Department** was served by electronic mail upon the following parties of record, this 1st day of December, 2020.

/s/ Robert A. Eubanks

Robert A. Eubanks

Assistant Attorney General

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Summary: Testimony Prepared Testimony of Kristin DuPree Rates and Analysis Department
electronically filed by Mrs. Kimberly M Naeder on behalf of PUCO