***OCC EXHIBIT\_\_\_\_\_\_\_***

**BEFORE**

**THE PUBLIC UTILITIES COMMISSION OF OHIO**

|  |  |  |
| --- | --- | --- |
| In the Matter of the Application of the Commission’s Investigation of the Disconnection Practices and Policies of Duke Energy Ohio, Inc. | ))) | Case No. 17-2089-GE-COI |
|  |  |  |

**DIRECT TESTIMONY**

**OF**

**MOHAMMAD HARUNUZZAMAN, Ph.D.**

**IN SUPPORT OF THE JOINT STIPULATION AND RECOMMENDATION**

**On Behalf of**

**The Office of the Ohio Consumers' Counsel**

*65 East State Street, 7th Floor*

*Columbus, Ohio 43215-3485*

**June 24, 2019**

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**ATTACHMENTS**

Attachment MH-1

# **I. INTRODUCTION**

***Q1. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.***

***A1.*** My name is Mohammad Harunuzzaman. My business address is 65 East State Street, 7th Floor, Columbus, Ohio 43215-4213.

***Q2.*** ***PLEASE STATE THE NAME OF YOUR EMPLOYER, YOUR CURRENT POSITION AND JOB DUTIES.***

***A2.*** I have been employed by the Office of the Ohio Consumers’ Counsel (“OCC”) as a Principal Regulatory Analyst since 2016. At my current position, I am responsible for research, investigation, and analysis of regulatory filings by gas and electric utilities in Ohio before the Public Utilities Commission of Ohio (“PUCO”), participation in special projects, and assisting in policy development and implementation.

***Q3. PLEASE BRIEFLY SUMMARIZE YOUR EDUCATION AND PROFESSIONAL EXPERIENCE.***

***A3.*** I earned a Doctorate in Nuclear Engineering from the Ohio State University in 1994. I also have a bachelor’s degree in Physics from the University of Dhaka, Bangladesh.

In addition to my tenure at OCC, my professional experience includes nearly fifteen years of regulatory policy research at the National Regulatory Research Institute (“NRRI”), The Ohio State University, more than seven years in electricity market analysis at Pepco Energy Services (“PES”), an unregulated affiliate of Potomac Electric Power Company (“PEPCO”), and one year in performing price forecasts of electric fuels such as coal, gas and oil. at the Florida Power and Light Company (“FPL”).

At the NRRI, I performed regulatory policy analysis, supported by engineering and quantitative analysis, of issues that included cost-of-service and rate design, deregulation of the natural gas industry and retail gas choice programs, separation of costs and services of regulated and unregulated parts of a utility holding company (to prevent cross subsidization of the unregulated affiliate by the regulated utility), incentive regulation as applied to energy efficiency and gas procurement practices of a local gas distribution company, and renewables and advanced generation technologies of an electric utility.

At FPL, I worked on the forecasting of energy fuel prices including coal, gas, and oil. At PES, I performed computer modeling simulation and analysis of wholesale regional electricity markets such as PJM. Also at PES, I performed analysis to support financial risk management operations of the company.

A list of my professional publications is included in Attachment MH-1.

***Q4. HAVE YOU PREVIOUSLY SUBMITTED TESTIMONY BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO?***

***A4.*** Yes, I submitted testimony on behalf of OCC in Case Nos. 16-2422-GA-ALT concerning reauthorization of Columbia Gas of Ohio’s Infrastructure Replacement Program and Case No. 18-0298-GA-AIR *et al*, concerning Vectren Energy Distribution of Ohio’s application for an increase in base natural gas distribution rates.

# II. PURPOSE OF MY TESTIMONY

***Q5. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?***

***A5.***The purpose of my testimony is to recommend that the PUCO approve the Joint Stipulation and Recommendation (“Settlement”) filed in this case on June 6, 2019. The Settlement was signed by Duke Energy, Ohio, Inc. (“Duke”), the PUCO Staff, OCC, the City of Cincinnati, and Communities United for Action (“CUFA”). Ohio Partners for Affordable Energy (“OPAE”), the only other party in the case, did not sign the Settlement but has indicated that it does not oppose its adoption. My recommendations for consumer protections are based on an evaluation of the Settlement.

# III. CASE BACKGROUND AND OVERVIEW

***Q6.*** ***Can you summarize the background and procedural history of Case 17-2089-GE-COI leading up to the Settlement?***

***A6.*** Yes. The PUCO initiated an investigation into Duke’s disconnection practices and policies in Case No 17-2089-GE-COI as a result of a complaint filed against Duke.[[1]](#footnote-2) The complaint alleged that Duke had not followed consumer protections when it disconnected two customers who later tragically died from hypothermia. The PUCO found that Duke had violated the disconnection notice provision of the PUCO’s rules.[[2]](#footnote-3) As a result, the PUCO ordered an audit of Duke’s disconnection practices and policies in this proceeding. The audit report by NorthStar Consulting Group (“Report”) was submitted on March 14, 2018.[[3]](#footnote-4)

The Report found many instances of Duke’s non-compliance with consumer protections and other provisions of the PUCO’s rules in Duke’s disconnection practices and policies. The Report found that Duke was in violation of PUCO’s rules with regard to the following important issues: past due notice requirements, payment options offered to customers to avoid disconnections, informing combination electric and gas service customers the option to retain one service instead of disconnecting both, payment arrangements for delinquent customer accounts and disclosure of information on available government assistance regarding payment plans and weatherization programs.

OCC and other parties intervened and filed comments in the case and requested that the PUCO address Duke’s non-compliance with PUCO’s rules on disconnections. Duke, the PUCO Staff, OCC, the City of Cincinnati, and CUFA reached a negotiated settlement that was filed in the case on June 6, 2019.

# IV. EVALUATION OF THE SETTLEMENT

***Q7. WHAT IS YOUR OPINION OF THE SETTLEMENT?***

***A7.*** In my opinion, this proposed settlement significantly improves customer protections in Duke’s disconnection practices and policies, and helps restore the consumer protections guaranteed by Ohio law.[[4]](#footnote-5) The Settlement accomplishes this by substantially addressing and resolving concerns and issues identified by the Report, OCC, and other parties.

***Q8. Can you elaborate on the concerns and issues with dUKE’S existing disconnection practices and policies identified by OCC from the audit report?***

***A8***. Yes. Upon reviewing the Report, OCC identified the following issues that the Auditor raised and recommended resolving:

* Duke violated consumer protections in the winter heating rules by not adding ten days to its winter disconnection notices required by Ohio Administrative Code (“OAC”) 4901:1-18-06(B).
* Duke failed to separate past due amounts for electric and gas service in its customer bills in violation of consumer protections found in OAC 4901:1-18-09(G).
* Duke failed to offer combination gas and electric customers, when faced with disconnection, the choice of keeping either their electric service or gas service turned on.
* Duke failed to offer customers all the payment options to avoid disconnection of utility services.
* Duke did not prominently display or highlight disconnection notices that are mailed as part of the monthly bill.
* Duke’s disconnection notice did not inform customers about government-funded payment assistance and weatherization programs.

***Q9. Does the Settlement address the concerns and issues discussed above?***

***A9.*** Yes, it does.

***Q10. Can you elaborate ON how some of the above issues are addressed AND RESOLVED by the Settlement?***

***A10.*** In the Settlement, Duke agreed to do the following.

* Cancel any disconnect order that is not completed prior to October 30th to allow the customer to go back down the credit timeline, and to ensure that the customer receives *an additional ten-day* notice during the winter season.[[5]](#footnote-6)
* Inform residential customers with combination electric and gas utility services about the option to maintain one utility service.[[6]](#footnote-7)
* Clarify language on disconnection notices to remind customers that they must call Duke to use the Winter Reconnect Order and make acceptable payment arrangements.[[7]](#footnote-8)
* Modify its disconnection notice to draw the customer’s attention to the notice and the minimum payment required for the customer to avoid a disconnection, and to include the amount the customer must pay to avoid disconnection without referring to a prior bill.[[8]](#footnote-9)
* Modify its ten-day winter disconnection notice to include the amount the customer must pay to avoid disconnection without referring to a prior bill. The ten-day disconnection notice shall also include information on payment assistance and weatherization programs.[[9]](#footnote-10)
* Update call center procedures so that customer service representatives offer customers all payment arrangements, including but not limited to customer negotiated agreements.[[10]](#footnote-11)

These provisions in the Settlement substantially addresses one or more concerns or issues identified by OCC.

***Q11. Does the Settlement include other provisions that improve customer knowledge of disconnections and alleviate a customer’s hardship caused by disconnections?***

***A11.*** Yes. In addition to the items listed above, in the Settlement Duke also agreed to do the following:

* Modify its website to provide a more noticeable link to the customer rights and responsibilities document to make such information more easily searchable.[[11]](#footnote-12)
* Make topics more distinguishable on information provided on bill inserts. Such topics might include customer medical certification and late payment charges.[[12]](#footnote-13)
* Not count holidays in the timelines specified in disconnection notifications.[[13]](#footnote-14)
* Provide additional information for military families to help them avoid disconnection.[[14]](#footnote-15)

***Q12. Does the Settlement PROVIDE FOR PUCO monitorING OF Duke’s compliance with the terms of the Settlement and the disconnection requirements in PUCO’s rules?***

***A12.*** Yes, it does. The Settlement provides for a PUCO Staff audit within 24 months from the date of the Order approving the Settlement to determine Duke’s compliance with the terms of the Settlement and disconnection requirements of O.A.C. 4901:1-18. Monitoring Duke’s compliance with the Settlement and the PUCO’s rules is an important consumer protection.

***Q13. DO YOU HAVE ANY OTHER IMPORTANT ISSUES OR CONCERNS ABOUT DUKE’S EXISTING DISCONNECTION PRACTICES AND POLICIES NOT ADDRESSED BY THE SETTLEMENT?***

***A13.*** Yes, I do. Duke received a waiver from the requirement of Rule 4901:1-18-06(A)(2) to provide residential customers with an in-person notice on the day of disconnection. OCC is opposed to this waiver. This issue was not addressed by the Settlement. However, this issue is being deliberated in another proceeding, Case No 19-0187-EL-WVR, where Duke has asked for an extension of this waiver.[[15]](#footnote-16) OCC has intervened in the case in opposition to the waiver.

***Q14. You indicated earlier that the Settlement meets the PUCO’s test for approving settlements. What IS THE test?***

***A14.*** The PUCO typically evaluates a proposed settlement using the following three-prong test:[[16]](#footnote-17)

1. Is the proposed settlement a product of serious bargaining among capable, knowledgeable parties?

1. Does the proposed settlement, as a package, benefit customers and the public interest?
2. Does the proposed settlement violate any important regulatory principle or practice?

Only when the PUCO determines that a proposed settlement, as a package, satisfies each of the three prongs identified above will the PUCO adopt the settlement.

***Q15. Based on your evaluation of the Settlement in THIS Case, is it a product of serious bargaining among capable, knowledgeable parties?***

***A15.*** Yes, it is. All parties in the case are knowledgeable of the issues raised and are experienced in the PUCO’s settlement process. In addition, the parties engaged in several negotiation sessions to arrive at the proposed Settlement.

***Q16. Based on your evaluation of the Settlement, does it, as a package, benefit customers and the public interest?***

***A16.*** Yes, it does. As observed in the foregoing discussion, the Settlement substantially addresses most of the OCC’s important concerns regarding improving consumer protections in Duke’s existing disconnection practices and policies. By restoring consumer protections included in Ohio Law and the PUCO’s rules, the Settlement alleviates customer hardships resulting from being disconnected from Duke’s electric and gas utility services. The Settlement would allow more time and clearer warnings to a customer before an impending disconnection. It would make it easier for a customer to avoid a disconnection by offering them all available options to make payment arrangements. The Settlement would provide information to customers about access to payment assistance and weatherization assistance (which can help them reduce energy bills) from government sources. Such assistance can not only help customers avoid disconnections; it also can lower their energy bills in the future and minimize potential future disconnections. And the Settlement provides for monitoring of Duke’s compliance with the Settlement and the PUCO’s disconnection rules. These consumer benefits and the fact that the Settlement brings Duke in better compliance with Ohio Law and the PUCO’s rules on disconnections serve the public interest.

***Q17. Based on your evaluation of the Settlement, does it violate any important regulatory principle or practice****?*

***A17.*** No, it does not. In fact, the Settlement, by improving consumer protections, brings Duke’s disconnection practices and policies in better conformity with regulatory principles and practices, such as the special statutory provisions for military families to avoid disconnection of gas and electric service.[[17]](#footnote-18)

# V. CONCLUSION AND RECOMMENDATION

***Q18. What is your recommendation REGARDING the Settlement?***

***A18.*** In my opinion, the Settlement complies with the PUCO’s standard for approving settlements and restores and improves consumer protections with regard to disconnections from Duke’s electric and gas utility services. I recommend its adoption by the PUCO.

***Q19. Does this conclude your testimony?***

***A19.*** Yes, it does. However, I reserve the right to incorporate new information that may subsequently be available. I also reserve the right to supplement my testimony if other parties submit new or modified information in connection with this proceeding.

**CERTIFICATE OF SERVICE**

I hereby certify that a copy of the *Direct Testimony of Mohammad Harunuzzaman, Ph.D. on Behalf of the Office of the Ohio Consumers’ Counsel* was served on the persons stated below via electronic transmission this 24th day of June 2019.

 */s/ Terry L. Etter*

 Terry L. Etter

 Assistant Consumers’ Counsel

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Mohammad Harunuzzaman, Ph.D.

List of Professional Publications

**Papers on Nuclear Safety and Reliability**

*Nuclear Technology,* "*Optimization of Standby Safety System Maintenance* Schedules in Nuclear Power Plants," 113, 354-367 (March 1996) (with T. Aldemir).

*Transactions of the American Nuclear Society,* " Optimal Preventive Maintenance of a Nuclear Power Plant Subsystem Using Dynamic Programming," 57, 99-100 (November 1988) (with T. Aldemir).

*American Nuclear Society,* "Sensitivity of Optimal Maintenance Cost to Reliability Constraints, PSA '96: Probabilistic Safety Assessment," II, 1632-1635 (September 1996) (with T. Aldemir).

###### **Reports and Publications on Public Utility Regulation**

*The National Regulatory Research Institute,* The State of Regulation, An Examination of the Four Utility Sectors, 2001 (with K. Costello, et al.).

*The National Regulatory Research Institute,* Consumer Benefits from Gas Choice: Empirical Findings from the First Programs, 2000 (with K. Costello).

*The National Regulatory Research Institute,* Cost Allocation and Rate Design for Unbundled Gas Services, 2000 (with S. Koundiniya).

*The National Regulatory Research Institute* Pipeline Capacity Turnback: Problems and Options, 1997 (with A. M. Rahman).

*The National Regulatory Research Institute,* Support for Social Goals in A More Competitive Electricity Industry, 1997 (with R. J. Graniere, M. Islam).

*The National Regulatory Research Institute,* State Commission Regulation of Self-Dealing Power Transactions, 1996 (with K. Costello).

*The National Regulatory Research Institute,* Integrated Resource Planning for Local Gas Distribution Companies: A Critical Review of Regulatory Policy Issues, 1994 (with M. Islam).

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*The National Regulatory Research Institute,* Regulatory Practices and Innovative Generation Technologies: Problems and Rate-making Approaches, 1994 (with K. Costello, et al.)

*The National Regulatory Research Institute,* Regulatory Treatment of Electric Utility Clean Air Act Compliance Strategies, Costs and Emission Allowances, 1993 (with K. Rose and A. S. Taylor).

*The National Regulatory Research Institute,* Public Utility Commission Implementation of the Clean Air Act's Allowance Trading Program, 1992 (with K. Rose, et al.).

*The National Regulatory Research Institute,* Incentive Regulation for Local Gas Distribution Companies under changing Industry Structure, 1991, (with D. Duann, K. Costello, and S-B Cho.)

*The National Regulatory Research Institute,* Gas Storage: Strategy, Regulation, and Some Competitive Implications, 1990 (with D. J. Duann, P. A. Nagler and G. Iyyuni).

1. *In the Matter of Complaint of Gail Lykins vs Duke Energy for Wrongful Death Pursuant to Improper Disconnect of Utilities*, Case No. 15-298-GE-CSS(February 11, 2015). [↑](#footnote-ref-2)
2. Case No. 15-298-GE-CSS, Opinion and Order (August 30, 2017), ¶59. [↑](#footnote-ref-3)
3. Final Compliance Audit and Review of the Disconnection Practices and Policies of Duke Energy Ohio, Inc. (March 14, 2018). [↑](#footnote-ref-4)
4. See R.C. 4933.12 and R.C. 4933.121 and the PUCO rules implementing these statutes. [↑](#footnote-ref-5)
5. Settlement at 3-4. [↑](#footnote-ref-6)
6. *Id.* at 5. [↑](#footnote-ref-7)
7. *Id.* at 4-5. [↑](#footnote-ref-8)
8. *Id.* at 6. [↑](#footnote-ref-9)
9. *Id*. [↑](#footnote-ref-10)
10. *Id*. [↑](#footnote-ref-11)
11. *Id.* at 2. [↑](#footnote-ref-12)
12. *Id.* at 3. [↑](#footnote-ref-13)
13. *Id*. [↑](#footnote-ref-14)
14. *Id.* at 5. [↑](#footnote-ref-15)
15. *In the Matter of the Application for Continuation of Waiver by Duke Energy Ohio, Inc*.,Case No 19-0187-EL-WVR (January 30, 2019). [↑](#footnote-ref-16)
16. See for example, *In the Matter of the Application of Columbus Southern Power Company and Ohio Power Company, Individually and, if Their Proposed Merger is Approved, as a Merged Company (collectively, AEP Ohio) for an Increase in Electric Distribution Rates*,Case No. 11-351-EL-AIR *et al.,* Opinion and Order (December 14, 2011) at 8-10. [↑](#footnote-ref-17)
17. R.C. 4933.12(F), R.C. 4933.121(E). [↑](#footnote-ref-18)