

BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Duke)	
Energy Ohio for Authority to Establish a)	Case No. 14-841-EL-SSO
Standard Service Offer Pursuant to)	
Section 4928.143, Revised Code, in the)	
Form of An Electric Security Plan,)	
Accounting Modifications and Tariffs)	
for Generation Service)	

In the Matter of the Application of Duke)	
Energy for Authority to Amend its)	Case No. 14-842-EL-ATA
Certified Supplier Tariff, P.U.C.O.)	
No. 20)	

PREFILED TESTIMONY
OF

PATRICK DONLON
RATES AND ANALYSIS DEPARTMENT
RATES DIVISION

STAFF EXHIBIT_____

October 2, 2014

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

2 A. My name is Patrick Donlon 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 the
7 Interim Director of 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 May of 2014.
11

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

13 A. In my current position, I am responsible for managing the Rates and
14 Analysis Department of the PUCO.
15

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

17 A. I received a Bachelor of Science degree in Accounting with a minor in
18 Economics Management from Ohio Wesleyan University in 2000. In 2010,
19 I earned a Master of Business Administration degree from Franklin
20 University. I worked for American Electric Power (AEP) for just under
21 ten years in two stints with the company serving in various roles. For AEP,
22 I was an accountant in the Generation Accounting Department, an Hourly

1 Energy Trader for AEP focusing in the Southwestern Power Pool (SPP)
2 market, a Fuel, Emissions and Logistics (FEL) Coordinator and a financial
3 planning analyst in Commercial Operations. I started with the PUCO in
4 August 2012 as Public Utilities Administrator 2 of the Rates Division of
5 Utilities Department, until assuming my current role.
6

7 6. Q. Have you provided testimony before the Public Utility Commission of
8 Ohio?

9 A. Yes, I provided testimony in various electric SSO cases, gas and electric
10 rate cases and natural gas GCR cases.
11

12 7. Q. What is the purpose of your testimony in this proceeding?

13 A. The purpose of my testimony is to address Duke's proposed elimination of
14 the Load Factor Adjustment (LFA) rider.
15

16 8. Q. Please explain the Company's proposed treatment of the LFA Rider.

17 A. The company is proposing to eliminate the LFA rider effective June 1,
18 2015 subject only to a true-up. Once the rider is trued up, the Company
19 proposes to eliminate the tariff schedule.
20

21 9. Q. Does Staff recommend the immediate elimination of the LFA Rider?

1 A. No, while Staff does agree that the LFA Rider should be eliminated, Staff
2 believes that the initial rate increase to certain customers would be too high
3 and thus the rider should be phased out over the period of the ESP.
4

5 10. Q. What is Staff's estimated rate impact to customers if the LFA Rider was
6 eliminated immediately?

7 A. Staff estimated the rate impacts to the customers as shown in the chart
8 below. The chart is an estimate of total bill impacts.

Estimated Impacts of Eliminating LFA Rider

Schedule	Total # of Customers	Approximate # of Customers over 50% LF	% of Total	Est. % Impact on Non-Shop Customers with 83% LF
DS	18,703	3,711	20%	12%
DP	273	183	67%	11%
TS	34	21	62%	15%

9 Generally customers above 50% LFA currently benefit from rider
10

11 11. Q. What is Staff's suggested solution to mitigate the rate impact to customers
12 on the LFA Rider?

13 A. Staff believes that the LFA Rider should be phased out over the term of the
14 ESP. Staff suggest that the LFA rider is reduced by 33% in year one and
15 two and 34% in year three, with a true up to follow for any remaining
16 balance. Once the rider has been trued up, the Company can eliminate the

1 tariff schedule. This will reduce the initial rate impact of those customers
2 receiving a credit for the LFA Rider, while still reducing the cost of those
3 customers that are paying into the LFA Rider.

4

5 34. Q. Does this conclude your testimony?

6 A. Yes.

CERTIFICATE OF SERVICE

This is to certify that the foregoing Testimony of Patrick Donlon has been served upon all of the parties of record in Case No. 14-841-EL-SSO by electronic and/or U.S. mail, postage pre-paid mail this 2nd day of October, 2014.

/s/Steven L. Beeler

Steven L. Beeler

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Case No(s). 14-0841-EL-SSO, 14-0842-EL-ATA

Summary: Testimony Testimony of Patrick Donlon electronically filed by Mrs. Tonnetta Y Scott
on behalf of PUCO