

FILE

JOINT EX 2

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BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of the
Ohio Development Services Agency for
an Order Approving Adjustments to the
Universal Service Fund Riders of
Jurisdictional Ohio Electric Distribution
Utilities.

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Case No. 14-1002-EL-USF

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TESTIMONY IN SUPPORT OF JOINT STIPULATION

BY

SUSAN M. MOSER

ON BEHALF OF
THE OHIO DEVELOPMENT SERVICES AGENCY

December 3, 2014

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TESTIMONY OF SUSAN MOSER
On Behalf of The Ohio Development Services Agency

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

2 A. My name is Susan M. Moser. My business address is Ohio Development Services
3 Agency ("ODSA"), 77 South High Street, 26th Floor, Columbus, Ohio 43216-1001.

4 **Q. By whom are you employed and in what capacity?**

5 A. I am employed by ODSA in its Office of Community Assistance ("OCA") as Section
6 Supervisor of the EPP/PIPP Plus section.

7 **Q. Are you the same Susam M. Moser who filed direct testimony in support of the**
8 **Universal Service Fund ("USF") rider adjustment application in this proceeding on**
9 **October 31, 2014?**

10 A. Yes, I am. That tesimony sets forth my educational background and employment
11 experience, as well as my duties and responsiblities with respect to the percentage of
12 income payment plan ("PIPP") program and the Electric Partnership Program ("EPP").

13 **Q. Have you previously testified before this Commission?**

14 A. Yes, I testified in prior USF rider adjustment proceedings, Case No. 12-1719-EL-USF
15 and Case No. 13-1296-EL-USF. My direct testimony in support of ODSA's applications
16 was filed in those dockets on November 7, 2012 and November 8, 2013, respectively. I
17 also filed direct and supplemental testimony in this proceeding on October 31, and
18 November 26, 2014, respectively.

19 **Q. What is the purpose of your testimony?**

1 A. The purpose of my testimony is to support the Joint Stipulation and Recommendation
2 ("Joint Stipulation") filed contemporaneously with this testimony in support. The Joint
3 Stipulation seeks approval of the ODSA's amended application ("Amended
4 Application") filed November 26, 2014, and was entered into by ODSA, The Dayton
5 Power & Light Company, Ohio Power Company, The Cleveland Electric Illuminating
6 Company, The Toledo Edison Company, Ohio Edison Company, Duke Energy Ohio,
7 Inc., and Industrial Energy Users - Ohio (hereinafter, the "Signatory Parties"). The sole
8 remaining party to this proceeding, the Staff of the Public Utilities Commission of Ohio
9 ("Staff"), has not joined the stipulation, but does not oppose it. The Signatory Parties
10 recommend that the Commission issue an Opinion and Order approving the Amended
11 Application filed November 26, 2014. *This testimony demonstrates that: (1) the Joint*
12 *Stipulation is a product of serious bargaining among capable, knowledgeable parties; (2)*
13 *the Joint Stipulation does not violate any important regulatory principle or practice; and*
14 *(3) the Joint Stipulation, as a whole, will benefit customers and the public interest.*

15 **Q. Please summarize the major provisions of the Joint Stipulation.**

16 A. The Joint Stipulation adopts the annual USF rider revenue requirement and the USF rider
17 rate to collect the revenue requirement for each of the EDUs in 2015. The Joint
18 Stipulation further agrees to follow the Notice of Intent ("NOI") process first adopted in
19 Case No. 04-1616-EL-UNC and requires ODSA to file its NOI by May 31, 2015, and its
20 application no later than October 31, 2015.

21 **Q. Does the Joint Stipulation represent a product of serious bargaining among capable,**
22 **knowledgeable parties?**

1 A. Yes, it does. The parties to this case have been actively participating in the USF
2 proceedings and a number of other Commission proceedings for several years. All
3 parties were represented by experienced, competent counsel. Most of the parties to this
4 USF proceeding are signatories to prior NOI stipulations. Staff, the sole non-signatory
5 party, having participated fully in the settlement process, does not oppose the Joint
6 Stipulation. Therefore, the Joint Stipulation represents a product of capable,
7 knowledgeable parties.

8 **Q. Does the Joint Stipulation benefit consumers and the public interest?**

9 A. Yes, it does. The Joint Stipulation ensures adequate funding for the low-income
10 customer assistance programs and the consumer education programs administered by
11 ODSA. Moreover, the Joint Stipulation benefits consumers and the public interest
12 because the USF rider rates represent the minimal rates necessary to collect the EDUs'
13 USF rider revenue requirements.

14 **Q. Does the Joint Stipulation violate any important regulatory principles and**
15 **practices?**

16 A. No. The USF rider revenue requirement and rider rate were determined in accordance
17 with the NOI methodology approved by Opinion and Order issued September 25, 2014.
18 In each USF proceeding since adoption of the two-step declining block rate design, the
19 Commission has adopted the stipulation endorsing the same rate design. The magnitude
20 of the impact of utilizing a two-step declining block USF rate design, as opposed to a
21 uniform USF rate per kWh, when the second block is activated, is insufficient to

1 constitute a material shift among customer or the customer classes to violate Section
2 4928.52(C), Revised Code. .

3 **Q. Should the Commission approve the Joint Stipulation and Recommendation?**

4 A. Yes.

5 **Q. Does this conclude your direct testimony?**

6 A. Yes.

CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing *Testimony of Susan M. Moser* has been served upon the following parties by first class mail, postage prepaid, and/or electronic mail this 3rd day of December 2014.


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