

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	:	Case No. 15-1046-EL-USF
Universal Service Fund Riders of	:	
Jurisdictional Ohio Electric Distribution	:	
Utilities.	:	

TESTIMONY IN SUPPORT OF JOINT STIPULATION

BY

SUSAN M. MOSER

ON BEHALF OF
THE OHIO DEVELOPMENT SERVICES AGENCY

August 3, 2015

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. Please briefly describe your educational background and employment experience.**

8 A. I have a Bachelor of Arts degree from Indiana University of Pennsylvania and a Masters
9 of Education in Counselor Education from the University of Pittsburgh. I worked for six
10 years at the Pennsylvania Public Utility Commission as a Utility Complaint Investigator
11 and for eleven years for Duquesne Light Company ("Duquesne"), an electric utility
12 headquartered in Pittsburgh. I held several different positions while with Duquesne, with
13 responsibilities that included designing, implementing, and managing the Customer
14 Assistance Program, a low-income customer assistance program similar to the percentage
15 of income payment plan ("PIPP") program administered by ODSA. I also managed
16 Duquesne's Smart Comfort Program, which was similar to OSDA's Electric Partnership
17 Program ("EPP"). I have worked for the Ohio Department of Development ("ODOD"),
18 now known as ODSA for approximately twelve years. (To avoid confusion in this
19 proceeding, I will refer to ODSA throughout my testimony even though it was actually
20 known as ODOD during relevant periods of time.) In that time, I held the positions of

1 Consumer Education Specialist and Outreach Manager prior to being appointed
2 EPP/PIPP Plus Section Supervisor. Most of these positions required that I analyze large
3 data bases to ensure the efficiency and effectiveness of the programs for which I was
4 responsible.

5 **Q. What are your duties and responsibilities as Section Supervisor of OCA's EPP/PIPP**
6 **Plus section?**

7 A. As EPP/PIPP Plus Section Supervisor, I am responsible for the management of the
8 electric PIPP program, now known as PIPP Plus, and the EPP.

9 **Q. What is your role with respect to the electric PIPP Plus program?**

10 A. My role is to ensure that the program is efficient and effective and that our clients receive
11 the benefits to which they are qualified. I provide clarity and guidance on the PIPP Plus
12 rules to staff, provider agencies and electric distribution utilities ("EDUs"). I work with
13 our Information Technology office to eliminate errors in the system and to improve the
14 data system that is used to manage the program. I led the team to redesign aspects of the
15 program to eliminate steps that do not add value to the process in order to reduce
16 processing time for client re-verifications and to make the processes easier for the clients
17 to navigate and understand. I supervise a team that resolves client complaints and helps
18 clients receive benefits. I am the point person in ODSA to test the timeliness and
19 accuracy of the EDU's PIPP Plus-related accounting and reporting, including drafting the
20 request for proposal to find an accounting firm to test the EDU's performance in certain
21 PIPP-related areas through the application of agreed-upon procedures (commonly
22 referred to as an "audit"), selecting the winning bidder and managing the audit contract.

1 I am also the lead on the current endeavor to revise the electric PIPP Plus rules. I ensure
2 that agencies and clients receive information on the program and changes to the program
3 in order for them to be successful. This role also includes managing the Electric
4 Partnership Program, which was developed to help reduce the cost of the PIPP program.
5 In addition, I led the team that developed and implemented the 2009 and the 2015 PIPP
6 Plus rule revisions.

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

8 A. Yes, I have testified in prior USF rider rate adjustment proceedings. My direct testimony
9 in Case No. 12-1719-EL-USF was filed on November 7, 2012. My direct testimony in
10 Case No. 13-1296-EL-USF was filed on November 8, 2013. My direct testimony,
11 supplemental testimony, and testimony in support of a joint stipulation was filed in Case
12 No. 14-1002-EL-USF on October 31, November 26, and December 3, 2014, respectively.

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

14 A. The purpose of my testimony is to support the Joint Stipulation and Recommendation
15 (“Joint Stipulation”) filed contemporaneously with this testimony in support. The Joint
16 Stipulation seeks approval of the Notice of Intent (“NOI”) filed May 29, 2015, and is
17 entered into by ODSA, the Industrial Energy Users-Ohio (“IEU”), The Cleveland Electric
18 Illuminating Company, The Toledo Edison Company, Ohio Edison Company, and
19 Dayton Power & Light Company. Duke Energy Ohio (“Duke”) has not joined the Joint
20 Stipulation, but does not oppose it. The Signatory Parties recommend that the
21 Commission issue an Opinion and Order adopting the Joint Stipulation. The purpose of
22 this testimony is to demonstrate that: (1) the Joint Stipulation is a product of serious

1 bargaining among capable, knowledgeable parties; (2) the Joint Stipulation does not
2 violate any important regulatory principle or practice; and (3) the Joint Stipulation, as a
3 whole, will benefit customers and the public interest.

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

5 A. The purpose of the NOI phase of this proceeding is to determine the revenue requirement
6 and rate design methodologies ODSA proposes to use in preparing its 2015 USF rider
7 rate adjustment application for the 2016 calendar year. The Joint Stipulation
8 recommends that the Commission adopt the same rate design methodology that it has
9 approved since 2001, and also recommends that the Commission adopt nearly the same
10 revenue requirement methodology. The difference in the 2015 revenue requirement
11 methodology is that it provides a methodology to recover any costs associated with
12 developing a PIPP Plus aggregation process, as required by the recently enacted Am.
13 Sub. H.B. 64.

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

16 A. Yes, it does. The parties to this case have been actively participating in the USF
17 proceedings and a number of other Commission proceedings for several years. All
18 parties were represented by experienced, competent counsel. The signatory parties to the
19 Joint Stipulation have been signatories to several prior NOI stipulations which adopted
20 the identical rates design and nearly the same revenue requirement methodology. Duke,
21 having participated fully in the settlement process, do not oppose the Joint Stipulation.
22 The Joint Stipulation represents a product of capable, knowledgeable parties.

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

2 A. Yes, it does. The Joint Stipulation adopts the methodologies approved in numerous prior
3 USF proceedings. The methodologies ensure adequate funding for the low-income
4 customer assistance programs and the consumer education programs administered by
5 ODSA, and provide a reasonable contribution by all customer classes to the USF revenue
6 requirement. Moreover, the Joint Stipulation benefits consumers and the public interest
7 because the methodologies adopted will result in USF rider rates that represent the
8 minimal rates necessary to collect the EDUs' USF rider revenue requirements.

9 **Q. Does maintaining separate USF rider rates for Ohio Power Company's ("AEP**
10 **Ohio") Columbus Southern Power ("CSP") and Ohio Power ("OP") rate zones**
11 **benefit consumers and the public interest?**

12 A. Yes. The AEP Ohio operating companies, CSP and OP, merged effective December 31,
13 2011, with Ohio Power Company as the surviving entity.¹ CSP and OP customers' rates
14 were not adjusted as a part of the merger proceeding. Instead, customers continued to be
15 subject to separate rate schedules for what are referred to as the CSP Rate Zone and the
16 OP Rate Zone. Since the time of the merger, and consistent with the Merger Entry,
17 ODSA has established separate USF rider rates for these two customer groups based
18 upon each rate zone's specific revenue requirement. The separate USF rider rates were
19 intended to prevent customers in one rate zone from supporting the revenue requirement
20 (or the cost of PIPP Plus service) in the other rate zone. ODSA has contemplated that the
21 USF rider rates for the two rate zones would be merged once the separate rate schedules

¹ See *In the Matter of Ohio Power Company and Columbus Southern Power Company for Authority to Merge and Related Approvals*, Case No. 10-2376-EL-UNC (Entry, March 7, 2012) ("Merger Entry").
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1 for the CSP and OP rate zones were unified. However, the CSP and OP rate schedules
2 remain separate, and the rate zones continue to have separate revenue requirements.

3 In addition, ODSA has yet to identify any internal efficiencies that would result from the
4 merged rate that would meaningfully benefit customers or the public interest.

5 **Q. Does the Joint Stipulation violate any important regulatory principles and**
6 **practices?**

7 A. No. In each USF proceeding since adoption of the two-step declining block rate design
8 in 2001, the Commission has approved stipulations adopting the same rate design, and
9 specifically has found that it does not violate R.C. 4928.52. R.C. 4928.52 does not
10 specify the rate design the Commission must adopt; but rather leaves it flexibility. This
11 traditional rate design provides a reasonable contribution by all customer classes to the
12 USF revenue requirement.

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

14 A. Yes.

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

16 A. Yes. However, I reserve the right to supplement my testimony, and to file additional
17 reply testimony per the Attorney Examiner's procedural entries of June 9, and July 24,
18 2015.

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 August 2015.



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Summary: Testimony of Susan M. Moser electronically filed by Dane Stinson on behalf of Ohio Development Services Agency