

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. 17-1377-EL-USF
Universal Service Fund Riders of	:	
Jurisdictional Ohio Electric Distribution	:	
Utilities.	:	

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TESTIMONY OF

**MEGAN MEADOWS**

ON BEHALF OF  
THE OHIO DEVELOPMENT SERVICES AGENCY

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July 24, 2017

**TESTIMONY OF MEGAN MEADOWS**  
**On Behalf of The Ohio Development Services Agency**

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

2   A.     My name is Megan Meadows. My business address is Ohio Development Services  
3           Agency ("ODSA"), 77 South High Street, 25th Floor, Columbus, Ohio 43216-1001.

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

5   A.     I am employed by ODSA as Assistant Deputy Chief of the Office of Community  
6           Assistance ("OCA"), an office within ODSA's Division of Community Services.

7   **Q.     Please briefly describe your professional experience and educational background.**

8   A.     I have served as the Assistant Deputy Chief for the Ohio Development Services Agency,  
9           Office of Community Assistance since March of 2016. In this position I directly oversee  
10          the Universal Services Fund rate case. Prior to this position I was the Director of  
11          Operations and Planning for Lancaster-Fairfield Community Action Agency, a non-profit  
12          Community Action Agency whose mission is to serve those in need with programs that  
13          promote self-sufficiency. While in this position I provided service to many low-income  
14          Ohioans that participated in the PIPP program and other energy assistance programs  
15          available. I also oversaw the agency's regional Homeless Crisis Response Program,  
16          Adult Literacy and Basic Education program and the Temporary Assistance for Needy  
17          Families Summer Youth program. In that position I was also responsible for and  
18          participated in the development of the grant application and reporting for all other agency  
19          programs. I have a Bachelor of Arts degree in Psychology from Wheeling Jesuit  
20          University, WV.

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1 **Q. What are your duties and responsibilities as OCA’s Assistant Deputy Chief?**

2 A. OCA administers a number of energy assistance programs for low-income utility  
3 customers, including the federally-funded Low-Income Home Energy Assistance  
4 Program (“LIHEAP”), Home Weatherization Assistance Program (“HWAP”),  
5 Community Service Block Grant program, State Energy Program, Ohio Coal Research  
6 and Development Program and Alternative Fuels Transportation Program. In addition,  
7 OCA administers the electric PIPP program, which is funded from the state treasury’s  
8 Universal Service Fund (“USF”). As Assistant Deputy Chief, I have responsibility for  
9 administering the funds that support these programs. I also have management  
10 responsibility for the day-to-day operations of the Energy, HWAP, CSBG, Special  
11 Projects Unit and Information Management Sections of OCA.

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

13 A. Yes, I testified in the USF proceeding last year, Case No. 16-1223-EL-USF.

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

15 A. The purpose of my testimony is to support the revenue requirement and rate design  
16 methodologies contained in the Notice of Intent (“NOI”) filed in this proceeding on May  
17 31, 2017. I also will address the objections to the NOI filed by the Duke Energy Ohio,  
18 Inc. (“Duke”), the Ohio Partners for Affordable Energy (“OPAE”) and The Kroger Co.  
19 (“Kroger”).

20 **Q. Please summarize the NOI.**

21 A. The purpose of the NOI phase of this proceeding is to determine the revenue requirement  
22 and rate design methodologies ODSA proposes to use in preparing its 2017 USF rider

1 rate adjustment application for the 2018 calendar year. The NOI proposes the same rate  
2 design methodology that the Commission has approved since 2001, and also recommends  
3 that the PUCO adopt nearly the same revenue requirement methodology.

4 The methodologies ensure adequate funding for the low-income customer assistance  
5 programs and the consumer education programs administered by ODSA, and provide a  
6 reasonable contribution by all customer classes to the USF revenue requirement.

7 Moreover, 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. Have you reviewed Duke's Objection to the NOI?**

10 **A.** Yes. Duke states that it agreed to an accounting adjustment with ODSA and Commission  
11 staffs in 2012 for Percentage of Income Payment Plan ("PIPP") purposes. Duke claims  
12 that the adjustment resulted in an "accounting anomaly" that led to the USF fund under-  
13 reimbursing Duke in the amount of \$1,560,871.49.<sup>1</sup> Duke and ODSA have discussed  
14 Duke's claim for a number of years, and ODSA engaged an independent accounting firm  
15 to assess the issue in 2015. Neither ODSA nor the independent accounting firm has been  
16 able to confirm Duke's claim. Without sufficient facts to support Duke's claim, ODSA  
17 cannot accept it at this time

18 **Q. What does ODAS propose with respect to Duke's objection?**

19 **A.** The NOI phase of this proceeding provides intervenors the opportunity to contest the  
20 methodologies proposed. Inasmuch as Duke's objection goes to the accuracy of USF  
21 calculations, and not the methodologies subject to this NOI phase of the proceeding,

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<sup>1</sup> Duke Objections at 2.  
11883475v2

ODSA agrees to engage in continuing negotiations and consider this objection in the application phase of this proceeding.

**Q. Have you reviewed OPAE's Objection?**

A. Yes. In the NOI, ODSA proposes to retain the traditional two-step declining block rate design adopted in every USF proceeding since 2001. In each proceeding, the Commission has found that the rate design does not violate R.C. 4928.52(C), which requires that the USF rider rate not shift among customer classes the cost of funding low-income customer assistance programs.

OPAЕ objects to the two-tier rate design, claiming that it shifts costs from customers with usage in the second tier to customers with usage only in the first tier. OPAЕ litigated this issue in the 2015 USF proceeding and the Commission expressly found that OPAЕ's analysis failed to demonstrate any significant cost shift between customer classes as required by the statute.<sup>2</sup> OPAЕ's objection also fails to support a shift in costs among customer classes, and ODSA cannot accept it.

**Q. Have you reviewed Kroger's Objection?**

A. Whereas OPAЕ seeks to eliminate the two-step declining block rate structure, Kroger seeks to retain and expand it. Kroger objects that the second tier is not available to mercantile customers, as defined in R.C. 4928.01(A)(19).

Although Kroger raised this same issue in the 2016 USF rider rate proceeding, Kroger has yet to present information as to how its proposal would be implemented and the number of mercantile customers affected. Nor has it presented information on how the

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<sup>2</sup> See *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*, Case No. 15-1046-EL-USF, Opinion and Order (October 28, 2015), at 23.

1           proposal would affect Ohio's electric distribution utilities, other ratepayers, and ODSA's  
2           administration of the PIPP program. Considering the lack of information available in  
3           Kroger's proposal, ODSA is not in a position to accept it.

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

5   A.   Yes.   However, I reserve the right to supplement my testimony, and to file additional  
6       reply testimony per the Attorney Examiner's procedural entry of June 7, 2017.

## CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing *Testimony of Megan Meadows* has been served upon the following parties by first class mail, postage prepaid, and/or electronic mail this 24<sup>th</sup> day of July 2017.

  
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Summary: Testimony of Megan Meadows electronically filed by Dane Stinson on behalf of Ohio Development Services Agency