

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of Vectren)	
Energy Delivery of Ohio, Inc. for Approval)	Case No. 20-640-GA-RDR
of an Adjustment to its Energy Efficiency)	
Funding Rider Rate.)	

**COMMENTS
BY
THE OFFICE OF THE OHIO CONSUMERS' COUNSEL**

In considering Vectren's proposal to set its energy efficiency program charges to customers for 2020, the PUCO should amend Vectren's proposed energy efficiency programs to address the coronavirus pandemic and its terrible impact on Ohioans. As a result of lost wages, unemployment, and other financial hardships resulting from the coronavirus, customers need assistance now. This is especially so where 32% of Dayton residents suffer from poverty, and 17% of Montgomery County residents face food insecurity.

The best way to help Ohio utility consumers now is through bill payment assistance, not energy efficiency programs. And consumers need help now. Energy efficiency programs typically deliver benefits to consumers over a period of years (sometimes as many as 20-25 years). Moreover, the payback of energy efficiency for gas consumers is diminished due to the competitive gas market producing historically low gas prices for Ohioans in recent years. Further, Vectren's weatherization programs have been put on hold by the PUCO's emergency order to adhere to social distancing guidelines.¹

Given the new pressing financial concerns of many customers related to the health emergency, the PUCO should deny Vectren's application to charge its customers nearly \$6

¹ Case No. 20-591-AU-UNC, Entry (Mar. 20, 2020).

million for natural gas energy efficiency programs in 2020. Instead, money for Vectren's weatherization programs should be repurposed and used for bill payment assistance. And the proposed budgets for Vectren's programs other than weatherization should be reduced to reflect the suspension or reduction of many of these programs that the PUCO has already ordered during the coronavirus pandemic.

I. RECOMMENDATIONS

A. To protect consumers, the PUCO should require Vectren to repurpose the remainder of 2020 weatherization and multi-family direct install program funding and instead use it for bill payment assistance.

Natural gas energy efficiency can help customers save money in the long run. But many customers need relief now, not later. The best way to get those customers relief now is not through energy efficiency, but through bill payment assistance for those in need.

Under the PUCO's recent emergency order, utilities are not allowed to continue "in-home energy efficiency audits" and "weatherization programs" at this time.² This includes suspension of Vectren's low-income weatherization program and multifamily direct install program, both of which require interaction with customers inside their homes. Despite these programs being suspended for the duration of the state of emergency, customers continue to pay for these programs through Vectren's energy efficiency rider.³ That doesn't make sense; instead, this money should be put to better use.

Any such funds should be used to provide bill payment assistance to low-income and lower-income consumers throughout Vectren's service area. One group of particularly vulnerable customers would be the working poor who earn between 175% and 300% of the

² *Id.* ¶ 10.

federal poverty guidelines. These Ohioans are not generally eligible for bill payment assistance through the low-income home energy assistance program (HEAP), which has a 175% cutoff. But their utility bills are typically a higher percentage of their total income compared to other customers, thus making their energy burden substantial, especially during times of economic downturn. Vectren's energy efficiency funds would help fill the gap for this group of vulnerable customers.

B. Vectren's projected program costs for 2020 are unreasonable, which would result in unreasonably high rates to customers.

Vectren proposes that residential customers pay \$0.01630 per Ccf for its energy efficiency programs in 2020 (\$1.63 per month for a typical customer using 100 Ccf per month).⁴ This rate includes \$3.6 million in projected costs for non-low-income programs and \$2.3 million in projected costs for low-income programs for 2020.⁵ The PUCO Staff recommended that the PUCO approve these charges. But the PUCO Staff's analysis was limited to verifying the accuracy of calculations—it did not include a review to “evaluate prudence or appropriateness for recovery.”⁶ Vectren's proposed charges are not appropriate because its projections are unreasonably high based on a review of the current status of the programs and reasonable estimates of future spending. They should be lowered to reduce the rates that customers pay.

As discussed above, several of Vectren's programs are currently suspended or reduced. The low-income weatherization program and multi-family direct install program have been

³ See Case No. 19-779-GA-RDR, Finding & Order (June 19, 2019) (noting that the current rider collects projected costs for the programs, meaning that Vectren collects costs as it incurs them, as opposed to spending the money and then recovering it from customers in the future).

⁴ Application, Ex. A.

⁵ Application, Ex. A.

⁶ Staff Review & Recommendation (May 29, 2020).

suspended.⁷ Vectren’s non-low-income home insulation program is largely shut down as well.⁸ And based on the PUCO’s most recent ruling in Vectren’s emergency case (Case No. 20-649-GA-UNC), it appears that these programs will continue to be suspended for another two months or more. This is because the PUCO ruled that before Vectren can restart such programs, it must work with the PUCO Staff to develop a “comprehensive plan” and then file the plan at least 45 days before programs resume.⁹ The programs were suspended on March 20, so at best, they will have been suspended for five months or more by the time they resume.

Despite programs being suspended for five months or more, Vectren’s Application does not project reduced spending for any of these programs. In fact, Vectren is proposing to *increase* the amount spent as compared to 2019. In 2019, Vectren spent \$1,997,930 on low-income weatherization while running the program for the full 12 months.¹⁰ For 2020, Vectren projects an increase to \$2,263,800.¹¹ Vectren likewise proposes higher costs for non-low-income programs, increasing from \$3,319,541 in 2019 to \$3,614,765 in 2020.¹²

At a minimum, the projected cost for Vectren’s programs should reflect the suspension of programs for five months.¹³ Further, even if weatherization is allowed to resume, it is reasonable to expect that there may be lower demand for weatherization as Ohioans might be wary about the prospect of crews working inside their homes during the coronavirus pandemic (regardless of safety precautions). Vectren’s projected budget of \$2,263,800 for weatherization is therefore not

⁷ Vectren Response to OCC-INT-01-004.

⁸ Vectren Response to OCC-INT-01-004 (onsite quality control suspended and “most crews have shut down”).

⁹ Case No. 20-649-GA-UNC, Finding & Order ¶¶ 19, 22, 44 (June 3, 2020).

¹⁰ Application, Ex. A.

¹¹ Application, Ex. A.

¹² Application, Ex. A.

supported by the evidence and is unreasonable. Vectren's proposed budgets for the residential home insulation program (\$976,365) and multi-family direct install program (\$47,585) are likewise unreasonable because they do not reflect the suspension or reduction of these programs.¹⁴ Vectren's proposed budget for its schools program (\$280,783) is also unreasonable both because schools have been closed for months and because DP&L, which runs the program, will not continue the program in the fall.¹⁵

II. CONCLUSION

The PUCO should not approve Vectren's application to charge customers nearly \$6 million for natural gas energy efficiency in 2020. Several programs have been suspended and should remain suspended, and their funds should be repurposed for bill payment assistance. Bill payment assistance will do the most good for the most customers served by Vectren. And Vectren's other energy efficiency program budgets should be reduced to reflect suspension or reduction of programs during the coronavirus pandemic.

¹³ If the PUCO adopts OCC's recommendation above that these costs be repurposed and used for bill payment assistance, then the budget should be eliminated, other than, perhaps, minimal costs for essential health and safety measures.

¹⁴ Vectren Response to OCC INT-01-003.

¹⁵ Vectren Response to OCC INT-01-003, Vectren Response to OCC INT-01-004.

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CERTIFICATE OF SERVICE

I hereby certify that a copy of these Comments was served on the persons stated below
via electronic transmission, this 12th day of June 2020.

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The PUCO's e-filing system will electronically serve notice of the filing of this document on the
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March 2020 Scorecard - Vectren Ohio



	Measures Implemented				Gross CCF Savings				Program Expenditures			
	Current Month (March)	YTD	Planning Goal	% to Goal	Current Month (March)	YTD	Planning Goal	% to Goal	Current Month (March)	YTD	Planning Goal	% to Goal
Residential Programs												
Residential Prescriptive Program												
Boiler 95%	1	6	33	18%	90	620	6,433	10%				
Furnace 95%	116	416	1,800	23%	15,428	55,328	239,367	23%				
Furnace 97%	51	143	600	24%	7,713	21,627	90,731	24%				
Wi-Fi (Basic) Thermostat	52	128	1,041	12%	2,995	7,372	59,932	12%				
Wi-Fi (Smart) Thermostat	76	252	3,762	17%	4,377	14,513	253,461	16%				
Wi-Fi (Smart) Thermostat Online Store *	132	374			8,894	25,200						
Residential Prescriptive Subtotal	428	1,319	7,236	18%	39,497	124,659	649,924	19%	\$ 216,515	\$ 451,560	\$ 1,091,167	41%
DP&L Multifamily Direct Install *	0	1,267	4,375	29%	0	10,584	29,238	36%	\$ 1,164	\$ 3,485	\$ 47,585	7%
Bath Aerator	0	283	2,244	13%	0	775	6,145	13%				
Kitchen Aerator	0	475	590	81%	0	3,696	4,585	81%				
Showerhead	0	509	1,541	33%	0	6,113	18,508	33%				
Residential Behavioral *	0	34,000	34,000	100%	24,310	97,239	243,100	40%	\$ 935	\$ 92,251	\$ 101,652	91%
Residential Home Insulation												
Wall Insulation	11	46	263	17%	2,543	10,634	60,702	18%				
Attic Insulation	26	94	555	17%	3,096	11,611	71,562	16%				
Air Sealing	26	96	578	17%	2,644	9,763	58,748	17%				
Residential Home Insulation	63	236	1,395	17%	8,283	32,008	191,012	17%	\$ 51,763	\$ 184,908	\$ 976,365	19%
DP&L EE Kits *	1,308	8,019	15,000	53%	9,836	60,303	112,800	53%	\$ 67,751	\$ 59,857	\$ 137,182	44%
Schools *	0	0	9,000	0%	0	0	84,141	0%	\$ 15,834	\$ 36,105	\$ 280,783	13%
Total Residential	1,799	44,841	71,005	63%	81,926	324,793	1,310,215	25%	\$ 353,963	\$ 828,166	\$ 2,634,735	31%
Commercial Programs												
Commercial Prescriptive Program												
Boiler - Commercial Prescriptive	5	6	25	24%	8,706	8,994	22,303	40%				
Boiler Tune-Up	1	1	8	13%	3,139	3,139	1,320	238%				
Combi Oven	0	0	8	0%	0	0	5,288	0%				
Convection Oven	0	0	3	0%	0	0	789	0%				
Dishwasher	0	0	4	0%	0	0	2,228	0%				
Furnace 95%	0	4	62	6%	0	727	8,763	8%				
Gas Fryer	0	0	2	0%	0	0	1,010	0%				
Infrared Heater	0	0	4	0%	0	0	1,264	0%				
Steam Cooker	0	0	3	0%	0	0	444	0%				

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	Measures Implemented				Gross CCF Savings				Program Expenditures			
	Current Month (March)	YTD	Planning Goal	% to Goal	Current Month (March)	YTD	Planning Goal	% to Goal	Current Month (March)	YTD	Planning Goal	% to Goal
Unit Heater - Condensing <300 MBH	0	0	1	0%	0	0	266	0%				
Wi-Fi (Smart) Thermostat	0	2	16	13%	0	506	3,922	13%				
Wi-Fi (Smart) Thermostat Online Store	0	0			0	0						
Commercial Prescriptive Subtotal	6	13	136	10%	11,845	13,366	47,597	28%	\$ 35,282	\$ 63,670	\$ 188,424	34%
Commercial Custom *												
< 7500 Therms	0	0	5	0%	0	0	17,500	0%				
>=7500 Therms	0	0	2	0%	0	0	22,000	0%				
Total Commercial Custom	0	0	7	0%	0	0	39,500	0%	\$ 5,604	\$ 29,204	\$ 131,125	22%
Total Commercial	6	13	143	9%	11,845	13,366	87,097	15%	\$ 40,885	\$ 92,874	\$ 319,549	29%
Total Residential & Commercial	1,805	44,854	71,148	63%	93,771	338,160	1,397,312	24%	\$ 394,848	\$ 921,040	\$ 2,954,284	31%
Program Outreach and Education									\$ 6,033	\$ (15,947)	\$ 350,000	-5%
Online Tool Licensing Fees									\$ -	\$ 82,246	\$ 82,246	100%
Contact Center									\$ -	\$ -	\$ 35,000	0%
Evaluation									\$ -	\$ -	\$ 193,234	0%
Portfolio Total	1,805	44,854	71,148	63%	93,771	338,160	1,397,312	24%	\$ 400,881	\$ 987,339	\$ 3,614,764	27%

* Denotes Integrated DP&L Programs

	Homes Weatherized				Gross CCF Savings				Program Expenditures			
	Current Month (March)	YTD	Planning Goal	% to Goal	Current Month (March)	YTD	Planning Goal	% to Goal	Current Month (March)	YTD	Planning Goal	% to Goal
VWP I	9	19	201	9%	1,827	3,857	40,803	9%	\$ 72,369	\$ 141,595	\$ 1,223,425	12%
VWP II	2	4	133	3%	432	864	28,728	3%	\$ (5,949)	\$ 28,857	\$ 1,040,375	3%
Total	11	23	334	7%	2,259	4,721	69,531	7%	\$ 66,419	\$ 170,452	\$ 2,263,800	8%

State	Program	Vendor/Partner	Program Description	Recommendation	Response to COVID
OH	Energy Efficient Schools	Ohio Energy Project	The program is offered to 5th-12th grade students who attend school within in the VEDO service territory. The goal of the program is to influence and educate students about conservation, the efficient use of natural gas, and to show their families how to be smart energy consumers. Families become involved as students are given energy efficient kits to take-home and the assignment to improve energy use in their own homes.	Modify	2019-2020 School program has continued via remote learning where possible. DP&L will not be participating in the 2020-2021 School program and we are discussing options with OEP on how to maximize cost effectiveness gas savings.
OH	Residential Prescriptive Rebates	CLEAResult	The Residential Prescriptive Rebate Program is designed to influence customer purchasing decisions when replacing existing or installing new equipment. Financial incentives (online or mail-in rebates) are designed to encourage customers to purchase high efficiency products that would have otherwise purchased standard efficiency products in the absence of the program.	Modify	Onsite quality control inspections have been suspended.
OH	All Commercial Programs	Heapy	The Commercial Custom Program offers business customers incentives for qualifying energy efficiency upgrades not covered under the Commercial prescriptive rebate program. This program encourages the purchase and installation of efficient technologies or implementation of process improvements.	Modify	Onsite quality control inspections have been suspended.
OH	Residential Home Insulation	CLEAResult + subcontractors	The Home Insulation and Air Sealing is a trade ally driven market approach to comprehensive energy efficiency projects. The objective of the program is to deliver air sealing and insulation upgrades to serve single family homes in VEDO's territory through a network of participating contractors.	Modify	Onsite quality control has been suspended. This is a prescriptive rebate program and the weatherization contractors do not work for directly for VEDO. Most crews have shut down but a few rebates have been paid.
OH	Multifamily Direct Install (DP&L)	DP&L	VEDO is engaging in a partnership with Dayton Power & Light (DP&L) to purchase natural gas savings from DP&L's multifamily Direct Install Program. This program is designed to produce immediate electric and gas energy savings in multifamily buildings through the direct installation of energy-saving measures.	Suspend	DPL has suspended this program.
OH	Vectren Weatherization Program (VWP) I & II	Miami Valley CAP	Vectren Weatherization Program (VWP) is a low income weatherization program that assists VEDO customers to make energy efficient improvements to their homes. The program is administered by The Community Action Partnership of the Greater Dayton Area (Dayton CAP) and improvements are provided at no cost to the customer. Dayton CAP subcontracts with three smaller CAP agencies in order to deliver services to all of VEDO's service territory. The Ohio Home Weatherization program is divided into two sections based on income eligibility requirements. Program Description: The program focuses on shell measures such as insulation and air sealing, but also includes replacement of non-functioning natural gas furnaces and water heaters, and minor repairs intended to increase the health and safety of the occupants of the home.	Suspend	As of 3/13/2020 Miami Valley Cap insulation crews are no longer going into the field or insulating homes. Health and Safety measures (furnaces and hot water heaters) are still being completed by contractor crews.

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Summary: Comments Comments by The Office of The Ohio Consumers' Counsel
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