

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of)	
Vectren Energy Delivery of Ohio, Inc. for)	
Approval to Continue Demand Side)	Case No. 19-2084-GA-UNC
Management for its Residential,)	
Commercial, and Industrial Customers)	

**DIRECT TESTIMONY OF
DAVID C. RINEBOLT
ON BEHALF OF OHIO PARTNERS FOR AFFORDABLE ENERGY**

July 21, 2020

1 Q. PLEASE STATE YOUR NAME, TITLE, AND BUSINESS ADDRESS.

2 A. My name is David C. Rinebolt. My business address is PO Box 1793, Findlay,
3 Ohio 45839-1793. I am Executive Director of Ohio Partners for Affordable
4 Energy ("OPAE") and I am appearing in this case as a witness on its behalf.

5
6 Q. PLEASE DESCRIBE YOUR BACKGROUND AND QUALIFICATIONS FOR
7 YOUR TESTIMONY IN THIS PROCEEDING.

8 A. My career has covered a broad spectrum of activities in human services
9 programs and the energy industry. I served as Deputy Director of the State of
10 Minnesota Washington Office from 1983 through 1985, focusing on human
11 services, energy and environmental issues, including issues relating to the Low
12 Income Home Energy Assistance Program ("LIHEAP" or in Ohio "HEAP") and the
13 Weatherization Assistance Program ("WAP" or in Ohio "HWAP"). Between 1985
14 and 1988 I served as Senior Research Associate for Energy with the Coalition of
15 Northeastern Governors Policy Research Center, focusing on low income energy
16 assistance programs, including LIHEAP and WAP, new energy technologies, and
17 wholesale markets and regulation. I also served as Legislative Director for
18 Representative Collin Peterson of Minnesota from 1991 through 1993, and was
19 Director of Programs for the National Association of State Energy Officials from
20 1994 through 1996. In the latter position I worked on issues associated with
21 state management of WAP, and the design and delivery of DSM programs.

22

1 I became executive director of Ohio Partners for Affordable Energy (OPAE) in
2 1996. In this capacity I was actively involved in the development and passage of
3 legislation regulating electric and natural gas utilities, which required knowledge
4 of wholesale markets, regional transmission organizations (RTOs), renewable
5 energy technologies, energy efficiency, and consumer protection issues. I
6 worked closely with what is now the Ohio Development Services Agency
7 (“ODSA”) on issues related to HEAP, HWAP, the Percentage Income Payment
8 Plan (“PIPP”), and fuel funds. I continue to serve on the HWAP Policy Advisory
9 Council and was recently reappointed by Governor DeWine to the Public Benefits
10 Advisory Board. My organization has also overseen training on the HEAP, PIPP,
11 and fuel funds, and a separate annual training focused on HWAP and utility
12 weatherization programs.

13
14 After leaving OPAE at the end of June 2016, I served as the Program Manager
15 for the Weatherization Assistance Program at the U.S. Department of Energy
16 (“DOE”) before rejoining OPAE in June 2018. During my service at DOE, I was
17 responsible for the development of new health and safety guidance for states
18 and delivery agencies; and, worked with the U.S. Department of Health and
19 Human Services, Office of Community Services, to better coordinate LIHEAP
20 and WAP services.

21
22 I currently serve on the Board of the National Energy Utility Assistance Coalition
23 (“NEUAC”), the national organization made up of utilities and nonprofit

1 organizations providing bill payment assistance to low-income households.
2 NEUAC serves as an advocacy and training organization, pushing for additional
3 funding for LIHEAP and overseeing an annual national conference training
4 agencies and utilities in best practices for providing bill payment assistance,
5 financing fuel funds, and energy education. I have also been a speaker at the
6 National Association of Regulatory Utility Commissioners ("NARUC"), the
7 Midwest Association of Regulatory Commissioners, and the National Association
8 of State Utility Consumer Advocates. In many of these speaking engagements
9 my presentations focused on low-income assistance programs and consumer
10 protection issues.

11
12 I have a Bachelor of Liberal Studies from Bowling Green State University and a
13 Juris Doctor degree from the Columbus School of Law at The Catholic University
14 of America (1981). My professional career has focused on policy and consumer
15 advocacy; the development, funding, and operation of demand side management
16 (DSM) programs – particularly low-income energy assistance programs;
17 renewable energy development programs; and, utility regulation including rate
18 design, cost of service, forecasting, and related issues.

19
20 Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE OHIO PUBLIC UTILITIES
21 COMMISSION ("PUCO" OR "COMMISSION")?

22 A. Yes. I have testified on behalf Ohio Partners for Affordable Energy in litigation
23 involving Duke Energy Ohio, Case No. 11-3549-EL-SSO; The Dayton Power and

1 Light Company, Case Nos. 12-426-EL-SSO, et.al.; Duke Energy Ohio, Case No.
2 13-753-EL-RDR; Case No. 14-1297-EL-SSO which involved FirstEnergy
3 distribution companies; Case No. 15-1046-EL-USF, a proceeding to set the
4 Universal Service Fund Rider; Case No.18-298-GA-AIR, et al., Vectren Energy
5 Delivery Ohio's rate case; Case Nos. 18-1205-GA-AIR, et al., Suburban Natural
6 Gas; Case No. 18-501-EL-FOR, et.al., AEP Ohio's forecasting case involving
7 renewable energy purchase agreements; and, Case No. 18-1840-GA-EXM, a
8 recent case involving Dominion East Ohio, which eliminated Market Variable
9 Rates and made the Standard Choice Offer the default service for residential and
10 small business customers. I most recently testified in Case No. 19-1940-GA-
11 RDR, Columbia Gas of Ohio's DSM Rider proceeding.

12
13 Q. PLEASE DESCRIBE THE PURPOSE OF YOUR TESTIMONY.

14 A. The purpose of my testimony is to demonstrate that the stipulation filed in this
15 docket meets the Commissions three-part test for stipulations.

16
17 Q. WOULD YOU PLEASE DESCRIBE THE PROVISIONS OF THE THREE-PART
18 TEST.

19 A. The standard of review for considering the reasonableness of a stipulation has
20 been discussed in a number of prior Commission proceedings. See, e.g., *In re*
21 *Cincinnati Gas & Elec. Co.*, Case No. 91-410-EL-AIR, Order on Remand (Apr. 14,
22 1994); *In re Western Reserve Telephone Co.*, Case No. 93-230-TP-ALT, Opinion
23 and Order (Mar. 30, 1994); *In re Ohio Edison Co.*, Case No. 91-698-EL-FOR, et

1 al., Opinion and Order (Dec. 30, 1993); *In re Cleveland Elec. Illum. Co.*, Case No.
2 88-170-EL-AIR, Opinion and Order (Jan. 31, 1989); *In re Restatement of*
3 *Accounts and Records*, Case No. 84-1187-EL-UNC, Opinion and Order (Nov. 26,
4 1985). Three criteria are considered by the Commission when determining the
5 reasonableness of a stipulation: 1) is the stipulation is a product of serious
6 bargaining among capable, knowledgeable parties, 2) does the Stipulation, as a
7 whole, benefits customers and the public interest; and 3) does the Stipulation
8 violate any important regulatory principle or practice.
9

10 Q. IS THE STIPULATION A PRODUCT OF SERIOUS BARGAINING AMONG
11 CAPABLE, KNOWLEDGEABLE PARTIES?

12 A. It is. The parties are all represented by experienced counsel. Representatives of
13 the utility, Staff, and all other parties were involved in a series of settlement
14 discussions which provided all parties an opportunity for involvement and all
15 parties positions were considered during the negotiations.
16

17 Q. DOES THE STIPULATION, AS A WHOLE, BENEFITS CUSTOMERS AND THE
18 PUBLIC INTEREST?
19

20 A. Yes, it does. The stipulation represents a compromise among the parties.
21 Vectren agreed to forego its proposal to collect shared savings in the stipulation
22 and terminate the Multifamily Direct Install Program, which reduces the cost of
23 the Demand Side Management ("DSM") program and. The balance of the DSM

1 portfolio remains cost-effective collection of programs that provides services to all
2 customers classes, and directly benefits all customers. Moreover, the cumulative
3 impacts of the Vectren programs since they were initiated in 2005 have allowed a
4 significant number of customers to benefit from the DSM programs. While those
5 numbers are difficult to calculate, the consistent availability of the programs
6 allows customers to access the opportunities when they need them.

7
8 It has also resulted in educating a large number of trade allies, providing
9 education in the selling and delivery of quality efficiency products and services. I
10 know from experience that the quality control that is a major part of utility DSM
11 program results in better services to customers, whether or not they participate
12 directly in the programs. The skill sets acquired by the vendors to meet program
13 requirements help ensure high quality services are available to all customers.

14
15 State policy supports demand side management (“DSM”) programs. R.C.
16 4929.02 codifies the policy of the State regarding the regulation of natural gas.
17 R.C. 4929.02(A)(4) requires the encouragement of “innovation and market
18 access for cost-effective supply- and demand-side natural gas services and
19 goods”. R.C. 4929.02(A)(12) requires the Public Utilities Commission of Ohio
20 (“PUCO”) to “[p]romote an alignment of natural gas company interests with
21 consumer interest in energy efficiency and energy conservation.” Further,
22 Subsection (A)(10) requires the PUCO to “[f]acilitate the state’s competitiveness
23 in the global economy.” Energy efficiency is a key component of

1 competitiveness, reducing the cost to business of producing goods and delivering
2 services, producing a market for new technologies, and reducing the
3 environmental impacts of energy use.

4
5 The general powers of the PUCO, as detailed in R.C. Chapter 4905, also make
6 clear that energy efficiency is a distribution utility function and utility programs are
7 required. R.C. 4905.70 directs that “[t]he public utilities commission shall initiate
8 programs that will promote and encourage conservation of energy and a
9 reduction in the growth rate of energy consumption, promote economic
10 efficiencies, and take into account long-run incremental costs.” In the case of
11 natural gas, the long-run incremental costs are now the price of gas itself. In
12 Ohio’s competitive natural gas marketplace, prices are no longer regulated.
13 Customers are exposed to the market. While market prices may be low today,
14 those familiar with natural gas know that volatility is a fact of life, as in any
15 commodity market.

16
17 Efficiency is a hedge against volatility. In a market where prices are not
18 regulated, it is the duty of the local distribution utility to help its customers hedge
19 against high prices and price volatility. It makes sense to invest in efficiency
20 when natural gas prices are relatively low because the impact on customer bills
21 is minimized. Further, investments in Vectren’s DSM benefit those receiving
22 utility service from Vectren. As noted in rebuttal testimony filed by Wilson
23 Gonzalez on behalf of the Office of the Ohio Consumers’ Counsel (“OCC”) on

1 April 19, 2006 in Case No. 05-1444-GA-UNC, the first Vectren DSM Portfolio
2 case, there are numerous benefits from DSM programs including:

- 3 1) The potential for lower future natural gas costs due to dampened natural gas
4 demand.
- 5 2) Dollar savings due to reduction in cost of natural gas used in electric
6 generation.
- 7 3) Provides a hedge value for all customers.
- 8 4) Transformed market for energy services (more and better quality choices,
9 better pricing, better financing opportunities, better technologies).
- 10 5) Economic development benefits.
- 11 6) Increase taxes collected by Local and State entities from energy efficiency
12 programs should help communities with existing budget deficits.
- 13 7) Environmental benefits.
- 14 8) Utility planning flexibility.

15
16 OCC has proposed replacing low-income DSM programs with bill payment
17 assistance programs. In addition, OCC has noted that the programs requiring in-
18 person contacts have been unable to deliver services because of Governor
19 DeWine's COVID-19 emergency order to bill payment assistance.

20
21 The situation has changed. Based on an Order issued by the Department of
22 Health on May 5, 2020, the construction industry has reopened. Vectren is
23 following this guidance and reopened in-person programs on July 1, 2020. The

1 vendors, including OPAE members, are following guidelines issued by the Center
2 for Disease Control and the Department of Health. The low-income programs
3 are also following best practices developed through the State's weatherization
4 network. Ohio's best practices are being used in other states to ensure the
5 safety of clients and our crews.

6
7 OCC has made clear its desire to eliminate or downsize natural gas DSM
8 programs since 2016. Now, it is cynically using the COVID-19 pandemic as a
9 smoke screen to pursue its long-term vision of eliminating DSM. An OCC
10 spokesperson recently provided an email response to a reporter which indicated
11 OCC would oppose DSM programs "even under the usual circumstances."¹ The
12 Commission has repeatedly addressed the arguments raised by OCC in
13 opposing DSM and rejected those arguments, recognizing the benefits of DSM
14 and authorized the recovery of shared savings consistent with ORC 4905.70 and
15 4929.02(A)(12). The COVID-19 pandemic has not changed anything about the
16 programs. OCC's decision to ignore the benefits to customers does not mean
17 those benefits do not exist. Vectren's portfolio of programs remains cost-
18 effective, continue to address market failures, and provides long-term financial,
19 health, and safety benefits to its customers.

20

¹ <https://energynews.us/2020/04/15/midwest/ohio-gas-rate-cases-threaten-efficiency-programs-for-low-income-families/>

1 Q. IS THERE A NEED FOR RATE REDUCTIONS OR ADDITIONAL BILL
2 PAYMENT ASSISTANCE AS A RESULT OF THE COVID-19 PANDEMIC?

3
4 The State of Ohio's response to the COVID-19 pandemic have definitely affected
5 the ability of many customers to pay their utility bills. Employment has declined
6 at companies that continue to provide products and services, and some
7 businesses have closed completely. Benefits from an expanded unemployment
8 assistance program are available to eligible workers, and funds from the
9 Payment Protection Programs have reached many small businesses so
10 employees can be retained or rehired.

11
12 In my experience, moratoria always result in reduced payment compliance,
13 leaving customers indebted to the utility for services rendered. When the
14 emergency is lifted and the disconnection moratoria end, it will be necessary to
15 work with customers using a combination of benefits and repayment plans to get
16 them out of debt. This is a complex issue that will require well-designed policies
17 to maximize benefits at the minimum cost through a balanced approach.

18
19 Q. DOES THE OCC PROPOSAL TO USE LOW-INCOME WEATHERIZATION
20 FUNDS FOR BILL PAYMENT ASSISTANCE APPROPRIATELY ADDRESS THE
21 NEEDS OF CUSTOMERS?

1 A. It is difficult to understand what OCC has actually proposed, both because the
2 position taken in its initial comments appears to have changed, and because of
3 the lack of detail regarding the bill payment assistance program it proposes.
4

5 There are three basic elements of a bill payment assistance program. The first is
6 eligibility. What is the income limit for eligibility? Vectren's low-income programs
7 are available to households with incomes below 30% of the Federal Poverty Line
8 ("FPL"), as is the Percentage Income Payment Plan Plus ("PIPP"). Ohio's Home
9 Energy Assistance Program (HEAP) uses 60% of the state median income as
10 required by statute, which is 175% FPL in Ohio. Other utility weatherization
11 programs, including the Home Weatherization Assistance Program, use 200%
12 FPL. OCC offers no suggestion regarding eligibility.
13

14 A second component is the benefit level. Again, OCC provides no guidance on
15 what it views as appropriate. Should it be a flat amount of money; geared to the
16 debt accumulated by the client; and/or, adjusted by income or other factors such
17 as age or disability? The more flexibility, the more the benefits can be structured
18 to meet each client's situation, but the trade-off is the cost of the personnel
19 necessary to deliver individualized assistance. A flat benefit can be done
20 relatively simply but that approach fails to target customers in the most need.
21 OCC offers no opinion on the tradeoffs that must be made when structuring
22 benefits and, more importantly, no recommendations.
23

1 A third issue is how the program will be delivered. OPAE member agencies have
2 been operating bill payment assistance programs of all types since the mid-
3 1970's, and are a key component of current programs providing customers with
4 benefits from HEAP, PIPP, HWAP, utility weatherization, and various fuel funds.
5 Different computer systems for obligating and tracking benefits are used.
6 Applications are being taken by phone, via paper applications, and online. Many
7 Salvation Army locations, and other community nonprofits and churches provide
8 supplemental assistance, and our local agencies refer clients or work with those
9 agencies to coordinate funds to keep customers connected.

10
11 OCC's comments are devoid of any discussion of the management or delivery
12 mechanisms for its bill payment assistance, nor does OCC acknowledge the
13 need for administrative funding and salaries and benefits for the frontline workers
14 who guide customers in obtaining benefits. OCC also fails to offer any views on
15 how best to coordinate additional bill payment assistance with other funding
16 sources and payment programs. Simply throwing money at a problem will not
17 put customers on individualized paths to emerge from this emergency situation
18 with no debt. Careful planning that coordinates available payment assistance,
19 rate options, arrearage management, and repayment plans can get most
20 customers current with their utility at the lowest possible cost. OCC's proposal
21 fails to recognize the multiple options and policy tools available to efficiently and
22 effectively transition customers back to normal. Instead, OCC is silent regarding
23 these fundamental considerations.

1 Q. WHAT RESOURCES ARE CURRENTLY AVAILABLE IN OHIO TO ASSIST
2 FAMILIES IN PAYING UTILITY BILLS?

3 A. Ohio receives funding from the U.S. Department of Health and Human Services
4 under the Low Income Home Energy Assistance Program ("LIHEAP" or "HEAP"
5 in Ohio). Fiscal Year 2020 regular appropriations provided Ohio with an initial
6 release on November 1, 2019, of \$139,146,565. A second release occurred on
7 February 27, 2020, providing an additional \$15,643,470. The most recent
8 release was April 3, 2020, adding \$1,804,842, for a total of \$156,594,877. This
9 money has been used for the Winter Crisis Program and the regular HEAP
10 benefit. The additional funds are being distribution through the expanded
11 Summer Crisis Program which opened July 1, 2020. The State is extending the
12 program's timeframe through September 30, 2020. Benefit caps were set at
13 \$500.00 for customers of regulated utilities and \$800.00 for customers of
14 unregulated utilities. This, coupled with the Commission's Orders which require
15 arrears of PIPP customers incurred during the emergency to be rolled into
16 arrears reduces the amount of funds a qualifying customer requires to remain on
17 the Program.

18
19 Q. HAS CONGRESS PROVIDED ADDITIONAL FUNDING FOR LIHEAP IN THE
20 COVID-19 SUPPLEMENTAL APPROPRIATIONS?

21 A. In the Third Supplemental COVID-19 Appropriations Bill, Congress provided an
22 additional \$900 million for LIHEAP. Ohio received 4.2% of the regular
23 distribution, an additional \$37.7 million in funding. The bill made no changes in

1 eligibility criteria. However, LIHEAP is a block grant and the State of Ohio has
2 considerable latitude in how benefits are structured.

3
4 Work has also begun on legislation to provide additional supplemental funding.
5 The National Energy Assistance Directors Association (“NEADA”) has called on
6 Congress to provide an additional \$4.304 billion for LIHEAP. According to the
7 NEADA – of which the State of Ohio is a member -- \$4.304 billion would provide
8 funding necessary to provide benefits to 5.6 million newly laid-off workers; 2.8
9 million seniors sheltering in place; and, supplemental benefits to 2.8 million
10 current LIHEAP customers. The House of Representatives included \$1.5 billion
11 in additional LIHEAP funding in the HEROES Act, which has not yet been taken
12 up by the Senate. While there is no guarantee that additional funding will be
13 provided at that either of those levels, it is certain that additional funding will be
14 made available, and will add to existing resources currently available to address
15 the fallout from the pandemic.

16
17 Q. ARE OTHER OPTIONS AVAILABLE FOR CUSTOMERS WITH ARREARAGES?

18 A. Yes. Ohio utilities must offer several standard payment plans, and are
19 authorized to create custom plans based on a customer’s ability to repay.
20 Greater flexibility in repayment plans can ensure that customers, when once
21 again employed, are able to work themselves out of debt. Those who do not
22 immediately return to employment have access to PIPP, which establishes an
23 affordable rate based on the percentage of income. So long as payments are

1 made on time, arrearages are forgiven, allowing customers to eliminate debts by
2 making timely payments.

3
4 I believe that Ohio already has policies in place that can help customers move
5 beyond this emergency. Many people will continue to pay their bills as they
6 always have. Those who were struggling before the pandemic will continue to
7 struggle, but are familiar with the system and will be served. Most of our clients
8 have someone in the family working. Many low-income individuals work in
9 essential businesses such as grocery stores, carryouts, and gas stations, though
10 they do not earn a living wage. But those who work in restaurants and retail are
11 out of work, as are many others in this economy as demonstrated by recent
12 applications for unemployment benefits. Existing resources are available to
13 serve those customers, and additional resources are anticipated.

14 OPAE member agencies are beginning to serve the newly unemployed, and are
15 starting outreach efforts to ensure families that have never asked for assistance
16 can be connected with available resources. Fuel funds, like the Heat Share
17 program administered by the Salvation Army are available for those who have
18 already tapped federal benefits. And one month after the closure of the Summer
19 Crisis Program, the Winter Crisis Program will reopen, making additional funding
20 available to those in need.

21
22 Ohio's existing programs can be readily adapted to meet the needs of the various
23 types of clients we are anticipating. Those who have been laid off from a decent

1 job but are able to return to work quickly, having missed only a payment or two
2 should be able to catch up on the bills without much difficulty. An appropriate
3 payment plan should resolve the situation. Families of more modest incomes
4 that are no longer working are feeling the financial pain now. These are the
5 families beginning to contact our member agencies. Given the lack of income
6 during the past month, these families will qualify for existing benefits, including
7 PIPP. In addition, Ohio excludes unemployment compensation from income, so
8 even those receiving those payments can qualify if they have a need.

9
10 When these customers are re-employed, the household is required to recertify
11 income, which will increase the PIPP payment proportionally. If the customer's
12 household is no longer eligible, the client can enroll in Graduate PIPP, which
13 allows the customer to transition off PIPP with no debt remaining. Because PIPP
14 Plus is an individualized payment plan based on income, it offers the most
15 efficient mechanism for providing customers with needed assistance, and
16 minimizes or negates the need for additional fuel fund resources.

17
18 There are adequate resources at this time to meet the current and projected
19 need for bill payments assistance, and a well-oiled system to determine eligibility
20 and provide the benefits. Vectren's low-income weatherization programs
21 complement federal and privately-funded programs, and will help customers
22 affected by the pandemic. Funding for the Vectren programs should not be
23 diverted to another purpose.

1 Overall, the DSM program proposed by Vectren benefits customers and is in the
2 public interest.

3
4 Q. DOES THE STIPULATION VIOLATE ANY IMPORTANT REGULATORY
5 PRINCIPLE OR PRACTICE?

6 A. It does not. As noted previously, approval of the Vectren DSM Program is
7 consistent with policies established by the Ohio General Assembly and other
8 statutory provisions. The programs are not discriminatory; they are available to
9 all, and their continuation will allow additional customers to realize the benefits of
10 the programs. The Commission has regularly approved natural gas DSM
11 programs since 2005. There is ample precedent that these programs, and
12 approval does not violate any important regulatory principle or practice.

13
14 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

15 A. Yes.

CERTIFICATE OF SERVICE

I hereby certify that the Public Utilities Commission of Ohio's DIS system will electronically serve the Testimony of David C. Rinebolt on Behalf of Ohio Partners for Affordable Energy on all parties of record on the 21st day of July 2020.

/s/ Robert Dove

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Case No(s). 19-2084-GA-UNC

Summary: Testimony of David C. Rinebolt in Support of the Stipulation electronically filed by Mr. Robert Dove on behalf of Ohio Partners for Affordable Energy