

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the 2014 Review of the Demand Side Management and Energy Efficiency Rider of Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company.)) Case No. 13-2173-EL-RDR

In the Matter of the 2015 Review of the Demand Side Management and Energy Efficiency Rider of Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company.)) Case No. 14-1947-EL-RDR

In the Matter of the 2016 Review of the Demand Side Management and Energy Efficiency Rider of Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company.)) Case No. 15-1843-EL-RDR

In the Matter of the 2017 Review of the Demand Side Management and Energy Efficiency Rider of Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company.)) Case No. 16-2167-EL-RDR

In the Matter of the 2018 Review of the Demand Side Management and Energy Efficiency Rider of Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company.)) Case No. 17-2277-EL-RDR

In the Matter of the Determination of the Existence of Significantly Excessive Earnings for 2017 Under the Electric Security Plan of Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company.)) Case No. 18-857-EL-UNC

In the Matter of the Determination of the Existence of Significantly Excessive Earnings for 2018 Under the Electric Security Plan of Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company.)) Case No. 19-1338-EL-UNC

In the Matter of the Determination of the Existence of Significantly Excessive Earnings for 2019 Under the Electric Security Plan of Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company.)) Case No. 20-1034-EL-UNC

In the Matter of the Quadrennial Review Required by)
R.C. 4928.143(E) for the Electric Security Plan of Ohio) Case No. 20-1476-EL-UNC
Edison Company, The Cleveland Electric Illuminating)
Company, and The Toledo Edison Company.)

In the Matter of the Determination of the Existence of)
Significantly Excessive Earnings for 2020 under the) Case No. 21-0586-EL-UNC
Electric Security Plan of Ohio Edison Company, The)
Cleveland Electric Illuminating Company, and The)
Toledo Edison Company.)

In the Matter of the Application of Ohio Edison)
Company, The Cleveland Electric Illuminating) Case No. 21-1127-EL-ATA
Company, and The Toledo Edison Company for)
Approval of a Tariff Change.)

**TESTIMONY
IN SUPPORT OF THE
STIPULATION AND RECOMMENDATION
OF
TAMARA S. TURKENTON**

RATES AND ANALYSIS DEPARTMENT

STAFF EXHIBIT__

November 16, 2021

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

2 A: My name is Tamara S. Turkenton. My business address is 180 East Broad
3 Street, Columbus, Ohio 43215.

4
5 2. Q: By whom are you employed and in what capacity?

6 A: I am employed by the Public Utilities Commission of Ohio (PUCO) as
7 Director of the Rates and Analysis Department.

8
9 3. Q: Would you briefly state your educational and work experience?

10 A: I received a Bachelor of Business Administration in Finance and Business
11 Pre-Law (BBA) degree from Ohio University. I also received a Master of
12 Business Administration (MBA) degree from Capital University and a
13 Master of Tax Laws (MT) degree from Capital University Law School. I
14 am also a licensed CPA in the State of Ohio.

15
16 I have been employed by the PUCO since June 1994 and involved in the
17 Electric Fuel Component section; the Telecommunications section; the
18 Competitive Retail Electric Service section working on electric
19 deregulation, Senate Bill 3, and Senate Bill 221. Currently, I am the
20 Director of the Rates and Analysis Department working on all policy and
21 administrative aspects of the department.

22

1 4. Q: Have you testified in previous cases before the PUCO?

2 A: Yes.

3

4 5. Q: What is the purpose of your testimony?

5 A: The purpose of my testimony is to support the Stipulation and
6 Recommendation (Stipulation) filed on November 1, 2021 in the following
7 consolidated cases on behalf of Ohio Edison Company, The Cleveland
8 Electric Illuminating Company, and The Toledo Edison Company
9 (collectively, FirstEnergy Ohio or “the Companies”): Case Nos. 13-2173-
10 EL-RDR, 14-1947-EL-RDR, 15-1843-EL-RDR, 16-2167-EL-RDR, 17-
11 2277-EL-RDR, 18-0857-EL-UNC, 19-1338-EL-UNC, 20-1034-EL-UNC,
12 20-1476-EL-UNC, 21-0586-EL-UNC, and 21-1127-EL-ATA.

13

14 The Stipulation for the consolidated cases will resolve matters related to the
15 annual review of the Companies Demand Side Management and Energy
16 Efficiency Rider (Rider DSE) for the 2014 through 2018 calendar years; the
17 annual determination of the significant excessive earnings test (SEET) for
18 the 2017 through 2020 calendar years; and the electric security plan
19 quadrennial review required by R.C. 4928.143(E). The Stipulation will also
20 establish the Consumer Rate Credit Rider to implement the provisions of
21 the Stipulation, which is a tariff change not involving an increase in rates.

1 My testimony will briefly summarize the Stipulation, identify the
2 Commission's three-part criteria for evaluating Stipulations, and explain
3 how this Stipulation complies with those criteria.
4

5 **Summary of Stipulation & Recommendation**

6 6. Q: Please provide a summary of the Stipulation.

7 A: The following is a summary to highlight the major provisions of the
8 Stipulation. Per the terms and conditions of the Stipulation, the Companies
9 will provide \$96 million dollars in customer refunds to resolve the 2017
10 through 2019 SEET cases. Of the total, \$50.8 million (52.9%) will be
11 allocated to residential customers and \$45.3 million (47.1%) will be
12 allocated to non-residential customers. The rate design for residential
13 customers will be an annual credit, approximately \$27 per customer. The
14 rate design for non-residential customers will be a credit applied on a per
15 megawatt hour (MWh) basis over a six-month period, approximately
16 \$2.60/MWh. Refunds will be made equally to all FirstEnergy Ohio
17 customers across the Cleveland Electric Illuminating, Ohio Edison
18 Company, and the Toledo Edison Company service territories. Customer
19 refunds will begin within 30 days of a final Commission Order approving
20 the Stipulation and will be subject to a final reconciliation.
21

1 In addition, the Companies will provide \$210 million in future rate
2 reductions from 2022 through 2025 to resolve other matters in the
3 consolidated cases. The annual aggregate amounts will be \$80 million in
4 2022, \$60 million in 2023, \$45 million in 2024, and \$25 million in 2025.
5 The allocation of the \$210 million will be the same as the allocation in the
6 2017-2019 SEET cases, i.e., 52.9% to residential customers and 47.1% to
7 non-residential customers. The rate design for the credit will also be the
8 same, i.e., a one-time credit for residential customers and a per MWh credit
9 for non-residential customers. For each year, the rate reductions will be
10 filed with the Commission and subject to reconciliation, including a final
11 reconciliation at the end of the 2025 calendar year.

12
13 Per the Stipulation, "...any changes in law after the date of this Stipulation
14 shall not act to eliminate or reduce the future consumer rate reductions."

15
16 Simultaneous with the filing of the Stipulation, the Companies filed an
17 application for approval of a tariff change, not involving an increase in
18 rates, to establish the Consumer Rate Credit Rider to implement the refunds
19 associated with the terms and conditions of the Stipulation.

20
21 Finally, the Stipulation included: provisions for the filing of the
22 Companies' next distribution base rate case in May of 2024; agreement that

1 the Companies did not have excessive earnings in 2020; resolution of the
2 statutory tests for the ESP Quadrennial Review per R.C. 4928.143(E); a
3 commitment that the Companies will not seek recovery of lost distribution
4 revenues through the remaining term of the ESP IV (through May 31,
5 2024); and clarification on the treatment of Rider ELR provisions of ESP
6 IV.

7
8 **Three-Part Test**

9 7. Q: What are the components of the Commission's three-part test?

10 A: A Stipulation before the PUCO must: (1) be the product of serious
11 bargaining among capable, knowledgeable parties; (2); as a package,
12 benefit ratepayers and the public interest; and (3) not violate any important
13 regulatory principles or practices.

14
15 8. Q: Was this Stipulation a product of serious bargaining among capable,
16 knowledgeable parties?

17 A: Yes. As referenced in the Stipulation, all parties in the consolidated cases
18 were invited to settlement meetings that occurred over several months.¹ As
19 part of those settlement discussions, each party had opportunities to

¹ Settlement meetings occurred on August 13, August 20, September 17, September 27, September 29, October 8, and October 13, 2021.

1 participate in the discussion and provide feedback on the provisions of the
2 Stipulation.

3
4 As a result of extensive negotiations and serious bargaining, the Stipulation
5 was supported by all intervening parties. These parties represent a diverse
6 group of interests, are represented by competent and experienced counsel
7 that are familiar with matters related to Title 49 of the Ohio Revised Code,
8 regularly participate in cases before the Commission, and have knowledge
9 of the precedents that have developed over the Commission's case history.

10
11 The intervening parties in these consolidated cases include: Ohio Edison
12 Company, The Cleveland Electric Illuminating Company, The Toledo
13 Edison Company, The Office of the Ohio Consumers' Counsel, Ohio
14 Energy Group, Industrial Energy Users-Ohio, Nucor Steel Marion, Inc.,
15 Northeast Ohio Public Energy Council, Ohio Hospital Association, Ohio
16 Manufacturers' Association Energy Group, Ohio Partners for Affordable
17 Energy, The Kroger Co., Interstate Gas Supply, Inc.², and the Staff of the
18 PUCO.

19

² Interstate Gas Supply, Inc. agrees to all terms and conditions of the Stipulation but takes no position on Section V.J.i. The Office of the Ohio Consumers' Counsel and the Northeast Ohio Public Energy Council take no position on the validity of the Companies' projected prospective SEET results.

1 9. Q: As a package, does the Stipulation benefit ratepayers and the public
2 interest?

3 A: Yes. As a package, this Stipulation provides significant direct benefits to
4 customers, in the form of short-term and future rate reductions through a
5 simple and easy to understand rate design. In total, this Stipulation will
6 provide direct benefits of \$306 million to FirstEnergy Ohio customers. Of
7 the total, \$96 million will be refunded to customers within six months of a
8 Commission decision in this case. The remaining \$210 million will be
9 provided through annual rate reductions from 2022 through 2025.

10

11 These direct benefits are significant in magnitude and will further the most
12 prominent state policy for Public Utilities, per R.C. 4928.02, which is to
13 “...ensure the availability to consumers of adequate, reliable, safe, efficient,
14 nondiscriminatory, and reasonably priced retail electric service.” The
15 combination of the rate reductions with the other provisions of this
16 Stipulation will provide certainty over the next several years.

17

18 The Stipulation also resolves a myriad of complex issues associated with
19 provisions of the Companies’ electric security plan previously pending in a
20 multitude of dockets, including: adjustments for excessive earnings per
21 R.C. 4928.143(F); statutory tests for the ESP Quadrennial Review per R.C.

1 4928.143(E); and annual reviews of Rider DSE per the previously
2 mandated energy efficiency programs.

3
4 10. Q: Does the Stipulation violate any important regulatory principles or
5 practices?

6 A: No. Based on my experience, involvement in this proceeding, and review of
7 the Stipulation, I believe the Stipulation complies with all relevant
8 regulatory principles and practices. Notably, the Stipulation resolves
9 complex issues associated with the Companies' compliance with R.C.
10 4928.143, which promotes administrative efficiency by reducing the
11 amount of time and resources expended in litigating those issues in their
12 individual dockets.

13
14 11. Q: Does this conclude your testimony?

15 A: Yes.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the Testimony of Tamara S. Turkenton has been served upon the below-named counsel via electronic mail, this 15th day of November, 2021.

/s/Werner L Margard
Werner L. Margard

Parties of Record

Brian J. Knipe (0090299)
FirstEnergy Service Company
76 S. Main St.
Akron, Ohio 44308
bknipe@firstenergycorp.com

Michael R. Gladman (0059797)
Margaret M. Dengler (0097819)
Jones Day
325 John H. McConnell Blvd Suite 600
Columbus, Ohio 43215
mrgladman@jonesday.com
mdengler@jonesday.com

Ryan A. Doringo (0091144)
Jones Day
North Point 901 Lakeside Avenue
Cleveland, Ohio 44114
radoringo@jonesday.com

*Attorney for Applicants, Ohio Edison
Company, The Cleveland Electric
Illuminating Company, and The Toledo
Edison Company*

William J. Michael (0070921)
Angela D. O'Brien (0097579)
Amy Botschner O'Brien (0074423)
Christopher Healey (0086027)
Maureen R. Willis (0020847)
Assistant Consumers' Counsel
Office of the Ohio Consumers' Counsel
65 East State Street, 7th Floor
Columbus, Ohio 43215-4213
william.michael@occ.ohio.gov
angela.obrien@occ.ohio.gov
amy.botschner.obrien@occ.ohio.gov
christopher.healey@occ.ohio.gov

*Counsel for the Office of the Ohio
Consumers' Counsel*

Michael L. Kurtz (0033350)
Kurt J. Boehm (0076047)
Jody Kyler Cohn (0085402)
Boehm, Kurtz & Lowry
36 East Seventh Street, Suite 1510
Cincinnati, Ohio 45202
mkurtz@BKLawfirm.com
kboehm@BKLawfirm.com
jkylercohn@BKLawfirm.com

Counsel for the Ohio Energy Group

Kimberly W. Bojko (0069402)
Carpenter Lipps & Leland LLP
280 North High Street, Suite 1300
Columbus, Ohio 43215
Bojko@carpenterlipps.com

*Counsel for the Ohio Manufacturers'
Association Energy Group*

Bethany Allen (0093732)
Joseph Olikier (0086088)
Michael Nugent (0090408)
IGS Energy
6100 Emerald Parkway
Dublin, Ohio 43016
bethany.allen@igs.com
joe.oliker@igs.com
michael.nugent@igs.com

Counsel for IGS Energy

Dane Stinson (Reg. No. 0019101)
Bricker & Eckler LLP
100 South Third Street
Columbus, OH 43215-4291
E-Mail: dstinson@bricker.com

*Attorneys for Northeast Ohio Public
Energy Council*

Angela Paul Whitfield (0068774)
Carpenter Lipps & Leland LLP
280 North High Street, Suite 1300
Columbus, Ohio 43215
paul@carpenterlipps.com

Counsel for The Kroger Co.

Michael K. Lavanga (PHV #1014-2020)
Joseph R. Briscar (PHV #21216-2020)
Stone, Mattheis, Xenopoulos & Brew, PC
1025 Thomas Jefferson Street, NW
Suite 800 West
Washington, DC 20007
mkl@smxblaw.com
jrb@smxblaw.com

Attorneys for Nucor Steel Marion, Inc.

Dylan F. Borchers (0090690)
Devin D. Parram (0082507)
Rachael N. Mains (0098681)
Bricker & Eckler LLP
100 South Third Street
Columbus, OH 43215-4291
dborchers@bricker.com
dparram@bricker.com
rmains@bricker.com

Counsel for the Ohio Hospital Association

Robert Dove (0092019)
Kegler Brown Hill + Ritter Co., LPA
65 E State St., Ste. 1800
Columbus, OH 43215-4295
rdove@keglerbrown.com

*Counsel for Ohio Partners for Affordable
Energy*

Matthew R. Pritchard (0088070)
Rebekah J. Glover (0088798)
McNees Wallace & Nurick LLC
21 East State Street, 17TH Floor
Columbus, OH 43215
mpritchard@mcneeslaw.com
rglover@mcneeslaw.com

*Counsel for the Industrial Energy Users-
Ohio*

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20-1476-EL-UNC, 21-0586-EL-UNC, 21-1127-EL-ATA**

Summary: Testimony of Tamara Turkenton electronically filed by Mrs. Tonnetta Y.
Scott on behalf of PUCO