

BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of the	:	
Ohio Department of Development for	:	
an Order Approving Adjustments to the	:	Case No. 22-556-EL-USF
Universal Service Fund Riders of	:	
Jurisdictional Ohio Electric Distribution	:	
Utilities.	:	

TESTIMONY IN SUPPORT OF JOINT STIPULATION

BY

MEGAN MEADOWS

ON BEHALF OF
THE OHIO DEPARTMENT OF DEVELOPMENT

August 5, 2022

TESTIMONY OF MEGAN MEADOWS
On Behalf of Ohio Department of Development

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

2 A. My name is Megan Meadows. My business address is Ohio Department of Development
3 ("Development"), 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 Development as Chief of the Community Services Division.

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

7 A. I have served as the Chief of the Community Services Division ("Division") since
8 February 2022. Prior to this role I have served as the Assistant Chief of the Division,
9 Deputy Chief and Assistant Deputy Chief for the Office of Community Assistance
10 ("OCA"), which is an office within the Division. In this position I directly oversee the
11 Universal Services Fund rate case. Prior to this position I was the Director of Operations
12 and Planning for Lancaster-Fairfield Community Action Agency, a non-profit
13 Community Action Agency whose mission is to serve those in need with programs that
14 promote self-sufficiency. While in this position I provided service to many low-income
15 Ohioans that participated in the PIPP program and other energy assistance programs
16 available. I also oversaw the agency's regional Homeless Crisis Response Program,
17 Adult Literacy and Basic Education program and the Temporary Assistance for Needy
18 Families Summer Youth program. In that position I was also responsible for and
19 participated in the development of the grant application and reporting for all other agency
20 programs. I have a Bachelor of Arts degree in Psychology from Wheeling Jesuit
21 University, WV.

1 **Q. What are your duties and responsibilities?**

2 A. The Division 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, Brownfield Remediation Program, Building Demolition and
7 Site Revitalization Program, Community Development Block Grant, and Ohio and
8 National Housing Trust Fund. The OCA administers the electric PIPP program, which is
9 funded from the state treasury’s Universal Service Fund (“USF”). The Chief has oversight
10 of these programs and oversees program administration.

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

12 A. Yes, I testified in the USF rider rate proceedings each year since 2016.

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 22, 2022, and is
17 entered into by Development, Industrial Energy Users-Ohio, Ohio Energy Group, Dayton
18 Power & Light Company d/b/a AES Ohio (“AES Ohio”), Duke Energy Ohio, Inc.
19 (“Duke”), and Ohio Power Company (“Ohio Power”). The PUCO Staff (“Staff”) and
20 the FirstEnergy Companies¹ have not joined the Joint Stipulation, but do not oppose it.
21 The Signatory Parties recommend that the PUCO issue an Opinion and Order adopting
22 the Joint Stipulation. The purpose of this testimony is to demonstrate that: (1) the Joint

¹ The FirstEnergy Companies include The Toledo Edison Company, Ohio Edison Company, and The Cleveland Electric Illuminating Company.

1 Stipulation is a product of serious bargaining among capable, knowledgeable parties; (2)
2 the Joint Stipulation does not violate any important regulatory principle or practice; and
3 (3) the Joint Stipulation, as a 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 Development proposes to use in preparing its 2022 USF
7 rider rate adjustment application for the 2023 calendar year. The Joint Stipulation
8 recommends that the PUCO adopt the same rate design methodology that it has approved
9 since 2001, and also recommends that the PUCO adopt nearly the same revenue
10 requirement methodology.

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

13 A. Yes, it does. Two parties, the Office of the Ohio Consumers' Counsel ("OCC") and the
14 FirstEnergy Companies filed comments to the NOI application on July 6, 2022.
15 Development filed reply comments July 14, 2022 and Ohio Power, Duke, and AES Ohio
16 filed a joint reply on July 15, 2022. All parties were invited to discuss the comments to
17 the NOI application at a settlement conference held July 26, 2022; and by entry of July
18 29, 2022 the procedural schedule was extended an additional week, at the parties'
19 request, to facilitate a negotiated settlement. As a result of settlement negotiations, the
20 Joint Stipulation was agreed to by the signatories identified above. All parties to this
21 proceeding have been actively participating in the USF proceedings for several years. All
22 parties are represented by experienced, competent counsel. The signatory parties to the
23 Joint Stipulation have been signatories to several prior NOI stipulations which adopted

1 the identical rate design and nearly the same revenue requirement methodology. The
2 Joint Stipulation represents a product of capable, knowledgeable parties, and is the
3 product of serious discussions among the parties undertaken in a cooperative process in
4 which all parties participated.

5 **Q. Does the Joint Stipulation resolve OCC's and the FirstEnergy Companies'**
6 **objections?**

7 A. The Joint Stipulation reflects agreement as to the FirstEnergy Companies' objection
8 regarding the Reserve component in calculating the USF revenue requirement; however,
9 settlement was not reached on OCC's objection. As reflected in Development's Reply
10 Comments filed July 14, 2022, which I incorporate by reference into my testimony, OCC
11 recommends that a cap be set for the PIPP auctions at the SSO clearing price. OCC
12 effectively requests Development to redesign or modify the PUCO-approved PIPP
13 procurement process in this NOI proceeding. Because the PUCO is charged with
14 designing, managing and supervising the PIPP competitive procurement process pursuant
15 to R.C. 4928.544 – and is exercising its authority in other dockets – Development
16 believes that a change to the procurement process is not the proper subject of this NOI
17 phase of the universal service fund proceeding.

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

19 A. Yes, it does. The Joint Stipulation adopts nearly the same methodologies approved in
20 numerous prior USF proceedings. The methodologies ensure adequate funding for the
21 low-income customer assistance programs and the consumer education programs
22 administered by Development, and provide a reasonable contribution by all customer
23 classes to the USF revenue requirement. Moreover, the Joint Stipulation benefits

1 consumers and the public interest because the methodologies adopted will result in USF
2 rider rates that represent the minimal rates necessary to collect the EDUs' USF rider
3 revenue requirements.

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

6 A. No. The Joint Stipulation complies with R.C. 4918.544. In addition, in each USF
7 proceeding since adoption of the two-step declining block rate design in 2001, the PUCO
8 has approved stipulations adopting the same rate design, and specifically has found that it
9 does not violate R.C. 4928.52. R.C. 4928.52 does not specify the rate design the PUCO
10 must adopt; but rather leaves it flexibility. This traditional rate design provides a
11 reasonable contribution by all customer classes to the USF revenue requirement.

12 **Q. Should the PUCO approve the Joint Stipulation and Recommendation?**

13 A. Yes.

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

15 A. Yes. However, I reserve the right to supplement my testimony and to respond to any
16 testimony in opposition to this stipulation.

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 5th day of August 2022.



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Summary: Testimony in Support of Joint Stipulation by Megan Meadows on behalf
of The Ohio Department of Development electronically filed by Teresa Orahod on
behalf of Dane Stinson