

**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of Duke	)	
Energy Ohio, Inc., for an Increase in	)	Case No. 21-887-EL-AIR
Electric Distribution Rates.	)	

In the Matter of the Application of Duke	)	Case No. 21-888-EL-ATA
Energy Ohio, Inc., for Tariff Approval.	)	

In the Matter of the Application of Duke	)	
Energy Ohio, Inc., for Approval to	)	Case No. 21-889-EL-AAM
Change Accounting Methods.	)	

**PREFILED TESTIMONY IN SUPPORT OF THE STIPULATION  
OF**

**DAVID M. LIPTHRATT  
RATES AND ANALYSIS DEPARTMENT  
PUBLIC UTILITIES COMMISSION OF OHIO**

**STAFF EXHIBIT\_\_\_\_**

**September 22, 2022**

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

2 A. My name is David M. Liphtratt. My address is 180 East Broad Street,  
3 Columbus, Ohio 43215-3793.  
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 (the Commis-  
7 sion or PUCO) as a Public Utilities Administrator within the Rates and  
8 Analysis Department.  
9

10 3. Q. Please briefly describe your educational and professional background.

11 A. I earned a Bachelor of Arts Degree that included a Major in Political  
12 Science and a Minor in History from the University of Georgia.  
13 Subsequently, I earned a Master in Public Administration degree with a  
14 focus on public budgeting and finance and policy analysis from the  
15 University of Georgia. In addition, I earned a post-baccalaureate Certificate  
16 of Accounting Concentration at Columbus State Community College. I am  
17 a Certified Public Accountant (Ohio License # CPA.48876). Moreover, I  
18 have attended various seminars and rate case training programs sponsored  
19 by this Commission, professional trade organizations, and the utility  
20 industry community.  
21

22 4. Q. Please describe your work experience.

1 A. I have previously served as a Budget/Management Analyst for the Ohio  
2 Office of Budget and Management and a Fiscal Officer for the Ohio  
3 Department of Commerce. In each of these roles I have been responsible  
4 for various accounting and financial-related tasks and responsibilities.  
5

6 5. Q. Have you testified in previous cases at the PUCO?

7 A. Yes.  
8

9 6. Q. Will you also be filing testimony responding to objections to the Staff  
10 Report in this proceeding?

11 A. Yes.  
12

13 7. Q. What is the purpose of your testimony in this proceeding?

14 A. The purpose of my testimony is to support the Joint Stipulation and  
15 Recommendation (Stipulation) in this case by confirming the Stipulation  
16 complies with the Commission's three-part test for determining a  
17 stipulation's reasonableness.  
18

19 8. Q. What are the components of the three-part test?

20 A. In considering the reasonableness of a stipulation, the Commission has used  
21 the following criteria:

1 (1) Is the settlement a product of serious bargaining among capable,  
2 knowledgeable parties?

3 (2) Does the settlement, as a package, benefit ratepayers and the public  
4 interest?

5 (3) Does the settlement package violate any important regulatory principle  
6 or practice?

7  
8 9. Q. Is the Stipulation a product of serious bargaining among capable,  
9 knowledgeable parties?

10 A. Yes. The Stipulation is the product of an open process in which all  
11 intervenors were given an opportunity to participate. All parties were  
12 represented by experienced and competent counsel, many of whom have  
13 participated in numerous regulatory proceedings before the Commission.  
14 There were extensive negotiations among the parties and the Stipulation  
15 represents a comprehensive compromise of the issues raised by parties with  
16 diverse interests.

17  
18 10. Q. Which parties have signed the Stipulation?

19 A. The Signatory Parties to the Stipulation are the Staff of the PUCO (Staff),  
20 Duke Energy Ohio, Inc. (Duke or Company), Ohio Partners for Affordable  
21 Energy, Ohio Energy Group, City of Cincinnati, People Working  
22 Cooperatively, Inc., Retail Energy Supply Association, WalMart Stores

1 East, LP and Sam's East, Inc., Interstate Gas Supply Inc., One Energy  
2 Enterprises Inc., Nationwide Energy Partners, LLC, and Citizens Utility  
3 Board of Ohio.  
4

5 11. Q. Which parties have agreed not to oppose the Stipulation?

6 A. Chargepoint, Inc., Kroger Co., and Ohio Manufacturers' Association  
7 Energy Group do not oppose the Stipulation.  
8

9 12. Q. Does the Stipulation benefit ratepayers and the public interest?

10 A. Yes. The Stipulation results in a just and reasonable resolution of the  
11 matters pending in these Commission dockets. Included in this reasonable  
12 resolution is a revenue requirement that benefits ratepayers, through a  
13 balanced approach by recognizing some of the objections to the Staff  
14 Report of Investigation raised by intervening parties, rejecting some of the  
15 objections, and considering alternative approaches. Additionally, the  
16 following are some of the key benefits of the Stipulation:

- 17 • The stipulated revenue increase of \$22.6 million is lower than the  
18 \$54.7 million increase requested by Duke in its application.
- 19 • The stipulated rate of return of 6.86 percent is lower than the 7.26  
20 percent requested by Duke in its application. Additionally, the  
21 stipulated return on equity of 9.5 percent is lower than the 10.3  
22 percent requested by Duke in its application.

- Establishes a \$8.00 customer charge for Duke's residential customers, which is lower than the \$12.00 customer charge requested in Duke's Application.
- Removes incentive compensation from both operating and maintenance and rate base attributable to stock-based compensation and financial performance of the Company.
- Continuation of Duke's Delivery Capital Investment Rider (Rider DCI) which allows for the Company to make the investments necessary to maintain safe and reliable service.

13. Q. Does the settlement package violate any important regulatory principles or practices?

A. Based on my experience, involvement in this proceeding, and review of the Stipulation, Staff concludes that it does not violate any important regulatory principle or practice.

14. Q. Are you recommending that the Commission approve the Stipulation?

A. Yes. In my opinion, the Stipulation represents a fair, balanced, and reasonable compromise of the issues in this proceeding. I believe that the Stipulation satisfies all of the Commission's criteria for adoption of settlements, and it is my recommendation the Commission issue an order approving the Stipulation.

1

2 15. Q. Does this conclude your testimony?

3 A. Yes. However, I reserve the right to submit supplemental testimony as new  
4 information subsequently becomes available.

## CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the **Pre-filed Testimony of David Lipthratt in Support of the Stipulation** has been served upon the below-named counsel via electronic mail, this 22<sup>nd</sup> day of September 2022.

/s/ Robert Eubanks

**Robert Eubanks**

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**Case No(s). 21-0887-EL-AIR, 21-0888-EL-ATA, 21-0889-EL-AAM**

Summary: Testimony Prefiled Testimony in Support of The Stipulation of David M. Lipthrott, Rates and Analysis Department, Public Utilities Commission of Ohio electronically filed by Mrs. Kimberly M. Naeder on behalf of PUCO