# BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Duke Energy Ohio, Inc., for an Increase in Electric Distribution Rates.	)	Case No. 21-887-EL-AIR
In the Matter of the Application of Duke Energy Ohio, Inc., for Tariff Approval.	)	Case No. 21-888-EL-ATA
In the Matter of the Application of Duke Energy Ohio, Inc., for Approval to Change Accounting Methods.	)	Case No. 21-889-EL-AAM

# TESTIMONY IN RESPONSE TO OBJECTIONS TO THE STAFF REPORT OF

JACOB NICODEMUS
RATES AND ANALYSIS DEPARTMENT
PUBLIC UTILITIES COMMISSION OF OHIO

STAFF EXHIBIT\_\_\_

- 1 1. Q. Please state your name and business address.
- A. My name is Jacob Nicodemus. My business address is 180 E. Broad Street,
- 3 Columbus, Ohio 43215.

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- 5 2. Q. By whom are you employed?
- A. I am employed by the Public Utilities Commission of Ohio (PUCO).

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- 8 3. Q. Would you briefly state your educational background and work history?
- 9 A. I have a Bachelor of Applied Science in electro-mechanical engineering
- from Miami University and have completed several training seminars and
- graduate courses related to various areas of the utility industry. I began my
- employment at the PUCO in 2009 as a Utility Analyst in what is now
- known as the Rates and Analysis Department where I worked primarily
- with gas cost recovery and related matters. I was promoted in 2011 to a
- 15 Researcher 3 position in the gas pipeline safety section of the Service
- Monitoring and Enforcement Department, and then promoted again in 2014
- to my current division.

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- 19 4. Q. What is your present position with the PUCO and what are your duties?
- A. I am a Utility Specialist 3 in the Reliability and Service Analysis Division
- and am primarily responsible for monitoring and enforcing compliance

1	with various minimum service standards related to electric distribution
2	reliability.

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4 5. Q. What is the purpose of your testimony in this case?

A. The purpose of my testimony is to respond to certain objections to the Staff
Report of Investigation (Staff Report). Specifically, I am responding to the
Office of the Ohio Consumers Counsel (OCC) Objection No. 25.

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- 9 6. Q. OCC states that while the Staff Report provided a table that compared the reliability performance of Duke Energy Ohio, Inc. (Duke) to its standards for 2018, 2019, and 2020, performance from 2021 should have been included as well. Please respond.
- A. The 2021 performance report was docketed March 30, 2022, in Case No.

  22-0994-EL-ESS. The Staff Report in this case was docketed May 19,

  2022. There was simply not sufficient time for Staff to conduct a thorough

  examination of the 2021 performance before the filing of the staff report.

  That said, Staff did perform a cursory review of 2021 performance prior to

  the filing of the Staff Report.

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Q. OCC states that in 2021, Duke consumers were experiencing on average
 0.91 outages annually, almost 10% more outages than required under its
 approved SAIFI standard. Please respond.

- A. Upon review of the performance report filed in Case No. 22-0994-EL-ESS,

  Staff found that Duke consumers experienced an average of 0.89 outages in

  2021, which exceeded its approved standard by approximately 7%.
- 5 8. Q. How did Staff address the missed standard?

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- A. Per 4901:1-10-10(D), if an electric utility misses an approved standard, the

  utility is required to file with the commission an action plan. Duke met that

  requirement by filing an action plan on March 31, 2022 under the same

  case number as its 2021 performance report. Staff reviewed the action plan

  and believes it to be adequate.
- Q. Does failure to meet an approved reliability standard mean that thecompany is failing to provide reasonably reliable service?
- A. Not necessarily. Reliability metrics are one of several tools Staff uses to determine whether a company is providing reliable service.
- 17 10. Q. OCC states that the Staff Report harms customers by failing to assess the
  18 effectiveness of additional reliability spending consumers are paying for
  19 through the Delivery Capital Investment ("DCI") Rider and the Electric
  20 Service Reliability Rider ("ESRR"). Please respond.
- A. It is difficult if not impossible to draw a direct correlation between dollars spent through riders such as DCI and ESRR and resultant impact to

reliability. Many factors, some outside of the company's control, impact reliability and are unaffected by what OCC refers to as additional reliability spending. That said, Duke has filed annual DCI workplans for each of the last three years. Staff reviews the workplans and provides feedback where appropriate.

- OCC states that the Staff Report should have examined the number of

  outages caused by vegetation to determine the just and reasonableness of

  the additional tree trimming costs that consumers are paying for through the

  ESRR. Please respond.
- 11 A. As stated above, it is difficult if not impossible to draw a direct correlation
  12 between dollars spent through riders such as the ESRR and reliability
  13 impact. Factors such as cost to the company to hire crews, pests which
  14 cause disease, and premature tree death are beyond the company's control
  15 and contribute to the overall spend. That said, Staff does examine the
  16 number of outages caused by vegetation as part of its review of the annual
  17 "Rule 10" reports.

- 19 12. Q. Does this conclude your testimony?
- A. Yes, this concludes my testimony. However, I reserve the right to submit supplemental testimony as new information becomes available.

#### CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the **Pre-filed Testimony of Jacob Nicodemus** has been served upon the below-named counsel via electronic mail, this 3<sup>rd</sup> day of October 2022.

#### /s/ Robert Eubanks

## **Robert Eubanks**

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Summary: Testimony In Response To Objections To The Staff Report Of Jacob Nicodemus, Rates And Analysis Department, Public Utilities Commission Of Ohio electronically filed by Mrs. Kimberly M. Naeder on behalf of PUCO