

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

IN THE MATTER OF THE COMPLAINT OF)
MORTON SOLAR AND WIND LLC)

RESPONDENT: SOUTHERN INDIANA GAS AND)
ELECTRIC CO. D/B/A VECTREN ENERGY)
DELIVERY OF INDIANA)

CAUSE NO. 44344

TESTIMONY OF

ERIC M. HAND – PUBLIC’S EXHIBIT NO. 1

ON BEHALF OF THE

INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR

January 21, 2014

Respectfully submitted,



Randall C. Helmen, Atty. No. 8275-49
Chief Deputy Consumer Counselor

CERTIFICATE OF SERVICE

This is to certify that a copy of the *OUCC TESTIMONY OF ERIC M. HAND* has been served upon the following parties of record in the captioned proceeding by electronic service on January 21, 2014

Morton Solar and Residential Customers
Lorch Naville Ward, LLC
J. David Agnew
506 State St.
P.O. Box 1343
New Albany, IN 47150-1343
dagnew@lnwlegal.com

Morton Solar LLC
Brad Morton
PO Box 9104
Evansville, IN 47711
bmorton@mortonsolar.com

Attorney for Inovateus Solar LLC
Keith L. Beall
Beall & Beall
13238 Snow Owl Dr., Ste. A
Carmel, IN 46033
Phone/fax: 317-810-9357
kbeall@indy.rr.com

Vectren South
Robert E. Heidorn
Joshua A. Claybourn
Vectren Corporation
One Vectren Square
221 N.W. Riverside Drive
Evansville, IN 47708
rheidorn@vectren.com
jclaybourn@vectren.com

CAC
Jennifer A. Washburn
Citizens Action Coalition
603 East Washington Street, Suite 502
Indianapolis, Indiana 46204
jwashburn@citact.org

Jill M. Tauber
Earthjustice
1625 Massachusetts Ave., NW Ste 702
Washington DC 20036
jtauber@earthjustice.org



Randall C. Helmen, Atty. No. 8275-49
Chief Deputy Consumer Counselor

INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR
115 West Washington Street
Suite 1500 South
Indianapolis, IN 46204
infomgt@oucc.in.gov
317/232-2494 – Telephone
317/232-5923 – Facsimile

AFFIRMATION

I affirm, under the penalties for perjury, that the foregoing representations are true.

Eric M Hand

Eric M. Hand, Utility Analyst
Indiana Office of Utility Consumer Counselor

1-17-2014

Date

Cause No. 44344
Morton Solar LLC
v.
Vectren South

TESTIMONY OF OUCC WITNESS ERIC M. HAND
CAUSE NO. 44344
VECTREN ENERGY DELIVERY OF INDIANA - SOUTH

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

2 A: My name is Eric Mark Hand, and my business address is 115 W. Washington
3 Street, Suite 1500 South, Indianapolis, IN 46204.

4 **Q: By whom are you employed and in what capacity?**

5 A: I am employed as a Utility Analyst in the Office of Utility Consumer Counselor's
6 (OUCC) Electric Division.

7 **Q: Would you summarize your educational background?**

8 A: I graduated from Rose-Hulman Institute of Technology with a Bachelor of
9 Science degree in Mathematical Economics. I received a Masters in Business
10 Administration from Indiana University with majors in Management, Marketing,
11 and International Business.

12 **Q: Please describe your professional experience.**

13 A: I have been an OUCC Electric Division Utility Analyst for four years and have
14 participated in various proceedings, including rate cases and cases involving
15 utility planning, special contracts, economic development rates/riders, and other
16 tariff-related matters. Prior experience included a 30-year automotive industry
17 career with General Motors Corporation's Allison Transmission Division. I held
18 administrative positions in manufacturing, engineering, and contracts, culminating
19 in management positions in finance, contracts, and information technology.
20 Additionally, I have served the last 14 years on the Board of Trustees of the
21 largest regional wastewater district in Indiana.

1 **Q: Have you previously provided testimony to the Indiana Utility Regulatory**
2 **Commission (Commission or IURC)?**

3 A: Yes. I testified previously in Cause Nos. 43839, 43953, 44075, 44258, 44371 and
4 special contract causes.

5 **Q: What is the purpose of your testimony in this proceeding?**

6 A: I will discuss OUCC concerns about the allegations raised in this Cause,
7 Vectren's net-metering history, and its compliance with 170 IAC 4-4.2 and the
8 requirements found in Tariff Rider NM – Net Metering. I will also provide an
9 assessment of Vectren's net metering process and record keeping. I will also
10 provide observations and recommendations for consideration.

11 **Q: What did you do to prepare to testify?**

12 A: I reviewed the Verified Petition and Direct Testimony submitted by Petitioner
13 Morton Solar (Morton) in this Cause and portions of filings by other parties,
14 including the utility Vectren South Electric (VSE or Vectren). In addition, I
15 reviewed VSE's Tariff Rider NM – Net Metering, the IURC's Annual Net-
16 Metering Required Reporting Summary (2009-2012) including the annual Net
17 Metering Report from each Indiana IOU (2009-2012), and data responses in this
18 Cause. I also reviewed the portions of the Indiana Administrative Code pertaining
19 to net metering and discussed this case with other OUCC staff.

20 **Q: Does the OUCC continue to support the Commission's Net Metering Rule?**

21 A: Yes. The potential use of renewable resources and net metering continues to be
22 of interest to many parties, including the OUCC. The OUCC supports the
23 Commission's Net Metering Rule and compliance with that rule by Indiana's
24 utilities. Customer interest in net metering will likely continue to grow in light of

1 trends in the cost of resources like solar panels. Customers should not be
2 unreasonably blocked or delayed from investing in and deploying resources
3 consistent with the Commission's Net Metering Rule. This is true regardless of
4 whether the customer is a Vectren customer or a customer of another Indiana
5 electric utility subject to the rule.

6 **Q: What is the OUCC's position relative to Morton's allegations against VSE?**

7 A: The allegations concern the OUCC. At this time, VSE has not filed its case-in-
8 chief testimony. Hopefully, VSE will address and alleviate some of the concerns
9 raised by multiple parties in this cause. One thing does seem clear at this point;
10 the insufficiency of Vectren's records, as evidenced by Vectren's Exhibit MS 1-1
11 (OUCC Attachment EMH-1) in reply to Morton Solar's DR1.1 and 1.2, makes it
12 difficult to ascertain compliance with Commission rules and demonstrates
13 Vectren's lack of timeliness in implementing its customers' net metering
14 applications. At a minimum, VSE should improve its record keeping in regard to
15 net metering so that it will be in a position to demonstrate compliance with the
16 rule if its compliance is challenged again in the future.

17 **Q: Has Vectren complied with the required timelines set out in the**
18 **Commission's Net Metering Rule?**

19 A: It doesn't appear that it has. Pages 7-10 of the Petitioner's Exhibit A (Direct
20 Testimony of Brad Morton) presents the required timeline for a utility to process a
21 Level 1 project application, and then provides 15 separate customer examples
22 where the required timeline was missed by Vectren by hundreds and even
23 thousands of days. Moreover, Vectren's own records, Vectren Exhibit MS 1-1
24 (OUCC Attachment EMH-1), show multiple entries of "no records," "none" or

1 "n/a" instead of dates for 18 of the 30 customers listed. Vectren cannot
2 effectively administer a compliant net metering program without a better process
3 for maintaining records and tracking progress towards timely installation
4 completion.

5 **Q: Does Morton Solar have a relationship with a significant number of**
6 **Vectren's electric customers?**

7 A: No, not in terms of Vectren's total of approximately 142,000 customers, but yes,
8 in terms of Vectren's 33 operational net metering solar customers as reported in
9 the 2012 Vectren Net Metering Report. The bi-directional meter installation dates
10 provided in Morton's Exhibit BM-25 indicates that 19 of the 33 (or 57%) of the
11 net metering customers were Morton Solar customers. Vectren's Exhibit MS 1-1
12 (OUCC Attachment EMH-1) and Morton's Exhibit BM-25 both itemize net
13 metering timeline data for 30 net metering customers, but not all are fully
14 operational. Overall, the number of customers seeking solar net metering is small
15 from a Vectren perspective, but significant from Morton Solar's perspective. The
16 small number of VSE net metering customers makes it more difficult to
17 understand VSE's inability thus far to present records to demonstrate compliance
18 with the rule.

19 **Q: What is your assessment of Vectren's net metering process or system?**

20 A: At a minimum, Vectren's process for enabling its customers to implement net
21 metering needs significant improvement so VSE can both comply and
22 demonstrate its compliance. Nearly every Morton customer that has attempted
23 net metering has encountered utility obstacles, lost records, minimal follow-up,
24 and delays amounting to hundreds and even thousands of days. Again, the OUCC

1 hopes that Vectren can alleviate some of these concerns through its case-in-chief
2 filing. The apparent lack of timeliness and lack of record keeping are serious
3 concerns.

4 **Q: Is Vectren prepared to handle increased customer requests for net metering?**

5 A: It doesn't appear so. Vectren's performance history, as documented in this Cause,
6 demonstrates a lack of preparedness to fulfill its responsibilities. This potentially
7 obstructs or delays investments in renewable resources that customers may choose
8 to make and are permitted to make consistent with the Net Metering Rule.
9 Customers should not face unreasonable obstacles or delays that prevent them
10 from doing what they can do under the rule. Again, this is true for customers of
11 all utilities subject to the rule.

12 **Q: Have you reviewed the Annual Net Metering Reports from five (5) Indiana**
13 **electric IOUs?**

14 A: Yes. I reviewed the reports to get a better understanding of net metering activity
15 throughout Indiana.

16 **Q: Do you have observations based on your review of those reports?**

17 A: Yes, I have the following observations:

18 1. The reports only show the number and type of customers actually
19 connected and do not show the number of applicants or timeliness of disposition
20 (i.e. applied, withdrawn, approved, denied). Among the IOUs, IPL is the
21 exception to this, and I found its reports to be the most useful in this regard.

22 2. There is no data provided on fees/costs charged by utilities as part of
23 the application or installation process.

1 3. I found Vectren's annual report to be the least informative of all the
2 IOUs, and it provides only a total range of customer system ratings instead of an
3 itemized list like the other IOUs provide.

4 4. IPL has the lowest participation level (number of customers) which is
5 somewhat expected given its relatively low rates and urban service area.

6 5. Vectren net metering was minimal in the early years and 43% of its net
7 metering customers were just added in 2012.

8 6. In 4 years of net metering reporting by all Indiana IOUs, which at 2012
9 year end had a total of 388 net metering customers; not a single emergency
10 disconnect has been required. This track record is encouraging, and should help
11 to build confidence in the safety of installations.

12 **Q: What should VSE do going forward with regard to net metering?**

13 A: The Commission's Net Metering Rule provides Indiana customers with
14 opportunities to invest in renewable resources such as rooftop solar panels. VSE
15 should fully comply with the Net Metering Rule. Moreover, VSE should
16 maintain the records needed to demonstrate compliance with the rule. These steps
17 could significantly reduce the likelihood of time consuming and expensive
18 complaint proceedings such as the current one.

19 **Q: Does this conclude your testimony?**

20 A: Yes.

Customer	TYPE	KW Rating	a Application first received	b Level 1, 2 or 3	c Customer notified application incomplete	d Complete application received	e customer notified of complete application	f Level '2' initial review and explain results	j EXECUTABLE interconnection agreement sent to customer	k EXECUTED agreement provided to customer
Ohio Township Public Library - Bell Road ¹	SOLAR	5.5	no records	1	2/3/2005	no records	no records	n/a	2/3/2005	3/30/2007
Ohio Township Public Library - Bell Road ²	OFF-GRID SOLAR	n/a	none	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Engelbrecht Orchard	WIND	10	6/19/2008	1	7/28/2008	9/12/2008	9/12/2008	n/a	8/22/2008	1/27/2009
Lincoln Heritage Public Library	SOLAR	10	7/28/2008	1	no records	8/24/2008	8/22/2008	n/a	8/22/2008	1/9/2009
Chrisney	SOLAR	10	7/28/2008	1	no records	8/24/2008	8/22/2008	n/a	8/22/2008	1/9/2009
Bill Polk	WIND	1.8	7/24/2008	1	8/25/2008	no records	no records	n/a	7/28/2008	9/24/2008
VPS Architecture	SOLAR	7.5	3/31/2009	1	no records	4/14/2009	4/14/2009	n/a	1/12/2010	3/31/2009
Erik & Laura Ameberg (New Harmony)	SOLAR	10	3/15/2010	1	3/17/2010	6/24/2010	no records	n/a	6/7/2010	6/30/2010
Evansville-Vand. Central Library	SOLAR	10	4/28/2010	1	5/5/2010	5/14/2010	5/11/2010	n/a	4/28/2010	5/21/2010
Andy Davidson	SOLAR	4	11/11/2009	1	complete	11/11/2009	11/18/2009	n/a	11/24/2009	11/25/2009
Heubstadt Community School	WIND	2.4	5/27/2010 *	1	5/27/2010 *	5/27/2010	5/27/2010	n/a	1/20/2010	6/10/2010
Nick Davidson	SOLAR	5	3/30/2010	1	complete	3/30/2010	3/30/2010	n/a	5/21/2010	5/21/2010
Don Jost	SOLAR	4	3/30/2010	1	complete	3/30/2010	3/30/2010	n/a	4/16/2010	5/13/2010
Tony Kohut	SOLAR	3	4/4/2011	1	4/25/2011	5/11/2011	no records	n/a	5/3/2011	5/17/2011
Chanda Banner	SOLAR	4	6/27/2011	1	complete	6/30/2011	no records	n/a	6/28/2011	7/13/2011
Gary Weiss	SOLAR	3	6/1/2011	1	6/2/2011	7/18/2011	no records	n/a	6/20/2011	7/18/2011
Sharis Goines-Pitt	SOLAR	3	10/25/2011	1	no records	11/7/2011	no records	n/a	10/25/2011	11/28/2011
Bob Martin	SOLAR	3	1/11/2012	1	order not entered	n/a	n/a	n/a	n/a	n/a
Roy Perry	SOLAR	2.15	12/28/2011	1	no records	1/19/2012	no records	n/a	12/28/2011	2/1/2012
Howell Wetlands ³	SOLAR	n/a	none	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Denise Vaal	SOLAR	6 and 8	7/25/2012	1	8/20/2012	11/2/2012	11/6/2012	n/a	7/26/2012	11/17/2012
Jeff Osborne	SOLAR	10	4/26/2013	1	complete	4/26/2013	5/6/2013	n/a	5/6/2013	5/20/2013
Randy Ellis	SOLAR	7.525	11/28/2012	1	1/18/2013	5/8/2013	5/8/2013	n/a	11/27/2012	6/8/2013
Dave Kriemeyer	SOLAR	11.825	9/11/2012	2	no records	9/11/2012	no records	9/11/2012	10/8/2012	
Carl Fehrenbacher	SOLAR	6	4/26/2013	1	complete	4/26/2013	4/30/2013	n/a	5/3/2013	5/15/2013
Allen Stute	SOLAR	4.515	12/17/2012	1	no records	12/28/2012	no records	n/a	12/14/2012	
Nomn Miller	SOLAR	14.5	11/6/2012	2	11/8/2012	11/16/2012	11/16/2012	11/8/2012	11/6/2012	
Ted Stransky	SOLAR	24.75	3/26/2013	2	4/1/2013-4/5/2013	4/17/2013	no records	4/5/2013	4/16/2013	4/29/2013
James Purviance	SOLAR	5.4	3/19/2013	1	no records	3/21/2013	3/21/2013	n/a	3/13/2013	5/2/2013
Morris Bitzer	SOLAR	8	1/25/2013	1	no records	2/8/2013	no records	n/a	1/11/2013	
Stephen Zehr	SOLAR	3.375	7/5/2013	1	7/9/2013	7/9/2013	7/9/2013	n/a	7/5/2013	7/16/2013

Notes:

n/a denotes not applicable

- 1 Ohio Township Public-Library--Bell Road's initial application preceeded the effective date of 170 IAC 4-4.3-1 of seq.
- 2 Vectren has no record of a second Ohio Township Public-Library--Bell Road interconnection application for an off-grid solar project.
- 3 Vectren has no record of an application for interconnection from Howell Wetlands.