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September 16, 2019

Ms. Lisa Felice  
Executive Secretary  
Michigan Public Service Commission  
7109 West Saginaw Highway  
Post Office Box 30221  
Lansing, MI 48909

**Re: Case No. U-20365 – In the matter of the application of CONSUMERS ENERGY COMPANY for authority to reconcile its 2018 Energy Waste Reduction Plan costs associated with the Plan approved in Case No. U-18261.**

Dear Ms. Felice:

Enclosed for electronic filing in the above-captioned case, please find the **Supplemental Direct Testimony of Theodore A. Ykimoff on Behalf of Consumers Energy Company**. This is a paperless filing and is therefore being filed only in PDF. Also included is a Proof of Service showing service upon the parties.

Sincerely,

Gary A. Gensch

cc: Hon. Sally L. Wallace, Administrative Law Judge  
Parties per Attachment 1 to Proof of Service

In the Matter of the Application of )  
**CONSUMERS ENERGY COMPANY** )  
 for Authority to Reconcile Its )  
 2018 Energy Waste Reduction Plan Costs )  
 Associated With the Plan Approved in )  
 Case No. U-18261. )

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**SUPPLEMENTAL DIRECT TESTIMONY OF**

**THEODORE A. YKIMOFF**

**ON BEHALF OF**

**CONSUMERS ENERGY COMPANY**

September 2019

THEODORE A. YKIMOFF  
SUPPLEMENTAL DIRECT TESTIMONY

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

2 A. My name is Theodore A. Ykimoff, and my business address is One Energy Plaza, Jackson,  
3 Michigan, 49201.

4 **Q. By whom are you employed?**

5 A. I am employed by Consumers Energy Company (“Consumers Energy” or the “Company”).

6 **Q. Are you the same Theodore A. Ykimoff that filed direct testimony in this proceeding?**

7 A. Yes, I am.

8 **Q. What is the purpose of your supplemental direct testimony?**

9 A. After filing its 2018 Energy Waste Reduction (“EWR”) reconciliation on May 31, 2019 in  
10 this case, the Company discovered that there were 55 applications received through its  
11 (i) Heating, Ventilation, and Air Conditioning and Water Heating; and (ii) Insulation and  
12 Windows residential programs where rebates were also paid through the Residential  
13 Income Qualified program for the same measures. This resulted in double counting electric  
14 savings for these measures. The purpose of my supplemental direct testimony is to discuss  
15 the changes to the Company’s first year and lifetime electric energy savings delivered as a  
16 result of correcting this double counting of savings. I will also discuss the impact to the  
17 originally filed electric portfolio investments, electric financial incentive, and the number  
18 of EWR Credits that the Company is requesting to convert into Renewable Energy Credits  
19 (“RECs”).

20 **Q. What is the impact to the first year and lifetime energy savings as a result of**  
21 **correcting the double counting?**

22 A. The originally filed electric first year savings should be reduced by 40.15 MWh and  
23 lifetime savings should be reduced by 401.5 MWh. These adjustments reduce the total

THEODORE A. YKIMOFF  
SUPPLEMENTAL DIRECT TESTIMONY

portfolio first year savings delivered from 586,784 MWh (see Exhibit A-3 (TAY-3), page 1, line 28) to 586,744 MWh and the total portfolio lifetime savings from 6,711,213 MWh (see Exhibit A-4 (TAY-4), line 1) to 6,710,812 MWh.

**Q. What is the impact to the Company's originally filed 2018 total electric portfolio investments?**

A. The Company originally identified total electric portfolio investments in the amount of \$117,838,710 (see Exhibit A-3 (TAY-3), page 1, line 28). This amount should be reduced by \$22,000 to recognize the double payment of incentives. Thus, the updated 2018 total electric portfolio investments should be \$117,816,710 (\$117,838,710 minus \$22,000).

**Q. What is the impact to the Company's requested electric financial incentive?**

A. The Company requested approval of a \$23,567,742 (\$117,838,710 multiplied by 20% return) electric financial incentive for 2018 (see Exhibit A-5 (TAY-5), page 1, line 4). The reduced electric investment results in reducing this requested incentive by \$4,400 (\$22,000 multiplied by 20% return) bringing the updated requested electric financial incentive to \$23,563,342 (\$117,816,710 multiplied by 20% return). This reduces the combined electric and natural gas 2018 financial incentive to \$34,349,008.

**Q. What is the impact to the EWR Credits that the Company is requesting be converted into RECs?**

A. The Company originally requested that 85,949 EWR Credits be substituted for RECs (see Exhibit A-6 (TAY-6)). To recognize the double counting of 40.15 MWh of savings, the number of EWR Credits the Company is requesting be converted into RECs should be 85,909 (85,949 MWh minus 40.15 MWh).

THEODORE A. YKIMOFF  
SUPPLEMENTAL DIRECT TESTIMONY

1   **Q.    Has the Company taken additional actions to mitigate a similar occurrence in the**  
2       **future?**

3   A.    Yes. While the Company already had processes, procedures, and controls in place to  
4       mitigate these types of occurrences, we have implemented additional controls to our  
5       systems that will reduce the likelihood of a similar occurrence. These additional controls  
6       include: (i) new business rules in our customer record systems that will require additional  
7       product identifier data (e.g., serial number) for all equipment that will identify any potential  
8       duplicates in the system and not allow further processing; (ii) stricter requirements for  
9       documentation attached to jobs for market-rate programs to keep income-qualified projects  
10      associated only with the income-qualified program; and (iii) updated Terms and Conditions  
11      for all non-profit agreements to further explain the program guideline.

12   **Q.    Does this conclude your supplemental direct testimony?**

13   A.    Yes.

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the Matter of the Application of )  
**CONSUMERS ENERGY COMPANY** )  
for Authority to Reconcile Its )  
2018 Energy Waste Reduction Plan Costs )  
Associated With the Plan Approved in )  
Case No. U-18261. )  
\_\_\_\_\_ )

Case No. U-20365

**PROOF OF SERVICE**

STATE OF MICHIGAN )  
 ) SS  
COUNTY OF JACKSON )

Jennifer Joy Yocum, being first duly sworn, deposes and says that she is employed in the Legal Department of Consumers Energy Company; that on September 16, 2019, she served an electronic copy of the **Supplemental Direct Testimony of Theodore A. Ykimoff on Behalf of Consumers Energy Company** upon the persons listed in Attachment 1 hereto, at the e-mail addresses listed therein. She further states that she also served a hard copy of the same document to the Hon. Sally L. Wallace at the address listed in Attachment 1 by depositing the same in the United States mail in the City of Jackson, Michigan, with first-class postage thereon fully paid.

\_\_\_\_\_  
Jennifer Joy Yocum

Subscribed and sworn to before me this 16<sup>th</sup> day of September, 2019.

\_\_\_\_\_  
Melissa K. Harris, Notary Public  
State of Michigan, County of Jackson  
My Commission Expires: 06/11/20  
Acting in the County of Jackson

**ATTACHMENT 1 TO CASE NO. U-20365**

**Administrative Law Judge**

Sally L. Wallace, ALJ  
Administrative Law Judge  
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