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**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

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PUCO

In the Matter of the Application of Ohio Edison :
Company, The Cleveland Electric Illuminating : Case No. 07-551-EL-AIR
Company and The Toledo Edison Company for : Case No. 07-552-EL-ATA
Authority to Increase Rates for Distribution : Case No. 07-553-EL-AAM
Service, Modify Certain Accounting Practices and : Case No. 07-554-EL-UNC
for Tariff Approvals. :

**PREFILED TESTIMONY
OF
WM. ROSS WILLIS
ACCOUNTING & ELECTRICITY DIVISION
UTILITIES DEPARTMENT
PUBLIC UTILITIES COMMISSION OF OHIO**

STAFF EXHIBIT _____

January 30, 2008

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Technician *TM* Date Processed *1/30/2008*

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

2 A. My name is Wm. Ross Willis. My business address is 180 East Broad
3 Street, Columbus, Ohio 43215.

4

5 2. Q. By who are you employed?

6 A. I am employed by the Public Utilities Commission of Ohio (PUCO).

7

8 3. Q. What is your current position with the PUCO and what are your duties?

9 A. I am an Administrator in the Accounting and Electric Division within the
10 Utilities Department. My duties include developing, organizing, and
11 directing staff during rate case investigations and other financial audits of
12 public utility companies subject to the jurisdiction of the PUCO. The
13 determination of revenue requirements in connection with rate case investi-
14 gations is under my purview.

15

16 4. Q. Would you briefly state your educational background?

17 A. I earned a Bachelor of Business Administration Degree that included a
18 Major in Finance and a Minor in Management from Ohio University in
19 December 1983. In November 1986, I attended the Academy of Military
20 Science and received a commission in the Air National Guard. Moreover, I
21 have attended various seminars and rate case training programs sponsored

1 by this Commission, professional trade organizations, and the financial
2 community.

3
4 5. Q. Please outline your work experience.

5 A. Following graduation from Ohio University, I joined the Public Utilities
6 Commission in February 1984, in the Utilities Department as a Utility
7 Examiner. I have held several technical and managerial positions with the
8 PUCO. They include Utility Examiner, Utility Rate Analyst, Utility Audit
9 Coordinator, Utility Supervisor, Utility Administrator 1 and my current
10 position, Utility Administrator 2.

11
12 My military career spans 27 honorable years of service with the Ohio
13 National Guard. I earned the rank of Lieutenant Colonel and I am a veteran
14 of the war in Afghanistan. I retired from the Air National Guard in March
15 2006.

16 I have previously testified before this Commission.

17
18 6. Q. What are your responsibilities in this proceeding?

19 A. The purpose of my testimony is to respond to the applicant's first objection
20 related to plant in service.

1 7. Q. Ohio Edison Company, The Cleveland Electric Illuminating Company, and
2 The Toledo Edison Company (collectively, "Operating Companies") state
3 in their first objection to plant in service, "The said Report unreasonably
4 and unlawfully removes Transmission Land and Land Rights relating to
5 sub-transmission property that had been properly allocated to the distribu-
6 tion function. (All Companies, S.R. Sched. B-2.2)." Do you agree?

7 A. Yes, the Staff erred by including sub-transmission property in its Transmis-
8 sion Land Plant Adjustment. Moreover, the Staff concurs with the supple-
9 mental testimony Exhibit TJF-1 of Mr. Trevor J. Fernandez that provides
10 the property balances for each of the Operating Companies that were
11 improperly removed from rate base.

12
13 8. Q. How did you reach your conclusion that sub-transmission property is a
14 distribution function?

15 A. The Commission concluded in the Opinion and Order in Case Nos. 99-
16 1212-EL-ETP, 99-1213-EL-ATA, and 99-1214-EL-AAM (pg. 54-58) that
17 the supplemental testimony of Carl J. Bridenbaugh, filed April 4, 2000,
18 provides the appropriate demarcation between specific transmission and
19 distribution facilities. Mr. Bridenbaugh applied the seven indicators estab-
20 lished by FERC in Order 888 to determine the split between Federal Energy
21 Regulatory Commission (FERC) jurisdictional transmission facilities and
22 local distribution facilities.

1 9. Q. What did Mr. Bridenbaugh's testimony conclude from his analysis of the
2 seven indicators?

3 A. Bulk Transmission facilities (345 kV and 138 kV) should be classified as
4 transmission. Similarly, the Area Transmission facilities (69 kV) should be
5 classified as transmission. The lower voltage (below 69 kV) facilities meet
6 all of the indicators for local distribution (FirstEnergy Ex. 16-S, at 20).

7
8 10. Q. Do the Operating Companies continue to own all land, easements, fran-
9 chises, and other rights which transmission facilities were located?

10 A. Yes, the land, easements, franchises, and other rights associated with trans-
11 mission facilities are leased by American Transmission Systems, Inc.
12 (ATSI) from the Operating Companies pursuant to a ground lease approved
13 by FERC in the ATSI Open Access case, 90 FERC ¶61,256 (2000).

14
15 11. Q. Did you verify the original cost of the sub-transmission land identified in
16 the supplemental testimony of Mr. Fernandez?

17 A. Yes, the Staff reviewed the assets leased by ATSI as part of the original
18 ground lease (September 2000) and all land added to FERC Account No.
19 350 after that date that are included in the Operating Companies application
20 in this case and shown on Schedules B-2.1 of the filing.

21

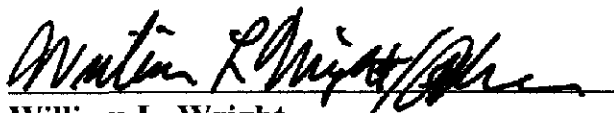
1 12. Q. Does this conclude your testimony?

2 A. Yes.

3

PROOF OF SERVICE

I hereby certify that a true copy of the foregoing Prefiled Testimony of Wm. Ross Willis, submitted on behalf of the Staff of the Public Utilities Commission of Ohio, was served by regular U.S. mail, postage prepaid, hand-delivered, and/or delivered via electronic mail, upon the following parties of record, this 30th day of January, 2008.


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