

FILE

Gregory Hussing

BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the :  
Application of Ohio Edison: :  
Company, The Cleveland :  
Electric Illuminating :  
Company, and The Toledo :  
Edison Company for :  
Authority to Establish a : Case No. 08-935-EL-SSO  
Standard Service Offer :  
Pursuant to RC §4928.143 :  
in the Form of an :  
Electric Security Plan. :

DEPOSITION

of Gregory Hussing, taken before me, Rosemary F.  
Anderson, a Notary Public in and for the State of  
Ohio, at the offices of FirstEnergy, 76 South Main  
Street, Akron, Ohio, on Friday, September 26, 2008 at  
9:30 a.m.

VOLUME II

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1 APPEARANCE:

2 Mr. Mark A. Hayden  
3 FirstEnergy  
4 76 South Main Street  
Akron, Ohio 44308

5 On behalf of the FirstEnergy Companies.

6 APPEARANCES VIA SPEAKERPHONE:

7 Janine L. Migden-Ostrander  
8 Ohio Consumers' Counsel  
9 By Mr. Gregory J. Poulos  
Assistant Consumers' Counsel  
Ten West Broad Street, Suite 1800  
Columbus, Ohio 43215-3485

10 On behalf of the Residential Customers  
11 of the FirstEnergy companies.

12 Chester, Willcox & Saxbe, LLP  
13 By Mr. Mark Yurick  
65 East State Street, Suite 1000  
Columbus, Ohio 43215-4213

14 On behalf of The Kroger Company.

15 Brickfield Burchette Ritts & Stone, P.C.  
16 By Mr. Michael K. Lavanga  
8th Floor, West Tower  
17 1025 Thomas Jefferson Street, N.W.  
Washington, District of Columbia 20007-5201

18 On behalf of Nucor Steel Marion.

19 McNeese, Wallace & Nurick, LLC  
20 By Ms. Lisa McAlister  
21 Fifth Third Center, Suite 1700  
22 21 East State Street  
Columbus, Ohio 43215-4288

23 On behalf of the Industrial Energy  
24 Users - Ohio.

APPEARANCES VIA SPEAKERPHONE (Continued):

Bell & Royer Co., LPA  
By Mr. Barth E. Royer  
33 South Grant Avenue  
Columbus, Ohio 43215-3900

On behalf of the Ohio Environmental  
Council.

Bell & Royer Co., LPA  
By Mr. Langdon Bell  
33 South Grant Avenue  
Columbus, Ohio 43215

On behalf of the Ohio Manufacturers  
Association.

- - -

Tuesday Morning Session,  
September 23, 2008.

- - -

STIPULATIONS

It is stipulated by and among counsel for the  
respective parties that the deposition of Gregory  
Hussing, a witness called by the Ohio Office of  
Consumers' Counsel under the applicable Rules of  
Civil Procedure, may be reduced to writing in  
stenotypy by the Notary, whose notes thereafter may  
be transcribed out of the presence of the witness;  
and that proof of the official character and  
qualification of the Notary is waived.

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## WITNESS

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- - -

1 MR. HAYDEN: Before we get started, why  
2 don't we do brief appearances. This is Mark Hayden  
3 on behalf of the companies.

4 MR. POULOS: Greg Poulos on behalf the  
5 Ohio Consumers' Counsel.

6 MS. McALISTER: Lisa McAlister on behalf  
7 of Industrial Energy Users - Ohio.

8 MR. YURICK: Mark Yurick on behalf of the  
9 Kroger Company.

10 MR. LAVANGA: Mike Lavanga on behalf of  
11 Nucor Steel Marion.

12 MR. HAYDEN: Is OMA on the line?

13 (No response.)

14 MR. HAYDEN: Why don't we go ahead and  
15 get started with IEU. Lisa, do you have questions  
16 for Mr. Hussing today?

17 MS. McALISTER: I do.

18 - - -

19 GREGORY HUSSING

20 being by me first duly sworn, as hereinafter  
21 certified, deposes and says as follows:

22 EXAMINATION

23 By Ms. McAlister:

24 Q. Good morning, Mr. Hussing.

1           A.    Good morning.

2           Q.    Given the telephone deposition, please  
3 let me know if for any you can't hear or understand  
4 any of the questions. I have just a few questions  
5 and I'm hoping that I won't be too repetitive,  
6 although I'll admit these depositions are starting to  
7 run into each other a little bit for me.

8                    You're supporting the reasonableness of  
9 the -- Reasonable Arrangement Rider; is that correct?

10          A.    That is correct.

11          Q.    And do you have Schedule 3A before you?

12          A.    Yes.

13          Q.    Okay. I'm looking at Schedule 3A for  
14 Ohio Edison. If you could turn to page 62 of 103.

15          A.    Yes.

16          Q.    It states in that a customer who has  
17 taken service under a unique arrangement of the  
18 Economic Development Rider 4A or avoiding the DSE1 or  
19 DE2 charges for the Demand Side Management Rider is  
20 not eligible for the rider RAR; is that correct?

21          A.    Yes, that is correct.

22          Q.    Was the basis for this limitation the  
23 draft rules that were issued by the Commission in  
24 Case No. 08-777- EL-ORD in July 2008?

1           A.    Yes.  The source of that was the proposed  
2 rules.

3           Q.    Okay.  And those proposed rules did say  
4 that customer could take incentives from more than  
5 one schedule or arrangement.  Is that your  
6 recollection?

7           A.    That is my recollection.

8           Q.    Have you reviewed the order that came out  
9 on September 17 in that case in which the Commission  
10 issued its formal rules?

11          A.    I haven't reviewed it in detail.

12          Q.    If that was the case, that the  
13 Commission's final rules eliminated that limitation,  
14 would FirstEnergy revise the rider such that the  
15 eligibility is not limited?

16          A.    Yes.

17          Q.    I'm going to turn you back to your  
18 testimony at pages 10 and 11.  In the application it  
19 identifies that the company commits to providing \$5  
20 million each year from 2009 through 2013 for  
21 investment and customer energy efficiency and demand  
22 side improvements that are made after January 1,  
23 2009; is that correct?

24          A.    Are you referring to the application?



1 Q. Yes. I'm referring to the commitment  
2 that the companies made regarding the energy  
3 efficiency and demand side management improvements.

4 A. Yes. And Mr. Blank is sponsoring that  
5 testimony.

6 Q. Okay. But in your testimony you  
7 mentioned that the proposed Demand Side Management  
8 Energy Efficiency Rider has been structured so that a  
9 customer can avoid a charge by implementing  
10 customer-side programs that will help the company  
11 comply with their portfolio obligations; is that  
12 correct?

13 A. Yes, that is correct.

14 Q. The details regarding how the  
15 customer-sided capabilities will be relied on have  
16 not been provided yet, have they?

17 A. Can you rephrase that question?

18 Q. Sure. There aren't any details in the  
19 application or in any supporting testimony that  
20 identify how customer-sided capabilities can be used  
21 specifically, are there?

22 A. The details are in the rider itself.

23 Q. Does the rider identify how customers can  
24 rely or utilize the customer-side capability options?

1           A.    The rider states how a customer can avoid  
2 the charge by making an application to the company.

3           Q.    Okay. Your testimony also indicates that  
4 the avoidability of the DSE 2 charges is intended to  
5 provide customers with an incentive to implement  
6 customer-side capabilities, right?

7           A.    Yes, that's correct.

8           Q.    But for nonresidential customers the  
9 initial DSE charge is zero, right?

10          A.    That is correct.

11          Q.    And the earliest that the DSE 2 charge  
12 for nonresidential customers could increase is  
13 January 1, 2010; is that correct?

14          A.    The rider updates on the rider specify  
15 the points in time that we will file for any changes  
16 to the rider, so that's January 1 and July 1 of each  
17 year.

18          Q.    Okay. So at least initially the rider  
19 doesn't provide an economic incentive, does it?

20          A.    The rider charge is zero.

21          Q.    I'm going to actually direct your  
22 attention back to that rider, and give me one second  
23 to make sure that I have the right record. I'm  
24 looking at Schedule 3A for Ohio Edison, page 74 of

1 103, rider DSE.

2 A. Yes.

3 Q. And I think you cleared up in your  
4 testimony what might have been a typo, and I'm hoping  
5 that it's the same typo here. Under the Provisions  
6 section, paragraph No. 2 it states that the DSE 2  
7 charges recover costs incurred from, among other  
8 things, renewable energy programs.

9 Is the inclusion of the renewable energy  
10 programs a typo?

11 A. Yes.

12 Q. My last question is, if you know why are  
13 the Energy Efficiency Fund Rider and the Net Energy  
14 Metering Rider outside the scope of this filing?

15 A. Can you say that question again?

16 Q. Sure. In your Schedule 3A you have an  
17 Energy Efficiency Fund Rider and a Net Energy  
18 Metering Rider, and it says they are outside the  
19 scope of the filing, and I'm just wondering why that  
20 is.

21 A. The energy efficiency is an existing  
22 rider. That just continues and there's no change to  
23 that rider.

24 And the net energy metering is part of a

1 different docket or a different case.

2 MS. McALISTER: That's all the questions  
3 I have. Thank you very much, Mr. Hussing.

4 MR. HAYDEN: Does anybody else on the  
5 phone other than IEU have questions for Mr. Hussing  
6 today?

7 MR. BELL: I have questions. Langdon  
8 Bell.

9 THE ATTORNEY EXAMINER: Go ahead.

10 - - -

11 EXAMINATION

12 By Mr. Bell:

13 Q. Good morning, Mr. Hussing. My name is  
14 Langdon Bell, and I'm representing the Ohio  
15 Manufacturing Association. I have number of  
16 questions for you today.

17 First of all, are you within Mr. Blank's  
18 group?

19 A. Yes, I am.

20 Q. With respect to the proposed revenue  
21 requirement authorization sought in this case, most  
22 of the other witnesses sponsor or support the overall  
23 increase. It's your function, is it not, to  
24 determine from whom and over what period these

1 increases -- the means by which and from whom these  
2 increases will be derived?

3 A. I'm sponsoring the allocation of certain  
4 increases to certain rate schedules.

5 Q. And with respect to the overall revenue  
6 authorization sought in this proceeding, you would  
7 agree, would you not, that a portion of the revenues  
8 are being collected during the three-year period of  
9 the plan and a portion of the increased revenue  
10 authorization collection is being deferred to years  
11 2012 and beyond?

12 MR. HAYDEN: Objection, outside the  
13 scope.

14 You can go ahead and answer.

15 A. I don't understand your question.

16 Q. Of the total revenue authorization  
17 requested in this proceeding as reflected in  
18 Mr. Blank's attachment, a portion of the revenue  
19 authorization will be received or collected by the  
20 company during the three years 2009, 2010, 2011, will  
21 it not, as reflected in your attachment?

22 A. My attachments show -- and I'm referring  
23 to schedules 1A, 1B, 1C -- how the rates and the  
24 charges are affected in each year, so the collection

1 of revenue, you know, from the tariff amounts for  
2 each year.

3 Q. Your testimony addresses how the  
4 increased revenue authorization will be collected  
5 from its customers, correct?

6 A. Yes.

7 Q. And in your attached exhibits you show  
8 the revenue responsibility of each of the customer  
9 classes, for instance, as shown in your rate impact  
10 schedules, do you not?

11 A. My rate impact schedules show the revenue  
12 by rate schedule.

13 Q. For instance, could you turn to your rate  
14 impact schedule No. 33, which is -- which relates to  
15 the Toledo Edison Company for each of the three  
16 years; that is, rate schedule, rate impact page 33,  
17 78, and 123. Do you have those?

18 A. I have Toledo Edison rate impact 33 in  
19 front of me.

20 Q. Okay. Now, would you agree, Mr. Hussing,  
21 that the increases shown therein are year over year?

22 A. Well, I'm looking at 33, and it's showing  
23 an increase from 2008 to 2009.

24 Q. That would be year over year, wouldn't

1 it?

2 A. Yes; the from the year 2008 to year 2009.

3 Q. And similarly if we went to the  
4 comparable sheet for demonstrating the increase from  
5 2009 to 2010 shown on rate impact sheet 78, the same  
6 information would exist, would it not?

7 A. Yes, from 2009 to 2010.

8 Q. And rate impact sheet 123 would show the  
9 dollar and percentage increase from year 2010 to  
10 2011, would it not?

11 A. That is correct.

12 Q. Now, would you agree that one could not  
13 derive the impact or percentage increase over the  
14 three-year time frame by adding up the percentages  
15 shown in column I on those exhibits or attachments?

16 A. Can you explain your question again?

17 Q. One could not identify the percentage  
18 increase of the 2011 rates over the 2008 rates by  
19 adding up the respective percentages shown in column  
20 I of those rate impact sheets 33, 78, and 123.

21 A. One could calculate the increase from the  
22 current rates. The average rates for each rate  
23 schedule are on the page so you could calculate, you  
24 know, the average rate in 2008 and what the average

1 rate in 2011 is and you could determine the change.

2 Q. Okay. For example, then, is it correct,  
3 Mr. Hussing, let's take the transmission rate class  
4 GT as shown on your rate impact sheet 33.

5 A. Yes.

6 Q. Now, that reflects 679 bills, does it  
7 not?

8 A. Yes, it does.

9 Q. Now, that's over a year's period and it  
10 reflects customers going in and out of the class,  
11 does it not?

12 A. It reflects the number of bills during  
13 the year.

14 Q. Okay. Would that approximate 56  
15 customers being served in that class?

16 A. Since I don't have a calculator with me,  
17 679 divided by 12.

18 Q. Yes. It produces whatever number it  
19 produces, correct?

20 A. It would produce the average number of  
21 customers during the year.

22 Q. And in order to determine the revenue  
23 rate increase to those 56 transmission customers, we  
24 could look at the revenues shown in column F for the



1 year 2008 as shown on rate impact sheet 33 and then  
2 the same revenue for 2011 as shown in column I, rate  
3 impact sheet 123, to derive the total increase dollar  
4 revenue responsibility for those 56 customers over  
5 the three-year period, could we not?

6 A. That would show you the change in revenue  
7 from 2008 to 2011.

8 Q. Would you accept, subject to check,  
9 Mr. Hussing, that the total rate increase for those  
10 56 customers is \$123,985,310 representing a  
11 52 percent rate increase?

12 A. How did you calculate that number?

13 Q. I went to your rate impact sheet  
14 123 showing the revenue responsibility of that class  
15 of customers in the year 2011, which is \$363,098,645;  
16 is that correct?

17 A. That is correct.

18 Q. As shown in column I on your rate impact  
19 sheet 123.

20 A. That's correct.

21 Q. And if we go to the comparable figure for  
22 that class in 2008 as shown in column F, rate impact  
23 sheet 33, it's \$239,113,335, is it not?

24 A. That's correct.

1 Q. So the difference between those two  
2 sheets would reflect the dollar and percentage  
3 increase in base rates on those 56 customers, would  
4 it not?

5 A. That is correct.

6 Q. Now, with respect to the rate impacts  
7 represented in your schedules 1A for each of the  
8 operating companies, you do not show special contract  
9 customers as a class of customers, do you?

10 A. The Ohio Edison and the Toledo Edison  
11 Company do not have any special contracts.

12 Q. With respect to CEI, you do not show  
13 special contract revenue responsibility on the  
14 schedule 1A applicable to the Cleveland Electric  
15 Illuminating Company showing the increases from year  
16 to year 2008 to 2009, 2009 to 2010, 2010 to 2011 as  
17 reflected on your rate impact sheets 16, 61 and 106,  
18 do you?

19 A. Referring to rate impact sheet 16?

20 Q. Yes.

21 A. Schedule 1A?

22 Q. Yes.

23 A. CEI contracts are listed as a group.

24 Q. There you have 252 customer bills, do you

1 not?

2 A. That's correct.

3 Q. And, again, to find out how many  
4 customers are subject to special contracts in CEI's  
5 territory you divide that by 12.

6 A. That's correct.

7 Q. Now, you assumed for purposes of the  
8 revenue recovery on the years, three years of this  
9 plan, a constant number of kilowatt-hours sold to  
10 contract customers, do you not?

11 A. We assumed through the schedules, you  
12 know, showing the rate impacts that the  
13 kilowatt-hours didn't change during the period.

14 Q. They remained frozen at 2,359,965,558, do  
15 they not?

16 A. Is that a number you are adding up all  
17 the companies?

18 Q. No. I'm looking at your rate impact  
19 sheet 16, line 10, column -- excuse me, line 9,  
20 column D in each of the rate sheets, rate impact  
21 sheets, 16, 61, and 106.

22 A. You are referring to CEI, okay.

23 Q. Yes.

24 A. All right. Line 9, column D is the

1 kilowatt-hours for contract customers.

2 Q. And it's identical in each of the three  
3 years portrayed in rate impact 16, 61, and 106, is it  
4 not?

5 A. That's correct.

6 Q. Now, your attached schedules show the  
7 distribution of the revenue responsibility for each  
8 of the three operating companies and each of the  
9 classes shown for each of the three years, do they  
10 not?

11 A. When you refer to the schedules you are  
12 referring to which schedule?

13 Q. I'm referring, again, to your schedules,  
14 1A for each of the three companies.

15 A. Are you referring to the summary page?

16 Q. Yes, the rate impact sheet I just went  
17 over for you for Toledo Edison, for example.

18 A. Okay. Could you repeat your first  
19 question, then.

20 Q. These schedules attempt to identify the  
21 impact of the companies' proposal upon the classes as  
22 a whole, do they not, the rate classifications?

23 A. Yes, by rate schedule. Yes.

24 Q. You do not in any manner or fashion

1 attempt to identify the potential impact upon  
2 individual customers served within those classes, do  
3 you?

4 A. No, I do not.

5 Q. So, for instance, where you have or show  
6 an increase for the general service transmission  
7 class as a whole 2009 over 2008 for Toledo Edison of  
8 33.83 percent, would you agree that's the average  
9 increase?

10 A. Yes, that's the average increase for the  
11 six hundred --

12 Q. The class as a whole?

13 A. Yes, the 679 bills.

14 Q. Would you agree, Mr. Hussing, that as a  
15 class as a whole percentage increase, that individual  
16 members within that class, some are going to have  
17 higher percentage increase and some are going to have  
18 lower percentage increase so as to produce that  
19 average?

20 A. That is correct.

21 Q. And if we were to go throughout the three  
22 years shown, for instance, for Toledo Edison and the  
23 transmission class, I believe that you accepted,  
24 subject to check, my computations as to the total

1 dollar increase over the three-year period for  
2 transmission customers of Toledo Edison of  
3 123,985,310 customers representing a 52 percent  
4 increase, did you not?

5 A. What was your number of customers?

6 Q. The number of customers for the  
7 transmission class is -- excuse me -- 56, 57. The  
8 average is 56.9. If we take the number 679 that you  
9 have shown and divide it by 12, it comes out to 56.59  
10 customers. Let's call them 57 customers. All right?

11 A. Subject to check, I agree.

12 Q. And would you agree then of those 57  
13 customers whose average dollar increase over the  
14 three-year period is 52 percent, some are going to  
15 have higher and some are going to have lower  
16 percentage increases?

17 A. Subject to check, I agree.

18 Q. Now, did you do any computer modeling or  
19 attempt to identify the magnitude of that spread;  
20 that is, what was the maximum increase a customer  
21 being served within the transmission class could  
22 expect to receive over that three-year period?

23 A. No, I did not.

24 Q. And the same could be said, could it not,

1 if I were to go over the same rationale with respect  
2 to each of the customer classes shown on your  
3 exhibit, residential, general service secondary,  
4 general service primary, general service  
5 subtransmission, general service transmission, et  
6 cetera?

7 A. Your question, did I look at any  
8 individual customer?

9 Q. Did you look at the potential increases  
10 within the class and the extent to which customers  
11 within the class would receive increases  
12 substantially in excess of the average increase  
13 depicted in your exhibit?

14 A. The classes that I looked at that are a  
15 subgroup of the schedules would have been the  
16 nonstandard residential group as a group and the  
17 interruptible customers as a group.

18 Q. But you did not look at the general  
19 service secondary, primary, subtransmission, and  
20 transmission customers and their loads to determine  
21 the range of potential rate increase impacts upon  
22 them.

23 A. No, I did not.

24 Q. Within each class.

1           A.    No, I did not.

2           Q.    Thank you.  Now, would you agree  
3   Mr. Hussing, that if we looked at -- let's take your  
4   rate impact statement 33 again.  Do you have that  
5   before you?

6           A.    Yes, I do.

7           Q.    You have in the last column, column J,  
8   the percentage of the total revenues assigned as the  
9   responsibility for each of those classes, do you not?  
10   For instance, the residential class in the year 2009  
11   under this exhibit reflects that the residential  
12   class bears 30.50 percent of the total revenue,  
13   company revenue, for Toledo Edison; is that correct?

14          A.    That's correct.

15          Q.    And if we were to go through the other  
16   sheets pertaining to Ohio Edison Company as shown,  
17   for instance, on your rate impact statement 1, the  
18   same analysis could be made, could it not?

19          A.    That is correct.

20          Q.    And would it be correct that if we looked  
21   at the percentage distribution of the total revenue  
22   for each of the customer classes in each of the three  
23   years shown, we could determine whether or not over  
24   that time period a customer class's revenue



1 responsibility was being increased or decreased.

2 A. By looking at the amount of revenue?

3 Q. Yes. To determine whether or not that  
4 customer class's proportional revenue responsibility  
5 was being increased or decreased.

6 A. Yes.

7 Q. For instance, let us look at Ohio Edison  
8 Company just as an example. No, let's stay with  
9 Toledo Edison. Can you turn to your rate impact  
10 statement 33 again.

11 A. Yes.

12 Q. For the year 2008 or 2009 it shows that  
13 the residential class's revenue responsibility is  
14 30.50, does it not?

15 A. That is correct.

16 Q. And if we go to your rate impact sheet  
17 79, 78 and 123, if the number shown in that column is  
18 declining, does it not represent that proportionally  
19 the company is assigning less proportional revenue  
20 responsibility to the residential class in each of  
21 the three years of the plan?

22 MR. HAYDEN: Do you understand the  
23 question?

24 Q. Do you want me to go over the numbers

1 with you, Mr. Hussing?

2 A. I'm trying to think through your  
3 question. Could you rephrase it, please?

4 Q. Would you agree, Mr. Hussing, that if,  
5 for instance, on the residential class the  
6 percentages shown in column J for each of the three  
7 years is declining, that represents the fact that the  
8 company is assigning proportionally less revenue  
9 responsibility to the residential class in each of  
10 the three years.

11 A. I'm not sure that it's assigning anything  
12 different. That's an effect of the rate schedules  
13 and the charges that are --

14 Q. Let me rephrase the question then.

15 MR. HAYDEN: Hold on, Mr. Bell.

16 Are you done with your answer?

17 A. What I was saying is that that's an  
18 effect of the rate schedules and the charges in each  
19 rate schedule.

20 Q. And the rate schedules and the charges in  
21 the rate schedule were developed by you, were they  
22 not?

23 A. Certain rate schedules I am supporting  
24 and certain other rate schedules other witnesses in

1 the case are supporting.

2 Q. Well, in any event, would you agree that  
3 if the number in column K for each of the three years  
4 declines, that reflects a lessening in the  
5 proportional revenue responsibility of the  
6 residential class?

7 A. I would agree that the declining -- a  
8 declining amount of that percentage means that the  
9 residential class pays a lesser percentage of the  
10 total revenue.

11 Q. And if the increase -- and if that  
12 percentage increases for another class, it shows that  
13 class is bearing an increased proportion of the total  
14 revenue, does it not?

15 A. I would agree that it's paying a larger  
16 share over the previous year's total current revenue  
17 or total revenue.

18 Q. Would you agree that those exhibits as  
19 shown for the transmission class, line 5, column J  
20 for your rate impact sheets 33, 78 and 123 show an  
21 increasing percentage?

22 A. I'm checking. That is correct.

23 Q. Now, these figures -- these amounts that  
24 you have portrayed in the rate impact sheets do not

1 reflect authorized revenues that are deferred for  
2 future collection, do they?

3 A. Can you be more specific on what  
4 deferrals you are talking about?

5 Q. I would love to be specific. I'm talking  
6 about the deferrals represented in attachment 1,  
7 page 1 of 4 of Mr. Blank's testimony which for the  
8 year 2012 are 109 million, which for the year 2013  
9 are 181.4 million, and for the period 2014 through  
10 the year 2035 is 1,600,600,000.

11 A. The deferrals that I am supporting are  
12 the deferrals shown in schedule 5Q, the deferred  
13 distribution.

14 Q. That is the only deferral you are  
15 supporting, is it not?

16 A. Yes, that's the deferrals that I'm  
17 supporting, but I am only supporting the mechanism to  
18 allocate those deferrals to the rate schedules.

19 Q. That's the CEI distribution deferral?

20 A. Those are the distribution deferrals for  
21 the three companies.

22 Q. All right. Now with that exception with  
23 respect to all of the other deferrals, does the  
24 company in its application indicate how those

1 deferred revenues will be collected from each of the  
2 customer classes served by each of the three  
3 utilities?

4 A. I'm not -- I don't know. You would have  
5 to look for the witnesses that are supporting those  
6 schedules.

7 Q. Such as Mr. Blank. You're the only  
8 witness that addresses the subject of distribution of  
9 revenue responsibility between customer classes, are  
10 you not, Mr. Hussing?

11 A. Mr. Warvell also.

12 Q. He addresses the distribution of revenue  
13 responsibility between customer classes for each of  
14 the three utilities?

15 A. Yes. He's sponsoring the generation and  
16 transmission schedules.

17 Q. Did he address specifically the manner  
18 and means by which the deferrals will be recovered by  
19 each of the three companies and from whom they will  
20 be recovered?

21 A. I don't know. You would have to refer  
22 to his testimony.

23 Q. In any event, you do not address the  
24 manner and means by which the deferrals will be

1 recovered between the customer classes and within the  
2 customer classes, do you?

3 A. I support the deferrals as I mentioned  
4 that are associated in schedule 5Q.

5 Q. Got you. Now, we have just identified,  
6 have we not, for instance, for the Toledo Edison  
7 transmission class the percentage increase that class  
8 will receive in base rates, correct?

9 A. The class will receive in base rates and  
10 riders.

11 Q. Could you turn to your rate impact sheet  
12 39, schedule 1A, page 7 of 13.

13 A. Which company?

14 Q. Toledo Edison.

15 A. Page 39?

16 Q. Yes.

17 A. Okay.

18 Q. Now, with respect to the rider impact  
19 upon the transmission class of customers, would you  
20 agree that for each of the three years shown you have  
21 zero revenue for the Capacity Cost Adjustment Rider,  
22 the Fuel Cost Adjustment Rider and the Uncollectible  
23 Recovery Rider.

24 A. That is correct.

1 Q. And that is true for each of the three  
2 years shown in rate impact 39, 84 and 129?

3 A. That is correct.

4 Q. Now, given the extremely difficult  
5 economic times this state is going through and the  
6 substantial increases that the company is proposing  
7 in these cases, some of which we quantified in our  
8 prior dialogue, would you agree that it is more  
9 likely than not that uncollectibles will increase  
10 over the three years of the plan?

11 MR. HAYDEN: Objection. It's a  
12 characterization of the application and outside the  
13 scope of the witness' testimony.

14 Q. Well, would you answer the question,  
15 Mr. Hussing?

16 A. I don't know.

17 Q. Well, you have a zero shown on revenue  
18 for each of the three years for each of those three  
19 riders, do you not? It represents no increase.

20 A. The numbers are unknown.

21 Q. Well, it's unknown. You're representing  
22 in these exhibits that the transmission customers  
23 being subject to this rider will receive no increase  
24 over the three years of the plan. Does not these

1 exhibits reflect that? Can you answer that yes or  
2 no, Mr. Hussing?

3 A. These exhibits indicate that those costs  
4 were unknown.

5 Q. Does it represent that there is no  
6 revenue derived from those riders in each of the  
7 three years?

8 A. It represents those charges were unknown  
9 and they were set at zero.

10 Q. By the way, with respect to those riders  
11 would you agree that the Capacity Cost Adjustment  
12 Rider is a nonbypassable rider?

13 A. Mr. Warvell is supporting the Capacity  
14 Cost Adjustment Rider.

15 Q. Let us go to the riders that you're  
16 supporting Mr. Hussing. You discuss them in your  
17 testimony, do you not?

18 A. Yes, I do.

19 Q. Let's take the Distribution Service Rider  
20 on page 7 of your testimony. Would you agree that is  
21 a nonbypassable rider?

22 A. The distribution -- let me get to the  
23 page. The Distribution Service Rider is the base  
24 distribution charges that are in the current tariffs



1 for CEI.

2 Q. Is that rider applicable to transmission  
3 customers not receiving service at the distribution  
4 level?

5 A. That rider is applicable to all customers  
6 taking delivery service from the company for CEI.

7 Q. Regardless of what level of service is  
8 being received? If a customer is receiving service  
9 at the transmission level and not at the distribution  
10 level, that customer is subject to the distribution  
11 rider, is he not?

12 A. That customer is going to be charged its  
13 current distribution rate that that customer is being  
14 charged today under the current rate schedules for  
15 CEI.

16 Q. Let's move on to the Regulatory  
17 Transition Charge and Residential Transition Rate  
18 Credit Rider. Are those bypassable riders?

19 A. That charge, that rider is an avoidable.  
20 I mean, it's not going to be charged. It's waived.  
21 And as my testimony says on page 8: Per the terms of  
22 the ESP the charge and credits associated with this  
23 rider will be waived. So the charge for this rider  
24 is zero.

1 Q. If the charge is waived, why is it  
2 included?

3 A. It's included as a placeholder.

4 Q. For what purpose?

5 A. For the purpose of maintaining the waived  
6 amount.

7 Q. It's a placeholder, is it not,  
8 Mr. Hussing, for purposes of generating revenue from  
9 customers within the class that are subject to the  
10 rider in a future period?

11 A. No.

12 Q. Let's go to your Economic Development  
13 Rider. Are all delivery customers of the three  
14 companies subject to the Economic Development Rider?

15 A. Yes.

16 Q. And that is identified by you as a social  
17 cost.

18 A. What are you referring to, the charges?

19 Q. Yes.

20 A. Yes.

21 Q. To be borne by all customers.

22 A. The charges are being borne by general  
23 service secondary customers and the general service  
24 primary customers.

1 Q. There are a number of manufacturers  
2 receiving general service secondary and primary, are  
3 there not?

4 A. There are many types of customers being  
5 served general service secondary and general service  
6 primary.

7 Q. Including manufacturers, correct?

8 A. I would agree.

9 Q. Now, would you agree that as the economic  
10 development costs increase over the three-year  
11 period, the amount charged under the rider will  
12 increase?

13 A. Your presumption is that the -- it would  
14 increase. That may not be the fact.

15 Q. My presumption or your presumption?

16 A. No, you said an increase.

17 Q. Yes. If, in fact, the costs increase, is  
18 it not likely that the amount paid under the rider  
19 will increase?

20 A. The rider's portions has different  
21 portions that if the credits increase, then the  
22 charges would also increase. It's revenue neutral  
23 for the company.

24 Q. I understand it is revenue neutral to the

1 company, but it is not neutral to the customers  
2 subject to those charges given.

3 A. It's a nonbypassable charge.

4 Q. Thank you. Did you run any models to  
5 attempt to identify what the impact of that rider  
6 will be upon customers that are subject to the rider  
7 over the three-year period of the plan?

8 A. No, I have not.

9 Q. Could the same be said with respect to  
10 all of the riders addressed in your testimony?

11 A. The riders in my testimony are based upon  
12 the units and the charges per the terms of the  
13 tariff.

14 Q. That's fine, Mr. Hussing. Let's go to  
15 the Reasonable Arrangements Rider. That is another  
16 nonbypassable rider, is it not?

17 A. The Reasonable Arrangements Rider is an  
18 application process.

19 Q. Whether it's a process or not, does that  
20 provide for increasing the revenues received from  
21 individual customers over the three years of the  
22 plan?

23 A. The Reasonable Arrangements Rider is the  
24 process by which a customer would apply for a

1 reasonable arrangement under the Commission rules,  
2 and the Commission would then determine that  
3 reasonable arrangement and provide, you know,  
4 judgment of a discount to a customer. So it's really  
5 an application process by which the Commission  
6 determines if a customer gets a discount.

7 Q. Does the discount to that customer,  
8 regardless of how determined and by what process,  
9 result in an increase rate being charged other  
10 customers?

11 A. The collection of that discount would be  
12 then in the Delta Revenue Recovery Rider.

13 Q. Thank you. And the Delta Revenue  
14 Recovery Rider is a nonbypassable rider.

15 A. That is correct.

16 Q. Did you attempt by computer model or  
17 otherwise to determine the impact of the Delta  
18 Revenue Recovery Rider upon customers in any or all  
19 of the subject tariff classes under the three years  
20 of the plan?

21 A. In CEI the Delta revenue recovery is  
22 shown.

23 Q. Toledo Edison?

24 A. There are no reasonable arrangements or

1 special contracts presently for Toledo Edison or Ohio  
2 Edison.

3 Q. Presently. Are you saying there will be  
4 none, no special contracts, reasonable arrangements,  
5 or unique arrangements for Toledo Edison or Ohio  
6 Edison in the years 2009, 2010, 2011?

7 A. I don't know.

8 Q. If there are such arrangements, will  
9 those discounts be reflected in the Delta Revenue  
10 Recovery Rider charges being imposed upon other  
11 customers of those utilities?

12 A. Based upon the Commission rules, the  
13 collection of Delta revenue would be recovered  
14 through the Delta revenue rider.

15 Q. And that's a nonbypassable rider.

16 A. That's correct.

17 Q. And you have nowhere in your testimony  
18 attempted to quantify in any manner, shape, or form  
19 the magnitude of the resulting increasing in charges  
20 to other customers resulting from that rider, have  
21 you?

22 A. I've shown the increase, the recovery of  
23 the Delta revenue for CEI's special contracts.

24 Q. You've not shown the effect for Toledo

1 Edison or Ohio Edison, have you?

2 A. They have no special contracts.

3 Q. Will there be any special contracts,  
4 reasonable arrangements, or unique arrangements for  
5 the three years of the plan 2009 through 2011?

6 A. I'm not aware of any special contracts  
7 post 2009 -- I'm sorry, post 2008.

8 Q. Have you attempted through modeling or  
9 otherwise to identify the increases that might  
10 reasonably be expected to be paid by customers as a  
11 result of the Demand Side Management Rider?

12 A. The charges in the rider, except for the  
13 residential class, for the energy efficiency and DSM  
14 is zero per the terms of the rider.

15 MR. BELL: I believe that's all I have  
16 for the deposition.

17 Thank you, Mr. Hussing.

18 MR. HAYDEN: Does anybody else have  
19 questions for Mr. Hussing today?

20 MR. ROYER: This is Barth Royer. I  
21 wasn't on the line when the deposition began, but I  
22 have a couple questions.

23 MR. HAYDEN: Okay.

24 - - -

EXAMINATION

By Mr. Royer:

Q. Good morning, Mr. Hussing.

A. Good morning.

Q. With respect to your testimony at page 10 regarding the Demand Side Management and the Energy Efficiency Rider, are you with me?

A. Yes.

Q. When you refer on line 20 to "programs," was it your intention that this would cover company programs to encourage energy efficiency and demand reduction?

A. Yes.

Q. Okay. Now, have you had an opportunity to review the rules adopted by the Commission in case No. 08-777-EL-ORD?

A. What are those?

Q. The ones that came out last week.

A. Not in any detail.

Q. Okay. So you are not suggesting any changes to your testimony as a result of those proposed rules, I take it?

A. I can't comment on it. I haven't reviewed them in detail.



1 MR. ROYER: Okay. Very good. That's all  
2 I have. Thank you.

3 MR. HAYDEN: Does anybody else have  
4 questions for Mr. Hussing today?

5 MR. LAVANGA: This is Mike Lavanga for  
6 Nucor. I don't have any questions for Mr. Hussing.

7 MR. HAYDEN: Okay. Anybody else?

8 (No response.)

9 MR. HAYDEN: Okay, hearing none, I think  
10 that is it. Thank you very much.

11 MS. McALISTER: Thank you.

12 (The deposition concluded at 10:35 a.m.)

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1 State of Ohio :  
2 County of \_\_\_\_\_ : SS:

3 I, Gregory Hussing, do hereby certify that I  
4 have read the foregoing transcript of my deposition  
5 given on Friday, September 26, 2008; that together  
6 with the correction page attached hereto noting  
7 changes in form or substance, if any, it is true and  
8 correct.

9 \_\_\_\_\_  
10 Gregory Hussing

11 I do hereby certify that the foregoing  
12 transcript of the deposition of Gregory Hussing was  
13 submitted to the witness for reading and signing;  
14 that after he had stated to the undersigned Notary  
15 Public that he had read and examined his deposition,  
16 he signed the same in my presence on the \_\_\_\_\_ day  
17 of \_\_\_\_\_, 2008.

18 \_\_\_\_\_  
19 Notary Public

20 My commission expires \_\_\_\_\_, \_\_\_\_\_.  
21  
22  
23  
24


## CERTIFICATE

State of Ohio :  
County of Franklin : SS:

I, Rosemary F. Anderson, Notary Public in and for the State of Ohio, duly commissioned and qualified, certify that the within named Gregory Hussing was by me duly sworn to testify to the whole truth in the cause aforesaid; that the testimony was taken down by me in stenotypy in the presence of said witness, afterwards transcribed upon a computer; that the foregoing is a true and correct transcript of the testimony given by said witness taken at the time and place in the foregoing caption specified and completed without adjournment.

I certify that I am not a relative, employee, or attorney of any of the parties hereto, or of any attorney or counsel employed by the parties, or financially interested in the action.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal of office at Columbus, Ohio, on this 29th day of September, 2008.

  
Rosemary F. Anderson,  
Professional Reporter, and  
Notary Public in and for the  
State of Ohio.

My commission expires April 5, 2009.

(RFA-8204)

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