

**REBUTTAL TESTIMONY OF
TIMOTHY M. DOOLEY
ON BEHALF OF COLUMBUS SOUTHERN POWER
COMPANY AND OHIO POWER COMPANY
BEFORE THE PUBLIC UTILITY COMMISSION OF OHIO
IN CASE NOS. 09-0872-EL-FAC AND 09-873-EL-FAC**

PERSONAL DATA

Q. PLEASE STATE YOUR NAME, AND BUSINESS ADDRESS.

A. My name is Timothy M. Dooley. My business address is 155 West Nationwide Boulevard, Columbus, Ohio 43215.

Q. ARE YOU THE SAME TIMOTHY M. DOOLEY WHO PROVIDED DIRECT TESTIMONY IN THIS CASE?

A. Yes.

PURPOSE

Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY IN THIS PROCEEDING?

A. The purpose of this testimony is to respond to certain recommendations made by Mr. Hess of IEU and Mr. Duann of OCC as made in their direct testimony.

TONNAGE SHORTFALL SETTLEMENT

Q. ON PAGE 5 OF MR. HESS' DIRECT TESTIMONY HE DISCUSSES OPCO'S ACCOUNTING FOR THE \$ MILLION NOTE RECEIVABLE ASSOCIATED WITH THE NOVEMBER 2008 SHORTFALL SETTLEMENT WHICH IS ALSO FURTHER DISCUSSED IN MR. RUSK'S REBUTTAL TESTIMONY. HOW WAS THE NOTE RECEIVABLE RECEIVED BY OPCO ACCOUNTED FOR?

1 A. In November 2008, OPCo recorded a debit for \$ [REDACTED] to Account 141 (Note
2 Receivable), and credited \$ [REDACTED] to Account 501 (Fuel Expense) and
3 \$ [REDACTED] to Account 456 (Other Electric Revenues) to record the compensation
4 received related to the coal supplier's failure to deliver [REDACTED] tons in 2008.
5 Applicable subsequent cash receipts for the note receivable were credited to Account
6 141.

7 Q. WAS THIS ACCOUNTING APPROPRIATE UNDER GAAP?

8 A. Yes. Since the compensation received by OPCo in November 2008 related to the
9 shortfall of coal deliveries in 2008 and that otherwise would have been consumed in
10 2008 the \$ [REDACTED] million was properly recognized to income in 2008.

11
12 [REDACTED] CONTRACT SUPPORT

13 Q. ON PAGE 11 (LINES 7 THROUGH 13) OF MR. HESS' DIRECT
14 TESTIMONY HE PROVIDES HIS VIEW AS TO HOW THE [REDACTED]
15 PRICE INCREASE SHOULD HAVE BEEN ACCOUNTED FOR. IS MR.
16 HESS' VIEW CORRECT?

17 A. No. There is no GAAP basis for deferring the agreed upon price increase for the firm
18 committed tons under this contract to a period beyond. There is no firm commitment
19 for the option periods which begin 2013 and thus no basis for deferral.

20
21 ADDITIONAL COMMENTS

22 Q. ON PAGE 22 (LINES 10 THROUGH 18) OF DR. DUANN'S DIRECT
23 TESTIMONY HE PROVIDES HIS VIEW AS TO THE ADEQUACY OF THE

**AUDIT TRAIL ASSOCIATED WITH THE BOOKING OF THE
COMPANIES' PURCHASED POWER. DO YOU AGREE WITH DR.
DUANN'S ASSERTION?**


A. No. An adequate audit trail does exist and following the response to subsequent data requests with the Auditor, it is the Companies understanding that the Auditor is satisfied with support provided. Subsequently, the Auditor agreed that providing the supplemental purchased power reconciliation schedules along with the FAC workbooks at the commencement of the Audit would facilitate the substantiation of the Companies' purchased power expense as indicated in Financial Audit Recommendation No. 3 in the Audit Report.

Q. DOES THIS CONCLUDE THIS REBUTTAL TESTIMONY?

A. Yes.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the Public Version of the Rebuttal Testimony of Timothy M. Dooley on behalf of Columbus Southern Power Company and Ohio Power Company was served by U.S. Mail upon the individuals listed below this 23rd day of August, 2010.


Steven T. Nourse

Janine L. Migden-Ostrander
Consumers' Counsel
Michael E. Idzkowski
Counsel of Record
Jeffrey L. Small
Assistant Consumers' Counsel
Office of the Ohio Consumers' Counsel
10 West Broad Street, Ste. 1800
Columbus, Ohio 43215-3485

William Wright
Thomas McNamee
Ohio Attorney General's Office
Public Utilities Commission of Ohio
180 East Broad Street, 6th Floor
Columbus, Ohio 43215

Clinton A. Vance
Douglas G. Bonner
Daniel D. Barnowski
Keith C. Nusbaum
Emma C. Hand
Sonnenschein Nath & Rosenthal
1301 K Street NW
Ste. 600, East Tower
Washington, DC 20005

Samuel C. Randazzo
Lisa G. McAlister
Joseph M. Clark
McNees Wallace & Nurick, LLC
21 East State Street, 17th Floor
Columbus, Ohio 43215