

BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

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In the Matter of the :
 Application of Duke :
 Energy Ohio, Inc. to :
 Establish its Fuel and : Case No. 09-974-EL-FAC
 Economy Purchased Power :
 Component of its :
 Market-Based Standard :
 Service Offer for 2009. :

:
 :

In the Matter of the :
 Application of Duke :
 Energy Ohio, Inc. to :
 Establish its System : Case No. 09-975-EL-RDR
 Reliability Tracker of its:
 Market-Based Standard :
 Service Offer for 2009. :

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PROCEEDINGS

before Ms. Katie Stenman, Hearing Examiner, at the
 Public Utilities Commission of Ohio, 180 East Broad
 Street, Room 11-C, Columbus, Ohio, called at 10:00
 a.m. on Tuesday, September 7, 2010.

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APPEARANCES:

Duke Energy Corporation
By Mr. Rocco O. D'Ascenzo
Ms. Elizabeth Watts
139 East Fourth Street
Cincinnati, Ohio 45201-0960

On behalf of the Company.

Janine L. Migden-Ostrander
Ohio Consumers' Counsel
By Ms. Ann M. Hotz
Assistant Consumers' Counsel
Ten West Broad Street, Suite 1800
Columbus, Ohio 43215-3485

On behalf of the OCC.

Richard Cordray
Ohio Attorney General
By Mr. John Jones
Ms. Tammy Turkington
Assistant Attorneys General
Public Utilities Section
180 East Broad Street, 6th Floor
Columbus, Ohio 43215

On behalf of the Staff.

Ohio Partners for Affordable Energy
By Ms. Colleen L. Mooney
231 West Lima Street
Findlay, Ohio 45839

On behalf of the OPAC.

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1 Tuesday Morning Session,
2 September 7, 2010.

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4 HEARING EXAMINER: Let's go on the
5 record.

6 Public Utilities Commission of Ohio is
7 called for a hearing at this time and place, Case
8 Nos. 09-974-EL-FAC, being in the Matter of the
9 Application of Duke Energy Ohio to Establish its Fuel
10 and Economy Purchased Power Component of its
11 Market-Based Standard Service Offer for 2009, and
12 09-975-EL-RDR being in the Matter of the Application
13 of Duke Energy Ohio to Establish its System
14 Reliability Tracker of its Market-Based Service
15 Standard Offer for 2009.

16 My name's Katie Stenman, I'm the attorney
17 examiner to hear this case.

18 At this time I'd like to take the
19 appearances of the parties starting with the company.

20 MR. D'ASCENZO: Thank you, your Honor.
21 On behalf of Duke Energy Ohio, my name is Rocco
22 D'Ascenzo, my address is 139 East Fourth Street,
23 Cincinnati, Ohio 45201.

24 HEARING EXAMINER: Staff? Or, Ms. Watts?

25 MR. D'ASCENZO: If I could, your Honor,

1 with me today is Elizabeth Watts.

2 HEARING EXAMINER: Thank you.

3 MR. JONES: Morning, your Honor. On
4 behalf of the staff of the Public Utilities
5 Commission of Ohio, Ohio Attorney General Richard
6 Cordray, Assistant Attorneys General Tom McNamee,
7 John Jones, 180 East Broad Street, Columbus, Ohio
8 43215.

9 HEARING EXAMINER: Thank you.

10 MS. HOTZ: On behalf of the residential
11 customers of Duke Energy Ohio, the Ohio Consumers'
12 Counsel, Janine Migden-Ostrander, by Ann M. Hotz and
13 Jeffrey L. Small, 10 West Broad Street, Suite 1800,
14 Columbus, Ohio 43215. Thank you.

15 HEARING EXAMINER: Thank you.

16 MS. MOONEY: On behalf of Ohio Partners
17 for Affordable Energy, David C. Rinebolt and Colleen
18 L. Mooney, 231 West Lima Street, Findlay, Ohio.

19 HEARING EXAMINER: Thank you.

20 I notice that we still have an
21 outstanding motion protective order filed August 27,
22 2010. Thus far there haven't been any memorandum
23 contra filed. Does anyone plan to file a memorandum
24 contra?

25 MS. HOTZ: No.

1 MR. JONES: No, your Honor.

2 MS. MOONEY: No.

3 HEARING EXAMINER: Since there will be no
4 memorandum contra, that motion protective order will
5 be granted for a period of 18 months, ending March 7,
6 2012. All the procedural rules apply if you want to
7 sign a protective order.

8 I also understand a stipulation has been
9 docketed?

10 MR. D'ASCENZO: Yes, your Honor. A
11 stipulation was filed among the parties. Except for
12 one who has stated that they will not oppose, that
13 was filed on Friday.

14 The company also filed testimony in
15 support, and the witness is available, for the
16 record, to support the stipulation.

17 HEARING EXAMINER: Okay. Would you like
18 to call your witness?

19 MR. D'ASCENZO: Sure, your Honor. If I
20 may, I would like to mark a few items as exhibits for
21 the stipulation.

22 The parties have agreed that certain
23 documents would be submitted and moved into evidence.
24 The first one I would like to mark as Duke Energy
25 Ohio Exhibit 1 is the application that was filed in

1 this proceeding on March 2, 2010.

2 I would also like to mark as Duke Energy
3 Ohio Exhibit 2 the direct testimony of Salil Pradhan,
4 also filed in this proceeding on March 2, 2010; Duke
5 Energy Ohio Exhibit 3 is the direct testimony of
6 William D. Wathen, Jr., also filed March 2, 2010;
7 Duke Energy Ohio Exhibit 4 is the direct testimony of
8 Timothy J. Thiemann filed March 2, 2010.

9 MS. HOTZ: Your Honor, OCC objects to the
10 testimony of -- who was that? Mr. Thiemann, when was
11 that filed?

12 MR. D'ASCENZO: March 2.

13 MS. HOTZ: Okay, sorry. That's all
14 right.

15 HEARING EXAMINER: You're withdrawing any
16 objection?

17 MS. HOTZ: I'm withdrawing the objection,
18 yes.

19 HEARING EXAMINER: Is that the end of the
20 exhibits that Duke intends to mark?

21 MR. D'ASCENZO: No, your Honor. Duke
22 Energy Exhibit 5 is the testimony in support of
23 settlement of Salil Pradhan, that was filed on
24 September 3, 2010.

25 The parties have one joint exhibit, which

1 is the stipulation that was filed in the docket on
2 September 3, 2010. That would be Joint Exhibit 1.

3 I would like to note for the record that
4 there is a correction to page 4 of the stipulation.
5 The stipulation refers to the Ohio Energy Group as a
6 signatory. They are not a signatory but they have
7 agreed not to oppose on the record and take no
8 position in the settlement.

9 (EXHIBITS MARKED FOR IDENTIFICATION.)

10 HEARING EXAMINER: I do have a question
11 with respect to the exhibits filed on March 3, it
12 appears that a portion of those are confidential?

13 MR. D'ASCENZO: Yes, your Honor.

14 HEARING EXAMINER: Are you admitting the
15 confidential portion as well as an exhibit?

16 MR. D'ASCENZO: Yes, your Honor.

17 HEARING EXAMINER: And all three sets of
18 testimony found on March 2, those all have
19 confidential pieces, don't they?

20 MR. D'ASCENZO: I'm fairly certain only
21 the direct testimony of Salil Pradhan had a
22 confidential portion. I don't believe -- I don't
23 believe the other two did.

24 HEARING EXAMINER: Let's go off the
25 record for a second.

1 (Off the record.)

2 HEARING EXAMINER: Let's go back on the
3 record.

4 MR. D'ASCENZO: Your Honor, there were
5 confidential attachments to Timothy Thiemann, William
6 Don Wathen, and Salil Pradhan's testimony. We would
7 propose that those confidential portions of the
8 testimony be marked as part A of the exhibit.

9 HEARING EXAMINER: With respect to any of
10 Duke's exhibits, Duke 1 through 5 and Duke 2A through
11 4A, are there any objections to the admission of
12 those?

13 MS. HOTZ: No.

14 MR. JONES: No, your Honor.

15 MS. MOONEY: No.

16 EXAMINER PRICE: Duke Exhibits 1, 2, 3,
17 4, 5 and Duke 2A and 3A and 4A will all be admitted.

18 (EXHIBITS ADMITTED INTO EVIDENCE.)

19 HEARING EXAMINER: With respect to the
20 Joint Exhibit 1, the stipulation, any objections?

21 MS. MOONEY: No.

22 MS. HOTZ: No.

23 MR. JONES: No objection.

24 HEARING EXAMINER: That will be admitted
25 as well.

1 (EXHIBIT ADMITTED INTO EVIDENCE.)

2 HEARING EXAMINER: Any other exhibits
3 need to be entered into the record at this time?

4 MR. JONES: Yes, your Honor. Staff has
5 three exhibits they'd like to mark for
6 identification; Staff Exhibit 1 which is the
7 management performance and financial audit that was
8 filed in the docket May 14, 2010, made by Schumacher
9 & Company. I'd like to have that marked as Staff
10 Exhibit 1. And we also have a -- that's the public
11 version. We also have a confidential version that
12 we'd like to have marked as Staff Exhibit A.

13 As well we have a third exhibit which is
14 a letter that was faxed to my attention on Friday
15 indicating from Mike Kurtz from Boehm, Kurtz & Lowry
16 on behalf of Ohio Energy Group stating that that
17 party takes no position on the merits of the
18 stipulation filed September 3, 2010.

19 (EXHIBITS MARKED FOR IDENTIFICATION.)

20 HEARING EXAMINER: Okay. Any objections
21 to the admission of Staff 1, Staff 1A, or Staff 2?

22 MR. D'ASCENZO: No, your Honor.

23 MS. HOTZ: No, your Honor.

24 HEARING EXAMINER: Staff 1, 1A, and Staff
25 2 will be admitted.

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(EXHIBITS ADMITTED INTO EVIDENCE.)

HEARING EXAMINER: OCC, any exhibits?

MS. HOTZ: No, your Honor.

HEARING EXAMINER: Any?

MS. MOONEY: No, we have no exhibit.

HEARING EXAMINER: Okay. Duke, if you
want to go ahead and call your witness.

MR. D'ASCENZO: Thank you, your Honor.

Duke Energy Ohio calls Salil Pradhan.

(Witness sworn.)

HEARING EXAMINER: Please have a seat.

MR. D'ASCENZO: Your Honor, may I
approach?

HEARING EXAMINER: Absolutely.

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SALIL PRADHAN

being first duly sworn, as prescribed by law, was
examined and testified as follows:

DIRECT EXAMINATION

By Mr. D'Ascenzo:

Q. Mr. Pradhan, would you please state your
name for the record?

A. Salil Pradhan.

Q. What is your business address?

A. 139 East Fourth Street, Cincinnati, Ohio

45202.

Q. Mr. Pradhan, you have in front of you a document that was marked at the beginning of this proceeding as Duke Energy Ohio Exhibit 5. Do you recognize that document?

A. Yes.

Q. And what is that document?

A. It's my testimony in support of settlement on behalf of Duke Energy Ohio, Inc.

Q. Do you have any changes or corrections to that testimony?

A. No.

Q. If I were to ask you those questions this morning would your responses be the same?

A. Yes.

Q. Thank you, Mr. Pradhan.

MR. D'ASCENZO: Your Honor, the witness is available for cross-examination.

HEARING EXAMINER: Any questions from the Staff?

MR. JONES: No questions.

HEARING EXAMINER: OCC?

MS. HOTZ: No questions, thank you.

HEARING EXAMINER: OPAC?

MS. MOONEY: No questions, your Honor.

1 HEARING EXAMINER: I have a couple of
2 quick questions.

3 - - -

4 EXAMINATION

5 By Hearing Examiner:

6 Q. On page 7 of the stipulation, it's No. 8,
7 what is "active management"? I looked in the audit
8 and there wasn't a lot of description there. Just
9 looking for a general definition of what that is, if
10 you can tell me.

11 A. "Active management" is how we serve the
12 load for the standard service offer customers.
13 Looking forward for every hour we try to provide the
14 load with economic generation from the assets that
15 are part of the electric security plan.

16 And if the economic generation is not
17 sufficient to meet the load, then we buy purchased
18 power again in the forward markets to provide that
19 load.

20 Q. Thank you.

21 And then the other question, when will
22 the credit become effective or how are you seeking to
23 make it effective? How many months will that be
24 over? Does it need to be on a quarterly basis?

25 A. As is listed, we're trying to make that

1 happen as soon as practicable. It will be the next
2 filing.

3 Q. And that will just be over a three-month
4 period?

5 A. That is correct.

6 HEARING EXAMINER: I don't have anything
7 else. Thank you very much.

8 THE WITNESS: Thank you.

9 HEARING EXAMINER: Is there anything else
10 to come before us today?

11 MR. D'ASCENZO: No, your Honor.

12 MR. JONES: No, your Honor.

13 MS. MOONEY: Nothing.

14 HEARING EXAMINER: Seeing nothing else,
15 we're adjourned. Thank you.

16 (Hearing adjourned at 10:17 a.m.)

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CERTIFICATE

I do hereby certify that the foregoing is a true and correct transcript of the proceedings taken by me in this matter on Tuesday, September 7, 2010, and carefully compared with my original stenographic notes.

Julieanna Hennebert, Registered Professional Reporter and RMR and Notary Public in and for the State of Ohio.

My commission expires February 19, 2013.

(JUL-1608)

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This foregoing document was electronically filed with the Public Utilities

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in

Case No(s). 09-0974-EL-FAC, 09-0975-EL-RDR

Summary: Transcript Transcript of Duke Energy Ohio, Inc. hearing held on 09/07/10.
electronically filed by Mrs. Jennifer Duffer on behalf of Armstrong & Okey, Inc. and Hennebert,
Julieanna Mrs.