

**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of Columbus )	
Southern Power Company and Ohio Power )	
Company for Authority to Establish a Standard )	Case No. 11-346-EL-SSO
Service Offer Pursuant to Section 4928.143, )	Case No. 11-348-EL-SSO
Revised Code, in the Form of an Electric )	
Security Plan )	
)	
)	
)	
In the Matter of the Application of Columbus )	Case No. 11-349-EL-AAM
Southern Power Company and Ohio Power )	Case No. 11-350-EL-AAM
Company for Approval of Certain Accounting )	
Authority. )	

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**DIRECT TESTIMONY IN SUPPORT OF STIPULATION AND  
RECOMMENDATION  
OF PHIL HONSEY ON BEHALF OF THE CITY OF GROVE CITY, OHIO**

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Respectfully Submitted,



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

2     A.     My name is Phil Honsey, and my business address is 4035 Broadway, Grove City,  
3             Ohio 43123.

4     **Q.     Please describe your affiliation with the City of Grove City, Ohio ("Grove**  
5             **City").**

6     A.     I currently serve as the City Administrator for Grove City. In my role as the City  
7             Administrator, I manage and provide direction to all departments and employees  
8             in Grove City, while carrying out policy directives provided to me by the Mayor.  
9             In that capacity, I have developed an understanding of municipal services both  
10            provided to, and provided by Grove City, and more specifically, the electricity  
11            services procured by Grove City from Columbus Southern Power ("AEP")  
12            ("AEP" and the Ohio Power Company are collectively referred to herein as the  
13            "Companies").

14    **Q.     What is the purpose of your testimony?**

15    A.     The purpose of my testimony is to discuss my understanding and provide support  
16             for the Stipulation and Recommendation ("Stipulation") filed with the Public  
17             Utilities Commission of Ohio ("PUCO") on September 7, 2011.

18    **Q.     Is Grove City a signatory party to the Stipulation, and if so, why did Grove**  
19             **City sign the Stipulation?**

20    A.     Yes, Grove City is a signatory party. Grove City provided its legal counsel with  
21             the authority to sign the Stipulation because Grove City believes its needs, as  
22             reflected in my Direct Testimony filed with the Commission in this case, were

1 given due consideration by the Companies and in many instances were directly  
2 addressed by the Companies as part of the Stipulation.

3 **Q. How did the Companies, in the Stipulation, remedy your concerns with**  
4 **respect to rates?**

5 A. First and foremost, the Companies have made their rate structure much more  
6 transparent than what was submitted in their initial Standard Service Offer  
7 ("SSO") application. Definitive valuations have now been assigned to riders  
8 such that consumers from each customer class should now have a better  
9 understanding of the rates to be paid for the life of the Companies' SSO. Also,  
10 some of the riders that were previously non-bypassable in the original SSO  
11 application have now been made bypassable. This should result in savings to  
12 many consumers. Finally, the Companies are gravitating towards a model that  
13 will effectuate shopping, which will invariably allow Grove City and its  
14 citizens to shop more effectively for the best possible rates.

15 **Q. Will the recommendations made in the Stipulation result in better rates**  
16 **for your residential consumers?**

17 A. As it has been explained to me, yes, the recommendations made in the  
18 Stipulation should result in better rates for our residential customers than those  
19 rates initially proposed in the SSO. The generation rates agreed to by the  
20 Companies are lower than those rates proposed in their SSO application. As it  
21 has further been explained to me, the Phase in Recovery Rider ("PIRR") as  
22 initially proposed by the Companies has been delayed for residential  
23 customers, which will result in savings to our residents, and the carrying cost

1 for all customers during the seven-year recovery period of the PIRR has been  
2 reduced from 11.15% to 5.34%. Finally, our residents will reap the future  
3 benefits of the Companies' commitment to gravitate towards a more  
4 competitive, shopping based model, as our residents will be given the  
5 opportunity to shop for the best possible rates after the life of the Companies'  
6 SSO.

7 **Q. Does the Stipulation address your prior concerns about the Companies'**  
8 **support of alternative energy endeavors?**

9 A. Yes. In fact, the Companies have committed to assisting Grove City in the  
10 development of a pilot program for Grove City's conversion of its street lights  
11 and street signals to LED lighting sources. AEP has, in good faith, committed  
12 \$100,000.00 to Grove City in the development of this pilot program. This  
13 program could act as a template for all municipalities in the Companies'  
14 service territories to utilize, and could be the catalyst for tremendous savings  
15 both monetarily and in terms of energy consumption for those municipalities  
16 that eventually partake in the program.

17 **Q: Thank you Mr. Honsey. Does this conclude your testimony?**

18 A: Yes.

### CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing Direct Testimony was served upon the parties of record listed below this 13<sup>th</sup> day of September, 2011 via electronic mail.



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