

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Determination of the	:	
Existence of Significantly Excessive	:	Case No. 13-1147-EL-UNC
Earnings for 2012 Under the Electric	:	
Security Plans.	:	

**PREFILED TESTIMONY
OF
JOSEPH P. BUCKLEY
UTILITIES DEPARTMENT
CAPITAL RECOVERY & FINANCIAL ANALYSIS DIVISION
POLICY AND MARKET ANALYSIS DIVISION
PUBLIC UTILITIES COMMISSION OF OHIO**

Staff Exhibit _____

May 30, 2013

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

2 A. My name is Joseph P. Buckley. My business address is 180 E. 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. Would you please state your background?

9 A. I received a Bachelor of Science Degree in Economics from the Ohio State
10 University and a Master's Degree in Business Administration from the
11 University of Dayton. In 2000, I earned the Certified in Financial
12 Management (CFM) designation, awarded by the Institute of Management
13 Accountants. Also I attended, The Annual Regulatory Studies Program
14 sponsored by The National Association of Regulatory Utility
15 Commissioners (NARUC) and The Training for Utility Management
16 Analyst also sponsored by NARUC. I have been employed by the PUCO
17 since 1987. Since that time I have progressed through various positions
18 and was promoted to my current position of Utility Specialist 3, in 2000. In
19 addition, I have worked on several joint Federal Communication
20 Commission (FCC) and NARUC projects and audits and served on the
21 Midwest ISO's Finance Committee as Vice-Chairman and Chairman.
22 Also, in 2011, I was awarded the professional designation Certified Rate of

1 Return Analyst (CRRRA) by the Society of Utility and Regulatory Financial
2 Analysts. This designation is awarded based upon experience and success-
3 ful completion of a written examination.
4

5 4. Q. What is your involvement in this proceeding?

6 A. I am responsible for determining if Cleveland Electric Illuminating
7 Company (CEI), Ohio Edison (OE) and Toledo Edison (TE) exceeded the
8 common equity threshold to be used in its Significantly Excessive Earnings
9 Test (SEET). The returns on equity earned in 2012 by the Companies, as
10 adjusted by specific items contemplated in the stipulations in Case No. 08-
11 935-EL-SSO, were: CEI 3.1%, Ohio Edison 12.2%, and Toledo Edison
12 4.2%.
13

14 5. Q. What is the Staff's recommendation to the Commission in this proceeding?

15 A. The Staff recommends that the Commission find that CEI, OE and TE's
16 2012 earnings were not excessive.
17

18 6. Q. Was the filing consistent with the Commission's finding and order in Case
19 No. 09-786-EL-UNC?

20 A. Yes. CEI, OE and TE filed, as detailed in the direct testimony of Company
21 witness K. Jon Taylor, return on equity information that was consistent
22 with Case No. 09-786-EL-UNC.

1 7. Q. Has the Staff reviewed CEI, OE, and TE's 2012 earnings calculation and
2 concur with its results?

3 A. Yes. The Staff has reviewed CEI, OE and TE's calculations and supporting
4 information and finds them to be in conformance with the SEET calculation
5 provisions contained in CEI, OE and TE, ESPs and are an accurate repre-
6 sentation of CEI, OE and TE's 2012 earnings.

7

8 8. Q. As a result does Staff believe the stipulation between CEI, OE, TE and the
9 Staff should be adopted by the Commission?

10 A. Yes.

11

12 9. Q. Is the stipulation the result of serious bargaining among capable,
13 knowledgeable parties?

14 A. Yes.

15

16 10. Q. Does the stipulation violate any important regulatory principle or practice?

17 A. Not to my knowledge

18

19 11. Q. Does the stipulation as a package benefit ratepayers and the public interest?

20 A. Yes.

21

22

1 12. Q. Doe this conclude your testimony?

2 A. Yes, it does. However, I reserve the right to submit supplemental testi-
3 mony as described herein, as new information subsequently becomes avail-
4 able or in response to positions taken by other parties.

PROOF OF SERVICE

I hereby certify that a true copy of the foregoing Prefiled Testimony of Joseph P. Buckley, submitted on behalf of the Staff of the Public Utilities Commission of Ohio, was served via electronic mail, upon the counsel for applicant, Arthur E. Korkosz, FirstEnergy Service Company, 76 South Main Street, Akron, Ohio, 44308, korkosza@firstenergycorp.com, this 30th day of May, 2013.

/s/ Thomas W. McNamee

Thomas W. McNamee
Assistant Attorney General

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Case No(s). 13-1147-EL-UNC

Summary: Testimony Prefiled Testimony of Joseph P. Buckley submitted by Assistant Attorney General Thomas W. McNamee on behalf of the Staff of the Public Utilities Commission of Ohio. electronically filed by Kimberly L Keeton on behalf of Public Utilities Commission of Ohio