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5 On behalf of the Applicant.

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8 Columbus, Ohio 43215-3485.

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10 of Duke Energy Ohio.

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13 On behalf of the Industrial Energy
14 Users - Ohio.

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17 On behalf of the Ohio Manufacturers'
18 Association.

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21 On behalf of The Kroger Company.

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25 On behalf of the Sierra Club.

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3 6100 Emerald Parkway
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On behalf of IGS Energy.

5 FirstEnergy Solutions Corp.
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On behalf of FirstEnergy Solutions Corp.

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10 Assistant Attorney General
11 Public Utilities
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13 On behalf of the Staff of the Public
Utilities Commission.

14 Ohio Partners for Affordable Energy
By Ms. Colleen L. Mooney (via speakerphone)
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16 Findlay, Ohio 45840

17 On behalf of Ohio Partners for Affordable
Energy.

18 Mr. Douglas E. Hart (via speakerphone)
19 441 Vine Street, Suite 4192
Cincinnati, Ohio 45202
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On behalf of the Greater Cincinnati
21 Health Council.

22 Vorys, Sater, Seymour & Pease, LLP
By Mr. Michael J. Settineri (via speakerphone)
23 52 East Gay Street
Columbus, Ohio 43216-1008
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On behalf of the Retail Energy Supply
25 Association.

1 ALSO PRESENT:

2 Mr. William Don Wathen Jr., Duke
3 Mr. Jim Wilson, OCC (via speakerphone).
4 Mr. Greg Slone, OCC (via speakerphone).
5 Mr. Tim Hamilton, IGS (via speakerphone).

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17
18
19
20
21
22
23
24
25

INDEX

WITNESS

PAGE

Bryan Dougherty

Cross-Examination by Mr. Berger	9
Cross-Examination by Mr. Settineri	38
Cross-Examination by Ms. Bojko	41
Cross-Examination by Mr. Olikier	52
Cross-Examination (Continued) by Mr. Berger	60
Cross-Examination (Continued) by Mr. Settineri	68
Cross-Examination (Continued) by Mr. Olikier	72

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DOUGHERTY OCC DEPOSITION EXHIBIT

IDENTIFIED

1	Compilation exhibit containing	61
	OEG-DR-01-001; RESA-INT-01-009;	
	RESA-INT-01-017; RESA-INT-01-018;	
	RESA-INT-01-019; IGS-POD-01-003;	
	FERC Form 1, dated 12/31/2013,	
	Kyger Creek plant;	
	FERC Form 1, dated 12/31/2013,	
	Clifty Creek plant.	
	(Confidential)	

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1 Tuesday Morning Session,
2 September 23, 2014.

3 - - -

4 MR. BERGER: Good morning. This is Tad
5 Berger on behalf of the office of Ohio Consumers'
6 Counsel, 10 West Broad Street, Suite 1800, Columbus,
7 Ohio 43215. With me here in person is Greg Slone,
8 and also for OCC on the telephone, but not entering
9 an appearance is Jim Wilson, just somebody on the
10 phone line. Thank you.

11 MS. SPILLER: Amy Spiller on behalf of
12 Duke Energy Ohio, 139 East Fourth Street, Cincinnati,
13 45202. Also on the line for Duke Energy Ohio is
14 Jeanne Kingery.

15 MR. BEELER: On behalf of the staff of
16 the Public Utilities Commission of Ohio, Steven
17 Beeler, Assistant Attorney General, with the Ohio
18 Attorney General Mike DeWine's office, 180 East Broad
19 Street, Columbus, Ohio 43215.

20 MS. HUSSEY: Rebecca Hussey of the law
21 firm Carpenter, Lipps & Leland, 280 North High
22 Street, Columbus, Ohio 43215, on behalf of The Kroger
23 Company.

24 MR. PRITCHARD: On behalf of the
25 Industrial Energy Users of Ohio, I am Matt Pritchard

ARMSTRONG & OKEY, INC., Columbus, Ohio (614) 224-9481

1 with the law firm of McNees, Wallace & Nurick, 21
2 East State Street, Columbus, Ohio 43215.

3 MR. SETTINERI: On behalf of the Retail
4 Energy Supply Association, Mike Settineri with the
5 law firm of Vorys, Sater, Seymour & Pease, 52 East
6 Gay Street, Columbus, Ohio 43215.

7 MS. BOJKO: On behalf of the Ohio
8 Manufacturers' Association, this is Kimberly W.
9 Bojko, with the law firm Carpenter, Lipps & Leland,
10 280 North High Street, Suite 1300, Columbus, Ohio
11 43215.

12 MS. MOONEY: On behalf of Ohio Partners
13 for Affordable Energy, I'm Colleen Mooney, 231 West
14 Lima Street, Findlay, Ohio 45840.

15 MR. HART: On behalf of the Greater
16 Cincinnati Health Council, Douglas E. Hart, 441 Vine
17 Street, Suite 4192, Cincinnati, Ohio 45202.

18 MR. OLIKER: On behalf of IGS Energy,
19 Joseph Oliker, 6100 Emerald Parkway, Dublin, Ohio
20 43016.

21 MR. ALLWEIN: On behalf of the Sierra
22 Club, Christopher J. Allwein, that's A-l-l-w-e-i-n,
23 Williams, Allwein and Moser, LLC, 1500 West Third
24 Avenue, Suite 330, Columbus, Ohio 43212. Good
25 morning.

ARMSTRONG & OKEY, INC., Columbus, Ohio (614) 224-9481

1 MR. CASTO: Scott Casto and Jacob
2 McDermott for FirstEnergy Solutions, 76 South Main
3 Street, Akron, Ohio 44308.

4 MS. SPILLER: Just for purposes of the
5 record, as I indicated earlier this morning, Don
6 Wathen is also present in the deposition. Is there
7 anyone else -- is there anyone else on the line? And
8 if I could just -- I guess they're trying to join.

9 MR. BERGER: I'm sorry, Amy, did you say
10 something?

11 MS. SPILLER: Well, I heard some
12 background noise that someone was trying to make a
13 call, so I didn't know if they were trying to dial
14 into this line.

15 MR. ALLWEIN: Guys, I just switched
16 phones. Sorry.

17 MS. SPILLER: So if we could just ask the
18 favor if folks are not asking the questions, to leave
19 their phones on mute. We had some background noise
20 last week that probably made it difficult for the
21 deponent and the reporter.

22 MR. BERGER: Okay. Appreciate that
23 cautionary request. This is Tad Berger. If anybody
24 else jumps in, please identify yourself.

25 I would ask the court reporter to swear

1 the witness at this time.

2 - - -

3 BRYAN DOUGHERTY

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

6 CROSS-EXAMINATION

7 By Mr. Berger:

8 Q. Would you please state your full name and
9 business address for the record.

10 A. Bryan Dougherty, 139 East Fourth Street,
11 Cincinnati, Ohio -- or, Duke Energy, 139 East Fourth
12 Street, Cincinnati, Ohio 45202.

13 Q. Good morning, Mr. Dougherty.

14 A. Good morning.

15 Q. Would you indicate what your position is
16 with Duke Energy Corporation?

17 A. I'm a financial forecasting manager.

18 Q. And which particular division of -- which
19 particular company within the Duke Energy Corporation
20 umbrella do you work for?

21 A. I support the commercial business group
22 which has the Midwest Commercial Generation, Duke
23 Energy International and Duke Energy Renewable
24 Services, all rolls up to the commercial business
25 unit.

1 Q. So you perform services for a variety of
2 companies. Are you identified as an employee of any
3 particular one of them?

4 A. I'm an employee of Duke Energy Business
5 Services, so I'm a support group.

6 Q. And you said your title is financial
7 forecast analyst?

8 A. Manager.

9 Q. Manager. I'm sorry. What all is
10 involved in that position?

11 A. So, generally, I'm responsible for
12 providing budgets, forecasts, and long-term plans for
13 the Midwest Commercial Generation business.

14 Q. And does that include all of Duke's
15 midwest generating resources including its
16 contractual interest in OVEC?

17 A. Yes, sir, it does.

18 Q. Mr. Dougherty, did you review the notice
19 of deposition that was sent with respect to your
20 testimony today?

21 MS. SPILLER: Are you marking it, Tad?

22 MR. BERGER: I hadn't sent it to the
23 court reporter, so no, I wasn't planning to mark it.

24 MS. SPILLER: Okay.

25 MR. BERGER: I'm just asking is he

1 familiar with that.

2 Q. Mr. Dougherty, are you familiar with the
3 notice of deposition?

4 A. I have seen it, yes.

5 Q. Did you bring with you any documents in
6 connection with that notice of deposition today?

7 A. I brought along with me documents that
8 are related to specific discovery requests that I was
9 responsible for.

10 Q. Okay. And can you tell me specifically
11 which discovery requests you brought with you today?

12 A. OCC-INT-05-105, OCC-INT-09-175,
13 OEG-DR-01-001, OCC-INT-16-413, OCC-INT-16-414,
14 OCC-INT-16-415, OCC-INT-16-416, OCC-INT-16-417,
15 OCC-INT-16-419, OCC-INT-16-420, OCC-INT-16-421,
16 OCC-INT-16-423, OCC-INT-16-424, IGS-INT-01-008,
17 IGS-INT-01-011, IGS-POD-01-003, IGS-POD-01-004,
18 RESA-INT-01-006, RESA-INT-01-009, RESA-INT-01-015,
19 RESA-INT-01-017, RESA-INT-01-018, RESA-INT-01-019.

20 MS. SPILLER: Sorry, we just misplaced
21 where we were in the stack. I think you're on
22 OCC-INT.

23 A. OCC-INT-428, OCC-INT-18-433, and
24 Sierra-INT-03-060.

25 Q. Okay. Thank you.

1 Now, Mr. Dougherty, so are these the
2 responses you either prepared yourself or assisted in
3 the preparation of?

4 A. Yes, sir.

5 Q. Now, I want to reference you to your
6 response to OEG-DR-01-001, the attachment, and you
7 can find -- actually, why don't I reference you to
8 page 10 of the exhibit which is the same as that,
9 which is IGS-POD-01-003. Now, this is a confidential
10 exhibit, but I'm not, at this point in time, I'm just
11 going to talk about some of the definitions of some
12 of the terms you have on this exhibit.

13 MS. SPILLER: So, Tad, excuse me -- and
14 I'm getting feedback.

15 MR. BERGER: I'm sorry.

16 MS. SPILLER: Just for purposes of the
17 clarity of this -- and, again, I'm getting feedback.
18 I don't know if someone is too close to their phone.

19 What you've prepared for Bryan's
20 deposition today in terms of the exhibits is to the
21 question OEG-01-011, but there's no attachment that
22 you provided.

23 MR. BERGER: Well, the attachment, page
24 10, is the same -- is the exhibit for OEG, it's the
25 same thing. I'm going to reference IGS-POD-01-003.

1 That first page of the workpapers is the same as the
2 attachment to IGS.

3 MS. SPILLER: So are you going to mark
4 the packet?

5 MR. BERGER: Yes, I'm going to mark the
6 packet later, but I just want to reference him now
7 since I want to mark it on the confidential record.

8 MS. SPILLER: Okay. I'm giving him the
9 packet so he's looking at the same thing you're
10 looking at.

11 MR. BERGER: That's fine, please provide
12 him with the packet or I can reference him to
13 IGS-POD-01-003 which I believe he said he has there.

14 MS. SPILLER: Okay. He's got it.

15 Q. (By Mr. Berger) "UCAP," Mr. Dougherty,
16 refers to what, the term?

17 A. That's the capacity for which we would be
18 entitled to get capacity revenues.

19 Q. Is that unforced capacity? Is that what
20 the "U" refers to?

21 A. I don't know if that's the technical
22 term, but the inference is correct, yes.

23 Q. And what is the difference between
24 capacity and UCAP, not the number difference, but the
25 -- how do you determine the difference?

1 A. So the capacity would be the rated
2 installed capacity. The UCAP would then be the
3 capacity after assuming some level of forced outage
4 where the units would not run.

5 Q. Okay. And those would be forced outages
6 including -- would that include planned outages for
7 maintenance and repair or would that just include --
8 explain to me what you mean by the concept of forced
9 outages.

10 A. So a forced outage would be anything that
11 would be not planned or not considered a maintenance
12 outage. So, I'll be honest with you, I'm not sure
13 whether the UCAP is based on, you know, the total
14 outage that includes all three buckets of planned,
15 forced, and maintenance, or whether it's just the
16 capacity which would factor in the forced outage
17 rate.

18 Q. And did somebody else provide you with
19 the UCAP number or did you come up with that number
20 yourself?

21 A. So that number was provided.

22 Q. And who would have provided you with that
23 number?

24 A. The number was from our commercial asset
25 management group.

1 Q. Is there a particular person who's
2 responsible for developing that number?

3 A. I get it from a particular person, you
4 know, who works under, you know, Mr. Chuck Whitlock's
5 group.

6 Q. Yes. And who would that person be?

7 A. I would have gotten the number from Brian
8 Garnett.

9 Q. But you don't -- do you know whether he's
10 the person who actually developed the number?

11 A. To the best of my knowledge, he is.

12 Q. Do you know how he developed that number?
13 Why it represents a particular percentage, UCAP
14 represents a particular percentage of capacity?

15 A. I do not know how that was developed.

16 Q. Okay. Going down to the next line,
17 generation volumes. Do you know how those lines were
18 developed, those numbers were developed?

19 A. Those are model outputs.

20 Q. And is this a model that you run or is it
21 a model that somebody else runs?

22 A. A model somebody else runs.

23 Q. Okay. Who runs that model?

24 A. It's a person that's under Mr. Chuck
25 Whitlock and then that person would work for Ben

1 Zhang, and then Ben has a team of folks that run the
2 models, so I'm not sure specifically who that name
3 would be.

4 Q. So you're not familiar then with how --
5 what the inputs and outputs of that model, or you
6 are?

7 A. I'm familiar at a high level, but
8 specifics I'm not familiar.

9 Q. So if I were to ask you how the numbers
10 on that line were developed, you would just reference
11 me to the model and you couldn't -- would you be able
12 to provide me any other details with how the number
13 of gigawatt hours is developed?

14 A. I think the most appropriate answer is to
15 reference you to our commercial business model.

16 Q. Would that be the same response you would
17 give for PJM capacity price or do you have your own
18 understanding of that, how that's developed?

19 A. There would be a different understanding
20 for the PJM capacity price.

21 Q. Okay. Tell me what your understanding is
22 with respect to the PJM capacity price, how it's
23 derived.

24 A. So the prices for 2015 through 2018, on
25 the exhibit, are based on the settled BRA prices from

1 the PJM capacity auction, and that would be the
2 prices for the 2014-2015 auction, the 2015-2016
3 auction, 2016-2017 auction, and 2017-2018 auction,
4 plus an assumption for the balance of the year 2018.
5 And then the 2019 through 2024 prices are based on
6 capacity prices that were developed both by an
7 external vendor as well as an internal forecast.

8 Q. And who is the external vendor?

9 MS. SPILLER: Is this confidential?

10 THE WITNESS: I don't think so.

11 A. Energy Ventures Analysis.

12 Q. And who is responsible for the internal
13 forecast?

14 A. The person who provided it to me is Ken
15 Jennings.

16 Q. Other than your familiarity with the
17 numbers shown, do you have an understanding of how
18 Energy Ventures and your internal forecasters develop
19 that forecast of PJM capacity prices for the balance
20 of 2018, I assume that's June 1 and forward, and for
21 2019 forward?

22 MS. SPILLER: I'm just going to object to
23 the misstatement of his prior answer.

24 Go ahead.

25 A. So the 2018, the balance of 2018, which

1 would be June 1 through December 31, that was
2 basically developed by me, if you will, in terms of I
3 used an average of all of the historical cleared
4 auction capacity prices from PJM from the 2007-2008
5 auction through the 2017-2018 auction. So I used a
6 historical average of all those that cleared for the
7 balance of 2018.

8 The 2019 through 2024 period is where we
9 used the external vendor as well as the internal
10 forecast. And, to your question, I do not have
11 knowledge of how they developed those.

12 Q. Now, with respect to the revenue dollars
13 below, where you have energy, capacity, and
14 dividends, do you see that?

15 A. Yes, sir.

16 Q. And can you tell me was this a product of
17 the model you earlier referenced for generation
18 volumes?

19 A. The energy was.

20 Q. And tell me about how the -- are you
21 familiar with how the energy model is developed?

22 A. I think I answered that with the question
23 related to the CBM model earlier, I know generalities
24 of it, but specifics there's probably a better person
25 to answer that than I am.

1 Q. And that would be a person within Ben
2 Zhang's team?

3 A. Either Ben Zhang or a person within his
4 team, yes, sir.

5 Q. Do you know whether the energy was
6 developed using hourly pricing?

7 MS. SPILLER: I'm going to object.
8 Mr. Dougherty's just said he doesn't know the
9 specifics of this CBM.

10 Q. You can answer, Mr. Dougherty, if you
11 know.

12 A. I do not know.

13 Q. So, basically, you were provided with the
14 numbers for energy and you inserted them into your
15 model and you did not do any analysis of how those
16 numbers were derived; is that correct?

17 A. That's correct.

18 Q. And with respect to capacity revenues,
19 can I assume that's a product of PJM capacity price
20 times the generation -- well, tell me what it's a
21 product of, if you can.

22 A. The capacity revenue, then, is a product
23 of the UCAP listed on that exhibit, the capacity
24 price that's listed on that exhibit, and then a
25 365-day annual -- or, year convention.

1 Q. Okay. Now, in IGS-POD-01-003, you

2 provided some workpapers. Were those workpapers

3 prepared by you, beyond this workpaper here?

4 A. Yes. So when you're referring to pages,

5 we numbered them 11, 12, et cetera, through 29 -- or,

6 yeah, 29, yes, sir.

7 Q. 11 through -- were 11 through 26 prepared

8 by you?

9 A. Yes, sir, I prepared those documents.

10 Q. Okay. In preparing those documents,

11 let's talk first about page 11 and following. That

12 indicates on-peak and off-peak prices for OVEC units;

13 is that right?

14 A. So page 11 --

15 Q. I'm sorry, on-peak and off-peak volume

16 for OVEC.

17 A. Yes, sir.

18 Q. 11 through 14. I'm sorry. Yeah, 11

19 through 14.

20 MS. SPILLER: And what's the question?

21 Q. Do those pages indicate on-peak and

22 off-peak volumes for the OVEC units?

23 A. Yes, that's the modeled output indicating

24 the generation volumes for the OVEC units.

25 Q. And anything that has "CC" on it would be

1 Clifty Creek, and anything with "KC" would be Kyger
2 Creek; is that right?

3 A. Yes, sir.

4 Q. And how did you determine these numbers,
5 generally speaking, without telling me what the
6 numbers are, how did you determine these numbers for
7 any particular month?

8 A. This is model output so I did not
9 determine it.

10 Q. So you took the model output that you
11 were provided by Ben Zhang and his team and you put
12 them into this spreadsheet; is that correct?

13 A. That's correct, yes, sir.

14 Q. So you didn't develop any of the numbers
15 on this exhibit, you just put them into a separate
16 spreadsheet?

17 A. Correct.

18 Q. Let's talk about, do you even know how
19 those numbers were derived or, again, is that --

20 A. Again, I do not. I would refer you to
21 Ben Zhang and his team.

22 Q. Okay. And with respect to page 16
23 through page 19, which is 2014, 5 by 7 revenues, that
24 workpaper, did you develop the numbers on those pages
25 or were those again provided to you by Ben Zhang and

1 his team?

2 A. They were provided to me by Ben Zhang and
3 his team, and I put them in this exhibit.

4 Q. Okay. Do you know whether those numbers
5 are a multiplication of the volume times price --
6 multiplied by prices for those months?

7 A. Again, I would refer you to Ben Zhang on
8 questions about specific model questions.

9 Q. Okay. Do you know what the prices were
10 that were utilized to develop these revenues on pages
11 16 through 19?

12 MS. SPILLER: I'm just going to note that
13 this question, in essence, has been asked and
14 answered by Mr. Dougherty already, given his
15 statement about the CBM.

16 A. And I don't know the specific prices that
17 were used in the model.

18 Q. And just to be clear, you don't know how
19 the prices were developed, what the price forecast
20 was, or anything related to the price forecast; is
21 that right?

22 A. That's correct.

23 Q. Do you know whether the monthly data for
24 -- is the most -- strike that.

25 Just to review, did you answer earlier

1 that you don't know whether this used an hourly
2 pricing model in developing this data?

3 MS. SPILLER: I'm going to object.

4 MR. BERGER: I think you answered that.

5 MS. SPILLER: He did.

6 Q. If you recall, I just want to confirm
7 that you don't know whether it was hourly or not.

8 A. Again, I do not know.

9 Q. In terms of pages 20 through 23 of this
10 exhibit, was this information regarding cost of gas
11 sold provided to you by Ben Zhang and his team, or
12 did you independently develop any of this
13 information?

14 A. So the "cogs" reference would be costs of
15 goods sold, not cost of gas sold, but it was provided
16 by Ben Zhang. I did not develop any of this
17 information.

18 Q. And do you know how the forecast was
19 developed at all or would you again reference to Ben
20 Zhang and his team?

21 A. I would refer you to Ben Zhang and his
22 team.

23 MS. BOJKO: I'm sorry, this is Kim Bojko.
24 Are the documents that you're looking at have the
25 ledgers on it that we just discussed earlier that

1 were resent by Duke?

2 MR. BERGER: You'll see a small reference
3 at the bottom on the cost of goods sold, it says
4 "2014 5x7 cogs" and that's pages, it says page 11 of
5 19 through page 14 of 19.

6 MS. BOJKO: Okay. Amy --

7 MR. OLIKER: This is IGS --

8 MS. SPILLER: I can't answer when three
9 people are talking.

10 Kim, what's your question?

11 MS. BOJKO: I'm sorry. I'm asking if
12 this was one of the labeling things that have been
13 corrected on the new things that were just sent.

14 MS. SPILLER: I don't have a copy handy
15 of what was sent. I have a copy of how this was
16 labeled.

17 MS. BOJKO: Okay.

18 MS. SPILLER: And that's been provided to
19 the reporter as an exhibit for Mr. Dougherty's
20 deposition. I've not cross-referenced, Kim, this
21 particular document versus what Diane sent out last
22 night.

23 MS. BOJKO: Okay. Well, Diane did not
24 send any IGS documents out again last night and it
25 appears that this may have the same issue. I don't

1 know if you could help us with the labeling. It
2 would just make it, for reference purposes, easier
3 for hearing.

4 MS. SPILLER: Well, I'm not sure what you
5 want me to do right now. I mean this document --

6 MS. BOJKO: Nothing right now. I was
7 trying to get clarification on the record because the
8 documents that I'm looking at do not have labeling
9 and I didn't understand where Mr. Berger was getting
10 the references from. So, thank you, I'm just trying
11 to get clarification.

12 MS. SPILLER: Yup.

13 MR. BERGER: Kim, I'll try and reference
14 the worksheet description which is on the bottom left
15 corner. And if you have the Excel spreadsheet, it
16 also indicates that on the bottom left corner.

17 MS. BOJKO: That's okay, Tad. Ours don't
18 have any references printed out, so I don't know what
19 happened in the process, but we don't have any
20 labeling at all on these sheets.

21 MR. BERGER: Okay.

22 MS. BOJKO: Thank you. I'll just take
23 notes and look for labeled copies from Duke.

24 Q. (By Mr. Berger) Now, Mr. Dougherty, page
25 24 of the exhibit, which would be page 15 of 19, has

1 a summary of cost of goods sold for the years 2015
2 through 18. Do you see that?

3 A. Yes, sir, I do.

4 Q. And is that just a summary of the
5 previous four pages?

6 A. It is, yes, sir.

7 Q. Going to page 25 of the exhibit, which
8 has a reference there at the bottom left corner,
9 "output using EVA curves," what is "output using EVA
10 curves" if you know?

11 A. So "EVA" refers to the external vendor,
12 Energy Ventures Analysis. So this is the CBM model
13 output that utilizes the curves that were provided by
14 EVA for this particular time period.

15 Q. And this would be the time period from
16 2019 through 2024; is that correct?

17 A. That's correct, yes, sir.

18 Q. Okay. And that's shown on page 25 and 26
19 of the exhibit, correct?

20 A. Yes, sir.

21 Q. But you're not familiar with Energy
22 Ventures Analysis and how it was conducted.

23 A. In terms of how they would have developed
24 their curves, no, sir, I'm not.

25 Q. Now, pages 27 to 28 of the exhibit are

1 two pages provided by OVEC; is that correct?

2 A. That's correct, yes, sir.

3 Q. And that's OVEC's budget that was adopted
4 in December 2013; is that correct?

5 A. I don't know that for a fact. I know
6 there's a published date on there that says
7 December 11th, 2013.

8 Q. Okay. Why did you use this particular
9 document to develop the demand costs for your -- for
10 the spreadsheet you utilized on page 10 of the
11 exhibit?

12 A. This was the most recent information that
13 we had from OVEC for that time period.

14 Q. Are you familiar with the frequency with
15 which this information is updated?

16 A. Specifically, no.

17 Q. Have you seen updates since this -- since
18 you received this budget document?

19 MS. SPILLER: I'm going to object to the
20 characterization of a "budget document." It's a
21 billable cost summary through 2024.

22 Q. That's fine. Let's refer to it as the
23 billable cost summary through 2024.

24 A. I have not seen any updates from OVEC for
25 this information for that time period.

1 Q. And who provided you with this document?

2 A. So I would have gotten this document from
3 Mr. Whitlock's team.

4 Q. When did you receive this document? Do
5 you know?

6 A. Specifically, I don't know. It would
7 have either been, you know, a specific date, I don't
8 know, it would have either been in December of 2013
9 or January of 2014.

10 Q. In preparing page 10 of the exhibit, the
11 first page of the attachment to IGS-POD-01-003, was
12 that prepared by you for a particular purpose?

13 A. It was prepared in response to a
14 particular question related to this case.

15 Q. Was that originally prepared in
16 connection with the response to OEG-DR-01-001?

17 A. Yes, sir.

18 Q. And then you reproduced it in this
19 attachment to IGS-POD-01-003 with your workpapers; is
20 that correct?

21 A. That's correct, yes, sir.

22 Q. So this would have been prepared a few
23 months -- page 10 would have been prepared a few
24 months ago, that's page 1 of 19 of the workpapers
25 would have been prepared a few months ago.

1 A. It would have been prepared in July, yes.

2 Q. And it was not prepared in connection
3 with the company's application in this case, was it?

4 MS. SPILLER: I'm going to object to the
5 extent he just answered it was prepared in response
6 to a question, a discovery question.

7 Q. Mr. Dougherty, were you asked to prepare
8 any forecast of the cost -- of the net cost of the
9 price stabilization rider in this proceeding prior to
10 the company filing its application in this proceeding
11 in May?

12 A. I was not.

13 Q. And when you prepared this document, did
14 you understand that it was prepared in connection
15 with the price stabilization rider or were you --
16 strike that.

17 Mr. Dougherty, can you tell me what tasks
18 you were asked to perform in preparing this document
19 titled "OVEC Analysis"?

20 A. So the task I was asked to perform was
21 the request from OEG-DR-01-001.

22 Q. And if you look at page 1 of the exhibit,
23 that asks for the most recent forecast of the
24 attributes, costs, or benefits associated with Duke
25 Energy Ohio's entitlements to the OVEC generating

1 assets.

2 A. Yes, sir, it does.

3 Q. Now, looking down on page 10 of the
4 exhibit to the cash flow line item, is that your
5 forecast of the net cost or benefit of Duke Energy
6 Ohio's entitlement to the OVEC assets? I'm not going
7 to reference the specific numbers, I'm just asking
8 you if that's your estimate of the net cost or
9 benefit.

10 A. Yes, that is.

11 Q. Okay. And as I understand your exhibit,
12 the only number that you independently developed on
13 the exhibit, and correct me if I'm wrong, is in 2018
14 you developed the PJM capacity price for the balance
15 of that year for June 1 to December 31, 2018; is that
16 correct?

17 A. That is correct, yes.

18 Q. Were there any other line items or
19 specific numbers, without referencing the specific
20 number, that you independently developed on this --
21 in these workpapers that are pages 10 through 28 of
22 the exhibit?

23 A. So the only thing, and I guess it depends
24 on your definition, but the energy cost -- or, the
25 energy revenue rate on page 10 and the energy cost

1 rate on page 10, they're simply calculations, they're
2 not model output, I didn't develop them, but I put
3 the formula in the spreadsheet, if you will.

4 Q. In other words, you summed the numbers
5 that you were provided for a specific period of
6 time; is that correct?

7 A. Correct.

8 Q. But the underlying numbers were all
9 provided by other individuals, correct?

10 A. Other individuals, yes, sir, and model
11 outputs.

12 Q. Right. Other individuals who developed
13 the model outputs, correct?

14 A. Correct, yes, sir.

15 Q. Mr. Dougherty, what's your professional
16 background?

17 A. Do you want education with that or just
18 professional work experience?

19 Q. Yeah, your educational background.

20 A. I have a bachelor's of science degree in
21 applied science from Miami University. I have a
22 master's of business administration with a
23 concentration in finance and economics from Xavier
24 University, and I'm also a CFA charter holder.

25 Q. And that's a certified -- CFA charter

1 holder, what does that mean?

2 A. Chartered Financial Analyst.

3 Q. Thank you.

4 Let me refer you to page 4 of the exhibit
5 which is your response to RESA-INT-01-009,
6 confidential. And, again, let's refrain from
7 referencing any confidential numbers. If anything I
8 reference here is confidential, please advise me.

9 This asked "Over the past five years,
10 what was the weighted average revenue per megawatt
11 per year that Duke received from its sale of the OVEC
12 power?" You're listed as a responding witness to
13 this discovery request. And there's a note at the
14 bottom there, I don't think there's anything in the
15 note that would be confidential, but it indicates
16 that the indicating weighted average revenue excludes
17 capacity revenue. Do you see that?

18 A. I do, yes, sir.

19 Q. Do you know why the capacity revenue was
20 excluded in that calculation?

21 A. I would say it's interpretation of the
22 question. The specific question asked for "Over the
23 past five years, what was the weighted average
24 revenue per megawatt hour per year that Duke received
25 from its sale of the OVEC power?" So the

1 interpretation is that's the revenues from, you know,
2 the energy, not the capacity.

3 Q. Wouldn't it be your opinion that weighted
4 average would refer to both energy and capacity?

5 MS. SPILLER: I'm going to object. The
6 witness just said how he interpreted the question as
7 limited to energy.

8 Q. Mr. Dougherty, have you been consulted at
9 all regarding the price stabilization rider in this
10 case other than for purposes of answering the
11 discovery questions that you've been asked to provide
12 responses to?

13 A. I have not.

14 Q. And are you familiar with the purpose of
15 the price stabilization rider?

16 MS. SPILLER: I'm going to object to the
17 relevance. He's not a witness in the case to offer
18 comment as to the price stabilization rider. I think
19 it's beyond the scope of his expertise as well.

20 MR. BERGER: Your objection is noted,
21 Amy. I would just ask him if he -- I would ask him
22 to answer the question.

23 MS. SPILLER: If you know.

24 A. I know at a high level, but I don't know
25 specifics of the particular filing.

1 Q. When you prepared your response to
2 OEG-DR-1-001, were you aware that it was being
3 requested in connection with the price stabilization
4 rider?

5 A. I knew it was being prepared in response
6 to a filing. I don't know that I knew it was
7 specifically for the price stabilization rider. I
8 don't think I had the knowledge of what that was --
9 what the filing was named and what it was filed
10 under.

11 Q. And how long have you been employed by
12 Duke Energy Corporation?

13 A. 15 years.

14 Q. Have you participated in any
15 regulatory proceedings before the Public Utilities
16 Commission of Ohio?

17 A. I have provided support for filings and I
18 have been -- I don't want to say a witness, I have
19 been in the room where the testimony has been given
20 and asked, as just an observer, I guess I would call
21 it.

22 Q. Have you been involved in the OVEC
23 budgeting process at all?

24 A. No, sir, I have not.

25 Q. Have you been involved in providing any

1 numbers to OVEC for purposes of their budgeting
2 process to the best of your knowledge?

3 A. No, sir, I have not.

4 Q. And on page 10, under the "Costs"
5 section, the term "Demand" is used there. Are you
6 using the term "demand cost" interchangeably with
7 "capacity cost"?

8 A. So I use the term "demand cost" is
9 similar to what's provided to us from OVEC on the
10 billable cost summary. They label it as "demand
11 charge." So I've labeled it with the same header, if
12 you will.

13 MR. BERGER: Thank you.

14 That was just me hitting the mute button
15 for a second.

16 Q. Do you know what the term on page 27 --
17 strike that. Not on page 27.

18 Are you familiar with the term "estimated
19 surplus energy use factor"?

20 A. I am not, no, sir.

21 Q. Are you aware of whether Duke Energy Ohio
22 provides an estimated usage factor of its OVEC
23 entitlement to OVEC for OVEC to make estimates of
24 revenues?

25 A. I am not aware of that, no, sir.

1 Q. Are you familiar with the cost profiles
2 of the two OVEC plants, one plant being more costly
3 than the another?

4 MS. SPILLER: I'll object to the
5 question. Assumes facts not in evidence.

6 Go ahead, if you know.

7 Q. In other words, do you know whether Kyger
8 Creek or Clifty Creek is more costly, is a more
9 costly plant to operate?

10 A. Specifically, I don't know. There was a
11 discovery request that asked for the cost structures
12 for Clifty Creek and Kyger Creek that was provided,
13 but I didn't review the -- I didn't study the numbers
14 to determine whether one was more costly than the
15 other.

16 Q. And are you aware of whether your
17 response to IGS-POD-01-003 reflects the use of the
18 average cost of those plants in developing the
19 numbers? Are you aware of whether that was done?

20 A. I would refer that, again, to a specific
21 CBM question, and would say no, I would have to
22 speculate on that.

23 MR. BERGER: Amy, can we take a
24 five-minute break? I was certainly anticipating he
25 would know more than he does.

1 MS. SPILLER: I'm going to object to the
2 characterization that Bryan should know more than he
3 does, I think he's pretty knowledgeable, but we can
4 take a break.

5 MR. BERGER: Well, I'm not saying that he
6 should, I'm just saying that I anticipated. That
7 was, perhaps, my mistake.

8 MS. SPILLER: Understood. Yeah, we can
9 take five minutes.

10 MR. BERGER: Yeah. Let's take five
11 minutes. Come back on the record at 11:05.

12 MS. SPILLER: Sounds good. Thank you.

13 MR. BERGER: Thank you.

14 (Recess taken.)

15 MR. BERGER: So, Amy, I don't have any
16 other questions for Mr. Dougherty. Obviously, the
17 questions I had were really for Mr. Zhang and his
18 team, so I will turn it over to the other parties.

19 I don't know, is Mr. Beeler back?

20 MS. SPILLER: I did not hear him join.

21 Matt, any questions?

22 I'll go down the list, Tad?

23 MR. BERGER: Yeah, why don't you go down
24 the list.

25 MS. SPILLER: Matt, any questions?

1 MR. PRITCHARD: No questions.

2 MS. SPILLER: Mike, any questions?

3 MR. SETTINERI: Yes. Just a couple.

4 - - -

5 CROSS-EXAMINATION

6 By Mr. Settineri:

7 Q. Mr. Dougherty, this is Mike Settineri
8 with the Retail Energy Supply Association, and I
9 wanted to just follow up on some questions related to
10 some of the clarifying notes in two of your answers.

11 MR. SETTINERI: And, Amy, I'll rely on
12 you. These are clarifications on the notes only. If
13 you believe we need to go into a confidential
14 session, let me know.

15 MS. SPILLER: Okay.

16 Q. The first one is the response to
17 RESA-INT-01-009. Do you have that document?

18 A. I do, yes, sir.

19 Q. Okay. There's a note at the bottom of
20 the page. It talks about that the rate is calculated
21 with the revenue associated with the sale of the
22 power only and excludes capacity revenue. And just
23 to clarify for the record again, you define "power"
24 as meaning energy only; is that correct?

25 A. That's the way I defined it here, yes,

1 sir.

2 Q. Okay. And did you conduct any analysis
3 as to what the weighted average revenue would be if
4 you included capacity revenue?

5 A. I did not, no, sir.

6 Q. Okay. Do you know if anyone did, within
7 Duke, in response to this question?

8 A. I do not know.

9 Q. Okay. And let's go then, turn to
10 RESA-INT-01-006.

11 A. I have it.

12 Q. And if you turn to the note on this
13 document, it states the rate is calculated with costs
14 that include both the cost of power and the demand
15 charges.

16 A. I see that.

17 Q. Okay. And the "cost of power," how do
18 you define that there?

19 A. So the cost of power would specifically
20 be the cost of the energy.

21 Q. Okay. And then demand charges, I know
22 previously you had discussed demand charges, can you
23 clarify for me what demand charges consist of?

24 A. So the damages charges are the charges
25 from the OVEC billable cost summary and included in

1 there is a lot of the cost for specific capital
2 projects and how they're financing those costs.
3 There's other things such as, you know, some A and G
4 costs in there as well, but primarily most of those
5 costs are related to, you know, the pool of dollars
6 that they're using, I think, for capital projects.

7 Q. Okay. Would those capital projects
8 include any upgrade to air emission equipment?

9 A. You know, I don't have the specific list
10 of capital projects. One could assume, yes, but I
11 don't know that specifically.

12 Q. And then you mentioned "A and G costs,"
13 what does that stand for?

14 A. Administrative and general costs.

15 Q. Okay. And in regards, to the extent you
16 can, do you have a feel for what percent demand
17 charges typically make up the weighted -- on the
18 weighted average cost numbers, what percent would be
19 demand charges typically versus the cost of power?

20 A. So based on just historical data, I think
21 the demand charge is probably going to be north of
22 50 percent, maybe 50 to 60 percent.

23 MR. SETTINERI: Okay. All right. No
24 other questions, Amy. Thank you.

25 MS. SPILLER: Thank you.

1 Kim?

2 MS. BOJKO: Yes. Thank you.

3 - - -

4 CROSS-EXAMINATION

5 By Ms. Bojko:

6 Q. Hello, Mr. Dougherty. My name is Kim
7 Bojko. I'm representing the Ohio Manufacturers'
8 Association. Thank you for your time today.

9 A couple clarifying questions based on
10 previous questions. Just to be clear that
11 OEG-DR-01-001 is the same exact -- is identical to
12 the document referenced in the deposition today as
13 IGS-POD-01-003; is that correct?

14 A. Yes, ma'am, that's correct.

15 Q. And since the preparation of this
16 document in response to discovery in July 2014, have
17 you updated this spreadsheet any further?

18 MS. SPILLER: "This spreadsheet" being
19 the OEG-DR- 01-001, the two-page document?

20 MS. BOJKO: Yes. It's entitled "OVEC
21 Analysis."

22 A. So, there was a discovery request --

23 MR. HAMILTON: IGS Energy.

24 A. There was a discovery --

25 MS. SPILLER: Is that Mr. Hamilton?

1 MR. HAMILTON: Yes, it is.

2 MS. SPILLER: Go ahead. I'm sorry.

3 A. There was a discovery request that asked
4 for whether we had the same information for
5 additional years. So the spreadsheet was updated to
6 include those additional years.

7 Q. Do you recall what data response that
8 that -- discovery response, what the number would be
9 for that one?

10 A. If you bear with me while I page through
11 and try to find it.

12 So it was OEG-DR-04-001.

13 Q. Other than adding additional years, was
14 the OVEC analysis updated or modified for the years
15 2015 through 2024?

16 A. No, ma'am.

17 Q. 2015 to 2024, those are calendar years as
18 reflected on your OVEC analysis; is that correct?

19 A. That's correct. Yes, ma'am.

20 Q. Did you do any calculations with regard
21 to the cash flow analysis that results for the
22 Electric Security Plan year June 2015 through
23 May 31st, 2018?

24 A. Yes, ma'am.

25 Q. And have you provided that information?

1 A. Yes, ma'am. It was in response to a
2 discovery request, OCC-INT-16-413.

3 Q. Okay. Just so I'm clear, that number,
4 that document produces the Electric Security Plan for
5 that three-year period, the same analysis?

6 A. Yes. OCC-INT-16-413 presents data on an
7 ESP year basis in terms of Year 1 would run from
8 June 1 of '15 through May 31 of '16; Year 2, June 1
9 of '16 through May 31 of '17; and Year 3, June 1,
10 2017 through May 31, 2018.

11 Q. And it also appears on page 1 of OCC
12 Interrogatory 16-413, Attachment B, that you have
13 done a summary on an ESP year basis; is that
14 accurate?

15 MS. SPILLER: I'm going to object. I
16 think that's what the witness just said. Asked and
17 answered.

18 MS. BOJKO: Well, then, I misunderstood
19 his response.

20 Q. I mean on page 1, it is, as I understand
21 Attachment B to OCC Interrogatory 16-413, page 1 is a
22 summary on a ESP year-by-year basis; is that correct?

23 MS. SPILLER: Why don't you refer to the
24 attachment at the top, the reference at the top.

25 A. I'm sorry. Okay. So I'm looking at

1 OCC-INT-16-413, Attachment B, page 1 of 11, and that
2 presents the data by ESP year for the three-year
3 period.

4 Q. Okay. And then subsequent, starting on
5 page 2 of 11, you are presenting the same information
6 or data on a monthly basis for January -- on a
7 calendar year basis; is that accurate?

8 A. So the data starting on page 2 is the
9 monthly data for the entire period from January 2015
10 through December 2014.

11 Q. '14?

12 A. '24. I'm sorry. Excuse me. Sorry about
13 that.

14 Q. But that data is on a calendar year basis
15 not an ESP year basis; is that right?

16 A. So this data is on a monthly basis and
17 then this monthly data can then be rolled up either
18 into a calendar year basis, such as from
19 OEG-DR-01-001, or you can pick out the particular
20 months and summarize it as it is on page 1 of
21 OCC-INT-16-413, Attachment B.

22 Q. Okay. Thank you.

23 A. You're welcome.

24 Q. In responding to questions to Mr. Berger
25 about the generation volumes listed on this OVEC

1 Analysis, you stated you have a high-level
2 understanding. What is your high-level understanding
3 of what the generation volumes are?

4 A. So is the question, excuse me, is the
5 question related to high-level understanding of the
6 model output or how they're developed?

7 Q. Sir, you stated you have a high-level
8 understanding. We could take both. What is your
9 high-level understanding of how they are developed?

10 A. So my high-level view is that, you know,
11 the CBM model has a number of, you know, various
12 inputs associated with --

13 MS. SPILLER: And I'm just going to
14 caution you, I know part of this is confidential, so
15 I don't know if your high-level understanding goes
16 into confidential detail of the model.

17 THE WITNESS: Yeah, I'll refrain from
18 that.

19 A. Again, my high-level understanding is the
20 model uses various unit inputs and characteristics,
21 it uses various estimates of, you know, price curves
22 and costs, it runs a simulation and determines
23 economic generation and that's where those generation
24 volumes would come from.

25 Q. Okay. So it's your understanding that

1 the generation volumes are economic generation?

2 A. That's correct, yes.

3 Q. When you discussed the PJM capacity line
4 item on the OVEC Analysis with Mr. Berger, you talked
5 about a forecast that was conducted by the external
6 vendor, EVA, and an internal forecast by Ken
7 Jennings. Did you take an average of those two
8 forecasts or were you given just one forecast?

9 A. We used an average of the two.

10 Q. Okay. So you did receive one EVA
11 forecast analysis and one internal forecast and then
12 you did the calculation of averaging the two?

13 A. I did, yes.

14 Q. Did you produce a workpaper on that
15 average in any discovery responses? Do you know?

16 A. I did.

17 Q. Do you know which response that was?

18 A. I can look it up.

19 MS. SPILLER: Kim, he does not see it in
20 his book of discovery.

21 THE WITNESS: Can I give what I think it
22 is or should I refrain?

23 MS. BOJKO: That would be helpful to me
24 if he could.

25 Q. Do you remember whose discovery it was

1 responding to?

2 MS. SPILLER: Maybe you should start that
3 way. Do you recall who tendered the request?

4 A. Sierra Club.

5 Q. Okay. Thank you.

6 If you can go to the OVEC Analysis, the
7 capacity and the UCAP number. I think there's some
8 confusion with another witness; maybe you can help
9 us. Are those capacity and UCAP numbers for a
10 specific year? For instance, they're listed in the
11 2015 column, are those associated with some PJM
12 planning year for 2015 or what do those relate to?

13 A. This analysis used those numbers for all
14 time periods.

15 Q. And where were those -- was there a time
16 period associated with those numbers?

17 A. So they would have been used for all time
18 periods in this analysis, so from 2015 through 2024.

19 Q. Right. I guess I'm asking were they --
20 were the numbers associated with a particular time
21 period. Like, when you created it, was it associated
22 with July 2014 or was it a prior calendar year? Is
23 there any specification around the timing?

24 A. So these numbers would have been used in
25 prior forecasts and, off the top of my head, I don't

1 recall when we first started using these. But we've
2 used them kind of consistently, at least to my
3 knowledge, over the past couple years in forecasts,
4 so, you know, they were deemed to be acceptable. But
5 I don't have the specific date in terms of when we
6 started using these numbers.

7 Q. Okay. And when you say "deemed to be
8 acceptable" by Duke or Duke's CAM group?

9 A. That's a fair statement, yes.

10 Q. Okay. When you were referencing the
11 energy revenues on this document in response to
12 Mr. Berger's question about how these numbers were
13 derived, you stated you had a high-level
14 understanding of this number as well. Could you
15 explain to me what that high-level understanding is
16 of how this number was derived?

17 MS. SPILLER: I'm going to object only to
18 the extent the witness indicated it came from the
19 CBM.

20 MS. BOJKO: Well, the witness also stated
21 he has a high-level understanding. So if he can
22 share with me what that is, that would be great.

23 A. Certainly. Again, my high-level
24 understanding is just, you know, the way that the CBM
25 model works in terms of taking various unit

1 characteristics, you know, estimates of price curves,
2 energy costs, running it through a simulation model,
3 and then producing economic generation.

4 So, whereas, we talked about the
5 generation volumes coming from the model as being the
6 economic generation, these revenues -- these revenues
7 identified as the energy revenues on this sheet would
8 be a similar output except it would be the actual
9 expected energy revenues coming from that model.

10 Q. Thank you.

11 Referring to the OVEC billing cost
12 summary which is the second page of OEG-DR-01-001.
13 It's further down in the IGS response. Do you know
14 the document I'm referring to?

15 A. Yes, ma'am.

16 Q. Okay. You said, when the question was
17 asked how often is this OVEC Analysis updated, you
18 said you know generally, not specifically. What's
19 your general understanding of when it's updated?

20 A. I've seen versions that have been dated
21 November 2011, November 2012. You know, this version
22 has a December 2013. So it's fair to say at least
23 once a year. Whether there are updates intra-year,
24 that I don't know.

25 Q. Are you provided with these annual

1 updates?

2 A. So I get them from a member of the CAMs
3 team.

4 Q. And you use them in the normal course of
5 your business?

6 A. In the normal course of our forecasting,
7 yes, ma'am.

8 Q. And when you were answering questions
9 from Mr. Berger -- actually, I think it might have
10 been counsel for RESA, you responded that the -- you
11 were discussing demand charges. Do you recall that?

12 A. I do, yes, ma'am.

13 Q. Okay. And you used the demand charges.
14 Just to be clear, you used the total, you were saying
15 many components of capital investment in A and G were
16 included because you just went to the last line item
17 of this billing cost summary and used the total
18 projected demand cost; is that correct?

19 A. We would use the total projected demand
20 cost in our analysis.

21 Q. Do you, sir, know, it's my understanding
22 you produced a discovery response, in referencing
23 that, are you aware, in the 2012-2013 time period,
24 whether OVEC revenues exceeded the costs charged by
25 OVEC?

1 MS. SPILLER: To anybody or to Duke
2 Energy Ohio?

3 MS. BOJKO: He can answer the question as
4 he understands it. We can take both.

5 Q. Do the OVEC revenues exceed the costs
6 charged by OVEC to the sponsoring companies?

7 A. So if we define "cost" as being all
8 inclusive in terms of including both the costs that
9 were charged for the energy as well as the demand
10 cost, in 2012 and 2013 the revenues did not exceed
11 those total costs.

12 Q. How about from 2014 to present?

13 A. So the data that I have for 2014 would be
14 based on, you know, a similar time frame analysis,
15 which would be based on actual data through May of
16 this year, and then forecasted data for the balance
17 of the year from June through December. The data
18 through May of this year, the revenues do exceed the
19 costs.

20 The data for the balance of the year, for
21 June through December, is projected to be less, the
22 revenues are projected to be less than the costs by
23 about an equal amount. So the projection we had at
24 the time of this analysis was that, you know, it
25 would basically be about neutral for the full year.

1 Q. Based on partial actual and partial
2 forecasts.

3 A. Correct, ma'am.

4 Q. And what about to Duke or is your answer
5 the same to Duke?

6 A. Excuse me. That's all to Duke, ma'am,
7 I'm sorry. I should have clarified that. I don't
8 have any information to the other parties.

9 MS. BOJKO: Okay. That is all that I
10 have. Thank you so much, sir.

11 MS. SPILLER: Thank you, Kim.
12 Becky?

13 MS. HUSSEY: I have nothing. Thank you.

14 MS. SPILLER: Colleen?

15 MS. MOONEY: Nothing. Thank you.

16 MS. SPILLER: Thank you.

17 Doug?

18 MR. HART: No questions.

19 MS. SPILLER: Thank you.

20 Jeanne, I know none from you.

21 Joe?

22 MR. OLIKER: Just a few questions.

23 - - -

24 CROSS-EXAMINATION

25 By Mr. Oliker:

1 Q. Good morning. Is it "Dock-er-tea"?

2 A. It's "Dock-er-tea," yes, sir.

3 Q. Sorry. I want to make sure I said that
4 right.

5 A. That's fine.

6 Q. Just a few questions to follow up on some
7 topics that were covered earlier.

8 As I understand it, this document which
9 is IGS-POD-01-003, this is largely a product of a CBM
10 model; is that correct?

11 A. That's correct, yes, sir.

12 Q. And you are not familiar with the
13 assumptions that were put into this model to produce
14 these outcomes.

15 A. That's correct, yes, sir.

16 Q. So, for example, the generation volumes
17 that are included in this document, these were
18 provided to you.

19 A. That's correct, yes.

20 Q. And you cannot attest to their underlying
21 validity.

22 A. I cannot, no, sir.

23 Q. The generation prices included in this
24 model, this was also provided to you. Strike that.

25 The market price for wholesale energy,

1 that was provided to you.

2 A. So the revenues would have been provided
3 from the model, and then if we're saying the energy
4 rate is the calculation of the, you know, the
5 revenues divided by the generation, correct, both of
6 those were provided.

7 Q. And the UCAP number was also provided to
8 you; is that correct?

9 A. That's correct, yes, sir.

10 Q. And you have done no underlying analysis
11 to determine if the UCAP number is correct.

12 A. I have not, no, sir.

13 Q. The capacity prices after May 31st, 2018,
14 you have done no underlying analysis to determine if
15 those numbers are valid.

16 A. Correct, I have done no analysis on those
17 numbers.

18 Q. Okay. Thank you.

19 Can you turn to, and I'll try to get you
20 the correct page number, it is page number 16 of 19,
21 and there is a column that says "VOMCost." Can you
22 tell me what "VOM" stands for?

23 A. The heading, it generally stands for
24 variable operations and maintenance cost.

25 Q. Okay. Thank you.

1 And these various tabs that are included
2 in this spreadsheet, several of them say 5 by 7. Can
3 you tell me what that stands for?

4 A. The 5 by 7 is a designation that we use
5 at Duke Energy. The "5" refers to 5 months of
6 actual; the "7" refers to 7 months of forecast. So
7 if we would have actual data through May, and
8 forecast data through, you know, for June through
9 July [verbatim]. When we're doing our analyses, you
10 know, we refer to that as a 5 by 7 analysis.

11 So, you know, this forecast used the
12 price curves from that 5 and 7 analysis -- or, 5 and
13 7 model run. So the output was started, you know, in
14 June of 2014.

15 Q. Okay. Thank you.

16 There was a discussion about EVA forward
17 curves.

18 MR. OLIKER: And, Amy, I apologize if I
19 go into confidential information, I think this is
20 public, but let me know if I crossover.

21 MS. SPILLER: Oh, we will, but thank you.

22 Q. EVA curves are used for forward energy
23 prices starting in 2019; is that correct?

24 A. That's correct, yes.

25 Q. Aren't EVA curves only used for the

1 energy prices or are they also used for production
2 costs?

3 A. I don't know -- I don't know
4 specifically. I'd have to guess.

5 Q. Okay. And that's -- yeah, please don't
6 do that.

7 A. Yeah, I don't want to do that.

8 Q. Okay. Do you know when the EVA curves
9 were designed?

10 A. I do not.

11 Q. Would you please turn to IGS-INT-1-11. I
12 believe it's okay to say that this interrogatory
13 discusses the impact of CO2 emissions on power prices
14 and production costs. You're identified as the
15 person that answered this question. Did you perform
16 this analysis or was it provided for you?

17 A. I would have performed this analysis.

18 MR. OLIVER: Okay. Amy, are we going to
19 wait and do confidential later?

20 MS. SPILLER: We have been, yes, so I
21 would assume so.

22 MR. OLIVER: Okay. Just making sure.

23 Q. Also on this same set of interrogatory
24 responses, can you please look at IGS-INT-01-008.
25 Can you tell me if the megawatt hours here are Duke

1 specific or if this is the entire OVEC production?

2 A. They are Duke specific.

3 Q. Okay. Thank you.

4 Okay. Coming back to IGS-POD-1-003, can
5 you tell me if there are any specific items on this
6 sheet that you analyzed and can discuss the
7 underlying assumptions?

8 MS. SPILLER: Beyond what he's already
9 answered?

10 Q. I'm sorry if I'm asking you to answer a
11 question again, but are you responsible for creating
12 any of the assumptions on this sheet, rather than
13 having the information provided to you?

14 MR. BERGER: Tad Berger. Sorry. I got
15 cut off.

16 A. Again, so on IGS-POD-01-003, the only
17 piece of data that I added in there was the forecast
18 for the June through December 2018 capacity price.
19 Other than that, you know, the data was either, you
20 know, publicly available or provided through, you
21 know, some other source to me.

22 Q. Okay. Thank you.

23 Going back to the CBM, are you aware of
24 whether it was run specifically regarding OVEC?

25 A. It was not.

1 Q. And can you explain your answer, how is
2 it run?

3 A. So it was run for our entire portfolio of
4 assets that are managed by the midwest commercial
5 generation team.

6 MR. OLIKER: Can we go off the record for
7 a second?

8 MS. SPILLER: Sure.

9 (Discussion off the record.)

10 Q. (By Mr. Olikier) Have you run the CBM
11 model personally at any point in time, Mr. Dougherty?

12 A. No, sir, I have not.

13 Q. Would you say that's within the purview
14 of Ben Zhang?

15 A. Yes, that would be correct.

16 Q. Okay. And are you familiar with the
17 location of Clifty Creek and Kyger Creek and whether
18 or not they're located in PJM?

19 A. Specifically, no, I'm not.

20 Q. Are you familiar with the node within PJM
21 that Clifty Creek and Kyger Creek dispatch for
22 wholesale energy purposes?

23 MS. SPILLER: I'm going to object to the
24 extent that the witness said he doesn't even know if
25 the plants are within PJM.

1 If you know, you can answer.

2 A. I do not know.

3 MR. OLIKER: I think that is all the
4 public questions that I would have.

5 MS. SPILLER: Thank you.

6 Chris, anything?

7 MR. ALLWEIN: No, not at this time.

8 Thank you.

9 MS. SPILLER: Thank you.

10 Scott? Jake?

11 MR. CASTO: Nothing from us.

12 MS. SPILLER: Thank you.

13 Okay. So, Joe, I think you're the only
14 one with confidential.

15 MR. SETTINERI: This is Mike Settineri
16 with RESA. I have just a couple questions on the
17 confidential as well.

18 MS. SPILLER: Okay. So we will --

19 MR. BERGER: This is Tad. I have some
20 confidential questions.

21 MS. SPILLER: Okay. So I guess, Tad,
22 you're up. We're in the confidential section.

23 MR. BERGER: Okay. Thank you.

24 - - -

25 (CONFIDENTIAL PORTION EXCERPTED.)

1 State of Ohio :
2 County of _____ : SS:

3 I, Bryan Dougherty, do hereby certify that I
4 have read the foregoing transcript of my deposition
5 given on Tuesday, September 23, 2014; 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 Bryan Dougherty

11 I do hereby certify that the foregoing
12 transcript of the deposition of Bryan Dougherty 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 _____, 2014.

18 _____
19 Notary Public

20 My commission expires _____, _____.

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CERTIFICATE

State of Ohio :
: SS:
County of Franklin :

I, Carolyn M. Burke, Notary Public in and for the State of Ohio, duly commissioned and qualified, certify that the within named Bryan Dougherty 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, 2014.

Carolyn M. Burke, Registered
Professional Reporter, and
Notary Public in and for the
State of Ohio.

My commission expires July 17, 2018.

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