

1 APPEARANCES:

2 Duke Energy
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3 139 East Fourth Street, 1303-Main
Cincinnati, Ohio 45202

4
On behalf of the Applicant.

5
Bruce J. Weston, Ohio Consumers' Counsel
6 By Mr. Edmund "Tad" Berger (via speakerphone)
Assistant Consumers' Counsel
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On behalf of the Residential Ratepayers
9 of Duke Energy Ohio.

10 Mike DeWine, Ohio Attorney General
By Mr. William Wright, Section Chief
11 Mr. Steven Beeler (via speakerphone),
Assistant Attorney General
12 Public Utilities
180 East Broad Street, 6th floor
13 Columbus, Ohio 43215

14 On behalf of the Staff of the Public
Utilities Commission.

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Carpenter, Lipps & Leland, LLP
16 By Ms. Kimberly W. Bojko (via speakerphone)
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17 Columbus, Ohio 43215

18 On behalf of the Ohio Manufacturers'
Association.

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Carpenter, Lipps & Leland, LLP
20 By Ms. Rebecca L. Hussey
280 North High Street, Suite 1300
21 Columbus, Ohio 43215

22 On behalf of The Kroger Company.

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1 APPEARANCES: (Continued)

2 Ohio Partners for Affordable Energy
3 By Ms. Colleen L. Mooney (via speakerphone)
4 231 West Lima Street
5 Findlay, Ohio 45839

6 On behalf of Ohio Partners for Affordable
7 Energy.

8 ALSO PRESENT:

9 Mr. Don Howard, Staff (via speakerphone).
10 Ms. Doris McCarter, Staff (via speakerphone).
11 Mr. James Wilson, OCC (via speakerphone).

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1 Thursday Afternoon Session,⁴
2 October 2, 2014.

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4 STIPULATIONS

5 It is stipulated by and among counsel for the
6 respective parties that the deposition of Kenneth
7 Jennings, a witness called by the Office of the Ohio
8 Consumers' Counsel under the applicable Rules of
9 Civil Procedure, may be reduced to writing in
10 stenotypy by the Notary, whose notes thereafter may
11 be transcribed out of the presence of the witness;
12 and that proof of the official character and
13 qualification of the Notary is waived.

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1 MR. BERGER: My name is Edmund Berger. I
2 am with the Office of Ohio Consumers' Counsel. We
3 noticed this deposition. Our address is 10 West
4 Broad Street, Suite 1800, Columbus, Ohio 43215.

5 Jean.

6 MS. KINGERY: My name is Jean W. Kingery,
7 and I am representing Duke Energy Ohio in this
8 proceeding, 139 East Fourth Street, Cincinnati, Ohio.

9 MR. BERGER: Steve.

10 MR. BEELER: On behalf of the staff of
11 the Public Utilities Commission of Ohio, Steve
12 Beeler, the Office of Ohio Attorney General Mike
13 DeWine, 180 East Broad Street, Columbus, Ohio 43215.
14 And also on the line from staff is Don Howard.

15 MR. BERGER: And Kim.

16 MS. BOJKO: On behalf of the Ohio
17 Manufacturers' Association, Kimberly W. Bojko,
18 Carpenter, Lipps & Leland, 280 North High Street,
19 Suite 1300, Columbus, Ohio 43215. Thank you.

20 MR. BERGER: I would also note that on
21 behalf of OCC but not counsel is Jim Wilson. He is
22 on the phone line as well listening in.

23 At this point, Karen, why don't we swear
24 Mr. Jennings in.

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1 KENNETH J. JENNINGS

2 being by me first duly sworn, as hereinafter
3 certified, deposes and says as follows:

4 CROSS-EXAMINATION

5 By Mr. Berger:

6 Q. Good afternoon, Mr. Jennings. My name is
7 Tad Berger representing the Office of the Ohio
8 Consumers' Counsel. Would you please state your full
9 name and your business address for the record.

10 A. My name is Kenneth J. Jennings, 319 East
11 Fourth Street, Cincinnati, Ohio.

12 Q. And what's your position with Duke
13 Energy?

14 A. Director of market policy and RTO
15 services.

16 Q. And which -- which company do you work
17 for in that capacity?

18 A. I'm employed by Duke Energy Commercial
19 Enterprises.

20 Q. Are you -- are you appearing on behalf of
21 Duke Energy Ohio today at this deposition? Is that
22 your understanding?

23 A. Yes, it is.

24 Q. Were you given a copy of the Notice of
25 Deposition pursuant to which your appearance was

1 requested?

2 A. Notice of Deposition?

3 Q. A legal notice indicating that the Office
4 of the Ohio Consumers' Counsel was requesting
5 somebody to testify on particular issues.

6 A. I don't recall seeing the notice.

7 Q. Okay. Do you understand what the reason
8 for your appearance is today?

9 A. Yes.

10 MR. BERGER: Colleen, do you want to
11 enter your appearance at this time?

12 Hi, Colleen. Do you want to enter your
13 appearance now? We just got started with the
14 deposition.

15 MS. MOONEY: Yes. I'm sorry I'm late. I
16 would like to enter an appearance, thank you. This
17 is Colleen Mooney with Ohio Partners for Affordable
18 Energy, 231 West Lima Street, Findlay, Ohio.

19 MR. BERGER: Thank you.

20 Q. Now, getting back to you, Mr. Jennings,
21 would you please indicate what your understanding of
22 the reason for your appearance is today.

23 A. To respond to some questions about the --
24 some exhibits, I guess, that were provided by other
25 witnesses.

1 Q. And have you reviewed those exhibits?

2 A. Yes.

3 Q. Okay. Which exhibits in particular did
4 you review?

5 A. I don't have anything in front of me. I
6 don't recall what they were named.

7 Q. Okay. Did you bring anything with you
8 today?

9 A. No.

10 Q. Are you familiar with the particular
11 subject matter --

12 MR. BERGER: Hi, Rebecca. This is Tad.
13 Do you want to enter your appearance at this time?
14 We just got started with the deposition a moment or 2
15 ago.

16 MS. HUSSEY: Sure. I'm on behalf of The
17 Kroger Company, Rebecca Hussey, Carpenter, Lipps &
18 Leland, 280 North High Street, Columbus, Ohio 43215.
19 Thank you.

20 Q. (By Mr. Berger) Mr. Jennings, did you --
21 do you understand what the -- other than addressing
22 some documents do you understand what the --

23 MS. McCARTER: Doris McCarter, PUCO.

24 MR. BERGER: Thank you.

25 Q. Do you understand what the purpose of

1 your testimony is today in terms of the subject
2 matter?

3 A. My understanding is just to answer
4 questions.

5 Q. Okay.

6 MR. BERGER: Karen, I would ask that you
7 give Mr. Jennings the exhibit that I provided. It's
8 a confidential exhibit, so I'm not going to mark it
9 until we go to the confidential record, but I would
10 like to speak with him about some of the
11 nonconfidential information shown on that exhibit.
12 So if you would hand that to him.

13 A. I have it.

14 Q. And, Mr. Jennings, that consists, I
15 believe, of 48 pages which includes certain responses
16 to discovery in this proceeding and as well as
17 attachments to those discovery responses. And in
18 particular we will be focusing on what's been marked
19 previously as page 5 and page 23 which is the
20 attachment that was provided to IGS-POD-01-003. The
21 first page of that attachment was also the attachment
22 to OEG-DR-01-001. Would you look at that page which
23 is page 5 of the exhibit. Tell me if you are
24 familiar with that.

25 A. Yes, I'm familiar with it.

1 Q. And how did you become familiar with that
2 document?

3 A. I received it -- I received it from Amy
4 Spiller about two or three days ago.

5 Q. Okay. Were you involved at all in the
6 preparation of that document?

7 A. At the time I do not think I was but my
8 understanding after speaking with the person that
9 prepared it, there was a -- a document that I had
10 from -- it's about a year old that was used as an
11 input to it.

12 Q. Okay. Now, what are your
13 responsibilities, Mr. Jennings, as director of
14 marketing?

15 A. It's not really marketing. It's market
16 policy.

17 Q. Market policy, okay.

18 A. I advise other Duke Energy employees,
19 Duke Energy generally -- in general Duke Energy
20 employees about the activities at PJM, the outcomes
21 in stakeholder processes. I give advice about how
22 the rules work and basically just -- just help them,
23 more or less an energy policy adviser to -- to the
24 company.

25 Q. And how long have you worked in that

1 capacity for Duke?

2 A. Eight years.

3 Q. And who did you work for before that?

4 Was it another Duke company?

5 A. Cinergy Corporation.

6 Q. C-I-N-E-R-G-Y?

7 A. Correct.

8 Q. How long did you work for them?

9 A. About seven years.

10 Q. What did you -- what was your position
11 there?

12 A. I started out as a performance engineer
13 working in a power plant doing thermodynamic analysis
14 and vibration analysis and different engineering
15 functions. And then I later worked as a business
16 development engineer where I developed greenfield
17 generating facilities.

18 And then I moved into a -- a cost
19 allocation role where I worked -- where I worked as
20 an input to accounting. I did cost allocations
21 between native load and nonnative load for the
22 Cinergy legacy assets prior -- primarily prior to
23 standardized markets but also as part of what -- as
24 standardized markets with regard to MISO day two.

25 Q. Okay. Sounds like you have a good bit of

1 background in the utility industry. Is your
2 professional background then as an engineer?

3 A. Yes. I started out as an engineer,
4 studied manufacturing at Northern Kentucky
5 University.

6 Q. Okay. Do you have any advanced degrees?

7 A. I have a Master's degree in business
8 administration from Thomas More College.

9 Q. Where is that located?

10 A. It's in Crestview Hills, Kentucky.

11 Q. Okay. Now, going back to page 5 of the
12 exhibit, there's a couple of terms on this exhibit I
13 wanted to ask you about. And I want to caution you
14 that we're on the public record here, and, therefore,
15 we're attempting to avoid any reference to specific
16 numbers on these exhibits which are considered
17 confidential. And there also may be other
18 information you -- that is confidential on these
19 exhibits.

20 If you believe or have any question about
21 whether information is or is not confidential, please
22 advise us that you can't give a response because you
23 believe it's confidential, and then we can consult
24 off the record about that issue, okay?

25 A. Yes, sir.

1 Q. Now, there's an item on page 5 called
2 "Capacity." Would you agree that's the installed
3 capacity of the OVEC units?

4 A. At the very top of the page you're
5 talking about?

6 Q. Yes.

7 A. It says "Capacity (MW) 2" -- excuse me.
8 It has a number there. It's -- it has historically
9 been the value there. There have been recent changes
10 to that number though.

11 Q. Right. That number has changed because
12 of changes in the environmental controls of the
13 units; is that right?

14 A. That's correct. That's my understanding.

15 Q. Okay. And are you familiar with the
16 number -- with the item -- the term below that,
17 "UCAP"?

18 A. Yes, I am.

19 Q. And that would be the unforced capacity
20 of that unit?

21 A. Generally, yes.

22 Q. Of those units. This refers to both the
23 Kyger Creek and Clifty Creek as I understand it --

24 A. That's correct.

25 Q. -- and all the units there. Do you know

1 how long the UCAP there was calculated without giving
2 me any numbers?

3 A. No.

4 Q. Do you know how it was determined?

5 A. So not really. This one -- this number
6 is actually kind of a number that budgeting and
7 forecasting folks use. They typically don't get into
8 the specifics of the -- of the -- of the PJM RPM
9 calculations. It's a number they have historically
10 used in budget and forecasting, and it's been pretty
11 reliable in the past and -- and since this is a --
12 the people that do the budgeting and forecasting are
13 budgeting and forecasting for a large portfolio. You
14 know, small changes in this -- with this quantity is
15 very insignificant to them in most cases, and in
16 general it's pretty accurate.

17 Q. Now, is it your understanding that these
18 are numbers that existed prior to the new
19 environmental controls that were installed at each of
20 the units?

21 A. I am.

22 Q. Okay. And do you have any idea when this
23 document -- it was Mr. Dougherty by the way who you
24 spoke to about this document?

25 A. Yes, it is.

1 Q. Okay. And were you -- were you
2 responsible for providing him with any of the
3 specific information on this particular page?

4 A. So my understanding about the price in
5 dollars per megawatt-day is that -- is that he took
6 some numbers that I had prepared approximately a year
7 ago or longer and averaged them with another set
8 of -- of numbers that he received from a fundamentals
9 group, a Duke fundamentals group, to come up with
10 this forecast.

11 Q. Okay. And you're talking about the PJM
12 capacity price number there?

13 A. Yes, correct.

14 Q. And the numbers you prepared, are they
15 shown anywhere on the attached workpapers which would
16 be through page 23 of the exhibit, I believe?

17 MS. KINGERY: And, Tad, I would object to
18 the extent these are Mr. Dougherty's workpapers and
19 there is no evidence on the record Mr. Jennings has
20 ever seen this document before.

21 MR. BERGER: Okay. Thanks, Jean. If he
22 can answer.

23 MS. KINGERY: Yeah. He is looking
24 through it.

25 A. No. None -- none of those are included

1 in these pages.

2 Q. Okay. So the numbers you provided him,
3 were those numbers for -- projected capacity prices
4 for the period for 2019 and beyond or was that for
5 some other period?

6 A. So the numbers that I would have given
7 him would have been a set of numbers for a period
8 greater than that probably. I think that's true.

9 Q. Would it be 2017 and beyond? Because at
10 that point in time the capacity price on BRA for 2017
11 to '18 wasn't known; is that what you are indicating?

12 A. No. What I am indicating is that the
13 table would have had values historic and future. He
14 may have only used the numbers that were prospective,
15 but I would have given him, you know, a full curve.

16 Q. A full curve including historic --

17 A. Correct.

18 Q. -- PJM capacity prices going back to 2007
19 or some other timeframe?

20 A. Something like that, probably more closer
21 to the current period but probably would have started
22 like '13, '14, something like that and gone up
23 through '23, '24, a ten-year curve or something.

24 Q. Okay. The numbers you would have
25 provided him at that time had fundamental projections

1 of PJM capacity prices. Would those fundamental
2 projections of PJM capacity prices have begun in 2017
3 since the BRA would have been known for the 2016 to
4 '17 period at that time?

5 A. No. I wouldn't call what I do as a
6 fundamental curve either, but they -- I mean, I
7 usually just keep a historic dataset and then
8 forecast off of that historic dataset so I add to the
9 historic dataset and I would have just given him --
10 that to him. I don't know where he picks up and
11 takes off with it.

12 Q. Okay. And can you tell us how you -- and
13 I caution you if there is anything extremely unique
14 about your analysis that could be considered a trade
15 secret, that should be treated as confidential, but
16 can you generally tell me how you prepared your --
17 your forecasts of PJM capacity prices?

18 A. So typically I take a -- I take the
19 published demand planning parameters from PJM and
20 I -- I do a supply and demand balance using historic
21 supply curves that PJM posts and then I might
22 forecast out by making some assumptions about load
23 growth and some assumptions about possible changes in
24 supply and -- and just basically forecast one year at
25 a time.

1 And I usually -- in the past I've
2 forecasted until I get to a net CONE number, and then
3 once you get to a net CONE number I would just
4 escalate the net CONE number over time assuming some
5 level of equilibrium.

6 Q. Do you know at what point in time your
7 PJM capacity price under your analysis reached net
8 CONE?

9 A. I do not right -- right here I do not.

10 Q. Okay. Would you be able to locate the
11 information that you provided to Mr. Dougherty that
12 he utilized for this analysis?

13 A. Yes.

14 Q. Okay. But you do not have that with you;
15 is that correct?

16 A. I do not.

17 Q. And did your pricing analysis or your
18 forecast for PJM capacity prices, did it take into
19 consideration at all the -- the CBM that was prepared
20 by Mr. Zhang and his team?

21 A. No.

22 Q. So the analysis that's prepared -- that
23 you prepared the PJM capacity prices is something
24 that you perform independently of any other group of
25 individuals at the company; is that correct?

1 A. My work is independent of everyone else,
2 yes. It doesn't -- it doesn't interact with the CBM
3 whatsoever.

4 Q. Are you aware of whether any other
5 numbers that were used to develop Mr. Dougherty's
6 page 5 of this exhibit were utilized by Mr. Dough --
7 anything else that you prepared was utilized by
8 Mr. Dougherty in developing this exhibit?

9 A. Nothing else that I prepared was used by
10 Mr. Dougherty to prepare this exhibit.

11 Q. The UCAP number, was that not provided by
12 you to Mr. Dougherty?

13 A. No.

14 Q. And do you know how the percentage that
15 you -- how the UCAP number is determined here?

16 A. I do not. My understanding is that in
17 talking to Mr. Dougherty he said it has been
18 historically accurate and that was what he used. And
19 I don't know what he bases that assertion on.

20 Q. In terms of energy prices I think
21 Mr. Dougherty testified that -- that for the period
22 for '19 -- 2019 and beyond that he averaged values
23 for energy prices and energy costs that I -- were --
24 I believe were -- he said were the result of an
25 internal forecast and those provided by Energy

1 Ventures. Are you familiar with that, the use of an
2 averaging for 2019 and beyond to develop
3 Mr. Dougherty's energy prices and costs on this
4 exhibit?

5 A. So my understanding is that Mr. Dougherty
6 used an average of -- of the curve that I gave him
7 with a fundamental -- corporate fundamental curve
8 provided by EVA for capacity not energy.

9 Q. So that analysis, okay, was only with
10 respect to the PJM capacity cost that you talked
11 about earlier and as far as you understand, your
12 numbers were not used at all for energy pricing and
13 energy costs on this schedule; is that correct?

14 A. No.

15 Q. Do your -- are your numbers utilized in
16 the CBM for energy pricing and energy costs, or do
17 you develop numbers for energy prices and energy
18 costs?

19 A. I do nothing with regard to energy. The
20 only work that I do is with regard to the capacity.

21 Q. Okay.

22 MS. KINGERY: And, Tad, I would like to
23 clarify on the previous question and answer you asked
24 it in the negative, and I just want to make sure that
25 the response is clear.

1 MR. BERGER: How's that?

2 MS. KINGERY: Karen, could you go back to
3 the previous one and read the Q and A.

4 (Record read.)

5 A. Was not used; is that correct? Yes, it
6 is correct.

7 MS. KINGERY: So your answer is it is
8 correct that it was not used.

9 THE WITNESS: That it was not used for
10 energy.

11 Q. All right. And is it fair that your --
12 that you have no understanding how generation volumes
13 were developed on this schedule on the line that says
14 "Generation Volumes (Gigawatt Hours)"?

15 A. Can you repeat that question again?

16 Q. Yes. The line that says "Generation
17 Volumes (Gigawatt Hours)," you're not familiar with
18 how -- with how those numbers were developed?

19 A. That -- that's not my area. That's Ben
20 Zhang's group that does that. I may have a very --
21 very super -- very high level understanding what he
22 does, but I certainly don't -- I don't -- I
23 wouldn't -- I wouldn't want to make any assertions
24 about how he did it.

25 Q. And you looked through the rest of the

1 workpapers there. There is a schedule that says
2 "Output Using EVA Curves" that starts on page 20 of
3 the exhibit. Are you familiar with this schedule at
4 all?

5 A. Page 20?

6 Q. Yes.

7 A. The title of the page says "Highly" --

8 Q. Looking down at the bottom left-hand
9 corner there, it says "Output Using EVA Curves" or
10 maybe that's -- if you are looking at it in landscape
11 fashion.

12 A. I see it. I'm not familiar with it.

13 Q. Are you familiar with any of the other
14 workpapers in this -- in pages 5 to 23 other than the
15 line we talked about from PJM capacity?

16 A. I'm not.

17 Q. Are you familiar with the OVEC budgeting
18 process at all?

19 A. No.

20 Q. If you look at page 25, there is a line
21 there, second line under "Generation Sales," it says
22 "Estimated Surplus Energy Use Factor %." Are you
23 familiar with what that means?

24 A. What line is it again?

25 Q. The second line under "Generation Sales."

1 A. No. I do not know what that is.

2 Q. Okay. Earlier -- we earlier talked about
3 the averaging of the outside forecaster assessment
4 with your forecast for the PJM capacity prices. Do
5 you recall that?

6 A. Yes, sir.

7 Q. And is that a standard practice of
8 averaging the two fundamental prices that you come up
9 with in the outside and EVA comes up with?

10 A. I would say -- I would say that it was
11 after the PJM BRA in May of 2013.

12 Q. What was the reason it was determined to
13 use an average at that time?

14 A. The price per the auction in the '16-'17
15 delivery year appeared to possibly be an anomaly, and
16 it kind of threw off the -- the supply and demand
17 balances going forward.

18 Q. Okay. Are you aware of whether your
19 pricing or the average price that's used that's
20 developed between you and EVA is utilized for
21 purposes of projecting the amount of OVEC generation
22 that will be required by Duke Energy Ohio?

23 A. I don't know that. I don't know.

24 MS. KINGERY: I recognize the witness has
25 already answered; but, Tad, can you clarify what you

1 meant by required by Duke Energy Ohio?

2 Q. Well, it's my understanding,
3 Mr. Jennings, that Duke Energy Ohio provides a
4 forecast of its requirements to OVEC as to what
5 percentage -- what percentage of its OVEC entitlement
6 it's going to need, that it forecasts that and it
7 provides daily values also to OVEC of its -- of
8 its -- what percentage OVEC is going to need and that
9 is incorporated into both the projections and actuals
10 that OVEC makes of what generation it's going to
11 have. Are you aware of that?

12 A. No.

13 MR. BERGER: Okay. Jean, did you have
14 some clarification you wanted to make that I didn't?

15 MS. KINGERY: No. That's fine.

16 Q. Can you tell me, Mr. Jennings, what
17 inputs you used other than historic prices for PJM
18 capacity in developing your forecast?

19 A. I used the most recent PJM planning
20 parameters that are posted on their website, and I
21 used the most recent graphic representation of their
22 supply curve. And then I -- I take historic load
23 growth from PJM and apply the load growth to future
24 years.

25 Q. Okay. Do you look at just AD Hub prices,

1 or do you look at price throughout PJM in developing
2 your forecasts?

3 A. Well, AD Hub, AD Hub is really irrelevant
4 to capacity prices.

5 Q. And you don't -- you don't do any
6 projections of fuel costs or other energy costs in
7 your analysis.

8 A. I do not.

9 Q. Would you agree with that?

10 A. I do agree.

11 Q. Do your forecasts of PJM capacity
12 requirements take into consideration at all the
13 recent carbon emission reduction rule or other carbon
14 emission reduction requirements that may be
15 implemented during the forecasted period?

16 A. No.

17 MS. KINGERY: Karen, could you read that
18 last question back, please.

19 (Record read.)

20 MS. KINGERY: Thank you.

21 Q. And in developing your analysis, you
22 don't look at different types of plants, whether they
23 are coal or natural gas fired or renewable fuels to
24 assess the projected capacity price?

25 A. No.

1 Q. And would you turn to page 34 of the
2 exhibit. On page 35, if you will read through that
3 response, there is a listing of the capacity prices
4 that Mr. Dougherty utilized in his analysis. Can you
5 tell me, are all those capacity prices reflective of
6 the average of the prices you developed and the
7 prices that EVA developed for 2019 and beyond?

8 A. That's correct.

9 Q. And all the prices, the prices for 2014
10 through 2019, are those just your prices, don't
11 reflect EVA; is that an accurate understanding?

12 A. So the numbers '14 through May 31 of 2018
13 are actual BRA prices that were published on PJM's
14 website, and then they are corrected to the calendar
15 year. So -- so the '14-'15 number would be used for
16 part of the year of '15 while the end of '15 would be
17 using the '15-'16 number and -- and that went
18 through -- that occurred until you get to June 1 of
19 2000 -- 2018 and then -- so we then take the '17-'18
20 number for the first five months of 2018.

21 And for the last seven months of 2018,
22 Mr. Dougherty used the 10-year average price because
23 he didn't know what the price was going to be next
24 year, so he used a ten-year average price which
25 that's how he gets to that number, and then I guess

1 beginning January 1, 2019, is where he began to use
2 the averaging methodology.

3 Q. Okay. Thank you. The workpapers that
4 you utilized -- I assume you developed workpapers to
5 do this analysis; is that correct?

6 A. Which analysis is that?

7 Q. To do the analysis of the projected PJM
8 capacity prices for any particular year.

9 A. So there are workpapers that
10 Mr. Dougherty have that came from me that was used to
11 average with the EVA prices.

12 Q. Yeah. But those -- in doing your
13 analysis, in developing your number, do you have
14 workpapers for -- for developing the PJM capacity
15 prices?

16 A. So what do we mean by workpapers?

17 Q. Spreadsheets that you utilized to develop
18 your analysis.

19 A. There's a spreadsheet that I provided to
20 Bryan Dougherty that has -- that has -- has working
21 functions in it that provide him numbers for the --
22 for the number that he uses in the average against
23 the EVA. As far as there being anything beyond that,
24 I'm not sure.

25 Q. Well, how do you -- do you do your

1 analysis in Excel to develop your -- your projection
2 of PJM capacity prices utilizing the inputs we
3 discussed earlier?

4 A. For one year there's -- for one year
5 there is a -- there is a model that we have.

6 Q. Okay. And can you print -- is that model
7 in an Excel spreadsheet, or is it in another program?

8 A. It's in Excel but it's something that I
9 would consider proprietary.

10 Q. And how many different worksheets does it
11 take to develop one year's worth -- one year's
12 number? How many different worksheets do you have?

13 A. It's probably three or four.

14 Q. Three or four per year? Okay.

15 A. Yeah.

16 Q. At any point were you asked to provide
17 those worksheets by counsel as part of responding to
18 discovery --

19 MS. KINGERY: Objection, privileged.

20 Q. -- in this proceeding? During the course
21 of this proceeding, did you provide any discovery
22 responses, draft any discovery responses?

23 A. I think one.

24 Q. Do you know what the question was?

25 A. Not off the top of my head.

1 Q. Do you recall whether it had anything to
2 do with PJM capacity price?

3 A. It did not.

4 MR. BERGER: Jean, can we take a 5-minute
5 break?

6 MS. KINGERY: Sure.

7 MR. BERGER: Okay. Thank you.

8 MS. KINGERY: It's 1:53. Why don't we
9 come back at 2 o'clock. Okay. I'll put you on mute.

10 (Recess taken.)

11 Q. Hello, Mr. Jennings, again.

12 A. Hey.

13 Q. So I just had a couple more questions for
14 you. You indicated you were not the person who --
15 who's involved in developing the fundamental energy
16 prices and energy costs that Mr. Zhang includes in
17 his commercial business model. Do you know who is?

18 A. No. I didn't know --

19 MS. KINGERY: I would like to object. I
20 think you are mischaracterizing the testimony of the
21 witness.

22 MR. BERGER: In what way?

23 MS. KINGERY: I don't think that's
24 exactly what he said in the past.

25 MR. BERGER: All right. I'll ask

1 Mr. Jennings.

2 Q. What did you say about whether you're
3 involved in developing fundamental energy prices and
4 energy costs?

5 A. I have no input to energy costs or energy
6 prices.

7 Q. And so my question to you is simply do
8 you know who was involved in that?

9 A. It's people that work for Mr. -- for
10 Dr. Zhang.

11 MR. BERGER: Okay. All right. That's
12 all I have on the public record, Mr. Jennings. Thank
13 you for your time. There are two other counsel on
14 the line who might have questions.

15 Kim?

16 - - -

17 CROSS-EXAMINATION

18 By Ms. Bojko:

19 Q. Just a quick follow-up. Good afternoon,
20 Mr. Jennings. This is Kim Bojko with Ohio
21 Manufacturers' Association. You answered that you
22 did, in fact, respond to a discovery response, or you
23 believe you responded to a discovery response in this
24 case. And you stated that it didn't have anything to
25 do with the capacity price. Do you recall the

1 subject matter of the discovery response that you
2 responded to?

3 A. It was -- it was cleared UCAP in past
4 auctions.

5 Q. Sir, referring to the document that was
6 created by Mr. Dougherty, I'm not sure what
7 Mr. Berger called this document, it's entitled "OVEC
8 Analysis." Do you know the document I am speaking
9 of?

10 A. Could you repeat what that term was
11 again?

12 Q. It's titled at the top "OVEC Analysis."
13 It's been marked as several different things.

14 A. Okay. Hang on.

15 Q. So I'm not sure what Mr. Berger
16 referenced it as.

17 A. I have it.

18 MR. BERGER: It's page 5 of the exhibit,
19 yes.

20 MS. BOJKO: Okay. Thank you, Mr. Berger.

21 Q. At the top you talked about the UCAP
22 number provided. Did you state you did provide that
23 number to Mr. Dougherty?

24 A. I did not provide this number to
25 Mr. Dougherty.

1 Q. Okay. So the number that you provided in
2 discovery responses did not have to do with the
3 number that appears on this analysis?

4 A. That's correct.

5 Q. So besides the PJM capacity dollar per
6 megawatt-day that we have been discussing this
7 morning, you did not provide any additional numbers
8 contained on this "OVEC Analysis" spreadsheet; is
9 that correct?

10 A. That is correct.

11 Q. Okay. And, in fact, you haven't provided
12 any numbers on this document. You merely provided
13 the PJM capacity curve to Mr. Dougherty who then took
14 those numbers and produced the line item called "PJM
15 Capacity" on here?

16 A. That is correct.

17 Q. Okay. And the response to that question
18 with regard to the workpapers attached is the same;
19 is that right?

20 A. Yes.

21 Q. Okay. And also in response to Mr. Berger
22 you said you did not consider the CBM -- CBM. Is it
23 true -- did you say that you do not provide any
24 numbers or data for input to the CBM when it's run on
25 a regular basis?

1 A. I do not.

2 MS. BOJKO: I don't have anything
3 further. Thank you very much, sir.

4 THE WITNESS: Thank you.

5 MR. BERGER: Steve, anything?

6 MR. BEELEER: I have no questions on
7 behalf of staff.

8 MR. BERGER: All right. Does anybody
9 have any questions on the confidential record, for a
10 confidential record?

11 MS. KINGERY: Tad, I don't think we got
12 an answer from Colleen or Becky on the public record.

13 MS. MOONEY: Colleen for OPAC has no
14 questions, thank you, on the public record.

15 MS. HUSSEY: Kroger has no questions
16 either, thank you.

17 MR. BERGER: Does anybody have questions
18 on the confidential record?

19 Hearing none I would -- I have no further
20 questions, and so we won't create a confident --
21 well, I do want to create a confidential record just
22 for the purpose of putting the exhibit into -- into
23 the record.

24 MS. KINGERY: I don't think we
25 necessarily have to go into the confi -- confidential

1 record if all you are going to do is refer to the
2 document.

3 MR. BERGER: How is she going to attach
4 the exhibit to the record without having a
5 confidential record?

6 MS. KINGERY: Can we go off the record?

7 Tad, do you mind if we go off the record?

8 MR. BERGER: No. That's fine.

9 (Discussion off the record.)

10 MR. BERGER: Karen, can we mark the
11 exhibit I provided and then Mr. Jennings answered
12 questions about as OCC Exhibit 1.

13 MS. KINGERY: And that will be OCC
14 Confidential Exhibit 1.

15 MR. BERGER: Yes, Confidential Exhibit 1
16 and I have no further questions about the exhibit.

17 (EXHIBIT MARKED FOR IDENTIFICATION.)

18 MR. BERGER: With that I have no further
19 questions for Mr. Jennings.

20 Karen, as other parties did not indicate
21 any questions on the confidential record, that would
22 conclude the deposition.

23 MS. KINGERY: All right. And we will
24 take signature.

25 MR. BERGER: All right. Thank you.

1 MS. KINGERY: Thank you. Bye.

2 (Thereupon, at 2:08 p.m., the deposition
3 was concluded.)

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

3 I, Kenneth Jennings, do hereby certify that I
 4 have read the foregoing transcript of my deposition
 5 given on Thursday, October 2, 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 Kenneth Jennings

11 I do hereby certify that the foregoing
 12 transcript of the deposition of Kenneth Jennings 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 _____, _____.

21 - - -

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24

25

1 CERTIFICATE

2 State of Ohio :
3 County of Franklin : SS:

4 I, Karen Sue Gibson, Notary Public in and for
5 the State of Ohio, duly commissioned and qualified,
6 certify that the within named Kenneth Jennings was by
7 me duly sworn to testify to the whole truth in the
8 cause aforesaid; that the testimony was taken down by
9 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.

10 I certify that I am not a relative, employee,
11 or attorney of any of the parties hereto, or of any
12 attorney or counsel employed by the parties, or
financially interested in the action.

13 IN WITNESS WHEREOF, I have hereunto set my
14 hand and affixed my seal of office at Columbus, Ohio,
on this 14th day of October, 2014.

15 _____
16 Karen Sue Gibson, Registered
17 Merit Reporter and Notary Public
in and for the State of Ohio.

18 My commission expires August 14, 2015.

19 (KSG-5940)

20 - - -

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Case No(s). 14-0841-EL-SSO, 14-0842-EL-ATA

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