

BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

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In the Matter of the :
Application of Ohio Power : Case No.
Company for Administration : 14-875-EL-UNC
of the Significantly Excessive :
Earning Test for 2013. :

- - -

PROCEEDINGS

Before Greta See, Attorney Examiner, held at the
offices of the Public Utilities Commission of
Ohio, 180 East Broad Street, Hearing Room 11-D,
Columbus, Ohio, on Wednesday, November 5, 2014,
at 10:00 A.M.

- - -

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- - -

1 APPEARANCES:

2 Mr. Steven T. Nourse
3 American Electric Power Corporation
4 1 Riverside Plaza
5 Columbus, Ohio 43215

6 On behalf of the Ohio Power Company.

7 Mr. Thomas W. McNamee
8 Assistant Attorney General
9 180 East Broad Street
10 6th Floor
11 Columbus, Ohio 43215

12 On behalf of the Staff of the
13 Public Utilities Commission
14 of Ohio.

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1 Direct Testimony of 6 7
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Wednesday Morning,
November 5, 2014.

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ATTORNEY EXAMINER: Scheduled for
hearing today at this time is Case No.
14-875-EL-UNC being entitled in the Matter of
the Application of Ohio Power Company for
Administration of the Significantly Excessive
Earnings Test under Revised Code Section
4928.143 (F) and Ohio Administrative Code and
Rule 4901:1-35-10.

My name is Greta See, I am the
Attorney Examiner assigned to this case by the
Commission. At this time I would like to take
appearances of the parties. On behalf of Ohio
Power Company.

MR. NOURSE: Thank you, your Honor.
On behalf of Ohio Power Company, Steven T.
Nourse, 1 Riverside Plaza, Columbus, Ohio 43215.

ATTORNEY EXAMINER: And on behalf of
the Staff of the Public Utilities Commission.

MR. MCNAMEE: On behalf of the Staff
of the Public Utilities Commission of Ohio, Mike
Dewine, recently reelected Attorney General for
the State of Ohio, and I am Thomas McNamee,

1 Assistant Attorney General. The address is 180
2 East Broad Street, Columbus, Ohio.

3 ATTORNEY EXAMINER: Okay. Mr.
4 Nourse.

5 MR. NOURSE: Thank you, your Honor.
6 And the parties as you know have entered into a
7 stipulation and recommendation for this case.
8 And we have William A. Allen to testify in
9 support of the stipulation.

10 So I guess we should mark as Joint
11 Exhibit 1 the stipulation.

12 ATTORNEY EXAMINER: Let's go off the
13 record.

14 (DISCUSSION OFF THE RECORD)

15 MR. NOURSE: Joint Exhibit 1, your
16 Honor.

17 ATTORNEY EXAMINER: Okay.

18 MR. NOURSE: So we would also like
19 to stipulate the testimony in pursuant to the
20 stipulation. And I will offer Company Exhibit
21 1, direct testimony of William A. Allen.

22 Company Exhibit 2, direct testimony
23 of Thomas E. Mitchell, both docketed on May
24 15th.

25 MR. MCNAMEE: And then we would also

1 like to stipulate in Staff Exhibit 1, prefiled
2 testimony of Joseph Buckley.

3 And then let's call it 1 A. This is
4 a corrected attachment to the testimony of Mr.
5 Buckley. When I was preparing his testimony to
6 be filed I mistakenly put the wrong attachment
7 on the back of his testimony. This reflects the
8 correct one.

9 ATTORNEY EXAMINER: Okay. And
10 filing the next day on October 10th?

11 MR. MCNAMEE: Yes. I think that is
12 right. Yes.

13 ATTORNEY EXAMINER: Okay. Joint
14 Exhibit 1. Are there any objections to the
15 admission of any of the exhibits, Staff or
16 the Company's, or Joint Exhibit 1?

17 MR. MCNAMEE: No.

18 ATTORNEY EXAMINER: Perfect.

19 MR. NOURSE: No.

20 ATTORNEY EXAMINER: Joint 1, Company
21 Exhibit 1 and 2 and Staff Exhibits 1 and 1A are
22 admitted into the record.

23 (EXHIBITS HEREBY ADMITTED INTO
24 EVIDENCE)

25 ATTORNEY EXAMINER: Mr. Nourse.

1 MR. NOURSE: Your Honor, the Company
2 calls William A. Allen to the stand.

3 (WITNESS SWORN)

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5 WILLIAM A. ALLEN
6 called as a witness on behalf of the Company,
7 being first duly sworn, testified as follows:

8 DIRECT EXAMINATION

9 By Mr. Nourse:

10 Q. Good morning, Mr. Allen. Can you
11 state your full name for the record?

12 A. William A. Allen.

13 Q. And what is your position with AEP?

14 A. I am the Managing Director of Rate
15 Case Management.

16 Q. Can you just briefly summarize your
17 responsibilities in that position?

18 A. My responsibilities are the
19 oversight of major rate filings in the 11 states
20 that AEP operates in as well as the FERC
21 jurisdiction.

22 Q. Thank you. And are you familiar
23 with all the testimony that has been filed in
24 this case generally?

25 A. Yes, I am.

1 Q. And you are also familiar with the
2 Joint Exhibit 1, stipulation and recommendation;
3 is that correct?

4 A. Yes, I am.

5 Q. And so you have evaluated the terms
6 of the stipulation in light of the Commission's
7 three part test; have you?

8 A. I have.

9 Q. And I would like to briefly go
10 through that with you, Mr. Allen. The first
11 criterion is the settlement a product of serious
12 bargaining among capable and knowledgeable
13 parties.

14 Can you address that first criterion
15 in light of this stipulation?

16 A. Yes. Both the Company and the Staff
17 performed a detailed analysis of the ROE
18 thresholds and came to comparable results and
19 evaluated those results against the actual
20 earnings of AEP Ohio, and determined that in
21 neither case was the Company's earnings
22 excessive.

23 Q. Okay. And I should have asked you
24 to summarize the stipulation, which what you
25 just said was a good summary of it.

1 Then can you briefly just address
2 whether the settlement is a product of serious
3 bargaining among capable and knowledgeable
4 parties?

5 A. Yes, it was. Both the Staff and
6 the Company did a detailed evaluation of the
7 case, yes.

8 Q. Okay. And does the settlement as a
9 package benefit ratepayers and the public
10 interest?

11 A. Yes, it does. It complies with the
12 Commission regulations in this regard as well as
13 the underlying law.

14 Q. Okay. And does the settlement
15 package violate any important regulatory
16 principle or practice in your opinion?

17 A. No. The settlement is consistent
18 with prior settlements in related previous
19 proceedings of the Company's.

20 Q. Okay. And is it your recommendation
21 then that the Commission adopt the stipulation
22 as its order in this case?

23 A. Yes, it is.

24 MR. NOURSE: Thank you. That's all
25 the questions on direct I had, your Honor.

1 ATTORNEY EXAMINER: Okay. Mr.
2 McNamee, any cross-examination?

3 MR. MCNAMEE: Thank you, your Honor.
4 As much as I enjoy talking to the very able Mr.
5 Allen, I have no questions.

6 ATTORNEY EXAMINER: Okay. Thank
7 you. Thank you, Mr. Allen.

8 Will Staff be presenting a witness
9 in support of the stipulation?

10 MR. MCNAMEE: No, your Honor. I
11 don't think there is any need for a witness.

12 ATTORNEY EXAMINER: Okay. Thank
13 you. Mr. Allen, you can step down.

14 Is there anything further?

15 MR. MCNAMEE: Nothing.

16 MR. NOURSE: No, your Honor.

17 ATTORNEY EXAMINER: Perfect. Thank
18 you. The hearing is adjourned.

19 (At 10:10 A.M. the hearing was
20 concluded)

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CERTIFICATE

I do hereby certify that the foregoing
is a true and correct transcript of the
proceedings taken by me in this matter on
November 5, 2014, and carefully compared with my
original stenographic notes.

Michael O. Spencer,
Registered Professional
Reporter.

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in

Case No(s). 14-0875-EL-UNC

Summary: Transcript in the matter of Ohio Power Company hearing held on 11/05/14 electronically filed by Mr. Ken Spencer on behalf of Armstrong & Okey, Inc. and Spencer, Michael O. Mr.