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1 Thursday Morning Session,
2 March 5, 2015.

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4 THE ATTORNEY EXAMINER: Welcome,
5 everybody. We are here today for the workshop in
6 Case No. 15-0053-GE-ORD, being conducted In the
7 Matter of the Commission's Review of Ohio
8 Administrative Code Chapters 4901:5-1, -5-3, -5-5,
9 and -5-7.

10 My name is Nick Walstra. I am the
11 attorney-examiner assigned by the Commission to hear
12 this case. With me in the room today is Elizabeth
13 Stevens, staff attorney, and Tim Benedict, who will
14 be our subject matter expert. Together we'll be
15 moderating and providing any technical support for
16 today's workshop, as well as taking note of any of
17 the comments that are offered today for the
18 Commission's consideration with respect to these
19 rules.

20 Before we get started, I'll provide a
21 brief overview of why we're here and what we hope to
22 accomplish today. This workshop is being held in
23 response to the issuance of the Governor's Common
24 Sense Initiative, as well as Revised Code
25 Section 121.82, which requires the Commission to

1 evaluate its rules against the Business Impact
2 Analysis and provide that analysis to the Common
3 Sense Initiative office.

4 In incorporating the Common Sense
5 Initiative requirements into our rule review process,
6 the Commission has determined that it's appropriate
7 for staff to hold a workshop with the interested
8 stakeholders. The purpose of this workshop is to get
9 your input regarding the rules addressing
10 forecasting.

11 I do want to emphasize this is only your
12 initial opportunity to provide feedback on the state
13 of the rules. Nothing said today is considered
14 binding on any of the interested stakeholders.

15 The Commission will issue a proposed set
16 of rules at some point following the workshop, and we
17 will utilize the same comment and reply commenting
18 process that we have used in other cases. At that
19 point you will have the opportunity to formally offer
20 your recommendations into your filed comments and
21 your reply comments.

22 During today's workshop we seek your
23 initial thoughts and recommendations on how the rules
24 could be improved. Our main job here today is really
25 just to listen to what you guys have to say. We're

1 not offering any proposals at this point. It's more
2 just for us to listen to what you guys want to offer.

3 This workshop is being transcribed by a
4 court reporter. If you plan to offer comments today,
5 make sure you are speaking clearly and loudly enough
6 for us to get that transcribed. If you do happen to
7 have a written statement, if you could provide a copy
8 to the court reporter, that would make things a lot
9 easier. The transcript will be filed in this docket
10 after today at some point.

11 Before we open this up for comments, I
12 will note that staff is aware that the laws
13 promulgating these chapters have changed over the
14 past several years. We know the definitions have
15 changed. Some factors are no longer relevant, so we
16 are very aware that these rules are in need of some
17 updates.

18 Mr. Benedict, do you have anything on
19 that you want to address?

20 MR. BENEDICT: Let me just echo the
21 sentiment of we are aware things have changed since
22 the rules were last visited, I believe House Bill 95
23 as well as Senate Bill 310 modified the forecasting
24 obligations, amongst others, potentially. So in
25 addition to stating where you believe the rules are

1 unduly burdensome, unnecessary or redundant, please
2 share with us where and why the rules are no longer
3 consistent with statute as they're currently
4 constructed. I think that would be beneficial.

5 THE ATTORNEY EXAMINER: So at this point
6 we will open the floor for any comments. You can
7 volunteer. You can speak from your seats or come
8 forward up to the podium. Make sure you identify
9 yourself since this is on the record, and we will go
10 from there.

11 Who would like to start?

12 MR. TORPEY: My name is John Torpey. I
13 am the director of Integrated Resource Planning for
14 the American Electric Power Service Corporation, and
15 I'm here to represent AEP Ohio or the Ohio Power
16 Company. We appreciate the opportunity to provide
17 comments.

18 Ohio EDUs have divested generation assets
19 so that they are no longer integrated utilities and
20 there is no regulatory obligation to develop or plan
21 generation resources for supplying retail load.
22 Moreover, transmission is competitive and regulated
23 by FERC and PJM, as is reliability. Consequently,
24 the LTFR rules should be significantly streamlined to
25 reflect changes in the enabling statutes, RC

1 Chapter 4935, and restructuring of the electric
2 industry in general under SB3 and SB221.

3 The full LTFR filing requirement should
4 be eliminated across the board. Alternatively,
5 should the staff desire to retain the possibility of
6 a full LTFR for some reason in the future, the rules
7 should be restructured to link any full LTFR
8 requirement to the need for an evidentiary hearing
9 under RC 4935.04(D) based on a showing of good cause
10 by an interested party. The default reporting
11 requirement would be a forms-only filing.

12 Eliminate transmission system reporting
13 requirements and forms, OAC 4901: 5-5-04, electric
14 transmission owners. OPCo is an AEP operating
15 company in the PJM Regional Transmission
16 Organization, RTO, and in the Reliability First
17 Corporation, a regional entity of the North American
18 Electric Reliability Corporation, NERC.

19 AEP's transmission system, together with
20 the transmission systems of other PJM members and
21 adjoining RTOs, is planned as a regional network
22 within the PJM Regional Transmission Expansion Plan,
23 RTEP. As part of the RTEP process, AEP continues to
24 provide PJM input for local transmission expansions,
25 but it is PJM that makes the final decision on what

1 gets built to meet the reliability standard and
2 ensure the transmission system has sufficient extras.

3 Eliminate the resource plan requirements,
4 OAC 4901:5-5-06, resource plans. EDU generation
5 divestiture has occurred and retail generation
6 service is competitive.

7 The forms-only filing should be
8 streamlined. Eliminate 4901:5-1-04, notice of
9 substantial change. If there was forms only, there
10 would be no need for the substantial change section.

11 Eliminate (L) in 4901:5-1-01,
12 definitions, substantial change definition. If
13 substantial change is eliminated, there is no need
14 for the definition.

15 Eliminate 4901:5-3-03, calculation of
16 forecast rates of Change. If substantial is
17 eliminated, then there is no need for calculation
18 methods.

19 Eliminate 4901:5-5-03, forecast report
20 requirements for electric utilities and transmission
21 owners. Again, if forms only, no need for detailed
22 report requirements.

23 That concludes my comments.

24 THE ATTORNEY EXAMINER: Thank you. I
25 appreciate it.

1 Who would like to go next? Anyone?

2 Thank you.

3 MS. SEGER-LAWSON: Good morning. I am
4 Dona Seger-Lawson with Dayton Power & Light.

5 We agree substantially with everything
6 that AEP just said. I guess I also have a question.
7 There's a section on fees where the utility pays fees
8 associated with these plans. I'm just not clear,
9 maybe it's a question for the staff, as to why we pay
10 the fees and what are they used for and how is that
11 different from other funding that we already pay to
12 the Commission?

13 MR. BENEDICT: The fees, I believe, date
14 back to when these forecasts were reviewed by the
15 Ohio Department of Energy Forecasting Group, and I
16 believe the fees initially were constituted as a way
17 to basically pay for the review of the forecasts
18 themselves, the costs associated, similar to how the
19 Siting Board pays for the Siting Board itself.

20 Today I don't believe there's really that
21 connection anymore because the fees themselves are
22 paid directly to the Treasurer's office. So they
23 still exist, but that causal relationship really
24 doesn't exist in the way that it used to.

25 MS. SEGER-LAWSON: It seems like if you

1 did away with those fees, if those fees are being
2 paid by the utilities to support the PUCO, if we
3 didn't pay the fees associated with this, then our
4 fees associated with our other fees would increase to
5 cover those costs. It seems to me if you did away
6 with these fees, the Commission would be completely
7 funded by the other means.

8 THE ATTORNEY EXAMINER: Anyone else?
9 Last chance.

10 All right. If no one else would like to
11 say anything, I do want to thank you guys for coming
12 in and sharing your thoughts. The staff will have a
13 recommendation at some point here in the future. We
14 will open it up for comments with replies coming up
15 here, evidentiary.

16 I thank you guys all for coming in, and
17 thanks again.

18 (The hearing adjourned at 10:14 a.m.)

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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 Thursday, March 5, 2015, and carefully compared with my original stenographic notes.

Rosemary Foster Anderson,
Professional Reporter and
Notary Public in and for
the State of Ohio.

My commission expires April 5, 2019.
(RFA-77909)

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Case No(s). 15-0053-GE-ORD

Summary: Transcript of the Commission's Review of Ohio Adm. Code Chapters 4901:5-1; 4901:5-3, 4901:5-5, and 4901:5-7 hearing held on 03/05/15 electronically filed by Mr. Ken Spencer on behalf of Armstrong & Okey, Inc. and Anderson, Rosemary Foster Mrs.