

BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

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In the Matter of the :
Application of Ohio Power :
Company for Approval of an: Case No. 14-1158-EL-ATA
Advanced Meter Opt-Out :
Service Tariff. :

- - -

PROCEEDINGS

before Mr. Bryce McKenney, Attorney Examiner, at the
Public Utilities Commission of Ohio, 180 East Broad
Street, Room 11-A, Columbus, Ohio, called at 10 a.m.
on Thursday, May 7, 2015.

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On behalf of the Consumers of Ohio Power
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On behalf of the Ohio Partners for
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On behalf of the Staff of the PUCO.

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Thursday Morning Session,
May 7, 2015.

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ATTORNEY EXAMINER McKINNEY: Let's go on the record. Good morning, everyone. The Public Utilities Commission of Ohio calls for hearing at this time and place Case No. 14-1158-EL-ATA, being in the Matter of the Application of Ohio Power Company for Approval of an Advanced Meter Opt-Out Service Tariff. My name is Bryce McKenney. I am the Attorney Examiner assigned by the Commission to hear this case.

At this time I would like to take the appearances of the parties. We will begin with the company.

MR. McKENZIE: Matthew McKenzie and Steven Nourse on behalf of Ohio Power Company, 1 Riverside Plaza, Columbus, Ohio 43215.

ATTORNEY EXAMINER McKINNEY: Thank you, Mr. McKenzie.

Yes, sir.

MR. ETTER: Yes, good morning, your Honor. On behalf of Ohio Power's residential utility consumers, the Office of the Ohio Consumers' Counsel, Bruce J. Weston, Consumers' Counsel, Terry L. Etter,

Assistant Consumers' Counsel. We are at 10 West
Broad Street, Suite 1800, Columbus, Ohio 43215. Also
Dane Stinson of Bricker & Eckler, LLP, 100 South
Third Street, Columbus, Ohio 43215.

ATTORNEY EXAMINER MCKINNEY: Thank you,
sir.

Ms. Mooney.

MS. MOONEY: Yes, on behalf of Ohio
Partners for Affordable Energy, I am Colleen Mooney,
231 West Lima Street, Findlay, Ohio.

ATTORNEY EXAMINER MCKINNEY: Thank you.
Staff.

MR. O'ROURKE: Thank you, your Honor. On
behalf of staff, Ryan O'Rourke with the Ohio Attorney
General, Public Utilities Section. My address is 180
East Broad Street, 6th Floor, Columbus, Ohio 43215.

ATTORNEY EXAMINER MCKINNEY: Thank you.

At this time I would like to note that
there is a pending motion to intervene filed by the
Ohio Partners for Affordable Energy that's been filed
in this case. At this time that motion will be
granted. They will be permitted to intervene in this
case.

MS. MOONEY: Thank you, your Honor.

ATTORNEY EXAMINER MCKINNEY: My

1 understanding is we have a partial stipulation that's
2 been filed in this case; is that correct?

3 MR. McKENZIE: Yes, your Honor. Your
4 Honor, we would call one witness to sponsor the
5 stipulation in this case. It's Ms. Andrea Moore.

6 ATTORNEY EXAMINER McKINNEY: Thank you.
7 Ms. Moore.

8 We are getting feedback in the
9 microphones. If we can hear all right without them,
10 we will go ahead without them.

11 MR. McKENZIE: I'll speak up.

12 ATTORNEY EXAMINER McKINNEY: Thank you.
13 (Witness sworn.)

14 ATTORNEY EXAMINER McKINNEY: Thank you.
15 You may be seated.

16 - - -

17 ANDREA E. MOORE

18 being first duly sworn, as prescribed by law, was
19 examined and testified as follows:

20 DIRECT EXAMINATION

21 By Mr. McKenzie:

22 Q. Ms. Moore, could you please state your
23 name, title, and work address for the record, please.

24 A. My name is Andrea Moore. My title is the
25 Director of Regulatory Services, and my work address

1 is 850 Tech Center Drive, Gahanna, Ohio 43230.

2 Q. Ms. Moore, did you file prefiled
3 testimony in support of the stipulation in this
4 proceeding?

5 A. I did.

6 Q. Ms. Moore, I am going to hand you three
7 documents. The first one is marked AEP Ohio Exhibit
8 1.

9 ATTORNEY EXAMINER McKINNEY: What is
10 this? Testimony?

11 MR. McKENZIE: This is her testimony.

12 ATTORNEY EXAMINER McKINNEY: Thank you.
13 It will be so marked.

14 (EXHIBIT MARKED FOR IDENTIFICATION.)

15 MR. McKENZIE: The next is AEP Ohio
16 Exhibit 2. This is the application in this
17 proceeding.

18 ATTORNEY EXAMINER McKINNEY: It will be
19 so marked.

20 (EXHIBIT MARKED FOR IDENTIFICATION.)

21 MR. McKENZIE: Thank you. And the third
22 is Joint Exhibit 1. This is the stipulation in this
23 proceeding.

24 ATTORNEY EXAMINER McKINNEY: That will
25 also be marked.

1 (EXHIBIT MARKED FOR IDENTIFICATION.)

2 Q. (By Mr. McKenzie) Ms. Moore, if you could
3 please first turn to AEP Ohio Exhibit 1. Is this the
4 testimony you prefiled in this proceeding?

5 A. Yes.

6 Q. Was this testimony prepared by you, at
7 your direction?

8 A. Yes.

9 Q. Do you have any changes you wish to make
10 to your testimony?

11 A. I do have one change.

12 Q. What is that?

13 A. Page 2, line 15, the first full sentence
14 says "The stipulation provides the basis for
15 resolving the." If we could strike "pending order"
16 and replace that with "directive."

17 Q. Okay. Thank you. Accounting for that
18 change if I asked you the same questions today, would
19 you give the same answers as in AEP Ohio Exhibit 1?

20 A. Yes.

21 Q. If you could turn to AEP Ohio Exhibit 2,
22 is this AEP Ohio's application in this proceeding?

23 A. Yes.

24 Q. And if you could turn to the last page
25 which is Exhibit E of the application.

1 A. Okay.

2 Q. Is this the calculation that supports the
3 charges that were proposed in this application?

4 A. As proposed in the application, yes.

5 Q. Now, there was a stipulation in this
6 proceeding as well, correct?

7 A. Correct.

8 Q. If you could turn to Joint Exhibit 1, is
9 this the stipulation you supported in your testimony?

10 A. Yes.

11 Q. And if you could go back to Exhibit E for
12 just one second. On Exhibit E AEP Ohio justifies a
13 recurring charge of \$31.80; is that correct?

14 A. Yes.

15 Q. And in the stipulation, was that fee,
16 recurring fee, reduced to \$24?

17 A. Yes, it was.

18 MR. McKENZIE: Your Honor, I would move
19 the admission of these three exhibits, subject to
20 cross.

21 ATTORNEY EXAMINER McKINNEY: Subject to
22 cross, we will wait until the cross-examination for
23 moving -- moving of the exhibits.

24 OCC.

25 MR. STINSON: Thank you, your Honor.

CROSS-EXAMINATION

By Mr. Stinson:

Q. Ms. Moore, my name is Dane Stinson. I believe we've met before, had a conversation. As you know, I am prone to speaking quickly and sometimes mumbling, so if you don't understand a question, please stop me, and I will restate it and make sure you understand, okay?

A. Yes.

Q. Also we have to make sure to speak audibly.

A. Yes.

Q. Now, you presented your testimony as AEP Ohio Exhibit No. 1. What information did you review in preparing that testimony?

A. I reviewed the Commission order that directed the utilities to file a cost-based meter opt-out charge. I reviewed the application in this proceeding. I reviewed the stipulation and recommendation. I reviewed the staff data requests.

Q. Did you review other information as to customer notices?

A. I'm sorry. In preparing my direct testimony?

Q. Yes.

1 A. "Customer notices," I am not sure what
2 you are referring to.

3 MR. STINSON: Let me mark for
4 identification purposes as OCC Exhibit 1. I would
5 like to approach, your Honor.

6 ATTORNEY EXAMINER MCKINNEY: You may
7 approach.

8 Mr. Stinson, can I ask what it is we are
9 marking?

10 MR. STINSON: It is going to be a
11 letter -- a rep letter to customers.

12 ATTORNEY EXAMINER MCKINNEY: This will be
13 marked OCC Exhibit 1.

14 (EXHIBIT MARKED FOR IDENTIFICATION.)

15 Q. (By Mr. Stinson) If you would check the
16 last page of that document, Ms. Moore, I believe I
17 may have given you an extra page that is from the
18 website, the "AMR Project."

19 Let me proceed another way. I have
20 handed you what has been marked for identification
21 purposes as OCC Exhibit 1.

22 A. Yes.

23 Q. And do you recognize that? Have you
24 reviewed that? Do you recognize it?

25 A. I recognize this as the information that

1 the company provided to OCC for depositions.

2 Q. And did you review that in preparation
3 for this proceeding?

4 A. In preparation for depositions, yes, but
5 not for filing my testimony in this case.

6 Q. Okay. Thank you. And this is a notice
7 to customers for what purpose?

8 A. This is the notice for customers that
9 have concerns with the RF emissions or advanced
10 meters.

11 Q. And attached to that letter is a research
12 paper from the Electric Power Research Institute and
13 that's titled "A Perspective on Radio-Frequency
14 Exposure Associated With Residential Automatic Meter
15 Reading Technology," correct?

16 A. That's correct.

17 Q. And that is the document that AEP Ohio
18 has provided to customers.

19 A. It's my understanding this is the
20 document that the customer service representatives
21 provide to customers, yes.

22 Q. The document is not numbered. I have it
23 as being five pages in length; is that correct?

24 A. Yes.

25 Q. And the last page at the top column there

1 is a summary and at the last paragraph there is
2 contact information, correct?

3 A. I see that, yes.

4 Q. Is there another page attached after that
5 last page you've just identified?

6 A. I believe that's the partial page that
7 you said you had attached.

8 Q. And that's captioned "AMR Project"?

9 A. Correct.

10 Q. That is included in this packet in error
11 so disregard that.

12 A. Okay.

13 Q. Did you have any help in preparing your
14 testimony?

15 A. The testimony was prepared by me with the
16 assistance of counsel.

17 Q. Have you reviewed the testimony of OCC
18 Witness Williams?

19 A. I briefly reviewed that, yes.

20 Q. And did you assist in preparing the
21 application in this proceeding?

22 A. I reviewed the application in this
23 proceeding, yes.

24 Q. And were you a part of AEP Ohio's
25 negotiating team throughout this proceeding in

1 negotiation with the other parties to reach this
2 stipulation?

3 A. Yes.

4 Q. And what is your title at AEP?

5 A. Director of Regulatory Services.

6 Q. Could you just briefly in your own words
7 state your duties in that position.

8 A. Testimony line 1 talks about the
9 responsibilities that I have.

10 Q. Line 1?

11 A. On page 1, I apologize, it talks about
12 the responsibilities at a high level. My team is
13 responsible for supporting any tariff filings,
14 supporting the rider and true-up filings, maintaining
15 tariffs, and various other tasks.

16 Q. And you also perform cost-of-service
17 studies, correct?

18 A. I have in the past, yes.

19 Q. You mentioned on page 1, line 11, team
20 activities. What is the team you are referring to
21 there?

22 A. In this particular line I'm referring to
23 the team that focuses on developing and supporting
24 the pricing structures so those that focus on the
25 rate portion.

1 Q. And in this proceeding who was the team?

2 Let me start over. In your position how
3 many people report to you?

4 A. I have three direct reports.

5 Q. And who are they and what are their
6 positions?

7 A. Michelle Junlow is the manager of
8 regulatory operations. David Gill and John
9 Pulsinelli are both regulatory analysts.

10 Q. And of those three persons, who was on
11 the team in -- for purposes of this proceeding?

12 A. For purposes of this proceeding it was
13 myself and Michelle Junlow.

14 Q. What is the difference between the
15 operational position of -- that Ms. Junlow had and
16 the regulatory analysis that the other two gentlemen
17 had?

18 A. The operations side focuses on rule --
19 rule compliances, those type of filings. The rates
20 and analysis focus on the rider true-up, any of the
21 rate-type filings that we do.

22 Q. Would the rate side be responsible for
23 developing cost-of-service studies and the rates
24 developed therefrom?

25 A. We don't really do cost-of-service

1 studies, per se. We do rider filings, things like
2 that.

3 Q. And you develop the rates for those
4 riders?

5 A. Correct.

6 Q. What are those rates based upon? Costs?

7 A. They are, yes.

8 Q. Were those gentlemen on the regulatory
9 analysis, the rate side of your responsibilities,
10 were they involved in developing the rate in this
11 proceeding?

12 A. They were not.

13 Q. And I believe you may have said but is
14 it -- is it correct you did not develop a
15 cost-of-service study for this proceeding?

16 A. For this proceeding we started with a
17 tariffed rate for a manual meter read that was
18 approved in our last base distribution case.

19 Q. Listen to my question, prepared an
20 individual cost-of-service study for this proceeding.

21 A. No, I did not.

22 Q. On page 2, line 9, you mentioned you
23 testified in Ohio Power's Case No. 13-2385; is that
24 correct?

25 A. Yes.

1 Q. And that was AEP's most recent ESP
2 proceeding, correct?

3 A. Correct.

4 Q. And what was the subject of your
5 testimony in this case?

6 A. I was supporting the continuation of
7 elimination of current riders that the company has.

8 Q. And you also state you testified in Case
9 No. 13-419-EL-RDR. And that was AEP's distribution
10 investment rider case, correct?

11 A. Correct.

12 Q. What was the purpose of your testimony in
13 that case?

14 A. I was supporting the stipulation.

15 Q. And did you provide written testimony, do
16 you know, in that proceeding?

17 A. I don't recall.

18 Q. Do you recall if you supported the
19 stipulation based upon the same three factors you are
20 testifying to today?

21 A. I did.

22 Q. Was that stipulation unopposed to your
23 knowledge?

24 A. I don't recall. There was no
25 cross-examination during the support of the

1 stipulation.

2 Q. Would you accept, subject to check, that
3 the case was unopposed?

4 A. I don't have a basis for that. I just
5 don't recall.

6 Q. Have you submitted prefiled testimony in
7 any other proceedings?

8 A. Submitted testimony, yes.

9 Q. And would that include AEP Ohio's second
10 electric security plan of Case No. 11-346-EL-SSO?

11 A. Yes. I submitted testimony in that case.

12 Q. And as well, did you submit testimony in
13 AEP Ohio's last distribution rate case which was Case
14 No. 11-351-EL-AIR?

15 A. Yes.

16 Q. And what was the purpose of your
17 testimony in that proceeding?

18 A. In that proceeding I was supporting
19 miscellaneous charges.

20 Q. Does that include the gridSMART rider?

21 A. I'm sorry, you said base distribution
22 case?

23 Q. Yes.

24 A. The ESP II included the gridSMART rider.

25 Q. Did your testimony in Case No. 11-351

1 involve the distribution investment rider?

2 A. I don't recall if that was in my
3 testimony for the base distribution case or not.

4 Q. Do you recall if that case was also
5 stipulated?

6 A. The 11-351 case?

7 Q. Yes.

8 A. Yes.

9 Q. And did you review that stipulation?

10 A. At the time, yes.

11 Q. The Commission adopted that stipulation
12 in its order, correct?

13 A. Yes.

14 Q. Did you review that order as well?

15 A. I did at the time, yes.

16 Q. Now, we are here today, we are going to
17 be talking about AMI meters, AMR meters, traditional
18 meters. Can you just give me a review of the
19 differences between or among those different types of
20 meters?

21 A. We'll start high level, but the AMI is a
22 two-way communicating meter. An AMR is a one-way
23 communicating meter. And what we will call the
24 traditional meter is just your regular electronic
25 meter.

1 Q. So for purposes of our discussion when I
2 refer to advanced meters, do you understand I am
3 referring to AMI and AMR meters?

4 A. Yes.

5 Q. And when I am referring to traditional
6 meters, we're talking about the regular old fashioned
7 meters?

8 A. Yes.

9 Q. And we have another distinction too. We
10 have traditional meters that have not been subject to
11 replacement by AMR or AMI meters -- I'm sorry.
12 Strike that.

13 Well, that's true we have the traditional
14 meters that aren't subject to replacement yet but we
15 also have traditional meters that are in place for
16 customers who have opted out of the AMR or AMI
17 meters, correct?

18 A. There would be traditional meters in the
19 field, yes, for both opt outs and that have not been
20 subjected to a change to either an AMI or AMR meter,
21 yes.

22 Q. So you understand when I speak of an
23 opt-out traditional meter, that is a meter -- that is
24 a location that was eligible for either an AMR or AMI
25 meter, but the customer opted out of that meter.

1 A. Yes.

2 Q. And what's your definition of an advanced
3 meter?

4 A. The rules in Case No. 12-2050 provided a
5 definition of an advanced meter.

6 Q. And what is that?

7 A. "An electric meter that meets the
8 pertinent engineering standards using digital
9 technology and is capable of providing one-way
10 communication with the electric utility to provide
11 usage and/or other technical data."

12 Q. Is an AMI meter an advanced meter?

13 A. Yes.

14 Q. Why is that? The definition speaks of
15 one-way communication. AMI is two-way communication,
16 is it not?

17 A. It is two-way communication, yes.

18 Q. So is AMI advanced?

19 A. I'm sorry?

20 Q. Is an AMI meter an advanced?

21 A. Yes. AMI and AMR are advanced meters.

22 Q. Despite the definition.

23 A. I agree. I think we talked about that
24 before when we said one-way and two-way
25 communication.

1 Q. So you disagree with the definition in
2 the Commission's rule.

3 A. No, I don't disagree. I think that the
4 order itself in the finding area on page 9, the
5 Commission defines it as an electric meter capable of
6 communicating through one-way or two-way
7 communication. Now, I was reading from that same
8 order the definition.

9 Q. Let's go to page 3, line 11 of your
10 testimony. There you state that AEP filed a
11 cost-based meter opt-out charge in this docket. Now,
12 I believe that Mr. McKenzie -- Mr. McKenzie stated
13 that -- that calculation for that cost was found in
14 Exhibit E to the application which is AEP Ohio
15 Exhibit 2, correct?

16 A. Yes.

17 Q. That's the last page of that exhibit.
18 And those are the cost components that serve as the
19 basis for the cost-based opt-out charge?

20 MR. O'ROURKE: Can I have that question
21 read back.

22 ATTORNEY EXAMINER McKINNEY: Sure.

23 (Record read.)

24 A. When you refer to the cost-based opt-out
25 charge, are you referring to the one-time meter or

1 the monthly meter reading?

2 Q. I am going to refer to both. Are they
3 both included in that exhibit, or does that refer
4 only to the recurring monthly meter reading charge?

5 A. Both are included in this exhibit as
6 proposed in the application.

7 Q. And to be clear, the one-time meter
8 switch charge is \$43 in the Exhibit E, we are talking
9 about AEP Exhibit 2; is that correct?

10 A. One time, yes.

11 Q. And the recurring charge you developed
12 allegedly as a cost-based charge is \$31.80?

13 A. Correct.

14 Q. And pursuant to the stipulation the
15 one-time meter switch charge remains at \$43, correct?

16 A. Yes.

17 Q. And the recurring monthly meter read
18 charge is \$24 per the stipulation.

19 A. The monthly meter reading, yes.

20 Q. And those costs were developed in AEP
21 Ohio's last distribution rate case, correct?

22 A. The \$43 charge was, yes.

23 Q. Well, the cost components on AEP Exhibit
24 2, Exhibit E, those are the cost components submitted
25 in that case, correct?

1 A. That's correct.

2 Q. Everything above the 74 percent.

3 A. That's correct.

4 Q. And the exhibit we are talking about,
5 Exhibit E, captioned "Perform Manual Meter Read Cost
6 Justification," those costs were developed for a
7 special manual reading of a commercial interval
8 meter, correct?

9 A. Are you referring to the base
10 distribution case?

11 Q. Yes.

12 A. I'm sorry. Can you repeat the question?

13 Q. The cost components on the exhibit we
14 have been referring to were developed in the
15 distribution rate case for a commercial interval
16 meter, correct?

17 A. They were developed as the cost-based
18 charge for manually reading a meter that a customer
19 had not installed a dedicated phone line to.

20 Q. And that would be for commercial
21 customers?

22 A. A commercial interval meter, yes.

23 Q. So the situation was that the meter
24 itself required a dedicated phone line for the meter?

25 A. Correct.

1 Q. And if a customer did not wish to install
2 a dedicated phone line, the manual charge, the manual
3 meter reading charge, that we've identified on
4 Exhibit E here is to be charged for an AEP employee
5 to read that meter manually.

6 A. That's correct.

7 Q. Do you know the number of commercial
8 customers who did not want that dedicated phone line?

9 A. I don't know.

10 Q. Do you know the locations of those
11 customers?

12 A. I don't have that specific data, no.

13 Q. Are they located throughout AEP Ohio's
14 service territory or in a concentrated portion or do
15 you know?

16 A. My understanding is that they are spread
17 out across the entire territory.

18 Q. And what's the basis of your
19 understanding?

20 A. Discussions with the meter group on the
21 30-minute average travel time.

22 Q. Do you know how close those meters are to
23 each other?

24 A. I don't know.

25 Q. Do you know if they are read as part of a

1 designated meter reading route?

2 A. I don't know.

3 Q. Do you know then if they are read
4 independently on a one-time basis?

5 A. I don't understand the question.

6 Q. Well, what I mean is that a meter reader
7 would be -- would be dispatched to that location,
8 read the meter, and then return to his base location.

9 A. That could potentially happen, yes.

10 Q. Are you aware of the frequency with which
11 that would happen?

12 A. For the interval meter reads?

13 Q. Yes.

14 A. No.

15 MR. STINSON: I am going to mark now for
16 identification purposes as OCC Exhibit 2 the
17 stipulation in the last distribution rate case,
18 11-351. And I am going to mark as OCC Exhibit 3 the
19 opinion and order in that same case.

20 ATTORNEY EXAMINER McKINNEY: They will be
21 so marked.

22 (EXHIBITS MARKED FOR IDENTIFICATION.)

23 MR. STINSON: If I can approach, your
24 Honor?

25 ATTORNEY EXAMINER McKINNEY: You may.

1 Q. (By Mr. Stinson) Ms. Moore, I have handed
2 you what has been marked for identification purposes
3 as OCC Exhibit 2, and isn't it correct that is the
4 stipulation in the last distribution rate case in
5 Case No. 11-351?

6 A. Yes.

7 Q. And you indicated earlier you had
8 reviewed that stipulation, correct?

9 A. At the time, yes.

10 Q. And based upon your review of that
11 stipulation, are the cost components or the costs for
12 the manual meter read we've identified in AEP Exhibit
13 2, are those mentioned in that stipulation?

14 A. They are mentioned in the stipulation.

15 Q. And where are they mentioned?

16 A. Unfortunately the attachments to the
17 stipulation are not included, on page 10, Section F.

18 Q. Are you saying those would be included in
19 Attachment --

20 A. It states TC.

21 Q. TC, that would be terms and conditions?

22 A. Yes.

23 Q. And direct your attention next to OCC
24 Exhibit 3 and that is the opinion and order in that
25 case, correct, in the distribution rate case?

1 A. I apologize. The stipulation was OCC
2 Exhibit?

3 Q. 2.

4 A. Okay.

5 Q. And OCC Exhibit 3 is the opinion and
6 order adopting the stipulation.

7 A. Okay. Thank you. Okay.

8 Q. That is?

9 A. OCC Exhibit 3.

10 Q. Is the opinion and order --

11 A. Yes.

12 Q. -- adopting the stipulation, correct?

13 A. Correct.

14 Q. And in that opinion and order, does the
15 Commission address the manual meter reader charge we
16 were discussing?

17 A. It is a pretty long order, but I don't
18 see the point from the joint stipulation included,
19 just that the stipulation is adopted by the
20 Commission.

21 Q. Right. So to your knowledge, the
22 Commission did not review in its order the manual
23 meter reading charge that's identified in AEP Exhibit
24 2.

25 A. I wouldn't agree with that. I think they

1 adopted the stipulation without any modification for
2 that piece.

3 Q. Well, would you agree that it's not
4 mentioned in the order to your knowledge that
5 those -- that specific charge is not mentioned in the
6 order?

7 A. I think by accepting the stipulation, the
8 charges are accepted. I would agree when it was
9 listing it out, that section may have been omitted.

10 Q. So in answer to my question, the order
11 does not mention the special manual meter reading
12 charges identified on Exhibit -- AEP Exhibit 2 to
13 your knowledge.

14 A. I agree when it's giving the summary of
15 the proposed stipulation, it does not mention that
16 section.

17 Q. Thank you. And as you stated earlier,
18 you are familiar with the three-prong test the
19 Commission considers for approving partial
20 stipulations, correct?

21 A. Correct.

22 Q. And wouldn't you agree that in approving
23 the stipulation in the last distribution rate case,
24 the Commission found that the stipulation benefited
25 ratepayers as a package?

1 A. I would say that's accurate, yes.

2 Q. Just to clear up some dates, Ms. Moore, I
3 think these can be derived from the order itself,
4 Exhibit 3, I just want to know the date that this
5 last rate application was filed. If I direct your
6 attention to page 3, the second paragraph after
7 history of the proceedings, would you agree that this
8 rate application was filed on February 28, 2011?

9 A. February 28 of 2011 it was filed, yes.

10 Q. And at that time the cost components for
11 the manual meter reading charge for commercial
12 interval meters was included as a part of that
13 application?

14 A. The \$43 for the manual meter read, yes.

15 Q. All those cost components, what we saw in
16 Exhibit E.

17 A. Yes.

18 Q. To your knowledge has the PUCO had the
19 occasion to examine AEP's costs for those special
20 manual meter reads since the distribution rate case?

21 A. Not since the distribution rate case.

22 Q. Do you know what annual revenues AEP Ohio
23 receives from those special manual meter read charges
24 for the commercial interval meters?

25 A. I don't know.

1 Q. Do you have an approximation?

2 A. I don't know.

3 Q. Less than 20,000?

4 MR. McKENZIE: Objection, your Honor,
5 asked and answered.

6 ATTORNEY EXAMINER McKINNEY: Also calls
7 for speculation. Sustained.

8 Q. Now, if the costs for a special manual
9 meter read is \$43, what is the cost per month to read
10 a residential customer's meter for a nonspecial meter
11 read just in the ordinary course of business?

12 A. I don't know.

13 Q. Is that cost included in the base
14 distribution rates?

15 A. There could be some in base distribution
16 rates, yes.

17 Q. Where else would they be?

18 A. I think the base distribution rates are
19 based on a certain period of time. Those costs could
20 certainly change.

21 Q. But that's what the customer would be
22 charged, the cost approved from that base
23 distribution rate, correct?

24 A. I think that the costs that were in the
25 base distribution case, one, were stipulated so I

1 don't know what the value for reading meters is but,
2 two, yes, all of those would be charged through base
3 distribution rates.

4 Q. Right. Just to be clear that a
5 customer's charge for meter reading for a nonspecial
6 meter read would be included in the base distribution
7 rates.

8 A. The cost of meter reading when -- I can't
9 agree to it because that's not the situation.

10 Q. What am I missing then?

11 A. Well, I think that, again, the base
12 distribution case is on a period of time. Those
13 costs can clearly change, so I don't think it's
14 appropriate to agree that the costs of reading those
15 meters are in base distribution rates. I think it is
16 whatever it was at that point in time, and then if I
17 look forward, the base distribution case was
18 stipulated, so I don't know what those costs were.

19 Q. Okay. That's a long answer to a very
20 short question, but to recover meter reading costs,
21 AEP Ohio included -- recovers those through a base
22 distribution rate case. I know that they change, but
23 we have the last base distribution rate case, and the
24 costs for meter reading is recovered through that
25 base distribution rate case proceeding.

1 A. That's again where I disagree.

2 Q. And, again, why? I don't understand. My
3 point is that the costs for meter reading are
4 included in the application for a base distribution
5 case, right?

6 A. It is a component of a base distribution
7 case at a point in time, but it's not my testimony
8 that the costs to read those meters are included in
9 base rates because I don't know that for a fact.

10 Q. But there's no other costs by which AEP
11 Ohio collects meter reading charges.

12 A. For normal meter reading charges we would
13 put the application in a base case, yes.

14 Q. And do you know what that cost is per
15 meter?

16 A. I don't know.

17 Q. Do you know if it would be less than a
18 dollar?

19 MR. McKENZIE: Objection. Calls for
20 speculation.

21 MR. STINSON: If she knows.

22 MR. McKENZIE: She said she didn't know.

23 ATTORNEY EXAMINER McKINNEY: Mr. Stinson?

24 MR. STINSON: I am just trying to refresh
25 her memory if she knows of a certain range. She may

1 not know the specific cost, but she might know a
2 range.

3 ATTORNEY EXAMINER McKINNEY: Rephrase
4 your question regarding the range.

5 Q. Well, my question is would the -- do you
6 know if the costs to read -- do you know the monthly
7 cost to read a residential meter?

8 MR. McKENZIE: Objection. It's the same
9 question.

10 Q. Is that cost less than a dollar?

11 ATTORNEY EXAMINER McKINNEY: The
12 objection is sustained. Calls for speculation. It's
13 not any different than the last objection.

14 Q. Let's go to Exhibit -- AEP Exhibit 2.

15 ATTORNEY EXAMINER McKINNEY: This is the
16 application in this case?

17 MR. STINSON: Yes.

18 MR. O'ROURKE: I thought Exhibit 2 was
19 the stipulation.

20 MR. McKENZIE: The stipulation is Joint
21 Exhibit 1.

22 MR. O'ROURKE: No, no. Are you
23 talking --

24 ATTORNEY EXAMINER McKINNEY: AEP Exhibit
25 2.

1 MR. STINSON: AEP Exhibit 2 is the
2 application.

3 MR. O'ROURKE: Okay. I'm sorry.

4 ATTORNEY EXAMINER McKINNEY: Mr. Stinson,
5 sorry. You may proceed.

6 Q. (By Mr. Stinson) And let's talk about
7 Exhibit E to that application, what we've identified
8 previously as captioned the "Perform Manual Meter
9 Read Cost Justification." The lines aren't numbered,
10 but we will go through them, and we will kind of give
11 them numbers, identify them that way. Line 1 refers
12 to the "average travel time per trip." What does
13 "time per trip" mean?

14 A. It means the average travel time for that
15 employee to go to the customer to perform the manual
16 meter read.

17 Q. And how did you arrive at that number?

18 A. That number was based on the experience
19 of the distribution field that actually handles the
20 meter -- the manual meter reads.

21 Q. Was that number provided to you by the
22 field operations or who?

23 A. Yeah, the meter group.

24 Q. You didn't do any independent analysis of
25 that time?

1 A. I did not.

2 Q. Do you know how the meter group derived
3 that time?

4 A. Through discussions with the meter group
5 they looked at the entire territory and the places in
6 the situations, none is the same when you are doing
7 the reads. So they looked at the entire territory
8 and the amount of time that they were on average
9 using for performing manual meter reads on the
10 customers that have opted out of advanced meters.

11 Q. Was that based upon records of actual
12 travel time?

13 A. It was not. It was based on their
14 experience.

15 Q. Just their estimates?

16 A. That's right, yeah.

17 Q. Did you do a study for this proceeding as
18 to the time per trip to go to a residential AMI or
19 AMR meter to read it manually?

20 A. I don't understand that question.

21 Q. Well, the question is did you do a study
22 to determine on average how long it took a meter
23 reader to get to an AMI or AMR meter to read it
24 manually?

25 A. No. They looked at the entire territory.

1 Looking at one customer isn't going to give them what
2 they need to put forth the average time.

3 Q. Okay. Who is they?

4 A. The meter group, I apologize.

5 Q. And looking where? In the rate case or
6 in this residential case?

7 A. Looking in this residential case it was
8 their experience that the customers that have opted
9 out of the advanced meters to date were on average 30
10 minutes to go and manually perform that read.

11 Q. Well, isn't it true you just testified
12 that 30-minute time was derived from the commercial
13 meter reading experience?

14 A. The -- well, we switched over to Exhibit
15 E which is the basis here. We did, in fact, start
16 with that commercial interval read. We looked at
17 that cost-based charge that was approved in the
18 distribution case to see if we needed to make any
19 adjustments to that amount. The adjustment that we
20 made was based on our experience for reading the
21 opt-out meters in the AMI territory which was the
22 74 percent adjustment we made to the charge.

23 Q. Okay. Let's back up to clarify it then.

24 A. Yes.

25 Q. My understanding is Exhibit E, the cost

1 components, were derived from the distribution rate
2 case.

3 A. That's correct.

4 Q. And in the distribution rate case the
5 meter reading group determined that the average
6 travel time to a meter was 30 minutes, correct?

7 A. Correct.

8 Q. And they made that observation or that
9 determination based upon their estimates, correct?

10 A. For reading the interval meters, correct.

11 Q. Right. Now, I am asking you for this
12 proceeding --

13 A. Yes.

14 Q. -- the SmartGrid proceeding we're engaged
15 in, whether there was any study as to the time it
16 takes to arrive at an AMI or AMR opt-out traditional
17 meter?

18 A. And I answered your question to say there
19 was not that study, that the field wasn't looking at
20 a particular customer. They were using their
21 experience for the entire territory.

22 Q. So you're saying that what the field
23 group reaffirmed, the 30-minute time for commercial,
24 is the same for a residential meter read?

25 A. They confirmed that the 30-minute --

1 30-minute average travel time would be the
2 appropriate time for the residential customers that
3 were opting out of the advanced meters.

4 Q. And that was based upon their experience.

5 A. That's correct.

6 Q. There was no study. There was no records
7 kept as to the travel taking place to those meters.

8 A. No. That group incorporates these types
9 of manual meter reads into their work every day.
10 They have the experience to provide that estimate.

11 Q. How many manual read meters are there in
12 the AMI territory?

13 A. AMI territory?

14 Q. Right.

15 A. 12.

16 Q. You are saying they read those meters
17 every day?

18 A. No.

19 Q. I believe that's just what you said,
20 their everyday experience as to the travel time it
21 takes.

22 MR. McKENZIE: Objection, mistakes prior
23 testimony.

24 ATTORNEY EXAMINER McKINNEY: Mr. Stinson,
25 please rephrase your question.

1 Q. Okay. I think I'll just move on. Now,
2 AEP Ohio knows where the opt-out meters are located,
3 correct?

4 A. We do know who has opted out for the
5 meters. We do track that so, yes.

6 Q. You know the address and location of
7 those meters, correct?

8 A. Yes.

9 Q. And the number of opt-out meters you
10 stated in the AMI territory are 12?

11 A. Yes.

12 Q. And the AMR meters there are 70 persons
13 who have opted out?

14 A. Residential, correct, yes.

15 Q. And how long has AEP Ohio been reading
16 those meters?

17 A. I don't know.

18 Q. Do you know when the opt outs first
19 appeared?

20 A. I don't have that information for the
21 AMI -- or, I'm sorry, the AMR meters. The AMI meters
22 were installed by June of 2010. And I believe that
23 the number of opt outs has actually lowered from that
24 time to 12 so. For the AMI they have been looking at
25 them since 2010. For the AMR I am not sure.

1 Q. Where are the meter readers dispatched
2 to -- from? Where are they dispatched to read those
3 12 meters?

4 A. For the AMI territory?

5 Q. Right.

6 A. It depends. It's not the same process
7 every day. They are looking at whatever cycle any of
8 the customers are on, and they are sending an
9 employee to read the meter based on somebody that may
10 be in that territory doing different work. They have
11 to try to route somebody to get those meter reads,
12 but it's not a -- it's not the same person going back
13 every time.

14 Q. So the meter reader who would read those
15 meters is not dispatched from the same location.

16 A. Not necessarily, no, for the AMI
17 territory.

18 Q. Would a meter reader in the area be
19 assigned to read that meter?

20 A. I don't know.

21 Q. Let's go back to the exhibit, line 2
22 states "labor MRO electrician." What does "MRO"
23 mean?

24 A. MRO is the meter group, meter revenue
25 operations.

1 Q. And that would be \$28.76 per hour plus
2 fringes at 65 percent. The 65 percent would be
3 65 percent of the \$28.76?

4 A. Yes.

5 Q. And the .5 hours would represent the 30
6 minutes of travel time.

7 A. Correct.

8 Q. And line 3, the "vehicle costs for class
9 40," do you know what "class 40" is?

10 A. I don't know the specific type of vehicle
11 for each of those classes represents the vehicle
12 that's used for those types of work activity. I
13 don't know specifically if it's a pickup truck, a
14 van, what type of vehicle it was.

15 Q. But the cost to operate that vehicle is
16 \$9.24 an hour?

17 A. Per hour, yes.

18 Q. And do you know how that was derived?

19 A. That number was provided to us from fleet
20 services which looks at the total cost for that
21 particular vehicle and gives it to us on an hourly
22 basis.

23 Q. So you did no independent investigation
24 yourself as to what that charge should be?

25 A. I did not. That charge was provided by

1 fleet services as the cost for that type of vehicle.

2 Q. Line 4 talks about the average time at a
3 meter single phase. What's a meter single phase?

4 A. That's -- the single-phase meter is just
5 the -- well, there is a single phase and a double
6 phase. It's just meter type. Most residential
7 customers have a single-phase meter.

8 Q. And that 15 minutes is the time spent at
9 that meter to read it?

10 A. The 15 minutes is the estimated time to
11 perform the meter read.

12 Q. And the 15 minutes is also the estimated
13 time to switch the meter?

14 A. That's correct.

15 Q. And how is that 15 minutes derived?

16 A. In which scenario? To read the meter or?

17 Q. Let's start with read the meter first.

18 A. Okay. Again, the 15 minutes is from the
19 meter group's estimation of the amount of time that
20 it takes to perform the manual meter read, the steps
21 included in performing a manual meter read.

22 Q. Was it based upon any documentation as to
23 the actual time it took?

24 A. It was based on their experience for the
25 different steps that need to be taken in -- I

1 apologize, the steps that need to be taken to
2 manually read the meter.

3 Q. In answer to my question is there a
4 document that supports that?

5 A. It's based on their experience.

6 Q. Is there documentation?

7 MR. STINSON: I would ask the Examiner to
8 have the witness to respond to the question.

9 A. Not that I am aware of.

10 Q. And with respect to the 15 minutes to
11 switch the meter, how was that 15 minutes derived?

12 A. It was based on the field's experience
13 for the average amount of time that it takes to
14 switch a meter.

15 Q. And is there any documentation to support
16 that figure?

17 A. Not that I am aware of.

18 Q. And the next line -- well, let me stick
19 there for a second. Do you know what the steps are
20 involved to switch from an AMI or AMR meter back to a
21 traditional meter?

22 A. It's my understanding that the employee
23 would go to the home, make contact, or try to make
24 contact with the resident to let them know that they
25 were going to switch out that meter, and then proceed

1 to switch out the meter. I don't think that there is
2 a difference if it's an AMI or AMR meter. They are
3 just going to remove the old one and put the new one
4 on.

5 Q. And what's involved in taking an old one
6 off and putting a new one on?

7 A. I don't have that level of detail.

8 Q. Do you know the steps for removing a
9 commercial interval meter or replacing a commercial
10 interval meter?

11 A. I don't.

12 Q. Or replacing the meter dedicated phone
13 line with a commercial interval meter?

14 A. I don't know.

15 Q. And from those various components you
16 have a charge that equals \$43 for a meter read,
17 correct? Line 6.

18 A. The \$43 prior to the adjustment, yes.

19 Q. Right. And those cost components prior
20 to the adjustment, again, I am talking about the
21 labor of \$23.73, the vehicle cost of \$6.93, the
22 average time -- or the labor for the 15 minutes at
23 the meter, \$11.86, add up to \$43. Those same cost
24 components are the same as for reading the commercial
25 interval meter, correct?

1 A. Yes, although there is a little bit of
2 difference in reading the residential meters than the
3 commercial meters but the amounts were the same, yes.

4 Q. What is the difference in reading a
5 commercial versus a residential?

6 A. For the residential meters for the
7 purposes of opt out the company has to download that
8 information into a handheld device and that handheld
9 device is what we use to go out and manually read the
10 meter. That handheld downloading is part of the
11 15-minute justification. I think walking to the
12 meter, finding the meter, sometimes they have to make
13 contact with the homeowner if there is access issues
14 which is additional time, and then the uploading of
15 the meter into the system is the next step to get to
16 the 15 minutes.

17 Q. That wasn't my question. My question was
18 what is the difference between reading a commercial
19 interval and a residential AMI or AMR meter?

20 A. I don't think that was your question.
21 You just said AMI or AMR meter.

22 Q. Well, that's my question now. Is there a
23 difference there -- you are stating that there is a
24 difference between the steps to read an AMI and AMR
25 meter?

1 A. That's not what I was talking about.

2 Q. What were you talking about?

3 A. I was talking about the steps in reading
4 the residential meter.

5 Q. The -- which residential meter, AMI, AMR,
6 or traditional?

7 A. Traditional.

8 Q. Let's go back to my original question
9 when we were talking about the cost components
10 identified on the exhibit. Again, the \$23.73, the
11 \$6.93, the \$11.86, and the \$43, those were the same
12 components, the same costs as submitted in the last
13 distribution rate case to manually read a commercial
14 interval meter, correct?

15 A. Correct.

16 Q. So you're saying that the cost to read a
17 residential man -- to manually read a residential
18 meter and to manually read a commercial meter are the
19 same.

20 A. No. This is the charge to read a
21 residential opt-out meter.

22 Q. Right. And you're saying to charge a
23 residential -- manually read a residential
24 traditional opt-out meter is the same as to read a
25 commercial interval meter.

1 A. Yes.

2 Q. Now, isn't it true the only adjustment
3 you made from the distribution rate case was in line
4 7 where you based the meter read rate on the company
5 experience of 8.875 times per year in the AMI
6 territory?

7 A. Yes.

8 Q. I don't think I have asked this, but have
9 you performed any studies or have any documentation
10 as to the time it takes to switch out an AMI or AMR
11 meter and replace it with a traditional meter?

12 A. Any studies as to the time that it takes
13 other than the information that I get from the field,
14 no.

15 Q. Just the estimates given by the field?

16 A. I have not done any independent studies,
17 correct.

18 Q. Is that a, "Yes," that's from the field,
19 correct?

20 A. The experience from the field, yes.

21 Q. Going back to line 7 on the 8.875 times
22 per year, the other times during the year, is the
23 meter use -- is the usage estimated for that
24 location?

25 A. Do you mean when we -- do you mean -- is

1 this on? Can you guys? Okay. Are you talking about
2 the times that the meter is not manually read?

3 Q. Right.

4 A. Yes, it would be estimated.

5 Q. Now, under the proposed tariff that is
6 attached to the stipulation in this proceeding, AEP
7 Ohio is not obligated to read the meter for any given
8 number of months, correct?

9 A. I don't understand the question. We are
10 not obligated to read the meter.

11 Q. You are not obligated to read the meter
12 monthly.

13 A. I think that we make every attempt to
14 read the meter monthly.

15 Q. I'm sorry. But under the tariff, that's
16 my question, under the tariff language you are not
17 obligated to.

18 A. I don't know if I want to agree to the
19 word "obligated." I think that the company will make
20 every attempt to read these meters monthly. The
21 tariff basically states that for other reasons they
22 may not get a read but that doesn't mean that we're
23 not going to make the attempt to read the meter.

24 Q. If you will look at Joint Exhibit 1, I
25 believe it contains the attachment for the proposed

meter read language. I think it's on original sheet
No. 103-12.

A. Yes.

Q. And paragraph 162, if you could read the
second sentence.

A. "This monthly fee option does not
guarantee an actual meter read each month, and
monthly bills at times may be based on estimated
usage with a true-up to actual usage upon the company
obtaining an actual meter read."

Q. Have you performed any studies as to the
frequency of manual reads for AMR opt-out traditional
meters?

A. For manual reads for AMR opt out?

THE WITNESS: Can I have that question
read back, please.

(Record read.)

A. Just for clarification purposes you're
not talking about how many AMR customers opted out.
You are asking for that same type of experience for
the AMR as the AMI area?

Q. Right. You indicated for AMI it's an
average of 8.875 per year. Did you do a study for
the AMR opt-out traditional meters?

A. I did not.

1 Q. Now, in AEP Exhibit 2, Exhibit 3 -- or
2 Exhibit E to that exhibit, we've gone through the
3 cost components for the manual meter read to
4 determine for this proceeding a cost of \$31.80. In
5 the stipulation the charge for that recurring meter
6 read is \$24 per month; is that correct?

7 A. That's correct.

8 Q. Do you have any similar breakdown of the
9 cost components to derive that \$24?

10 A. I did not provide any type of calculation
11 for the \$24. The company agreed to the \$24. There
12 was no basis of the agreement with these
13 calculations.

14 Q. There was no basis in costs to reduce
15 that?

16 A. The company just agreed to \$24. There
17 was no calculation to come up to that agreement
18 amount by the company.

19 Q. My question is you did not adjust any
20 costs to reach that \$24.

21 A. I did not, no.

22 MR. STINSON: This might be a good time
23 for a drink of water. I have got about 35 or 40 more
24 minutes.

25 ATTORNEY EXAMINER McKINNEY: Let's take a

1 5- to 10-minute recess. We will go off the record.

2 (Recess taken.)

3 ATTORNEY EXAMINER McKINNEY: Let's go
4 back on the record.

5 Mr. Stinson.

6 Q. (By Mr. Stinson) Okay, Ms. Moore, we're
7 getting there.

8 A. Okay.

9 Q. Bear with me. I want to go back to OCC
10 Exhibit 1 for just a second just to make a
11 clarification. And that was the letter, of course,
12 that notified of the RF emissions.

13 A. Okay.

14 Q. And that letter was sent to customers
15 regarding AMR meters, correct?

16 A. That's correct.

17 Q. Also we were talking about estimated
18 bills versus meter read bills. When there is an
19 estimated bill to a customer, does the bill reflect
20 that it is estimated?

21 A. Yes. There is a read code that shows up
22 on the bill and that read code would show if it was
23 estimated.

24 Q. And would the \$24 charge for the meter
25 read also appear on that bill as a line item?

1 A. I don't know.

2 Q. You don't know if the rider charge is
3 going to be a line item on the bill?

4 A. I don't know if it will be a separate
5 line item on the bill.

6 Q. Is it reflected on the bill in any way?

7 A. I don't know.

8 Q. I want to talk a little bit about the
9 routes that we have been talking about, try to -- I
10 think you tried to talk about that earlier so we will
11 go into it in a little bit more detail about the
12 various routes, and we have been there before so we
13 should be experienced with that.

14 Now, it's my understanding that AEP Ohio
15 has a total of 4,620 routes; is that correct?

16 A. 4,620, yes.

17 Q. That's correct?

18 A. Yes.

19 Q. And just to kind of get my hands around
20 what you mean by a route, my concept is with my
21 paperboy or with my mail carrier, there is a
22 dedicated route where that carrier comes by and drops
23 off mail or delivers the paper. It's the same thing
24 with a meter read?

25 A. I would say it's similar to that, yes.

1 Q. How does it differ?

2 A. I don't know the details of a paper
3 route.

4 Q. Well, you get a paper, don't you?

5 A. No.

6 Q. Oh, you don't? Do you get mail?

7 A. I do get mail.

8 Q. And do you see that mail truck come by,
9 drop off the mail in your mailbox?

10 A. Yes.

11 Q. Is the meter read like that? The guy
12 comes along on the route and reads the meter?

13 A. It has a route and he reads the meter,
14 yes.

15 Q. Okay. And am I correct there are
16 currently 124 AMI routes?

17 A. 124 AMI routes, yes.

18 Q. And we can get to what I think you were
19 trying to get at earlier is how are those AMI meters
20 read?

21 A. The AMI meters are read remotely.

22 Q. From a central office or?

23 A. From a mesh network that calls the
24 meters.

25 Q. What's a mesh network?

1 A. It's just a communication device that
2 calls the meters and brings the data back.

3 Q. To an office?

4 A. Back office, yes.

5 Q. I'm a little bit confused why those are
6 called routes when they're remotely read.

7 A. Yes. The routes were in that AMI
8 territory, so the AMI is remotely read but there were
9 124 routes in that territory.

10 Q. Is that -- does that signify then that
11 those were the old traditional meter routes so they
12 have been converted to AMI?

13 A. Correct.

14 Q. And how many AMI meters are currently
15 installed?

16 A. I don't have the exact number.

17 Q. I believe you indicated they were
18 installed during 2010, correct, as a part of the
19 pilot program?

20 A. I can give you approximately 110,000,
21 yes, as part of phase I and then an additional 22,000
22 at some other point in time but those, again, are
23 estimates. I don't have the exact value.

24 Q. So it's approximately 132 meters.

25 A. Fair enough, yes.

1 Q. All right. And these meters are
2 concentrated in northeast Columbus?

3 A. Northeast Columbus, I believe that's
4 correct, yes.

5 Q. That's an urban/suburban area, correct?

6 A. I don't know the specifics of the
7 territory and how far that -- that project goes.

8 Q. Would you agree that Columbus is an urban
9 city?

10 A. Columbus, yes, but, I don't have -- I
11 don't know what the territory looks like.

12 Q. It's also my understanding that special
13 routes will be developed to read the 12 meters that
14 have opted out; is that correct?

15 A. Yes. The special route to me reads the
16 AMI opt outs.

17 Q. Meters?

18 A. Correct.

19 Q. And isn't it also correct a special route
20 is based upon the opt-out customers' billing cycle?

21 A. The customers that have opted out may all
22 be on different billing cycles so that route would
23 have to be special to that particular billing cycle
24 and that particular customer.

25 Q. But my question is that a special route

1 would incorporate those opt-out customers on a
2 particular billing cycle.

3 A. I don't understand your question.

4 Q. AMI opt-out customers are on different
5 billing cycles.

6 A. Potentially could be, yes.

7 Q. And AMI opt-out customers' meters are
8 read -- a special route is developed to read those
9 meters, correct?

10 A. On whatever cycle the opt out is on, yes.

11 Q. So for a particular billing cycle, AEP
12 Ohio would dispatch a meter reader to manually read
13 those opt-out meters for that billing cycling.

14 A. An employee would be sent out to read the
15 meter during the billing cycle, yes.

16 Q. And those special routes are developed
17 based upon the billing cycle.

18 A. The read has to occur on the billing
19 cycle of the customer, yes.

20 Q. I'm talking about the special route, the
21 special route if Customer A -- well, if two customers
22 were on one billing cycle, they would be included in
23 one special route.

24 A. Not necessarily.

25 Q. Why not?

1 A. So we talked earlier about the AMI
2 territory, and when we are going in to do the manual
3 reads in that territory, it may not be the same
4 employee going every time. They are looking at the
5 opt outs, and they are trying to choose people that
6 are in that area. It may not be the same person, so
7 if it is more beneficial to, you know, have one on
8 one side and the other on the other side, then they
9 are going to choose whichever route or system is the
10 most efficient.

11 Q. Do you have a copy of the staff data
12 requests with you?

13 A. I do.

14 MR. STINSON: Does anybody else need a
15 copy? I have extras if you need it.

16 Q. I would like to draw your attention to
17 Data Request 1-002.

18 A. Yes.

19 Q. And if you could just read the last
20 paragraph of that response.

21 A. "In the AMI areas, a special meter
22 reading route will need to be established for each
23 AMI bill cycle reading date to manually read the
24 nonAMI meters within the geographic area. An
25 employee or employees would be dispatched to read

1 nonmeters for that scheduled bill date."

2 Q. And nonmeters, is that a mistake? Should
3 that be nonAMI meters?

4 A. It's the nonAMI meters, yes.

5 Q. Thank you. Did you review those data
6 requests before they were submitted?

7 A. Yes.

8 Q. You know, within the AMI territory of the
9 distance a meter reader would travel to reach an AMI
10 meter or an AMI opt out?

11 A. I don't know the specific distance, no.

12 Q. Now, you indicated that the opt-out
13 customers could be on different meter reading cycles,
14 correct?

15 A. Correct.

16 Q. Could those opt-out customers be placed
17 on the same meter reading cycle?

18 A. We could potentially, yes, change the
19 cycles, although there are probably intended
20 consequences with doing that.

21 Q. But you could do it.

22 A. It's possible, yes, but it may not allow
23 us to have the efficiencies that we would otherwise.

24 Q. I believe you indicated that AEP Ohio has
25 the information to know where the commercial interval

1 meters are located, correct?

2 A. For the commercial interval meters?

3 Q. Right.

4 A. We would know where those are, yes.

5 Q. And you would also know where the AMI
6 meters are located?

7 A. The AMI meters, yes.

8 Q. Have you done any studies comparing the
9 density of the commercial meters, their location,
10 versus the density of the AMI meter locations?

11 A. I have not done a study, no.

12 Q. Is there any documentation to support
13 that?

14 A. The comparison, not that I am aware of.

15 Q. And I believe you've indicated that the
16 commercial interval meters are located throughout the
17 service territory?

18 A. That's my understanding, yes.

19 Q. And the AMI meters are confined to the
20 northeast portion of Columbus, correct?

21 A. The AMI meters, yes.

22 Q. Let's talk about the AMR routes now.
23 Now, of the remaining routes remaining from the
24 124 -- the remaining routes minus the AMI routes,
25 most of these have a combination of traditional and

1 AMR meters, correct? And if I could, I would draw
2 your attention to Staff Data Request 2-004.

3 A. Thank you.

4 THE WITNESS: Can I have the question
5 read back? I'm sorry.

6 (Record read.)

7 A. Okay. There are AMR routes and what I
8 would call a traditional route but those could
9 potentially have a combination of traditional and AMR
10 meters.

11 Q. And we've looked at the DR-2-004, and I
12 have copies if anybody would like to review that, but
13 if you could read the last sentence of that response.

14 A. "Most existing meter reading routes do
15 have at least one AMR meter on them since AMR meters
16 are placed on houses which" have -- "which are coded
17 as having a dog, locked gate, walking hazards."

18 Q. And indeed there are some AMR routes on
19 which the rollout of the AMR meter is not complete;
20 is that correct?

21 A. There could be some AMR routes that are
22 not yet completed. Upon completion those would be
23 all AMR meters.

24 Q. But there are some that are not complete.

25 A. Probably out there right now, yes.

1 Q. In fact, there are some that are likely
2 less than 85 percent complete, correct?

3 A. I don't have a basis to agree with that.

4 Q. Now, as of May of 2011, would you agree
5 there were 130,000 AMR meters installed? I'll just
6 direct you to the Data Request 3-001.

7 A. Yes. Can you repeat the question? I'm
8 sorry.

9 Q. As of May, 2011, there were approximately
10 130,000 AMR meters installed?

11 A. Approximately 130 AMR, yes.

12 Q. And currently there are approximately
13 487,000 AMR meters installed?

14 A. 487,000, yes.

15 Q. We may have covered this, but I believe
16 that only 70 customers have opted out of installing
17 the AMR meters?

18 A. 70 have refused AMR, yes.

19 Q. Now, it's my understanding also there's
20 two methods to read the AMR meter, correct?

21 A. That is correct.

22 Q. And that would be a mobile read and
23 walking and reading with the handheld device,
24 correct?

25 A. Correct.

1 Q. And would you agree that the mobile
2 readings are taken in concentrated areas of AMR
3 meters?

4 A. The mobile reads will be taken in areas
5 that are going to be the AMR routes which means there
6 is a heavy concentration of AMR meters, yes.

7 Q. For those designated routes, are the
8 meter readers dispatched from a given location?

9 A. For the mobile route?

10 Q. Right.

11 A. Yes.

12 Q. And can you tell me the distance between
13 the place from where they are dispatched to where
14 they begin their route?

15 A. It would vary.

16 Q. Varies how?

17 A. It varies because the territory may have
18 a further distance between the service center to
19 where the routes begin. It could have a difference
20 between one route and another route. It's just not a
21 number that I could give.

22 Q. Could you give me the range of variance?
23 It takes someone 5 minutes to get to the route versus
24 a minute or?

25 MR. McKENZIE: Objection. Calls for

1 speculation.

2 MR. STINSON: No, it doesn't call for
3 speculation.

4 ATTORNEY EXAMINER McKINNEY: I will allow
5 the question.

6 MR. STINSON: It calls for what she
7 knows.

8 A. I don't know for the 4,600 routes the
9 distance between the service centers to each of those
10 routes. I don't have an idea of that.

11 Q. You don't have any range?

12 A. No.

13 Q. You've never asked for the experience of
14 the field personnel?

15 A. Not for that particular question, no.

16 Q. Now, it's my understanding too that the
17 meter reader would be in a vehicle and the vehicle
18 would be driving through the route and pick up the --
19 would read the meters electronically; is that
20 correct?

21 A. On the mobile route, yes.

22 Q. Now, on the routes on which the AMR had
23 not been fully rolled out, the meter reader would
24 have to manually -- manually read those remaining
25 traditional meters, right?

1 A. Are you talking about the small period of
2 time until the route has all AMR meters?

3 Q. No. I am talking about just what I said,
4 that there is a route on which there is not a full
5 rollout of the meters. And on that route of not a
6 full rollout of the AMR and on that route there are
7 still a number of traditional meters, it's my
8 understanding that the meter reader would perform the
9 mobile route, and then am I correct that the meter
10 reader would do a manual read for the remaining
11 meters?

12 A. I think that would be for a very limited
13 point of time, but yes.

14 Q. And is the meter reader informed before
15 he commences the route which locations still had the
16 traditional meters?

17 A. Yes, in that scenario the mobile would
18 have all of the AMR meters to be read, and the
19 handheld would have the information for the
20 traditional meters.

21 MR. O'ROURKE: Can I have that answer
22 read back.

23 (Record read.)

24 Q. We are talking about the handheld device
25 would have that information in it?

1 A. The handheld device would have the
2 information for a traditional meter read, yes.

3 Q. And that's the basis on which the meter
4 reader would know to read those traditional meters
5 that are left on the route.

6 A. With the information on the handheld,
7 yes.

8 Q. Is the meter reader also informed before
9 his route what opt-out traditional meters must be
10 read?

11 A. The opt outs would be the traditional
12 meters that are downloaded to the handheld.

13 Q. Those would also be on the handheld
14 device.

15 A. They cannot be read by a mobile unit,
16 that's right.

17 Q. So there's no distinction between the
18 traditional meters that just haven't had the
19 opportunity to switch over yet versus the opt-out
20 traditional meters.

21 A. For a very limited number of times, yeah,
22 I agree with that.

23 Q. And would the mobile reader pick up those
24 traditional meters at the end of the mobile route?

25 A. No.

1 Q. How would that work?

2 A. The mobile reader won't recognize a
3 traditional meter.

4 Q. We are just talking about the mobile
5 meter reader. The mobile -- the mobile meter reader
6 is going to read the AMR meters through the mobile
7 unit, and then he is going to be reading the leftover
8 traditional meters to the handheld device, correct?

9 A. That would be right. They would read all
10 the AMRs on the mobile and then do the handhelds.

11 MR. STINSON: Could I have the last
12 question and answer read back, please.

13 (Record read.)

14 MR. STINSON: Thank you.

15 Q. And would that take any -- strike that.

16 We can talk about the handheld device
17 now. And am I correct that the route would have
18 several meter locations?

19 A. I don't know what you mean by several
20 meter locations.

21 Q. Well, you have a route. Is there going
22 to be one meter on that route or is there going to be
23 more? There's over a million and a half meters in
24 the service territory.

25 A. I am assuming that every meter route has

1 more than one meter, yes.

2 Q. And the meter reader uses the handheld
3 device when walking the route?

4 A. It depends on the type of route.

5 Q. What do you mean?

6 A. I mean that if there is an AMI route,
7 there's no meter reader walking there. If there is
8 an AMR route, there is no meter reader walking there.
9 It would have to be the traditional routes that have
10 yet to establish advanced meters.

11 Q. I am talking about a route that has both
12 the AMR meters and the traditional meters on them.

13 A. Again, I'm assuming that you are talking
14 about a traditional meter route, so it's going to
15 have mostly traditional meters. However, there could
16 be some AMRs sporadically in that territory. It's
17 still a walking route.

18 Q. Okay. Thank you. And in that case the
19 meter reader would drive to a given neighborhood to
20 do the walking route?

21 A. The -- I am not sure if they drive or
22 walk. I don't know how that works.

23 Q. Well, you tell me. How do they get to
24 the neighborhood to do the route?

25 A. I am assuming they drive and walk the

1 route.

2 Q. Drive in a company vehicle?

3 A. I don't know.

4 Q. Drive in a class 40 vehicle?

5 A. I don't know.

6 Q. But you do agree he is not going to drive
7 to each meter location on that route; he is going to
8 walk it.

9 A. I mean, I can't say that. I think that
10 it depends on what that route looks like. I don't
11 know if he is walking it or driving. I'm not sure
12 what's going on.

13 Q. Well, okay.

14 A. I think all routes are different.

15 Q. You did indicate it was a walking route;
16 a traditional route was a walking route.

17 A. Fair enough. When I say walking, we are
18 talking a handheld.

19 Q. Okay. Thanks. Now, in that case where
20 there's traditional and AMR on the same route, the
21 walking meter reader would go from one residence if
22 it has an AMR meter, take the reading to the handheld
23 device, right?

24 A. The handheld device does have the
25 capability of picking up the AMR read at a very close

1 distance. So in that scenario if it's not a mobile
2 route, the answer is, yes, you could go from
3 traditional to AMR. The only difference, just to be
4 clear, is that the mobile route can't recognize the
5 nontraditional. So in that -- does that make sense?
6 So in that scenario you are not going to get AMR
7 through the mobile; you are going to do it through
8 that traditional handheld meter reader throughout.

9 Q. And the answer to your question is going
10 to make sense to me if you answer my question, and we
11 will go down the line. We are going to get there.

12 So I'll back up. What we indicated
13 before we have a walking route. The meter reader
14 arrives at a residence that has an AMR meter. That
15 meter reader reads the meter with the mobile device,
16 correct?

17 A. No.

18 Q. He doesn't?

19 A. No.

20 Q. Not the mobile device but the handheld
21 device.

22 A. That's correct.

23 Q. Okay. Thank you. The meter reader could
24 walk to the next residence, say 30 seconds away, and
25 it would be a traditional meter, correct?

1 A. Could happen, yes.

2 Q. And how would the meter reader read that
3 meter?

4 A. Through the handheld.

5 Q. Both the traditional and AMR could be
6 read through the handheld.

7 A. That's correct.

8 Q. Do you know of any walking routes where
9 meters would be located 30 minutes apart?

10 A. I don't have firsthand knowledge of that.

11 Q. Now, under the proposed tariff that's
12 attached to the stipulation, opt-out customers are
13 not charged the manual meter reader reading charge
14 until their route has 85 percent of either AMI or AMR
15 meters on it, correct?

16 A. Per the stipulation, yes, the charge
17 would not be charged until this is an 85 percent
18 advanced meter rollout.

19 Q. And those opt-out customers on that route
20 would still be paying -- start over, that AEP would
21 recover meter reading costs for those opt-out
22 customers through base distribution rates.

23 A. I'm not sure what metering costs you are
24 referring to.

25 Q. I think we talked about before how AEP

1 Ohio's meter reading costs are included in base
2 distribution rates.

3 A. I think we said some of the meter reading
4 costs could be included in base distribution.

5 Q. And by some you are indicating that those
6 costs could change after the last rate case.

7 A. Correct.

8 Q. But what AEP is recovering now is the
9 costs determined in the last rate case.

10 A. Are you referring to the customers' base
11 distribution rates?

12 Q. Right.

13 A. The base distribution rates would be from
14 the cost of the last distribution stipulation, yes.

15 Q. And that's what the cus -- the opt-out
16 customer would be paying if that customer is on a
17 route that has less than 85 percent saturation of an
18 AMI or AMR meter?

19 A. If the percentage is less than
20 85 percent, the opt-out customer would not be charged
21 the opt-out fee until such time that the route went
22 to 85 or above.

23 Q. Right. His rate would be set from the
24 last distribution rate case.

25 A. They would continue to pay base rates.

1 Q. Thank you. Now, just some other general
2 questions here. AMI costs are recovered through the
3 gridSMART rider, correct?

4 A. What type of AMI costs?

5 Q. Why don't you tell me. Are there AMI
6 costs recovered through the gridSMART rider?

7 A. Yes.

8 Q. And what are they?

9 A. The AMI costs would be any of the capital
10 investment that was made for the gridSMART project
11 for the AMI meters. It would be any sort of nonlabor
12 O&M expenses that was related to -- directly to the
13 gridSMART pilot. It's not just the AMI meters.

14 Q. But that rider does not recover the cost
15 for meter reading.

16 A. That's correct, no labor costs are
17 included. There's three incremental employee labor
18 included but no labor cost is included in the rider.

19 Q. And AMI opt-out customers would still pay
20 that gridSMART rider?

21 A. AMI opt out would -- yes, they would
22 still pay the gridSMART rider.

23 Q. And regardless if they are paying the
24 special manual meter reading charge, they are also
25 going to be paying the meter reading charge embedded

1 in base rates?

2 THE WITNESS: Can I have that question
3 read back, please?

4 (Record read.)

5 A. The monthly meter reading charge from the
6 opt out would be an additional charge. Again, the
7 meter reading costs from the last base case was
8 settled so that's why we have a point of
9 disagreement.

10 Q. AEP is going to recover some type of cost
11 for meter reading in that base distribution case,
12 right?

13 A. Those costs were included in the value
14 that was -- that was looked at for the stipulation.

15 Q. And opt-out customers are still going to
16 pay the costs or the charge from that base
17 distribution case.

18 A. They are going to pay their base
19 distribution rates as well as the meter opt-out
20 charge, yes.

21 Q. Pretty much the same questions for the
22 AMR costs, are the AMR capital costs recovered
23 through the DIR rider?

24 A. Yes, any distribution capital investment
25 that has been spent from date certain of the D case

1 forward would be recovered through the DIR, the
2 capital portion only.

3 Q. And opt-out customers would still be
4 paying for the DIR rider costs?

5 A. The DIR collects a lot more than AMR
6 meters, yes.

7 Q. But, regardless, AMR opt-out customers
8 are going to be paying the DIR.

9 A. Correct.

10 Q. Again, the DIR does not recover the cost
11 of meter reading.

12 A. The DIR?

13 Q. Right.

14 A. It does not. It's a capital.

15 Q. And the AMR opt-out customers would
16 continue to pay base distribution rates.

17 A. The AMI opt-out customers?

18 Q. AMR opt-out customers would continue to
19 pay the base distribution rates set in the last rate
20 case.

21 A. Yes.

22 Q. Now, isn't it true -- isn't it true that
23 no dollar savings associated with the AMI/AMR were
24 identified in the previous rate case?

25 THE WITNESS: Could I have that question

1 read back?

2 (Record read.)

3 A. I don't necessarily agree with that, no.

4 Q. I would like you to turn your attention
5 to Staff Data Request 2-002. If you could just read
6 the request and the response. If you could just read
7 it for the record, please.

8 A. It says "The previous distribution rate
9 case" --

10 Q. No. Excuse me. I hate to interrupt. It
11 would be best if we read the request and the
12 response.

13 A. "Were any dollar savings identified in
14 the previous distribution rate case that is
15 associated with AMR/AMI?"

16 Q. And the response?

17 A. "The previous distribution rate case
18 resulted in a black box stipulation agreement.
19 Specific costs or adjustments were not identified and
20 are not recognized in black box settlements."

21 Q. Thank you. Do some other things up here.
22 Would you agree that 36,086 meters were installed
23 from June 1 of 2010 through May 31, 2011? To help
24 you out I will direct you to Data Request 2-001.

25 THE WITNESS: Could I have the question

1 read back, please.

2 Q. Do you agree that 36,086 meters were
3 installed from June 1 of 2010 through May 31 of 2011?

4 MR. McKENZIE: Objection, your Honor.
5 This is misstating what the response actually says.

6 ATTORNEY EXAMINER McKINNEY: Overruled.
7 I will allow the question.

8 MR. McKENZIE: She can -- it's on the
9 staff data request. You can read the question.

10 Q. You know, if you want, you can just read
11 the request and read the response again.

12 MR. McKENZIE: I'm fine with that.

13 A. "How many AMR/AMI meters were installed
14 during the prior distribution rate case test year?
15 The number of AMR/AMI meters installed during June 1,
16 2010, through May 31, 2011, are 36,086."

17 Q. And also isn't it true that in 2014 AEP
18 Ohio performed 8,287,272 traditional meter reads?
19 And I will refer you to OCC Interrogatory 1-004.

20 A. 8 thousand 287 272 actual meter reads of
21 traditional residential meters.

22 Q. In 2014.

23 A. Through 2014, yes.

24 MR. STINSON: Could you read back that
25 answer, please.

1 (Record read.)

2 Q. Is it 8 million?

3 A. It is 8 million. I apologize. It's
4 8,287,272.

5 Q. Thank you. And isn't it true AEP Ohio
6 permits its customers to read their own meters and to
7 submit information back to AEP Ohio by mail or by
8 phone?

9 A. There's a limited number of customers for
10 which that's permitted for access issues.

11 Q. But AEP does permit customers to read
12 their meters and submit the readings by phone or
13 mail, correct?

14 A. Yes, for access issues customers, we'll
15 allow them to submit their meter reading by phone or
16 mail.

17 Q. And there is nothing that would limit the
18 12 AMI customers from reading their meters and
19 submitting that information by phone or by mail?

20 A. I guess the company is looking for
21 efficiencies when we are doing our meter reads and
22 there are some issues with the customers providing
23 that which is why it wasn't proposed, so I guess our
24 preference would prevent it from happening.

25 Q. A customer -- technically 1 of those 12

1 customers -- those 12 customers technically could
2 read their own meters and submit that information by
3 mail or by phone, correct?

4 A. I don't think they have that option
5 today.

6 Q. But they could have, couldn't they?

7 A. I think if the company were to offer
8 that, but the option is not there today for an
9 opt-out customer to read their own meter.

10 Q. The same thing would be true for the 70
11 customers that have opted out of the AMR, correct?

12 A. Well, same thing would be true. I don't
13 know what the question was on that one.

14 Q. Well, those customers would have the
15 technical ability to read their own meter and send
16 that information by phone or mail back to the
17 company.

18 A. Can you clarify "the technical ability"?
19 I am not sure what you're referring to.

20 Q. Would the average person who's an AEP
21 customer have the ability to read their own meter?

22 A. I don't know if they would or not. We
23 certainly get misreads when customers are presenting
24 their own meter reading detail.

25 Q. And AEP sends out instructions on how to

1 read a meter, correct?

2 A. There are -- there are, yes, instructions
3 on how to read a meter.

4 Q. And if there were misreads, the misread
5 could be corrected upon an annual meter read?

6 A. That's where one of the issues comes in,
7 yes, it's on that annual meter read correction if
8 there is a misread.

9 Q. But the only thing preventing that policy
10 for a customer to read and submit information from
11 their reading is AEP Ohio's preference, correct?

12 A. Yeah. I would say our preference is to
13 have actual meter reads.

14 Q. And charge \$24 to read for it.

15 A. I don't agree with that statement.

16 Q. Well, that's what you are charging, isn't
17 it?

18 A. That's not our preference. We've put
19 forth a cost-based charge for a customer to be able
20 to opt out of an advanced meter.

21 Q. Oh, you prefer that they pay \$38.

22 MR. McKENZIE: Objection, argumentative.

23 MR. STINSON: No, it's not. That's what
24 the facts are.

25 ATTORNEY EXAMINER McKINNEY: I think it's

1 pretty argumentative, Mr. Stinson. Objection
2 sustained.

3 Q. Now, are you aware there are four parties
4 to this proceeding? Those would be the company AEP
5 Ohio, it would be the Ohio Consumers' Counsel, the
6 Ohio Partners for Affordable Energy, and the staff,
7 correct?

8 A. I believe that the intervention of Ohio
9 Power for Affordable -- I'm sorry, Ohio Partners for
10 Affordable Energy was granted earlier in this
11 proceeding.

12 Q. So do you agree that those are the four
13 parties to this proceeding now?

14 A. Now, yes.

15 Q. All right. And Ohio Partners for
16 Affordable Energy was granted today, their
17 intervention.

18 A. I believe. I don't remember if it was
19 granted.

20 Q. The record will speak for that. Thanks.

21 A. Okay. Great.

22 Q. And are you also aware that OCC, the Ohio
23 Consumers' Counsel, represents the residential
24 customers of AEP Ohio in this case?

25 A. I'm aware that OCC represents the

1 residential customers, yes.

2 Q. And are you also aware that AEP Ohio's
3 residential customers do not support the stipulation
4 in this case?

5 MR. McKENZIE: Objection, foundation.

6 ATTORNEY EXAMINER McKINNEY: Mr. Stinson?

7 MR. STINSON: Well, she indicated she was
8 present through the negotiations. She's looked at
9 the stipulation. She should know that.

10 ATTORNEY EXAMINER McKINNEY: I think the
11 foundation is laid. Objection is overruled.

12 THE WITNESS: I will have to have the
13 question read back.

14 (Record read.)

15 A. I'm not aware of AEP Ohio's residential
16 customers. I am not sure what you are talking about.

17 Q. Did OCC, Ohio Consumers' Counsel, sign
18 the stipulation?

19 A. The Ohio Consumers' Counsel did not sign
20 the stipulation.

21 Q. And the Ohio Consumers' Counsel is
22 actively challenging the stipulation in this hearing
23 today; is that correct?

24 A. It appears correct, yes.

25 Q. Let's look at your testimony just a

1 little bit. That would be AEP Ohio Exhibit 1. Are
2 you there?

3 A. Yes.

4 Q. Okay. Thanks. Page 4, line 20, you
5 state that "This Stipulation gives customers the
6 opportunity for choices when it comes to the type of
7 meter installed." Is that your testimony?

8 A. Yes.

9 Q. Isn't it true that the Commission's rules
10 give customers the option or the choice for meters to
11 be installed?

12 A. What Commission rules are you referring
13 to?

14 Q. The Commission rules related to AMI/AMR
15 installation. Are you aware of any rules?

16 A. I'm aware of a lot of rules. That's why
17 I am trying to narrow it down so I can answer your
18 question.

19 Q. Let me -- let me ask it this way, I guess
20 where in the stipulation is that choice given to
21 customers?

22 A. I think that's what the entire
23 stipulation is -- is supporting is that the customer
24 has a choice to opt out of an advanced meter.

25 Q. And this stipulation has not been

1 approved yet, correct?

2 A. It has not been approved yet.

3 Q. But customers already opted out, correct?

4 A. Customers have opted out of advanced
5 meters, yes.

6 Q. And there's been traditional meters
7 installed for those customers, correct?

8 A. Correct.

9 Q. So that choice was not dependent upon
10 approval of this stipulation, correct?

11 A. Well, I think that the choice right now
12 is that the company has the right to disconnect once
13 this -- this stipulation is in effect, the customer
14 can have the choice to have the meter removed or to
15 opt out for the fee.

16 Q. And you are not disconnecting those
17 customers, are you --

18 A. Currently, no.

19 Q. -- during the pilot program that began in
20 2010, correct?

21 A. Not that I am aware of.

22 Q. The stipulation in this case pertains
23 only to the charges for those customers, correct?

24 THE WITNESS: Can I have the question
25 read back, please?

1 (Record read.)

2 A. I'm not sure I understand your question.

3 Q. Let's move on. Does AEP Ohio track the
4 cost to read each of the meters of the AMI meter and
5 AMR meter whether mobile or walking or the
6 traditional meter?

7 A. We don't track the cost by meter, by
8 meter type.

9 Q. Would you agree that there may be more
10 costs involved in reading one type of meter than
11 another?

12 A. I don't have anything to agree with that.
13 I don't know.

14 Q. Are there efficiencies to be gained from
15 remotely reading AMI readers -- AMI meters by not
16 sending out personnel to make the reads --

17 A. Sure.

18 Q. -- by not dispensing -- dispatching cars?

19 A. Sure.

20 Q. But even with those efficiencies, it is
21 true that AMI, AMR, traditional customers, their
22 charges for meter reading would still be included in
23 the base distribution rate we talked about?

24 THE WITNESS: I'm sorry. Can I have the
25 question read back?

1 (Record read.)

2 A. The base distribution rate from the
3 stipulation, that would be --

4 Q. Correct, the last distribution rate case.

5 A. That was a black box settlement?

6 Q. Right.

7 A. I don't know what was included in that.

8 Q. But there would be no differentiation in
9 costs or charges to each of those groups of customers
10 based upon how the meter was read.

11 A. Currently?

12 Q. Right.

13 A. No.

14 MR. STINSON: Thank you. If I could have
15 just a?

16 ATTORNEY EXAMINER McKINNEY: Let's go off
17 the record.

18 (Discussion off the record.)

19 ATTORNEY EXAMINER McKINNEY: Let's go
20 back on the record.

21 Q. (By Mr. Stinson) Just a few more
22 questions, Ms. Moore. If you recall, we had a
23 discussion about the \$24 manual charge, and you
24 indicated that on a customer's bill that customer
25 would be notified that for a given month if it were

1 an estimated charge? Do you recall that?

2 A. That the bill would state that the read
3 code was an estimated read?

4 Q. Right.

5 A. Yes.

6 Q. Okay. You also indicated that you didn't
7 know if there would be a separate line item on the
8 bill indicating what the manual meter read charge
9 was, correct?

10 A. That's correct. I don't know if it's a
11 separate line item.

12 Q. If we look back at the application, I
13 think we are going to be looking at Exhibit D way
14 toward the end. And there is an AEP Ohio bill
15 message.

16 A. I'm sorry. Can you direct me there
17 again? It's the application.

18 Q. Yes, the application, AEP Ohio Exhibit 2,
19 it should be on the second page from the end.

20 A. I see that.

21 Q. Is that bill message included in the
22 opt-out customer's monthly bill?

23 A. In the application, yes.

24 Q. Pardon me?

25 A. Yes. The bill message -- I don't know

1 about the line item.

2 Q. The bill message would go out to the
3 customers.

4 A. Appears that way, yes.

5 Q. Even if it were an estimated bill.

6 A. That's correct.

7 Q. Thank you. Going back to your meter
8 readers, are your meter readers all AEP Ohio
9 employees, or do you have independent contractors
10 doing meter reads?

11 A. I think it depends. I'm not sure what
12 the mix is.

13 Q. But there is a mix?

14 A. Yeah.

15 Q. And by the nature of being an independent
16 contractor, AEP Ohio would not be providing fringe
17 benefits to those independent contractors, correct?

18 A. We would not provide that to contractors,
19 no.

20 Q. Last question do you know how many of the
21 AMI -- I'm sorry. I believe you indicated all AMI
22 routes are at least 85 percent saturated with AMI
23 meters; is that correct?

24 A. I don't think I indicated that. The AMI
25 routes are the AMI routes.

1 Q. Well, are there any AMI routes that do
2 not have 85 percent of AMI meters on them?

3 A. No. They are fully AMI rollouts.

4 Q. And what about the AMR routes, are there
5 any routes that -- do you know how many routes have
6 less than -- let me put it this way, do you know how
7 many routes AEP Ohio has that has less than
8 85 percent smart meters?

9 A. I don't know.

10 Q. Or advanced meters?

11 A. I don't know.

12 MR. STINSON: I think that's all.

13 ATTORNEY EXAMINER MCKINNEY: Thank you,
14 Mr. Stinson.

15 MR. STINSON: I would move for the
16 admission at this time of OCC Exhibits 1 through 3.

17 ATTORNEY EXAMINER MCKINNEY: Thank you,
18 Mr. Stinson. I will rule on the admission of those
19 exhibits at the end of cross. Thank you.

20 Ms. Mooney, cross-examination?

21 MS. MOONEY: Yes, I have a few questions,
22 thank you.

23 - - -

24

25

CROSS-EXAMINATION

By Ms. Mooney:

Q. I would like to turn to your prefiled testimony at page 4 where you are discussing at lines 4 and 5 of page 4 that "The Stipulation was the product of meetings and negotiations involving experienced counsel as well as technical experts from each party in the case." Do you see that line?

A. I do.

Q. Now, who are these parties to the case that you are referring to?

A. They were the parties that were in this case when we were doing the negotiations for the stipulation.

Q. When was that?

A. It looks like the stipulation was filed on March 23.

Q. Who were the parties to this case on March 23?

A. The parties that I was referring to was the Commission staff, the company, and the Ohio Consumers' Counsel.

Q. Was -- is the Commission staff a party to this case?

A. I would consider them a party to the

1 case.

2 Q. Do you know if the Commission staff is a
3 party to this case?

4 MR. McKENZIE: I'll object. This is a
5 legal conclusion.

6 MS. MOONEY: Yes, it is but that's what
7 her testimony says and I am trying to figure out who
8 are the parties to the case she is referring to on
9 line 5 of her testimony at page 4.

10 MR. McKENZIE: I have no objection if the
11 question is what she is referring to in her
12 testimony.

13 MS. MOONEY: That's exactly what I asked
14 her.

15 ATTORNEY EXAMINER McKINNEY: We will
16 allow the question.

17 Q. Who are the parties to the case?

18 A. Again, in my testimony I was referring to
19 the company, the staff, and the Ohio Consumers'
20 Counsel.

21 Q. So you are referring to the staff of the
22 Commission as a party in this case?

23 A. Yes.

24 Q. And you are referring to OCC as a party
25 in this case?

1 A. Yes.

2 Q. Was OCC an intervenor in this case?

3 A. Yes.

4 Q. Do you know at what date OCC's
5 intervention to this case was granted?

6 A. I do not.

7 Q. Would you accept, subject to check, that
8 it was granted on March 26 which was three days after
9 the stipulation was filed on March 23?

10 A. I don't have a basis to agree or disagree
11 with the date.

12 Q. All right. And are you aware whether or
13 not the Commission had issued an entry setting a
14 procedural schedule in this case before the
15 stipulation was filed on March 23?

16 A. I'm not aware.

17 Q. Were you aware whether the Commission
18 ever asked for motions to intervene in this case
19 before the stipulation was filed on March 23?

20 A. I don't know.

21 Q. Okay. And so then on line 7 you refer to
22 "a compromise based on serious bargaining and
23 negotiation." And who was making that compromise?

24 A. The company was certainly making a
25 compromise from our proposed position in the case.

1 Q. Was the -- was the company the only party
2 to the case on March 23?

3 A. I'm not sure. I don't know about the
4 parties in the case on March 23.

5 Q. Well, you're testifying about the parties
6 to the case but you don't know.

7 A. I am testifying that the stipulation was
8 a bargaining that happened between technical experts
9 from each party in the case. I was assuming the
10 parties in the case to be those that had participated
11 in those negotiations.

12 Q. Just participating in negotiations makes
13 you a party to a case?

14 MR. McKENZIE: Yeah, I'll object again.
15 These questions aren't about her testimony but are
16 calling for legal conclusions. If they are about
17 what she means in her testimony, I don't have an
18 objection.

19 ATTORNEY EXAMINER McKINNEY: The
20 objection is overruled; but, Ms. Mooney, I am going
21 to ask you to reel it in a little bit.

22 MS. MOONEY: Well, that is her testimony.
23 I am asking her specifically about her testimony.

24 ATTORNEY EXAMINER McKINNEY: I
25 understand.

1 Would you repeat the question?

2 (Record read.)

3 A. I mean, my reference of party in the case
4 again was based on those that were involved in the
5 negotiation process of this meter opt-out fee.

6 Q. Do you know what an ATA case -- ATA, what
7 does that stand for?

8 A. I believe that's an application to not
9 increase rates.

10 Q. Would you accept, subject to check, that
11 ATA stands for application for tariff amendment?

12 A. Oh, okay.

13 Q. Okay.

14 A. Thank you.

15 Q. And do you know whether or not the
16 Commission normally sets hearings for ATA cases?

17 MR. McKENZIE: I'll object. There's no
18 foundation. There is no relevance.

19 ATTORNEY EXAMINER McKINNEY: Ms. Moore I
20 don't believe is an employee here.

21 MR. O'ROURKE: I'll object.

22 ATTORNEY EXAMINER McKINNEY: Ms. Mooney,
23 the objections are sustained.

24 Q. Do you know if the Commission normally
25 permits intervention to parties in ATA cases?

1 MR. O'ROURKE: Same objection.

2 MR. McKENZIE: Me too.

3 ATTORNEY EXAMINER McKINNEY: Sustained
4 again.

5 Q. Do you know anything about parties to ATA
6 cases?

7 MR. O'ROURKE: Same objection.

8 ATTORNEY EXAMINER McKINNEY: Ms. Mooney,
9 the objections are sustained.

10 Q. Why did you testify about the parties to
11 this case?

12 A. Yeah. I mean, the parties in this case
13 were -- what I was referring to is the -- I mean, I
14 don't know how to better answer that. It was the --
15 those that got together for the negotiations.

16 Q. Thank you. That's good. I would also
17 like to ask you a question about the testimony then
18 on line 19 of that same page, 4, when you say "the
19 Company already has the option to disconnect service
20 for the refusal of Company-approved equipment." Do
21 you see that?

22 A. I do.

23 Q. Now, what gives the company the option to
24 disconnect service for the refusal of
25 company-approved equipment?

1 ATTORNEY EXAMINER McKINNEY: I believe
2 there is a pending question. May I have that back?

3 MS. MOONEY: I know what it is.

4 ATTORNEY EXAMINER McKINNEY: I know but I
5 don't.

6 (Record read.)

7 ATTORNEY EXAMINER McKINNEY: Thank you.

8 MR. STINSON: Could we go off the record
9 for a second?

10 ATTORNEY EXAMINER McKINNEY: Let's go off
11 the record real quick.

12 (Discussion off the record.)

13 ATTORNEY EXAMINER McKINNEY: Let's go
14 back on the record.

15 Ms. Mooney.

16 Q. (By Ms. Mooney) Would you accept, subject
17 to check, there is no rule that gives the company the
18 right to disconnect service for the refusal of
19 company-approved equipment?

20 MR. McKENZIE: Your Honor, I'll object.
21 All this calls for a legal conclusion. It is asking
22 the witness to leaf through many, many rules. You
23 know, I don't think it's a proper line of question.

24 ATTORNEY EXAMINER McKINNEY: The
25 objection is overruled. If the witness does not

1 know, she can state so. If she would like more time
2 to find an answer, she may take it.

3 THE WITNESS: Just want to take a little
4 time.

5 ATTORNEY EXAMINER MCKINNEY: Yeah. Take
6 the time you need. We will go off the record.

7 (Recess taken.)

8 ATTORNEY EXAMINER MCKINNEY: Back on the
9 record.

10 Ms. Mooney.

11 MS. MOONEY: Yes, your Honor, I will
12 withdraw that question. I have another question.

13 ATTORNEY EXAMINER MCKINNEY: You may
14 proceed.

15 Q. (By Ms. Mooney) Does the Commission have
16 disconnection rules?

17 A. I think there are disconnection rules,
18 yes.

19 Q. There are rules that state specifically
20 when you can disconnect a customer?

21 A. I don't know if they state specifically
22 when. I'm not sure.

23 Q. There are rules that state when
24 disconnection of customers may occur, can occur,
25 hence, they are called the Commission's disconnection

1 rules?

2 A. I don't know.

3 Q. You don't know if there are disconnection
4 rules?

5 A. Yeah. I mean, I don't know what they
6 look like. I don't know what's entailed in them. I
7 know that there are rules but I can't --

8 Q. There are rules -- there are Commission
9 disconnection rules.

10 A. But I'm not sure what specifics are in
11 those rules, that's right.

12 Q. All right. Thank you. Thank you. Was
13 OPAE, that's Ohio Partners for Affordable Energy,
14 that I represent, was OPAE involved in any of the
15 negotiations that led to the stipulation?

16 A. No, not that I am aware of.

17 MS. MOONEY: Okay. Your Honor, that's
18 all the questions I have. Thank you.

19 ATTORNEY EXAMINER McKINNEY: Thank you,
20 Ms. Mooney.

21 Mr. O'Rourke.

22 MR. O'ROURKE: A couple, your Honor. Try
23 not to hold everybody up here.

24 - - -

25

CROSS-EXAMINATION

By Mr. O'Rourke:

Q. Ms. Moore, could you turn to page 2 of the stipulation that was filed in this case.

A. Okay.

Q. Direct your attention to footnote 1.

A. Okay.

Q. Do you see that?

A. I do.

Q. And it says "For purposes of this Stipulation, Staff is considered a party in accordance with Ohio Administrative Code 4901-1-10 Subsection (C)." Do you see that?

A. I do.

Q. Do you have any reason to challenge that footnote?

A. I do not.

Q. Okay. Earlier you were asked a couple of questions by Mr. Stinson about the possibility of opt-out customers to read their own meters. Do you remember that?

A. I do, yes.

ATTORNEY EXAMINER MCKINNEY: Mr. O'Rourke, I am going to warn you about friendly cross.

1 MR. O'ROURKE: I understand, your Honor.
2 I was just trying to clarify the record.

3 ATTORNEY EXAMINER McKINNEY: That's fine.

4 Q. And you -- I believe you mentioned there
5 have been -- had been some quote-unquote customers
6 reading their own meters?

7 A. That's correct.

8 Q. And I believe you said one of those
9 issues was due to a misread. Do you recall that?

10 A. I do.

11 Q. What is a misread?

12 A. That's when the customer would provide
13 the company with their own meter reads but the
14 reader -- the read itself was not accurate so that
15 was what I was referring to as a misread. So when
16 you have a misread and then the company comes to do
17 an actual meter read, it could cause a large
18 difference in the way the customer was billed versus
19 what came out of the company's actual meter read.

20 Q. And you -- though you characterize that
21 as one of the issues, does that imply there are other
22 issues out there or is that the only one?

23 A. Yeah. I mean, I think that once -- one
24 issue is that a lot of times we get the reads and
25 they are not correct. The other issue is that, you

1 know, the customers have to read or get the data to
2 the company by the time that their billing cycle is
3 up so they can actually be billed on that data.
4 Absent them turning the data in on time, their bill
5 gets estimated anyway. It may or may not cut down on
6 estimated bills and that's one of the things we are
7 trying to cut down is the estimation of the bills.

8 Q. And two more quick questions probably,
9 you were asked how the information that is gathered
10 by an AMI meter is read by the company. And I
11 believe you said that it was read remotely from a
12 mesh network that calls the info back to the office.
13 Do you recall that?

14 A. I do.

15 Q. And I would just like to get into how the
16 information that is gathered by a mobile device gets
17 transmitted to the company. How does that happen so
18 that they can produce a bill?

19 THE WITNESS: Can you repeat the
20 question, please?

21 (Record read.)

22 A. For the mobile device --

23 Q. Yeah, used on an AMR.

24 A. I got you. That's uploaded into the
25 billing system.

1 Q. Okay. And then same question for
2 handheld, how does the information that gets entered
3 into a handheld get transmitted to the company so it
4 can produce a bill?

5 A. It's the same. The handheld gets
6 uploaded in the system.

7 MR. O'ROURKE: That's all.

8 ATTORNEY EXAMINER McKINNEY: Anything
9 further? Thank you, Mr. O'Rourke.

10 MR. McKENZIE: Your Honor, could we have
11 a 5-minute break before redirect?

12 ATTORNEY EXAMINER McKINNEY: Let's take a
13 5-minute recess. Off the record.

14 (Recess taken.)

15 ATTORNEY EXAMINER McKINNEY: Let's go
16 back on the record.

17 Redirect, Mr. McKenzie?

18 - - -

19 REDIRECT EXAMINATION

20 By Mr. McKenzie:

21 Q. Ms. Moore, first of all, do you remember
22 on cross-examination there were some questions having
23 to do with the definition of advanced meters?

24 A. Yes.

25 Q. And you referred to an order in Case No.

1 12-2050. Do you recall that?

2 A. Yes.

3 Q. And do you recall that there was an entry
4 on rehearing in that case?

5 A. I do.

6 MR. McKENZIE: Your Honor, if I may
7 approach?

8 ATTORNEY EXAMINER McKINNEY: You may.

9 Q. I am going to hand you the entry on
10 rehearing.

11 A. Thanks.

12 ATTORNEY EXAMINER McKINNEY: Do you
13 intend to have this marked?

14 MR. McKENZIE: Yeah. I am just going to
15 read from it so, no, I don't think so.

16 ATTORNEY EXAMINER McKINNEY: That's fine.

17 Q. If you could please turn -- yeah, first
18 of all, let's just clarify, this is the December 18,
19 2013, order of the Commission, correct?

20 A. Correct.

21 Q. And this is again Case No.
22 12-2050-EL-ORD?

23 A. Yes.

24 Q. If you could please turn to paragraph 6
25 and I am going to refer you to about 10 lines down, a

1 sentence that begins "The Commission agrees with
2 stakeholders." Tell me when you are with me.

3 A. I'm with you.

4 Q. Okay. Commission order states "The
5 Commission agrees with stakeholders that meters with
6 ERT and AMR technology are not typically considered
7 smart meters. Therefore, the Commission finds that
8 they should not be considered advanced meters at this
9 time. However, if a customer requests advanced meter
10 opt-out service and the customer has a meter with AMR
11 or ERT technology, the EDU should present the
12 opportunity for advanced meter opt-out service to the
13 customer and may add that customer to the advanced
14 meter opt-out service tariff if the customer requests
15 a new type of traditional meter." Do you see that?

16 A. I do.

17 Q. Having read that is it your understanding
18 that AMR meters are allowed to be included in the
19 advanced meter opt-out tariff?

20 A. Yes.

21 Q. Thank you. You'll recall on cross there
22 were questions regarding whether the cost basis in
23 application Exhibit E -- first of all, do you
24 remember what we are referring to there?

25 A. I do, yes.

1 Q. Application Exhibit E was the cost basis
2 provided for the opt-out charges as proposed in the
3 application in this case, correct?

4 A. That's correct.

5 Q. And there was questions on cross about
6 whether this cost basis or this cost calculation was
7 included in the last base -- distribution base case.
8 Do you remember that?

9 A. I do.

10 Q. First of all, do you remember that you
11 filed testimony, written testimony, in the last
12 distribution base case?

13 A. Yes, I did.

14 Q. I am going to hand you a copy of your
15 testimony.

16 MR. McKENZIE: And, your Honor, I am not
17 going to mark it. I am just going to refer to it
18 again.

19 ATTORNEY EXAMINER McKINNEY: That's fine.

20 Q. Do you recognize this as the prefiled
21 direct testimony that you filed in the last
22 distribution base case? And there is a number of
23 case numbers; I am only going to read the first.
24 It's 11-351-EL-AIR.

25 A. Yes.

1 Q. And it was filed -- if you look on the
2 front page, it was filed March 14, 2011. Do you see
3 that?

4 A. I do, yes.

5 Q. And you don't have any reason to doubt
6 that, correct?

7 A. No.

8 Q. If you could please turn to Exhibit AEM-2
9 which is attached to this.

10 A. Okay.

11 Q. It's page 31 of 33 of that exhibit.

12 A. I see that, yes.

13 Q. And then if you go down to paragraph 16,
14 could you read the title of that, please.

15 A. "To Perform a Manual Meter Read."

16 Q. And are the charges -- the cost
17 calculation that's reflected here, is that the same
18 as the cost calculation in Exhibit E of the
19 application in this case?

20 A. Yes, it is.

21 Q. Except for the modification that was made
22 for the number of meter reads for opt-out customers,
23 correct?

24 A. That's correct. I was referring to the
25 43.

1 Q. But the numbers here that add up to \$43,
2 this is the same, correct?

3 A. Yes.

4 Q. So the cost calculation for the manual
5 meter read was, in fact, included in the testimony
6 that you filed in the last base case, correct?

7 A. Correct.

8 Q. Okay. Do you recall on cross there were
9 some questions about -- about whether the cost
10 calculation for the manual meter read was included in
11 the stipulation in the last base case?

12 A. I'm sorry. Can you repeat the question?

13 Q. Do you recall that on cross-examination
14 there were questions about whether this same cost
15 calculation or the fees --

16 A. Right.

17 Q. -- were included in the stipulation?

18 A. Yes.

19 Q. And you recall the stipulation was OCC
20 Exhibit 2.

21 A. Yes.

22 Q. And this exhibit does not have any of the
23 attachments to the stipulation, correct?

24 A. That's correct.

25 Q. I am going to hand you Attachment TC to

1 that stipulation.

2 MR. McKENZIE: And, your Honor, I am
3 going to follow the same procedure here.

4 ATTORNEY EXAMINER McKINNEY: That's fine.

5 MR. STINSON: You know, your Honor, I am
6 going to object. I think it might be nice to have
7 these marked and have it a part of the record to know
8 what we are talking about when we go back to review.

9 MR. McKENZIE: I'm fine admitting them
10 into the record.

11 ATTORNEY EXAMINER McKINNEY: That's fine.
12 Let's go ahead and mark them.

13 MR. McKENZIE: Okay.

14 MR. STINSON: This is going to make it
15 more clear.

16 MR. McKENZIE: Can I go off the record?

17 ATTORNEY EXAMINER McKINNEY: Sure.

18 (Discussion off the record.)

19 ATTORNEY EXAMINER McKINNEY: Let's go
20 back on the record.

21 Q. So I just handed you Attachment TC to the
22 stipulation which was OCC Exhibit 2. Do you
23 recognize this?

24 A. I do.

25 Q. And to be clear I've just -- I have

1 handed you an excerpt. It's original sheet No. 3-11
2 and original sheet No. 3-12 if you look in the top
3 right corner; is that correct?

4 A. That's correct.

5 Q. Okay. So if you go to paragraph 15 and
6 then follow that into sheet No. 3-12, there is a
7 chart and this has various fees and charges on it,
8 correct?

9 A. Correct.

10 Q. And there's a heading and then the second
11 line down, could you please read what's in the left
12 cell there?

13 A. "Perform Manual Meter Reading."

14 Q. And could you please read what the charge
15 is for that.

16 A. \$43.

17 Q. So the \$43 manual meter reading charge
18 was included in the stipulation, specifically
19 Attachment TC to the stipulation, correct?

20 A. That's correct.

21 Q. And when the Commission approved the
22 stipulation, it approved it in its entirety?

23 MR. STINSON: I am going to object to
24 leading questions.

25 Q. Did the Commission --

1 MR. McKENZIE: I can rephrase.

2 ATTORNEY EXAMINER McKINNEY: Could you
3 rephrase the question, please?

4 Q. Did the Commission approve the
5 stipulation?

6 A. Yes, the Commission approved the
7 stipulation.

8 Q. And did it approve it -- and did the
9 Commission approve the stipulation in its entirety?

10 A. I recall those words, but I am trying to
11 find that in the order.

12 Q. I am just asking for your understanding.

13 A. My understanding is yes.

14 Q. Okay, okay. Moving on to another topic,
15 do you recall in cross-examination there was a
16 question about whether AMI meters -- AMI meters are
17 confined to northeast Columbus currently?

18 A. Yes.

19 Q. And that is your testimony, correct?

20 A. Currently, yes.

21 Q. Yeah. And this advanced meter opt-out
22 tariff as proposed would apply to both AMI and AMR
23 meters, correct?

24 A. That's correct.

25 Q. And are AMR meters confined to northeast

1 Columbus?

2 A. No.

3 Q. How are they distributed across AEP
4 Ohio's territory?

5 MR. STINSON: Object. That's been asked
6 and answered before. The record already reflects
7 that.

8 ATTORNEY EXAMINER MCKINNEY: The
9 objection is overruled. I will allow the question.

10 A. They are throughout the territory.

11 Q. And does AEP Ohio's service territory
12 include both urban and rural areas?

13 A. It does.

14 Q. And are AMI meters distributed throughout
15 both of those areas -- excuse me. Withdrawn.

16 Are AMR meters distributed throughout
17 both the urban and rural territory of AEP Ohio?

18 A. Yes.

19 MR. STINSON: I object. She already
20 testified she doesn't know what the area was, whether
21 it was urban or rural or suburban or what. She
22 didn't understand what the AMI territory was.

23 MR. MCKENZIE: I don't think that was her
24 testimony at all, and even if it was, it is not
25 inconsistent.

1 ATTORNEY EXAMINER MCKINNEY: The
2 objection is overruled. I don't think that was her
3 response. She was talking regarding the entire
4 service territory.

5 MR. MCKENZIE: And just to be clear, do
6 we have the "Yes" answer on the record?

7 THE NOTARY: Yes.

8 Q. And will the advanced meter opt-out
9 charge proposed in this case apply to future AMI
10 rollouts?

11 A. Yes.

12 Q. Thank you. Ms. Moore, do you recall on
13 cross-examination there were some questions about
14 whether operational cost savings from AMI have been
15 passed on to customers?

16 A. I do, yes.

17 Q. Do you believe this is an appropriate
18 case for operational cost savings to be accounted
19 for?

20 A. I think the operational cost savings
21 would be better accounted for in the company's
22 expanded advanced meter applications.

23 Q. And when you reviewed the Commission
24 rules in preparation for your testimony in this case,
25 do you recall whether those rules said that the

1 company should include operational cost savings in
2 its cost-based tariff?

3 A. They did not state that.

4 Q. Thank you. There was another line of
5 questioning on cross-examination, if you recall,
6 regarding the 85 percent trigger for when this
7 opt-out tariff will be applied to customers? Do you
8 remember that?

9 A. I do.

10 Q. Just to clarify if that 85 percent has
11 been triggered for an advanced meter route, are you
12 with me so far?

13 A. I am, yes.

14 Q. And on that route there are some
15 customers who have opted out and some customers who
16 still have traditional meters but haven't opted out.

17 A. Yes.

18 Q. I think we called those on
19 cross-examination traditional opt-out meters,
20 correct?

21 A. I'll accept that.

22 Q. Will the company assess the advanced
23 meter opt-out tariff charge to those customers who
24 have not yet had the opportunity to accept an
25 advanced meter?

1 A. You're talking about the additional
2 15 percent that the company has not tried to put on
3 the advanced AMR if --

4 Q. Yes, that haven't opted out.

5 A. They would not be charged the fee.

6 Q. So no customer will be charged the fee
7 until the customer has been offered an advanced meter
8 and --

9 MR. STINSON: Objection.

10 Q. -- has opted out, correct?

11 A. Right.

12 MR. STINSON: He is leading.

13 MR. McKENZIE: Your Honor, I would
14 appreciate it if counsel would let me finish my
15 question before he objects.

16 ATTORNEY EXAMINER McKINNEY: First of
17 all, when he objects, do not provide an answer.
18 Second of all, let's wait until the question has been
19 asked before you object. I understand you are trying
20 to get it in before the witness answers.

21 Please finish the question and I will
22 hear the objection.

23 Q. So it's your testimony that no customer
24 will be charged the advanced meter opt-out fee until
25 that customer has been given an opportunity to have

1 an advanced meter installed and has opted out.

2 MR. STINSON: Objection.

3 ATTORNEY EXAMINER McKINNEY: There is an
4 objection.

5 Mr. Stinson.

6 MR. STINSON: I have been patient, your
7 Honor, but counsel is leading this witness
8 repeatedly.

9 MR. McKENZIE: Your Honor, I can do this
10 in a direct way. I would appreciate a little bit of
11 leniency. This is my last question on this topic.

12 ATTORNEY EXAMINER McKINNEY: We will give
13 you a little bit of leniency. If you can rephrase
14 this question, we would be appreciate it.

15 Q. Will a customer be charged the advanced
16 meter opt-out tariff if the customer has not yet been
17 offered the opportunity to accept an advanced meter?

18 A. No.

19 Q. Thank you. You recall a line of
20 questioning on cross regarding customers reading
21 their own meters and mailing in that information?

22 A. Yes.

23 Q. Does AEP Ohio offer that to just any
24 customer that wants to do it?

25 A. No. It's -- it's a limited amount for

1 access issues.

2 Q. What do you mean by access issues?

3 A. Customers that -- it's my understanding
4 that most of those access issues are really customers
5 that have had porches that have been built around
6 their meters, and they don't want to give the company
7 a key to get into that enclosed space. In those
8 circumstances we will allow them to read their own
9 meter.

10 MR. McKENZIE: No further questions, your
11 Honor.

12 ATTORNEY EXAMINER McKINNEY: Thank you,
13 Mr. McKenzie.

14 Recross?

15 MR. STINSON: Just a very few, your
16 Honor.

17 - - -

18 RECROSS-EXAMINATION

19 By Mr. Stinson:

20 Q. We don't have the exhibit marked yet, but
21 it would be the entry on rehearing in Case No.
22 12-2050-EL-ORD.

23 ATTORNEY EXAMINER McKINNEY: Would you
24 like to mark that exhibit?

25 MR. McKENZIE: Could I propose we mark

1 that AEP Ohio Exhibit 3?

2 ATTORNEY EXAMINER McKINNEY: Let's mark
3 it AEP Ohio Exhibit 3.

4 MR. STINSON: Do we want to mark the
5 other ones as we have it?

6 MR. McKENZIE: Then the prefiled direct
7 testimony of Andrea Moore, Case 11-351.

8 ATTORNEY EXAMINER McKINNEY: That would
9 be AEP Ohio Exhibit 4.

10 MR. McKENZIE: Yes, your Honor. And then
11 5 would be the excerpt of Attachment TC to the
12 stipulation in that case.

13 ATTORNEY EXAMINER McKINNEY: We've
14 already marked and moved for the admission of --

15 MR. McKENZIE: You Honor, if I could
16 clarify, OCC introduced the stipulation in that case,
17 but it didn't have the attachments to that document
18 so we've pulled an excerpt of those attachments so I
19 would be happy --

20 ATTORNEY EXAMINER McKINNEY: It's just
21 the except?

22 MR. McKENZIE: -- to either have OCC to
23 complete their document or to just introduce this as
24 AEP 5.

25 ATTORNEY EXAMINER McKINNEY: Preference,

1 Mr. Stinson? Does it matter to you?

2 MR. STINSON: Your Honor, I think OCC is
3 willing to accept this two-page document.

4 ATTORNEY EXAMINER McKINNEY: Included
5 with the stipulation which is -- which has already
6 been marked and moved for the admission?

7 MR. STINSON: Right. OCC stipulation
8 rather than --

9 ATTORNEY EXAMINER McKINNEY: Additional
10 exhibit. That will be included in OCC Exhibit 2
11 which is the stipulation in 11 -- I'm sorry, yes, in
12 11-351.

13 MR. STINSON: So you're going to make it
14 a part of the OCC exhibit?

15 ATTORNEY EXAMINER McKINNEY: Is that all
16 right?

17 MR. STINSON: That's fine. We don't have
18 any objections.

19 MR. McKENZIE: If I could just state for
20 the record that's Attachment TC. In the upper right
21 hand it's original sheet 3-11 and 3-12.

22 ATTORNEY EXAMINER McKINNEY: Thank you.

23 MR. McKENZIE: Your Honor, now that we
24 have marked these, would you like to have a copy of
25 them?

1 ATTORNEY EXAMINER McKINNEY: If you have
2 it. If not, you can make copies when we break.

3 MR. McKENZIE: Okay. I will hand them.

4 ATTORNEY EXAMINER McKINNEY: Those will
5 be marked.

6 (EXHIBITS MARKED FOR IDENTIFICATION.)

7 ATTORNEY EXAMINER McKINNEY: Mr. Stinson,
8 we can go whenever you wish, or we can take a short
9 recess, if you would like.

10 MR. STINSON: We'll go on in just a
11 second, your Honor.

12 ATTORNEY EXAMINER McKINNEY: Okay.

13 Q. (By Mr. Stinson) Ms. Moore, directing
14 your attention to what has been marked as AEP Ohio
15 Exhibit 3, Mr. McKenzie made an extensive reading
16 from paragraph 6 on page 2 of that entry to over to
17 page 3. He didn't read the last two sentences, and
18 I'll read those for you as well. They state "The
19 Commission believes that the EDUs should work with
20 customers on a case-by-case basis regardless of
21 whether their meter is an advanced meter and should
22 arrive at a mutually agreeable solution to the
23 customer's concerns." Did AEP Ohio do that in this
24 proceeding?

25 A. For this proceeding?

1 Q. For purposes of this stipulation.

2 I'll rephrase it for you then. Since
3 the -- this entry on rehearing was issued on
4 December 18, 2013, since this was issued has AEP Ohio
5 worked on a case-by-case basis with customers to
6 resolve their concerns?

7 A. Yes.

8 Q. How so?

9 THE WITNESS: I'm sorry. Can you repeat
10 his previous question?

11 (Record read.)

12 A. I apologize. I thought you had -- you
13 were reading this. To my knowledge, the customer
14 service representatives do, in fact, contact
15 customers that have opted out of the AMR and the AMI
16 meters and try to resolve their concerns, whether
17 it -- whatever their concerns may be.

18 Q. Does a customer have any choice in if
19 that customer opts out other than to pay the opt-out
20 charge?

21 A. The customer has the choice to have the
22 meter removed away from the home at a distance.

23 Q. The choice is you take the AMR meter or
24 you take the traditional meter with the opt-out
25 charge?

1 A. The opt-out charge hasn't been approved
2 yet but, yes, upon approval, or you could have your
3 meter moved.

4 Q. I don't understand meter moved.

5 A. The customer could have their meter moved
6 away from the home.

7 Q. For what instance?

8 A. For RF concerns they can move their
9 meter.

10 Q. For what distance?

11 A. I don't know. It's in the tariff
12 language.

13 Q. Is there any other option for the
14 customer to meet their privacy concerns with the
15 information provided by the meter?

16 THE WITNESS: Can you repeat the
17 question, please?

18 (Record read.)

19 A. I don't have any knowledge of a privacy
20 concern so I'm not sure.

21 Q. How many customers have accepted moving
22 the meter away from the home?

23 A. I don't know.

24 Q. Have any requested?

25 A. I don't know.

1 Q. Other than moving the meter further from
2 the home is there any other alternative available to
3 the customer from AEP Ohio?

4 A. Those are essentially the two I can think
5 of right now.

6 Q. Does AEP Ohio or does the customer pay
7 for the meter move?

8 A. The customer.

9 Q. How much is that charge?

10 A. I think it varies.

11 Q. Varies based upon what? Do you know?

12 A. I don't know. I don't have the details
13 of that.

14 Q. I'll continue with the remainder of that
15 paragraph, the last sentence states "The EDUs should
16 recognize advanced meter opt-out service as one of
17 many solutions to customer concerns regarding their
18 meters." You've identified one solution as moving
19 the meter from the customer's home at the customer's
20 expense. What are the other "many solutions" that
21 are available from AEP Ohio?

22 MR. McKENZIE: Your Honor, I'll object.
23 It's asked and answered. It's also outside the scope
24 of redirect. I asked about the definition of
25 advanced meters. That does not entitle counsel to

1 open up the entire order.

2 ATTORNEY EXAMINER McKINNEY: Mr. Stinson.

3 MR. STINSON: I'm entitled to have the
4 entire paragraph read in context.

5 MR. McKENZIE: Which has been done.

6 ATTORNEY EXAMINER McKINNEY: We are
7 getting outside the scope of redirect. I will give
8 you some leeway and overrule the objection but please
9 try and tighten it up.

10 Can you repeat your question,
11 Mr. Stinson?

12 MR. STINSON: Can it be reread?

13 ATTORNEY EXAMINER McKINNEY: Yes, we can
14 have it read back.

15 (Record read.)

16 MR. O'ROURKE: Your Honor, I would object
17 that the order speaks for itself, and she would have
18 to speculate as to what options the Commission had in
19 mind when it issued its order.

20 ATTORNEY EXAMINER McKINNEY: I don't
21 think that's what the question is asking. The
22 objection is overruled.

23 A. The solutions that come to my mind right
24 now are the option to opt out of advanced meter or
25 have the advanced meter moved to a different

1 location.

2 Q. Thank you. You also mentioned on
3 redirect that in the last base rate distribution case
4 that the Commission approved the stipulation in its
5 entirety. Do you recall that?

6 A. I do.

7 Q. But do you also agree that still remains
8 a black box settlement?

9 A. It was a black box settlement, yes.

10 Q. Also on redirect you mentioned that --
11 regarding future rollout of AMI meters. Has there
12 been any other rollout of AMI meters since the
13 initial pilot program?

14 A. Not since the gridSMART base one. The
15 company has a pending application to roll out
16 additional AMI meters.

17 Q. And, finally, you stated that customers
18 are permitted by AEP Ohio to read their meters and
19 mail or phone in the results when there are access
20 issues. How many customers have access issues that
21 are permitted to mail or phone in their readings?

22 A. I don't have the numbers.

23 MR. STINSON: Nothing further, your
24 Honor.

25 ATTORNEY EXAMINER MCKINNEY: Thank you,

1 Mr. Stinson.

2 Ms. Mooney.

3 MS. MOONEY: No questions, your Honor.

4 ATTORNEY EXAMINER McKINNEY: Mr. O'Rourke?

5 MR. O'ROURKE: Nothing, your Honor.

6 - - -

7 EXAMINATION

8 By Attorney Examiner McKinney:

9 Q. All right, Ms. Moore. I just have a
10 couple of quick questions and then we will take a
11 short break and you may step down.

12 So my first question if you remember back
13 earlier this morning, Mr. Stinson had you read from
14 the stipulation that was Joint Exhibit 1 original
15 sheet 103-12, had you read that second sentence under
16 162. I would like you to read the second and third
17 sentence so we get the entire thing in the record.

18 A. Do you want me to start from the
19 beginning?

20 Q. Read the second and third sentences would
21 be fine.

22 A. "This monthly fee option does not
23 guarantee an actual meter read each month, and
24 monthly bills at times may be based on estimated
25 usage with the true-up to actual usage upon the

1 company obtaining an actual meter read. However, the
2 company will attempt to read the meter at regular
3 monthly intervals."

4 Q. Is it your understanding that the company
5 will attempt to read the meter every month?

6 A. That's correct, yes.

7 Q. Thank you. I am going to bounce around a
8 little bit because I am trying to clear up the
9 record. Ms. Mooney asked you some questions
10 regarding the timing of motions to intervene of
11 parties. To your knowledge was anyone ever denied
12 the opportunity to engage in settlement discussions
13 in this case?

14 A. Not to my knowledge, no.

15 Q. And to your knowledge was OP&E's motion
16 to intervene filed after your direct testimony was
17 filed in this case?

18 A. Yes.

19 Q. Thank you. I would like to clear up one
20 thing that came up on cross-examination. Is it your
21 understanding that AEP Ohio's entire service
22 territory includes both rural and urban areas?

23 A. The entire service territory, yes.

24 Q. Yes. And AMR meters have been deployed
25 throughout the entire service territory?

1 A. Part of the service territory is urban
2 and rural, yeah.

3 Q. But the area northeast of Columbus is an
4 AMI deployment area?

5 A. That's correct.

6 Q. And you do not know whether that area is
7 urban or rural?

8 A. That's right. I am not sure what the
9 expansion of that area looks like, if that makes
10 sense.

11 ATTORNEY EXAMINER McKINNEY: Thank you.
12 I think that concludes my questions. You may step
13 down from the stand. Thank you very much.

14 THE WITNESS: Thank you.

15 ATTORNEY EXAMINER McKINNEY: Mr.
16 McKenzie, would you like to move for the admission of
17 your exhibits?

18 MR. McKENZIE: Yes. I would renew my
19 motion for Exhibits -- AEP Ohio Exhibits 1, 2, and
20 Joint Exhibit 1 and then move the admission of
21 Exhibits 3, 4, and 5, I believe.

22 Oh, I'm sorry, your Honor. I believe
23 Exhibit 5 is going to be incorporated in OCC
24 Exhibit --

25 MR. STINSON: 2.

1 ATTORNEY EXAMINER McKINNEY: That's my
2 understanding.

3 MR. McKENZIE: I withdraw that.

4 ATTORNEY EXAMINER McKINNEY: Any
5 objection to the admission of AEP Exhibits 1, 2, 3,
6 or 4?

7 MR. STINSON: No objection, your Honor.

8 ATTORNEY EXAMINER McKINNEY: They will be
9 so admitted.

10 (EXHIBITS ADMITTED INTO EVIDENCE.)

11 ATTORNEY EXAMINER McKINNEY: Mr. Stinson?

12 MR. STINSON: And we will move again the
13 admission of OCC Exhibits 1 through 3.

14 ATTORNEY EXAMINER McKINNEY: All right.
15 I believe we have admitted Joint Exhibit 1. Joint
16 Exhibit 1 will also be admitted. That's the
17 stipulation. OCC Exhibits 1 and 2 will be admitted,
18 and we will take administrative notice of OCC Exhibit
19 3. This is the order in Case 11-351. The Commission
20 orders speak for themselves.

21 (EXHIBITS ADMITTED INTO EVIDENCE.)

22 ATTORNEY EXAMINER McKINNEY: Anything
23 further before we recess? Let's go off the record.

24 (Thereupon, at 2:05 p.m., a lunch recess
25 was taken.)

1 Thursday Afternoon Session,
2 May 7, 2015.

3 - - -

4 ATTORNEY EXAMINER MCKINNEY: Let's go on
5 the record.

6 Mr. Stinson.

7 MR. STINSON: Thank you, your Honor. At
8 this time OCC will call Mr. James D. Williams.

9 (Witness sworn.)

10 ATTORNEY EXAMINER MCKINNEY: Thank you.
11 You may be seated.

12 THE WITNESS: Thank you.

13 ATTORNEY EXAMINER MCKINNEY: I will ask
14 you just to press the button on the front of the mic
15 to turn it on.

16 - - -

17 JAMES D. WILLIAMS
18 being first duly sworn, as prescribed by law, was
19 examined and testified as follows:

20 DIRECT EXAMINATION

21 By Mr. Stinson:

22 Q. Mr. Williams, would you state your full
23 name for the record, please.

24 A. Yes. My name is James D. Williams.

25 Q. And your business address?

1 A. It's 10 West Broad Street, Suite 1800,
2 Columbus, Ohio 43215.

3 MR. STINSON: If I may approach, your
4 Honor, I have marked for identification purposes
5 Mr. Williams' prefiled testimony as OCC Exhibit 4.

6 ATTORNEY EXAMINER MCKINNEY: It will be
7 so marked.

8 (EXHIBIT MARKED FOR IDENTIFICATION.)

9 Q. And I have placed before you,
10 Mr. Williams, what has been marked as OCC Exhibit 4.
11 Could you identify that for me, please.

12 A. Yes. This is the testimony that I filed
13 in this case.

14 Q. At this time do you have any additions or
15 corrections, deletions to that testimony?

16 A. I do not.

17 Q. And if I were to ask you the same
18 questions that appear in that testimony, would your
19 answers be the same today?

20 A. Yes, they would.

21 MR. STINSON: Thank you. I move to admit
22 OCC Exhibit 4, subject to cross-examination.

23 ATTORNEY EXAMINER MCKINNEY: All right,
24 subject to cross. At this time we will move to
25 cross-examination.

1 MR. McKENZIE: Thank you, your Honor.

2 ATTORNEY EXAMINER McKINNEY: Mr. McKenzie.

3 - - -

4 CROSS-EXAMINATION

5 By Mr. McKenzie:

6 Q. Hello, Mr. Williams.

7 A. Hello.

8 Q. I would like to start first to see if we
9 can define the term "advanced meter." I think in the
10 testimony we had earlier today there was a definition
11 offered of advanced meter that included both AMI and
12 AMR meters. Are you comfortable using that
13 definition?

14 A. Yes, I am.

15 Q. Okay. And so I have to begin with some
16 general questions. First of all, you don't dispute
17 that AEP Ohio is required by Commission rule to offer
18 an advanced meter opt-out tariff, correct?

19 A. No, I am not disputing that.

20 Q. And you don't dispute that AEP Ohio is
21 required by Commission rule to assess a fee to
22 customers for opt-out service, correct?

23 A. There can in certain circumstances be
24 fees.

25 Q. So it's -- what are the circumstances in

1 which there wouldn't be fees?

2 A. There are -- my understanding of the rule
3 is that there are special provisions for
4 circumstances that -- that might come up where those
5 fees could be waived or applied at some time in the
6 future.

7 Q. Okay. We will get into the special
8 circumstances. Other than the provisions for special
9 circumstances, would you agree that there are
10 provisions that say that AEP Ohio is required to
11 assess a fee?

12 A. I believe AEP is -- is -- the rules
13 support AEP filing a tariff that would include
14 cost-based charges.

15 Q. Thank you. And I think you just answered
16 this, but you don't dispute that the fee that AEP is
17 required to propose in its tariff filing must be
18 based on AEP Ohio's costs, correct?

19 A. I believe the rule specifically says cost
20 based.

21 Q. And you also don't dispute, do you, that
22 the costs that we were talking about for providing
23 opt-out service must be borne only by customers who
24 elect to receive such service, correct?

25 A. I believe that's also specified within

1 the rule.

2 Q. Okay. And you don't dispute that.

3 A. The rule is the rule.

4 Q. Now, you've proposed that the Commission
5 waive fees for AEP Ohio's opt-out service; is that
6 correct?

7 A. Well, I specifically have -- have
8 suggested that the PUCO reject the stipulation that
9 was reached between the PUCO staff and AEP at this
10 time.

11 Q. And as regards to what the Commission
12 should either approve or disprove when it comes to
13 AEP Ohio's opt-out tariff, you are proposing in your
14 testimony that the Commission waive the fees for
15 opt-out service, correct?

16 A. I believe that there can be a tariff but
17 where the fees have been waived for some period of
18 time in the future.

19 Q. So that's your view of what AEP Ohio
20 should do, it should propose a tariff, and the
21 Commission should accept one that waives fees for
22 opt-out service.

23 A. Yes.

24 Q. Okay. And because this is your view, you
25 haven't proposed any specific dollar figure for what

1 you believe would be appropriate to charge AEP Ohio
2 customers for opt-out service, correct?

3 A. No, I have not. I recommend the
4 Commission just disapprove the stipulation as filed.

5 Q. And just to be clear, that's true for
6 both the recurring charge and the one-time charge;
7 you haven't proposed a specific dollar figure for
8 what you think would be reasonable for those charges.

9 A. No, I have not.

10 Q. Now, you are aware that AEP Ohio
11 following the Commission rule did submit a cost-based
12 fee proposal in its application, correct?

13 A. Yes. There were costs that were proposed
14 in that application.

15 Q. Okay. And I believe we marked that
16 application earlier today as AEP Ohio Exhibit 2. Do
17 you have the application in front of you?

18 A. I do not.

19 Q. Okay.

20 MR. McKENZIE: Your Honor, may I approach
21 the witness?

22 ATTORNEY EXAMINER McKINNEY: You may.

23 Q. Mr. Williams, I have handed you AEP
24 Ohio's application in this case which was previously
25 marked AEP Exhibit 2.

1 A. I have it.

2 Q. You are familiar with this, correct?

3 A. Yes, I am.

4 Q. Could you please turn to Exhibit E of
5 that application which is the very end.

6 A. I was already there.

7 Q. Okay. Now, this is the chart that AEP
8 provided in its application to demonstrate the basis
9 for its requested opt-out charges, correct?

10 A. Yes, it is.

11 Q. And there are two charges that AEP Ohio
12 proposed in its application. Originally it proposed
13 a \$31.80 figure as the recurring monthly charge. Do
14 you recall that?

15 A. I see it here on Exhibit E.

16 Q. And that's the bottom line in bold on the
17 right side of this Exhibit E, correct?

18 A. Yes, it is.

19 Q. Okay. And then that was later reduced to
20 \$24 in the stipulation, correct?

21 A. That is correct.

22 Q. Okay. Then there is a second charge AEP
23 Ohio proposed, a \$43 charge as the one-time fee for
24 replacing a traditional meter with an advanced meter;
25 is that correct?

1 A. That's my understanding of this exhibit.

2 Q. Okay. And that is -- that's reflected in
3 the \$43 figure that's two lines above the \$31.80?

4 A. That's my understanding of this chart.

5 Q. Okay. Now, you understand that the --
6 it's the sixth line down, the \$43 figure, that was
7 the amount that the Commission approved in Case No.
8 11-351, the last distribution base case, for AEP Ohio
9 to perform a manual meter read for commercial
10 interval meters; is that correct?

11 A. I believe as part of the stipulation in
12 that case, this charge was approved for -- for manual
13 meter reading of interval meters for customers that
14 were at or above 200 kV.

15 Q. Okay. And as the Commission-approved
16 charge, it should be considered just and reasonable,
17 correct?

18 A. Whether or not it's just and reasonable
19 or not, again, this was all -- this would have been
20 approved as part of a stipulation. My office would
21 not have specifically looked at this charge because
22 this involved -- doesn't involve residential
23 customers. This is taking a manual meter reading
24 charge for -- that would be applied to certain
25 commercial/industrial customers and so OCC in that --

1 in the original case wouldn't have specifically been
2 paying attention to this charge for much the same
3 reason. That's why I believe this is not an
4 appropriate starting point for AEP to now be
5 determining what the manual meter reading cost would
6 be for an AMI or an AMR meter.

7 Q. My question is just this, would the
8 Commission have approved a charge that's not just and
9 reasonable?

10 A. I believe as part of the stipulation that
11 they have to -- that the Commission has a standard
12 of -- of the three-prong test, and apparently the
13 Commission established at that point in time that it
14 fulfilled the three prongs.

15 Q. Well, let me put it another way, in
16 approving the \$43 charge, do you think the Commission
17 approved a charge that wasn't just and reasonable?

18 A. I don't know what was going on in the
19 Commission's mind when they approved it. I assume
20 that -- that it was probably thought to be just and
21 reasonable for commercial and industrial customers
22 who need to have interval meters read on a manual
23 basis. I would not try to apply that to what's
24 reasonable for residential customers.

25 Q. Okay. And as you've said, Case No.

1 11-351, that was settled, correct?

2 A. I believe that was a settlement.

3 Q. Okay. But the Commission still took
4 another step after the settlement and approved the
5 rates from that settlement, correct?

6 A. I believe as part of the settlement they
7 approved the rates as well.

8 Q. Okay. And there -- there were other
9 parties in Case 11-351, correct?

10 A. Yes, there were.

11 Q. Staff was involved in that case, correct?

12 A. I'm sure they were. I don't know all the
13 parties, but I'm sure staff was.

14 Q. Okay. You can assume, can't you, that
15 staff examined the basis for the \$43 figure in Case
16 11-351?

17 MR. STINSON: Objection. Sorry.
18 Objection, calls for speculation.

19 MR. McKENZIE: I am asking for his
20 knowledge.

21 MR. STINSON: He doesn't -- he can't
22 speculate what the staff did or assumed during the
23 course of the proceeding.

24 MR. McKENZIE: He's offered an opinion
25 that this number is illegitimate because it was

1 within a settlement, so I just want to probe his
2 opinion with respect to staff being involved in the
3 case.

4 ATTORNEY EXAMINER McKINNEY: Okay. But
5 you are asking him to speculate what staff did on
6 another case. Objection sustained.

7 Q. Do you know whether the staff report in
8 this case indicated that it had reviewed the \$43
9 charge?

10 A. I don't know.

11 Q. Okay. So let's walk through this chart.
12 The first line says "Average travel time per trip:
13 30 minutes." Do you see that?

14 A. Yes, I do.

15 Q. And this was as you've clarified the
16 average travel time to perform a manual meter read of
17 commercial interval meters in Case 11-351, correct?

18 A. That's how I understand this.

19 Q. Now, you have questioned this time
20 because you think that it shouldn't take 30 minutes
21 of travel time in the gridSMART area in northeast
22 Columbus; is that correct?

23 A. Yeah, for among other reasons. I believe
24 that there are 12 customers in the gridSMART phase I
25 pilot area who chose not to have an AMI meter and --

1 and who would now be affected by this charge. 30
 2 minutes to try -- to drive to each one of those
 3 individual customers, 12 customers, in northeast
 4 Columbus would sound excessive to me.

5 Q. So, first of all, the opt-out tariff that
 6 AEP Ohio has proposed here, it applies throughout AEP
 7 Ohio's territory, correct?

8 A. The application was to apply to both AMI
 9 as well as AMR customers that opt out of either AMI
 10 or AMR. However, I would say that because the
 11 definition of an advanced meter is a two-way
 12 communications device that -- that the Commission has
 13 already explicitly required that AEP to be providing
 14 many options to customers, especially these AMR
 15 customers where these are not too -- that don't have
 16 a two-way communications device and who may not have
 17 some of the same issues as a cus -- as a customer who
 18 has a smart meter.

19 Q. Mr. Williams, my question was just does
 20 the tariff as proposed apply to both AMR and AMI
 21 meters?

22 A. My understanding of the application is
 23 yes and that's another reason why I would suggest the
 24 Commission not approve it.

25 Q. Okay. And AEP Ohio's -- has --

1 withdrawn.

2 AEP Ohio has installed and continues to
3 install AMR meters throughout its territory, correct?

4 A. My understanding based upon I think a
5 discussion from you earlier today is that there is
6 approximately 487,000 AMR meters.

7 Q. And it's throughout AEP Ohio's territory,
8 correct?

9 A. It's elsewhere. They are not northeast
10 Columbus. Where they are at I don't specifically
11 know.

12 Q. Right. And you -- you are aware, aren't
13 you, that AEP Ohio's territory is both rural areas
14 and urban areas?

15 A. AEP's service territory does. Whether or
16 not that's where AMR meters are installed, I don't
17 know.

18 Q. Right. And you haven't done any kind of
19 analysis about the distribution of AMR meters
20 throughout AEP Ohio's territory, correct?

21 A. Outside what's available information on
22 AEP's website showing the 105,000 that are being
23 installed right now.

24 Q. My question was you haven't performed any
25 analysis regarding the distribution of AMR meters.

1 "Yes" or "No."

2 A. I have not performed an analysis.

3 Q. Thank you.

4 A. I just relied on available information.

5 MR. STINSON: Please let him finish his
6 answer.

7 ATTORNEY EXAMINER McKINNEY: Yes. Let's
8 let the witness finish his answer before you
9 interrupt.

10 Q. So you would agree throughout AEP Ohio's
11 territory there might be lower travel times and
12 higher travel times depending on where the opt-out
13 customers are located, correct?

14 A. I suspect that could be true; but, again,
15 as we have already established, we don't know where
16 these 70 AMR customers are, how close they are to any
17 kind of a field office that could provide this --
18 this kind of meter reading function. So I think
19 there's a lot of variance. I think there could be a
20 lot of variance in what those costs are.

21 Q. There would be a lot of variance and this
22 is an average travel time per trip. That's what it
23 says there, correct?

24 A. Yes, it does.

25 Q. And you said we don't know where those

1 are located. You mean you don't know where they are
2 located, correct?

3 A. I don't know where they are located but
4 to be more --

5 Q. There is not a question pending.

6 A. Okay. But I would also like to say when
7 I say that I don't know, I don't believe that the
8 record has any kind of information either to support
9 where these are.

10 Q. Well, Mr. Williams, the report reflects
11 the estimates based on substantial day-to-day
12 experience of AEP Ohio's meter team, does it not?

13 A. That's what was put into the record, yes.

14 Q. And those meter -- that meter team is
15 going out on a daily basis to read the meters that
16 we're talking about in this proceeding, correct?

17 A. Yes. But my point is the record doesn't
18 reflect any information showing where these customers
19 are, what the actual travel time would be. There's
20 no cost-to-service or any type of an analysis like
21 that to support the numbers. It's purely based upon
22 an estimate that was provided from one department to
23 another department.

24 Q. And we've talked about this being an
25 average time between rural areas and urban areas.

1 You haven't done any analysis to average out that
2 travel time, have you?

3 A. I have not.

4 Q. Thank you. So we were discussing AMR
5 meters but let's now talk about your objection to
6 this time period in the gridSMART territory. That's
7 located in northeast Columbus, correct?

8 A. Yes.

9 Q. Now, you think 30 minutes is too high,
10 but you have not offered a specific number for what
11 you think the travel time should be, have you?

12 A. I believe that the company's application
13 that the company has the burden of proof to support
14 these numbers that have -- that are part of the
15 application. I don't believe that any purpose would
16 be served for me to be estimating a particular amount
17 of time.

18 Q. Mr. Williams, it's a simple "Yes" or "No"
19 question. You have -- Mr. Williams, let me finish.

20 MR. STINSON: I object because the
21 witness is permitted to explain his answer. It is
22 not a simple "Yes" or "No" question.

23 MR. MCKENZIE: Your Honor, he is giving
24 an answer and then a nonresponsive diatribe for
25 pretty much every question I have asked.

1 ATTORNEY EXAMINER MCKINNEY: I
2 understand. I will warn the witness to try to keep
3 your answers succinct and direct to the question
4 asked.

5 Please repeat your question,
6 Mr. McKenzie.

7 MR. MCKENZIE: Thank you.

8 Q. You've criticized the 30-minute travel
9 time for the gridSMART area, but you don't have a
10 specific number for what that travel time should be,
11 do you?

12 A. I do not.

13 Q. Thank you. And you haven't done any
14 analysis of how long it takes to get from an AEP Ohio
15 facility to any particular opt-out customer in the
16 gridSMART territory, have you?

17 A. You are talking about AMI or AMR now?

18 Q. I may have misspoken. No, I am saying
19 you haven't done any analysis of how long it takes to
20 get from an AEP Ohio facility to a gridSMART
21 territory customer with an AMI meter?

22 A. I've not.

23 Q. Thank you. You haven't done any analysis
24 of what the traffic is like in that area of town,
25 have you?

1 A. No, I've not.

2 Q. And you have no idea how hard it is to
3 find parking in that area of town?

4 A. I don't think of parking being a big
5 issue in northeast Columbus, but I haven't done an
6 analysis.

7 Q. Is your objection to the 30 minutes
8 premised on your assumption that multiple opt-out
9 customers could be combined in a single trip to
10 perform manual meter readings?

11 A. I believe that a lot of options could be
12 looked at to reduce that travel time including
13 potentially kind of aggregating the customers for the
14 purpose of reading them all at the same time.

15 Q. How many customers do you think could be
16 combined?

17 A. If there's 12 customers on the -- that
18 are on the opt-out program now, that doesn't seem to
19 be much of a ground swallow.

20 Q. Do you know where those customers are
21 located?

22 A. Oh, I do not. I just know that they are
23 in northeast Columbus.

24 Q. Do you agree there could be operational
25 factors, for example, employees take vacation or time

1 off due to illness that might affect the potential
2 ability to combine opt-out customers in a single
3 manual meter reading trip?

4 A. I suspect there could be operational
5 reasons or -- there could be some challenges.

6 Q. And in order to combine customers in the
7 way you are suggesting, they would be -- would have
8 to be in close proximity, correct?

9 A. Yes. Northeast Columbus is in my own
10 mind though close proximity.

11 Q. But you don't have any expertise in
12 reading meters, correct?

13 A. No, I don't.

14 Q. And you don't have any expertise in
15 designing meter reading routes, correct?

16 A. No.

17 Q. Or any expertise in managing a team of
18 meter readers most efficiently?

19 A. No, I do not.

20 Q. But there are many people within AEP Ohio
21 that have that experience, correct?

22 A. I suspect there are.

23 Q. Thank you. So regardless of whether it's
24 a -- it's conservative in your opinion to use a
25 30-minute travel time for the gridSMART territory, do

1 you agree that the 30-minute travel time as an
2 average time -- excuse me. Do you claim that the
3 30-minute travel time as an average time throughout
4 AEP Ohio's territory is a conservative or erroneous
5 number?

6 MR. STINSON: Could I have that reread,
7 please.

8 ATTORNEY EXAMINER McKINNEY: Can we have
9 that read back.

10 (Record read.)

11 MR. STINSON: I really don't understand
12 the question.

13 MR. McKENZIE: The witness can answer if
14 he understands it.

15 A. I don't understand the question.

16 Q. Let me rephrase. You've questioned the
17 30-minute time to northeast Columbus, correct?

18 A. I said that 30 minutes seemed excessive
19 for the 12 customers that are in the --

20 Q. Do you think that includes both AMI and
21 AMR meters throughout AEP Ohio's territory?

22 A. I don't know. I don't know where these
23 AMR meters are even installed.

24 Q. Fair enough.

25 A. I can only speak to the AMI.

1 Q. Okay. Now, you've questioned the numbers
2 in Exhibit E here on the grounds that they are
3 proposed in the context of manual reads of commercial
4 meters, correct?

5 A. Yes. The context of this -- this tariff
6 is completely different than the way that it's being
7 used now.

8 Q. Okay. Now, with respect to the travel
9 time, you are not aware, are you, of the distribution
10 of commercial customers in AEP Ohio's territory,
11 correct?

12 A. I'm not.

13 Q. And so you can't say what the difference
14 in travel time might be between an industrial
15 customer and a residential customer, correct?

16 A. I'm assuming these would be items that
17 were looked at when this charge was proposed
18 originally and there was some evaluation of where
19 these customers are at, how long it takes to get
20 there, those types of things.

21 Q. I am just asking about your knowledge.
22 You have no way yourself to tell the difference in
23 travel time between an industrial customer and a
24 residential customer, correct?

25 A. No.

1 Q. Thank you. In fact, you don't even know
2 if there is a difference, do you?

3 A. I would suspect that there's a difference
4 for a reading a residential customer as opposed to an
5 interval meter for these types of customers.

6 Q. Right now, I am just talking about
7 average travel time.

8 A. Oh, travel time, I don't know.

9 Q. So you don't know whether there is a
10 difference.

11 A. I don't know if there is a difference
12 without knowing the locations. Again, all part of
13 what I would have hoped would have been applied as
14 part of the application. I wouldn't know.

15 Q. You have no basis to question the
16 30-minute time figure for residential customers?

17 A. No, I don't.

18 Q. Thank you. Let's go to the next line in
19 the chart, please, line 2, you see it says "Labor:
20 MRO Electrician A @ \$28.76 per hour plus fringes at
21 65%." Do you see that?

22 A. I see that.

23 Q. Okay. You understand this is referring
24 to an hourly wage plus fringe benefits of an
25 electrician to perform a manual meter read in this

1 context, correct?

2 A. Yes. I take this to mean an AEP
3 electrician to read this.

4 Q. Okay. Now, referring to what this says
5 here, which is an AEP electrician, you have no reason
6 to doubt that an AEP MRO electrician's wage is 28.76
7 per hour, correct?

8 A. I didn't look at it, so I don't have an
9 opinion.

10 Q. And, excuse me, and you don't have any
11 reason to doubt the fringes at 65 percent, correct?

12 A. If it's an AEP employee and that's
13 standard as part of these types of filings, I
14 wouldn't question it. If it's a subcontract -- I
15 suspect a subcontractor performing this work, I would
16 probably question it.

17 Q. But this is for an AEP electrician,
18 correct?

19 A. That's what was proposed.

20 Q. Do you have any understanding of how
21 often AEP Ohio uses subcontractors to read meters?

22 A. No. I would hope that to the extent that
23 these costs can be kept down through the use of
24 subcontractors including for the opt-out tariff, that
25 they would be used.

1 Q. And you don't have any understanding, do
2 you, of how the use of contractors would either go up
3 or down as advanced meters are rolled out?

4 A. I don't.

5 Q. Okay. Thank you. And back to the
6 distinction between commercial meters and residential
7 meters, you don't have any reason to suggest that the
8 wage or fringes rate for an MRO electrician A changes
9 depending on whether it's a residential meter or a
10 commercial meter, do you?

11 A. Oh, I think it's part of the information
12 that I would expect to see as part of some type of a
13 cost to service. At this point it's just what the
14 company has applied for.

15 Q. Okay. I believe you said you expected to
16 see information in AEP Ohio's application regarding
17 the use of contractors to read meters; did I hear you
18 correctly?

19 A. Well, I am -- to the extent that
20 contractors can help reduce the costs for opt-out
21 customers, it seems like that would be a practical
22 thing to look at.

23 Q. Did OCC submit any discovery requests
24 regarding the use of contractors?

25 A. I don't believe so.

1 Q. Let's go to the next line which is
2 vehicle costs. You haven't evaluated this vehicle
3 cost figure. You don't have any reason to question
4 it, correct?

5 A. It is -- it's just stating a line item.

6 Q. So you don't question it.

7 A. No.

8 Q. And you don't have any opinion about
9 whether the vehicle cost numbers would be different
10 if we were talking about a residential meter instead
11 of a commercial meter?

12 A. I don't know what the difference would
13 be.

14 Q. So no opinion.

15 A. No opinion.

16 Q. Okay. Now, you have questioned the next
17 line which is "Average time at meter single phase:
18 15 minutes," correct?

19 A. Yes.

20 Q. And though you've questioned it you don't
21 know what the steps in reading a meter are, do you?

22 A. I've looked at the company website, have
23 printed off copies of FAQ sheets for how to read
24 meters. I've read meters myself and, you know, just
25 from my own meter, and it certainly was not a

1 15-minute -- it certainly didn't require 15 minutes,
2 although it may take 15 minutes to read an interval
3 meter. I don't know.

4 Q. Now, I just -- I think we know the answer
5 to this, but you have never been a meter reader
6 before, correct?

7 A. I've not.

8 Q. You have never gone on a meter reading
9 route.

10 A. No, I have not.

11 Q. You've never supervised meter readers.

12 A. No, I have not.

13 Q. Thank you. You don't know what meter
14 readers have to do to enter data into the AV system,
15 correct?

16 A. I am not familiar with that.

17 Q. And you don't know how long it takes to
18 upload and download data from the handheld device?

19 A. No, I don't.

20 Q. You don't know how long it takes on
21 average to walk from a vehicle to a meter; that could
22 depend, right?

23 A. Or walk house to house, it seems like
24 that could take a few seconds.

25 Q. Right. But, now, are you thinking of an

1 urban or suburban area when you say that?

2 A. I'm thinking of like some of the routes
3 that we've talked about this morning where there's
4 traditional meters and AMR meters all along the same
5 meter reading route.

6 Q. And, again, as we've discussed, this
7 tariff will apply to both AMI and also AMR meters
8 that are throughout AEP Ohio's territory, correct?

9 A. Yes. Although, again, I would want to
10 also caveat that I believe that the number of AMR
11 meters based upon the application that AEP has made
12 for the phase II gridSMART program and the number of
13 AMR meters that have already been installed as well
14 as the 132,000 meters in the pilot area, it seems
15 like the number of AMR meters would be pretty much
16 completed. And I say that because there's -- the
17 company has applied for 890,000 AMI meters as part of
18 phase II, 132,000 that are already installed, and
19 there's 487,000 AMR meters so it does seem like that
20 deployment is pretty much complete.

21 Q. Well, let's look right now. The company
22 has currently installed 487,000 AMR meters, correct?

23 A. Yes.

24 Q. And that's approximately a third of AEP
25 Ohio's total of 1.5 million meters, correct?

1 A. Yes, it is.

2 Q. Whereas -- and 70 customers have opted
3 out of AMR meters, right?

4 A. A mere 70 customers out of 487,000.

5 Q. Right. And then you say in your
6 testimony that gridSMART right now is 9 percent of
7 the 1.5 million. You say that in your testimony,
8 correct?

9 A. Yes, I did.

10 Q. That's about 15,000 compared to the
11 nearly 500,000 AMR meters?

12 A. Yes.

13 Q. And only 12 customers have opted out of
14 AMI compared to 70 for AMR, correct?

15 A. That's my understanding.

16 Q. So sitting here today in terms of both
17 total number of meters and total number of opt outs,
18 AMR is much larger than AMI, correct?

19 A. There's -- there's been far more AMR
20 meters installed than AMI so far.

21 Q. And let --

22 A. There is a pending -- there is a pending
23 application though where the company has proposed to
24 install an additional 800,000 or 890,000 AMIs.

25 Q. Okay. And so going back to our

1 discussion about how long it takes to read a meter, I
2 assume you've traveled to urban areas in Ohio at some
3 point in your life, correct?

4 A. Yes, I have.

5 Q. And you are aware that houses can often
6 be quite far apart from each other in those
7 territories, right?

8 A. Or they can be very close.

9 Q. Right. It varies throughout the
10 territory, correct?

11 A. Yes, it does.

12 Q. But the 15-minute time proposed here is
13 an average time, correct?

14 A. Yes. I assume that's proposed as
15 average.

16 Q. Right. And you don't know how long it
17 takes for a meter reader to overcome obstacles like
18 fences or bushes or things like that, correct?

19 A. No, I don't.

20 Q. You don't know how long it takes to
21 locate a meter?

22 A. I think it is a case-by-case basis and
23 that's why the Commission specifically addressed with
24 AMR the -- that AEP work with customers to try to
25 address the metering concerns.

1 Q. Let me just get an answer to that last
2 question. You don't know how long it takes to locate
3 a meter?

4 A. No, I don't.

5 Q. Okay. There could be a dog with a fence
6 and the meter reader has to get the homeowner to
7 bring the dog inside. That could take some time,
8 right?

9 A. I -- there's a case by case.

10 Q. Right. You don't have any specifics
11 about any of these factors, right?

12 A. No. I'm just looking at a tariff -- or
13 at a charge that was proposed for one purpose that's
14 now being applied to something different and --

15 Q. So if it's case by case, would you rather
16 that AEP Ohio instead of providing an average time
17 keep track of the time and bill it individually to
18 each customer?

19 A. Well, I don't know that I have an opinion
20 on that one way or the other as I sit here today.

21 Q. So an average time is probably going to
22 be the way it gets done, correct?

23 A. Again, I believe that the AMR customers'
24 time though was based upon what was proposed for
25 another application that's now being applied to this.

1 Q. Okay. I'm sorry. We may have covered
2 this, but you are not proposing a specific figure
3 other than the 15 minutes here, correct?

4 A. For the amount of time?

5 Q. Yeah. On line 4 average time at meter 15
6 minutes, you are not proposing a specific figure for
7 what that time should be, correct?

8 A. No, I am not.

9 Q. Let's talk quickly about the \$43 one time
10 charge which we mentioned earlier. You understand
11 that AEP Ohio proposed the \$43 figure in this chart
12 as the one-time fee for replacing an advanced meter
13 with a traditional meter, I think we went over this;
14 is that right?

15 A. Yes, we have.

16 Q. Okay. Now, you don't have any idea how
17 long it takes to replace an advanced meter with a
18 traditional meter, correct?

19 A. No, I don't.

20 Q. Could be 15 minutes, correct?

21 A. Could be.

22 Q. Could be longer?

23 A. I don't know.

24 Q. Okay. All right. Now, in your testimony
25 you propose, I think we covered this, that the

1 Commission waive advanced meter opt-out charges
2 currently for AEP Ohio customers; is that correct?

3 A. Can you -- I would like to try to get on
4 the same page in my testimony with you if you tell me
5 where you are at.

6 Q. I believe we are on page 4, line 13. You
7 have your testimony in front of you?

8 A. I do.

9 Q. Okay. Page 4, line 13, you state
10 "Because AEP Ohio's advanced meter deployment is a
11 pilot program, the PUCO" -- excuse me, "the PUCO
12 should consider this to be a special circumstance
13 where separate charges on customers to opt out of the
14 advanced meter should be waived at this time." Did I
15 say your testimony correctly?

16 A. Yes, you did.

17 Q. When you say special circumstances --
18 actually excuse me. Let me take you one line higher
19 up back to line 11, page 4. You also say there "But
20 the rules also contemplate special tariff provisions
21 related to circumstances that are not addressed by
22 rules"; is that correct?

23 A. Yes, that's what the rule specifies.

24 Q. And when you say the rule, I think you
25 have a citation here, are you referring to OAC

1 4901:1-10-05(J)(5)(b)(i)?

2 A. That would be the rule.

3 Q. Okay. We'll come back to that in a
4 second. But say AEP Ohio's advanced meter deployment
5 is a pilot program. You are referring to gridSMART
6 phase I, correct?

7 A. Yes. My understanding of phase -- of
8 gridSMART phase I was that it was a demonstration
9 project that was proposed with the Department of
10 Energy and the PUCO to -- to install a number of
11 different technologies just to determine how suited
12 they were and to basically demonstrate these
13 technologies in AEP's service territory. One part of
14 the gridSMART phase I was the smart meters.

15 Q. So when you say that there should be
16 special tariff provisions because gridSMART phase I
17 is a pilot program, then you're not giving any
18 opinion with respect to the charges for AMR
19 customers; is that right?

20 A. The context of my testimony here is
21 specific to the phase I. And because that is a pilot
22 project, the reports have demonstration written all
23 over them. It's very much a pilot program to charge
24 customers to not have an -- a smart meter in a
25 situation where it is a pilot program didn't appear

1 to me to be reasonable. AMR is a little different in
2 answering that other question you brought up because
3 in case of AMR, it's not a two-way communications
4 device, and I believe that the Commission entry on
5 rehearing already sufficiently addressed that, that
6 the advanced meter opt out should be one of many
7 options available for customers.

8 Q. And so the Commission has said that the
9 opt-out tariff would apply to both AMI and AMR,
10 correct?

11 A. Yes.

12 Q. Okay. And your rationale for waiving the
13 charge in gridSMART is that it's a pilot program as
14 we've covered, correct?

15 A. Very much the same way that AEP is
16 demonstrating technologies that it can use for its
17 own purposes and to obtain efficiencies, customers
18 are evaluating these new technologies also and might
19 have concerns with them.

20 Q. So your pilot program rationale would not
21 apply to AMR meters, correct, because those are not a
22 pilot program, correct?

23 A. The context of my testimony here is
24 specific to AMI, the pilot program.

25 Q. So let's take it one step at a time. AMR

1 is not a pilot.

2 A. Not a pilot.

3 Q. And so the focus of your testimony here,
4 that is the rationale you give, does not apply to
5 that AMR rollout.

6 A. I wanted to be specific here to the pilot
7 program. But the fact that the AMRs have also been
8 brought into the case, it also needs to be addressed
9 as well. Customers should have options to an
10 advanced meter opt out.

11 Q. It was not clear when you filed your
12 testimony that AMRs were a part of this case?

13 A. No. It was clear.

14 Q. It was clear.

15 A. It was clear. It is clear.

16 Q. But you chose in your testimony to only
17 focus on AMI, correct?

18 A. The smart meters, the concerns that
19 people have expressed about smart meters, I wanted to
20 focus it on that. But to be clear I am opposing the
21 Commission approval of this stipulation at all
22 including both AMI and AMR but for different reasons.

23 Q. And your pilot program reason is not the
24 reason you are opposing AMR, correct?

25 A. Well, ultimately for both of them I would

1 like to see customers getting some of the benefits
2 from -- from these new technologies before the
3 company continues and starts charging customers to
4 opt out of having them.

5 Q. Mr. Williams, my question was your pilot
6 program rationale on page 4 of your testimony is not
7 the basis of your opinion with respect to AMR meters,
8 correct?

9 A. No. This was very specific to the pilot.

10 Q. Okay. Let's talk about the special
11 tariff provisions. Do you have OAC 4901:1 -- I am
12 not going to read the whole thing. Do you have the
13 special tariff provisions -- provision in front of
14 you?

15 A. No, I do not.

16 Q. Okay.

17 A. I mean, I have what I cited, to the rule
18 that I cited within my testimony.

19 Q. I am going to ask you some questions
20 about the rules so.

21 MR. McKENZIE: I am happy to do this
22 without marking it. That's what I would do but if
23 you would like me to mark it, I can. This is the
24 finding and order that contains the provision of the
25 OAC that Mr. Williams is referring to. It's the --

1 ATTORNEY EXAMINER McKINNEY: 12-2050.

2 MR. McKENZIE: Yeah, 12-2050. It's on
3 the October 16, 2013, order in that case.

4 MR. STINSON: If it's an order, I don't
5 think it needs to be marked, but if you have an extra
6 copy, I wouldn't mind seeing it.

7 MR. McKENZIE: Let me just ask then --
8 your Honor, I would ask that this be taken judicial
9 notice of since it is a Commission order.

10 ATTORNEY EXAMINER McKINNEY: We are going
11 to mark it and take administrative notice of it.

12 MR. McKENZIE: Okay.

13 ATTORNEY EXAMINER McKINNEY: Mark it AEP
14 Exhibit 5.

15 (EXHIBIT MARKED FOR IDENTIFICATION.)

16 MR. STINSON: Just before we begin, would
17 it be preferable to work off of the rule that
18 actually has been adopted and is a part of the
19 Commission's rules?

20 ATTORNEY EXAMINER McKINNEY: We can take
21 administrative notice of the order. He can use it as
22 he likes, but we can note for the record this is not
23 the final rule that was adopted by the Commission.

24 MR. McKENZIE: I am using this order
25 because I am going to ask questions based on the

1 language in this order; but, you know, we have the
2 final order here.

3 MR. STINSON: Well, just let the record
4 reflect this is an order. We don't know what the
5 rehearing states, and we would prefer to work off the
6 rule as approved.

7 ATTORNEY EXAMINER McKINNEY: The entry on
8 rehearing has already been introduced as AEP Exhibit
9 3, I believe.

10 MR. McKENZIE: Could we go off the record
11 just one second?

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

14 (Discussion off the record.)

15 ATTORNEY EXAMINER McKINNEY: Let's go on
16 the record.

17 I would like to note for the record the
18 section of the Ohio Administrative Code which is
19 4901-10-05 will be marked AEP Exhibit 6. And I am
20 going to take administrative notice of that section.

21 (EXHIBIT MARKED FOR IDENTIFICATION.)

22 ATTORNEY EXAMINER McKINNEY: Mr.
23 McKenzie, the floor is yours.

24 MR. McKENZIE: Thank you.

25 Q. (By Mr. McKenzie) Mr. Williams, do you

1 have AEP Exhibit 6 in front of you?

2 A. The rule or the finding?

3 Q. The rule.

4 A. I do.

5 Q. Let's turn to Subsection (J)(5) which is
6 on the fourth page. And then if you'll go with me
7 then to (J)(5)(b)(i).

8 A. I'm there.

9 Q. It says "In the event special tariff
10 provisions are required due to circumstances not
11 addressed in this rule, the electric utility shall
12 address those circumstances in its tariff
13 application, but shall make its best efforts to
14 maintain consistency with the rules herein." Do you
15 see that?

16 A. Yes, I do.

17 Q. And that's what you were referring to in
18 your testimony when you said "special tariff
19 provisions"; is that correct?

20 A. I consider the phase I pilot to be a
21 special tariff provision.

22 Q. So the -- let me make sure I understand.
23 The phase I pilot in your view is a "circumstance not
24 addressed in this rule"; is that what you are saying?

25 A. I read this perhaps a little more

1 broadly. I viewed this as being that there can be --
2 there can be times provisions that are needed where
3 applying the opt-out tariff may not make sense at a
4 particular time and so the -- and so AEP could
5 address that within its application.

6 Q. Well, in your testimony you said -- I'm
7 on page 4, line 13, "Because AEP Ohio's advanced
8 meter deployment is a pilot program, the PUCO should
9 consider this to be a special circumstance." Do you
10 see that?

11 A. Yes, I do.

12 Q. And in your testimony you didn't identify
13 any other special circumstances other than the fact
14 that gridSMART phase I is a pilot program, did you?

15 A. No. And my testimony in this specific
16 section I was addressing phase I.

17 Q. Did you address special -- so-called
18 special circumstances anywhere else in your
19 testimony?

20 A. I believe this is -- this is the one area
21 where I addressed the fact that the special
22 circumstance may be appropriate given this -- given
23 that this is a pilot program.

24 Q. So it's your testimony that the only
25 special circumstance within the meaning of Subsection

1 (J)(5)(b)(i) is the fact that AEP Ohio's gridSMART
2 phase I AMI deployment is a pilot program, correct?

3 A. In the scope of this paragraph, that is
4 the context.

5 Q. And there are -- you don't refer to any
6 other special circumstances anywhere else in your
7 testimony, correct?

8 A. No. It just seemed as though this is a
9 special circumstance where it wouldn't apply.

10 Q. So let me ask again, the only special
11 circumstance within the meaning of (J)(5)(b)(i) that
12 you propose in your testimony is the fact that AEP
13 Ohio's gridSMART phase I is a pilot program, correct?

14 A. That was the intent of my testimony.

15 Q. Correct?

16 A. Yes.

17 Q. Thank you. So let me direct you back to
18 the rule, to the provision we have been talking
19 about, which is (J)(5)(b)(i). The last phrase there
20 it says "but," and it's refers -- the subject is the
21 utility but the utility "shall make its best efforts
22 to maintain consistency with the rules herein." Do
23 you see that?

24 A. Yes, I do.

25 Q. So your understanding is if there are

1 special circumstances that require special tariff
2 provisions, the utility still must make its best
3 efforts to maintain consistency with the other rules
4 in this section of the OAC, correct?

5 A. Yeah. The way that I understand this is
6 that there can be special provisions. This might be
7 one of those special provisions but that there's
8 still a best effort to maintain consistency. And
9 that could include providing customers options to
10 address this stuff as opposed to produce the meter
11 reads as opposed to an advanced meter opt-out tariff
12 with a fee.

13 Q. Okay. On the topic of maintaining
14 consistency let me address your attention to
15 Subsection (J)(5)(c). Could you read that for the
16 record, please.

17 A. "An electric utility may establish a
18 one-time fee to recover the costs of removing an
19 existing advanced meter, and the subsequent
20 installation of a traditional meter."

21 Q. So even though this says that the utility
22 may establish a one-time fee, you're proposing that
23 there's a special circumstance to waive a fee,
24 correct?

25 A. I believe that at this particular time

1 that that -- the fee should be waived.

2 Q. And in your view that maintains
3 consistency with Subsection (c)?

4 A. I don't see it as inconsistent.

5 Q. You don't see waiving a fee as
6 inconsistent with the provision that establishes a
7 fee?

8 A. I believe that -- that because this is a
9 pilot program that it could be appropriate to
10 address -- address it that the fee will be determined
11 at a later time.

12 Q. That wasn't my question. In your view is
13 a special tariff provision that waives a fee
14 consistent with the provision of the rule that
15 establishes a fee?

16 A. I believe that the company as part of its
17 application could say that it's waiving that fee
18 until some point in the future, yes. I don't see it
19 as inconsistent.

20 Q. The company didn't do that here though,
21 didn't it?

22 A. The company did not do it.

23 Q. And if you go down to Subsection (d)
24 there, it discusses a recurring fee, correct?

25 A. Yes, it does.

1 Q. Why don't you read Subsection (d) for the
2 record, please.

3 A. "An electric utility may establish a
4 recurring fee to recover costs associated with
5 providing meter reading and billing services
6 associated with the use of a traditional meter."

7 Q. So, once again, with respect to the
8 recurring fee, it's your view that a provision
9 waiving the recurring fee is consistent with this
10 Subsection (d) which establishes a recurring fee; is
11 that correct?

12 MR. STINSON: I am going to object.
13 There is a mix of rules, that best effort to maintain
14 consistency.

15 ATTORNEY EXAMINER McKINNEY: Mr.
16 McKenzie, response?

17 MR. McKENZIE: I am happy to rephrase,
18 your Honor.

19 ATTORNEY EXAMINER McKINNEY: Please
20 rephrase.

21 Q. So in your view a special tariff
22 provision waiving fees would represent best efforts
23 to maintain consistency with a provision establishing
24 a recurring fee, correct?

25 A. I don't understand your question.

1 Q. Sure. Let me rephrase. You proposed
2 that the Commission waive fees including the
3 recurring fee for AEP Ohio customers who wish to opt
4 out from advanced meters, correct?

5 A. That is correct.

6 Q. And as we've discussed pursuant to the
7 rule, any special tariff provision must represent
8 best efforts to maintain consistency with the other
9 rules in here, correct?

10 A. Yes.

11 Q. I am just asking you how it could be that
12 a tariff provision waiving a recurring fee would
13 represent best efforts to maintain consistency with
14 the provision that establishes a recurring fee.

15 A. Again, in the context of my testimony we
16 are talking about a pilot program. We are talking
17 about at some point in time in the future then
18 determining what these costs are. But I would say
19 that because this is a pilot charging 12 customers an
20 opt-out fee not to have an advanced meter to me
21 seemed to be inconsistent or part of what the
22 Commission was addressing when it put this special
23 provision section into the rules, that it may not fit
24 all situations.

25 Q. And, again, the pilot program is

1 9 percent of AEP Ohio's meters?

2 A. Approximately.

3 Q. AMR are almost a third?

4 A. But, again, if we are talking about AMR,
5 the Commission also in the interim hearing required
6 the company -- AMR doesn't qualify as a two-way
7 communications device using the definition of an
8 advanced meter, and the Commission, I think, was
9 explicit in requiring the company to provide options
10 to the advanced meter opt-out tariff.

11 Q. And we've discussed this tariff as
12 proposed applies to AMR and AMI meters; is that
13 correct?

14 A. That's the application. I don't know
15 that it necessarily.

16 Q. And the rehearing order that you are
17 discussing explicitly said that the opt-out charge
18 should apply to AMR meters, correct?

19 A. That was an option. But, again, the
20 interim hearing addressed there should be multiple
21 options. The company ought to be working on a
22 case-by-case basis with customers.

23 Q. Okay. Let's move on.

24 A. A \$288 charge a year for obtaining meter
25 readings is not insignificant.

1 Q. So if the Commission waives opt-out fees
2 as you propose, AEP Ohio will still have costs to
3 provide opt-out service, correct?

4 A. There may be some costs. I suspect that
5 those costs could be minimal depending on how they
6 are -- how they are evaluated, how they are -- what
7 final solutions are looked at.

8 Q. You know, I didn't ask you to speculate
9 on what the level of costs would be. You would agree
10 with me that if the Commission waives opt-out fees,
11 AEP Ohio will still have costs for providing opt-out
12 service to customers, correct?

13 A. There may be costs but I don't know that
14 those costs are more than what the company has
15 already received in base rates. I don't know that.

16 Q. Once again, I'm just asking you whether
17 there will be costs. "Yes" or "No."

18 A. Can there be costs? Yes. But there's
19 not a cost-to-service study either to characterize
20 what these costs are.

21 Q. Okay. And if the Commission accepts your
22 proposal, those costs, whatever they may be for
23 opt-out service, as you just said, those costs would
24 not be borne solely by the customers who elect
25 opt-out service, correct?

1 A. To the extent that those -- those costs
2 are, you know, incurred, I am not sure that the
3 company is incurring any additional costs as I would
4 look at this. The company is recovering costs in
5 base rates for providing this service. The company
6 is receiving through a rider the gridSMART recovery
7 of phase I, of the gridSMART phase I, and the DIR, so
8 I'm not sure that the company is incurring any
9 additional costs. Are there some costs? Yes. Are
10 there additional costs? I don't know.

11 Q. You don't think the company incurs
12 additional costs at the very least to provide manual
13 meter reads for opt-out customers?

14 A. There may be some amount of time to do
15 that, yes.

16 Q. So there will be manual meter read costs
17 if that -- that are not recovered with opt-out fees
18 for providing opt-out service under your proposal,
19 correct?

20 A. There could be. There may be some --
21 some costs. If customers were to provide their own
22 meter read as something -- another recommendation
23 that I made, perhaps there is even less.

24 Q. Well, we will get to that. Let me direct
25 your attention to the rule again. Now, I would like

1 to look at Subsection (5)(e). Could you please read
2 subsection (5)(e) for the record.

3 A. "Costs incurred by an electric utility to
4 provide advanced meter opt-out service shall" only --
5 "shall be borne only by customers who elect to
6 receive advanced meter opt-out service."

7 Q. Now, that provision you just read uses
8 the word "shall," correct?

9 A. Yes, it does.

10 Q. And it also uses the word "only" meaning
11 only by customers who elect to receive advanced meter
12 opt-out service, correct?

13 A. That is correct.

14 Q. So you -- I believe you've agreed with me
15 there will be costs to provide advanced meter opt-out
16 manual meter reads, but under your proposal those
17 costs would not be borne solely by customers who
18 elect to receive advanced meter opt-out service,
19 correct?

20 A. That is correct but, again, as a special
21 circumstance, another provision that the Commission
22 supported in their rules.

23 Q. Once again, the special circumstances
24 provision requires the company to make its best
25 efforts to maintain consistency with the rules,

1 correct?

2 MR. STINSON: Objection, asked and
3 answered.

4 ATTORNEY EXAMINER McKINNEY: Sustained.
5 It's been asked and answered.

6 Q. So if customers -- if the costs of
7 providing advanced meter opt-out service are not
8 being borne solely by the customers who elect that
9 service, that's not very consistent with these rules,
10 is it?

11 A. We're talking about 12 customers in the
12 gridSMART phase I area who are participating and who
13 have chose not to have an advanced meter.

14 Q. Mr. Williams, my question wasn't the
15 number of customers. My question was it's -- it
16 wouldn't be consistent with these rules to waive fees
17 so that the costs of providing opt-out service are
18 not being borne solely by the customers who elect
19 that service, correct?

20 MR. STINSON: Could I have that reread,
21 please.

22 ATTORNEY EXAMINER McKINNEY: Can we have
23 it reread from the record.

24 (Record read.)

25 MR. STINSON: I think we are still

1 missing the best efforts language.

2 ATTORNEY EXAMINER McKINNEY: I'll allow
3 the witness to answer the question if he understands
4 the question.

5 A. I'm still not sure I understand.

6 Q. Let me ask the question again. Under
7 your proposal to waive fees, that proposal would not
8 be consistent, would it, with Subsection (e) because
9 under your proposal the costs of providing opt-out
10 service are not going to be borne solely by advanced
11 meter opt-out customers, correct?

12 A. That cost would be paid -- whatever that
13 cost is would be paid by all, yes.

14 Q. Not solely by opt-out customers.

15 A. That's correct.

16 Q. And in that sense it would be that your
17 proposal would be inconsistent with (e), Subsection
18 (e)?

19 A. But that's why I consider this to be a
20 special tariff provision where this tariff would not
21 apply in a case where -- where this is a pilot
22 program.

23 Q. But you agree that your proposal is
24 inconsistent with Subsection (e).

25 A. To the extent that those costs could be,

1 you know, specifically determined, you know, I think
 2 that the rule speaks for itself. What I've
 3 questioned is whether or not these costs have been
 4 sufficiently addressed, whether or not these are
 5 reasonable costs that are being proposed to begin
 6 with so. But, yes, if the cost -- if the costs could
 7 be identified, they -- the opt-out customer, you
 8 know, the rule would support the opt-out customer
 9 paying for them. So the question I think becomes
 10 more what are those costs and are they reasonable?

11 Q. But putting that issue aside, you've
 12 agreed there are costs, correct?

13 A. There could be some limited costs, I
 14 suspect, of pushing an extra button or maybe getting
 15 out of the truck and looking at a meter.

16 Q. So your proposal would have those costs
 17 be borne by all customers --

18 MR. STINSON: Objection. I think we've
 19 gone over this --

20 MR. MCKENZIE: I'll move on.

21 MR. STINSON: -- ad infinitum.

22 Q. Let's turn to page 9, line 10 of your
 23 testimony.

24 A. I'm there.

25 Q. Okay. You -- excuse me. You state -- I

1 am actually on line 10, page 9, line 10, "The
2 customers in the gridSMART Phase I pilot area should
3 be provided a reasonable opportunity over time to
4 learn about, and possibly accept, the new technology
5 free from the charges proposed in the Stipulation."
6 That's your testimony, correct?

7 A. That is my testimony.

8 Q. And when you say "a reasonable
9 opportunity over time to learn about advanced
10 meters," you're talking about a few years, correct?

11 A. That's what I had in mind when I was
12 preparing this.

13 Q. But you are aware, aren't you, that
14 gridSMART phase I, all of the meters, the AMI meters,
15 in gridSMART phase I were installed by 2010, correct?

16 A. They were and I suspect that there were
17 probably more customers that had concerns with them
18 than the 12 customers that have concerns today.

19 Q. So the gridSMART customers have already
20 been given roughly five years to learn about advanced
21 meters, correct?

22 A. I don't know the specific amount of time.
23 I believe they were installed in '11, by '11.

24 Q. We just went over they were installed by
25 2010; is that correct?

1 A. It seems to me I saw some discovery that
2 showed they were being installed even into 2011.

3 Q. Whether it is 2010 or 2011 it's at least
4 a few years, correct, four or five years?

5 A. Since they were installed but, you know,
6 whether or not -- you know, I don't know that that
7 necessarily has any impact on -- in terms of what I
8 am seeing here, that customers should have time -- as
9 long as this is a pilot program and AEP is evaluating
10 other aspects about the gridSMART phase I, customers
11 should have an opportunity to understand and work
12 through the different concerns that they have.

13 I think that's especially important here
14 where -- where, you know, earlier today we talked
15 some about the information that's provided to
16 customers that choose to opt out of. This is not
17 even for AMI but AMR, the type of information that's
18 being received, whether or not it actually addresses
19 customer concerns. I've not seen anything, any
20 information that's provided to customers addressing
21 any of the AMI types of issues, the typical SmartGrid
22 types of issues.

23 Q. Mr. Williams, "Yes" or "No"? You stated
24 that the customers of the gridSMART phase I should be
25 provided a reasonable opportunity over time to learn

1 about and possibly accept the new technology? "Yes"
2 or "No."

3 A. That's my testimony.

4 Q. And you said that a reasonable
5 opportunity is a few years? "Yes" or "No."

6 A. I'm thinking about a few years from now.
7 I see this as very much an ongoing pilot program, an
8 ongoing demonstration.

9 Q. Do you think it's a few years from now?

10 A. I don't see this as anything immediate.
11 I wanted -- I felt that customers should have an
12 opportunity to adapt this technology, and hopefully
13 the 12 customers may dwindle to even further.

14 Q. Now, do you remember -- you recall, first
15 of all, you were deposed for this case, correct?

16 A. Yes, I do.

17 Q. And do you recall I asked you the same
18 question what a reasonable opportunity means? Do you
19 remember that?

20 A. Yes, I do.

21 Q. And do you recall that you said "When I
22 was drafting this, I was thinking in terms of a few
23 years." Do you recall that?

24 A. That is correct.

25 Q. And you did not say in deposition a few

1 years from now, did you?

2 A. That's certainly the context in which
3 this is intended. I am not addressing when these
4 things were installed originally.

5 Q. But the first time I asked you this
6 question under oath, you did not say a few years from
7 now, did you?

8 ATTORNEY EXAMINER McKINNEY: Mr.
9 McKenzie, I am going to stop you. That's an improper
10 impeachment, so I am going to keep you from asking
11 that question, and I will allow the witness not to
12 answer that question. Ask you to move on.

13 MR. McKENZIE: I will move on.

14 Q. You don't have an opinion one way or
15 another about whether AEP Ohio and other utilities
16 should install advanced meters, correct?

17 A. I am not sure I understand your question.
18 Whether or not they should install them, I am not
19 sure I know what you are asking me.

20 Q. You don't one way or the other support
21 the deployment of advanced meters?

22 A. No. I think that, you know, the advanced
23 meters are the advanced meters, and to the extent
24 customers are getting benefits from them, they can be
25 supported through a proper cost benefits studies.

1 The cost can be recovered through customers through
2 traditional ratemaking processes. Perhaps they are
3 supported.

4 Q. And you don't have an opinion one way or
5 the other about whether there should be incentives
6 for customers to switch to advanced meters?

7 A. I don't know that there needs to be an
8 incentive. I tend to think of it as customers, that
9 they become more and more familiar with the new
10 technologies, the information that's available, that
11 in itself may provide the incentive. Charging
12 customers \$288 a year doesn't sound like an incentive
13 to me. It sounds like more being forced. And I
14 would also add that -- that Columbia Gas, Dominion
15 East Ohio, Vectren have installed AMR meters
16 throughout their service territory without an
17 incentive through an advanced meter opt-out tariff to
18 force customers to switch.

19 Q. So to be clear, you don't think there
20 needs to be an incentive.

21 A. I don't believe there needs to be an
22 incentive. I think customers just need to have
23 choices and just provide the customers the choices
24 that are available. Whether or not that's an
25 incentive or not it's kind of subjective.

1 Q. In your testimony I believe you said that
2 customers have "genuine concerns" about smart meters.
3 I can provide you the reference, if you would like;
4 is that correct?

5 A. I want to make sure I'm on the same --

6 Q. Sure. Let's go to page 9, I think we're
7 there, line 19 of your testimony.

8 A. What page are you on?

9 Q. Page 9.

10 A. Okay. I'm with you. Page 9.

11 Q. You say that customers have genuine
12 concerns with the new technologies, correct?

13 A. Yes, I see that.

14 Q. So let's talk about some of the reasons
15 that a customer might refuse an advanced meter.
16 You've identified three reasons that customers might
17 refuse an advanced meter, correct? Privacy, health,
18 and cost, are those the three reasons?

19 A. Those are three items that are commonly
20 addressed in orders, other literature about smart
21 meters.

22 Q. First of all, none of those concerns are
23 in any way related to the cost to AEP Ohio to provide
24 advanced meter opt-out service, correct?

25 A. No. I think these are just -- these are

1 concerns that customers have that are very real to
2 those customers.

3 Q. I think maybe did you start by saying
4 "No"?

5 A. I did say "No."

6 Q. Okay. So let's take these one by one.
7 First, I believe, was privacy. You're aware that the
8 Commission has proceeded very carefully when it comes
9 to privacy concerns, correct?

10 A. Yes. The Commission has been very
11 cautious on the implementation of rules and things
12 like that related to sharing customer energy usage
13 data.

14 Q. And you have every reason to believe that
15 AEP Ohio is going to comply with Commission privacy
16 rules --

17 MR. STINSON: Objection. Speculation.

18 ATTORNEY EXAMINER McKINNEY: Mr. McKenzie?

19 MR. McKENZIE: Well, maybe I will
20 rephrase and see if we have the same objection.

21 ATTORNEY EXAMINER McKINNEY: Yeah. If
22 you can phrase, that's fine.

23 Q. In your opinion do you have any basis for
24 doubting that AEP Ohio would somehow not follow the
25 Commission's privacy rules or regulations?

1 A. I don't have an opinion one way or the
2 other.

3 Q. Okay. Given that the Commission has
4 acted very carefully with respect to privacy, you
5 can't say or you have no opinion, at least, about
6 whether privacy is a valid reason to opt out of an
7 advanced meter, do you?

8 A. I think the Commission has spoke through
9 this -- through the rules in requiring an advanced
10 meter opt-out tariff that gives customers the options
11 to address the concerns they have. I don't have an
12 opinion one way or the other. The rules support
13 giving customers options.

14 Q. Just so I'm clear, you don't have an
15 opinion one way or the other whether privacy is a
16 valid reason to opt out?

17 MR. STINSON: Again, that's asked and
18 answered and irrelevant.

19 MR. MCKENZIE: He gave a long-winded,
20 nonresponsive answer. I am trying to ask the
21 question again to get the precise answer I am looking
22 for.

23 MR. STINSON: And it's irrelevant when
24 the Commission provides the choice. It's a matter of
25 what Mr. Williams thinks.

1 MR. McKENZIE: It's not irrelevant
2 because he testified that customers have genuine
3 concerns and this is a basis for him questioning the
4 fee in this case.

5 ATTORNEY EXAMINER McKINNEY: The
6 objection is overruled. I will allow the witness to
7 answer the question.

8 A. That these are genuine concerns to the
9 customer.

10 Q. But you don't have an opinion one way or
11 the other about whether that's a valid reason.

12 MR. STINSON: Objection. Again, that's
13 irrelevant.

14 ATTORNEY EXAMINER McKINNEY: The
15 objection is overruled again.

16 A. I don't have any.

17 Q. So let's go to the second reason which is
18 health. As you understand it, customers have
19 expressed health concerns about radiofrequency
20 signals; is that correct?

21 A. That's some of the concerns that I've
22 seen. It's also part of the literature that AEP
23 mails to customers that choose to opt out of having
24 an AMR meter.

25 Q. But for your testimony in this case you

1 don't have an opinion one way or the other --

2 A. Of whether or not there are actual health
3 concerns?

4 Q. About whether those concerns -- let me
5 start over, if you don't mind.

6 For your testimony today you don't have
7 an opinion one way or the other about whether health
8 concerns are a valid reason for opting out of an
9 advanced meter, correct?

10 A. The actual literature that AEP provides
11 to customers says that. You know, that doesn't make
12 a statement whether or not there are health concerns
13 or not. It just says that the radiation levels are
14 within radiation levels that are approved by the FCC
15 and specifically says that, you know, whether or not
16 there is long-term health issues with this, it would
17 have to be determined later.

18 Q. So when you --

19 A. So I don't have an opinion.

20 Q. So you don't have an opinion.

21 A. I don't have an opinion outside of what
22 the literature shows that it's not -- it's not clear.

23 Q. And the third item, I believe, that
24 you've identified is cost. And by that do you mean
25 that some customers feel that their electric bills,

1 especially in gridSMART, are too high? Is that what
2 you mean by that?

3 A. I believe that there is a whole section
4 on AEP's website addressing high bills. Apparently
5 customers are looking for why the bills are so high.
6 And it seemed to me as though, you know, when
7 customers are paying for gridSMART phase I, there's a
8 pending application for gridSMART phase II, there's
9 DIR, there's all these other rider costs that perhaps
10 that -- the advanced meters and the gridSMART phase I
11 is contributing to those high bills.

12 Q. And so when you talk about those high
13 bills, currently if a customer refuses an advanced
14 meter, that will not allow the customer to opt out of
15 the -- avoid the costs that you are referring to,
16 correct?

17 A. They would still have to pay the
18 distribution rate even though they are not getting
19 meter reading. They would still pay for the AMI
20 meters through the gridSMART rider. Even though they
21 have opted out of it and they would still pay for AMR
22 to the DIR rider even though they are getting no
23 benefit out of that because they've chosen the
24 advanced meter opt out.

25 Q. It was a little hard for me to hear

1 again. I'm sorry. The first word of that last
2 answer was "No"; is that correct?

3 MR. McKENZIE: Could we read back his
4 last answer, please.

5 (Record read.)

6 Q. So let me ask again then because I wasn't
7 clear on your answer, if a customer refuses an
8 advanced meter, that would not allow them to opt out
9 or avoid the charges that you are referring to when
10 you refer to costs, correct?

11 A. No, it does not.

12 Q. Thank you. Does OCC advise customers to
13 opt out of advanced meters?

14 A. Not that I'm aware of.

15 Q. Let's turn to your mail-in proposal. In
16 your testimony you --

17 A. Excuse me. Can you tell me where you are
18 at, please?

19 Q. Sure. I'm on page 8, line 16, the answer
20 that's there.

21 A. Okay. Thank you.

22 Q. And here you propose as an alternative to
23 meter -- manual meter reading that customers could
24 simply read their own manual meters and mail them in
25 or mail in the usage information; is that correct?

1 A. I did provide an option.

2 Q. As we just discussed, you have no opinion
3 one way or the other as to whether AEP Ohio and other
4 utilities should take advantage of the cost and
5 technology improvements of advanced meters, correct?

6 A. I would just hope that customers get some
7 of the benefits of that as well.

8 Q. So, in fact, instead of making
9 technological progress you are actually proposing
10 that opt-out customers be allowed to handwrite and
11 mail in their meter data, correct?

12 A. Absolutely not. I'm merely providing one
13 option that -- that could be provided to customers
14 that would address this entire situation while
15 there -- the issues that they have with the advanced
16 meter are being worked out. Customers could take
17 advantage of the same capability that exists today on
18 the AEP website and provide the metering information
19 themselves.

20 Q. But you are proposing this for customers
21 that are opting out of the advanced meter and all the
22 technological improvements that come with it,
23 correct?

24 MR. STINSON: Well, could you reread the
25 question, please.

1 (Record read.)

2 MR. STINSON: I object. There is no
3 technological improvements associated with the
4 meters.

5 MR. McKENZIE: I think that's evident,
6 your Honor.

7 MR. STINSON: Still need a foundation.

8 MR. McKENZIE: They are advanced meters.

9 ATTORNEY EXAMINER McKINNEY: The
10 objection is overruled.

11 A. Again, I think that the recommendation
12 speaks for itself in that customers could have the
13 same options that they've always had for providing
14 AEP meter information. Whether or not these AMI
15 meters are providing technological improvement I
16 can't speak to that.

17 Q. Now, you said this is available to all
18 AEP Ohio customers. What's your basis for saying
19 that?

20 A. Available on the AEP Ohio website.

21 Q. What's available on AEP Ohio's website?

22 A. Information on how to read their meter
23 and how to get a card to either mail in or phone in a
24 read.

25 Q. Are you referring to what you've attached

1 as exhibits to your testimony?

2 A. Yes.

3 Q. Which exhibits?

4 A. For the FAQ sheet JDW-2 and -- and for
5 Exhibit -- yeah, JDW-2, page 1 and 2.

6 Q. Let's start on page 1. Is this what you
7 are saying provides information on how to read the
8 meter?

9 A. I believe the title is "How to Read Your
10 Electric Meter."

11 Q. Okay. And the next page, is this where
12 you -- is this the basis for your testimony that AEP
13 Ohio offers the mail-in procedure to all customers?

14 A. Yes, if the meter is indoors and it
15 provides an option you can read the meter by
16 completing a card and provide it -- mail it to AEP or
17 leave it at an agreed upon location which is even
18 another option so that AEP can pick up the read.

19 Q. But this is by its terms only if the
20 meter is indoors, correct?

21 A. That's how it's reflected here. Whether
22 or not that's applied to all, I don't know. I am
23 just saying this is an option that's available to AEP
24 Ohio customers now. Whether or not it's all, I don't
25 know.

1 Q. So the basis of your testimony that AEP
2 Ohio offers this to all customers is a website that
3 says it's offered to customers whose meter is
4 indoors?

5 A. AEP's website includes this information,
6 and so it seems like customers have these options
7 that are available right now.

8 Q. Do you have any reason to doubt that AEP
9 Ohio only allows customers to mail in their meter
10 information if the meter is inaccessible to meter
11 readers?

12 A. I don't know all the reasons why that
13 might be applied. I assume access is probably one of
14 the major reasons. But if a customer is not home or
15 doesn't want to have the meter reader out or
16 whatever, I suspect it could be an option.

17 Q. Do you have any basis for that?

18 A. Again, I am talking in terms of what
19 could be. And I am not really as worried about what
20 is today. These are options that are right now on
21 AEP Ohio's website. Why these options can't be made
22 available for customers that choose to opt out on a
23 going-forward basis, it seems pretty reasonable to
24 me. Again, AEP Ohio by rule only has to read a meter
25 once a year and to make reasonable efforts on a

1 monthly basis to provide -- provide meter reading.
 2 Customers provide that meter reading; it seems as
 3 though that's well in compliance with PUCO standards
 4 concerning meter reading and is another way to help
 5 avoid \$288 costs a year.

6 Q. Under your proposal would you allow any
 7 customer that wants to opt out of an advanced meter
 8 to manually read their meter and mail in the
 9 information?

10 A. It seems like this is one option that's
 11 available. I would like to think that AEP Ohio could
 12 provide its customers lots of options. That's
 13 certainly what was anticipated in the entry on
 14 rehearing when the Commission directed AEP to do just
 15 that, provide multiple options to an advanced meter
 16 opt out.

17 Q. My question was in your proposal for
 18 customers to do this, would you put any limits on the
 19 number or type of customers that can refuse an
 20 advanced meter and mail in their data?

21 A. For sure the few customers that we're
 22 talking about, you know, it seems like it could be
 23 very -- a very reasonable solution to that. We are
 24 talking, again, 12 customers in the gridSMART phase I
 25 pilot service area.

1 Q. So the answer is no, you wouldn't put any
2 limits on it?

3 A. It seems like this is a reasonable
4 option, so I don't see a reason to put a limitation
5 on this.

6 Q. Okay. Thank you. Let's go to page 5,
7 line 2 of your testimony.

8 A. I'm there.

9 Q. Let's actually start with line 1. You
10 say "Utility costs recovery as permitted by the rules
11 should occur in an appropriate regulatory proceeding
12 where the charges are reviewed under standards
13 including just and reasonable." That's your
14 testimony, correct?

15 A. That is my testimony.

16 Q. Now, to be clear you're saying the
17 Commission should deny AEP Ohio's application and
18 wait for a future proceeding to approve an opt-out
19 tariff, correct?

20 A. I believe that -- that the revenues and
21 expenses need to be looked at together to determine
22 whether or not these customers are causing any
23 additional cost to be incurred. And I believe that
24 with the efficiencies that AEP Ohio has realized with
25 the -- with the gridSMART phase I deployment and the

1 487,000 AMR meters, that there's already more than
2 sufficient efficiency -- efficiency to help offset
3 the costs of these very few customers that don't want
4 to have an advanced meter.

5 Q. So my question was deny the tariff now
6 and consider those things you just said in a future
7 proceeding, that's what you are proposing, correct?

8 A. In a proceeding -- in a cost recovery
9 type of proceeding, not -- not -- not a proceeding
10 like this where the whole foundation for -- for these
11 costs is based upon a tariff that doesn't
12 specifically apply to residential customers that was
13 approved as part of a stipulation where the entire
14 stipulation was approved. Some items might have
15 been, you know, more costly, some less. But the
16 stipulation as a package was approved, so I think
17 foundationally there is issues even with the costs.

18 Q. So you're suggesting in this future
19 proceeding the avoided costs and other cost savings
20 related to advanced meters should be concluded --
21 should be included in the advanced meter opt-out
22 calculation; is that what I heard you say?

23 A. Yes.

24 Q. All those deficiencies --

25 A. Yes, yes, the operational savings should

1 be realized, and then if there are additional costs,
2 more discretely identify them at that point in time
3 based upon cost of service that's relevant to this
4 service. The starting point isn't a manual meter
5 read of interval meters.

6 Q. Okay. Could I direct your attention to
7 what I believe we've marked as AEP Exhibit 5. It's
8 the finding and order, Case No. 12-2050. Tell me
9 when you are with me.

10 A. I'm there.

11 Q. On page 14, paragraph 28, are you there?

12 A. I'm there.

13 Q. And then the second paragraph of that
14 section. The sentence at the end of the third line
15 says this: "OCC also contended that the costs
16 imposed on customers for opt-out service should be
17 offset by all avoided costs, such as the utility's
18 avoided cost of purchasing a new advanced meter if a
19 customer chooses to continue using an existing
20 traditional meter." Do you see that?

21 A. I do.

22 Q. So in the proceeding to establish the
23 opt-out rules, OCC argued that the Commission should
24 take into account avoided costs and cost savings,
25 correct?

1 A. Yes.

2 Q. Okay. Let's go to the next page, page
3 15, and that's the same recommendation you are making
4 here, correct?

5 A. I don't know that it's exactly the same
6 because now we are looking at an application that's
7 very specific to AEP Ohio, very specific to a large
8 number of AMR meters, a phase I deployment that's
9 now, you know, where most of these smart meters are
10 now installed, so I don't -- I don't think I would
11 characterize it that this is -- you know, that this
12 is 100 percent what I am recommending or what I
13 recommended in my tariff -- in my testimony.

14 Q. But even if it's not 100 percent the same
15 thing, you would agree that it's the same basic
16 concept which includes avoided costs and other cost
17 savings.

18 A. To the extent that operational savings
19 can be opt -- can help offset the cost to customers,
20 then, yes.

21 Q. So you agree -- yep. Let's turn to page
22 15, please. First paragraph about midway down, the
23 sentence beginning "The Commission denies." It says
24 this: "The Commission denies OCC's request to
25 decrease opt-out service costs by the avoided costs

1 because by choosing opt-out service, those customers
2 actually decrease the effectiveness of the SmartGrid
3 and thus raise costs on the rest of customers." So,
4 in fact, the Commission denied the basic concept of
5 what you are proposing here, didn't it?

6 MR. STINSON: Objection. The order
7 speaks for itself.

8 MR. McKENZIE: I am asking for his
9 understanding.

10 A. Plus we are also talking here about
11 SmartGrid --

12 ATTORNEY EXAMINER McKINNEY: We have an
13 objection so we will ask you to hold up. The
14 objection will be overruled. The Commission order
15 does speak for itself. Allow the witness to express
16 his understanding of the Commission's order but his
17 interpretation of the order will not replace the
18 Commission's intent.

19 A. Again, what this was talking about was
20 SmartGrid costs and advanced meters and more
21 traditional sense of two-way communications. That's
22 the 12 meters that we have been talking about that
23 are part of phase I for the -- while it was not
24 addressed, or I believe it was addressed as a result
25 of this order, there was an app on rehearing that

1 then addressed this whole issue on what was an
2 advanced meter. But, again, I didn't read this to
3 mean that that -- certainly that AEP could file
4 something that was not cost effective. I didn't --
5 that's not how I read this.

6 Q. Okay.

7 A. But it still had to account for the cost
8 of providing the service.

9 Q. And those costs should not be divided by
10 avoided costs or other operational savings, correct?

11 A. Again, what the Commission was looking at
12 here was related to SmartGrid. That's not what I am
13 addressing in my testimony. But what I am addressing
14 in my testimony is just SmartGrid. The application
15 by AEP Ohio also included AMR.

16 Q. But you said earlier you focused your
17 testimony at SmartGrid.

18 A. That's right.

19 Q. And that's what the Commission is talking
20 about here in its order, correct?

21 A. Yes. And it's also because, again, for
22 SmartGrid AEP has 9 percent of the meters that are
23 AMI unlike other utilities in the state that have a
24 much larger deployment and where maybe there will be
25 a base rate case or something where all these costs

1 could be looked at and the advanced meter tariff
2 could then be looked at at that particular point in
3 time. I didn't view it as somehow excluding avoided
4 costs. It was just how -- I guess it was more of a
5 matter of how far do you go with it. And I think
6 that's very consistent with my testimony.

7 Q. The Commission says those customers,
8 referring to opt-out customers, "actually decrease
9 the effectiveness of the SmartGrid and thus raise
10 costs on the rest of customers." Do you see that?

11 A. Yes, I do.

12 Q. Do you agree with that statement?

13 A. I don't know whether or not -- the order
14 speaks for itself.

15 Q. Do you agree with it?

16 A. We are talking about 12 customers on the
17 phase I pilot program. Whether or not that's
18 decreasing effectiveness, I don't know.

19 Q. Do those customers raise costs on the
20 rest of the customers?

21 A. For those 12 customers are there a few
22 additional costs? Perhaps. But in the scope of
23 phase I \$125 million program, it seemed as though
24 it's somewhat insignificant.

25 Q. Going back to your testimony on page 5,

1 line 3 -- I'm sorry, it's lines 2, 3, and 4. You are
2 referring here to an appropriate regulatory
3 proceeding where the charges are reviewed under
4 standards including just and reasonable. Do you see
5 that?

6 A. Yes, I do.

7 Q. And you use the word "including" there,
8 right? But there aren't any other standards that you
9 have in mind.

10 A. Well, you know, when the Commission
11 evaluates a stipulation, you know, it uses the
12 three-prong test. Whether or not all that -- all
13 those costs are evaluated as, you know, in the
14 context of just and reasonable, I don't know because
15 a stipulation could have -- you know, just by the
16 very nature of it could have approved some costs
17 higher than what they should be and some costs lower,
18 and I believe that's the same that -- the same issue
19 we talked about earlier with the manual meter reading
20 charge. It is approved as part of the stipulation.

21 Q. But in this testimony you're -- you're
22 not addressing the standard that applies here, right?
23 You are saying that the Commission should address opt
24 out in an "appropriate regulatory proceeding where
25 the charges are reviewed under standards including

1 just and reasonable." My question is there aren't
2 any other standards you are referring to, correct?

3 MR. STINSON: Asked and answered.

4 MR. McKENZIE: He didn't answer the
5 question.

6 ATTORNEY EXAMINER McKINNEY: Overruled.
7 The witness can answer the question.

8 A. That is the standard, just and
9 reasonable.

10 Q. And there are no other standards.

11 A. Not that I am aware of outside of the
12 stipulation that I believe I have also addressed.

13 Q. And so let's talk about the stipulation
14 in this case then. Is it your testimony that by
15 applying the three-prong stipulation test that the
16 Commission won't be deciding whether these charges
17 are just and reasonable?

18 A. I believe that if this -- this
19 stipulation is approved, I don't believe these costs
20 are just and reasonable.

21 Q. But the Commission is going to use the
22 just and reasonable standard in this case, will it
23 not?

24 A. I believe that as part of a proven
25 stipulation that the Commission looks at the

1 three-prong test and is it a product of serious
2 bargaining, does the settlement as a package benefit
3 customers, and does the settlement package violate
4 any important regulatory principle or practice.

5 ATTORNEY EXAMINER MCKINNEY: I am going
6 to ask a question. Would you say it was a regulatory
7 principle or practice to consider whether a charge is
8 just and reasonable?

9 THE WITNESS: I think that just and
10 reasonable is what should be evaluated; but, again,
11 we talked about a little bit earlier, your Honor,
12 that the manual meter reading costs, for example,
13 that was approved as part of a stipulation, whether
14 or not that's -- that cost was, you know, as a
15 package it was reasonable. But whether or not that
16 cost -- that charge accurately reflected what those
17 costs actually are, I don't know.

18 ATTORNEY EXAMINER MCKINNEY: Okay.

19 MR. MCKENZIE: Your Honor, could we take
20 a 5-minute break? I think I can consolidate what I
21 have left, and the break would help me through that.

22 ATTORNEY EXAMINER MCKINNEY: Let's take a
23 5-minute recess.

24 (Recess taken.)

25 ATTORNEY EXAMINER MCKINNEY: Let's go

1 back on the record.

2 Mr. McKenzie.

3 MR. McKENZIE: Thank you.

4 Q. (By Mr. McKenzie) Now, Mr. Williams, I
5 believe before the break we were talking about your
6 proposal that the Commission deny this stipulation
7 and reconsider opt-out tariffs in a future
8 appropriate regulatory proceeding. Did I get that
9 right?

10 A. That is correct.

11 Q. Are you saying that it's premature at
12 this time to -- for the Commission to evaluate the
13 charge for advanced meter opt-out service?

14 A. I believe considering that we are talking
15 12 customers in the phase I pilot area that have
16 chose to opt out of this, yes, it seems to be
17 premature.

18 Q. Okay. Let's go back to the order
19 12-2050. I believe this is AEP Ohio Exhibit 5. It's
20 the finding and order. Let me know when you are with
21 me.

22 A. I have it.

23 Q. Would you please go to page 12 of that
24 order, and then I am looking at Section 25, the third
25 line. Are you with me?

1 A. I'm with you.

2 Q. It states "Further, FirstEnergy opposed
3 the opt-out provisions in their entirety because they
4 believe the rules are premature." Do you see that?

5 A. Yes, I do.

6 Q. First of all, you can correct me if I'm
7 wrong, but based on the summary here, OCC didn't join
8 that argument, did they?

9 MS. MOONEY: Your Honor, I object.

10 ATTORNEY EXAMINER McKINNEY: What
11 grounds?

12 MS. MOONEY: This is the second time that
13 he's been quoting sections of a finding and order of
14 the Commission that part where they describe what
15 other people have said OCC's comments are or
16 FirstEnergy's comments. I mean, if he had
17 FirstEnergy's comments with him, if he had Ohio
18 Power -- OCC's comments with him, we could look and
19 see if the Commission paraphrased FirstEnergy's
20 comments correctly in the finding and order.

21 Often I feel that the Commission may not
22 paraphrase a bunch of comments exactly as the
23 commenter intended them, so I object to him reading
24 the finding and order of the parts that are
25 describing comments received by FirstEnergy, OCC, or

1 done by any other party unless he has those comments
2 with him so we can see what those people actually
3 said.

4 ATTORNEY EXAMINER McKINNEY: The
5 objection is going to be sustained, although I think
6 I did a fine job summarizing FirstEnergy's opinion.

7 MS. MOONEY: I'm sorry, except when you
8 write.

9 ATTORNEY EXAMINER McKINNEY: The orders
10 speak for themselves. Let's not take a paraphrase
11 here.

12 Q. (By Mr. McKenzie) So continuing on in the
13 order then to the next paragraph, the first sentence
14 says "The Commission finds that the" current --
15 "concerns of FirstEnergy and DP&L are unfounded." Do
16 you see that?

17 A. I'm reading that, yes.

18 Q. So the Commission rejected the view that
19 you proposed here that it would be premature to
20 evaluate opt-out charges here, correct?

21 MR. STINSON: Objection. I don't think
22 that's what the evidence shows. I don't think the
23 evidence shows the Commission rejected Mr. Williams'
24 position in this order.

25 ATTORNEY EXAMINER McKINNEY: Again, this

1 gets back to the order speaks for itself. We will
2 allow the order to stand on its own.

3 Q. Yeah, just asking your understanding.
4 Did you review this order before you proposed --
5 excuse me. Did you review this order before
6 submitting your testimony in this case?

7 A. I have reviewed this order, yes.

8 Q. Did you do it before submitting your
9 testimony in this case?

10 A. I am sure I did.

11 Q. Okay. And did you feel that your
12 testimony was consistent with the ruling of the
13 Commission that it was not premature?

14 MR. STINSON: Again, we are going to the
15 same thing. He is characterizing what the
16 Commission -- the basis for what the Commission held
17 from the other parties' comments.

18 MR. McKENZIE: I asked about the basis
19 for his testimony.

20 MR. STINSON: Still think the order
21 speaks for itself and far beyond what is proper.

22 ATTORNEY EXAMINER McKINNEY: The order
23 speaks for itself. I'll overrule the objection, but
24 let's keep it within the scope of his testimony.

25 Q. Sure. I am asking about your testimony.

1 You reviewed this order before preparing the
2 testimony.

3 A. Yes, I did.

4 Q. And when you proposed that the Commission
5 deny the stipulation and reevaluate the opt-out
6 charge in a future proceeding, did you feel that was
7 consistent with the Commission's order that it was
8 not premature in this case?

9 A. Again, I did not go back and read the
10 comments of each individual party, so just based upon
11 what was said within this order, I didn't see
12 anything inconsistent at all with my testimony,
13 especially considering that FirstEnergy customers opt
14 in to having a smart meter. They are not forced to
15 take these.

16 Q. Let me ask it this way, when you prepared
17 your testimony, did you feel there was anything in
18 the 20 -- excuse me, in the 12-2050 order that
19 supports your view that AEP Ohio should wait until
20 after smart meter development or deployment to
21 adopt -- establish an opt-out charge?

22 A. I didn't see anything that was
23 inconsistent with that order. And, again, my
24 testimony was tailored specifically to AEP's
25 application. These were generic -- a generic

1 rulemaking. And my comments were specific to AEP.

2 Q. So the answer is no, there was nothing in
3 12-2050?

4 A. I didn't particularly see anything that
5 would be inconsistent. In fact, it seemed to me as
6 though several of the things we talked about today
7 appear to be, you know, issues that we talked about
8 in the entry on rehearing. It doesn't appear as
9 though AEP's complying with that entry on rehearing
10 in terms of providing options to customers for the
11 opt-out tariff.

12 Q. Let's go to page 6 of your testimony,
13 line 9.

14 A. I'm there.

15 Q. You say "The settlement is not a product
16 of serious bargaining between capable and
17 knowledgeable parties representing a diversity of
18 interests. A 'diversity of interests' is not
19 present. The Stipulation lacks any signatories
20 representing the customers who would pay the charges
21 that the PUCO Staff and AEP Ohio propose." That's
22 your testimony, correct?

23 A. That is correct.

24 Q. Now, you say that "The settlement is not
25 a product of serious bargaining between capable and

1 knowledgeable parties representing a diversity of
2 interests," correct?

3 A. Yes. I would -- residential customers
4 are certainly not -- not represented as a party in
5 this stipulation.

6 Q. So, first, let me get some basics for the
7 record. OCC participated in the settlement
8 discussions for this case, correct?

9 A. Yes, we -- yes, we did.

10 Q. And there was some bargaining in those
11 discussion, correct?

12 A. Yes.

13 Q. And the PUCO staff participated in the
14 settlement discussions, correct?

15 A. Yes.

16 Q. And they -- eventually the staff signed
17 the stipulation, correct?

18 A. That is correct.

19 Q. Now, based on your testimony here would
20 you consider the PUCO staff to be a "capable and
21 knowledgeable party"?

22 A. PUCO staff certainly is capable and
23 knowledgeable, but they are not a residential
24 advocate.

25 Q. Let's go to that one. So you say that

1 "The Stipulation lacks any signatories representing
2 the customers who would pay the charges that the PUCO
3 Staff and AEP Ohio propose," correct?

4 A. That is correct.

5 Q. So, first of all, in your view the PUCO
6 staff does consider the interests of residential
7 customers, correct?

8 A. PUCO staff has balanced interests between
9 customers of all classes and the utility companies.

10 Q. Any classes other than residential
11 customers at issue in this proceeding?

12 A. I believe that for this proceeding this
13 is -- this is just affecting residential customers,
14 again, part of the -- part of the reason why I
15 believe that the diversity of interests is at issue
16 in this stipulation.

17 Q. And among the interests that PUCO staff
18 considers one of them is the interests of residential
19 customers, correct?

20 A. PUCO staff represents the, you know --
21 would -- I wouldn't say represent, PUCO balances the
22 interests between various customer classes and
23 utility companies.

24 Q. Well, I am just trying to get to the
25 basis of your testimony. Do you believe that the

1 PUCO staff does not consider the implications of
2 proposals, tariff proposals, on residential
3 customers?

4 MR. STINSON: Objection, speculative. To
5 the extent it calls for speculation what the PUCO
6 staff considered in this proceeding.

7 MR. McKENZIE: Well, he has offered
8 testimony there are -- that the stipulation lacks
9 signatories representing customers, so I am trying to
10 probe the basis of him saying that given the staff's
11 signed it.

12 ATTORNEY EXAMINER McKINNEY: I think he
13 offered an opinion, but I think we are getting into
14 what staff did and that is speculation so the
15 objection is sustained.

16 MR. McKENZIE: Fair enough.

17 Q. When you said the stipulation lacks
18 signatories representing customers that would pay the
19 charges, did you when you said that believe that the
20 PUCO staff considers the interests of residential
21 customers?

22 MR. STINSON: Same objection.

23 ATTORNEY EXAMINER McKINNEY: It's the
24 same question. Still sustained.

25 Q. I'll move on. So is it your contention

1 that because OCC or a comparable consumer
2 organization did not sign the stipulation that it
3 automatically fails the first prong of the test?

4 A. Again, I would just say it doesn't appear
5 to represent a diversity of interests.

6 Q. And in your view the only way to
7 satisfy -- I'm sorry, first of all, that's the first
8 prong of the test, correct?

9 A. Yes.

10 Q. In your view the only way to satisfy the
11 first prong of the test here would have been if OCC
12 or a comparable consumer organization had joined the
13 stipulation; is that your view?

14 A. I think diversity of interests would
15 appear to exist if there was more organizations than
16 just AEP and staff.

17 Q. Let me ask it another way. Is there any
18 way that the stipulation could have passed the first
19 prong of the test other than OCC or -- in this case
20 other than OCC or a comparable consumer organization
21 joining on to it?

22 A. Again, I think that would lend support
23 for the first prong if OCC or another organization
24 were part of the stipulation. The fact they are not
25 seems -- is where -- why I would suggest that there

1 is not a diversity of interest.

2 Q. I am just trying to get at the basis of
3 your testimony, so you essentially believe OCC has a
4 veto on the first prong of the test, correct?

5 A. I don't think of it in terms of veto. I
6 think of it in terms of the scope what the PUCO
7 considers in the stipulations and approving
8 stipulations. So I don't see it as a veto at all. I
9 just think that it's clear there should be a
10 diversity of interests, and I don't believe that AEP
11 Ohio and staff alone would represent that diversity
12 of interest.

13 MR. McKENZIE: Thank you.

14 Could I just have a couple seconds, your
15 Honor?

16 ATTORNEY EXAMINER McKINNEY: Sure.
17 Take -- let's go off the record.

18 (Discussion off the record.)

19 ATTORNEY EXAMINER McKINNEY: Let's go
20 back on the record.

21 MR. McKENZIE: No further cross, your
22 Honor.

23 ATTORNEY EXAMINER McKINNEY: Thank you.
24 Anything from staff?

25 MR. O'ROURKE: Real briefly.

CROSS-EXAMINATION

By Mr. O'Rourke:

Q. I want to get you out at a decent -- I want to get everybody out at a decent hour. I will try to keep this very short.

A. Thank you.

Q. Mr. Williams, would you agree with me that in analyzing a stipulation for approval, one of the factors the Commission considers is whether the stip -- the stipulation violates any important regula -- regulatory principle or practice?

A. Yes, I would agree with that.

Q. Would you agree with me that the principle of cost causation is an important regulatory principle or practice?

A. Cost causation, that's part of rate design. Cost causation and gradualism kind of go hand in hand.

Q. Would you agree that that's a principle that the -- you agree that it would be proper for the Commission to factor that principle into its analysis when it's evaluating whether to approve this stipulation?

A. I think cost causation should be evaluated; but, again, I would -- I would look at the

1 cost causation in a broader sense in terms of are
2 these customers causing any additional cost to be
3 incurred beyond what the company is already
4 recovering through base rates and all of the various
5 riders that they have.

6 Q. So your answer to that question was
7 "Yes"?

8 A. Yes, but -- but I also wanted that to be
9 defined.

10 Q. Would you agree that cost causation --
11 tell me if you disagree with this statement of cost
12 causation, rates should reflect the costs caused by
13 the customers who pay them; is that a fair statement
14 of the principle cost causation?

15 A. I think in rate design that's one of the
16 considerations.

17 MR. O'ROURKE: That's all.

18 ATTORNEY EXAMINER McKINNEY: That's all?
19 Thank you.

20 Ms. Mooney?

21 MS. MOONEY: Yes.

22 - - -

23 CROSS-EXAMINATION

24 By Ms. Mooney:

25 Q. Does the third prong that refers to the

1 settlement violating any important regulatory
2 principle and practice also includes the words the
3 settlement as a package violates any important
4 regulatory principle or practice as a package?

5 A. Yes.

6 Q. Yes, thank you.

7 A. It says as a package.

8 MS. MOONEY: Thank you. Thank you.
9 That's all that I have.

10 ATTORNEY EXAMINER MCKINNEY: All right.
11 Redirect?

12 MR. STINSON: If we could have a few
13 minutes, your Honor.

14 ATTORNEY EXAMINER MCKINNEY: Let's go off
15 the record.

16 (Recess taken.)

17 ATTORNEY EXAMINER MCKINNEY: Let's go
18 back on the record.

19 - - -

20 REDIRECT EXAMINATION

21 By Mr. Stinson:

22 Q. Mr. Williams, just a few questions on
23 redirect. We were talking earlier about standards
24 for approving the manual meter charge in the rate
25 distribution proceeding, the \$43, whether that charge

1 is deemed just and reasonable by the Commission, if
2 the Commission approves it on that basis, or did the
3 Commission approve that charge on the basis of the --
4 of the stipulation of the case?

5 A. My understanding is that that was
6 approved as a package for the -- all the charges so
7 it was approved as a package, not specific -- not
8 each specific cost line item of the package that was
9 addressed within the stipulation.

10 Q. And what does that mean in your opinion
11 as to the various costs in that package?

12 A. I believe some -- some cost items could
13 be higher, some cost items lower. It would be hard
14 to -- it's hard to discern and especially to try to
15 use that then later for a complete -- another purpose
16 like this.

17 Q. You were here earlier in the day, much
18 earlier in the day, when we were discussing the black
19 box stipulation. Do you know what that means?

20 A. Yes, I do.

21 Q. Could you elaborate on that?

22 A. Block box settlement, it's approving a
23 case as -- as a whole, not any specific item but --
24 but the stipulation as a whole, all the cost items.

25 Q. And in this case would be the end result

1 of the base distribution rates, those charges?

2 A. That's correct.

3 Q. Not the specific components.

4 A. Not the specific component of the manual
5 meter read charge.

6 Q. We were talking as well about the
7 three-prong test in this case, and this case will be
8 decided on the basis of that three-prong test and
9 specifically talking about diversity of interests.
10 Now, am I correct in your testimony that you
11 indicated that there should be a two -- let me start
12 over. Am I correct in your testimony for the
13 diversity of interests in order to be made there
14 should be in this case representation from a consumer
15 group?

16 A. I believe that should exist.

17 Q. And if that interpretation is correct
18 that there should -- that the diversity standard
19 requires a signatory consumer group and if a
20 signatory consumer group does not join the
21 stipulation, what happens in the procedure then?

22 A. I believe that the stipulation should be
23 rejected. The matter would go to a hearing based
24 upon the application.

25 Q. In other words, if the standard requires

1 a diversity of interest in this case which requires
2 consumer representation, there shouldn't be a
3 stipulation.

4 A. There should not be a stipulation and it
5 goes to hearing based upon the application.

6 Q. One other question and it's a quick one.

7 MR. STINSON: It involves a rule. I have
8 only got one copy. If you want me to get others or I
9 can show it to folks.

10 ATTORNEY EXAMINER McKINNEY: Let's go off
11 the record real quick.

12 (Discussion off the record.)

13 ATTORNEY EXAMINER McKINNEY: Back on the
14 record.

15 MR. STINSON: Would you like to see it,
16 your Honor?

17 ATTORNEY EXAMINER McKINNEY: What rule is
18 it?

19 MR. STINSON: I am at OCC Exhibit No. 4;
20 is that correct? OCC Exhibit 5?

21 ATTORNEY EXAMINER McKINNEY: We are at
22 OCC Exhibit 5.

23 MR. STINSON: OCC Exhibit 5, I will just
24 mark this for identification purposes as OCC Exhibit
25 5 which is Rule 4901:1-10-02 and specifically

1 Subdivision (C). If I may approach, your Honor.

2 ATTORNEY EXAMINER McKINNEY: You may
3 approach.

4 (EXHIBIT MARKED FOR IDENTIFICATION.)

5 Q. Mr. Williams, I am handing you what has
6 been marked as OCC Exhibit 5. I think most simply if
7 you could just read what is Rule 4901:1-10-02(C).

8 A. Yes. The rule specifically says "The
9 Commission may upon an application or a motion filed
10 by a party waive any requirement of this chapter
11 other than a requirement mandated by statute for good
12 cause shown."

13 Q. And is it your understanding that for
14 good cause shown the Commission could waive rule
15 4901:1-10-05(J)(5)?

16 MR. McKENZIE: Objection. Your Honor, I
17 think this is outside the scope of cross.

18 MR. STINSON: I don't think so at all.

19 ATTORNEY EXAMINER McKINNEY: I will
20 overrule the objection. Give him some leeway.

21 THE WITNESS: Could you repeat the
22 question? I'm sorry.

23 (Record read.)

24 A. Yes, they can.

25 MR. STINSON: Thank you. If I could have

1 a moment, your Honor, to look at the rule here.

2 ATTORNEY EXAMINER McKINNEY: Let's go off
3 the record.

4 (Discussion off the record.)

5 ATTORNEY EXAMINER McKINNEY: Let's go
6 back on the record.

7 MR. STINSON: I think that's all, your
8 Honor. Thank you.

9 ATTORNEY EXAMINER McKINNEY: Recross
10 briefly?

11 MR. McKENZIE: Could I just have one
12 second off the record, your Honor?

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

15 (Discussion off the record.)

16 ATTORNEY EXAMINER McKINNEY: Let's go
17 back on the record.

18 - - -

19 RECROSS-EXAMINATION

20 By Mr. McKenzie:

21 Q. Mr. Williams, just a couple of questions.
22 First of all, in your experience has the Commission
23 approved stipulations that OCC didn't join?

24 A. I believe that to be the case.

25 Q. Referring to the rule that you have in

1 front of you, 4901:1-10-02 Subsection (C), do you see
2 that? Do you still have it in front of you?

3 A. I don't have it in front of me.

4 MR. McKENZIE: May I approach, your
5 Honor?

6 ATTORNEY EXAMINER McKINNEY: You may.

7 Q. Are you proposing that the Commission
8 rely on Section (C) in this proceeding?

9 A. I believe that this is an option that's
10 available to the Commission.

11 Q. It says "upon an application or motion."
12 Do you see that?

13 A. Yes.

14 Q. Has an application or motion been filed?

15 A. There is an application for the opt-out
16 tariff. There's been opposition to a stipulation
17 that was reached between AEP and the staff. Beyond
18 that probably more of a legal question.

19 Q. Sure. So if I understand you correctly,
20 what you are proposing is that given the long effort
21 that the Commission took to promulgate the rules
22 regarding the opt-out tariff, the entry that we have
23 gone over, the entry on rehearing, that the
24 Commission should instead throw those away and do
25 something completely different; is that what you are

1 proposing?

2 A. I believe the Commission could waive
3 rules, and we've talked about a lot of that today,
4 much the same way that the Commission could waive
5 these charges as I recommended within -- within my
6 testimony.

7 MR. MCKENZIE: Thank you, Mr. Williams.
8 No further questions.

9 ATTORNEY EXAMINER MCKINNEY: Mr. O'Rourke?

10 MR. O'ROURKE: None.

11 ATTORNEY EXAMINER MCKINNEY: Ms. Mooney?

12 MS. MOONEY: No questions.

13 - - -

14 EXAMINATION

15 By Attorney Examiner McKinney:

16 Q. One simple question, Mr. Williams, are
17 you aware whether the Commission can make a ruling
18 upon its own motion?

19 A. I believe that is the case.

20 ATTORNEY EXAMINER MCKINNEY: Thank you.
21 I have nothing further. You may step down from the
22 stand.

23 Let me go off the record real quick.

24 (Discussion off the record.)

25 ATTORNEY EXAMINER MCKINNEY: Let's go

1 back on the record.

2 MR. STINSON: At this point, your Honor,
3 OCC would move for the admission of Exhibits 4 and 5.

4 ATTORNEY EXAMINER McKINNEY: Objections
5 to the admission of Exhibits 4 and 5?

6 Exhibit 4 will be so admitted. Take
7 administrative notice of OCC Exhibit 5 which is Rule
8 4901:1-10-2(C).

9 (EXHIBIT ADMITTED INTO EVIDENCE.)

10 ATTORNEY EXAMINER McKINNEY: Briefing
11 schedule in this case initial briefs will be due
12 June 8, reply briefs June 23. Also e-mail service
13 will be accepted for briefs and reply briefs.

14 MR. McKENZIE: I'm sorry, your Honor.
15 Can I just clarify? Did you take administrative
16 notice of AEP Exhibit 5?

17 ATTORNEY EXAMINER McKINNEY: Which is
18 12-2050-EL-ORD, the order, I did.

19 MR. McKENZIE: And 6 as well.

20 ATTORNEY EXAMINER McKINNEY: I did.

21 MR. McKENZIE: Thank you very much.

22 MR. ETTER: Just another clarification,
23 your Honor, was the stipulation admitted, the Joint
24 Exhibit 1?

25 ATTORNEY EXAMINER McKINNEY: Yes, it was.

1 The stipulation in this case, Mr. Etter?

2 MR. ETTER: Yes.

3 ATTORNEY EXAMINER McKINNEY: Yes, it was.

4 It was admitted as Joint Exhibit 1.

5 Anything further from anyone?

6 Thank you, everyone. Seeing nothing we
7 are adjourned.

8 (Thereupon, the hearing was concluded at
9 5:22 p.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, May 7, 2015,
and carefully compared with my original stenographic
notes.

Karen Sue Gibson, Registered
Merit Reporter.

(KSG-6040)

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Summary: Transcript in the matter of the Ohio Power Company hearing held on 05/07/15 electronically filed by Mr. Ken Spencer on behalf of Armstrong & Okey, Inc. and Gibson, Karen Sue Mrs.