

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of Duke	:	
Energy Ohio, Inc, for Administration of the	:	Case No. 15-0665-EL-UNC
Significantly Excessive Earnings Test	:	
under Section 4928.143(F), Revised Code,	:	
and rule 4901:1-35-10, Ohio	:	
Administrative Code.	:	

DIRECT TESTIMONY

OF

JOSEPH P. BUCKLEY

UTILITIES DEPARTMENT

CAPITAL RECOVERY & FINANCIAL ANALYSIS DIVISION

POLICY AND MARKET ANALYSIS DIVISION

PUBLIC UTILITIES COMMISSION OF OHIO

Staff Exhibit _____

1 1. Q. Please state your name and place of business.

2 A. My name is Joseph P. Buckley. My business address is 180 E. Broad
3 Street, Columbus, Ohio 43215.
4

5 2. Q. By whom are you employed?

6 A. I am employed by the Public Utilities Commission of Ohio (PUCO).
7

8 3. Q. Would you please state your background?

9 A. I received a Bachelor of Science Degree in Economics from the Ohio State
10 University and a Master's Degree in Business Administration from the
11 University of Dayton. In 2000, I earned the Certified in Financial
12 Management (CFM) designation, awarded by the Institute of Management
13 Accountants. Also I attended, The Annual Regulatory Studies Program
14 sponsored by The National Association of Regulatory Utility Commissioners
15 (NARUC) and The Training for Utility Management Analyst also sponsored
16 by NARUC. I have been employed by the PUCO since 1987. Since that
17 time I have progressed through various positions and was promoted to my
18 current position of Utility Specialist 3, in 2000. In addition, I have worked
19 on several joint Federal Communication Commission (FCC) and NARUC
20 projects and audits and served on the Midwest ISO's Finance Committee as
21 Vice-Chairman and Chairman. Also, in 2011, I was awarded the professional
22 designation Certified Rate of Return Analyst (CRRA) by the Society of

Utility and Regulatory Financial Analysts. This designation is awarded based upon experience and successful completion of a written examination.

4. Q. What is your involvement in this proceeding?

A. I am responsible for determining if Duke Energy Ohio exceeded the common equity threshold to be used in its Significantly Excessive Earnings Test (SEET). Duke Energy Ohio's ESP established certain provisions for the calculation of SEET and established for Duke Energy Ohio a SEET threshold of 15%¹. Based on Staff's review of the information provided in Duke Energy Ohio's SEET application Staff concurs with Duke Energy Ohio that its return on common equity for 2014 does not exceed 15%.

5. Q. What is the Staff's recommendation to the Commission in this proceeding?

A. The Staff recommends that the Commission find that Duke Energy Ohio's 2014 earnings were not excessive.

6. Q. Has Duke included in its calculation all the adjustments that were agreed upon in Electric Security Plan and Stipulation (ESP) Case No. 11-3549-EL-SSO?

¹ *In the Matter of the Application of Duke Energy Ohio for Approval of an Electric Security Plan (11-3549-EL-SSO) Stipulation and Recommendation (October 24, 2011).*

1 A. Yes. Duke Energy Ohio filed, as detailed in the direct testimony of
2 Company witness Peggy Laub, return on equity information that included
3 the adjustments. Duke Energy Ohio's earnings were 8.27%, which are
4 below the 15% SEET threshold.

5

6 7. Q. Has the Staff reviewed Duke's 2014 earnings calculation and concur with
7 its results?

8 A. Yes. The Staff has reviewed Duke Energy Ohio's calculations and
9 supporting information and finds them to be in conformance with the SEET
10 calculation provisions contained in Duke Energy Ohio's ESP and are an
11 accurate representation of Duke Energy Ohio's 2014 earnings.

12

13 8. Q. Does this conclude your testimony?

14 A. Yes, it does.

PROOF OF SERVICE

I hereby certify that a true copy of the foregoing Direct Testimony of Joseph P. Buckley, submitted on behalf of the Staff of the Public Utilities Commission of Ohio, was served via electronic mail, upon the following parties, this 5th day of June, 2015.

/s/ Thomas W. McNamee

Thomas W. McNamee
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Case No(s). 15-0665-EL-UNC

Summary: Testimony Direct Testimony of Joseph P. Buckley electronically filed by Mrs. Tonneta Y Scott on behalf of PUCO