

BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

- - -

In the Matter of the :  
Application of Ohio Edison:  
Company, The Cleveland :  
Electric Illuminating :  
Company, and The Toledo :  
Edison Company for : Case No. 14-1297-EL-SSO  
Authority to Provide for :  
a Standard Service Offer :  
Pursuant to R.C. 4928.143 :  
in the Form of an Electric:  
Security Plan. :

- - -

DEPOSITION

of Eileen M. Mikkelsen, taken before me, Karen Sue  
Gibson, a Notary Public in and for the State of Ohio,  
at the offices of FirstEnergy Corporation, 76 South  
Main Street, Akron, Ohio, on Thursday, January 29,  
2015, at 8:30 a.m.

- - -

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2 FirstEnergy Corp.  
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4 and Ms. Carrie M. Dunn  
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7 Jones Day  
8 By Mr. David A. Kutik  
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11 On behalf of the Applicants.

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17 On behalf of the Residential Consumers of  
18 Ohio Edison Company, The Cleveland  
19 Electric Illuminating Company, and The  
20 Toledo Edison Company.

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On behalf of the Sierra Club.

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6 On behalf of the Ohio Partners for  
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23 On behalf of IGS Energy.

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9 On behalf of the Nucor Steel Marion, Inc.

10 ALSO PRESENT:

11 Ms. Doris McCarter, Staff (via speakerphone)  
12 Ms. Tammy Turkenton, Staff (via speakerphone)  
13 Mr. Hisham Choueiki, Staff (via speakerphone)  
14 Mr. Don Howard, Staff (via speakerphone)  
15 Mr. Kevin Murray, IEU-Ohio (via speakerphone)

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Thursday Morning Session,

January 29, 2015.

- - -

EILEEN M. MIKKELSEN

being by me first duly sworn, as hereinafter

certified, deposes and says as follows:

CROSS-EXAMINATION

By Mr. Soules:

Q. Good morning, Ms. Mikkelsen.

A. Good morning.

Q. My name is Michael Soules, and I am representing Sierra Club in this proceeding. How are you doing today?

A. Fine.

Q. Could you please state your full name for the record.

A. Eileen M. Mikkelsen.

Q. Okay. And what's your business address?

A. 76 South Main Street, Akron, Ohio 44308.

Q. Okay. Great. Thank you. And what's your educational background, Ms. Mikkelsen?

A. I have an undergraduate degree in accounting and a Master's in Business Administration.

Q. Okay. Have you had any formal training

1 or education since getting your Master's in Business  
2 Administration?

3 A. Can you clarify your question, please?

4 Q. Have you had any formal training related  
5 to your job responsibilities at FirstEnergy  
6 Corporation since graduating with your MBA?

7 MR. KUTIK: Objection. I don't think  
8 this witness has testified she has job  
9 responsibilities at FirstEnergy Corporation.

10 MR. SOULES: I believe this witness works  
11 for an affiliate of FirstEnergy Corporation.

12 MR. KUTIK: That's not FirstEnergy Corp.,  
13 is it?

14 MR. SOULES: Well, I was referring to it  
15 as FirstEnergy.

16 MR. KUTIK: We would prefer if you would  
17 be precise. It makes -- so that the record is clear  
18 and no one can claim there has been a violation of  
19 any code of conduct, code of separation, as someone  
20 claimed in this case. That's our concern as I am  
21 sure you understand now.

22 MR. SOULES: Okay. All right. Fair  
23 enough. Thank you.

24 Q. So, Ms. Mikkelsen, you are employed by

1 FirstEnergy Service Company; is that correct?

2 A. Yes.

3 Q. Okay. And since 1982, you have been  
4 employed by FirstEnergy Service Company or one of its  
5 affiliates or predecessor companies; is that correct?

6 A. Yes.

7 Q. Okay. And so I'm wondering if you have  
8 had any formal training or education related to your  
9 job responsibilities since 1982.

10 A. Can you please clarify the question for  
11 me? I'm not sure what you mean by "formal training."

12 Q. Sure. Well, just like by way of example,  
13 you know, sometimes people are trained or people  
14 attend training regarding, you know, financial  
15 forecasting or maybe training regarding the  
16 intricacies of, you know, regulatory proceedings, you  
17 know, those kind of things or perhaps, you know,  
18 taking some courses, some coursework at a university  
19 or college related to the work, you know, one's  
20 career.

21 MR. KUTIK: So is your question has she  
22 had seminars or courses?

23 Q. So my question is apart from your MBA --  
24 you know, since graduating with your MBA, if you've



1       taken any courses related to your job  
2       responsibilities at FirstEnergy.

3             A.    I have not taken any university courses  
4       since I graduated with --

5             Q.    Okay.

6             A.    -- my MBA.

7             Q.    Okay. Thank you. Sorry I interrupted  
8       before you were finished. How about internal  
9       training as part of your job responsibilities with  
10      FirstEnergy Service Company or its affiliates or  
11      predecessor companies?

12            A.    Yes.

13            Q.    Okay. And what sorts?

14            A.    Could you be more specific?

15            Q.    What sorts of trainings have you taken?

16            A.    I don't remember all the training courses  
17      I've taken over the last 32 years.

18            Q.    Okay. Do you remember any of them?

19            A.    Yes.

20            Q.    Okay. Can you tell me which ones you  
21      remember.

22            A.    I remember taking speech training  
23      classes, engineering economics classes, periodic  
24      training with respect to code of conduct.

1           Q.    Okay.  Thank you.  You began working in  
2   the rates and regulatory affairs department in the  
3   mid 1980s; is that correct?

4           A.    Yes.

5           Q.    Okay.  And how long did you work in rates  
6   and regulatory affairs during your first tenure  
7   there?

8           A.    I'm trying -- I believe until the 1997 or  
9   '98 timeframe.

10          Q.    Okay.  Thank you.  And at some point you  
11   were appointed director of strategic planning; is  
12   that correct?

13          A.    Yes.

14          Q.    Okay.  And what were your job  
15   responsibilities in that position?

16          A.    I was responsible for coordinating the  
17   planning activities for the company.

18          Q.    Are you referring to the Service Company?

19          A.    Can you be more specific?

20                MR. SOULES:  Could we have the question  
21   read back.

22                (Record read.)

23          Q.    So I was wondering what company you were  
24   referring to in your response.

1 A. Centerior.

2 Q. Centerior? Okay. And is that a  
3 predecessor company to FirstEnergy?

4 A. Yes.

5 Q. Okay. And what -- what planning  
6 activities were you referring to?

7 A. Load revenue, system planning activities.

8 Q. Okay. Great. Thank you. Now, at some  
9 point you moved over to FirstEnergy Solutions  
10 Corporation; is that correct?

11 A. Yes.

12 Q. Okay. If I refer to that company as FES,  
13 will you understand what I mean?

14 A. Yes.

15 Q. Okay. When did you start working at FES?

16 THE WITNESS: Could you repeat that  
17 question?

18 (Record read.)

19 A. The late 1990s.

20 Q. Okay. And what were your job  
21 responsibilities during your time at FES?

22 A. Varied.

23 Q. Okay. Can you give me some examples?

24 A. Yes.

1 Q. Okay. Please give me those examples.

2 A. I would have been responsible for  
3 planning activities, regulatory and market oversight,  
4 pricing, consulting come to mind now.

5 Q. Okay. Thank you. And when you -- when  
6 you referenced planning activities, what types of  
7 activities specifically are you referring to?

8 A. Market planning activities.

9 Q. So like price forecasting?

10 A. No.

11 Q. Okay. Can you be more specific than  
12 market planning activities?

13 A. Yes.

14 Q. Okay. Please do so.

15 A. Review and analysis planning with respect  
16 to which markets FirstEnergy Solutions should  
17 participate in from a retail perspective.

18 Q. Okay. Thank you. And I believe you  
19 referenced regulatory and market oversight, is that  
20 correct, as one of your job responsibilities?

21 A. During the time I was at FES, I was  
22 responsible at times for following market activities  
23 and regulatory activities, yes.

24 Q. Okay. And what types of regulatory

1 activities?

2 A. Various state commission rulings, orders,  
3 entries.

4 Q. Were there particular state commissions  
5 that you were responsible for following their  
6 activities of?

7 A. It would have been the state commissions  
8 in states that we were considering participating in  
9 from a retail perspective.

10 Q. And were all of those -- well, scratch  
11 that.

12 Did those states include Ohio?

13 A. Yes.

14 Q. Okay. And other states within the  
15 current PJM footprint?

16 A. Yes.

17 Q. Okay. And you worked at FES until June,  
18 2010; is that correct?

19 A. Yes.

20 Q. Okay. And what is your current job  
21 title?

22 A. Director of rates and regulatory affairs.

23 Q. And are you the director of rates and  
24 regulatory affairs for just the Ohio utilities or for

1 other utilities as well?

2 A. Just the Ohio utilities.

3 Q. Okay. Thank you. And is FirstEnergy  
4 Service Company the company from which you receive a  
5 paycheck?

6 A. Yes.

7 Q. Okay. Do you supervise other employees?

8 A. Yes.

9 Q. Okay. How many all together?

10 A. Nine.

11 Q. Nine, okay. And what are those  
12 employees' responsibilities?

13 A. Activities related to rates and  
14 regulatory affairs.

15 Q. Okay. Could you describe generally for  
16 me what your current job responsibilities are.

17 A. Responsible for directing the rates and  
18 regulatory affairs activities for Ohio Edison, The  
19 Cleveland Electric Illuminating Company, and The  
20 Toledo Edison Company.

21 Q. Okay. When you say regulatory affairs,  
22 could you elaborate on that?

23 A. I think the regulatory affairs relates  
24 to, you know, management of the regulatory activities

1 in the regulatory communities in Ohio.

2 Q. When you say regulatory communities, are  
3 you referring to like the Commission?

4 A. Yes.

5 Q. Okay. Any other regulators?

6 A. No.

7 Q. Okay. Do you have job responsibilities  
8 for regulatory affairs outside of Commission  
9 proceedings?

10 THE WITNESS: Ask you to repeat that  
11 question, ma'am.

12 (Record read.)

13 A. Yes.

14 Q. Okay. And which ones?

15 A. Day-to-day interactions with Public  
16 Utilities Commission staff of Ohio and others.

17 Q. Okay. Apart from utility regulation  
18 broadly, are there other areas of regulation for  
19 which you're responsible?

20 MR. KUTIK: Objection.

21 A. Can you be more specific, sir?

22 Q. Sure. Let me -- just to give you a  
23 little more context, so, for example, Ohio EPA  
24 engages in many regulatory activities. There are,

1       you know, securities regulations. There are  
2       corporate governance regulations. You know, the  
3       first -- the Ohio utilities are subject to many, many  
4       regulations as you probably know better than I do.  
5       And so I am wondering outside of utility-related  
6       regulation if you are responsible for other realms of  
7       regulation.

8             A.    I am not responsible for regulation  
9       associated with the EPA or securities, no.

10            Q.    Okay. All right. Great. Thank you.  
11       And are all of the employees that you supervise  
12       located in this building?

13            A.    Yes.

14            Q.    Okay. And then I believe you stated you  
15       had responsibility for rates; is that correct?

16            A.    Yes.

17            Q.    And that's with respect to the Ohio  
18       utilities specifically?

19            A.    Correct.

20            Q.    Okay. Apart from your regulatory affairs  
21       and rates responsibilities, do you have any other job  
22       responsibilities?

23            A.    Those are my primary job  
24       responsibilities.



1           Q.    Okay.  Thank you.  And just to save time,  
2   if I refer to Ohio Edison Company, The Cleveland  
3   Electric Illuminating Company, and Toledo Edison  
4   Company as the companies collectively, will you  
5   understand what I mean?

6           A.    So long as you are consistent in your use  
7   throughout --

8           Q.    Okay.

9           A.    -- the balance of the day.

10          Q.    Okay.  Great.

11          A.    Yes.

12          Q.    Sorry I interrupted you before you were  
13   done.  Yes, I will be consistent.

14               MR. KUTIK:  At least you will try to be  
15   consistent.  Go ahead.

16               MR. SOULES:  I will be consistent.

17          Q.    And just to -- just so you know, a couple  
18   of other points in this deposition I may see if we  
19   can come up with a shorthand like that for certain  
20   things so just to speed things up essentially.  So  
21   anyway.  Thank you.

22               Would it be fair to say you are familiar  
23   with the regulatory processes of the Public Utilities  
24   Commission of Ohio?

1           A.    Can you be more specific with respect to  
2    "regulatory processes"?

3           Q.    Sure.  Can we take a look at your  
4    supplemental testimony that was filed on December 22,  
5    2014.  And if we could turn to page 8.  Looking at  
6    lines 1 and 2, there is a sentence that states "Based  
7    on my experience with the regulatory process and my  
8    understanding of the Stipulation," and then there's  
9    more text after that.  I was -- I was wondering  
10   what -- when you refer to the regulatory process in  
11   that statement, what regulatory process are you  
12   referring to?

13          A.    This statement addresses the notion that  
14   the stipulation doesn't violate any regulatory  
15   principle or practice.

16          Q.    Okay.  And how about when you refer to  
17   your experience with the regulatory process, what  
18   experience are you referring to?

19          A.    The interactions I've had in the  
20   regulatory arena over the course of my career in  
21   Ohio.

22          Q.    Okay.  And that regulatory arena, is that  
23   a reference to the Public Utilities Commission of  
24   Ohio?

1           A.    Yes.

2           Q.    Okay.  So with that framing, do you now  
3 understand what I was referring to, regulatory  
4 processes of the Public Utilities Commission of Ohio?

5           A.    Could you repeat the question for me,  
6 please?

7           Q.    Yes, of course.  Would it be fair to say  
8 that you are familiar with the regulatory processes  
9 of the Public Utilities Commission of Ohio?

10          A.    In the context of this testimony, yes.

11          Q.    Okay.  Is it fair to say you have  
12 extensive experience with the Commission's regulatory  
13 proceedings?

14          A.    As it relates to electric regulation,  
15 yes.

16          Q.    Okay.  Thank you.  Shifting gears, is  
17 it -- would it be accurate to say that you regularly  
18 provide services for Ohio Edison Company?

19          A.    Yes.

20          Q.    Okay.  Do you receive any compensation  
21 from Ohio Edison Company?

22          A.    No.

23          Q.    Do you report to anyone at Ohio Edison  
24 Company?

1 A. No.

2 Q. Does anyone from Ohio Edison Company  
3 report to you?

4 A. No.

5 Q. Okay. Is it accurate to say that you  
6 regularly provide services to the Cleveland Electric  
7 Illuminating Company?

8 A. Yes.

9 Q. Do you receive any compensation from The  
10 Cleveland Electric Illuminating Company?

11 A. No.

12 Q. Do you report to anyone at the Cleveland  
13 Electric Illuminating Company?

14 A. No.

15 Q. Does anybody from The Cleveland Electric  
16 Illuminating Company report to you?

17 A. No.

18 Q. Okay. You can probably guess what I am  
19 going to ask next. Is it accurate to say you  
20 regularly provide services to The Toledo Edison  
21 Company?

22 A. Yes.

23 Q. Do you receive any compensation from The  
24 Toledo Edison Company?

1           A.    No.

2           Q.    Do you report to anyone at The Toledo  
3 Edison Company?

4           A.    No.

5           Q.    Does anyone from Toledo Edison Company  
6 report to you?

7           A.    No.

8           Q.    Okay. Thank you. In your current  
9 position do you provide any services to FES?

10          A.    From time to time I have provided  
11 services to FES.

12          Q.    Okay. What services?

13               MR. KUTIK: Well, at this point I will  
14 instruct you not to reveal any specific tasks or  
15 activities you've undertaken at the direction of  
16 counsel in anticipation of litigation. If you can  
17 answer that question broadly or generally without  
18 divulging that type of information, you can go ahead  
19 and answer that question.

20          A.    Any work that I would have performed  
21 would have been under the direction of counsel in  
22 anticipation of litigation in matters not related to  
23 the Ohio companies.

24          Q.    Okay. All right. And when you refer to

1 the Ohio companies, you mean the three Ohio utilities  
2 we have been talking about.

3 A. Yes.

4 Q. Okay. Do you receive any compensation  
5 from FES?

6 A. No.

7 Q. Okay. Do you report to anyone at FES?

8 A. No.

9 Q. Okay. Does anyone at FES report to you?

10 A. No.

11 Q. Okay. Are you aware as to whether  
12 FirstEnergy Corporation and all of its affiliates  
13 have both a regulated side of the business and a  
14 competitive marketing side of the business?

15 MR. KUTIK: Objection.

16 A. Could you please be more specific with  
17 your question?

18 Q. Sure. Could you tell me what part of the  
19 question you didn't understand?

20 A. I don't understand your use of the word  
21 "side."

22 Q. Okay. FirstEnergy Corporation and its  
23 affiliates have some business activities that are  
24 associated with fully regulated jurisdictions; would

1       you agree?

2                   MR. KUTIK:  Objection.

3           A.    No.

4           Q.    No, okay.  Do you know Jay Ruberto,  
5   Ms. Mikkelsen?

6           A.    Yes.

7           Q.    Okay.  Do you know what his -- what his  
8   job is?

9           A.    Generally, yes.

10          Q.    Okay.  And generally what is his job?

11          A.    Director of regulated dispatch.

12          Q.    Okay.  Would you agree that the regulated  
13   dispatch side of FirstEnergy Corporation and its  
14   affiliates separated somewhat from the competitive  
15   marketing side of FirstEnergy Corporation and its  
16   affiliates?

17                   MR. KUTIK:  Objection, assumes facts.

18                   THE WITNESS:  May I ask you to repeat the  
19   question, ma'am?

20                   (Record read.)

21          A.    May I ask you to restate the question?

22          Q.    Absolutely.  And I'm sorry if it was  
23   confusing.  Does FirstEnergy Service Company have  
24   what are known as shared services employees?

1           A.    Yes.

2           Q.    Okay.  And what's a shared service  
3 employee?

4           A.    An employee who provides services to the  
5 organization.

6           Q.    Which organization?

7           A.    I think that would depend on the  
8 individual shared service employee.

9           Q.    Okay.  Would shared services employees be  
10 able to provide services to the regulated dispatch  
11 department that Mr. Ruberto manages?

12          A.    Yes.

13          Q.    And would shared services employees be  
14 able to provide services to FES?

15          A.    Yes.

16          Q.    Okay.  And are you aware of whether  
17 FirstEnergy Corporation and its affiliates has a  
18 policy that would separate the marketing activities  
19 of Mr. Ruberto's department and FES?

20                THE WITNESS:  May I have that question  
21 read back, please, ma'am?

22                (Record read.)

23          A.    Setting aside the fact that I'm not sure  
24 that FirstEnergy Corp. has affiliates, I am aware



1       that there are policies that FirstEnergy Service  
2       employees follow with respect to information sharing.

3               Q.    Okay.  Just because I want to make sure  
4       that I'm not misusing certain phrases, would you  
5       agree with me that FirstEnergy Corporation has  
6       subsidiaries?

7               A.    Yes.

8               Q.    Okay.  And is there a way in which you  
9       would -- in which you would reference FirstEnergy  
10      Corporation and all of its subsidiaries in the  
11      aggregate?

12              A.    No.

13              Q.    There's no -- like if I refer to the  
14      FirstEnergy corporate family encompasses both  
15      FirstEnergy Corporation and all of its subsidiaries,  
16      would you understand that reference?

17              A.    It is not a manner in which I refer to  
18      it.

19              Q.    Okay.  I believe in your answer a moment  
20      ago you referred to FirstEnergy.  What part of  
21      FirstEnergy were you referring to there?

22                    THE WITNESS:  May I ask you to read my  
23      answer back, please, ma'am?

24                    (Record read.)

1           Q.    Okay.  Then I stand corrected.  So I  
2   apologize.  Is it your understanding that all  
3   employees of FirstEnergy Service Company are shared  
4   service employees?

5           A.    I don't know.

6           Q.    Okay.  Let's shift gears a minute.  Are  
7   you familiar with the proposed agreement under which  
8   FirstEnergy Solutions would sell its capacity,  
9   energy, and ancillary services to Ohio Edison  
10   Company, The Cleveland Electric Illuminating Company,  
11   and The Toledo Edison Company?

12          A.    I am aware of the proposed transaction,  
13   yes.

14          Q.    Okay.  And the proposed transaction you  
15   are referring to involves the Sammis plant, the  
16   Davis-Besse plant, and the OVEC entitlement; is that  
17   correct?

18          A.    Could you be more specific with respect  
19   to OVEC entitlement?

20          Q.    Sure.  The subject of the -- I'll just  
21   rephrase entirely.  The subject of the proposed  
22   transaction -- strike that.

23                   The generating assets that are the  
24   subject of the proposed transaction are the Sammis

1 plant, the Davis-Besse plant, and FES's share of the  
2 Clifty Creek and Kyger Creek plants; is that correct?

3 A. I'm not sure with respect to your  
4 reference to the OVEC piece, but I'm aware of the  
5 proposed transaction including Davis-Besse, Sammis,  
6 and the legacy Ohio share of the OVEC investment.

7 MR. SOULES: I'm sorry. Can we have that  
8 last answer read back.

9 (Record read.)

10 Q. When you refer to "the legacy Ohio  
11 share," what are you referring to?

12 A. The megawatts associated with the OVEC  
13 plants that were originally dedicated to the use of  
14 the FirstEnergy Ohio utility customers.

15 Q. Okay. And do you know if those -- that  
16 share of megawatts is now owned by FES?

17 A. I don't know what the ownership structure  
18 is, no.

19 Q. Okay.

20 MR. KUTIK: There have been several  
21 people, I believe, who have come on since we all  
22 identified themselves so if you have not identified  
23 yourself on the phone, could you do so now.

24 MS. COHN: Jody Cohn, Ohio Energy Group.

1 MR. STINSON: Dane Stinson, NOPEC.

2 MR. HOWARD: Don Howard, PUCO staff.

3 MS. BOJKO: Kim Bojko.

4 MR. YURICK: Mark Yurick on behalf of  
5 Kroger.

6 MS. GRADY: Maureen Grady on behalf of  
7 OCC.

8 MS. BOJKO: Did you hear Kim Bojko on  
9 behalf of OMA?

10 MR. KUTIK: Okay. You can all go back on  
11 mute now.

12 MR. SOULES: Thank you.

13 Q. Ms. Mikkelsen, when did you first hear  
14 about the proposed transaction?

15 A. Can you be more specific with respect to  
16 "the proposed transaction," please?

17 Q. Sure. I believe in a couple of your  
18 answers you've referred to the proposed transaction;  
19 is that correct?

20 A. If by "proposed transaction" we are  
21 talking about the Davis-Besse, Sammis, and OVEC share  
22 that we just discussed.

23 Q. Yeah.

24 A. I am aware that FirstEnergy Solutions

1       approached the utilities regarding that proposed  
2       transaction in May of 2014.

3               Q.    Okay.  Thank you.  And just to make sure  
4       that we are talking about the same thing, I will be  
5       consistent in referring to that proposed agreement as  
6       the proposed transaction, the one we have just been  
7       discussing.  Does that sound okay to you?

8               A.    Yes.

9               Q.    Okay.  Great.  And when did you  
10       personally first hear about the proposed transaction?

11              MR. KUTIK:  I'll object.  It has been  
12       asked and answered.  You can tell him again.

13              A.    May, 2014.

14              Q.    Okay.  So you heard about it at the time  
15       at which FES approached the companies; is that  
16       correct?

17              A.    Yes.

18              Q.    Okay.  Thank you.  Who first told you  
19       about the proposed transaction?

20              A.    I don't remember.

21              Q.    Do you remember anything about the  
22       circumstances as to when you first learned of the  
23       proposed transaction?

24              A.    No.

1           Q.    Okay. Do you know if FES and the  
2           companies have executed a final agreement with  
3           respect to this proposed transaction?

4           A.    I'm not aware of a final agreement being  
5           executed with respect to the proposed transaction.

6           Q.    Okay. But FES and the companies have  
7           prepared a term sheet for the proposed transaction;  
8           is that correct?

9           A.    A term sheet does exist, yes.

10          Q.    Okay. And you're familiar with the  
11          economic stability program that the companies have  
12          proposed for Commission approval; is that correct?

13          A.    Yes.

14          Q.    And the economic stability program is  
15          part of the companies' proposed electric security  
16          plan; is that correct?

17          A.    Yes.

18          Q.    And you're also familiar with the  
19          companies' proposed retail rate stability rider; is  
20          that correct?

21          A.    Yes.

22          Q.    If I refer to that rider as rider RRS,  
23          will you understand what I mean?

24          A.    Yes.

1           Q.    Okay.  And rider RRS is also part of the  
2           companies' proposed electric security plan, correct?

3           A.    Yes.

4           MR. SOULES:  Okay.  Could we have this  
5           marked Mikkelsen Exhibit 1.

6                   (EXHIBIT MARKED FOR IDENTIFICATION.)

7           Q.    Ms. Mikkelsen, you have been passed a  
8           document that's been marked as Exhibit -- Mikkelsen  
9           Exhibit 1.  This document was attached to a discovery  
10          response IEU Set 1-INT-25.  And the document is  
11          entitled "IEU Set 1-INT-25 Attachment 1."  Are you  
12          familiar with this document?

13          A.    I have seen this document before.

14          Q.    Okay.  What is this document?

15          A.    A term sheet.

16          Q.    Is this the term sheet for the proposed  
17          transaction?

18          A.    Yes.

19          Q.    Okay.  Do you know whether the economic  
20          stability program was developed based on this term  
21          sheet?

22                   MR. KUTIK:  Objection.

23          A.    The economic stability program  
24          encompasses a number of elements that are articulated

1 in our application.

2 Q. Okay. And do you know whether portions  
3 of the economic stability program were developed  
4 based on this term sheet?

5 A. I don't understand the question.

6 Q. Would you agree with me rider RRS has  
7 some relationship to the proposed transaction?

8 MR. KUTIK: Objection.

9 A. I am not sure I understand that question  
10 either, sir.

11 Q. Okay. I apologize. What is -- big  
12 picture, what's the purpose of rider RRS?

13 A. I'm not sure, "big picture," what you  
14 mean by "big picture," but what I am saying is the  
15 retail rate stability rider is designed to provide  
16 our customers retail rate stability and certainty  
17 over the term of the economic stability program.

18 Q. Okay. And would there be any purpose to  
19 the retail rate stability rider in the absence of a  
20 purchase power agreement between the companies and  
21 FES?

22 A. The specific proposed retail rate  
23 stability rider?

24 Q. Correct.



1 THE WITNESS: May I ask you to read the  
2 question back, ma'am, please?

3 (Record read.)

4 A. Could you be more specific what you mean  
5 with respect to "purpose for the retail rate  
6 stability rider," please?

7 Q. Sure. Let me rephrase. Does the retail  
8 rate stability rider distribute costs and revenues to  
9 the companies' customers that are associated with --  
10 or that would be associated with the proposed  
11 purchase power agreement between FES and the  
12 companies?

13 MR. KUTIK: May I have the question read.

14 (Record read.)

15 A. And the retail rate stability rider is  
16 designed to provide rate stability and certainty to  
17 the customers of the electric utility.

18 Q. Would that -- would that rider -- strike  
19 that.

20 If the companies and FES do not enter  
21 into a purchase power agreement, would there be any  
22 purpose to rider RRS?

23 A. I apologize. I am struggling with the  
24 use of the word "purpose for the rider RRS" so if you

1       could better clarify that to me, that would be  
2       helpful.

3               Q.     Sure.  Would -- would the -- would the  
4       expected, you know, retail rate stability benefits  
5       associated with rider RRS exist in the absence of a  
6       purchase power agreement between the companies and  
7       FES?

8               A.     No.

9               Q.     Okay.  So would you agree with me that  
10      the retail rate stability rider was developed based  
11      in part on the proposed transaction?

12              A.     Again, the retail rate stability rider  
13      was designed to provide customers rate stability and  
14      certainty over the economic stability program period.  
15      Costs arising from the proposed transaction would be  
16      one element of the design of the retail rate  
17      stability rider.

18              Q.     Okay.  Thank you.  Do you know if anyone  
19      from the companies has approved this term sheet  
20      that's been marked as Exhibit 1?

21              A.     No.

22              Q.     No, you don't know one way or the other?

23              A.     No, I don't know.  Your question was do I  
24      know, and I answered, no, I don't know.

1 Q. Great. Thank you.

2 A. You're welcome.

3 Q. We can set this aside for the moment.

4 Ms. Mikkelsen, this proceeding you have submitted two  
5 sets of testimony; is that correct?

6 A. Yes.

7 Q. Okay. If I refer to the direct testimony  
8 that was filed on August 4, 2014, as your initial  
9 testimony or your original testimony, will you  
10 understand what I mean?

11 A. I would prefer you refer to it as my  
12 direct testimony --

13 Q. Your direct testimony.

14 A. -- as it is labeled.

15 Q. Okay. That's fine. And if I refer to  
16 the testimony that was filed on December 22, 2014, as  
17 your supplemental testimony, will you understand what  
18 I mean?

19 A. Yes.

20 Q. Okay. Great. Could we please turn to  
21 page 14 of your direct testimony. So looking at line  
22 21 you say "Rider RRS will be subject to two separate  
23 reviews"; is that correct?

24 A. Yes.

1           Q.    Okay.  And then looking at the next  
2           sentence in your testimony you state that "In the  
3           first review, the Staff will have from April 1 to  
4           May 31 to review the annual Rider RRS filing for  
5           mathematical errors, consistency with the Commission  
6           approved rate design, and incorporation of prior  
7           audit findings, if applicable"; is that correct?

8           A.    Yes.

9           Q.    Okay.  So I would like to talk about this  
10          first review process in a little bit more detail.  Is  
11          this first review process something that's been  
12          proposed as part of the companies' electric security  
13          plan?

14          A.    Yes.

15          Q.    Okay.  And is this first review process  
16          included in the ESP application?

17          A.    It's included in my testimony, my direct  
18          testimony that was filed in support of the  
19          application, yes.

20          Q.    Okay.  Apart from your direct testimony,  
21          is there anywhere else in the application package  
22          where this first review process is described?

23          A.    I don't have the application package with  
24          me to review at this time.

1 Q. Okay. I'm sorry. Were you going to?

2 Do you know if this first review process  
3 is described in the application itself?

4 A. I don't think it is.

5 Q. Okay. Do you know if this first review  
6 process is outlined in any Commission rule?

7 A. I think it is practice -- standard  
8 practice for staff to review riders when they are  
9 filed by the company.

10 Q. And when you say "company," which company  
11 are you referring to?

12 A. Based on your establishment of the ground  
13 rules earlier on, I thought we had agreed that when  
14 we used the word companies, we were referring to Ohio  
15 Edison Company, The Cleveland Electric Illuminating  
16 Company, and The Toledo Edison Company.

17 Q. Okay. Yeah, I thought I had heard you  
18 say company singular and that's why I was confused  
19 so.

20 MR. KUTIK: Did you mean to say  
21 companies?

22 THE WITNESS: I did.

23 Q. Okay. Great. Thank you. Apart from --  
24 well, scratch that.

1                   Do you know what the basis for that  
2                   standard practice is?

3                   A.    Could you be more specific, sir?

4                   Q.    Do you know why there is a standard  
5                   practice that the Commission staff reviews riders?

6                   A.    I think that's probably a question better  
7                   addressed to the staff.

8                   Q.    Okay.  Are you aware of any legal  
9                   requirement that calls for the staff to review  
10                  riders?

11                  MR. KUTIK:  Objection to the extent it  
12                  calls for a legal conclusion, but you can answer.

13                  A.    I am not a lawyer.  I am not aware of any  
14                  legal requirement.

15                  Q.    Okay.  Apart from the standard practice  
16                  of staff and the description on pages 14 and 15 of  
17                  your direct testimony, are you aware of any other  
18                  sources for this first review process?

19                  MR. KUTIK:  Objection.

20                  A.    Could you clarify the question, please?

21                  Q.    Sure.  Can you tell me what part is  
22                  confusing to you?

23                  A.    The use of the word "sources."

24                  Q.    Let me step back.  When you developed

1       this proposed first review process, how did you come  
2       up with that proposal?

3             A.     In developing the review process we felt  
4       it was important that the staff have an opportunity  
5       to review the filing both initially and then in the  
6       subsequent review process, and we wanted to be clear  
7       and transparent that we thought that was an important  
8       element of the economic stability program.

9             Q.     Okay. Were you relying upon that  
10      standard practice you referred to earlier in  
11      developing this proposal?

12            A.     My regulatory experiences with respect to  
13      review of riders would have contributed to the  
14      development, yes.

15            Q.     Okay. How frequently would this first  
16      review process occur?

17            A.     Annually.

18            Q.     Okay. And is that stated in your  
19      testimony, your direct testimony, somewhere?

20            A.     In my testimony it states that the staff  
21      will have from April 1 to May 31 to review the annual  
22      rider RRS filing --

23            Q.     Okay.

24            A.     -- in the first review.

1           Q.    Okay.  Cool.  Thank you.  I would like to  
2   understand a little bit better what the specific  
3   steps of this first review process would be.  What --  
4   what is the first step?  What happens first?

5           A.    I don't know what the staff's steps would  
6   be with respect to their review.

7           Q.    Would the companies file something with  
8   the staff at some point?

9           A.    The companies would propose to file the  
10  rider -- the retail rate stability rider on April 1  
11  of each year for a rate that would be effective  
12  June 1.

13          Q.    Okay.  And then the staff would have a  
14  two-month review period, if I am doing my math right.

15          A.    For the first review, yes.

16          Q.    Okay.  When you say the first review, you  
17  mean -- you are distinguishing this from the second  
18  review process discussed on page 15 of your  
19  testimony?

20          A.    Yes.

21          Q.    Okay.

22                MR. KUTIK:  Tell me when you are done  
23  finishing your discussion of the first review because  
24  then we'll take a break.



1 MR. SOULES: Okay. That sounds good.

2 Q. In this first review process would the  
3 staff be entitled to submit data requests to the  
4 companies?

5 A. Yes.

6 Q. Okay. And apart from the staff, who is  
7 allowed to participate in this first review process?

8 A. As proposed, the staff would be  
9 responsible for the first review.

10 Q. Okay. So customers of the companies  
11 would not be able to participate in that review  
12 process?

13 A. As proposed, correct.

14 Q. Okay. If in this first review process  
15 the staff found a problem with the rider filing that  
16 resulted in an overcharge of the companies'  
17 customers, would the Commission be entitled to reject  
18 the excess costs?

19 MR. KUTIK: Objection, assumes facts.

20 A. May I ask you to restate that question,  
21 sir?

22 Q. Sure. Let's assume hypothetically rider  
23 RRS gets approved and a few years from now the  
24 Commission staff is performing its review under this

1 first review process. And let's assume further that  
2 the staff found a problem with the rider filing that  
3 resulted in an excess charge to the companies'  
4 customers. In that situation would the Commission be  
5 entitled to reject those excess costs?

6 MR. KUTIK: Objection, assumes facts.  
7 Mischaracterizes the process and her testimony.

8 A. I'm having trouble with the hypothetical  
9 with respect to the characterization that it's  
10 overcharging customers.

11 Q. Okay. Well, let's step back. In your  
12 testimony you state that "In the first review, the  
13 Staff will have from April 1 to May 31 to review the  
14 annual Rider RRS filing for mathematical errors" and  
15 then for some other aspects as well. Would you agree  
16 with me?

17 A. As proposed, the first review would allow  
18 for review for mathematical errors, consistency with  
19 the Commission approved rate design, and  
20 incorporation of prior audit findings, if any.

21 Q. Okay. And if the staff found a  
22 mathematical error in its review that had it not been  
23 corrected would have resulted in customers being  
24 charged more money, would the Commission be entitled

1 to reject those costs?

2 MR. KUTIK: Objection, assumes facts,  
3 mischaracterizes her testimony.

4 A. I think if the staff found a mathematical  
5 error of any nature in the filing, they would  
6 approach the company, and if the company agreed that  
7 it was an error, we would amend and correct the  
8 filing.

9 Q. If the company did not agree there was an  
10 error, who would have the final say?

11 A. It is difficult for me to understand a  
12 hypothetical circumstance where the staff and the  
13 company couldn't agree on whether or not a  
14 mathematical error existed. A mathematical error is  
15 a mathematical error, so I guess I can't really  
16 accept the hypothetical circumstance, sir.

17 Q. Okay. If the staff and the companies had  
18 a disagreement about consistency with the  
19 Commission-approved rate design, who would have the  
20 final say under the first review process?

21 A. The Public Utilities Commission of Ohio  
22 always has the final say with respect to the rates  
23 and tariffs of the company.

24 Q. Okay. And would a -- would the staff

1       itself have that power, or would it have to be  
2       elevated to the Commission itself to make that  
3       decision?

4             A.     The Commission approves the rates that  
5       are implemented by the companies.

6             MR. SOULES:   Okay.   Thank you.   This is  
7       probably a good time for a break.

8             MR. KUTIK:   Okay.

9             (Recess taken.)

10            Q.     Welcome back, Ms. Mikkelsen.   So before  
11       the break we were talking a little bit about the  
12       first review process described on pages 14 and 15 of  
13       your direct testimony.   I would now like to shift our  
14       attention to the second review process discussed in  
15       your testimony.

16                   And starting on page 15, line 3 of your  
17       direct testimony, you state that "In the second  
18       review, the Staff will have the opportunity to audit  
19       the reasonableness of the actual costs (excluding  
20       Legacy Cost Components which shall not be included in  
21       this second review or challenged in any subsequent  
22       audit or review) contained in Rider RRS and the  
23       actual market revenues contained in Rider RRS.   The  
24       audit shall include a review to confirm the actual

1 costs and actual market revenues included in Rider  
2 RRS are not unreasonable." Do you see where it  
3 states that?

4 A. Yes.

5 Q. Okay. And is this second review process  
6 something that's been proposed as part of the  
7 companies' electric security plan?

8 A. Yes.

9 Q. Is the second review process included in  
10 the application?

11 A. The second review process is outlined in  
12 my direct testimony which was filed with the  
13 application.

14 Q. Okay. Apart from the description of the  
15 second review process described in your direct  
16 testimony, are you aware of any other descriptions of  
17 the second review process?

18 A. Can you be more specific?

19 Q. Sure. Do you know whether or not the  
20 second review process is outlined in the application  
21 itself?

22 MR. KUTIK: Objection, asked and  
23 answered.

24 A. The second review process is outlined in

1 my direct testimony which was filed with the  
2 application.

3 Q. Okay. Have you drafted a -- any other  
4 descriptions of the second review process other than  
5 the one described in your direct testimony?

6 A. Can you be more specific, please?

7 Q. Sure. So I think, you know, big picture  
8 what I am trying to understand is if I went to the  
9 400 some page application and thumbed through it,  
10 would I be able to find a description of the second  
11 review process?

12 A. You would be able to find a description  
13 of the second review process in the direct -- in my  
14 direct testimony which was filed with the  
15 application.

16 Q. Okay. Did you personally develop the  
17 second review process? Strike that.

18 Did you personally develop this proposed  
19 second review process?

20 A. Yes.

21 Q. Okay. What -- what did you rely upon in  
22 developing that proposal?

23 A. My professional judgment.

24 Q. Anything else?

1           A.    Not that I can think of at this time.

2           Q.    Did you review any Commission regulations  
3 when you were developing this proposal?

4           A.    No.

5           Q.    Did you review any Commission orders when  
6 you were developing this proposal?

7           A.    No.

8           Q.    So similar to the first review process, I  
9 would like to walk through the specific steps of the  
10 second review process. Looking at page 15 of your  
11 direct testimony, lines 13 to 14, it states "Staff  
12 will document the results of their audit in a Staff  
13 Report to the Commission." Do you see where it  
14 states that?

15          A.    Yes.

16          Q.    And how much time would the staff have to  
17 perform the audit being referenced here?

18          A.    There was no time parameters proposed.

19          Q.    Okay. Oh, in stepping back I'm curious  
20 what like the initial step that triggers the staff  
21 audit would be. Can you tell me what would trigger  
22 the audit process?

23          A.    I think the staff would have to determine  
24 what the trigger is for the audit process.

1           Q.    So is it your understanding that they  
2           would have authority to begin an audit whenever they  
3           so desired?

4           A.    I think the staff does have the authority  
5           to audit the utilities whenever they choose to do so.

6           Q.    Okay.  So under the proposed second  
7           review process, there is not necessarily a regular  
8           time interval at which these reviews would occur; is  
9           that correct?

10          A.    The second review is designed to audit  
11          the actual costs and revenues so there would need to  
12          be actual costs and revenues in order to conduct the  
13          second review.

14          Q.    Okay.  But apart from that, the need for  
15          there to be actual costs and revenues, there's not a  
16          specified frequency at which these audits would occur  
17          under the proposal?

18          A.    That's correct.

19          Q.    Okay.  During the audit process that  
20          occurs as part of the second review, would the staff  
21          be able to submit data requests to the companies?

22          A.    Yes.

23          Q.    Okay.  Do you know how quickly the  
24          companies would need to respond to those data



1 requests?

2 A. No.

3 Q. Okay. Looking again at page 15 of your  
4 direct testimony, starting on line 14, it states "The  
5 Companies will be given the opportunity to review the  
6 draft Staff Report for factual accuracy and to  
7 identify confidential items, if any, prior to its  
8 filing." Do you see where it states that?

9 A. Yes.

10 Q. Okay. Once the companies have completed  
11 their review of the draft staff report, would the  
12 report then be filed with the Commission?

13 A. As contemplated, yes.

14 Q. Okay. And except for the confidential  
15 portions of that report, the rest of it would be  
16 publicly available under this proposal?

17 A. Yes.

18 Q. Okay. So in the next sentence starting  
19 on line 16, it states "After the filing of the Staff  
20 Report, the Companies would then have an opportunity  
21 to file a response to the Staff Report and any  
22 findings from the Staff audit." Do you see where it  
23 states that?

24 A. Yes.

1           Q.    Okay. Under this proposed second review  
2 process, do you know how much time the companies  
3 would have to file a response?

4           A.    I don't recall.

5           Q.    Does that mean that there is a time  
6 that's embedded within this proposal; you just don't  
7 recall what that time would be?

8           A.    There is not a time embedded within this  
9 proposal, no.

10          Q.    Okay, okay. And then the next sentence  
11 on line 18 states "If needed, the matter could be set  
12 for hearing." Do you see where it states that?

13          A.    Yes.

14          Q.    What type of hearing are you referring to  
15 in that sentence?

16          A.    An evidentiary hearing.

17          Q.    Okay. And what circumstances would  
18 trigger the need for a hearing under this proposal?

19          A.    Disagreement over matters associated with  
20 the rider.

21          Q.    Disagreement by whom?

22          A.    The companies -- the companies and  
23 parties in the proceeding.

24          Q.    Okay. And when you refer to the parties

1 in the proceeding, does that mean that parties other  
2 than the staff would be entitled to participate in  
3 this proceeding?

4 A. Yes.

5 Q. Okay. Would those other party -- well,  
6 would those other parties be entitled to submit data  
7 requests to the companies under this proposal?

8 MR. KUTIK: Objection.

9 THE WITNESS: May I have the question  
10 reread, please, ma'am?

11 (Record read.)

12 A. Parties would be able to participate in  
13 the proceeding under the procedural rules established  
14 for the proceeding.

15 Q. And what procedural rules are you  
16 referring to?

17 A. Procedural schedules that may be  
18 established for the proceeding.

19 Q. Would you contemplate that this type of  
20 proceeding would be similar to the proceeding that we  
21 are engaged in now where parties would be entitled to  
22 submit discovery requests and submit testimony?

23 A. I don't agree it will be like this  
24 proceeding.

1           Q.    Okay.  Would -- in the proceeding that  
2           would occur under the second review process, would  
3           parties other than the staff be limited to simply  
4           filing comments regarding the staff audit report?

5           A.    I don't know.

6           Q.    Okay.  Do you know if other parties would  
7           be entitled to submit sworn testimony in such a  
8           proceeding?

9           A.    I think they would, subject to Commission  
10          establishment of protocols for the hearing.

11          Q.    Okay.  So backing up to the beginning of  
12          the paragraph we have been focusing on, starting on  
13          line 9, it states "Any determination that the costs  
14          and revenues included in Rider RRS are not  
15          unreasonable shall be made in light of the facts and  
16          circumstances known at the time such costs were  
17          committed and market revenues were received."  Do you  
18          see where it states that?

19          A.    Yes.

20          Q.    Okay.  And what is the basis for your  
21          conclusion that these determinations shall be made in  
22          light of the facts and circumstances known at the  
23          time such costs were committed and market revenues  
24          were received?

1 MR. KUTIK: Objection, mischaracterizes  
2 her testimony.

3 THE WITNESS: May I have that reread,  
4 please, ma'am?

5 (Record read.)

6 A. Ask you to restate the question, sir.

7 Q. Sure. So looking back at your direct  
8 testimony, it states "Any determination that the  
9 costs and revenues included in Rider RRS are not  
10 unreasonable shall be made in light of the facts and  
11 circumstances known at the time such costs were  
12 committed and market revenues were received." And  
13 what I would like to know is what the basis for that  
14 conclusion is.

15 MR. KUTIK: Objection, mischaracterizes  
16 her testimony as to conclusion.

17 A. The proposed audit recommendation is that  
18 the determination should be fact based based on the  
19 facts and circumstances that were known at the time  
20 the decisions were made.

21 MR. SOULES: I'm sorry. Could I have  
22 that question -- answer read back.

23 (Record read.)

24 Q. Okay. How did you develop that aspect of

1       this proposal?

2             A.    Professional experience.

3             Q.    Did you review any documents when you  
4       were developing that aspect of this proposal?

5             A.    No.

6             Q.    Did you review any legal authorities when  
7       developing this aspect of the proposal?

8             A.    No.

9             Q.    Okay.  And what professional experience  
10       are you referring to?

11            A.    The professional experience of a rates  
12       and regulatory affairs professional.

13            Q.    Okay.  Do you know if -- do you know if  
14       this task has been previously applied in a Commission  
15       proceeding?

16            A.    Again, I am not an attorney, but I am  
17       aware of proceedings that have used similar criteria.

18            Q.    Okay.  And which proceedings?

19            A.    Prudence cases.

20            Q.    Okay.  Can you elaborate on that?  Which  
21       prudence cases?

22            A.    I can elaborate on prudence cases that  
23       I've been involved in which related to the inclusion  
24       in rate base of nuclear units.

1           Q.    Okay.  Do you recall specifically which  
2   cases?

3           A.    A case that comes to mind is  
4   85-52-EL-COI.  There were others but I don't recall  
5   the docket numbers.

6           Q.    Okay.  Thank you.

7           MR. SOULES:  Could we have this marked as  
8   Exhibit 2.

9                   (EXHIBIT MARKED FOR IDENTIFICATION.)

10          Q.    Ms. Mikkelsen, you have been passed a  
11   document that's been marked as Mikkelsen Exhibit 2.  
12   This document is in response to discovery request  
13   P3-EPISA Set 1-INT-1.  Are you familiar with this  
14   document?

15          A.    Yes.

16          Q.    Okay.  And did you provide the answer to  
17   this discovery request?

18          MR. KUTIK:  To move this along we will  
19   stipulate that any interrogatory or discovery answer  
20   that bears her name she provided.

21          MR. SOULES:  Okay.  That's fine.

22          Could we have this marked Exhibit 3.

23                   (EXHIBIT MARKED FOR IDENTIFICATION.)

24          Q.    Ms. Mikkelsen, you have been passed a

1 document that's been marked as Exhibit 3. This  
2 document is a response to discovery request P3-EP  
3 Set 1-INT-2. Are you familiar with this document?

4 A. Yes.

5 Q. Okay. I won't ask my next question  
6 because we just had a stipulation.

7 So looking down at the response to this  
8 discovery request, it cross-references some  
9 objections that were made in INT 1, and then it  
10 states that "the assessment that the costs and  
11 revenues included in Rider RRS are not unreasonable  
12 should be made in accordance with the following  
13 guidelines." And then beneath that there are four  
14 guidelines listed. Do you see where it states that?

15 A. Yes.

16 Q. Okay. How did you identify these four  
17 guidelines?

18 A. The second guideline was really referred  
19 to in my direct testimony at page 15, lines 9 through  
20 11. The other three guidelines would have been  
21 provided by counsel.

22 MR. SOULES: I'm sorry. So could we have  
23 that answer read back.

24 (Record read.)



1           Q.    Okay.  Do you personally have an opinion  
2           as to whether there should exist a presumption that  
3           the decisions made were prudent?

4           A.    Yes, I have an opinion.

5           Q.    And what is your opinion?

6           A.    That there should exist a presumption  
7           that the decisions made were prudent.

8           Q.    And what is the basis for that opinion?

9           A.    Professional experience.

10          Q.    Apart from your professional experience,  
11          are you relying on anything in support of that  
12          personal opinion?

13          A.    No.

14          Q.    Okay.  If I asked those same questions  
15          regarding the other two -- regarding guidelines 3 and  
16          4, would you answer the same?

17          A.    Yes.

18          Q.    Okay.  Did you review any Commission  
19          decisions -- scratch that.

20                 Did you review any Commission regulations  
21          in preparing your response to this discovery request?

22          A.    No.

23          Q.    Did you review any Commission orders in  
24          preparing your response to this discovery request?

1           A.    I don't recall.

2           Q.    Do you recall if you reviewed any  
3 documents in preparing your response to this  
4 discovery request?

5           A.    I did review documents.

6           Q.    Okay. Which documents?

7           A.    I don't recall.

8           MR. SOULES: Okay. Could we have this  
9 marked Exhibit 4.

10                   (EXHIBIT MARKED FOR IDENTIFICATION.)

11           Q.    Ms. Mikkelsen, you have been passed a  
12 document that's been marked as Exhibit 4. This  
13 document is a response to discovery request Nucor Set  
14 1-INT-38. Are you familiar with this document?

15           A.    Yes.

16           Q.    Okay. And with respect to part (h) of  
17 the interrogatory, are you responsible for the answer  
18 to that question?

19           A.    Yes.

20           Q.    Okay. And what's the basis for your  
21 response to that question?

22           A.    May I ask you to restate the question,  
23 please?

24           Q.    Sure. So in your response to part (h),

1       you've agreed that the Commission would be able to  
2       exclude or disallow costs associated with the plants  
3       from recovery through rider RRS if the Commission  
4       finds those costs to be unreasonable or imprudent; is  
5       that correct?

6             A.    Yes.

7             Q.    Okay.  And why?

8             A.    May I ask you to restate the question,  
9       please?

10            Q.    Sure, absolutely.  I'm just trying to  
11       understand why you agreed that the Commission would  
12       be able to exclude or disallow those costs.

13            A.    The companies are only allowed to charge  
14       Commission-approved rates.

15            Q.    Okay.  Just to make sure I'm  
16       understanding your -- are you -- did you read part  
17       (h) and the response to that as referring to the  
18       second review process as described on page 15 of your  
19       direct testimony?

20            A.    Yes.

21            Q.    Okay.  So, Ms. Mikkelsen, let's assume  
22       that rider RRS gets approved.  I'm sorry.  Strike  
23       that.

24                    Let's take another look at page 15 of

1 your direct testimony. Looking at lines 21 to 22, it  
2 states "Any expenses incurred by the Companies  
3 associated with the audit process will be recovered  
4 in Rider RRS." Do you see where it states that?

5 A. Yes.

6 Q. Okay. And just to be clear, the audit  
7 process being referred to here is the same one  
8 discussed earlier on page 15 of your testimony?

9 A. It is the second review.

10 Q. Okay. An audit process is a subcomponent  
11 of the overall second review process.

12 MR. KUTIK: Objection.

13 A. Can I ask you to restate the question,  
14 please?

15 Q. It is -- is the audit process a part of a  
16 larger second review process under this proposal?

17 A. The audit process is the second review.

18 Q. Okay. But that audit process could  
19 include up to and including an evidentiary hearing;  
20 is that correct?

21 A. Yes.

22 Q. So let's assume that rider RRS gets  
23 approved and a few years from now the Commission  
24 staff reviews under the second review process. And

1       let's assume further that the Commission determines  
2       that certain costs are unreasonable and, therefore,  
3       rejects recovery of those costs. In that  
4       circumstance would the companies be able to recover  
5       the expenses they had incurred as a result of the  
6       audit process?

7             A.    The companies would be able to recover  
8       any audit-related expenses in rider RRS.

9             Q.    So the companies would be able to recover  
10      audit-related expenses regardless of whether the  
11      Commission finds rider RRS costs to be reasonable?

12            MR. KUTIK:  Objection, asked and  
13      answered. Also confusing with respect to the word  
14      "cost." You are referring to the audit costs or some  
15      other costs?

16            MR. SOULES:  Could we have the question  
17      read back.

18                    (Record read.)

19            Q.    Ms. Mikkelsen, if you don't understand  
20      the question, please let me know.

21            A.    I don't understand the question.

22            Q.    Okay. Just to put some numbers on it,  
23      these are obviously very simplified numbers. Let's  
24      suppose that under the second review process the

1 companies incur \$100 of audit-related expenses. And  
2 let's assume further that at the end of that process  
3 the Commission determines that the rider RRS costs  
4 are excessive in the amount \$1,000, and the  
5 Commission disallows that \$1,000 of costs. In that  
6 circumstance would the \$100 still be recoverable  
7 through rider RRS?

8 MR. KUTIK: Objection.

9 A. Could you provide greater clarity around  
10 expenses versus costs?

11 Q. Sure. I was using expenses because  
12 that's the word used on line 21 of your testimony. I  
13 guess what I am trying to understand is if in a  
14 situation where the Commission determined that rider  
15 RRS costs were unreasonable, would the companies  
16 still be able to recover any costs that it -- that  
17 they incurred during the auditing process?

18 MR. KUTIK: Objection.

19 A. The companies' proposal is that costs  
20 incurred related to the audit would be recovered in  
21 rider RRS.

22 Q. And the recoverability of those costs  
23 does not hinge upon how the Commission might  
24 ultimately rule at the end of the second review

1 process; is that correct?

2 A. Yes.

3 Q. Okay. Thank you. Ms. Mikkelsen, are you  
4 familiar with the team that represented the companies  
5 in evaluating and negotiating the proposed  
6 transaction with FES?

7 A. May I ask you to restate the question?

8 Q. Sure. Could you tell me what part of  
9 that question you didn't understand?

10 A. "Familiar."

11 Q. Okay. Are you aware as to whether there  
12 was a team that represented the companies in  
13 evaluating and negotiating the proposed transaction  
14 with FES?

15 A. Yes, I am aware there was a team.

16 Q. Okay. If I refer to that team as the EDU  
17 team, will you understand what I mean?

18 A. Yes.

19 Q. Okay. Thank you. When did you first  
20 hear than an EDU team was being created?

21 MR. KUTIK: May I have the question read,  
22 please.

23 (Record read.)

24 A. May, 2014.

1           Q.    Okay.  Do you remember who told you that  
2   an EDU team was being created?

3           A.    Yes.

4           Q.    And who was that?

5           A.    William Ridmann.

6           Q.    And how did you hear about it from  
7   Mr. Ridmann?  Was it an in person meeting?  In a  
8   phone call?  In an e-mail?

9           A.    In person.

10          Q.    Okay.  And what did Mr. Ridmann tell you?

11          A.    I don't recall the specifics of the  
12   conversation.

13          Q.    At the time of that conversation, were  
14   you already aware of the possibility of a proposed  
15   transaction with FES?

16                THE WITNESS:  May I have that question  
17   reread, please?

18                (Record read.)

19          A.    Yes.

20          Q.    Okay.  Following the meeting with  
21   Mr. Ridmann, did you take any steps, you know,  
22   pursuant to that meeting?

23          A.    Yes.

24          Q.    Okay.  And what steps did you take?



1           A.    I notified the manager of revenue  
2 requirements that one of his employees had been  
3 selected to participate on the team.

4           Q.    Okay. Was there anything else? Any  
5 other steps that you took?

6           A.    Not that I recall.

7           Q.    And were you referring to Mr. Fanelli,  
8 Ms. Savage in your prior answer?

9           A.    I was referring to a conversation with  
10 Mr. Fanelli.

11          Q.    Okay. Do you know who selected the  
12 members of the EDU team?

13          A.    I don't recall.

14          Q.    Okay. Do you know if the EDU team was  
15 given any directions regarding its responsibilities?

16                THE WITNESS: Can I have that question  
17 read, please, ma'am?

18                (Record read.)

19          A.    Yes.

20          Q.    And was the EDU team given any directions  
21 regarding its responsibilities?

22          A.    Yes.

23          Q.    Okay. And what were those directions?

24          A.    To review the transaction, the proposed

1 transaction, from a media perspective.

2 Q. Okay. Were there any other directions?

3 A. Engage in discussions with FES.

4 Q. Discussions regarding what?

5 A. Potential terms for the proposed

6 transaction.

7 Q. Okay. Thank you. Do you know who  
8 developed those directions?

9 A. No.

10 Q. Okay. Do you know if the directions were  
11 provided in writing to the EDU team?

12 A. I don't recall.

13 Q. Okay. Was Mr. Ruberto the lead of the  
14 EDU team?

15 MR. KUTIK: I'll object. You have  
16 testimony from Mr. Ruberto. You have documents.  
17 What she knows or doesn't know about whether he was  
18 the lead or not is irrelevant. And you are wasting  
19 time. She can answer.

20 A. Yes.

21 Q. Okay. Did you attend any meetings with  
22 Mr. Ruberto regarding the work of the EDU team?

23 A. Yes.

24 Q. When did you attend those meetings?

1           A.    Subsequent to the establishment of the  
2   EDU team.

3           Q.    Okay.  Do you know who else attended  
4   those meetings?

5           A.    I don't recall people in attendance.

6           Q.    Do you recall what was discussed at those  
7   meetings?

8           A.    The work of the EDU team.

9           Q.    Do you remember any specifics regarding  
10  the work of the EDU team?

11          A.    I remember a discussion with respect to  
12  the amount of OVEC that should be included in the  
13  proposed transaction.

14          Q.    What do you mean by "the amount of OVEC  
15  that should be included in the proposed transaction"?

16          A.    The number of megawatts.

17          Q.    Okay.  So was there -- was there a  
18  discussion -- there was a discussion as to whether  
19  only a portion of FES's share of OVEC would be  
20  included in the proposed transaction?

21          A.    Yes.

22          Q.    And why was there a discussion  
23  surrounding that issue?

24          A.    The proposal being reviewed by the team

1 included OVEC megawatts that had not historically  
2 been used to serve the companies' customers.

3 Q. Were any concerns expressed regarding  
4 potential detriments of including the OVEC share in  
5 the proposed transaction?

6 MR. KUTIK: Objection.

7 A. Would you restate the question, please?

8 Q. Could you explain what you don't  
9 understand about the question?

10 A. "Detriments."

11 Q. Were there any discussions as to whether  
12 there might be a downside of including the OVEC share  
13 in the proposed transaction?

14 A. Could you clarify what you mean by  
15 "downside"?

16 Q. Was there any discussion of there being a  
17 disadvantage of including the FES -- or was there any  
18 discussion of there being a disadvantage associated  
19 with including the OVEC share in the proposed  
20 transaction?

21 A. The companies' customers would have been  
22 advantaged in terms of greater benefits by a larger  
23 inclusion of the OVEC megawatts.

24 Q. But there was no discussion of

1       disadvantages; is that correct?

2               MR. KUTIK:  Objection.

3               A.    Again, as I stated earlier, I am looking  
4       for clarification with respect to the word  
5       "disadvantages."

6               Q.    Disadvantages to the companies'  
7       customers.  Does that provide the clarification you  
8       need?

9               A.    No.

10              Q.    Okay.  Why don't we move on.  If we could  
11       turn back to Exhibit 1, did you provide any  
12       assistance to the EDU team when it was negotiating  
13       the term sheet?

14              A.    No.

15              Q.    And you didn't provide any input on the  
16       content of the term sheet?

17              A.    No.

18              Q.    Okay.  Prior to August 4, 2014, did you  
19       communicate with anyone employed by FES regarding the  
20       proposed transaction?

21              MR. KUTIK:  I'm sorry.  What was the  
22       date?

23              MR. SOULES:  August 4, 2014.

24              Could we have the question reread back.

1 (Record read.)

2 A. Any conversations I had prior to August 4  
3 would have been at the direction of counsel in  
4 preparation and anticipation of litigation.

5 Q. Okay. Does that mean there were -- there  
6 were communications but that they are privileged or  
7 there weren't communications?

8 A. I had communications with employees at  
9 FES at the direction of counsel in anticipation of  
10 litigation.

11 Q. Okay. Could we turn to page 3 of your  
12 direct testimony. And I would -- looking at lines 9  
13 to 16, it states "Powering Ohio's progress includes  
14 an Economic Stability Program that is designed to  
15 provide all of the Companies' customers -- both  
16 shoppers and nonshoppers -- a number of benefits  
17 including a retail rate stability rider designed to  
18 provide customers more stable, predictable and less  
19 costly power pricing through May 2031. It will also  
20 provide generation assurance, fuel diversity,  
21 improved reliability, economic development, job  
22 retention, a maintained tax base, assured continued  
23 operation of zero carbon generation in Ohio, and the  
24 ability to avoid costly transmission investments."

1 Is that your testimony?

2 A. Yes.

3 Q. Okay. In this proceeding are you  
4 offering an opinion that the economic stability  
5 program provides the companies' customers with more  
6 stabile, predictable, and less costly power pricing  
7 through May, 2031?

8 THE WITNESS: May I have that question  
9 reread, please, ma'am?

10 (Record read.)

11 A. I think my direct testimony says what my  
12 direct testimony says.

13 Q. Okay. Do you personally have an opinion  
14 as to whether the program provides the companies'  
15 customers with more stable, predictable, and less  
16 costly power pricing through May, 2031?

17 A. I have an opinion.

18 Q. Okay. What is the basis of that opinion?

19 A. My understanding of the filing.

20 Q. Okay. Are you relying on other  
21 witnesses' testimony in support of that opinion?

22 A. I have reviewed other witnesses'  
23 testimony.

24 Q. So does that mean that you are?

1           A.    I have reviewed that testimony, and I am  
2 drawing my own opinions based upon my review of that  
3 testimony.

4           Q.    Okay. Are you relying on anything else  
5 other than other witnesses' testimony in support of  
6 that opinion?

7           A.    Yes.

8           Q.    And what is that?

9           A.    My professional experiences.

10          Q.    Okay. Are you relying on any documents  
11 other than documents that may have been attached to  
12 other witnesses' testimony in support of that  
13 opinion?

14          A.    No.

15          Q.    Okay. Maybe just to see if I can speed  
16 things up a little bit, would you agree that on lines  
17 9 to 16 of page 3 of your testimony you've offered  
18 opinions on a number of stated benefits of the  
19 economic stability program?

20          A.    I think my direct testimony says what my  
21 direct testimony says.

22          Q.    Okay. So for that portion of your direct  
23 testimony, lines 9 to 16 on page 3, are you relying  
24 entirely on your professional judgment and the



1 testimony of other witnesses in this proceeding?

2 MR. KUTIK: Well, I'll object to the  
3 extent it attempts to characterize her prior  
4 testimony which you are mischaracterizing, but she  
5 can testify.

6 THE WITNESS: May I have the question  
7 reread, please?

8 (Record read.)

9 A. Yes.

10 Q. Okay. Thank you. Ms. Mikkelsen, you  
11 have offered some opinions in this proceeding as to  
12 whether the proposed ESP furthers Ohio state  
13 policies; is that correct?

14 A. Yes.

15 MR. KUTIK: Before you get to those  
16 questions, I want to take a break.

17 MR. SOULES: That's fine.

18 (Recess taken.)

19 Q. Welcome back, Ms. Mikkelsen. So right  
20 before the break we had started talking about your  
21 opinions regarding whether the proposed ESP furthers  
22 Ohio state policies. Do you recall that?

23 A. Yes.

24 Q. Okay. And if we could turn to page 28 of

1       your direct testimony, on line -- I'm sorry. Let me  
2       know when you're there.

3               A.    Okay.

4               Q.    On line 13 of that page, you refer to  
5       Ohio Revised Code Section 4928.02; is that correct?

6               A.    Yes.

7               Q.    Are you familiar with that statutory  
8       provision?

9               A.    Yes.

10              MR. KUTIK: Again, I would like to remind  
11       folks to put your phones on mute. We are getting  
12       some noise in the room. We appreciate it.

13              MR. SOULES: Thank you.

14              Q.    Have you reviewed that statutory  
15       provision?

16              A.    Yes.

17              Q.    Okay. If we could turn to page 29  
18       starting on line 11, it states "In addition, the  
19       Economic Stability Program will help stability for  
20       retail pricing by mitigating the impact of volatile  
21       retail market prices and increasing retail market  
22       prices over a fifteen-year term for all of the  
23       Companies' customers." Do you see where it states  
24       that?

1           A.    Yes.

2           Q.    And what is the basis for your opinion  
3           there?

4           A.    My review of the application and the  
5           testimony in the case.

6           Q.    Okay.  Anything else?

7           A.    My professional experience.

8           Q.    Okay.  Apart from your professional  
9           experience and the application -- strike that.

10                  Apart from your professional experience,  
11           the application, and the testimony filed in this  
12           case, is there anything else that you relied on in  
13           support of that opinion?

14           A.    Not that I recall at this time.

15           Q.    Okay.  Is there anything that would  
16           refresh your memory to help you recall if there was  
17           anything else?

18           A.    I am not sure I understand the question.

19           Q.    Would there be like a certain document  
20           that if you looked at could refresh your memory as to  
21           whether you relied on anything other than what you've  
22           already stated?

23           A.    I am not aware of any such document.

24           Q.    Okay.  Going down a little bit further on

1       page 29, starting on line 19, it states "The Economic  
2       Stability Program will further support the  
3       availability of fuel diverse baseload generation in  
4       this region. Baseload power plants like Davis-Besse  
5       and Sammis are critical to our region's economic  
6       vitality and security." Do you see where it states  
7       that?

8             A.    Yes.

9             Q.    Okay. What is the basis for that  
10       opinion?

11            A.    My understanding of the application and  
12       supporting testimony and my professional experience.

13            Q.    Okay. Is there any particular  
14       testimony -- strike that.

15                   Is there any witness's testimony in  
16       particular that you are relying upon for that portion  
17       of your testimony?

18            A.    Could you be more specific, please, sir?

19            Q.    Sure. I was wondering -- okay. So the  
20       application package is quite voluminous. And I was  
21       wondering if there are particular witnesses whose  
22       testimony you were relying upon in stating the  
23       opinion on lines 19 to 21 of page 29.

24            A.    I would have relied on Mr. Moul's

1 testimony regarding the availability of fuel diverse  
2 baseload generation. I would have relied upon  
3 Mr. Harden's testimony with respect to discussion of  
4 baseload power plants like Davis-Besse and Sammis as  
5 well as Mr. Moul's testimony. I would have relied  
6 upon the testimony of Ms. Murley and Mr. Strah  
7 regarding the economic vitality and security. There  
8 may be others that I don't recall at this time.

9 Q. Okay. Thank you. Did -- apart from the  
10 statutory provision and the application and the  
11 witness testimony filed in support of it, is there  
12 anything else that you reviewed in developing the  
13 opinions stated on lines 19 to 21 on page 29?

14 THE WITNESS: May I have that question  
15 reread, ma'am?

16 (Record read.)

17 MR. KUTIK: Object to the extent attempts  
18 to characterize her prior testimony, you  
19 mischaracterized her testimony. She can answer.

20 A. Could you be more specific to the  
21 statutory reference?

22 Q. Absolutely. I was referring to Section  
23 4928.02 which is referenced on page 28 of your direct  
24 testimony.

1           A.    As I said before, in addition to my  
2   review and understanding of the application and the  
3   supporting testimony, I would have relied on my  
4   professional experience in forming my opinion.

5           Q.    Okay. But you don't specifically review  
6   any documents in developing this opinion other than  
7   the application, testimony, and the statute?

8           A.    Not that I recall at this time.

9           Q.    Okay. Thank you. Could we turn to your  
10  supplemental testimony to specifically to page 9.  
11  Now, in -- starting on page 9 and some of the  
12  subsequent pages, you discuss the ESP versus MRO in  
13  the aggregate test; is that correct?

14          A.    No.

15          Q.    Why is that not correct?

16          A.    My testimony on page 9 addresses the  
17  stipulation's impact on the ESP versus MRO test.

18          Q.    And in discussing the stipulation's  
19  impact on the ESP versus MRO test, does your  
20  testimony discuss that test?

21          A.    Can I ask you to restate that question,  
22  please?

23          Q.    Absolutely, yeah. In your -- in portions  
24  of your supplemental testimony are you applying the

1       ESP versus MRO test in the context of the proposed  
2       ESP in this proceeding?

3             A.    My testimony addresses the stipulation's  
4       impact on the MRO versus ESP test in this proceeding.

5             MR. SOULES:   Could I have that question  
6       and answer read back.

7             (Record read.)

8             Q.    So would it be fair to say that you are  
9       applying that test at least with respect to the  
10      stipulation's impact on the test?

11            THE WITNESS:   May I have that question  
12      reread, please, ma'am?

13            (Record read.)

14            A.    Yes.

15            Q.    Okay.   Could we look at the table at the  
16      top of page 11 of your supplemental testimony.   Does  
17      this table summarize your understanding of the  
18      quantitative benefits of the proposed ESP as modified  
19      by the stipulation?

20            THE WITNESS:   I'm sorry.   May I have that  
21      question reread, ma'am?

22            (Record read.)

23            A.    The table at the top of page 11 is a  
24      quantitative analysis of the benefits of the ESP

1       versus an MRO.

2               Q.    Okay.  And that table shows that the  
3   retail rate stability rider would generate  
4   quantitative benefits with a net present value of  
5   \$770 million; is that correct?

6               A.    Yes.

7               Q.    Okay.  In representing the \$770 million  
8   of quantitative benefits did you rely on the direct  
9   testimony of Santino Fanelli?

10              A.    I relied on the testimony of Mr. Fanelli  
11   and Mr. Ruberto.

12              Q.    Okay.  Did you rely on anything else?

13              A.    Could you be more specific, please?

14              Q.    Sure.  In providing the estimate shown --  
15   in providing the \$770 million estimate, did you  
16   review the testimony of Mr. Fanelli and Mr. Ruberto?

17              MR. KUTIK:  Objection, asked and  
18   answered.  Tell him again.

19              A.    Yes.

20              Q.    Okay.  Did you review anything other than  
21   the testimony of Mr. Fanelli and Mr. Ruberto?

22              A.    I think I've already testified that I've  
23   reviewed the entire application and all of the  
24   supporting testimony that is part of the application.



1           Q.    Okay.  And that review was with respect  
2   to some opinions we were discussing earlier, correct?

3           A.    That was with respect to my opinions  
4   associated with this case, yes.

5           Q.    Okay.  Did you independently verify the  
6   reasonableness of Mr. Fanelli and Mr. Ruberto's \$770  
7   million estimate?

8           THE WITNESS:  May I have the question  
9   reread, ma'am?

10                  (Record read.)

11           A.    I am not sure I understand the question,  
12   sir.

13           Q.    So Mr. Fanelli and Mr. Ruberto provide  
14   the \$770 million estimate, correct?

15           A.    They estimate the net present value  
16   associated with the retail stability rider.

17           Q.    Okay.  Thank you.  And did you accept  
18   that \$770 million figure as accurate?

19           MR. KUTIK:  Objection.

20           A.    I reviewed the testimony of Mr. Ruberto  
21   as well as other testimony in the case, relied upon  
22   that review --

23           Q.    Okay.  Sorry.  I interrupted before you  
24   were done.

1           A.    I may have lost my train of thought so  
2           with the interruption.

3                   MR. KUTIK:   Would you like the question  
4           and answer read?

5                   THE WITNESS:   That would be very helpful.  
6           Thank you.

7                   (Record read.)

8           Q.    Did you have anything further that you  
9           wanted to add before I mistakenly interrupted you?

10          A.    I don't know.

11                  THE WITNESS:   May I ask you to read them  
12          again, ma'am?  I apologize.

13                  (Record read.)

14          A.    To form the basis for my inclusion of the  
15          770 in my testimony.

16          Q.    Okay.  Thank you.  Can you describe how  
17          the \$770 million estimate was developed?

18                  MR. KUTIK:   Object.

19          A.    Can you clarify the question, please?

20          Q.    Sure.  Is the -- do you know whether or  
21          not the \$770 million estimate is a result of a  
22          calculation?

23          A.    Yes, it is the result of a calculation.

24          Q.    Okay.  And can you describe the

1 calculation or calculations that were performed to  
2 develop that estimate?

3 A. It was a net present value calculation.

4 Q. Okay. And do you know if Mr. Fanelli and  
5 Mr. Ruberto were relying upon the data generated by  
6 anyone else besides themselves in developing that  
7 estimate?

8 THE WITNESS: May I have that question  
9 reread, ma'am, please?

10 (Record read.)

11 A. I believe they made the net present value  
12 calculation. The inputs to the calculation would  
13 have come from Mr. Ruberto and Mr. Lisowski.

14 Q. Have you personally reviewed those  
15 inputs?

16 A. Yes.

17 Q. Do you have an opinion -- well, I should  
18 pause. If we tread into an area where -- I am not  
19 going to inquire about specific numbers, but if we do  
20 get to someplace where we are treading near that  
21 confidential line, please let me know and we can pick  
22 up the thread in a confidential session later.

23 Do you have an opinion as to the  
24 reasonableness of Mr. Lisowski's and Mr. Ruberto's

1 estimates?

2 A. Yes, I have an opinion.

3 Q. And what is your opinion?

4 A. That is that the estimates relied upon to  
5 perform the net present value calculation were  
6 reasonable.

7 Q. Okay. What is the basis for that  
8 opinion?

9 A. My review of the testimony in this case  
10 along with my professional experience.

11 Q. Okay. Do you have -- do you have  
12 experience in forecasting long-term costs and  
13 revenues from power plants?

14 A. Yes.

15 Q. Okay. What experience do you have?

16 A. Early in my career I would have run  
17 production cost models. I also was responsible in my  
18 role as director of strategic planning for system  
19 planning which would have included studies of the  
20 nature you described.

21 Q. Do you have experience forecasting  
22 long-term market energy prices?

23 A. No.

24 Q. Okay. Do you have experience forecasting

1 long-term capacity prices?

2 A. No.

3 Q. Do you have experience forecasting carbon  
4 dioxide prices?

5 A. I don't remember.

6 Q. Do you have experience forecasting coal  
7 prices?

8 A. I don't remember.

9 Q. Okay. Do you have any familiarity with  
10 the economic dispatch modeling of power plants?

11 MR. KUTIK: Objection.

12 A. Could you rephrase the question, please?

13 Q. Sure. Can you tell me what part of it  
14 was confusing?

15 A. "Familiarity with the economic dispatch  
16 modeling."

17 Q. Have you ever worked with both of those?  
18 Do you know -- do you know what an economic dispatch  
19 model is?

20 A. I'm familiar with the economic dispatch  
21 model as -- pardon me. Let me start over again.

22 I'm aware that an economic dispatch model  
23 was relied upon in this case.

24 Q. Okay.

1           A.    Is that the economic dispatch model you  
2           are asking about or more generally?

3           Q.    I was asking more generally.  Are you --  
4           are you familiar with economic dispatch models other  
5           than the one that was used for this case?

6           A.    As I testified earlier, I did production  
7           cost modeling at one point and directed modeling  
8           activities that would have included dispatch  
9           modeling --

10          Q.    Do you recall --

11          A.    -- in my career.

12          Q.    I'm sorry.  What was the last part of  
13          your answer?

14                   (Record read.)

15          Q.    I'm sorry.  I thought you were finished.  
16          Do you recall what models you worked with previously  
17          in your career?

18          A.    PROMOD and there may have been others  
19          that I don't recall.

20          Q.    Okay.  Are you familiar with the dispatch  
21          model that the business development department of  
22          FirstEnergy Service Company uses?

23          A.    May I ask you to restate the question?

24          Q.    Sure.  Are you familiar with the dispatch

1 model that was used in this case?

2 A. I'm not sure what you mean by the use of  
3 the "familiar."

4 Q. Are you aware of whether the business  
5 development department of FirstEnergy Service Company  
6 uses a generation dispatch model?

7 A. When you use the word "generation  
8 dispatch model," are you making a distinction from  
9 the models you were referring to earlier?

10 Q. No, other than the fact it's a specific  
11 example of a dispatch model.

12 A. I am going to ask you to ask the question  
13 again.

14 Q. Sure. I'll rephrase.

15 A. Thank you.

16 Q. Are you aware of whether the business  
17 development department of FirstEnergy Service Company  
18 performs dispatch modeling?

19 A. Yes.

20 Q. And does it?

21 A. Yes.

22 Q. Are you familiar with what the business  
23 development department uses?

24 A. I would ask for clarification with

1       respect to "familiar," sir.

2               Q.    Have you ever worked with that model  
3       personally?

4               A.    I have never run that model.

5               Q.    Okay. Have you ever provided inputs to  
6       the business development department to perform  
7       modeling using that model?

8               A.    No.

9               Q.    Have you ever reviewed results of  
10       modeling performed by the business development  
11       department?

12               MR. KUTIK: Are you talking about  
13       previous to this case?

14               Q.    Did you understand the question I asked?

15               A.    Frankly I was struggling with the exact  
16       same question.

17               Q.    Did you review modeling results produced  
18       by the business development department associated  
19       with this case?

20               A.    As part of my review of Mr. Lisowski's  
21       testimony, it would have included outputs from that  
22       model.

23               Q.    Okay. Prior to that review have you  
24       reviewed modeling outputs produced by the business



1 development department of FirstEnergy Service  
2 Company?

3 A. Not that I recall at this time.

4 Q. Okay. Let's shift gears. Is it your  
5 understanding that the Sammis plant, Davis-Besse  
6 plant, and OVEC plants are at risk of being  
7 permanently retired if the proposed transaction is  
8 not executed?

9 THE WITNESS: May I have that question  
10 reread, please, ma'am?

11 (Record read.)

12 A. Can I ask you to break that down into  
13 less compound parts, please?

14 Q. Absolutely. Is it your understanding  
15 that the Sammis plant is at risk of being permanently  
16 retired if the proposed transaction is not executed?

17 A. The future of the plant is uncertain,  
18 yes.

19 Q. Okay. Has anyone ever told you that the  
20 Sammis plant would be permanently retired if the  
21 proposed transaction is not executed?

22 A. No.

23 Q. Okay. Do you know who would decide  
24 whether or not to permanently retire the Sammis

1 plant?

2 A. I don't know who specifically would be  
3 responsible for that decision, no.

4 Q. Okay. And what is the basis for your  
5 understanding that the Sammis plant's future is  
6 uncertain?

7 A. Testimony filed in this proceeding  
8 coupled with my professional experience.

9 Q. Okay. Are you referring to the testimony  
10 of Donald Moul?

11 A. I am referring to the testimony of  
12 Mr. Moul, Mr. Lisowski, and Mr. Ruberto, perhaps  
13 others.

14 Q. Okay, okay. Thank you. Is it your  
15 understanding that the Davis-Besse plant is at risk  
16 of being permanently retired if the proposed  
17 transaction is not executed?

18 A. The future of the plant is uncertain.

19 Q. Okay. What is the basis for your belief  
20 that the future of the plant is uncertain?

21 A. My review of the testimony in this case  
22 coupled with my professional experience.

23 Q. Okay. Has anyone ever told you that the  
24 Davis-Besse plant would be permanently retired if the

1 proposed transaction was not executed?

2 A. No.

3 Q. Has anyone ever told you that either of  
4 the OVEC plants would be permanently retired if the  
5 proposed transaction is not executed?

6 THE WITNESS: May I have that question  
7 reread, please, ma'am?

8 (Record read.)

9 MR. SOULES: Okay, okay. Could we take a  
10 few minute break? I think we are pretty close to  
11 being done here.

12 MR. KUTIK: Okay.

13 (Recess taken.)

14 Q. Welcome back, Ms. Mikkelsen. Just a  
15 couple of quick questions. Do you recall earlier  
16 when we were talking about the meetings with  
17 Mr. Ruberto in which he was providing updates about  
18 the proposed transaction and the EDU team activities?

19 A. Yes.

20 Q. Okay. And we -- I believe, please  
21 correct me if I am wrong, I believe you stated there  
22 was some discussion as to whether or not to include  
23 the entire OVEC share in the proposed transaction; is  
24 that correct?

1           A.    I'm not sure that's entirely correct.

2           Q.    Okay.  Can you please correct me?

3           A.    There was discussion about whether the  
4   EDUs should agree to include in the proposed  
5   transaction the entirety of the OVEC megawatts that  
6   were included in the proposal.

7           Q.    And was the subject of that discussion  
8   focused on the fact that one of the OVEC plants is  
9   located outside of the state of Ohio?

10          A.    No.

11               MR. KUTIK:  Before you ask your next  
12   question could you hold on a second?

13               Go ahead.  Sorry.

14          Q.    Okay.  Can you tell me what the focus of  
15   that discussion was?

16               MR. KUTIK:  Objection, asked and  
17   answered.

18          A.    As I testified to earlier, the discussion  
19   was focused on the portion of OVEC megawatt allotment  
20   that had historically been used to serve the  
21   customers of the companies.

22          Q.    And as -- does part of FES's OVEC  
23   allotment -- did -- historically did part of FES's  
24   share of the OVEC allotment not serve the companies'

1 customers?

2 A. May I ask you to rephrase the question?  
3 I didn't understand the question.

4 Q. Sure. I'm just trying to understand --  
5 actually scratch that.

6 MR. SOULES: Could I -- could you read  
7 back her last answer.

8 MR. KUTIK: The problem is I think you  
9 started a question and then stopped and then started  
10 to ask another question so you may want to just pose  
11 your last question to her.

12 MR. SOULES: Thank you.

13 Could you please still read back her  
14 prior answer.

15 (Record read.)

16 Q. And what portion had historically been  
17 used to serve the customers?

18 A. The portion that is included in the  
19 proposed transaction.

20 Q. Okay. So that entire portion  
21 historically did serve the companies' customers?

22 A. Yes.

23 Q. Okay. And there was discussion about  
24 including a smaller amount than that proportion in

1 the proposed transaction?

2 MR. KUTIK: Objection, mischaracterizes  
3 her testimony.

4 A. No.

5 Q. Was there a discussion about including  
6 more than that share in the proposed transaction?

7 A. Yes.

8 Q. And do you know who has -- who owns -- or  
9 who owns some megawatts that were being discussed  
10 that could have been included in the proposed  
11 transaction?

12 A. I think as I testified to earlier, I  
13 don't know the ownership arrangement with respect to  
14 the OVEC assets.

15 Q. Okay. And you don't know whether or not  
16 FES actually owns more -- the greater share of the  
17 OVEC allotment than the amount included in the  
18 proposed transaction?

19 THE WITNESS: May I have that question  
20 reread, please, ma'am?

21 (Record read.)

22 A. Sir, as I have said, I'm not familiar --  
23 I don't know what the ownership arrangement is with  
24 respect to OVEC.

1 MR. SOULES: Okay. Nothing further.

2 Thank you for your time, Ms. Mikkelsen.

3 THE WITNESS: Thank you, sir.

4 MR. KUTIK: Let's go off the record.

5 (Discussion off the record.)

6 (Thereupon, a lunch recess was taken at  
7 11:49 a.m.)

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1 Thursday Afternoon Session,  
2 January 29, 2015.

3 - - -

4 MR. KUTIK: Let's go back on the record.

5 - - -

6 EILEEN M. MIKKELSEN

7 being by me previously duly sworn, as hereinafter  
8 certified, deposes and says further as follows:

9 CROSS-EXAMINATION

10 By Ms. Petrucci:

11 Q. Okay. Let me get more organized here.  
12 Okay. Let's go to page 14 in your direct testimony,  
13 please.

14 One moment. My other phone is ringing.  
15 Okay.

16 MR. KUTIK: Before you start let's go off  
17 the record.

18 (Discussion off the record.)

19 MR. KUTIK: Let's go back on the record.

20 Q. Okay. Ms. Mikkelsen, are you on page 14  
21 of your direct testimony?

22 A. Yes.

23 Q. Lines 16 to 18, you refer to the approval  
24 of the ESP being also approval of all legacy cost



1 components through rider RRS. Do you see that?

2 A. I see lines 16 through 18 in my prefiled  
3 testimony.

4 Q. In essence, is your testimony there  
5 stating that approval of the proposed ESP is  
6 guaranteeing the cost recovery for these legacy cost  
7 components for the term of the ESP?

8 A. No.

9 Q. Is it that you're stating that approval  
10 of the ESP is guaranteeing cost recovery for the  
11 legacy cost components for the term of rider RRS?

12 A. My prefiled direct testimony is what it  
13 is, and it reads "Approval of this ESP IV shall be  
14 deemed as approval to recover all Legacy Cost  
15 Components through Rider RRS as not unreasonable  
16 costs."

17 Q. Has the Commission been provided with the  
18 legacy cost components in providing information with  
19 regard to the legacy cost components?

20 A. May I ask you to rephrase the question,  
21 please?

22 Q. Has FirstEnergy provided information that  
23 identifies the legacy cost components?

24 MR. KUTIK: Objection.

1           A.    May I ask you to rephrase the question,  
2           please?

3           Q.    Are you aware whether or not FirstEnergy  
4           has provided this Commission staff with information  
5           identifying the -- what you've identified in your  
6           testimony as legacy cost components?

7                   MR. KUTIK:  When you say "FirstEnergy,"  
8           do you mean the companies?

9                   MS. PETRUCCI:  Yes.

10          A.    May I ask you to restate the question in  
11          that context, please?

12          Q.    Have the EDUs, the FirstEnergy EDUs,  
13          provided the Commission staff with information  
14          regarding the legacy cost components?

15          A.    Information regarding the legacy cost  
16          components has been provided to the parties subject  
17          to confidentiality agreements in discovery.

18          Q.    Is that the extent of the information  
19          regarding the legacy cost components that's been  
20          provided to the staff?

21          A.    Yes.

22          Q.    Can you tell me who decides if a cost is  
23          a legacy cost component under this aspect of the  
24          proposal?

1           A.    I think the Commission will determine  
2    what our legacy cost components.

3           Q.    When will that determination be made?

4           A.    When the question is raised to the  
5    Commission for determination.

6           Q.    Is that going to be as part of this ESP  
7    application?

8           A.    I don't know.

9           Q.    Do you know if it's going to be part of  
10   either of the reviews for rider RRS that you  
11   discussed earlier with the Sierra Club?

12          A.    May I ask you to restate that question,  
13   please?

14          Q.    Do you know if the determination of  
15   whether an item is a legacy cost component will be  
16   made during either of the reviews that you identified  
17   in your testimony and also discussed earlier with the  
18   Sierra Club?

19          A.    I think determination of whether costs  
20   are legacy cost components or not could be part of  
21   the second review.

22          Q.    And it's correct that the second review  
23   of rider RRS is not going to take place until some  
24   unknown period of time after the ESP period begins,

1 correct?

2 THE WITNESS: May I have the question  
3 reread, ma'am, please?

4 (Record read.)

5 A. Yes, but that is not the only forum for  
6 reviewing legacy cost components.

7 Q. What other forum are you thinking of?

8 A. This proceeding.

9 Q. I'm sorry. Did you say this ESP  
10 proceeding?

11 A. No, I didn't.

12 Q. Okay. Can you repeat your answer for me?

13 MS. PETRUCCI: Can I have it read back?

14 (Record read.)

15 Q. I'm not sure I understood your answer,  
16 Ms. Mikkelsen. Can you explain to me what other  
17 proceeding you believe the legacy cost components  
18 will be examined by the Commission?

19 A. 14-1297-EL-SSO.

20 Q. Your statement in the sentence on lines  
21 16 through 18, is this a proposal to the Commission,  
22 or is that a condition that is being proposed by the  
23 FirstEnergy EDUs?

24 A. Could you be more specific with respect

1 to your reference, please?

2 Q. Why is approval -- any approval of the  
3 ESP by the Commission being deemed approval of all  
4 legacy cost components through rider RRS as not  
5 unreasonable costs?

6 THE WITNESS: May I have that reread,  
7 please, ma'am?

8 (Record read.)

9 A. May I ask you to restate that question,  
10 please?

11 Q. All righty. Why don't you tell me why  
12 you included the statements that you have on lines 16  
13 through 18 in your direct testimony on page 14.

14 A. To make clear that this ESP IV proceeding  
15 is the proceeding to review legacy cost components.

16 Q. Is it also to declare that -- strike  
17 that.

18 Did the FirstEnergy EDUs include a list  
19 of the legacy cost components in the application?

20 A. No.

21 Q. Let's turn to page No. 24 in your direct  
22 testimony, please, and if you could look at lines 5  
23 through 7.

24 I'm sorry, I pointed to the wrong page.

1       It's page 26, lines 6 through 7. In stating that  
2       payments for excess generation made to net metering  
3       customers will be recovered through rider DUN, is  
4       FirstEnergy proposing to recover in that rider  
5       generation payments made prior to the start of the  
6       ESP IV?

7             A.    Yes.

8             Q.    How much money is then -- is being  
9       proposed to be recovered through rider DUN?

10            MR. KUTIK:  Objection.

11            A.    May I ask you to restate the question,  
12       please?

13            Q.    How much are the companies proposing to  
14       recover through rider DUN at this point in time that  
15       constitutes the excess -- the payments for excess  
16       generation?

17            MR. KUTIK:  Objection.

18            A.    May I ask you to restate that question,  
19       please?

20            Q.    How much money is being proposed to be  
21       recovered through rider DUN that constitutes the  
22       payments for excess generation made prior to the  
23       start of the ESP IV?

24            A.    I don't know.

1           Q.    Are the companies proposing to recover  
2           payments for excess generation made to net metering  
3           customers after the start of the ESP IV?

4           A.    Yes.

5           Q.    Are -- has the Commission approved or  
6           granted the FirstEnergy EDUs a deferral for an amount  
7           paid for excess generation to net metering customers?

8           A.    No.

9           Q.    You've also indicated in your testimony  
10          as page 30, line 6, that the ESP IV would eliminate  
11          minimum stay restrictions that are in the tariff.  
12          Have the companies been implementing that -- imposing  
13          that minimum stay restriction? Are they currently  
14          imposing the minimum stay restriction?

15               MR. KUTIK:  Objection.

16               THE WITNESS:  I'm sorry.  Could you  
17          reread the question, please?

18               (Record read.)

19           A.    There are provisions in our current ESP  
20          that address the electric service regulations  
21          regarding minimum stay.

22           Q.    My question was more particular.  I  
23          wanted to know if you are actually imposing the  
24          minimum stay on customers currently.

1           A.    Again, subject to modification in the ESP  
2    III, no.

3           Q.    Do you know when the FirstEnergy EDUs  
4    stopped imposing the minimum stay on customers?

5           A.    No.

6           Q.    Is this change to eliminate the minimum  
7    stay simply a cleanup activity to have the electric  
8    service regulations match the current practice?

9           A.    I am going to have the question reread  
10   because there was disruption during your question, if  
11   I may, please.

12                   (Record read.)

13           A.    No.

14           Q.    By eliminating the language in the tariff  
15   or the electric service regulations, is there going  
16   to effectively be a change in the current practices  
17   with respect to minimum stay?

18           A.    I don't know.

19           Q.    Can we switch to your supplemental  
20   testimony and turn to page 4.  If you look at the  
21   third bulleted section, lines 13 through 16, you are  
22   discussing the time-of-day options as part of rider  
23   GEN.  Can you describe how many time-of-day customers  
24   currently there are for the FE EDUs?



1           A.    There are two time-of-day customers  
2   taking service under rider GEN currently.

3           Q.    And that's a total of two for all  
4   electric distribution utilities?

5           A.    Same answer, yes.

6           Q.    Thank you.  How long has the time-of-day  
7   option been available to customers?  Do you know?

8           A.    I don't recall at this time.

9           Q.    Can you give me a ballpark?

10          A.    Could you rephrase the question, please?

11          Q.    Can you tell me if it has been in effect  
12   for the past five years?

13          A.    I don't know.

14                MS. PETRUCCI:  I just need one minute.  I  
15   think that might be all of my questions.

16                That's all I have.  Thank you very much,  
17   Ms. Mikkelsen.

18                MR. KUTIK:  Thank you very much.  Let's  
19   go off the record.

20                (Discussion off the record.)

21                MR. KUTIK:  Let's go back on the record.

22                Ms. Bojko.

23                MS. BOJKO:  Thank you.

24                               - - -

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CROSS-EXAMINATION

By Ms. Bojko:

Q. Good afternoon, Ms. Mikkelsen.

A. Good afternoon.

Q. Sorry. As you know, in this proceeding I am representing Ohio Manufacturers' Association. I am going to try to not ask you the same questions, but I might have to a little bit for foundational purposes so please bear with me.

MR. KUTIK: Let's go off the record for a second.

(Discussion off the record.)

MR. KUTIK: Let's go back on the record.

Q. Ms. Mikkelsen, you stated previously this morning that you work for FirstEnergy Solutions from time to time. Are there any other affiliates or subsidiaries of FirstEnergy Corp. you have worked for or have done work for? In your current capacity, I'm sorry.

A. I don't believe I testified this morning that from time to time I work for FirstEnergy Solutions.

Q. Okay. I am not trying to mischaracterize. I am trying to speed things along.

1       So I thought you stated earlier today you have  
2       performed work in your current capacity for  
3       FirstEnergy Solutions; is that not correct?

4             A.    From time to time we provide services to  
5       FirstEnergy Solutions.

6             Q.    Okay. I'm sorry. Thank you for the  
7       clarification. So with that clarification have you  
8       provided services for any other affiliates or  
9       subsidiaries of FirstEnergy Corp.?

10            A.    Yes.

11            Q.    And which affiliates or subsidiaries have  
12       you provided those services for?

13            A.    Ohio Edison Company, The Cleveland  
14       Electric Illuminating Company, The Toledo Edison  
15       Company.

16            Q.    Any other affiliates or subsidiaries of  
17       FirstEnergy Corp.?

18            A.    Could you be more specific with your  
19       question, please?

20            Q.    Well, have you provided services --  
21       you've mentioned now that from time to time you've  
22       provided services for FirstEnergy Solutions and for  
23       the three Ohio operating companies. Have you  
24       provided services for any other affiliates or

1 subsidiaries of FirstEnergy Corp.?

2 A. I think what I said was from time to time  
3 I provide services for FirstEnergy Solutions. And  
4 then I said I provide services for Ohio Edison, The  
5 Cleveland Electric Illuminating Company, and The  
6 Toledo Edison Company.

7 Q. Okay. Are you suggesting that the time  
8 period is different for FirstEnergy Solutions as the  
9 Ohio operating companies?

10 A. Well, I would not be providing services  
11 to FirstEnergy Solutions at the same time I am  
12 providing services to the companies.

13 Q. Okay. In your current capacity my  
14 understanding is that you would from time to time  
15 provide services to FirstEnergy Solutions; is that  
16 correct?

17 A. Yes.

18 Q. Okay. And also in your current capacity  
19 you would -- you would provide -- not necessarily  
20 spend time but you would provide services to the  
21 three Ohio operating companies; is that correct?

22 A. Yes.

23 Q. Okay. Is there any other affiliate or  
24 subsidiary that in your current capacity you would

1 provide services to?

2 A. No.

3 Q. And are you considered a shared service  
4 employee?

5 MR. KUTIK: Objection, asked and  
6 answered.

7 A. I'm an employee of FirstEnergy Services,  
8 and I am considered a shared service employee.

9 Q. Okay. You just stated as a shared  
10 service employee, sometimes you represented the  
11 FirstEnergy operating companies and sometimes Ohio  
12 operating companies and sometimes you represented  
13 FirstEnergy Solutions. How is that decision made and  
14 by whom?

15 MR. KUTIK: Objection, mischaracterizes  
16 her testimony.

17 A. May I ask you to restate the question,  
18 please?

19 Q. How -- who decides when you work for  
20 FirstEnergy operating companies versus when you work  
21 for FirstEnergy Solutions?

22 A. Services that I provide to FirstEnergy  
23 Solutions would be provided at the direction of  
24 counsel in anticipation of litigation.

1 Q. Always?

2 MR. KUTIK: I'm sorry. What did you say?

3 Q. Always? The only services you provide to  
4 FirstEnergy Solutions are at the direction of  
5 counsel?

6 A. Yes.

7 Q. And how about in your -- with regard to  
8 your services that you provide to the operating  
9 companies -- Ohio operating companies?

10 MR. KUTIK: Objection.

11 A. May I ask you to rephrase the question,  
12 please?

13 Q. Sure. Ms. Mikkelsen, may I use the same  
14 terminology for the Ohio three operating companies as  
15 just companies? Will you understand what I mean?

16 MR. KUTIK: Did you say company or  
17 companies?

18 MS. BOJKO: Companies.

19 A. If by that you mean the companies is  
20 being used to describe Ohio Edison, The Cleveland  
21 Electric Illuminating Company, and The Toledo Edison  
22 Company, yes.

23 Q. So with regard to the services that you  
24 provide to the operating companies, who decides when

1       you represent those companies?

2               A.    Can I ask you to rephrase the question,  
3       please?

4               Q.    Okay.  Is it fair to state that the  
5       majority of your work is in providing services to the  
6       companies unless and until you are asked by counsel  
7       to provide a service to FirstEnergy Solutions?

8               A.    Yes.

9               Q.    You stated previously today that you are  
10      familiar with the teams that were formed, one team  
11      called the EDU team and one team called the FES team,  
12      with regard to what's been termed the proposed  
13      transaction which is the First -- power agreement  
14      between FirstEnergy and FirstEnergy Solutions; is  
15      that correct?

16              MR. KUTIK:  Objection, mischaracterizes  
17      her testimony.

18              A.    Can I ask you to restate the question,  
19      please?

20              Q.    Ms. Mikkelsen, again, I am trying to  
21      speed this along.  If you want to clarify something I  
22      said, please.  I'll do it piece by piece if you  
23      prefer.  I am asking if you -- previously you  
24      testified to the knowledge of the EDU team and the

1 FirstEnergy Solution team with regard to the purchase  
2 power agreement between FirstEnergy operating  
3 companies and FirstEnergy Solutions; is that correct?

4 A. No.

5 Q. You're not familiar with the teams that  
6 were formed. You referenced the EDU team in your  
7 testimony.

8 MR. KUTIK: Well, I object to the extent  
9 your question now accuses her of not remembering what  
10 she testified to or misrepresenting what she  
11 testified to. So why don't you just ask her a  
12 question as to what she is knowledgeable about and  
13 not knowledgeable about if you want to move things  
14 along.

15 MS. BOJKO: Well, I'm attempting to --

16 MR. KUTIK: Why don't you just ask her  
17 direct questions as opposed to asking what she  
18 recalls about testimony because you and she have  
19 different recollection as to what she testified. I  
20 side with Ms. Mikkelsen, by the way.

21 MS. BOJKO: Then I want no objections on  
22 asked and answered. I was trying to move this along.

23 MR. KUTIK: Go ahead.

24 Q. Ms. Mikkelsen, do you know -- are you



1 familiar or made aware of an EDU team and a  
2 FirstEnergy Solutions team that were formed to  
3 discuss what you have been calling all morning the  
4 proposed transaction which is the purchase power  
5 arrangement between FirstEnergy Solutions and  
6 FirstEnergy?

7 A. May I ask you to restate the question,  
8 please?

9 Q. What part of my question do you not  
10 understand?

11 A. The reference to "FirstEnergy."

12 Q. Excuse me. If I said FirstEnergy, the  
13 companies. There is a company EDU team as you've  
14 used in your testimony and there's a FirstEnergy  
15 Solutions team. You are aware of those two teams  
16 that were formed to discuss the proposed transaction;  
17 is that correct?

18 A. Yes.

19 Q. Who decided which shared services  
20 employees represented the EDU team and which shared  
21 services employees represented the FirstEnergy team?  
22 FirstEnergy Solutions team, excuse me.

23 MR. KUTIK: Objection to the extent the  
24 question assumes facts like that there is one person

1       that decided that. Go ahead.

2             A. I don't know.

3             Q. You can give me multiple people.

4             MR. KUTIK: She answered she didn't know.

5             Q. Ms. Mikkelsen, did you state that you  
6       reported to Mr. Ridmann?

7             A. I report to Mr. Ridmann.

8             Q. And who does Mr. Ridmann report to?

9             A. Ms. Vespoli.

10            Q. And is Mr. Ridmann also a shared services  
11       employee?

12            A. Yes.

13            Q. And does Mr. Ridmann also provide  
14       services to other FirstEnergy companies other than  
15       the Ohio EDU operating companies?

16            THE WITNESS: May I have that reread,  
17       please?

18            (Record read.)

19            A. Yes.

20            Q. Is his primary responsibility the Ohio  
21       operating companies similar to what I believe you  
22       stated your primary responsibility is?

23            A. Can I ask you to restate that question,  
24       please?

1           Q.    Sure.  Is Mr. Ridmann's primary  
2   responsibility the Ohio operating companies?

3           A.    No.

4           Q.    Which other affiliates or subsidiaries of  
5   FirstEnergy Corp. does Mr. Ridmann provide services  
6   to?

7           A.    I know that Mr. Ridmann provides services  
8   to the other electric distribution utility companies  
9   outside of Ohio.

10          Q.    Do you know whether he provides services  
11   to FirstEnergy Solutions?

12          A.    No, I don't know.

13          Q.    Did you prepare your testimony,  
14   Ms. Mikkelsen, both pieces?

15          A.    Yes.

16          Q.    And in this proceeding you are testifying  
17   on behalf of the companies as has been defined by the  
18   three Ohio distribution companies; is that correct?

19          A.    Yes.

20          Q.    And who asked you to prepare the  
21   testimony for the companies?

22          A.    That testimony would have been prepared  
23   at the direction of counsel in anticipation of  
24   litigation.

1           Q.    So both your direct and your  
2   supplemental?

3           A.    Yes.

4           Q.    Did this person in -- tell you or inform  
5   you of what the purpose of your testimony would be,  
6   why they needed you to file the testimony?

7           MR. KUTIK:  Well, at this point I will  
8   object and instruct the witness not to discuss  
9   conversations that she had with counsel for the  
10   purpose of giving or receiving legal advice or in  
11   anticipation of litigation.

12          MS. BOJKO:  I did not ask for the  
13   conversations.

14          MR. KUTIK:  Yes, you did.

15          MS. BOJKO:  Whether that person gave her  
16   a purpose, that's all I asked.

17          MR. KUTIK:  And that necessarily asks  
18   about the content of the conversation because you are  
19   asking about a specific topic.

20          Q.    Ms. Mikkelsen, did all -- did the only  
21   person you talked to about preparing your testimony,  
22   was it counsel?

23          THE WITNESS:  May I ask you to restate  
24   the question, please?

1           Q.    Sure.  Did you talk to anybody else about  
2   the preparation of your testimony other than counsel?

3           A.    Yes.

4           Q.    And who else did you talk to about your  
5   testimony?

6           MR. KUTIK:  Again, I will instruct you at  
7   this time not to reveal any activities or tasks that  
8   you undertook at the direction of counsel in  
9   anticipation of litigation.  If you can answer that  
10   question without revealing that information, go ahead  
11   and do so.

12          A.    My colleagues.

13          Q.    For clarification I said other than  
14   counsel.

15          MR. KUTIK:  My instruction still stands.  
16   Go ahead.  I don't know if she got your answer so say  
17   it again.

18          A.    My colleagues.

19          Q.    Okay.  And who would those be?

20          MR. KUTIK:  Same instruction.

21          A.    People that work in the rates and  
22   regulatory affairs group.

23          Q.    Are those the nine people that you stated  
24   are underneath you?

1           A.    As well as other people in the rates and  
2 regulatory affairs group.

3           Q.    And have you discussed your testimony  
4 with Mr. Ridmann?

5           A.    Yes.

6           Q.    What do you believe the purpose of your  
7 testimony is? First your direct testimony.

8           MR. KUTIK: Well, I will just note an  
9 objection. That question is just simply a time  
10 waster. I mean, her testimony is what it is, but if  
11 you want to engage in this type of waste of time, go  
12 ahead. But we will be -- we will be -- let me  
13 finish. We will be at a hard stop today. Go ahead.

14          A.    The purpose of my direct testimony begins  
15 at line 3 on page 2 continuing to -- 2 and through  
16 line 1 on page 3 of my direct testimony.

17          Q.    And your supplemental testimony? Is that  
18 confined to your testimony as well, page 1, line 17,  
19 through page 2, line 2?

20          A.    May I ask you to restate the question,  
21 please?

22          Q.    Do you believe the purpose of your  
23 supplemental testimony is listed on page 1 of your  
24 supplemental testimony beginning on line 17 through

1 page 2, line 2?

2 A. Yes.

3 Q. It's my understanding FirstEnergy's  
4 entire ESP application is called Powering Ohio's  
5 Progress plan; is that correct?

6 A. Yes.

7 Q. So the ESP IV plan is synonymous with the  
8 Powering Ohio's Progress plan; is that accurate?

9 A. Yes.

10 Q. And the economic stability program is one  
11 provision of FirstEnergy's Powering Ohio's Progress  
12 plan or ESP application; is that correct?

13 A. May I ask you to restate that question,  
14 please?

15 Q. Sure. I am trying to understand the  
16 terminology used in the application. Is the economic  
17 stability program one provision of the Powering  
18 Ohio's Progress plan?

19 A. Can you describe to me what you mean by  
20 "one provision"?

21 Q. Well, that's what I am trying to  
22 understand. From the terminology used in your  
23 testimony and the application, it appears to me that  
24 the economic stability program is a subset of the ESP

1 IV application or Powering Ohio's Progress plan; is  
2 that accurate?

3 A. The economic stability program is  
4 included in the companies' Powering Ohio's Progress  
5 plan.

6 Q. Okay. And what are the other provisions  
7 that are included in Powering Ohio's Progress plan?

8 MR. KUTIK: I'll object. Go ahead. More  
9 wasting of time. Go ahead.

10 A. There are a number of provisions included  
11 in the Powering Ohio's Progress plan that are spelled  
12 out in the application as filed by the company as  
13 supported in the testimony including the process by  
14 which supply will be procured on behalf of our  
15 nonshopping customers, a base distribution rate  
16 freeze is a provision. I guess there are a lot of  
17 provisions. Should I -- I think the application  
18 speaks for itself with respect to what provisions are  
19 included.

20 Q. I am trying to find out how these  
21 components go together, and I think this is very  
22 important for someone who is trying to understand  
23 your application. And you are the witness that has  
24 delineated these in this thing so let me try a



1 different way.

2 Is it fair to say that everything not  
3 included in the economic stability program is  
4 considered another provision in Powering Ohio's  
5 Progress?

6 A. I think that the application speaks for  
7 itself with respect to the provisions of the Powering  
8 Ohio's Progress plan.

9 Q. Okay. But so look at page 3 of your  
10 testimony. You say "In addition to the Economic  
11 Stability Program," you are pulling one aspect of the  
12 ESP IV out, and you're saying in addition to this,  
13 the "Powering Ohio's Progress also includes a number  
14 of provisions designed to," and you have a list of  
15 eight provisions that are articulating what those  
16 other provisions are doing.

17 And I am trying to figure out if -- what  
18 those number of provisions are. Are you talking  
19 about that there is a -- the competitive bid process,  
20 the DCR rider, is that what you are saying?  
21 Everything but the economic stability program?

22 MR. KUTIK: Objection.

23 A. May I ask you to restate the question,  
24 please?

1 Q. What part of it don't you understand?

2 It's your testimony on page 3, lines 16 to 17.

3 MR. KUTIK: I am sure she understands her  
4 testimony. What she doesn't understand is your  
5 question and neither do I.

6 MS. BOJKO: Well, I asked her what she  
7 didn't understand.

8 MR. KUTIK: How about the entire  
9 question?

10 Q. On line 17, page 3, you state there are a  
11 number of provisions in the Powering Ohio's Progress  
12 plan that are in addition to the economic stability  
13 program, and I am trying to understand what those  
14 number of provisions is -- includes or are.

15 MR. KUTIK: So what's your question?

16 MS. BOJKO: What are "a number of  
17 provisions" as she uses that phrase in her testimony?

18 A. It is all of the provisions outlined in  
19 the application and the supporting testimony to the  
20 application beyond those provisions related to the  
21 economic stability program.

22 Q. Okay. And those eight items that are  
23 listed on page 3, those are the items that are  
24 outside the economic stability program; is that

1 right?

2 MR. KUTIK: Can I have the question read.

3 (Record read.)

4 MR. KUTIK: Objection, mischaracterizes  
5 the testimony.

6 A. Correct. The testimony reads "In  
7 addition to the Economic Stability Program," there  
8 are -- the application includes a number of  
9 provisions designed to satisfy these eight items  
10 you've pointed to.

11 Q. Right. And because it uses "In  
12 addition," you are not suggesting that the economic  
13 stability program is designed to do those eight  
14 items; is that right?

15 MR. KUTIK: Objection, mischaracterizes  
16 her testimony.

17 A. I think the economic stability program  
18 does address a number of these items.

19 Q. Okay. Now, let's look at the economic  
20 stability plan --

21 MR. KUTIK: Kim, you cut out or there was  
22 a break in the -- in us being able to hear you so  
23 start again, please.

24 MS. BOJKO: I'm sorry. I think somebody

1 joined the call.

2 MR. KUTIK: Yes.

3 Q. The economic stability plan, is the  
4 proposed transaction of the PPA just one aspect of  
5 the economic stability program?

6 MR. KUTIK: Objection, mischaracterizes  
7 her testimony and assumes facts.

8 A. May I ask you to restate the question,  
9 please?

10 Q. I'm not characterizing your testimony. I  
11 am asking you if the proposed transaction, the PPA,  
12 is just one aspect of the economic stability plan?  
13 Are there other provisions of the economic stability  
14 plan, or is the purchase power agreement synonymous  
15 with the economic stability plan?

16 MR. KUTIK: Well, you have asked a number  
17 of questions so I will object on that basis. I am  
18 also objecting to the extent you contend that the  
19 proposed transaction is part of the plan.

20 Q. All right. Well, let's step back then.  
21 We will do this -- is the economic stability program,  
22 does it include the purchase power agreement?

23 A. The companies are seeking approval of the  
24 retail rate stability rider from the Public Utilities

1 Commission of Ohio as part of the economic stability  
2 program.

3 Q. And that -- that rider, the RRS, is based  
4 upon the purchase power transaction between  
5 FirstEnergy and FirstEnergy Solutions; is that  
6 correct?

7 A. No.

8 Q. You don't believe that rider RRS either  
9 passes on to customers revenues or costs that result  
10 from the proposed transaction between FirstEnergy and  
11 FirstEnergy Solutions?

12 MR. KUTIK: Objection. There are no  
13 revenues as a result of the transaction between  
14 FirstEnergy Solutions -- the proposed transaction  
15 between FirstEnergy Solutions and the companies so I  
16 object. That assumes facts.

17 A. May I ask you to restate the question,  
18 please?

19 Q. Maybe we need to go back even further.  
20 You don't believe -- or your counsel doesn't believe  
21 so I will ask you if you believe. Does the --

22 MR. KUTIK: Why don't we -- why don't we  
23 just do away with the commentary and just ask  
24 questions, okay?

1 MS. BOJKO: Well, why don't we do away  
2 with testifying for the witness and let her answer  
3 it?

4 MR. KUTIK: I am not testifying for the  
5 the witness, and I am stating objections and, as you  
6 have wanted to do, to try to move this along to  
7 indicate to you why your questions are so off base.  
8 We could stand here -- we could sit here all  
9 afternoon and have her ask you to restate the  
10 question, and you can fumble and to try to figure out  
11 why it's wrong, or I could tell you. Ask your next  
12 question, please.

13 MS. BOJKO: Well, I object to your  
14 characterization and your comments on the record.

15 MR. KUTIK: Ask your next question.

16 Q. Ms. Mikkelsen, do you believe that RRS  
17 passes costs on to customers that result from the  
18 transaction entered into between FirstEnergy and  
19 FirstEnergy Solutions?

20 MR. KUTIK: Objection.

21 A. May I ask you to restate the question? I  
22 am not sure I understand the question.

23 Q. Sure. How about we go back to -- I  
24 thought you talked about the proposed transaction

1 previously today and let me ask you if you believe  
2 that the proposed transaction between FirstEnergy  
3 and -- for the EDU operating companies and  
4 FirstEnergy Solutions, whether that transaction  
5 results in a commitment by FirstEnergy operating  
6 companies to pass costs on to customers.

7 MR. KUTIK: Objection.

8 THE WITNESS: May I have that question  
9 reread, please?

10 (Record read.)

11 A. No.

12 Q. Do you believe that the proposed rider  
13 RRS is seeking permission from the Commission to pass  
14 costs on to customers associated with the proposed  
15 transaction?

16 A. No.

17 Q. You don't believe that the RRS -- to  
18 customers for costs or credits -- not necessarily  
19 costs but costs or credits resulting from the  
20 proposed transaction?

21 MR. KUTIK: Kim, I'm sorry. You cut out  
22 a little bit in that question so could you ask it  
23 again? I apologize.

24 Q. Sure. I'm asking whether you believe

1       that the RRS rider -- may I call it rider RRS?

2             A.    Yes.

3             Q.    Okay.  That rider RRS seeks authority  
4       from the Commission to pass on to customers either a  
5       charge or a credit resulting from the proposed  
6       transaction?

7             A.    No.

8             Q.    And why not?

9             A.    Rider RRS will include the difference  
10       between revenues collected from the sale of the  
11       energy, capacity, and ancillaries into the market as  
12       compared to the costs associated with the prepared  
13       transaction, and the difference between the two of  
14       credit or a cost would be proposed for inclusion in  
15       rider RRS.

16            MR. KUTIK:  You said "prepared  
17       transaction."  Did you mean proposed?

18            THE WITNESS:  I apologize.  I did.

19            Q.    You were quibbling over the word "the  
20       difference," but it is still a charge or a credit to  
21       customers resulting from the proposed transaction; is  
22       that right?

23            A.    No.

24            Q.    You don't believe that what you just said



1 results from the proposed transaction?

2 MR. KUTIK: Now, I'll object that it has  
3 been asked and answered now three times.

4 A. I was taking exception to the  
5 characterization of quibbling in my note.

6 Q. Okay. So you believe that the difference  
7 that you just referenced and explained that could  
8 result to a charge or a credit to customers is a  
9 result of the proposed transaction between the  
10 operating companies and FirstEnergy Solutions?

11 MR. KUTIK: Mischaracterizes her  
12 testimony. I object.

13 THE WITNESS: May I have that reread,  
14 please, ma'am?

15 (Record read.)

16 A. No.

17 Q. And why not?

18 MR. KUTIK: Objection, asked and  
19 answered.

20 A. The revenues that the utilities receive  
21 from selling the output into the market are not  
22 subject to the proposed transaction -- part of the  
23 proposed transaction.

24 Q. But the costs that create the

1 differential is subject to the proposed transaction,  
2 right?

3 A. May I ask you to restate that question,  
4 please?

5 Q. You explained to me that the difference  
6 between the revenue received by the company by  
7 selling the power in the wholesale market is netted  
8 against the costs of the generating units to create a  
9 credit or charge to customers. You then just stated  
10 that the revenue side is not subject to the proposed  
11 transaction. I am asking you if the cost side of  
12 your netting description is subject to the proposed  
13 transaction.

14 A. Can you describe to me what you mean by  
15 "subject to"?

16 Q. Well, the costs that the companies are  
17 obligated to pay to FirstEnergy Solutions are  
18 outlined in the proposed transaction, is that  
19 correct, in the term sheet at least?

20 THE WITNESS: Can I have that reread,  
21 please, ma'am?

22 (Record read.)

23 A. Can I ask you to restate that question,  
24 please?

1           Q.    What part of my question do you not  
2 understand?

3           A.    I was getting turned around with the  
4 proposed transaction and then the term sheet at the  
5 end.

6           Q.    Well, I mean, there isn't an agreement  
7 presently between FirstEnergy Solutions and  
8 FirstEnergy -- we have been calling the whole  
9 transaction generically proposed transaction, but the  
10 actual costs are outlined in the term sheet; isn't  
11 that correct?

12          A.    There is no proposed transaction between  
13 FirstEnergy and FirstEnergy Solutions.

14          Q.    I'm sorry, the operating companies and  
15 FirstEnergy Solutions.

16          A.    May I ask you to restate the question in  
17 that context, please?

18          Q.    Sure. You described a netting that  
19 resulted in a charge and a credit to customers. And  
20 on the revenue side you stated that that was not  
21 subject or did not have anything to do with the  
22 proposed transaction between the companies and  
23 FirstEnergy Solutions. And, now, I am asking you if  
24 the cost side that is delineated in the proposed

1 transaction -- or is the cost side subject to or  
2 delineated in a proposed transaction?

3 A. I apologize. There was a disruption  
4 during that question.

5 THE WITNESS: If I could ask that it be  
6 read back, please. I apologize.

7 (Record read.)

8 A. May I ask you to clarify the question  
9 with respect to the "costs and credits"?

10 Q. Yes, I'm sorry. The costs in your  
11 netting -- your netting statement, are the costs that  
12 you are discussing a result of the proposed  
13 transaction?

14 A. May I ask you to clarify what you mean as  
15 "a result of"?

16 Q. Well, that's subject to -- the costs were  
17 determined in -- or will be determined through the  
18 proposed transaction. Right now, that exists as a  
19 term sheet between the companies and FirstEnergy  
20 Solutions. I am assuming in the future it will be a  
21 result of a contract between the companies and  
22 FirstEnergy Solutions.

23 MR. KUTIK: So your question is what?

24 Q. So the question is the costs that are a

1 result of a contract between the companies and  
2 FirstEnergy Solutions, the soon to be contract, the  
3 term sheet, what's been call the proposed transaction  
4 all morning until now, are those costs related to the  
5 proposed transaction?

6 A. May I ask you to simplify that question  
7 for me, please?

8 Q. In your netting discussions you talked  
9 about costs. Are the costs that you're referencing  
10 costs that result from the proposed transaction  
11 between the companies and FirstEnergy Solutions?

12 A. Yes.

13 Q. You stated RRS rider -- rider RRS is one  
14 provision of the economic stability program. What  
15 are the other provisions of the economic stability  
16 program?

17 THE WITNESS: May I have that question  
18 reread, please, ma'am?

19 (Record read.)

20 A. The details of the economic stability  
21 program are included in the companies' application  
22 and the supporting testimony to that application.

23 Q. Okay. Does that include your own  
24 testimony?

1           A.    In part, yes.

2           Q.    Okay.  Throughout your testimony you  
3   refer to the economic stability program.  What  
4   components of the economic stability program are you  
5   referencing throughout your testimony?

6           MR. KUTIK:  Objection.

7           A.    May I ask you to restate the question,  
8   please?

9           Q.    Ms. Mikkelsen, I asked you if the  
10   economic stability program only encompassed the PPA,  
11   and you responded to me no.  And you stated that the  
12   rider RRS was one component of the economic stability  
13   program.  I am trying to understand, as you use the  
14   term throughout your testimony, what you mean by  
15   economic stability program.  What other components in  
16   addition to rider RRS are in the economic stability  
17   program?

18           MR. KUTIK:  Well, among other things  
19   wrong with that question the witness never testified  
20   that the proposed PPA was part of the economic  
21   stability program.

22           MS. BOJKO:  No.  I said she corrected me  
23   and said it was not.

24           MR. KUTIK:  Well, you said it was in your

1 statement just now.

2 MS. BOJKO: No, I didn't.

3 MR. KUTIK: Let's do this, why don't we  
4 take a break. We have been going at it for over an  
5 hour. We'll come back at a quarter of.

6 MS. BOJKO: There is a pending question.  
7 I don't want to take a break during a pending  
8 question.

9 MR. KUTIK: We are taking a break.

10 MS. BOJKO: I am objecting to that on the  
11 record.

12 MR. KUTIK: Okay. You've objected.

13 (Recess taken.)

14 MS. BOJKO: Are we on the record?

15 MR. KUTIK: We are.

16 MS. BOJKO: Great. So before we took a  
17 break over my objection, there was a question  
18 pending. Could you please reread that question.

19 (Record read.)

20 A. May I ask you to restate the question,  
21 please?

22 Q. What part of the question do you not  
23 understand?

24 A. I had trouble understanding the question

1       in its entirety but particularly as it relates to the  
2       beginning part referencing the PPA.

3               Q.    I was explaining that you corrected me  
4       that the PPA is not part of the economic stability  
5       program; is that correct?

6               A.    I'm sorry. Is your question that what  
7       you were explaining in your last question? I'm  
8       sorry. I'm not understanding.

9               Q.    I am trying to back up a little bit. You  
10      do not believe that the PPA is part of the economic  
11      stability program; is that accurate?

12              A.    The companies are not seeking approval of  
13      the PPA as part of the economic stability program.

14              Q.    Okay. And the companies are seeking  
15      approval of the rate -- the rider RRS as part of the  
16      economic stability program; is that correct?

17              A.    Yes.

18              Q.    Okay. And you stated earlier that the  
19      RRS is one component of the economic stability  
20      program; is that correct?

21              A.    Rider RRS is an element of the economic  
22      stability program.

23              Q.    Okay. So you used the word element  
24      instead of component, that's fine. What are the



1 other elements of the economic stability program?

2 A. The other elements of the economic  
3 stability program are described in the application  
4 and in the supporting testimony of Witness Strah,  
5 Witness Moul, Witness Ruberto, Witness Lisowski,  
6 Witness Harden, Witness Cunningham, Witness Rose,  
7 Witness Murley, and Witness Savage.

8 Q. Okay. So from that I gather you are  
9 trying to explain that other elements of the economic  
10 stability program include -- strike that.

11 Let's turn to page 4 and 5 because that's  
12 where you listed those items. Maybe I need to back  
13 up and ask another question because when I read  
14 these, I come to the same question I thought you said  
15 no to me on before so let me ask it again. Do you  
16 believe that there are additional elements of the  
17 economic stability program that do not relate to  
18 rider RRS?

19 A. May I ask you to restate the question,  
20 please?

21 Q. Do you believe that there are other  
22 elements to the economic stability program that do  
23 not pertain or relate to rider RRS or the calculation  
24 thereof?

1           A.    I don't understand what you mean by  
2    pertain or relate.

3           Q.    Okay.  Let's take each one then.  Again,  
4    I was trying to shortcut this.  Let's take each one.  
5    If you look at Mr. Strah, his testimony, as you list  
6    it on 4, page 4, is a policy overview of the entire  
7    economic stability program; is that fair?

8           A.    Mr. Strah provides a policy overview of  
9    the economic stability program in his testimony.

10          Q.    Okay.  The same for Mr. Moul.

11          A.    Mr. Moul provides a policy overview of  
12    the economic stability program in his testimony.

13          Q.    Okay.  And Mr. Ruberto, you state that he  
14    provides plan description and term benefit.  What  
15    does plan description and term benefit refer to in  
16    this context?

17          A.    The term benefit relates to the benefits  
18    for customers resulting from the retail rate  
19    stability rider.

20          Q.    And what about plan description?

21                MR. KUTIK:  Objection.

22          A.    I don't recall.

23          Q.    Okay.  Now, let's turn to the next page  
24    of your testimony, page 5.  For Mr. Lisowski you

1 state projected costs and revenues. Can you tell me  
2 what this is pertaining to?

3 A. Yes.

4 Q. And what does it pertain to?

5 A. The projected costs and revenues  
6 associated with the economic stability program.

7 Q. And are there other projected costs and  
8 revenues outside those provided regarding the rider  
9 RRS?

10 A. May I ask you to restate that question,  
11 please?

12 Q. Are there other projected costs and  
13 revenues as you've stated in your testimony that do  
14 not relate to rider RRS than Mr. Lisowski testifies  
15 to?

16 MR. KUTIK: Objection.

17 A. Yeah. I don't think -- may I ask you to  
18 restate the question? I don't think I agree with the  
19 characterization of my testimony in the question.

20 Q. I'm just asking if there are projected  
21 costs and revenues that are not related to rider RRS  
22 that he would testify to.

23 MR. KUTIK: Objection.

24 THE WITNESS: Can I ask you to reread

1       that question, please, ma'am?

2                       (Record read.)

3               A.    I don't understand the question.

4               Q.    Well, rider RRS is only one component or  
5       element, as you used, of the economic stability  
6       program.  What projected costs and revenues are  
7       listed in Mr. Lisowski's testimony that don't refer  
8       to rider RRS?

9                       MR. KUTIK:  Objection.

10              A.    May I ask you to please restate the  
11       question?

12              Q.    Okay.  Are the projected costs and  
13       revenues referenced in this testimony with regard to  
14       Mr. Lisowski the same projected costs and revenues  
15       regarding the RRS, the rider RRS?

16              A.    The projected costs and revenues in  
17       Mr. Lisowski's testimony were included by Mr. Ruberto  
18       in his calculation of the benefits associated with  
19       rider RRS.

20              Q.    Okay.  But are the projected costs and  
21       revenues that he specifically discusses related to  
22       RRS?

23                       MR. KUTIK:  Objection.

24              A.    May I ask you to restate the question,

1       please?

2               Q.    Are there other projected costs and  
3       revenues outside of rider RRS that Jason Lisowski  
4       would be talking about in the economic stability  
5       program?

6               THE WITNESS:   May I ask you to reread  
7       that question, please, ma'am?

8               (Record read.)

9               A.    I don't believe Mr. Lisowski provided  
10      testimony with respect to rider RRS.

11              Q.    Okay.  He provided testimony regarding  
12      the projected cost information related to the output  
13      proposed to be sold to the companies from FES's  
14      interests in the generating units; is that right?

15              A.    I would ask you to restate the question  
16      as it relates to FES's interests.

17              Q.    Well, I am reading Mr. Lisowski's  
18      testimony so I don't know how I can restate it.  The  
19      purpose of Mr. Lisowski's testimony is to provide and  
20      support cost information related to the output --  
21      output proposed to be sold to the operating companies  
22      from FES's interests in OVEC and the other plants,  
23      Davis-Besse and Sammis plants; is that not accurate?

24              A.    I think Mr. Lisowski's testimony speaks

1       for itself.

2               Q.    We are just going in circles here.  You  
3   told me that the cost associated with this very  
4   transaction related to RRS, so then when I asked you  
5   whether Lisowski's testimony has to do with rider  
6   RRS, your answer was no.  So it's beyond rider RRS.  
7   I am trying to understand what components go --  
8   components go beyond rider RRS.

9               MR. KUTIK:  Well, two things.  First,  
10   you've mischaracterized her.  Second, you are arguing  
11   with the witness.  Third, you've asked no question.

12              MS. BOJKO:  I am not arguing with the  
13   witness.  I am trying to understand her own testimony  
14   she told me she wrote.

15              MR. KUTIK:  Well, now, you are arguing  
16   with me instead of posing questions.  Why don't we  
17   try that.

18              Q.    I do have -- I already asked a question.  
19   The question is what projected costs and revenues  
20   referenced on Ms. Mikkelsen's page 5 of your  
21   testimony deal with projected costs and revenues that  
22   are outside of the proposed transactions associated  
23   with rider RRS.

24              THE WITNESS:  Ask you to reread the

1 question, please.

2 (Record read.)

3 A. I don't believe I've provided testimony  
4 with respect to projected costs and revenues outside  
5 of rider RRS.

6 Q. Okay. That's what I am trying to  
7 understand. You answered my question. I asked you  
8 if there were any other costs and revenues associated  
9 with Mr. Lisowski's testimony that were beyond rider  
10 RRS, and I thought you answered in the affirmative  
11 because you kept referring me to the economic  
12 stability program. I am trying to understand if  
13 there are -- what are the other elements outside of  
14 rider RRS that are included in the economic stability  
15 program.

16 MR. KUTIK: Objection, mischaracterizes  
17 her testimony, but she can answer the question you  
18 posed at the end of your comment.

19 A. I think, as I mentioned earlier, the  
20 application and the supporting testimony of a number  
21 of witnesses describe the economic stability program  
22 as proposed by the company.

23 Q. And you referenced me to witnesses'  
24 testimony, and as I read through the list you

1 provided to me, I am trying to understand which  
2 testimony goes beyond discussion regarding rider RRS  
3 in the transaction associated with rider RRS.

4 MR. KUTIK: Objection.

5 Q. We were referring to Mr. Lisowski, and in  
6 that discussion I asked you which projected costs and  
7 revenues does he testify to that go beyond the rider  
8 RRS.

9 A. I think I've already answered that  
10 question.

11 Q. I don't believe you have.

12 MR. KUTIK: Well, that's her answer so  
13 ask your next question.

14 Q. Does Mr. Lisowski testify about projected  
15 costs and revenues other than rider RRS?

16 MR. KUTIK: Objection. Asked and  
17 answered.

18 A. No.

19 Q. On page 5 of your testimony, referring to  
20 line 3, Mr. Staub, does he testify to a return on  
21 equity and capital structure of a transaction that  
22 goes beyond the scope of rider RRS?

23 MR. KUTIK: Objection.

24 A. May I ask you to restate the question,



1       please?

2               Q.    Does the return on equity and capital  
3       structure listed here pertain only to rider RRS?

4               MR. KUTIK:  Objection.

5               A.    May I ask you to restate the question,  
6       please?

7               Q.    Do you believe that there is a return on  
8       equity and capital structure components outside the  
9       calculation of rider RRS with regards to the economic  
10      stability program?

11              MR. KUTIK:  Objection.

12              THE WITNESS:  Can I ask you to reread the  
13      question, ma'am?  There was a significant amount of  
14      feedback.  Ask you to reread the question, please.

15              (Record read.)

16              MR. KUTIK:  Let's go off the record for a  
17      second.

18              (Discussion off the record.)

19              MR. KUTIK:  Let's go back on the record.

20              THE WITNESS:  Ask you to read the  
21      question again, please, ma'am.

22              (Record read.)

23              A.    The retail rate stability rider seeks to  
24      recover the difference between the revenue associated

1 with the sale of the output of the units in the  
2 proposed transaction into the market and the costs  
3 associated with that -- purchasing that output. And  
4 that net difference is what's included in the retail  
5 rate stability rider.

6 Q. Okay. And Mr. Staub's testimony talks  
7 about the return on equity and capital structure in  
8 determining some of the components that goes into  
9 that calculation that you just described; is that  
10 correct?

11 MR. KUTIK: Objection.

12 A. Ask you to restate that question, please.

13 Q. Mr. Staub's testimony talks about the  
14 return on equity used to determine revenue  
15 requirements related to the output of the generating  
16 plants and that is used in the calculation that you  
17 just set forth, the netting, and I am calling that  
18 the calculation of rider RRS. Is that right?

19 MR. KUTIK: Well, you are calling it what  
20 you call it but that would be wrong so I'll object.  
21 Mischaracterizing her testimony.

22 A. I don't understand the question. I think  
23 Mr. Staub's testimony speaks for itself.

24 Q. Do you believe that Mr. Staub is talking

1       about a return on equity and a capital structure for  
2       another element of the economic stability program  
3       that has nothing to do with the proposed transaction  
4       or the calculation of rider RRS that you just  
5       described?

6             A.    No.

7             Q.    Similarly for Mr. Harden, do you believe  
8       that his discussion of plant characteristics goes  
9       beyond the proposed transaction or the resulting  
10      calculation of RRS that you described?

11            THE WITNESS: May I ask you to reread  
12      that, please, ma'am?

13            (Record read.)

14            A.    I'm not sure I understand the question.  
15      May I ask you to please restate it?

16            Q.    Sure. Mr. Harden is describing plant  
17      characteristics. Do those plant characteristics that  
18      he is describing have to do with the generating units  
19      that are part or associated with the proposed  
20      transaction between the companies and FirstEnergy  
21      Solutions?

22            A.    Yes.

23            Q.    There are no other elements of the  
24      economic stability program that plant -- plant

1 characteristics would apply to; is that correct?

2 A. I don't know how to answer that question.

3 Q. Let's move on.

4 A. Pardon me. May I finish?

5 MR. KUTIK: Go ahead.

6 A. I think that the plant characteristics  
7 that Mr. Harden describes are an important element of  
8 the economic stability program.

9 Q. And what about the transmission costs,  
10 are the transmission costs referred to by  
11 Mr. Cunningham related to the proposed transaction or  
12 rider RRS?

13 MR. KUTIK: Objection. May I ask you to  
14 restate the question, please?

15 Q. I'm just asking if transmission costs  
16 are -- delineated on your page 5 of the testimony  
17 associated with Mr. Cunningham are outside of the  
18 calculation of rider RRS or -- and the proposed  
19 transaction between the companies and FES.

20 A. Mr. Cunningham testifies to what the cost  
21 would be associated with additional transmission  
22 investment if the plants that are included in the  
23 proposed transaction were to retire.

24 Q. And skipping down to Mr. Judah Rose, the

1 forward market pricing delineated here is with  
2 respect to the projected rider RRS results or  
3 calculation; is that fair?

4 MR. KUTIK: Objection.

5 A. May I ask you to restate the question,  
6 please?

7 Q. Sure. Does the forward market pricing  
8 testified to by Mr. Rose deal with the projected  
9 market pricing of the generating units that then goes  
10 into the calculation of what rider RRS may be with  
11 regard to a proposed credit or a proposed charge to  
12 customers?

13 MR. KUTIK: I object. I believe that  
14 mischaracterizes Ms. Rose's testimony.

15 A. May I ask you to restate the question,  
16 please.

17 Q. Tell me what you believe Mr. Rose's  
18 forward market pricing pertains to.

19 MR. KUTIK: Objection.

20 A. Help me understand what you mean by  
21 "pertains to."

22 Q. Well, you wrote in your testimony that  
23 Mr. Rose's testimony is about forward market pricing,  
24 and I am asking you what you believe the forward

1 market pricing is speaking to when you wrote it.

2 A. I don't understand what you mean by  
3 "speaking to."

4 Q. What forward market pricing is contained  
5 in the economic stability program?

6 MR. KUTIK: Objection, assumes facts.

7 A. May I ask you to restate the question,  
8 please?

9 Q. Ms. Mikkelsen, I am just reading the  
10 words off of your testimony on line 9, page 5. What  
11 did you think that he was testifying about regarding  
12 forward market pricing?

13 A. I think Mr. Rose provided a projection of  
14 forward market prices over the term of the economic  
15 stability program.

16 Q. For what?

17 MR. KUTIK: Objection.

18 A. I don't understand the question.

19 Q. Forward market pricing for what? For  
20 apples? Forward market pricing for what?

21 A. Energy and capacity prices.

22 Q. Associated with the plants proposed to be  
23 included and incorporated in the proposed  
24 transaction?

1 THE WITNESS: May I have that question  
2 reread, please?

3 (Record read.)

4 A. No.

5 Q. Energy and capacity for what? The  
6 general market? Of all plants in the PJM region?  
7 MISO region? For what?

8 MR. KUTIK: Objection.

9 A. May I ask you to restate the question,  
10 please?

11 Q. You stated that his testimony is  
12 pertaining to forward market pricing about energy and  
13 capacity, and I am asking you for what? Regarding  
14 the market of PJM? The market of MISO for energy and  
15 capacity? The market for the generating units that  
16 are subject to the proposed transaction? I am trying  
17 to ask what you believe that testimony pertains to.

18 MR. KUTIK: Objection. With respect to  
19 that last question it's been asked and answered.

20 A. Mr. Rose provided an independent energy  
21 and capacity forecast for the term of the economic  
22 stability program.

23 Q. For the region? Do you know the specific  
24 pricing that he has provided, the projections that he

1       has provided?

2                   MR. KUTIK:  Objection, compound.

3           A.    May I ask you to restate the question,  
4       please?

5           Q.    Do you know what the forward market  
6       pricing pertains to?

7                   MR. KUTIK:  Objection, asked and  
8       answered.

9                   MS. BOJKO:  Well, she is not answering  
10      it.

11                  MR. KUTIK:  Well, she has.  You don't  
12      understand her answers apparently.

13                  MS. BOJKO:  Thank you, Mr. Kutik.  I  
14      understand perfectly well.

15                  MR. KUTIK:  Then you have asked several  
16      questions but go ahead.

17                  THE WITNESS:  Sorry.  May I ask you to  
18      read the question if there is one pending?

19                       (Record read.)

20           A.    Energy and capacity prices over the term  
21      of the economic stability program.

22           Q.    Okay.  So energy and capacity prices  
23      where?  Over the entire region?  Or the nation?  
24      Outside the country?  Are we talking the region where



1 the economic stability program is run?

2 MR. KUTIK: Objection, compound.

3 A. I think Mr. Rose's testimony speaks for  
4 itself on that subject.

5 Q. Do you know what Mr. Rose's testimony  
6 has -- forward market pricing projection is used for  
7 in FirstEnergy operating companies' application?

8 A. Yes.

9 Q. And could you share that with us, please?

10 A. I think that Mr. Rose's forward market  
11 pricing is used to determine dispatch of the units  
12 that are included in the proposed transaction.

13 Q. Okay. So it is related to the proposed  
14 transaction.

15 MR. KUTIK: Objection. Go ahead.

16 A. Mr. Rose's forward market pricing is  
17 included in the economic stability program.

18 Q. But before your answers related to the  
19 proposed transaction; is that not accurate? It's not  
20 related to the proposed transaction?

21 A. I think my answer speaks for itself.

22 MS. BOJKO: Well, then I guess I am going  
23 to have the -- can you reread back the answer,  
24 please.

1 (Record read.)

2 Q. What is the term of the ESP IV?

3 A. The ESP IV starts on June 1 of 2014 and  
4 continues until another ESP or MRO is approved  
5 after -- up to or after May 31 of 2019.

6 MR. KUTIK: Did you say 2014?

7 Q. Did you say June 1 of 2014?

8 A. I apologize. Evidently I did and I did  
9 not mean that. It's June 1 of 2016. Thank you.

10 Q. And is there an early termination right  
11 contained in the companies' application?

12 A. I am not aware of an early termination  
13 provision related to the ESP, no.

14 Q. Okay. And we've referenced -- sorry.  
15 We've referenced the economic stability program  
16 today. What is the term of the economic stability  
17 program?

18 A. June 1 of 2016 through May 31, 2031.

19 Q. And one element, rider RRS, is proposed  
20 to extend longer; is that correct?

21 MR. KUTIK: Objection.

22 A. May I ask you to restate the question,  
23 please?

24 Q. Rider RRS is proposed to expand for 15

1 years, is that correct, to be in existence for 15  
2 years?

3 A. Rider RRS is proposed to remain in effect  
4 throughout the term of the economic stability  
5 program.

6 Q. Okay. So it's the companies' position  
7 that rider RRS is only being approved through the  
8 term of the ESP IV?

9 A. No.

10 Q. When do you believe that rider RRS is --  
11 excuse me. I'll start over with the beep.

12 A. Thank you.

13 Q. Is the -- are the companies through their  
14 application proposing that rider RRS be approved  
15 longer than ESP IV?

16 A. The companies are seeking approval of  
17 rider RRS throughout the term of the economic  
18 stability program.

19 Q. And that, you stated, will end on May 31,  
20 2019.

21 A. No. The economic stability program will  
22 run through May 31 of 2031.

23 Q. I'm sorry. I thought in response to my  
24 question of the term of the ESP you said June 1, '16,

1 through May 31, '19, but you are saying it's through  
2 May 31, '31?

3 MR. KUTIK: Objection, mischaracterizes  
4 her testimony and assumes facts. When you say I  
5 thought you said, that's characterizing testimony.  
6 But go ahead and answer the question, if you can.

7 A. May I ask you to restate the question,  
8 please?

9 Q. Ms. Mikkelsen, could you tell me what you  
10 believe the period -- the term of the economic  
11 stability period is?

12 MR. KUTIK: Asked and answered. Go  
13 ahead.

14 A. The economic stability program as  
15 proposed will last from June 1 of 2016 through May 31  
16 of 2031.

17 Q. Thank you. Ms. Mikkelsen, did you have a  
18 role in drafting the application?

19 A. I apologize. May I ask you -- can you  
20 reread the question? I couldn't hear the question.

21 Q. Did you have a role in drafting the  
22 application?

23 A. I reviewed the application when it was  
24 being developed.

1           Q.    Did you have a role in creating the  
2    economic stability plan?

3           MR. KUTIK:  Well, we need to go off the  
4    record for a minute.  We are getting a lot of  
5    feedback in the room.

6           (Discussion off the record.)

7           MR. KUTIK:  Let's go on the record.  
8    There is a question pending.

9           THE WITNESS:  May I ask you to repeat the  
10   question, please, ma'am?

11          Q.    Sure.  I can restate it.  Did you have a  
12   role in the creation of the economic stability plan?

13          A.    My role in the development of the  
14   economic stability program would have been at the  
15   request and under the direction of counsel in  
16   anticipation of litigation.

17          Q.    Would your answer be the same for the  
18   creation of the rider RRS?

19          A.    Yes.

20          Q.    And other provisions of the ESP IV?

21          A.    Yes.

22          Q.    Did you have a role in -- or participate  
23   in the creation of the term sheet surrounding the  
24   proposed transaction?

1 MR. KUTIK: Objection, asked and  
2 answered. Go ahead. Tell her again.

3 A. No.

4 Q. You stated previously today that you are  
5 aware of the team, but you were not on the EDU team;  
6 is that correct?

7 A. I was not on the -- I was not a member of  
8 the EDU team.

9 Q. I believe you had discussions, however,  
10 with people that were members of the EDU team  
11 regarding provisions of the term sheet; is that  
12 right?

13 MR. KUTIK: Objection, mischaracterizes  
14 her testimony.

15 A. May I ask you to restate the question,  
16 please?

17 Q. Sure. Did you have conversations with  
18 members of the EDU team concerning the proposed  
19 transaction or the specific term sheet?

20 A. Compound question. May I ask you to  
21 restate?

22 Q. I'm only concerned about conversations  
23 you had with the proposed transaction. I don't mean  
24 to ask you if you ever had any conversation with

1 anyone on the EDU team. Did you have conversations  
2 with members of the EDU team regarding the proposed  
3 transaction?

4 A. Yes.

5 Q. Okay. And did you have discussions with  
6 members of the EDU team regarding the term sheet?

7 A. I don't recall any such discussion at  
8 this time.

9 Q. Have you met with anyone who was acting  
10 on behalf of FirstEnergy Solutions to discuss  
11 specific provisions of the proposed transaction?

12 MR. KUTIK: Objection.

13 A. May I ask you to restate the question,  
14 please?

15 Q. Have you met with or had discussions with  
16 an employee of FirstEnergy that was acting on behalf  
17 of FirstEnergy Solutions regarding the proposed  
18 transaction?

19 MR. KUTIK: Objection.

20 A. May I ask you to restate the question as  
21 it relates to employees of FirstEnergy?

22 Q. Well, okay. We can split it. Have you  
23 had a meeting or any discussions with a shared  
24 service employee that was acting on behalf of

1 FirstEnergy Solutions to discuss the proposed  
2 transaction?

3 A. Yes, but those conversations would have  
4 been at the direction of counsel in anticipation of  
5 litigation.

6 Q. The discussions were not with counsel; is  
7 that correct?

8 A. May I ask you to restate the question,  
9 please?

10 Q. Sure. Were those discussions that you  
11 just referenced with counsel?

12 A. I had conversations with counsel that are  
13 shared service employees associated with the  
14 transaction, the proposed transaction.

15 Q. Have you had -- sorry. Have you had  
16 discussions with any other shared service employees  
17 that are not attorneys or acting in the capacity of  
18 counsel for FirstEnergy Solutions?

19 A. Yes, at the direction of counsel in  
20 anticipation of litigation.

21 Q. And who were the discussions with that  
22 were non-attorneys?

23 MR. KUTIK: Well, again, I will direct  
24 you at this point in time not to reveal any



1 activities or tasks that you undertook at the  
2 direction of counsel. If you can answer that  
3 question without revealing that information, you can  
4 go ahead and answer the question.

5 THE WITNESS: May I ask you to reread the  
6 question, please, ma'am?

7 (Record read.)

8 A. Can you be more specific with your  
9 question, please?

10 Q. Which shared service employees did you  
11 meet with to discuss the proposed transaction other  
12 than your counsel?

13 MR. KUTIK: Same instruction.

14 A. It would have been shared service  
15 employees in the rates and regulatory affairs group,  
16 the accounting group. That's all I recall at this  
17 time.

18 Q. Were there members -- I'm sorry. Were  
19 you finished?

20 A. That's all I recall at this time.

21 Q. I apologize. I thought you were done.  
22 So are there employees that you supervise in the  
23 rates and regulation group that were members of the  
24 EDU team?

1           A.    I am responsible for the rates and  
2           regulatory affairs group, not the rates and  
3           regulation group.

4           Q.    I'm sorry.  So it's a separate group you  
5           were just referencing?

6           MR. KUTIK:  Objection.

7           Q.    My apologies.  I thought that was the  
8           same.  I apologize.

9           MR. KUTIK:  But she didn't say it; you  
10          did.  Go ahead.

11          Q.    Well, maybe I misunderstood.  I  
12          apologize.  You stated that you did meet with  
13          individuals in which organization?

14          A.    The rates and regulatory affairs group  
15          and the accounting group.

16          Q.    And the regulatory affairs group is the  
17          group that you are in that you have responsibility  
18          over employees for; is that right?

19          MR. KUTIK:  Objection.

20          A.    I am the director of the rates and  
21          regulatory affairs group for Ohio.

22          Q.    Okay.  Were there employees that are in  
23          your group that were members of the EDU team?

24          A.    Yes.

1           Q.   And were those members that you  
2 supervised?

3           MR. KUTIK:  I'm sorry.  Is the question  
4 supervise or supervised?

5           MS. BOJKO:  During the period of time  
6 that they were on the group that she had supervisory  
7 responsibility over.

8           MR. KUTIK:  I'll object.  Go ahead.

9           A.   I am going to ask you to restate the  
10 question, please.  I don't understand the question  
11 any longer.

12          Q.   I thought you said you supervised nine  
13 employees in the rates and regulatory affairs group;  
14 is that right?

15          A.   There are nine employees in the rates and  
16 regulatory affairs group, yes.

17          Q.   And you don't supervise the nine  
18 employees?

19          A.   I have a manager who reports to me who  
20 has employees that report to him, so I would think  
21 while I am responsible for direction over all the  
22 group he is responsible for day-to-day supervision of  
23 the employees that report to him.

24          Q.   Well, then who is the manager you are

1       referring to?

2                   MR. KUTIK:  Objection, asked and  
3       answered.  Tell her again.

4                   A.    Mr. Fanelli.

5                   Q.    Okay.  So there are members of  
6       Mr. Fanelli's group that were -- that participated in  
7       the EDU team?

8                   MR. KUTIK:  Objection.

9                   A.    Members plural, no.

10                  Q.    Okay.  Were there members in the rates  
11       and regulatory affairs group that were members of  
12       the -- of the FirstEnergy Solutions team?

13                  THE WITNESS:  May I have that reread,  
14       please, ma'am?

15                        (Record read.)

16                  Q.    Let me clarify.  Were there employees in  
17       rates and regulatory affairs that are members of the  
18       FirstEnergy Solutions team?

19                  A.    No.

20                  Q.    Have you met with or had discussions with  
21       any shared service -- shared services employee acting  
22       on behalf of FirstEnergy Solutions to discuss the  
23       term sheet?

24                  MR. KUTIK:  Asked and answered.

1           A.    No.

2           Q.    Okay.  Going back we separated the  
3           question.  Have you met with or had discussions with  
4           any FirstEnergy Solutions employee to discuss the  
5           proposed transaction?

6                   MR. KUTIK:  Objection, asked and  
7           answered.

8           A.    Yes, but those conversations would have  
9           been at the direction of counsel in anticipation of  
10          litigation.

11          Q.    Have you met with or had discussions with  
12          anyone -- or with any FirstEnergy Solutions employee  
13          regarding the term sheet?

14                   THE WITNESS:  I'm sorry.  That question  
15          broke up in the middle.  Let me have it reread to be  
16          sure I heard it properly.

17                   (Record read.)

18          A.    No.

19          Q.    Were you aware of any issues that arose  
20          during discussions between FirstEnergy Solutions and  
21          the companies with regard to the term sheet?

22          A.    Can you -- can you restate the question,  
23          please?

24          Q.    Sure.  Are you aware of any issues that

1       arose between FirstEnergy Solutions and the companies  
2       regarding the term sheet?

3             A.    May I ask you to be more specific with  
4       respect to "issues"?

5             Q.    Yes, I'm sorry.  Let's say contested  
6       issues.  Does that help?

7             A.    No.

8             Q.    Are you aware of any issues that the  
9       companies disagreed with FirstEnergy Solutions on  
10      with regard to the term sheet?

11            A.    We discussed this morning the issue -- or  
12      the discussion around the appropriate number of OVEC  
13      megawatts to be included in the proposed transaction.

14            Q.    Are there any other ones?

15            A.    May I ask you to restate that question,  
16      please?

17            Q.    Are you aware of any other items that  
18      FirstEnergy Solutions -- or excuse me.  Are you aware  
19      of any other issues or items that the companies  
20      disagreed with FirstEnergy Solutions on with regard  
21      to the term sheet?

22            A.    I was not involved in the negotiation of  
23      the term sheet.

24            Q.    Do you know whether FirstEnergy requested

1 anything specific in return for the payments to FES  
2 or the generating units?

3 MR. KUTIK: Objection.

4 A. May I ask you to restate the question,  
5 please?

6 Q. Sure. I said FirstEnergy. I apologize.  
7 Are you aware of whether the companies requested  
8 anything in return for the payment that the companies  
9 would provide to FirstEnergy Solutions for the  
10 generating units?

11 MR. KUTIK: Objection.

12 A. I am aware that the companies are  
13 expecting to receive the energy, capacity, ancillary,  
14 and environmental attributes associated with the  
15 output of those units.

16 Q. Anything else?

17 A. I am going to ask you to be more specific  
18 with your question, please.

19 Q. I'm wondering if you have any other -- if  
20 you are aware of any other items that the  
21 customers -- that the companies requested to receive  
22 in return for providing the payments to FirstEnergy  
23 Solutions under the proposed transaction.

24 MR. KUTIK: Objection.

1           A.    I don't understand the question.  I  
2 apologize.

3           Q.    You listed energy, capacity, and the  
4 output of the units.  Is there any other item that  
5 you are aware of that the companies requested to  
6 receive in exchange for this payment under the  
7 proposed transaction?

8           A.    Again, I was not involved in the  
9 negotiation of the term sheet, and I think the  
10 culmination of the negotiation is expressed in the  
11 term sheet that we looked at earlier today.

12          Q.    Okay.  So you're not familiar with the  
13 monthly payments set forth in the term sheet?

14          A.    I'm having trouble with that question.  
15 May I ask you to rephrase it, please?

16          Q.    Sure.  Are you familiar -- are you  
17 familiar with the monthly payment delineated in the  
18 term sheet?

19               MR. KUTIK:  Ms. Mikkelsen, you need to  
20 give those exhibits to the court reporter when we  
21 leave so don't walk off with them.

22               MR. SOULES:  Thank you.

23               MR. KUTIK:  I was wondering where they  
24 were.



1 THE WITNESS: I'm sorry. May I ask you  
2 to reread the question, please?

3 (Record read.)

4 A. I have reviewed the term sheet and the  
5 provisions related to a monthly payment.

6 Q. Are you aware that the capacity payment  
7 listed in the term sheet on page 5 going over to page  
8 6, Section 4, includes a return for FirstEnergy  
9 Solutions' investment?

10 MR. KUTIK: Objection.

11 A. May I ask you to restate the question,  
12 please?

13 Q. Sure. Are you familiar with the capacity  
14 payment provision in Section 4?

15 A. I am aware there is a capacity payment  
16 provision in the term sheet.

17 Q. Okay. Why don't you tell me what you  
18 believe that capacity payment would include.

19 A. I think the definition sheet attached to  
20 the term sheet is very clear with respect to the  
21 capacity payment and speaks for itself.

22 Q. Okay. You have no knowledge outside of  
23 that -- of the document and the term sheet included  
24 in the document or the terms and conditions of that

1 in the document?

2 A. No, because as I've said, I was not  
3 involved in the negotiation of the term sheet.

4 Q. Okay. And what is your understanding of  
5 how this transaction -- proposed transaction will  
6 benefit FirstEnergy Solutions?

7 MR. KUTIK: Objection.

8 A. Ask you to restate the question, please.

9 Q. What's your -- your understanding of how  
10 the proposed transaction provided benefits to  
11 FirstEnergy Solutions?

12 MR. KUTIK: Objection.

13 A. My focus on the transaction has been  
14 associated with the benefits to the customers of the  
15 companies as well as the state of Ohio.

16 Q. But you have no opinion on how the  
17 transaction benefits FirstEnergy Solutions?

18 A. I do not.

19 Q. Why did the companies choose 15 years as  
20 the term of the economic stability program and the  
21 rider RRS?

22 MR. KUTIK: Objection.

23 A. I think the term of the proposed  
24 transaction is included in the term sheet that was

1 negotiated by the teams that I was not part of that  
2 negotiation.

3 Q. I think you were responding to the  
4 question -- that was -- let me step back.

5 Do you believe that the term of the  
6 proposed transaction is 15 years; is that correct?  
7 Is that what you were just referencing to the term  
8 sheet for?

9 A. I'm sorry. May I ask you to restate that  
10 question, please?

11 Q. Sure. I'll rephrase. Do you believe  
12 that the term of the proposed transaction is 15  
13 years?

14 A. Per the term sheet the delivery period is  
15 from June 1 of 2016 through May 31 of 2031.

16 Q. Okay. And my question before that was  
17 why do you believe FirstEnergy chose 15 years as  
18 the -- as the term of the economic stability program  
19 and the rider RRS.

20 MR. KUTIK: Objection, asked and  
21 answered.

22 A. I don't believe there's -- FirstEnergy  
23 didn't -- let me ask you to recharacterize the  
24 question as it relates to FirstEnergy.

1           Q.    I'm sorry.  The companies, why did they  
2           propose in front of the Commission to have rider RRS  
3           extend for 15 years as well as the economic stability  
4           program?

5                   MR. KUTIK:  Objection.

6           A.    May I ask you to restate the question,  
7           please?

8           Q.    Do you believe that the companies chose  
9           the term of the rider RRS and the economic stability  
10          rider to coincide with the proposed transaction?

11          A.    I believe that the term of the proposed  
12          transaction, the term of the economic stability  
13          program, and the term of the retail rate stability --  
14          pardon me, the retail rate stability rider are all  
15          the same, 15 years starting June 1 of 2016 and  
16          continuing through May 31 of 2031.

17          Q.    Okay.  I understand they are the same.  I  
18          am asking if the -- if they relate to each other with  
19          regard to what the companies requested approval of in  
20          the ESP IV application.

21                   MR. KUTIK:  Objection.

22          A.    I don't understand the question.

23          Q.    Why did -- why did the companies choose  
24          15 years or -- as the term of rider RRS and economic

1 stability program in the ESP IV application?

2 A. I believe Mr. Ruberto testifies to that,  
3 and I think it was the judgment of the EDU team that  
4 was a sufficient term to bring significant benefits  
5 in terms of retail rate stability as well as retail  
6 rate credit to the customers of the companies.

7 Q. And it is your understanding that if the  
8 electric security plan No. IV terminates, rider RRS  
9 and the economic stability program will continue.

10 MR. KUTIK: Objection.

11 A. May I ask you to restate the question,  
12 please?

13 Q. If the electric security plan No. IV  
14 terminates, will rider RRS and the economic stability  
15 program continue for the full 15 years?

16 MR. KUTIK: Objection.

17 A. Can you clarify -- pardon me. Can you  
18 clarify for me what you mean by "terminates" in your  
19 question?

20 Q. Terminates by its own terms, terminates  
21 from a provision in the ESP IV, somehow ends, will  
22 rider RRS continue?

23 MR. KUTIK: Objection, incomplete  
24 hypothetical.

1           A.    As designed, once approved, rider RRS and  
2           the economic stability program will extend through  
3           May 31 of 2013 -- pardon me, 2031.

4           Q.    Have you lobbied for policy positions on  
5           behalf of the companies at the Ohio legislature or  
6           before legislators, the governor, or the governor's  
7           staff?

8                   MR. KUTIK:  Objection.

9           A.    May I ask you to restate the question,  
10          please?

11          Q.    Have you engaged in lobbying activities  
12          for policy positions supported by the companies in  
13          front of the Ohio legislature, specific legislators,  
14          the governor, or the governor's staff?

15          A.    Can you clarify for me what you mean by  
16          lobby?

17          Q.    Have you discussed policy positions --  
18          have you advocated for certain policy positions on  
19          behalf of the company?

20                   MR. KUTIK:  Objection.

21          A.    May I ask you to restate the question,  
22          please?

23          Q.    Have you advocated for policy positions  
24          on behalf of the companies at the Ohio legislature,

1 or before legislators, the governor, or the  
2 governor's staff?

3 THE WITNESS: Ask you to read that  
4 question back, please.

5 (Record read.)

6 A. No.

7 Q. Have you advocated for policy positions  
8 on behalf of FirstEnergy Solutions at the Ohio  
9 legislature or before legislators, the governor, the  
10 governor's staff?

11 A. No.

12 Q. Have you discussed issues related to the  
13 proposed transaction or the concept of a PPA on  
14 behalf of FirstEnergy at the Ohio legislature or  
15 before legislators, the governor, or the governor's  
16 staff?

17 MR. KUTIK: Objection.

18 A. May I ask you to restate the question,  
19 please?

20 Q. Have you discussed issues related to the  
21 proposed transaction between the companies and  
22 FirstEnergy Solutions or the general concept of a  
23 purchase power arrangement on behalf of FirstEnergy  
24 at the Ohio legislature or before legislators, the

1 governor, or the governor's staff?

2 MR. KUTIK: Objection.

3 A. No.

4 Q. Have you discussed issues related to the  
5 proposed transaction or the concept of a purchase  
6 power arrangement on behalf of FirstEnergy with the  
7 Public Utilities Commission Commissioners?

8 MR. KUTIK: Objection.

9 A. May I ask you to restate the question,  
10 please?

11 Q. Have you met with Commissioners of the  
12 Public Utilities Commission regarding the proposed  
13 transaction or the concept of a purchase power  
14 arrangement?

15 A. No.

16 Q. Have you met with staff regarding the  
17 proposed transaction or the concept of a purchase  
18 power agreement? And by staff I mean of the Ohio  
19 Commission.

20 A. Yes, under the direction of counsel.

21 Q. Have you met with staff of the Ohio  
22 Commission regarding the ESP IV application?

23 A. Yes, at the direction of counsel.

24 Q. And have you met with the Public



1 Utilities Commission of Ohio Commissioners or any one  
2 Commissioner regarding the ESP IV application?

3 A. No.

4 Q. Could you turn to page 2 of your  
5 testimony, please.

6 MR. KUTIK: Before you go there, Kim, I  
7 don't want to be accused of having a standing  
8 question, let's take a break.

9 (Recess taken.)

10 MR. KUTIK: Let's go back on the record.

11 Q. Ms. Mikkelsen, could you turn to page 16  
12 of your direct testimony, please.

13 A. I'm there.

14 Q. And there you reference a \$5 million per  
15 year funds made available. Does the stipulation that  
16 was entered into in this proceeding modify this  
17 provision or is the stipulation -- commitment --

18 MR. KUTIK: Before we answer that  
19 question I'll have to say it again. Will folks who  
20 are on the phone please make sure their phone is on  
21 mute. There's background and reverberations.

22 So, Kim, could you ask your question  
23 again, please?

24 Q. Sure. Referring to page 16, the

1 companies have committed to make available \$5 million  
2 per year to help low income customers. Does the  
3 stipulation modify this provision, or does the  
4 stipulation fund in addition to this commitment?

5 A. The stipulation does not modify the  
6 commitment related -- the \$5 million commitment  
7 related to Community Connections.

8 Q. Okay.

9 A. Excuse me. I guess I would -- I would  
10 make one point of clarification on that. The  
11 stipulation does specifically -- give me a moment.  
12 On page 15 of the stipulation it does have a  
13 provision 4 which says "The administrator for the  
14 Community Connections program, which will be selected  
15 by the companies." That doesn't change the \$5  
16 million commitment you referred to. And there's an  
17 additional provision I'm looking to locate in the  
18 stipulation.

19 There is an additional provision which  
20 I'm at the moment having trouble locating related to  
21 continuation of an allocation of the Community  
22 Connections dollars to the Cleveland Housing Network.  
23 I apologize that I can't put my finger on it.

24 MR. KUTIK: I am showing her page 13. Is

1       that it?

2                   THE WITNESS:  No.

3           A.     Those are the two modifications to the  
4     Community Connections commitment you referenced in  
5     your question.

6           Q.     Okay.  But the 5 million is in addition  
7     to the dollars that are set forth in -- in paragraph  
8     C1 on page 13 of the stip as well as the dollars  
9     listed in paragraph 2 on page 14 of the stip.

10          A.     I'm sorry.  Could you give me the page  
11     references again?  The phone was echoing, and I  
12     missed those references.

13          Q.     I was referencing --

14          A.     I'm sorry.  It's happening again.

15                 MR. KUTIK:  Yeah.  Again, we need people  
16     to keep their phone on mute.  We get reverberations  
17     when that doesn't happen.

18          Q.     C1 on page 13 and C2 on page 14.

19          A.     Could I ask you to repeat the question,  
20     please?

21          Q.     Sure.  I am just trying to find out if  
22     the \$5 million is additional to the funds that were  
23     set forth in C1 and C2 and not that it's allocating  
24     the 5 million in some way.

1           A.    I would say the provisions in C1 and C2  
2           are in addition to the \$5 million commitment made in  
3           the initial application.

4           Q.    Okay. Thank you. And, similarly, if you  
5           look at the bottom of your page 16, when you -- the  
6           companies have committed to contributing up to a  
7           million dollars for economic development and job  
8           retention or energy efficiency activities? Do you  
9           see that?

10          A.    I'm sorry. Are we in the direct  
11          testimony now?

12          Q.    Yes.

13          A.    Okay. And the reference was?

14          Q.    It's just at the bottom of page 16, where  
15          we were just at.

16          A.    I am at the bottom of 16. May I ask you  
17          to repeat the question, please?

18          Q.    Sure. The companies committed to  
19          contribute a million dollars for economic  
20          development, job retention, or energy efficiency  
21          activities. Do you see that?

22          A.    No.

23          Q.    Page 16, lines 18 through 20.

24               MR. KUTIK: Did you say 15 or 16?

1 MS. BOJKO: Page 16, same, underneath the  
2 \$5 million we just discussed.

3 MR. KUTIK: Is that 15 or 16? We still  
4 can't hear you.

5 MS. BOJKO: 16, 1-6.

6 A. May I ask you to repeat the question,  
7 please?

8 Q. On page 16 the companies have committed  
9 to provide funding of up to \$1 million annually for  
10 economic and job retention or energy efficiency  
11 activities. Do you see that?

12 A. Economic development and job retention or  
13 energy efficiency activities, yes.

14 Q. Okay. Has the stipulation modified this  
15 projection, or is this stipulation in addition to  
16 this provision?

17 A. Commitments made in the stipulation are  
18 in addition to this provision.

19 Q. Okay. And who will decide whether the \$1  
20 million goes to economic development and job  
21 retention versus energy efficiency activities?

22 A. Our economic development organization.

23 Q. Your economic development organization  
24 will decide between economic development activities

1 and energy efficiency activities?

2 MR. KUTIK: Objection.

3 A. They will be responsible for decisions  
4 associated with allocation of these dollars for  
5 economic development and job retention or energy  
6 efficiency activities.

7 Q. Okay. If the funding goes to energy  
8 efficiency activities, is this in addition to the  
9 energy efficiency programs that are set forth in --  
10 in FirstEnergy companies' approved amended portfolio?  
11 The operating companies, excuse me.

12 A. Excuse me. May I ask you to reread that,  
13 please?

14 Q. Let me try again. I'm sorry. If the  
15 funds go to energy efficiency, would it be in  
16 addition to the energy efficiency program already set  
17 forth in the companies' approved amended portfolio  
18 plan?

19 A. The companies -- the term of the ESP in  
20 this commitment is from June 1 of 2016 through May 31  
21 of 2019. For the majority of that period the  
22 companies don't currently have an approved energy  
23 efficiency portfolio plan, so I'm struggling with  
24 your question's premise.

1           Q.    Okay.  Thank you for that clarification.  
2    Are you stating that the 1 million annual commitment  
3    is for the 15-year period of the economic stability  
4    program?

5                   MR. KUTIK:  Objection.

6           A.    No.

7           Q.    So is this \$1 million annual commitment  
8    only during the ESP IV period?

9           A.    It's a commitment up to \$1 million  
10   annually during the ESP IV term.

11          Q.    And so going back to my question, at  
12   least with regard to 2016, are these energy  
13   efficiency programs or dollars in addition to those  
14   that are approved in the amended portfolio plan?

15                   THE WITNESS:  Can I ask you to read that  
16   question back for me, please?

17                   (Record read.)

18          A.    This commitment is a shareholder  
19   commitment, not a customer commitment.  So if I  
20   understand your question to me to be would these  
21   dollars be included in the 2016 budget, the -- for  
22   our energy efficiency plan, the answer would be no.

23          Q.    Thank you.  Let's turn to page 20 of your  
24   direct testimony, please.  Are you there?

1           A.    Yes.

2           Q.    At the bottom of page 20, starting on  
3 line 7, you discuss the interruptible credit  
4 provision and automaker credit provision, and it's my  
5 understanding that you are proposing -- FirstEnergy  
6 companies are proposing to continue these two  
7 provisions as it pertains to the stipulation; is that  
8 correct?

9           A.    The stipulation proposes continuation of  
10 rider ELR and the associated interruptible credit  
11 provisions contained in rider EDR(b), and the  
12 stipulation proposes continuation with modification  
13 of the automaker credit in rider EDR(h).

14          Q.    And turning to page 21, you are  
15 discussing the general service-transmission rate, GT  
16 provision, rider EDR(d), and the stipulation also  
17 modifies this provision as it was filed with your  
18 testimony in ap -- as it was put forth in the  
19 application; is that right?

20          A.    I guess if I could just finish my answer  
21 to the prior question, I would say that the rider ELR  
22 is proposed for inclusion in the stipulation with  
23 modifications as well as modifications to the  
24 automaker provision.



1           And then may I ask you to repeat the last  
2 question, please?

3           Q.    I apologize. I didn't want to cut you  
4 off. My question was if you turn to page 21, the  
5 general service-transmission rate, GT provision,  
6 rider EDR(d), the stipulation modifies the proposal  
7 set forth by the companies in their application and  
8 in your testimony; is that correct?

9           A.    Yes.

10          Q.    And if you look at the next page, page  
11 22, by an errata sheet you have modified the  
12 charges -- the phaseouts of the charges, is that  
13 correct, because of the stipulation?

14          MR. KUTIK: I'll object. Go ahead.

15          A.    Rider EDR(d) is a self-contained rider  
16 provision, so it includes charges and credits. And  
17 the stipulation modified the charges included in that  
18 application from what was included in the as filed  
19 application.

20          Q.    Okay. And I think there might have been  
21 an error in the errata sheet, so I just wanted to  
22 make sure my numbers are correct. The charges will  
23 be reduced. The \$6 is changed to \$8 in line 10; is  
24 that correct?

1 A. As a result of the stipulation, yes.

2 Q. And the \$4 charge in line 11 is changed  
3 to \$6; is that correct?

4 A. Yes.

5 Q. And the \$2 listed in line 12 is changed  
6 to \$4; is that correct?

7 A. Yes.

8 Q. Could you turn to page 24 of your direct  
9 testimony, please. As I understand your testimony  
10 regarding rider GDR, companies have not yet incurred  
11 any costs related to rider GDR; is that correct?

12 A. That's correct.

13 Q. And as I understand the companies'  
14 proposal, only costs incurred -- strike that.

15 Let me ask you when would costs incurred  
16 be allowed to be included in rider GDR per the  
17 companies' application?

18 A. After review and approval by the  
19 Commission.

20 Q. Is it after approval -- after the  
21 Commission's order, or would it be after the  
22 beginning of the ESP IV term?

23 MR. KUTIK: Objection.

24 A. May I ask you to restate the question,

1       please?

2               Q.     Sure.  Is the company proposing to incur  
3       costs associated with rider GDR upon the incurring of  
4       some costs as of the effective date of the order that  
5       is issued in this case or as the effective date of  
6       the ESP IV term?

7               MR. KUTIK:  Objection.

8               A.     The company is seeking approval as  
9       described in Company Witness Smialek's testimony to  
10      include the cost incurred associated with bill format  
11      changes that the companies have been directed to make  
12      as part of the retail market investigation.  Those  
13      costs will be deferred per Commission direction as  
14      incurred, and the companies are seeking authority to  
15      recover those costs in this rider effective June 1 of  
16      2016.

17              Q.     So the costs you just referenced would  
18      have occurred after June, 2016?

19              A.     No.  I believe those costs would occur  
20      prior to that time and be deferred for recovery at  
21      that time.

22              Q.     So you're actually asking for deferral  
23      authority with regard to the bill format changes in  
24      the ESP IV application?

1 MR. KUTIK: Objection.

2 A. No. I believe the company already has  
3 authority to defer those costs. We are seeking  
4 approval to recover those costs in this application.

5 Q. So does the company -- do the companies  
6 have an amount that they will request recovery  
7 through rider GDR beginning June 1, 2016?

8 A. I'm not aware of an estimate of costs  
9 associated with the bill format changes.

10 Q. And let's talk about the next issue that  
11 you've listed on page 24 of your testimony. You talk  
12 about the MGP costs. Have the companies incurred MGP  
13 costs to date?

14 A. I don't know.

15 Q. Are these types of costs -- is the  
16 company seeking permission from the Commission to  
17 collect MGP costs as they are incurred from the  
18 effective date of the Commission order --

19 A. No.

20 Q. -- or the effective date of the ESP IV  
21 application?

22 MR. KUTIK: Objection.

23 A. May I ask you to restate the question,  
24 please?

1           Q.    Is the company seeking permission from  
2           the Commission for authority to recover MGP costs as  
3           they are incurred prior to the beginning of the ESP  
4           IV application?

5                   MR. KUTIK:  Objection.

6           A.    No, not in this proceeding.

7           Q.    You mentioned an investigation that is  
8           occurring currently.  Are the companies proposing to  
9           collect costs from customers relating to the  
10          investigation of the MGP site?

11          A.    The companies are not proposing anything  
12          with respect to recovery of the MGP plants in this  
13          proceeding.  Rather, we are seeking to establish a  
14          rider such that if we incur costs in the future  
15          associated with any government-related directive or  
16          mandate, we would have an opportunity to come before  
17          the Commission, make a filing, and seek approval to  
18          recover those costs at that time.

19          Q.    So there would be a separate proceeding  
20          to seek recovery of MGP costs; is that what you are  
21          stating?

22          A.    No.

23          Q.    Does this provision -- does this  
24          provision request authority from the Commission to

1 defer MGP costs?

2 A. No.

3 Q. How do you envision -- if it is not a  
4 separate proceeding, where do you envision that the  
5 request to recover all of those costs will occur?

6 MR. KUTIK: Objection.

7 A. I believe I testified that there would be  
8 a separate proceeding where the company would seek  
9 approval to recover costs under this rider.

10 Q. Okay. So if the Commission approves  
11 rider GDR, do you believe that the Commission is  
12 approving recovery of MGP costs and just the level  
13 would be determined in that future proceeding?

14 A. No.

15 Q. But you believe that the Commission has  
16 the discretion in a future proceeding to not allow  
17 any MGP costs to be recovered.

18 MR. KUTIK: Objection.

19 A. Ask you to restate the question, please.

20 Q. In the separate proceeding that you  
21 mentioned, does the Commission have the authority at  
22 that time to deny recovery of MGP costs?

23 A. I think the Commission has the authority  
24 to make a determination based on the facts and

1       circumstances it reviews at the time of that  
2       application.

3               Q.    Well, in this case do you believe that  
4       this Commission is approving or are you requesting  
5       this Commission approve the recovery of certain types  
6       of costs through rider GDR?

7               MR. KUTIK:  Objection.

8               A.    We are not seeking recovery of costs in  
9       rider GCR in this application beyond the costs  
10      described in the testimony of Company Witness  
11      Smialek.

12              Q.    And are you seeking Commission authority  
13      for the types of costs that you may request in the  
14      future for recovery under rider GDR?

15              THE WITNESS:  May I ask you to read that  
16      question back, please, ma'am?

17              (Record read.)

18              A.    What we're seeking here is authority to  
19      establish a government directives recovery rider  
20      designed to recover future costs, if any, associated  
21      with government directives.  Examples, as I say on  
22      page 12 of my testimony, of potential expenditures  
23      are listed herein.

24              Q.    Okay.  So you are not asking the

1 Commission to approve what cost -- what government --  
2 government directed costs may or may not be able to  
3 be passed through rider GDR in this proceeding?

4 MR. KUTIK: Objection, asked and  
5 answered.

6 A. As proposed, the rider would allow all  
7 legislative or government directed costs to be  
8 recovered in a timely manner subject to Commission  
9 review and approval.

10 Q. Has the company proposed any caps on  
11 those governmental costs -- the government  
12 directed -- government directed costs that may be  
13 recovered under rider GDR?

14 MR. KUTIK: Objection.

15 A. May I ask you to restate the question,  
16 please?

17 Q. I'm sorry. Is the company -- are the  
18 companies in this proceeding proposing a cap on the  
19 level or amount of any costs that may be able to be  
20 recovered through rider GDR?

21 MR. KUTIK: Objection.

22 A. No.

23 Q. And at the bottom of page 25 you talk  
24 about the deferral authority, and you say "If the



1 companies don't already have authority to defer costs  
2 for future recovery in rider GDR, the Companies would  
3 make a filing seeking authority to defer and recover  
4 costs." If rider GDR does not currently exist, how  
5 could the companies already have authority to defer  
6 those costs?

7 MR. KUTIK: Objection. I mean, this is a  
8 good example of a waste of time. She has already  
9 explained this to you but go ahead.

10 A. Could you restate the question, please?

11 Q. Well, you say "If the companies don't  
12 already have authority." Are you requesting specific  
13 authority in this case for deferrals of future  
14 recovery in rider GDR for any costs?

15 MR. KUTIK: Objection, asked and  
16 answered. Tell her again.

17 A. No.

18 Q. I'm sorry. Did you just say "no"?

19 A. I did.

20 Q. Okay. So in this case you are not  
21 requesting -- the one example that you mentioned with  
22 regard to bill format changes, you are not requesting  
23 deferral in this case; is that correct?

24 MR. KUTIK: Objection, asked and

1       answered.

2               A.    The companies already have authority to  
3       defer those costs.  In this case we're seeking  
4       recovery of those costs in this rider.

5               Q.    Thank you for that clarification.  If you  
6       turn to page 26 of your testimony, you discussed a  
7       little bit earlier today the rider NEM and this is a  
8       new rider.  This is not a current rider; is that  
9       correct?

10              A.    That is not correct.

11              Q.    I'm sorry.  Let me rephrase.  The new  
12       request is that you are requesting the costs  
13       associated with the net metering payments to be  
14       included in the existing rider DUN; is that correct?

15              A.    As I state in my testimony, in this  
16       application the companies are proposing that payments  
17       for excess generation made to net metering customers  
18       be recovered in rider DUN.

19              Q.    And does the company intend to recover  
20       costs on amounts associated with net metering  
21       customer prior to the ESP IV application -- or term,  
22       prior to the 6-1-16?

23                   MR. KUTIK:  Objection, asked and  
24       answered.

1 MS. BOJKO: It was a different question.

2 MR. KUTIK: My objection still stands.

3 A. Yes.

4 Q. What is the start date of the costs  
5 incurred by the companies for the generation payments  
6 made to the net meters that the companies are  
7 requesting to be incorporated in rider DUN?

8 MR. KUTIK: Objection.

9 A. The start date is June or July of 2013.  
10 I don't remember which one.

11 Q. And can you explain where that date came  
12 from?

13 A. It is the date the company began tracking  
14 payments made to net metering customers for excess  
15 generation in a readily accessible format.

16 Q. Are the companies currently deferring  
17 those costs?

18 A. No. As we talked about earlier today, we  
19 do not have current authority to defer those costs.

20 Q. Let's turn to your supplemental  
21 testimony. Is it your understanding that rider RRS  
22 will be variable?

23 MR. KUTIK: You need to repeat that, Kim.

24 Q. Is it your understanding that rider

1       RRS -- are the companies proposing that rider RRS be  
2       variable?

3               MR. KUTIK:  Objection.

4               A.    May I ask you to restate the question,  
5       please?

6               Q.    Will rider RRS fluctuate?  Will it  
7       change?  Will -- sometimes will it be an X charge and  
8       sometimes it be a Y charge and sometimes it be an X  
9       credit and sometimes it be a Y credit?

10              MR. KUTIK:  Objection.

11              A.    I don't understand the question.

12              Q.    Okay.  Is rider RRS, is it a set charge  
13       or credit to customers or will it change?

14              A.    As proposed, rider RRS will be an annual  
15       rider in effect June 1 through May 31.

16              Q.    Okay.  So you believe it will be adjusted  
17       annually; is that correct?

18              MR. KUTIK:  Objection.

19              A.    As proposed, there will be an annual  
20       adjustment to the rider.

21              Q.    Turn to page 5 of the supplemental  
22       testimony, please.  You state on lines 23 that "All  
23       parties were provided an opportunity to participate  
24       in the settlement process."  What do you mean by

1 "settlement process"?

2 A. The process of serious bargaining and  
3 negotiations associated with the application.

4 Q. Did this settlement process, did it occur  
5 in individual meetings or group settlement meetings?

6 MR. KUTIK: Objection, assumes only one  
7 of those two things. Go ahead.

8 A. There were individual meetings and  
9 meetings that contained one or more parties.

10 Q. When you define "an opportunity to  
11 participate in the settlement process," would you  
12 consider an information-based meeting where proposals  
13 were explained to be a settlement process?

14 A. Yes, I believe that's part of the  
15 settlement process.

16 Q. Was there ever a settlement meeting where  
17 all parties were invited to the one settlement  
18 meeting?

19 A. No.

20 Q. Do you know whether every single party  
21 who asked to see a stipulation or participate in a  
22 stipulation or settlement discussions was provided an  
23 opportunity to do that?

24 A. May I ask you to restate that question,

1       please?

2               Q.     Sure.  Do you know whether every single  
3     party who asked to be a part of the settlement  
4     process -- excuse me, not as you defined settlement  
5     process.  Let me rephrase.

6               Do you know whether every single party  
7     who asked to see a stipulation was, in fact, provided  
8     a copy of that stipulation?

9               MR. KUTIK:  Objection, assumes facts not  
10    in evidence.

11              THE WITNESS:  Can I have that question  
12    reread, please?  I'm sorry.

13              (Record read.)

14              A.     May I ask you to restate the question,  
15    please?

16              Q.     What part of the question do you not  
17    understand?

18              A.     A couple of parts but particularly as it  
19    relates to a copy of the stipulation.

20              Q.     Well, do you know whether every party who  
21    asked to see a copy -- a copy of an ongoing current  
22    stipulation that was being drafted was provided that  
23    copy of that stipulation as it was being drafted?

24              MR. KUTIK:  May I ask if there is someone

1       who is on the phone, who is not Kim Bojko, to put  
2       your phone on mute.

3               THE WITNESS: May I have the question  
4       reread, please?

5               (Record read.)

6               A. I don't know that anyone asked to see a  
7       copy, and I'm still not clear what you mean by an  
8       ongoing draft of the stipulation.

9               Q. Well, was there a -- terms of a  
10       stipulation that were discussed among a group of  
11       parties?

12              A. The stipulation as filed reflects the  
13       agreement of the parties to the stipulation.

14              Q. That's not what I am asking. I am asking  
15       if there was an ongoing settlement discussion where a  
16       group of parties could participate in to hear other  
17       negotiations of other parties.

18              A. Can I ask you to restate the question,  
19       please?

20              Q. Was this a settlement meeting or a  
21       settlement discussion via e-mail where a group of  
22       parties participated in back and forth settlement  
23       negotiations with the companies or among and between  
24       themselves?

1 MR. KUTIK: Objection, asked and  
2 answered.

3 A. There was no meeting with all the parties  
4 at one time.

5 Q. I didn't ask with all the parties. I  
6 asked if there was a meeting or e-mail correspondence  
7 discussion with a group of the signatory parties that  
8 negotiated with the companies or among and between  
9 themselves.

10 MR. KUTIK: Objection, asked and  
11 answered.

12 THE WITNESS: I'm sorry. That broke up  
13 for me. I couldn't hear the question. May I ask  
14 that it be reread, please?

15 (Record read.)

16 A. I don't understand the question.

17 Q. Was there a meeting between the signatory  
18 parties or a group of the signatory parties to  
19 discuss settlement of the ESP IV application and to  
20 negotiate the terms of that settlement?

21 MR. KUTIK: Objection, asked and  
22 answered.

23 A. The companies met with various parties to  
24 discuss and participate in the settlement process and



1 discussions. Those meetings culminated in the  
2 stipulation which was filed in December of 2014.

3 Q. Okay. I am asking if there was ever a  
4 meeting or e-mail correspondence with a group of  
5 parties -- with a group of signatory parties or all  
6 of the signatory parties where there were ongoing  
7 settlement discussions and negotiations occurring  
8 between those settlement parties and the companies or  
9 among and between the settlement parties themselves.

10 MR. KUTIK: Objection, asked and answered  
11 and of the various multiple parts of that question.

12 A. I don't have anything to add to my prior  
13 answer.

14 Q. Okay. Besides one or two that may have  
15 been in the room, again, it's fair to say there were  
16 not a larger broad-based settlement discussion among  
17 or between signatory parties to the stipulation?

18 MR. KUTIK: Objection, mischaracterizes  
19 her testimony.

20 A. All of the signatory parties had an  
21 opportunity to review the full stipulation prior to  
22 agreeing to be a signatory party to that stipulation.

23 Q. Were any nonparties to the proceeding  
24 involved in these settlement discussions?

1           A.    I'm sorry.  There was a lot of on and  
2   off.  Could I ask you to repeat the question?  May I  
3   ask you to repeat the question, please?

4           Q.    Were there any nonparties to the  
5   proceeding that participated in the settlement  
6   process or the settlement discussions among and  
7   between the signatory parties?

8           A.    No.

9           Q.    So FirstEnergy Solutions was never among  
10  the parties or representatives thereof were never  
11  among the parties that discussed or negotiated the  
12  stipulation?

13               MR. KUTIK:  Objection.

14           A.    Can I ask you to restate the question,  
15  please?

16           Q.    Sure.  Were FirstEnergy Solutions, either  
17  employees of FirstEnergy Solutions or shared services  
18  employees on behalf of FirstEnergy Solutions, were  
19  they present for any of the settlement discussions,  
20  or did they participate in settlement discussions and  
21  negotiations among the signatory parties and the  
22  companies?

23           A.    No.

24           Q.    Did an employee of FirstEnergy Solutions

1 or any shared services employee representing  
2 FirstEnergy Solutions review the stipulation prior to  
3 it being filed?

4 A. Not to my knowledge.

5 Q. Do you believe that FirstEnergy Solutions  
6 supports the stipulation?

7 MR. KUTIK: Objection, calls for  
8 speculation.

9 A. I have no opinion.

10 Q. Has FirstEnergy Solutions stated any  
11 agreement to not oppose the stipulation?

12 MR. KUTIK: Objection. FirstEnergy  
13 Solutions is not a party. That's irrelevant but she  
14 can answer.

15 MS. BOJKO: Well, it doesn't matter.

16 THE WITNESS: Can I have the question  
17 reread, please?

18 (Record read.)

19 A. Can I ask you to restate the question,  
20 please?

21 Q. I mean, there are many -- many entities  
22 that are parties to the case that have expressed  
23 support or opposition. I am asking if FirstEnergy  
24 Solutions has agreed to express support or to not

1       oppose the stipulation.

2               MR. KUTIK: Same objection.

3               A. Not that I'm aware of.

4               Q. Are there any nonsignatory parties that  
5 have agreed with the companies to not oppose the  
6 stipulation?

7               MR. KUTIK: Objection, relevance but she  
8 can answer. I'll withdraw my objection.

9               THE WITNESS: May I have the question  
10 reread, please?

11               (Record read.)

12               A. No.

13               Q. Are there any entities that have agreed  
14 to not oppose the stipulation?

15               MR. KUTIK: Objection.

16               A. Can you restate the question, please?

17               Q. Sure. Are there any entities,  
18 nonparties, that have agreed to not oppose the  
19 stipulation or file correspondence in support of the  
20 stipulation?

21               MR. KUTIK: Objection.

22               A. There are a number of nonparties to the  
23 case that have filed letters in support of the  
24 application.

1           Q.    Do the companies have an agreement with  
2           those parties regarding their support and filing that  
3           support for the stipulation?

4                   MR. KUTIK:  Objection, mischaracterizes  
5           her testimony.

6           A.    Not that I'm aware of.

7           Q.    Do any of the nonparties who filed  
8           letters in support of the application have an  
9           agreement with FirstEnergy Solutions regarding the  
10          application or proposed transaction?

11                  MR. KUTIK:  Objection.

12          A.    Not that I'm aware of.

13          Q.    Have all of the entities listed on pages  
14          2 and 3 of the cover letter attached to the  
15          stipulation, have those entities reviewed the  
16          companies' application in this case?

17                  MR. KUTIK:  Objection, calls for  
18          speculation.

19          A.    I don't know.

20          Q.    Have those entities expressed explicit  
21          support for all the provisions contained in the  
22          application?

23                  MR. KUTIK:  Objection.

24          A.    I don't know.

1           Q.    Have the entities listed on pages 2 and 3  
2           of the cover letter expressed explicit support for  
3           all of the provisions -- provisions contained in the  
4           testimony of the company witnesses?

5                   MR. KUTIK:  Objection.

6                   THE WITNESS:  May I have that question  
7           reread, please?

8                   (Record read.)

9                   MR. KUTIK:  And let me express again this  
10          is yet another example of a waste of time since  
11          those, whatever they are, speak for themselves and  
12          could be briefed accordingly.  Go ahead.

13          A.    I don't know.

14                  MS. BOJKO:  Well, I am referring to the  
15          companies' filing just so we are clear.

16                  MR. KUTIK:  I know what you are referring  
17          to.  But, again, the documents speak for themselves  
18          and asking this witness what they say is a waste of  
19          time.  But you can waste everyone -- you can waste  
20          everyone's time as you see fit but go ahead.

21                  MS. BOJKO:  I'm asking the witness if any  
22          of the companies -- excuse me, if any of the entities  
23          have explicit -- have expressed explicit support to  
24          the companies of all of the provisions of the

1 stipulation.

2 MR. KUTIK: And she's answered that  
3 question. She doesn't know.

4 MS. BOJKO: That's a new question.  
5 That's different.

6 MR. KUTIK: Same objection. More waste  
7 of time. Go ahead.

8 A. I'm sorry. May I ask you to restate the  
9 question and perhaps highlight the difference?

10 Q. I asked you about the ESP IV application.  
11 I've asked you about the testimony. Now, I am asking  
12 you about the stipulation. Have any of those  
13 entities explicitly given support for the stipulation  
14 that was filed in this case that is attached to the  
15 cover letter?

16 MR. KUTIK: Believe it or not, this is  
17 probably, oh, easily the eight time that I have had  
18 to ask for people who are on the phone to put their  
19 phones on mute. We are getting reverberations in the  
20 room again further wasting time.

21 A. May I ask you to restate the question,  
22 please?

23 Q. Have any of the entities listed on pages  
24 2 and 3 of the cover letter attached to the

1 stipulation expressed explicit support to the  
2 companies of the stipulation?

3 A. I don't know.

4 Q. Of the signatory parties of the  
5 stipulation, have those signatory parties expressed  
6 explicit support of the testimony filed in these  
7 proceedings?

8 MR. KUTIK: Objection.

9 A. May I ask you to restate the question,  
10 please?

11 Q. Of the signatory parties to the  
12 stipulation have those parties expressed explicit  
13 support of the testimony filed in these proceedings  
14 by the companies, and have they expressed that to the  
15 companies?

16 MR. KUTIK: Objection. Stipulation  
17 speaks for itself. More waste of time.

18 A. "The signatory parties expressly agree  
19 and recommend that the Commission approve and adopt  
20 the ESP IV filing in its entirety as filed by the  
21 companies except as modified by the stipulation."

22 Q. And you believe that encompasses the  
23 testimony that was filed by the companies; is that  
24 accurate?



1 MR. KUTIK: Objection.

2 A. Yes, I believe the statement "the ESP  
3 filing in its entirety" includes the testimony filed  
4 with the application.

5 Q. With the exception of the stipulation  
6 have the companies entered into an agreement, written  
7 or oral, with any party including staff regarding the  
8 settlement of this proceeding, ESP IV proceeding?

9 A. May I ask you to restate the question,  
10 please?

11 MR. KUTIK: Yeah. Let me also note these  
12 questions are questions that were provided -- that  
13 were propounded to the company in discovery and which  
14 we either have responded to or will respond to so  
15 this is further wasting time but go ahead.

16 MS. BOJKO: Well, it is not a waste of  
17 time because we don't have an opportunity to talk to  
18 the witness who is responsible for these discovery  
19 issues so that's why we are asking.

20 MR. KUTIK: Well, you are just asking the  
21 same question and then moving on to the next one so  
22 it's a waste of time. So go ahead.

23 MS. BOJKO: In your opinion.

24 A. May I ask you to restate the question,

1       please?

2               Q.    With the exception of the stipulation  
3       have the companies entered into agreements, written  
4       or oral, with any party including staff regarding the  
5       settlement of this case?

6               A.    No.

7               Q.    And to your knowledge has FirstEnergy  
8       Solutions or any other affiliate of the FirstEnergy  
9       companies entered into any agreements, written or  
10      oral, with any party including staff regarding the  
11      settlement of this proceeding?

12              MR. KUTIK:  Objection, same basis as  
13      before.

14              THE WITNESS:  May I have the question  
15      reread, please?

16                   (Record read.)

17              A.    No.

18              Q.    To your knowledge have -- strike that.

19                   Referring to the ELR provision in the  
20      stipulation, Ms. Mikkelsen, is it your understanding  
21      that the stipulation provides for additional  
22      kilowatt-hour load to additional customers?

23              A.    May I ask you to restate the question,  
24      please?

1           Q.    Yeah, I'm sorry.  That was a bad  
2           question.  If we look at -- do you have page 7 of the  
3           stipulation in front of you?

4           A.    I do.

5           Q.    Is it your understanding that with regard  
6           to the -- the companies are opening up the ELR  
7           program to add an additional 75,000 kW of additional  
8           curtailable load to customers?

9                   THE WITNESS:  May I have that question  
10          reread, please?

11                   (Record read.)

12          A.    I don't agree with the characterization  
13          "opening up."

14          Q.    Okay.  Is it your understanding that the  
15          ELR will be offered to additional customers -- let's  
16          start with that, additional customers?

17          A.    I need clarification with respect to  
18          "additional."

19          Q.    I'm trying to understand the ELR  
20          provision contained on page 7.  It references  
21          customers taking service under rider ELR during the  
22          ESP III period; is that right?

23          A.    Uh-huh, yes.

24          Q.    And the customers under the ESP III

1 period, there were limitations of participation in  
2 the ELR program during ESP III; isn't that correct?

3 A. Rider ELR has a number of applicability  
4 provisions that customers have to meet in order to be  
5 able to take service currently under rider ELR.

6 Q. Okay. And are those same limitations  
7 applicable to the additional 75,000 kW of curtailable  
8 load that you are offering to customers through the  
9 stipulation?

10 MR. KUTIK: Objection.

11 A. May I ask you to please restate the  
12 question?

13 Q. How many customers are currently on the  
14 ELR?

15 A. 27.

16 Q. Will customers that are not currently on  
17 the ELR be allowed to take service pursuant to the  
18 ELR under the stipulation?

19 A. Customers who have historically been  
20 eligible for rider ELR but are not taking rider ELR  
21 service during the ESP III would be eligible for up  
22 to 75,000 kW of additional curtailable load.

23 Q. Okay. And what about a new customer that  
24 wasn't in existence previously? Will they be

1 eligible to take service pursuant to rider ELR?

2 A. No.

3 Q. Is the 70,000 kW of additional  
4 curtailable load only available to the existing 27  
5 customers that take service pursuant to the rider  
6 ELR?

7 MR. KUTIK: Objection. Objection, asked  
8 and answered.

9 A. Can I ask you to restate the question as  
10 it relates to the amount?

11 Q. It says up to 75,000 kW of additional  
12 curtailable load. Will that be available to  
13 customers outside of the 27 customers that take  
14 service pursuant to the ELR rider?

15 A. Yes, it will be available to customers  
16 who have historically been eligible for service under  
17 rider ELR but are not taking service under rider ELR.

18 Q. Okay. And how many customers have been  
19 typically eligible to take service from rider ELR?

20 A. I don't recall the exact number at this  
21 time.

22 Q. Okay. And when you say historically,  
23 what is the criteria? Historically under ESP III or  
24 historically under ESP II? What is -- what does

1 historically mean?

2 MR. KUTIK: Objection.

3 A. The applicability criteria for rider ELR  
4 has been the same for ESP II and ESP III without  
5 change.

6 Q. And were those customers -- was the  
7 requirement of participating in ELR that you had to  
8 be a current customer of ELR in order to continue on  
9 the ELR?

10 A. That is a new provision in this  
11 stipulation.

12 Q. Does the -- does the customer have to  
13 meet the requirements -- the eligibility requirements  
14 of the ESP III reference in order to take advantage  
15 of the additional up to 75,000 kW curtailable load  
16 being offered under this?

17 MR. KUTIK: Objection.

18 A. The additional 75,000 kW of additional  
19 curtailable load is available to customers who have  
20 historically been eligible for rider ELR.

21 Q. Are you suggesting that all customers  
22 that have been historically eligible for ELR will  
23 meet the requirements of the ESP III in order to sign  
24 up for the ELR before May 1, 2015?

1 THE WITNESS: May I have that question  
2 reread, please?

3 (Record read.)

4 A. No.

5 Q. And why not?

6 A. There are provisions, for example, that  
7 you can't be participating in demand response  
8 programs for PJM and participate in this rider so I  
9 don't know which of these customers have other --  
10 which of these historically eligible customers have  
11 arrangements with curtailment service providers.

12 Q. Okay. So my question is you -- a  
13 customer has to first meet the ESP III criteria prior  
14 to being able to take service under the stipulation  
15 for the additional up to 75,000 kW curtailable load?

16 MR. KUTIK: Objection.

17 A. Rider ELR is a grandfathered rider for  
18 certain customers that were participating in  
19 contracts with the companies at a stated point in  
20 time. Beyond that there are additional provisions  
21 that the customer has to meet in order to qualify for  
22 participation in rider ELR during ESP III and those  
23 provisions have been modified as part of the  
24 stipulation in the continuation of rider ELR in ESP

1 IV.

2 MR. KUTIK: Before you ask your next  
3 question let's take a break.

4 MS. BOJKO: Thank you for that  
5 clarification.

6 (Recess taken.)

7 Q. Okay. Can existing ELR customers place  
8 more of their load on the ELR tariff pursuant to the  
9 stipulation?

10 A. Can I ask you to rephrase the question,  
11 please?

12 Q. Sure. Those customers currently  
13 participating and taking service pursuant to rider  
14 ELR, may they add more of their load to rider ELR  
15 with regard to the additional up to \$75,000 of  
16 curtailable -- 75,000 kW of curtailable load?

17 A. No.

18 Q. May existing ELR customers place a  
19 separate account or meter that they have on the ELR  
20 tariff?

21 A. No.

22 Q. With regard to the energy efficiency  
23 included in the stipulation, those dollars for the  
24 energy efficiency programs listed in the stipulation



1 are not shareholder dollars; is that correct?

2 A. The energy efficiency dollars included in  
3 this stipulation would be recovered through rider  
4 DSC.

5 Q. And with regard to 2016, would those  
6 additional energy efficiency programs be in addition  
7 to the FirstEnergy amended portfolio plan already  
8 approved by the Commission?

9 MR. KUTIK: Objection.

10 A. May I ask you to restate the question,  
11 please?

12 Q. Sure. With regard to the energy  
13 efficiency programs delineated in the stipulation  
14 with regard to 2016, were those energy efficiency  
15 programs in addition to the energy efficiency already  
16 included in the FirstEnergy amended portfolio plan  
17 approved by the Commission?

18 MR. KUTIK: Objection.

19 A. May I ask you to restate the question,  
20 please?

21 Q. Sure. There are several energy  
22 efficiency provisions contained in the stipulation  
23 and I am asking if those programs in the stipulation  
24 will be in addition to the programs already included

1 in FirstEnergy's amended portfolio by the Commission  
2 with regard to 2016?

3 MR. KUTIK: Someone was talking, either  
4 chasing their dog or their kid. So if, whoever is  
5 somebody other than Kim Bojko, if they could put  
6 their phone on mute, we would appreciate it for the  
7 countless time. And it's still going on even as I'm  
8 talking.

9 MS. BOJKO: I will stipulate I do not  
10 have a dog or child in my office.

11 MR. KUTIK: All right. Well, the record  
12 should reflect that we were sitting here listening to  
13 a dog bark but go ahead.

14 We didn't hear any of the question  
15 because whoever was chasing the dog or kid and not  
16 having their phone on mute obliterated your question.

17 Q. Okay. Let's try again. The energy  
18 efficiency programs included in the stipulation, are  
19 those programs in addition to the energy efficiency  
20 already included in FirstEnergy's amended portfolio  
21 plan as it pertains to 2016?

22 A. The stipulation has a provision that I  
23 believe addresses that request. Paragraph VB7.

24 Q. Which page are you on?

1           A.    I'm really looking at the errata filed by  
2           the company on January 21 as it relates to paragraph  
3           VB7 on page 13 of the stipulation.

4           Q.    Okay.  So by that it's your understanding  
5           that some of the energy efficiency programs included  
6           in the stipulation may be additions and some may be  
7           included under the portfolio plan?

8                   MR. KUTIK:  Objection.

9           A.    I think that that calls for a legal  
10          conclusion, and I'm not an attorney.

11          Q.    Well, I am just trying to understand  
12          whether the programs set forth in the stipulation are  
13          new programs that are separate and distinct from the  
14          portfolio plan.

15          A.    Same answer.

16          Q.    Okay.  Do you know whether -- if they are  
17          included -- if they are considered to be additional  
18          programs, new programs?  Do you know whether the 2016  
19          portfolio budget will need to be modified to reflect  
20          these new costs of these new programs?

21          A.    Could you be more specific with respect  
22          to which programs you're referring to, please?

23          Q.    Okay.  On page 10 of the stipulation  
24          there is a City of Akron energy efficiency program.

1 And with it is an association of \$300,000 for three  
2 years of the ESP. I'm asking if -- and it says it  
3 will be collected through rider DSC. So will the  
4 portfolio plan need to be modified to reflect the  
5 additional amount in 2016?

6 MR. KUTIK: Objection, especially to the  
7 extent it calls for a legal conclusion. She can go  
8 ahead and answer, if she knows.

9 A. I believe that calls for a legal  
10 conclusion, but programs like the one listed here for  
11 the City of Akron have been included and approved as  
12 part of ESPs in the past.

13 Q. So does that mean you believe they are  
14 included as part of the existing portfolio plan?

15 MR. KUTIK: Objection.

16 A. I think that calls for a legal  
17 conclusion.

18 Q. So from my understanding is this a  
19 continuation of an existing program for the City of  
20 Akron?

21 A. This is a commitment made pursuant to  
22 this stipulation.

23 Q. Okay. There is a reference to help make  
24 energy efficiency programs available to Akron

1 residents. What energy efficiency programs are you  
2 referring to -- is the stipulation referring to?

3 A. Energy efficiency programs offered by the  
4 City of Akron.

5 Q. Okay. There are no parameters around  
6 which programs are or are not offered by the City of  
7 Akron?

8 MR. KUTIK: Objection.

9 A. The programs would be available to Akron  
10 residents in the Ohio Edison service territory, would  
11 be designed to achieve the City of Akron's energy  
12 efficiency and sustainability goals.

13 Q. Okay. Are these Ohio Edison-sponsored  
14 programs?

15 A. No.

16 Q. Okay. Moving to the COSE provision, are  
17 these new energy efficiency programs?

18 A. May I ask you to restate the question,  
19 please?

20 Q. COSE's Ohio energy resource program, is  
21 that a new program or is that a continuation of an  
22 existing program as proposed in the stip?

23 MR. KUTIK: Objection.

24 A. This is a program as defined in this

1 stipulation.

2 Q. Is it a company-sponsored program?

3 MR. KUTIK: Objection.

4 A. May I ask you to restate and clarify the  
5 question?

6 Q. A program sponsored by the companies,  
7 excuse me.

8 A. Can you clarify what you mean by programs  
9 sponsored by the companies?

10 Q. Well, this says -- reask the prior  
11 question. Is the COSE Ohio energy resource program a  
12 program that will be administered by the company  
13 through the companies' portfolio plan?

14 MR. KUTIK: Objection.

15 A. I don't recall that question.

16 Q. Okay. Well, we can split it up. Is it a  
17 program administered by the companies?

18 MR. KUTIK: Same objection.

19 A. I'm no longer sure what program we're  
20 talking about.

21 Q. The COSE Ohio energy re -- energy  
22 efficiency resource program.

23 A. May I ask you to restate the question,  
24 please?

1           Q.   Will the companies administer the COSE  
2 Ohio efficiency resource program?

3           MR. KUTIK:  Objection.

4           A.   No.

5           Q.   And the -- on page 11 of the stipulation,  
6 the \$1 million in administrative compensation, is  
7 this for energy efficiency programs included in the  
8 portfolio plan that's been approved by the  
9 Commission?

10          A.   I would ask you to restate the question.  
11 It mischaracterizes the stipulation.

12          Q.   So up to, is that?  Will it be up to  
13 payment of \$1 million referenced in the stipulation,  
14 is it for programs included in the companies'  
15 portfolio plan?

16          MR. KUTIK:  Again, let you know all of  
17 these questions -- most of these questions have been  
18 posed to the companies in discovery, and so it's  
19 further evidence of time wasting by counsel.  Go  
20 ahead.

21          MS. BOJKO:  Well, I appreciate you keep  
22 saying that but this is the witness that's sponsoring  
23 the stipulation and all of these provisions and we  
24 have a right to ask what she knows or doesn't know

1 about that stipulation and then bring that out in  
2 evidence at --

3 MR. KUTIK: Well, unfortunately you are  
4 not doing it, and all you are doing is wasting time.  
5 Go ahead.

6 MS. BOJKO: Well, I disagree with that,  
7 and I really disagree with testifying on the record.  
8 That is very inappropriate.

9 MR. KUTIK: I have a right to make an  
10 objection and to make a record as to your improper  
11 conduct in this deposition. So go ahead.

12 MS. BOJKO: There's only one person doing  
13 improper conduct in this deposition and it's you,  
14 sir.

15 MR. KUTIK: And that person just spoke.  
16 Go ahead.

17 A. May I ask you to please restate the  
18 question?

19 MS. BOJKO: Can I have the question  
20 reread since I was interrupted?

21 (Record read.)

22 A. The up to \$1 million is for administrator  
23 compensation.

24 Q. Right. And I apologize. That happened



1 in the rephrasing of my question. Is that  
2 administrator compensation for implementation of  
3 programs that are included in the companies' amended  
4 portfolio plan?

5 A. Yes, through December of 2016.

6 Q. And are the energy efficiency audits  
7 listed in paragraph 4 of the stipulation audits that  
8 are included in the companies' amended portfolio  
9 plan?

10 A. Currently, no.

11 Q. And do you know the cost associated with  
12 providing these level II audits listed in the  
13 stipulation?

14 A. No.

15 Q. And it's your understanding that the  
16 Commission's approval of these energy efficiency  
17 programs in the stipulation grants approval to the  
18 companies to add those programs to their existing  
19 portfolio plan as necessary?

20 MR. KUTIK: Objection, calls for a legal  
21 conclusion.

22 A. I'm not an attorney and that calls for a  
23 legal conclusion.

24 Q. Well, is it your understanding that the

1 approval of the stipulation authorizes the companies  
2 to modify their existing programs to either add to or  
3 incorporate the provisions that are in the  
4 stipulation?

5 MR. KUTIK: Objection.

6 A. May I ask you to restate the question,  
7 please?

8 Q. It's your understanding that by the  
9 Commission's approval of this stipulation that the  
10 Commission is authorizing the companies to either  
11 incorporate the programs listed in the stipulation or  
12 add the programs listed in the stipulation to the  
13 companies' portfolio plan as it currently is  
14 approved?

15 MR. KUTIK: Objection, calls for a legal  
16 conclusion.

17 A. I don't know. I believe that is a legal  
18 determination.

19 Q. Okay. And referencing the Association of  
20 Independent Colleges and Universities of Ohio  
21 energy -- efficiency resource program, is this a  
22 current program that is continuing or is this a new  
23 program?

24 A. I ask you to clarify your question with

1       respect to "new program."

2               Q.    This program, the Ohio energy resource  
3       program on page 12 of the stipulation, is this a new  
4       program or is this a program that's currently  
5       operating?

6               A.    This is a program that is being proposed  
7       as part of the stipulation in this ESP IV proceeding.

8               Q.    So it doesn't exist today; is that  
9       correct?

10              A.    Yes.

11              Q.    Will the program be administered by the  
12       companies?

13              A.    No.

14              Q.    Let's turn to the page of your  
15       supplemental testimony at the top of page 11.  You  
16       have a "Quantitative Benefit of ESP IV" table.  Do  
17       you see that?

18              A.    Yes.

19              Q.    Is this table reflecting the entire  
20       application, stipulation, and testimony that's been  
21       filed today?

22                   MR. KUTIK:  Objection, asked and  
23       answered.

24              A.    This table reflects the quantitative

1 benefit the ESP IV including the stipulation versus  
2 an MRO.

3 Q. Okay. And line 3, the retail stability  
4 rider, the stipulation did not change the retail rate  
5 stability rider except for a rate design issue; is  
6 that correct?

7 MR. KUTIK: Objection.

8 A. Ask you to restate the question, please.

9 Q. So the stipulation does not change the  
10 application and testimony associated with the  
11 retail -- the rider RRS except for with regard to  
12 rate design; is that correct?

13 MR. KUTIK: Objection.

14 A. May I ask you to be more clear with  
15 respect to the exception?

16 Q. It's my understanding that the  
17 stipulation only addressed the rate design for the  
18 implementation of rider RRS and the collection from  
19 some customers; is that correct?

20 A. The stipulation modified the rate design  
21 for certain customers.

22 Q. Okay. And that modification of the rate  
23 design is present on your exhibit Attachment EMM-1;  
24 is that correct?

1           A.    May I ask you to restate the question,  
2           please?

3           Q.    The modification to the certain classes  
4           of customers with regard to the rate design for rider  
5           RRS is included on Attachment EMM-1; is that correct?

6           A.    Attachment EMM-1 provides for  
7           illustrative purposes estimated rider RRS rates for  
8           certain classes of customers.

9           Q.    Okay. And those projections are based  
10          upon the underlying data provided by Joanne Savage;  
11          is that correct?

12          THE WITNESS: Can I have that question  
13          reread, please?

14          (Record read.)

15          A.    This schedule reflects the estimated  
16          demand-based rider RRS rates for certain classes of  
17          customers based on the modification in the  
18          stipulation.

19          Q.    Okay. And all other customers not  
20          appearing on your Attachment EMM-1 will be allocated  
21          to rider RRS based upon energy charges, kWh, which is  
22          reflected in Joanne Savage's testimony; is that  
23          correct?

24          MR. KUTIK: Objection.

1           A.    I would ask that you restate the  
2           question, please.

3           Q.    You stated that your attachment only  
4           reflects certain customers' rates for rider RRS based  
5           on a rate design modification contained in the  
6           stipulation. I'm asking that all other classes of  
7           customers will be charged by an energy charge and  
8           those energy charges were rider RRS -- or rate,  
9           excuse me, are present on Ms. Savage's testimony, her  
10          JMS-2 Revised; is that right?

11               MR. KUTIK:  Objection.

12          A.    Yes.

13          Q.    You talk about on page 11 of your  
14          testimony the stipulation providing certain benefits,  
15          and you talk about the stipulation providing  
16          stability and certainty benefits. And is this in  
17          regard to the particular customers that are receiving  
18          credits per the stipulation?

19               MR. KUTIK:  Objection.

20               THE WITNESS:  May I ask you to reread the  
21          question, please?

22               (Record read.)

23          A.    This testimony refers to additional  
24          qualitative benefits arising as a result of the

1 stipulation, not any of the qualitative benefits that  
2 existed with the original application.

3 Q. And those additional benefits would be to  
4 provide stability and certainty to customers  
5 receiving credit under the stipulation; is that  
6 right?

7 A. Among others, yes.

8 Q. And the additional qualitative benefits  
9 regarding the stipulation regarding economic  
10 development and job retention, those are for the  
11 particular customers that are receiving credits under  
12 the stipulation; is that right?

13 MR. KUTIK: Objection.

14 THE WITNESS: May I have the question  
15 reread, please?

16 (Record read.)

17 A. No.

18 Q. Do you believe that a customer could  
19 receive demand response -- excuse me, strike that.

20 Do you believe that a customer would be  
21 able to participate in demand response programs  
22 outside of an ESP?

23 MR. KUTIK: Objection.

24 A. May I ask you to be more specific with

1       your question, please?

2               Q.    Could a commercial or industrial customer  
3       participate in a demand response program that is not  
4       included in the companies' program, in its ESP or the  
5       portfolio program?

6               A.    Assuming such a program exists.

7               Q.    Such programs do exist today, do they  
8       not?

9               A.    They do but the period of this ESP is  
10      May -- pardon me, June 1 of 2016 through May 31 of  
11      2019.

12              Q.    Well, I asked you about an ESP with a  
13      term of three years and isn't it true that currently  
14      customers can also participate in demand response  
15      programs through curtailment service providers that  
16      you mentioned earlier this afternoon as well as PJM  
17      directly?

18              MR. KUTIK:  Objection.

19              A.    Ask you to restate that question, please.  
20      I did not understand it.

21              Q.    Are customers -- sorry, customers able to  
22      participate in demand response programs through PJM  
23      directly through curtailment service providers?

24              A.    In what timeframe?



1 Q. Are they today?

2 A. Yes.

3 Q. To your knowledge will they be tomorrow?

4 A. The subject of demand response in the PJM  
5 market is under considerable debate at the moment.  
6 Specifically to your question tomorrow, I don't know.

7 Q. Well, until -- until -- until something  
8 happens to change the existing rule or existing  
9 parameters, customers are able to participate in  
10 demand response programs; isn't that true?

11 MR. KUTIK: Objection.

12 A. And I answered earlier assuming such  
13 programs exist.

14 Q. Okay. And that is true. And whether  
15 programs exist or not exist today, that is true  
16 whether an electric security plan is in existence or  
17 it's not in existence; isn't that correct?

18 A. I'm sorry. Can I ask you to restate the  
19 question? I didn't understand it.

20 MR. KUTIK: Objection.

21 Q. Whether those programs exist, whether the  
22 demand response programs exist through the  
23 participation in PJM directly or curtailment service  
24 providers, those programs, whether they exist or not,

1 will not have anything to do with and ESP plan being  
2 in existence?

3 MR. KUTIK: Objection.

4 A. I'm sorry. May I ask you to restate the  
5 question, please?

6 Q. How many times -- whether a customer can  
7 participate in PJM programs directly or through a  
8 curtailment service provider is not affected by  
9 whether or not the company has an ESP or doesn't have  
10 an ESP; isn't that true?

11 A. Customers are not allowed to participate  
12 directly in the PJM demand response programs today.

13 Q. Okay. And your testimony is they cannot  
14 participate through a curtailment service provider;  
15 is that your understanding?

16 A. I did not say that.

17 Q. What's your understanding with regard to  
18 a curtailment service provider?

19 A. May I ask you to state the question more  
20 clearly, please?

21 Q. Can customers participate through a  
22 curtailment service provider outside of an ESP plan?

23 A. As of today, yes.

24 Q. Under the companies' stipulation and

1       proposal, rider ELR customers that choose to shop,  
2       will there be a reduction in the level of credit that  
3       they receive?

4             A.     The rider ELR credits are the same for  
5       shopping and nonshopping customers as proposed.

6             Q.     And when you referenced system  
7       reliability in your testimony, is the system  
8       reliability that you are referencing the companies'  
9       distribution system?

10            MR. KUTIK:  Objection.

11            A.     May I ask you to point me specifically to  
12       the reference you are referring to?

13            Q.     Well, let's ask it this way, who has  
14       responsibility for the distribution system's  
15       reliability?

16            A.     Distribution utilities.

17            Q.     Okay.  And who has responsibility for the  
18       region reliability with regard to the energy and  
19       capacity market?

20            MR. KUTIK:  Objection.

21            A.     May I ask you to restate the question,  
22       please?

23            Q.     Who has responsibility for reliability of  
24       the transmission system with regard to energy and

1 capacity?

2 MR. KUTIK: Objection.

3 A. May I ask you to restate the question,  
4 please?

5 Q. Who do you believe has responsibility for  
6 reliability of the transmission system in Ohio?

7 THE WITNESS: Can I ask you to repeat  
8 that question, please, ma'am?

9 (Record read.)

10 A. I don't understand the question.

11 Q. Okay. You don't believe Ohio has a  
12 regional transmission organization that's  
13 responsibility -- that's responsible for reliability  
14 in Ohio as well as the region?

15 MR. KUTIK: Objection.

16 A. I am not aware of an Ohio transmission --  
17 pardon me. I am --

18 Q. I didn't ask --

19 MR. KUTIK: Let her finish her answer,  
20 please.

21 MS. BOJKO: I thought she was.

22 MR. KUTIK: Well, she didn't.

23 MS. BOJKO: Excuse me.

24 THE WITNESS: Can I have the question

1 reread, please?

2 (Record read.)

3 Q. Okay. Let me clarify. Do you believe  
4 that the -- there is a regional transmission  
5 organization that's responsible for reliability of  
6 the transmission system for the region that includes  
7 the Ohio system?

8 A. Yes.

9 Q. And who is that entity responsible for  
10 the reliability of the transmission system in the  
11 region that includes Ohio?

12 A. May I ask you to restate the question,  
13 please?

14 Q. Who is the regional transmission  
15 organization that has responsibility over the region  
16 that includes the state of Ohio?

17 A. PJM.

18 Q. And a demand response program available  
19 under an ESP, do those programs available to  
20 customers through PJM or a curtailment service  
21 provider have the same reliability effects on the  
22 region, correct?

23 MR. KUTIK: Objection.

24 A. May I ask you to restate the question,

1       please?

2                   MS. BOJKO:   Could you reread it, please.

3                   (Record read.)

4           A.    No.

5           Q.    You do not believe that demand response  
6       outside of a utility's ESP will have system  
7       reliability effects that are similar to those under  
8       an ESP?

9                   MR. KUTIK:   Objection.

10          A.    May I ask you to restate the question,  
11       please?

12          Q.    You -- where does a utility bid in  
13       demand -- demand response load that you reference in  
14       your testimony that has an impact on system  
15       reliability for other customers?

16          A.    The companies may offer ELR-related  
17       demand response resources into the PJM markets.

18          Q.    Okay.   And the curtailment service  
19       providers could also offer demand response resources  
20       into the PJM market; is that true?

21          A.    Yes.

22          Q.    And the impact of offering those into the  
23       PJM market would be the same regardless whether an  
24       EDU offered it in versus a curtailment service

1 provider; isn't that true?

2 A. Yes, but there are additional reliability  
3 attributes to rider ELR.

4 Q. Assuming that the Commission modifies the  
5 proposed ESP and stipulation to not approve rider  
6 RRS, do you believe that without rider RRS the ESP is  
7 still quantitatively more beneficial?

8 A. If your question is if I remove line 3 on  
9 the table at the top of page 11, would there still be  
10 a quantitative benefit under your hypothetical  
11 scenario, then the answer is yes.

12 Q. And more beneficial in the aggregate; is  
13 that your testimony?

14 A. Not more beneficial than the application  
15 as proposed and modified by the stipulation, no.

16 Q. Have you performed any independent  
17 analysis with regard to the quantitative benefit with  
18 or without rider RRS?

19 A. I am going to ask you to restate the  
20 question. I don't understand the question.

21 Q. Have you performed any analysis regarding  
22 the qual -- any independent analysis regarding the  
23 quantitative benefits of the ESP with and without  
24 rider RRS?

1           A.    My analysis of the quantitative benefits  
2   of ESP versus MRO are included in the table page 11  
3   at the top.

4           Q.    Okay.  And did you do the quantitative  
5   benefit analysis of rider RRS, or did you obtain that  
6   from another witness in this case?

7           MR. KUTIK:  Objection.

8           A.    I think we talked about this this  
9   morning, that these values came from Company Witness  
10  Ruberto's testimony.

11          Q.    Right.  And I am asking you if you did  
12  any independent analysis.

13          A.    As I said this morning, I have reviewed  
14  the testimony along with the application in this case  
15  coupled with my professional experience and concluded  
16  these numbers were reasonable.

17          Q.    Beyond that you have not done any  
18  independent analysis; is that right?

19          MR. KUTIK:  Objection, asked and  
20  answered.

21          A.    I have nothing to add to the answers I've  
22  already provided throughout the day.

23          Q.    Is it your understanding that through the  
24  ESP IV the company is continuing a base distribution



1 rate freeze with regard to the implementation of a  
2 freeze?

3 A. May I ask you to restate the question,  
4 please?

5 Q. Have the companies committed to a base  
6 distribution rate freeze for the term of the ESP IV?

7 A. The companies are proposing as part of  
8 its application to continue to commit to no  
9 adjustment to base distribution rates prior to the  
10 effective date of the next ESP assuming that ESP IV  
11 is approved without modification.

12 Q. Okay. And that statement -- you're  
13 stating that the companies may file for a rate  
14 increase. They just cannot implement a rate increase  
15 before the termination of the ESP, expiration of the  
16 ESP IV period; is that right?

17 A. The companies commit that there would be  
18 no adjustment to base distribution rates that would  
19 go into effect prior to the effective date of the  
20 next ESP.

21 Q. Okay. And you are proposing that the DCR  
22 revenue caps in this case be increased from the ESP  
23 III case; is that correct?

24 A. The companies are proposing that the

1 rider DCR rate caps are increased in this case, yes.

2 Q. Okay. So the DCR may increase throughout  
3 the term of the ESP IV with the revenue caps  
4 increased; is that your understanding?

5 A. Can I ask you to restate the question,  
6 please?

7 Q. With the increase in the revenue caps it  
8 is possible that the DCR rider will not remain the  
9 same and will, in fact, increase from that of  
10 currently in existence?

11 MR. KUTIK: Objection.

12 A. May I ask you to restate the question,  
13 please?

14 Q. Under the ESP IV plan, the company is  
15 asking for authorization to increase rider DCR up to  
16 the level of the increased revenue cap -- strike  
17 that.

18 The companies are asking for authority to  
19 have the ability to increase DCR rider rates from  
20 what they are today under the ESP III up to the  
21 increase in the distribution -- in the revenue caps  
22 established in ESP IV; is that right?

23 A. May I ask you to restate that question,  
24 please?

1           Q.    Are the companies asking for the ability  
2           to increase the DCR in the ESP IV?

3                   MR. KUTIK:  Objection.

4           A.    No.

5           Q.    Are you asking for the authority to --  
6           the ability to increase DCR rider rates during the  
7           term of the ESP IV?

8           A.    No.

9           Q.    So it's the companies' application that  
10          the rider DCR will continue at the current rate  
11          regardless of the costs that may be incurred by the  
12          company through the term of the ESP IV?

13                  MR. KUTIK:  Objection.

14          A.    No.

15          Q.    Is the company seeking authority to  
16          increase the caps in order to allow more cost to be  
17          recovered through the DCR rider?

18          A.    The companies are seeking authority to  
19          increase the DCR cap in this proceeding.

20          Q.    And by that authorization they will be  
21          able to collect more costs through the DCR rider than  
22          what would have been allowed during the ESP III case;  
23          is that correct?

24                  MR. KUTIK:  Objection.

1 THE WITNESS: May I have the question  
2 reread, please?

3 (Record read.)

4 A. The revenue requirements that are  
5 collected under rider DCR are a function of a number  
6 of things. The revenue requirements are not driven  
7 by the cap.

8 Q. I understand but the revenue -- but the  
9 cap allows the companies to collect more from  
10 customers than if the caps were lower as they are in  
11 the ESP III case; is that right?

12 A. To the extent that revenue requirements  
13 exist and the Commission approves those revenue  
14 requirements, I guess under your hypothetical if they  
15 are hypothetically higher caps and there are  
16 sufficient revenue requirements to achieve those -- I  
17 guess I can't answer the question. Take another run  
18 at it, please.

19 Q. Well, the revenues cap the company  
20 proposes is increased by \$30 million; is that  
21 correct?

22 A. Per year the company is proposing that  
23 the DCR revenue requirements increase by \$30 million  
24 per year.

1           Q.   And these are aggregate caps that can  
2   roll over if they are not used in one year to the  
3   preceding -- or to the subsequent year; is that  
4   correct?

5           A.   May I ask you to restate your question?

6           Q.   Sure.  If a cap is not reached in one  
7   year, the difference may roll over into the  
8   subsequent years extending the dollars that may be  
9   able to be recovered from customers; is that right?

10           THE WITNESS:  May I ask you to reread the  
11   question, please?

12                   (Record read.)

13           A.   May I ask you to restate the question as  
14   it relates to "extending the dollars"?

15           Q.   Okay.  If a cap is not fully used in one  
16   year, may the difference of the unused portion roll  
17   over to a subsequent year to increase the cap  
18   allowed?

19           A.   Yes.

20           Q.   And do you know why \$30 million was  
21   chosen for the increase in the cap?

22           MR. KUTIK:  Objection.

23           A.   Mr. Fanelli addresses that in his  
24   testimony.

1           Q.    Okay.  And is it your understanding that  
2   the DCR is reviewed annually?

3                   MR. KUTIK:  Objection.

4           A.    May I ask you to clarify your question,  
5   please?

6           Q.    Is rider DCR, is there an annual audit  
7   that's performed?

8           A.    Yes.

9           Q.    Okay.  Is that a prudency audit?

10          A.    The audit is a review to confirm that the  
11   amounts for which recovery is sought are not  
12   unreasonable.

13          Q.    And if the Commission finds that an  
14   imprudent decision was made and a cost is imprudent,  
15   is that authorized to be disallowed under your  
16   proposal?

17          A.    I apologize.  There was someone exiting  
18   the call, and I was imprecise in hearing the middle  
19   part of that question.  May I ask you to repeat it,  
20   please?

21          Q.    If the Commission were to find a decision  
22   of the companies to be imprudent or a cost to be  
23   imprudently incurred, is the companies' proposal to  
24   allow imprudent costs to be disallowed through the

1       audit proceeding?

2               A.    The companies' proposal is that there  
3       will be an annual review of the costs for which  
4       recovery is sought to determine that those costs are  
5       not unreasonable.

6               Q.    And you're not taking a position about  
7       whether those costs could be prudent or imprudent?

8               MR. KUTIK:  Objection.

9               A.    I don't understand the question.

10              Q.    Ms. Mikkelsen, are you making a  
11       distinction between reasonableness and prudence?

12              A.    I am trying to describe the companies'  
13       proposal for the rider DCR audit.

14              Q.    And I am asking you if the word  
15       "reasonableness" is distinguishable in your mind for  
16       an audit review purposes from the word "prudence"?

17              A.    I did not use the word "reasonableness."

18              Q.    You use the word unreasonableness, so is  
19       "unreasonableness" distinguishable from "imprudence"?

20              MR. KUTIK:  Objection, mischaracterizes  
21       the witness's testimony.

22              A.    I did not use the word  
23       "unreasonableness."

24              Q.    I believe you read from page -- page 12 I

1 believe you read that the recoveries sought are not  
2 unreasonable, and I'm asking you if you are making a  
3 distinction between not unreasonable and prudent.

4 A. I'm saying I am telling you what the  
5 companies' proposal is with respect to the audit.

6 MR. KUTIK: All right. At this time I  
7 would like -- excuse me. At this time I would like  
8 counsel who are on the phone to identify themselves,  
9 please.

10 MR. OLIKER: Joe Olikier with IGS Energy.

11 MS. GRADY: Maureen Grady with the Office  
12 of Consumers' Counsel.

13 MR. DARR: Frank Darr.

14 MR. YURICK: Mark Yurick.

15 MR. STINSON: Dane Stinson --

16 MS. MOONEY: Colleen Mooney for Ohio  
17 Partners for Affordable Energy.

18 MR. STINSON: Dane Stinson, NOPEC.

19 MR. LAVANGA: Mike Lavanga for Nucor.

20 MR. KUTIK: We are past the 5:30 hour  
21 which parties were advised would be our hard stop,  
22 and so at this time we are going to terminate the  
23 deposition at this time.

24 MS. GRADY: Before the record is closed I



1 would like to make a statement on the deposition we  
2 are going to ask that the deposition be continued and  
3 that, Mr. Kutik, you agree to make Ms. Mikkelsen  
4 available to be deposed at a mutually acceptable date  
5 and time to allow the parties, including OCC, to  
6 conclude the cross-examination of Ms. Mikkelsen.

7 We would note that --

8 MR. KUTIK: Go ahead.

9 MS. GRADY: We would note that the Sierra  
10 Club's notice of deposition contained the universal  
11 language used in most notices of deposition that the  
12 deposition will continue from day-to-day until  
13 completed.

14 This deposition is not completed until  
15 the interested parties are permitted an opportunity  
16 to cross-examine. In fact, FirstEnergy used the same  
17 exact language in their notices of deposition of  
18 intervenor witnesses, that the deposition continues  
19 from day-to-day until completed.

20 We do not believe that counsel has a  
21 right to end the deposition and prevent further  
22 cross-examination of this witness at a later time, to  
23 allow parties to -- to cross-examine Ms. Mikkelsen  
24 without a protective order by the PUCO. And we see

1 no grounds for a protective order in this case.

2 We also believe the request is well  
3 within the discovery timeframe ordered by the  
4 Attorney Examiner in his January 14 prehearing entry  
5 and that we will note that procedural schedule was  
6 amended for just this purpose, to allow for  
7 discovery. And while this has been a long day for  
8 Ms. Mikkelsen, we nevertheless request that she be  
9 made available to allow her deposition to continue  
10 and that parties, including OCC and others, be  
11 afforded the opportunity to cross-examine her.

12 MR. OLIKER: IGS supports OCC.

13 MS. BOJKO: And OMA supports as I was  
14 interrupted in my cross-examination, and I would just  
15 like to add for the record that almost every question  
16 was objected to or was asked to be rephrased and that  
17 extended the deposition significantly and  
18 unreasonably and so, thus, there should be not  
19 cutting off of cross-examination from the parties.

20 MR. KUTIK: I will not --

21 MR. STINSON: NOPEC concurs with OCC's  
22 statement.

23 MR. KUTIK: All right. We will stipulate  
24 everyone else agrees with OCC.

1                   I am not going to engage in any  
2           discussion or debate nor am I going to make any  
3           commitments on the record at this time so we are  
4           concluded.

5                   I am hanging up the phone. I am hanging  
6           up the phone now. We are concluded. If you want to  
7           have further discussions, you know my number and my  
8           e-mail address.

9                   (Thereupon, the deposition was adjourned  
10          at 5:38 p.m.)

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1 State of Ohio :

2 County of Summit : SS:

3 I, Eileen M. Mikkelsen, do hereby certify that  
4 I have read the foregoing transcript of my deposition  
5 given on Thursday, January 29, 2015; that together  
6 with the correction page attached hereto noting  
7 changes in form or substance, if any, it is true and  
8 correct.

9 Eileen M. Mikkelsen  
10 Eileen M. Mikkelsen

11 I do hereby certify that the foregoing  
12 transcript of the deposition of Eileen M. Mikkelsen  
13 was submitted to the witness for reading and signing;  
14 that after she had stated to the undersigned Notary  
15 Public that she had read and examined her deposition,  
16 she signed the same in my presence on the 9th  
17 day of February, 2015.

18 Nancy E. Davis  
19 Notary Public

20 My commission expires February 8, 2016.

21 - - -

## ERRATA SHEET

Please do not write on the transcript. Any changes in form or substance you desire to make should be entered upon this sheet.

### TO THE REPORTER:

I have read the entire transcript of my deposition taken on the 29th day of January, 2015, or the same has been read to me. I request that the following changes be entered upon the record for the reasons indicated. I have signed my name to the signature page and authorize you to attach the same to the original transcript.

Page	Line	Change	Reason
11	7	Insert a “,” between load and revenue	transcription error
15	10	Insert “May I” before “Ask”	transcription error
53	6	Insert “May I” before “Ask”	transcription error
66	1	Change “media” to “EDU”	transcription error
99	2	Change “our” to “are”	transcription error
142	24	Insert “May I” before “Ask”	transcription error
145	14	Insert “May I” before “Ask”	transcription error
145	20	Insert “May I” before “Ask”	transcription error
146	12	Insert “May I” before “Ask”	transcription error
170	8	Insert “May I” before “Ask”	transcription error
190	19	Insert “May I” before “Ask”	transcription error
191	9	Change “GCR” to “GDR”	transcription error
217	4	Change “DSC” to “DSE”	transcription error
228	8	Insert “May I” before “Ask”	transcription error
232	19	Insert “May I” before “Ask”	transcription error

Date: 2/5/15 Signature: 

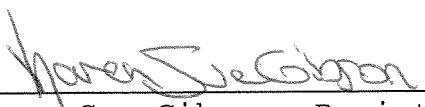
## 1 CERTIFICATE

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

4 I, Karen Sue Gibson, Notary Public in and for  
5 the State of Ohio, duly commissioned and qualified,  
6 certify that the within named Eileen M. Mikkelsen was  
7 by me duly sworn to testify to the whole truth in the  
8 cause aforesaid; that the testimony was taken down by  
9 me in stenotypy in the presence of said witness,  
afterwards transcribed upon a computer; that the  
foregoing is a true and correct transcript of the  
testimony given by said witness taken at the time and  
place in the foregoing caption specified and  
completed without adjournment.

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

13 IN WITNESS WHEREOF, I have hereunto set my  
14 hand and affixed my seal of office at Columbus, Ohio,  
15 on this 1st day of February, 2015.

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

20 My commission expires August 14, 2015.

21 (KSG-5996)

22 - - -

**This foregoing document was electronically filed with the Public Utilities**

**Commission of Ohio Docketing Information System on**

**8/20/2015 12:04:11 AM**

**in**

**Case No(s). 14-1297-EL-SSO**

Summary: Deposition (Public) of Eileen M. Mikkelsen, Vol. I, electronically filed by Mr. Tony G. Mendoza on behalf of Sierra Club