

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

IN THE MATTER OF THE APPLICATION OF)	
OHIO POWER COMPANY FOR AUTHORITY TO)	CASE NO. 16-1852-EL-SSO
ESTABLISH A STANDARD SERVICE OFFER)	
PURSUANT TO §4928.143, OHIO REV. CODE,)	
IN THE FORM OF AN ELECTRIC SECURITY PLAN)	
IN THE MATTER OF THE APPLICATION OF)	
OHIO POWER COMPANY FOR APPROVAL OF)	CASE NO. 16-1853-EL-AAM
CERTAIN ACCOUNTING AUTHORITY)	

**DIRECT TESTIMONY AND EXHIBIT OF

CHRIS HENDRIX

ON BEHALF OF

WAL-MART STORES EAST, LP AND SAM'S EAST, INC.**

MAY 2, 2017

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Exhibit CWH-1: Witness Qualification Statement

1 **Introduction**

2 **Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND OCCUPATION.**

3 A. My name is Chris Hendrix. My business address is 2001 SE 10th St., Bentonville, AR
4 72716-0550. I am employed by Wal-Mart Stores, Inc. as Director of Markets and
5 Compliance.

6 **Q. ON WHOSE BEHALF ARE YOU TESTIFYING IN THIS DOCKET?**

7 A. I am testifying on behalf of Wal-Mart Stores East, LP and Sam's East, Inc.
8 (collectively, "Walmart").

9 **Q. PLEASE DESCRIBE YOUR POSITION WITH WAL-MART?**

10 A. In my role as Director of Markets & Compliance, I am responsible for directing and
11 implementing regulatory and legislative policies for Walmart's retail and wholesale
12 business interests related to electricity and natural gas in the competitive markets of
13 the United States and the United Kingdom. In addition, I am accountable for all
14 regulatory, legislative and market developments that effect the operation of
15 Walmart's self-supply retail electricity provider, Texas Retail Energy, LLC, in
16 Connecticut, Illinois, Maine, Maryland, Massachusetts, New Hampshire, New Jersey,
17 New York, Ohio, Pennsylvania, and Texas, and Power4All, Ltd. in the United
18 Kingdom.

19 **Q. PLEASE DESCRIBE YOUR EDUCATION AND EXPERIENCE.**

20 A. I earned a Bachelor's of Business Administration with a concentration in Accounting
21 from the University of Houston in 1991 and a Masters of Business Administration

1 with a concentration in Finance and International Business from the University of
2 Houston in 1994. I have more than 25 years of experience in all facets of the energy
3 industry, with the last 20 years specifically related to the competitive electric and
4 natural gas markets. From 1990 to 1997, I was an Accountant, then an Accounting
5 Analyst and later a Senior Rate Analyst with Tenneco Energy in Houston, Texas. My
6 initial duties included various accounting functions for their regulated pipeline,
7 Tennessee Gas Pipeline, and in my latter position, the preparation of cost allocation
8 and rate design studies. From 1997 to 2001, I was a Senior Specialist and later a
9 Manager at Enron Energy Services in Houston, Texas. My duties included
10 participating in gas and electric deregulation proceedings, performing cost of service
11 analysis, and analyzing regulatory rules and utility tariffs. From 2002 to 2003, I was a
12 Manager at TXU Energy in Dallas, Texas, where I supervised a pricing team for
13 energy transactions. In 2003, I joined the Energy Department of Wal-Mart Stores
14 Inc., as a General Manager and was promoted to my current position in 2009. My
15 Witness Qualification Statement is found on Exhibit CWH-1.

16 **Q. HAVE YOU PREVIOUSLY SUBMITTED TESTIMONY BEFORE THE PUBLIC UTILITIES**
17 **COMMISSION OF OHIO ("COMMISSION")?**

18 **A. No.**

1 **Q. HAVE YOU PREVIOUSLY SUBMITTED TESTIMONY BEFORE OTHER STATE**
2 **REGULATORY COMMISSIONS?**

3 A. Yes. I have submitted testimony in six proceedings before three other utility
4 regulatory commissions. I have also submitted testimony to various legislative
5 committees in Michigan, Oregon, and Texas.

6 **Q. ARE YOU SPONSORING ANY EXHIBITS IN YOUR TESTIMONY?**

7 A. Yes. I am sponsoring the exhibit listed in the Table of Contents.
8

9 **Purpose of Testimony and Summary of Recommendations**

10 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

11 A. The purpose of my testimony is to address aspects of Ohio Power Company's ("OPC"
12 or "Company") proposed changes to the Company's Open Access Distribution
13 ("OAD") Terms and Conditions and the Direct Testimony of Stacey D. Gabbard
14 related to the Competitive Retail Electric Service ("CRES") Provider Credit
15 Requirements and to provide recommendations to assist the Commission in
16 thoroughly and carefully considering the impact of the Company's proposed
17 changes.

18 **Q. PLEASE SUMMARIZE WALMART'S RECOMMENDATIONS TO THE COMMISSION.**

19 A. Walmart's recommendation to the Commission is to eliminate the credit
20 requirement in Section 31.9 of the Company's OAD for a CRES that utilizes Dual
21 Billing.

1 **Q. DOES THE FACT THAT YOU MAY NOT ADDRESS AN ISSUE OR POSITION**
2 **ADVOCATED BY THE COMPANY INDICATE WALMART'S SUPPORT?**

3 A. No. The fact that an issue is not addressed herein or in related filings should not be
4 construed as an endorsement of, agreement with, or consent to any filed position.

5
6 **CRES Provider Credit Requirements**

7 **Q. WHAT IS YOUR UNDERSTANDING OF THE COMPANY'S PROPOSED CHANGES TO**
8 **THE CRES PROVIDER CREDIT REQUIREMENT?**

9 A. My understanding is that the Company proposes to update and further define the
10 existing credit requirements for CRES providers. *See* Direct Testimony of Stacey D.
11 Gabbard, Exhibit SDG-3, P.U.C.O. No. 20, Terms and Conditions of Open Access
12 Distribution Service, Section 31.9.

13 **Q. DOES THE COMPANY PROPOSE TO ELIMINATE THE CREDIT CALCULATION**
14 **FORMULA?**

15 A. Yes. The Company proposes to eliminate the existing credit calculation formula and
16 to replace it with what appears to be a black-box, Company-performed calculation
17 of security requirements initially and on an ongoing basis. *See id.* at Section 31.9(b).

18 **Q. DOES WALMART TAKE A POSITION ON THE COMPANY REQUIRING A CREDIT**
19 **REQUIREMENT FOR A CRES THAT UTILIZES DUAL BILLING?**

20 A. Yes. A CRES provider that utilizes dual billing (i.e., issues a separate invoice to its
21 customers for generation) does not place any financial risks on the Company;

1 therefore, no separate credit requirement should exist for that CRES provider. The
2 credit and collection risk for a CRES provider engaged in dual billing falls entirely on
3 that individual CRES provider. In addition, the CRES provider is, itself, subject to
4 credit requirements by PJM Interconnection for all wholesale electricity activities,
5 which makes the Company's requirement redundant. The Company's proposal in
6 this case is simply unwarranted.

7 **Q. WHAT IS YOUR RECOMMENDATION TO THE COMMISSION ON THIS ISSUE?**

8 A. For the purposes of this docket, the Commission should eliminate any CRES provider
9 credit requirement for a CRES provider that utilizes dual billing.

10 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

11 A. Yes.

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EXHIBIT CWH-1 OF CHRIS HENDRIX

ON BEHALF OF

WAL-MART STORES EAST, LP AND SAM’S EAST, INC.

Chris W. Hendrix

Director of Markets & Compliance

Wal-Mart Stores, Inc.

Business Address: 2001 SE 10th Street, Bentonville, AR, 72716-5530

Business Phone: (479) 204-0845

Email: chris.hendrix@wal-mart.com

EXPERIENCE

2003 – Present

Wal-Mart Stores, Inc., Bentonville, AR

Director of Markets & Compliance (2009 – Present)

General Manager (2003 – 2009)

2002 –2003

TXU Energy, Dallas, TX

Manager – Retail Pricing (2002 –2003)

1997 - 2001

Enron Energy Services, Houston, TX

Manager – Target Markets (2002 –2003)

Manager – Product Development/Structuring (1999 – 2001)

Senior Specialist (1997 – 1999)

1990 - 1997

Tenneco Energy, Houston, TX

Senior Rate Analyst (1994 – 1997)

Accounting Analyst (1992 – 1994)

Accountant (1991 – 1992)

EDUCATION

1994

University of Houston

M.B.A, Finance & International Business

1991

University of Houston

B.B.A, Accounting (Magna Cum Laude)

INDUSTRY ORGANIZATIONS

Advanced Energy Management Alliance (AEMA)

Board Member (2016 – present)

Arizona Independent Scheduling Administrator Association (AzISA)

Board Member (2014 – present)

Arizonans for Electric Choice & Competition (AECC)

Chairman (2013 – present)

COMPETE Coalition

Board Member (2008 – 2013)

Electric Reliability Council of Texas (ERCOT)

Technical Advisory Committee - TAC (2004 – 2006)

Wal-Mart Stores East, LP and Sam's East, Inc.
Exhibit CWH-1
Ohio Case Nos. 16-1852-EL-SSO and 16-1853-EL-AAM

National Energy Marketers Association

Board Member (2017 – present)
Chairman (2015 – 2016)
Executive Committee and Policy Chair (2006 – present)

NEPOOL (ISO New England)

Participants Committee (2011 – present)
Markets Committee (2011 – present)
Consumer Liaison Group (2011 – present)

PJM Interconnection

Market Reliability Committee (2011 – present)
Members Committee (2011 – present)

REGULATORY TESTIMONY

2017

Arizona Docket No. E-01345A-16-0036: In The Matter Of The Application Of Arizona Public Service Company For A Hearing To Determine The Fair Value Of The Utility Property Of The Company For Ratemaking Purposes, To Fix A Just And Reasonable Rate Of Return Thereon, To Approve Rate Schedules Designed To Develop Such Return.

Washington Docket No. UE-161123: Puget Sound Energy – Revises Tariff WN U-60, adding Schedule 451, implementing a new retail wheeling service for large non-core customers and to request approval of the signed Service Agreement and the Power Supply Stranded Cost Charge agreed to within that Service Agreement.

2016

Arizona Docket No. E-01933A-15-0322: In The Matter of the Application of Tucson Electric Power Company for the Establishment of Just and Reasonable Rates and Charges Designed To Realize a Reasonable Rate of Return On the Fair Value of the Properties of Tucson Electric Power Company Devoted to Its Operations Throughout the State of Arizona, and for Related Approvals.

2015

Arizona Docket No. E-04204A-15-0142: In the Matter of the Application of UNS Electric, Inc. for the Establishment of Just and Reasonable Rates and Charges Designed to Realize a Reasonable Rate of Return on the Fair Value of the Properties of UNS Electric, Inc. Devoted to its Operations Throughout the State of Arizona, and for Related Approvals.

2012

Arizona Docket No. E-01345A-11-0224: In the Matter of the Application of Arizona Public Service Company for a Hearing to Determine the Fair Value of the Utility Property of the Company for Ratemaking Purposes, to Fix a Just and Reasonable Rate of Return Thereon, and to Approve Rate Schedules Designed to Develop Such Return.

1998

Oklahoma Corporation Commission Cause No. PUD 980000177: Joint Application of Oklahoma Natural Gas Company, A Division of Oneok, Inc., Oneok Gas Transportation, a Division of Oneok, Inc., and Kansas Gas Service Company, a Division of Oneok, Inc., for Approval of Their Unbundling Plan for Natural Gas Services Upstream of the Citygates or Aggregation Points.

LEGISLATIVE TESTIMONY

2017

Oregon Senate Committee on Business & Transportation: In The Matter of SB 979 re: Renewable Energy Direct Access.

2015

Michigan Senate Committee on Energy and Technology: In The Matter of SB437.

Michigan House Committee on Energy Policy: In The Matter of HB 4298.

2013

Texas House Ways and Means Committee: In The Matter of HB 1735.

Texas Senate Committee on Natural Resources: In The Matter of Electricity Resource Adequacy in the ERCOT Power Region.

CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing Direct Testimony and Exhibit of Chris W. Hendrix, submitted on behalf of Wal-Mart Stores East, LP and Sam's East, Inc., was served by electronic mail, upon the following Parties of Record on this 2nd day of May, 2017.

/s/Carrie M. Harris

Carrie M. Harris (Ohio Bar ID 96138)

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Summary: Testimony and Exhibit of Chris Hendrix electronically filed by Derrick P Williamson on behalf of Wal-Mart Stores East, LP and Sam's East, Inc.