

BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

- - -

In the Matter of the :
Application of Duke Energy :
Ohio, Inc. for Administration :Case No.
of the Significantly Excessive :17-932-EL-UNC
Earnings Test under Section :
4928.143(F), Revised Code, :
and Rule 4901:1-35-10, :
Ohio Administrative Code. :

- - -

PROCEEDINGS

Before Nick Walstra and Stacie Cathcart,
Attorney Examiners, held at the offices of the
Public Utilities Commission of Ohio, 180 East
Broad Street, Hearing Room 11-D, Columbus, Ohio,
on Tuesday, February 6, 2018, at 10:00 A.M.

- - -

Armstrong & Okey, Inc.
222 East Town Street, 2nd Floor
Columbus, Ohio 43215
(614) 224-9481 - (800) 223-9481

- - -

1 APPEARANCES:

2 Ms. Jeanne W. Kingery
3 and
4 Mr. Rocco D'Ascenzo
139 East Fourth Street
Cincinnati, Ohio 45202

5 On behalf of Duke Energy Ohio, Inc.

6
7 Mr. Thomas McNamee
8 Assistant Attorney General
30 East Broad Street, 16th Floor
9 Columbus, Ohio 43215

10 On behalf of the Staff of the
11 Public Utilities Commission
of Ohio.

12
13
14
15
16 - - -
17
18
19
20
21
22
23
24
25

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

INDEX TO WITNESSES		
	DIRECT	CROSS
STAFF WITNESSES		
Joseph Buckley	7	
	- - -	

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

INDEX TO EXHIBITS

- - -

MARKED ADMT

JOINT EXHIBITS

1	Stipulation and Recommendation	8	11
---	-----------------------------------	---	----

COMPANY EXHIBITS

1	Application	7	7
2	Prefiled Testimony of Lisa D. Steinkuhl	7	7

- - -

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

Tuesday Morning,
February 6, 2018.
- - -

ATTORNEY EXAMINER CATHCART: The
Public Utilities Commission of Ohio has assigned
for hearing at this time and place Case No.
17-932-EL-UNC being in the Matter of the
Application of Duke Energy Ohio Incorporated for
Administration of the Significantly Excessive
Earnings Test under Section 4928.143 (F), Ohio
Revised Code, and Rule 4901:1-35-10, Ohio
Administrative Code.

My name is Stacie Cathcart and this
is Nick Walstra, we are the Attorney Examiners
assigned by the Commission to hear this case.

At this time I would like to take
appearances of the parties beginning with
counsel for Duke.

MS. KINGERY: Thank you, Your Honor.
My name is Jeanne Kingery, long with my
colleague Rocco D'Ascenzo, we are representing
Duke Energy Ohio, 139 East Fourth Street,
Cincinnati Ohio.

ATTORNEY EXAMINER: Thank you.

MR. MCNAMEE: On behalf of the Staff

1 of the Public Utilities Commission of Ohio I am
2 Thomas W. McNamee, Assistant Attorney General.
3 The address is 30 East Broad Street, Columbus,
4 Ohio 43215.

5 ATTORNEY EXAMINER: Thank you. It
6 is my understanding the parties have reached a
7 stipulation; is that correct?

8 MR. MCNAMEE: Yes. We reached a
9 stipulation. I would suggest that we could call
10 Mr. Buckley to the stand to have him
11 substantiate or identify and substantiate that
12 stipulation and recommendation and I would
13 stipulate the balance of the Company's
14 documents. I think the application and --

15 MS. KINGERY: Yes, Your Honor. I
16 would ask that you mark and then enter into the
17 record the Application of Duke Energy Ohio in
18 this proceeding which was filed in the docket on
19 April 20, 2017, as well as the prefilled
20 testimony of Lisa D. Steinkuhl supporting the
21 application also filed on April 20, 2017.

22 And those would be respectively Duke
23 Energy Ohio Exhibit 1 and Duke Energy Ohio
24 Exhibit 2.

25 ATTORNEY EXAMINER: They will be so

1 marked.

2 (EXHIBITS MARKED FOR THE PURPOSE OF
3 IDENTIFICATION)

4 MS. KINGERY: Thank you.

5 MR. MCNAMEE: And I stipulate to the
6 admission of those.

7 ATTORNEY EXAMINER: So moved.

8 (EXHIBITS ADMITTED INTO EVIDENCE)

9 ATTORNEY EXAMINER: Would you like
10 to call your first witness?

11 MR. MCNAMEE: Yes. The Staff would
12 call Joseph Buckley.

13 (WITNESS SWORN)

14 - - -

15 JOSEPH BUCKLEY
16 called as a witness, being first duly sworn,
17 testified as follows:

18 ATTORNEY EXAMINER: Would you please
19 state your name for the record and give your
20 business address?

21 THE WITNESS: My name is Joseph
22 Buckley. My business address is 180 East Broad
23 Street, Columbus, Ohio 43215.

24 DIRECT EXAMINATION

25 By Mr. McNamee:

1 Q. Mr. Buckley, by whom are you
2 employed and in what capacity?

3 A. Public Utilities Commission of Ohio.
4 I am a Utility Specialist 3.

5 Q. In that capacity you review company
6 filings for the significantly excessive earnings
7 test; do you not?

8 A. I do.

9 Q. And you have done that for a number
10 of years?

11 A. I have.

12 Q. Perhaps as long as there has been a
13 significantly excessive earnings test?

14 A. Almost, yes.

15 MR. MCNAMEE: Okay. Good. Your
16 Honor, at this time I would ask to have marked
17 for identification as Joint Exhibit 1 the
18 Stipulation and Recommendation filed in this
19 case.

20 ATTORNEY EXAMINER: So marked.

21 (EXHIBIT MARKED FOR IDENTIFICATION)

22 Q. Mr. Buckley, you have before you
23 what's been marked for identification as Joint
24 Exhibit 1; do you not?

25 A. I do.

1 Q. What is it?

2 A. It's the Stipulation and
3 Recommendation agreed upon in Case No.
4 17-932-EL-UNC.

5 Q. Does it resolve all issues between
6 all the parties?

7 A. I believe it does.

8 Q. Okay. Mr. Buckley, does this
9 Stipulation and Recommendation violate any
10 Commission policy or precedent?

11 A. Not that I know of.

12 Q. To the best of your knowledge does
13 it benefit the public by avoiding ligation and
14 complexity?

15 A. I believe it does.

16 Q. Good. Was it negotiated between
17 parties who are sophisticated and well informed?

18 A. I believe they are.

19 Q. Good. Now, Mr. Buckley, you have
20 performed your own analysis of the Company's
21 earnings during the relevant period of time
22 here; have you not?

23 A. I have.

24 Q. Okay. And the result of that is
25 consistent with the Company not having

1 significantly excessive earnings; correct?

2 A. Correct.

3 Q. And what analysis did you do to
4 reach that conclusion?

5 A. We run a model using the Spider ETF,
6 and we do that with all the utilities that file
7 and come up with threshold index and then add
8 two standard deviations to that index, and come
9 up with a baseline. And Duke Ohio was
10 comfortably under that threshold.

11 Q. So in your view Duke did not have
12 excessive earnings, therefore, it could not have
13 significantly excessive earnings?

14 A. Agreed. Yes.

15 Q. And your method is slightly
16 different than the Company's method, but it
17 reaches the same result; does it not?

18 A. It does.

19 MR. MCNAMEE: With that, Your Honor,
20 I have no further questions and would move for
21 the admission of what's been marked for
22 identification as Joint Exhibit 1.

23 ATTORNEY EXAMINER: Any objections?

24 MS. KINGERY: Your Honor, I have no
25 questions at this time and I have no objections

1 to the admission of Joint Exhibit 1.

2 ATTORNEY EXAMINER: Thank you.

3 So moved.

4 (EXHIBIT ADMITTED INTO EVIDENCE)

5 ATTORNEY EXAMINER: You may be
6 excused.

7 MR. MCNAMEE: With that, Your Honor,
8 there is nothing further, is there?

9 MS. KINGERY: I do not believe so.

10 ATTORNEY EXAMINER: Okay. So this
11 case is submitted on the record. This hearing
12 is adjourned.

13 (At 10:06 A.M. the hearing was
14 concluded)

15 - - -

16

17

18

19

20

21

22

23

24

25

CERTIFICATE

I do hereby certify that the foregoing
is a true and correct transcript of the
proceedings taken by me in this matter on
February 6, 2018, and carefully compared with my
original stenographic notes.

Michael O. Spencer
Michael O. Spencer,
Registered Professional
Reporter.

- - -



This foregoing document was electronically filed with the Public Utilities

Commission of Ohio Docketing Information System on

2/28/2018 3:24:40 PM

in

Case No(s). 17-0932-EL-UNC

Summary: Transcript In the Matter of the Application of Duke Energy Ohio, Inc. for Administration of the Significantly Excessive Earnings Test under Section 4928.143(F), Revised Code, and Rule 4901:1-35-10, Ohio Administrative Code, hearing held on February 6, 2018. electronically filed by Mr. Ken Spencer on behalf of Armstrong & Okey, Inc. and Spencer, Michael O. Mr.