

**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of Duke Energy Ohio, Inc., for an Increase in Electric Distribution Rates.	)	Case No. 17-32-EL-AIR
	)	
In the Matter of the Application of Duke Energy Ohio, Inc., for Tariff Approval.	)	Case No. 17-33-EL-ATA
	)	
In the Matter of the Application of Duke Energy Ohio, Inc., for Approval to Change Accounting Methods.	)	Case No. 17-34-EL-AAM
	)	
In the Matter of the Application of Duke Energy Ohio, Inc., for Approval to Modify Rider PSR.	)	Case No. 17-872-EL-RDR
	)	
In the Matter of the Application of Duke Energy Ohio, Inc., for Approval to Amend Rider PSR.	)	Case No. 17-873-EL-ATA
	)	
In the Matter of the Application of Duke Energy Ohio, Inc., for Approval to Change Accounting Methods.	)	Case No. 17-874-EL-AAM
	)	
In the Matter of the Application of Duke Energy Ohio, Inc., for Authority to Establish a Standard Service Offer Pursuant to Section 4928.143, Revised Code, in the Form of an Electric Security Plan, Accounting Modifications and Tariffs for Generation Service.	)	Case No. 17-1263-EL-SSO
	)	
In the Matter of the Application of Duke Energy Ohio, Inc., for Authority to Amend its Certified Supplier Tariff, P.U.C.O. No. 20.	)	Case No. 17-1264-EL-ATA
	)	
In the Matter of the Application of Duke Energy Ohio, Inc., for Authority to Defer Vegetation Management Costs.	)	Case No. 17-1265-EL-AAM
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**June 25, 2018**

1 **Name and Employer**

2  
3 1. Q. Please state your name and business address.

4 A. My name is Doris McCarter. My business address is 180 East Broad  
5 Street, Columbus, Ohio 43215.  
6

7 2. Q. By whom are you employed and in what capacity?

8 A. I am employed by the Public Utilities Commission of Ohio (PUCO). I am  
9 Chief of the Capital Recovery and Financial Analysis Division within the  
10 Rates and Analysis Department.  
11

12 **Academic Background and Professional Experience**

13  
14 3. Q. Please briefly describe your educational and professional background.

15 A. I received a Masters in Public Administration from Columbia University. I  
16 have been employed by the PUCO since December, 1989 in various  
17 capacities; Commissioner Aide to Commissioner Richard M. Fanelly,  
18 Utility Specialist 2 in the Telecommunications Division of the Utilities  
19 Department, and Deputy Director of the Service Monitoring and  
20 Enforcement Department.  
21

22 4. Q. Please describe your responsibilities.

1           A.    I have oversight of the distribution investment riders. My duties also  
2                   include establishing policies, practices, and procedures for the Division's  
3                   regulatory analysts who conduct audits and investigations of public utility  
4                   companies subject to the jurisdiction of the PUCO. I have overall  
5                   responsibility for certain aspects of the Staff of the PUCO's (Staff) revenue  
6                   requirement determination during rate setting investigations. The  
7                   calculation of depreciation expense, accumulated depreciation reserve and  
8                   cost of capital are under my purview. I also have overall responsibility for  
9                   management and operations reviews, corporate separation compliance,  
10                  financing approvals, and the administration of the significantly excessive  
11                  earnings test for electric distribution companies.

12  
13       5.    Q.    Have you testified in previous cases at the PUCO?

14           A.    Yes. I have testified in numerous cases before the PUCO, including  
15                  distribution rate proceedings and Standard Service Offer (SSO) hearings.

16  
17    **Purpose of Testimony**

18  
19       6.    Q.    What is the purpose of your testimony?

20           A.    The purpose of my testimony is to support the recovery mechanisms of the  
21                  Distribution Capital Investment Rider (DCI) and the Regulatory Mandate

1 Rider (RMR) as they are provided for in the Stipulation and  
2 Recommendation (Stipulation) in this case.  
3

4 **Stipulation Support of the DCI and RMR**  
5

6 7. Q. In the Stipulation, Duke Energy Ohio, Inc., (Duke or Company) has  
7 withdrawn its proposal for the RMR. Do you believe that is a beneficial  
8 provision of the Stipulation?

9 A. Yes.  
10

11 8. Q. The Stipulation provides numerous parameters which will apply to the DCI.  
12 Do you regard the inclusion of the parameters as a beneficial provision of  
13 the Stipulation?

14 A. Yes. The Stipulation has modified Duke's DCI proposal such that there are  
15 revenue caps, a continuation of the annual audits, a requirement for the  
16 prospective assessment and approval of new capitalization policy changes,  
17 a credit to remove the impact of capitalized employee bonus expenses, a  
18 revenue cap adjustment for 2019 and 2020 for missed reliability targets,  
19 and an incentive for Duke to timely file its next base distribution rate case  
20 and electric service plan.  
21

1 9. Q. On pages 12 and 13 of Duke Witness Wathen's Second Supplemental  
2 Testimony, the Company proposes that all the Tax Cuts and Jobs Act  
3 (TCJA) excess accumulated deferred income taxes (ADIT) be reflected in  
4 the DCI.<sup>1</sup> Does Staff concur with this proposal?

5 A. At this time, Staff recommends that the manner in which all the excess  
6 ADIT is returned to customers remain open. Other vehicles could be  
7 utilized as well to return a portion or all of the excess ADIT.  
8

9 10. Q. Does this conclude your testimony?

10 A. Yes it does. However, I reserve the right to submit supplemental testimony  
11 as described herein, as new information subsequently becomes available or  
12 in response to positions taken by other parties.  
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<sup>1</sup> *In the Matter of the Application of Duke Energy Ohio, Inc., for Authority to Establish a Standard Service Offer Pursuant to Section 4928.143, Revised Code, in the Form of an Electric Security Plan, Accounting Modifications and Tariffs for Generation Service*, Case No. 17-1263-EL-SSO, et al., Second Supplemental Testimony of William Don Wathen at 12-13 (June 6, 2018).

## CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the Pre-filed Testimony of Doris McCarter in Support of the Stipulation has been served upon the below-named counsel via electronic mail, this 25<sup>th</sup> day of June, 2018.

/s/ Steven L. Beeler

**Steven L. Beeler**

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Summary: Testimony in Support of the Stipulation of Doris McCarter electronically filed by Ms.  
Tonnetta Scott on behalf of PUC