

BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

- - -

In the Matter of the 2018 :
Long-Term Forecast Report : Case No. 18-501-EL-FOR
of Ohio Power Company and :
Related Matters. :

In the Matter of the :
Application of Ohio Power :
Company for Approval to :
Enter Into Renewable : Case No. 18-1392-EL-RDR
Energy Purchase :
Agreements for Inclusion :
in the Renewable :
Generation Rider. :

In the Matter of the :
Application of Ohio Power : Case No. 18-1393-EL-ATA
Company for Approval to :
Amend its Tariffs. :

- - -

PROCEEDINGS

before Ms. Sarah Parrot and Ms. Greta See, Attorney
Examiners, at the Public Utilities Commission of
Ohio, 180 East Broad Street, Room 11-A, Columbus,
Ohio, called at 9:00 a.m. on Friday, February 8,
2019.

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VOLUME XII - REBUTTAL TESTIMONY

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Friday Morning Session,
February 8, 2019.

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EXAMINER SEE: Let's go on the record.

Let's take brief appearances of the
parties, starting with the Company, and going around
the room.

MS. BLEND: Good morning, your Honor. On
behalf of Ohio Power Company, Steven T. Nourse,
Christen M. Blend with the American Electric Power
Service Corporation; Christopher L. Miller with the
law firm Ice Miller; Eric B. Gallon and L. Bradford
Hughes with the law firm Porter Wright Morris &
Arthur. Thank you.

MS. WILLIS: Thank you, your Honor. On
behalf of the residential customers of the Ohio Power
Company, Bruce Weston, Consumers' Counsel, by Maureen
Willis, William Michael, and Christopher Healey.

MR. McNAMEE: Good morning, your Honor.
Tom McNamee for the Staff of the PUCO.

MR. OLIKER: Good morning, your Honors.
On behalf of Interstate Gas Supply, Inc. and IGS
Solar, LLC, Joe Olikier and Mike Nugent.

MR. KURTZ: Good morning, your Honors.
For OEG, Mike Kurtz.

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1 MS. BOJKO: Good morning, your Honors.
2 For Ohio Manufacturers' Association Energy Group,
3 Kimberly W. Bojko and Brian W. Dressel.

4 MS. WHITFIELD: Good morning, your
5 Honors. On behalf of The Kroger Company, Angie Paul
6 Whitfield and Stephen E. Dutton.

7 MR. COLLIER: Good morning. On behalf of
8 the Ohio Coal Association, Orla Collier and John
9 Stock, Benesch Friedlander Coplan & Aronoff.

10 MS. LEPPLA: Good morning, your Honors.
11 On behalf of the Ohio Environmental Council, Miranda
12 Leppla.

13 MS. MOONEY: On behalf of Ohio Partners
14 for Affordable Energy, Colleen Mooney.

15 MR. DOVE: On behalf of the Natural
16 Resources Defense Council, Robert Dove.

17 MR. DARR: For IEU-Ohio, Frank Darr.

18 MS. GLOVER: On behalf of the Retail
19 Energy Supply Association and Direct Energy, Mark
20 Whitt and Rebekah Glover.

21 EXAMINER SEE: Ms. Blend, your witness.

22 MS. BLEND: Thank you, your Honor. The
23 Company calls Kamran Ali.

24 THE WITNESS: Good morning, your Honors.

25 EXAMINER SEE: Good morning. Mr. Ali,

1 you are the same Mr. Ali that testified earlier in
2 this proceeding?

3 THE WITNESS: Yes, yes, I am.

4 EXAMINER SEE: I remind you, you continue
5 to be under oath. Have a seat and please cut on your
6 microphone.

7 THE WITNESS: Thank you.

8 MS. BLEND: Your Honor, I would like to
9 mark the rebuttal testimony of Kamran Ali on behalf
10 of Ohio Power Company, filed February 1, 2019, as AEP
11 Ohio Exhibit 26. We have previously provided a copy
12 to the court reporter. Would the Bench like copies?

13 EXAMINER SEE: No. We're fine. Thank
14 you.

15 (EXHIBIT MARKED FOR IDENTIFICATION.)

16 EXAMINER SEE: Go ahead.

17 MS. BLEND: Thank you.

18 - - -

19 KAMRAN ALI

20 being previously duly sworn, as prescribed by law,
21 was examined and testified as follows:

22 DIRECT EXAMINATION

23 By Ms. Blend:

24 Q. Mr. Ali, do you have before you what's
25 been marked AEP Ohio Exhibit 26?

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1 A. Yes, I do.

2 Q. Can you please identify that document.

3 A. It's my rebuttal testimony.

4 Q. And was this testimony filed -- prepared
5 by you or under your direction?

6 A. Yes, it was.

7 Q. Do you have any changes or corrections to
8 your rebuttal testimony at this time?

9 A. No, I don't.

10 Q. And if I asked you the questions
11 contained in your rebuttal testimony today, would
12 your answers be the same?

13 A. Yes, they would be.

14 MS. BLEND: Thank you.

15 Your Honor, at this time, the Company
16 moves for admission of AEP Ohio Exhibit 26, subject
17 to cross-examination.

18 EXAMINER SEE: Any questions for this
19 witness, Mr. Darr? Mr. Darr.

20 MR. DARR: Oh, you want to start with me?
21 Typically we start with the supporting parties.

22 EXAMINER SEE: Okay. We'll try Mr. Dove
23 then. We'll move back to you, Mr. Darr.

24 MR. DOVE: No questions, your Honor.

25 EXAMINER SEE: Ms. Leppla?

1 MS. LEPPLA: No questions, your Honor.

2 EXAMINER SEE: Ms. Mooney?

3 MS. MOONEY: No questions.

4 EXAMINER SEE: Now, Mr. Darr.

5 MR. DARR: Thank you, your Honor.

6 Your Honor, I think we have a problem.

7 EXAMINER SEE: Let's go off the record
8 for a minute.

9 (Discussion off the record.)

10 EXAMINER SEE: Let's go back on the
11 record.

12 Mr. Darr.

13 MR. DARR: Thank you, your Honor.

14 - - -

15 CROSS-EXAMINATION

16 By Mr. Darr:

17 Q. Sir, you filed your initial testimony in
18 this case on September 19, 2018; is that correct?

19 A. Yes, that is correct.

20 Q. And that testimony was based on PROMOD
21 runs that were performed in May of 2018, correct?

22 A. That is correct.

23 Q. One of those cases assumed the addition
24 of two new solar facilities and one wind facility,
25 correct?

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1 A. That is correct.

2 Q. Both solar facilities were assumed to
3 connect to the AEP transmission system; is that
4 correct?

5 A. That is correct.

6 Q. One of those facilities was modeled for
7 an interconnection request known at PJM as AC1-085,
8 correct?

9 A. Yes.

10 Q. And according to your testimony, there
11 was a revised AC1-085 System Impact Study that was
12 released on October 3, 2018, correct?

13 A. Yes.

14 Q. And since the release of that study, have
15 you reviewed that study?

16 A. Yes, I have.

17 MR. DARR: I believe I'm at 15 or 16; is
18 that right, your Honor?

19 EXAMINER SEE: IEU 14, Mr. Darr.

20 MR. DARR: Thank you. I would like to
21 have this marked as IEU 14 then.

22 (EXHIBIT MARKED FOR IDENTIFICATION.)

23 Q. (By Mr. Darr) Do you have in front of
24 you, Mr. Ali, what has been marked as IEU Exhibit 14?

25 A. Yes.

1 Q. I'm sorry, did you respond?

2 A. Yes, I do.

3 Q. And is this the impact study that you
4 referred to in your testimony on page 4 that was
5 released on October 3, 2018?

6 A. Yes.

7 Q. And this is the same impact study that
8 was released to parties in response to discovery on
9 October 24, 2018, correct?

10 A. That is correct.

11 Q. And if we turn to page 3 of IEU 14, it
12 states that the interconnection point for this
13 facility is anticipated to be the Stuart-Clinton
14 345 kV line, correct?

15 A. Yes.

16 Q. Now, are you aware of a generation
17 interconnection facility report that was released by
18 PJM in November 2018 for ACI -- excuse me -- AC1-085?

19 A. I can't recall that report.

20 MR. DARR: May I approach, your Honor?

21 EXAMINER SEE: Yes.

22 MR. DARR: At least for purposes of
23 refreshing recollection, I am just going to provide
24 the witness a copy of this document and go from there
25 to determine whether we need to have it marked.

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1 Q. I am handing you a document --

2 MS. BLEND: Mr. Darr, may I have a copy?

3 MR. DARR: Certainly. I apologize.

4 Q. Please take a moment and see if that
5 refreshes your recollection.

6 A. Yeah, I can't recall seeing the exact
7 date. I can't recall if I have seen this particular
8 report but I don't see any material difference
9 between this and the one that was issued in October.

10 Q. Okay. Is there a difference between an
11 impact study and a facility study report?

12 A. Yes.

13 Q. What is the difference?

14 A. So it's the stages of progression upon
15 interconnection studies or, in essence, every
16 interconnection study in PJM transitions through
17 three different stages, and the information provided
18 by the developer, as well as the results of the
19 analysis and the impacts to the system that are
20 analyzed by the RTO and transmission owners, they
21 develop into detailed stages throughout the
22 transition of the study.

23 So the first study that is issued is the
24 feasibility study which is very conceptual in nature
25 and doesn't look at a very detailed analysis.

1 The second study that is performed is an
2 impact study. The impact study is more detailed when
3 it comes to the load flow and short circuit and
4 stability types of analysis. However, when it comes
5 to the costs and the actual physical construction of
6 the interconnection facilities, you know, and
7 schedule of work and milestones, it's not as
8 detailed.

9 And the last stage is the facility study
10 stage which, of course, the electrical grid impacts
11 do not change much in that unless something drastic
12 has happened since the impact study has been
13 conducted, but more detailed analytics are performed
14 from a physical connection of the grid and to develop
15 the, you know, develop the -- to develop the physical
16 feasibility of the connections that are needed. So,
17 in essence, that's the different studies.

18 Q. Okay. And is a facility study the last
19 study prior to some confirmation that the PJM has
20 completed its review?

21 A. Yes. It's the last study, but there
22 could be several retools of the analysis in case
23 there are changes. And then after the facilities
24 study, really the last thing that is needed for
25 interconnection to happen is the interconnection

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1 agreement that must be entered between the
2 transmission owner, the RTO, as well as the
3 developer. And the facilities study, the latest
4 origin of that is part of that interconnection
5 agreement.

6 Q. Have you seen a facilities study for the
7 interconnection known as AC1-085? Other than what
8 I've just shown you this morning?

9 A. Can you please repeat that question?

10 Q. Yes. Have you seen a facilities study
11 other than the one that I have shown you this
12 morning? The one that I just handed to you.

13 A. For this particular project?

14 Q. For AC1-085, yes.

15 A. I can't recall it, but that doesn't mean
16 I haven't. I mean, there are close to 100,000
17 megawatt of generation that is in the PJM queue right
18 now. A lot of that is connecting to AEP zone. So I
19 regularly review facilities studies, impact studies,
20 feasibility studies. I can't recall it, but that
21 doesn't mean I haven't seen it in the past.

22 Q. Understood. And for clarification
23 purposes, you mentioned the facilities studies that
24 might be related to the AEP zone. The facilities
25 study that we are talking about here is specific to

1 the DP&L zone, correct?

2 A. That is correct.

3 Q. Now, on January 16, 2019, you testified
4 in this case, correct?

5 A. Yes, I did.

6 Q. And on that day, January 16, 2019, you
7 identified three corrections to your testimony,
8 correct?

9 A. Yes, I did.

10 Q. None of those corrections addressed the
11 interconnection identified as AC1-085, correct?

12 A. That is correct.

13 Q. And none of those corrections addressed
14 providing an update to the PROMOD analysis that you
15 performed in May of 2018, correct?

16 A. That is correct.

17 Q. Mr. Ali, when did you individually,
18 personally become aware that the Stuart line would be
19 the proposed point of interconnection for what is now
20 known as AC1-085 which is the connection to the
21 Hecate Highland project?

22 A. I can't recall the exact date, but it was
23 somewhere in, you know, October 2018 time frame.

24 Q. So at the time that you testified, you
25 were aware -- let me start again.

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1 So at the time you testified on January
2 16, 2019, you had been aware, since sometime in
3 October, that the AC1-085 interconnection would be on
4 the Stuart-Clinton 345 kV line, correct?

5 A. Yes, most certainly.

6 Q. Now, your testimony at page 6, you
7 indicate that AEP Ohio used the interconnection point
8 for the -- for Hecate to run an additional PROMOD
9 analysis, correct?

10 A. Say that again. Can you repeat that
11 question, please?

12 Q. Certainly. You indicate in your
13 testimony at page 6, I'm speaking now of your
14 rebuttal testimony.

15 A. Okay.

16 Q. That AEP Ohio used the interconnection
17 point for Hecate to run an additional PROMOD
18 analysis; is that correct?

19 A. That is correct.

20 Q. And the PROMOD analysis which you ran --
21 which AEP ran was for three different years, 2021,
22 2024, and 2027, correct?

23 A. Yes.

24 Q. On what date did you begin this
25 additional PROMOD analysis?

1 A. I don't recall the exact date but it was,
2 I would say, maybe a week and a half ago, a week ago,
3 a week and a half ago.

4 Q. Did it predate or postdate January 16,
5 the day that you testified?

6 A. It is after I testified.

7 Q. And roughly speaking, was it one day?
8 Two days? Three days? Can you estimate that for us?

9 A. Are you asking how many days after I
10 testified?

11 Q. Yes, sir.

12 A. I would say maybe a week after I
13 testified, week and a half. Again, you know, the
14 reason for us to run that analysis was that some
15 questions were asked, which were not asked of me when
16 I was on the stand, concerning the change in the
17 point of interconnection and, you know, the reason I
18 did not bring up this change in my original testimony
19 was because this change was immaterial.

20 The analysis that I had performed back in
21 May of 2018 was to demonstrate what happens if solar
22 or other forms of renewables like wind are added to
23 the AEP zone, how would that impact the LMPs. And
24 you can do that analysis multiple ways. One way you
25 can do that analysis is rely on a tool called PROMOD

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1 Strategist. And the PROMOD Strategist tool will tell
2 you what are the ideal locations to locate solar and
3 wind based on the strength of the transmission system
4 and also the -- the fuel types and the performance of
5 those fuel types in those areas.

6 So that's good information but that's not
7 good enough because what the tool doesn't tell you is
8 the availability of land, you know, the cost of that
9 land, what type of environmental impacts might be
10 there.

11 So another option is to rely on existing
12 generation interconnection queue where the developers
13 have done that work for you in not only determining,
14 you know, where you have better strength of the
15 system but also determining, you know, the
16 performance of the -- of the input resources, along
17 with, you know, how easy it is to physically build
18 those facilities.

19 So the analysis I had performed in May
20 was just a generic analysis to take these, you know,
21 these solar plants and wind farm as a surrogate to
22 see if these were, you know, if you connect
23 400-megawatt of solar to the AEP system, what happens
24 to the LMP. So it really didn't matter, you know,
25 for me if this moved to the DP&L system because the

1 analysis was to see the impact on LMP which showed a
2 reduction for the -- for the customers within our
3 footprint.

4 Q. Mr. Ali, going back to the beginning of
5 your answer to my last question, you indicated that
6 you began the analysis roughly seven days after you
7 testified; is that correct?

8 A. Roughly. I mean, I can't point to the
9 exact date but, yeah, somewhere around there.

10 Q. So that -- given that you testified on
11 the 16th, then the PROMOD analysis began roughly on
12 January 23, 2019, correct?

13 A. Yeah, somewhere around that.

14 Q. And the analysis was completed no later
15 than January 31, 2019, correct?

16 A. Yeah. I would say that's -- that's
17 probably accurate.

18 MR. DARR: I would like to have a
19 document marked as IEU Exhibit 15.

20 EXAMINER SEE: So marked.

21 (EXHIBIT MARKED FOR IDENTIFICATION.)

22 Q. (By Mr. Darr) Do you have in front of you
23 what's been marked as IEU Exhibit 15?

24 A. Yes, I do.

25 Q. Do you recognize the -- this listing as

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1 the files provided in discovery, supplemental
2 discovery with regard to your testimony?

3 A. Yes.

4 Q. And for purposes of the record, do you
5 see the date of modification of the files in the far
6 right-hand corner?

7 A. Yes, I do.

8 Q. And would you agree with me that the date
9 of these files is January 31, 2019?

10 MR. COLLIER: Excuse me, your Honor. Is
11 that being circulated?

12 MR. DARR: It should be coming your way.

13 A. Yes, I do see the date.

14 Q. Okay. Just so that the record is clear,
15 because I think we had a little bit of interruption
16 there, is it correct that the date of the files
17 provided in discovery was January 1, 2019 --
18 January 31, 2019?

19 A. That's correct.

20 Q. And these are the files that were the
21 result of the updated PROMOD run that began on --
22 roughly on January 23, 2019; is that correct?

23 A. Yes, about -- about that time. Like I
24 said, I can't tell you the exact days but, yes, it
25 takes roughly a week, week and a half on a -- on a

1 good day for a PROMOD run to be completed.

2 Q. In fact, you testified, when you were
3 here on the 16th, that this is -- that the PROMOD
4 analysis is complex, correct?

5 A. Yes.

6 Q. And that it typically takes weeks to run
7 the PROMOD analysis, correct?

8 A. That is correct.

9 Q. And would it take weeks to run a single
10 PROMOD analysis, that is for a year, or would it
11 take -- or what are we talking about?

12 A. Yes. So the PROMOD analysis again, it
13 depends on how many changes you are making to the
14 model. If you are building a model from scratch and
15 you are updating the transmission projects that are
16 approved recently by the RTO and updating the
17 generation that is retired as well as the network
18 upgrades that are required to connect new generation
19 and baseline upgrades that are required to deal with
20 the impacts of retirements of existing generation,
21 that can take very long time, weeks to build that
22 model, and then the run, itself, takes at least a
23 week, week and a half to do that.

24 But in this particular case, we already
25 had a case that we ran back in May 2018 and the

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1 purpose of this analysis that I performed was to just
2 show that if you were to just take that solar plant
3 and move it from Hillsboro to the Stuart-Clinton line
4 which is physically in very close proximity, even
5 though it's a different transmission line, what
6 happens to the LMP. So really we didn't make a lot
7 of changes to the model. All we did was just move
8 that interconnection point and that, in itself, was
9 not that big of an effort.

10 Q. And so, you were able to complete three
11 separate years of the PROMOD run within the period of
12 roughly January 23 to January 31, 2019, correct?

13 A. That's correct. Those runs can be -- we
14 can initiate them on different server machines so
15 they can be in parallel. They don't have to run in
16 sequence because they are three different years with
17 three different scenarios. So we -- all we have to
18 do is model the project file and import the project
19 file into PROMOD. Once that is done, you just run
20 those cases, and it takes about a week, week and a
21 half, like I said, to have the results.

22 Q. Well, in this case, it was roughly eight
23 days, correct?

24 A. Yes, probably.

25 Q. Now, could you turn to page 7 of your

1 testimony, and I am directing your attention to
2 Figure 2.

3 A. I'm there.

4 Q. For 2021, your table lists average energy
5 use of 133,952 gigawatt-hours, correct?

6 A. Yes.

7 Q. And 133,952 gigawatt-hours represents
8 average energy use over the period of 2021; is that
9 correct?

10 A. That is correct.

11 Q. And would that be from January 1, 2021 to
12 December 31, 2021?

13 A. Yes.

14 Q. I would like to turn your attention back
15 to IEU Exhibit 14, which is the Impact Study Report.

16 A. Okay. I'm there.

17 Q. And could you turn to page 5 of that
18 report.

19 A. I'm looking at it.

20 Q. And about halfway down the page, there's
21 a section that's identified as "Schedule," correct?

22 A. Yes.

23 Q. And at least with regard to the impact
24 study that was released in November of 2018, it
25 indicates that the elapsed time to complete the

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1 direct and non-direct connection work with Dayton is
2 approximately 24 months, correct?

3 A. Yes.

4 Q. Now, if could I ask you to turn to page 3
5 of the study.

6 A. I'm there.

7 Q. And under the section "General," if you
8 look at the next-to-the-last sentence, the proposed
9 in-service date for this project is December 31,
10 2021, correct?

11 A. Yeah.

12 Q. So if I understand it correctly, you
13 modeled the interconnection of the Hecate facility
14 for the full year of December of 2021 with a facility
15 that's scheduled not to come online until
16 December 31, 2021; is that correct?

17 A. Yes, that is correct. I want to also
18 point out that it is to perform an apples-to-apples
19 comparison on the -- for the PROMOD analysis to show
20 that what happens if you change the point of
21 interconnection, right? I mean, again, at the end of
22 the day, what that analysis was trying to demonstrate
23 is what happens if you were to add 400-megawatt of
24 solar to AEP's system. And I understand that, you
25 know, the analysis, even though it was generic in

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1 nature, you know, there was -- in -- you know, in the
2 testimony in the hearings there was a point brought
3 up that that interconnection point has changed, even
4 though it was immaterial in my technical opinion
5 because we were not trying to show what happens if
6 you connect this particular facility. We were trying
7 to show what happens if you connect any solar
8 facility to the AEP system.

9 So for me to have a comparable, you know,
10 analysis performed, I assumed -- the only thing I
11 assumed in this recent analysis was a change in point
12 of interconnection to demonstrate to the stakeholders
13 that really if the point of interconnection moves and
14 it moves to an area like DP&L which in close
15 proximity to AEP, as a matter of fact, it's only one
16 station away, it doesn't change the results any, as
17 far as the benefits are concerned of adding solar
18 to -- and the AEP zone benefiting from them.

19 MR. DARR: I understand the results of
20 your study, sir. That's the end of my questions.

21 Thank you, your Honor.

22 EXAMINER SEE: Mr. Collier?

23 MR. COLLIER: Thank you, your Honor.

24 - - -

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CROSS-EXAMINATION

By Mr. Collier:

Q. Good morning, Mr. Ali.

A. Good morning.

Q. I want to start with where you just ended and that is your purpose here was to determine the impact of 400 megawatts of solar if added to the AEP system, right?

A. That is correct.

Q. And in order to show what the impact would be of connection to the AEP system, correct?

A. Yes, connection to the AEP system, that is correct.

Q. All right. Now, at this point we know that the facility in question will connect to the Stuart-Clinton line, correct?

A. That is correct.

Q. The Stuart-Clinton line is part of the DP&L transmission system, correct?

A. That is correct.

Q. All right. Are you generally familiar with the transmission system in Ohio?

A. Yes, I am.

MR. COLLIER: Your Honor, if I could have marked as OCA Exhibit 6, this document from the

1 Public Utilities Commission, map of the electric
2 power system, and may I approach the witness?

3 EXAMINER SEE: You may approach.

4 The exhibit is so marked.

5 (EXHIBIT MARKED FOR IDENTIFICATION.)

6 Q. (By Mr. Collier) Do you have OCA Exhibit
7 6 before you now?

8 A. Yes, I do.

9 Q. Does this indicate the transmission
10 systems in Ohio from the Public Utilities Commission?

11 A. Yes, it does.

12 Q. All right. Now, I would like to direct
13 your attention to the southwest corner of the map in
14 the Highland County.

15 MS. BLEND: Your Honor, one, I guess,
16 further foundational point. There is no date on this
17 document. Could counsel for OCA --

18 MR. COLLIER: I believe it's current. I
19 don't think it's going to make any difference based
20 on this witness's knowledge. He'll testify.

21 Q. (By Mr. Collier) All right. Mr. Ali,
22 roughly and on a very high level, the Stuart-Clinton
23 line originates where?

24 MS. BLEND: Mr. Collier, are you asking
25 based on this map or Mr. Ali's knowledge?

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1 MR. COLLIER: Mr. Ali's knowledge and he
2 can refer to the map if he chooses.

3 A. So it is -- it is in the -- in the
4 southwest corner of the map.

5 Q. Okay. That's a good start.

6 A. In the map, I can point out this, this --
7 a line up here.

8 Q. It's a line that runs through Highland
9 County --

10 A. Yes.

11 Q. -- and Adams County and it's referenced
12 as DP&L?

13 A. Yes.

14 Q. All right. And the Ohio Power line, OPC,
15 that's shown there also, isn't it?

16 A. Yes, it is the 138 kV line.

17 Q. In Highland County.

18 A. Yes.

19 Q. Now, the Stuart-Clinton line
20 originates -- originates at Stuart-Clinton stations,
21 does it not?

22 A. Yes. It goes between Stuart station and
23 Clinton station.

24 Q. And where does the Stuart-Clinton line
25 then terminate?

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1 A. It does terminate at Stuart and Clinton
2 stations. It does terminate at Stuart and Clinton
3 substations.

4 Q. But the line, itself, runs from
5 Stuart-Clinton and goes where?

6 A. Oh, it goes to multiple stations. I
7 mean, this particular line, its termination is at
8 Stuart and Clinton, but at Stuart station you got
9 multiple 345 kV lines getting into Cincinnati. There
10 are lines that are going into the AEP zone. At
11 Clinton station you have lines getting into
12 Cincinnati area as well. So, I mean, it's a network
13 of transmission systems that emanates from both
14 Stuart and Clinton substations.

15 Q. Okay. All right. And the Clinton
16 substation is shown on this map, is it not?

17 A. Yes, it is.

18 Q. Okay. The AEP line, where does it
19 originate and where does it terminate?

20 A. So you are talking about the Hillsboro
21 substation?

22 Q. Yes.

23 A. The Hillsboro substation has four 138 kV
24 lines. One of them is connected to DP&L and the
25 other lines will going into the AEP system.

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1 Q. All right. Now, did you do any load flow
2 or power flow analysis for purposes of your
3 testimony?

4 A. Not for the purposes of testimony. We
5 relied on the PJM impact studies. PJM had issued an
6 impact study for interconnection at Hillsboro. It
7 has also issued an impact study that I reviewed for
8 the interconnection at Stuart-Clinton. And the
9 impact study is -- is a very detailed load flow
10 analysis, short circuit analysis, stability analysis,
11 all of that is part of that, so we don't have to run
12 an additional analysis to verify that.

13 Q. All right. Did you determine whether
14 there was any congestion on the Dayton Power & Light
15 system?

16 A. So congestion is very different from load
17 flow. So I just want to make that very clear, okay?
18 So the analysis that PJM performs is a reliability
19 analysis that looks at peak condition, worst case
20 scenario that may or may not happen, and
21 contingencies in that peak condition for a few hours
22 and how do they impact the load flow of the system
23 and what upgrade the generator must pay for to ensure
24 reliability to the grid.

25 The congestion analysis is very

1 different. It's 8,760 hour, hour-by-hour analysis,
2 to see how many hours the generator is able to
3 participate in the market and what are the impacts of
4 the participation to the overall market -- I should
5 say costs, if you will.

6 So again, if a generator is able to
7 participate for 8,730 hours out of 8,760, it's still
8 pretty good, and there may be some congestion but
9 it's really minute in that particular case. So I
10 want to make sure you understand these two
11 assessments are very different. PJM doesn't perform
12 congestion analysis for -- for new interconnections.
13 They only perform reliability analysis.

14 Q. The question I asked you was did you
15 perform a congestion analysis of the Dayton Power &
16 Light system?

17 A. Not the entire Dayton Power & Light
18 system but I just performed the analysis for this
19 particular solar plant which is indicated in the
20 Dayton Power & Light system.

21 Q. Did you find congestion on the Dayton
22 Power & Light system or didn't you?

23 A. For this particular analysis, I did not
24 see any congestion in the Dayton Power & Light system
25 that was significant.

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1 Q. All right. Now, in your hypothetical,
2 your generic, you needed to assume a location point
3 for purposes of running the PROMOD model, right?

4 A. That is correct.

5 Q. Okay. And the point of connection is
6 important in your analysis, is it not?

7 A. Not necessarily because what my original
8 analysis was trying to demonstrate was, you know,
9 what happens when you add renewables to the AEP zone.
10 The point of interconnection was not important but it
11 was important that I start with something that is
12 more realistic. Now, the point of --

13 Q. I think you answered the question.
14 That's fine.

15 A. So I just wanted to clarify something.

16 Q. You will have your chance.

17 EXAMINER SEE: And you will let the
18 witness answer the question, Mr. Collier.

19 A. The point of interconnection would have
20 been very important in an area where there was a lot
21 of congestion. That would have made a big difference
22 and, you know, we would have to run sensitivity
23 analyses of different points of interconnections to
24 say, okay, what happens if you are connected in
25 southwest Ohio versus northwest Ohio versus southeast

1 Ohio if there was congestion in the AEP system; but
2 since there is no congestion on the AEP system, in my
3 opinion the importance of the point of
4 interconnection is only around the physical
5 feasibility of having the ability to connect it to
6 the grid.

7 Q. Let's break this down a little bit. In
8 terms -- you address in your testimony the additional
9 modifications that are required based on the
10 interconnection with Highland versus the
11 interconnection with Stuart-Clinton, don't you?

12 A. Are you referring to the PJM study?

13 Q. No, I am referring to your testimony.

14 A. Can you repeat that question? Sorry.

15 Q. You address the difference in
16 transmission costs and modifications using the
17 Highland line as opposed to the Stuart-Clinton line.

18 A. No, I have not taken into consideration
19 the interconnection costs. Like I said, my goal was
20 to see what happens to LMPs. The interconnection
21 costs and stuff like that is part of the overall
22 picture which, of course, I am not responsible for
23 determining, you know, if we were to go and procure,
24 you know, wind or solar out there. My goal is to
25 show the Company and the stakeholders what happens to

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1 the LMPs, how much they get reduced, but there is
2 another piece of it which is does it make sense to
3 pick A versus B versus C based on the overall cost,
4 and that was not the purpose of my testimony or my
5 analysis --

6 Q. I understand that perfectly and I agree
7 that wasn't part of your analysis. You don't care
8 where the transmission is because you don't bear the
9 costs of the transmission modifications.

10 MS. BLEND: Objection, your Honor. This
11 is outside the scope of Mr. Ali's testimony. It's
12 also getting argumentative and pretty hostile.

13 MS. LEPPLA: I would also ask that be
14 stricken unless there was an actual question. I am
15 not sure there was.

16 EXAMINER SEE: Mr. Collier --

17 Q. (By Mr. Collier) I just want to break
18 this down, Mr. Ali, okay? Some issues I'll take the
19 next step; otherwise, I just want the information,
20 okay? So we understand your testimony, okay? All
21 right. Under a typical REPA, it's the developer that
22 arranges for the interconnection and is responsible
23 for the transmission upgrades or modifications.

24 MS. BLEND: Objection. Outside the scope
25 of Mr. Ali's rebuttal testimony.

1 MR. DARR: Your Honor, I will point to
2 page 7.

3 MR. COLLIER: Yeah, I was just going to
4 say, I thought it was at page 7.

5 MR. DARR: I didn't want to jump on
6 Mr. Collier's response but I think I found it before
7 he did.

8 MR. COLLIER: Could the question now be
9 reread, your Honor?

10 EXAMINER SEE: Just a moment.

11 The objection is overruled.

12 Could you read the question back, please,
13 Karen.

14 (Record read.)

15 A. I cannot answer that question on whose
16 responsibility it is under REPA because that's really
17 outside my area of expertise.

18 What I can answer is if you were to ask
19 me are other transmission upgrades required if you
20 were to connect this facility at Hillsboro or if you
21 were to connect this facility let's say on the
22 Stuart-Clinton line and the answer to that question
23 is yes, you have to physically connect to the grid
24 and that physical connection requires upgrades. It
25 requires costs to build the facility so you can have

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1 that physical connection, and those are identified in
2 most studies by PJM that were shared with me as an
3 exhibit and was also part of the discovery response
4 that I provided earlier.

5 Q. But your testimony is that these upgrade
6 costs don't impact the LMP price directly.

7 A. Yes, that is correct.

8 Q. Okay. All right. Now, under a typical
9 REPA, there is a point of interconnection, is there
10 not?

11 A. Like I said, I'm not an expert when it
12 comes to REPA. I'm thinking that may be somebody
13 else, you know, in Phase II, who can answer about how
14 REPAs are put together.

15 Q. All right. I am just trying to get to
16 your assumption here. So you made no assumption as
17 to the contractual point of delivery for purposes of
18 your analysis.

19 A. That is correct. And as I mentioned
20 earlier, it's a very generic analysis that I am
21 trying to perform, right? I am not trying to show
22 that here is the one you need to pick. What I am
23 trying to show is what happens if you add
24 400-megawatt of solar to the AEP system.

25 Q. To the AEP system.

1 A. System LMP zone.

2 Q. That's what I'm getting at.

3 A. Yes, that is correct. And even when you
4 model the wind outside of AEP zone, right, when you
5 add generation anywhere, there is an impact to the --
6 to the AEP zone as a result of it.

7 Now, it so happens that this particular
8 facility changed the point of interconnection from a
9 station at Hillsboro to another station 5 miles away,
10 a new substation on Stuart-Clinton. So the impact is
11 not, you know, different because it's so close not
12 only physically but also electrically.

13 Q. But it's a different system. It's a
14 different transmission line, right?

15 A. That is correct.

16 Q. That's part of the Dayton Power & Light
17 system.

18 A. That is correct, but there are no tolls
19 the electrons have to pay when they go from the DP&L
20 zone into the AEP zone.

21 Q. That's the point I am trying to get at.
22 At the point of delivery, the buyer takes the output,
23 correct?

24 A. Sure.

25 Q. All right. And then the buyer determines

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1 where and how to liquidate the output into the
2 market.

3 A. Correct.

4 Q. Okay. In this generic analysis, the
5 buyer is AEP Ohio, right?

6 A. Correct.

7 Q. And the buyer assumes the output at the
8 point of delivery and decides how to liquidate it
9 into the market.

10 A. Exactly. And that's exactly the analysis
11 I performed.

12 Q. Okay. And at what point, physical point,
13 does it get liquidated into the market?

14 A. It is liquidated across AEP zone.

15 Q. But it's going into the Dayton Power &
16 Light zone, that's what I am trying to understand.

17 A. No, that's where the injection is
18 happening. The power gets injected on to the grid in
19 the DP&L power zone and then it gets liquidated into
20 the AEP west zone. And again, the reason the results
21 have not changed materially by moving the point of
22 interconnection is because the system is pretty
23 similar, it's very close, so the results are pretty
24 similar and the benefits are very similar.

25 Q. For purposes of your LMP analysis, did

1 you assume a particular interconnection point between
2 the Dayton system and AEP?

3 A. Yes.

4 Q. What was that point?

5 A. It was a substation on the Stuart-Clinton
6 345 kV line for the purposes of the analysis that is
7 part of my rebuttal testimony.

8 Q. And is that the Clinton substation?

9 A. No. It's actually, we had to put a new
10 substation between Stuart and Clinton.

11 Q. You're assuming a new substation?

12 A. It's based on -- it's very close to
13 actually the, you know, it's based on --

14 THE WITNESS: If I may, your Honor, can I
15 refer him back to the exhibit?

16 EXAMINER SEE: Yes.

17 A. So if you go to the exhibit that is the
18 Revised Generation Interconnection System Impact
19 Study which was issued in October and then Revised in
20 November. On Attachment 1 there is this one line
21 configuration of the substation and it proposes a new
22 AC1-085 substation on the Stuart-Clinton line and
23 that's exactly what we assumed in our analysis.

24 Q. All right. Let's take it from there.
25 This is a substation that doesn't actually exist.

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1 A. That is correct.

2 Q. All right. But it's at that substation
3 that is the point of interconnection between the
4 Dayton Power & Light system and the AEP system.

5 A. No. That is the point of interconnection
6 of the solar plant, the Highland solar plant, to the
7 PJM system.

8 Q. Okay. And the question I asked you
9 initially was what's the identified point of
10 connection between the AEP -- the DP&L system and the
11 AEP system?

12 A. There are -- I mean, there are so many
13 interconnection points, I really can't give you an
14 exact number, but there are many points of
15 interconnection between the AEP and DP&L.

16 Q. All right. So you didn't assume any
17 particular interconnection.

18 A. I think there is some confusion here. So
19 there is a point of interconnection that is for the
20 solar plant. It has to physically connect somewhere
21 to the grid, right? So if you think about a highway
22 system. You are building a ramp to a new community
23 or a new residential outlier and so assume that ramp
24 is then physically connected to the interstate
25 system. But once you are on that interstate system

1 or the highway, it's then connected statewide,
2 countrywide, for that -- that transportation or
3 vehicle to get anywhere and that's exactly what it is
4 in this case. The ramp was connected to an AEP
5 highway and now that ramp moved very close to a
6 Dayton Power & Light highway, but all these highways
7 are eventually connected overall and there are
8 multiple points of connections where the transition
9 of ownership happens.

10 Q. We're talking about locational marginal
11 pricing. You understand locational marginal pricing
12 is based on the operating manual of PJM?

13 A. Yes, I do, very well.

14 Q. Okay. Now, the assumption with
15 locational marginal pricing is an attempt to value
16 the energy at a specific location the time that it's
17 delivered, right?

18 A. That is correct.

19 Q. And the specific location is a specific
20 location that's important with reference to the
21 congestion before or congestion after?

22 A. So sorry, if I may, I think there is -- I
23 would like to help out with that and clarify that a
24 little bit. So think about it, the LMP, the
25 locational marginal price is calculated at every

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1 single node at PJM. So there is an LMP that is
2 calculated at this new substation. There is an LMP
3 that is calculated at every single generation point
4 of delivery within the AEP zone, every single point
5 of consumption within the AEP zone.

6 Q. All right. Let me ask you a question
7 right there. What about the Dayton Power & Light
8 system?

9 MS. BLEND: Your Honor, may Mr. Ali be
10 able to finish his answer?

11 EXAMINER SEE: Were you finished?

12 THE WITNESS: No, your Honor.

13 EXAMINER SEE: Go ahead, please.

14 A. So, in essence, having that almost -- so
15 think about this, right? So you have -- you have
16 this new solar plant that was added to the grid. And
17 that solar plant is now bidding in the market on
18 the -- in the hour -- on an hourly basis and it's
19 offering a price, and since it is a zero dollar per
20 megawatt-hour price, there is something else within
21 the entire market, provided there is no congestion,
22 that will scale down which is the highest cost at
23 this point, and then the LMPs are calculated and the
24 LMPs are very similar across all the system as long
25 as there is no congestion.

1 Now, there are some small differences
2 when there is -- when there is losses that you have
3 to take into consideration. But when there is no
4 congestion, the LMPs are very similar. And I think
5 this analysis shows that by moving the point of
6 interconnection from AEP to DP&L, the results don't
7 change because there is no congestion at least
8 between this point and between the AEP system. And,
9 as a result, the LMPs across the AEP zone are
10 similar.

11 Q. You told us, in your original testimony,
12 that the generator receives the LMP price at its node
13 and the buyer pays the LMP price at its node.

14 A. That is correct.

15 Q. Now, you've just talked about the nodes
16 on the AEP system. Okay? I am asking you about the
17 nodes on the Dayton Power & Light system, okay?

18 A. Okay. I don't think I heard that but can
19 you ask that question? What are you asking?

20 Q. I am asking you if the nodes impacted for
21 purposes of the LMP pricing are nodes that, at least
22 in part, occur on the Dayton Power & Light system.

23 A. I did not specifically look at the LMP
24 changes in the Dayton Power & Light zone. It was
25 immaterial at least for the analysis I was performing

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1 because I'm trying to figure out what happens to the
2 AEP zone LMPs when we add solar to the network.

3 Q. But is -- is the output liquidated before
4 it reaches the -- before it's considered in the AEP
5 zone?

6 A. Sir, I think that's where the confusion
7 is, right? I understand contractual liquidation that
8 you are referring to, and I think where I am going
9 with it is what happens in the actual model, right?

10 So, in essence, in the actual model you
11 have a profile of generation running across PJM,
12 right? Let's assume there is 10,000 megawatts of
13 generation that's needed to meet the demand and
14 losses and it's running across PJM and the last unit
15 in that is defining what is the market clearing
16 price, and all of a sudden we add -- add a solar
17 plant, and the solar plant is added in an area where
18 there is no congestion, then the solar plant is going
19 to change the LMP because the last unit that is
20 needed now may not be needed because it's more
21 expensive and we have a more cost-effective resource.
22 As a result of that, the LMP changes, and as long as
23 there is no congestion, the whole region is going to
24 see the same LMP prices.

25 Q. The -- we'll get to the contract and the

1 assumptions that you make under a typical REPA in a
2 moment, okay? But I want to nail down the issue on
3 LMP pricing as defined in the PJM manual. Your point
4 being on congestion where the lowest-priced energy --
5 electricity can reach all locations, prices are the
6 same across the PJM grid, right?

7 A. That is correct.

8 Q. All right. Congestion generally raises
9 the LMP in the receiving area of the congestion and
10 lowers the LMP in the sending area, correct?

11 A. Exactly correct.

12 Q. All right. The receiving area in this
13 hypothetical is the Dayton Power & Light system.

14 A. Sir, if you remove the word "congestion,"
15 then I would agree with you because I think what you
16 are saying is that there is somewhere congestion
17 between the AEP and Dayton Power & Light zone. So if
18 you remove congestion, that's exactly what I am
19 getting at. Since there is no congestion, the LMP
20 prices are uniform. That's exactly what you said a
21 minute ago.

22 Q. All right. And there are three
23 components as you testified before. There is an
24 energy price component, congestion price, and a loss
25 component.

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1 A. That's correct.

2 Q. Your analysis indicates no congestion
3 anywhere, any time, any place.

4 A. From -- from this particular connection
5 point to the AEP west -- to the AEP zone, no
6 congestion.

7 Q. All right. The locational marginal
8 prices are calculated by a PJM computer system and
9 posted on the web every 5 minutes, right?

10 A. That is correct. Real-time congestion --
11 real-time LMPs.

12 Q. And those locational marginal prices are
13 calculated based on the pricing nodes that are
14 employed or impacted by the electricity.

15 A. That is correct.

16 Q. Okay. Now, there are different nodes on
17 the Dayton Power & Light system than there are on the
18 AEP system, right?

19 A. That is correct.

20 Q. Okay. Now, the REPA contract -- a
21 typical REPA arrangement will address not only the
22 point of delivery but the contractual entitlement
23 point to the output, right?

24 MS. BLEND: Objection, outside the scope
25 of Mr. Ali's rebuttal testimony. I also think this

1 question, if it hasn't been asked and answered, it
2 has already been established today Mr. Ali is not --
3 this is outside Mr. Ali's area of expertise, REPA
4 terms is outside of his area of expertise.

5 MR. COLLIER: And I phrased the question
6 in terms of generically how do you address it. Let
7 me rephrase the question.

8 EXAMINER SEE: Okay.

9 Q. (By Mr. Collier) For purposes of your
10 limited analysis, did you make any assumption as to
11 what contracting party would bear or receive the
12 locational marginal pricing?

13 A. No. My generic analysis was looking at
14 the impact of LMPs, changes on the entire AEP zone.

15 Q. Okay. For every transaction that
16 determines locational marginal price, there is a
17 point where the generator gets the money, the buyer
18 pays the money, right?

19 A. That is correct.

20 Q. Now, in your hybrid analysis, did you
21 assume AEP could be the generator after receipt of
22 the output?

23 MS. BLEND: Objection. Vague. What does
24 Mr. Collier mean by "hybrid analysis"?

25 MR. COLLIER: In your generic analysis.

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1 MS. BLEND: Objection. Outside the scope
2 of Mr. Ali's rebuttal testimony.

3 MR. COLLIER: I am trying to focus on his
4 calculation of the locational marginal pricing.

5 EXAMINER SEE: Well, try the question
6 again, Mr. Collier.

7 Q. (By Mr. Collier) I'll try again. Did you
8 make any assumption, for purposes of your analyses,
9 whether AEP Ohio would actually receive LMP price
10 credits?

11 A. So, your Honor, I appreciate it. I
12 personally feel that there is definitely confusion on
13 the understanding of the LMP. When you say AEP, you
14 know, would receive LMPs. Well, AEP doesn't receive
15 LMPs. At the end of the day, the LMPs are set. They
16 are a function of generation participating and their
17 fuel cost and their O&M costs and their fixed cost
18 and their heat rates, they are a function of the
19 demand in a given hour, they are a function of losses
20 in a given hour. So the LMPs are set by the model to
21 ensure that the most-cost-effective generation is
22 dispatched while meeting the constraints of the
23 transmission grid and making sure the losses are
24 being paid for.

25 So there is no model where we are going

1 and setting those LMPs and saying, hey, this is what
2 we are looking for. It's the model setting the LMPs
3 and calculating the LMPs for us based on the
4 constraints, based on the actual physical ability of
5 generation to perform. And so that's where I'm a
6 little worried that I think the concept of LMP may be
7 a little misunderstood.

8 Q. I'm starting with your testimony that
9 generators are paid at their node.

10 A. Definitely.

11 Q. Buyers pay at their node.

12 A. That's correct.

13 Q. There are dollars that actually exchange
14 hands in the settlement process.

15 A. Yes, sir, you are exactly right, but what
16 I am getting at, sir, is the LMP is calculated based
17 on those constraints, and then those generators get
18 paid at their node, whatever the LMP gets set, and
19 the buyers are paying the LMP at their node, whatever
20 it gets set; so there is no prenegotiated agreement,
21 if you will, in the model or transaction in the model
22 that this is what the LMPs need to be. It's
23 calculated as a function of the characteristics of
24 the portfolio of generation and transmission.

25 Q. And you made no assumption in your

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1 analysis as to whether AEP Ohio would ever receive
2 LMP price credits?

3 MS. BLEND: Objection, outside the scope
4 of Mr. Ali's rebuttal testimony, and I think asked
5 and answered.

6 MR. COLLIER: I think his testimony will
7 be that he didn't review the REPA and that's why I am
8 asking the questions.

9 MS. BLEND: It's outside the scope of
10 Mr. Ali's testimony in this case, including and
11 especially his rebuttal testimony.

12 MS. BOJKO: Your Honor, that's not a
13 proper objection and it's not outside the scope even
14 if it was a proper objection. He's talking about LMP
15 prices and assumptions that he made. We have
16 objected, over and over again, to talking about the
17 specific projects because we weren't allowed to talk
18 about them and have testimony in about specific
19 projects. There were underlying assumptions that
20 relate to the specific projects. Yes, those specific
21 projects have REPAs associated with them, but we are
22 trying to figure out his assumptions, and it is not
23 beyond the scope of what he did or did not consider
24 when doing his analysis.

25 EXAMINER SEE: And the objection is

1 sustained on the basis that the question has been
2 asked and answered.

3 MR. COLLIER: All right. Thank you, your
4 Honor.

5 Q. (By Mr. Collier) The fact of the matter,
6 Mr. Ali, is changing the assumption of the location
7 does impact marginal -- locational marginal prices.

8 A. I think I've mentioned this before. It
9 does definitely impact LMPs if there is congestion or
10 you are taking it so far away that the losses are
11 changing drastically; so now you are changing the
12 congestion components and loss component of LMP. In
13 this particular case, as my analysis demonstrates
14 very clearly, the LMP changes were immaterial. They
15 actually didn't change significantly because the
16 point of interconnection just moves slightly and
17 there is no congestion whatsoever in the AEP zone and
18 between Stuart-Clinton and AEP zone.

19 Q. Mr. Ali, I'm comparing your Figure 2 at
20 page 6 and 7 to what you came up with after you reran
21 the model, your Figure 1 on page 6, your Figure 2 on
22 page 7. Will you turn your attention to that.

23 A. Figure 1 and 2?

24 Q. Yes.

25 A. Yes, I am there.

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1 Q. Figure 1 is your original calculation for
2 the years 2021, '24, and '27, right? And you are the
3 one that calculated the LMP savings in dollars per
4 megawatt-hour, right?

5 A. That is correct.

6 Q. And the average energy use is the
7 gigawatt-hours in the AEP Ohio load zone, right?

8 A. That is correct.

9 Q. And the LMP savings is a function of
10 the -- which you calculate the unit savings to be,
11 multiplied by the energy use, right?

12 A. That is correct.

13 Q. Okay. When you reran PROMOD, the results
14 are displayed in Figure 2, are they not?

15 A. That is correct.

16 Q. You get different results, don't you?

17 A. Slightly different, yes.

18 Q. You get a difference of .050 in 2021 to
19 .053.

20 A. That is correct.

21 Q. That works its way down to the LMP
22 savings and that number changes although the usage
23 stays the same?

24 A. Slight change, yes.

25 Q. Slight being whatever it is

1 mathematically. But 2024, your original analysis
2 indicated savings of .043 dollars per megawatt-hour
3 and that changed to .053.

4 A. That is correct.

5 Q. And in 2027, it changed from .062 to
6 .068.

7 A. That is correct.

8 Q. And the only reason for that change would
9 be the change in location assumed.

10 A. That is not completely correct because if
11 you read my testimony on -- give me one second. I'll
12 find exact lines. If you read page 6, line 6,
13 actually let's start with line 5, "The only changes
14 made to the analysis involved the change in the point
15 of interconnection for the Highland Solar Farm
16 facility and megawatt output."

17 So the question was raised during the
18 testimony in the last few weeks that there is
19 congestion in DP&L zone, so as a result of this point
20 of interconnection moving, the analysis, the benefits
21 that AEP has calculated are probably not material.

22 So I went back and I moved the point of
23 interconnection from the AEP system to DP&L system,
24 and I -- as I was moving the point of
25 interconnection, I also took into consideration that

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1 this solar plant is a 400-megawatt plant as proposed
2 in PJM. My analysis that I had done originally was
3 for 300-megawatt of output. So I wanted to make sure
4 that we look at 400-megawatt because additional
5 megawatt could be argued that can add more congestion
6 because now your output has increased.

7 And so the slight differences where you
8 see more benefits is really making that point very
9 clear that, yes, the more you are going to add, the
10 more benefits you are going to see, but I made
11 400 megawatts because I wanted to make sure there is
12 no congestion at 400 because you may not see it at
13 300, and if you go to 400 you may see the congestion.
14 So I modeled 400-megawatt and that's the reason you
15 are seeing slightly higher benefits. That's not as a
16 result of the point of interconnection change.
17 That's as a result of us, you know, increasing the
18 output as stated in the facility study agreement.

19 Q. Okay. So the reason for the difference
20 in the numbers between Figure 1 and Figure 2 is the
21 change in location plus the change in the assumption
22 on the megawatt.

23 A. Yes.

24 Q. That's the capacity.

25 A. As energy.

1 Q. Energy?

2 A. Yes. LMP analysis is performed for
3 energy and the capacity is taken into consideration,
4 as a matter of fact, as a result of the profile of
5 the solar plant that is in the model because it's an
6 8,760-hour analysis.

7 Q. Okay. So what did you assume the
8 capacity factor to be in this change in megawatt?

9 A. Exactly the same that we had at the
10 Hillsboro substation.

11 Q. Same output in energy.

12 A. Same capacity factor.

13 Q. Same capacity factor, different output.

14 A. Different output because you have 100
15 more megawatts now.

16 Q. Did you assume any change in loss, the
17 third component of the LMP analysis?

18 A. The model does that automatically for you
19 based on where you move the point of interconnection
20 and, again, I didn't see a big difference there
21 because the point of interconnection really literally
22 moved 5 miles away and that's it.

23 MR. COLLIER: All right. Now, I am going
24 to ask a series of questions, your Honor, and I am
25 not asking for specific data points that may be

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1 confidential. I am asking about methodology in the
2 runs. I don't care if we go into a confidential
3 portion at least initially. I don't think it will
4 involve the disclosure of any confidential data. But
5 I do want to ask about the methodology.

6 EXAMINER SEE: Okay.

7 MR. COLLIER: Either I pose the question
8 and if there's a concern we can go to confidential,
9 if there is not a concern, we can stay on the record.

10 MS. BLEND: Your Honor, I would just
11 instruct Mr. Ali to indicate if he is going to need
12 to provide confidential information in an answer to
13 one of Mr. Collier's questions, and we can try to go
14 from there if that works for the Bench.

15 EXAMINER SEE: It does.

16 Q. (By Mr. Collier) All right. I will be
17 very careful. You be very careful, okay? In your
18 original workpapers in your original analysis, you
19 showed runs that had a column for AEP and a column
20 for PJM. Do you recall that?

21 A. Yes, I do.

22 Q. And the AEP column would indicate energy
23 cost?

24 A. Can you show that because there was a lot
25 of columns in that report.

1 MR. COLLIER: If I may approach?

2 EXAMINER SEE: Yes.

3 MS. BLEND: Mr. Collier, do you have a
4 copy of that document?

5 MR. COLLIER: I don't. I just have this
6 one. I think this will refresh his recollection.

7 MS. BLEND: Your Honor, may I approach as
8 well?

9 EXAMINER SEE: Yes.

10 Q. (By Mr. Collier) And my question is very
11 general, sir. It's just in this analysis what is in
12 the AEP column generally?

13 A. I believe it is the -- I mean, subject to
14 confirmation because I don't have the whole document
15 in front of me, I think it's just a snapshot of the
16 January months that you shared with me, I believe
17 it's the LMP prices.

18 Q. And for PJM, what would that column
19 generally be?

20 A. Same.

21 Q. Locational marginal prices.

22 A. Yes.

23 Q. Okay. When you did your reanalysis, you
24 produced workpapers again, didn't you?

25 A. Yes.

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1 Q. All right. In the first analysis,
2 there's a differential between the AEP column and the
3 PJM column in terms of the figures shown, isn't
4 there?

5 A. There are LMPs for 8,760 hours. I don't
6 know if I can say that without having that report in
7 front of me for all the 8,760 hours. I think the
8 data you shared with me was for only a few hours in
9 January.

10 Q. Right. Is there also a differential
11 between those two columns in your supplemental
12 workpapers?

13 A. Yes, there definitely are hours when AEP
14 LMP prices do not match PJM LMP prices because in PJM
15 there is congestion. I mean, if you go to Virginia,
16 Maryland, Pennsylvania, there is significant
17 congestion. So LMP prices east of AEP are
18 significantly higher than within the AEP zone because
19 of that congestion.

20 Q. All right. The LMP prices can be
21 determined either on the day-ahead market or at
22 real-time.

23 A. And all are forecasted like we did.

24 Q. And did you make any particular
25 assumption as to whether the pricing would be at

1 day-ahead market or real-time?

2 A. So the PROMOD model is a prospective
3 day-ahead market, so it starts to assimilate a
4 day-ahead market.

5 Q. A day-ahead.

6 A. Yes. But I must add it's a perfect
7 day-ahead market. Nothing goes wrong on the grid
8 that day.

9 MR. COLLIER: That's all the questions I
10 have. Thank you.

11 EXAMINER SEE: Ms. Whitfield?

12 MS. WHITFIELD: No questions, your Honor.

13 EXAMINER SEE: Ms. Bojko?

14 MS. BOJKO: Yes, thank you, your Honor.

15 - - -

16 CROSS-EXAMINATION

17 By Ms. Bojko:

18 Q. Okay. Good morning, Mr. Ali.

19 A. Good morning.

20 Q. Some follow-up questions to what you've
21 been discussing this morning. So as I understand
22 your testimony on page 6, line 6 and 7, you made two
23 changes to the analysis that you ran and included in
24 your original testimony and those would be, one, you
25 changed the location of the point of interconnection

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1 for the Highland solar facility, correct?

2 A. That is correct.

3 Q. And, two, you changed the output of the
4 facility to 400 from 300 which was in your original
5 analysis.

6 A. That is correct.

7 Q. And do you discuss the change from 300 to
8 400 for the output of the solar facility anywhere
9 else in your rebuttal testimony besides what's on 6
10 and 7?

11 A. No, I don't.

12 Q. And when you say that Figure 1 is
13 comparable to Figure 2, that's not exactly accurate,
14 correct? Because now we're using different megawatt
15 output, correct?

16 A. I think it actually is what -- I was
17 trying to assume directionally what happens, right?
18 And in that sense these are comparable. The
19 difference -- the change is immaterial. You can take
20 this 300 to 400 to 500, extrapolating it to 900 if
21 you want to, that is exactly the basis of the generic
22 analysis, that originally we studied it for 650, but,
23 based on us finding no congestion, we extrapolated
24 it.

25 As I mentioned earlier, the only reason I

1 decided to run 400 was because I wanted to make sure
2 that no one comes back and says hey, by the way, the
3 plant total output is 400, maybe there is no
4 congestion at 300 but there may be congestion at 400
5 megawatt.

6 Q. But when I am looking at Figure 1 and 2,
7 there are two underlying assumptions, so they are
8 different assumptions, they are not comparable with
9 regard -- just yes or no, are there different
10 assumptions in Figure 1 and Figure 2?

11 A. As mentioned on line 6 on page 6, yes,
12 there are two changes that I made to the case.

13 Q. Okay. And did you run your original
14 PROMOD analysis with the difference in
15 interconnection point but still at the 300 megawatts?

16 A. Yes, I did.

17 Q. But that's not in your testimony,
18 correct?

19 A. No, it's not.

20 Q. And you refer to October 3 in your
21 testimony, October -- let's get the complete date
22 correct. October 3, 2018, as the date when something
23 changed through the PJM Interconnection queue
24 position for the interconnection point; is that
25 correct?

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1 A. I talk about the study being published by
2 PJM on October 3. I don't talk about a change that
3 happened on October 3.

4 Q. Okay. Well, that's -- fair point then.
5 Throughout your testimony and in the questions you
6 keep using the word "change." Okay, page 7, you say,
7 line 2 -- 1 and 2, as a result -- you say "Figure 2
8 shows the results of the updated LMP analysis
9 performed as a result of the interconnection change."

10 A. Which I made. The change that I made
11 from moving it from Hillsboro to the Stuart-Clinton
12 line.

13 Q. Okay. Just to be clear, because of this
14 sentence I just read, Figure 2 also includes the
15 change in the output, megawatt output.

16 A. That is correct.

17 Q. Which is not listed here.

18 A. Actually it is listed on page 6, line 6.

19 Q. Page 7, lines 1 and 2, when you are
20 describing Figure 2, I was trying to understand.

21 A. Sure.

22 Q. Okay. And so when you refer to -- let me
23 find the reference for you. Okay. Strike that.

24 Let's go to -- you talked with -- to
25 Mr. Darr about some dates. You talked about the

1 October 3, 2018, study, or the October 8. Let's go
2 to the October 2018, IEU Exhibit 14. In this impact
3 study report, done by PJM, the Hecate facility is
4 listed to be a 400-megawatt facility, correct?

5 A. Yes, it is.

6 Q. And similarly, in the November 2018
7 facility study report that you discussed with
8 Mr. Darr, the Hecate facility was scheduled to be a
9 400 or proposed to be a 400-megawatt facility,
10 correct?

11 A. That is correct.

12 Q. And isn't it true, sir, that on
13 September 13, 2018, PJM listed the Hecate
14 interconnection point as the Dayton Power & Light
15 project, correct? As a Dayton Power & Light project?

16 A. Can you please repeat that?

17 Q. Sure. Isn't it true on September 13,
18 2018, PJM listed the Hecate interconnection --
19 interconnection as a DP&L project?

20 MS. BLEND: Are you asking -- objection.
21 Just vague. Are you asking about these documents or
22 Mr. Ali's personal knowledge?

23 MS. BOJKO: I am asking Mr. Ali based on
24 his knowledge.

25 A. I really can't answer that. What I can

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1 tell you is I personally became aware of it in
2 October of 2018 sometime.

3 Q. So you were not aware of the new service
4 queue update in 2018, performed by PJM, that listed
5 the Hecate interconnection point as a DP&L project?

6 A. In 2018, yes, I was in October of 2018.
7 I think you are asking about September, PJM issuing
8 something? I can't recall that. I personally got
9 aware of it in October of 2018.

10 Q. Okay. So then were you also not aware of
11 a PJM staff White Paper in December 2017 that listed
12 the project as being in the Dayton Power & Light
13 service territory?

14 MS. BLEND: Objection, your Honor,
15 foundation. Ms. Bojko is just testifying to I guess
16 alleged facts that aren't in the record regarding the
17 White Paper in December 2017. She has not
18 established any foundation.

19 MS. BOJKO: Your Honor, I am asking him
20 if he is aware. That is actually a foundational
21 question.

22 EXAMINER SEE: The witness can respond to
23 the question.

24 A. Yeah, your Honor, the only time I can
25 recall personally being aware of it is in October of

1 2018 about this change. I can't dispute that there
2 isn't a White Paper out there but I am just not aware
3 of it.

4 Q. You said about this change, and then
5 earlier today you told me the change was your change,
6 and I was using the word "change" to mean a change in
7 the interconnection point and you corrected me. So
8 when do you believe this change of the
9 interconnection point occurred?

10 A. Very fair question. So what I am talking
11 about is the change in the point of interconnection
12 from AEP zone to the DP&L zone, I personally became
13 aware of it somewhere in October of 2018.

14 Q. Okay. You became aware of it in October
15 of 2018, but you are not testifying that is when the
16 change occurred, that there was some official change
17 on that date; is that correct?

18 A. That is correct. I am not testifying to
19 that.

20 Q. And in your rebuttal testimony you
21 discuss that you performed -- your LMP analysis that
22 you performed, considered specific projects and their
23 locations, correct?

24 A. That is correct.

25 Q. And you stated that using specific

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1 locations for specific projects in the LMP analysis
2 would obtain more accurate results; is that correct?

3 A. More accurate and realistic results. If
4 I may add because like I said earlier, the assumption
5 of just dropping, you know, wind or solar anywhere,
6 even though from an electrical perspective, you know,
7 it may tell you, you know, the results are -- LMP
8 results are a certain way but, you know, reality-wise
9 those plants may not be buildable; so that's why
10 using specific projects ensures that the projects
11 that are studied and the impacts that are studied, at
12 least from a physical feasibility perspective, those
13 locations are viable.

14 Q. And it's true that the new LMP analysis
15 that you ran for purposes of your rebuttal testimony,
16 that actual analysis could have been run with the new
17 interconnection point and with the updated megawatt
18 -- megawatt output since you became aware of the
19 interconnection point determination of Dayton Power &
20 Light in October; is that correct?

21 A. Yeah. Most certainly I could have ran
22 that analysis, but, as I mentioned earlier, the
23 purpose of my analysis was generic. So when I found
24 out about this change, and in my mind it's immaterial
25 because I'm trying to see the impact of adding solar

1 and wind to an AEP zone which has no congestion and
2 what does that do and how you can extrapolate those
3 reserves further, so the point of interconnection was
4 immaterial because I'm not trying to tell that here
5 is the plant we must go and pick. I am just trying
6 to show generically what happens with the AEP zone
7 LMPs when you add 400-megawatt of LMP.

8 This issue was raised after I testified,
9 so I felt it necessary to make sure that the record
10 reflects that even though my analysis is generic in
11 nature and it should be used as such, that moving the
12 point, you know, 5 miles away on the same system,
13 really shouldn't change the analysis materially.

14 Q. And had the interconnection point been
15 known prior to October 2018, again, there was nothing
16 prohibiting or preventing you from running the LMP
17 analysis with the -- a different interconnection
18 point, correct?

19 MS. BLEND: Objection, asked and
20 answered.

21 MS. BOJKO: This is a different question,
22 your Honor. I asked about October, since October.
23 This is prior to October, different question.

24 MS. BLEND: I will withdraw my objection.
25 Thanks for the clarification.

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1 A. So in essence if this --

2 Q. I am asking if it was physically possible
3 to run the LMP analysis at a time before October 2018
4 with all of the information that you used last week
5 when you ran the analysis.

6 A. Had I known about this before October
7 which, like I said, I didn't know about it, yeah, we
8 could have run the analysis. Had I known about this
9 in May of 2018 when I ran the analysis, I probably
10 would have picked a different solar plant in AEP zone
11 and ran that analysis because it's part of the
12 interconnection change.

13 So, again, I want to make sure that, you
14 know, we understand that the purpose of my analysis
15 was very generic to figure out the LMP changes when
16 you model solar and wind, and I used these locations
17 because they are physically there. They, are in the
18 queue, and change of these locations doesn't really
19 materially change my analysis as to how AEP zone will
20 benefit if solar and wind is added to AEP.

21 Q. And, again, that -- you are saying it
22 wouldn't matter if it's located in AEP's zone,
23 correct? It would matter if it's in FirstEnergy's
24 zone.

25 A. Yes, most certainly it would, and that's

1 why I went back and redone the analysis to show
2 that -- to see what happens if I move it to Dayton
3 Power & Light and, in this particular case, it shows
4 that if you move it to Stuart-Clinton, it doesn't
5 change anything. Now, if you were to move it --

6 Q. Wait. You say it doesn't change
7 anything.

8 MS. BLEND: Your Honor, may Mr. Ali be
9 permitted to finish his answer?

10 MS. BOJKO: Sorry.

11 EXAMINER SEE: Yes, you may.

12 THE WITNESS: Thank you, your Honor.

13 So it didn't change anything by moving it
14 to Stuart-Clinton as far as the results are
15 concerned. And I understand that you are trying to
16 stretch the word "change" and I know it means many
17 different things as used, so I will be very clear
18 with that.

19 When I am talking about change, so
20 changing the point of interconnection from the
21 Hillsboro substation to Stuart-Clinton line which
22 sits 5 miles away from Hillsboro does not materially
23 change the LMPs in AEP zone.

24 Now, if we were to take that point of
25 interconnection and move it to somewhere in

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1 Pennsylvania, yeah, maybe it would change the results
2 of my analysis.

3 Q. I wasn't talking about the word "change"
4 as you described. You keep saying this is your
5 quote: It doesn't change anything. That's not
6 accurate. You may think it doesn't materially change
7 or significantly change, but Figure 1 and Figure 2
8 are different. There were changes, correct? That's
9 a yes or no. There were changes, correct?

10 EXAMINER SEE: Just a moment.

11 A. I don't think -- I'm sorry, your Honor.

12 EXAMINER SEE: Go ahead.

13 MS. BOJKO: Your Honor, I'm asking -- he
14 keeps saying --

15 EXAMINER SEE: Just a minute, Ms. Bojko.
16 Let him answer the question.

17 MS. BOJKO: I will withdraw the question
18 and reask a different question.

19 EXAMINER SEE: Then start again.

20 Q. (By Ms. Bojko) You use the words "it
21 doesn't change anything." Figure 1 and Figure 2 are
22 different. There were changes, correct?

23 A. Not really. In essence not really, in
24 essence because -- because there is a change in the
25 point of interconnection and megawatt that results in

1 some other change. And what I am talking about, the
2 change in the point of interconnection and the
3 megawatt output does not change the LMP, okay? So I
4 think I may be using the word "change" loosely and I
5 will be very careful to explain that for the record.
6 The change in the point of interconnection and
7 megawatt output does not materially change the impact
8 on LMPs in the AEP zone.

9 MS. BOJKO: Thank you, your Honor. I
10 have no further questions. We'll let his testimony
11 speak for itself.

12 EXAMINER SEE: Mr. Olikar.

13 MR. OLIKER: Thank you, your Honor.

14 - - -

15 CROSS-EXAMINATION

16 By Mr. Olikar:

17 Q. Good morning, Mr. Ali.

18 A. Good morning.

19 Q. Just a few questions for you on your
20 analysis. Am I correct, when you were speaking to
21 Mr. Darr earlier, you indicated the PROMOD analysis
22 contains several assumptions?

23 A. Yeah. Within the model, there are many
24 assumptions.

25 Q. Okay. And it can take even several weeks

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1 to populate all the assumptions, correct?

2 MS. BLEND: Objection. Asked and
3 answered with Mr. Darr.

4 MR. OLIKER: It's foundational, your
5 Honor, in order for the record to make any sense.

6 EXAMINER SEE: Go ahead. You can answer
7 the question, Mr. Ali.

8 A. Yeah, it could take several weeks, if you
9 are fundamentally overhauling the model, it can
10 definitely, but if you are not overhauling the model
11 and just running the analysis, it can take up to a
12 week to do that.

13 Q. Okay. And I think as we talked about, if
14 you change one of the assumptions, you can end up
15 with different results.

16 A. Just like any analysis, that is correct.

17 Q. And but one of the assumptions that you
18 have in the PROMOD model was a projection of power
19 prices in each year and each hour, in fact?

20 A. That is correct.

21 Q. And you got that information from Karl
22 Bletzacker in your first and second analysis?

23 A. No. The prices in the PROMOD model are
24 based on PJM developed assumptions.

25 Q. And did those assumptions change between

1 your first and second model run?

2 A. No.

3 Q. Do you know, does the PROMOD model have
4 an estimate of natural gas prices?

5 A. Yes, it does.

6 Q. Who develops those assumptions?

7 A. They are developed by PJM. I believe
8 it's based on Henry Hub forecast.

9 Q. And if you were to reduce the Henry Hub
10 forecast in the PROMOD model, would you agree you get
11 different results?

12 MS. BLEND: Objection, your Honor. This
13 is outside the scope of Mr. Ali's rebuttal testimony.
14 These are questions that Mr. Oliker could have but
15 did not ask Mr. Ali during his direct testimony. As
16 Mr. Ali has just testified, the assumptions that he
17 utilized, including the natural gas price
18 assumptions, didn't change between his first and
19 second model run. Mr. Oliker should not be permitted
20 the opportunity to take a second bite of the apple,
21 so to speak, with regard to issues that could have
22 been covered during the direct phase of the Company's
23 case.

24 MR. OLIKER: Your Honor, that was good
25 testimony from the counsel but the witness hasn't

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1 actually said that yet. He said he used the same
2 power prices from PJM. He hasn't talked about
3 natural gas prices. But since he is submitting new
4 projection of the LMP price suppression, I think we
5 should be allowed to ask him about what are the
6 assumptions that are in there. What happens that may
7 change the results?

8 MS. BLEND: The question was not a
9 question about whether the Henry Hub price forecasts
10 change between the first and second run. I would
11 agree that would be a fair question to ask. The
12 question was whether -- if you were to reduce the
13 Henry Hub forecast in the PROMOD model, would he --
14 would Mr. Ali agree you get different results, and
15 that is a question that could have been asked during
16 the direct phase of the Company's case and is outside
17 the scope of Mr. Ali's rebuttal testimony.

18 EXAMINER SEE: And I agree and the
19 objection is sustained.

20 Q. (By Mr. Oliker) Okay. Now, Mr. Ali,
21 we've been talking about some of the assumptions you
22 assumed in this PROMOD model run. One of those
23 assumptions, I think you indicated earlier, was the
24 amount of retirements and new construction of
25 generation resources; is that correct?

1 A. Yeah. Like I mentioned earlier, the
2 analysis that I ran is using the same models, exactly
3 the same models that I used for the analysis
4 performed in May of 2018; and the only change that I
5 made to the model was the point of interconnection
6 change from Hillsboro to Stuart-Clinton, and the
7 megawatt output increased from 300 to 400-megawatt.

8 Q. Your testimony specifically discusses the
9 retirement of the Stuart and Killen facilities,
10 correct?

11 A. Yes, it does.

12 Q. And just a few years ago -- first, would
13 you agree that one of AEP Ohio's affiliates was an
14 owner or is an owner of the Stuart facility?

15 A. I can't confirm that.

16 Q. Do you not know?

17 A. No, I don't. It's generation plants. I
18 am a transmission subject matter expert.

19 Q. Okay. Focusing on the Stuart and Killen
20 facilities in your testimony, would you agree that
21 the owners of those facilities made a determination
22 that the future cash flows associated with those
23 facilities will not recover their -- their ongoing
24 costs and provide a rate of return?

25 MS. BLEND: Objection, your Honor. This

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1 is outside the scope of Mr. Ali's rebuttal testimony.
2 As his testimony on page 8 makes clear, the scope of
3 his testimony regarding the Stuart and Killen
4 generation unit deactivations relates to the
5 previously identified network upgrades that are no
6 longer required due to the change in the
7 interconnection point. Mr. Ali has testified he is
8 not a generation subject matter expert and he doesn't
9 know who owns the Stuart and Killen facilities, so I
10 also object on the grounds of speculation.

11 MR. OLIKER: Your Honor, if the witness
12 doesn't know the answer to any of my questions, he
13 can always say "I don't know." But as I understand
14 the purpose of this rebuttal phase, after the Company
15 screwed up its initial case, is we are trying to
16 create a complete record. So I think I should be
17 allowed to ask questions about his own testimony and
18 the retirements he's identified in his testimony.
19 I'm not trying to ask him to speculate. I am simply
20 talking about some of the assumptions he's assumed
21 and he specifically identified these generation
22 facilities as the Stuart and Killen as mattering.

23 MS. BLEND: And --

24 MR. OLIKER: And he's also provided --
25 and I would like to finish -- and he's also providing

1 an LMP suppression analysis which may be relevant to
2 what a generation facility might have considered when
3 it was deciding to retire. So if we are going to
4 create a complete record, let's do that, instead of
5 selectively picking certain portions of the case we
6 would like to go into for the Commission's review.

7 MS. BLEND: And if I could just briefly
8 respond, your Honor. As Mr. Ali's testimony makes
9 very clear on page 8, he's referencing here what the
10 PJM facility study report or interconnection queue
11 position No. AC1-085 indicates. He is summarizing
12 that to provide some additional context regarding how
13 the -- part of the congestion issue. He has not
14 provided any testimony regarding the Stuart and
15 Killen generating units themselves beyond that very
16 narrow Q and A. And questions about the state of
17 mind of the owners of Stuart and Killen are both
18 outside the scope of his testimony and are improperly
19 seeking speculation.

20 EXAMINER SEE: The objection is
21 sustained.

22 MS. BOJKO: Your Honor, may I hear the
23 question reread just so I can understand your ruling?

24 (Record read.)

25 MS. BOJKO: Thank you.

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1 Q. (By Mr. Oliker) Now, I think your counsel
2 said this and I want to confirm it, am I correct you
3 don't know whether or not the assumptions regarding
4 generation retirements that you used in your analysis
5 are accurate because you are not an expert on
6 generation retirements and new construction of
7 generation?

8 A. The models that I use are
9 industry-standard models that are built by PJM
10 regional transmission organization which is
11 responsible to ensure our reliable grid operation
12 across the 13 states and Washington, D.C., along with
13 the responsibility of ensuring that the markets are
14 able to operate in a nondiscriminatory and open
15 matter. So those assumptions are made by the PJM
16 regional transmission organization and they are as
17 good as you would get, you know, right now, when it
18 comes to running energy analysis.

19 MR. OLIKER: Your Honor, I would move to
20 strike his answer. He never responded to my
21 question. He simply said who built the model, and he
22 said he thinks they are reliable. He didn't say
23 anything about my question, whether he is an expert
24 on the assumptions that he relied upon. Therefore, I
25 would ask that it be stricken and that he be directed

1 to answer my question.

2 MS. BLEND: Your Honor, Mr. Ali's answer
3 was responsive to Mr. Oliker's question, and that
4 Mr. Oliker doesn't like the answer is not a basis for
5 striking it. Mr. Oliker asked an argumentative
6 question that mischaracterized my prior objection and
7 Mr. Ali's prior testimony, and Mr. Ali responded to
8 that to explain what the inputs were to an -- and on
9 what the assumptions regarding generation retirements
10 that he used were based.

11 EXAMINER SEE: And the witness's answer
12 will stand.

13 Q. (By Mr. Oliker) So I can understand your
14 response, which was not a yes or no, can you provide
15 me a yes or no to the previous question of whether
16 you are an expert on generation retirements in PJM
17 and new construction of generation?

18 A. No, I am not a generation expert.

19 Q. And by that you mean you cannot predict
20 when generation will retire or be constructed in PJM?

21 A. That is correct.

22 Q. And, therefore, you don't know whether an
23 owner of a generation asset may rely upon NYMEX
24 prices for making decisions on retirements?

25 MS. BLEND: Objection, outside the scope

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1 of Mr. Ali's rebuttal testimony. We are getting back
2 into the natural gas price and forecasting,
3 Mr. Bletzacker's forecasting analysis-related topic
4 that we touched upon earlier. And consistent with
5 your Honor's previous ruling, I would ask that
6 Mr. Oliker be asked to limit his -- limit his
7 questioning to the issues raised in Mr. Ali's
8 rebuttal testimony.

9 MR. OLIKER: Your Honor, we have a prior
10 answer where he indicated that Mr. Bletzacker has a
11 forecast of natural gas, and then he said I delegated
12 to PJM to come up with assumptions and now regarding
13 natural gas and power prices. And I asked him the
14 simple question that he can't tell me whether
15 somebody else who's not PJM and who's not
16 Mr. Bletzacker might have relied on something else in
17 making their decisions.

18 MS. BLEND: And again, your Honor,
19 Mr. Oliker could have asked these questions to
20 Mr. Ali had he chosen to do so in connection with the
21 Company's direct case. This is outside the scope of
22 Mr. Ali's rebuttal testimony.

23 MS. BOJKO: Your Honor, may I respond?

24 EXAMINER SEE: Whoa, whoa.

25 MR. OLIKER: I was trying to follow up on

1 his answer, your Honor.

2 EXAMINER SEE: The objection is
3 sustained.

4 Q. (By Mr. Oliker) Mr. Ali, between filing
5 your direct testimony and your rebuttal testimony,
6 did you sit through the hearing at all?

7 A. No, I did not, but I did review the
8 transcripts on a daily basis.

9 Q. And turning to Figure 1, average energy
10 use, does that reflect the load requirements of the
11 AEP service territory?

12 A. Yes, it does.

13 Q. And, once again, if we were to change
14 this assumption, which you did not change, between
15 Figure 1 and Figure 2 to reduce it for, for example,
16 a large amount of distributed solar growth, would you
17 agree your assumptions would change?

18 MS. BLEND: Objection. Outside the scope
19 of Mr. Ali's rebuttal testimony. The assumption
20 Mr. Ali used regarding the average energy use in
21 gigawatt-hours didn't change from Figure 1 to Figure
22 2, from his original analysis to his updated
23 analysis. This is outside the scope of the very
24 narrow rebuttal testimony that he's filed in this
25 case.

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1 MR. OLIKER: Your Honor, the fact that he
2 didn't change it is the entire point. If he's going
3 to selectively change certain elements to try to
4 paper over the cracks in the initial case, we should
5 be allowed to ask questions about what happens if we
6 change other things.

7 MS. BOJKO: Your Honor, may I also add
8 under the Ohio Rules of Evidence, Rule 611(B),
9 cross-examination generally extends to any relevant
10 matter including credibility. So if there is a
11 question of what he used or didn't use or what
12 assumptions were made, that goes to that point and
13 the credibility of the model that was run and the
14 analysis that was made is fair game and is not beyond
15 the scope of rebuttal.

16 MS. BLEND: There's -- if I could just
17 respond briefly, there's no -- been no foundation
18 laid or any record developed that there's been an
19 increase in distributed solar between May 2018 and
20 January 2019. And with respect to the evidentiary
21 rule that Ms. Bojko just referenced, it's a
22 long-standing Commission practice that the scope of
23 cross-examination regarding rebuttal testimony filed
24 before this Commission is limited to the subject and
25 the scope of the rebuttal testimony filed and that

1 issues that were a part of the direct testimony or
2 that could have been asked during cross-examination
3 in a company's direct case are not appropriate for
4 rebuttal cross.

5 MR. OLIKER: Your Honor, if I may respond
6 briefly, there is substantial evidence in the record
7 regarding the impacts of distributed solar through
8 several IGS witnesses, even projections regarding the
9 cost of distributed solar in AEP's own testimony with
10 Witness Torpey. That is an issue in this case and is
11 potentially a replacement for the proposals that AEP
12 has provided as being more cost effective and
13 beneficial for customers.

14 So -- and cross-examination in Ohio and
15 in Commission cases has been available to all matters
16 related to credibility, as Ms. Bojko correctly
17 identified. And this goes to whether or not they
18 should have considered other assumptions when they
19 updated their model.

20 MS. BLEND: And because the model -- the
21 assumption didn't change, the credibility attack
22 should have been made, to the extent that there is a
23 credibility attack to be made, during the Company's
24 direct case filed on this issue. We disagree there
25 is one to be made, but if it were to be made at all,

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1 it should have been made, and nothing has changed
2 with respect to IGS's position since January 16.
3 Mr. Oliker could have asked these questions two weeks
4 ago.

5 EXAMINER SEE: Just a minute.

6 The objection is sustained.

7 Q. (By Mr. Oliker) Mr. Ali, am I correct
8 that you've made no attempt in your rebuttal
9 testimony to model the impact of any potential uplift
10 costs associated with these projected solar and wind
11 resources?

12 A. As I mentioned earlier, I didn't make any
13 changes to the case except the point of
14 interconnection and megawatt output at the point of
15 interconnection from a previous analysis completed in
16 May of 2018.

17 Q. And your testimony does not address that
18 subject in any way, does it?

19 A. No, it does not.

20 MR. OLIKER: Thank you, your Honor.
21 Those are all the questions I have.

22 Thank you, Mr. Ali.

23 EXAMINER SEE: Mr. Whitt?

24 MS. BOJKO: Your Honor, may we go off the
25 record for one moment?

1 EXAMINER SEE: Let's go off the record.

2 (Discussion off the record.)

3 EXAMINER SEE: Let's go back on the
4 record.

5 Any cross-examination for this witness,
6 Mr. Whitt?

7 MR. WHITT: Very briefly, your Honor.

8 - - -

9 CROSS-EXAMINATION

10 By Mr. Whitt:

11 Q. Sir, I understand your area of expertise
12 is transmission, but are you generally aware of the
13 fact of AEP Ohio's certified territory for the
14 distribution customers it serves?

15 A. No, no, sir, I'm not.

16 Q. Are you familiar with the concept of
17 certified territories for electric utilities?

18 A. Yes, I am.

19 Q. With respect to the Highland facility
20 that had been addressed in some previous questioning,
21 do you know in whose certified territory that
22 facility will be located?

23 A. Sir, I don't.

24 MR. WHITT: Thank you. That's all I
25 have.

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1 EXAMINER SEE: Mr. Michael?

2 MR. MICHAEL: No questions, your Honor.

3 EXAMINER SEE: Mr. Kurtz?

4 MR. KURTZ: No questions.

5 EXAMINER SEE: Mr. McNamee?

6 MR. McNAMEE: No questions. Thank you.

7 EXAMINER SEE: Ms. Blend, any redirect?

8 MS. BLEND: May we have just a couple
9 more minutes, your Honor, to discuss?

10 EXAMINER SEE: Yes.

11 MS. BLEND: Thank you.

12 (Discussion off the record.)

13 EXAMINER SEE: Any redirect, Ms. Blend?

14 MS. BLEND: Yes, thank you, your Honor.
15 Just a couple of questions.

16 - - -

17 REDIRECT EXAMINATION

18 By Ms. Blend:

19 Q. Mr. Ali, do you recall discussing with
20 Ms. Bojko, a little while ago, that you ran your
21 original PROMOD analysis and looked at changing the
22 interconnection point to the Stuart-Clinton 345 kV
23 transmission line but keeping the 300 megawatts
24 originally modeled the same?

25 A. Yes, I do recall that.

1 Q. What were the results of that analysis?

2 A. The results of that analysis were very
3 close to the results of the analysis that I had
4 presented in my direct testimony with the point of
5 interconnection being at Hillsboro instead of
6 Stuart-Clinton, and the reason for those results to
7 be so close is because electrically these points of
8 interconnection are very close to each other and
9 there is no congestion in between this part of the
10 DP&L zone and AEP transmission.

11 Q. Were there any material changes between
12 your original analysis and the analysis looking at a
13 different interconnection point but still
14 300 megawatts?

15 A. No material changes whatsoever.

16 MS. BLEND: Thank you. I have no further
17 questions.

18 MS. BOJKO: I'm sorry. Could I hear his
19 response? I just didn't hear him.

20 EXAMINER SEE: Okay.

21 (Record read.)

22 EXAMINER SEE: Any questions, Mr. Dove?

23 MR. DOVE: No, your Honor. Thank you.

24 EXAMINER SEE: Ms. Leppla?

25 MS. LEPPLA: No, your Honor. Thank you.

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1 EXAMINER SEE: Ms. Mooney?

2 MS. MOONEY: No, your Honor. Thank you.

3 EXAMINER SEE: Mr. Darr?

4 - - -

5 RECROSS-EXAMINATION

6 By Mr. Darr:

7 Q. Mr. Ali, it's fair to say that the
8 changes that you see in pricing are nonlinear, and
9 let me be more specific. By adding a connection
10 point, you wouldn't see a linear change simply
11 because the change in distance is different; is that
12 correct?

13 A. That is fair to say that by adding or
14 changing the connection point, at least in the
15 analysis I did, I didn't see a linear change there.

16 Q. And, similarly, if you add 400
17 megawatts -- add 100 megawatts to the original
18 analysis of 300, that is taking it from 3 to 4, the
19 changes that we see between Figure 1 and Figure 2 are
20 not linear either, are they?

21 A. It's kind of hard to say without doing
22 that because they may be linear in such time that
23 you're -- the renewables are replacing the same sort
24 of fuel across the PJM zone, but then if you, you
25 know, started replacing other types of fuel, you

1 know, that linear change could become nonlinear, so
2 it's difficult to speculate on that.

3 Q. Well, just take a couple of examples. If
4 I compare Figure 1 to Figure 2 for the year 2021,
5 it's roughly a 6-percent change in the LMP savings
6 amount going to -- from 5 cents to 5.3 cents. Do you
7 see that?

8 A. Yes, I do.

9 Q. And if I go to 2024, we see a change in
10 the LMP savings of roughly a penny, correct?

11 A. Yes.

12 Q. Which in this instance would be about a
13 25-percent change, correct?

14 A. That is correct.

15 Q. So at least, year over year, adding
16 100 megawatts is not -- does not produce a linear
17 change either up, or at least up with regard to the
18 price, correct?

19 A. Yeah. Based on this limited analysis,
20 that would be correct. But I think it's important to
21 know that these are -- there are different things
22 that are happening to the grid in these years and
23 there are different types of generation that is
24 retired or coming in, so it's not really fair to
25 compare year over year.

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1 It is a good data point for extrapolation
2 and interpolation of the benefits, but from a
3 comparison, you know, it's not quite fair, but in
4 that year if you are to compare 2021 and changes
5 within the year, that would be a better point of
6 comparison for -- to look at a particular change.

7 Q. But simply addressing 100 megawatts would
8 not produce the same linear change from year to year
9 to year, correct? Other factors would affect how the
10 prices change.

11 A. I think it's fair.

12 MR. DARR: That's all I have. Thank you.

13 EXAMINER SEE: Ms. Whitfield?

14 MS. WHITFIELD: No questions.

15 EXAMINER SEE: I'm sorry, Mr. Collier?

16 MR. COLLIER: No questions, your Honor.

17 EXAMINER SEE: Ms. Bojko?

18 MS. BOJKO: No questions, your Honor.

19 EXAMINER SEE: Mr. Olikar?

20 MR. OLIKER: No, thank you, your Honor.

21 EXAMINER SEE: Mr. Whitt?

22 MR. WHITT: No, your Honor.

23 EXAMINER SEE: Mr. Michael?

24 MR. MICHAEL: No questions, your Honor.

25 EXAMINER SEE: Mr. Kurtz?

1 MR. KURTZ: No questions, your Honor.

2 EXAMINER SEE: Mr. McNamee?

3 MR. McNAMEE: No questions. Thank you.

4 EXAMINER SEE: Thank you, Mr. Ali.

5 THE WITNESS: Thank you, your Honors.

6 EXAMINER SEE: Ms. Blend?

7 MS. BLEND: Thank you, your Honor. At
8 this time, the Company renews its request for the
9 admission of AEP Ohio Exhibit 26.

10 MR. DARR: Renew my objection, your
11 Honor, with regard to the propriety of this
12 testimony. It wasn't rebuttal when it was offered
13 last week; it's not rebuttal today either. It's
14 being offered for the purpose of making sure that the
15 record is complete. The grounds for reopening the
16 record have not been established since the fault for
17 this clearly is on the -- can be laid at the feet of
18 AEP and not the parties and the other parties.

19 So I renew my objection to admission of
20 the testimony based on the same objections that I
21 made last week.

22 MS. WHITFIELD: Kroger joins in on that
23 objection.

24 MS. BOJKO: And OMAEG as well, your
25 Honor, for the same reasons that I enumerated last

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1 week as well.

2 MR. COLLIER: OCA joins.

3 MR. OLKER: Interstate Gas Supply, Inc.,
4 and IGS Solar, LLC, also join.

5 MR. MICHAEL: As does OCC.

6 MS. BLEND: Your Honor? This is counsel
7 for the Company. We would rely upon the arguments we
8 made last Friday on these issues, your Honor, unless
9 you would like to hear additional.

10 EXAMINER SEE: No, thanks. The
11 objections are noted, and AEP Exhibit 26 is admitted
12 into the record.

13 (EXHIBIT ADMITTED INTO EVIDENCE.)

14 EXAMINER SEE: Mr. Darr?

15 MR. DARR: I move IEU 14 and 15, your
16 Honor.

17 EXAMINER SEE: Are there any objections
18 to the admission of IEU 14 and 15?

19 MS. BLEND: No, your Honor.

20 EXAMINER SEE: IEU Exhibits 14 and 15 are
21 admitted into the record.

22 (EXHIBITS ADMITTED INTO EVIDENCE.)

23 EXAMINER SEE: Mr. Collier?

24 MR. COLLIER: Yes. I move OCA Exhibit 6.

25 EXAMINER SEE: Are there any objections

1 to the admission of OCA Exhibit 6?

2 MS. BLEND: No, your Honor.

3 EXAMINER SEE: OCA Exhibit 6 is admitted
4 into the record.

5 (EXHIBIT ADMITTED INTO EVIDENCE.)

6 EXAMINER SEE: Let's go off the record
7 for a minute.

8 (Discussion off the record.)

9 EXAMINER SEE: Let's go back on the
10 record.

11 There has been some discussion between
12 the parties present and they have agreed to a
13 briefing schedule for simultaneously-filed initial
14 briefs are due March 6. Reply briefs are due
15 March 27. They will be electronically served on each
16 other including the Bench.

17 And if there's nothing further --

18 MR. NOURSE: Your Honor, I wanted to make
19 a statement on the record, if I could.

20 EXAMINER SEE: Go ahead, Mr. Nourse.

21 MR. NOURSE: I would like to thank the
22 Bench and the parties for all their work on this
23 hearing. I wanted to make two requests. One is that
24 the Commission proceed to schedule the Phase II
25 process, the schedule, set out the schedule. I think

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1 that's -- I think that's reasonable given the way
2 this proceeding has been bifurcated and in order to
3 keep -- keep the schedule moving.

4 And, secondly, I wanted to ask that if
5 it's helpful to the Commission, you know, I guess it
6 would be subsequent to the briefing process, I would
7 ask that oral argument be scheduled so the parties
8 can discuss these important issues with the
9 Commission and answer questions the Commissioners may
10 have. Thank you.

11 MR. OLIKER: Your Honor, if we may
12 respond to that request? It would be wholly
13 inappropriate to put the cart before the horse and
14 assume there is going to be a Phase II at all and to
15 have all the parties around this table burn
16 thousands, if not hundreds of thousands of dollars in
17 resources preparing for a hearing that may not occur.

18 And we'll defer to the Bench on whether
19 there is a need for oral argument at all but
20 regarding the scheduling itself, this is not the time
21 to start that process.

22 MS. LEPPLA: Your Honor, if I may weigh
23 in on behalf of OEC, we would request it scheduled as
24 well. It's a busy docket, and if we don't get it
25 scheduled in advance, with this many parties to a

1 case like this, it can get kicked out very far, so we
2 would request also that it be scheduled.

3 MR. DOVE: NRDC would join in the
4 request, especially given the regulatory timeframes
5 listed in the record.

6 EXAMINER SEE: Ms. Willis.

7 MS. WILLIS: Yes, thank you, your Honor.
8 We would oppose that request. I don't think it's
9 appropriate. I agree with counsel for IGS and if --
10 it would seem that that would actually put undue
11 pressure as well on the Commission to put out a quick
12 decision when this is a decision that is very
13 important and should be given all due deliberation
14 rather than trying to hem the Commission in setting
15 up a schedule and requiring a Commission order be
16 issued by that schedule.

17 So I think that's inappropriate. We
18 would -- we would have no objection to the oral
19 argument part of the motion and comment.

20 MS. BOJKO: Your Honor, OMAEG opposes.
21 The whole point of bifurcation was to decide the
22 first issue before determining whether there was a
23 need for the second phase. While -- just for
24 everybody to appreciate once you set that schedule,
25 then we have to engage expert witnesses, and we have

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1 to expend the resources that Mr. Olier was talking
2 about. We have to go through the discovery process,
3 deposition, things of that nature, that may or may
4 not occur.

5 I appreciate the need to put something on
6 the calendar, but it's really at the detriment of the
7 other parties that have to engage in that kind of
8 activity to prepare for a hearing to meet the
9 deadlines that you set forth.

10 MR. WHITT: If I may add, your Honor, the
11 additional complications that the Commission may wish
12 to advise the parties of certain issues ought to be
13 addressed in Phase II through a Phase I order, and it
14 would just seem to make more sense to hear the
15 Commission decision on Phase I so the parties can
16 address whatever the Commission believes needs to be
17 addressed in Phase II appropriately.

18 And I think as this proceeding has
19 demonstrated, the division between Phase I and Phase
20 II, or the line hasn't always been clear, and I think
21 we need some clarity of the Phase I order first.

22 MR. NOURSE: And, your Honor, if I could,
23 just maybe a couple of points, picking up on what
24 Mr. Whitt was saying. I mean, you know, I believe --
25 my understanding of the October Entry when you set up

1 the figures -- the two phases actually talked about
2 need being determined in both phases.

3 And so I think, you know, again, the
4 Commission certainly has the discretion to set up
5 procedural schedules in its cases in a way that, you
6 know, it thinks it's helpful and makes sense.

7 I do think, you know, as we've already
8 indicated, the record -- evidence indicates that
9 the -- the economics and tax impacts change over time
10 for the proposals. And so, you know, certainly we
11 need to be efficient and quick here and that's --
12 that's what I was bringing up when I suggested the
13 parallel process. And it wouldn't have to be that
14 the schedule is, you know, before -- you know, there
15 would be a hearing on Phase II before the Commission
16 decides the need, but I do think, you know,
17 worst-case scenario if you set up a schedule and then
18 the need determination is negative, that can always
19 be canceled, so I think it is hard to get -- if we
20 wait and do it sequentially, it could get drawn out
21 and be untimely in the end.

22 So while some parties might like that,
23 the Company wanted to point that out and maybe that
24 request because we're intending to try to get a --
25 keep this moving as quickly as possible. Thank you.

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EXAMINER SEE: Okay. With that, the
hearing -- evidentiary hearing is adjourned.

(Thereupon, at 11:26 a.m., the hearing
was concluded.)

- - -

CERTIFICATE

I do hereby certify that the foregoing is a
true and correct transcript of the proceedings taken
by me in this matter on Friday, February 8, 2019, and
carefully compared with my original stenographic
notes.

Karen Sue Gibson, Registered
Merit Reporter.

Carolyn M. Burke, Registered
Professional Reporter.

(KSG-6692)

- - -

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Case No(s). 18-0501-EL-FOR, 18-1392-EL-RDR, 18-1393-EL-ATA

Summary: Transcript in the matter of the Long-Term Forecast Report of the Ohio Power Company hearing held on 02/08/19 - Volume XII electronically filed by Mr. Ken Spencer on behalf of Armstrong & Okey, Inc. and Gibson, Karen Sue Mrs.