

BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Ohio Power Company for an Increase in Electric Distribution Rates.	) ) )	Case No. 20-585-EL-AIR
In the Matter of the Application of Ohio Power Company for Tariff Approval.	) ) )	Case No. 20-586-EL-ATA
In the Matter of the Application of Ohio Power Company for Approval to Change Accounting Methods.	) ) )	Case No. 20-587-EL-AAM

DIRECT TESTIMONY OF  
JOEL J. MULTER  
ON BEHALF OF  
OHIO POWER COMPANY

Management Policies, Practices & Organizations

X Operating Income

X Rate Base

Allocations

X Rate of Return

Rates and Tariffs

Other

Filed: June 15<sup>th</sup>, 2020

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JOEL J. MULTER

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1   **I.    PERSONAL DATA**

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

3   A.    My name is Joel J. Multer, and my business address is 1 Riverside Plaza, Columbus,  
4       Ohio 43215.

5   **Q.    BY WHOM ARE YOU EMPLOYED AND WHAT IS YOUR POSITION?**

6   A.    I am employed by American Electric Power Service Corporation (“AEPSC”), a wholly-  
7       owned subsidiary of American Electric Power Company, Inc. (“AEP”), as Director – Tax  
8       Accounting and Regulatory Support. AEP is the parent company of Ohio Power  
9       Company (the “Company”). AEPSC supplies accounting, administrative, information  
10      systems, engineering, financial, legal, maintenance, and other services to AEP’s regulated  
11      electric operating companies, including the Company.

12  **Q.    WOULD YOU PLEASE DESCRIBE YOUR EDUCATIONAL AND**  
13  **PROFESSIONAL BACKGROUND?**

14  A.    I have a Bachelor of Business Administration Degree in Accounting as well as a Master  
15      of Science with a focus on Taxation from the University of Wisconsin-Milwaukee. I am  
16      a Certified Public Accountant in the State of Wisconsin. I joined AEPSC in my current  
17      role in December 2018. Prior to that time, I held positions in both public accounting and  
18      within the private sector, including over ten years in the regulated utility industry. My

1 previous employers include Ernst & Young, WEC Energy Group, and Walgreens Boots  
2 Alliance.

3 **Q. WHAT ARE YOUR RESPONSIBILITIES AS DIRECTOR – TAX ACCOUNTING**  
4 **AND REGULATORY SUPPORT?**

5 A. My responsibilities as Director – Tax Accounting and Regulatory Support include  
6 oversight of the recording of income taxes within the financial statements of AEP and its  
7 subsidiaries as well as coordinating the development of federal and state tax data in  
8 support of regulatory proceedings.

9 **Q. HAVE YOU PREVIOUSLY SUBMITTED TESTIMONY IN ANY REGULATORY**  
10 **PROCEEDINGS?**

11 A. Yes. I have provided testimony to the Arkansas Public Service Commission, the  
12 Louisiana Public Service Commission, and the Public Utility Commission of Texas on  
13 behalf of Southwestern Electric Power Company. I have also provided testimony to the  
14 Oklahoma Corporation Commission on behalf of Public Service Company of Oklahoma,  
15 and to the Michigan Public Service Commission on behalf of Indiana Michigan Power  
16 Company.

17 **II. PURPOSE OF TESTIMONY**

18 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?**

19 A. The purpose of my testimony in this proceeding is to present and support the federal,  
20 state, and municipal tax information within Schedules A, B and C, included in the  
21 Company's filing along with Adjustment C-3.14.

22 **Q. WHAT EXHIBITS ARE YOU SPONSORING?**

23 A. I am sponsoring Exhibit JJM-1 – Ohio Power Company Tax Calculations

1 **Q. WHAT SCHEDULES ARE YOU SPONSORING OR CO-SPONSORING?**

2 A. I am sponsoring the tax portions of the following schedules:

- 3 • Schedule A-2 – Computation of Gross Revenue Conversion Factor
- 4 • Schedule B-6 – Deferred Income Tax Component of Other Rate Base Items
- 5 • Schedule C-4 – Adjusted Jurisdictional Income Taxes
- 6 • Schedule C-4.1 – Development of Jurisdictional Income Taxes Before Adjustments

7 **III. DISCUSSION OF SPONSORED SCHEDULES**

8 **Q. PLEASE DESCRIBE SCHEDULE A-2.**

9 A. Schedule A-2 represents the computation of the gross revenue conversion factor. This  
10 schedule includes items of expense that would increase as a result of a change in  
11 Company revenues including bad debts; PUCO assessment fees; Ohio Consumers'  
12 Counsel assessment fees; Ohio commercial activities tax; and municipal, state, and  
13 federal income taxes. The factors within this schedule represent the most recent  
14 information available.

15 **Q. PLEASE DESCRIBE SCHEDULE B-6.**

16 A. Schedule B-6 represents a summary of other rate base items as of December 31, 2019, the  
17 date certain for rate base. Tax items included within this schedule are details supporting  
18 Accumulated Deferred Income Taxes and Deferred Investment Tax Credits.

19 **Q. PLEASE DESCRIBE SCHEDULE C-4.**

20 A. Schedule C-4 reflects the adjusted jurisdictional Income Tax Expense for the twelve  
21 months ending November 30, 2020.

1 **Q. PLEASE DESCRIBE SCHEDULE C-4.1.**

2 A. Schedule C-4.1 reflects the development of the adjusted jurisdictional Income Tax  
3 Expense for the twelve months ending November 30, 2020.

4 **Q. WAS EACH OF THE SCHEDULES YOU ARE SPONSORING PREPARED IN  
5 ACCORDANCE WITH THE STANDARD FILING REQUIREMENTS OF  
6 CHAPTER 4901-7 OF THE OHIO ADMINISTRATIVE CODE?**

7 A. Yes. The portions of Schedules A-2, B-6, C-4, and C-4.1 that I sponsor are based on one  
8 month of actual results for the month ended December 31, 2019, and eleven months  
9 forecast information for the period January 1, 2020 through November 30, 2020. The  
10 forecast process is further explained by Company witness Kelso.

11 **IV. DISCUSSION OF SPONSORED ADJUSTMENTS**

12 **Q. ARE YOU SPONSORING ANY ADJUSTMENTS TO THE COMPANY'S  
13 DISTRIBUTION COST OF SERVICE PER BOOKS?**

14 A. Yes, I am sponsoring Adjustment C-3.14 – Income Taxes Return-to-Provision.

15 **Q. WHAT IS THE NATURE OF THIS ADJUSTMENT?**

16 A. This adjustment reflects entries to income tax accounts recognized in December 2019  
17 following the filing of the Company's 2018 federal and state income tax returns. This is  
18 a common annual adjustment resulting from the difference in timing from when a  
19 company closes its books and records for the year and when it files its tax returns. This  
20 adjustment removes these entries recognized in December 2019 as they relate to a prior  
21 tax year and; therefore, are not representative of the test year utilized in this proceeding.

22 **Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

23 A. Yes.

## **CERTIFICATE OF SERVICE**

In accordance with Rule 4901-1-05, Ohio Administrative Code, the PUCO's e-filing system will electronically serve notice of the filing of this document upon the following parties. In addition, I hereby certify that a service copy of the foregoing *Direct Testimony of Joel J. Multer* was sent by, or on behalf of, the undersigned counsel to the following parties of record this 15<sup>th</sup> day of June 2020, via electronic transmission.

/s/ *Steven T. Nourse* \_\_\_\_\_

Steven T. Nourse

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Summary: Testimony -Direct Testimony of Joel J. Multer on Behalf of Ohio Power Company electronically filed by Mr. Steven T Nourse on behalf of Ohio Power Company