**BEFORE**

**THE PUBLIC UTILITIES COMMISSION OF OHIO**

|  |  |  |
| --- | --- | --- |
| In the Matter of the Determination of the Existence of Significantly Excessive Earnings for 2012 Under the Electric Security Plans. | :::: | Case No. 13-1147-EL-UNC |

**PREFILED TESTIMONY**

**OF**

**JOSEPH P. BUCKLEY**

**Utilities Department**

**Capital Recovery & Financial Analysis Division**

**Policy and Market Analysis Division**

**Public Utilities Commission of Ohio**

**Staff Exhibit \_\_\_\_\_**

**May 30, 2013**

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

 A. My name is Joseph P. Buckley. My business address is 180 E. Broad Street, Columbus, Ohio 43215.

2. Q. By who are you employed?

 A. I am employed by the Public Utilities Commission of Ohio (PUCO).

3. Q. Would you please state your background?

 A. I received a Bachelor of Science Degree in Economics from the Ohio State University and a Master's Degree in Business Administration from the University of Dayton. In 2000, I earned the Certified in Financial Management (CFM) designation, awarded by the Institute of Management Accountants. Also I attended, The Annual Regulatory Studies Program sponsored by The National Association of Regulatory Utility Commissioners (NARUC) and The Training for Utility Management Analyst also sponsored by NARUC. I have been employed by the PUCO since 1987. Since that time I have progressed through various positions and was promoted to my current position of Utility Specialist 3, in 2000. In addition, I have worked on several joint Federal Communication Commission (FCC) and NARUC projects and audits and served on the Midwest ISO’s Finance Committee as Vice-Chairman and Chairman. Also, in 2011, I was awarded the professional designation Certified Rate of Return Analyst (CRRA) by the Society of Utility and Regulatory Financial Analysts. This designation is awarded based upon experience and success­ful completion of a written examination.

4. Q. What is your involvement in this proceeding?

 A. I am responsible for determining if Cleveland Electric Illuminating Company (CEI), Ohio Edison (OE) and Toledo Edison (TE) exceeded the common equity threshold to be used in its Significantly Excessive Earnings Test (SEET). The returns on equity earned in 2012 by the Companies, as adjusted by specific items contemplated in the stipulations in Case No. 08-935-EL-SSO, were: CEI 3.1%, Ohio Edison 12.2%, and Toledo Edison 4.2%.

5. Q. What is the Staff’s recommendation to the Commission in this proceeding?

 A. The Staff recommends that the Commission find that CEI, OE and TE’s 2012 earnings were not excessive.

6. Q. Was the filing consistent with the Commission’s finding and order in Case No. 09-786-EL-UNC?

 A. Yes. CEI, OE and TE filed, as detailed in the direct testimony of Company witness K. Jon Taylor, return on equity information that was consistent with Case No. 09-786-EL-UNC.

7. Q. Has the Staff reviewed CEI, OE, and TE’s 2012 earnings calculation and concur with its results?

 A. Yes. The Staff has reviewed CEI, OE and TE’s calculations and supporting information and finds them to be in conformance with the SEET calculation provisions contained in CEI, OE and TE, ESPs and are an accurate repre­sentation of CEI, OE and TE’s 2012 earnings.

8. Q. As a result does Staff believe the stipulation between CEI, OE, TE and the Staff should be adopted by the Commission?

 A. Yes.

9. Q. Is the stipulation the result of serious bargaining among capable, knowledge­able parties?

 A. Yes.

10. Q. Does the stipulation violate any important regulatory principle or practice?

 A. Not to my knowledge

11. Q. Does the stipulation as a package benefit ratepayers and the public interest?

 A. Yes.

12. Q. Doe this conclude your testimony?

 A. Yes, it does. However, I reserve the right to submit supplemental testi­mony as described herein, as new information subsequently becomes avail­able or in response to positions taken by other parties.

# PROOF OF SERVICE

 I hereby certify that a true copy of the foregoing Prefiled Testimony of Joseph P. Buckley, submitted on behalf of the Staff of the Public Utilities Commission of Ohio,was served via elec­tronic mail, upon the counsel for applicant, Arthur E. Korkosz, FirstEnergy Service Company, 76 South Main Street, Akron, Ohio, 44308, korkosza@firstenergycorp.com, this 30th day of May, 2013.

/s/ Thomas W. McNamee

**Thomas W. McNamee**

Assistant Attorney General