**BEFORE**

**THE PUBLIC UTILITIES COMMISSION OF OHIO**

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| In the Matter of the Application of **Duke Energy Ohio, Inc.**, for Administration of the Significantly Excessive Earnings Test. | :  :  : | Case No. 13-804-EL-UNC |

**PREFILED TESTIMONY**

**OF**

**JOSEPH P. BUCKLEY**

**Utilities Department  
Capital Recovery & Financial 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 Duke Energy Ohio exceeded the com­mon equity threshold to be used in its Significantly Excessive Earnings Test (SEET). Duke Energy Ohio’s ESP established certain provisions for the calculation of SEET and established for Duke Energy Ohio a SEET threshold of 15%.[[1]](#footnote-1) Based on Staff’s review of the information provided in Duke Energy Ohio’s SEET application Staff concurs with Duke Energy Ohio that its return on common equity for 2012 does not exceed 15%.

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

A. The Staff recommends that the Commission find that Duke Energy Ohio’s 2012 earnings were not excessive.

6. Q. Has Duke included in its calculation all the adjustments that were agreed upon in Electric Security Plan and Stipulation (ESP) Case No. 11-3549-EL-SSO?

A. Yes. Duke Energy Ohio filed, as detailed in the direct testimony of Com­pany witness Peggy Laub, return on equity information that included the adjustments. Duke Energy Ohio’s earnings were -2.76%, which are below the 15% SEET threshold.

7. Q. Has the Staff reviewed Duke’s 2012 earnings calculation and concur with its results?

A. Yes. The Staff has reviewed Duke Energy Ohio’s calculations and support­ing information and finds them to be in conformance with the SEET calcu­lation provisions contained in Duke Energy Ohio’s ESP and are an accurate representation of Duke Energy Ohio’s 2012 earnings.

8. 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 follow­ing par­ties of record, this 30th day of May, 2013.

/s/ Thomas W. McNamee

**Thomas W. McNamee**

Assistant Attorney General

**Parties of Record:**

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1. *In the Matter of the Application of Duke Energy Ohio for Approval of an Electric Security Plan*, Case No. 11-3549-EL-SSO (Stipulation and Recommendation) (October 24, 2011). [↑](#footnote-ref-1)