**OCC Exhibit \_\_\_\_\_\_\_\_\_\_\_\_\_**

**BEFORE**

**THE PUBLIC UTILITIES COMMISSION OF OHIO**

|  |  |  |
| --- | --- | --- |
| In the Matter of the Application of Ohio Power Company to Update Its Transmission Cost Recovery Rider Rates | )  )  ) | Case No. 13-1406-EL-RDR |

**DIRECT TESTIMONY**

**OF**

**SARI FINK**

**On behalf of**

**The Office of The Ohio Consumers’ Counsel**

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November 13, 2013

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# I. INTRODUCTION

***Q1*. *PLEASE STATE YOUR NAME, BUSINESS ADDRESS AND POSITION.***

***A1.*** My name is Sari Fink. My business address is 10 West Broad Street, Suite 1800, Columbus, Ohio 43215-3485. I am employed by the Office of the Ohio Consumers’ Counsel (“OCC”) as a Senior Regulatory Analyst.

***Q2. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND PROFESSIONAL EXPERIENCE?***

***A2.*** I have a Bachelor of Science degree in Economics and a Master of Arts degree in Economics, both from the University of Victoria in British Columbia, Canada.

I have been employed in the energy industry since 2007. I was previously employed by the consulting firm Exeter Associates, Inc. (as an Economist, 2007-2013). Since May 2013, I have been employed with OCC, assisting in analyses with respect to electricity market issues and resource planning activities. And I have been involved in electric industry cases before the Public Utilities Commission of Ohio (“PUCO” or “Commission”).

***Q3.******WHAT HAS BEEN YOUR EXPERIENCE IN PUCO PROCEEDINGS REGARDING TRANSMISSION COST RECOVERY RIDERS?***

***A3.*** I have been involved in the settlement reached in Ohio Power Company’s (“AEP Ohio”) current Transmission Cost Recovery Rider (“TCRR”) Case (13-1406-EL-RDR).

***Q4. WHAT HAS BEEN YOUR EXPERIENCE IN OTHER REGULATORY PROCEEDINGS?***

***A4.*** I have been involved with many aspects of electric utility regulation since 2007 including, but not limited to, rate design, transmission and non-transmission alternative planning. In my previous role as an Economist with Exeter Associates I provided analysis support to federal clients participating in rate cases before numerous state commissions. I have also researched and written several reports on issues with respect to PJM markets, transmission, and resource development.

# II. PURPOSE OF TESTIMONY AND RECOMMENDATIONS

***Q5. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?***

***A5.*** The purpose of my testimony in this proceeding is to support the Stipulation signed by AEP Ohio, OCC, PUCO Staff, and Ohio Energy Group.

***Q6.*** ***PLEASE SUMMARIZE YOUR RECOMMENDATIONS.***

***A6.*** I recommend the PUCO adopt the Stipulation and Recommendation because, as a whole, it will benefit customers and the public interest.

*Q7. WHAT CRITERIA DOES THE PUCO USE WHEN EVALUATING STIPULATIONS?*

*A7.* The PUCO uses the three-prong test by evaluating whether: (1) the Stipulation is a product of serious bargaining among capable, knowledgeable parties representing a diversity of interests; (2) the Stipulation does not violate any important regulatory principle or practice; and (3) the Stipulation, as a whole, will benefit customers and the public interest. I will focus on the third prong of the three-prong test.

*Q8. IN YOUR OPINION, DOES THE STIPULATION, AS A PACKAGE, BENEFIT CUSTOMERS AND THE PUBLIC INTEREST?*

***A8.*** Yes. AEP Ohio originally requested approval for a total TCRR revenue requirement of $230,942,668, which is what AEP Ohio sought to collect from customers. AEP Ohio’s proposal also included an adjustment to charge customers for its prior under-collections, totaling $47,261,363 plus $3,331,644 in carrying charges. The largest portion of AEP Ohio’s proposed under-collection adjustment was for Reactive Supply Charges from PJM that were not included in the TCRR calculation (and thus not collected from customers) going back to July 2011. Subsequently, it was revealed that there were also credits for over-collections amounting to $7,930,072 that had not been included in the TCRR calculation (meaning that customers had not received the return of the money that was over-collected from them).

Following serious negotiations between parties with diverse interests, the interested parties reached a settlement. In the settlement (Stipulation), AEP Ohio and the parties agreed to an $18,451,051 reduction in AEP Ohio’s revenue requirement request lowering it to $212,491,618 (meaning AEP Ohio will collect less from customers than its original proposal). Therefore, customers will see a smaller increase in their electric bills than what AEP Ohio originally proposed.

# 

# III. CONCLUSION

***Q9. WHAT IS YOUR RECOMMENDATION?***

***A9.*** The Commission should approve the Stipulation.

***Q10. DOES THIS CONCLUDE YOUR TESTIMONY AT THIS TIME?***

***A10.*** Yes.

**CERTIFICATE OF SERVICE**

I hereby certify that a copy of this Direct Testimony of Sari Fink was served on the persons stated below via electronic service this 13th day of November 2013.

*/s/ Edmund “Tad” Berger*\_\_\_\_\_\_\_\_\_

Edmund “Tad” Berger

Assistant Consumers’ Counsel

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