

BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

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In the matter of the :
Application of FirstEnergy:
Corp for the Determination:
of the Existence of :
Significantly Excessive :Case No.
Earnings for 2011 Under : 12-1544-EL-UNC
the Electric Security Plan:
of Ohio Edison Company, :
The Cleveland Electric :
Illuminating Company, and :
The Toledo Edison Company.:

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PROCEEDINGS

Before Ms. Mandy Willey Chiles, Hearing
Examiner, at the Public Utilities Commission of
Ohio, 180 East Broad Street, Columbus, Ohio,
Hearing Room 11D, on Wednesday, October 17,
2012, at 10:00 a.m.

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- - -

1 APPEARANCES:

2 Mike DeWine, Ohio Attorney General
3 By Mr. Thomas W. McNamee
4 Assistant Attorney General
5 180 East Broad Street
6 Columbus, Ohio 43215

7 On behalf of the Staff of the Public
8 Utilities Commission of Ohio.

9 Arthur E. Korkosz
10 Senior Corporate Counsel
11 FirstEnergy
12 76 South Main Street
13 Akron, Ohio 44308

14 On behalf of the Applicant.

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STAFF'S

DIRECT

Joseph P. Buckley

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1 Wednesday Morning Session,
2 October 17, 2012.

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4 HEARING EXAMINER CHILES: The Public
5 Utilities Commission of Ohio has called for
6 hearing at this time and place Case No.
7 12-1544-EL-UNC being in the matter of the
8 determination of the existence of significantly
9 excessive earnings for 2011 under the Electric
10 Security Plan of Ohio Edison Company, The
11 Cleveland Electric Illuminating Company, and The
12 Toledo Edison Company.

13 My name is Mandy Willey Chiles and
14 I'm the Attorney Examiner assigned by the
15 Commission to hear this case. I'll begin by
16 taking appearances of the parties. On behalf of
17 the Companies?

18 MR. KORKOSZ: On behalf of the
19 Applicant, if Your Honor please, I'm Arthur
20 Korkosz, 76 South Main Street, Akron, Ohio
21 44308.

22 HEARING EXAMINER CHILES: Thank you.

23 MR. MCNAMEE: On behalf of the Staff
24 of the Public Utilities Commission of Ohio, Mike
25 DeWine, Attorney General of the State of Ohio.

1 I'm Thomas W. McNamee, Assistant Attorney
2 General. The address is 180 East Broad Street,
3 Columbus, Ohio.

4 HEARING EXAMINER CHILES: Thank you.
5 I understand that the parties have docketed a
6 stipulation. Do we have a witness available to
7 support the stipulation?

8 MR. MCNAMEE: We do indeed, Your
9 Honor; Joseph P. Buckley.

10 HEARING EXAMINER CHILES: Please
11 raise your right hand.

12 (Witness sworn.)

13 HEARING EXAMINER CHILES: You may be
14 seated.

15 - - -

16 JOSEPH BUCKLEY
17 called as a witness on behalf of the Staff,
18 being first duly sworn, testified as follows:

19 DIRECT EXAMINATION

20 By Mr. McNamee:

21 Q. Mr. Buckley, state and spell your
22 name for the record, please.

23 A. My name is Joseph Buckley,
24 J-o-s-e-p-h B-u-c-k-l-e-y.

25 Q. By whom are you employed and in what

1 capacity?

2 A. The Public Utilities Commission and
3 I'm a Utility Specialist 3.

4 Q. Okay. And what is your business
5 address?

6 A. 180 East Broad Street, Columbus, Ohio
7 43215.

8 MR. MCNAMEE: Your Honor, at this
9 time I'd ask to have marked for identification
10 two separate exhibits; the first being a
11 multi-page document filed in this case on
12 September 26, 2012, denominated Prefiled
13 Testimony of Joseph P. Buckley. I'd ask to have
14 that marked as Staff Exhibit 1.

15 HEARING EXAMINER CHILES: It will be
16 so marked.

17 (EXHIBIT HEREBY MARKED.)

18 MR. MCNAMEE: And as Joint Exhibit 1,
19 again, a multi-page document filed in this case
20 on the 25th day of September, 2012, denominated
21 Stipulation and Recommendation.

22 HEARING EXAMINER CHILES: It will be
23 so marked.

24 (EXHIBIT HEREBY MARKED.)

25 MR. MCNAMEE: Your Honor, if I might

1 approach the witness and show him these
2 documents.

3 HEARING EXAMINER CHILES: You may.

4 Q. Mr. Buckley, do you have before you
5 what have been marked for identification as
6 Staff Exhibit 1 and also Joint Exhibit 1?

7 A. I do.

8 Q. Good. What are they?

9 A. My Prefiled Testimony and a
10 Stipulation and Recommendation in this case.

11 Q. Okay. Was the testimony prepared by
12 you or under your direction?

13 A. It was.

14 Q. Are the contents of that true, to the
15 best of your knowledge and belief?

16 A. They are.

17 Q. Okay. The stipulation, you are
18 familiar with the stipulation?

19 A. Yes.

20 Q. You have reviewed the terms of that
21 stipulation?

22 A. Yes.

23 Q. Okay. Let's talk about the
24 stipulation a bit here. Is it your belief that
25 that stipulation was the result of serious

1 bargaining among capable and knowledgeable
2 parties?

3 A. Yes.

4 Q. Does the stipulation violate any
5 regulatory principle or practice?

6 A. Not to my knowledge.

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

9 A. It does.

10 Q. Do you think the Commission should
11 adopt that stipulation?

12 A. I do.

13 Q. Good. Could you outline for us the
14 contents of your testimony.

15 A. Yes. It's just basically a review of
16 the earnings of Ohio Edison, Cleveland Electric
17 Illuminating Company, and Toledo Edison, and
18 Staff did not feel that they exceeded the
19 significant earnings threshold in this case.

20 Q. And could you tell us, you performed
21 an analysis then to reach that conclusion?

22 A. I did.

23 Q. Do you recall what the levels were
24 for the companies?

25 A. My prefiled testimony has them at CEI

1 is 1.7 percent, Ohio Edison is 10.0 percent, and
2 Toledo Edison is 1.2 percent.

3 Q. Okay. And those levels are not
4 sufficient to reflect significantly excessive
5 earnings in your view within the meaning of the
6 statute?

7 A. They do not.

8 MR. MCNAMEE: With that I have no
9 further questions.

10 HEARING EXAMINER CHILES: Thank you.
11 Mr. Korkosz?

12 MR. KORKOSZ: I have no questions for
13 Mr. Buckley. Thank you.

14 MR. MCNAMEE: Your Honor, I'd ask to
15 have what's been marked for identification as
16 Staff Exhibit 1 and Joint Exhibit 1 admitted
17 into the record in this case.

18 HEARING EXAMINER CHILES: Do you have
19 any objections?

20 MR. KORKOSZ: No objection.

21 HEARING EXAMINER CHILES: All right.
22 Staff Exhibit 1 and Joint Exhibit 1 will be
23 admitted.

24 (EXHIBITS HEREBY ADMITTED.)

25 HEARING EXAMINER CHILES: I have no

1 questions. Thank you, Mr. Buckley.

2 MR. KORKOSZ: If your Honor please,
3 I would ask that the application that was filed
4 on May 15 in this proceeding, which is
5 accompanied by Attachments 1 and 2 which are
6 respectively the Prefiled Testimony of Kevin
7 Burgess, B-u-r-g-e-s-s, and Dr. Michael Vilbert,
8 V-i-l-b-e-r-t, also be admitted into the record.

9 HEARING EXAMINER CHILES: It will be
10 so marked.

11 (EXHIBIT HEREBY MARKED.)

12 HEARING EXAMINER CHILES: Are there
13 any objections to the admission of Company
14 Exhibit 1?

15 MR. MCNAMEE: None whatsoever.

16 HEARING EXAMINER CHILES: Hearing
17 none, Company Exhibit 1 will be admitted.

18 (EXHIBIT HEREBY ADMITTED.)

19 HEARING EXAMINER CHILES: Is there
20 anything further to come before us today?

21 MR. MCNAMEE: Nothing from the Staff,
22 Your Honor.

23 MR. KORKOSZ: Nothing from the
24 Applicant.

25 MR. MCNAMEE: I believe the

1 stipulation resolves the issues in the case.

2 HEARING EXAMINER CHILES: Hearing
3 nothing else, we are adjourned. Thank you.

4 MR. KORKOSZ: Thank you.

5 MR. MCNAMEE: Thank you.

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7 Thereupon, at 10:10 a.m. the hearing
8 was concluded.

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CERTIFICATE

I do hereby certify that the foregoing
is a true and correct transcript of the
proceedings taken by me in this matter before
the Public Utilities Commission of Ohio, on
Wednesday, October 17, 2012.

Iris I. Dillion
Registered Professional
Reporter.

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This foregoing document was electronically filed with the Public Utilities

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in

Case No(s). 12-1544-EL-UNC

Summary: Transcript of FirstEnergy Corporation hearing held on 10/17/12 electronically filed by Mrs. Jennifer Duffer on behalf of Armstrong & Okey, Inc. and Dillion, Iris I. Mrs.