

BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

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In the Matter of the :
Application of the Ohio :
Development Services :
Agency for an Order : Case No. 12-1719-EL-USF
Approving Adjustments to :
the Universal Service Fund:
Riders of Jurisdictional :
Ohio Electric Distribution:
Utilities. :

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PROCEEDINGS

before Ms. Greta See, Hearing Examiner, at the Public
Utilities Commission of Ohio, 180 East Broad Street,
Room 11-D, Columbus, Ohio, called at 10:00 a.m. on
Monday, December 3, 2012.

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APPEARANCES:

Bell & Royer Co., LPA
By Mr. Barth E. Royer
33 South Grant Avenue
Columbus, Ohio 43215

On behalf of Ohio Development Services
Agency.

Mike DeWine, Ohio Attorney General
Public Utilities Section
By Mr. Thomas W. McNamee
Assistant Attorney General
180 East Broad Street
Columbus, Ohio 43215

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

Duke Energy Business Services
By Ms. Elizabeth H. Watts
Ms. Amy B. Spiller
139 East Fourth Street
Cincinnati, Ohio 45202

On behalf of Duke Energy Ohio, Inc.

Office of the Ohio Consumers' Counsel
By Mr. Joseph P. Serio
Assistant Consumers' Counsel
10 West Broad Street, Suite 1800
Columbus, Ohio 43215

On behalf of Residential Utility
Customers.

Ohio Partners for Affordable Energy
By Ms. Colleen L. Mooney
231 West Lima Street
Findlay, Ohio 45840

On behalf of Ohio Partners for Affordable
Energy.

APPEARANCES (Continued):

McNees, Wallace & Nurick, LLC.
By Mr. Frank P. Darr
Ms. Gretchen J. Hummel
21 East State Street, 17th Floor
Columbus, Ohio 43215

On behalf of Industrial Energy
Users-Ohio.

AEP Service Corporation
By Mr. Matthew J. Satterwhite
One Riverside Plaza
Columbus, Ohio 43215-2373

On behalf of Ohio Power Company.

The Dayton Power & Light Company
By Ms. Judi L. Sobecki
MacGregor Park
1065 Woodman Avenue
Dayton, Ohio 45432

On behalf of The Dayton Power & Light
Company.

FirstEnergy Corporation
By Ms. Carrie Dunn
76 South Main Street
Akron, Ohio 44308

On behalf of the Cleveland Electric
Illuminating Company, Ohio Edison
Company, and Toledo Edison Company.

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INDEX

- - -

ODSA EXHIBITS	IDFD	ADMTD
1 - Application	8	13
1A - Corrected USF Rider Revenue Surplus/Deficiency Table	8	13
2 - Testimony of Randall Hunt	8	13
3 - Testimony of Susan M. Moser	8	13
3A - Errata to Testimony of ODSA Witness Susan M. Moser	8	13

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JOINT EXHIBIT	IDFD	ADMTD
1 - Joint Stipulation and Recommendation	9	13

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Monday Morning Session,
December 3, 2012.

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ATTORNEY EXAMINER SEE: Scheduled for
hearing today at this time before the Public
Utilities Commission is Case No. 12-1719-EL-USF,
being entitled In the Matter of the Application of
the Ohio Development Services Agency for an Order
Approving Adjustments to the Universal Service Fund
Riders of Jurisdictional Ohio Electric Distribution
Utilities.

On behalf of the Ohio Department of
Services -- Development Services Agency.

MR. ROYER: Thank you, your Honor. On
behalf of ODSA, Barth Royer, Bell and Royer Co., LPA,
33 South Grant Avenue, Columbus, Ohio 43215.

And I've also been asked to enter
appearances on behalf of Matthew J. Satterwhite, AEP
Service Corporation, 1 Riverside Plaza, Columbus,
Ohio 43215, on behalf of Ohio Power Company.

Judi L. Sobecki, MacGregor Park, 1065
Woodman Avenue, Dayton, Ohio, 45432, on behalf of The
Dayton Power and Light Company.

Carrie Dunn, 76 South Main Street, Akron,
Ohio, on behalf of Cleveland Electric Illuminating

1 Company, Ohio Edison Company, and Toledo Edison
2 Company. And I believe everybody else is here.

3 ATTORNEY EXAMINER SEE: Okay. On behalf
4 of the staff.

5 MR. MCNAMEE: On behalf of the staff of
6 the Public Utilities Commission of Ohio, Mike DeWine,
7 Attorney General of the State of Ohio, I'm Thomas W.
8 McNamee, Assistant Attorney General, and the address
9 is 180 East Broad Street, Columbus, Ohio.

10 ATTORNEY EXAMINER SEE: On behalf of
11 Duke.

12 MS. WATTS: Your Honor, on behalf of Duke
13 Energy Ohio, Amy B. Spiller, Elizabeth H. Watts, 139
14 East Fourth Street, Cincinnati, Ohio.

15 ATTORNEY EXAMINER SEE: On behalf of
16 IEU-Ohio.

17 MS. HUMMEL: Thank you, your Honor. On
18 behalf of Industrial Energy Users-Ohio, McNees,
19 Wallace & Nurick, by Frank P. Darr and Gretchen J.
20 Hummel, 21 East State Street, Columbus, Ohio 43215.

21 ATTORNEY EXAMINER SEE: On behalf of Ohio
22 Partners for Affordable Energy.

23 MS. MOONEY: On behalf of Ohio Partners
24 for Affordable Energy, Colleen L. Mooney, 231 West
25 Lima Street, Findlay, Ohio.

1 ATTORNEY EXAMINER SEE: I note that
2 there's no one present for the Ohio Consumers'
3 Counsel.

4 MR. ROYER: I believe Mr. Serio is next
5 door in the Columbia Gas.

6 ATTORNEY EXAMINER SEE: Okay.

7 Mr. Royer.

8 MR. ROYER: Thank you, your Honor.

9 The majority of the parties in this
10 proceeding have entered into a Joint Stipulation and
11 Recommendation which, if accepted by the Commission,
12 would resolve all the issues in this case. It would
13 also resolve the question of the refund of the OCC
14 assessment reductions that was originally addressed
15 by the Commission in Case No. 11-5384-AU-ORD.
16 There's a motion pending in that case that that
17 matter be taken up in the context of this proceeding.

18 Pursuant to the stipulation, the parties
19 have -- the signatory parties have agreed that
20 certain documents should be offered and recommend
21 that they be admitted into evidence.

22 So, at this time, I'd like to mark as
23 ODSA Exhibit 1, the application in this case that was
24 filed on November 7th.

25 As ODSA Exhibit 1A, a two-page document

1 which contains corrected tables to the -- corrections
2 to the tables that were originally submitted in the
3 application; those appear on page 5 and page 11. And
4 as I indicated off the record, this is -- there was
5 one typo in the corrected version that was filed on
6 Friday, but these numbers are correct.

7 As well, I'd like to have marked as ODSA
8 Exhibit No. 2, the testimony of Randall Hunt. As
9 ODSA Exhibit No. 3, the testimony of ODSA witness
10 Susan Moser. And as --

11 ATTORNEY EXAMINER SEE: I'm sorry,
12 Mr. Royer, you said ODSA Exhibit 2 was Mr. Hunt's
13 testimony?

14 MR. ROYER: Correct.

15 ODSA 3 would be then Ms. Moser's
16 testimony. And filed on November 15th, there was an
17 errata sheet to that testimony. I'd like to have
18 that marked as ODSA Exhibit 3A.

19 ATTORNEY EXAMINER SEE: Okay. The
20 exhibits are so marked.

21 (EXHIBITS MARKED FOR IDENTIFICATION.)

22 MR. ROYER: I would like to have the
23 stipulation and recommendation that was filed in this
24 matter on November 30th marked as Joint Exhibit 1.

25 ATTORNEY EXAMINER SEE: The stipulation

1 is marked Joint Exhibit 1.

2 (EXHIBIT MARKED FOR IDENTIFICATION.)

3 MR. ROYER: And I'd just like to make a
4 clarifying comment with respect to the OCC refund
5 assessment reduction issue. We've had conversation
6 with the staff about this, of course, and the -- and
7 it appears that staff is -- agrees to the -- agrees
8 with this approach.

9 There was a question raised regarding the
10 fact that not all of the refunds have yet been
11 collected. And I just wanted to make sure it was
12 clear that we have -- we have made the adjustment
13 based on the total refund amount, so customers will
14 get anything -- are getting everything to which they
15 are entitled even though there's still a few thousand
16 dollars outstanding. It's my understanding that
17 they're pursuing that collection. But the customers
18 are getting everything they're entitled to in this
19 case as a result of the adjustment.

20 ATTORNEY EXAMINER SEE: So that when the
21 -- it's my understanding that there's only one more
22 entity that needs to submit --

23 MR. ROYER: Okay.

24 ATTORNEY EXAMINER SEE: -- their refund.
25 Is that correct, Mr. Royer?

1 MR. ROYER: Yes. I don't -- staff will
2 have to answer that one. But --

3 MR. MCNAMEE: I do.

4 MR. ROYER: -- again, I just want to make
5 it clear that the refund adjustment is based on the
6 total amount, so if that money eventually comes in it
7 will go into the USF, but customers are getting it
8 whether it comes in or not.

9 ATTORNEY EXAMINER SEE: Okay. Is that
10 your understanding, too, Mr. McNamee?

11 MR. MCNAMEE: Yes, your Honor. There is
12 one, out of all the regulated entities there's only
13 one that hasn't paid. The amount of money is a
14 little less than \$3,600, but I anticipate that money
15 will be forthcoming.

16 MR. ROYER: Then with that, your Honor,
17 I'd offer Joint Exhibit 1, and ODSA Exhibits 1, 1A,
18 2, 3, and 3A.

19 ATTORNEY EXAMINER SEE: Are there any
20 objections to the admission of those exhibits?

21 MS. HUMMEL: No, your Honor.

22 MS. WATTS: No objections.

23 MS. MOONEY: No.

24 MR. MCNAMEE: No.

25 ATTORNEY EXAMINER SEE: I note for the

1 record that Duke did not sign the stipulation.

2 MS. WATTS: That's correct, your Honor,
3 we did not.

4 ATTORNEY EXAMINER SEE: Do you plan on
5 opposing the stipulation?

6 MS. WATTS: We do not oppose the
7 stipulation.

8 ATTORNEY EXAMINER SEE: I don't think
9 staff signed the stipulation either. Is that
10 correct, Mr. McNamee?

11 MR. MCNAMEE: That's correct, your Honor.
12 In keeping with the approach that we've done for the
13 last several cycles of this, the staff does not
14 oppose, though the staff has reviewed the
15 calculations and finds them all to be correct and
16 reasonable, we will not oppose the stipulation, will
17 not sign it and will not oppose it.

18 ATTORNEY EXAMINER SEE: Mr. Royer, I also
19 note that OCC didn't sign the stipulation; is that
20 correct?

21 MR. ROYER: That is correct, your Honor.
22 My understanding is that they won't oppose it and the
23 fact that nobody's here makes me think that's true.

24 MR. MCNAMEE: Can we go off the record
25 for a moment?

1 ATTORNEY EXAMINER SEE: Let's go off the
2 record.

3 (Discussion off the record.)

4 ATTORNEY EXAMINER SEE: Let's go back on
5 the record.

6 Mr. Serio, you represent OCC, correct?

7 MR. SERIO: Yes, your Honor. Joe Serio,
8 on behalf of the residential utility customers of
9 Ohio, representing Bruce J. Weston, Consumers'
10 Counsel.

11 I have no reason to believe that we will
12 be taking a position other than to not sign and not
13 oppose the stipulation; however, I have not been
14 given clarification of that and would tell your Honor
15 that I will file a letter clarifying that within the
16 next day or so as soon as I get word from my
17 superiors.

18 ATTORNEY EXAMINER SEE: Okay. Thank you,
19 Mr. Serio.

20 MR. SERIO: Thank you, your Honor.

21 ATTORNEY EXAMINER SEE: If there are no
22 objections to the admission of ODSA Exhibits 1, 1A,
23 2, 3, and 3A, and Joint Exhibit 1 -- any objections?

24 MS. WATTS: No objections, your Honor.

25 MS. HUMMEL: No, your Honor.

1 MS. MOONEY: No, your Honor.

2 MR. MCNAMEE: No objections.

3 ATTORNEY EXAMINER SEE: Those exhibits
4 are admitted into the record.

5 (EXHIBITS ADMITTED INTO EVIDENCE.)

6 ATTORNEY EXAMINER SEE: Is there anything
7 further?

8 MR. MCNAMEE: Nothing.

9 ATTORNEY EXAMINER SEE: If there's
10 nothing else, the hearing is adjourned.

11 (The hearing concluded at 10:15 a.m.)

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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 on Monday, December 3, 2012, and carefully compared with my original stenographic notes.

Carolyn M. Burke, Registered
Professional Reporter, and
Notary Public in and for the
State of Ohio.

My commission expires July 17, 2013.

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This foregoing document was electronically filed with the Public Utilities

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in

Case No(s). 12-1719-EL-USF

Summary: Transcript of the Ohio Development Services Agency hearing held on 12/03/12 electronically filed by Mrs. Jennifer Duffer on behalf of Armstrong & Okey, Inc. and Burke, Carolyn M. Mrs.