

BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

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In the Matter of the :
Review of the Alternative :
Energy Rider Contained in :
the Tariffs of Ohio Edison: Case No. 11-5201-EL-RDR
Company, The Cleveland :
Electric Illuminating :
Company, and The Toledo :
Edison Company. :

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PROCEEDINGS

before Mr. Gregory Price and Ms. Mandy Chiles,
Attorney Examiners, at the Public Utilities
Commission of Ohio, 180 East Broad Street, Room 11-A,
Columbus, Ohio, called at 10:30 a.m. on Monday,
February 25, 2013.

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VOLUME V - REBUTTAL

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Monday Morning Session,

February 25, 2013.

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EXAMINER CHILES: Let's go ahead and go
on the record then.

The Public Utilities Commission of Ohio
has called for hearing at this time and place Case
No. 11-5201-EL-RDR being In the Matter of the Review
of the Alternative Energy Rider Contained in the
Tariffs of the Ohio Edison Company, The Cleveland
Electric Illuminating Company, and The Toledo Edison
Company.

We will waive appearances this morning.

Are the companies ready to proceed?

MR. KUTIK: Yes, we are, your Honor. For
our sole rebuttal witness, we call Eileen M.
Mikkelsen.

(Witness sworn.)

EXAMINER CHILES: You may be seated.

THE WITNESS: Thank you.

EXAMINER CHILES: Go ahead.

MR. KUTIK: Thank you, your Honor. At
this time we ask to have two documents marked.
First, as Companies' Exhibit 11a -- 11, we ask to
have the Rebuttal Testimony of Eileen M. Mikkelsen on

1 behalf of Ohio Edison Company, The Toledo Edison
2 Company -- excuse me, The Cleveland Electric
3 Illuminating Company, and The Toledo Edison Company
4 marked as Exhibit 11.

5 EXAMINER CHILES: So marked.

6 (EXHIBIT MARKED FOR IDENTIFICATION.)

7 MR. KUTIK: And we would -- we would like
8 to have marked as Exhibit 11A the confidential
9 version of that testimony.

10 EXAMINER CHILES: So marked.

11 (EXHIBIT MARKED FOR IDENTIFICATION.)

12 MR. KUTIK: And I have left the
13 confidential version copies at the Bench.

14 EXAMINER CHILES: Thank you.

15 - - -

16 EILEEN M. MIKKELSEN

17 being first duly sworn, as prescribed by law, was
18 examined and testified as follows:

19 DIRECT EXAMINATION

20 By Mr. Kutik:

21 Q. Please introduce yourself, or reintroduce
22 yourself.

23 A. My name is Eileen Mikkelsen. I'm
24 employed by the FirstEnergy Service Company. My
25 business address is 76 South Main Street, Akron, Ohio

1 44308.

2 Q. Ms. Mikkelsen, do you have before you
3 what's been marked for identification as Companies'
4 Exhibits 11 and 11A?

5 A. I do.

6 Q. Do you recognize that as your rebuttal
7 testimony in this case and the confidential version
8 of that testimony?

9 A. I do.

10 Q. Do you have any additions or corrections
11 to make?

12 A. I do not.

13 Q. If I were to ask you the questions that
14 appear in those exhibits, would your answers be the
15 same today?

16 A. Yes, they would.

17 MR. KUTIK: Thank you, your Honor.

18 EXAMINER CHILES: Thank you.

19 Ms. Yost.

20 MS. YOST: Thank you, your Honor. At
21 this time OCC has a motion to strike portions of
22 Ms. Mikkelsen's testimony.

23 EXAMINER CHILES: Okay.

24 MS. YOST: At this time OCC moves to
25 strike portions of Ms. Mikkelsen's rebuttal

1 testimony, specifically page 9, starting with the
2 question on line 9 and the answer on page 9 starting
3 with line 13, through page 11, line 23.

4 OCC also moves to strike on page 12 the
5 question starting on line 1 and answer starting on
6 line 4 through page 13, line 4. So, in essence, OCC
7 moves to strike two questions and the answers that
8 start on page 9, line 9, and go through page 13, line
9 4.

10 EXAMINER CHILES: Thank you. Are those
11 your only motions to strike?

12 MS. YOST: No. Another one is separate,
13 and I need a foundation laid before I make that
14 motion to strike, if that's okay.

15 EXAMINER CHILES: Okay. Go ahead.

16 MS. YOST: But the basis -- would you
17 like me to proceed with the motion?

18 EXAMINER CHILES: Yes, please, thank you.

19 MS. YOST: Thank you. The basis for
20 OCC's motion to strike the portion of Ms. Mikkelsen's
21 rebuttal testimony that I have identified is not
22 proper rebuttal testimony. As illustrated by the
23 question portion, these questions are posed about
24 findings in the Goldenberg report. They in no way
25 are directed to rebutting any new evidence elicited

1 during cross-examination or on redirect examination.
2 Clearly this is just an attempt by the companies to
3 repeat, expand upon positions taken in their direct
4 case.

5 And if I could refer the Bench to FE
6 Exhibit 4, which was the Direct Testimony of
7 Ms. Mikkelsen starting on page 9, question 7, the
8 question is, "Are you aware of Goldenberg's finding
9 that the FirstEnergy operating companies consistently
10 had higher rates for recovering the REC related costs
11 than the other Ohio EDUs?"

12 And what they've attempted to do in
13 rebuttal is just expand upon the answer that was
14 contained in the original direct testimony of
15 Ms. Mikkelsen. It's not proper rebuttal. It's
16 unfair to the PUCO staff, to the intervenors here
17 who, had FE presented all this evidence that they are
18 now attempting to offer through improper rebuttal,
19 parties may have offered additional evidence or taken
20 different positions.

21 And, your Honor, in support of OCC's
22 position that this motion to strike should be
23 granted, I have an entry from a 2001 case that I
24 would like to provide to the Bench and FE counsel.

25 EXAMINER CHILES: Go ahead.

1 MS. YOST: Thank you.

2 EXAMINER CHILES: Thank you. Your Honor,
3 if I may, it's the green tab, and on the second page
4 of this entry paragraph 5 this paragraph is specific
5 to the situation here. In this 2001 entry,
6 "Ameritech's motion to strike the CLEC rebuttal
7 testimony shall be granted." And the hearing
8 examiner found that "Even a cursory review of the
9 testimony reveals that the CLEC witnesses are not
10 attempting to rebut the new evidence elicited during
11 cross-examination or on redirect examination.
12 Rather, under the guise of offering legitimate
13 rebuttal testimony, the CLEC's witnesses simply
14 repeat or expand upon positions previously taken by
15 the CLECs their direct cases."

16 And, again, the companies have had the
17 Goldenberg audit report at least since August 15,
18 2012, when it was publicly filed. They have had the
19 opportunity to file direct testimony on that report.
20 They have -- this is an attempt to, again, expand on
21 their direct position, and it's not to refute or
22 rebut any new evidence, and, accordingly, should be
23 stricken from the record.

24 EXAMINER CHILES: Thank you. Before I
25 take responses from the company, is there any other

1 party that would like to join the motion to strike or
2 make their own motion to strike?

3 MR. LINDGREN: Yes, your Honor. The
4 staff supports that motion and concurs with the
5 arguments made by Ms. Yost.

6 EXAMINER CHILES: All right.

7 MR. ALLWEIN: I would support -- Sierra
8 Club would support that motion as well, your Honor.

9 EXAMINER CHILES: Any other party?

10 MR. McDANIEL: The ELPC supports the
11 motion as well.

12 MR. DOUGHERTY: And the OEC as well.

13 EXAMINER CHILES: All right.

14 Mr. Kutik.

15 EXAMINER PRICE: Do any of the parties
16 disagree with the proposition I am about to throw
17 out, that the company bears the burden of proof in
18 this case?

19 MR. ALLWEIN: I don't disagree with that,
20 your Honor.

21 EXAMINER PRICE: Okay. Mr. Kutik is free
22 to disagree with that. We will wait on that.

23 MR. KUTIK: Your Honor, what Ms. Yost
24 neglects to mention in her presentation is that
25 Ms. Mikkelsen's testimony is directed at

1 Mr. Gonzalez's testimony. Mr. Gonzalez in his
2 cross-examination and in his direct examination
3 specifically admitted that he relied on the
4 Goldenberg report. I'm not done. I am waiting for
5 you to finish reading.

6 EXAMINER CHILES: I'm listening.

7 MR. KUTIK: Okay. And uses it in a way
8 that even Mr. Storck believes is unacceptable and
9 improper. Ms. Mikkelsen in her testimony
10 demonstrates while the Goldenberg test -- chart
11 should not be used for the points and the
12 calculations that Mr. Gonzalez makes because
13 Mr. Gonzalez relies upon it in a way that not even
14 Mr. Storck deemed to be appropriate. Ms. Mikkelsen's
15 testimony is proper rebuttal testimony.

16 EXAMINER CHILES: Thank you. At this
17 time the Bench finds that the questions OCC made a
18 motion to strike clearly relate back to
19 Mr. Gonzalez's interpretation of the Goldenberg
20 report. So at this time we are going to deny the
21 motion to strike, and that includes the entirety of
22 the motion to strike on pages 9, 10, 11, 12, and
23 through line 4 on page 13.

24 Before we proceed with testimony, are
25 there any remaining motions to strike?

1 Mr. Kutik.

2 Oh, I'm sorry, Ms. Yost.

3 MS. YOST: I'm sorry. I'm sorry.
4 Counsel was talking to me, I'm sorry.

5 EXAMINER CHILES: Do you have any
6 remaining motions to strike?

7 MS. YOST: Yes. I can either lay some
8 foundation, or I believe there is enough foundation
9 in the record maybe I can just proceed at this point.

10 At this time OCC moves to strike the
11 answer found on page 3, lines 5 through 7 in response
12 to the question posed on that same page, page 3,
13 lines 2 through 4. In essence, the testimony of
14 Mr. Stathis shows that Ms. Mikkelsen was not part of
15 the internal review team that made the decision
16 whether or not RECs should be procured that were
17 responsive to requests for proposals Nos. 1, 2, and
18 3.

19 OCC at this time moves to strike the
20 answer that is after the word "No" on line 5 that
21 states, "The costs incurred to purchase the renewable
22 energy credits necessary to comply with the statutory
23 mandates during the audit period were prudently
24 incurred and appropriately recovered through the
25 company's Rider AER."

1 This -- this witness, again, had -- and I
2 can establish further through cross-examination --
3 had no advice or input in regarding to -- in regards
4 to the procurement of those RECs and, therefore, she
5 is not knowledgeable to say whether those costs were
6 prudently incurred. Accordingly, we move to strike
7 the response as read after the word "No," lines 5
8 through 7.

9 EXAMINER CHILES: Just to clarify, you
10 are not moving to strike the word "No" in the answer
11 or the question itself?

12 MS. YOST: That's correct.

13 EXAMINER CHILES: Okay. Are there any
14 other parties that would like to join the motion to
15 strike?

16 MR. ALLWEIN: Sierra Club would join that
17 motion to strike.

18 MR. McDANIEL: The ELPC joins the motion
19 and supports the motion, your Honor.

20 EXAMINER CHILES: All right. Is there
21 any other party?

22 Mr. Kutik.

23 MR. KUTIK: Your Honor, as
24 Ms. Mikkelsen's testimony, both rebuttal and direct,
25 demonstrates, she is a -- in the management of the

1 rates department of FirstEnergy Service. She is
2 certainly an expert on the appropriate recovery of
3 costs, and based upon her review of the facts of this
4 case, is able to opine with respect to the proper
5 recovery of costs, including costs that may be
6 prudently incurred as part of her expertise and
7 experience in this case, which is what she is doing.

8 EXAMINER CHILES: Thank you. The Bench
9 is in agreement with the companies, and the motion to
10 strike is denied as to page 3, line 5 beginning with
11 and through line 7 ending with "AER."

12 MS. YOST: Thank you, your Honor.

13 EXAMINER CHILES: Do you have any
14 remaining motions to strike?

15 MS. YOST: Not at this time, your Honor.

16 EXAMINER CHILES: Okay. Thank you.

17 - - -

18 CROSS-EXAMINATION

19 By Ms. Yost:

20 Q. Good morning, Ms. Mikkelsen.

21 A. Good morning, Ms. Yost.

22 Q. Do you have your testimony in front of
23 you which has been marked 11 -- FE Exhibit 11,
24 correct?

25 A. Yes.

1 Q. Could I have you turn to page 4, please.
2 I'm sorry, I meant page 9. Page 9, on lines 6
3 through 7, you're talking about the Goldenberg table
4 in regards to that question and answer contained on
5 line 9, correct?

6 MR. KUTIK: I'm sorry, may I have the
7 question read? I think she may have misspoke.

8 Q. Let me just move forward then, if I
9 misspoke there. You indicate that the fourth quarter
10 Duke number is "simply a misstatement" on lines 6 and
11 7 on page 9, correct?

12 A. Yes.

13 Q. Do you know what the appropriate fourth
14 quarter tariff was?

15 A. I do.

16 MS. YOST: Your Honor, at this time OCC
17 would like to mark Exhibit No. 18, I believe.

18 EXAMINER CHILES: So marked.

19 (EXHIBIT MARKED FOR IDENTIFICATION.)

20 MS. YOST: May I approach the Bench?

21 EXAMINER CHILES: You may.

22 Q. Please take a moment to look at OCC
23 Exhibit 18.

24 Are you ready to proceed?

25 A. Yes, ma'am.

1 Q. Have you seen OCC Exhibit 18 before?

2 A. I have.

3 Q. And could you describe what the second
4 page of that exhibit is?

5 A. It is Schedule 1 from the Duke Energy
6 Ohio filing which shows the "Calculation of the
7 Quarterly Emission Allowance Component and
8 Alternative Energy Portfolio Standard for Billing
9 During October 2009 through December 2009."

10 Q. Thank you. And do you have a copy of the
11 Goldenberg report with you, Ms. Mikkelsen?

12 A. I do.

13 Q. And could you turn to the chart on page
14 9. And in the chart for what is marked as "DE-O," do
15 you know that to be Duke Energy Ohio?

16 A. I do.

17 Q. And for 2009 the first -- excuse me, the
18 fourth quarter, what's the number indicated in the
19 chart for Goldenberg?

20 A. .1378 cents per kilowatt-hour.

21 Q. And you can find that number on OCC
22 Exhibit 18, correct?

23 A. The number that corresponds with .1378
24 cents per kilowatt-hour on the exhibit is a rate that
25 includes the quarterly omission allowance and

1 alternative energy portfolio standard rate.

2 Q. Thank you. So the proper number that
3 should have been identified on -- in Mr. Goldenberg's
4 report is right above that, and that number is .0632;
5 is that correct?

6 A. The number above the number we just
7 discussed on the exhibit is .0632 cents per
8 kilowatt-hour, and that represents a projection of
9 Duke's expenses for October, 2009; November, 2009;
10 and December, 2009.

11 Q. So in your testimony when you said it was
12 just a misstatement, the Goldenberg report indicates
13 the number for 2009 quarter four .1378 when it should
14 have been reported it as .0632; is that correct?

15 A. Yes.

16 Q. Thank you. In general, do you agree that
17 utilities attempt to recover the full amount of the
18 incurred costs for mandates such as Ohio's renewable
19 mandates?

20 A. I can't speak to what other utilities do
21 with respect to their strategies that correspond with
22 recovery.

23 Q. But in advising a utility, wouldn't it
24 be -- strike that.

25 Well, would you agree that FirstEnergy

1 attempts to recover the full amount of the incurred
2 costs for mandates such as its mandates pursuant to
3 the Ohio renewable energy mandate?

4 A. I would agree that FirstEnergy has the
5 authority to recover the costs it incurs in complying
6 with mandates associated with renewable energy
7 obligations.

8 Q. Would you also agree that from a
9 utilities' perspective, it is better to recover
10 incurred costs sooner rather than later?

11 A. Not in all instances, no.

12 Q. In what instance would that not be?

13 A. Well, the instance that -- an example
14 that comes to mind is what the companies and the
15 other parties agreed to do in our ESP III, which was
16 ultimately ratified by the Public Utilities
17 Commission of Ohio, where we agreed to elongate the
18 recovery of the renewable energy costs incurred in
19 order to meet the statutory obligations.

20 Q. Do you have a copy of Mr. Gonzalez's
21 testimony with you?

22 A. I do.

23 Q. If I could have you just refer to his
24 Exhibit WG-2, do you recognize the top chart on
25 Exhibit WG-2 to be the same chart that was included

1 in the Goldenberg report on page 9?

2 A. It appears to be a recast of the data
3 that was contained in the Goldenberg table on page 9,
4 yes.

5 Q. And in regards to the Goldenberg
6 information on page 9, that chart, did you
7 reconstruct that Goldenberg chart to address the
8 concerns that have been raised in your direct
9 testimony and rebuttal testimony?

10 A. I'm not sure I would be able to
11 reconstruct the chart for the concerns that I raised
12 in the -- in my testimony. I did, however, recognize
13 that there were rates available for Q3 and Q4 of 2011
14 for Ohio Power and Columbus Southern, and I did at
15 one time adjust the chart to reflect the proper rate
16 for Duke Energy Ohio for the fourth quarter of 2009.

17 But the other corrections that relate to
18 estimates that were used and not knowing what in all
19 cases would have been included in the reconciliation
20 components for these riders would really prohibit me
21 from making corrections for all of those types of
22 adjustments. And, I guess, further we have a
23 situation for Dayton Power & Light where that rate
24 just -- just never changed throughout the period. It
25 remained constant based on 2009 estimates, and I

1 would not have available to me more current
2 information in order to recast those rates, so I
3 think it wouldn't be possible for me to do what you
4 asked.

5 MS. YOST: Your Honor, I would move to
6 strike the witness's answer to my question as
7 nonresponsive.

8 EXAMINER CHILES: Are you moving to
9 strike the entirety of that answer?

10 MS. YOST: Yes. I believe I did not even
11 get an answer.

12 EXAMINER CHILES: Would you please read
13 the question and answer back to me.

14 (Record read.)

15 EXAMINER CHILES: Thank you.

16 Mr. Kutik.

17 MR. KUTIK: Your Honor, I believe the
18 witness's response was fully responsive to the
19 question. She explained what she could do, what she
20 couldn't do, and why in terms of this so-called
21 reconstruction.

22 EXAMINER CHILES: I agree at this point,
23 so the motion to strike is denied.

24 Q. (By Ms. Yost) In your testimony just now,
25 you indicated that the DP&L rate remained flat

1 throughout the audit period and that it did not get
2 reconciled until after the audit period; is that
3 correct? Is that what you were indicating?

4 A. I recon -- pardon me. I testified that
5 the rate remained flat throughout the audit period,
6 yes.

7 Q. Are you aware that the DP&L rate was
8 reconciled after the -- after the audit period?

9 A. I am aware that there is a new DP&L rate
10 in effect currently.

11 MS. YOST: Your Honor, at this time I
12 would like to move -- or excuse me, have OCC Exhibit
13 No. 19 marked and approach the Bench.

14 EXAMINER CHILES: You may, and so marked.
15 (EXHIBIT MARKED FOR IDENTIFICATION.)

16 Q. Please take a look at OCC Exhibit 19 and
17 let me know when you are ready to proceed.

18 Are you ready to proceed?

19 A. I am.

20 Q. Okay. OCC 19 indicates that for the
21 Dayton Power and Light Company the energy charge was
22 .0006405 per kilowatt-hour, correct?

23 MR. KUTIK: Objection.

24 EXAMINER CHILES: Grounds?

25 MR. KUTIK: What the change is now is

1 irrelevant. It's outside the audit period.

2 EXAMINER CHILES: Ms. Yost.

3 MS. YOST: Your Honor, the testimony of
4 this witness indicates the DP&L rate was flat and
5 brings up the issue that it was not reconciled, and
6 this OCC Exhibit 19 goes to show what the rate was
7 reconciled at -- in order to reflect the proper rate
8 for DP&L's audit period.

9 EXAMINER PRICE: Ms. Yost, Mr. Gonzalez
10 is testifying as to what the company knew or should
11 have known during FirstEnergy's audit period; isn't
12 that right?

13 MS. YOST: Yes.

14 EXAMINER PRICE: Knew or should have
15 known their rates were higher than DP&L's. If this
16 rate was ultimately reconciled outside of the
17 three-year audit period, what value is that to the
18 Commission?

19 MS. YOST: Because the rate indicates
20 what the proper amount was during the -- during the
21 three-year period that is at issue today for
22 FirstEnergy.

23 EXAMINER PRICE: But FirstEnergy would
24 not have known or have been able to have known what
25 that rate would have been during the audit period.

1 MS. YOST: That's fair. I don't think
2 this goes to knowledge of FirstEnergy; this goes to
3 the Goldenberg report is indicative that the rates
4 paid by FirstEnergy were many times higher than the
5 rates -- FirstEnergy's customers, the rider was many
6 times higher than the rider for other Ohio utilities.
7 It doesn't go to the companies' knowledge at the
8 time.

9 MR. KUTIK: Your Honor, that's an unfair
10 comparison since there's no evidence in the record in
11 terms of what FirstEnergy's rates are compared to
12 other people -- other companies now because that's
13 not a relevant issue to this case.

14 EXAMINER CHILES: The Bench agrees with
15 the companies so the objection is sustained.

16 Q. (By Ms. Yost) Ms. Mikkelsen, could you
17 turn to page 9 of your testimony, please.

18 A. Yes.

19 Q. On page 9, approximately lines 18 through
20 19, and continuing on to page 10, 1 through 10,
21 you're indicating that AEP and Duke's AER costs
22 during the audit period were embedded in their fuel
23 adjustment clauses, and that to the extent that some
24 renewable costs were estimated, and I point you to
25 your specific language, that those "costs could be

1 higher (or lower) than the values presented in the
2 auditors' table if the corresponding reconciliation
3 piece was included."

4 EXAMINER PRICE: Could I have the
5 question back again?

6 MS. YOST: Let me see if I can break it
7 down.

8 Q. In regards to your criticisms starting on
9 page 9, 18 and 19, you are indicating, "There is a
10 mismatch of actual versus estimated costs. Some of
11 the other Ohio utilities'," used in the Goldenberg
12 chart, "renewable costs were recovered as part of
13 their fuel adjustment clause," correct?

14 A. No, I don't think that's correct.

15 Q. Well, we can agree that for AEP Ohio and
16 Duke Energy Ohio that they recovered renewable energy
17 costs as part of their fuel adjustment clause,
18 correct?

19 A. In my review of the AEP Ohio and Duke
20 filings, what I saw was that they included a
21 projected expense for the quarter the rider was going
22 to be collected, that you could identify that
23 projection in their filing, but any reconciliation of
24 actuals to estimated expenses would have been
25 contained in the reconciliation adjustment as a

1 component of the overall fuel clause or fuel charge,
2 and it was much more difficult to isolate what the
3 renewable expenses were included in the
4 reconciliation adjustment, although I would note when
5 I reviewed the AEP reconciliation adjustments, what I
6 saw quarter over quarter was millions and millions of
7 dollars included in the reconciliation adjustment
8 associated with revenue requirements, associated with
9 solar panels, and those, my point is, would never
10 have been included in the numbers in this table
11 simply because the reconciliation adjustment
12 component was not included in the numbers that are
13 contained in the table.

14 Q. My point -- on page 10 of your testimony
15 you indicate on line 5 through 7 that "The Goldenberg
16 table fails to account for the reconciliation.
17 Therefore, the true rate for renewable costs could be
18 higher (or lower) than the values presented in the
19 auditors' table if the corresponding reconciliation
20 piece was included." Do you see that ma'am?

21 A. I do.

22 Q. Would you agree that since this is nine
23 quarters of data, the estimated renewable costs would
24 be captured or reconciled as actuals over the
25 following quarters so it shouldn't be a concern?

1 A. No. That's precisely my point, is in
2 each and every instance the numbers that are included
3 in this table for AEP and Duke only represent
4 forecasted costs for the quarter in which the rate
5 would be recovered, and in no instance do they
6 reflect the actual costs that were incurred or the
7 reconciliation between the forecast and the actual.
8 So, no, I don't agree with you, and I don't think
9 these rates reflect the actual costs.

10 Q. Could you please turn to your table on
11 page 15 of your rebuttal testimony.

12 A. Yes.

13 Q. You've prepared this table on page 15,
14 and this table shows the shopping impact for the FE
15 companies during the 2009-2011 compliance years,
16 correct?

17 A. This table shows the impact that changes
18 in shopping levels had on our compliance obligation
19 and our remaining nonshopping load available to
20 recover the costs in the years 2009, '10, and '11.

21 Q. And is it fair to say shopping impact
22 during 2009 for the companies was minimal compared to
23 other years, 2000 -- sorry.

24 MR. KUTIK: May I have the question read,
25 please.

1 EXAMINER CHILES: Please.

2 (Record read.)

3 A. I think it's fair to say, looking at this
4 chart, that when you compare the baseline versus the
5 recovery load in 2009 versus 2010 and 2011, the
6 impact is not nearly as pronounced in 2009, although
7 I would note that the rider for recovering costs
8 associated with rider -- you know, our statutory
9 mandates associated with renewables did not go into
10 effect until October of 2009, so while these reflect
11 annual impacts for the year 2009, I think that the
12 impact in the fourth quarter when the rate was
13 actually implemented, in effect, would be more
14 pronounced than what you see here.

15 Q. And for 2009, the shopping levels were
16 1.1 percent and 1.2 percent, correct?

17 MR. KUTIK: Objection.

18 A. No.

19 MR. KUTIK: The witness answered. I
20 withdraw my objection.

21 EXAMINER CHILES: Thank you.

22 MS. YOST: I have no further questions,
23 you Honor.

24 EXAMINER CHILES: Thank you.

25 Mr. Allwein.

1 MR. ALLWEIN: I have no questions, your
2 Honor. Thank you.

3 EXAMINER CHILES: Mr. Dougherty.

4 MR. DOUGHERTY: No questions.

5 EXAMINER CHILES: Mr. McDaniel.

6 MR. McDANIEL: No questions.

7 EXAMINER CHILES: Staff.

8 MR. LINDGREN: No question your Honor.

9 EXAMINER CHILES: Redirect?

10 MR. KUTIK: Your Honor, may we go off the
11 record?

12 EXAMINER CHILES: Yes, we may.

13 (Discussion off the record.)

14 EXAMINER CHILES: Let's go back on the
15 record.

16 - - -

17 REDIRECT EXAMINATION

18 By Mr. Kutik:

19 Q. Ms. Mikkelsen, I want to draw your
20 attention back to your discussion with counsel about
21 OCC Exhibit 18 where you indicated that the figure of
22 0.0632 would be the appropriate figure to go into the
23 Goldenberg chart on page 9 of its report for the
24 fourth quarter of 2009. Do you remember that?

25 A. I do.

1 Q. Would that be an appropriate number that
2 you believe would reflect Duke's costs for compliance
3 with the renewable energy mandates?

4 A. No. The number listed there is a
5 projected number for the period of October, 2009,
6 through December, 2009, and would not reflect any
7 reconciliation between the projection and actual
8 expenses incurred in that period.

9 MR. KUTIK: No further questions.

10 EXAMINER CHILES: Thank you.

11 Recross, Ms. Yost?

12 MS. YOST: No, your Honor, thank you.

13 EXAMINER CHILES: Mr. Dougherty.

14 MR. DOUGHERTY: No question.

15 EXAMINER CHILES: Mr. McDaniel.

16 MR. McDANIEL: No questions, your Honor.

17 EXAMINER CHILES: Staff.

18 MR. LINDGREN: No, your Honor.

19 EXAMINER CHILES: I have no questions so
20 thank you. You are excused.

21 MR. KUTIK: Your Honor, the company moves
22 for the admission of Companies' Exhibits 11 and 11A.

23 EXAMINER CHILES: Are there any
24 objections to the admission of Companies' Exhibits 11
25 and Companies' Exhibit 11a?

1 MS. YOST: OCC would renew its motion to
2 strike the portions that have been identified
3 previously.

4 EXAMINER CHILES: Your renewal of your
5 motion is noted for the record, but the motion is
6 denied, so Companies' Exhibit 11 and Companies'
7 Exhibit 11A will be admitted.

8 (EXHIBITS ADMITTED INTO EVIDENCE.)

9 MS. YOST: At this time OCC would like to
10 move Exhibit No. 18 into the record.

11 EXAMINER CHILES: Are there any
12 objections to the admission of OCC Exhibit 11?

13 MR. KUTIK: No objection.

14 EXAMINER CHILES: Hearing none, OCC
15 Exhibit 18 will be admitted.

16 (EXHIBIT ADMITTED INTO EVIDENCE.)

17 EXAMINER CHILES: Does anyone have any
18 objections to us discussing a briefing scheduled off
19 the record?

20 All right. Let's go ahead and go off the
21 record then.

22 (Discussion off the record.)

23 EXAMINER CHILES: Let's go ahead and go
24 back on the record.

25 We've just established a briefing

1 schedule. Initial briefs will be due on April 8;
2 reply briefs will be due on April 29.

3 Is there anything further to come before
4 us today?

5 Mr. Kutik.

6 MR. KUTIK: We can go off the record for
7 this, your Honor.

8 EXAMINER CHILES: Okay. Hearing nothing
9 further, we are adjourned.

10 (The hearing concluded at 11:23 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, February 25, 2013, and carefully compared with my original stenographic notes.

Karen Sue Gibson, Registered
Merit Reporter.

(KSG-71591)

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Summary: Transcript in the matter of Ohio Edison Company, The Cleveland Electric Illuminating Company and The Toledo Edison Company hearing held on 02/25/13 - Volume V electronically filed by Mrs. Jennifer Duffer on behalf of Armstrong & Okey, Inc. and Gibson, Karen Sue Mrs.