

**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

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

**PREFILED TESTIMONY  
OF  
JOSEPH P. BUCKLEY  
UTILITIES DEPARTMENT  
CAPITAL RECOVERY & FINANCIAL ANALYSIS DIVISION  
PUBLIC UTILITIES COMMISSION OF OHIO**

**Staff Exhibit \_\_\_\_\_**

**May 30, 2013**

1 1. Q. Please state your name and your business address.

2 A. My name is Joseph P. Buckley. My business address is 180 E. Broad  
3 Street, Columbus, Ohio 43215.

4

5 2. Q. By who are you employed?

6 A. I am employed by the Public Utilities Commission of Ohio (PUCO).

7

8 3. Q. Would you please state your background?

9 A. I received a Bachelor of Science Degree in Economics from the Ohio State  
10 University and a Master's Degree in Business Administration from the  
11 University of Dayton. In 2000, I earned the Certified in Financial  
12 Management (CFM) designation, awarded by the Institute of Management  
13 Accountants. Also I attended, The Annual Regulatory Studies Program  
14 sponsored by The National Association of Regulatory Utility  
15 Commissioners (NARUC) and The Training for Utility Management  
16 Analyst also sponsored by NARUC. I have been employed by the PUCO  
17 since 1987. Since that time I have progressed through various positions  
18 and was promoted to my current position of Utility Specialist 3, in 2000. In  
19 addition, I have worked on several joint Federal Communication  
20 Commission (FCC) and NARUC projects and audits and served on the  
21 Midwest ISO's Finance Committee as Vice-Chairman and Chairman.  
22 Also, in 2011, I was awarded the professional designation Certified Rate of

1 Return Analyst (CRRA) by the Society of Utility and Regulatory Financial  
2 Analysts. This designation is awarded based upon experience and success-  
3 ful completion of a written examination.  
4

5 4. Q. What is your involvement in this proceeding?

6 A. I am responsible for determining if Duke Energy Ohio exceeded the com-  
7 mon equity threshold to be used in its Significantly Excessive Earnings  
8 Test (SEET). Duke Energy Ohio's ESP established certain provisions for  
9 the calculation of SEET and established for Duke Energy Ohio a SEET  
10 threshold of 15%.<sup>1</sup> Based on Staff's review of the information provided in  
11 Duke Energy Ohio's SEET application Staff concurs with Duke Energy  
12 Ohio that its return on common equity for 2012 does not exceed 15%.  
13

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

15 A. The Staff recommends that the Commission find that Duke Energy Ohio's  
16 2012 earnings were not excessive.  
17

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

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<sup>1</sup> *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).

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

5  
6     7.     Q.     Has the Staff reviewed Duke's 2012 earnings calculation and concur with  
7                   its results?

8           A.     Yes. The Staff has reviewed Duke Energy Ohio's calculations and support-  
9                   ing information and finds them to be in conformance with the SEET calcu-  
10                  lation provisions contained in Duke Energy Ohio's ESP and are an accurate  
11                  representation of Duke Energy Ohio's 2012 earnings.

12    8.     Q.     Doe this conclude your testimony?

13          A.     Yes, it does. However, I reserve the right to submit supplemental testi-  
14                  mony as described herein, as new information subsequently becomes avail-  
15                  able 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 30<sup>th</sup> day of May, 2013.

/s/ Thomas W. McNamee

**Thomas W. McNamee**  
Assistant Attorney General

### **Parties of Record:**

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Summary: Testimony Prefiled Testimony of Joseph P. Buckley submitted by Assistant Attorney General Thomas W. McNamee on behalf of the Staff of the Public Utilities Commission of Ohio. electronically filed by Kimberly L Keeton on behalf of Public Utilities Commission of Ohio