

BEFORE THE OHIO POWER SITING BOARD

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In the Matter of the :  
Application of AEP Ohio :  
Transmission Company, Inc. :  
for a Certificate of : Case No.  
Environmental Compatibility : 12-1361-EL-BSB  
and Public Need for :  
345/138/69 kV Biers Run :  
Station Project. :

- - -

PROCEEDINGS

Before Jay S. Agranoff, Administrative Law Judge, at  
the Public Utilities Commission of Ohio, 180 East  
Broad Street, Room 11-D, Columbus, Ohio, called at  
10:00 a.m. on Tuesday, June 25, 2013.

- - -

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APPEARANCES:

AEP Ohio Transmission Company  
By Erin C. Miller, Esq.  
and Matthew J. Satterwhite, Esq.  
1 Riverside Plaza, 29th Floor  
Columbus, Ohio 43215

On behalf of the Applicant, AEP Ohio  
Transmission Company.

Michael DeWine, Ohio Attorney General  
By Devin D. Parram, Esq.  
Assistant Attorney General  
William L. Wright, Esq.  
Section Chief  
180 East Broad Street, 6th Floor  
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Michael DeWine, Ohio Attorney General  
By Summer Koladin Plantz, Esq.  
and Clint White, Esq.  
Assistant Attorneys General  
Environmental Enforcement Section  
30 East Broad Street, 25th Floor  
Columbus, Ohio 43215

On behalf of the Staff of the Ohio  
Power Siting Board.

Also present, Jon Pawley, PUCO Siting  
Specialist.

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INDEX

- - -

WITNESSES: PAGE

SHAWN MALONE

Direct Examination by Ms. Miller 9

Examination by Administrative Law Judge 13

- - -

JOINT EXHIBITS: ID'D REC'D

1 - Joint Stipulation and Recommendation 8 16

- - -

APPLICANT'S EXHIBITS:

1 - Application, filed 12/20/12 6 16

2 - Notice of Public Meeting, Proof of Publication, 6/16/12 6 16

3 - Notice of Public Hearing & Adjudicatory Hearing, Proof of Publication, 3/31/13 7 16

4 - Letter from Mr. Malone, 6/10/13, Notice of Local Public Hearing to residents and property owners, 5/28/13, Mailing List, Proof of Notification 7 16

5 - Second Notice of Public Hearing & Adjudicatory Hearing, Proof of Publication, 6/2/13 7 16

6 - Direct Testimony of Shawn Malone, filed 6/14/13 8 16

- - -

STAFF EXHIBITS:

1 - Staff Report of Investigation 16 16

- - -

Tuesday Morning Session,  
June 25, 2013.

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ADMINISTRATIVE LAW JUDGE AGRANOFF:

We'll go on the record at this time. The Ohio Power Siting Board has assigned for evidentiary hearing at this time and place Case No. 12-1361-EL-BSB, which is captioned: In the Matter of the Application of AEP Ohio Transmission Company, Incorporated, for Certificate of Environmental Compatibility and Public Need for the Construction of the Biers Run Substation.

My name is Jay Agranoff, and I am the Administrative Law Judge assigned by the Ohio Power Siting Board to preside over this evidentiary hearing.

Before we take the appearances, I would like to just note that the public hearing was held in this matter on June 11th in Chillicothe, Ohio, and this is the second portion of the hearing process, which is the evidentiary hearing, for purposes of the expert testimony and consideration in this particular proceeding of the Joint Stipulation that has been previously filed in this matter.

At this point in time, we'll take the

1 appearances. On behalf of the Applicant.

2 MS. MILLER: Good morning, your Honor.  
3 Erin Miller and Matthew Satterwhite on behalf of AEP  
4 Ohio Transmission Company, located at 1 Riverside  
5 Plaza, Columbus, Ohio 43215.

6 ADMINISTRATIVE LAW JUDGE AGRANOFF:  
7 Thank you.

8 And on behalf of the Staff of the Ohio  
9 Power Siting Board.

10 MR. PARRAM: Good morning, your Honor.  
11 On behalf of the Staff of the Ohio Power Siting  
12 Board, Ohio Attorney General Mike DeWine, by  
13 Assistant Attorney General Bill Wright, Section  
14 Chief, Devin D. Parram, Public Utilities Section, 180  
15 East Broad Street, Columbus, Ohio 43215, and for the  
16 Environmental Enforcement Section, Assistant  
17 Attorneys General Summer Koladin Plantz and Clint  
18 White, 30 East Broad Street, 25th Floor, Columbus,  
19 Ohio 43215.

20 ADMINISTRATIVE LAW JUDGE AGRANOFF:  
21 Thank you. Before we actually get to the testimony  
22 in this proceeding, I do want to note that my notes  
23 reflect that there is one outstanding motion that has  
24 yet to be ruled on regarding the late notice that was  
25 provided to the surrounding property owners. I'll

1 deal with that in the context of the order that will  
2 be issued in this matter, and then the other issue  
3 that I wanted to address was the potential lack of  
4 need for a briefing schedule with respect to this  
5 proceeding, and I assume because of the fact there is  
6 the Joint Stipulation that's before the Power Siting  
7 Board, that there will not be a desire to issue  
8 briefs; is that --

9 MS. MILLER: No, your Honor. Thank you.

10 ADMINISTRATIVE LAW JUDGE AGRANOFF:

11 Thank you. All right. Then why don't we get to the  
12 matter at hand, and if you can please call your first  
13 witness.

14 MS. MILLER: Sure. Thank you, your  
15 Honor. First I'd like to mark exhibits at this time,  
16 if I may.

17 ADMINISTRATIVE LAW JUDGE AGRANOFF:

18 Certainly.

19 MS. MILLER: At this time I'd like to  
20 mark AEP Transco Exhibit 1 as the Application filed  
21 on December 20th, 2012. Additionally, I'd like to  
22 mark AEP Transco Exhibit 2 as the collective proofs  
23 of publication, of which there are four. The notice  
24 of the public information meeting was rescheduled,  
25 docketed on July 5th, 2012.

1 (EXHIBITS MARKED FOR IDENTIFICATION.)

2 ADMINISTRATIVE LAW JUDGE AGRANOFF: What  
3 do you want that marked as?

4 MS. MILLER: Exhibit 2. Would you like  
5 me to mark these collectively, the proofs of  
6 publication, or shall I mark them individually?

7 ADMINISTRATIVE LAW JUDGE AGRANOFF: You  
8 can mark them -- why don't you mark them  
9 individually. That will be easier.

10 MS. MILLER: Okay. Then AEP Transco  
11 Exhibit 3 would be the notice of a public hearing and  
12 adjudicatory hearing docketed on April 15th, 2013.

13 (EXHIBIT MARKED FOR IDENTIFICATION.)

14 MS. MILLER: AEP Exhibit 4, notice that  
15 the property owners and affected tenants were served  
16 with notification of the public hearing docketed on  
17 June 10th, 2013.

18 (EXHIBIT MARKED FOR IDENTIFICATION.)

19 MS. MILLER: And the notice of the  
20 public hearing and adjudicatory hearing docketed on  
21 June 13th, 2013, marked as AEP Transco Exhibit 5.

22 (EXHIBIT MARKED FOR IDENTIFICATION.)

23 ADMINISTRATIVE LAW JUDGE AGRANOFF: How  
24 is that different than what you just identified as  
25 Exhibit 4?

1 MS. MILLER: This is the second public  
2 notice, as opposed to AEP Exhibit 4 which is a copy  
3 of Proof of Service that the affected property owners  
4 and adjacent tenants were served with notice of the  
5 upcoming hearing, public hearing.

6 ADMINISTRATIVE LAW JUDGE AGRANOFF: All  
7 right.

8 MS. MILLER: Additionally, I'd like to  
9 mark AEP Company -- AEP Transco Exhibit 6, excuse me,  
10 as the Direct Testimony of Shawn Malone filed on June  
11 14th, 2013.

12 (EXHIBIT MARKED FOR IDENTIFICATION.)

13 MS. MILLER: And lastly, if Mr. Parram  
14 is amenable, I'd like to mark the Joint Stipulation  
15 and Recommendation as Joint Exhibit 1.

16 MR. PARRAM: No objection.

17 ADMINISTRATIVE LAW JUDGE AGRANOFF: The  
18 aforementioned exhibits shall be marked accordingly.

19 (EXHIBIT MARKED FOR IDENTIFICATION.)

20 MS. MILLER: Thank you, your Honor.

21 At this time, AEP Transco would like to  
22 call its witness, Shawn Malone, to the stand.

23 ADMINISTRATIVE LAW JUDGE AGRANOFF:  
24 Please come forward, sir.

25 Please raise your right hand.



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SHAWN MALONE,  
being first duly sworn, as prescribed by law, was  
examined and testified as follows:  
DIRECT EXAMINATION  
BY MS. MILLER:  
Q. Good morning.  
A. Good morning.  
Q. If you would, please state your name and  
business address for the record.  
A. Sure. My name is Shawn Malone, and  
business address is 700 Morrison Road, Gahanna, Ohio  
43230.  
MS. MILLER: Your Honor, may I approach?  
ADMINISTRATIVE LAW JUDGE AGRANOFF:  
Certainly.  
Q. Mr. Malone, if you would, can you please  
identify what I just handed you for the record?  
A. Yes. This is the testimony that I gave  
previously, and it was docketed previously.  
ADMINISTRATIVE LAW JUDGE AGRANOFF: When  
you say this is the testimony you gave previously,  
you meant the testimony that you prefiled in this  
proceeding?  
THE WITNESS: Thank you. Yes, prefiled  
testimony.

1           Q.    Thank you.  And this was docketed in  
2   this matter on June 14th, 2013?

3           A.    Correct.

4           Q.    All right.  And, Mr. Malone, did you  
5   cause this testimony to be filed in this docket on  
6   June 14th --

7           A.    I did.

8           Q.    -- 2013?

9           A.    Yes.

10          Q.    And did you answer these questions to  
11   the best of your ability and truthfully?

12          A.    I did.

13          Q.    Do you have any corrections to be made  
14   on the record today?

15          A.    No, I don't.

16          Q.    I'd just like to ask you a few questions  
17   to expand upon the testimony that you provided in  
18   your prefiled testimony here for the record.  Did you  
19   rely upon the application in this matter to prepare  
20   your prefiled testimony?

21          A.    Absolutely.

22          Q.    And what is the purpose of your  
23   testimony?

24          A.    The purpose of my testimony today is to  
25   really reiterate our support for the Joint

1 Stipulation which was agreed to between the Ohio  
2 Power Siting Board Staff and AEP and to encourage the  
3 Commission to issue an Opinion and Order per the  
4 Joint Stipulation with the conditions and  
5 recommendations.

6 Q. All right. Could you describe some of  
7 the benefits of the proposed substation to the  
8 community?

9 A. Yes. The community benefits are going  
10 to be immediate and long-term benefits. AEP did a  
11 study, and in the long-term it's going to meet any  
12 additional needs that there are in the community, and  
13 then also it's going to enhance and strengthen the  
14 reliability of service in the area and actually  
15 throughout all southern Ohio. Without this station  
16 or substation, in a worst-case scenario there could  
17 be widespread outages throughout the immediate area  
18 and also throughout a large portion of southern Ohio.

19 Q. Are there tax benefits that will result?

20 A. There are absolutely tax benefits.  
21 Again, in the immediate local community there will be  
22 some very significant tax benefits for Ross County.

23 Q. Do you have an estimated number?

24 A. We've estimated that, based upon our  
25 current budget and projections for the project, that

1 tax revenue will in the area of 1.1 million to 1.2  
2 million to the local community.

3 Q. Okay. Does the Joint Stipulation  
4 represent a product of serious bargaining among  
5 capable and knowledgeable parties?

6 A. It does indeed. You know, each party,  
7 OPSB Staff and AEP Transco, were represented by  
8 capable and knowledgeable staff or attorneys in this  
9 matter who are very familiar with matters before the  
10 OPSB. Both parties put together drafts of the Joint  
11 Stipulation, exchanged those, and then it was agreed  
12 to join through the Joint Stipulation; so based upon  
13 that, I would say yes, it was definitely  
14 knowledgeable and capable parties.

15 Q. Does the Joint Stipulation benefit  
16 consumers and the public interest?

17 A. It does. In this particular case the  
18 Joint Stipulation recommends that the preferred site  
19 to be built, and, again, this project was based upon  
20 the need for transmission reliability in this general  
21 area, so AEP had concerns about low voltages and  
22 thermal overloads impacting reliability of the  
23 system, and this substation will alleviate those  
24 fears and alleviate the fears of potential widespread  
25 outages. Put succinctly and most importantly,

1 without this station AEP would not be able to deliver  
2 the level of services that customers expect.

3 Q. Does the Joint Stipulation violate any  
4 important regulatory principles and practices?

5 A. No. The Joint Stipulation does not  
6 interfere or contradict any major -- any major  
7 recommendation or public policies. In fact, it was  
8 designed to comply with Ohio Revised Code Section  
9 4906.10.

10 Q. Are the conditions outlined in the Joint  
11 Stipulation and Recommendation the same as those  
12 outlined in the Staff Report of Investigation?

13 A. They are indeed. They are the same  
14 conditions.

15 Q. Finally, Mr. Malone, do you support the  
16 Joint Stipulation and Recommendation?

17 A. Absolutely.

18 Q. All right.

19 No further questions.

20 ADMINISTRATIVE LAW JUDGE AGRANOFF: Any  
21 cross-examination?

22 MR. PARRAM: No questions, your Honor.

23 EXAMINATION

24 BY ADMINISTRATIVE LAW JUDGE AGRANOFF:

25 Q. I do have one specific question, Mr.

Malone. What are the specific benefits that the preferred site offers in relationship to the alternative site?

A. The major benefit that we saw was proximity to adjacent property owners. With the alternative site, it was closer to a particular homeowner who is very vocal about his not wanting that substation close to him, and so we selected the preferred site kind of based on the public information, based on testimony, because there were no residences or homes within 1,000 feet of the preferred site.

We had, you know, on one side State Route 35. On the other side we had Biers Run Road, and then we had a grazing pasture. So that preferred site gave us kind of the comfort room that the neighborhood and the neighbors wanted and -- versus the alternative site, which was much closer to them.

The other benefit for us or downfall to the alternative site was it would have impacted the ecology of the site much more. We would have had to have gone across a couple of streams, whereas with the preferred site, we only just cross one major stream, and that's it. We're going to bridge it rather than do any work actually in the stream

1       itself.

2               Q.     Thank you.

3               A.     Sure.

4                     ADMINISTRATIVE LAW JUDGE AGRANOFF:  
5     Based on my questions, does counsel have anything  
6     further?

7                     MR. PARRAM:   No, your Honor.

8                     MS. MILLER:   No, your Honor.

9                     ADMINISTRATIVE LAW JUDGE AGRANOFF:  
10    Thank you.

11                    (Witness excused.)

12                    ADMINISTRATIVE LAW JUDGE AGRANOFF:   It  
13    looks like we have six exhibits for the Applicant and  
14    one Joint exhibit.

15                    MS. MILLER:   Correct.

16                    ADMINISTRATIVE LAW JUDGE AGRANOFF:  
17    Would you like to make a motion?

18                    MS. MILLER:   At this time, I'd move for  
19    the admission of AEP Transco Exhibits 1 through 6 as  
20    well as the Joint Exhibit 1 into evidence.

21                    ADMINISTRATIVE LAW JUDGE AGRANOFF:   Any  
22    objection?

23                    MR. PARRAM:   No, your Honor.

24                    ADMINISTRATIVE LAW JUDGE AGRANOFF:  
25    There being none, the aforementioned exhibits shall

1 be admitted as part of the record at this time.

2 (EXHIBITS ADMITTED INTO EVIDENCE.)

3 ADMINISTRATIVE LAW JUDGE AGRANOFF: Is  
4 there anything else that needs to be addressed?

5 MR. PARRAM: Yes, your Honor. Staff  
6 would like to mark the Staff Report of Investigation  
7 that was filed in the docket on May 23rd, 2013,  
8 into -- mark that as Staff Exhibit 1 and move for  
9 admission.

10 ADMINISTRATIVE LAW JUDGE AGRANOFF: Any  
11 objection?

12 MS. MILLER: No objection, your Honor.

13 ADMINISTRATIVE LAW JUDGE AGRANOFF:  
14 There being none, Staff Exhibit 1 shall be marked and  
15 admitted as part of the record at this time.

16 (EXHIBIT ADMITTED INTO EVIDENCE.)

17 MR. PARRAM: Thank you, your Honor.

18 ADMINISTRATIVE LAW JUDGE AGRANOFF:  
19 You're welcome.

20 If there is nothing further, we are  
21 adjourned. Thank you.

22 (Thereupon, the hearing was concluded at  
23 10:18 a.m.)

24

25



CERTIFICATE

I do hereby certify that the foregoing  
is a true and correct transcript of the proceedings  
taken by me in this matter on Tuesday, June 25, 2013,  
and carefully compared with my original stenographic  
notes.

Valerie J. Sloas, Registered  
Professional Reporter and  
Notary Public in and for  
the State of Ohio.

My commission expires June 8, 2016.  
(VJS-72729)

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**in**

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Summary: Transcript in the matter of AEP Ohio Transmission Company, Inc. hearing held on 06/25/13 electronically filed by Mrs. Jennifer Duffer on behalf of Armstrong & Okey, Inc. and Sloas, Valerie J. Mrs.