

**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

**In the Matter of the Application of            )  
Ohio Power Company to Update its            )  
Transmission Cost Recovery Rider            )     Case No. 13-1406-EL-RDR**

**TESTIMONY OF ANDREA E. MOORE**

**ON BEHALF OF  
OHIO POWER COMPANY  
IN SUPPORT OF THE STIPULATION AND RECOMMENDATION**

**Filed November 12, 2013**

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1 **PERSONAL DATA**

2 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

3 A. My name is Andrea E. Moore and my business address is 850 Tech Center Drive,  
4 Gahanna, Ohio 43230.

5 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

6 A. I am employed by Ohio Power Company (“AEP Ohio” or the “Company”) as Manager –  
7 Regulated Pricing and Analysis.

8 **BUSINESS EXPERIENCE**

9 **Q. PLEASE BRIEFLY DESCRIBE YOUR EDUCATIONAL BACKGROUND AND**  
10 **BUSINESS EXPERIENCE.**

11 A. I received my Bachelor of Science degree in Accounting from the University of Rio  
12 Grande. I completed the Basic Concepts of Rate Making class through New Mexico  
13 State University. I earned a Master of Business Administration degree from Franklin  
14 University. I joined AEPSC in 2001 as an Accountant and joined the Regulatory Tariffs  
15 department as a Regulatory Analyst III in 2004. I progressed through various positions  
16 before being promoted to my current position of Manager – Regulated Pricing and  
17 Analysis. My duties within the regulatory department have included preparing cost-of-  
18 service studies for regulatory filings, preparing cost based formula rates for wholesale  
19 customers, preparing rider filings and rate designs, maintaining tariff books as well as  
20 other projects related to regulatory issues and proceedings, individual customer requests,  
21 and general rate matters.

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1 **Q. WHAT ARE YOUR RESPONSIBILITIES AS MANAGER – REGULATED**  
2 **PRICING AND ANALYSIS?**

3 A. I am responsible for directing the preparation and presentation of regulatory matters to  
4 management as well as regulatory bodies. I plan, organize, and direct team activities to  
5 develop and support pricing structures, rider and true-up filings, maintenance of tariffs,  
6 pilot programs, special contracts, and other pricing initiatives depending on assigned  
7 function.

8 **Q. HAVE YOU EVER SUBMITTED TESTIMONY AS A WITNESS BEFORE A**  
9 **REGULATORY COMMISSION?**

10 A. Yes. I have filed testimony before the Public Utilities Commission of Ohio in Case Nos.  
11 11-346-EL-SSO, 11-351-EL-AIR, and 11-5569-EL-POR.

12 **PURPOSE OF TESTIMONY**

13 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

14 A. The purpose of my testimony is to describe and support the Stipulation and  
15 Recommendation (“Stipulation”) (incorporated by reference into this testimony) entered  
16 into by AEP Ohio and several parties and filed on November 8, 2013, to resolve the  
17 issues in this case. The Signatory Parties recommend that the Commission approve the  
18 Stipulation and issue its Opinion and Order in accordance with the recommendations  
19 made in the Stipulation. This testimony demonstrates that:

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1 (1) the Stipulation is a product of serious bargaining among capable, knowledgeable  
2 parties representing diverse interests; (2) the Stipulation does not violate any important  
3 regulatory principle or practice; and (3) the Stipulation, as a whole, will benefit  
4 customers and the public interest.

5 **Q. WHAT ARE YOUR QUALIFICATIONS TO ADDRESS THE ISSUES THAT ARE**  
6 **BEING RESOLVED BY THE STIPULATION?**

7 A. I submitted direct testimony in this case and sponsor the Company's application. I also  
8 participated on behalf of the Companies in connection with the negotiations and analysis  
9 of the issues being resolved by the Stipulation. In short, I understand the financial  
10 implications of the issues being resolved in the Stipulation and am familiar with the  
11 regulatory issues presently faced by AEP Ohio with respect to this proceeding.

12 **Q. WHAT ARE THE MAJOR PROVISIONS OF THE STIPULATION?**

13 A. The major provisions of the Stipulation address the revenue requirement for AEP Ohio's  
14 Transmission Cost Recovery Rider ("TCRR") during the period September 2013 through  
15 August 2014.

16 **Q. WHAT ARE THE MAIN PROVISIONS IN SECTION IV OF THE**  
17 **STIPULATION REGARDING THE TCRR REVENUE REQUIREMENT?**

18 A. Section IV of the Stipulation lists the adjustments to the TCRR revenue requirement AEP  
19 Ohio agrees to make as part of the Stipulation. The starting point for the adjustments is  
20 the \$230,942,688 revenue requirement sought in the Company's Application.

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1           First, AEP Ohio agrees to reduce the TCRR revenue requirement by \$8,549,801,  
2 reflecting the exclusion of 75% of the uncollected out-of-period reactive supply charges.

3           Second, AEP Ohio agrees to reduce the TCRR revenue requirement by \$884,929,  
4 reflecting the exclusion of 75% of the carrying charges associated with the uncollected  
5 out-of-period reactive supply charges.

6           Third, AEP Ohio agrees to reduce the TCRR revenue requirement by \$555,686,  
7 reflecting the exclusion of 75% of the future carrying charges associated with the  
8 excluded reactive supply charges described above.

9           Fourth, AEP Ohio agrees to reduce the TCRR revenue requirement by \$2,758,  
10 reflecting the exclusion of out-of-period spinning reserve charges plus carrying charges.

11           Fifth, AEP Ohio agrees to reduce the TCRR revenue requirement by \$7,930,072,  
12 reflecting the out-of-period/in-period over-collection due to the allocation error discussed  
13 in my pre-filed direct testimony on pages 6-7.

14           Finally, AEP Ohio agrees to reduce the TCRR revenue requirement by \$524,805,  
15 reflecting the carrying charges associated with the out-of-period/in-period over-collection  
16 due to the allocation error discussed in my pre-filed direct testimony on pages 6-7.

17 **Q. HOW DO THESE REDUCTIONS TO THE TCRR REVENUE REQUIREMENT**  
18 **BENEFIT CUSTOMERS?**

19 A. The reduced TCRR revenue requirement provides a direct benefit to customers in the  
20 form of a reduced TCRR charge. As part of the Stipulation, AEP Ohio has agreed to  
21 reduce the revenue requirement sought in the Company's Application by \$18,451,051.  
22 While reflected in the reduction of the revenue requirement, the reduction of \$555,686

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1 for future carrying costs will be recognized in the deferred receivable balance in the form  
2 of lower carrying charges to be accrued on the decreased balance. This amount  
3 represented carrying charges that were to be recorded in future months, hence it is  
4 inappropriate to reduce the current receivable balance.

5 **Q. PLEASE ADDRESS HOW THE COMPANY PROPOSES TO TREAT THE TCRR**  
6 **RATES AS A RESULT OF THE STIPULATION.**

7 A. As included as a term of the Stipulation, the Company plans to update the current interim  
8 rate to reflect the lower revenue requirement as a result of the Stipulation within fifteen  
9 days of Commission approval of the Stipulation.

10 **SIGNATORY PARTIES**

11 **Q. PLEASE IDENTIFY THE SIGNATORY PARTIES TO THE STIPULATION.**

12 A. The Signatory Parties to the Stipulation, in addition to the Company, include the  
13 following: the Staff, the Office of the Ohio Consumers' Counsel, and Ohio Energy  
14 Group. The Staff's participation in the settlement promoted important regulatory and  
15 consumer interests, including low-income customer interests. The other Signatory Parties  
16 also represent varied and diverse interests of residential and industrial customer interests.  
17 Industrial Energy Users-Ohio participated in the settlement discussions and conferences  
18 and it is my understanding that it will take a non-opposing position with respect to the  
19 Stipulation. In any case, the Stipulation conveys value to the interests of non-Signatory  
20 Parties through substantial provisions that benefit all of AEP Ohio's residential,  
21 commercial and industrial customers.

22

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1 **SATISFACTION OF CRITERIA USED TO REVIEW AND APPROVE STIPULATIONS**

2 **Q. WHAT CRITERIA HAS THE COMMISSION USED IN REVIEWING AND**  
3 **APPROVING STIPULATIONS AMONG SIGNATORY PARTIES TO A**  
4 **PROCEEDING?**

5 A. My understanding is that a stipulation traditionally must satisfy three criteria: (1) the  
6 stipulation must be a product of serious bargaining among capable, knowledgeable  
7 parties representing diverse interests; (2) the stipulation must not violate any important  
8 regulatory principle or practice; and (3) the stipulation must, as a whole, benefit  
9 customers and the public interest.

10 **Q. DOES THE STIPULATION REPRESENT A PRODUCT OF SERIOUS**  
11 **BARGAINING AMONG CAPABLE, KNOWLEDGEABLE PARTIES?**

12 A. Yes, it does. All Parties to the Stipulation were represented by experienced, competent  
13 counsel. Also, the Parties to the Stipulation regularly participate in rate proceedings  
14 before the Commission and are knowledgeable in regulatory matters. All parties  
15 (including the non-signing parties) were invited to participate in settlement discussions  
16 regarding the Stipulation. All parties participated in multiple meetings to discuss  
17 resolution of the subject case, were provided term sheets for discussion, the draft  
18 Stipulation and given the opportunity to further engage in settlement discussions with the  
19 Company. Many of the issues in the case were discussed in detail over the course of  
20 numerous meetings. Therefore, the Stipulation represents a product of serious bargaining  
21 among capable, knowledgeable parties representing diverse interests.

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1 **Q. DOES THE STIPULATION VIOLATE ANY IMPORTANT REGULATORY**  
2 **PRINCIPLES AND PRACTICES?**

3 A. No, it does not. Based on my experience with the regulatory process and review of the  
4 Stipulation, I believe that the Stipulation is consistent with, and does not violate,  
5 regulatory principles and practices in Ohio. On the contrary, the Stipulation promotes  
6 important regulatory principles and practices by advancing several of the State policies  
7 set forth in §4928.02, Revised Code. For example, consistent with division (A) of  
8 §4928.02, the rate commitments described above help to "[e]nsure the availability to  
9 consumers of adequate, reliable, and reasonably priced retail electric service."

10 **Q. DOES THE STIPULATION BENEFIT CONSUMERS AND THE PUBLIC**  
11 **INTEREST?**

12 A. Yes, it does. Under the Stipulation, AEP Ohio has agreed to reduce the revenue  
13 requirement sought in the Company's Application by \$18,451,051. This includes  
14 foregoing recovery of actual costs incurred by the Company. In addition, AEP Ohio  
15 customers receive the added benefit of realizing 100% of the out-of-period over-  
16 collection in this proceeding. Other Stipulating parties raised opposing arguments to  
17 counter the issues raised by the Company. There was disagreement on some of the  
18 issues in this case dealing with in and out of period and the parties explicitly agreed to  
19 resolve this case in the spirit of cooperation and compromise but not to waive any future  
20 arguments in future cases on this point. It is in the public interest to amicably settle  
21 proceedings like this while still availing parties of their right to raise issues in future  
22 cases.



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1 **Q. IS IT AEP OHIO'S POSITION THAT THE STIPULATION MEETS THE**  
2 **THREE-PART TEST REGARDING CONSIDERATION OF STIPULATIONS**  
3 **AND SHOULD BE ADOPTED BY THE COMMISSION?**

4 **A.** Yes, it is. The Stipulation is reasonable and should be adopted by the Commission to  
5 resolve the present proceeding.

6 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

7 **A.** Yes it does.

**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that a true and correct copy of the foregoing **Testimony of Ohio Power Company witness Andrea Moore** has been served upon the below-named counsel via email, this 12th day of November, 2013.

/s//Matthew J. Satterwhite

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Summary: Testimony of Andrea E. Moore on Behalf of Ohio Power Company in Support of the Stipulation and Recommendation electronically filed by Mr. Matthew J Satterwhite on behalf of Ohio Power Company