

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

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

**DIRECT TESTIMONY
OF
SARI FINK**

**On behalf of
The Office of The Ohio Consumers' Counsel**

*10 West Broad St., 18th Floor
Columbus, OH 43215-3485
(614) 466-9531*

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1 **I. INTRODUCTION**

2

3 ***Q1. PLEASE STATE YOUR NAME, BUSINESS ADDRESS AND POSITION.***

4 ***A1.*** My name is Sari Fink. My business address is 10 West Broad Street, Suite 1800,
5 Columbus, Ohio 43215-3485. I am employed by the Office of the Ohio
6 Consumers' Counsel ("OCC") as a Senior Regulatory Analyst.

7

8 ***Q2. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND***
9 ***PROFESSIONAL EXPERIENCE?***

10 ***A2.*** I have a Bachelor of Science degree in Economics and a Master of Arts degree in
11 Economics, both from the University of Victoria in British Columbia, Canada.

12

13 I have been employed in the energy industry since 2007. I was previously
14 employed by the consulting firm Exeter Associates, Inc. (as an Economist, 2007-
15 2013). Since May 2013, I have been employed with OCC, assisting in analyses
16 with respect to electricity market issues and resource planning activities. And I
17 have been involved in electric industry cases before the Public Utilities
18 Commission of Ohio ("PUCO" or "Commission").

19

**Q3. WHAT HAS BEEN YOUR EXPERIENCE IN PUCO PROCEEDINGS
REGARDING TRANSMISSION COST RECOVERY RIDERS?**

A3. I have been involved in the settlement reached in Ohio Power Company's ("AEP Ohio") current Transmission Cost Recovery Rider ("TCRR") Case (13-1406-EL-RDR).

**Q4. WHAT HAS BEEN YOUR EXPERIENCE IN OTHER REGULATORY
PROCEEDINGS?**

A4. I have been involved with many aspects of electric utility regulation since 2007 including, but not limited to, rate design, transmission and non-transmission alternative planning. In my previous role as an Economist with Exeter Associates I provided analysis support to federal clients participating in rate cases before numerous state commissions. I have also researched and written several reports on issues with respect to PJM markets, transmission, and resource development.

II. PURPOSE OF TESTIMONY AND RECOMMENDATIONS

Q5. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?

A5. The purpose of my testimony in this proceeding is to support the Stipulation signed by AEP Ohio, OCC, PUCO Staff, and Ohio Energy Group.

1 ***Q6. PLEASE SUMMARIZE YOUR RECOMMENDATIONS.***

2 ***A6.*** I recommend the PUCO adopt the Stipulation and Recommendation because, as a
3 whole, it will benefit customers and the public interest.

4

5 ***Q7. WHAT CRITERIA DOES THE PUCO USE WHEN EVALUATING***
6 ***STIPULATIONS?***

7 ***A7.*** The PUCO uses the three-prong test by evaluating whether: (1) the Stipulation is
8 a product of serious bargaining among capable, knowledgeable parties
9 representing a diversity of interests; (2) the Stipulation does not violate any
10 important regulatory principle or practice; and (3) the Stipulation, as a whole, will
11 benefit customers and the public interest. I will focus on the third prong of the
12 three-prong test.

13

14 ***Q8. IN YOUR OPINION, DOES THE STIPULATION, AS A PACKAGE,***
15 ***BENEFIT CUSTOMERS AND THE PUBLIC INTEREST?***

16 ***A8.*** Yes. AEP Ohio originally requested approval for a total TCRR revenue
17 requirement of \$230,942,668, which is what AEP Ohio sought to collect from
18 customers. AEP Ohio's proposal also included an adjustment to charge customers
19 for its prior under-collections, totaling \$47,261,363 plus \$3,331,644 in carrying
20 charges. The largest portion of AEP Ohio's proposed under-collection adjustment
21 was for Reactive Supply Charges from PJM that were not included in the TCRR
22 calculation (and thus not collected from customers) going back to July 2011.

1 Subsequently, it was revealed that there were also credits for over-collections
2 amounting to \$7,930,072 that had not been included in the TCRR calculation
3 (meaning that customers had not received the return of the money that was over-
4 collected from them).

5
6 Following serious negotiations between parties with diverse interests, the
7 interested parties reached a settlement. In the settlement (Stipulation), AEP Ohio
8 and the parties agreed to an \$18,451,051 reduction in AEP Ohio's revenue
9 requirement request lowering it to \$212,491,618 (meaning AEP Ohio will collect
10 less from customers than its original proposal). Therefore, customers will see a
11 smaller increase in their electric bills than what AEP Ohio originally proposed.

12
13 **III. CONCLUSION**

14
15 ***Q9. WHAT IS YOUR RECOMMENDATION?***

16 ***A9.*** The Commission should approve the Stipulation.

17
18 ***Q10. DOES THIS CONCLUDE YOUR TESTIMONY AT THIS TIME?***

19 ***A10.*** Yes.

CERTIFICATE OF SERVICE

I hereby certify that a copy of this Direct Testimony of Sari Fink was served on the persons stated below via electronic service this 13th day of November 2013.

/s/ Edmund "Tad" Berger

Edmund "Tad" Berger

Assistant Consumers' Counsel

SERVICE LIST

Thomas Lindgren
Ryan O'Rourke
Attorney General's Office
Public Utilities Commission of Ohio
180 East Broad Street, 6th Floor
Columbus, OH 43215
Thomas.lindgren@puc.state.oh.us
Ryan.orourke@puc.state.oh.us

Steven T. Nourse
Yazen Alami
Matthew Satterwhite
American Electric Power Service Corporation
1 Riverside Plaza, 29th Floor
Columbus, Ohio 43215
stnourse@aep.com
yalami@aep.com
mjsatterwhite@aep.com

David F. Boehm
Michael L. Kurtz
Jody Kyler Cohn
Boehm, Kurtz & Lowry
36 East Seventh Street, Suite 1510
Cincinnati, Ohio 45202
dboehm@BKLawfirm.com
mkurtz@BKLawfirm.com
jkylercohn@BKLawfirm.com

Samuel C. Randazzo
Frank P. Darr
Joseph E. Olikier
Matthew R. Pritchard
McNees Wallace & Nurick LLC
21 East State Street, 17th Floor
Columbus, OH 43215-4228
sam@mwncmh.com
fdarr@mwncmh.com
joliker@mwncmh.com
mpritchard@mwncmh.com

AEs: Sarah.parrrot@puc.state.oh.us
Jonathan.tauber@puc.state.oh.us

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Summary: Testimony Direct Testimony of Sari Fink on Behalf of the Office of the Ohio Consumers' Counsel electronically filed by Ms. Deb J. Bingham on behalf of Berger, Tad Mr.