

**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**

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November 13, 2013

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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

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

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

6
7 ***Q4. WHAT HAS BEEN YOUR EXPERIENCE IN OTHER REGULATORY***
8 ***PROCEEDINGS?***

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

15
16 **II. PURPOSE OF TESTIMONY AND RECOMMENDATIONS**

17
18 ***Q5. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?***

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

21

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
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This foregoing document was electronically filed with the Public Utilities

Commission of Ohio Docketing Information System on

11/13/2013 9:41:45 AM

in

Case No(s). 13-1406-EL-RDR

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.