

BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

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In the Matter of the :  
Application of Ohio Power :  
Company for Administration:  
of the Significantly :  
Excessive Earnings Test : Case No. 13-2251-EL-UNC  
for 2012 Under Revised :  
Code Section 4928.143(F) :  
and Ohio Administrative :  
Code 4928:1-35-10. :

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PROCEEDINGS

before Ms. Greta See, Attorney Examiner, at the  
Public Utilities Commission of Ohio, 180 East Broad  
Street, Room 11-C, Columbus, Ohio, called at 10 a.m.  
on Tuesday, April 29, 2014.

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- - -

APPEARANCES:

American Electric Power Service Corporation  
By Mr. Steven T. Nourse  
1 Riverside Plaza, 29th Floor  
Columbus, Ohio 43215

On behalf of the Applicant.

Mike DeWine, Ohio Attorney General  
By Mr. William L. Wright,  
Section Chief  
Public Utilities Section  
Mr. Thomas W. McNamee,  
Principal Assistant Attorney General  
180 East Broad Street, 6th Floor  
Columbus, Ohio 43215

On behalf of the Staff of the PUCO.

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| Joint Exhibit                    | Identified | Admitted |
|----------------------------------|------------|----------|
| 1 Stipulation and Recommendation | 5          | 11       |

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| Applicant Exhibit                         | Identified | Admitted |
|---|------------|----------|
| 1 Direct Testimony of Gary O. Spitznogle  | 5          | 10       |
| 2 Direct Testimony of Thomas E. Mitchell  | 5          | 10       |
| 3 Direct Testimony of Dr. Anil K. Makhija | 5          | 10       |

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| Staff Exhibit                             | Identified | Admitted |
|---|------------|----------|
| 1 Prefiled Testimony of Joseph P. Buckley | 6          | 11       |

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1 Tuesday Morning Session,  
2 April 29, 2014.

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4 ATTORNEY EXAMINER SEE: Scheduled for  
5 today at this time is Case No. 13-2251-EL-UNC being  
6 entitled in the Matter of the Application of Ohio  
7 Power Company for Administration of the Significantly  
8 Excessive Earnings Test Under Revised Code Section  
9 4928.143(F) and Ohio Administrative Code  
10 4901:1-35-10.

11 My name is Greta See. I am the Attorney  
12 Examiner assigned to this case by the Commission. At  
13 this point I would like to take appearances of the  
14 parties on behalf of the Ohio Power Company.

15 MR. NOURSE: Thank you, your Honor. On  
16 behalf of the Ohio Power Company, Steven T. Nourse, 1  
17 Riverside Plaza, Columbus, Ohio 43215.

18 ATTORNEY EXAMINER SEE: And on behalf of  
19 the staff of the Public Utilities Commission.

20 MR. McNAMEE: On behalf of the staff of  
21 the Public Utilities Commission of Ohio, I'm Thomas  
22 W. McNamee, Assistant Attorney General. The address  
23 is 180 East Broad Street, Columbus, Ohio.

24 ATTORNEY EXAMINER SEE: Okay. And I see  
25 that a stipulation has been filed by the parties.

1                   MR. NOURSE: Yes, your Honor. We have a  
2 stipulation this morning to present to you, and  
3 Mr. Gary Spitznogle is coming to testify in support  
4 of the stipulation, whenever you're ready.

5                   ATTORNEY EXAMINER SEE: Okay. Well,  
6 let's go ahead and get started.

7                   MR. NOURSE: And, your Honor, would it be  
8 okay if we mark exhibits up front? Is that easier?

9                   ATTORNEY EXAMINER SEE: Yes, it is.

10                  MR. NOURSE: All right. So the company  
11 has three exhibits, testimony of Gary O. Spitznogle  
12 will be Exhibit No. 1 and these were filed on the  
13 docket on November 22, I believe; and Thomas E.  
14 Mitchell's testimony will be company Exhibit No. 2;  
15 and Anil Makhija's testimony will be Exhibit No. 3.  
16 Give those to the reporter.

17                  MR. NOURSE: I believe staff has an  
18 exhibit.

19                  MR. McNAMEE: We have the stipulation  
20 too.

21                  MR. NOURSE: Okay. We can do that now.  
22 The Joint Exhibit No. 1 would be the stipulation.

23                  MR. McNAMEE: We'll need that one.

24                  ATTORNEY EXAMINER SEE: Okay. And I take  
25 it there -- are there any objections to the admission

1 of AEP Ohio Exhibits 1, 2, or 3?

2 MR. McNAMEE: No, your Honor. Since  
3 we're marking perhaps we should mark Staff Exhibit 1,  
4 the prefiled testimony of Joseph Buckley. I've given  
5 that to the reporter.

6 ATTORNEY EXAMINER SEE: Okay. Are there  
7 any objections to the admission of Staff Exhibit 1?

8 MR. NOURSE: No, your Honor.

9 ATTORNEY EXAMINER SEE: The AEP exhibits  
10 and staff's exhibit as well as the stipulation are so  
11 marked.

12 (EXHIBITS MARKED FOR IDENTIFICATION.)

13 MR. NOURSE: Thank you, your Honor. We  
14 would call Mr. Gary Spitznogle to the stand.

15 (Witness sworn.)

16 ATTORNEY EXAMINER SEE: Have a seat.  
17 Please state and spell your name for the record.

18 THE WITNESS: My name is Gary O.  
19 Spitznogle, last name is spelled S-P-I-T-Z-N-O-G-L-E.

20 ATTORNEY EXAMINER SEE: Mr. Nourse.

21 MR. NOURSE: Thank you, your Honor.

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GARY O. SPITZNOGLE

being first duly sworn, as prescribed by law, was  
examined and testified as follows:

DIRECT EXAMINATION

By Mr. Nourse:

Q. Good morning, Mr. Spitznogle.

A. Good morning.

Q. Could you state your position and briefly  
describe your responsibilities with AEP.

A. Yes. I'm vice president of regulatory  
and finance with AEP Ohio, and my responsibilities  
are to oversee the financial performance of AEP Ohio  
and all matters pertaining to regulatory issues.

Q. Okay. And your -- I guess your  
background and your educational experience are listed  
in detail in Company Exhibit No. 1, correct?

A. Yes.

Q. Your prefiled testimony.

A. Yes.

Q. Okay. So we won't go through that in  
great detail now. Did you have an opportunity to  
review Joint Exhibit No. 1, the stipulation and  
recommendation?

A. Yes, I did.

Q. Okay. So you're familiar with that

1 document and were involved with final -- negotiating  
2 and finalizing the document?

3 A. Yes.

4 Q. Okay. And in your opinion does the --  
5 does the stipulation reach a reasonable outcome for  
6 this proceeding and recommendation to the Commission?

7 A. Yes, it does.

8 Q. Okay. Let me just ask you about the  
9 three-part test that the Commission uses to evaluate  
10 stipulations. Are you familiar with the three-part  
11 test?

12 A. I am, yes.

13 Q. And with respect to this stipulation,  
14 Joint Exhibit 1, is that the product of serious  
15 bargaining among the staff and the company?

16 A. It is.

17 Q. And there are no other parties in this  
18 proceeding to your knowledge, correct?

19 A. That's correct.

20 Q. Okay. And does the stipulation confirm  
21 that the annual significantly excessive earnings test  
22 was conducted, and does the stipulation confirm that  
23 there were no significantly excessive earnings in  
24 2012?

25 A. Yes, it does.



1           Q.    And the -- in your opinion then does the  
2 stipulation in that regard provide a benefit to the  
3 public interest?

4           A.    It does.

5           Q.    Okay. And the third criteria for the  
6 stipulation test is that the stipulation does not  
7 violate any important regulatory principles or  
8 practices; is that your understanding?

9           A.    Yes, it is.

10          Q.    And this stipulation satisfies that  
11 criteria as well?

12          A.    It does.

13          Q.    Thank you. So in summary does the  
14 stipulation provide confidence that the -- to the  
15 Commission that no significantly excessive earnings  
16 occurred in 2012 for Ohio Power Company?

17          A.    That is correct.

18               MR. NOURSE: Okay. Thank you. That's  
19 all the direct examination I have, your Honor.

20               ATTORNEY EXAMINER SEE: Thank you.

21               Mr. McNamee?

22               MR. McNAMEE: Thank you, your Honor.

23               I'm sorry you had to come out on this  
24 rainy morning, Mr. Spitznogle. I have no questions  
25 for you.

1 THE WITNESS: Thank you.

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3 EXAMINATION

4 By Attorney Examiner See:

5 Q. Mr. Spitznogle, how do you believe that  
6 the stipulation benefits ratepayers and serves the  
7 public interest?

8 A. Because AEP Ohio's SEET test confirms  
9 that our earnings were below the threshold.

10 ATTORNEY EXAMINER SEE: Okay. Thank you.  
11 You can step down, Mr. Spitznogle.

12 THE WITNESS: Okay.

13 MR. NOURSE: Thank you, your Honor. I  
14 would just -- I believe we moved for admission of the  
15 exhibits earlier, and I would renew that motion.

16 ATTORNEY EXAMINER SEE: And there were no  
17 objections so AEP Ohio Exhibits 1, 2, and 3 are  
18 admitted into the record as is -- I'm sorry,  
19 Mr. McNamee.

20 MR. McNAMEE: Oh, well, and I would move  
21 the admission of Staff Exhibit 1 and the joint  
22 exhibit as well.

23 (EXHIBITS ADMITTED INTO EVIDENCE.)

24 ATTORNEY EXAMINER SEE: And I take -- are  
25 there any objections, Mr. Nourse?

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MR. NOURSE: No.

ATTORNEY EXAMINER SEE: Staff Exhibit 1  
and Joint Exhibit 1 are admitted into the record.

(EXHIBITS ADMITTED INTO EVIDENCE.)

ATTORNEY EXAMINER SEE: And if there's  
nothing further, the hearing is adjourned.

(Thereupon, the hearing was concluded at  
12:14 p.m.)

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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, April 29,  
2014, and carefully compared with my original  
stenographic notes.

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Karen Sue Gibson, Registered  
Merit Reporter.

(KSG-5861)

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**This foregoing document was electronically filed with the Public Utilities**

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**in**

**Case No(s). 13-2251-EL-UNC**

Summary: Transcript in the matter of the Ohio Power Company hearing held on 04/29/14 electronically filed by Mrs. Jennifer Duffer on behalf of Armstrong & Okey, Inc. and Gibson, Karen Sue Mrs.