

EXHIBIT NO. _____

BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Columbus)	
Southern Power Company and Ohio Power)	
Company for Authority to Recover Costs)	Case No. 05-376-EL-UNC
Associated With Construction and Ultimate)	
Operation of an Integrated Gasification)	
Combined Cycle Electric Generating Facility)	

DIRECT TESTIMONY OF
HEATHER M. WHITNEY
ON BEHALF OF
OHIO POWER COMPANY

Filed: October 23, 2014

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HEATHER M. WHITNEY

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BEFORE
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DIRECT TESTIMONY OF
HEATHER M. WHITNEY
ON BEHALF OF
OHIO POWER COMPANY

1 **PERSONAL DATA**

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

3 A. My name is Heather M. Whitney, and my business address is 1 Riverside Plaza, Columbus,
4 Ohio 43215.

5 **Q. BY WHOM ARE YOU EMPLOYED AND WHAT IS YOUR POSITION?**

6 A. I am employed by the American Electric Power Service Corporation (AEPSC) as a Senior
7 Audit Consultant. AEPSC is a subsidiary of American Electric Power, Inc. (AEP), and
8 provides professional services to AEP's operating companies, which includes Ohio Power
9 Company ("AEP Ohio" or the "Company").

10 **Q. WOULD YOU PLEASE DESCRIBE YOUR EDUCATIONAL AND**
11 **PROFESSIONAL BACKGROUND?**

12 A. Yes. I received a Bachelor of Science Degree in Agriculture and a Master of Accounting
13 Degree from The Ohio State University in June 2005. I have been a Certified Public
14 Accountant since 2007, transitioning my Ohio license to inactive status in 2012. I began my
15 career in 2005 as a staff auditor within Ernst & Young's Columbus, Ohio Assurance
16 Services practice, and I was promoted to the role of senior auditor in 2007. I joined AEPSC
17 as an Auditor in 2008 and have since held roles of increasing responsibility within the
18 AEPSC Audit Services function, including Audit Specialist, Audit Consultant, and Senior

1 Audit Consultant.

2 **Q. WHAT ARE YOUR RESPONSIBILITIES AS A SENIOR AUDIT CONSULTANT?**

3 A. I am primarily responsible for planning and performing complex internal audit and
4 consulting projects and communicating results to all levels of management under the
5 supervision of AEPSC Audit Services Directors. In addition, I provide direction to other
6 auditors and assist with development of the annual audit plan.

7 **Q. HAVE YOU PREVIOUSLY SUBMITTED TESTIMONY IN ANY REGULATORY**
8 **PROCEEDINGS?**

9 A. No, I have not.

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

11 A. The purpose of my testimony is to: 1) describe the 2011 internal audit conducted by AEPSC
12 Audit Services of preconstruction costs incurred by AEP Ohio (on behalf of both Ohio
13 Power Company and Columbus Southern Power Company at the time the costs were
14 incurred) that were associated with the activities necessary to engineer, design, and estimate
15 the total cost for a proposed IGCC generating facility (the “Phase I” activities) to be
16 constructed at the Great Bend site in Meigs County, Ohio (the “Great Bend IGCC”), of
17 which I was the lead; and 2) address the adjustments identified in both the internal audit and
18 the Public Utilities Commission of Ohio (PUCO) Staff’s review of project expenditures.

19 **Q. ARE YOU SPONSORING ANY EXHIBITS WITH YOUR TESTIMONY?**

20 A. Yes. I am sponsoring Exhibit HMW-1, which contains the report resulting from AEPSC
21 Audit Services’ internal audit of Great Bend IGCC Phase I preconstruction cost. In addition,
22 I am sponsoring Exhibit HMW-2, which lists adjustments identified through the internal
23 audit and Staff’s review of project expenditures. Section I details adjustments identified by

1 the Company through its own internal audit completed on August 11, 2011, and was shared
2 with Staff during Staff's review of project expenditures in 2012. Section II details
3 additional adjustments identified by Staff as a result of its 2012 review of project
4 expenditures, as communicated to the Company on November 5, 2012. Section III
5 illustrates the net adjustment to project cost resulting from these reviews.

6 **INTERNAL AUDIT**

7 **Q. WHY WAS AN INTERNAL AUDIT CONDUCTED TO REVIEW THE PHASE I** 8 **COSTS OF THE GREAT BEND PROJECT?**

9 A. On June 28, 2011, AEP Ohio requested that AEPSC Audit Services perform an internal audit
10 of Great Bend IGCC Phase I preconstruction costs of \$21.074 million, as reported to the
11 PUCO in the Company's statement submitted on June 29, 2011, to verify they were
12 complete, accurate, properly supported, and properly classified in accordance with financial
13 accounting standards.

14 **Q. HOW WAS THE AUDIT CONDUCTED?**

15 A. The objective and scope of the 2011 internal audit conducted by AEP Audit Services is
16 described on page 3 of Exhibit HMW-1. Execution of a thorough and detailed audit
17 program resulted in the internal audit conclusion described on page 4 of Exhibit HMW-1.
18 Adjustments identified as a result of the internal audit are described in detail in Section I of
19 Exhibit HMW-2.

20 The internal audit was conducted by selecting a sample of transactions for review, resulting
21 in direct testing of \$9.062 million of project costs and analytical review of \$4.012 million of
22 project costs, or coverage of 62.0% of total AEP Ohio Great Bend IGCC Phase I
23 preconstruction cost reported to the PUCO in the Company's June 29, 2011 statement.

1 **Q. WHAT WERE THE FINDINGS OF THE AUDIT?**

2 A. AEPSC Audit Services found that preconstruction costs were properly allocated to AEP
3 Ohio's Great Bend IGCC site, with the exception of relatively minor adjustments resulting
4 in a net \$0.294 million decrease in project cost, as summarized on pages 4 and 5 of Exhibit
5 HMW-1 and detailed in Section I of Exhibit HMW-2. This net \$0.294 million decrease in
6 project cost is composed of a \$0.565 million decrease resulting from cost allocation
7 corrections, partially offset by a \$0.271 million increase resulting from inclusion of
8 transmission routing study and permitting costs that were excluded from the amount
9 reported in the Company's June 29, 2011 statement.

10 **Q. DID THE COMPANY UPDATE ITS ACCOUNTING RECORDS BASED ON**
11 **THESE FINDINGS?**

12 A. Yes. Adjustments, summarized on pages 4 and 5 of Exhibit HMW-1 and detailed in Section
13 I of Exhibit HMW-2, were made in August 2011.

14 **STAFF'S REVIEW OF PROJECT EXPENDITURES**

15 **Q. FROM THE PERSPECTIVE OF YOUR ROLE, PLEASE DESCRIBE THE STAFF'S**
16 **REVIEW OF PROJECT EXPENDITURES.**

17 A. The Staff served the Company with four sets of formal data requests during the period
18 January through July 2012. In addition, I am aware that members of Staff were on site at
19 the Company on a number of occasions from May through August 2012 to review contracts,
20 invoices, studies, and other documents related to the Great Bend IGCC project.

21 I personally facilitated the Staff's review of electronic work papers supporting AEPSC
22 Audit Services' 2011 internal audit of Great Bend IGCC Phase I preconstruction cost during
23 two separate three-hour sessions during on-site visits May 14, 2012, and May 24, 2012,

1 where multiple members of Staff were present. Further, I responded to Staff follow-up
2 inquiries related to internal audit work paper review and provided assistance during the
3 Company's process to respond to the Staff's formal data requests during the period May
4 through August 2012.

5 The Staff communicated the listing of adjustments identified as a result of its review
6 procedures to the Company on November 5, 2012. This listing is detailed in Section II of
7 Exhibit HMW-2.

8 **Q. WHAT WERE THE RESULTS OF THE STAFF'S REVIEW?**

9 A. The Staff identified adjustments resulting in an additional \$0.221 million net reduction to
10 project cost, as detailed in Section II of Exhibit HMW-2.

11 **Q. DID THE COMPANY UPDATE ITS ACCOUNTING RECORDS BASED ON**
12 **THESE FINDINGS?**

13 A. Yes. Adjustments detailed in Section II of Exhibit HMW-2 were made in January 2013,
14 with the exception of the adjustment related to amounts on deposit with PJM, which was
15 made in June 2012.

16 **Q. WHAT WAS THE NET RESULT OF BOTH THE INTERNAL AUDIT AND**
17 **STAFF'S REVIEW?**

18 A. A \$0.515 million net reduction to project cost, as shown in Section III of Exhibit HMW-2.

19 **Q. DO YOU BELIEVE THAT TOTAL PROJECT COST RECORDED IN THE**
20 **COMPANY'S ACCOUNTING RECORDS OF \$20.570 MILLION IS ACCURATE?**

21 A. Yes. Total Great Bend IGCC Phase I preconstruction cost remaining after the completion
22 of both the internal audit and Staff's review of project expenditures is calculated as shown
23 below:

1	\$21.074 million	Reported in the Company's June 29, 2011 Statement
2	(\$0.294) million	Net Reduction Resulting from Internal Audit
3	(\$0.221) million	Net Reduction Resulting from Staff's Review of Project Cost
4	<u>\$0.011 million</u>	Additional Project Costs Incurred in the Second Half of 2011
5	\$20.570 million	Total Project Cost

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

7 A. Yes.

Audit Services Department

AEP Ohio Great Bend IGCC Cost Allocation Review

Date Issued: 08/11/2011

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AEP Ohio Great Bend IGCC Cost Allocation Review

BACKGROUND:

In 2004, AEP announced that it would build at least one commercial Integrated Gasification Combined Cycle (IGCC) clean-coal plant by 2010. Three potential sites were determined to be in:

- ◇ Mason County, West Virginia, adjacent to Mountaineer Plant (*Appalachian Power*)
- ◇ Lewis County, Kentucky, in the Carrs area near Vanceburg (*Kentucky Power*)
- ◇ Meigs County, Ohio, in the Great Bend area (*Shared by Ohio Power and Columbus Southern Power*)

In April 2006, the Public Utilities Commission of Ohio (PUCO) approved recovery of preconstruction costs (estimated to be \$23.7 million) via a 12-month bypassable generation surcharge. AEP Ohio collection of the surcharge began in July 2006 and was largely completed by July 2007, with a total of \$24.2 million collected from ratepayers.

Since April 2006, intervenors have challenged the PUCO's authorization of AEP Ohio to collect preconstruction costs from customers. On June 28, 2006, the PUCO issued an order which provided that if AEP Ohio had not commenced construction of the plant within 5 years of the date of the order, Phase I preconstruction costs charged to Ohio ratepayers would be, "the subject of subsequent audit(s) to determine whether such expenditures were reasonably incurred to construct the proposed IGCC facility in Ohio." The PUCO order further stated that, "...all Phase I charges collected for expenditures associated with items that may be utilized in projects at other sites, must be refunded to Ohio ratepayers with interest."

As of June 28, 2011, 5 years later, AEP Ohio had not commenced plant construction. On June 28, 2011, intervenors filed a motion with the PUCO, which requested that AEP Ohio be required to provide ratepayers with a full refund (i.e., return the total \$24.2 million collected, plus interest). On June 29, 2011, AEP Ohio filed with the PUCO, reporting that \$24.2 million was collected from ratepayers; however, AEP Ohio's actual costs were only \$21.1 million. Therefore, AEP Ohio recommended that \$3.1 million plus interest (calculated total of \$3.8 million) be refunded to ratepayers.

On June 28, 2011, AEP Ohio Regulatory Services requested that Audit Services perform a review of the \$21.1 million of actual preconstruction costs incurred by AEP Ohio in anticipation of the PUCO's review of the Company's June 29, 2011 filing discussed above.

In early 2007, Audit Services conducted a review of actual costs incurred through May 2006 (\$14.1 million, including AEP Ohio Great Bend outside services and internal labor & expenses of \$6.1 million and \$4.0 million, respectively) related to all potential IGCC plant sites to confirm they were reasonably allocated. Audit Services found that outside services and internal labor & expense costs through May 2006 were reasonably allocated to the appropriate potential plant site, and therefore were reasonably allocated to the appropriate operating company.

AEP Ohio Great Bend IGCC Cost Allocation Review

OBJECTIVE:

The objective of the review is to determine whether direct and indirect preconstruction costs (\$21.1 million) allocated to the AEP Ohio Great Bend IGCC site and submitted to the PUCO for final recovery authorization are complete, accurate, properly supported, and properly classified in accordance with financial accounting standards.

SCOPE:

The scope of this review includes performance of the following procedures:

- Confirm costs allocated to the AEP Ohio Great Bend IGCC site through May 2006, reviewed by Audit Services in early 2007, are appropriately reflected in the final cost submitted to the PUCO; and,
- Review costs allocated to the AEP Ohio Great Bend IGCC site subsequent to May 2006 for completeness, accuracy, proper support, and proper classification in accordance with financial accounting standards.

AEP Ohio Great Bend IGCC Cost Allocation Review

CONCLUSION:

This scorecard summarizes our conclusions for each scope area covered in the review. In addition, comments that relate to each scope area are referenced to the Comments, Risks and Resolutions section below. Please note that the conclusion classifications are defined in Appendix 1 located at the end of this report.

Scope Area	Comments Present	Conclusion Classification
Confirm costs allocated to the AEP Ohio Great Bend IGCC site through May 2006, reviewed by Audit Services in early 2007, are appropriately reflected in the final cost submitted to the PUCO.	(1)	Costs properly allocated to the AEP Ohio Great Bend IGCC site, except for minor adjustments detailed in Comment 1.
Review costs allocated to the AEP Ohio Great Bend IGCC site subsequent to May 2006 for completeness, accuracy, proper support, and proper classification in accordance with financial accounting standards.	(1)	Same as above.
OVERALL CONCLUSION FOR REVIEW		Costs properly allocated to the AEP Ohio Great Bend IGCC site, except for minor adjustments detailed in Comment 1.

COMMENTS, RISKS, AND RESOLUTIONS

In the following portion of the report, we have addressed the areas for improvement identified during our audit, their risk, and significance to the business. Also included are the planned action steps, responsible parties, and target dates for completion as provided by management. The significance level is based on our assessment of the combined impact and likelihood for each condition noted.

Low risk and operating efficiency comments are communicated management in a separate "Low Risk Comments Memo."

AEP Ohio Great Bend IGCC Cost Allocation Review

1) AEP Ohio Great Bend IGCC Preconstruction Cost Allocation Errors

Comment – Portions of specific IGCC technology study costs and other miscellaneous costs, as summarized below, were incorrectly charged to the AEP Ohio Great Bend IGCC site. Conversely, certain transmission interconnection costs related to route selection and permitting were omitted from the AEP Ohio Great Bend IGCC costs filed with the PUCO. The table below summarizes audit adjustments, and their net impact on preconstruction cost reported to the PUCO on June 29, 2011:

Adjustment Description	Net Amount
<i>IGCC Technology Study Costs</i>	
EPRI IGCC Membership and Study Participation	\$ (388,409)
Parsons Polygeneration Evaluation	\$ (28,767)
Aspen Gasification Modeling Software	\$ (16,888)
<i>Transmission Interconnection Costs</i>	
Transmission Routing Study and Permitting	\$ 447,767
Construction Overhead Cost Allocation*	\$ (62,347)
Allowance for Funds Used During Construction (AFUDC)*	\$ (114,188)
Interconnection Study Credit Balance with PJM**	\$ (89,546)
<i>Other Miscellaneous</i>	
Includes adjustments to recruiting costs, employee expenses, and other.	\$ (41,867)
Net Audit Adjustment	\$ (294,244)
Preconstruction Cost Reported to the PUCO on June 29, 2011	\$ 21,074,370
Audited Preconstruction Cost	\$ 20,780,126

* AEP accounting policy precludes preconstruction expenditures from receiving an allocation of construction overhead cost or accrual of AFUDC.

** Ultimately, this credit balance will be refunded to AEP.

Risk – Direct and indirect preconstruction costs allocated to the AEP Ohio Great Bend IGCC site may not be complete, accurate, properly supported, and properly classified in accordance with financial accounting standards.

Resolution – Cost owners in AEP Generation and AEP Transmission will work with Accounting to record journal entries necessary to accurately reflect allocable costs in AEP Ohio Great Bend IGCC site work orders. The net impact of these journal entries will include reclassification of less than \$200,000 of incorrectly capitalized costs to expense.

Significance: Medium	Responsible Parties: Dan Duellman, Director New Generation & CCS Engineering Mark Workman, Managing Director Transmission Projects	Target Date: August 31, 2011
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AEP Ohio Great Bend IGCC Cost Allocation Review

Appendix 1

Classification of Audit Report Conclusions

Operational/Financial (Internal Controls Reviews):

Conclusion	Definition
Well-controlled	Controls are appropriately designed and are operating effectively to manage risks. Control issues may exist, but are minor.
Well-controlled but minor improvements needed	Medium-level control issues (either design or operating effectiveness) are present but do not compromise achievement of important control objectives.
Improvements in controls needed	High-level or medium-level control weaknesses are present that compromise achievement of one or more important control objectives but do not prevent the process or function from achieving its overall purpose. While important weaknesses exist, their impact on the management of risks is limited rather than widespread.
Major improvements in controls needed	High-level control weaknesses exist across numerous control objectives that potentially prevent the process or function from achieving its overall purpose. The impact of weaknesses on management of risks is widespread rather than isolated either due to the number or nature of control weaknesses.

Classification of Audit Findings

Financial Audit Findings:

Risk Significance	Risk Definition
High	Likelihood of the condition occurring must be more than remote <u>and</u> potential impact must be significant in relationship to the underlying financial information, overall objectives, or level of compliance of the function or process audited.
Medium	Likelihood of the condition occurring must be more than remote <u>or</u> potential impact must be significant in relationship to the underlying financial information, overall objectives, or level of compliance of the function or process audited.
Low	Enhancement to a current process that would add value, but not necessarily have a significant impact to the company from a financial, compliance, effectiveness, or efficiency standpoint. Would entail process improvement or have a relatively small monetary impact.

Summary of Adjustments to Project Cost

Section I				Allocations Subsequent to AEPSC Internal Audit				Reason for Adjustment
#	Vendor	Month Cost Incurred	AEPSC Internal Audit Adjustments to Project Cost	Amounts Allocated to AEP Ohio Prior to AEPSC Internal Audit	Great Bend AEP Ohio	Mountaineer Appalachian Power	Carrs Kentucky Power	
1	DAVIS, J & ASSOCIATES INC	October 2004	(\$5,000)	\$15,000	\$10,000	\$2,500	\$2,500	These represent recruiting costs, which are not site specific. Prior to 11/2005, Great Bend was the primary site; however, Mountaineer and Carrs sites were under consideration. Therefore, an allocation of 2/3 to Great Bend, 1/6 to Mountaineer, and 1/6 to Carrs for the period 9/2004 (initial IGCC project costs recorded in the Company's accounting records) through 11/2005 is appropriate.
2	NAS RECRUITMENT COMMUNICATIONS	November 2004	(\$2,303)	\$6,910	\$4,607	\$1,152	\$1,152	
3	SODEXHO INC & AFFILIATES	December 2004	(\$101)	\$301	\$200	\$50	\$50	
4	DAVIS, J & ASSOCIATES INC	April 2005	(\$5,850)	\$17,550	\$11,700	\$2,925	\$2,925	These represent technology study costs, which are not site specific. Prior to 11/2005, Great Bend was the primary site; however, Mountaineer and Carrs sites were under consideration. Therefore, an allocation of 2/3 to Great Bend, 1/6 to Mountaineer, and 1/6 to Carrs for the period 9/2004 (initial IGCC project costs recorded in the Company's accounting records) through 11/2005 is appropriate.
5	EPRI	January 2005	(\$83,333)	\$250,000	\$166,667	\$41,667	\$41,667	
6	PARSONS E & C	August 2005	(\$6,667)	\$20,000	\$13,333	\$3,333	\$3,333	
7	PARSONS E & C	September 2005	(\$11,667)	\$35,000	\$23,333	\$5,833	\$5,833	These represent technology study, software, and recruiting costs, which are not site specific. As of 11/2005, the Carrs site was no longer under consideration, and charges to the project work order materially ceased. Between 12/2005 and 5/2006, Great Bend was the primary site; however, Mountaineer was still under serious consideration. Therefore, an allocation of 2/3 to Great Bend and 1/3 to Mountaineer is appropriate.
8	PARSONS E & C	October 2005	(\$10,434)	\$31,302	\$20,868	\$5,217	\$5,217	
9	EPRI	December 2005	(\$120,000)	\$360,000	\$240,000	\$120,000		
10	ASPEN TECHNOLOGY	February 2006	(\$16,888)	\$50,665	\$33,777	\$16,888		These represent technology study costs (EPRI) and common office costs (AT&T DSL charges), which are not site specific. Great Bend and Mountaineer sites were under equal consideration between 6/2006 and 11/2007 (both sites had agreements under negotiation/executed and active with the GE/Bechtel Alliance for FEED studies). Therefore, an allocation of 1/2 to Great Bend and 1/2 to Mountaineer is appropriate.
11	N/A - Employee Expense	May 2006	(\$1,010)	\$3,032	\$2,022	\$1,011		
12	EPRI	January 2007	(\$185,075)	\$370,151	\$185,076	\$185,076		
13	AT&T	June 2007 to November 2007	(\$910)	\$1,820	\$910	\$910		As of 11/2007, the AEP Ohio Great Bend FEED study was complete, and project activities were winding down. As a result, beginning in December 2007 common office costs (AT&T DSL charges) should be allocated 100% to the Mountaineer site.
14	AT&T	December 2007 to February 2010	(\$3,003)	\$3,003	\$ -	\$3,003		
15	N/A - Employee Expense		(\$4,785)	\$4,785	\$ -	\$ -	\$4,785	
16	N/A - AEP Real Estate Department Internal Labor		(\$16,726)	\$33,452	\$16,726	\$ -	\$16,726	This expense is unrelated to the AEP Ohio Great Bend IGCC project and therefore should be removed from project cost.
17	URS		(\$2,179)	\$26,130	\$23,951		\$2,179	
18	PJM Interconnection LLC		(\$89,546)	\$160,000	\$70,454			
19	Transmission Interconnection Cost (Multiple Vendors)		\$271,233	\$0	\$271,233			It was determined that 50% of the AEP Real Estate department's time was related to land acquisition and therefore should be excluded from actual project costs. The remaining 50% represents Great Bend site-specific activity unrelated to land acquisition that should remain in project cost.
A	Net AEPSC Internal Audit Adjustment		(\$294,244)	\$1,389,101	\$1,094,857	\$389,565	\$64,856	
								This invoice had two line items, totaling \$2,179, related to work performed on the Carrs site that should be removed from AEP Ohio Great Bend IGCC project cost.
								Of the \$160,000 deposited with PJM to support performance of interconnection studies for the AEP Ohio Great Bend IGCC facility, \$89,545.56 remained on deposit with PJM at the time internal audit procedures were performed as evidenced by a statement of account from PJM. This amount on deposit was expected to be returned to the Company upon AEP cancellation of its interconnection request. As a result, the amount of the deposit should be excluded from project cost.
								Represents costs incurred to route, permit, and site transmission to connect the Great Bend IGCC facility to the existing transmission grid.

Section II

				Allocations Subsequent to Staff Review of Project Expenditures					Reason for Adjustment
#	Vendor	Month Cost Incurred	Staff Adjustments to Project Cost	Amounts Allocated to AEP Ohio Prior to Staff Review	Great Bend AEP Ohio	Mountaineer Appalachian Power	Carrs Kentucky Power	Other	
20	GE/Bechtel Alliance	March 2005 to October 2005	(\$176,173)	\$528,520	\$352,347	\$88,087	\$88,087	\$0	Feasibility study cost should be allocated 2/3 to Great Bend, 1/6 to Mountaineer, and 1/6 to Carrs since Great Bend was the primary site prior to 2005; however, Mountaineer and Carrs sites were under consideration.
21	PJM Interconnection LLC		(\$37,151)	\$70,454	\$33,303			\$126,697	Actual cash received upon cancellation of the Company's PJM interconnection request was \$126,697; however, only \$89,546 was included in AEPSC internal audit adjustments. Therefore, an additional \$37,151 reduction in project cost was warranted.
22	N/A - Employee Expense	September 2007	(\$398)	\$795	\$398	\$398			Great Bend and Mountaineer sites were under equal consideration between 6/2006 and 11/2007 (both sites had agreements under negotiation/executed and active with the GE/Bechtel Alliance for FEED studies). Therefore, this employee's 2007 IGCC conference registration should have received an allocation of 1/2 to Great Bend and 1/2 to Mountaineer.
23	N/A - Employee Expense	October 2005	\$133	\$265	\$398	\$398			Due to the nature of this employee's work, their 2005 IGCC Conference registration should have been allocated 1/2 to Great Bend and 1/2 to Mountaineer. While the employee manually entered this allocation correctly, the system made an additional erroneous allocation that required correction.
24	Jim Bowden		(\$2,344)	\$2,344	\$0			\$2,344	An invoice line item represented an expense that was unrelated to the AEP Ohio Great Bend IGCC project and therefore should be removed from project cost.
25	Porter, Wright, Morris & Arthur LLP		(\$99)	\$510	\$411			\$99	Two invoice line items represent expenses that were unrelated to the AEP Ohio Great Bend IGCC project and therefore should be removed from project cost.
26	N/A - Employee Expense		(\$4,999)	\$4,999	\$0			\$4,999	An employee mis-coded an expense report resulting in charges against the Great Bend project. This expense is unrelated to the AEP Ohio Great Bend IGCC project and therefore should be removed from project cost.
B	Net Staff Adjustment		(\$221,031)	\$607,887	\$386,856	\$88,882	\$88,087	\$134,139	

Section III

A + B = Net Adjustment (\$515,275)

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Case No(s). 05-0376-EL-UNC

Summary: Testimony Direct Testimony of Heather M. Whitney on behalf of Ohio Power Company electronically filed by Ms. Christen M. Blend on behalf of Ohio Power Company