

BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

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In the Matter of the :  
Application of Ohio Power : Case No.  
Company for Administration : 14-875-EL-UNC  
of the Significantly Excessive :  
Earning Test for 2013. :

- - -

PROCEEDINGS

Before Greta See, Attorney Examiner, held at the  
offices of the Public Utilities Commission of  
Ohio, 180 East Broad Street, Hearing Room 11-D,  
Columbus, Ohio, on Wednesday, November 5, 2014,  
at 10:00 A.M.

- - -

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APPEARANCES:

Mr. Steven T. Nourse  
American Electric Power Corporation  
1 Riverside Plaza  
Columbus, Ohio 43215

On behalf of the Ohio Power Company.

Mr. Thomas W. McNamee  
Assistant Attorney General  
180 East Broad Street  
6th Floor  
Columbus, Ohio 43215

On behalf of the Staff of the  
Public Utilities Commission  
of Ohio.

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1 Wednesday Morning,  
2 November 5, 2014.

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4 ATTORNEY EXAMINER: Scheduled for  
5 hearing today at this time is Case No.  
6 14-875-EL-UNC being entitled in the Matter of  
7 the Application of Ohio Power Company for  
8 Administration of the Significantly Excessive  
9 Earnings Test under Revised Code Section  
10 4928.143 (F) and Ohio Administrative Code and  
11 Rule 4901:1-35-10.

12 My name is Greta See, I am the  
13 Attorney Examiner assigned to this case by the  
14 Commission. At this time I would like to take  
15 appearances of the parties. On behalf of Ohio  
16 Power Company.

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

20 ATTORNEY EXAMINER: And on behalf of  
21 the Staff of the Public Utilities Commission.

22 MR. MCNAMEE: On behalf of the Staff  
23 of the Public Utilities Commission of Ohio, Mike  
24 Dewine, recently reelected Attorney General for  
25 the State of Ohio, and I am Thomas McNamee,

1 Assistant Attorney General. The address is 180  
2 East Broad Street, Columbus, Ohio.

3 ATTORNEY EXAMINER: Okay. Mr.  
4 Nourse.

5 MR. NOURSE: Thank you, your Honor.  
6 And the parties as you know have entered into a  
7 stipulation and recommendation for this case.  
8 And we have William A. Allen to testify in  
9 support of the stipulation.

10 So I guess we should mark as Joint  
11 Exhibit 1 the stipulation.

12 ATTORNEY EXAMINER: Let's go off the  
13 record.

14 (DISCUSSION OFF THE RECORD)

15 MR. NOURSE: Joint Exhibit 1, your  
16 Honor.

17 ATTORNEY EXAMINER: Okay.

18 MR. NOURSE: So we would also like  
19 to stipulate the testimony in pursuant to the  
20 stipulation. And I will offer Company Exhibit  
21 1, direct testimony of William A. Allen.

22 Company Exhibit 2, direct testimony  
23 of Thomas E. Mitchell, both docketed on May  
24 15th.

25 MR. MCNAMEE: And then we would also

1 like to stipulate in Staff Exhibit 1, prefiled  
2 testimony of Joseph Buckley.

3 And then let's call it 1 A. This is  
4 a corrected attachment to the testimony of Mr.  
5 Buckley. When I was preparing his testimony to  
6 be filed I mistakenly put the wrong attachment  
7 on the back of his testimony. This reflects the  
8 correct one.

9 ATTORNEY EXAMINER: Okay. And  
10 filing the next day on October 10th?

11 MR. MCNAMEE: Yes. I think that is  
12 right. Yes.

13 ATTORNEY EXAMINER: Okay. Joint  
14 Exhibit 1. Are there any objections to the  
15 admission of any of the exhibits, Staff or  
16 the Company's, or Joint Exhibit 1?

17 MR. MCNAMEE: No.

18 ATTORNEY EXAMINER: Perfect.

19 MR. NOURSE: No.

20 ATTORNEY EXAMINER: Joint 1, Company  
21 Exhibit 1 and 2 and Staff Exhibits 1 and 1A are  
22 admitted into the record.

23 (EXHIBITS HEREBY ADMITTED INTO  
24 EVIDENCE)

25 ATTORNEY EXAMINER: Mr. Nourse.

1 MR. NOURSE: Your Honor, the Company  
2 calls William A. Allen to the stand.

3 (WITNESS SWORN)

4 - - -

5 WILLIAM A. ALLEN  
6 called as a witness on behalf of the Company,  
7 being first duly sworn, testified as follows:

8 DIRECT EXAMINATION

9 By Mr. Nourse:

10 Q. Good morning, Mr. Allen. Can you  
11 state your full name for the record?

12 A. William A. Allen.

13 Q. And what is your position with AEP?

14 A. I am the Managing Director of Rate  
15 Case Management.

16 Q. Can you just briefly summarize your  
17 responsibilities in that position?

18 A. My responsibilities are the  
19 oversight of major rate filings in the 11 states  
20 that AEP operates in as well as the FERC  
21 jurisdiction.

22 Q. Thank you. And are you familiar  
23 with all the testimony that has been filed in  
24 this case generally?

25 A. Yes, I am.

1           Q.    And you are also familiar with the  
2 Joint Exhibit 1, stipulation and recommendation;  
3 is that correct?

4           A.    Yes, I am.

5           Q.    And so you have evaluated the terms  
6 of the stipulation in light of the Commission's  
7 three part test; have you?

8           A.    I have.

9           Q.    And I would like to briefly go  
10 through that with you, Mr. Allen. The first  
11 criterion is the settlement a product of serious  
12 bargaining among capable and knowledgeable  
13 parties.

14                   Can you address that first criterion  
15 in light of this stipulation?

16           A.    Yes. Both the Company and the Staff  
17 performed a detailed analysis of the ROE  
18 thresholds and came to comparable results and  
19 evaluated those results against the actual  
20 earnings of AEP Ohio, and determined that in  
21 neither case was the Company's earnings  
22 excessive.

23           Q.    Okay. And I should have asked you  
24 to summarize the stipulation, which what you  
25 just said was a good summary of it.

1           Then can you briefly just address  
2 whether the settlement is a product of serious  
3 bargaining among capable and knowledgeable  
4 parties?

5           A.    Yes, it was.  Both the Staff and  
6 the Company did a detailed evaluation of the  
7 case, yes.

8           Q.    Okay.  And does the settlement as a  
9 package benefit ratepayers and the public  
10 interest?

11          A.    Yes, it does.  It complies with the  
12 Commission regulations in this regard as well as  
13 the underlying law.

14          Q.    Okay.  And does the settlement  
15 package violate any important regulatory  
16 principle or practice in your opinion?

17          A.    No.  The settlement is consistent  
18 with prior settlements in related previous  
19 proceedings of the Company's.

20          Q.    Okay.  And is it your recommendation  
21 then that the Commission adopt the stipulation  
22 as its order in this case?

23          A.    Yes, it is.

24               MR. NOURSE:  Thank you.  That's all  
25 the questions on direct I had, your Honor.



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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 November 5, 2014, and carefully compared with my original stenographic notes.

\_\_\_\_\_  
Michael O. Spencer,  
Registered Professional  
Reporter.

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

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Summary: Transcript in the matter of Ohio Power Company hearing held on 11/05/14 electronically filed by Mr. Ken Spencer on behalf of Armstrong & Okey, Inc. and Spencer, Michael O. Mr.