BEFORE THE OHIO POWER SITING BOARD

- - -

In the Matter of:

:

The Application of AEP :
Ohio Transmission Company :
for a Certificate of :

Environmental : Case No. 13-0429-EL-BTX

Compatibility and Public:
Need to Construct the:
138kV Biers:
Run-Hopetown-Delano:
Transmission Line Project:

- - -

PROCEEDINGS

before Mr. Jay Agranoff, Administrative Law Judge, at the Public Utilities Commission of Ohio, 180 East Broad Street, Room 11-D, Columbus, Ohio, called at 10:00 a.m. on Tuesday, January 6, 2015.

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      APPEARANCES:
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 3
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 4
                  On behalf of AEP Transmission Co.
 5
             Mike DeWine, Ohio Attorney General
 6
             By William L. Wright, Section Chief
             Public Utilities Section
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             180 East Broad Street
             Columbus, Ohio 43215-3793
 8
                  On behalf of the Staff of the Public
 9
                  Utilities Commission.
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1 Tuesday Morning Session, 2 January 6, 2015. 3 4 THE ADMINISTRATIVE LAW JUDGE: The Ohio Power Siting Board has assigned for evidentiary 5 6 hearing at this time and place Case No. 7 13-0429-EL-BTX, which is captioned In the Matter of 8 The Application of AEP Ohio Transmission Company for 9 a Certificate of Environmental Compatibility and Public Need to Construct the 138kV Biers 10 Run-Hopetown-Delano Transmission Line Project. 11 12 My name is Jay Agranoff, and I am the 13 Administrative Law Judge assigned by the Ohio Power 14 Siting Board to preside over this evidentiary 15 hearing. 16 At this point in time we will take the 17 appearances. On behalf of AEP 18 MR. KUMAR: On behalf of AEP, Ajay Kumar 19 along with Matthew Satterwhite, Steven Nourse, and 2.0 Yazen Alami, appearing in the record. Thank you. 2.1 THE ADMINISTRATIVE LAW JUDGE: 22 want to give your address for the record, please? MR. KUMAR: Yes, sorry. One Riverside 23 24 Plaza, Columbus, Ohio 43215. 25 THE ADMINISTRATIVE LAW JUDGE: Thank you.

And on behalf of the Ohio Power Siting Board.

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MR. WRIGHT: Yes. Good morning, your Honor, and thank you. On behalf of the Ohio Power Siting Board and its staff this morning, Ohio Attorney General Mike DeWine, by John Jones and William Wright, 180 East Broad Street, Columbus, Ohio, 43215.

And I would also note that with me here at counsel's table this morning is the staff individual, Jon Pawley. Thank you.

THE ADMINISTRATIVE LAW JUDGE: Thank you.

I know that we had the public hearing in this matter on December 16 in Chillicothe, Ohio, and as I mentioned previously, today is the evidentiary portion of this proceeding.

At this point in time would the parties care to update me as to where we stand relative to the evidentiary proceeding?

MR. KUMAR: Of course, your Honor. As indicated in the December 23 filing, we reached a stipulation with the Ohio Power Siting Board staff, and we are prepared to move forward with supporting testimony, starting with the testimony of the prefiled testimony of Shawn Malone.

Proceedings

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                  THE ADMINISTRATIVE LAW JUDGE: Okav.
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      Mr. Malone, if you would please come forward.
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                  (Witness sworn.)
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                  THE ADMINISTRATIVE LAW JUDGE: Please be
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      seated.
                  Please proceed.
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                  MR. KUMAR: Your Honor, could I also have
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      some exhibits marked.
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                  THE ADMINISTRATIVE LAW JUDGE: Certainly.
      It's a little out of order.
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                  MR. KUMAR: AEP Ohio Transco Exhibit.
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      No. 1, which is the application filed on January 8,
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      together with the supplements filed on May 5,
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      July 18, and July 30 and certified as complete by the
      Board on August 27.
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                  AEP Ohio Transco Exhibit No. 2 which is
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     Proof of Publication filed on May 15, 2013.
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                  AEP Ohio Transco Exhibit No. 3, Proof of
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      Publication filed October 31, 2014.
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                  And AEP Ohio Transco Exhibit No. 4, which
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      is the Proof of Publication filed on December 8,
22
      2014.
23
                  And then AEP Ohio Transco Exhibit No. 5,
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      which I have with me, which is the prefiled testimony
25
      of Shawn Malone.
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1
                  And then Joint Exhibit No. 1 which is the
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      Joint Stipulation and Recommendation.
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                  THE ADMINISTRATIVE LAW JUDGE: Thank you.
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      The aforementioned exhibits will be marked
 5
      accordingly.
                  (EXHIBITS MARKED FOR IDENTIFICATION.)
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 7
                  MR. WRIGHT: Your Honor, before we
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      proceed, would you like us to go ahead and mark
      exhibits as well?
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                  THE ADMINISTRATIVE LAW JUDGE: Why not?
                  MR. WRIGHT: I'd like to have marked as
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      Staff Exhibit No. 1 the Staff Report of Investigation
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      that was prepared and filed in this case on
      December 1, 2014.
14
                  And I would like to have marked as Staff
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16
      Exhibit No. 2 the Prefiled Testimony of Jon Pawley
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      filed on December 20, 2014.
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                  And that would conclude our exhibits. I
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      believe we marked the joint exhibit.
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                  MR. KUMAR: Yes.
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                  THE ADMINISTRATIVE LAW JUDGE: Correct.
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      Staff's exhibit shall be marked accordingly.
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                  MR. WRIGHT:
                               Thank you.
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                  (EXHIBITS MARKED FOR IDENTIFICATION.)
                  THE ADMINISTRATIVE LAW JUDGE: You may
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proceed.

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2 MR. KUMAR: Thank you, your Honor.

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SHAWN P. MALONE

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

DIRECT EXAMINATION

By Mr. Kumar:

- Q. Would you please state your name and business address for the record?
- A. Sure. My name is Shawn Malone, and I work at 700 Morrison Road, Gahanna. Ohio, 43230.
- Q. Could you please tell us who you are employed by and in what capacity you are employed?
- A. I work for AEP Ohio Transmission Company, and I'm a project manager.
- Q. Could you please explain the relationship of your job to the project in this case?
 - A. I am going to be the project manager for the transmission line construction for the Biers Run-Hopetown-Delano line.
- Q. Could you please identify AEP Exhibit No.

 5, which I have placed in front of you?
- A. Yes. Right here, this is my prefiled testimony.

- Q. It was prepared by you and under your direction?
 - A. Yes, it was.
- Q. Do you have any changes or corrections to your testimony?
 - A. No, I do not.
 - Q. Does this testimony support the settlement reached between the Power Siting Board staff and the company in this case?
 - A. Yes, it does.
- 11 Q. Could you please turn to page 15 of the stipulation attached in your testimony?
- A. Sure. Okay.
 - Q. Do you see the list of exhibits there?
- 15 A. I do.

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- Q. Could you please quickly just read off those exhibits?
- A. Read them off? Sure. AEP Ohio Transco

 Exhibit No. 1, which is the application.
 - Q. Just the first one.
- A. Okay. AEP Transco Exhibit 2, Proof of Publication filed on May 15, 2013.
- AEP Ohio Transco Exhibit No. 3, Proof of Publication filed on October 31, 2014.
- 25 And then AEP Transco Exhibit No. 4 Proof

10 of Publication filed on December 8, 2014. 1 2 And there is also a joint exhibit there? 3 Α. Correct, Joint Stipulation and 4 Recommendation. 5 0. Could you authenticate those exhibits? Α. 6 7 Q. And the Joint Stipulation is also 8 attached to your testimony? 9 Yes, it is. Α. 10 Q. And you're supporting it as part of your testimony? 11 12 Α. I do indeed. 13 MR. KUMAR: The witness is available to 14 the Bench for questions. 15 THE ADMINISTRATIVE LAW JUDGE: Thank you. 16 Any cross-examination? 17 MR. WRIGHT: None, your Honor. 18 THE ADMINISTRATIVE LAW JUDGE: Thank you. 19 Mr. Malone, I have a few questions. 2.0 THE WITNESS: Okay. 2.1 22 EXAMINATION 23 By The Administrative Law Judge: 24 Let me start first with your testimony, 25 which has been marked as AEP Exhibit No. 5. Can you

just briefly explain to me whether or not there is an intended replacement of the particular substation as a result of the construction of this project?

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A. It's not as a result of this project.

There's the distribution station that's existing,

Camp Sherman station. It's old. It's an antiquated station, and the Distribution Group would like to upgrade that. So that is not part of this project, not part of the certification.

It may be built. I mean, it should be built in the future. It wouldn't be my project, though. It could be built in the next year, five years, ten years from now, but not part of my project or certification.

- Q. And is the substation that will be replacing the Camp Sherman distribution station the Hopetown?
 - A. Correct, it's the Hopetown station.
- Q. But the Biers Run and Delano substation, those are regulated generation stations?
- A. The Biers Run station is. I don't believe the Delano is. I think Delano is a distribution station. I could be wrong on that. I know Biers Run is because we have 345 coming into it and 138 coming out, so it is regulated, and we have

another certification for that that was prior to this. So it is under construction. Delano has been existing for several decades.

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- Q. Could you also explain in a little bit more detail the process that is going to be required for gaining federal agency approval for this project, specifically with respect to the Pleasant Valley wildlife area?
- A. Sure. I guess it probably takes a brief history to explain it, and I know most of the details but maybe not some specifics. Originally that land was owned by the federal government as a training ground for World War II for soldiers. After the war they had excess land, which at some point in time, I don't know the exact timing, it was deeded to ODNR to manage that property. GSA still held the right to the -- the mineral rights to that land.

THE ADMINISTRATIVE LAW JUDGE: The acronyms you use.

A. ODNR is a Ohio Department of Natural Resources and GSA is the General Service Administration, federal government. The GSA still has an interest in it.

We met with ODNR, and ODNR said they need to do two things, but first they need a

certification. When the route is certified, they will have to go to the GSA and show we are not after the mineral rights. We are building a transmission line through here. And they already had discussions with them, and the GSA said it is not an issue for the GSA.

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They also have to go to US Fish & Wildlife Services, and they have to get a certification that there are no endangered species. Consultants have done studies and there are no endangered species impacted, so we don't feel there will be any issues with that. But ODNR has to get those approvals on their behalf to grant us the right to build the line.

- Q. Does the US Fish & Wildlife clearance letter come first and then the GSA?
- A. I don't know. I don't know. Those are two letters, two approvals they have to get. I believe the US Fish & Wildlife Service has to come first, if memory serves me. Then go to the GSA. The GSA is the final sign-off, so, yes, they have to go to US Fish and Wildlife first.
- Q. Okay. Then if I could call your attention to what has been marked as Joint Exhibit 1.
 - A. I need that. Okay, I have it right here.

- Q. I know that the project has been described as being a single circuit.
 - A. Correct.

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- Q. Then I did notice that if you look at page 2 of the joint exhibit, I believe there's a discussion where it begins right at the bottom of page 2. It discusses a double circuit.
- A. There is a portion of double circuit that will be along 104 where the line will come down. We have an existing easement for a 69 line that we're utilizing in this case. So the line will come down an existing easement that is in front of the correctional facility and the VA building. Then we need to go back along that same right-of-way. That section along 104 in front of the VA and correctional facility would be a double circuit section as opposed to a single circuit, but just that section, just that portion.
- Q. Just that portion. Then with respect to the discussion of the common route, the common route, I assume, would be common for both the preferred route as well as the two alternatives?
 - A. That's correct.
- Q. Then the only other question I have, if you happen to know, I'm trying to distinguish between

the proof of publication from October 31, 2014, and the one from December, 2014, which I believe were marked as AEP Exhibits 3 and 4.

A. I know we have to -- we ran the newspaper ad in December. The 31st, I'll make an assumption those were the letters that were mailed out. We would mail letters to the affected property owners. I'm assuming that's what the October 31 is. Then we did a publication in the newspaper on December 8.

THE ADMINISTRATIVE LAW JUDGE: Okay.

Thank you.

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MR. WRIGHT: Your Honor, could I ask one clarifying question.

THE ADMINISTRATIVE LAW JUDGE: Sure.

MR. WRIGHT: This keys off of something you asked.

CROSS-EXAMINATION

By Mr. Wright:

Q. You were asked a couple questions at the outset by Examiner Agranoff about the Sherman substation, that there's a desire to upgrade that.

Did you indicate that was a distribution substation?

A. That's correct, that is a distribution substation.

Q. Not subject to the board oversight?

A. That is correct.

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- MR. WRIGHT: I just wanted to make that clear.
- 5 THE ADMINISTRATIVE LAW JUDGE: Thank you.
 6 Anything else from AEP?
- 7 MR. KUMAR: No. I think that's it, your 8 Honor.
- 9 THE ADMINISTRATIVE LAW JUDGE: Thank you, 10 sir.
- 11 THE WITNESS: You're welcome.
- THE ADMINISTRATIVE LAW JUDGE: At this

 point would counsel like to move for the admission?

 MR. KUMAR: Yes, your Honor, I'd like to

 move for the admission of the marked exhibits and the
- THE ADMINISTRATIVE LAW JUDGE: Any objection?
- MR. WRIGHT: None.

testimony of Mr. Malone.

- THE ADMINISTRATIVE LAW JUDGE: There being none, the aforementioned exhibits will be
- 22 admitted as part of the record at this time.
- 23 (EXHIBITS ADMITTED INTO EVIDENCE.)
- MR. WRIGHT: Your Honor, we would like to
 move the admission of Staff Exhibit No. 1, again,

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that being the Staff Report of Investigation, and
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      Staff Exhibit No. 2, the testimony of Mr. Pawley, who
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      although present is not planning to take the witness
 4
      stand today.
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                  Did you move the admission of the joint
      exhibit, the stipulation? If not, I move its
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 7
      admission at this time as well.
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                  THE ADMINISTRATIVE LAW JUDGE: I believe
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      we did, but to the extent it was not, it will be
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      appropriate to rule on that again.
                  Any objection to any of the
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12
      aforementioned exhibits?
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                  MR. KUMAR: No, your Honor.
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                  THE ADMINISTRATIVE LAW JUDGE: Okay.
                                                         We
15
      are not having Mr. Pawley testify and have
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      cross-examination of him.
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                  MR. KUMAR: Yes, that's fine. We have no
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      questions for Mr. Pawley.
                  THE ADMINISTRATIVE LAW JUDGE:
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                                                  There
2.0
      being no objection, the aforementioned exhibits will
2.1
      be admitted as part of the record at this time.
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                               Thank you, your Honor.
                  MR. WRIGHT:
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                  (EXHIBITS ADMITTED INTO EVIDENCE.)
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                  THE ADMINISTRATIVE LAW JUDGE: Anything
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else?

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                   If not, we are adjourned. Thank you.
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                   MR. WRIGHT: Thank you.
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                   (The hearing adjourned at 10:14 a.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, January 6, 2015, and carefully compared with my original stenographic notes.

Rosemary Foster Anderson, Professional Reporter and Notary Public in and for the State of Ohio.

My commission expires April 5, 2019.

11 (RFA-77439)

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Armstrong & Okey, Inc., Columbus, Ohio (614) 224-9481

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in

Case No(s). 13-0429-EL-BTX

Summary: Transcript in the matter of the AEP Ohio Transmission Company hearing held on 01/06/15 electronically filed by Mr. Ken Spencer on behalf of Armstrong & Okey, Inc. and Anderson, Rosemary Foster Mrs.