

**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of Ohio	:	
Edison Company, The Cleveland Electric	:	Case No. 14-1297-EL-SSO
Illuminating Company and The Toledo	:	
Edison Company for Authority to Provide	:	
for a Standard Service Offer Pursuant to	:	
R.C. 4928.143 in the Form of an Electric	:	
Security Plan	:	

**PREFILED TESTIMONY  
OF  
RAYMOND W. STROM  
RATES & ANALYSIS DEPARTMENT  
SITING, EFFICIENCY & RENEWABLE ENERGY DIVISION  
PUBLIC UTILITIES COMMISSION OF OHIO**

**Staff Exhibit \_\_\_\_\_**

**September 18, 2015**

1 1. Q. Please state your name and your business address.

2 A. My name is Raymond W. Strom. My business address is 180 East Broad  
3 Street, Columbus, Ohio 43215.  
4

5 2. Q. By whom are you employed and what is your position?

6 A. I am employed by the Public Utilities Commission of Ohio as a Public  
7 Utilities Administrator 3, in the Siting, Efficiency and Renewable Energy  
8 Division of the Rates and Analysis Department.  
9

10 3. Q. Please summarize your educational background.

11 A. I have earned B.S. and M.S. degrees from Ohio University, both in the bio-  
12 logical/environmental sciences. I have also earned a Master of Business  
13 Administration degree from Capital University.  
14

15 4. Q. Please summarize your work experience.

16 A. Prior to my employment with the PUCO, I was employed as a chemist, a  
17 laboratory technician, a graduate teaching assistant, a research technician  
18 and a quality control coordinator for various organizations. In 1987, I  
19 joined the Staff of the Public Utilities Commission of Ohio as Supervisor of  
20 the Electric Fuel Component Section. In 1992, I was promoted to Public  
21 Utility Administrator 1. Starting in 1999, I served as a Public Utility

1 Administrator 2 in the Facilities, Siting and Environmental Analysis Divi-  
2 sion. In October of 2009 I was promoted to Chief of the Efficiency and  
3 Renewables Division. In late 2014, I began serving as Chief of the newly  
4 formed Siting, Efficiency and Renewable Energy Division.

5  
6 5. Q. Have you testified in prior proceedings before the Commission?

7 A. Yes.

8  
9 6. Q. What is the purpose of your testimony?

10 A. The purpose of my testimony is to present Staff's recommendations on the  
11 competitive bidding process (CBP) proposals of Ohio Edison Company,  
12 The Cleveland Electric Illuminating Company and The Toledo Edison  
13 Company (the Companies).

14  
15 7. Q. What are Staff's concerns about the Companies' CBP?

16 A. In general, the procedures that the Companies are recommending appear to  
17 be appropriate and consistent with competitive bidding processes that have  
18 previously been conducted by the Companies and Ohio's other electric dis-  
19 tribution utilities (EDUs). However, Staff has three areas of requested  
20 clarification.

1 One item of clarification relates to the testimony of Companies' witness  
2 Miller, where reference is made to the Commission selecting the winning  
3 bidder(s).<sup>1</sup> In the context of the CBP being proposed in this case, it would  
4 be more appropriate to state that the auction manager selects the winning  
5 bidder(s), subject to the approval or rejection of the auction results by the  
6 Commission.

7  
8 Another point of clarification involves a process to modify features of the  
9 CBP, if necessary, during the term of the Electric Security Plan (ESP). As  
10 the Commission noted in its decision in the most recent AEP-Ohio ESP  
11 case, it reserves the right to review and modify any feature of the CBP pro-  
12 cess as it deems necessary based upon its continuing oversight of the pro-  
13 cess, including its review of the reports on the auction provided to the Com-  
14 mission by the independent auction manager, the Companies, Staff, or any  
15 consultant retained by the Commission.<sup>2</sup> The Companies' CBP should sim-  
16 ilarly include the potential for modification during the ESP period as the  
17 Commission deems necessary.

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<sup>1</sup> Direct testimony of B. Miller at 7 (lines 22-23), 17 (line 19) (Aug. 4, 2014).

<sup>2</sup> *In the Matter of the Application of Ohio Power Company for Authority to Establish a Standard Service Offer Pursuant to R.C. 4928.143, in the Form of an Electric Security Plan*, Case No. 13-2385-EL-SSO (Opinion and Order at 31) (Feb. 25, 2015).

1 Finally, the Companies do not clearly state that the auctions to be con-  
2 ducted under the CBP will be advertised. Staff recommends that the Com-  
3 mission require that the Companies or Auction Manager place at least one  
4 advertisement in an appropriate publication for each auction, in order to  
5 help assure that potential new participants may become aware of the auc-  
6 tion process.

7  
8 8. Q. What about the termination of 100% of the standard service offer (SSO)  
9 supply, and potential resulting rate volatility, at the end of the currently pro-  
10 posed ESP period?

11 A. I recommend that the auction laddering and blending process continue past  
12 the end date of the proposed ESP period. This would allow transition from  
13 this currently proposed ESP to the next ESP without the rate volatility  
14 impact that could be associated with a sudden end, followed by a re-start, of  
15 the auction laddering and blending process. An example of how this could  
16 occur is presented in Exhibit RWS-1.

17  
18 9. Q. Does this conclude your testimony?

19 A. Yes, it does. However, I reserve the right to submit supplemental testi-  
20 mony as described herein, as new information subsequently becomes avail-  
21 able or in response to positions taken by other parties.

## PROOF OF SERVICE

I hereby certify that a true copy of the foregoing **Prefiled Testimony of Raymond W. Strom** submitted on behalf of the Staff of the Public Utilities Commission of Ohio, was served by regular U.S. mail, postage prepaid, hand-delivered, and/or delivered via electronic mail, upon the following parties of record, this 18<sup>th</sup> day of September, 2015.

*/s/ Steven L. Beeler*

**Steven L. Beeler**

Assistant Attorney General

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## Exhibit RWS-1

		Currently Proposed ESP												Next ESP																																			
		2016				2017				2018				2019				2020				2021				2022				2023																			
		J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D
Auction 1 Oct 2015	12 month																																																
	24 month																																																
	36 month																																																
Auction 2 Jan 2016	12 month																																																
	24 month																																																
	36 month																																																
Auction 3 Oct 2016	12 month																																																
	24 month																																																
Auction 4 Jan 2017	36 month																																																
Auction 5 Oct 2017	12 month																																																
	24 month																																																
Auction 6 Jan 2018	36 month																																																
Auction 7 Oct 2018	12 month																																																
	24 month																																																
Auction 8 Jan 2019	36 month																																																
Auction 9 Oct 2019	12 month																																																
	24 month																																																
Auction 10 Jan 2020	36 month																																																



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Summary: Testimony Prefiled Testimony of Raymond W. Strom submitted by Assistant Attorney General Steven Beeler on behalf of the Staff of the Public Utilities Commission of Ohio. electronically filed by Kimberly L Keeton on behalf of Public Utilities Commission of Ohio