BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

- - -

In the Matter of the Application Seeking Approval of Ohio Power Company's Proposal to Enter into an Affiliate Power Purchase Agreement for Inclusion in the Power Purchase Agreement Rider.	:	Case No. 14-1693-EL-RDR
In the Matter of the Application of Ohio Power Company for Approval of Certain Accounting Authority.	:	Case No. 14-1694-EL-AAM

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PROCEEDINGS

before Ms. Greta See and Ms. Sarah Parrot, Attorney Examiners, at the Public Utilities Commission of Ohio, 180 East Broad Street, Room 11-D, Columbus, Ohio, at 9:00 a.m., on Tuesday, October 13, 2015

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VOLUME IX

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1 Tuesday Morning Session,
2 October 13, 2015.
3 - - -
4 EXAMINER PARROT: Good morning.
5 This is the continuation of the hearing
6 in Case No. 1460-93-EL-RDR. My name is Sarah Parrot.
7 With me on the Bench is Greta See. We are the
8 Attorney Examiners assigned by the Commission to hear
9 these cases.
10 Let's begin with short appearances,
11 starting with company and working our way around the
12 table, please.
13 MR. NOURSE: On behalf of the Ohio Power
14 Company, Steve T. Nourse, Matthew J. Satterwhite,
15 Matthew S. McKenzie and Daniel R. Conway.
16 MS. COHN: Thank you, your Honor. On
17 behalf of the Ohio Energy Group, Michael Kurtz, Kurt
18 Bohem, and Jody Kyler Cohn.
19 MR. YURICK: Mark Yurick on behalf the
20 Kroger Company.
21 MR. DARR: Frank Darr on behalf of the
22 Industrial Energy Users of Ohio.
23 MR. OLIKER: Good morning, your Honor.
24 On behalf of IGS Energy, Joe Oliker
25 MR. BEELER: Thank you, your Honors.

1 Ohio Attorney General Michael DeWine, Steven Beeler
2 and Werner Margard, assistant attorney generals, on
3 behalf of the staff of the Public Utilities
4 Commission of Ohio.
5 MR. MOORE: Thank you. On behalf of the
6 residential consumers of AEP-Ohio, Bruce J. Weston,
7 the Ohio Consumers' Counsel, by Kevin Moore, William
8 Michael and Jodi Bair.
9 MS. WILLIAMS: Thank you, your Honor.
10 I'm Laurie Williams on behalf of the Sierra Club and;
11 also Ms. Henry.
12 Q. Good morning, your Honor. On behalf of
13 PJM Power Providers Group, the Electric Power Supply
14 Association, Constellation NewEnergy, and Exelon
15 Generation, LLC, M. Howard Petricoff, Michael
16 Settineri and Gretchen Petrucci.
17 EXAMINER PARROT: Thank you, everyone.
18 Do we have any preliminary matters to
19 discuss this morning before we take our first
20 witness?.
21 MR. NOURSE: Yes, your Honor. We wanted
22 to address two things. First of all, the company had
23 obtained through discovery a Joint Defense Agreement
24 between many of the intervenors, including Sierra
25 Club, Industrial Energy Users, P3, IGS, RESA, Ohio

1 Hospital Association, Ohio Environmental Council,
2 Environmental Defense Fund, Ohio Manufacturers'
3 Association Energy Group, Ohio Partners for
4 Affordable Energy, the Appalachian People's Justice
5 Network, the ELPC, and the Ohio Consumers' Counsel.
6 And so we wanted to alert the Bench to
7 potential friendly cross-examination and either
8 implement a procedure whereby the joint defense
9 parties who are contractually obligated to coordinate
10 and collaborate in this case should be restricted
11 from doing friendly cross-examination, either by
12 affirmatively justifying any cross-exam they have or
13 being, again, alerted to the Bench of the high
14 potential for friendly cross if any of those parties
15 are attempting to examine their collaborators'
16 witness.
17 So that was one item, your Honor, and the
18 other item was just the order. Given the adverse
19 nature of the company to the intervenors and given
20 that we have the burden of proof, we wanted to go
21 last in the cross examination. Thank you.
22 MR. OLIKER: If I may respond briefly.
23 Provision 10 of the Joint Defense Agreement states:
24 Each party further understands and acknowledges that
25 the parties have the right and may have the

1 obligation to take positions that may be adverse to
2 the interest of other signatory parties to the
3 agreement.
4 And I'd like to note while there is a
5 Joint Defense Agreement, parties are allowed to
6 differ about certain aspects of the application, and
7 they may have the ethical obligation to do so. And
8 any questions regarding friendly cross can be raised
9 based upon the facts and circumstances that are
10 presented. I don't think there should be any burden
11 shifting about the ability to cross a witness.
12 Anytime that there is a question of friendly cross,
13 it should be raised, just as under normal
14 circumstances friendly cross is not allowed.
15 Regarding the witness order, or cross
16 examination order, while I like Ms. Cohn very much
17 and the Ohio Energy Group, as everybody knows,
18 they've gone last while their position is much closer
19 to the company's than ours. That's been allowed to
20 occur during this entire hearing. I don't think this
21 is any different than that circumstance may be. I
22 don't see why the company should necessarily go last.
23 MR. DARR: If I may add, just indicate my
24 agreement with Mr. Oliker with regard to the Bench's
25 ability to assure that cross-examination is

1 consistent with Commission practice. There's no
2 reason for a preliminary ruling on this matter. It
3 can be dealt with on a case-by-case basis.
4 With regard to the order of cross, I
5 really have no strong opinions one way or the other
6 on it.
7 MR. NOURSE: Your Honor, with regard to
8 Mr. Oliker's point about the provision in the Joint
9 Defense Agreement that allows parties to take
10 different positions on the company's application, we
11 didn't ask for any restrictions or anything about the
12 cross-examination. The way they collaborated, I
13 think it was obvious, and on the company witnesses,
14 that's a different matter. We've already been
15 through that part of the hearing, and that really
16 doesn't have any application.
17 What we're talking about here is the
18 intervenors, relative unanimous opposition to the
19 application, which is obviously consistent with their
20 Joint Defense Agreement but also consistent with each
21 other in terms of opposing the application. So I
22 think that provision he cited is not relevant to the
23 discussion we're talking about.
24 MR. SETTINERI: Your Honor, if I may, my
25 clients also support Mr. Oliker's position. Any

1 attempt to limit cross-examination can be done
2 through an objection at the time of the
3 cross-examination.
4 As to order, I will defer to your Honor's
5 experience, but given the time and the nature that
6 the companies do have the burden, I think it prudent
7 that they cross-examine the witnesses first.
8 Thank you.
9 EXAMINER PARROT: Anyone else?
10 MR. BEELER: Finally, staff would still
11 request to go last, as is customary. Thank you.
12 MS. WILLIAMS: I would just like to say
13 my client supports Mr. Oliker also.
14 MR. OLIKER: Your Honor, if I could have
15 one more item. Provision 11 also calls for
16 cross-examination of another party's witnesses to the
17 Joint Defense Agreement.
18 MR. NOURSE: Of course it does.
19 EXAMINER PARROT: Well, it's not the
20 Bench's intention to limit cross-examination at this
21 point in any manner. If we need to cross this bridge
22 at a specific point down the road, we will do that at
23 that point. I will proceed, though, at this point
24 with allowing each party at the table here or at the
25 back table, as the case may be, to proceed with

1 cross-examination.
2 In terms of the order, I will allow the
3 company to go at the end, with the exception of
4 Mr. Beeler representing the staff.
5 Anything else this morning before we get
6 started?
7 MR. NOURSE: Thank you, your Honor.
8 EXAMINER PARROT: I believe, Mr. Moore,
9 you have our first witness today.
10 MR. MOORE: OCC calls Daniel Duann, your
11 Honor.
12 (Witness sworn.)
13 MR. MOORE: Mr. Duann's testimony has
14 been provided to the court reporter and has been
15 previously marked as OCC Exhibit 8.
16 (EXHIBIT MARKED.)
17 - - -
18 DANIEL DUANN, PH.D.
19 being first duly sworn, as prescribed by law, was
20 examined and testified as follows:
21 DIRECT EXAMINATION
22 By Mr. Moore:
23 Q. Mr. Duann, could you please state your
24 name and business address for the record.
25 A. Yes. Daniel J. Duann, 10 West Broad

1 Street, Suite 1800, Columbus, Ohio 43215.
2 Q. Do you have before you what's been
3 previously marked as OCC Exhibit 8?
4 A. Yes, I do.
5 Q. Is that your direct testimony filed in
6 the proceeding on September 11, 2015?
7 A. Yes.
8 Q. Do you have any additions or corrections
9 to make to your direct testimony marked as OCC
10 Exhibit 8?
11 A. Yes, I do.
12 Q. And what are those?
13 A. On page 5, line 6, "receiving a higher
14 ROE of 11.4," the word "higher" should be deleted.
15 So it should be "receiving the ROE of 11.24%."
16 On page 6, line 11, question 7, "Please
17 summarize your findings," the "findings" should be
18 replaced by "recommendations." So question 7 should
19 be read as: "Please summarize your recommendations."
20 On page 17, line 9, at the end of that
21 sentence "in the affiliate PPA," after the word "PPA"
22 I will add a few words, and they are: "And to earn a
23 guaranteed return on its equity investment." So the
24 sentence -- so line 9 should be read "units included
25 in the affiliate PPA and to earn a guaranteed return

on its equity investment."

On the same page, line 16, in the last part of that line starting with "and where to build new generation capacity," the word "build" should be deleted and replaced with "make." And the word "capacity" should be deleted and replaced with "investment." So line 16 and 17 should read: Making a decision on how much, when, and where to make new generation investment."

That's all the changes I have.

Q. And if I asked you the same questions as contained in OCC Exhibit 8 today, would your answers be the same?

A. Yes.

MR. MOORE. Thank you.

OCC offers the witness for cross-examination.

EXAMINER PARROT: Thank you, Mr. Moore.

Ms. Williams, any questions?

MR. WILLIAMS: No, your Honor.

EXAMINER PARROT: Mr. Settineri?

MR. SETTINERI: No, your Honor.

EXAMINER PARROT: Mr. Sites.

MR. SITES: No, thank you, your Honor.

EXAMINER PARROT: Mr. Oliker?

MR. OLIKER: No, thank you.

EXAMINER PARROT: Mr. Darr.

MR. DARR: No questions.

EXAMINER PARROT: Ms. Cohn?

MS. COHN: No questions.

EXAMINER PARROT: Mr. Conway.

MR. CONWAY: Thank you, your Honor.

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CROSS-EXAMINATION

By Mr. Conway:

Q. Good morning, Mr. Duann.

A. Good morning.

Q. Is it your understanding that investor-owned electric utilities, rural electric co-ops, and municipal electric utilities regularly enter into purchased power agreements with wholesale power suppliers?

A. Yes.

Q. And AEP Generation Resources is a wholesale power supplier, correct?

A. Yes.

Q. And AEP-Ohio is an investor-owned electric utility, correct?

A. AEP-Ohio is a subsidiary of AEP, Inc. And AEP, Inc. is the investor-owned holding company.

1 Yes, you are -- AEP-Ohio is an investor-owned, part
2 of the utility.
3 Q. So it's an IOU?
4 A. Yes.
5 Q. And FERC is the agency that approves
6 wholesale power purchase agreements, correct?
7 A. FERC has the jurisdiction over the
8 wholesale power agreement, and in many instances the
9 parties entering the agreed power purchase sale
10 agreement, they will file the agreement with the
11 FERC.
12 Q. And FERC is the agency that has
13 jurisdiction to review and then approve wholesale
14 purchase power agreements, correct?
15 A. I would not use the word "approved." I
16 think the company -- I mean, the parties have filed
17 an agreement and the FERC has the opportunity to
18 accept it or reject it.
19 Q. Okay. So the FERC has the jurisdiction
20 to accept or reject a purchase power agreement for
21 wholesale power, right?
22 A. Yes.
23 Q. And FERC will be the regulatory agency
24 that will accept or reject the affiliate purchase
25 power agreement between AEP-Ohio and AEP Generation

1 Resources that's been discussed in this case also,
2 correct?
3 A. Regarding the proposed power purchase
4 agreement between AEPGR and AEP-Ohio, they can -- I
5 mean, these two parties can enter power purchase and
6 sale agreement and file with FERC.
7 Q. And then the FERC --
8 A. Will decide what to do with it.
9 Q. They would decide whether to accept or
10 reject that purchase power agreement, correct?
11 A. The FERC will determine whether the rates
12 are just and reasonable, or the rates are unduly
13 discriminatory and whether the rates are
14 preferential.
15 Q. And so just to put a point on it, at the
16 end of that review the FERC would either accept or
17 reject the proposed purchase power agreement,
18 correct?
19 A. In general, that's the case, but it is my
20 understanding that this power agreement has not been
21 filed with FERC.
22 Q. But once it is, if it is filed with FERC,
23 then FERC would have the jurisdiction to review and
24 accept or reject it, correct?
25 A. Yes, that's correct.

1 Q. Now, the PUCO would have the opportunity
2 to review the prudence of AEP-Ohio's decision to
3 enter into the PPA agreement, correct?
4 A. Since AEP-Ohio is regulated by the PUCO,
5 and so the PUCO will -- and this is a business
6 transaction entered by AEP Ohio, so the Commission
7 would have the responsibility and the opportunity to
8 review it.
9 Q. The prudence of the contract, correct, of
10 AEP-Ohio -- prudence of AEP-Ohio entering into the
11 contract, correct?
12 A. I don't understand exactly what you mean
13 by "prudency." I would say the Commission can review
14 it whether this contract is reasonable, whether this
15 contract -- approve this contract is in the public
16 interest.
17 Q. The PUCO will not actually approve the
18 PPA though, right? That would be something that FERC
19 would either -- would do, correct?
20 A. The PUCO will not approve the power
21 purchase contract itself.
22 Q. Thank you.
23 And related to that, you would agree that
24 the PUCO does not actually approve the ROE that might
25 be used in the rate formula within the FERC-approved

1 jurisdictional wholesale power agreement, correct?
2 A. I think it depends on what you mean by
3 "approve." We already discussed that the wholesale
4 power agreement is under FERC jurisdiction. And when
5 the AEP will come in, they want to ask about the
6 contract and also they want to put in place a PPA
7 rider, and the Commission should look at the ROE that
8 is included in that.
9 And also I think the company already
10 indicated that it will not enter into an agreement
11 with AEPGR without the approval of the Commission.
12 Q. So let me see if I can summarize what I
13 understood you to just explain. PUCO would have some
14 authority to review the reasonableness of an ROE
15 provision that AEP Ohio proposes to include in a
16 contract with a wholesale supplier, like AEP
17 Generation Resources, but as far as approval of that
18 ROE, that would be within ultimately FERC's
19 jurisdiction to do. Is that a fair summary of your
20 explanation?
21 A. No.
22 Q. Well, let me break it down. Your
23 position is that the PUCO in this instance, in this
24 proceeding, should review the reasonableness of the
25 proposed ROE that AEP-Ohio and AEPGR have agreed upon

in their proposed contract, correct?

MR. MOORE: I'm going to object, your Honor, asking for a legal conclusion.

EXAMINER PARROT: Overruled.

A. Actually, I don't understand your question. Could you rephrase it?

Q. Sure, I'll repeat it. I want to break down, the prior Q and A that we just went through. First, your position is that the PUCO in this proceeding should review the reasonableness of the proposed ROE that AEP-Ohio and AEP Generation Resources have agreed to include in their proposed contract, correct?

A. No, that's not my position. My position is the Commission should reject the proposed PPA and the PPA rider. And if the Commission decides to have a PPA and to decide to have a PPA affiliate -- a PPA agreement and the PPA rider, then the Commission should set -- if they have to do that, they should not include a ROE in that when they approve that power purchase agreement. That's my position.

Q. But you do agree that it's the FERC that actually accepts or rejects a particular ROE provision in a wholesale power contract, correct?

A. I don't know whether wholesale power

1 contract would necessarily have an ROE provision.
2 Q. You don't?
3 A. Yes.
4 Q. You think there are purchased power
5 agreements that are reviewed and accepted or rejected
6 by the FERC that don't have, don't provide for
7 recovery of the cost of equity of the seller of the
8 wholesale power?
9 A. I have reviewed contracts that are
10 essentially doing the same. The OVEC contract is
11 one.
12 Q. And is it your understanding that the
13 FERC does review and approve contracts that do have
14 ROE provisions in them?
15 MR. MOORE: Objection, asked and
16 answered.
17 EXAMINER PARROT: Overruled.
18 THE WITNESS: Can I have the question
19 read back please?
20 (Record read.)
21 A. I have not reviewed any executed power
22 purchase contracts that has what you just described.
23 I reviewed the proposed contract between AEPGR and
24 AEP-Ohio. I reviewed the OVEC contract, and I
25 reviewed the outline of the FirstEnergy contract. So

I think when your question is asking me whether I actually reviewed an actual contract approved by FERC and has an ROE in it, I have not reviewed that, that kind of contract.

Q. Your response I didn't quite follow, but let me see if I can restate what I think you might have said, and then we can perhaps move on.

Are you stating that you have not reviewed purchase power agreements approved by FERC that do not have ROE provisions in them?

MR. MOORE: Objection. I think that mischaracterizes his previous testimony.

MS. WILLIAMS: And asked and answered.

MR. CONWAY: Your Honor, I'm just trying to understand what the answer was, that's all.

EXAMINER PARROT: I'm going to allow the question.

A. Well, my answer is I have not reviewed an executed power purchase agreement. Now with FERC, with the exception of the OVEC contract, and I reviewed some proposed power purchase agreements so I cannot answer -- so my -- so the answer to your question is --

Q. That's fair. The only executed contract that you've reviewed that's a FERC-approved wholesale

1 power agreement is the OVEC --
2 A. Is the OVEC contract, which is, you know,
3 a recent modification, essentially provides no return
4 on equity.
5 Q. Do you know what a unit power agreement
6 is, Dr. Duann?
7 A. I read somewhere. I don't know what it
8 means.
9 Q. So you don't know whether the proposed
10 PPA that we're discussing in this case would fall
11 under the category of a unit power agreement?
12 A. I don't know.
13 Q. And you would not be aware, then, whether
14 it is typical to include in that type of purchase
15 power agreement a unit power agreement provision that
16 provides for the recovery of the unit power agreement
17 seller's cost of equity?
18 A. As I already answered, I read somewhere
19 about unit power agreement, but the sign over there
20 was capital U, so that probably means specific things
21 but, I don't know what a unit power...
22 Q. You don't know whether unit power
23 agreements have ROE provisions in them?
24 A. I don't know. As I say, I don't know
25 what a unit-- you know, if you're saying it's a

1 category of agreement, and I read that term before,
2 but I don't know exactly what it means.
3 Q. Thank you.
4 Do you know whether wholesale power
5 suppliers that enter into PPAs with investor-owned
6 electric utilities, municipal electric utilities,
7 rural electric co-ops, include formula rates in their
8 PPAs?
9 A. Yes, I think some use the formula rates.
10 Q. And are you aware that such PPAs include
11 in their formula rates formula ROE provisions?
12 A. Can I have the question read.
13 (Record read.)
14 A. I don't know specifically but, I agree
15 that is the case.
16 Q. But you read Ms. Hawkins' testimony in
17 this case, did you not?
18 A. Yes.
19 Q. And you understand that she describes
20 such arrangements that have formula ROEs in them,
21 correct?
22 A. No. I think that's two different things.
23 I think that Ms. Hawkins' testimony is describe and
24 recommend a formula to determine the return on
25 equity.

1 Q. You don't know whether Ms. Hawkins
2 described in her testimony examples of other PPAs
3 that include formula rates with formula ROEs within
4 them? You're not aware of that part of her
5 testimony, correct?
6 A. Well, at least I don't know for sure
7 whether she has discussed that, you know, using our
8 power agreement or not. I'm not sure.
9 Q. Do you know if the FERC has approved
10 wholesale purchase power agreements whose formula
11 rate provisions use a ROE method similar to the one
12 proposed for this PPA, that being, the AEP-Ohio AEPGR
13 PPA?
14 A. I don't understand your question because
15 when you use the word "similar" I don't know what
16 you're talking about, what exactly kind of formula
17 you're talking about.
18 Q. Well, okay, let me follow-up on that.
19 Are you aware that FERC has approved formula rates
20 for PPAs that use the Moody's bond index plus an
21 adder to establish an ROE for the PPAs?
22 A. I don't know.
23 Q. So you're not aware either then whether
24 ROE methods approved by FERC for PPAs include ROE
25 bands with floors and ceilings to them?

1 A. I think they do have a band. Yes, I'm
2 aware of that.
3 Q. So you understand that the FERC has
4 approved ROEs with bands, but you're not sure whether
5 the FERC has approved ROE formulas that use Moody's
6 bond index in them?
7 A. That's correct.
8 Q. Okay. And you're not sure whether --
9 you're not knowledgeable whether the FERC has
10 approved PPAs that use Moody's bond index plus an
11 adder?
12 MR. DARR: Objection your Honor.
13 I'm sorry to step on your question,
14 Mr. Conway.
15 I do want to register an objection,
16 though. The company's proposal relates to presenting
17 this contract to FERC under it's market-based rate
18 authority. Under that market-based rate authority,
19 there will not be, as I understand it, any review.
20 It will simply be submitted. This whole line of
21 questioning about what FERC approved or didn't
22 approve is not relevant.
23 MR. CONWAY: Your Honor, I object to this
24 objection. Mr. Darr is just testifying for the
25 witness at this point, or he's leading the witness to

1 an answer that he'd like the witness to give. I
2 object to it. It's completely unacceptable.
3 MR. OLIKER: I join Mr. Darr's objection
4 as it relates to the relevance of the questioning.
5 MR. CONWAY: And, your Honor, I also
6 object to being tag-teamed by three different lawyers
7 defending this witness. Mr. Moore is the witness'
8 counsel, and he should be the one making the
9 objections, not the whole table full of intervenor
10 counsel.
11 MR. DARR: I believe I have a right to
12 make an objection, your Honor.
13 EXAMINER PARROT: Were you finished,
14 Mr. Darr?
15 MR. DARR: Yes, ma'am.
16 EXAMINER PARROT: Did you have anything
17 to add, Mr. Conway? You kind of jumped in there.
18 MR. CONWAY: No, your Honor. I just
19 would like an answer to my question. I don't think
20 the objection went to the form of the question or the
21 unacceptability to the question. It went to
22 Mr. Darr's effort to try to educate the witness about
23 an answer he'd like to get from him.
24 EXAMINER PARROT: And I am going to
25 instruct you to answer the question, Dr. Duann. Do

1 you need us to read it at this point?
2 THE WITNESS: Yes.
3 (Record read.)
4 A. No, I'm not sure.
5 Q. (By Mr. Conway) Mr. Duann, are you aware
6 that under the proposed PPA AEP-Ohio can veto capital
7 investments proposed by AEP Generation Resources?
8 A. I read the proposed power purchase
9 agreement, and, quite frankly, I'm not an attorney,
10 and a lot of things I don't know what does this mean.
11 Q. So the answer to the question is you're
12 not aware whether under the terms of proposed
13 agreement AEP-Ohio could veto capital investments
14 proposed by AEP Generation Resources?
15 A. Well, as I already answered, you know, I
16 would not use the word "not aware." I'm aware, but I
17 don't know what this means in the power purchase
18 agreement.
19 Q. So you are aware that there is a veto
20 right that AEP-Ohio has, but you're not sure what it
21 means; is that your testimony?
22 A. I'm aware there's language in the power
23 purchase agreement, but I don't know what does it
24 mean when you say "veto." What does veto really mean
25 and what conditions, all those kind of things.

1 Q. You said you reviewed the proposed
2 contract, correct?
3 A. Yes.
4 Q. And you said you are familiar with a
5 provision which addresses the topic that I just posed
6 to you, which is AEP-Ohio's ability to veto capital
7 investments in PPA units, correct?
8 A. No, I didn't say that. I didn't use the
9 word "familiar," just that I'm aware that there's
10 such language, veto.
11 Q. So you're aware there's such language,
12 but you're not familiar with the language; is that
13 what you're telling us?
14 A. No, that's not what I'm saying.
15 Q. So you are aware -- but you are aware
16 that there is such a provision in the contract.
17 A. Yes. And as I already explained, you
18 know, I find a lot of the legal terms, or I don't
19 think I'm comfortable to make specific determination
20 based on my understanding.
21 Q. Let me read you a statement and ask you
22 whether you think you can understand from your
23 perspective, not as a lawyer but as a PhD, what this
24 means: For major or material projects at a wholly
25 owned seller facility, buyer's prior written approval

1 and agreement must first be obtained before
2 proceeding with such capital improvements work.
3 What does that mean to you, Mr. Duann?
4 A. I still don't understand because it was
5 such capital investment projects. What are these
6 projects?
7 Q. You don't know what capital improvements
8 are?
9 A. I know what capital improvements are, but
10 I don't know what that two words means in the whole
11 power purchase agreement, because, you know, in the
12 agreement there's a lot of places where it just refer
13 to Article A, refer to Article C or what. So I don't
14 think it's fair to say that you put language there
15 and want to accept or explain it. I say you have to
16 read it, the whole thing.
17 Q. Is it your understanding that the PUCO
18 under the proposal that AEP-Ohio has made would have
19 the ability to review and rule upon cost recovery
20 from retail customers for the cost of capital
21 investments in the PPA units?
22 THE WITNESS: Can I have the question
23 read back, please?
24 (Record read.)
25 Q. Did you understand the question or would

1 you like to have me rephrase it?
2 A. Yeah, please rephrase it.
3 Q. Is it your understanding under the
4 proposal that AEP-Ohio has made that retail customers
5 would not be paying for the cost of capital
6 investments unless the PUCO has determined that they
7 are prudent?
8 A. I'm not sure.
9 Q. Dr. Duann, at page 10 of your testimony,
10 lines 15 to 17 -- let me know when you're at that
11 point in your testimony.
12 A. Line 15 to 17?
13 Q. At that point you say, in part,
14 "unregulated power producers currently do not receive
15 a guaranteed ROE on their investments in generation
16 plants." Do you see that?
17 A. Yes.
18 Q. Is it your position that when an electric
19 utility has a PPA with a wholesale supplier and the
20 PPA has a formula return on equity provision, that
21 such a contractual term is a guarantee?
22 A. Right. And that guarantee is provided by
23 the other party, not by the PUCO or customer.
24 Q. You said right, which meant that meant
25 that you agreed with the question that I posed to

1 you.
2 A. I agree there's a guarantee already
3 provided in the contract. But I want to add that
4 guarantee is provided by the other party because
5 there's two parties entering in an agreement. So the
6 other party agrees. So that guarantee is not
7 provided by PUCO or the rate case, and I think that's
8 an important distinction. Because anytime you have a
9 contract, yeah, two parties agree to do certain
10 things.
11 Q. So you're explaining that the guarantee
12 that you refer to in your testimony is the guarantee
13 by the other party, meaning AEP-Ohio; is that what
14 your point is?
15 A. By the PUCO, yeah. By the PUCO, the
16 guarantee provided by the PUCO.
17 Q. So you think that the -- your testimony
18 is that the PUCO would be guaranteeing the ROE
19 included in the contract?
20 A. If the PUCO approved the PPA rider, yes.
21 Q. Is it your view that for any PPA between
22 AEP-Ohio and the wholesale supplier whose costs are
23 recovered through PUCO-approved retail rates, that
24 that amounts to a guarantee by the PUCO?
25 A. If the agreement says that the seller --

you know, the seller can sell all the capacity energy and ancillary services that they produce from that unit, then that's a guarantee, yes.

Q. So wholesale purchase power agreement costs between an electric utility and a wholesale supplier recovered through PUCO-approved retail rates amounts to a guarantee by the PUCO?

A. If there's no disallowance, if they let all the costs flow through.

Q. So if there's an opportunity for a possibility of disallowance, then there's not a guarantee, correct?

A. Yeah. If the PUCO does not -- yes, if there's allowance, if the PUCO can -- yeah, that's not a guarantee under that circumstance.

Q. So if in the future the PUCO could disallow costs of a purchase power agreement from flowing through to customers, then there's not a guarantee, correct?

A. Depends on what kind of mechanism is put in place for, you know, for determining the disallowance.

Q. If the mechanism put in place allows for PUCO review of the costs being proposed for recovery and disallowance of costs in the event that it finds

them unreasonable, then that would be a contract that doesn't have a PUCO guarantee, correct?

A. Once again, you have to be more specific than that.

Q. You can't provide me with an answer with the parameters that I just gave to you?

A. I cannot.

Q. And what is it that disables you or prevents you from agreeing with me?

A. Because, as I say, it depends on the specific, you know, what kind of procedures are put into place. For example, like in the current PPA, I think the Commission has one time opportunity at the beginning of the PPA to review whether the PPA purchase is prudent. I don't think that's a meaningful way of disallowance -- a meaningful mechanism of disallowance.

Q. So if the PUCO's prudence review is limited to one upfront opportunity to review the costs of the proposed PPA, then that's an example that might fall into the guarantee column for PPAs, right?

A. That would fall into that category of where your definition says there's no guarantee if -- in that case what you say is not true.

1 Q. And then so then if the contract is one
2 such that the PUCO does have ongoing prudence review
3 for future investments and costs incurred in the
4 future under the contract, then that would go into
5 the column of a no-guarantee PPA, correct?
6 A. No. As I say, I have to know the
7 specifics. It certainly is an approval of this
8 one-time review.
9 Q. So then if you don't know whether such a
10 contract falls into the no-guarantee column, then you
11 can't classify it as a guaranteed-type contract at
12 this point, correct?
13 MR. CONWAY: Because I found this and,
14 you know, it is a guaranteed contract because I
15 didn't find this in any meaningful way for
16 disallowance that you mentioned presented in these
17 proposed power agreement.
18 Q. You think that this contract does not
19 provide for -- in the proposal made by AEP-Ohio does
20 not provide for the Commission's review of the
21 reasonableness of future investments and future costs
22 incurred under the contract?
23 A. I do not find that they are -- you know,
24 just based on my understanding I do not think they
25 have a meaningful or useful way for disallowance or

1 any adjustment that they may make this not a
2 guarantee.
3 Q. When you use the word "guarantee," you're
4 not using it in a technical term as a term of law or
5 as a term of finance, are you?
6 MS. WILLIAMS: Objection, compound
7 question.
8 MR. CONWAY: Your Honor, I'll rephrase
9 the question.
10 Q. When you use the word "guarantee,"
11 Dr. Duann, you're not using it in a technical legal
12 sense, are you?
13 A. Actually, I don't know what's the
14 technical legal sense of guarantee.
15 Q. That's fine. And then you're not using
16 the term guarantee as in a technical sense from a
17 perspective of finance, are you?
18 A. Well, it is from the sense of finance,
19 yes.
20 Q. Dr. Duann, you didn't conduct a
21 cost-of-equity analysis for the contract being
22 proposed in this case, did you?
23 A. Because I think it's not necessary.
24 Q. So the answer is "no, because I think
25 it's not necessary"?

1 A. Right.
2 Q. So you didn't do a capital asset pricing
3 method cost-of-equity determination for this case?
4 A. No. As I say, I think it's inappropriate
5 to use a methodology that determines the ROE for a
6 regular utility to be a part in this case, so I did
7 not do a return-on-equity analysis for -- that is
8 applicable for this unit between the power purchase
9 agreement.
10 Q. One of your alternative recommendations,
11 Dr. Duann, is if the Commission does adopt a PPA
12 rider and approves the use of an affiliate PPA as
13 proposed by the amended application, your
14 recommendation, your alternative recommendation, is
15 in that event that the ROE used in the PPA should be
16 no higher than the current average cost of debt,
17 right?
18 A. That's an alternative, and, as I say, I
19 don't think the Commission should approve the PPA.
20 And if they want to approve it and if they have to
21 have a ROE number, my recommendation should be no
22 higher than average cost of debt, yes.
23 Q. And your ROE recommendation then for the
24 PPA is essentially to use a debt rate only for all
25 capital invested in the PPA units, right?

1 A. No. I think it's different because I
2 think when you data -- do the long-term data or you
3 do the long-term or short-term data, so it depends on
4 what do you mean.
5 Q. Let me see if I can ask the question
6 again. Your alternative recommendation for this PPA
7 is to use a debt rate alone to cost all of the
8 capital invested in the PPA units, correct?
9 A. Yes. And I think that's reasonable
10 because that's what essentially the OVEC contract
11 did. And it is also reasonable that -- you know, it
12 is also reasonable that in 2014 AEPGR has on their
13 return on equity of 14 percent and they are
14 financially very strong, and so they have not
15 demonstrated financial need.
16 MR. CONWAY: Your Honor, I would move to
17 strike the portion of the answer after the word
18 "yes." I didn't ask him why he thought his proposal
19 was reasonable. I certainly didn't ask him about the
20 reasonableness of the OVEC or AEPGR's return on
21 equity during whatever period he was referring to.
22 So I move to strike the answer after "yes" as
23 unresponsive to my question. It was a very limited
24 question.
25 MR. MOORE: Your Honor, he posed a

1 question regarding how he decided his alternative
2 recommendation. Mr. Duann is simply explaining how
3 he came to that conclusion.
4 MR. CONWAY: I did not ask him, your
5 Honor, respectfully how he came to his conclusion. I
6 just asked him what his position was.
7 EXAMINER PARROT: And I believe that
8 provides full a response, though, Mr. Conway, so your
9 motion to strike is denied.
10 Q. (By Mr. Conway) So would you agree,
11 Dr. Duann, that essentially your alternative
12 recommendation is that the PPA units should be
13 capitalized using a hundred percent debt?
14 A. I didn't say that.
15 Q. How is your recommendation different than
16 one that recommends that PPA units should be
17 capitalized using a hundred percent debt?
18 A. I didn't make the recommendation it
19 should be capitalized 100 percent. I said how much
20 they want to finance, it's up to the company. And
21 the company already explained in 2014-2015 when AEPGR
22 was created, it was just solely for the purpose of
23 taking upon Ohio Power's debt and equity in the power
24 plant, and so their long-term financing are not fully
25 in place.

1 The company witness already explained
2 that. And they don't even know, you know, the
3 long-term cost that would be, so I think it is up to
4 the company to decide what kind of equity ratio they
5 have, they want to have.
6 And my recommendation is simply to say no
7 matter what kind of equity ratio you want to keep, it
8 is -- if the Commission has to -- if the Commission
9 wants a PPA, then the Commission can assign an ROE
10 which is equal to the cost of debt. So, you know, I
11 didn't make any recommendation of what kind of equity
12 ratio kind of capital they have. It is up to the
13 AEPGR to decide.
14 And also, by the way, I think right now
15 AEPGR is 72 percent equity and its 28 percent debt.
16 And in my view they can substantially reduce their
17 equity once -- and I think they will once they find a
18 permanent debt so that they will have a more
19 reasonable equity ratio of like 50 debt and 50
20 equity. So I did not make the recommendation that
21 you cover all debt. That's not my recommendation.
22 And also if they do that
23 50 percent/50 percent equity ratio, which is more
24 typical, then their 2014 ROE would be like
25 20 percent. So I didn't make the recommendation.

1 It's up to the company to decide.
2 Q. Would you agree that if the business is
3 capitalized with a hundred percent debt over the long
4 run, its cost of debt would be materially higher than
5 if the business were capitalized with equity as well
6 as debt?
7 A. No, I do not agree with that, especially
8 if this entity has a power purchase agreement like
9 what we propose here. That is essentially no matter
10 how much you produce, you can sell it, and you can
11 sell it at a cost. So in that circumstance I don't
12 think equity -- where a higher debt ratio will
13 necessarily drive up the price -- drive up the cost
14 of debt.
15 And I just said it before, right now it's
16 72/28. They can certainly go down. And as for your
17 question, you know, I don't think it -- it really
18 depends on what the special circumstance. In
19 general, yeah, that may be true. But if the entity
20 that's using the debt financing has such special
21 arrangements, you know, that will not affect the cost
22 of debt at all, in my view.
23 Q. Are you done?
24 A. Yes.
25 MR. CONWAY: Your Honor, this question I

1 actually would move to strike everything before the
2 part that began with "as for your question."
3 Obviously, he's responding to something else other
4 than the question all the way up to that point, and
5 so I move to strike everything up to that point and
6 leave what's in after the phrase, including, "as for
7 your question."
8 MR. MOORE: Your Honor, I think again he
9 asked a broad question, and Mr. Duann is simply
10 giving his explanation as to how he came to this
11 conclusion. The beginning of his answer is simply an
12 explanation of the back end of it.
13 MR. CONWAY: Your Honor, I simply asked
14 him a general question, if a business is capitalized
15 with a hundred percent debt over the long run, if its
16 cost of debt would be materially higher than if it
17 were capitalized with equity as well as debt. That
18 was my question. Everything up to "as for your
19 question," he answered some other question.
20 MR. MOORE: Your Honor, that's a very
21 vague and open-ended, ambiguous question. It takes
22 more than a "yes" or "no" response. It needs an
23 explanation, which he provided.
24 EXAMINER PARROT: I believe that the full
25 answer was responsive to your question, Mr. Conway.

1 I'm going to deny your motion to strike.
2 Q. (By Mr. Conway) Would you agree that
3 businesses that are capitalized with a hundred
4 percent debt would not be able to get an
5 investment-grade rating for their debt?
6 A. I don't know.
7 Q. Have you ever been involved with an
8 effort to obtain an investment-grade rating for debt
9 for any business?
10 A. No.
11 Q. Have you ever been involved in raising
12 capital for any business?
13 A. Yes.
14 Q. Have you ever been involved with raising
15 capital for a wholesale power supplier business?
16 A. No.
17 Q. So you don't know what the capital
18 requirements would be for such a business in order to
19 get an investment-grade rating for its debt, correct?
20 A. Actually, I don't understand your
21 question.
22 Q. You do not know what it would take for a
23 wholesale power supplier business to obtain an
24 investment-grade rating for its debt, do you?
25 A. I still don't understand the question. I

1 suppose, you know, that wholesale power supplier when
2 they want to be sure that they have to contact
3 Standard & Poor's and the Moody's and, you know,
4 provide all the information that those two rating
5 agencies and explain to them what their business
6 plan, what their business risks. And so, you know,
7 by that way, you know, if the rating agency is
8 convinced that they are investment grade, that rating
9 agency will assign. And it is my understanding
10 there's no fix or specific "one size fit all"
11 criteria using that agency to assign investment-grade
12 rating.
13 Q. Do you know whether a wholesale power
14 supplier that tries to capitalize half its business,
15 half its assets with a hundred percent debt could
16 find buyers willing to buy its debt?
17 A. So you're talking about a hypothetical?
18 Q. A hypothetical as a wholesale power
19 supplier that finances its business 50 percent with
20 debt, do you know whether it can find buyers who
21 would be willing to invest in its debt?
22 A. It depends. As I said, you know, it
23 depends that if that wholesale power, they have some
24 sweetheart deal or whatever power purchase agreement
25 that with a certain party and which provides very

1 generous return, and, I think, I do not see that it
2 would cause my problem.
3 Q. So in your opinion a wholesale power
4 supplier who finances half his business with debt
5 would be able to issue debt that investors would buy?
6 A. Hypothetically, yes.
7 Q. And in your opinion they would be able
8 to -- the wholesale power supplier would be able to
9 issue debt that is rated debt, that is,
10 investment-grade rated debt?
11 A. Yes. It's possible, yeah; depends on the
12 specific business behind it.
13 Q. And what wholesale power suppliers are
14 you aware of that finance half their business with
15 debt and half investment-grade-rated debt?
16 A. I'm not -- I think your question is -- my
17 answer is I don't know because I do not review every
18 wholesale power's financial situation.
19 Q. So you don't know of any wholesale power
20 supplier whose business is financed 50 percent with
21 debt that has investment-grade-rated debt, correct?
22 A. Yeah, I don't know.
23 Q. If an investor's required return -- let
24 me give you a hypothetical, Dr. Duann. If an
25 investor's required return on equity for investing in

1 a particular business is X percent and that investor,
2 after reviewing the business prospects, determines
3 that the return on equity that the business will be
4 able to earn will be materially less than X percent,
5 would you agree that the potential investor under
6 that hypothetical wouldn't make the equity
7 investment?
8 A. Actually, I don't understand the question
9 because when you say -- can you rephrase the
10 question?
11 Q. Sure. Let me break it down. Here's the
12 hypothetical. First, we have an investor whose
13 required return on equity for investing in a
14 particular business is X percent. Are you with me at
15 this point?
16 A. When you use the word "particular
17 business," you mean a particular industry or a
18 specific company?
19 Q. A specific company.
20 A. Okay. So that investor for this
21 particular company, the investor say, I want to earn
22 10 percent.
23 Q. Okay. They will take 10 percent. So he
24 says -- the investor says for this particular
25 business, my required return on equity if I may

1 invest is 10 percent, all right?
2 A. Uh-huh.
3 Q. And then the next step in the
4 hypothetical, if after reviewing the business'
5 prospects, that potential investor determines that
6 the return on equity that the business will be able
7 to earn will be materially less than X percent,
8 10 percent, materially less than 10 percent -- are
9 you with me still?
10 A. Yes.
11 Q. Would you agree that in those
12 circumstances the potential investor won't make the
13 equity investment?
14 A. I don't know because the investor can do
15 whatever they want to do. They say I want
16 10 percent, but this looks like only 5 percent, but
17 the investor can still decide to invest. It's up to
18 the investor.
19 Q. If the investor's required return for the
20 investment is 10 percent and he determines that he's
21 only likely to earn something materially less than
22 10 percent, would you agree with me that under those
23 circumstances the potential investor would walk away?
24 MR. MOORE: Objection, your Honor. It's
25 asked and answered and vague and ambiguous, asking

him to speculate as to what an investor would do in a very vague, ambiguous hypothetical.

MR. CONWAY: Your Honor, I broke down the question very carefully, and he was with me each step of it. I don't think it's vague and ambiguous, and I would just like an answer to the question.

A. Yeah, my answer is not necessarily.

EXAMINER PARROT: Go ahead.

A. My answer is not necessarily, yeah. It's up to the investor.

Q. And if that investor to whom it's up to has decided that a return of 10 percent is necessary then wouldn't that investor to whom it's up to then decide to walk away?

MR. MOORE: Same objection.

EXAMINER PARROT: Overruled.

A. Can you rephrase the question, please?

Q. Same hypothetical, the investor -- the prospective investor determines that the return that he's going to be able earn from the investment is materially less than 10 percent. He requires 10 percent in order to make the investment. Wouldn't you agree that under those circumstances he would not make the investment?

A. Well, I already answered that question.

1 I say not necessarily.
2 Q. Let me ask you a different question. Let
3 me ask you questions about a different hypothetical,
4 somewhat similar but different.
5 Assume that under the hypothetical the
6 rate, the actual rate that the investor would earn if
7 he did invest is the long-term debt rate for the
8 business, not the 10 percent ROE that we just
9 discussed, okay?
10 A. So you're assuming the long-term debt
11 rate is less than 10 percent, right, in this case?
12 Q. The long-term debt cost is less than
13 10 percent, yes.
14 A. Right.
15 Q. It's materially less than 10 percent.
16 A. Okay.
17 Q. So are you with me so far?
18 A. Yeah. You are providing a hypothetical
19 example, yeah, where the cost of debt is less than
20 10 percent. Yes, I follow that.
21 Q. And the equity return that's possible for
22 the investor is equal to the long-term debt rate.
23 Are you with me?
24 A. You mean the actual earned ROE?
25 Q. The equity investor looks at the

1 opportunity and determines that or is told that the
2 return on equity will be the same, no higher than the
3 long-term debt rate. Are you with me?
4 A. You're talking about a projection, right?
5 That is a projection, not a fact, right? Are you
6 assuming that or --
7 Q. The investor is projecting, based on
8 whatever commitments or whatever analysis of the
9 business that he's been able to conduct, that the
10 return on equity for an investment will be no more
11 than the long-term cost of debt for the business.
12 A. And which is less than 10 percent?
13 Q. Which is materially less than 10 percent.
14 A. Uh-huh.
15 Q. Are you with me? Do you think that a
16 prudent equity investor would invest in such a
17 business getting paid the same rate, being able to
18 earn the same rate on his investment that long-term
19 debtholders get paid, while at the same time having a
20 lower priority for getting paid?
21 A. Actually, you're confusing me at the end.
22 Q. Would you agree with me that equity
23 investors are in a lower priority for getting paid
24 for their investments than long-term debtholders?
25 A. Yes.

1 Q. So with that explanation, can you answer
2 the question that I posed?
3 THE WITNESS: Can I have the question
4 read back?
5 (Record read.)
6 A. I think my answer, it would be the
7 investor can do whatever they want to do and they may
8 choose to do that. Even if they, quote/unquote,
9 receive the value of the business as equity, they can
10 still choose to do that.
11 Q. And if I change my hypothetical just to
12 clarify that the ROE that the investor determines
13 that he will be able to make at most is a total
14 return on equity, would you be able to answer the
15 question?
16 A. I don't understand your question. You
17 change what total equity?
18 Q. I'll try one more time, and then I'll
19 move on, Dr. Duann.
20 Do you think that a prudent equity
21 investor would invest in a business for getting paid
22 the same rate the long-term debtholders get paid, and
23 by that I mean, is getting paid a total return on his
24 investment equal to what or less than what long-term
25 debtholders get paid, while at the same time having a

lower priority for getting paid?

A. Yeah. My answer is yeah, it's possible. Investor -- some investors may be willing to do that, because I think as I tried to make sure, when we talk about ROE, and you already explained, it's a projected, and when we're talking about projection, then a prudent investor, they look at, okay, this projection for the next year will be 5 percent, but the year after that may be different. So I think yeah, it is possible, yeah. The investor can do that.

Q. It is possible, in your opinion, even though the potential equity investor's projection is that over the long term he will not earn more than the long-term debt rate for the business?

A. Well, because over the long-term it is a very unreliable projection. A prudent investor will not rely on that.

Q. A prudent investor would not rely on what?

A. Will not rely on what you made as the long-term projection.

MR. CONWAY: Thank you, Dr. Duann. That's all I have for you.

EXAMINER PARROT: Mr. Beeler?

MR. BEELER: Nothing, your Honor. Thank you.

EXAMINER PARROT: Any redirect?

MR. MOORE: May I have a couple minutes to confer?

EXAMINER PARROT: You may.

(Off the record.)

(Discussion off the record.)

EXAMINER PARROT: Any redirect?

MR. MOORE: No redirect, your Honor. Thank you.

EXAMINER PARROT: All right. Mr. Moore, want to move your exhibit?

MR. MOORE: Thank you, your Honor. At this time OCC moves for the admission of OCC Exhibit 8.

EXAMINER PARROT: Are there any objections?

MR. CONWAY: No objection.

EXAMINER PARROT: Hearing none, OCC Exhibit 8 is admitted into the record.

Thank you, Dr. Duann.

(EXHIBIT ADMITTED INTO EVIDENCE.)

EXAMINER SEE: Mr. Michael, your next witness.

MR. MICHAEL: Your Honor, OCC calls Beth Hixon.

(Witness sworn.)

(EXHIBIT MARKED FOR IDENTIFICATION.)

- - -

BETH E. HIXON

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

DIRECT EXAMINATION

By Mr. Michael:

Q. Would you state your name, please?

A. My name is Beth E. Hixon.

Q. Ms. Hixon, where do you work?

A. I beg your pardon?

Q. Where do you work?

A. At the Office of the Ohio Consumers' Counsel.

Q. And what is the Office of the Ohio Consumers' Counsel address?

A. The address is 10 West Broad Street, Suite 1800, Columbus, Ohio 43215.

Q. And did you prepare direct testimony for this case?

A. Yes.

Q. You've been handed what was previously

1 marked as Exhibit OCC Exhibit No. 9. Can you
2 identify that document?
3 A. That is my direct testimony in this case.
4 Q. And was it prepared by you or at your
5 direction?
6 A. Yes.
7 Q. And do you have any additions or comments
8 to what has been marked as OCC Exhibit No. 9,
9 Ms. Hixon?
10 A. I have a correction.
11 Q. Okay. Please provide that to us.
12 A. If you turn to page 4, at line 8, answer
13 7 begins "Yes." That should read: "Yes, an
14 incomplete determination."
15 Q. And, Ms. Hixon, were I to ask you the
16 same questions as in your direct testimony previously
17 marked as OCC Exhibit No. 9, would your answers be
18 the same?
19 A. Yes, the would.
20 MR. MICHAEL: Your Honor, I move into
21 evidence OCC Exhibit No. 9 subject to cross, please.
22 EXAMINER SEE: Ms. Hixon, just for a
23 second, your correction to page 4, line 8, is again
24 what?
25 A. The answer begins with the word "yes."

The period should be struck. There should be a comma, and then it would be an incomplete determination. So the answer would begin with the sentence, yes, an incomplete determination.

EXAMINER SEE: Thank you.

Ms. Williams? Any questions?

MS. WILLIAMS: No questions, your Honor.

EXAMINER SEE: Mr. Darr?

MR. DARR: No questions, your Honor.

EXAMINER SEE: Mr. Yurick?

MR. YURICK: No questions.

EXAMINER SEE: Ms. Cohn?

MS. COHN: No questions, your Honor.

Mr. Miller?

MR. MILLER: I do have questions, your Honor.

EXAMINER SEE: Go ahead.

- - -

CROSS-EXAMINATION

By Mr. Miller:

Q. Ms. Hixon, my name is Chris Miller. I'm a lawyer with the law firm of Ice Miller representing AEP in this proceeding.

I want to run by you some definitions just to make sure. There are a lot of different

terms in this case.

If I refer to the applicant in this proceeding, the Ohio Power Company, as AEP-Ohio, will you understand what I mean?

A. Yes.

Q. If I refer to AEP Generation Resources, Inc. as AEP Generation or AEPGR, do you know what I mean?

A. Yes.

Q. If I refer to American Electric Power Company, Inc. simply as AEP, will you understand that?

A. Yes.

Q. If I refer to the Public Utilities Commission of Ohio as described in Ohio law as the PUCO or the Commission, either one of those, will you understand what I mean?

A. Yes.

Q. If I refer to the Office of Ohio Consumers' Counsel as described in Ohio law as the OCC, will you understand what I mean?

A. Yes.

Q. If I refer to PUCO Case No. 13-2385-EL-SSO, et al. as AEP-Ohio ESP III or simply ESP III, will you understand what I mean?

A. Yes.

Q. If I refer to a power purchase agreement as a PPA, will you understand that?

A. Yes.

Q. If I refer to the proposed agreement as the proposed affiliate agreement or the PPA agreement, will you understand what I mean?

A. I will understand that you're referring to the agreement with the affiliate.

Q. Great.

If I refer to the proposed PPA rider that's a part of this proceeding as the PPA rider, will you understand what I mean?

A. Yes.

Q. And if I refer to generation assets proposed to be included in the proposed affiliate transaction as affiliate PPA plants or the affiliate PPA plants, will you understand what I mean?

A. Yes.

Q. And if I refer to Ohio Valley Electric Corporation as OVEC, will you understand?

A. I understand that.

Q. If I refer to standard service offer as described in Ohio law as an SSO, will you understand what I mean?

A. Yes, I will.

Q. And if I refer to a market rate offer as described in Ohio law, will you understand what I mean?

A. I would understand that to be the other alternative from the ESP under the MRO statute.

Q. Right. And, finally, if I refer to an electric security plan under Ohio law as an ESP, will you understand that?

A. Yes.

Q. Great. Thank you.

So as I understand, you have an undergraduate degree in accounting from Ohio University; is that correct

A. That's correct.

Q. You don't have any other undergraduate degrees or advanced degrees?

A. No, I do not.

Q. You don't have any undergraduate degree or post-secondary education in economics, do you?

A. No.

Q. You don't have any undergraduate degrees or post-secondary education in electrical engineering?

A. No.

Q. And you don't have any undergraduate degree or post-secondary education in economic development?

A. No.

Q. You didn't provide any testimony in the AEP ESP III case, did you?

A. No, I did not.

Q. And in the course of preparing for your testimony for this case, did you review the PUCO's orders and entries in that case, the ESP III case?

A. Yes. If you look at my testimony, I cite those orders in the ESP III.

Q. And just to be clear, did you review the February 25, 2015, ESP III opinion and order?

THE WITNESS: Can I have that read back.

(Record read.)

A. Yes. For example, on page 4 of my testimony I reference that.

Q. And you reviewed that in its entirety?

A. I read the entire order for the purposes of this testimony. It was not the entire order that I referenced here in my testimony.

Q. Sure. But you had an opportunity to review that in its entirety before you gave your testimony?

A. I have read it, yes.

Q. Did you review the April 22, 2015, ESP III entry on rehearing?

A. I believe I did read that order. I don't cite it in my testimony. The one that I cite in my testimony is the second entry on rehearing on May 28th.

Q. And so on the first entry you were able to review that in its entirety.

A. I believe I read it.

Q. So my next question is did you review the second entry, which I think you indicated you did? Did you review the second entry on rehearing in its entirety?

A. Yes, I did.

Q. Believe it or not, there's a third entry on rehearing. Did you have a chance to look at that in its entirety?

A. I honestly cannot remember.

Q. Fair enough. Do you have your testimony in front of you?

A. Yes, I do.

Q. Do you see page 4, footnote No. 2?

A. Yes.

Q. And can you read back to me the first

1 case reference in that footnote?
2 A. Yes. It reads Case No. 13-235-EL-SSO,
3 and there's a typo there. It should read 13-2385.
4 Q. Correct. So we can agree that that
5 should 13-2385-EL-SSO?
6 A. Yes.
7 Q. You were not deposed by any party in this
8 proceeding, were you?
9 MR. MICHAEL: Objecting. Which
10 proceeding?
11 MR. MILLER: This proceeding.
12 MR. MICHAEL: Are you talking about
13 13-2385 or this one?
14 MR. MILLER: I'll be clear. I'm talking
15 about this proceeding that we're in today and not
16 13-2385.
17 A. I have not been deposed for the purposes
18 of this case that we're currently in.
19 Q. And is it your testimony in this
20 proceeding -- when I say "this proceeding," this one,
21 again, that you should -- that should the Commission
22 approve the PPA rider as proposed by AEP-Ohio, then
23 the Commission must invalidate its prior decision in
24 the ESP III case?
25 A. Could you explain to me what you mean by

1 invalidate?
2 Q. Modify, change.
3 A. Well, it's my recommendation, as I say in
4 my testimony on page 3, that the Commission should
5 reject the PPA because approving it in this case
6 would cause it to fail the statutory test.
7 EXAMINER SEE: Ms. Hixon, you're going to
8 need to speak up throughout your testimony.
9 THE WITNESS: Yes, ma'am.
10 Q. So my question, if the Commission
11 approved the PPA rider as proposed in this
12 proceeding, is it your opinion, is it your testimony
13 that the previous ESP case decision would have to be
14 modified or amended?
15 A. Well, to the extent that the Commission's
16 ESP decision did not include the PPA rider, it would
17 be approved in this case, that would need to be
18 recognized.
19 Q. If you could be certain that the PPA
20 rider proposed by AEP-Ohio in this case provided a
21 guaranteed economic benefit to residential customers,
22 would you be opposed to the rider?
23 THE WITNESS: Could I have the question
24 read please?
25 (Record read.)

A. I guess I would need to know what the economic benefit was in order to make the decision.

Q. Positive economic benefit.

A. Are you talking about positive economic benefit in terms of dollars in customers' pocket?

Q. Let's use that one for example.

A. To the extent that there is difficulty in determining anything that's guaranteed, but if you can guarantee that customers would receive dollars in their pocket that outweigh the costs associated with obtaining that benefit, I would lean toward allowing it or recommending the Commission would allow it. But I really feel that there's a lot of uncertainty on both sides of that equation.

Q. It's a little bit of a hypothetical question for a moment. If there is a benefit that could be guaranteed and you could be comfortable with that guarantee --

A. Are we talking about a PPA rider now?

Q. Yes.

A. In that hypothetical still?

Q. Yes.

A. Given that for other reasons that simply the economic benefit, even if it was guaranteed, that OCC has problems with the PPA rider in regards to

1 policy issues, in regards to subsidizing nonregulated
2 generation, I think that I would need to take those
3 policy items into consideration and that I wouldn't
4 jump simply at the fact that customers are going to
5 get dollars in their pocket. I think you have to
6 take all of that in consideration. So no, I couldn't
7 say yes.
8 Q. So there's a possibility that even if
9 there were an economic benefit and it could be
10 guaranteed to residential customers, that it would be
11 your position that you, perhaps, couldn't recommend
12 it or advise for it?
13 A. Yes, perhaps I could not.
14 Q. And would the same situation or would you
15 have the same answer if it were a zeroing out, in
16 other words, it was just equal. There was no
17 benefit. There was no detriment economically.
18 A. I think you would take the same things
19 into consideration, and pros and cons would include a
20 con that there's no benefit.
21 Q. You asked me when I read you question to
22 clarify whether it was an economic benefit. What
23 other types of benefits would be involved?
24 A. I don't know what you meant. I was
25 asking you what you meant.

1 Q. Just curious.
2 Is it your testimony -- I think in your
3 testimony you state that you relied on legal counsel
4 to provide you with confirmation as to what the ESP
5 versus MRO test requires; is that correct? I think
6 you have this discussion on page 3, line 18-19.
7 A. Yes. That's what I say at 18. "It is my
8 understanding, confirmed by counsel."
9 Q. And to clarify, is your reliance on and
10 your understanding of what the test requires and
11 entails based on your discussion with legal counsel
12 advising you and explaining that to you?
13 A. I think it's what I say. I understand
14 this, and I have had that understanding confirmed by
15 counsel, and I've testified several times on the ESP
16 versus MRO test, so I've also gained knowledge
17 through that experience as well.
18 Q. Okay. And I think if you look at that
19 testimony, you use the word "pricing" in there. What
20 does pricing mean? What constitutes pricing?
21 A. At line 21 are you citing 4928.143, the
22 word "pricing"; is that what you're referring to?
23 Q. It says "including its pricing." What
24 does that mean to you?
25 A. Pricing to me means a dollar value.

Q. And is that the extent of it, just for clarification?

A. To the extent that the ESP has items in it that include pricing costs to customers, the price that would be paid dollar values, that's what I think that means.

Q. And it would be hard to imagine an ESP without having some of that pricing.

A. Well, given that the ESP is to provide a supply of generation, it would be difficult to imagine one that didn't have a price associated with that supply of generation.

Q. Then it also lists "all other terms and conditions." Do you have any sense of what would fit into that account, with your experience with the tests, the previous review of ESP versus MRO test and ESPs, SSOs?

A. Well, the statute continues to provide items that may be proposed in the ESP. Those could be terms and conditions.

Q. Any other -- in your experience, any other items you can think would logically fit into these categories?

A. I think anything that the statute would allow the company to propose would be the other terms

1 and conditions.
2 Q. So anything that wasn't a pricing issue
3 perhaps fit in that category? Or, I guess, those
4 categories, there are two.
5 A. I don't think it says "pricing or," so
6 you could have pricing and terms and conditions that
7 are the same.
8 Q. And so logically and in your experience,
9 pricing and other terms and conditions usually go
10 into these types of rate cases, these SSOs?
11 A. Yes.
12 Q. So would you agree with this statement:
13 The Commission when conducting an MRO versus the ESP
14 test will review both quantitative and qualitative
15 benefits as proposed?
16 THE WITNESS: Could I have it read
17 please?
18 EXAMINER SEE: Yes.
19 (Record read.)
20 A. I know that the Commission has done that.
21 Q. In your understanding of the statute,
22 that's allowed?
23 MR. MICHAEL: Objection, calls for a
24 legal conclusion.
25 MR. MILLER: I believe I asked her if she

1 was advised by legal counsel how it worked, and she
2 said she was and did. And I'm not asking for a legal
3 conclusion. I'm saying based on her understanding
4 that's subsequent to that advice by legal counsel.
5 And I'm assuming running through this model for
6 discussion, she should be able to answer that
7 question.
8 MR. MICHAEL: With that caveat, I'll
9 withdraw, your Honor.
10 EXAMINER SEE: Thank you.
11 THE WITNESS: Could I please have it
12 read?
13 EXAMINER SEE: Certainly.
14 THE WITNESS: Thank you.
15 (Record read.)
16 A. It's my understanding that under the
17 statute -- strike that. It's my understanding that
18 what the statute means by that is subject to appeal
19 before the Supreme Court in terms of whether
20 qualitative benefits or qualitative items could be
21 considered.
22 Q. It would be your understanding that the
23 Commission, who is charged with the responsibility of
24 rates and service in Ohio, would review the
25 application, would make an evaluation in accordance

with, we all certainly hope, the statute and make a decision, and you indicated that it would be subject to the courts, but, really, initially it's the Commission's decision, correct?

A. It's initially the Commission's decision. I think that was your question. And I would say, yes, it's initially the Commission's decision, but those decisions are subject to review, applications for rehearing, and I understand that the issue of whether qualitative could be considered is currently before the Supreme Court.

Q. In general -- I guess I'm speaking in general. I'm asking you if the Commission would evaluate and make decisions in a hypothetical case. Are you speaking about a specific case?

A. Yes, I'm talking about a specific case.

Q. Which case would that be?

A. FirstEnergy's ESP. I'm not sure of the number but the case was 12-1230.

Q. So has the Commission determined that qualitative values are valid in those kind of cases previously?

A. In those kind of cases you mean?

Q. In performing the test, the ESP V MRO test in any of the cases.

A. As I agreed with you earlier, the Commission has considered both qualitative and quantitative benefits in the ESP test versus MRO test. But, as I said, the question of whether or not qualitative review is appropriate is subject to review by the Supreme Court at this time.

Q. Can you tell me whether or not it's the OCC's position that qualitative is not appropriate?

A. It's the OCC's position that it should be quantitative analysis and not qualitative.

Q. Quantitative only?

A. Yes.

Q. And qualitative is never appropriate?

A. Never is a very strong word. But given that customers are being asked to bear any costs associated with this, it's OCC's position that the quantitative benefits should only be considered.

EXAMINER SEE: And you both need to speak up. You and Mr. Miller as well.

MR. MILLER: Thank you, your Honor.

Q. In a perfect world, then, the language we're speaking about, pricing and other terms and conditions, the OCC's position would be pricing, strike "other terms and conditions"?

A. Well, you've asked me about a perfect

1 world.
2 Q. It's a difficult place to find, I know.
3 A. So I don't know that OCC has declared a
4 position on what a perfect world is, but given that
5 our position is that the quantitative analysis is the
6 one that should be done, in a perfect world that
7 would be the situation.
8 Q. Let me rephrase a little bit. In our
9 world it would be the OCC's preference to strike
10 "other terms and conditions"?
11 A. I think in our world, the OCC's position
12 is that the qualitative benefits or costs or
13 detriments, the opposite of benefits, should not be
14 considered.
15 Q. I'm going to ask you about your
16 understanding on this question, and I'm not asking
17 you to make a legal conclusion, to be clear.
18 If the Commission finds in this -- case,
19 when I say "this case," this proceeding we're here
20 today discussing -- that the PPA proposal has a net
21 benefit for customers, do you agree that the
22 Commission would not need to amend or invalidate the
23 ESP III decision regarding the MRO test?
24 A. Net benefit over what period of time?
25 Q. Over the entirety of however long.

1 MR. MICHAEL: I'm sorry, the last part he
2 trailed off.
3 Q. Over the entirety.
4 MR. MICHAEL: Object to the form then.
5 Entirety of what?
6 MR. MILLER: She asked what period of
7 time, and I referenced the PPA proposal, and so over
8 the entirety of the PPA proposal as it's currently
9 been proposed.
10 MR. DARR: Your Honor, I still think
11 there's a question of vagueness in hearing that
12 question, simply based on the testimony provided by
13 Mr. Vegas on the first day of this hearing.
14 EXAMINER SEE: Mr. Miller, I'm going to
15 ask you to rephrase the question.
16 Q. (By Mr. Miller) If the Commission finds a
17 net benefit in regards to the PPA proposal, in your
18 opinion they wouldn't need go back and amend or
19 modify or invalidate the ESP III proceeding?
20 A. No, I don't agree with that.
21 Q. Can you explain?
22 A. Well, first of all, the net benefit that
23 occurs during this current ESP, whether it's a net
24 benefit or a net cost in terms of dollars and
25 quantification, should be considered by the

1 Commission because for the purpose of the last
2 determination that was made, but as I understand, it
3 is still subject to rehearing, there was an
4 assumption that there was zero cost and that
5 assumption would no longer be valid.
6 Q. Based upon your review of the ESP III
7 orders which you indicated you had an opportunity to
8 look at, can you tell me if the PUCO approved the ESP
9 proposed by AEP-Ohio in that case with certain
10 modifications?
11 A. I think generally that's a correct
12 characterization. They modified what the company had
13 proposed.
14 Q. And what did the PUCO order in regards to
15 AEP-Ohio's PPA request in its ESP III entry?
16 A. As I state on page 4 of my testimony, I
17 quote there part of a Commission order where they
18 talk about how the PPA rider was approved as a
19 placeholder rider subject to further proceedings
20 including this one.
21 Q. So that testimony indicates that the PUCO
22 established a PPA rider in it's ESP III decision,
23 correct?
24 A. Yes. It established a placeholder rider,
25 a rider that was set to zero.

1 Q. And that rider was set at zero, as you
2 indicated.
3 Can I direct you to your testimony on
4 page 4, line 9.
5 A. I have that.
6 Q. And I note it says "and not including a
7 proposed PPA rider." Do you see those words?
8 A. Yes.
9 Q. So upon review, to be clear, is it your
10 testimony that the PUCO did or did not establish a
11 PPA rider in it's ESP III decision?
12 A. It included a PPA rider, but not the
13 proposed PPA rider.
14 Q. And so it did establish a PPA rider, to
15 be clear?
16 A. Yes, a placeholder rider set at zero.
17 Q. And in its ESP III entries, what did the
18 Commission say about future PPA costs associated with
19 PPA rider?
20 A. At the bottom of my testimony on page 4
21 and going to page 5, I would note that the Commission
22 said that the costs were subject to future
23 proceedings.
24 Q. So the Commission deferred all future PPA
25 rider costs to future proceedings, correct? I mean,

1 that's what you said and that's your testimony?
2 A. I'm hesitant to agree with the word
3 "defer" because it has many nuances and meanings, and
4 the term "deferred costs" has specific technical
5 meanings.
6 As I understand it, the Commission said
7 that if there were costs, the company could come in
8 and seek those in future proceedings. That's my
9 understanding. But I don't want to agree with the
10 word "defer" because it does sometimes mean something
11 else.
12 Q. And so on line 21, page 4, the language
13 says "subject to future" -- and carries over to page
14 5 on line 1 -- "proceedings." So, again, is it your
15 testimony that the Commission suggested that the
16 costs associated with the PPA rider would be pushed
17 off and dealt with in future proceedings?
18 A. No, it didn't specifically say "pushed
19 off and dealt with." It said costs would be subject
20 to future proceedings.
21 Q. And subject to future proceedings,
22 correct?
23 MR. MICHAEL: Objection, asked and
24 answered.
25 EXAMINER SEE: The objection is

1 overruled. The witness can answer.
2 A. Correct.
3 Q. What's your interpretation of what that
4 means? Do you have any sense of what that means?
5 A. My sense is that the placeholder rider
6 will stay set at zero unless the Commission
7 determines in a future proceeding it will be
8 something else.
9 Q. Is this case a future proceeding?
10 A. Given that the Commission order was
11 written, this particular entry, on May 28th, and
12 this is subsequent to that, and its in regards to
13 whether or not the placeholder rider should be
14 something other than zero, yes.
15 Q. So it would be logical that this is a
16 proceeding that they may have been referring to when
17 they said "subject to future proceedings" because
18 we're here to talk about the PPA?
19 A. Yes.
20 Q. In your testimony you state that you
21 relied upon the economic analysis that OCC Witness
22 Wilson performed in reaching your conclusion that
23 AEP-Ohio's PPA rider estimates are unreliable and the
24 stated benefits are overstated; is that correct?
25 A. I don't believe I used the term "economic

1 analysis," but I relied on Mr. Wilson's estimates of
2 the cost and benefits of the PPA rider.
3 Q. And your testimony doesn't indicate that
4 you performed -- personally performed any independent
5 economic analysis regarding the PPA rider, did you?
6 A. I think maybe there were two questions
7 there.
8 Q. Your testimony doesn't indicate that you
9 performed any independent economic analysis for the
10 rider.
11 A. No, my testimony does not.
12 Q. Did you perform any economic --
13 independent economic analysis?
14 A. I did not provide -- did not conduct an
15 economic analysis. I reviewed Mr. Wilson's testimony
16 and testimony of other intervenors and their review
17 and their economic analysis.
18 Q. So your testimony is based on the
19 reliability of that information that you received
20 from OCC Witness Wilson and others?
21 A. My testimony in terms of the number that
22 I show on page 6 is based on Mr. Wilson's testimony.
23 Also my testimony indicates that AEP's estimate is
24 unreliable and overstated. I rely upon him and
25 others in the case that have similar opinions.

1 Q. You indicate that you are relying on not
2 only Witness Wilson's information but other
3 intervenors. Did you interview -- did you review,
4 strike that -- did you review other intervenors'
5 testimony prior to you filing your testimony?
6 A. I don't believe I could have done that
7 since we all filed our testimony at the same time.
8 Q. And can I ask how you relied on other
9 intervenor witnesses' information prior to your
10 filing your testimony?
11 A. Very good point. I wouldn't have relied
12 on it prior. I would have relied primarily -- not
13 primarily. I would have relied solely on
14 Mr. Wilson's analysis and numbers. I guess I'd just
15 point out that that analysis in terms of the
16 direction it goes seems to be consistent with the
17 other intervenors' positions.
18 Q. And so your reliance on OCC Wilson's
19 information is based on the premise that that
20 information is reliable.
21 A. Yes.
22 Q. Your testimony doesn't indicate that you
23 performed any independent noneconomic analysis of the
24 PPA rider?
25 A. No, my testimony does not.

Q. Did you perform --

A. No, I did not.

Q. Your testimony does not indicate you performed any kind of other independent analysis regarding the PPA?

A. I'm not sure how that question is different than the previous one. Could you please tell me?

Q. Specifically because I didn't include the word "economic." Other, there were no other types of analysis, no other types of research? There wasn't anything else that you did to analyze the PPA prior to you providing your testimony other than relying on Witness Wilson's economic analysis.

A. No. The purpose of my testimony is to show the impact on the statutory test and to recommend that in addition to the reasons presented by the other OCC witnesses, Mr. Wilson and others, that the Commission reject it.

MR. MILLER: I move to strike everything that wasn't responsive to my question -- it's a simple question -- after "no." I didn't ask her about the purpose of her testimony.

MR. MICHAEL: She's allowed to provide context and explanation for her answer, your Honor,

1 which she did.
2 EXAMINER SEE: I'm going to allow the
3 answer to stand.
4 Q. So, Ms. Hixon, your testimony only
5 discusses the economic benefits and costs for the PPA
6 rider; is that correct?
7 A. My testimony only discusses the benefits
8 and costs of the PPA rider.
9 Q. The economic benefits or costs?
10 A. I guess I'm just not really clear.
11 You're making a distinction between the mathematical
12 quantification of the benefits and costs and the term
13 "economic." If you intend it to mean something other
14 than what I just described, you'll have to explain it
15 to me. I don't understand.
16 Q. Let me try. Previously we talked about
17 pricing.
18 A. Yes.
19 Q. We talked about other terms and
20 conditions, and I think you indicated that it's the
21 OCC's position that those terms and conditions are
22 something other than pricing, and, perhaps, your
23 testimony was, your commentary to me was those things
24 excluded economic values. Is that fair?
25 MR. MICHAEL: Object to form and

1 vagueness and unintelligible question, your Honor. I
2 can't follow it.
3 EXAMINER SEE: The objection is
4 overruled. Ms. Hixon can clearly say if she needs
5 more meaning or definition or have the question
6 rephrased.
7 To the extent that you can answer the
8 question, Ms. Hixon, please do so. And at this point
9 do you need to have it read back?
10 THE WITNESS: Yes, ma'am.
11 (Record read.)
12 A. No, I don't think that's fair.
13 Q. So I asked you your testimony only
14 discusses the economic benefits, correct?
15 A. Again, I don't mean to be argumentative
16 here.
17 Q. I understand.
18 A. I discuss the benefits and/or the costs
19 associated with the PPA rider as they would be paid
20 for or received by customers. That's what my
21 testimony does. If you mean for the word "economic"
22 to have some other meaning than that, I don't
23 understand what you're saying.
24 Q. You indicated that you discussed the cost
25 and the benefits. Are there always dollar values

1 attached to the cost and benefits?
2 A. If you're looking at the quantitative
3 nature of a particular element such as PPA rider,
4 yes, it's quantitative.
5 Q. And the PPA rider is never qualitative.
6 A. To the extent that the company proposes
7 that they're qualitative elements of it, I don't deal
8 with that in my testimony. I think other OCC
9 witnesses do.
10 Q. And so your testimony only deals with
11 quantitative issues?
12 A. That is correct.
13 Q. All right. In preparing for your
14 testimony and when considering the PPA rider as
15 proposed by AEP-Ohio, did you make an independent
16 determination or perform any analysis regarding the
17 financial need of the affiliate PPA plants or the
18 affiliate PPA units that AEP's included?
19 A. No.
20 Q. And in preparing for your testimony and
21 when considering the PPA rider as proposed by
22 AEP-Ohio, did you make an independent determination
23 or perform any analysis regarding the necessity of
24 the affiliate PPA plants or affiliate PPA units that
25 AEP-Ohio has included in light of the future

1 reliability concerns including supply diversity?
2 A. No.
3 Q. In preparing for your testimony and when
4 considering the PPA as proposed by AEP-Ohio, did you
5 make an independent determination or perform any
6 analysis regarding how or if the affiliate PPA plants
7 or affiliate PPA units that AEP-Ohio has included
8 comply with pertinent environmental regulations or
9 how AEP would propose to have those plants or units
10 comply with any pending regulation, environmental
11 regulation?
12 A. No.
13 Q. And in preparing for your testimony and
14 when considering the PPA proposed by AEP Ohio, did
15 you make an independent determination or perform any
16 analysis regarding the impact that a closure of any
17 or all of the affiliate PPA plants or units that AEP
18 has included would have on electric prices and the
19 resulting affect on economic development for the
20 State of Ohio?
21 A. No.
22 MR. MILLER: One moment, your Honor.
23 EXAMINER SEE: Yes.
24 MR. MILLER: I think we're done.
25 EXAMINER SEE: Mr. Beeler?

MR. BEELER: No, thank you, your Honor.

EXAMINER SEE: Redirect, Mr. Michael?

MR. MICHAEL: I do not have any redirect, your Honor.

EXAMINER SEE: Thank you, Ms. Hixon.

THE WITNESS: Thank you.

EXAMINER SEE: I believe OCC has already moved for the admission of OCC Exhibit 9. Are there any objections to the admission of OCC Exhibit 9?

Hearing none, OCC Exhibit 9 is admitted into the record.

(EXHIBIT ADMITTED INTO EVIDENCE.)

MR. DARR: Can we take a brief recess?

EXAMINER PARROT: That's what we were just debating. Take a short break, take up with Dr. Dormady.

(Recess taken.)

EXAMINER PARROT: Go back on the record.

OCC may call it's next witness.

MR. MICHAEL: Your Honor, OCC calls Dr. Noah Dormady.

(Witness sworn.)

(EXHIBIT MARKED FOR IDENTIFICATION.)

- - -

NOAH C. DORMADY

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

DIRECT EXAMINATION

By Mr. Michael:

Q. Would you state your name please?

A. Noah C. Dormady.

Q. And where are you employed, Dr. Dormady?

A. The John Glenn College of Public Affairs at Ohio State.

Q. And what is your business address?

A. 1810 College Road, Suite 210Q, Columbus, Ohio 43210.

Q. And did you prepare direct testimony in this case, Dr. Dormady?

A. I did.

Q. You've been handed what was previously marked as OCC Exhibit No. 10. Can you identify that document?

A. This is my direct testimony.

Q. And, Dr. Dormady, was that prepared at your -- by you or at your direction?

A. It was.

Q. And do you have any additions or other comments to the direct testimony that was previously marked as OCC Exhibit No. 10?

A. I do not.

Q. Were I to ask you the same questions today as were in your direct testimony, would your answers be the same?

A. Yes, they would.

MR. MICHAEL: Your Honor, I move into evidence OCC Exhibit No. 10 subject to cross.

EXAMINER PARROT: Thank you, Mr. Michael.

Ms. Williams?

MS. WILLIAMS: No cross-examination, your Honor.

EXAMINER PARROT: Mr. Darr?

MR. DARR: No questions, your Honor.

EXAMINER PARROT: Ms. Cohn?

MS. COHN: No questions.

EXAMINER PARROT: Mr. Miller?

MR. MILLER: I have some cross.

- - -

CROSS-EXAMINATION

By Mr. Miller:

Q. Good morning, Dr. Dormady. How are you?

A. Terrific. Actually, I'm a little under the weather.

Q. We'll get you out of here relatively quickly and you can improve. I have a handful of

1 questions for you. You are currently employed as an
2 instructor at The Ohio State University where you're
3 assistant instructor of public policy.
4 A. I'm not an instructor. I'm an assistant
5 professor.
6 Q. I'm sorry. You're an assistant professor
7 at Ohio State?
8 A. That's correct.
9 Q. In public policy.
10 A. In public policy.
11 Q. And as I understand it, in looking at
12 your testimony and your CV, you have a BA in
13 political science?
14 A. That's correct.
15 Q. And you have Master's in political
16 science.
17 A. I do.
18 Q. A Doctorate degree in public policy,
19 planning and development?
20 A. That's correct.
21 Q. And you've been retained by the OCC to
22 provide testimony in this proceeding?
23 A. That's correct.
24 Q. This is the first time you've appeared
25 before this Commission to submit testimony?

A. That's correct.

Q. And this is the first time you've ever submitted testimony in any proceeding, regulatory proceeding?

A. That's correct.

Q. You weren't deposed by anybody or any party in this proceeding and no one deposed you or took your deposition?

A. That's correct.

Q. Let me -- and do you have your testimony in front of you?

A. I do.

Q. Let me direct you to page 6 of your testimony. And you state the following as a retrospective excerpt from William A. Schaffer, professor emeritus of economics, Georgia Institute of Technology --

A. Yes.

Q. -- so you indicate, and the language I believe reads, "Economic base models suffer from age: They have been built by so many analysts with varying level of quality and they have been criticized so often that little remains except the concept."

A. Yes.

Q. And, again, this comes from Section 2.6

in Chapter 2 of Professor Schaffer's "Regional Impact Models" publication; is that correct?

A. That's correct. It also comes from -- just to clarify, it comes from a separate chapter in a later version of the book, Chapter 3 of the 2010 edition of that book.

Q. So it was republished in?

A. Twice, same book.

Q. Thank you for the clarification.

MR. MILLER: Your Honor, may we approach the witness?

EXAMINER PARROT: You may.

Q. Dr. Dormady, you're being handed a copy of that Chapter 2, not the Chapter 3 in the clarification, but Chapter 2. And that first paragraph, I believe, represents the quote by Professor Schaffer that we just discussed, correct?

And that was the first paragraph on 2.6. Can I ask you to turn to the next page and look at the last paragraph, the last complete paragraph before 2.7.

A. Okay.

Q. I'm going read you the first sentence of that paragraph, for the benefit of the record. "Although castigated for decades, the economic-base

1 model has survived as a very succinct expression of
2 the power of demand in regional income determination.
3 So do you see that sentence?
4 A. I do.
5 Q. And so professor Schaffer is also stating
6 that economic-base models have survived and are a
7 useful tool; is that correct?
8 A. That's incorrect.
9 Q. That is incorrect?
10 A. Yes.
11 Q. Is this first sentence of that last
12 paragraph continuing to some extent in conclusionary
13 thought to his initial statement in the beginning
14 part of 2.6?
15 A. No. I think that statement is referring
16 to the power of demand as a force within a market,
17 not the power of the model itself.
18 Q. Well, I think previously he indicates
19 that --
20 A. It's a demand-side model, not supply-side
21 model.
22 Q. Yeah, I understand that. And, actually,
23 I should strike that. That wasn't a question.
24 But I think that the language, as we read
25 it from that first sentence, certainly stands on its

1 own, and, again, that language says that "the
2 economic-base model has survived." Do you agree with
3 that?
4 MR. MICHAEL: Objection to form. He's
5 testifying, and asked and answered.
6 MR. MILLER: I've asked the question as
7 to whether or not he agrees with a portion of a
8 statement that is in the actual exhibit that he has
9 essentially quoted earlier in his testimony.
10 MR. MICHAEL: Objection, asked and
11 answered.
12 EXAMINER PARROT: I'm going to allow a
13 little leeway here and see where this is going,
14 Mr. Miller.
15 Q. Let me reask my question. You see the
16 sentence?
17 A. I do.
18 Q. And the sentence includes language that
19 says "the economic-base model has survived."
20 A. The economic-base model has survived as a
21 method or as approach to express the power of demand,
22 not survived as a credible assessment tool. And if
23 you take the book in its context, this is Chapter 2,
24 the book goes on to explain other approaches to
25 economic impact analysis, and it begins with the

1 history of older models, such as the economic-base
2 model.
3 Q. So no one uses the economic-base model?
4 A. Today no one, no credible --
5 Q. Are you familiar with or aware of the
6 World Bank?
7 A. Yes.
8 Q. You're aware they're an international
9 financial institution based in Washington, DC?
10 A. They're based in Washington, DC, as well
11 as other places, to my knowledge.
12 Q. I think they're in a number of countries.
13 A. Yes.
14 Q. Significant amount of countries?
15 A. Correct.
16 Q. And would you consider the World Bank a
17 reliable economic source?
18 A. For regional economic analysis?
19 Q. Would you consider them a reliable
20 economic source?
21 A. It depends on what type of economic
22 analysis you're discussing.
23 Q. Would you consider them reliable?
24 A. As an institution, yes.
25 Q. And would you consider them an economic

1 source of information?
2 A. Yes, I would.
3 MR. MILLER: May we approach the witness?
4 EXAMINER PARROT: You may.
5 Q. Dr. Dormady, you're being handed a copy
6 of a publication titled "Regional and Local Economic
7 Analysis Tools" authored by Mustafa Dine for the
8 Public Finance, Decentralization and Poverty
9 Reduction Program, World Bank Institute with a date
10 of January of 2002.
11 Can I ask you to turn to page 13 of that
12 publication and under Section 4 in that section
13 titled Economic-Base Model.
14 A. Just a moment. Okay.
15 Q. The first sentence says, "The economic
16 base technique is the oldest, simplest and most
17 widely used technique for regional economic
18 analysis." Do you see that sentence?
19 A. I do.
20 Q. So we have a World Bank publication that
21 describes how the economic-base model as of at least
22 2002 is viewed by some as the most widely used
23 technique for regional economic analysis.
24 A. I see that, yes.
25 Q. Thank you.

1 So it's reasonable to say that other
2 institutions, other authors, other experts disagree
3 with your characterization of the economic-base
4 model?
5 A. I wouldn't say that, no.
6 Q. I'm sorry, we just looked at Mustafa
7 Dine's article from the World Bank, which is a
8 reputable organization, and apparently they're
9 indicating that "The economic base technique is the
10 oldest, simplest and most widely used technique for
11 regional economic analysis."
12 A. Yes.
13 Q. So that appears to be a disagreement with
14 what you've said, correct?
15 A. It may very well be the most widely, but
16 certainly not in terms of veracity or accuracy.
17 Q. But other people use it?
18 A. Presently I know of no one that uses it.
19 This is a 2002 publication and --
20 Q. So you know of no one that uses it.
21 A. I know of no one that uses it.
22 Q. Is it reasonable to assume that someone
23 is still using it?
24 MR. MICHAEL: Objection, asked and
25 answered.

1 MR. MILLER: I don't think I asked that
2 specific question.
3 EXAMINER PARROT: Overruled.
4 A. One more time please.
5 Q. Is it reasonable to assume that someone,
6 some party, perhaps the World Bank is still using
7 this?
8 A. I've seen it in testimony in this case.
9 Q. And other folks, other individuals,
10 entities, institutions have?
11 A. Have used it, that's correct.
12 Q. Thank you.
13 Mr. Dormady -- Dr. Dormady, I'm sorry, is
14 it fair to say that your testimony considers in a
15 rather sophisticated analytical manner the various
16 impacts on economic development that the affiliate
17 PPA plants or the affiliate PPA units would have?
18 A. One more time, please?
19 Q. Is it fair to say that your testimony
20 considers in a rather sophisticated and analytical
21 manner the various impacts on economic development
22 that the affiliate PPA plants and affiliate PPA units
23 that have the rider that's been proposed by the
24 company?
25 A. Yes.

Q. And all other things being equal, if the affiliate PPA plants or PPA units, again for sort of summary purposes the rider as proposed, those plants continue in service as proposed under the PPA rider there would be a net positive benefit to the economy through the continuation of existing localized employment in comparison to a situation where those plants wouldn't exist or would be closed?

A. I don't understand the question, I'm sorry.

Q. So let's break it down. There are two scenarios, first scenario is one where the plants that exist that we're talking about continue to operate.

A. Okay.

Q. In the future. The second scenario is the plants that we're talking about don't continue to operate, they're closed.

A. Sure.

Q. They turn off the lights, they're not operating. And so those are the comparatives.

A. Their own lights, correct?

Q. Their own lights, correct, not everybody else. There's the comparative. So all things being equal assuming no change, no flux, no inputs, no

1 outputs, sort of static picture, all things being
2 equal if those plants continue to operate, continue
3 to be in service, there's a net positive benefit to
4 the continuation of existing localized employment
5 versus a situation where those plants would be turned
6 off or shut down or decommissioned.
7 A. Not necessarily.
8 Q. There would be jobs lost if those plants
9 decommissioned.
10 A. I guess the question is are you referring
11 to the short run or to the long run?
12 Q. I'm referring to a static picture.
13 Assuming one on the one hand and one on the other
14 hand and let's assume the same position in time.
15 A. I certainly can't answer that question.
16 Q. So in the short-run let me ask it that
17 way?
18 A. In the short run there may be job losses
19 but we don't know that the closure of those plants
20 wouldn't result in more favorable economic
21 conditions.
22 Q. But the day after there would be people
23 out of work, right?
24 A. There would be.
25 Q. And for some period of time after that.

A. Correct.

Q. Perhaps we don't know how long.

A. Well, I can't say for sure, it's possible that those workers would be transferred to some other aspect of the company.

Q. But you haven't studied that, you haven't looked at --

A. That's outside the scope of --

Q. That's outside the scope. Same scenario, one hand, the other hand, correct? Two scenarios.

A. Sure.

Q. So all things being equal as the affiliate PPA plants or affiliate PPA units continue to service as proposed under the PPA rider, there would be a net positive benefit to the economy improved in relation to taxes being paid to local and state government entities in comparison situation where those plants retire to close.

A. I certainly can't say.

Q. You haven't looked at taxes or?

A. What I mean is if the closure of those plants results in economic benefit in any short or long run picture to Ohio consumers, they would have more personal income in their pockets which could then offset tax differentials. In other words, they

would spend more, there would be more personal consumption.

Q. But you haven't looked at that?

A. I have not. So I can't answer.

Q. The taxes operating in the state of Ohio. Same scenario, without going into the long question.

A. Sure.

Q. There would be a net positive benefit to the economy through the continuation of local consumptions of goods and services.

A. One more time?

Q. Same scenario, there would be -- assuming the plants stay open, continue to operate, there would be a net positive benefit to the economy through the continuation of local consumption of goods and services because those plants are operating?

A. In the short run, yes. Yes.

Q. And we don't know how far in the long run, you haven't studied that.

A. I haven't.

Q. But you're certain in the short run there would be.

A. In the very short run there would be, yes.

1 Q. Last time, same question, last scenario.
2 There would be a net positive benefit to the economy
3 through the maintenance of current worker realized
4 income, or current income realized.
5 A. Can you rephrase?
6 Q. So we're assuming people are being paid
7 to work in those plants today. And under the
8 assumption that those plants stop operating and that
9 those workers are out of work like we discussed
10 before, there's less income being paid to those
11 workers so those workers aren't being paid a paycheck
12 or salary to be at those plants doing their job.
13 A. I don't know the financial agreement
14 between those workers and their employer.
15 Q. At some juncture assuming the plants quit
16 operating and there's no agreement to rehire these
17 folks or move those folks around in the company would
18 your assumption be they would be looking for work?
19 A. It would be.
20 Q. And there would be a period of time
21 between their release from the company's employ and
22 them obtaining a new position, however limited it may
23 be.
24 A. That's correct.
25 Q. That they would not be receiving income

for work.

A. That's my assumption.

Q. So generally speaking, the ongoing operation of the affiliate PPA plants or the affiliate PPA units will continue to provide tangible economic benefits to the economy localized around those plants or units?

A. I can't say that for sure.

Q. And I think it was your answer to me previously that there were certain benefits that would occur and certain detriments theoretically that would occur.

A. Sure.

Q. So if these plants continue to operate is it fair to say the local economy has benefited from those various things we talked about continue?

A. I can't say that for sure.

Q. Would things stay the same? As far as economic impact.

A. It's quite possible things might actually improve, and I have an anecdotal case point that would be helpful.

Q. I appreciate it but no thank you.

A. Okay.

Q. We're looking at a static picture again,

1 correct? So there are benefits, we discussed those,
2 that would continue and we also discussed how those
3 benefits would today reflect positively on the
4 income.
5 A. Yes.
6 Q. The alternative other-hand scenario we
7 discussed plants closing, there would be an impact to
8 the economy if that all happened tomorrow.
9 A. There would be some impact.
10 Q. Right, there would be some impact.
11 A. Yes.
12 Q. You don't know how great that impact
13 would be.
14 A. Or that it would be positive versus
15 negative.
16 Q. But you haven't studied it.
17 A. I have not. Not in this specific
18 example.
19 Q. So your criticism in your testimony of
20 the PPA rider and the information you reviewed --
21 A. Of the rider?
22 Q. Of the -- well, your criticism of the
23 company's case.
24 A. I'm making a criticism of anyone's case;
25 I'm making an assessment of the analysis performed

1 contained within --
2 Q. Your criticism of the methodology that
3 was used by the company, really that's your
4 testimony, you're just critical of the methodology.
5 A. That's correct.
6 Q. And you concede, as we discussed before,
7 that the economic-base model methodology has been
8 used in the past and it continues to be used by
9 someone today.
10 A. Yes.
11 Q. And you didn't do any comprehensive study
12 of the economic benefits, you've just looked at the
13 methodology and opined about your thoughts on it,
14 didn't look at the specifics --
15 A. I did not run a competing model.
16 Q. So you don't have any independent
17 measurement of what those economic benefits might or
18 might not be.
19 A. I do not.
20 Q. But you agree that there are some
21 economic benefits as we discussed to things staying
22 the same but you just don't know the amount.
23 A. Or the direction positive or negative.
24 MR. MILLER: I have nothing further.
25 EXAMINER PARROT: Thank you, Mr. Miller.

Mr. Beeler, anything?

MR. BEELER: Nothing, your Honor.

EXAMINER PARROT: Any redirect?

MR. MICHAEL: Can I have a moment, please?

EXAMINER PARROT: You may.

(Off the record.)

EXAMINER PARROT: Mr. Michael.

MR. MICHAEL: Couple questions, your Honor.

- - -

REDIRECT EXAMINATION

By Mr. Michael:

Q. Dr. Dormady, I want to refer you back to the Mustafa Dine, World Bank document, specifically page 13 that counsel for AEP-Ohio asked you about.

A. Yes.

Q. And counsel asked you a question about your thoughts on the first sentence under item No. 4. Do you recall those questions?

A. I believe I do.

Q. Could you please explain those thoughts in a little bit greater detail for the benefit of the Commission, please?

A. Sure. I think the nature of these

1 comments by this author are, should be conditioned
2 upon what the task and the purpose of these models is
3 for the analysis performed by the World Bank. The
4 World Bank is tasked with economic development in
5 lower developed countries. Particularly in countries
6 such as maybe Tanzania hypothetically where there is
7 a lack of good economic and regional economic data.
8 And when that data is absent, the best
9 approach or I guess the only approach that's possible
10 is the economic base model. And so it's in use by
11 firms such as the World Bank in this context falls
12 upon essentially becomes the best available option.
13 In countries like the United States where we have,
14 developed countries where we have great data on
15 firms, great data on regional economies, more 20th
16 and 21st century models are much more appropriate
17 Q. Dr. Dormady, you wanted to raise an
18 anecdotal point with counsel for AEP-Ohio.
19 A. Yes.
20 Q. And can you please raise that anecdotal
21 point for the Commission?
22 MR. MILLER: Before we get anecdotal let
23 me object. I don't know what it is but I don't think
24 it's going to be relevant. I don't think it's
25 relevant that he answer it that way.

He's been -- we've made a request of him in discovery, we haven't seen this anecdotal story. On the stand he offered and we didn't -- walked away from it. So I don't think that we should allow, your position currently doing redirect that we should allow it because I didn't ask him a question on cross.

MR. MICHAEL: Your Honor, Dr. Dormady wanted to raise the point by way of further explanation to a question that counsel for AEP-Ohio asked him. Dr. Dormady is not a professional witness so he asked permission to answer the question and counsel for AEP-Ohio did not give him that permission, not surprisingly.

But it's perfectly appropriate in the way of creating a full and complete record for Dr. Dormady to raise that. If after Dr. Dormady gives his answer counsel feels it's irrelevant, he can move to strike it, but I think to prejudge what it is is not appropriate.

MR. MILLER: Your Honor, may I?

Dr. Dormady indicated he didn't do any analysis, any study in regards to the AEP proposal, he just had some criticism for the methodology. This anecdotal story is purely that.

1 MR. MICHAEL: I don't know how we can
2 prejudge it, your Honor.
3 EXAMINER PARROT: I'm going to allow it I
4 think. I agree if you need to move to strike
5 something once we've heard it, we'll take up that
6 cross when we get to it. But go ahead.
7 Q. (By Mr. Michael) Go ahead, Dr. Dormady.
8 A. So counsel asked if in a hypothetical
9 world where you have one case where the plants
10 continue to operate versus one case where they close
11 down and there's unemployment for the workers, would
12 the net economic benefit be negative.
13 And in Witness Vegas' testimony he spends
14 approximately two pages referring to plants,
15 potential plant closure, I believe his testimony was
16 filed on the 15th of May and about five days later
17 the Muskingum River plant shut down, very large
18 plant, approximately 1400 megawatts.
19 And according to data publicly available
20 on the Bureau of Labor Statistics website in the
21 three and a half months following the closure of that
22 plant that county, Washington County, Ohio, has
23 gained jobs every month since then. And so my
24 response anecdotally is it's not always the case that
25 the closure of the plant will result in negative

1 economic benefits, in many cases it could result in
2 positive.
3 MR. MICHAEL: Thank you, Dr. Dormady.
4 I have no further questions, your Honor.
5 EXAMINER PARROT: Ms. Williams?
6 MS. WILLIAMS: No questions.
7 EXAMINER PARROT: Mr. Darr?
8 MR. DARR: No, ma'am.
9 EXAMINER PARROT: Mr. Miller.
10 - - -
11 RECROSS-EXAMINATION
12 By Mr. Miller:
13 Q. (By Mr. Miller) Dr. Dormady, in response
14 to your anecdotal presentation you indicated that
15 there was an increase in jobs in the county.
16 A. That's correct. Subsequent to plant
17 closure. Yes.
18 Q. But that increase in jobs had nothing to
19 do with the plant closure.
20 A. I don't know what costs had been done.
21 Q. So you haven't done a study on the
22 anecdotal --
23 A. I've only looked at the Bureau of Labor
24 Statistics data for that county.
25 Q. So it's your testimony that the closure

created jobs?

A. It's not. It's that there would be net, you asked me about net.

Q. I think I asked you, I was getting at was would there be less employment, for example, in the county --

A. Exactly and this anecdotal --

Q. There would be less employment in the county upon the immediacy of the plant closing. So what you're suggesting is that if there's a negative employment or dips because the plant closes but tomorrow someone else comes in with totally different business.

A. Yes.

Q. And decides to employ a number of people, I'm not really talking about the net, what I'm asking is would people lose their jobs if these plants close.

A. Should I answer that question?

Q. I would like you to.

A. So in the very short run they would lose jobs.

Q. And we don't know how long those job losses would exist on the net.

A. On the net we do not, absolutely.

1 Q. And so this could go on forever. Could
2 never be replaced hypothetically.
3 A. Sure, hypothetically.
4 Q. And so your view of that net you're
5 really not connecting plant closures to job creation.
6 A. I'm not. I'm simply suggesting in the
7 net it's not always the case as your question
8 suggested that there would be a negative impact to a
9 region.
10 Q. And your anecdotal story you said you
11 looked at the Bureau?
12 A. Of Labor Statistics.
13 Q. Numbers? But it was just numbers you
14 looked at.
15 A. Our total aggregate.
16 Q. And it wasn't a situation where there has
17 been a study, this is just your observation.
18 A. This is purely observation, correct.
19 MR. MILLER: I have nothing further.
20 EXAMINER PARROT: Mr. Beeler?
21 MR. BEELER: No, thank you, your Honor.
22 EXAMINER PARROT: I believe that
23 Mr. Michael has already moved for the admission of
24 OCC Exhibit No. 10. Are there any objections?
25 Hearing none, OCC Exhibit No. 10 is

admitted into the record.

(EXHIBIT ADMITTED INTO EVIDENCE.)

EXAMINER PARROT: Thank you, Dr. Dormady.

Let's go off the record.

(Off the record.)

EXAMINER PARROT: Go back on the record.

I believe that concludes our witnesses for today. We will pick up tomorrow morning at 9:00 a.m. again with OCC Witness Rose.

Anything else to talk about today?

MR. NOURSE: No, your Honor.

EXAMINER PARROT: Hearing nothing, we are adjourned for today. Thank you.

(Whereupon, at 12:15 p.m. hearing adjourned.)

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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, October 13, 2015, and carefully compared with my original stenographic notes.

_____
Julieanna Hennebert,
Professional Reporter and Notary
Public in and for the State of Ohio.

My commission expires February 19, 2018.

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

My commission expires April 5, 2019.

(jh/rfa-79511)

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Summary: Transcript In the Matter of the application of Ohio Power Company hearing held on 10/13/15 - Volume IX electronically filed by Mr. Ken Spencer on behalf of Armstrong & Okey, Inc. and Anderson, Rosemary Foster Mrs.