

BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

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In the Matter of the :  
Application of Duke Energy : Case No.  
Ohio, Inc., to Adjust Rider : 15-883-GE-RDR  
DR-IM and Rider AU for 2014 :  
Grid Modernization Costs. :

- - -

PROCEEDINGS

Before Kerry Sheets, Attorney Examiner, held at  
the Public Utilities Commission of Ohio, 180  
East Broad Street, Hearing Room 11-D, Columbus,  
Ohio, on Wednesday, January 27, 2016, at 10:00  
A.M.

- - -

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- - -

APPEARANCES:

Ms. Elizabeth H. Watts  
and  
Ms. Amy B. Spiller  
139 East Fourth Street  
Cincinnati, Ohio 45201-0906

On behalf of Duke Energy Ohio.

Ms. Jennifer L. Spinosi  
21 East State Street, Suite 1950  
Columbus, Ohio 43215

On behalf of Direct Energy Services.

Mr. Terry L. Etter  
Assistant Consumers' Counsel  
10 West Broad Street, Suite 1800  
Columbus, Ohio 43215

On behalf of the Residential  
Customers of Duke Energy Ohio.

Ms. Colleen L. Mooney  
231 West Lima Street  
Findlay, Ohio 45839-1793

On behalf of Ohio Partners for  
Affordable Energy.

Mr. Thomas McNamee  
and  
Ms. Natalia Messenger  
Assistant Attorneys General  
180 East Broad Street, 6th Floor  
Columbus, Ohio 43215

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

Carpenter Lipps & Leland  
By Ms. Kimberly W. Bojko  
280 North High Street, Suite 1300  
Columbus, Ohio 43215

On behalf of the Office of  
Consumers' Counsel.

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1 Wednesday Morning,  
2 January 27, 2016.

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4 ATTORNEY EXAMINER: The Public  
5 Utilities Commission of Ohio set for hearing at  
6 this time and place Case No. 15-883-GE-RDR in  
7 the Matter of the Application of Duke Energy  
8 Ohio, Inc., to adjust Rider DR-IM and Rider AU  
9 for 2014 Modernization Costs.

10 My name is Kerry Sheets, I am an  
11 Attorney Examiner for the Commission and I have  
12 been assigned to hear this case. May I now have  
13 the appearances of the parties, please.

14 MS. WATTS: Thank you, your Honor.  
15 On behalf of Duke Energy Ohio, Amy B. Spiller  
16 and Elizabeth H. Watts, 139 East Fourth Street,  
17 Cincinnati, Ohio 45201.

18 Also today, your Honor, I am putting  
19 in an appearance on behalf of Direct Energy  
20 Services. Ms. Jennifer Spinosi authorized me to  
21 represent Direct's interests today in the  
22 hearing.

23 ATTORNEY EXAMINER: Okay.

24 MS. WATTS: At least put in an  
25 appearance, if nothing else.

1 ATTORNEY EXAMINER: Okay.

2 MR. ETTER: Good morning, your  
3 Honor. On behalf of the residential utility  
4 consumers of Ohio, the Office of the Ohio  
5 Consumers' Counsel, Bruce J. Weston, Consumers'  
6 Counsel, Terry L. Etter and Kyle Kern, Assistant  
7 Consumers' Counsel. We are at 10 West Broad  
8 Street, Suite 1800, Columbus, Ohio 43215.

9 Also in this case for OCC is  
10 Kimberly W. Bojko, Carpenter Lipps & Leland,  
11 LLP, 280 North High Street, Suite 1300,  
12 Columbus, Ohio 43215.

13 ATTORNEY EXAMINER: Thank you.

14 MS. MOONEY: On behalf of Ohio  
15 Partners for Affordable Energy, I am Colleen L.  
16 Mooney, 231 West Lima Street, Findlay, Ohio.

17 ATTORNEY EXAMINER: Thank you.

18 MR. MCNAMEE: On behalf of the Staff  
19 of the Public Utilities Commission of Ohio,  
20 Natalia Messenger, and I am Thomas McNamee,  
21 Assistant Attorney General. And the address is  
22 180 East Broad Street, Columbus, Ohio.

23 ATTORNEY EXAMINER: Thank you. Are  
24 there any preliminary matters to take care of  
25 this morning?

1 MR. MCNAMEE: Yes, you Honor. There  
2 is a stipulation that has been entered into or  
3 either signed by or agreed not to be opposed by  
4 all the parties in the case. It resolves all  
5 issues in the case. And we have a witness here  
6 this morning who will testify to that  
7 stipulation.

8 We also have a number of exhibits  
9 from I think from the Company, from the OCC, and  
10 also from the Staff, that will be stipulated in  
11 as well.

12 So it should resolve, the entire  
13 case should be resolved with this.

14 ATTORNEY EXAMINER: Thank you. Why  
15 don't he proceed to mark the exhibits at this  
16 time.

17 MR. MCNAMEE: I will mark mine first  
18 because I was talking. I would ask to have  
19 marked as Staff Exhibit 1 the Staff Review and  
20 Recommendations in this case.

21 (EXHIBIT HEREBY MARKED FOR  
22 IDENTIFICATION PURPOSES)

23 MR. MCNAMEE: And I would ask to  
24 have marked as Joint Exhibit 1 the Stipulation  
25 and Recommendation in this case.

1 (EXHIBIT HEREBY MARKED FOR  
2 IDENTIFICATION PURPOSES)

3 ATTORNEY EXAMINER: Thank you. Go  
4 ahead.

5 MR. ETTER: Your Honor, yes, I would  
6 like to mark as OCC Exhibit 1 Comments that OCC  
7 filed in this case on November 13th, 2015.  
8 Unfortunately I only brought one copy. I am  
9 sorry.

10 And as Exhibit 2, OCC Exhibit 2, the  
11 testimony of James D. Williams that was filed in  
12 this case on December 9th, 2015.

13 (EXHIBITS HEREBY MARKED FOR  
14 IDENTIFICATION PURPOSES)

15 ATTORNEY EXAMINER: Okay. Any  
16 others?

17 MS. WATTS: Yes, your Honor. Your  
18 Honor, on behalf of Duke Energy Ohio we would  
19 like to have marked as Duke Energy Ohio Exhibit  
20 1 the Application that was submitted in this  
21 docket.

22 Duke Energy of Ohio Exhibit 2, the  
23 direct testimony of Donald Schneider, and Duke  
24 Energy Ohio Exhibit 3, the Direct testimony of  
25 Peggy Laub. All of these documents were



1 submitted into the docket on June 4th, 2015.

2 And then we would like to have  
3 comments and reply comments marked. So that  
4 would be Duke Energy Ohio Exhibit 4 and 5.  
5 Those were docketed on November 13th of last  
6 year and November 25th of last year.

7 (EXHIBITS HEREBY MARKED FOR  
8 IDENTIFICATION PURPOSES)

9 ATTORNEY EXAMINER: Thank you.

10 MS. MOONEY: Your Honor, are you  
11 going to go ahead and mark comments then?

12 MS. WATTS: Some Examiners -- do you  
13 want to go off the record?

14 (DISCUSSION OFF THE RECORD)

15 ATTORNEY EXAMINER: All right.  
16 Let's proceed with the witness.

17 MR. MCNAMEE: At this time the Staff  
18 would call Mr. Schweitzer.

19 (WITNESS SWORN)

20 - - -

21 JAMES W. SCHWEITZER  
22 called as a witness, being first duly sworn,  
23 testified as follows:

24 DIRECT EXAMINATION

25 By Mr. McNamee:

1           Q.    Mr. Schweitzer, could you state and  
2 spell your name for the record, please?

3           A.    My name is James W. Schweitzer,  
4 spelled S-C-H-W-E-I-T-Z-E-R.

5           Q.    By whom are you employed and in what  
6 capacity?

7           A.    I am employed by the Public  
8 Utilities Commission of Ohio, and I am a Public  
9 Utilities Administrator 2, working in the rates  
10 and analysis department.

11          Q.    Okay. What is your business  
12 address?

13          A.    180 East Broad Street, Columbus,  
14 Ohio 43215.

15          Q.    Okay. On the desk in front of you,  
16 Mr. Schweitzer, you will find two documents.  
17 Let me ask you to turn you attention to what's  
18 been marked for identification as Staff Exhibit  
19 1. There is a letter to the docketing division  
20 on the cover. Do you see that?

21          A.    Yes.

22          Q.    Good. Do you know what that is?

23          A.    Yes.

24          Q.    What is it?

25          A.    It is Staff's comments or Staff's

1 recommendations following the audit of the  
2 filing may my Duke Energy of Ohio.

3 Q. Was that prepared by you or under  
4 your direction?

5 A. Yes.

6 Q. Okay. Can you describe generally  
7 what those recommendations were?

8 A. Within this document, obviously this  
9 document is covering both the Rider DR-IM, which  
10 is for the electric side of Duke's business, and  
11 Rider AU, which is the natural gas side of  
12 Duke's business.

13 And it outlines some recommended  
14 adjustments that we found in our view could be  
15 necessary in this particular case. And those  
16 adjustments resulted in the recalculation of the  
17 rates that were filed originally by Duke.

18 Q. Okay. Let me have you turn your  
19 attention to Joint Exhibit 1, the other  
20 document.

21 A. Yes.

22 Q. Do you know what that is?

23 A. Yes.

24 Q. What is it?

25 A. It is the Stipulation and

1 Recommendation made by all the parties in this  
2 particular case pulling together all of the  
3 comments, adjustments, made by Staff,  
4 suggestions made by other entities, including  
5 OCC, in this particular proceeding, resulting in  
6 a resolution to the matters that were outlined  
7 in this case.

8 Q. So, in your view it addresses all  
9 the concerns in the case, including adopting the  
10 various recommendations made by Staff?

11 A. Yes.

12 Q. And it resolves all the issues in  
13 the case; does it not?

14 A. Yes.

15 Q. Good. Let's talk about that  
16 stipulation just a bit more. You are familiar  
17 with the signatory parties to that document; are  
18 you not?

19 A. Yes.

20 Q. Okay. You have worked with them for  
21 many years?

22 A. Oh, yes.

23 Q. You believe them to be well  
24 informed, capable people able to represent the  
25 interests of their principals?

1           A.     Absolutely.

2           Q.     Good.  And the process of developing  
3     the stipulation was open and was participated in  
4     by all of the parties; yes?

5           A.     Yes, it was.

6           Q.     Good.  Does the stipulation in your  
7     view advance the public interest?  Is this a  
8     good thing?

9           A.     It is a good thing, yes.

10          Q.     In what respect?

11          A.     The Company has invested significant  
12     dollars in modernizing its electric  
13     infrastructure and natural gas infrastructure.  
14     This resolution, this stipulation resolves the  
15     issues that resulted in a lot of benefits going  
16     to the customer from these investments, but at  
17     the same time results in the Company being able  
18     to recover its costs.

19                 So, it's balancing both the needs of  
20     the Company with the benefits being received by  
21     the customer.

22          Q.     Thank you.  Let me ask you sort of  
23     the flip question, I guess.  Does this  
24     stipulation in your view violate any important  
25     regulatory policy or principle?

1 A. No.

2 Q. In fact, it does the opposite; does  
3 it not?

4 A. That's correct.

5 MR. MCNAMEE: Thank you. That is  
6 all the questions that I have. And Staff would  
7 move for the admission of Staff Exhibit 1 and  
8 Joint Exhibit 1.

9 ATTORNEY EXAMINER: Very good. Are  
10 there any questions of this witness?

11 MS. WATTS: No questions, your  
12 Honor.

13 MR. ETTER: No questions.

14 MS. MOONEY: No questions.

15 ATTORNEY EXAMINER: Very good. I  
16 will admit Staff's Exhibit into evidence at this  
17 time. And OCC's and the Company's as well.

18 (EXHIBITS ADMITTED INTO EVIDENCE)

19 ATTORNEY EXAMINER: Any other  
20 matters to be taken care of?

21 MR. MCNAMEE: No, your Honor. I  
22 believe that resolves all the issues in the case  
23 for all the parties.

24 ATTORNEY EXAMINER: Very good.  
25 Thank you all for coming. We are adjourned.

(At 10:15 A.M. the hearing was  
concluded)

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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  
January 27, 2016, and carefully compared with my  
original stenographic notes.

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

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

**Commission of Ohio Docketing Information System on**

**2/5/2016 2:25:18 PM**

**in**

**Case No(s). 15-0883-GE-RDR**

Summary: Transcript in the matter of Duke Energy Ohio, Inc. hearing held on 01/27/16 electronically filed by Mr. Ken Spencer on behalf of Armstrong & Okey, Inc. and Spencer, Michael O. Mr.