

BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

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In the Matter of the :
Application of Ohio Edison :
Company, The Cleveland :
Electric Illuminating Company, :
and The Toledo Edison Company : Case No.
for Administration of the : 15-1450-EL-UNC
Significantly Excessive :
Earnings Test Under Section :
4928.143 (F), Revised Code, :
and Rule 4901:1-35-10, Ohio :
Administrative Code. :

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PROCEEDINGS

Before Bryce McKenney, Attorney Examiner, held
at the offices of the Public Utilities
Commission of Ohio, 180 East Broad Street,
Hearing Room 11-D, Columbus, Ohio, on Thursday,
May 19, 2016, at 10:00 A.M.

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- - -

APPEARANCES:

Mr. Robert M. Endris
FirstEnergy Service Company
76 South Main Street
Akron, Ohio 44308

On behalf of Ohio Edison Company,
The Toledo Edison Company, and
The Cleveland Electric Illuminating
Company.

Mr. Thomas W. McNamee
Assistant Attorney General
30 East Broad Street
Columbus, Ohio 43215

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

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Thursday Morning,
May 19, 2016.
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ATTORNEY EXAMINER: Good morning.
The Public Utilities Commission of Ohio has
called for hearing at this time and place Case
No. 15-1450-EL-UNC being in the matter of the
application of Ohio Edison Company, The
Cleveland Electric Illuminating Company and
The Toledo Edison Company for administration of
the significantly excessive earnings test under
Section 4928.143 (F), Revised Code, and Rule
4901:1-35-10, Ohio Administrative Code.

My name is Bryce McKenney, I am the
Attorney Examiner assigned by the Commission to
hear this case. At this time I will take the
appearances of the parties starting on half of
the Company.

MR. ENDRIS: Thank you, your Honor.
On behalf of Ohio Edison Company, The Cleveland
Electric Illuminating Company and The Toledo
Edison Company, Robert M. Endris.

ATTORNEY EXAMINER: Thank you. On
behalf of the Staff.

MR. MCNAMEE: On behalf of the Staff

1 of the Public Utilities Commission of Ohio, I am
 2 Thomas W. McNamee, Assistant Attorney General.
 3 The address is 30 East Broad Street, 6th Floor,
 4 Columbus, Ohio.

5 ATTORNEY EXAMINER: It's my
 6 understand a Stipulation and Recommendation has
 7 been filed in this case; is that correct?

8 MR. MCNAMEE: That's correct, your
 9 Honor. That has resolved all the issues in the
 10 case. There are only the two parties, I
 11 believe.

12 ATTORNEY EXAMINER: All right. Are
 13 you prepared to call witnesses to support the
 14 stipulation?

15 MR. MCNAMEE: Yes, your Honor. We
 16 would call Joseph Buckley.

17 (WITNESS SWORN)

18 - - -

19 JOSEPH BUCKLEY
 20 called as a witness, being first duly sworn,
 21 testified as follows:

22 DIRECT EXAMINATION

23 By Mr. McNamee:

24 Q. Mr. Buckley, can you state and spell
 25 your name for the record?

1 A. My name is Joseph Buckley,
2 J-O-S-E-P-H B-U-C-K-L-E-Y.

3 Q. By whom are you employed and in what
4 capacity?

5 A. I am employed by the Public
6 Utilities Commission of Ohio as a Utility
7 Specialist 3.

8 Q. What is your business address?

9 A. 180 East Broad Street, Columbus,
10 Ohio 43215.

11 MR. MCNAMEE: Okay. At this time,
12 your Honor, I would ask to have marked for
13 identification as Joint Exhibit 1 the
14 Stipulation and Recommendation filed in this
15 case sometime or another.

16 ATTORNEY EXAMINER: It will be so
17 marked.

18 MR. MCNAMEE: Thank you.

19 (EXHIBIT MARKED FOR IDENTIFICATION)

20 Q. Mr. Buckley, do you have before you
21 what's been marked for identification as Joint
22 Exhibit 1?

23 A. Yes, I do.

24 Q. What is that document?

25 A. It is the Stipulation and

1 Recommendation agreed to by the Staff and the
2 FirstEnergy operating companies.

3 Q. Could you describe the contents of
4 that Stipulation and Recommendation in general
5 terms at least for the Examiner, please?

6 A. Yes. We found that the FirstEnergy
7 Ohio operating companies did not exceed the SEET
8 threshold in 2015.

9 Q. Okay. And that was based on your
10 analysis?

11 A. Correct.

12 Q. Okay. Do you believe that this
13 Stipulation and Recommendation was the result of
14 serious bargaining between knowledgeable
15 individuals?

16 A. Yes.

17 Q. Okay. You are aware of the people
18 at the company who do these analyses and they
19 are experienced and knowledgeable in
20 the business?

21 A. Correct.

22 Q. Thank you. Does this Stipulation
23 and Recommendation benefit the public by
24 avoiding unnecessary litigation and disputes?

25 A. I believe it does.

1 Q. Okay. And it's also a correct
2 result as far as you are concerned? Yes?

3 A. I believe it is.

4 Q. Okay. Are you aware of any public
5 policy or statute or regulation that would be
6 violated by this agreement?

7 A. Not that I am aware of.

8 MR. MCNAMEE: With that I have no
9 further questions, your Honor.

10 ATTORNEY EXAMINER: All right. I
11 just have a couple follow-up questions.

12 EXAMINATION

13 By the Attorney Examiner:

14 Q. Mr. Buckley, I think you said 2015.
15 This is the excessive earnings test for the year
16 2014, I believe. Is that correct?

17 A. Correct.

18 ATTORNEY EXAMINER: Thank you.

19 Okay. And I have nothing further. Thank you.
20 You may step down.

21 Anything further, Mr. McNamee?

22 MR. MCNAMEE: We would ask to have
23 admitted the Joint Exhibit 1.

24 ATTORNEY EXAMINER: It will be so
25 admitted.

1 (EXHIBIT ADMITTED INTO EVIDENCE)

2 MR. MCNAMEE: We would ask the
3 Commission to make the finding and
4 recommendation.

5 ATTORNEY EXAMINER: Thank you, Mr.
6 McNamee. Mr. Endris, anything?

7 MR. ENDRIS: Just one question.
8 I am not sure if I need to offer our previous
9 application and testimony into the record.

10 ATTORNEY EXAMINER: Let's mark that
11 as Company Exhibit 1.

12 (EXHIBIT MARKED FOR PURPOSES OF
13 IDENTIFICATION)

14 ATTORNEY EXAMINER: Any objection
15 to the admission of Company Exhibit 1?

16 MR. MCNAMEE: Absolutely not.

17 ATTORNEY EXAMINER: It will be so
18 admitted.

19 (EXHIBIT HEREBY ADMITTED INTO
20 EVIDENCE)

21 MR. ENDRIS: Thank you, your Honor.

22 ATTORNEY EXAMINER: Anything
23 further?

24 MR. ENDRIS: Nothing further, your
25 Honor.

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MR. MCNAMEE: No, your Honor.

ATTORNEY EXAMINER: Thank you. We
are adjourned.

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(At 10:06 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 May
19, 2016, and carefully compared with my
original stenographic notes.

Michael O. Spencer,
Registered Professional
Reporter.

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in

Case No(s). 15-1450-EL-UNC

Summary: Transcript In the matter of the Application of Ohio Edison Company, The Cleveland Electric Illuminating Company, and the Toledo Edison Company for Administration of the Significantly Excessive Earnings Test Under Section 4928.143 (F), Revised Code, and Rule 4901:1-35-10, Ohio Administrative Code, hearing held on May 19, 2016 electronically filed by Mr. Ken Spencer on behalf of Armstrong & Okey, Inc. and Spencer, Michael O. Mr.