

BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

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In the Matter of the :
Application of the Ohio :
Development Services :
Agency for an Order :
Approving Adjustments to : Case No. 16-1223-EL-USF
the Universal Service Fund:
Riders of Jurisdictional :
Ohio Electric Distribution:
Utilities :

- - -

PROCEEDINGS

before Ms. Greta See, Attorney Examiner, at the
Public Utilities Commission of Ohio, 180 East Broad
Street, Room 11-D, Columbus, Ohio, called at
9:06 a.m. on Wednesday, November 30, 2016.

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APPEARANCES:

Bricker & Eckler, LLP
By Mr. Dane Stinson
100 South Third Street
Columbus, Ohio 43215-4291

On behalf of the Ohio Development
Services Agency.

Bruce J. Weston, Consumers' Counsel
By Mr. Ajay K. Kumar
Assistant Consumers' Counsel
10 West Broad Street, Suite 1800
Columbus, Ohio 43215-3485

On behalf of the Residential Consumers of
Jurisdictional Ohio Electric Distribution
Utilities.

McNees, Wallace & Nurick
By Mr. Matthew Pritchard
Fifth Third Center
21 East State Street, Suite 910
Columbus, Ohio 43215

On behalf of Industrial Energy Users of
Ohio.

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

On behalf of The Kroger Company.

Mike DeWine, Ohio Attorney General
By Mr. William L. Wright, Section Chief
Mr. Thomas W. McNamee
Assistant Attorney General
Public Utilities Section
30 East Broad Street, 16th Floor
Columbus, Ohio 43215

On behalf of the Staff of the PUCO.

APPEARANCES: (Continued)

FirstEnergy Corp.
By Ms. Carrie M. Dunn
Ms. Erika Ostrowski
76 South Main Street
Akron, Ohio 44308

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

Ohio Partners for Affordable Energy
By Ms. Colleen L. Mooney
231 West Lima Street
Findlay, Ohio 45839

On behalf of Ohio Partners for Affordable
Energy.

Duke Energy Ohio, Inc.
By Ms. Elizabeth H. Watts
155 East Broad Street
Columbus, Ohio 43215

On behalf of Duke Energy Ohio, Inc.

The Dayton Power & Light Company
By Mr. Randall V. Griffin
Ms. Judi L. Sobecki
Mr. Michael Shuler
MacGregor Park
1065 Woodman Avenue
Dayton, Ohio 45432

On behalf of The Dayton Power & Light
Company.

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WITNESS

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JOINT EXHIBIT

IDENTIFIED ADMITTED

1 - Joint Stipulation and
Recommendation

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1 Wednesday Morning Session,
2 November 30, 2016.

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4 EXAMINER SEE: Let's go on the record.

5 Scheduled for hearing today at this time
6 is Case No. 16-1223-EL-USF, being entitled In the
7 Matter of the Application of the Ohio Development
8 Services Agency for an Order Approving Adjustments to
9 the Universal Service Fund Riders of Jurisdictional
10 Electric Distribution Utilities.

11 I am Greta See, the Attorney Examiner
12 assigned to this case by the Commission.

13 At this time I'd like to take appearances
14 of the parties, starting with Ohio Development
15 Services Agency.

16 MR. STINSON: Yes, your Honor. Thank
17 you. On behalf of the Ohio Development Services
18 Agency, the law firm of Bricker & Eckler, Dane
19 Stinson, 100 South Third Street, Columbus, Ohio
20 43215.

21 I've also been authorized to enter the
22 appearance of the Dayton Power and Light Company by
23 Randall Griffin, Judi Sobecki, and Michael Shuler,
24 1065 Woodman Avenue, Dayton, Ohio 45432.

25 Also Duke Energy Ohio, Inc., by Elizabeth

1 H. Watts, 155 East Broad Street, Columbus, Ohio
2 43215.

3 And the FirstEnergy Corporation, CEI,
4 Toledo Edison, and Ohio Edison, by Carrie Dunn, Erika
5 Ostrowski, 76 South Main Street, Akron, Ohio 44308.

6 And finally, Ohio Partners for Affordable
7 Energy, by Colleen Mooney, 231 West Lima Street,
8 Findlay, Ohio 45839.

9 Thank you, your Honor

10 EXAMINER SEE: Okay. I did not hear you
11 say Ohio Power, did I?

12 MR. STINSON: I did not get authorization
13 from Ohio Power yet.

14 EXAMINER SEE: Okay. Is anyone here
15 representing Ohio Power?

16 (No response.)

17 EXAMINER SEE: Okay. On behalf of
18 Industrial Energy Users Ohio.

19 MR. PRITCHARD: Thank you, your Honor.
20 On behalf of IEU Ohio, I am Matt Pritchard with the
21 law firm McNees Wallace & Nurick, 21 East State
22 Street, Columbus, Ohio 43215.

23 EXAMINER SEE: On behalf of Kroger.

24 MS. BOJKO: Thank you, your Honor. On
25 behalf of the Kroger Company, Kimberly W. Bojko with

1 the law firm Carpenter Lipps & Leland, 280 North High
2 Street, Suite 1300, Columbus, Ohio 43215.

3 EXAMINER SEE: On behalf of the Office of
4 Ohio Consumers' Counsel.

5 MR. KUMAR: Your Honor, on behalf of the
6 residential consumers of the electric distribution
7 utilities, the Office of Ohio Consumers' Counsel,
8 Bruce Weston and Ajay Kumar, 10 West Broad Street,
9 Suite 1800, Columbus, Ohio.

10 EXAMINER SEE: And on behalf of the Staff
11 of the Commission.

12 MR. STINSON: On behalf of the Staff of
13 the Public Utilities Commission of Ohio, I'm Thomas
14 W. McNamee. The address is 30 East Broad Street,
15 16th floor, Columbus, Ohio 43215.

16 EXAMINER SEE: Okay. Mr. Stinson.

17 Mr. Stinson, go ahead

18 MR. STINSON: I'd like to call our first
19 witness, our only witness, Susan M. Moser. And if I
20 could approach, your Honor?

21 EXAMINER SEE: Yes.

22 Ms. Moser, if you would please raise your
23 right hand.

24 (Witness sworn.)

25 EXAMINER SEE: Thank you. Have a seat.

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(EXHIBITS MARKED FOR IDENTIFICATION.)

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SUSAN M. MOSER

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

DIRECT EXAMINATION

By Mr. Stinson:

Q. Ms. Moser, would you please state your
full name and business address for the record.

A. Susan M. Moser, Ohio Development Services
Agency, 77 South High Street, Columbus, Ohio 43215.

Q. I placed a number of exhibits before you,
Ms. Moser. I'd like you to identify them. The first
is marked ODSA Exhibit No. 1. Could you identify
that for the record, please?

A. I can. That is the Application that we
filed with the Commission on October 30 -- 31st of
this year, that outlines the rate case for this year.

Q. Thank you.

And ODSA Exhibit 2, if you could identify
that, please.

A. Yes. That's my testimony on behalf of
the Application to give supplemental information as
to how we got the numbers.

Q. That is the original information that

1 supports the Application?

2 A. It's the original one that supports the
3 app -- the original Application we filed in October,
4 yes.

5 Q. Okay. And I've also placed before you
6 ODSA Exhibit 3. Could you identify that, please?

7 A. Yes. This is the -- the testimony from
8 Megan Meadows. It is in support of the
9 administrative cost for the USF rate case, and this
10 was filed with the original Application on
11 October 31st.

12 Q. Thank you.

13 And also I have placed before you ODSA
14 Exhibit No. 4. Could you identify that, please?

15 A. I can. This is the Amended Application
16 which updated all the numbers to give -- to put in
17 the September numbers for the rate case and this
18 was -- this was filed or is being filed. This is the
19 updated numbers that we had to have another month's
20 worth of usage.

21 Q. That was filed November 29th?

22 A. Oh, okay.

23 Q. Is that "yes"?

24 A. Yes.

25 Q. Thank you.

1 And ODSA Exhibit No. 5, would you
2 identify that, please?

3 A. Yes. That is my updated testimony for
4 the Amended Application, to give the background and
5 to support the numbers that we filed on November
6 28th.

7 Q. And ODSA Exhibit No. 6?

8 A. Exhibit No. 6 is my testimony in support
9 of the Joint Stipulation and that is dated today.

10 Q. And finally, Joint Exhibit No. 1.

11 A. That is the Joint Exhibit for this rate
12 case and it was -- it was filed today. It is filed
13 November 30th, 2016.

14 Q. Thank you.

15 I'd like to direct your attention to ODSA
16 Exhibit No. 5 which is your Supplemental Testimony,
17 and ODSA Exhibit 6 which is the testimony in support
18 of the Joint Stipulation.

19 A. Okay.

20 Q. Did you prepare that testimony or was it
21 prepared under your direct supervision?

22 A. It was.

23 Q. Do you have any changes or additions or
24 corrections to that testimony?

25 A. No, I don't.

1 Q. If I were to ask you the same questions
2 in that testimony today, would your answers be the
3 same?

4 A. Yes.

5 MR. STINSON: Thank you.

6 Your Honor, I tender the witness for
7 cross-examination.

8 EXAMINER SEE: Any cross for this
9 witness, Mr. Pritchard?

10 MR. PRITCHARD: No cross.

11 EXAMINER SEE: Mr. Kumar?

12 MR. KUMAR: No cross.

13 EXAMINER SEE: Ms. Bojko?

14 MS. BOJKO: No cross, your Honor. Thank
15 you.

16 EXAMINER SEE: Mr. McNamee?

17 MR. McNAMEE: No questions. Thank you.

18 EXAMINER SEE: Ms. Moser, just one
19 question from the Bench.

20 There has been a significant drop in what
21 is projected to be the 2017 USF rates for most of the
22 company. Other than the revenue requirement that's
23 projected based on current rates, what is the reason
24 for that decrease?

25 THE WITNESS: There's two major reasons

1 for that and the one drives the other one. Starting
2 around September -- August/September of last year,
3 enrollment started decreasing dramatically in the --

4 EXAMINER SEE: And when you say "last
5 year" you're talking about?

6 THE WITNESS: So 2015.

7 EXAMINER SEE: Okay.

8 THE WITNESS: And we noticed a decrease
9 in enrollment. With the trending function that we
10 used, it didn't pick that up. It was the end of last
11 year, it didn't pick it up. So we -- the -- the
12 projected revenue that we needed last year was off
13 because we projected that we would need more because
14 we didn't know that the rates were going -- the
15 number of enrollment was going down.

16 The enrollment rates have continued to go
17 down through 2016. So we had rates going at this
18 level, but the enrollment going down, so we were
19 overcollecting.

20 So the two things are the decrease in
21 enrollment, which was the major thing that caused it,
22 but then because we overcollected last year, you
23 know, now we have account balances and projected
24 account balances that are high positive, so those get
25 deducted from the rate case for this year.

1 So the actual rate case for 2017, what
2 we're asking to collect is actually less than what
3 the cost of PIPP would be or just about the cost of
4 PIPP. But that's to pay back for what we
5 overcollected this year.

6 EXAMINER SEE: Okay. That's all I have.

7 MR. STINSON: Thank you, Ms. Moser.

8 At this time we'd move the admission of
9 ODSA Exhibits 1 through 6, and Joint Exhibit 1.

10 EXAMINER SEE: Are there any objections
11 to the admission of ODSA Exhibits 1 through 6, and
12 Joint Exhibit 1?

13 MR. McNAMEE: Your Honor, I don't have an
14 objection, but I do have an explanation.

15 EXAMINER SEE: Okay.

16 MR. McNAMEE: I believe this is the
17 16th time we've done this, and so I'm sure the Bench
18 is aware that the Staff's role in these cases is
19 limited to performing mathematical review to make
20 sure that the numbers all jive in the Application.
21 And normally, at this point in these hearings, I
22 would say that's been done. Unfortunately, I can't
23 say that this year. The Staff's review has not been
24 completed to this point in time, and that is through
25 no fault either of the Staff or of Mr. Stinson.

1 What normally happens in these situations
2 is the numbers are sent by Mr. Stinson to me and I
3 convey those to the Staff. He dutifully sent them; I
4 never got them. So, unfortunately, the Staff only --
5 and I think that was because of a problem with the
6 AG's server, with the firewall with the AG's server.
7 But, at any rate, I'm not sure what, maybe I made a
8 mistake, I don't know. But, at any rate, they didn't
9 get the numbers to review in sufficient time to have
10 a conclusion to -- to present here this morning.

11 What I would propose, and normally these
12 things work out very well, what I would propose is
13 when the Staff has completed its review in a couple
14 days to submit a letter indicating that they reviewed
15 the numbers and there's hopefully no problem with
16 them at that point in time.

17 I apologize for the situation. I don't
18 fully understand how this happened, but it has.

19 EXAMINER SEE: Mr. McNamee --

20 MR. McNAMEE: And again, it's through no
21 fault of Mr. Stinson or the Staff.

22 EXAMINER SEE: -- I need a date by which
23 Staff will put a letter in the docket indicating its
24 concerns, if any.

25 MR. McNAMEE: How about next Wednesday?

1 Will that work?

2 EXAMINER SEE: So you're proposing
3 December 6 -- Wednesday the 7th?

4 MR. McNAMEE: Yes. I know there is a
5 time pressure here.

6 EXAMINER SEE: Yes, there is.

7 MR. McNAMEE: Pardon?

8 EXAMINER SEE: Yes, there is. While
9 Staff would like to have time until next Wednesday,
10 that is going to be late. It would need to be by
11 close of business Monday.

12 MR. McNAMEE: I'm sorry?

13 EXAMINER SEE: It needs to be received by
14 close of business, Monday the 5th.

15 MR. McNAMEE: Okeydoke. We will do that.

16 EXAMINER SEE: Ms. Bojko.

17 MS. BOJKO: Your Honor, at this time I
18 would just like to note that the Kroger Company does
19 not oppose the stipulation, Joint Exhibit 1, but we
20 also are not a signatory party, but we will not
21 oppose it. Thank you.

22 EXAMINER SEE: And Staff also is not
23 opposing.

24 Mr. Pritchard.

25 MR. PRITCHARD: Yes, your Honor. My

1 clients have not yet had an opportunity to review the
2 Stipulation and, therefore, propose to file a letter
3 in this docket either maintaining a non-opposing
4 position or affirmatively joining in support of the
5 Stipulation. We propose to file that in the next
6 couple days. We can definitely file it by the close
7 of business Monday.

8 EXAMINER SEE: Mr. Kumar.

9 MR. KUMAR: As is OCC's tradition in
10 these cases, we were also not a signatory party and
11 we will likely also not be opposing. But just
12 barring any hiccups with Staff's mathematical review,
13 we will not be opposing the Stipulation as well.

14 EXAMINER SEE: And that is a conclusive
15 determination at this time; you're not waiting to see
16 Staff's letter.

17 MR. KUMAR: No.

18 EXAMINER SEE: Okay.

19 MR. STINSON: Your Honor, I've been
20 authorized by the Ohio Partners for Affordable Energy
21 to indicate that although they are not a signatory
22 party to the Stipulation, they will not oppose.

23 In addition, Duke Energy Ohio has
24 authorized me to indicate they will not sign and will
25 not oppose. And there's a footnote in the

1 Stipulation, itself, that indicates as much.

2 EXAMINER SEE: Okay. There was some
3 conversation, but I did not hear anyone say that they
4 had any objections to the admission of ODSA Exhibits
5 1 through 6, or Joint Exhibit 1. Therefore, those
6 exhibits are admitted into the record.

7 (EXHIBITS ADMITTED INTO EVIDENCE.)

8 EXAMINER SEE: And any indications about
9 the mathematical accuracy or whether a party is not
10 opposing or elects to join the Stipulation should be
11 filed in the docket, with a courtesy copy by e-mail
12 to the Attorney Examiner, by no later than close of
13 business which is 5:30 p.m. on Monday, December 5th.

14 Is there anything further?

15 MR. STINSON: No, your Honor. Thank you.

16 MR. McNAMEE: Thank you.

17 EXAMINER SEE: With that, we are
18 adjourned.

19 (Thereupon, the proceedings concluded at
20 9:21 a.m.)

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CERTIFICATE

I do hereby certify that the foregoing is a true and correct transcript of the proceedings taken by me in this matter on Monday, November 30, 2016, and carefully compared with my original stenographic notes.

Carolyn M. Burke, Registered Professional Reporter, and Notary Public in and for the State of Ohio.

My commission expires July 17, 2018.

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This foregoing document was electronically filed with the Public Utilities

Commission of Ohio Docketing Information System on

12/5/2016 11:02:18 AM

in

Case No(s). 16-1223-EL-USF

Summary: Transcript In the Matter of the Application of the Ohio Development Services Agency for an Order Approving Adjustments to the Universal Service Fund Riders of Jurisdictional Ohio Electric Distribution Utilities, hearing held on November 30, 2016. electronically filed by Mr. Ken Spencer on behalf of Armstrong & Okey, Inc. and Burke, Carolyn