

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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Wednesday Morning Session,  
November 30, 2016.

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EXAMINER SEE: Let's go on the record.

Scheduled for hearing today at this time  
is Case No. 16-1223-EL-USF, being entitled 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  
Electric Distribution Utilities.

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

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

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

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

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**

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**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