

BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

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In the Matter of the :  
Application of Ohio Power :  
Company for Approval of : Case No. 16-0574-EL-POR  
Its Energy Efficiency/Peak:  
Demand Reduction Portfolio:  
Plan. :

- - -

PROCEEDINGS

before Mr. Dick Bulgrin, Attorney Examiner, at the  
Public Utilities Commission of Ohio, 180 East Broad  
Street, Room 11-D, Columbus, Ohio, called at 10:00  
a.m. on Friday, December 16, 2016.

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- - -

APPEARANCES:

American Electric Power  
By Mr. Steven T. Nourse  
1 Riverside Plaza, 29th Floor  
Columbus, Ohio 43215

On behalf of the Ohio Power Company.

Ohio Environmental Council  
By Ms. Miranda Leppla  
1145 Chesapeake Avenue, Suite I  
Columbus, Ohio 43212

On behalf of the Ohio Environmental  
Council and the Environmental Defense  
Fund.

Kegler Brown Hill + Ritter,  
By Mr. Christopher J. Allwein  
65 East State Street, Suite 1800  
Columbus, Ohio 43215

On behalf of the Mid-Ohio Regional  
Planning Commission.

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

On behalf of the Ohio Manufacturers'  
Association Energy Group.

Carpenter Lipps & Leland, LLP  
By Ms. Angela Paul Whitfield  
and Mr. James T. Perko  
280 North High Street, Suite 1300  
Columbus, Ohio 43215

On behalf of the Kroger Company.

APPEARANCES: (Continued)

Bruce J. Weston, Ohio Consumers' Counsel  
By Mr. Christopher Healey  
10 West Broad Street, Suite 1800  
Columbus, Ohio 43215

On behalf of the Residential  
Consumers of the Ohio Power Company.

Mr. Robert Dove  
P.O. Box 13442  
Columbus, Ohio 43213

On behalf of the Natural Resources  
Defense Council.

Ohio Partners for Affordable Energy  
By Ms. Colleen L. Mooney  
P.O. Box 42451  
Columbus, Ohio 43212

On behalf of the Ohio Partners for  
Affordable Energy.

McNees, Wallace & Nurick, LLC  
By Mr. Frank P. Darr  
and Mr. Matthew R. Pritchard  
21 East State Street, 17th Floor  
Columbus, Ohio 43215

On behalf of the Industrial Energy Users  
of Ohio.

Bricker & Eckler, LLP  
By Mr. Devin D. Parram  
Mr. Matt W. Warnock  
Mr. Dylan F. Borchers  
100 South Third Street  
Columbus, Ohio 43215-4291

On behalf of the Ohio Hospital  
Association.

Boehm, Kurtz & Lowry  
By Ms. Jody Kyler Cohn  
36 East Seventh Street, Suite 1510  
Cincinnati, Ohio 45202

APPEARANCES: (Continued)

Mike DeWine, Ohio Attorney General  
 William L. Wright, Section Chief  
 Public Utilities Section  
 By Mr. John H. Jones  
 and Ms. Natalia V. Messenger  
 30 East Broad Street, 16th Floor  
 Columbus, Ohio 43215-3793

On behalf of the Staff of the Public  
 Utilities Commission.

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Friday Morning Session,  
December 16, 2016.

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THE ATTORNEY EXAMINER: Good morning.  
This is Case No. 16-0574-EL-POR, being In the Matter  
of the Application of Ohio Power Company for Approval  
of Its Energy Efficiency/Peak Demand Reduction  
Portfolio Plan.

My name is Dick Bulgrin. I am the  
Attorney Examiner assigned by the Commission to  
conduct the hearing. I guess we will start with  
appearances for the company.

MR. NOURSE: Thank you, your Honor. On  
behalf of the Ohio Power Company, Steven T. Nourse, 1  
Riverside Plaza, 29th Floor, Columbus, Ohio, 43215.

THE ATTORNEY EXAMINER: And staff.

MS. MESSENGER: Good morning, your Honor.  
On behalf of the staff of Public Utilities Commission  
of Ohio, Ohio Attorney General Mike DeWine, by  
Assistant Attorneys General Natalia Messenger and  
John Jones, 30 East Broad Street, Columbus, Ohio,  
43215.

THE ATTORNEY EXAMINER: OCC.

MR. HEALEY: Good morning, your Honor.  
Chris Healey representing the residential customers

1 of AEP Ohio on behalf of the Ohio Consumers Counsel,  
2 Bruce Weston, 10 West Broad Street, Columbus, Ohio,  
3 43215.

4 THE ATTORNEY EXAMINER: Just go around  
5 the room, whoever wants to enter an appearance.

6 MR. ALLWEIN: Good morning, your Honor,  
7 staff and counsel. Happy holidays. On behalf of the  
8 Mid-Ohio Regional Planning Commission, Christopher J.  
9 Allwein, 65 East State Street, Suite 1800, Columbus,  
10 Ohio, 43215.

11 EXAMINER ADDISON: Good morning, your  
12 Honor. Miranda Leppia for the Ohio Environmental  
13 Council and the Environmental Defense Fund.  
14 1145 Chesapeake Avenue, Suite I, Columbus, Ohio,  
15 43212.

16 MR. DOVE: Robert Dove, on behalf of the  
17 Natural Resources Defense Council, P.O. Box 13442,  
18 Columbus, Ohio, 43213.

19 MR. PERKO: Good morning, your Honor. On  
20 behalf of OMAEG, Kimberly W. Bojko, James T. Perko,  
21 Carpenter Lipps & Leland, 280 North High Street,  
22 Suite 1300, 43215.

23 I have Also been asked to make  
24 appearances on behalf of Angela Paul Whitfield on  
25 behalf of the Kroger Company, also with Carpenter,

1 Lipps.

2 MS. MOONEY: On behalf of Ohio Partners  
3 for Affordable Energy, I'm Colleen Mooney, Post  
4 Office Box 42451, Columbus, Ohio 43212.

5 MR. DARR: On behalf of the Industrial  
6 Energy Users of Ohio, Frank P. Darr, Matt Pritchard  
7 of the law firm of McNees Wallace & Nurick, 21 East  
8 State Street, Columbus, Ohio, 43215.

9 MR. PARRAM: Good morning, your Honor.  
10 On behalf of the Ohio Hospital Association, Devin D.  
11 Parram, the law firm Bricker & Eckler, 100 South  
12 Third Street. Also appearing is Matt Warnock and  
13 Dylan Borchers.

14 MR. NOURSE: Your Honor, if there's no  
15 one else, I was asked to make an appearance for Jody  
16 Cohn, Boehm, Kurtz & Lowry, Cincinnati -- I don't  
17 have the rest of the address -- on behalf of the Ohio  
18 Energy Group.

19 THE ATTORNEY EXAMINER: I was going to  
20 say, they have a motion to intervene that is pending,  
21 and so at this time if there's no objections, we will  
22 grant their motion, as well as the motion of Noble  
23 Americas Energy Solutions, LLC.

24 MR. NOURSE: Your Honor, that's fine. I  
25 guess it was my understanding from counsel for Noble



1 they were going to withdraw intervention.

2 THE ATTORNEY EXAMINER: Oh, okay.

3 MR. NOURSE: It's probably academic since  
4 they didn't show up today.

5 And also I was also authorized by  
6 Ms. Cohn to indicate that OEG supports the  
7 Stipulation.

8 THE ATTORNEY EXAMINER: Very good.  
9 Anything else preliminary?

10 Mr. Nourse.

11 MR. NOURSE: Your Honor, we would like to  
12 mark some exhibits and call Jon F. Williams to the  
13 stand.

14 THE ATTORNEY EXAMINER: All right.

15 MR. NOURSE: Your Honor, could I mark  
16 some exhibits and then get started with Mr. Williams?

17 THE ATTORNEY EXAMINER: Yes.

18 MR. NOURSE: The first, AEP Ohio Exhibit  
19 1 will be the application that was filed in this  
20 docket on June 15, 2016.

21 THE ATTORNEY EXAMINER: Okay.

22 MR. NOURSE: Then AEP Exhibit No. 2 will  
23 be the testimony of Jon F. Williams. This is dated  
24 the same date.

25 THE ATTORNEY EXAMINER: His original

1 testimony?

2 MR. NOURSE: Yes. Then, your Honor,  
3 there was an errata sheet that Mr. Williams filed to  
4 the direct testimony, to the June 15, 2016,  
5 testimony, and this was also docketed on  
6 September the 13th. We would like to make this  
7 Company Exhibit 3.

8 The Stipulation and Recommendation filed  
9 by the parties on December 9 we would like to make  
10 Joint Exhibit 1.

11 THE ATTORNEY EXAMINER: Very good.

12 MR. NOURSE: And I believe Mr. Williams'  
13 testimony in support of the Stipulation would be AEP  
14 Exhibit 4.

15 THE ATTORNEY EXAMINER: Okay.

16 MR. NOURSE: I don't have the date of  
17 that. I think it was yesterday.

18 THE ATTORNEY EXAMINER: All right.

19 - - -

20 JON F. WILLIAMS

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

23 DIRECT EXAMINATION

24 By Mr. Nourse:

25 Q. Mr. Williams, good morning. Can you

1 state your name and your capacity with AEP Ohio?

2 A. My name is Jon F. Williams. My capacity  
3 with AEP Ohio is energy efficiency and peak demand  
4 reduction.

5 Q. The reporter might appreciate it if you  
6 slow down a bit when you talk. Would you also state  
7 your business address?

8 A. My business address is 301 Cleveland  
9 Avenue SW, Canton, Ohio, 44702.

10 Q. Mr. Williams, do you have the exhibits  
11 that we just marked, AEP Exhibits 1 through 4, and  
12 then the Stipulation, Joint Exhibit 1?

13 A. I do.

14 Q. Okay. And you're familiar with all those  
15 documents?

16 A. I am.

17 Q. And you're here today to sponsor each one  
18 of those documents as evidence in the record?

19 A. Yes.

20 Q. Do you have any changes, additions, or  
21 corrections to make to the testimony?

22 A. I do not.

23 Q. Okay. If I were to ask you all the same  
24 questions in your testimony today on the record,  
25 would your answers be the same?

1           A.     Yes.

2                   MR. NOURSE:   Thank you, your Honor.   Move  
3   for admission of AEP Exhibits 1 through 4 and Joint  
4   Exhibit No. 1, subject to any questions.

5                   THE ATTORNEY EXAMINER:   Are there any  
6   questions?

7                   Very good.

8                   MR. HEALEY:   I'm sorry, your Honor.   I do  
9   have some cross.

10                  THE ATTORNEY EXAMINER:   Oh.

11                  MR. HEALEY:   I don't have any objections  
12   generally to the admission.

13                  THE ATTORNEY EXAMINER:   Okay.   So those  
14   documents will be admitted.

15                  (EXHIBITS ADMITTED INTO EVIDENCE.)

16                  THE ATTORNEY EXAMINER:   Mr. Healey, you  
17   have some questions for the witness.

18                  MR. HEALEY:   Yes.   First, your Honor, I'd  
19   like to mark as OCC Exhibit 1 the September 13 filing  
20   by the company amending actually Mr. Gil's exhibits.  
21   I'm requesting this be put in the record because  
22   Mr. Williams' testimony filed yesterday updates one  
23   of the exhibits from Mr. Gil's testimony.

24                  May I approach?

25                  THE ATTORNEY EXAMINER:   Yes, sure.

1 MR. NOURSE: Mr. Healey, can I confirm  
2 this is the same document you handed him that you are  
3 planning to use?

4 MR. HEALEY: Yes. I can hand out other  
5 copies.

6 THE ATTORNEY EXAMINER: This is OCC  
7 Exhibit 1?

8 MR. HEALEY: Yes.

9 THE ATTORNEY EXAMINER: All right.  
10 Thanks.

11 - - -

12 CROSS-EXAMINATION

13 By Mr. Healey:

14 Q. Mr. Williams, do you recognize the  
15 document that I just handed to you, which has been  
16 marked OCC Exhibit 1?

17 A. I do.

18 Q. And this is an errata sheet for a portion  
19 of Gil's testimony; is that right?

20 A. That's correct.

21 Q. Can you turn to what's identified as  
22 Exhibit DRG-1, Schedule 1 in OCC Exhibit 1?

23 A. Okay.

24 Q. Now, Schedule 1 calculates the revenue  
25 requirement under your application that's filed,

1 correct?

2 A. Could you repeat the question, please?

3 Q. Sure. This exhibit from the September 13  
4 filing, which has been marked as OCC Exhibit 1, this  
5 shows a calculation of the revenue requirement for  
6 the portfolio plan as filed in the application,  
7 correct?

8 A. Correct.

9 Q. And I'd like you now to turn to your  
10 testimony which was filed yesterday. Do you have a  
11 copy of that in front of you?

12 A. Yes, I do.

13 Q. Can you turn to Settlement Exhibit JFW-3?

14 A. I have it, yes.

15 Q. And this Settlement Exhibit JFW-3 serves  
16 roughly the same purpose as OCC Exhibit 1, but it has  
17 been updated to account for the Stipulation, correct?

18 A. Correct. In terms of the energy  
19 efficiency and peak demand reduction, right.

20 Q. Okay. I'd like to look first at the OCC  
21 Exhibit 1 draft, and I direct you to the column  
22 marked Program Costs, and then the row for  
23 Residential, and you'll see that says \$175,580,355 of  
24 program costs allocated to the residential class,  
25 correct?

1 A. Correct.

2 Q. And that was for a three-year period?

3 A. Correct.

4 Q. 2017 to 2019, correct?

5 MR. HEALEY: Your Honor, if you will  
6 allow me to ask Mr. Williams to do some very basic  
7 math, I just want to get to the annual costs, if  
8 that's all right with Mr. Williams.

9 THE ATTORNEY EXAMINER: Yes.

10 THE WITNESS: Sure.

11 Q. (By Mr. Healey) Can you confirm that this  
12 175 million charge for three years is about  
13 58.5 million per year?

14 THE ATTORNEY EXAMINER: Subject to check?

15 Q. It can be subject to check if you like.

16 A. Subject to check or my calculator on my  
17 phone.

18 THE WITNESS: May I use my calculator?

19 THE ATTORNEY EXAMINER: Sure, absolutely.  
20 What number would that be?

21 MR. HEALEY: 58.5 million.

22 A. Correct.

23 Q. Now, looking at your updated exhibit from  
24 your testimony filed on December 15, we find the  
25 number for Program Costs, Residential, is 143,580,

1 correct? This is just looking at your exhibit now.

2 A. Correct.

3 Q. And that's for a four-year period,  
4 2017 to 2020?

5 A. That is correct.

6 Q. So that comes out divided by four to  
7 about 35.9 million per year?

8 A. That is correct.

9 Q. And so the change from the application as  
10 filed to the settlement is a reduction of about  
11 22.6 million for the residential class, is that  
12 right, from 58.5 to 35.9?

13 A. On an annual basis, that's correct.

14 Q. On an annual basis. Thank you.

15 A. Yes.

16 Q. I'll walk you through the exact same  
17 thing but now on the Shared Savings numbers. On  
18 Exhibit 1 Shared Savings for the residential class  
19 was 57,562,949, correct?

20 A. Yes.

21 Q. And that was over three years?

22 A. Correct.

23 Q. And so that comes out to about  
24 19.2 million per year?

25 A. That is correct.



1 Q. And then looking at your testimony from  
2 yesterday, Schedule 1, we see Shared Savings for the  
3 residential class of 21,233,677, correct?

4 A. That's correct.

5 Q. And that's over a four-year period,  
6 2017 to 2020?

7 A. That's correct.

8 Q. So that comes out to about 5.3 million  
9 per year?

10 A. Yes.

11 Q. So the change for the residential class  
12 under the shared savings allocation is about  
13 13.9 million?

14 A. On an annual basis, that's correct.

15 Q. Thank you. And then a real simple one.  
16 Let's go back to OCC Exhibit 1, which shows Long-Term  
17 Incentive Costs for the residential class of  
18 14,390,737, correct?

19 A. Yes.

20 Q. And then that's over a three-year period,  
21 2017 to 2019?

22 A. Correct.

23 Q. And so that would be about 4.8 million  
24 per year for the residential class under the  
25 application for the Long-Term Incentive Costs?

1 A. Could you repeat that?

2 Q. About 4.8 million on an annual basis?

3 A. That's correct.

4 Q. And then under the Stipulation, AEP has  
5 agreed to withdraw the long-term incentive so that  
6 amount will be zero under the Stipulation; is that  
7 correct?

8 A. That is correct.

9 Q. So, obviously, that would be a  
10 \$4.8 million reduction?

11 A. (Witness nods head.)

12 Q. Bear with me for one more calculation.  
13 Can we add up these three reductions, the 22.6  
14 million, the 13.9 million, and the 4.8 million, and  
15 we arrive at a \$41.3 million reduction in costs  
16 allocated to the residential class on an annual  
17 basis, correct?

18 A. Could you repeat those numbers?

19 Q. Sure. The numbers we had were  
20 22.6 million, 13.9 million for shared savings, and  
21 then 4.8 million for the long-term incentive for a  
22 total of a \$41.3 million reduction in allocation to  
23 the residential class on an annual basis.

24 A. That's correct.

25 Q. One more question. I just wanted to

1 confirm in your Exhibit JFW-3, Schedule 1, in your  
2 testimony filed on December 15, 2016, the numbers in  
3 this exhibit assume no opt-outs, correct?

4 A. Correct.

5 MR. HEALEY: I have nothing further, your  
6 Honor.

7 THE ATTORNEY EXAMINER: Okay. Anybody  
8 else?

9 You are excused. Thank you.

10 MR. NOURSE: Thank you, Your Honor. I  
11 think you already admitted these exhibits, but I just  
12 want to make sure.

13 THE ATTORNEY EXAMINER: Yes. There is no  
14 objection to the admission of any of the exhibits, so  
15 they will be so admitted.

16 MR. NOURSE: Thank you.

17 THE ATTORNEY EXAMINER: The matter will  
18 be submitted upon the record.

19 MR. HEALEY: Can I confirm that OCC's  
20 exhibit was admitted as well?

21 THE ATTORNEY EXAMINER: Yes, OCC's  
22 exhibit will also admitted.

23 (EXHIBIT ADMITTED INTO EVIDENCE.)

24 MR. HEALEY: I have one request before we  
25 are done.

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THE ATTORNEY EXAMINER: Sure.

MR. HEALEY: I ask for OCC's December 12 letter, which was filed in the docket, to be administratively noticed in this case for the record.

THE ATTORNEY EXAMINER: It will be so administratively noticed. Thank you.

Anything more?

MR. NOURSE: No, your Honor.

THE ATTORNEY EXAMINER: We are adjourned.

(The hearing adjourned at 10:20 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 Friday, December 16, 2016, and carefully compared with my original stenographic notes.

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

My commission expires April 5, 2019.

(rfa-82627)

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

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**in**

**Case No(s). 16-0574-EL-POR**

Summary: Transcript In the Matter of the Application of Ohio Power Company for Approval of its Energy Efficiency/Peak Demand Reduction Portfolio Plan, hearing held on December 16, 2016. electronically filed by Mr. Ken Spencer on behalf of Armstrong & Okey, Inc. and Anderson, Rosemary Foster Mrs.