

**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of Ohio	:	
Power Company for Authority to Establish	:	Case No. 16-1852-EL-SSO
a Standard Service Offer Pursuant to	:	
R.C. 4928.143, in the Form of an Electric	:	
Security Plan.	:	
	:	Case No. 16-1853-EL-AAM
In the Matter of the Application of Ohio	:	
Power Company for Approval of Certain	:	
Accounting Authority.	:	

**PREFILED TESTIMONY  
OF  
TAMARA S. TURKENTON  
REGULATORY SERVICES DIVISION  
RATES AND ANALYSIS DEPARTMENT  
PUBLIC UTILITIES COMMISSION OF OHIO**

**Staff Exhibit \_\_\_\_\_**

**September 13, 2017**

1     1.     Q.     Please state your name and your business address.

2           A.     My name is Tamara S. Turkenton. My business address is 180 East Broad  
3           Street, Columbus, Ohio 43215.

4

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

6           A.     I am employed by the Public Utilities Commission of Ohio (PUCO) as  
7           Chief of the Regulatory Services Division of the Rates and Analysis  
8           Department.

9

10    3.     Q.     Please briefly summarize your educational background and work experi-  
11           ence.

12           A.     I received a Bachelor of Business Administration in Finance and Business  
13           Pre-Law (BBA) degree from Ohio University. I also received a Master of  
14           Business Administration (MBA) degree from Capital University and a  
15           Master of Tax Laws (MT) degree from Capital University Law School.

16

17           I have been employed by the PUCO since June 1994 and involved in the  
18           Electric Fuel Component section; the Telecommunications section; the  
19           Competitive Retail Electric Service section working on electric deregula-  
20           tion and Senate Bill 3; and the Rates and Tariffs section working on electric  
21           utility rates, tariffs, and rules. In April 2009, I was assigned to the

Accounting and Electricity Division (now the Regulatory Services  
Division) working on many aspects of SB 221.

4. Q. Have you testified in prior proceedings before the Commission?

A. Yes.

5. Q. What is the purpose of your testimony in this proceeding?

A. The purpose of my testimony is to support the Stipulation and Recommendation filed in this proceeding on August 25, 2017 and signed by Staff (the Stipulation). My testimony will confirm that the Stipulation complies with the Commission's three-part test for the evaluation of the stipulations, and that the stipulated electric security plan (ESP) is more favorable in the aggregate than a market-rate offer (MRO) application would be.

**PUCO's Three-Part Test**

6. Q. What are the components of the Commission's three-part test for the evaluation of a stipulation?

A. A stipulation before the PUCO must: (i) be the product of serious bargaining among capable, knowledgeable parties; (ii) not violate any important regulatory principles or practices; and (iii) as a package, benefit rate-payers and the public interest.

1     7.     Q.     Please identify the signatory parties to the Stipulation.

2           A.     The signatory parties on the Stipulation include a diverse group of interests  
3                   and contain nearly every intervening party. The signatory parties include  
4                   Ohio Power Company; Ohio Energy Group; Ohio Hospital Association;  
5                   Mid-Atlantic Renewable Energy Coalition; Environmental Law and Policy  
6                   Center; Ohio Partners for Affordable Energy; Industrial Energy Users -  
7                   Ohio; Electric Vehicle Charging Association; Ohio Manufacturers' Associ-  
8                   ation Energy Group; Interstate Gas Supply, Inc.; Ohio Environmental  
9                   Council and Environmental Defense Fund; Retail Energy Supply Associa-  
10                  tion; Natural Resources Defense Council; Constellation NewEnergy, Inc.;  
11                  Sierra Club; and the Staff of the PUCO.

12  
13    8.     Q.     Please identify the non-opposing parties to the stipulation.

14           A.     The non-opposing parties include Commerce Energy, Inc.; Walmart Stores  
15                  East, L.P. and Sam's East, Inc.; and The Kroger Company.

16  
17    9.     Q.     Does the Stipulation represent the product of serious bargaining among  
18                  capable, knowledgeable parties?

19           A.     Yes. The signatory parties and the non-opposing parties are knowledgeable  
20                  in regulatory matters before the PUCO, regularly participate in proceed-  
21                  ings, employ experts in the industry, and are represented by experienced  
22                  and competent counsel.

1 The terms of the Stipulation represent serious bargaining among all parties  
2 to find a mutually acceptable agreement for all parties. Concessions were  
3 made by the parties to mitigate the litigation risk inherent in proceeding to a  
4 hearing.

5  
6 10. Q. Does the Stipulation violate any important regulatory principle or practice?

7 A. No. Based on my experience, involvement in this proceeding, and review of  
8 the Stipulation, I believe the Stipulation complies with all relevant and  
9 important regulatory principles and practices.

10  
11 11. Q. Does the Stipulation benefit consumers and the public interests?

12 A. Yes. The Stipulation provides direct benefits to residential and low income  
13 rate payers, economic development incentives, enhancements to the retail  
14 competitive market, renewable energy options, and includes the promotion  
15 of innovative measures related to the Smart City and Power Forward initia-  
16 tives, as further detailed in the direct testimony of Staff witness Schaefer.  
17 As a result, the Stipulation benefits consumers and the public interests.

18  
19 12. Q. Do you believe the Stipulation meets the Commission's three-part test for  
20 the evaluation of a stipulation?

21 A. Yes.

1    **Comparison between the ESP and the MRO**

2    13.    Q.    Is the stipulated ESP more favorable in the aggregate than an MRO?

3           A.    Yes, when all provisions of the stipulated ESP are considered, the stipu-  
4               lated ESP is more favorable in the aggregate than an MRO application  
5               would be.

6  
7    14.    Q.    Please describe what you have considered in regard to the ESP verses MRO  
8               test for this application.

9           A.    I have considered both quantitative and qualitative benefits/costs that pro-  
10               duce a net result from the stipulated ESP that make the stipulated ESP more  
11               favorable than an MRO application.

12  
13   15.    Q.    Please describe the quantitative benefits you have considered in your  
14               conclusion.

15          A.    As of June 1, 2015, Standard Service Offer (SSO) generation rates have  
16               become 100% market based rates. As a result, there should be no differ-  
17               ence between market based generation rates under an MRO or an ESP fil-  
18               ing.

19  
20               A quantitative benefit considered includes the provision in the Stipulation  
21               that maintains the current Residential Distribution Credit Rider at least until  
22               the effective date of new base distribution rates. Ohio Power Company

1 states that this provides an annual benefit of approximately \$14.7 million  
2 for its customers. An additional quantitative benefit resulting from the Stip-  
3 ulation is the \$1 million annual funding of the Neighbor-to-Neighbor  
4 program.

5  
6 16. Q. Please describe any quantitative costs you have included in your conclu-  
7 sion.

8 A. The Stipulation includes a new Smart City Rider that would allow up to  
9 \$21.1 million to be recovered from ratepayers over a four-year period. As a  
10 result, I have included \$21.1 million in additional costs in my quantitative  
11 analysis in case the Commission determines this cost would not be recover-  
12 able in an MRO application. Should the Commission determine that the  
13 cost would not be recoverable in an MRO, the \$21.1 million is more than  
14 offset by the annual benefits discussed above, and the stipulated ESP would  
15 still be more favorable than an MRO.

16  
17 17. Q. What other benefits were considered?

18 A. The Stipulation provides many qualitative benefits including provisions for  
19 economic development, enhancements to the retail competitive market, and  
20 renewable energy options, as well as the promotion of innovative measures  
21 related to the Smart City and Power Forward initiatives. These qualitative  
22 benefits, in addition to the quantitative benefits discussed above, ensure the

1 stipulated ESP is more favorable in the aggregate than an MRO application  
2 would be.

3  
4 18. Q. Does this conclude your testimony?

5 A. Yes. However, I reserve the right to submit supplemental testimony, as  
6 new information subsequently becomes available or in response to posi-  
7 tions taken by other parties.

## PROOF OF SERVICE

I hereby certify that a true copy of the foregoing Prefiled Testimony of Tamara S. Turkenton was served via e-mail upon the following parties of record, this 13<sup>th</sup> day of September, 2017.

/s/Werner L. Margard III

**Werner L. Margard III**

Assistant Attorney General

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Summary: Testimony Prefiled Testimony of Tamara S. Turkenton on behalf of the Staff of the Public Utilities Commission of Ohio. electronically filed by Kimberly L Keeton on behalf of Public Utilities Commission of Ohio