

BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

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In the Matter of the Review:
of the Distribution : Case No.
Investment Rider Contained : 14-255-EL-RDR
in the Tariff of Ohio :
Power Company. :

In the Matter of the Review:
of the Distribution : Case No.
Investment Rider Contained : 15-66-EL-RDR
in the Tariff of Ohio :
Power Company. :

In the Matter of the Review:
of the Distribution : Case No.
Investment Rider Contained : 16-21-EL-RDR
in the Tariff of Ohio :
Power Company. :

PROCEEDINGS

Before Greta See, Attorney Examiner, held at the
offices of the Public Utilities Commission of
Ohio, 180 East Broad Street, Hearing Room 11-C,
Columbus, Ohio, on Monday, February 5, 2018, at
10:00 A.M.

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APPEARANCES:

Mr. Steven T. Nourse
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29th Floor
Columbus, Ohio 43215

On behalf of Ohio Power Company.

Mr. Steven Beeler
Assistant Attorney General
30 East Broad Street, 16th Floor
Columbus, Ohio 43215

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

Mr. Christopher Healey
Energy Resource Planning Counsel
Office of the Ohio Consumers' Counsel
65 East State Street, 7th Floor
Columbus, Ohio 43215

On behalf of the Residential
Consumers of Ohio Power Company.

Carpenter Lipps & Leland
By Ms. Angela Paul Whitfield
280 North High Street, Suite 1300
Columbus, Ohio 43215

On behalf of The Kroger Company.

Carpenter Lipps & Leland
By Ms. Kimberly J. Bojko
and
Mr. Brian W. Dressel
280 North High Street, Suite 1300
Columbus, Ohio 43215

On behalf of the Ohio Manufactures'
Association Energy Group.

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Monday Morning,
February 5, 2018.
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ATTORNEY EXAMINER: Scheduled for
hearing this morning at this time and place are
case numbers 14-255-EL-RDR, Case No.
15-66-EL-RDR, and Case No. 16-21-EL-RDR, all
being entitled In the matter of the Review of
the Distribution Investment Rider Contained in
the Tariffs of Ohio Power Company.

My name is Greta See, I am one of
the attorney examiners assigned to this case by
the Commission. At this time I would like to
take appearances of the parties starting first
with Ohio Power Company.

MR. NOURSE: Thank you, Your Honor.
On behalf Ohio Power Company, Steven T. Nourse,
1 Riverside Plaza, Columbus, Ohio 43215.

ATTORNEY EXAMINER: On behalf of
Ohio Consumers' Counsel.

MR. HEALEY: Good morning, Your
Honor. On behalf of Bruce Weston, Ohio
Consumers' Counsel, Christopher Healey,
cocounsel is Terry Etter, 65 East State Street,
7th Floor, Columbus, Ohio 43215.

1 ATTORNEY EXAMINER: On behalf of
2 The Kroger Company.

3 MS. WHITFIELD: Good morning, Your
4 Honor. On behalf of the Kroger Company, Angela
5 Paul Whitfield, with the law firm of Carpenter
6 Lipps and Leland, 280 North High Street, Suite
7 1300, Columbus, Ohio 43215.

8 ATTORNEY EXAMINER: On behalf of
9 the Ohio Manufactures' Association Energy Group.

10 MR. DRESSEL: Thank you, Your Honor.
11 On behalf of the Ohio Manufacturer's Association
12 Energy Group the law firm Carpenter Lipps &
13 Leland, Kimberly Bojko, I am Brian W. Dressel,
14 280 North High Street, Suite 1300, Columbus,
15 Ohio 432115.

16 ATTORNEY EXAMINER: And on behalf of
17 the Staff of the Public Utilities Commission.

18 MR. BEELER: Thank you, Your Honor.
19 On behalf of the Staff of the Public Utilities
20 Commission of Ohio, by Attorney General Mike
21 DeWine. I am Steve Beeler, Assistant Attorney
22 General, 30 East Broad Street, Columbus, Ohio
23 43215.

24 ATTORNEY EXAMINER: Thank you. Mr.
25 Nourse.

1 MR. NOURSE: Thank you, Your Honor.
2 If it pleases the Bench, I would like to first
3 mark some exhibits in case they are referenced
4 later, and then sponsor the testimony.

5 ATTORNEY EXAMINER: Okay.

6 MR. NOURSE: Thank you. So, per the
7 stipulation -- well, first of all I would like
8 to mark the stipulation dated December 9, 2017
9 as Joint Exhibit 1. And pursuant to Paragraph 4
10 A on Page 8 of that stipulation the parties
11 agree to recommend that certain documents be
12 admitted into evidence.

13 The audit reports of each of the
14 proceedings, Mr. Beeler will be sponsoring and
15 marking. And the comments from each of the
16 parties between Mr. Beeler and I, we can cover
17 those.

18 And then Joint Exhibit 1, which we
19 already marked. So I guess while I am at the
20 microphone I will go ahead and mark AEP Ohio's,
21 and the other parties' exhibits I will defer to
22 Mr. Beeler for the Staff.

23 So, I would like to mark AEP Ohio
24 Exhibit 1, the direct testimony of Andrea Moore
25 that was filed in all three of these dockets,

1 which I will by shorthand reference as 14-255,
2 15-66, and 16-21. And that testimony, Ms.
3 Moore's testimony, was filed in all three
4 dockets on January 22nd, 2018. So AEP Ohio
5 Exhibit 1.

6 And then on the comments, Your
7 Honor, I would like to finish AEP exhibits.
8 AEP Exhibit 2 would be the September 25th, 2014
9 rely comments in docket 14-255.

10 AEP Exhibit 3 would be the December
11 28th, 2015 reply comments filed by AEP Ohio in
12 docket 15-66.

13 And then AEP Exhibit 4 will be the
14 May 15th, 2017 initial comments of Ohio Power
15 Company in docket 16-21.

16 And then that same docket company
17 filed rely comments on June 5th, 2017 in docket
18 16-21. I would like to mark that as AEP Exhibit
19 5.

20 Then going to OCC next. OCC filed
21 comments in 14-255 on September 10th, 2014.
22 So we would like to mark that as OCC Exhibit 1.

23 And then in the 15-66 docket OCC
24 filed comments on December 10th, 2015. And that
25 would be OCC Exhibit 2.

1 And then in the 16-21 docket OCC
2 filed two sets of comments, so let's go with the
3 initial on May 15th, 2017 as OCC 3.

4 And then the rely comments OCC filed
5 on June 5th, 2017 in the 16-21 docket will be
6 OCC Exhibit 4.

7 And then OMAEG I believe was
8 intervening in two out of three cases. But they
9 filed one set of comments in the 15-66 docket on
10 December 28th, 2015. And that would be OMAEG
11 Exhibit 1.

12 And then we have Kroger which
13 similarly filed one set of comments in the 15-66
14 docket on December 10th, 2015. So that would be
15 Kroger Exhibit 1.

16 I believe the remaining exhibits
17 would be Staff exhibits.

18 MR. BEELER: I will go ahead and
19 mark those, Your Honor. It's going to be nine
20 total exhibits. We will start with Case No.
21 14-255. I would like to mark as Staff Exhibit 1
22 the audits of the 2013 Distribution Investment
23 Rider of Ohio Power Company, and that was filed
24 on behalf of Larkin and Associates. And that
25 was filed on June 19th, 2014.

1 Have marked as Staff Exhibit 2
2 comments filed by the Staff on July 21st, 2014.
3 That is also in the 14-255 docket.

4 And I would like to have marked as
5 Staff Exhibit 3 the comments filed on behalf of
6 the Staff that were filed on July 28th, 2014
7 again in the 14-255 docket.

8 Turning to the 2015 case, have that
9 marked as Staff Exhibit 4, the audit, final
10 audit reports on the Ohio Power Company's
11 distribution investment rider. That was filed
12 for the period of January 1st, 2014 through
13 December 31st, 2014. And it was filed on August
14 6th, 2015.

15 ATTORNEY EXAMINER: That is Staff
16 Exhibit 4?

17 MR. BEELEER: Staff Exhibit 4. I
18 haven't marked it but we will go ahead and mark
19 Staff exhibit 5, just the notice of Staff's
20 intent not to file comments. That was filed on
21 December 10th, 2015.

22 ATTORNEY EXAMINER: I am sorry.
23 Go back, Mr. Beeler.

24 MR. BEELEER: We don't have to mark
25 that one, but I was just marking it, just it was

1 Staff's notice not to file, just a letter that
2 was filed in the docket.

3 ATTORNEY EXAMINER: Let's skip that.

4 MR. BEELER: Okay. Staff Exhibit 5
5 then will be reply comments filed on behalf of
6 the Staff of the Public Utilities Commission.
7 That was filed on December 28th, 2015, Case No.
8 15-66.

9 ATTORNEY EXAMINER: Hold on just
10 one second, Mr. Beeler. This one you skipped
11 was filed on August 6th; correct?

12 MR. BEELER: Yes. No. The one we
13 skipped was filed on December 10th.

14 ATTORNEY EXAMINER: Okay. So go
15 back. What was filed on August 6th is --

16 MR. BEELER: The report.

17 ATTORNEY EXAMINER: You had comments
18 that day as well.

19 MR. BEELER: Thank you.

20 ATTORNEY EXAMINER: 14 pages.

21 MR. BEELER: So, let's mark those as
22 Staff Exhibit 5. Staff Exhibit 5 will be the
23 comments filed on August 6th, 2015 on behalf of
24 the Staff of the Public Utilities Commission.

25 Staff Exhibit 6 will be the rely

1 comments filed on behalf of Staff on December
2 28th, 2015.

3 Turning to the 2016 case, marked as
4 Staff Exhibit 7 the report of Blueridge
5 Consulting Services for the 2015 year of
6 the distribution investment rider. That was
7 filed on August 4th, 2016.

8 Marked as Staff Exhibit 8, the
9 comments filed on behalf of Staff on May 15th,
10 2017.

11 And then finally marked as Staff
12 Exhibit 9 the reply comments filed by Staff on
13 June 5th, 2017.

14 ATTORNEY EXAMINER: Okay. I assume
15 there are no objections to the admission of
16 these exhibits so far, excluding Company Exhibit
17 1.

18 MS. WHITFIELD: No objections from
19 Kroger. I have been authorized to speak on
20 behalf of OMAEG since Mr. Dressel had to step
21 out for another conference.

22 Just I wanted to clarify something.
23 Mr. Nourse had said that OMAEG had intervened in
24 two cases. They have actually only intervened
25 in the 15-66 which is consistent with the

1 footnote in the stipulation.

2 MR. NOURSE: Thank you. I said you
3 have to keep me honest.

4 MS. WHITFIELD: But OMAEG has no
5 objections to the admission of the exhibits
6 anyway.

7 ATTORNEY EXAMINER: Mr. Healey.

8 MR. HEALEY: No objections to the
9 exhibits, Your Honor, with the exception of AEP
10 Exhibit 1, as you mentioned.

11 ATTORNEY EXAMINER: Okay. Mr.
12 Nourse.

13 MR. NOURSE: No objection to any of
14 Mr. Beeler's exhibits or, of course, AEP's.

15 ATTORNEY EXAMINER: Your very own.
16 Okay.

17 MR. BEELEER: No objection from Staff
18 on any of the exhibits.

19 ATTORNEY EXAMINER: All right.
20 Next, Mr. Nourse.

21 MR. NOURSE: Yes, Your Honor. We
22 would like to call Andrea Moore to the stand.

23 (WITNESS SWORN)

24 - - -

25 ANDREA E. MOORE

1 called as a witness, being first duly sworn,
2 testified as follows:

3 MR. NOURSE: And, Your Honor, I will
4 distribute these exhibits in case -- any of you
5 need a copy of the Joint Exhibit 1?

6 ATTORNEY EXAMINER: I have a copy.

7 MR. NOURSE: I will give one to the
8 reporter and then Ms. Moore's testimony, I have
9 copies available. Thank you. I will give it to
10 the reporter.

11 DIRECT EXAMINATION

12 By Mr. Nourse:

13 Q. Ms. Moore, do you have the document
14 that we marked as AEP Ohio Exhibit 1?

15 A. Yes.

16 Q. Thank you. First I will ask you to
17 state your name and position.

18 A. My name is Andrea E. Moore. And I
19 am the Director of Regulatory Services for AEP
20 Ohio.

21 Q. And did you prepare or have prepared
22 AEP Ohio Exhibit 1, your direct testimony?

23 A. Yes.

24 Q. And are you familiar with Joint
25 Exhibit 1, the Stipulation and Recommendation

1 that is dated December 19, 2017?

2 A. Yes.

3 Q. Okay. And do you have any
4 corrections, additions or changes to your
5 written testimony, Exhibit 1?

6 A. No.

7 Q. If I asked you the same questions
8 under oath today your answers would be the same?

9 A. Yes.

10 MR. NOURSE: Thank you. Your Honor,
11 I would just renew my motion to admit AEP Ohio
12 Exhibit 1 and tender the witness for any
13 questions you or the parties may have.

14 ATTORNEY EXAMINER: Ms. Whitfield.

15 MS. WHITFIELD: No questions on
16 behalf of OMAEG or Kroger Company.

17 ATTORNEY EXAMINER: Mr. Healey.

18 MR. HEALEY: Yes, Your Honor. I
19 have just a few short clarifying questions for
20 the witness.

21 ATTORNEY EXAMINER: Go ahead.

22 CROSS-EXAMINATION

23 By Mr. Healey:

24 Q. Ms. Moore, can you turn to Page 8
25 of your testimony, please?

1 A. I am there.

2 Q. On lines 14 through 17 you mention
3 that several of the audit recommendations have
4 been resolved through the auditor's report in
5 the 2016 DIR filing in Case No. 17-38-EL-RDR.
6 Do you see that?

7 A. I do.

8 Q. Just to be clear, you are not
9 suggesting that the stipulation filed in these
10 three cases, the 14, 15 and 16 case numbers,
11 resolve case No. 17-37; correct.

12 ATTORNEY EXAMINER: I am sorry.
13 17-38?

14 MR. HEALEY: Yes.

15 Q. I will ask again. Ms. Moore, the
16 case that we are here for, cases we are here for
17 today, we are not settling Case No.
18 17-38-EL-RDR; correct?

19 A. That's correct. Those references
20 were only to that audit report as the audit
21 report clarified 5 through 7 and, I am sorry, 1
22 through 5 and 7 through 10.

23 Q. Can you turn to Page 7 of your
24 testimony, please?

25 A. I am there.

1 Q. And on lines 19 to 21 the testimony
2 states that "The Company agrees to a one-time
3 reduction in the revenue requirement of
4 \$2,142,337.62 to fully and finally resolve
5 disagreements regarding the timing of
6 the capital repairs deduction."

7 Do you see that?

8 A. I do.

9 Q. And this approximately \$2.1 million
10 reduction in the revenue requirement will occur
11 in 2018; correct?

12 A. It will be on Commission approval of
13 these cases.

14 Q. And so assuming the Commission
15 approves this case in 2018 that would be
16 reflected when AEP files its DIR case in 2019;
17 correct?

18 A. I am sorry. Can you ask again?

19 Q. Sure. Assuming the Commission
20 approves this stipulation in 2018 and that \$2.1
21 million reduction goes into affect in 2018, then
22 we will see that in AEP's 2019 DIR filing since
23 they are filed the previous year; correct?

24 A. We actually make the rider filings
25 quarterly, and so to the extent that we are

1 making a quarterly filing in 2018 that is where
2 you would see the \$2.1 million reduction.

3 Q. And if there is an audit done for
4 the 2018 year, and that is ultimately filed
5 whenever it's filed, 2019 presumably, will that
6 \$2.1 million reduction be reflected in the
7 auditor's analysis?

8 A. I think what you are asking is if
9 the -- once the auditor's for the DIR for 2018
10 come and look at the quarterly filings for 2018,
11 much as they did in these cases, then would they
12 be looking to verify that \$2.1 million. The
13 answer is yes.

14 Q. Thank you. I appreciate your
15 assistance. And that 2.1 million reduction will
16 benefit customers by reducing the amount that
17 they would otherwise pay under the DIR; is that
18 correct?

19 A. That's correct.

20 MR. HEALEY: That's all I have.

21 ATTORNEY EXAMINER: Mr. Beeler.

22 MR. BEELEER: No questions, Your
23 Honor. Thank you.

24 ATTORNEY EXAMINER: Redirect, Mr.
25 Nourse?

1 MR. NOURSE: No. Thank you.

2 ATTORNEY EXAMINER: And the Bench
3 doesn't have any questions for you.

4 Are there any objections to the
5 admission of Company Exhibit 1, Ms. Moore's
6 testimony?

7 MS. WHITFIELD: No objections from
8 the Kroger Company or OMAEG.

9 MR. BEELEER: No objections, Your
10 Honor, from Staff.

11 ATTORNEY EXAMINER: Company Exhibit
12 1 is admitted into the record.

13 (EXHIBIT ADMITTED INTO EVIDENCE)

14 MR. NOURSE: Thank you, Your
15 Honor.

16 ATTORNEY EXAMINER: Is there
17 anything further?

18 MR. NOURSE: No, thank you.

19 ATTORNEY EXAMINER: Thank you, Ms.
20 Moore.

21 MS. MOORE: Thank you.

22 ATTORNEY EXAMINER: Thank you all.

23 (At 10:25 A.M. the hearing was
24 concluded)

25

CERTIFICATE

I do hereby certify that the foregoing
is a true and correct transcript of the
proceedings taken by me in this matter on
February 5, 2018, and carefully compared with my
original stenographic notes.

Michael O. Spencer
Michael O. Spencer,
Registered Professional
Reporter.

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in

Case No(s). 14-0255-EL-RDR, 15-0066-EL-RDR, 16-0021-EL-RDR

Summary: Transcript In the Matter of the Review of the Distribution Investment Rider Contained in the Tariff of Ohio Power Company; In the Matter of the Review of the Distribution Investment Rider Contained in the Tariff of Ohio Power Company and In the Matter of the Review of the Distribution Investment Rider Contained in the Tariff of Ohio Power Company, hearing held on February 5, 2018. electronically filed by Mr. Ken Spencer on behalf of Armstrong & Okey, Inc. and Spencer, Michael O. Mr.