

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Review of Duke)	
Energy Ohio, Inc.'s Distribution Capital)	Case No. 18-1036-EL-RDR
Investment Rider.)	

TESTIMONY IN SUPPPORT OF THE STIPULATION

OF

**DORIS MCCARTER
RATES AND ANALYSIS DEPARTMENT
CAPITAL RECOVERY AND FINANCIAL ANALYSIS DIVISION
PUBLIC UTILITIES COMMISSION OF OHIO**

STAFF EXHIBIT____

June 18, 2019

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

2 A. My name is Doris McCarter. 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). I am
7 Chief of the Capital Recovery and Financial Analysis Division within the
8 Rates and Analysis Department.
9

10 3. Q. Please briefly describe your educational and professional background.

11 A. I received a Masters in Public Administration from Columbia University. I
12 have been employed by the PUCO since December, 1989 in various
13 capacities; Commissioner Aide to Commissioner Richard M. Fanelly,
14 Utility Specialist 2 in the Telecommunications Division of the Utilities
15 Department, and Deputy Director of the Service Monitoring and
16 Enforcement Department.
17

18 4. Q. Please describe your responsibilities.

19 A. I have oversight of the distribution investment riders. My duties also
20 include establishing policies, practices, and procedures for the Division's
21 regulatory analysts who conduct audits and investigations of public utility
22 companies subject to the jurisdiction of the PUCO. I have overall

1 responsibility for certain aspects of the Staff's revenue requirement
2 determination during rate setting investigations. The calculation of
3 depreciation expense, accumulated depreciation reserve and cost of capital
4 are under my purview. I also have overall responsibility for management
5 and operations reviews, corporate separation compliance, financing
6 approvals, and the administration of the significantly excessive earnings
7 test for electric distribution companies.
8

9 5. Q. Have you testified in previous cases at the PUCO?

10 A. Yes. I have testified in numerous cases before the PUCO.
11

12 6. Q. What is the purpose of your testimony?

13 A. I am supporting the Stipulation and Recommendation (Stipulation) filed in
14 this proceeding on June 10, 2019 by showing that it meets the
15 Commission's three-part test for determining a stipulation's reasonableness.
16

17 7. Q. What are the components of the Commission's three-part test?

18 A. A stipulation before the Commission must: (i) be the product of serious
19 bargaining among capable, knowledgeable parties; (ii) not violate any
20 important regulatory principles or practice; and (iii) as a package, benefit
21 ratepayers and the public interest.
22

1 8. Q. Do you believe the Stipulation filed in this case is the product of serious
2 bargaining among knowledgeable parties?

3 A. Yes. This agreement is the product of an open process in which all parties
4 were represented by able counsel and technical experts experienced in
5 regulatory matters before the Commission, and the decisions made were
6 based upon thorough analysis of complex issues. The Stipulation represents
7 a comprehensive compromise of issues raised by parties with diverse
8 interests. Overall, I believe that the Stipulation that the parties are
9 recommending for Commission adoption presents a fair and reasonable
10 result.

11
12 9. Q. Were all of the parties (including Staff) to this proceeding present at
13 negotiations that resulted in the Stipulation?

14 A. Settlement meetings were noticed to all parties and all parties were present
15 either in person or by phone or they chose not to participate. Staff was
16 present at all of the negotiations.

17
18 10. Q. In your opinion, does the Settlement benefit ratepayers and promote the
19 public interest?

20 A. Yes. The Stipulation benefits customers and the public interest and
21 represents a just and reasonable resolution of all issues in this proceeding.
22 The settlement is in the public interest for the following reasons:

- 1 • The Stipulation results in a reduction of Duke Energy Ohio,
2 Inc.'s (Company) Distribution Capital Investment (DCI) Rider
3 revenue requirement in the amount of \$2,299,414 for one quarter,
4 and \$146,329 thereafter for three quarters. These revenue
5 requirement reductions are a reflection of various plant related
6 accounting recording errors. The corrections provide direct
7 benefits to all customers by lowering the revenue requirement.
- 8 • The Stipulation provides for an agreement with the Company to
9 review its processes and procedures for billing Contributions in
10 Aid of Construction (CIAC) including its work order estimating
11 practices and procedures. Based on that review, the Company
12 will implement enhanced controls to ensure that CIAC is billed
13 to all necessary customers on a timely, complete and accurate
14 basis and that the work order estimating process is being
15 followed.
- 16 • The Stipulation results in an agreement with the Company to
17 bring current the un-unitized plant and Retirement Work in
18 Progress (RWIP) backlogs within one year of the Commission's
19 Order in this proceeding.

20
21 11. Q. Does the Stipulation violate any important regulatory principle or
22 practices?

1 A. No. Based on my experience, involvement in this proceeding, and review of
2 the Stipulation, Staff concludes that it complies with all relevant and
3 important regulatory principles and practices.

4

5 12. Q. Are you recommending its adoption by the Commission?

6 A. Yes. I believe the Stipulation represents a fair and reasonable compromise
7 of diverse interests and provides a fair result for all Ohio customers.

8

9 13. Q. Does this conclude your testimony?

10 A. Yes it does. However, I reserve the right to submit supplemental testimony
11 as described herein, as new information subsequently becomes available or
12 in response to positions taken by other parties.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the Testimony of Doris McCarter in Support of the Stipulation has been served upon the below-named counsel via electronic mail, this 18th day of June, 2019.

/s/ Steven L. Beeler

Steven L. Beeler

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Summary: Testimony of Doris McCarter in Support of the Stipulation electronically filed by Ms. Yvette L Yip on behalf of the Public Utilities Commission of Ohio