

**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of Ohio )  
Power Company for an ) Case No. 20-585-EL-AIR  
Increase in Electric Distribution Rates )

In the Matter of the Application of )  
Ohio Power Company for ) Case No. 20-586-EL-ATA  
Tariff Approval )

In the Matter of the Application of )  
Ohio Power Company for Approval ) Case No. 20-587-EL-AAM  
To Change Accounting Methods )

**TESTIMONY  
IN RESPONSE TO OBJECTIONS TO  
THE STAFF REPORT  
OF  
JAMES G. ZELL**

**RATES AND ANALYSIS DEPARTMENT  
ACCOUNTING & FINANCE DIVISION**

STAFF EXHIBIT\_\_

**May 4, 2021**

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

2 A. My name is James G. Zell. My business address is 180 East Broad Street,  
3 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 (the Commis-  
7 sion or PUCO) as the administrator of the Financial Analysis section of the  
8 Rates and Analysis Department.

9  
10 3. Q. Please briefly describe your educational and professional background.

11 A. I received a Bachelor of Science Degree in Business Administration from  
12 Franklin University. I joined the PUCO in April of 2011 as a Utility  
13 Analyst in the Accounting and Electric Division of the Utilities Department  
14 where I reviewed various infrastructure rider filings and base rate case  
15 proceedings. Shortly after joining the PUCO, I attended several regulatory  
16 trainings and successfully completed multiple college accounting courses. I  
17 was promoted to my current position of administrator of the Financial  
18 Analysis section in September of 2013. I continued my finance and  
19 regulatory training by attending a number of regulatory finance trainings,  
20 conferences, forums and webinars. I was awarded the professional  
21 designation Certified Rate of Return Analyst (CRRA) by the Society of  
22 Utility and Regulatory Financial Analysts in 2015. The CRRA designation

1 is awarded based upon experience and successful completion of a written  
2 examination. More recently in September 2020, I became “Moody’s  
3 Certified” in Commercial Credit. This certification was earned by  
4 successfully completing course work and passing a proctored examination  
5 through Moody’s Analytics.

6  
7 4. Q. Please summarize your current work responsibilities.

8 A. I supervise the Financial Analysis section of the Rates and Analysis  
9 Department. Our section performs financial analysis and provides  
10 recommendations on matters such as: costs of capital; issuance of  
11 securities; mergers and acquisitions; and financial assessments of utilities  
12 as well as competitive retail energy suppliers and brokers.

13  
14 5. Q. What was your responsibility in this case?

15 A. I was the member of Staff responsible for providing a recommendation for  
16 a reasonable rate of return in this case.

17  
18 6. Q. What is the purpose of your testimony in this proceeding?

19 A. The purpose of my testimony is to respond to Objection II raised by Ohio  
20 Partners for Affordable Energy (OPAЕ) regarding rate of return.

1 **OPAЕ Objection II**

2 7. Q. OPAЕ objects to the Staff Report recommendation that the rate of return be  
3 set in the range of 7.15 percent to 7.70 percent and the cost of common  
4 equity set at a range of 8.76 percent to 9.78 percent because these ranges  
5 provide an excessive return when compared to the risk faced by Ohio  
6 Power Company (Company) as a provider of monopoly electric distribution  
7 service. Please respond.

8 A. Staff recommended a rate of return based upon the Company’s  
9 capitalization as of the date certain and used market derived costs of capital  
10 that it deemed to be reflective of the Company and its peers. Staff’s  
11 recommended rate of return range of 7.15 percent to 7.70 percent  
12 represented a zone of reasonableness and provided flexibility in setting an  
13 appropriate authorized rate of return. The Joint Stipulation and  
14 Recommendation filed in this case recommends an overall rate of return of  
15 7.28 percent, which is below the midpoint of Staff’s recommended range.

16  
17 8. Q. Does this conclude your testimony?

18 A. Yes, it does. However, I reserve the right to incorporate new information  
19 that may subsequently become available through outstanding discovery or  
20 otherwise.

21

## CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the **Testimony of James Zell in Response to Objections to the Staff Report** has been served upon the below-named counsel via electronic mail, this 4<sup>th</sup> day of May, 2021.

*/s/ Werner L. Margard*

**Werner L. Margard**

### Parties of Record

**Steven T. Nourse** (0046705)  
**Christen M. Blend** (0086881)  
American Electric Power Service  
Corporation  
1 Riverside Plaza, 29th Floor  
Columbus, Ohio 43215  
Tel: (614) 716-1608  
[stnourse@aep.com](mailto:stnourse@aep.com)  
[cblend@aep.com](mailto:cblend@aep.com)

**Eric B. Gallon** (0071465)  
Porter, Wright, Morris & Arthur LLP  
41 South High Street, 30th Floor  
Columbus, Ohio 43215  
Tel: (614) 227-2190  
[egallon@porterwright.com](mailto:egallon@porterwright.com)

**Christopher L. Miller** (0063259)  
Ice Miller LLP  
250 West Street  
Columbus, Ohio 43215  
Tel: (614) 462-5033  
[christopher.miller@icemiller.com](mailto:christopher.miller@icemiller.com)

*Counsel for Ohio Power Company*

**Michael L. Kurtz** (0033350)  
**Kurt J. Boehm** (0076047)  
**Jody Kyler Cohn** (0085402)  
Boehm, Kurtz & Lowry  
36 East Seventh Street, Suite 1510  
Cincinnati, Ohio 45202  
Tel: (513) 421-2255  
[mkurtz@BKLawfirm.com](mailto:mkurtz@BKLawfirm.com)  
[kboehm@BKLawfirm.com](mailto:kboehm@BKLawfirm.com)  
[jkylercohn@BKLawfirm.com](mailto:jkylercohn@BKLawfirm.com)

*Counsel for the Ohio Energy Group*

**Angela D. O'Brien** (0097579)  
**Christopher Healey** (0086027)  
Assistant Consumers' Counsel  
Office of the Ohio Consumers' Counsel  
65 East State Street, 7th Floor  
Columbus, Ohio 43215-4213  
Tel: [O'Brien] (614) 466-9531  
Tel: [Healey] (614) 466-9571  
[angela.obrien@occ.ohio.gov](mailto:angela.obrien@occ.ohio.gov)  
[christopher.healey@occ.ohio.gov](mailto:christopher.healey@occ.ohio.gov)

*Counsel for the Office of the Ohio  
Consumers' Counsel*

**Kimberly W. Bojko** (0069402)  
**Thomas V. Donadio** (0100027)  
Carpenter Lipps & Leland LLP  
280 North High Street, Suite 1300  
Columbus, Ohio 43215  
Tel: (614) 365-4100  
[Bojko@carpenterlipps.com](mailto:Bojko@carpenterlipps.com)  
[Donadio@carpenterlipps.com](mailto:Donadio@carpenterlipps.com)

*Counsel for the Ohio Manufacturers'  
Association Energy Group*

**Bethany Allen** (0093732)  
**Joseph Olikier** (0086088)  
**Michael Nugent** (0090408)  
IGS Energy  
6100 Emerald Parkway  
Dublin, Ohio 43016  
Tel: (614) 659-5000  
[bethany.allen@igs.com](mailto:bethany.allen@igs.com)  
[joe.oliker@igs.com](mailto:joe.oliker@igs.com)  
[michael.nugent@igs.com](mailto:michael.nugent@igs.com)

*Counsel for IGS Energy*

**Matthew R. Pritchard** (0088070)  
**Rebekah J. Glover** (0088798)  
**Bryce A. McKenney** (0088203)  
McNees Wallace & Nurick LLC  
21 East State Street, 17<sup>th</sup> Floor  
Columbus, OH 43215  
Tel: (614) 719-2842  
[mpritchard@mcneeslaw.com](mailto:mpritchard@mcneeslaw.com)  
[rglover@mcneeslaw.com](mailto:rglover@mcneeslaw.com)  
[bmckenney@mcneeslaw.com](mailto:bmckenney@mcneeslaw.com)

*Counsel for the Industrial Energy Users-  
Ohio*

**Angela Paul Whitfield** (0068774)  
Carpenter Lipps & Leland LLP  
280 North High Street, Suite 1300  
Columbus, Ohio 43215  
Tel: (614) 365-4100  
[paul@carpenterlipps.com](mailto:paul@carpenterlipps.com)

*Counsel for The Kroger Co.*

**Robert Dove** (0092019)  
Kegler Brown Hill + Ritter Co., L.P.A.  
65 E State St., Ste. 1800  
Columbus, OH 43215  
Tel: (614) 462-5443  
[rdove@keglerbrown.com](mailto:rdove@keglerbrown.com)

*Counsel for the Natural Resources  
Defense Council, Ohio Partners for  
Affordable Energy*

**Mark A. Whitt** (0067996)  
**Lucas A. Fykes** (0098471)  
Whitt Sturtevant LLP  
The KeyBank Building, Suite  
1590 88 East Broad Street  
Columbus, Ohio 43215  
Tel: (614) 224-3946  
[whitt@whitt-sturtevant.com](mailto:whitt@whitt-sturtevant.com)  
[fykes@whitt-sturtevant.com](mailto:fykes@whitt-sturtevant.com)

*Counsel for Direct Energy Business, LLC  
and Direct Energy Services, LLC*

**Devin D. Parram** (0082507)  
**Rachel N. Mains** (0098681)  
Bricker & Eckler LLP  
100 South Third Street  
Columbus, OH 43215-4291  
Tel: (614) 227-8813  
[dparram@bricker.com](mailto:dparram@bricker.com)  
[rmains@bricker.com](mailto:rmains@bricker.com)

*Counsel for the Ohio Hospital Association*

**Caroline Cox** (0098175)  
Environmental Law & Policy Center  
21 W. Broad St., Floor 8  
Columbus, OH 43215  
Tel: (312) 795-3742  
[ccox@elpc.org](mailto:ccox@elpc.org)

**Robert Kelter** (PHV-2685-2020)  
Senior Attorney  
Environmental Law & Policy Center  
35 E. Wacker Drive, Suite 1600  
Chicago, IL 60601  
Tel: (312) 795-3734  
[rkelter@elpc.org](mailto:rkelter@elpc.org)

*Counsel for Environmental Law & Policy Center*

**Michael J. Settineri** (0073369)  
**Gretchen L. Petrucci** (0046608)  
Vorys, Sater, Seymour and Pease LLP  
52 East Gay Street  
Columbus, OH 43215  
Tel: (614) 464-5462  
[msettineri@vorys.com](mailto:msettineri@vorys.com)  
[glpetrucci@vorys.com](mailto:glpetrucci@vorys.com)

*Counsel for Nationwide Energy Partners, LLC*

**Dylan F. Borchers** (0090690)  
**Kara H. Herrnstein** (0088520)  
**Elyse Akhbari** ()  
Bricker & Eckler LLP  
100 South Third Street  
Columbus, OH 43215-4291  
Tel: (614) 227-2300  
[dborchers@bricker.com](mailto:dborchers@bricker.com)  
[kherrnstein@bricker.com](mailto:kherrnstein@bricker.com)  
[eakhbari@bricker.com](mailto:eakhbari@bricker.com)

*Counsel for ChargePoint, Inc.*

**Carrie H. Grundmann** (0096138)  
Spilman Thomas & Battle, PLLC  
110 Oakwood Drive, Suite 500  
Winston-Salem, NC 27103  
Tel: (336) 631-1051  
[cgrundmann@spilmanlaw.com](mailto:cgrundmann@spilmanlaw.com)

**Derrick Price Williamson**  
Spilman Thomas & Battle, PLLC  
1100 Bent Creek Blvd., Suite 101  
Mechanicsburg, PA 17050  
Tel: (717) 795-2741  
[dwilliamson@spilmanlaw.com](mailto:dwilliamson@spilmanlaw.com)

*Counsel for Walmart Inc.*

**Gretchen L. Petrucci** (0046608)  
Vorys, Sater, Seymour and Pease LLP  
52 East Gay Street  
Columbus, OH 43215  
Tel: (614) 464-5462  
[glpetrucci@vorys.com](mailto:glpetrucci@vorys.com)

*Counsel for the Ohio Cable Telecommunications Association*

**Madeline Fleisher** (0091862)  
Dickinson Wright PLLC  
150 East Gay Street, Suite 2400  
Columbus, Ohio 43215  
(614) 591-5474  
[mfleisher@dickinsonwright.com](mailto:mfleisher@dickinsonwright.com)

*Counsel for Clean Fuels Ohio*

**Miranda Leppla** (0086351)  
**Trent Dougherty** (0079817)  
**Chris Tavenor** (0096642)  
1145 Chesapeake Avenue, Suite I  
Columbus, Ohio 43212-3449  
Tel: (614) 487-7506  
[mleppla@theOEC.org](mailto:mleppla@theOEC.org)  
[tdougherty@theOEC.org](mailto:tdougherty@theOEC.org)  
[ctavenor@theOEC.org](mailto:ctavenor@theOEC.org)

*Counsel for the Ohio Environmental  
Council*

**Dane Stinson** (0019101)  
**Matthew W. Warnock** (0082368)  
Bricker & Eckler LLP  
100 South Third Street  
Columbus, OH 43215-4291  
Tel: (614) 227-2300  
[dstinson@bricker.com](mailto:dstinson@bricker.com)  
[mwarnock@bricker.com](mailto:mwarnock@bricker.com)

**Madeline Fleisher** (0091862)  
**Christine M.T. Pirik** (0029759)  
**William Vorys** (0093479)  
Dickinson Wright PLLC  
150 East Gay Street, Suite 2400  
Columbus, Ohio 43215  
(614) 591-5474 (Fleisher)  
(614) 591-5461 (Pirik)  
[mfleisher@dickinsonwright.com](mailto:mfleisher@dickinsonwright.com)  
[cpirik@dickinsonwright.com](mailto:cpirik@dickinsonwright.com)  
[wvorys@dickinsonwright.com](mailto:wvorys@dickinsonwright.com)

*Counsel for the Citizens' Utility Board of  
Ohio*

**Michael J. Settineri** (0073369)  
**Gretchen L. Petrucci** (0046608)  
Vorys, Sater, Seymour and Pease LLP  
52 East Gay Street  
Columbus, OH 43215  
Tel: (614) 464-5462  
[mjsettineri@vorys.com](mailto:mjsettineri@vorys.com)  
[glpetrucci@vorys.com](mailto:glpetrucci@vorys.com)

**Drew Romig** (0088519)  
Armada Power, LLC  
230 West St., Suite 150  
Columbus, OH 43215  
614-918-2064  
[dromig@armadapower.com](mailto:dromig@armadapower.com)

*Counsel for Armada Power, LLC*

**Alicia Zaloga**  
Keyes & Fox LLP  
1155 Kildaire Farm Rd., Ste. 202-203  
Cary, NC 27511  
(919) 825 – 1739  
[azaloga@keyesfox.com](mailto:azaloga@keyesfox.com)

**Katie Johnson Treadway** (0091064)  
One Energy Enterprises LLC  
Findlay, OH 45840  
Tel: (419) 905-5821  
[ktreadway@oneenergyllc.com](mailto:ktreadway@oneenergyllc.com)

**Marion H. Little, Jr.** (0042679)  
**Christopher J. Hogan** (0079829)  
Zeiger, Tigges & Little LLP  
41 South High Street  
3500 Huntington Center  
Columbus, OH 43215  
Tel: (614) 324-5078  
[little@litohio.com](mailto:little@litohio.com)  
[hogan@litohio.com](mailto:hogan@litohio.com)

*Counsel for One Energy Enterprises LLC*

**Jacob Schlesinger**  
Keyes & Fox LLP  
1580 Lincoln St. Suite 880  
Denver, CO 80203  
(970) 531-252  
[jschlesinger@keyesfox.com](mailto:jschlesinger@keyesfox.com)

**Lilly McKenna**  
Keyes & Fox LLP  
580 California Street, 12th Floor  
San Francisco, CA 94104  
(628) 222-3129  
[lmckenna@keyesfox.com](mailto:lmckenna@keyesfox.com)

*Counsel to EVGo Services LLC*

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

**Commission of Ohio Docketing Information System on**

**5/4/2021 2:29:55 PM**

**in**

**Case No(s). 20-0585-EL-AIR, 20-0586-EL-ATA, 20-0587-EL-AAM**

Summary: Testimony in Response to Objections to the Staff Report of James G. Zell, Rates and Analysis Department, Accounting & Finance Division electronically filed by Mrs. Kimberly M Naeder on behalf of PUCO