

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Review of the	:	
Power Purchase Agreement Rider of	:	Case No. 18-1004-EL-RDR
Ohio Power Company for 2018.	:	
	:	
In the Matter of the Review of the	:	
Power Purchase Agreement Rider of	:	Case No. 18-1759-EL-RDR
Ohio Power Company for 2019.	:	

**PREFILED TESTIMONY
OF
RODNEY P. WINDLE
PLANNING AND MARKET ANALYSIS DIVISION
PUBLIC UTILITIES COMMISSION OF OHIO**

STAFF EXHIBIT _____

December 29, 2021

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

2 A. My name is Rodney P. Windle. I am employed by the Public Utilities
3 Commission of Ohio (the Commission or PUCO) as a Public Utilities
4 Administrator II in the Office of the Federal Energy Advocate. My
5 responsibilities include managing the energy forecasting group and
6 providing data analytics related training whenever necessary.

7

8 2. Q. What are your qualifications for this position?

9 A. I have worked for PUCO since July of 2009, primarily following energy
10 markets and related developments. In addition, I manage the forecasting
11 group within the Office of the Federal Energy Advocate, since April 30,
12 2017. Further, I have participated in training courses that are specific to the
13 PJM markets and received valuable on the job training in energy markets
14 and energy data analytics while fulfilling my duties as a PUCO Staff
15 member. Finally, I have completed relevant coursework in college and
16 through Ohio's Management Advancement for the Public Service (MAPS)
17 program, and received on the job training focusing on project and personnel
18 management.

19

20 3. Q. Do you have other relevant education and experience that you wish to
21 share?

1 A. Prior to 2009, I was employed at the Ohio Environmental Protection
2 Agency (EPA) as an Environmental Specialist II. In this role, I evaluated
3 and provided guidance for air permitting. Occasionally, my duties at the
4 Ohio EPA included evaluating air permits for energy projects. Those
5 evaluations included work evaluating the environmental impacts of various
6 electricity generating units. I was employed by the Ohio EPA for 7 years
7 and worked on air permits for various energy projects at different points
8 during the entire term I was employed.

9
10 I hold a Bachelor of Science degree in Environmental Engineering from
11 Shawnee State University.
12

13 4. Q. Have you ever testified before PUCO?

14 A. Yes. I submitted pre-filed testimony in Case No.12-0426-EL-SSO that was
15 accepted as part of the record. That testimony pertained to retail versus
16 wholesale price comparison calculations.
17

18 5. Q. What is the purpose of your testimony?

19 A. The purpose of my testimony is to describe Staff's participation and role
20 with respect to the audit conducted by London Economics International,
21 LLC (LEI) for this proceeding (PUCO Case No.18-1004-EL-RDR) and to

offer insight into Staff's recommendations that were made during the audit process.

6. Q. What was Staff's role during the audit for Case No. 18-1004?

A. While the Auditor conducted the review as an extension of Staff, Staff performed its duty to ensure the Auditor fulfilled the terms of the contract and adhered to the scope of the audit. Staff must ensure an audit remains on schedule and within the scope as defined by the Commission.

7. Q. Did you participate in any meetings with the Auditor for this proceeding for purposes of discussing the draft audit report?

A. Yes, in September of 2020 Staff participated in a video conference with the Auditor.

8. Q. Is it customary for Staff to meet with an auditor to discuss a draft audit report following its internal review?

A. Yes, this is a common practice based on my experience with past audits.

9. Q. Did you express any concerns or recommendations to the Auditor regarding the draft audit report?

A. Yes. After reviewing the draft audit report, and speaking with the Staff project lead, Staff had concerns that some portions of the draft report were

1 outside of the scope of the audit. To this end, Staff raised concerns as to
2 whether certain portions of the report criticizing the existence of the OVEC
3 Riders/Plant were within the context of the Commission findings and
4 orders,¹ which required the audit. In addition, we discussed whether or not
5 the environmental review section of the audit report needed more detail.

6
7 Specifically, I explained to the Auditor that there was a “tone issue” in that
8 it was not appropriate to include the statement “running the plants is not in
9 the best interest of rate payers” due to cost, without also acknowledging the
10 overall context, such as the reasons for approval detailed in the
11 Commission’s Opinion and Order (Case No. 14- 1693-EL-SSO). Finally,
12 Staff sought clarification as to why there were references to HB 6 in the
13 draft audit report and expressed the concerns derived from the fact that the
14 2019 OVEC Rider audit was pursuant to the applicable PUCO Order,² and
15 not the legislation adopted as part of HB 6.

16
17 10. Q. Why did you make the recommendations to the Auditor described in your
18 answer to question #9?

¹ See, e.g., *In the Matter of the Application Seeking Approval of the Ohio Power Company’s Proposal to Enter into an Affiliate Power Purchase Agreement for Inclusion in the Power Purchase Agreement for Inclusion in the Power Purchase Agreement Rider*, Case No. 14-1693-EL-RDR, Opinion and Order at 87-88 (March 31, 2016); Opinion and Order at 70-71 (Nov. 3, 2016).

² See *In the Matter of the Application Seeking Approval of the Ohio Power Company’s Proposal to Enter into an Affiliate Power Purchase Agreement for Inclusion in the Power Purchase Agreement for Inclusion in the Power Purchase Agreement Rider*, Case No. 14-1693-EL-RDR, Opinion and Order (March 31, 2016).

1 A. One of my primary responsibilities as a Staff member working with the
2 Auditor is to ensure the audit report stays within the scope of the audit
3 ordered by the Commission. Without further explanation or documentation
4 to support the context of these statements, and their relevance to this
5 specific audit and audit period, these portions of the draft report were
6 outside of the scope of the audit. The purpose of this audit was not to
7 reconsider the past PUCO findings and orders within Case No. 14-1693-
8 EL-SSO, or the impact of the HB 6 legislation. Based on my review of the
9 draft report, it was unclear whether that was the auditor's intent, so I sought
10 clarification and expressed my concerns.

11
12 11. Q. What is your understanding of the scope of the Case No. 18-1004-EL-RDR
13 audit ordered through the Commission's Order in Case No. 14-1693-EL-
14 SSO?

15 A. The Commission described how Staff should conduct a prudency audit. The
16 Commission emphasized in the PPA Order that it would conduct an annual
17 prudency review of any retail charges flowing through the PPA rider. The
18 Commission addressed the annual audit process and set forth clear
19 expectations, in response to certain intervenors' concerns, regarding several
20 specific issues related to retail cost recovery, such as Capacity Performance
21 penalties and bonuses, forced outages, and bidding behavior. The
22 Commission also directed that AEP Ohio will bear the burden of proof, in

1 each annual audit, to establish the prudence of all costs and sales flowing
2 through the PPA rider and to demonstrate that the Company's actions were
3 in the best interest of retail ratepayers.³

4
5 In short, the Commission's Order referenced above defined my
6 understanding of the scope in this audit.

7
8 12. Q. What was LEI tasked to do in Case No. 18-1004-EL-RDR audit?

9 A. LEI was tasked with fulfilling the Commission's direction to perform an
10 audit required by Commission Order as described in Case No. 14-1693-EL-
11 RDR, according to requests for proposal (RFPs) developed by Staff and
12 approved by the Commission. LEI was to perform this audit as directed by
13 the Commission in the January 2020 Request for Proposal (RFP). Per the
14 RFP ordered by the Commission, PUCO Staff will oversee the project.
15 Staff personnel shall be informed of all correspondence between the auditor
16 and AEP Ohio and/or OVEC, and shall be given at least three working
17 days' notice of all meetings and interviews with AEP Ohio and/or OVEC,
18 so as to allow Staff the opportunity to attend.

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³ *In the Matter of the Application Seeking Approval of the Ohio Power Company's Proposal to Enter into an Affiliate Power Purchase Agreement for Inclusion in the Power Purchase Agreement for Inclusion in the Power Purchase Agreement Rider*, Case No. 14-1693-EL-RDR, Opinion and Order at 87-88 (March 31, 2016); Opinion and Order at 70-71 (Nov. 3, 2016).

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13. Q. Does the scope of this audit pre-date HB 6 or does HB 6 apply?
- A. HB 6 does not apply to this specific audit. Among other things, the HB 6 OVEC-related rider called Legacy Generation Resource Rider (LGRR) was effective January 1, 2020. The timeframe for the audit in question was for calendar years 2018 and 2019.
14. Q. What is your understanding of “best interest of ratepayers” regarding the scope of audit?
- A. My understanding of the phrase “best interest of ratepayers” in context to Case No. 18-1004-EL-RDR, (the AEP Ohio OVEC Rider audit) refers to the following statement found within the Commission’s November 3, 2016 Entry on Rehearing in Case No. 14-1693-EL-SSO on page 71: “**the company’s [AEP Ohio] actions** must be in the best interest of retail ratepayers.” **(emphasis added)**. This proceeding is an opportunity for the Commission to make sure that the decisions AEP Ohio made regarding OVEC were in the best interest of ratepayers. My understanding is that questions as to whether there should be a Rider or the cost benefit metrics of the OVEC plants were litigated and resolved in Case No. 14-1693-EL-SSO and are outside of the scope of this audit.

1

2 15. Q. Does this conclude your testimony?

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

CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing **Prefiled Testimony of Rodney P. Windle**, submitted on behalf of the Staff of the Public Utilities Commission of Ohio, was served via electronic mail, upon the parties listed below, this 29th day of December 2021.

/s/ Kyle L. Kern

Kyle L. Kern

Assistant Attorney General

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Summary: Testimony Prefiled Testimony of Rodney P. Windle Planning and Market
Analysis Division Public Utilities Commission of Ohio electronically filed by Mrs.
Kimberly M. Naeder on behalf of PUCO