

BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

- - -

In the Matter of the :
Application of Duke :
Energy Ohio, Inc., for an : Case No. 22-507-GA-AIR
Increase in Natural Gas :
Rates. :

- - -

In the Matter of the :
Application of Duke Energy: :
Ohio, Inc., for Approval : Case No. 22-508-GA-ALT
of an Alternative Form of :
Regulation. :

- - -

In the Matter of the :
Application of Duke Energy: Case No. 22-509-GA-ATA
Ohio, Inc., for Tariff :
Approval. :

- - -

In the Matter of the :
Application of Duke Energy: :
Ohio, Inc., for Approval : Case No. 22-510-GA-AAM
to Change Accounting :
Methods. :

- - -

PROCEEDINGS

before Mr. Nicholas Walstra and Mr. Matthew Sandor,
Attorney Examiners, at the Public Utilities
Commission of Ohio, 180 East Broad Street, Room 11-A,
Columbus, Ohio, called at 10:06 a.m. on Wednesday,
May 24, 2023.

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VOLUME II

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Wednesday Morning Session,
May 24, 2023.

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EXAMINER SANDOR: Let's go on the record.

We are back on the record for day two of
the hearing in 22-507-GA-AIR, et al. We will just go
ahead jump into it.

OCC, you may call your next witness.

MR. MICHAEL: Thank you, your Honor. OCC
calls Greg Meyer.

EXAMINER SANDOR: Please raise your right
hand.

(Witness sworn.)

EXAMINER SANDOR: Thank you.

- - -

GREG R. MEYER

being first duly sworn, as prescribed by law, was
examined and testified as follows:

DIRECT EXAMINATION

By Mr. Michael:

Q. Good morning, Mr. Meyer.

A. Good morning.

Q. Would you please state your name for the
record?

A. Greg Meyer.

1 Q. Where are you employed?

2 A. I'm an energy consultant for Brubaker &
3 Associates, Inc., out of Chesterfield, Missouri.

4 Q. And on whose behalf are you appearing
5 here today?

6 A. On -- I am appearing on behalf of the
7 OCC.

8 Q. Thank you.

9 EXAMINER WALSTRA: Hold on. Mr. Meyer,
10 if you could turn on your microphone.

11 THE WITNESS: Will that work?

12 EXAMINER WALSTRA: Thank you.

13 MR. MICHAEL: Your Honor, I would like to
14 have marked, if I might, two exhibits; OCC
15 Exhibit 10, the Direct Testimony and Attachments of
16 Greg R. Meyer, filed on April 28, 2023.

17 EXAMINER SANDOR: So marked.

18 (EXHIBIT MARKED FOR IDENTIFICATION.)

19 MR. MICHAEL: And OCC Exhibit 11, the
20 Supplemental Testimony of Greg R. Meyer, filed
21 May 12, 2023.

22 EXAMINER SANDOR: So marked.

23 (EXHIBIT MARKED FOR IDENTIFICATION.)

24 Q. (By Mr. Michael) Mr. Meyer, you have
25 before you what was previously marked as OCC

1 Exhibit 10. Could you please identify that document?

2 A. That's my direct testimony in this case.

3 Q. And was that testimony, Mr. Meyer,
4 prepared by you or at your direction?

5 A. Yes.

6 Q. And, Mr. Meyer, I have -- you should also
7 have before you what was previously marked as OCC
8 Exhibit 11. Do you see that?

9 A. Correct.

10 Q. And can you please identify that
11 document?

12 A. That's my supplemental testimony in this
13 proceeding.

14 Q. And, Mr. Meyer, do you have any edits or
15 corrections to either pieces of those testimony?

16 A. I do. On page 4, I have the correct --

17 Q. Mr. Meyer, could you please refer to what
18 exhibit?

19 A. I'm sorry. Page 4, Exhibit 10, direct
20 testimony. I have an incorrect reference to the test
21 year. On line 6, March -- the reference to "March"
22 should be deleted and insert "December 31, 2022."

23 EXAMINER SANDOR: I'm sorry, what page is
24 that? Page 4 of Exhibit 10?

25 MR. MICHAEL: Exhibit 11, your Honor, the

1 supplemental testimony.

2 A. No. It's Exhibit 10.

3 Q. 10, okay.

4 A. The correction is on Exhibit 10.

5 EXAMINER SANDOR: Exhibit 10, your direct
6 testimony.

7 THE WITNESS: Right.

8 EXAMINER SANDOR: Page 4, line 6?

9 THE WITNESS: To give you -- mine has
10 been paginated differently sometimes, so it's
11 question 7 and answer 7.

12 EXAMINER SANDOR: That's page 3 on my
13 copy.

14 THE WITNESS: Yeah.

15 EXAMINER SANDOR: So line 6 on page 3.

16 THE WITNESS: March -- the reference to
17 "March" should be "December 31, 2022."

18 A. And further down that line, "The test
19 year data consisted of three" instead of "nine."

20 Then continuing on line 7, the reference
21 to "April through December 2021," should be
22 "January 2022 through March 2022."

23 And further on that line the "three"
24 should be a "nine."

25 And at the end of that sentence in the

1 parentheses "(January through March 2022)" should be
2 April through December 2022.

3 So the corrected statement should be
4 "Duke's filing -- "Duke's filing was based on a test
5 year of December 31, 2022. The test year data
6 consisted of three months of actual data
7 (January 2022 through March 2022) and nine months of
8 budgeted data (April 2022 through December 2022)."

9 And then I also -- and I will reference
10 the question instead of the page because I have
11 different pagination.

12 On question 31 and the answer, there is a
13 reference to a "\$263K." That should be "264."

14 EXAMINER SANDOR: Is that at line 18?

15 THE WITNESS: Yes.

16 EXAMINER SANDOR: And can you repeat that
17 again?

18 THE WITNESS: 263 should be 264.

19 EXAMINER SANDOR: Okay. Thank you.

20 A. Those are the only corrections I have.

21 Q. (By Mr. Michael) Mr. Meyer, did those --
22 you made those corrections. Did any of those
23 corrections affect your analysis of the issues that
24 you address in this case?

25 A. No.

1 Q. Nor the conclusions that are set forth in
2 your testimony?

3 A. No.

4 Q. Mr. Meyer, if I were to ask you the
5 questions in Exhibits 10 and 11 today, would your
6 answers be the same, subject to those corrections?

7 A. They would.

8 MR. MICHAEL: Thank you.

9 Your Honor, OCC moves for the admission
10 of OCC Exhibits 10 and 11, subject to
11 cross-examination.

12 EXAMINER SANDOR: Thank you.

13 Duke?

14 MS. BRAMA: Thank you, your Honors.

15 - - -

16 CROSS-EXAMINATION

17 By Ms. Brama:

18 Q. Good morning, Mr. Meyer. My name is Liz
19 Brama. I am an attorney with the Taft law firm
20 representing Duke. Nice to meet you.

21 A. Nice to meet you.

22 Q. I am going ask you some questions this
23 morning about your testimony focusing primarily on
24 your testimony opposing the Stipulation.

25 In looking at your supplemental testimony

1 and, in particular, your responses to Ms. Lawler's
2 testimony, I take it you consider yourself familiar
3 with the accrual basis of accounting; is that fair?

4 A. That's correct.

5 Q. And this is a method of accounting
6 applied under Generally Accepted Accounting
7 Principles, correct?

8 A. That would be correct.

9 Q. And, in fact, most revenues and costs for
10 Duke are recorded when they are incurred or accrued
11 under the accrual basis of accounting, not when they
12 are paid in cash; is that fair?

13 A. That's a fair statement.

14 Q. And recording costs when they are
15 actually paid is the cash basis of accounting, which
16 is a different method than the accrual basis, right?

17 A. Well, it is -- cash basis is different
18 than accrual, but the accruals many times are trued
19 up to actual cash payments.

20 Q. I think that's exactly right.

21 I would like to have you look for a
22 moment at page 3, line 8, of your supplemental
23 testimony, please.

24 A. I'm there.

25 Q. Okay. And it sounds like your lines

1 might not be the same as mine, so I am going to try
2 to direct you to question and answer numbers as best
3 I can. So we'll see how that goes.

4 But I am looking at answer 9 here where
5 you say, "As I stated in my Direct Testimony, the
6 methodology proposed by the Staff and adopted in the
7 Settlement will consistently overstate property taxes
8 when a utility is experiencing a growth in plant in
9 service. The methodology supported in the Settlement
10 is flawed when determining the property taxes payable
11 during the tax year."

12 Did I read that correctly?

13 A. You did.

14 Q. And in Ohio, would you agree, a utility
15 is assessed property taxes based, in part, on its
16 quantity of plant in service?

17 A. As of December 31st?

18 Q. I am just asking generally about how this
19 is done. The amount of property taxes relates to the
20 amount of plant in service.

21 A. Yes, that's correct.

22 Q. Okay. And if a utility experiences
23 growth in plant from one year to the next, the
24 utility's assessed property taxes also generally
25 increase year over year as well, right?

1 A. Well, I think -- I think we have to keep
2 in mind the statutory date when property taxes are
3 calculated.

4 So I don't know that I can just generally
5 agree that any increase in property taxes will result
6 in -- I'm sorry, any increase in plant in service
7 will automatically result in an increase in property
8 taxes.

9 Q. Okay. So you say though in your
10 testimony, which is what I am referring to here, "The
11 methodology proposed by the Staff and adopted in the
12 Settlement will consistently overstate property taxes
13 when a utility is experiencing a growth in plant in
14 service."

15 So my question is in general -- maybe the
16 best way to ask it is in general, all else being
17 equal, a growth in plant in service will equal a
18 growth in property taxes?

19 A. At some point in time.

20 Q. Right.

21 A. You have to -- you have to also
22 acknowledge that there was a test year in this case,
23 and that's what we are trying to identify for the
24 purpose of the property tax expense.

25 Q. I understand that that's your position,

1 and what I am trying to just get at are some
2 fundamental principles about how property taxes work
3 in relation to plant in service. We will talk about
4 the dates in a moment.

5 But I think I heard that you agree that
6 in general, all else being equal -- I know depending
7 on the date, but all else being equal, a growth in
8 plant will generally increase property tax, right?

9 A. Generally that's true, but you have to
10 continue -- you have to continuously look at the test
11 year and when rates are being set. That's the whole
12 premise of the adjustment.

13 Q. I understand your position here. Again,
14 I am just trying to get to fundamental principles
15 about how the utility relates to plant in service.

16 Now, your testimony says that growth in
17 plant in service will -- in service causing
18 property -- will cause property taxes to be
19 overstated under Staff's methodology, which is also
20 the methodology in the settlement. That's what we
21 just read.

22 A. Correct.

23 Q. Okay. Now, of course, the reverse of
24 your statement is that this method would understate
25 property tax when plant in service is declining,

1 right?

2 A. Yes.

3 Q. Okay. I just want to make sure we're
4 recognizing both sides of your argument.

5 All right. Let's talk about your
6 discussion that you just mentioned a minute ago, and
7 in your testimony, about truing up property taxes
8 after the end of the test year. So turning to page 5
9 of your supplemental testimony, and in particular
10 lines 1 through 4.

11 A. So we are on the same -- is this question
12 11?

13 Q. This is actually answer 13, and it's
14 after the quote from Ms. Lawler.

15 A. Okay.

16 Q. And I guess I'm wondering why we have a
17 difference here.

18 A. Maybe mine is just printed out
19 differently. I'm sorry.

20 Q. Okay. All right. Is there anything
21 additional in your -- in your copy there that we
22 should be aware of as we are talking today?

23 A. No.

24 Q. What is the date certain in this
25 proceeding, Mr. Meyer?

1 A. March 31, 2022.

2 Q. Okay. And are you familiar with the test
3 year concept in Ohio utility ratemaking?

4 A. I'm familiar with the test year concept
5 in this case.

6 Q. Okay. And would you agree that the
7 purpose of a test year is to identify costs and
8 revenues for the utility that are reasonably
9 representative of the period the rates will be in
10 effect?

11 A. No. I think I would characterize it as
12 you are trying to establish a relationship between
13 revenues, expenses, and rate base that you expect
14 that relationship to be in effect during the year the
15 rates are in effect.

16 Q. Okay. And as we -- you mentioned in your
17 corrections, could you please confirm what is the
18 test year in this proceeding?

19 A. As I stated in my corrections, it's
20 January 1, 2022, through December 31, 2022.

21 Q. So when was the Application in this case
22 filed? Do you recall?

23 A. I don't have that -- I don't think I have
24 that date, but it was prior to -- I believe prior to
25 the beginning -- I don't know. I'm sorry. I don't

1 have that.

2 Q. Does summer of 2022 sound about right to
3 you?

4 A. I would accept that.

5 Q. Okay. And on that date would Duke have
6 had actual data for the full calendar year in 2022 in
7 any aspect of its case?

8 A. No.

9 Q. And do you know when the Staff Report was
10 filed in this case?

11 A. I do have that. There doesn't seem to be
12 a date on it I can find.

13 Q. Would you accept December 22, 2022?

14 A. That's fair.

15 Q. Okay. So as Staff was preparing its
16 report during that time frame, you make the point in
17 your testimony that Staff wouldn't have had access to
18 Duke's actual property expense for calendar year
19 2022, correct?

20 A. Could you repeat that?

21 Q. Sure. So I think you made the point in
22 your testimony that Staff, as it was preparing its
23 report in December of 2022, would not have had access
24 to Duke's actual property expense -- property tax
25 expense, excuse me, for calendar year 2022; is that

1 right?

2 A. Can you show me in my testimony where I
3 make that statement?

4 Q. Sure. When you are talking about the
5 Staff Report -- well, I guess to me it's a
6 fundamental theme of your testimony, that the data
7 for 2022 property taxes wasn't available in
8 respect -- in relation to the Staff Report, that it
9 is based on prior year tax information.

10 A. I don't think that I ever made that
11 assertion.

12 Q. Okay. Would you agree with me that Staff
13 would not have had actual property tax information
14 for calendar year 2022 at the time it prepared its
15 report in December of 2022?

16 A. I can't make that assertion because I
17 believe a tax bill would have been in the possession
18 of Duke at that point.

19 Q. Okay. But my question was -- which tax
20 bill would have been in their possession at that
21 point?

22 A. I think they would have had -- in
23 December 2022, they would have had the bill they
24 needed to pay property taxes in December of 2022 and
25 June of 2023.

1 Q. And that bill would have related to
2 property taxes for the 2021 year; is that right?

3 A. It would have been -- not the 2021 year,
4 no. It would have been related to the taxing of
5 plant in service and investment at December 31, 2021.

6 Q. Okay. That's my -- my point, Mr. Meyer.
7 I am just trying to make sure we are on the same page
8 here about which tax bills it would have been.

9 So your point is that in December of
10 2022, the property tax bill information that would
11 have been available relates to property information
12 through December 31, 2021?

13 A. That's what the tax -- property tax
14 expense would be for the test year in this case,
15 correct.

16 Q. I understand that's your position. My --
17 but I am just asking what information was available.

18 So let me ask this question: As of
19 December 22, 2022, there could have been other
20 accounts payable that were accrued but not yet paid
21 as of December 31, 2022, right?

22 A. Could have been other expenses that you
23 were accruing that you hadn't paid and trued up to?

24 Q. Yes.

25 A. I suppose that possibility exists.

1 Q. Right. It's also true that for the
2 Company's accounts receivable to the extent there
3 could be amounts owed and not actually paid in
4 December 31 of 2022; is that right?

5 A. I suppose that's a possibility as well.

6 Q. For example, the Company would have
7 issued bills to customers in December of 2022 that
8 wouldn't necessarily be paid until January or
9 February or so on of 2023; is that right?

10 A. Well, your revenues -- that's a totally
11 different story. Your revenues are based off 365
12 days of usage and are normalized, so I don't
13 necessarily agree with that concept.

14 Q. Again, I am not asking what should be in
15 the test year, Mr. Meyer. I am just asking isn't it
16 true that the Company would have had revenues in
17 2022, at the end, that would not have been paid or
18 known what would be paid until after the end of 2022?

19 MR. MICHAEL: Objection, asked and
20 answered and argumentative.

21 MS. BRAMA: That's not the answer that --

22 EXAMINER SANDOR: Overruled. He can
23 consider.

24 A. They are considered unbilled revenues.

25 Q. (By Ms.Brama) Okay. And would the

1 Company have accrued for those on its books and
2 records?

3 A. They do accrue for unbilled revenues.

4 Q. Okay. And isn't it also true, Mr. Meyer,
5 that neither the test year costs nor the test year
6 revenues will ever actually match actual revenue
7 expenses for the period rates are in effect?

8 A. That's just what I talked about before,
9 it's a relationship.

10 Q. Right. And isn't it also true that plant
11 in service will move up and down as assets are
12 retired or placed in service during and after the end
13 of the test year?

14 A. Again, it's a relationship.

15 Q. Okay. I would like to have you turn to
16 page 6 of your -- I am going to give the page number
17 first so we can all get there, and then we will
18 figure out the question number.

19 My notes are not based on question
20 numbers. So in my copy it's page 6, line 14, of your
21 supplemental testimony, or answer No. 17.

22 A. Okay.

23 Q. And the question is, "Do you have an
24 estimate on what the impact would be on Duke's
25 revenue requirement," of your alternate methodology?

1 The answer you give is, "Since I do not
2 have a copy of the 2022 actual property tax bill, I
3 cannot provide an impact. However, I am very
4 confident that the 2022 property tax bill will be
5 lower than the amount agreed to in the Settlement.
6 For these reasons, I believe the Settlement should be
7 modified to include the actual level of 2022 property
8 taxes. This modification will in all likelihood
9 reduce the rates for Duke's consumers, thus
10 benefiting the consumers and the public interest."

11 Did I read that properly?

12 A. You did.

13 Q. Now, are you suggesting the 2022 bill,
14 based on 2021 plant, should be used because it's
15 lower?

16 A. No.

17 Q. Okay. Are you suggesting the public
18 interest is solely in lower rates?

19 A. No. I think it's -- this adjustment is
20 based off of what should be included in the test year
21 costs for property taxes.

22 Q. And why are you confident that the 2022
23 property tax bill will be lower than the amount
24 agreed to in the settlement?

25 A. Because the Staff's methodology took

1 plant in service balances out through March 31, 2022,
2 and in a growing plant environment that will
3 overstate the property taxes that are to be paid in
4 December of 2022.

5 Q. Okay. And again, I understand your
6 position about what's overstated, but isn't it true
7 that, in other -- that, in other words, the property
8 tax bill will not include property taxes for new
9 plant in service during the 2022 test year, that's
10 what's causing the plant to grow, right?

11 A. Nor should it.

12 Q. My question is it doesn't include that
13 plant, right?

14 A. Right, because the taxing authorities say
15 that your plant valuation is as of December 31 of the
16 prior year for property taxes paid the next year.

17 Q. So are you suggesting, Mr. Meyer, that in
18 2022, the Company has no obligation and should not
19 record any obligation for plant in service in 2022,
20 until it gets a bill for -- for the taxes due in that
21 year?

22 A. You are going to have to repeat the
23 question.

24 Q. Sure. It probably wasn't a very clear
25 question.

1 Are you suggesting that in 2022, for
2 plant in service in 2022, the Company has no
3 obligation for property taxes until it actually
4 receives a bill in the subsequent year?

5 A. For determining rates they should not
6 include 2022 property tax -- property in the property
7 tax calculation for this case.

8 Q. Once again, Mr. Meyer, that was not my
9 question. My question was not about for determining
10 rates.

11 My question was does the Company have an
12 obligation, does it -- for purposes of its books and
13 records, does it have an obligation to record that it
14 will have a plant -- property tax obligation for
15 plant from 2022, or is the Company only supposed to
16 be recording that obligation when it receives a bill
17 in 2023?

18 MR. MICHAEL: Objection to relevance,
19 your Honor. Counsel said it wasn't about rates.
20 This is a rate case. If it's not about rates, it's
21 not relevant.

22 MS. BRAMA: What I am trying to -- your
23 Honors, what I am trying to address here is the fact
24 that Mr. Meyer is trying to disaggregate ratemaking
25 from how the Company actually accounts for property

1 taxes.

2 EXAMINER SANDOR: We'll overrule it.

3 A. And you should. I mean, ratemaking is a
4 set way to set rates for just and reasonable rates.
5 How you approach --

6 MS. BRAMA: That wasn't -- your Honors,
7 he -- he isn't answering my question.

8 EXAMINER SANDOR: I don't think there is
9 an actual question -- reask your question, please.

10 MS. BRAMA: Okay.

11 Q. (By Ms. Brama) My question was doesn't
12 the Company have an obligation in 2022 for property
13 taxes based on plant in 2022?

14 MR. MICHAEL: You Honor, I just want to
15 object. Duke's counsel has interrupted a number of
16 our witnesses in the pendency of their answers, and I
17 don't know how they do it outside of Ohio, but
18 generally in Ohio, at the PUCO, we let the witness
19 ask -- answer the question. If counsel wants to move
20 to strike it, that's fine.

21 But the interrupting midstream of our
22 witnesses, I would request that we bring that to a
23 close because it's disruptive and not consistent with
24 the practice in my experience in Ohio.

25 EXAMINER SANDOR: We'll ask -- we'll

1 allow the witness to answer -- finish answering the
2 question, and then you can continue. If you prefer
3 to have a motion to strike after that, you can -- you
4 can move for that.

5 MS. BRAMA: Fair enough. I think part of
6 the struggle here is just asking the witness to
7 answer the question I am asking.

8 EXAMINER SANDOR: I understand.

9 Q. (By Ms. Brama) Would you need me to have
10 the court reporter read the question back?

11 A. Sure.

12 MS. BRAMA: Could you please read the
13 question back?

14 (Record read.)

15 A. And my answer is I'm not sure how the
16 Company accrues for property taxes in 2022, but if
17 they are accruing for property taxes in 2022
18 associated with plant in 2022, then the true-up at
19 the end of December will result in a -- in an -- the
20 actual will result in the fact that you over-accrued
21 property taxes.

22 Q. That's assuming that plant growth was
23 higher than it had been in prior years in your view,
24 right?

25 A. No, any growth.

1 Q. Okay. Any growth. And if it goes the
2 other way, then those would be understated in your
3 view?

4 A. Just like we talked about before.

5 Q. Okay. And isn't it true, Mr. Meyer, that
6 the property that is in service and placed in service
7 in 2022 is, in fact, serving customers in that year
8 and in the years beyond?

9 A. Plant -- when a plant is in service, it
10 begins serving customers, correct.

11 Q. Okay. Thank you.

12 I would like to change topics at this
13 point, and I am going to ask you to turn to your
14 direct testimony and Attachment GRM-1.

15 A. I'm there.

16 Q. Okay. In your -- just in -- generally
17 speaking, in your supplemental direct testimony,
18 Mr. Meyer, you were asked to calculate the net book
19 value of the propane caverns; is that right?

20 A. That's correct.

21 Q. And I am not going to ask you about that
22 at this point, we will get to that in a minute, but
23 in your direct testimony you were asked overall to
24 identify the adjustments in the Staff Report that the
25 OCC accepted, those rejected, and then those

1 additional adjustments that the OCC proposed; is that
2 right?

3 A. That's correct.

4 Q. Okay. And so when we look at your
5 Attachment GRM-1 to your direct testimony, this is
6 your OCC revenue requirement comparison; is that
7 right?

8 A. Correct.

9 Q. Okay. So if you could turn to what's
10 been labeled page 3 of 11 in that schedule.

11 A. I'm there.

12 Q. And this adjustment -- or this page 3 is
13 a list of the rate base adjustments in the Staff
14 Report with which you agree and disagree; is that
15 right?

16 A. Correct.

17 Q. And this schedule does not include an
18 adjustment for propane caverns, right?

19 A. Correct.

20 Q. And, in fact, at the bottom of this
21 adjustment, Staff has -- excuse me, OCC has a
22 placeholder that notes additional plant depreciation
23 and other rate base adjustments and for which it says
24 there are none at the very bottom of this page.

25 A. Correct. Sorry.

1 Q. Okay. So if we turn to the same
2 attachment but page 6 of 11, again going by the upper
3 right corner designation.

4 A. Yes.

5 Q. This is your revenue and expense
6 adjustment schedule, correct?

7 A. Correct.

8 Q. And then we go down to make the following
9 additional adjustments, and there you note "OCC
10 Propane Cavern Amortization" on line 27 should be
11 zero.

12 A. Right.

13 Q. And then on line 31 is the propane
14 amortization adjustment that OCC does not accept from
15 Staff --

16 A. Yes.

17 Q. -- is that right?

18 Okay. So now I am going to ask you to
19 look to page 10 of your supplemental direct testimony
20 which -- in Table 1.

21 A. On my supplemental? I'm sorry.

22 Q. Yes, your supplemental testimony.

23 A. It would be helpful if I get the right
24 exhibit. I'm there.

25 Q. Okay. So this is your calculation of the

1 adjusted net book value of propane caverns; is that
2 correct?

3 A. Correct.

4 Q. And did you also look at the information
5 Duke Energy Ohio provided of the calculation of the
6 net book value in its Application?

7 A. I think I looked at it, yes.

8 Q. Maybe it would be helpful if we just
9 showed you the page. I just have a couple questions
10 for you about this.

11 MS. BRAMA: We are going to -- we have
12 copies of Schedule C-3.2 to the Application which
13 we'll pass out for convenience. I was not planning
14 to have this marked since the Application is already
15 in the record.

16 EXAMINER SANDOR: Okay.

17 Q. (By Ms. Brama) Do you have that there,
18 Mr. Meyer?

19 A. I have Schedule C-3.2.

20 Q. Thank you. And did you look at this
21 schedule in preparing your adjusted net book value in
22 Table 1?

23 A. This one sheet right here?

24 Q. Well, this is the -- I am asking if you
25 looked at this as part of your overall review of the

1 propane cavern values.

2 A. Well, there is nothing on here that would
3 support Table 1.

4 Q. Okay. But I am asking, did you look at
5 this in your preparation?

6 A. No, because I think I need more detail
7 behind it.

8 Q. Okay. And maybe that's where we need to
9 direct your attention to the upper left where it
10 says, "Data: 3 months actual & 9 months estimated."
11 Do you see that?

12 A. I do.

13 Q. And there is a reference to some
14 workpapers there. Do you see those references?

15 A. I do.

16 MS. BRAMA: Okay. And I am going to ask
17 that we may approach, your Honors?

18 EXAMINER SANDOR: You may.

19 MS. BRAMA: We will share with you those
20 workpapers. And I believe these will be marked as
21 Duke Hearing Exhibit 14. I will check my notes.

22 EXAMINER SANDOR: Yes. So marked.

23 (EXHIBIT MARKED FOR IDENTIFICATION.)

24 Q. (By Ms. Brama) Are you ready? I wanted
25 to give you a moment to look at it.

1 A. I'm fine. I'm fine.

2 Q. So showing you what's been premarked as
3 Exhibit 14, do you see that this is labeled in the
4 upper right, "Duke Energy Ohio," and it's a response
5 to OCC's First Set for Production of Documents,
6 marked "PUBLIC"?

7 A. I'm sorry, could you repeat that? I was
8 still looking at the schedule.

9 Q. Sure. We will get there in a minute. I
10 just wanted to make sure we have some context for
11 what we are looking at.

12 Do you see in the upper right-hand corner
13 of the first page of this Exhibit 14 it references
14 Duke Energy Ohio, the case number, and OCC's First
15 Set for Production of Documents, and then we have
16 OCC's request and Duke Energy Ohio's response?

17 A. Okay.

18 Q. So this is a discovery response, right?

19 A. Yes.

20 Q. And then if we turn to the next page.
21 Now, this was a much longer set of documents, and I
22 am trying to just keep it to what's relevant to our
23 discussion here, but do you see that the next two
24 pages are marked in the upper -- not the very upper
25 right corner but sort of the upper right corner of

1 the table on each page WPC-3.2a and WPC-3.2b?

2 A. I see that.

3 Q. Those are the same workpaper references
4 that we looked at in the schedule from Duke's
5 Application; is that right?

6 A. Correct.

7 Q. Okay. And I would like to direct your
8 attention to WPC-3.2a.

9 A. Okay.

10 Q. And you see there that the first line,
11 "Propane Caverns - Net Book Value as of 3/31/22," has
12 that same 18,796,209 value that's in your Table 1?

13 A. Correct.

14 Q. What I saw appeared to be missing from
15 your table, but is in the schedule, is the net book
16 value April 2022 true-up of 51,494. Do you see that?

17 A. Excuse me. I do.

18 Q. Did you look at this workpaper in
19 preparing your schedule?

20 A. I thought we relied on the Staff's
21 workpaper on this, but I don't have that information
22 in front of me.

23 Q. And if the Staff's workpaper included
24 that same adjustment, would you agree it should also
25 be included in your schedule?

1 A. Yes.

2 MS. BRAMA: Okay. Thank you. That's all
3 I have.

4 EXAMINER SANDOR: Okay. Any other
5 questions?

6 Okay. Any redirect?

7 MR. MICHAEL: Could we have a moment,
8 your Honor, please?

9 EXAMINER SANDOR: You may.
10 Let's go off the record.

11 (Recess taken.)

12 EXAMINER SANDOR: Let's go on the record.

13 MR. MICHAEL: Thank you, your Honor. No
14 redirect.

15 EXAMINER SANDOR: All right. Thank you.
16 Thank you.

17 THE WITNESS: Thank you.

18 EXAMINER SANDOR: Thank you very much.

19 Okay. OCC -- any objections to OCC
20 Exhibits 10 and 11 being admitted?

21 Hearing none, OCC Exhibits 10 and 11 are
22 admitted.

23 (EXHIBITS ADMITTED INTO EVIDENCE.)

24 EXAMINER SANDOR: And then, Duke, would
25 you like to move for Exhibit 14?

1 MS. BRAMA: I would.

2 EXAMINER SANDOR: All right. Any
3 objections?

4 Hearing none, Duke Exhibit 14 is
5 admitted.

6 (EXHIBIT ADMITTED INTO EVIDENCE.)

7 EXAMINER SANDOR: OCC, anything else?

8 MR. MICHAEL: No, your Honor.

9 EXAMINER SANDOR: Thank you.
10 Staff.

11 MR. EUBANKS: Do you want me to restate
12 about the stipulated witnesses or --

13 EXAMINER WALSTRA: Yes, please.

14 MR. EUBANKS: Your Honor, I've spoken
15 with the parties. They are willing to agree to
16 stipulate to the admission of Tornain Matthews'
17 prefiled testimony, James Ripke's prefiled testimony,
18 and Craig Smith's prefiled testimony. They have all
19 agreed to waive cross.

20 I would like to -- if we are going to
21 have Staff's Exhibit 1 be the Staff Report, then I
22 would like to have Tornain Matthews' prefiled
23 testimony marked as Staff's Exhibit 2, James Ripke's
24 prefiled testimony marked as Staff's Exhibit 3, and
25 Craig Smith's prefiled testimony marked as Staff's

1 Exhibit 4.

2 EXAMINER WALSTRA: Those Staff
3 Exhibits 1, 2, 3, and 4 will be so marked.

4 (EXHIBITS MARKED FOR IDENTIFICATION.)

5 EXAMINER WALSTRA: OCC, is that your
6 understanding as to Exhibits 2, 3, and 4, and no
7 objections to their admission?

8 MR. MICHAEL: That is my understanding
9 and no objection, your Honor.

10 MR. EUBANKS: Also, OCC has agreed to
11 only cross David Lipthratt with regard to his
12 prefiled testimony in support of the Stipulation and
13 I -- and also to -- agree to the admission of his
14 testimony.

15 I ask now whether or not that's the same
16 for all the parties? So it seems all parties have
17 agreed to the admission of his...

18 MS. AKHBARI: That's fine with the
19 Company, your Honor.

20 MR. EUBANKS: What was that?

21 MS. AKHBARI: No objections.

22 EXAMINER WALSTRA: No objections.

23 MR. EUBANKS: Okay. It seems like all
24 the parties have agreed to the admission of David
25 Lipthratt's testimony in response to objections to

1 the Staff Report, have waived cross. I would like
2 that to be marked as Staff's Exhibit 5.

3 EXAMINER WALSTRA: So marked.

4 (EXHIBIT MARKED FOR IDENTIFICATION.)

5 MR. EUBANKS: And with that I would like
6 to call to the stand James Zell.

7 EXAMINER WALSTRA: I guess we will
8 formally admit Staff Exhibits 2, 3, 4, and 5.

9 (EXHIBITS ADMITTED INTO EVIDENCE.)

10 EXAMINER WALSTRA: Please raise your
11 right hand.

12 (Witness sworn.)

13 EXAMINER WALSTRA: Have a seat. Just hit
14 that button to turn your mic on.

15 - - -

16 JAMES G. ZELL

17 being first duly sworn, as prescribed by law, was
18 examined and testified as follows:

19 DIRECT EXAMINATION

20 By Mr. Eubanks:

21 Q. If you would, could you please state and
22 spell your name for the record?

23 A. Yes. My name is James Zell, J-A-M-E-S
24 Z-E-L-L.

25 Q. And did you file prefiled testimony in

1 this matter?

2 A. Yes, I did.

3 MR. EUBANKS: May I approach the witness?

4 EXAMINER WALSTRA: You may.

5 EXAMINER SANDOR: I'll take a copy.

6 MR. EUBANKS: Your Honors, I would like
7 to have marked as -- I believe we are on 6.

8 EXAMINER WALSTRA: Yes.

9 MR. EUBANKS: Have marked as Staff's
10 Exhibit 6 the prefiled testimony of James Zell.

11 EXAMINER WALSTRA: So marked.

12 (EXHIBIT MARKED FOR IDENTIFICATION.)

13 Q. (By Mr. Eubanks) Do you have before you
14 what has been marked Staff's Exhibit 7 -- 6?

15 A. 6, yes, I do.

16 Q. Could you identify it?

17 A. This is my prefiled testimony.

18 Q. Could you look through it and tell me if
19 it's a true and accurate copy?

20 A. Yes. I believe it appears to be an
21 accurate copy.

22 Q. Was it prepared by you or under your
23 direction?

24 A. Yes, it was.

25 Q. If I were to ask you the same questions

1 here today that are found in your testimony, would
2 you provide the same answers?

3 A. Yes, I would.

4 MR. EUBANKS: With that I have no more
5 questions for the witness. I would like to move to
6 have James Zell's testimony placed into evidence,
7 subject to cross-examination, and I offer the witness
8 for cross.

9 EXAMINER WALSTRA: Thank you.

10 OCC?

11 MR. MICHAEL: Thank you, your Honor.

12 - - -

13 CROSS-EXAMINATION

14 By Mr. Michael:

15 Q. Good morning, Mr. Zell. My name is Bill
16 Michael. I'm an Assistant Consumers' Counsel with
17 the Office of Ohio Consumers' Counsel. I don't think
18 I've had the pleasure of questioning you, but I look
19 forward to it, and it's nice to meet you.

20 If you could begin by turning to page 3
21 of your testimony, and they aren't numbered, but it's
22 Q -- Q and A 7.

23 A. I'm there.

24 Q. And, Mr. Zell, if I could draw your
25 attention, please, to line 17 of your testimony, and

1 in specific, the reference to "51.38 percent." Do
2 you see that?

3 A. I do.

4 Q. Staff did not recommend using
5 51.38 percent equity ratio in this case, correct?

6 A. That is correct.

7 Q. Staff did not calculate the impact on
8 consumers of using 51.38 percent instead of
9 52.32 percent, correct?

10 A. I personally did not review any bill
11 impacts associated with using a hypothetical capital
12 structure in this case.

13 Q. Okay. If you would please turn to the
14 next page, Mr. Zell, that is page 4. And I would
15 like to draw your attention to lines 2 and 3, please.

16 A. I'm there.

17 Q. You state there, "Staff does not view
18 Duke's equity capitalization in this case as
19 unreasonable," correct?

20 A. That is correct.

21 Q. And Duke's equity capitalization in this
22 case will result in higher charges on consumers than
23 what was recommended by OCC in this case, correct?

24 A. I would imagine so, yes.

25 Q. Mr. Zell, are you familiar with the

1 concept of double leveraging?

2 A. I am generally aware of it.

3 Q. Okay. And if I described it as a parent
4 company having a high debt and an operating company
5 having high equity, would that be consistent with
6 your understanding of that concept?

7 A. That is a very high level approach to
8 that. There is a little more to it, but I would not
9 dispute that that is one of the effects.

10 Q. Okay. Double leveraging, all else being
11 equal, will result in a higher rate of return for the
12 operating company, correct?

13 A. A higher level of equity in the
14 capitalization due to the higher costs associated
15 with that equity would result in a higher rate of
16 return percentage, yes.

17 Q. Mr. Zell, do you know the capital
18 structure of Duke Ohio's parent company?

19 A. I do not have that committed to memory,
20 but in -- I believe that was referenced in other
21 testimony in the case, other witnesses.

22 Q. If I represented to you, Mr. Zell, that
23 the capital structure of Duke Ohio's parent company
24 was 59.51 percent debt, does that refresh your
25 recollection about what the number is?

1 A. Subject to verification, I'm not going to
2 dispute that number.

3 Q. Okay. Thank you, Mr. Zell.

4 I apologize, Mr. Zell, but I am going to
5 ask you to go back to page 3 of your testimony, if
6 you would, please.

7 A. Okay.

8 Q. And, Mr. Zell, I am going to, in
9 particular, draw your attention to line 17 on page 3
10 and continuing on to line 1 on the top of page 4.
11 And in that testimony you reference the lingering
12 effects from the 2000 [SIC] financial crisis and
13 other matters, correct?

14 A. Yes. And in those lines I'm referencing
15 an article that was talking about the trend of
16 operating companies, specifically natural gas
17 utilities, having a greater amount of equity as a
18 percentage of their capitalization due to lingering
19 effects of 2008 financial crisis as well as the tax
20 law changes that were effectuated in 2018.

21 Q. Indeed. Thank you, Mr. Zell.

22 These various matters affected Duke Ohio
23 and its parent company, correct?

24 A. Yes. I believe all publicly-traded
25 companies were impacted in some way or another.

1 MR. MICHAEL: No doubt. I appreciate it,
2 Mr. Zell. Thank you very much.

3 I have no further questions, your Honor.

4 EXAMINER WALSTRA: Thank you.

5 Anything from Duke?

6 MS. AKHBARI: Nothing from the Company.

7 EXAMINER WALSTRA: Any redirect?

8 MR. EUBANKS: No, your Honor.

9 EXAMINER WALSTRA: Thank you for your
10 testimony.

11 Any objections to the admission of Staff
12 Exhibit 6?

13 MR. MICHAEL: No, your Honor.

14 EXAMINER WALSTRA: It will be admitted.

15 (EXHIBIT ADMITTED INTO EVIDENCE.)

16 EXAMINER WALSTRA: Staff, you may call
17 your next witness.

18 MR. EUBANKS: Yes, your Honor. I would
19 like to call to the stand Workineh Negewo.

20 EXAMINER SANDOR: Would you raise your
21 right hand.

22 (Witness sworn.)

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WORKINEH NEGEWO

being first duly sworn, as prescribed by law, was
examined and testified as follows:

DIRECT EXAMINATION

By Mr. Eubanks:

Q. Could you please state and spell your
name for the record?

A. My name is it Workineh Negewo,
W-O-R-K-I-N-E-H, last name N-E-G-E-W-O.

Q. Did you file prefiled testimony in this
matter?

A. Yes.

EXAMINER SANDOR: Would you speak a
little bit closer to the microphone?

EXAMINER WALSTRA: You can move that
closer.

A. Yes.

MR. EUBANKS: May I approach the witness?

EXAMINER SANDOR: You may.

MR. EUBANKS: Your Honor, I would like to
have marked as Staff Exhibit 7 the prefiled testimony
of Workineh Negewo.

EXAMINER SANDOR: So marked.

(EXHIBIT MARKED FOR IDENTIFICATION.)

Q. (By Mr. Eubanks) Could you please view

1 the document that has been marked as Staff's
2 Exhibit 7 and identify it, if you could?

3 A. Yes. It is my prefiled testimony.

4 Q. Was it prepared by you or under your
5 direction?

6 A. Yes.

7 Q. Is the copy you are looking at a true and
8 accurate copy of your testimony?

9 A. Yes, it is.

10 Q. Are there any corrections you would like
11 to make to your testimony?

12 A. No.

13 Q. If I were to ask you the same questions
14 that are found in your testimony today, would you
15 provide the same answers?

16 A. Would be, yes.

17 MR. EUBANKS: With that, I would like to
18 move to have Staff's Exhibit 7 placed into evidence,
19 subject to cross-examination. I have no more
20 questions for the witness and offer him for cross.

21 EXAMINER SANDOR: OCC.

22 MR. MICHAEL: Thank you, your Honor.

23 - - -

24

25

CROSS-EXAMINATION

By Mr. Michael:

Q. Good morning, Mr. Negewo.

A. Good morning.

Q. My name is Bill Michael. I'm an Assistant Consumers' Counsel at the Office of Ohio Consumers' Counsel. Like Mr. Zell, I don't think I have had the pleasure of asking you questions before, but I look forward to it. It's nice to meet you.

Mr. Negewo, I would like to draw your attention to page 3, lines 4 through 7, of your testimony, please.

A. You said page 4?

Q. No, Mr. Negewo, page 3, please, lines 4 through 7.

A. I'm there.

Q. Okay. And it states there, Mr. Negewo, "Staff did not perform analyses regarding inflation or possible recession nor did Staff evaluate alternative revenue allocation methodologies that moved classes away from the cost to serve each class."

Did I read that correctly?

A. Yes.

Q. And, Mr. Negewo, are you familiar with

1 the ratemaking statute in the State of Ohio, 4909.15?

2 A. Generally, yes.

3 Q. Okay. And as a general proposition, part
4 of the PUCO's charge is to set just and reasonable
5 rates under that statute; is that correct?

6 A. Yes.

7 Q. Okay. And when determining just and
8 reasonable rates, would you recommend that the PUCO
9 consider such matters as inflation and possible
10 recession?

11 A. Staff typically doesn't -- Staff look at
12 what the Company -- the Company's Application, and in
13 this case the Staff did not perform any inflation --
14 Staff did not perform any analysis regarding
15 inflation in this case.

16 Q. Nor possible recession, correct?

17 A. Yes.

18 Q. Okay. Mr. Negewo, would you agree that
19 principles, other than cost of service, should be
20 considered in allocating rates in a rate case?

21 A. Can you repeat that question, please?

22 Q. Certainly.

23 MR. MICHAEL: May I have it read back,
24 your Honor?

25 EXAMINER SANDOR: You may.

1 Karen, if you don't mind.

2 (Record read.)

3 A. There are several factors that may be
4 considered in the setting rates in addition to the
5 cost of service, yes.

6 Q. Thank you. Now, Mr. Negewo, we are going
7 to stay on page 3, and if I could draw your attention
8 to lines 15 through 16, please.

9 A. I'm there.

10 Q. Thank you. And it states, "Generally,
11 Staff investigates rate and tariff matters in a
12 proposed application when the Company proposes
13 modifications."

14 Did I read that correctly?

15 A. Yes.

16 Q. Nothing requires Staff's investigation to
17 be limited to proposed modifications, correct?

18 A. Yes.

19 Q. And, Mr. Negewo, we are going to stay on
20 the same page, page 3, if I could draw your attention
21 to lines 19 and 20, please.

22 A. Yes.

23 Q. And it states, "In preparation of the
24 Staff Report, Staff did not perform analysis
25 regarding rate design alternatives for Duke's

1 residential customers," correct?

2 A. Yes.

3 Q. And, Mr. Negewo, nothing prevents Staff
4 from performing analysis regarding rate design
5 alternatives for Duke's residential consumers,
6 correct?

7 A. Yes.

8 Q. We are going to go to page 4, if we can,
9 Mr. Negewo, and I am going to draw your attention to
10 line 5, please, on page 4.

11 A. Okay. I'm there.

12 Q. Do you see a reference there to the
13 general service customers?

14 A. Which line?

15 Q. Line 5.

16 A. Yes.

17 Q. Could you please describe for me who the
18 general service customers are?

19 A. General service customers are large and
20 small general service customers under the Company's
21 tariff.

22 Q. And would -- would general service
23 customers include residential consumers?

24 A. No.

25 Q. Okay. We are going to stay on line -- or

1 pardon me, page 4, Mr. Negewo, and if I could draw
2 your attention to lines 13 through 20. And if you go
3 ahead and read that, because I am referring to a lot
4 of lines, and let me know when you have had an
5 opportunity to do so.

6 A. Line 13 through?

7 Q. 20.

8 A. "Staff's recommendations are in the Rate
9 Classes section of the Staff Report. In summary,
10 Staff recommended that the Commission require the
11 Company to perform an analysis to determine whether
12 customers within the general service rate class have
13 homogeneous cost drivers or similar causation
14 characteristics. The goal of the analysis should be
15 to verify that no significant measurable distinction
16 exists within each of the existing small and large
17 general service customer classes arising from
18 variation in plant and equipment used or usage demand
19 variations."

20 Q. Thank you, Mr. Negewo.

21 Staff did not make the same
22 recommendation for residential consumers, correct?

23 A. No.

24 Q. And nothing prevented Staff from doing
25 so, however, correct?

1 A. Well, this -- Staff did not do an
2 analysis for residential classes. In the last rate
3 case the Staff noted in the Staff Report that the
4 general service customer classes are much less
5 homogenous than residential customer classes. The
6 analysis for GS customers is based on that premise.

7 In this case residential class -- the
8 Company did not propose any modification to the
9 already approved rate design for residential
10 customers, and Staff did not do an analysis --
11 alternative rate design for residential classes.

12 Q. And nothing -- Staff did not, but nothing
13 prevented Staff from doing so; is that correct?

14 A. No, that's not our recommendation.

15 MR. MICHAEL: Okay. Thank you, your
16 Honor. I have no further questions.

17 EXAMINER SANDOR: Any questions from
18 Duke?

19 MS. AKHBARI: No, your Honor.

20 EXAMINER SANDOR: Any other parties?

21 Okay. Staff, any redirect?

22 MR. EUBANKS: Can we have a moment to?

23 EXAMINER SANDOR: You may.

24 Let's go off the record.

25 (Recess taken.)

1 EXAMINER SANDOR: Let's go on the record.
2 Staff?

3 MR. EUBANKS: No questions, your Honor.

4 EXAMINER SANDOR: Thank you.

5 All right. Any objections -- sorry.

6 Yes, any objections to Staff Exhibit 7 being
7 admitted?

8 Hearing none, Staff Exhibit 7 is
9 admitted.

10 (EXHIBIT ADMITTED INTO EVIDENCE.)

11 EXAMINER SANDOR: You may call your next
12 witness.

13 MR. EUBANKS: Yes, your Honor. I would
14 like to call to the stand David Lipthrott.

15 EXAMINER WALSTRA: Raise your right hand.
16 (Witness sworn.)

17 EXAMINER WALSTRA: Thank you. Take a
18 seat.

19 - - -

20 DAVID M. LIPTHRATT
21 being first duly sworn, as prescribed by law, was
22 examined and testified as follows:

23 DIRECT EXAMINATION

24 By Mr. Eubanks:

25 Q. Hello. Could you please state and spell

1 your name for the record?

2 A. Yes. My name is David Lipthratt,
3 D-A-V-I-D L-I-P-T-H-R-A-T-T.

4 Q. And did you file testimony in this
5 matter?

6 A. I did.

7 MR. EUBANKS: May I approach the witness?

8 EXAMINER WALSTRA: You may.

9 Q. (By Mr. Eubanks) Do you see the document
10 I have handed you?

11 A. I do.

12 Q. Could you identify it?

13 A. This is my prefiled testimony in support
14 of the Stipulation.

15 MR. EUBANKS: Your Honor, I would like to
16 have David Lipthratt's prefiled testimony in support
17 of the Stipulation marked as Staff's Exhibit 8.

18 EXAMINER WALSTRA: So marked.

19 (EXHIBIT MARKED FOR IDENTIFICATION.)

20 Q. (By Mr. Eubanks) Was it prepared by you
21 or under your direction?

22 A. It was.

23 Q. Could you look through the document and
24 determine if it is a true and accurate copy?

25 A. It is.

1 Q. Are there any corrections you would like
2 to make?

3 A. Yes, there are two corrections.
4 Unfortunately they are not page numbered but --

5 Q. If you would refer to them by the
6 question and answer number.

7 A. Yes. So it's question -- question 12,
8 the answer on the -- on the second page, the table
9 where it speaks to the continuation of Rider CEP, the
10 table needs to be corrected.

11 In that "2022" column the Company
12 requested amount should be "\$3" and not "\$5," and the
13 first sentence following the table, "While the
14 Application proposed \$30," the "\$30" should be
15 stricken and replaced with "28."

16 EXAMINER WALSTRA: The "\$3," is that for
17 each of those years?

18 THE WITNESS: Just 2022.

19 EXAMINER WALSTRA: Just 2022.

20 THE WITNESS: Yes, sir.

21 Q. (By Mr. Eubanks) Are there any other
22 changes you would like to make?

23 A. No, sir.

24 Q. If I were to ask you the same questions
25 that are found in your testimony, would you provide

1 the same answers here today?

2 A. I would.

3 MR. EUBANKS: With that, I would like to
4 move to have Staff's Exhibit 8 admitted into the
5 evidence, subject to cross-examination. I have no
6 more questions, and I offer the witness for cross.

7 EXAMINER WALSTRA: Thank you.

8 OCC?

9 MR. MICHAEL: Thank you, your Honor.

10 - - -

11 CROSS-EXAMINATION

12 By Mr. Michael:

13 Q. Good morning Mr. Lipthratt.

14 A. Good morning.

15 Q. Unlike Mr. Zell and Mr. Negewo, I have
16 had the privilege of asking you questions before, and
17 it's good to see you again.

18 A. Same here.

19 Q. I would like to draw your attention, if I
20 could, Mr. Lipthratt, to page 5 of your testimony,
21 and they aren't numbered, so I am going to count them
22 just to make sure. Yes.

23 And, in particular, lines 2 and 3,
24 Mr. Lipthratt. So this would be right above the
25 table that you made the correction to.

1 A. I'm there.

2 Q. And, Mr. Lipthratt, in the first bullet
3 point you state, among other things, a reference to,
4 "make the investments necessary to maintain safe and
5 reliable service," correct?

6 A. Yes, sir.

7 Q. That's in reference to the CEP, correct?

8 A. Yes, sir.

9 Q. Mr. Lipthratt, Duke would have to
10 maintain safe and reliable service without the CEP,
11 correct?

12 A. That would be correct.

13 Q. And I am going to stay on the same page,
14 Mr. Lipthratt, and draw your attention to lines 13
15 and 14, please.

16 A. I'm there.

17 Q. And it states on those lines,
18 Mr. Lipthratt, "Includes \$200,000 per year in
19 shareholder contributions to PWC to be used to
20 support low-income weatherization."

21 Did I read that correctly?

22 A. Yes, sir.

23 Q. And, Mr. Lipthratt, that level of
24 shareholder contributions is less than it currently
25 is, correct?

1 A. I believe so.

2 Q. And as proposed in this case, consumer
3 funding for lower income weatherization remains the
4 same prior to this case, and then if this -- you
5 know, depending on the outcome of this case, as a
6 result of this case, correct?

7 A. I believe that's correct.

8 MR. MICHAEL: Thank you, Mr. Lipthratt.

9 I have no further questions, your Honor.

10 EXAMINER WALSTRA: Thank you.

11 Anything from Duke?

12 Any redirect?

13 MR. EUBANKS: I have no redirect, your
14 Honor.

15 EXAMINER WALSTRA: Thank you.

16 Any objections to the admission of Staff
17 Exhibit 8?

18 Hearing none, it will be admitted.

19 (EXHIBIT ADMITTED INTO EVIDENCE.)

20 EXAMINER WALSTRA: I believe we also have
21 Joint Exhibit 1, the Stipulation.

22 MR. D'ASCENZO: Yes, your Honor. At this
23 time I would like to renew our motion for the
24 admission of Joint Exhibit 1, the Stipulation and
25 Recommendation filed in this case.

1 EXAMINER WALSTRA: Thank you.

2 Any objections to the admission?

3 Hearing none, Joint Exhibit 1 will be
4 admitted.

5 (EXHIBIT ADMITTED INTO EVIDENCE.)

6 EXAMINER WALSTRA: Before we discuss
7 briefing schedule, anything other -- else from the
8 parties?

9 MR. EUBANKS: Yes, your Honors. I just
10 want to make sure, has there already been a ruling on
11 Staff Exhibit 1? I believe it's automatically
12 admitted, but nonetheless.

13 EXAMINER WALSTRA: I believe that is
14 correct.

15 Any objections to the admission of Staff
16 Exhibit 1?

17 Hearing none, it will be admitted.

18 (EXHIBIT ADMITTED INTO EVIDENCE.)

19 EXAMINER WALSTRA: Anything else besides
20 discussing briefing?

21 MS. AKHBARI: Can I ask a clarifying
22 question? I apologize. Staff's Exhibit 5, what was
23 Staff 5?

24 EXAMINER WALSTRA: That was Lipthrott's
25 response to the objections.

1 MS. AKHBARI: Oh, I see. Got it. Thank
2 you.

3 EXAMINER WALSTRA: We can go off the
4 record to figure out a briefing schedule.

5 (Discussion off the record.)

6 EXAMINER WALSTRA: We'll go back on the
7 record.

8 After some discussion off record on
9 briefing schedules, initial briefs will be due
10 June 16 and replies will be due July 14.

11 If there is nothing else to come before
12 the Bench, we are adjourned.

13 (Thereupon, at 11:15 a.m., the hearing
14 was adjourned.)

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CERTIFICATE

I do hereby certify that the foregoing is
a true and correct transcript of the proceedings
taken by me in this matter on Wednesday, May 24,
2023, and carefully compared with my original
stenographic notes.

Karen Sue Gibson, Registered
Merit Reporter.

(KSG-7468)

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**Case No(s). 22-0507-GA-AIR, 22-0508-GA-ALT, 22-0509-GA-ATA, 22-0510-GA-
AAM**

Summary: Transcript of the Duke Energy Ohio, Inc. hearing held on 05/24/23 -
Volume II electronically filed by Mr. Ken Spencer on behalf of Armstrong & Okey,
Inc. and Gibson, Karen Sue Mrs..