

BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

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In the Matter of the :
Application of Ohio Power :
Company for Authority to :
Establish a Standard :
Service Offer Pursuant to : Case No. 23-23-EL-SSO
R.C. 4928.143, in the Form:
of an Electric Security :
Plan. :

In the Matter of the :
Application of Ohio Power :
Company for Approval of : Case No. 23-24-EL-AAM
Certain Accounting :
Authority. :

- - -

PROCEEDINGS

before Ms. Greta See and Ms. Megan Addison, Attorney
Examiners, at the Public Utilities Commission of
Ohio, 180 East Broad Street, Room 11-A, Columbus,
Ohio, called at 9:14 a.m. on Wednesday, October 11,
2023.

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VOLUME II

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Wednesday Morning Session,
October 11, 2023.

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EXAMINER SEE: Let's go on the record.

We are resuming Case No. 23-23-EL-SSO, et al., the Ohio Power Company ESP V case.

At this time I would like to take brief appearances of the parties. Let's start with the Applicant and go around the room.

MR. NOURSE: Thank you, your Honor. On behalf of Ohio Power Company, Steven T. Nourse, Michael J. Schuler, Christopher L. Miller, and Eric B. Gallon.

MR. PROANO: Good morning, your Honors. David Proano for Ohio Energy Leadership Council.

MS. PETRUCCI: Good morning, your Honors. Gretchen Petrucci on behalf of the Ohio Cable Telecommunications Association and with Anna Sanyal as well.

EXAMINER SEE: Go ahead.

MR. SETTINERI: Good morning, your Honors. On behalf of Constellation, Mike Settineri and Gretchen Petrucci. Thank you.

MR. MARGARD: Good morning, your Honors. On behalf of the Staff of the Public Utilities

Commission of Ohio, Werner Margard, Ambrosia Wilson,
and Ashley Wnek, Assistant Attorneys General.

MR. DUNN: Good morning, your Honors.
James Dunn on behalf of One Energy Enterprises, Inc.

MS. GRUNDMANN: Good morning, your
Honors. Carrie Grundmann on behalf of Walmart, Inc.

MS. COHN: Good morning, your Honors. On
behalf of the Ohio Energy Group, Judy Kyler Cohn and
Michael Kurtz.

MS. WALKE: Good morning, your Honor.
Avery Walke on behalf of RESA.

MR. BETTERTON: Good morning, your
Honors. Evan Betterton on behalf IGS Energy.

MR. MICHAEL: Good morning, your Honors.
On behalf of AEP's residential utility consumers, the
Office of the Ohio Consumers' Counsel by Bill
Michael, Connor Semple, and Don Kral.

MS. WHITFIELD: Good morning, your
Honors. On behalf of The Kroger Company, Angela Paul
Whitfield.

MS. EASLEY: Good morning, your Honors.
On behalf of the Ohio Manufacturers' Association
Energy Group, Kimberly W. Bojko and Emma Easley.

MR. BOBB: Good morning, your Honors. On
behalf of Ohio Partners for Affordable Energy,

1 Nicholas Bobb.

2 MR. WHITT: Mark Whitt for Calpine Retail
3 Holdings.

4 MS. NORDSTROM: Good morning. On behalf
5 of the Ohio Environmental Council, Karen Nordstrom
6 and Chris Tavenor.

7 MS. McCONNELL: Good morning, your
8 Honors. On behalf of the Environmental Law & Policy
9 Center, Erica McDonnell and Rob Kelter.

10 EXAMINER SEE: Okay. Thank you.

11 I understand that there was an issue that
12 AEP wanted to bring up before we got started with the
13 firsts witness.

14 MR. NOURSE: Yes, your Honor. So
15 yesterday there were two conflicting rulings, and I
16 would like to talk about I have a couple of requests
17 about that. And the conflicting rulings I am
18 referring to are regarding Calpine Witness Merola's
19 original direct testimony.

20 In looking at the interlocutory appeal
21 option to try to get this resolved, that's going to
22 be an ineffective remedy due to the timing, so it
23 would be highly likely it gets filed and then not
24 addressed during the course of this hearing.

25 So I would like to try to work with the

1 Bench to get some of these issues resolved. My first
2 request is that you reconsider the second ruling in
3 the afternoon. I think it was based on a false
4 premise offered by Mr. Whitt. I would like to go
5 into that a little bit.

6 Of course, in looking at the transcript
7 last night, you see on page 10 that Examiner See
8 indicated that the Calpine testimony will not be able
9 to be presented and that the ruling -- the entry for
10 the schedule was more than an invitation. And that
11 was the ruling in the morning.

12 In the afternoon Mr. Whitt -- and I am
13 looking at page 12 of the transcript now. Mr. Whitt
14 indicated that for the record "I'm not sure anybody
15 has considered that perhaps the reason testimony in
16 opposition of the Stipulation wasn't filed is that my
17 client's position may be that it doesn't necessarily
18 oppose the Stipulation." And so he goes on to talk
19 about waiting to hear testimony in the case and then
20 decide later on their own schedule.

21 I would submit that that -- the notion
22 that Calpine presenting Ms. Merola's original direct
23 is as a neutral party is a false premise. In any
24 testimony it makes recommendations whether it's
25 directed at the Application or the testimony -- or

1 the Stipulation, at this point in the proceeding it
2 is conflicting with the Stipulation and would result
3 in a -- if accepted by the Commission, would result
4 in a modification of the Stipulation.

5 So there is no Switzerland here. You
6 can't say you're neutral and then submit testimony
7 that makes recommendations that are different than
8 both the Application and the Stipulation. Normally
9 such modifications are presented and justified under
10 the three-part text, prong two or prong three
11 typically. And if Calpine's testimony is presented
12 to consider additional recommendations, it either
13 opposes the Stipulation or it has no relevant purpose
14 at this stage in the proceeding in light of the
15 Stipulation.

16 I think it's undisputed from the docket
17 that counsel for Calpine changed after the testimony
18 deadline and now appears that Calpine is trying to
19 circumvent the established deadline as your Honor
20 ruled on page 10 yesterday morning.

21 Mr. Whitt says they can wait until after
22 the hearing and ask to present testimony and is
23 clearly acting on his own schedule and thus not
24 complying with the entry procedure.

25 And that was the determination as of the

1 beginning of the hearing. After the hearing began,
2 for some reason there was additional consideration
3 and effectively the ruling was reversed.

4 And one of the other arguments Mr. Whitt
5 presented, I think, in the afternoon that I don't
6 believe was presented in the morning was about
7 notices and his argument was the notice -- public
8 notices of this proceeding relate to the Application.
9 That argument does not support allowing Ms. Merola to
10 testify with her direct testimony either. This case
11 is still about the Application. It's -- it's Company
12 Exhibit 1. It's adopted with modification by the
13 Stipulation.

14 And now the question for the Commission
15 is whether or not the Stipulation under the
16 three-part test -- you know, the purpose of the entry
17 was to set deadlines for and against. It was a
18 requirement, not an invitation, to frame up testimony
19 under the three-part test. Everyone else did that.

20 And I would ask you to reconsider the
21 afternoon ruling that Ms. Merola can come testify
22 based on her direct. That's my first request, your
23 Honor.

24 EXAMINER SEE: Does your second request
25 relate to --

1 MR. NOURSE: Depending on what happens
2 next, yes.

3 EXAMINER SEE: Did you want to respond to
4 that, Mr. Whitt?

5 MR. WHITT: Yes, your Honor. I've not
6 been furnished with the copy of the rough transcript
7 that was provided to the Bench, but I think it might
8 be helpful to maybe start toward the end of
9 Mr. Nourse's point which was the claim that they
10 would somehow be prejudiced because if this testimony
11 came in, it would provide a basis for the Commission
12 to modify the Stipulation potentially. Well, that's
13 exactly the point.

14 And it's the Commission's decision and
15 discretion to approve, reject, or modify the
16 Stipulation. To do that the Commission needs
17 evidence. That's the point of the testimony. And we
18 need to distinguish fact witness testimony and
19 evidence from legal argument.

20 I did indicate yesterday for illustrative
21 purposes why one might not file testimony
22 specifically in opposition to this Stipulation or any
23 Stipulation frankly. And one reason may be because
24 that party is still, you know, waiting to see the
25 evidence to formulate the legal -- legal arguments

1 and recommendations it may make to the Commission.

2 I also indicated, and this gets back to
3 the distinction between facts and argument, that to
4 the extent Calpine opposes the Stipulation on
5 strictly legal grounds, that doesn't require fact
6 witness testimony. In fact, testimony on legal
7 issues would be inappropriate. The witness merely
8 provides context for how certain proposals in the
9 Application implicate and affect the Company's
10 interests. That's all the witness is talking about.

11 And the testimony is being offered to
12 establish the Company's interest in the proceeding,
13 how it's affected by some of the proposals, what it
14 would like the Commission to do.

15 It's directly responsive to the
16 Application, and as the Stipulation itself states,
17 the signatory parties are asking for approval of the
18 Application as modified by the Stipulation. They are
19 free to enter the Stipulation and propose a
20 settlement of the issues. No one is criticizing
21 that.

22 But the rights of nonsignatory parties
23 have to be acknowledged too. We don't let the
24 signatories set the agenda of what everybody else is
25 allowed to do under this claim that you have to march

1 to the beat of our drum because if you don't, our
2 proposal might not be approved. Well, that's the
3 exact reason you don't allow parties to do that.

4 And I regret that this has become
5 needlessly controversial, the notion that a party
6 would offer its direct testimony. There's been no
7 request to supplement that testimony on the stand in
8 any way, no request to file or offer testimony again
9 after the hearing. We've simply in response to the
10 Application many months prior to a Stipulation gave
11 the Company's response to what had been proposed.

12 And I will leave it at that.

13 MR. NOURSE: Your Honor, just briefly,
14 you know, AEP does not contest Calpine or any other
15 party that's not a signatory party from presenting a
16 brief or making arguments based on the record that's
17 created. That does not justify presenting a fact
18 witness or an expert witness in support of the
19 recommendation to modify the Stipulation and so I
20 don't think that rationale holds any water here.

21 And again, Mr. Whitt is just saying they
22 are -- they can make up their own schedule. The
23 schedule -- it's not a matter of the signatory
24 parties controlling anything. In fact, the entry
25 that set out this schedule occurred before the

1 Stipulation was even filed. So there was not a
2 certainty it would be filed or any particular parties
3 on it. The Examiners set that as their choice how to
4 proceed if there was a Stipulation within the time
5 frame given to finalize it. Thank you.

6 EXAMINER SEE: Recognizing that the -- in
7 the morning there was one decision that I made, that
8 the Bench made, and it was reversed in the evening --
9 in the afternoon portion of the hearing, I -- the
10 Bench stands by the ruling to allow Calpine to offer
11 its witness. I am standing by that decision,
12 Mr. Nourse.

13 MR. NOURSE: Okay. And I guess, again,
14 in light of the ineffective remedy that I have for
15 this situation, I guess I would like to ask an
16 alternative, some clarification of how we are
17 proceeding with that. Specifically, if Ms. Merola --
18 if the Merola direct testimony is being entertained
19 and no party has cross-examination, I'm assuming, but
20 request a confirmation, we can still contest the
21 admissibility of the testimony and the exhibit before
22 it's entered into evidence and specifically a motion
23 to strike to -- to strike the testimony as irrelevant
24 and that would be determined before the testimony is
25 accepted as an exhibit; is that correct?

1 EXAMINER SEE: In the manner that we
2 would usually do -- in this instance we requested
3 motions to strike by -- before the hearing. We have
4 also entertained motions to strike immediately before
5 a witness once they are introduced by the party.
6 Given the situation and to expedite matters, we would
7 again do it as the witness is presented.

8 MR. NOURSE: Okay. So it won't be
9 considered untimely as being presented. And I
10 guess --

11 EXAMINER SEE: Given the prior AE entry,
12 is that what you're referring to?

13 MR. NOURSE: Yeah, because the prior AE
14 entry also said file opposing testimony September 20.

15 EXAMINER SEE: Yes, it did. I forget the
16 exact date, but in this instance we would entertain
17 motions to strike, objections to the testimony when
18 Ms. Merola is presented.

19 MR. NOURSE: And again, just to be clear
20 on that, no aspect of the ruling yesterday precludes
21 or would be deciding any question regarding the
22 admissibility, just the ability to present the
23 testimony and appear, correct?

24 EXAMINER SEE: Correct. Not until we
25 know exactly the scope of her testimony or aspect

1 thereof will we make a decision on.

2 MR. NOURSE: And I guess the alternative
3 scenario is if parties do have cross, and I would
4 like to understand what instructions or protections
5 we can -- we can implement here in this highly
6 unusual situation to match up with what Mr. Whitt is
7 saying, that he wants to present the four corners of
8 the direct testimony.

9 He said on page 25 of the transcript he
10 is not trying to backdoor the Stipulation testimony.
11 And so my point is if there is cross and there aren't
12 questions directly related to the Stipulation or the
13 three-part test, what -- what directives or
14 instructions can the Bench give to help resolve this
15 situation short of an interlocutory appeal to ensure
16 that Ms. Merola does not get into the three-part test
17 or address the Stipulation in an untimely manner?

18 EXAMINER SEE: So you're -- the intent is
19 to exclude any discussion of Ms. Merola regarding the
20 Stipulation or the three-part test.

21 MR. NOURSE: That's what Mr. Whitt said
22 he wanted to do and that is the scope of the written
23 testimony. So I am trying to ask if she doesn't
24 appear and because people waive cross, that's not
25 going to happen. If people do have cross on her

1 testimony, not on the three-part test or the
2 Stipulation, then there is again a risk that it goes
3 beyond what Mr. Whitt is saying is his purpose and
4 the scope, I believe, of your ruling and that's what
5 I am asking for clarification on, that absent a party
6 cross-examining and opening the door on the
7 three-part test or her opinion of the Stipulation,
8 she would not be permitted to go beyond the scope of
9 her original direct that's being presented.

10 EXAMINER SEE: Mr. Nourse, the Bench will
11 have to take up the scope of Ms. Merola's -- I'm
12 sorry. Can you not? The Bench would have to take up
13 the scope of Ms. Merola's testimony as it is
14 presented based on the cross of the parties and what
15 Ms. Merola has to say. That's not something we can
16 prejudge at this point.

17 MR. NOURSE: You're saying she can expand
18 her testimony if she appears to address something
19 that she didn't address that violates the deadline
20 for opposing testimony? I didn't think that was the
21 scope of our ruling yesterday afternoon.

22 EXAMINER SEE: And we are only speaking
23 of the afternoon ruling. I reversed the ruling made
24 in the morning.

25 Parties would have a right to make an

1 objection at that time to Ms. Merola's testimony.

2 MS. GRUNDMANN: Your Honor, may I ask a
3 clarifying question on behalf of Walmart? In terms
4 of responding to a question that's asked on cross,
5 completely understand the Bench's ruling on that.
6 Obviously to the extent another party objects to that
7 question, the Bench would have to rule on that
8 objection at the time, but to the extent the witness
9 is on the stand, is being asked the questions -- I
10 think Mr. Whitt went through, you know, is this your
11 name, do you adopt this testimony, do you have any
12 changes. Would it be appropriate for the Bench to
13 rule that it would be inappropriate in the context of
14 any changes to the direct testimony to add at that
15 point in response to questions from Mr. Whitt on
16 direct anything that would loop in the scope of the
17 three-part test because that would essentially be
18 expanding the scope of her direct rather than
19 responding to questions on cross that may be raised
20 by other parties?

21 I hope that clarification makes sense,
22 but I think to the extent she would essentially be
23 sitting there on the stand in response to questions
24 from her counsel effectively amending her testimony
25 rather than correcting a -- I meant this to be the

1 rather than then, I feel like that would probably be
2 an incorrect expansion contrary to the ruling in this
3 case on the deadline to file testimony in response to
4 the Stipulation.

5 MR. WHITT: Well, I'll save you the
6 thought on that and put to rest any notion that we
7 are going to attempt to, you know, correct the
8 testimony to incorporate entirely new information. I
9 haven't gone through specific changes. I can't say
10 there won't be, you know, comma moved somewhere or
11 something like that but that is absolutely not the --
12 that will not be done.

13 MR. NOURSE: Yeah, that's helpful. I
14 think Car -- Ms. Grundmann's clarification is a part
15 of my clarification and stated differently absent a
16 party on cross-examination opening up those issues,
17 you know, I guess of looking for confirmation it
18 would not be permitted for that witness in that
19 context based on that hopefully narrow ruling to
20 raise the three-part test or give her opinion on, you
21 know, the testimony either in direct or
22 cross-examination.

23 EXAMINER SEE: And again, Mr. Nourse,
24 without exactly hearing the scope -- just to hear the
25 scope of the testimony questions, given Mr. Whitt's

1 representation, we're going to allow her direct
2 testimony, and depending on the question, the party
3 will have -- opposing parties, Intervenor will have
4 an opportunity to object, and we will have to see.

5 MR. NOURSE: Could I -- could I hear that
6 read back, please, Karen?

7 EXAMINER SEE: Without it -- you got it,
8 Karen?

9 And again, Mr. Nourse, without exactly
10 hearing the scope as you just -- without hearing the
11 scope of the testimony and the questions, given
12 Mr. Whitt's representation, we are going to allow
13 Ms. Merola's direct testimony; and depending on the
14 question, the parties will have an opportunity to
15 object. We'll make a ruling at that time.

16 MR. NOURSE: Okay. And final question,
17 page 25 of the transcript, you indicated that
18 "Mr. Nourse, you certainly have the right to file an
19 interlocutory appeal." So currently I am evaluating
20 that as being ineffective but does that statement
21 mean that you would certify this question as a novel
22 question to the Commission if we do file?

23 EXAMINER SEE: I am not going to answer
24 that question from the Bench at this moment,
25 Mr. Nourse. You are free to file an interlocutory

1 appeal. Once we see the scope of it, we will answer
2 the question at that time through a Commission -- or
3 Attorney Examiner entry.

4 Is there anything else, Mr. Nourse?

5 MR. NOURSE: No. That was the last
6 question.

7 EXAMINER SEE: Okay. Did you have an
8 issue you wanted to bring up, Mr. Whitt, before?

9 MR. WHITT: Just that I've heard from a
10 few parties that have indicated they would have cross
11 for Ms. Merola. I don't know if parties are wishing
12 to reevaluate that based on this morning's
13 discussion.

14 And just to sort of look at that in the
15 context of what typically happens, witness is sworn,
16 parties make motions to strike, those are ruled on,
17 and then there is cross-examination. And I don't
18 know if it makes sense for parties that have motions
19 to strike -- certainly the parties that have
20 indicated they will have cross, whether their cross
21 is dependent on whether a motion to strike would be
22 granted.

23 MR. NOURSE: First of all, are you
24 talking about signatory parties that have cross?

25 MR. WHITT: Anybody who has cross.

1 MR. NOURSE: I am asking you who you have
2 heard from. Are they signatory parties?

3 MR. WHITT: Okay. Ohio Energy Leadership
4 Council, IGS and OMA, I believe are all signatory
5 parties.

6 MR. NOURSE: Right. Again, I would
7 request we -- we revisit that issue who has cross in
8 light of the rulings and the conversation we just
9 had, but as to your first point, that was my first
10 question. If there's no cross, we can still make
11 motions to strike for admissibility without the need
12 for Ms. Merola to appear.

13 MR. WHITT: Right.

14 MR. NOURSE: If there is no cross and the
15 answer was yes, we can still make timely motions to
16 strike at the time the exhibit is being presented
17 even if there is no cross.

18 MR. WHITT: And I have no issue with
19 that.

20 EXAMINER SEE: So this is a matter that
21 the parties can take up and we can proceed with
22 Mr. Tinkham, correct?

23 MR. WHITT: Yes. But I will need to know
24 whether or not there is going to be cross so my
25 witness knows whether to be out here Monday. My hope

1 is she doesn't fly out here to sit on the stand and
2 listen to motions and then nobody has cross.

3 MR. NOURSE: That's right. Well, unless
4 there's another reversal, the Bench ruled yesterday
5 that other parties have until Friday to decide
6 whether they want to take up a similar approach --

7 MR. WHITT: That doesn't work.

8 MR. NOURSE: -- that you took up. That's
9 already been decided.

10 EXAMINER SEE: As I said, the parties
11 have until Friday. Continue to communicate and then
12 let the Bench know.

13 MR. WHITT: Is it too much to ask for
14 cross estimates of this witness? I have gotten them
15 from four parties.

16 EXAMINER SEE: Did you not send out an
17 e-mail requesting that information?

18 MR. WHITT: I did and I have received it
19 and I would like to convey it because if the parties
20 are going to have cross, I will have a witness here
21 Monday.

22 MR. NOURSE: Well, we are working from
23 the Bench's deadline.

24 EXAMINER SEE: You will have until
25 Friday. Thank you. We are start -- you can continue

1 that outside of the hearing or continue it by e-mail,
2 however you wish, but we are going to move to our
3 first witness this morning.

4 MR. MICHAEL: OCC calls Andrew Tinkham.
5 May I approach, your Honor?

6 EXAMINER SEE: Yes. Mr., Tinkham, if you
7 would raise your right hand.

8 (Witness sworn.)

9 EXAMINER SEE: Have a seat.

10 MR. MICHAEL: Your Honor, I would like to
11 have marked as OCC Exhibit No. 1 the Testimony
12 Recommending Modification of the Stipulation of
13 Andrew R. Tinkham dated September 20, 2023.

14 EXAMINER SEE: The exhibit is so marked.

15 (EXHIBIT MARKED FOR IDENTIFICATION.)

16 - - -

17 ANDREW R. TINKHAM

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

20 DIRECT EXAMINATION

21 By Mr. Michael:

22 Q. Would you state your name, please?

23 A. Yes. Andrew Tinkham.

24 Q. And where are you employed?

25 A. The Office of the Ohio Consumers'

1 Counsel.

2 Q. And, Mr. Tinkham, do you have before you
3 what was previously marked as OCC Exhibit No. 1?

4 A. Yes, I do.

5 Q. And can you identify that document,
6 please?

7 A. Yes. It is my testimony recommending
8 modification of the Stipulation.

9 Q. And it was prepared by you or at your
10 direction?

11 A. Yes.

12 Q. And, Mr. Tinkham, do you have any
13 modifications to that testimony?

14 A. I do. On page 7 -- they are all on page
15 7, line 4. I need to change the number that starts
16 with "542" to "542,345,548.50."

17 Q. Thank you. You said you had other
18 corrections?

19 A. I do. I have two others. And then the
20 number that starts with "82,000" --

21 EXAMINER SEE: I'm sorry. Go back,
22 Mr. Tinkham. The last correction you just made,
23 "542,345,458," is that your correction?

24 THE WITNESS: Yeah, "548."

25 EXAMINER SEE: You are just eliminating

1 the cents?

2 THE WITNESS: .50 cents in there.

3 EXAMINER SEE: Ah, okay.

4 THE WITNESS: Transposed some numbers
5 there so.

6 MR. SCHULER: Just for clarity of the
7 record, your Honor, is it instead of "458.50," it
8 should be "548.50"?

9 MR. MICHAEL: Correct.

10 EXAMINER SEE: That's right, Mr. Tinkham?

11 THE WITNESS: Yes. It's 542,345,548.50.

12 EXAMINER SEE: Thank you.

13 A. My second correction is with the number
14 that starts with "82,000," and I need to correct that
15 to "82,795,442.50." And then my final correction is
16 on line 5. It's removing "service disconnections are
17 increasing," and it would be changed to "electric
18 service is currently unaffordable." And that's all
19 the corrections I have to my testimony.

20 Q. Thank you, Mr. Tinkham.

21 MR. SCHULER: I'm sorry. Could I have
22 that one back again? I didn't quite -- what are the
23 words that need to be changed?

24 THE WITNESS: Yeah, no problem. It's on
25 page 5 -- page 7, line 5, starting with the

1 "service," I am taking out the words "service
2 disconnections are increasing" and inserting
3 "electric service is currently unaffordable."

4 Q. Thank you. Mr. Tinkham, if I were to ask
5 you the questions reflected in what's been marked as
6 OCC Exhibit 1 with the modifications you just made
7 today, would your answers be the same?

8 A. Yes.

9 MR. MICHAEL: Your Honor, I would move
10 for the admission of OCC Exhibit No. 1, subject to
11 cross.

12 EXAMINER SEE: There are motions to
13 strike Mr. -- portions of Mr. Tinkham's testimony?

14 MR. SCHULER: Yes, your Honor. The
15 Company has moved to strike portions of Mr. Tinkham's
16 testimony. OCC did file a memoranda contra to the
17 motion to strike. I am prepared to try and briefly
18 respond to that this morning if your Honors would
19 entertain that.

20 EXAMINER SEE: Very briefly.

21 MR. SCHULER: Sure. There are really
22 three main parts to Mr. Tinkham's testimony that the
23 Company is seeking to strike. I'll take them in the
24 three subject matters, the first one being comparison
25 to other electric utility disconnection rates. The

1 information is contained on page 7, lines 15 to 17,
2 and page 8, lines 1 through 8, as well as the
3 corresponding attachments ART-3, ART-4, and ART-5.

4 Rather than regurgitate what's already in
5 the our motion, I will try to just respond to the
6 memo contra. OCC argues that AEP Ohio does not quote
7 or even cite a single case about PUCO regarding
8 admission of expert testimony which we believe to be
9 incorrect. We did cite Evidentiary Rule 703 which
10 does require information needs to be prepared by the
11 witness. This information was not prepared by the
12 witness. By definition it was prepared by other
13 utilities.

14 OCC seems to point to the fact that this
15 information is prepared in response to the Ohio
16 Revised Code requirements, but simply because
17 something is prepared by a statute, by a third party,
18 does not mean it becomes personal knowledge of a
19 witness that should become admissible evidence in
20 another case that's unrelated to that statute.

21 For that reason this truly is hearsay.
22 Not only is it not authenticated, it's not within the
23 witness's personal knowledge. It is also hearsay.
24 These are being offered for the truth of the matter
25 asserted and they are assertions by other third

1 parties that Mr. Tinkham is not employed by.

2 And we do agree with OCC that these
3 rules, these evidentiary rules, are in there to
4 prevent unreliable, misleading information coming
5 into the record without context and that's precisely
6 what would happen if this information came in.
7 Mr. Tinkham can't opine about the numbers that are
8 included in the other EDUs, whether they include
9 repeat disconnections, the types of customers, or the
10 type of customer makeup that is contained in each one
11 of those utility's jurisdictions, and also leads to
12 the point this is irrelevant information for this
13 case.

14 That's the first topic. I can stop
15 there, your Honor, or I can go on to the second of
16 the three topics which would be ART-7 and ART-8.

17 EXAMINER SEE: Go ahead to ART-7 and 8.

18 MR. SCHULER: I'm sorry. What was that,
19 your Honor?

20 EXAMINER SEE: Go ahead to the next two
21 attachments to Mr. Tinkham's testimony.

22 MR. SCHULER: Sure. ART-7 and ART-8,
23 this is further information that is not personal
24 knowledge to Mr. Tinkham. It is also hearsay. These
25 are articles produced by third parties Mr. Tinkham is

1 not employed by. There is no indication he had any
2 involvement in their preparation, ergo, there would
3 be prejudice here that he can't actually testify
4 about the background information on these. It's not
5 within his personal knowledge. It is once again
6 hearsay. These are being offered for the truth of
7 the matter asserted, and they are information that
8 is -- they are statements made by third parties that
9 Mr. Tinkham is not a party of.

10 Furthermore, it does appear that OCC's
11 sole argument in response to this is that hearsay is
12 okay and that it is just not permissible. The Bench
13 and the Commission have routinely rejected hearsay
14 information. The evidentiary rules, although not
15 directly applicable in this, have been guidelines for
16 this Commission, and they have been relied upon
17 before.

18 Finally on this, these are -- these are
19 irrelevant pieces. Particularly ART-8 is a 2011
20 study -- I'm sorry, a report which should have zero
21 bearing over a decade later.

22 I will add on this if Mr. Tinkham wants
23 to provide statistical information about
24 disconnections and unaffordability, he claims to be
25 an expert witness, he can do that with his own expert

1 knowledge. He does not have to rely upon third-party
2 hearsay being offered for the truth of the matter
3 asserted in this case.

4 EXAMINER SEE: And let's stop there.

5 MR. SCHULER: Sure. I do have a third
6 just to be clear, your Honor.

7 EXAMINER SEE: I recognize there is an
8 additional section that AEP requests to be stricken,
9 but because -- because this is related, I would like
10 OCC to have an opportunity to respond.

11 MR. MICHAEL: Thank you, your Honor.
12 And, first, we will rely on our memorandum contra
13 briefing on the issue, but to respond to the points
14 that Mr. Schuler raised, first off, I want to
15 highlight what AEP is asking your Honor to do which
16 is to exclude information from even being considered
17 by the PUCO.

18 The PUCO is very capable of evaluating
19 the information, deciding what weight to give the
20 information, if any; and, you know, AEP is trying to
21 prevent it from even seeing the light of day, your
22 Honor, and OCC would submit that the Commission would
23 benefit from having the information in the record,
24 and then it can make the decision what weight, if any
25 it decides to give to the information.

Three other points because I think the two issues that Mr. Schuler raised are related. First off, Mr. Tinkham is an expert witness. The same confines of a "fact witness" are different than the expert witness. Mr. Tinkham has been in the industry for nearly 20 years. Mr. Tinkham as an expert has the prerogative to consider the sort of information he thinks is important in arriving at his opinions. He can express those opinions. Those opinions are subject to cross-examination which I'm sure AEP, Mr. Schuler, and any other party is prepared to do, and they are certainly able to explore, contest, question the expert to which the information Mr. Tinkham as an expert relied on is, in fact, appropriate.

And that opportunity should be afforded them just like the information that Mr. Tinkham is testifying to should have the opportunity to see the light of day.

Regarding the hearsay objection, obviously hearsay doesn't control here. I would again go back to the fact that Mr. Tinkham is an expert witness. He is able to rely on information that he thinks is appropriate and that is subject to cross-examination and being contested by the parties.

1 Lastly, your Honor, I would point out,
2 make a similar comment regarding Mr. Schuler's
3 assertion that the study Mr. Tinkham cited to from
4 2011 is irrelevant. That's really a merits argument.
5 That's a cross-examination issue. He can certainly
6 evaluate with Mr. Tinkham the extent to which that
7 study is appropriate for the Commission to consider
8 here.

9 The bottom line is the information and
10 consumer's interest deserves to hear the light of
11 day, certainly subject to cross-examination, no doubt
12 about that. But we would recommend, your Honor,
13 rejecting the motion to strike.

14 MR. SCHULER: Your Honor, I would
15 conclude none of that was responsive to any of the
16 arguments. I think it leaned into hearsay is okay as
17 long as the witness is an expert. They can bring in
18 any other information from a third party that they
19 think would be nice to have in the record. It
20 effectively -- effectively the argument is let's
21 throw out the rules of evidence and let anything come
22 in and that's not appropriate.

23 MR. MICHAEL: Oh, what Mr. Schuler fails
24 to point out is that I wanted to keep this brief and
25 rely on our paper. We did specifically address those

1 issues in our memorandum contra, for example -- okay.
 2 I saw you were nodding, but it's required by statute.
 3 It's a public record regarding the disconnections, so
 4 I was trying to save time, but I did state fairly
 5 clearly that we would rely on our arguments in the
 6 memoranda contra, all of which were addressed by what
 7 Mr. Schuler said.

8 EXAMINER SEE: Okay. After considering
 9 the arguments to strike and the memoranda contra in
 10 addition to the brief comments offered today, the
 11 Bench has elected to deny the motions to strike. We
 12 will allow each of the portions requested to remain
 13 in the record, and the Commission will give it the
 14 due weight we find -- the Commission finds to be
 15 appropriate.

16 Mr. Schuler, if you want to now move to
 17 the last section of Mr. Tinkham's testimony that you
 18 request be stricken.

19 MR. SCHULER: Yes, thank you, your Honor.
 20 The last topic is related to Mr. Tinkham's testimony
 21 on page 5, lines 1 through 7; page 15, line 1, all
 22 the way through page 16, line 12, where there is a
 23 discussion about the PIPP auction pricing.

24 Despite OCC's argument in the memo
 25 contra, there's nothing in the Stipulation or the

1 Company's Application that establishes the PIPP
2 SSO -- excuse me, the PIPP generation auction in this
3 case, let alone that it requires it to be twice the
4 amount that is charged to other residential
5 customers.

6 As your Honor well knows, the PIPP
7 auction is set as part of a separate statutory
8 scheme, not under the Revised Code. It's 4928.54, et
9 seq. As a matter of fact, pursuant to that law there
10 was a case back in 2016 where the Commission
11 established with the Ohio Department of -- Department
12 of Development a process by which the PIPP auction --
13 excuse me, the PIPP generation rate should be
14 established through a competitive auction.

15 OCC was involved in that case. That case
16 has been -- it has been litigated. It's been
17 decided. OCC has routinely collaterally attached
18 that through a number of other proceedings including
19 but not limited to last year's USF proceeding case
20 22-556 as well as tariff filings in AEP Ohio and
21 other utility dockets. This is yet another
22 collateral attack on a separate law that has nothing
23 to do with the ESP or the Stipulation in this case.

24 MR. MICHAEL: Thank you, your Honor. I
25 would simply start off by saying this is a very

1 important issue for the most vulnerable of Ohioans.
 2 Ohio's policy is to, among other things, protect
 3 at-risk populations.

4 The bar that AEP is setting is to prevent
 5 the Commission from even hearing the concerns of the
 6 consumer advocate about the at-risk populations in a
 7 case dealing with generations.

8 Further, it's relevant to the extent that
 9 OCC, just like any other party, is able to make
 10 recommendations for the PUCO's consideration when it
 11 comes to a settlement.

12 And then, lastly, I would simply say,
 13 your Honor, that -- I should say next to lastly, that
 14 there is, as we pointed out in our memorandum contra,
 15 new information, the fact that OCC has previously
 16 fought vigorously on behalf of at-risk consumers
 17 should not shut the door on us continuing to do so in
 18 this case or any other case.

19 And, finally, your Honor, and I mean it
 20 this time, I would cite to the arguments made in our
 21 memorandum contra and reiterate them here and I
 22 certainly appreciate your Honor's consideration. We
 23 believe that the PUCO should hear the information
 24 Mr. Tinkham has to say about the PIPP auctions and
 25 would request your Honor deny the motion to strike.

1 MR. SCHULER: Your Honor, I would point
2 out none of that establishes it is relevant to an ESP
3 case simply because it's important information for
4 the Commission to know, it does not mean it is
5 appropriate for this matter. If OCC deems to bring
6 it up, it should be brought up in an appropriate
7 forum. This is not it.

8 EXAMINER SEE: AEP's motion to strike
9 that portion of Mr. Tinkham's testimony in regard to
10 the PIPP generation auction is denied. The
11 Commission will determine the appropriate weight to
12 give that testimony.

13 MR. MICHAEL: Thank you, your Honor.

14 EXAMINER SEE: Any cross-examination for
15 this witness, Mr. Whitt

16 MR. WHITT: None, your Honor.

17 EXAMINER SEE: Nationwide Energy
18 Partners?

19 One Energy?

20 MR. DUNN: No, your Honors.

21 EXAMINER SEE: Constellation?

22 MS. PETRUCCI: No questions, your Honor.

23 EXAMINER SEE: Ohio Cable Telecom?

24 MS. PETRUCCI: And again no questions,
25 your Honor.

1 EXAMINER SEE: No Mr. Stinson. Okay.

2 Any questions, OEG?

3 MS. COHN: No, your Honor.

4 EXAMINER SEE: Armada? Armada Power?

5 Okay. OMAEG?

6 MS. EASLEY: No, your Honor.

7 EXAMINER SEE: Citizens Utility Board?

8 They are not here. Okay.

9 OPÆ?

10 MR. BOBB: No, your Honor.

11 EXAMINER SEE: Ohio -- Walmart --

12 Walmart.

13 MS. GRUNDMANN: No questions, your Honor.

14 EXAMINER SEE: IGS?

15 MR. BETTERTON: No questions, your Honor.

16 EXAMINER SEE: ELPC?

17 MS. McCONNELL: No questions, your Honor.

18 EXAMINER SEE: Kroger?

19 MS. WHITFIELD: No questions, your Honor.

20 EXAMINER SEE: Ohio Environmental

21 Council?

22 MS. NORDSTROM: No questions, your Honor.

23 EXAMINER SEE: RESA?

24 MS. WALKE: No questions, your Honor.

25 EXAMINER SEE: OELC?

1 MR. PROANO: No questions, your Honor.

2 EXAMINER SEE: Okay. Staff?

3 MR. MARGARD: No questions, thank you,
4 your Honor.

5 EXAMINER SEE: AEP Ohio?

6 MR. SCHULER: Yes, thank you, your Honor.

7 - - -

8 CROSS-EXAMINATION

9 By Mr. Schuler:

10 Q. Good morning, Mr. Tinkham.

11 A. Good morning.

12 Q. I would like to turn you to page 6, line
13 21 of your testimony. Will you let me know when you
14 are there?

15 A. I'm there.

16 Q. It's your opinion here today in response
17 to AEP Ohio's Stipulation in this case that electric
18 service is becoming less affordable for AEP Ohio's
19 customers, right?

20 A. Correct.

21 Q. And, in fact, you made an edit on page 7,
22 lines 4 to 5, to make that point a second time,
23 correct?

24 MR. MICHAEL: Objection. The point of
25 the correction was to correct the numbers. It wasn't

1 to make the point a second time.

2 EXAMINER SEE: I'll allow the witness to
3 answer the question.

4 A. Do you mind repeating the question?

5 Q. Sure. Yeah. You made an edit to page 7,
6 lines -- starting on line 4 going into line 5 --

7 A. Correct.

8 Q. -- to change the language that
9 electric -- the price of electricity is becoming less
10 affordable again, correct?

11 A. Correct, yes.

12 Q. And you base this on the disconnection
13 reports that are filed by AEP Ohio pursuant to the
14 Revised Code Section that's applicable to that,
15 correct?

16 A. I did review those reports, correct.
17 When looking at coming up with this information?

18 Q. And you base this conclusion on those
19 disconnection reports, the amount of disconnection as
20 well as the amount of receivable bills, correct?

21 A. It was information that I did consider
22 when coming up with that opinion.

23 Q. Aside from reviewing those reports and
24 considering that information as you just put it,
25 you've not done your own study on the reasons why

1 customers did not pay their AEP Ohio electrical
2 bills, correct?

3 A. That is correct.

4 Q. You agree that AEP Ohio has over
5 1.3 million residential customers, correct?

6 A. Yes.

7 Q. You don't claim to have knowledge about
8 the personal finances of all 1.3 million residential
9 customers of AEP Ohio, right?

10 A. Not every single household, no.

11 Q. In preparing your testimony, did you have
12 conversations with any customers that were
13 disconnected for failure to pay their bills?

14 A. I did not.

15 Q. You would agree that cash is fungible,
16 right? I saw a head nod.

17 A. Say that again. I apologize.

18 Q. Sure. No problem. You would agree that
19 cash is fungible, right?

20 A. Yes.

21 Q. So, in other words, if a customer had
22 \$500 to pay for groceries, cell phone bill, and
23 electric bill, if the electric bill goes up, all else
24 being equal, there's less money left over to pay the
25 cell phone bill and the grocery bill, right?

1 A. Yes, many necessities for a household.

2 Q. And that's obviously not an all exclusive
3 list, you agree, right?

4 A. Correct. You know, there's obviously
5 rent, mortgages. There's groceries, utilities. You
6 might also -- outside of AEP you might have Columbia
7 Gas or a natural gas utility so those type of
8 necessities.

9 Q. There is any number of lists,
10 entertainment, cost of debt, mortgages like -- in
11 theory an unlimited list of other financial pressures
12 customers can endure, right?

13 A. There are but, once again, when I look at
14 it, I mean, I look at the necessities, things that
15 you need, kind of your four main walls of your home
16 to survive, which to me would be utilities, rent,
17 mortgage, having a roof over your head, being able to
18 eat, groceries, transportation.

19 Q. So the vice versa would be true as well,
20 based on the example, if a customer had \$500, and all
21 else being equal, the grocery bill went up, there
22 would be less money left over for the essentials
23 you've identified like utilities, mortgage, and rent,
24 correct?

25 A. That is correct.

1 Q. You would agree that we are in a period
2 of rising inflation, right?

3 A. Yes, I am.

4 Q. Generally that means that the cost of
5 goods and services are going up, correct?

6 A. That is correct, from things like the
7 groceries, gasoline.

8 Q. On the bottom of page 6, lines 24 and 25,
9 and continuing on to page 7, let me know when you are
10 there.

11 A. You said page 5?

12 Q. I'm sorry, page 6.

13 A. 6, I'm sorry. 24 and 25, yeah, I'm
14 there.

15 Q. You make a number of comparisons related
16 to disconnections -- AEP Ohio's disconnections
17 between 2022 and 2023, correct?

18 A. Yes, I did review the last two
19 disconnection reports that were filed under 4933.123.

20 Q. And that was potentially going to be my
21 next question. I see the citations down in your
22 footnotes for all of these numbers that are contained
23 starting with footnote 4 is Id. Id refers to the
24 prior citation which is a Supreme Court of Ohio case.
25 I'm assuming that is an incorrect citation?

1 A. Yeah. That should be cited to the
2 disconnection reports, the '21-'22 and '22-'23
3 disconnection reports.

4 Q. And those would be the reports that are
5 contained in your testimony as Attachment ART-1 and
6 ART-2, correct?

7 A. That is correct.

8 Q. You are familiar with the Standard
9 Service Offer, right?

10 A. Yes, I am.

11 Q. And you would agree that the regulated
12 utility, AEP Ohio, is required to offer a Standard
13 Service Offer to provide customers with a generation
14 rate for those that choose not to shop for their
15 generation, right?

16 A. Yes.

17 Q. You would agree that AEP Ohio does not
18 provide that generation for the Standard Service
19 Offer, right?

20 A. Yes. I understand that's done through a
21 competitive auction.

22 Q. And AEP Ohio arranges for that
23 competitive auction, correct?

24 A. You know, I don't know. I'm not -- when
25 it comes to the auction side of it, that's not

1 something that I know much about, so I don't know.

2 Q. It's not your opinion that AEP Ohio bids
3 into that auction, correct?

4 A. Not -- no, not at the EDU side of AEP
5 Ohio. I don't know if AEP Energy does. AEP Ohio,
6 you are just the distribution company.

7 Q. Okay. And similarly AEP Ohio does not
8 provide competitive CRES generation either, correct?

9 A. Correct, yes.

10 Q. You would agree that AEP Ohio has no
11 control over competitive CRES offers, correct?

12 A. That is correct, yes.

13 Q. And you would also agree that AEP Ohio
14 has no control over the third parties that bid into
15 the SSO auctions, correct?

16 A. That is correct, yes, how I understand it
17 at least.

18 Q. Sure. Let me turn you to page 7,
19 starting on line 11. You acknowledge that the SSO
20 prices increased by your calculation of 65 percent in
21 June of 2023, right?

22 A. That's correct, yes.

23 Q. And that's comparing the June 1, 2022,
24 through May 31, 2023, rate to the new rate that went
25 in June 1, '23, that will go through May 31 of '24,

1 correct?

2 A. That's correct, yes.

3 Q. You have not conducted an analysis of the
4 typical bill that will result from the ESP V
5 Stipulation in this case, right?

6 A. I did not. That was not part of my
7 testimony is looking at bill impacts, no.

8 Q. Are you aware that AEP Ohio conducted a
9 typical bill comparison for the ESP V impact?

10 A. I did see it as part of the Application,
11 yes. I can't say I could cite it perfectly but, yes.

12 Q. And I am referring specific -- strike
13 that.

14 You are aware that AEP Ohio -- you are
15 aware there is a Stipulation filed in this case,
16 correct?

17 A. Yes.

18 Q. And you would agree that the Stipulation
19 is -- it changes what the Electric Security Plan will
20 be compared to the Company's Application as filed,
21 right?

22 A. Yes.

23 Q. And you were just referencing typical
24 bills as part of the Application, correct?

25 A. You know, what I was comparing with these

1 numbers is, you know, these numbers have increased
2 substantially. Understandably it's through an
3 auction process but that still -- that puts a
4 hardship on consumers and does make service more
5 unaffordable for consumers.

6 MR. SCHULER: Your Honor, I would move to
7 strike that as nonresponsive to the question. It was
8 simply asking a clarification about the typical bills
9 that he was referencing in his prior answer, whether
10 it was about the Application or the Stipulation.

11 EXAMINER SEE: You can ask the question
12 again, Mr. Schuler.

13 MR. SCHULER: So is that denying my
14 motion to strike?

15 EXAMINER SEE: I think it answers -- I
16 think it attempts to answer it in part.

17 MR. SCHULER: Okay. Thank you, your
18 Honor.

19 Q. (By Mr. Schuler) You are aware that AEP
20 Ohio analyzed the typical bill impacts resulting from
21 the Stipulation of the ESP in this case, correct?

22 A. Correct.

23 Q. And that would have been information that
24 was contained in Jaime Mayhan's testimony in support
25 of the Stipulation?

1 A. Correct, yes.

2 Q. It's safe to assume you reviewed Jaime
3 Mayhan's testimony that was filed in response to the
4 Stipulation?

5 A. I reviewed it. I can't say I remember
6 all the ins and outs of the increase that's part of
7 Ms. Mayhan's testimony.

8 Q. Sure.

9 MR. SCHULER: Your Honor, may I approach?

10 EXAMINER SEE: Yes.

11 MR. SCHULER: I am handing the witness
12 what has previously been admitted AEP Ohio Exhibit 2,
13 the Direct Testimony in Support of the Stipulation
14 from Jaime Mayhan. I am assuming everybody has a
15 copy of this?

16 MR. MICHAEL: Do you have an extra one,
17 Mr. Schuler?

18 MR. SCHULER: I do actually.

19 MR. MICHAEL: Thank you.

20 Q. (By Mr. Schuler) Mr. Tinkham, do you
21 recognize this as the Direct Testimony in Support of
22 the Stipulation of Ms. Mayhan we were just
23 discussing?

24 A. Yes.

25 Q. And this is the document you said you had

1 at least reviewed but didn't remember all the pieces
2 of it?

3 A. That's correct. I reviewed it, once
4 again can't say I memorized it.

5 Q. Fair enough. I haven't either as I page
6 through it. Could I turn you to page 20 of that
7 document.

8 A. Okay. I'm there.

9 Q. And you see Table 1 there at the bottom
10 of page 20?

11 A. I do, yes.

12 Q. And you agree this is a proposed -- a
13 summary of the proposed ESP rate changes as a result
14 of the ESP V Stipulation, right?

15 A. That's what it appears to be, yes.

16 Q. And had you previously reviewed this
17 specific page?

18 A. I can't say I have.

19 Q. You would have no reason to disagree with
20 the information that's set forth on this page, right?

21 A. No, I would not.

22 Q. Similarly going on to the next page,
23 there is a discussion there starting on page 21, line
24 1, that goes down through page -- excuse me, line 10
25 that further describes the typical bill impacts

1 outside of the traditional view as quoted there on
2 page 1. Do you see that?

3 A. Yes, I do.

4 Q. Did you review this section of Jaime
5 Mayhan's testimony?

6 A. I don't remember reviewing it. I know I
7 read through it; but, you know, I can't sit here and
8 say once again I have it memorized.

9 Q. Okay. But you have no reason to disagree
10 with the information that's contained on page 21,
11 lines 1 through 10, right?

12 A. I would like to read through it real
13 quickly.

14 Q. Sure.

15 A. Okay. Yeah, I have had a chance to read
16 it, Mr. Schuler.

17 Q. And after reading it, you have no reason
18 to dispute the information that's contained on page
19 21, lines 1 through 10, right?

20 A. I mean, I don't dispute what Ms. Mayhan
21 came up with in this, you know, 1 through 10. Once
22 again, you know, it is an increase that once we --
23 you know, we were talking about earlier, you know,
24 consumers having high inflation and everything else
25 that they are facing. Any type of increase certainly

1 hurts a consumer.

2 Q. Well, you would agree on page 20 under
3 the "Traditional View" in Table 1, that customers
4 there, you see a percent change over May 2024
5 projections? Do you see that there in Table 1?

6 A. At the bottom of the page; is that what
7 you are referencing?

8 Q. On page 20, Table 1 --

9 A. Yes, I see it.

10 Q. -- almost the bottom before the notes?

11 A. I do.

12 Q. You see a 2 percent change over the
13 May 2024 projection in June '24, and then it
14 continues out over the period of the ESP and is less
15 than 1 percent per year, correct?

16 A. Yeah. It looks like about .9 percent; is
17 that what you are referencing?

18 Q. Total rate impact on average for 2024
19 through 2028, yes.

20 A. Okay. Yes, I do see that.

21 Q. Okay. You are aware that AEP Ohio bills
22 are split into supply and delivery charges, right?

23 A. That is correct, yes.

24 Q. The supply would be the generation
25 portion of the bill, and the delivery would be the

1 poles and wires of the transmission and distribution
2 charges, right?

3 A. Correct.

4 Q. Now, early -- in your testimony you
5 discuss the increase to the generation rates under
6 the SSO, correct?

7 A. That is correct.

8 Q. That would be under the supply portion of
9 the AEP Ohio's bill, right?

10 A. Correct, yeah. That would not be under
11 the distribution side.

12 Q. You have not done an analysis of the
13 increase in delivery charges over the course of the
14 last year, correct?

15 A. That is correct, no. I only reviewed the
16 supply side in my testimony.

17 Q. You can go ahead and put Ms. Mayhan's
18 testimony away.

19 A. Okay.

20 Q. It's your opinion that AEP Ohio
21 disconnects higher -- disconnects customers at a
22 higher percentage than the other Ohio electric
23 distribution utilities, right?

24 A. That is correct, yes. That's what my
25 research and analysis has provided.

1 Q. And your research and analysis reviewed
2 the disconnection reports of all the different EDUs
3 that are attached to your testimony, right?

4 A. That is correct, yes. It was -- as part
5 of the Application, I think it's in 23-532, that
6 information was e-mailed to me along with filed in
7 the case so that's what I reviewed.

8 Q. That's the only information you reviewed
9 for purposes of making that statement, correct?

10 A. Can you say that again?

11 Q. Sure. Let me be clear.

12 A. Make sure I understand.

13 Q. The statement that AEP Ohio is
14 disconnecting customers at a higher percentage than
15 other utilities is based solely upon those reports
16 that are attached to your testimony and e-mailed to
17 you, correct?

18 A. That is correct, yes.

19 Q. You didn't -- excuse me. You did not
20 conduct any analysis to compare if the other EDU
21 rates have increased over the past two years,
22 correct?

23 A. When you say rates, can you clarify that?

24 Q. Sure. Let me turn to page 8 of your
25 testimony.

1 A. Okay. I'm there.

2 Q. Well, actually -- actually I take that
3 back. Go to -- excuse me. If you could go to page
4 6 --

5 A. 6.

6 Q. -- line 21, through page 7, line 5. We
7 talked about a comparison --

8 A. I'm sorry. What were the numbers again?

9 Q. I am sorry, page 6, line 21, through page
10 7, line 5.

11 A. Okay. Gotcha.

12 Q. We were just discussing this is a
13 comparison where you compared AEP Ohio's
14 disconnection rates and amounts from 2022 to 2023,
15 right?

16 A. Correct, yes.

17 Q. And, in fact, you attached as attachment
18 ART-1 and ART-2 the disconnection reports for those
19 two respective years; is that correct?

20 A. That is correct, yes.

21 Q. And as a result, you made the conclusion
22 that AEP Ohio's disconnection rates and disconnection
23 amounts are increasing over time, right?

24 A. They definitely are. Even if you go back
25 and look at, you know, 10 years ago, I think it was

1 the '13-'14 report, there was 88,000 -- around 88,000
2 or a little higher than that disconnections, and now
3 we are at, you know, last report 155,000, a little
4 more than 155,000 so, yes, definitely are increasing.

5 Q. What was the year of the report you just
6 referenced in that answer?

7 A. It would have been the '13-'14
8 disconnections report, so it would have been filed in
9 2014.

10 Q. So you say -- when you say '13-'14, you
11 are referring to 2013-2014, nearly 10 years ago?

12 A. Correct. As a starting number, yes, and
13 there started to be a rise in numbers from there.

14 Q. You would agree that AEP Ohio had less
15 customers back then, right?

16 A. They did, yes.

17 Q. Okay.

18 A. Certainly there has been growth since
19 then but that's why I like to look at, you know,
20 percentages. I think percentages gives you a better
21 idea. When I was looking at percentages of the 10
22 years ago where it was 88,000, it was about
23 6.9 percent of the customers being disconnected, and
24 if you look at today's data, it's a 11.7 percent so,
25 you know, I want -- because knowing that customer

1 base had grown, you know, it's tough to make a -- to
2 make a fair comparison. I felt like it's better.
3 You need to look at the percentages of disconnections
4 to the number of residential customers.

5 Q. Well, the analysis you did for your
6 testimony only looked at the last two years. It did
7 not go back 10 years like you are referencing on the
8 stand right now?

9 A. In my testimony, you know, I did look at
10 the last two years. I did also, you know, look at
11 other disconnection data to kind of see where it was
12 at, and it's data I do look at on a, you know,
13 monthly basis. I look at PIPP reports that come in
14 on a monthly basis and analyze that information for
15 all EDUs and natural gas utilities, and I also review
16 these yearly reports even going back to see where --
17 you know, where disconnections were in the past to
18 see where we've been and where we are going.

19 Q. You -- your testimony does not do a
20 comparison of the other EDUs year over year, correct?
21 Strike that.

22 Your testimony does not do a comparison
23 of the other EDUs' disconnection rates or amounts
24 year over year like you did for AEP Ohio, correct?

25 A. I did do the analysis, but I do not have

1 it listed for all the utilities or, you know,
2 electric distribution utilities. You know, as you
3 can see on page 8, line 4 and 5, you know, as we just
4 mentioned, AEP Ohio's percentage of customers who
5 were disconnected was over 11.7 percent. Toledo
6 Edison and AES Ohio was the second highest at
7 5.4 percent which means like Cleveland Electric
8 Illuminating, Ohio Edison, and Duke Energy Ohio were
9 even below that number.

10 Q. Well, those percentages you are citing
11 there on page 8, lines 4 to 5, are the comparison of
12 2023 to each other, correct?

13 A. Yeah. That's from the most recent
14 disconnection report that was filed as of June 30 of
15 2023.

16 Q. And I believe you said this, but I will
17 give you another crack at it, you did not do a
18 comparison of any of the other utilities'
19 disconnection rates from 2022 to 2023, right?

20 A. Are you stating in my testimony did I
21 look at that, or are you stating overall as part of
22 my analysis?

23 Q. In your testimony.

24 A. In my testimony, no, I did not list the
25 percentages in my supplemental testimony, but it is

1 information I did review.

2 Q. All right. The information about the
3 other utilities that are -- that's contained on page
4 7, line 15, going through your opinion on page 8,
5 line 8, is based solely upon the disconnection
6 reports that we've been talking about that are filed
7 in the docket in an e-mail to you, correct?

8 A. Yes, that's the data that I utilized and
9 analyzed.

10 Q. You are obviously not employed by any of
11 the other Ohio EDUs, correct?

12 A. That is correct.

13 Q. Never been employed by an EDU in Ohio,
14 correct?

15 A. I have not, no.

16 Q. And suffice it to say you were not
17 involved in any of the EDUs preparing their
18 disconnection reports, right?

19 A. I was not involved in their preparation.
20 I like -- personally since it's something that needs
21 to be filed by law as part of 4933.123. I like --
22 you know, I feel this data is accurate, and I
23 would -- you know, the utilities, since they need to
24 provide this information by law, you know, in my
25 opinion that information is accurate. It's just like

1 what AEP Ohio would provide to me. I would suspect
2 everything that you provide as a public filing and
3 through transparency to be accurate.

4 Q. So you agree that everything a utility
5 files is accurate.

6 A. No.

7 Q. Okay. Darn. So you would agree that
8 there are times where there are errors made in
9 filings or reports, right?

10 A. I can't speak for just reports, but I am
11 sure with all filings there probably are errors. I
12 mean, that's -- that does happen.

13 Q. So it's possible there is errors in the
14 reports from any of the EDUs that are filed, the
15 disconnection reports that are filed, right?

16 A. It's a possibility.

17 Q. And it's possible that the EDUs calculate
18 disconnections differently, right?

19 A. You know, I don't know the answer to that
20 question. I don't know how they calculate them. I
21 would like to think that they are calculated in a way
22 the rules are written or the law is written and what
23 information needs to be provided for disconnections.

24 Q. You would agree that customers can end up
25 in a disconnection status more than once in a year,

1 right?

2 A. Yes, I do.

3 Q. And just for clarity, that means a
4 customer could be either disconnected or under threat
5 of disconnection or notice of disconnection at one
6 point in the year and either avoid disconnection or
7 be reconnected and find themselves later in the year
8 with a threat of disconnection or being disconnected
9 again, right?

10 A. That is correct. It's a possibility,
11 let's put it that way.

12 Q. You are aware that AEP Ohio reports
13 disconnections to include those duplicate
14 disconnections as unique events that would be
15 included in the numbers that are reported on their
16 reports, right?

17 A. Yeah. I would assume any disconnection
18 would be reported for residential customers as part
19 of that report.

20 Q. Even if it's the same customer more than
21 one time in a year.

22 A. Yes. I mean, that's a disconnection. To
23 me a disconnection, whether it happens at a household
24 twice in a year or once, it's -- that would be part
25 of the total.

1 Q. But you don't know for certain if all the
2 EDUs report that way, correct?

3 A. I don't -- you know, I don't know, no. I
4 mean, unfortunately that's not information I have.

5 Q. You would agree that if a utility only
6 considers a unique customer one time -- strike that.

7 You would agree that if a customer that
8 has been subject to multiple disconnections in a year
9 is only treated as a one disconnection under the
10 disconnection report would result in lower numbers if
11 they were treated as separate disconnections for
12 reporting, right?

13 A. In the scenario you are talking about,
14 yes. I mean, but, you know, to me there's nothing
15 out there that says that's what the other utilities
16 are doing or not doing.

17 Q. You don't know, right?

18 A. I don't know. It would be nice to have
19 on the report but.

20 Q. It sure would. You did not do a
21 comparison of the socioeconomic status of the
22 customers for the different EDUs, right?

23 A. I did not, no.

24 Q. You would agree that the customers of
25 each utility are unique, right?

1 A. Yes, I would agree with that. Different
2 parts of Ohio has different struggles.

3 Q. So, in other words, based on service
4 territory, certain EDUs could have a lower
5 socioeconomic swath of customers compared to another
6 utility, right?

7 A. It can occur.

8 Q. On page 8, line 4, let me know when you
9 are there.

10 A. You said page 8, line 4?

11 Q. Yes.

12 A. Yes, I'm there.

13 Q. I believe you talked about this. You
14 mentioned AEP Ohio's disconnection rate was
15 11.7 percent there, right?

16 A. That's correct.

17 Q. How did you calculate that number?

18 A. How I calculated it is I look at -- I
19 look at disconnection reports that are filed. I look
20 at the total number of disconnections. I look at the
21 average number of customers; so, you know, you report
22 how many customers you have each month, adding all 12
23 of those customer counts, and dividing them by 12,
24 and so that's how I came to that number.

25 Q. If you would indulge me going to

1 Attachment ART-2.

2 A. Just a minute.

3 Q. Yeah, sure.

4 A. I'm there. I know there is quite a few
5 so is there one in particular you are referencing?

6 Q. Yes. So my question was going to be
7 could you show me the numbers in ART-2 that you used
8 to calculate the 14.7 -- excuse me, 11.7 percent?

9 A. I can -- yeah, I can show you the
10 numbers.

11 Q. Please do.

12 A. Like I said in the previous answer, I
13 looked at the residential customers. You know, you
14 have got to have an average with that because
15 obviously your customer base overall appears to be
16 growing as of 20 -- from 2022 to 2023 so get an
17 average of the number of customers with the total
18 number of disconnections.

19 Q. Okay. So is it fair to say if we are
20 looking at ART-2, page 3, under subsection A there,
21 there's total service disconnections of 155,398, and
22 you divided that by the average number of customers
23 over the months contained in Section F on page 5.

24 A. I wish I had the spreadsheet in front of
25 me; but, yes, off the top of my head, I feel that's

1 where I came up with that number.

2 Q. Okay. You did not do a monthly
3 disconnection amount where you would take each month
4 and divide the service disconnections for that month
5 by the number of customers that exist in that month,
6 right?

7 A. I did not, not in this testimony.

8 Q. Okay. You would agree that AEP Ohio
9 reconnects customers much more frequently than the
10 other EDUs, right?

11 A. That is true. You do reconnect, if I
12 remember correctly, about 90 percent of your
13 customers.

14 Q. And the other EDUs, some of them are
15 below 80 percent, right?

16 A. It's possible. Without having that in
17 front of me, I know I have looked at it, you might be
18 right, but I don't want to say yes because I can't
19 confirm it, at least here on the stand.

20 Q. It's probably contained in the
21 attachments, but we'll save ourselves the time on
22 that.

23 A. Okay.

24 Q. We'll move on. You would agree that not
25 just the amount of reconnections that AEP Ohio does

1 are more than the other EDUs, but AEP Ohio actually
2 reconnects faster than the other EDUs, right?

3 A. In speed of time? I am trying -- what do
4 you mean by that?

5 Q. Yes.

6 A. Like they call and it's already remitted?

7 Q. Correct.

8 A. I mean, I don't know. I don't -- you
9 know, Duke has AMI meters. I don't know if it takes
10 them a minute to turn it on or 5 minutes or an hour.
11 I know that AES and the FirstEnergy Companies are
12 currently deploying AMI meters, so they are in a
13 little different situation.

14 Q. You would -- so that's because AMI allows
15 for more instantaneous reconnection due to its remote
16 capabilities, right?

17 A. Well, it's faster when you don't have to
18 send a technician out to the location.

19 Q. It's something that could be done in a
20 matter of minutes rather than potentially in a matter
21 of hours?

22 A. If that's what you say. Once again, I
23 don't know how long it takes for AEP to reconnect a
24 consumer. I would guess that with AMI meters, not
25 having to send out, dispatch a technician, it would

1 be faster.

2 Q. You would also agree it saves costs to
3 not have to roll out a technician, correct?

4 A. That is correct, yes.

5 Q. You would agree that OCC is the statutory
6 representative for all AEP Ohio residential
7 customers, right?

8 A. That is correct, yes.

9 Q. You agree that residential customers
10 should be treated non-discriminatorily, right?

11 A. Most definitely.

12 Q. In fact, AEP Ohio has an obligation to
13 treat customers like -- similar customers
14 non-discriminatorily, right?

15 A. Yes.

16 Q. Let me take you to page 3, lines 19 to
17 20.

18 A. Way back to my testimony.

19 Q. I'm sorry, back to your testimony, yes.

20 A. I'm sorry. Can you say the pages again?

21 Q. Yeah. Page 3, line 19.

22 A. Line 19 you said?

23 Q. Yes.

24 A. Yes, I'm there.

25 Q. You are requesting as part of your

1 testimony that the Commission require AEP Ohio to
2 reduce residential disconnections annually by
3 15 percent throughout AEP Ohio's service territory,
4 right?

5 A. That is correct, yes.

6 Q. Now, let's see if we can do some quick
7 math on the stand.

8 A. Try.

9 Q. Around the 155,000 disconnections, give
10 or take, we just discussed back in ART-2, that would
11 beg a reduction of over 23,000 disconnections, right?

12 A. When I did the math, that's about where I
13 came out, yeah, a little over 23,000, because I had a
14 methodology I used to why a 15 percent was the
15 percentage I chose.

16 Q. Always good when lawyer math works out.
17 Would you care to share with me the analysis you used
18 to arrive at the 15 percent?

19 A. Yeah. No, that's not a problem. As you
20 mentioned, started with the most current
21 disconnection data supplied by AEP through the
22 disconnection filing at 155,398, and I looked at the
23 four-year term of the ESP and that's what I based the
24 15 percent on also. So taking 15 percent of the
25 disconnections starting with that 155 -- 155,398,

1 that, you know, obviously reduces the disconnections
 2 down, and then taking that reduction -- and I wish I
 3 had the number in front of me -- but taking that new
 4 disconnection number minus the 23,000 as you
 5 mentioned and that would be a new disconnection
 6 amount, taking another 15 percent from that, so it's
 7 really like a declining scale. There is more
 8 disconnections at the beginning than there is at year
 9 four because -- and I even in that accounted for
 10 customer growth because it appears that in the last
 11 three years, it's been about half a percent customer
 12 growth for AEP, so I also used that to account for
 13 these figures.

14 And by the time I got to year four, the
 15 fourth 15 percent reduction, I think it worked out to
 16 be about 81,000. I mean, I don't -- I wish I had my
 17 computer in front of me or a spreadsheet, but it came
 18 down to about 81,000.

19 And based on that four-year increase of a
 20 half percent of customers going into that year four,
 21 at that point when I look at the disconnection
 22 percentage to the reduced number of disconnections
 23 around 81,000, you would be about 6.9 percent of your
 24 customers. I hope that all makes sense, and I am not
 25 a mathematician.

1 Q. So I think I am tracking you. Would it
2 be fair to say this is a compound reduction of
3 disconnections that you propose where it's 15 percent
4 over 15 percent each year compounding on itself?

5 A. That's correct, yes. It's trying to --
6 honestly it's trying to get more in line where you
7 were, like I said, 10 years ago, about what the
8 percentage of disconnections and also in line more
9 where the other electric distribution utilities are.
10 Even looking at those numbers, you know, doing the
11 AEP calculation, I think it came out, like I said,
12 about 6 percent. I mean, that is still -- that would
13 still be high compared to even what the EDUs have
14 currently.

15 Q. When you are saying the EDUs, you are
16 comparing to the other EDUs, correct?

17 A. Yeah, when we were talking about the
18 percentages with the current disconnection notices --
19 or disconnections, sorry.

20 Q. So did you choose -- so you chose the
21 15 percent to arrive at a disconnection rate by the
22 end of the ESP that would equate to roughly 80,000
23 disconnections; is that fair?

24 A. Around -- yeah, the percentage is
25 broken -- doing the percentage math, it came out to

1 about 81,000 customers.

2 Q. And so you saw four reach that number;
3 that's why you chose 15 percent compounded?

4 A. Correct. Well, yes, to get to where --
5 to get to a percentage that's close to where the
6 other EDUs are currently which, like I said in my
7 testimony, you know, 5.4 percent currently is where
8 the -- was the highest number with the other five
9 EDUs.

10 Q. You said you factored in a 5 -- you said
11 a half percent growth rate of AEP Ohio customers?

12 A. When I was looking at the customer
13 numbers from the last several years, it appears AEP
14 Ohio is having about a half percent increase in
15 customer base. Once again, it could go up and down.
16 No one can predict the future. Certainly I think
17 areas that you serve are growing. So that's why I
18 did project that continue that half percent -- not a
19 half percent -- yeah, half percent, half of one
20 percent. How about that?

21 Q. I understand what you are saying, yes.
22 So you did factor that into your calculation of
23 arriving at the roughly 81,000?

24 A. I did, yes.

25 Q. Did you account for any changes in rates

1 impacting the amount of disconnections in your
2 projections?

3 A. I did not, no.

4 Q. So if the -- you would agree that the
5 rise in -- strike that.

6 As we discussed earlier, you would agree
7 that the rise in SSO prices certainly contributed to
8 the rise in disconnection rates, right?

9 A. The data I was looking at, it all occurs
10 prior to this increase that we mentioned as of June 1
11 of 2023 because the reports end on May 31. So
12 honestly I am not sure what the impact is going to
13 look like with that. Now, would higher bills equate
14 to more disconnections? I mean, it is tough times
15 out there. It wouldn't shock me.

16 Q. You are aware that the SSO rate increased
17 between the '21-'22 and '22-'23 years as well, right?

18 A. It did, but it wasn't as great as what it
19 was in this current auction price for the default
20 amount. If I remember correctly, it was running
21 about 6.6 -- I know it was running I thought near the
22 6 cent mark without having it in front of me.

23 Q. But the year prior to that, it would be
24 running closer to the 4 cent mark, correct?

25 A. That's what I remember. Again, I can't

1 quote a price from three years ago. That's where
2 they probably were running 4 or 5 cents.

3 Q. You are not aware of the Commission ever
4 ordering reductions in disconnections before,
5 correct?

6 A. Not that I'm aware of, no.

7 Q. You are not aware of any other state
8 commission ordering a reduction of disconnections
9 like you've proposed here before, right?

10 A. I have read about other states doing
11 other things. It's not in my testimony, but I know
12 California is looking at ways to reduce
13 disconnections.

14 Q. You are not aware of them actually doing
15 anything close to what -- strike that.

16 You are not aware of any of them adopting
17 what you have proposed in your testimony here today?

18 A. Not that I am aware of, no.

19 Q. In addition to the 15 percent reduction
20 of disconnections over the whole service territory,
21 you have further proposed that there's a 15 percent
22 reduction in the top 20 zip codes with the highest
23 disconnection rates, right?

24 A. That's correct, yes.

25 Q. So these two percentages would be

1 operated in conjunction with each other, right?

2 A. Correct. To clarify it, if it's unclear,
3 obviously the 15 percent reduction of all
4 disconnections but within that disconnections
5 15 percent -- at least 15 percent would have to occur
6 in those top 20 zip codes that I provided in my
7 testimony.

8 Q. Okay. So and the -- when you are talking
9 about your testimony, you are referring to Table 1 on
10 page 9, right?

11 A. Yeah. Let me get there. That is
12 correct, yes, Table 1 on page 9.

13 Q. Okay. And I took the liberty of adding
14 these up, and it looks like they equate to 69,529
15 service disconnections for these 20 zip codes. Would
16 you agree with that?

17 A. When I was doing the math, that's about
18 the number, the 69,000 and some odd numbers, yeah.
19 That sounds about right.

20 Q. And so your proposal would say that
21 15 percent of those, meaning 10,429, need to be
22 reduced, at least in year one, correct?

23 A. That sounds right. I know I stated it in
24 my testimony. I wanted to find it but that does
25 sound right. Yeah, they are on page 12 I talk about

1 that. You know, using that disconnection data, that
2 would be 21,910 in the first year of which 20 -- I'm
3 sorry, 10,429 would occur in those top 20 zip codes.

4 Q. So the remaining 11-1/2 thousand would --
5 could be anywhere else in AEP Ohio's service
6 territory.

7 A. That's correct. I mean, if you would
8 want to conduct even more in some of those zip codes,
9 that would be an option too. It could happen
10 anywhere in the territory.

11 Q. You would agree that under this proposal
12 a customer in the 43232 zip code would be more likely
13 to avoid disconnection than a customer on a zip code
14 outside of this list such as 43215 here in Columbus,
15 right?

16 A. Can you just repeat the question? I just
17 want to make sure I understand it.

18 Q. You would agree that a customer in any
19 one of these zip codes, we'll use 43232 as an
20 example, would be more likely to avoid disconnection
21 under your proposal than a customer that is in a zip
22 code not listed on this table such as 43215, right?

23 A. That is correct, yes. But there -- you
24 know, as part of that 15 percent, we are looking at
25 reducing them everywhere, and you have the majority

1 of these occurring almost 50 -- you know, 47 percent
2 in 20 zip codes. That's a lot of disconnections.

3 Q. Have you analyzed the number of AEP Ohio
4 customers in total that are in these zip codes?

5 A. I did not, no.

6 Q. So you didn't take up -- you didn't --
7 well, strike that.

8 So it's possible that this 15 percent
9 reduction could be for 1 percent of AEP Ohio's
10 customers in these zip codes, right? Leaving the --
11 leaving the remaining 15 -- you know, the remaining
12 territory for the other 15 percent, right?

13 A. I'm not sure I understand your question.

14 Q. Sure. It was a little bit messy. It's
15 possible that the total number of customers in these
16 20 zip codes represent only 1 percent of AEP Ohio's
17 total customer base, right?

18 A. Yeah. I don't know exactly. It's a
19 possibility, but I can't say yes or no.

20 Q. And so if that's only 1 percent of the
21 customer base that has to have a 15 percent
22 reduction, that would leave the other 99 percent that
23 gets the remaining 10,000 disconnection reduction,
24 right?

25 A. I mean, in your scenario, yes. I mean, I

1 don't know if that's -- that's a 1 percent to
2 99 percent is a wide gap and so -- but, I mean, your
3 scenario, yes.

4 Q. Other than the number of service
5 disconnections in this list of zip codes here and any
6 other zip code that's not listed on there, you are
7 not aware of anything that distinguishes these
8 customers from each other, right?

9 MR. MICHAEL: Objection. Could I have
10 that question reasked, please?

11 EXAMINER SEE: You would like --

12 MR. MICHAEL: Reread.

13 EXAMINER SEE: Okay. Karen.

14 (Record read.)

15 MR. MICHAEL: Thank you for rereading
16 that. I will re -- reiterate an objection. It
17 misstates Mr. Tinkham's testimony. He clearly points
18 out this is the 20 most at-risk zip codes in AEP's
19 testimony, so I object because it mischaracterizes
20 and misstates Mr. Tinkham's testimony.

21 MR. SCHULER: I think that was baked into
22 the question, your Honor, is there anything that
23 distinguishes them.

24 EXAMINER SEE: And the witness -- the
25 objection is overruled. The witness can answer the

1 question.

2 A. I hate to do this. Can you give me the
3 question?

4 MR. SCHULER: Karen, would you care to
5 read that again?

6 (Record read.)

7 A. It's so broad. I don't know exactly what
8 we are trying to distinguish, I guess. Yeah, I don't
9 know.

10 Q. All right. So it's safe to say you are
11 not aware of any differences between the customers
12 located in these zip codes and customers located in
13 any other zip code in AEP's territory, right?

14 A. Not that I'm aware of, no. But once
15 again, I mean, that's broad. I'm not sure if there
16 are certain aspects that you are looking at.

17 Q. You would agree that the PUCO's rules
18 contain provisions related to disconnection, right?

19 A. Yes.

20 Q. You would agree those are contained in
21 Ohio Administrative Code 4901:1-18, right?

22 A. That is correct, yes.

23 Q. And those rules contain not only reasons
24 for disconnection but how disconnections should be
25 done, right?

1 A. That is correct, yes.

2 Q. And obviously one of the reasons for
3 disconnection is if customers do not pay their bill
4 within a certain period of time, right?

5 A. That is correct, yes.

6 Q. And those rules are equally applicable to
7 all customers, right?

8 A. Yes. To all residential customers,
9 correct.

10 Q. Nothing in those rules require a specific
11 reduction in disconnection rates, right?

12 A. No, not that I know of in the rules, not
13 that I have come across.

14 Q. You have not advocated for a rule change
15 to have a specific percentage reduction, right?

16 A. I have not, no.

17 Q. If the rules require that AEP Ohio is to
18 treat all customers -- customers the same, how is AEP
19 Ohio supposed to determine which 15 percent of the
20 customers will not get disconnected if they are in
21 violation of the disconnection rules?

22 MR. MICHAEL: I am going to object, your
23 Honor, to the form of the question. Previously
24 Mr. Schuler accurately pointed out the rules require
25 that similarly-situated customers be treated the

1 same. Now he's changing what he is saying and saying
2 all customers, so I object to the form of the
3 question.

4 MR. SCHULER: I believe the witness can
5 answer, your Honor.

6 EXAMINER SEE: The objection is
7 overruled. The witness can answer. Mr. Tinkham, you
8 can answer the question.

9 THE WITNESS: Okay. Thank you.

10 A. And it was again? Can you just repeat?
11 Sorry.

12 Q. Yeah. How is the Company supposed to
13 determine which customers become part of the
14 15 percent of reduced disconnections?

15 A. Yeah, I don't look at it as selecting
16 individual households or customers when this is being
17 done. This to me is more -- and I talk about it in
18 my testimony, you know, coming up with programs that
19 can help customers keep their service connected. And
20 it becomes more of getting that information out
21 there, contributing more money to -- through
22 shareholder dollars to fuel fund programs and bill
23 assistance programs that can help consumers,
24 especially in these areas where consumers are
25 hurting.

1 Q. You said you don't look at it as
2 selecting individual customers or households, but
3 these numbers listed in Table 1 on page 9, each one
4 of those is an individual customer and household,
5 right?

6 A. That is correct.

7 Q. And the numbers that are listed in the
8 disconnection reports contain, at least in AEP
9 Ohio's, on Attachment ART-1 and ART-2 are individual
10 households and customers, right?

11 A. That's how I understand it.

12 Q. So the Company -- if the -- strike that.
13 If the Commission adopts your proposal, the Company
14 will be in a position to have to determine which
15 households and individual customers will not be
16 disconnected so that it meets the 15 percent
17 threshold that compounds each year, correct?

18 A. I don't see where it's identifying like
19 Jane Doe and John Smith. I don't see it as
20 identifying it that way. I see it's getting
21 shareholder money out there, education, doing what we
22 can to keep these consumers connected and to keep --
23 you know, even consumers throughout the service
24 territory connected. I mean, nothing good happens
25 when a customer is disconnected.

1 Q. Have you calculated how much shareholder
2 dollars would be necessary to ensure that there's
3 15 percent reduction in disconnection rates?

4 A. I did not come up with an exact
5 calculation, but I did come up with what I thought
6 would help reduce these disconnections both in these
7 zip codes and outside of these zip codes.

8 Q. Is that the \$2.5 million in shareholder
9 funding that you reference?

10 A. That is correct. And what we've seen in
11 other ESPs is AES Ohio is contributing shareholder
12 dollars to bill payment assistance, FirstEnergy has
13 proposed I think up to 16 million in shareholder bill
14 payment assistance programs to help consumers, and I
15 think this is a good chance for AEP to be, you know,
16 a good corporate citizen and leader in the community
17 and keep customers connected.

18 Q. Can I turn you to Attachment ART-2?

19 A. Is there something -- there was one in
20 particular that you are looking at?

21 Q. ART-2, page 3, I am looking at subbullet
22 A.

23 A. Okay. I think I'm there.

24 Q. Okay. You see there the 155,398 service
25 disconnections with a dollar amount unpaid of

1 63,554,235.65?

2 A. I do, yes.

3 Q. So is it your testimony that \$2.5 million
4 in shareholder funding would reduce these
5 disconnections by 15 percent year over year?

6 A. Yeah, I don't know. They could, but I
7 don't know. It wouldn't hurt, let's put it that way.

8 Q. In these programs you've discussed the
9 education, the shareholder dollars, does not result
10 in a 15 percent reduction year over year, the Company
11 will be forced to just stop disconnecting certain
12 customers to meet that threshold if it's adopted by
13 the Commission, right?

14 A. Well, that's not how I wrote it, at least
15 how I understand it. If you don't meet those
16 percentages, you would contribute \$100,000 towards a
17 bill payment assistance program which the thought is
18 there then that money can go -- obviously more money
19 is needed to help stop disconnections. And so that
20 raises the amount and so -- you know, if you select
21 people, you know, I don't -- I don't know how you
22 would do it. I think that would be up to the Company
23 to decide how that would be done.

24 Q. For the company to decide which customers
25 get disconnected and which ones don't?

1 A. No, that's not what I said. I think it's
2 on you to come up with a plan to educate consumers on
3 programs. I mean, we -- here in Ohio we have I think
4 in the latest NEAC report I saw that less than
5 17 percent of customers apply for HEAP. I mean,
6 maybe it's doing something like that at AEP. Maybe
7 it -- part of it is that 2-1/2 million but maybe part
8 of it is seeing what's out there to educate consumers
9 on these programs.

10 I don't know how many times I read that
11 consumers don't even realize these programs are
12 available. And, yes, I probably understand they call
13 AEP. I'm sure your customer service reps -- or I
14 would like to hope they would educate them, but a lot
15 of consumers just don't know to do that. They don't
16 know to call the PUCO. They don't know there are
17 programs out there.

18 And to be honest, if I didn't work in
19 this industry, I don't think I would know these
20 programs are out there. So when you see a
21 participation rate like that, there is a lot of
22 opportunity for consumers who qualify to apply, and
23 so it's just not the money, you know. It is part of
24 it, but, you know, there is an opportunity to do
25 other things to try to stop disconnections.

1 Once again, it's a hardship on families.
2 It's hard to not be able to have light. It's hard to
3 not have potentially be able to cook, heat your home,
4 cool your home. You know, I've read stories where,
5 you know, you have, you know, a kid that goes to
6 school that doesn't know if he is going to come home
7 and know if he has got electric turned on. That's
8 got to be tough. I can't even imagine.

9 MR. SCHULER: Your Honor, I would move to
10 strike anything after, "No, that's not what I said.
11 I think it's on you to come up with a plan to educate
12 customers on programs."

13 MR. MICHAEL: And, your Honor, I would
14 just respond very quickly that the Company very
15 cutely was trying to imply, well, 2-1/2 million isn't
16 enough to reduce 63 million in unpaid bills. The
17 Company opened the door to Mr. Tinkham's perspective
18 on what's really at issue here to help these at-risk
19 consumers. So, you know, Mr. Schuler draws the
20 sword, he is going to get the shield, and Mr. Tinkham
21 ought to be able to respond accordingly.

22 MR. SCHULER: Your Honor, it was a very
23 limited question. It was following up on his prior
24 answer when he said he thought it would be up to the
25 Company how that would be done in response to my

1 question about how the Company should handle if the
2 shareholder dollars do not reduce by 15 percent, and
3 I think that would be up to the Company. And I asked
4 a follow-up question as to what he meant by that.

5 MR. MICHAEL: And that's exactly what he
6 said.

7 MR. SCHULER: He went on to quote a large
8 chunk of his testimony that was not responsive to
9 that question.

10 EXAMINER SEE: I'll allow his response to
11 stand.

12 MR. SCHULER: I'm sorry. Say that again,
13 your Honor.

14 EXAMINER SEE: I will let the witness's
15 response to your question stand.

16 Q. (By Mr. Schuler) You would agree that AEP
17 Ohio does educate customers on plans that are
18 available -- on assistance that is available, right?

19 A. If you say so. I don't work there so.
20 But I do -- you know, I do -- in my -- you know,
21 since I have been working in the -- for the OCC, all
22 the utilities, you know, do try to promote it. I do
23 think that maybe there is ways to improve that, maybe
24 other things to look at in improving because I have
25 to think that AEP doesn't want to disconnect these

1 customers either. I mean.

2 Q. You would agree that reducing the amount
3 of disconnections of customers that have not paid
4 their bill will necessarily mean that -- well, strike
5 that.

6 Reducing the amount of disconnections
7 will necessarily mean that AEP Ohio will not be able
8 to disconnect as many customers if they have failed
9 to pay their bills, right?

10 A. That's correct, yes.

11 Q. You would agree that customers that have
12 not paid their bill and are not subject to
13 disconnection will continue to use electricity,
14 right?

15 A. I mean, if that's a person you elect to
16 not disconnect, yes.

17 Q. In fact, that is the very purpose of your
18 proposal is to ensure customers -- certain customers
19 can continue to get electricity even if they have not
20 paid their bill, right?

21 A. What I'm saying is that we need to do
22 what we can to stop these disconnections. If that's
23 promoting programs, yeah, you might get to a point
24 where a customer doesn't pay their bill, they
25 continue to not pay their bill, they don't get

1 assistance, you know, what are you going to do, you
 2 know? You are following the rules and laws on
 3 disconnections. But, you know, has the Company done
 4 what it can do to try to prevent these
 5 disconnections? You know, is the 400,000 that's
 6 proposed, I mean, what is -- how is that going to
 7 help in reducing disconnections?

8 Q. Are you aware whether AEP Ohio has an
 9 entire department dedicated to customer experience?

10 A. Once again, I do not. I don't work
 11 there, so I don't know.

12 Q. So you don't know what efforts AEP Ohio
 13 makes to make sure that customers keep their lights
 14 on and keep in good standing on their bills, right?

15 A. I do not, no.

16 Q. You would agree that there are a number
 17 of programs that are offered by the state and also
 18 AEP Ohio to assist customers in paying their bills.

19 A. Yeah. That's what we just talked about.
 20 I mean, there are a lot of programs out there but,
 21 you know, some data that I reviewed said it's under
 22 17 percent of Ohioans that are eligible actually
 23 utilize. I mean, so what needs to be done to educate
 24 those consumers? Is it a utility? Is there programs
 25 that are available to the utility to identify

1 customers or locations where customers are
2 struggling?

3 Q. You haven't proposed those types of
4 programs in your testimony though. You have proposed
5 specific finite reductions in disconnections for the
6 Commission to modify the Stipulation, right?

7 A. That is correct. But one thing I would
8 mention is, you know, we talked about the
9 collaborative, or I talked about the collaborative in
10 my testimony, and I think that would be a good chance
11 for the OCC, the PUCO, the Company, maybe other
12 stakeholders to figure out some plans, what would be
13 some best practices, what are other utilities around
14 the country doing to reduce disconnections.

15 Once again, I think all parties involved
16 want to keep as many consumers connected as possible,
17 and we should look at what ways we can do that. And
18 I do think a collaborative would be a good way to
19 find some ways to reduce these disconnections by 15
20 percent or just reduce them in general.

21 Q. Do you have any reason to believe that
22 AEP Ohio does not take the measures that you just
23 identified to try and ensure that as many people
24 receive electricity as possible?

25 A. You know, I do not. If that's the case

1 and you are disconnecting 155,000 customers, then
 2 that still concerns me if you are taking every step.
 3 I am not saying AEP doesn't try. Once again, but can
 4 things be done better?

5 Q. Does OCC dedicate any of its budget to
 6 making customers aware of the many programs that are
 7 available for assistance?

8 MR. MICHAEL: Objection, beyond the scope
 9 of his testimony and not within the knowledge of
 10 Mr. Tinkham as expressed in his testimony.

11 MR. SCHULER: Your Honor, he's testified
 12 there should be a collaborative. There should be
 13 discussions how we apparently as an industry should
 14 be helping customers understand the assistance that
 15 is out there. He is a representative speaking on
 16 behalf of OCC and specifically involved in OCC's
 17 outreach. I think he is certainly qualified and is
 18 relevant to his testimony that he has given here on
 19 the stand today.

20 EXAMINER SEE: The objection is
 21 overruled. Mr. Tinkham, you can answer the question.

22 THE WITNESS: Okay. Thank you.

23 A. You know, we do have an outreach
 24 education department that serves all 88 counties
 25 throughout the state. We have three specialists that

1 currently serve the state; and, you know, part of our
2 education is trying to get out there and notify
3 organizations, the public, community leaders on
4 programs that are available to them, ways to keep
5 your services connected while there is medical
6 payment, a medical certification waiver, the winter
7 reconnect order.

8 So we do go out and educated what we can.
9 You know, we don't have a large budget for that; so,
10 you know, three individuals for 88 counties is -- I
11 have done it in the past. It's a challenge but do
12 try to get -- we do try to do as much as we can. And
13 when I look at the collaborative, I look at it as
14 working as a team. You don't -- I am not -- I am
15 thinking about more of it that way.

16 I think everyone has ideas. The PUCO
17 might have ideas that you didn't think of, or maybe
18 the OCC has ideas, maybe AEP has ideas we didn't
19 think of. And so that's where -- or any other
20 stakeholder. And that's where a collaborative could
21 be helpful. I see no downside to a collaborative.

22 Q. But you haven't only proposed a
23 collaborative as part of your recommendation here
24 today, right?

25 A. Are you saying that's the only thing I

1 proposed?

2 Q. I am asking is that the only think you
3 have proposed?

4 A. Well, I also propose the shareholder
5 dollars funding to help with disconnections, you
6 know, reducing disconnections. I did also offer the
7 collaborative process as a way to, like you said, you
8 mentioned should AEP make those decisions on, you
9 know, maybe the collaborative can help AEP make those
10 type of decisions, or maybe we can come up with some
11 ideas that -- where we can arrive at less
12 disconnections.

13 Q. You also have proposed a specific
14 percentage of reduction in disconnections that AEP
15 Ohio would have to live by, correct?

16 A. That's correct, yes. And we discussed
17 that, the 15 percent.

18 Q. You mentioned that AEP Ohio has three
19 specialists to work the entire 88 counties in the
20 State of Ohio and that there is limited budget to do
21 those things, correct?

22 A. I mean, we have a budget we have to work
23 under, and outreach is not our only department. I
24 mean, you worked there. You kind of understand the
25 structure.

1 Q. I do. You would agree that AEP Ohio has
2 budgets it has to work under, correct?

3 A. I would assume every company probably
4 does, at least every successful company, I would
5 think.

6 Q. And if it doesn't, it has to answer to
7 its shareholders and its customers, correct?

8 A. I would -- I would say yes. I don't work
9 in the corporate world but that's how I understand
10 it.

11 Q. You would agree that OCC could dedicate
12 more of its budget towards outreach, correct?

13 A. I don't know. I'm not -- you know, I
14 don't do operations or our budgets so that's
15 something I can't answer.

16 Q. Okay. We were talking a little bit ago
17 about disconnections -- reducing disconnections will
18 result in more customers having their electricity on
19 and continuing to use electricity that haven't paid
20 their bill. Do you recall that conversation?

21 A. I do, yes.

22 Q. Are you familiar with the term bad debt?

23 A. I am familiar with it, yes.

24 Q. You would agree that bad debt refers to
25 debts in this instance typically in the form of

1 unpaid customer bills that are not recoverable from
2 those respective customers, right?

3 A. That's how I understand it, yes.

4 Q. You would -- you are aware that AEP Ohio
5 has the authority to charge those bad debts and
6 collect them from other customers through a Bad Debt
7 Rider, right?

8 A. Yes, that's -- yes, I am familiar with
9 that, yes.

10 Q. You would agree that as customers have
11 not paid their bills continue to use electricity will
12 incur more and more bad debt for the company,
13 correct?

14 A. In your scenario, yes, that's where I --
15 you know, when I look at the shareholder dollars that
16 can help offset some of that bad debt and possibly
17 keep customers connected or prevent a disconnection.

18 Q. You would agree there are numerous tools
19 to try and reduce customer disconnections and,
20 therefore, bad debt, right?

21 A. I don't know. I mean, that's not
22 something that I'm an expert at. I don't know.

23 Q. You would agree that while unfortunate
24 disconnection is one of AEP Ohio's few means to
25 ensure that bad debt does not rise significantly,

1 right?

2 A. If that's what you say, yes.

3 Q. Well, I am asking what your testimony is
4 here today.

5 A. Repeat the question, please.

6 MR. SCHULER: Sorry, Karen. Can I have
7 that last one reread?

8 (Record read.)

9 A. I mean, that -- if you are telling me
10 that, then, yes, if that's AEP's means of collecting
11 money from customers who are past due and have bad
12 debt.

13 Q. You have not analyzed how much the
14 reduction in disconnections that you've proposed in
15 here will increase the bad debt.

16 A. I have not, no.

17 MS. WHITFIELD: Your Honor, Mr. Schuler,
18 I apologize. Sorry to interrupt. Could we by any
19 chance take a personal health break?

20 MR. SCHULER: I would agree with that,
21 your Honor.

22 MS. WHITFIELD: I apologize.

23 EXAMINER SEE: Let's take a -- let's go
24 off the record for 10 minutes.

25 (Recess taken.)

1 EXAMINER SEE: Let's go back on the
2 record.

3 Mr. Schuler.

4 MR. SCHULER: Thank you, your Honor.

5 Q. (By Mr. Schuler) Mr. Tinkham, let me take
6 you to page 10, line 2 of your testimony.

7 EXAMINER SEE: Can you turn your mic on,
8 Mr. Schuler?

9 MR. SCHULER: My apologies.

10 A. What line?

11 Q. Page 10, line 2.

12 A. Oh, yes. I'm there.

13 Q. You state "The disconnection of essential
14 electric service jeopardizes the health and safety of
15 consumers, especially during the Summer and Winter
16 months." Did I read that correctly?

17 A. Yeah, that's correct.

18 Q. And we talked a little bit about this
19 earlier, but you would agree there is a number of
20 programs to assist customers retain their electric
21 service, right?

22 A. There is. You have the HEAP program
23 during the summer and the -- I'm sorry, the HEAP
24 program during the winter and the winter crisis
25 program and for electric customers the summer crisis

1 program as long as you meet the eligible
2 requirements.

3 Q. And those eligibility requirements are
4 usually tied to a percentage of the federal poverty
5 level; is that right?

6 A. Yeah. It's set by Health and Human
7 Services. I don't know all the math and how that
8 goes in but.

9 Q. Sure. You would agree that eligible
10 customers could also avail themselves of the
11 Percentage of Income Payment Plan, correct?

12 A. That is an option if -- if they are
13 eligible.

14 Q. And the eligibility for that was
15 150 percent of the poverty level, but I believe per
16 Governor order of the last year is now 175 percent of
17 the federal poverty level, right?

18 A. Yeah. That occurred August of 2022.

19 Q. And the PIPP program for customers that
20 qualify for it only pay a percentage of their income
21 for purposes of their electric bill, and the rest is
22 forgiven and charged through the USF, correct?

23 A. I wouldn't say all of it is forgiven. I
24 mean, if they are paying on time and full, it's
25 forgiven but, you know, there are circumstances that

1 debt follows them around.

2 Q. Okay.

3 A. And depending on the circumstance but,
4 yeah, there is -- if you pay on time and full, you do
5 get that 124th credit or something like that, you do
6 get that.

7 Q. You would agree there are two benefits to
8 the PIPP program. The first is if there are PIPP
9 arrearages that a customer has when they go onto
10 PIPP, they will be forgiven in 124th as long as the
11 customer makes timely payments as you mentioned,
12 correct?

13 A. Yeah. They make their PIPP payment on
14 time and in full.

15 Q. And when you are referring to pay in
16 full, pay timely in full, it's referring to just
17 their percentage of income that is set by the Ohio
18 Department of Development, correct?

19 A. Correct. So if a customer's percentage
20 of income works out, they pay \$10 a month, in full is
21 the \$10, not the 150 -- you know, example, \$150 what
22 they actually would have been charged if they were on
23 the PIPP program for what they've used.

24 Q. And for that particular month, right?

25 A. Correct, yes.

1 Q. And that's the second benefit of PIPP is
2 it's not just the 124th of the arrearages. It is
3 also the usage for each specific month is also
4 forgiven as long as they pay their PIPP amount in a
5 timely fashion, right?

6 A. Yes.

7 Q. You are aware that AEP Ohio also runs a
8 Neighbor-to-Neighbor Program, right?

9 A. Yes.

10 Q. And you would agree that the terms of
11 that program provide bill assistance to customers
12 that are at the 200 percent of poverty level and
13 below, correct?

14 A. I can't remember all the qualifications,
15 but if you say it's 200 percent, I will agree with
16 you. I know it's around there.

17 Q. So you have no reason to dispute that,
18 right?

19 A. No, but I can't 100 percent confirm it
20 either.

21 Q. But you would agree that it is designed
22 to help lower income customers under some certain
23 income threshold, right?

24 A. That's how I understand the program, yes,
25 which, you know, is a benefit to those who need that

1 assistance.

2 Q. And the Neighbor-to-Neighbor Program
3 effectively provides dollars for eligible customers
4 to pay their bills, right?

5 A. It does, once again, if they meet the
6 qualifications. I know there's numerous things you
7 have to -- in order to qualify so, but yes.

8 Q. And to be clear, bills are the AEP Ohio
9 electric service bills, right?

10 A. Yes.

11 Q. You would agree that the
12 Neighbor-to-Neighbor Program assists in reducing the
13 amount of disconnections that would otherwise occur,
14 right?

15 A. I mean, that's -- from what I understand
16 from the program, that's what it's designed to do.

17 Q. You would agree that the disconnection
18 rules that are contained under Ohio Administrative
19 Code 4901:1-18 allows certain exceptions for
20 disconnections, right?

21 A. Yes. As -- I don't know if you're
22 alluding to a specific one but, yes.

23 Q. For example, customers could file for a
24 med -- medical certification that would, therefore,
25 push off disconnect for a certain period of time,

1 correct?

2 A. That's correct, yes. There are those
3 types of provisions, payment plans.

4 Q. And the disconnection rules also have
5 certain provisions relating to customer pay
6 arrangements that the Company is required to offer to
7 certain customers, right?

8 A. Yes. As I mentioned, yes, there are
9 payment arrangements. The utilities can offer
10 whatever payment arrangement they want to offer but
11 there are three payment arrangements that are
12 required to be offered to consumers if the Company
13 and the customer cannot come to an agreement on a
14 payment plan.

15 Q. You are aware that AEP Ohio sometimes
16 offers more than the three specific time periods of
17 pay arrangements in the rules?

18 A. Yeah. I am not aware of that. I am not
19 saying you don't. I mean, obviously you said you
20 did, but I am not aware of that.

21 Q. You have no reason to dispute that?

22 A. I have nothing to dispute that, no, to
23 say it's not occurring.

24 Q. Okay. Let me turn you to your
25 attachments in your testimony. Well, strike that.

1 You are still on page 10 of your
2 testimony, right?

3 A. I am, yes.

4 Q. All right. Starting on line 8 of page
5 10, you make the statement "Even if a consumer is
6 able to pay the electric bill, they could experience
7 other health and safety needs due to a lack of
8 funds." Did I read that correctly?

9 A. That's how it's written, yes.

10 Q. You go on to cite -- quote an article
11 from The Conversation on lines 9 through 23 of that
12 page, right?

13 A. That is correct, yes.

14 Q. That is also attached to your testimony
15 as Attachment ART-7, right?

16 A. That's correct, yes.

17 Q. You then at the top of page 11 on lines 1
18 through 10 go on to quote the National Energy
19 Assistance Directors' Association's report, correct?

20 A. That is -- that is correct, yes.

21 Q. That is attached to your testimony as
22 Attachment ART-8, right?

23 A. That is correct, yes.

24 Q. Let's turn to ART-7. Let me know when
25 you are there.

1 A. Is there a specific page you are
2 referring to or just from the beginning?

3 Q. Just from the beginning, the whole one
4 now. I think it looks like it's six pages, right?

5 A. Yes, that's correct.

6 Q. You did not author this article, correct?

7 A. I did not author the article, no. I used
8 it as, you know, in my job I look at many different
9 articles on -- studies and reports, you know, on
10 disconnections and, you know, bill payment assistance
11 programs, how at-risk customers are impacted so this
12 is, you know, one of many different resources that,
13 you know, I have reviewed, but I did not author, no.

14 Q. You were not involved in any way in
15 preparing this article, right?

16 A. No.

17 Q. You were not in any way involved in the
18 research that presumably went into this article,
19 correct?

20 A. No.

21 Q. There are a number of statistics that
22 are -- you would agree -- strike that.

23 You would agree there are a number of
24 statistics that are contained in this article that is
25 Attachment ART-7, right?

1 A. Yeah. They -- you know, the article does
2 provide statistics, correct.

3 Q. You are not aware of the timing of the
4 information that is the basis upon which any of these
5 statistics are formed, right?

6 A. No.

7 Q. So it's possible this information could
8 be from 10, 20 years ago, right?

9 A. It's possible. I highly doubt it, but
10 it's possible.

11 Q. You have not done anything to verify any
12 of the statistical information that's contained in
13 ART-7, right?

14 A. No.

15 Q. Now let's turn to Attachment ART-7 -- or
16 excuse me, ART-8.

17 A. 8.

18 Q. You were not involved in preparing this
19 final report by the National Energy Assistance
20 Directors' Association, right?

21 A. I was not, no.

22 Q. And no one from OCC was involved in the
23 preparation of this report, right?

24 A. I don't know. I was not. I can't speak
25 for other staff.

1 Q. You were not in any way involved in
2 preparing this report, right?

3 A. No.

4 Q. You were not involved in researching this
5 report, right?

6 A. That is correct, yes.

7 Q. You are not a member of the National
8 Energy Assistance Directors' Association, are you?

9 A. Personally, no, I am not. I am not.

10 Q. Do you know if there even is a membership
11 for NEADA?

12 A. I don't know.

13 Q. You have not done anything to verify the
14 statistical information that is contained in this
15 report that is attached to your testimony as
16 Attachment ART-8, right?

17 A. No. It is just to me another resource to
18 utilize to see some of the struggles and issues that
19 are occurring in terms of disconnections.

20 Q. You would agree that this report was
21 finalized in November of 2011, right?

22 A. Yes, that is correct.

23 Q. And presumably the information that is
24 contained in here would predate September -- November
25 of 2011, right?

1 A. That is correct, yeah. I would assume,
2 yes, since it came out November 2011 or the final
3 report was 2011.

4 Q. Do you know if there -- if NEADA has done
5 a more recent report?

6 A. Maybe not exactly like this one. I did
7 stumble across one not long ago. It talked about
8 similar issues, maybe not the exact same report. You
9 know, when I look at the numbers, what concerns me
10 the most is, you know, I look at, you know, we were
11 talking about disconnections for AEP in '13 and '14
12 being around 88,000, I think it was, and that now --
13 I am guessing with disconnections increasing to
14 around the 160 -- 160,000, 155,000, the last few
15 years is -- I am guessing the numbers that, you know,
16 I would -- to think the National Energy Assistance
17 Directors' figures would be worse now than it would
18 have been back in 2011.

19 MR. SCHULER: Your Honor, I would move to
20 strike anything beginning with "You know, when I look
21 at the numbers, what concerns me most is." It was a
22 very finite question of whether he was aware of
23 whether NEADA had done a subsequent report. I was
24 not asking about anything that's contained in the
25 report. He also further went on to speculate about

1 comparisons between the reports we don't even know
2 existed.

3 EXAMINER SEE: Any response?

4 MR. MICHAEL: No response, your Honor.

5 EXAMINER SEE: The motion is granted.

6 MR. SCHULER: Thank you, your Honor.

7 Q. (By Mr. Schuler) Shifting back to page 10
8 of your testimony, on page 10, excuse me, line 11,
9 you quote part of ART-7 where it says "We have found
10 that over half of low income households engage in
11 some coping strategies." Do you see that?

12 A. I do, yes.

13 Q. Is this referring to low income
14 households in AEP Ohio's service territory or the
15 state or the nation or the world?

16 A. I don't know for sure. I am pretty sure
17 it's national, but I don't -- I don't know because it
18 definitely -- the article states "as America faces a
19 power disconnection crisis."

20 Q. You would agree this article is not
21 focused on just AEP Ohio's service territory, right?

22 A. Yeah, that's correct.

23 Q. And you have no idea if the same
24 statistics are applicable to AEP Ohio's service
25 territory, right?

1 A. That is true. I mean, it could be
2 higher. It could be lower. I'm not sure.

3 Q. Let me turn you over to page 11, line 2.
4 It says "Many of the LIHEAP recipients faced
5 significant medical and health problems in the past
6 five years." Did I read that correctly?

7 A. That's how I read it, yes.

8 Q. LIHEAP is a federally-funded program,
9 right?

10 A. Yes.

11 Q. The statistics that are here on page --
12 lines 5 through 10 on page 11, are those statistics
13 for customers that are in AEP Ohio's service
14 territory or the state or the nation or the world?

15 A. I'm not sure.

16 Q. You would agree it's not just AEP Ohio's
17 service territory though, right?

18 A. No, but I'm guessing they would be one of
19 many utilities that are a part of that.

20 Q. But you don't know if these statistics
21 would be the same if we just look at AEP Ohio's
22 service territory, right?

23 A. Yes.

24 Q. Yes, you do not know?

25 A. I'm sorry. Say that question again. I

1 misinterpreted.

2 Q. You do not know if these same statistics
3 would be applicable if we just looked at AEP Ohio's
4 service territory, right?

5 A. For these same stats would be applicable
6 to AEP.

7 Q. Correct.

8 A. I don't know.

9 Q. Let me turn you to page -- let me turn
10 you to page 14 of your testimony, the top of it
11 starting line 1.

12 A. Okay.

13 Q. And we talked about this a little but
14 this is where you make recommendations about
15 shareholder funding of the Neighbor-to-Neighbor
16 Program, right?

17 A. That's correct, yes.

18 Q. And just to be clear, what you are
19 proposing here is that AEP Ohio shareholders
20 contribute 1.5 million annually to the
21 Neighbor-to-Neighbor Program, correct?

22 A. To the current Neighbor-to-Neighbor
23 Program, you currently offer to customers.

24 Q. Okay. And you go on to say that there
25 should be an additional \$1 million annual bill

1 payment assistance program, right?

2 A. That's correct.

3 Q. That should also be funded by AEP Ohio's
4 shareholders, right?

5 A. That is correct.

6 Q. So you're recommending a total of
7 \$2.5 million a year in shareholder funding towards
8 the Neighbor-to-Neighbor Program and a bill
9 assistance program, correct?

10 A. That is accurate.

11 Q. What bill -- what bill payment assistance
12 program are you referring to with the separate
13 million dollars aside from the Neighbor-to-Neighbor
14 Program?

15 A. The 1 million program would be a program
16 that would be established to help customers, you
17 know, in those at-risk zip codes that we talked about
18 on Table 1 and to help reduce those disconnections
19 for those customers.

20 Q. So it would be a yet to be determined
21 bill payment assistance program?

22 A. Yes.

23 Q. Who would determine that bill payment
24 assistance program?

25 A. The way I look at it I think it would be

1 through at collaborative process. I think the
2 collaborative can come up with a good way to -- how
3 this program -- you know, how you qualify, how it's
4 administered.

5 Q. You haven't done any sort of analysis to
6 determine the financial impact to AEP Ohio if it were
7 to contribute \$2.5 million a year in shareholder
8 funding to bill payment assistance, right?

9 A. I did not do an analysis. You know, I
10 would like to think as a Fortune 500 company this is
11 something that, you know, would be a good service to
12 your -- to your consumers.

13 Q. Is it your position that AEP Ohio is a
14 Fortune 500 company?

15 A. That's what I understand. I might be
16 wrong.

17 Q. Do you draw distinction between AEP
18 Corporation, the publicly-traded company, and AEP
19 Ohio?

20 A. I look at AEP as a whole.

21 Q. You would agree that the Electric
22 Security Plan at issue in this case is for AEP Ohio,
23 not AEP Corporation, correct?

24 A. Yeah, I understand that.

25 Q. Nothing in the Stipulation prevents AEP

1 Ohio from contributing shareholder dollars to the
2 Neighbor-to-Neighbor Program, correct?

3 A. Could you just repeat that? I want to --
4 I think I understood.

5 Q. Sure. Nothing in the Stipulation
6 prevents AEP Ohio from contributing shareholder
7 dollars to the Neighbor-to-Neighbor fund, right?

8 A. Not that I saw in the settlement, no.

9 Q. In fact, you are aware that AEP Ohio
10 actually matches customer and employee contributions
11 to the Neighbor-to-Neighbor fund, correct?

12 A. I did see something about -- I don't know
13 if I saw employee contribution, but I did see that if
14 one of your customers wants to donate money, that it
15 is matched.

16 Q. And that's matched with shareholder
17 dollars, right?

18 A. I would assume.

19 Q. You have no reason to contest that,
20 right?

21 A. I don't know where else the money would
22 come from, but I don't know.

23 Q. Let me turn you to page 14 of your
24 testimony, specifically starting on line 19.

25 A. Okay.

1 Q. You have a discussion here about the PIPP
2 generation auction, correct?

3 A. That is correct, yes.

4 Q. And your ultimate proposal here is found
5 on page 16, line 4, that "the PUCO -- PUCO should
6 require the PIPP generation rate to be at or below
7 the SSO rate," correct?

8 A. That's correct, yes.

9 Q. You are aware that -- strike that.

10 There is a separate auction process to
11 procure generation for PIPP customers, correct?

12 A. There is. You know, unfortunately it has
13 not worked out for PIPP customers lately.

14 MR. SCHULER: Your Honor, I would move to
15 strike everything after "There is."

16 EXAMINER SEE: Granted.

17 MR. SCHULER: Sorry, did you say granted?

18 EXAMINER SEE: Yes.

19 MR. SCHULER: Thank you.

20 Q. (By Mr. Schuler) You are aware -- when I
21 say separate, that is separate from the standard
22 service auction process, right?

23 A. That's how I understand it. There's two
24 separate auctions.

25 Q. You would agree that there -- the

1 standard service auction is set forth under the --
2 under 4928.141 and 4928.143, the ESP statutes --
3 strike that.

4 You would agree there is a set of
5 statutes that relate to the Standard Service Offer,
6 correct?

7 A. I know they are out there. I mean, I
8 would want to see them before I commented on much of
9 them, but I know there are laws out there that govern
10 it.

11 Q. You are aware that there are a set of
12 laws out there that govern the separate PIPP auction
13 process, correct?

14 A. Yes.

15 Q. You are aware that pursuant to those
16 laws, the Commission developed the current process
17 for acquiring the PIPP generation through a
18 competitive auction, correct?

19 A. That's how I understand it. Like I say,
20 once again, it's caused some high rates
21 unfortunately.

22 MR. SCHULER: Your Honor, I would move to
23 strike "Like I say," anything starting with "Like I
24 say."

25 EXAMINER SEE: After "Like I say," it's

1 stricken.

2 MR. SCHULER: Thank you, your Honor.

3 Q. (By Mr. Schuler) You are aware that the
4 auction process was developed in PUCO Case
5 16-247-EL-UNC, correct?

6 A. I don't know all the ins and outs of that
7 case but that's what I understand.

8 Q. You would agree that OCC was a party to
9 that case, right?

10 A. I don't know. I wasn't involved with
11 that.

12 Q. So you don't know what OCC's position
13 would have been in that case?

14 A. No. I was not involved with that case.

15 Q. You don't know if OCC contested the
16 structure that the Commission developed in that case
17 to acquire the PIPP generation?

18 MR. MICHAEL: Objection, asked and
19 answered and at this point in time he is being
20 argumentative and badgering the witness. The witness
21 clearly said he wasn't involved in the case.

22 MR. SCHULER: Your Honor, I am just
23 trying to understand what the witness has testified
24 about this matter. I am trying to understand what
25 the witness does know and does not know related to

1 the PIPP generation.

2 EXAMINER SEE: And the witness can answer
3 the question with whatever caveat you deem necessary,
4 Mr. Tinkham.

5 A. I wasn't involved in those cases. I
6 certainly understand how the process works and how
7 it's determined.

8 Q. Do you know if -- you would agree that
9 that process was set forth via an Opinion and Order
10 by the Commission, correct?

11 A. Correct.

12 Q. Are you aware whether OCC filed an
13 application for rehearing related to that Opinion and
14 Order?

15 A. Once again, I was not involved with the
16 case, so I don't know.

17 Q. You are not alleging that AEP failed to
18 follow the process that's set forth in the 16-247
19 case, correct?

20 A. I wouldn't say you failed. What concerns
21 me is I would think AEP would be on our side that
22 PIPP customers shouldn't be paying anything over the
23 SSO price. To me that would be like a customer going
24 into the grocery store purchasing orange juice and
25 they are on the SNAP program paying \$6 where a

1 non-SNAP customer paying \$3. It's nonsensical to me.
 2 It doesn't make sense. And I would think AEP would
 3 be on the side of that because you are the
 4 distribution utility, not the utility making money
 5 from generation.

6 MR. SCHULER: Your Honor, I would move to
 7 strike anything after "I wouldn't say you failed."
 8 It was a very finite and targeted question. The rest
 9 of the response is nonresponsive and speculative
 10 about AEP Ohio.

11 MR. MICHAEL: And on that one, your
 12 Honor, I would suggest that AEP opened the door to
 13 that response which was "I wouldn't say you failed
 14 but," and I am not going to put words in
 15 Mr. Tinkham's mouth but essentially fell short in his
 16 expert opinion are their obligations as it relates to
 17 SSO and PIPP, so I think it is explanatory in
 18 response to the question "did we fail."

19 MR. SCHULER: Your Honor, to clarify the
 20 question wasn't generally about SSO and PIPP. It was
 21 about the specific Finding and Order issued in
 22 16-247.

23 MR. MICHAEL: Which is related to the SSO
 24 and PIPP.

25 EXAMINER SEE: Mr. Tinkham's answer will

1 stand. Move on, Mr. Schuler.

2 MR. SCHULER: All right. Thank you, your
3 Honor.

4 Q. (By Mr. Schuler) Mr. Tinkham, you on page
5 15 explained the differences between the -- what you
6 calculate to the PIPP generation rates and the SSO
7 generation rates, right?

8 A. Are you speaking on -- did you say line 7
9 and 8?

10 Q. I was referencing page 15, but yes.

11 A. Okay. Yes. Yeah, I'm sorry.

12 Q. And that is for the delivery year of
13 June 1, 2022, through May 31, 2023, correct?

14 A. Yes, that's correct, yes.

15 MR. SCHULER: Your Honor, may I approach?

16 EXAMINER SEE: Yes.

17 MR. SCHULER: At this time I would like
18 to have marked as AEP Ohio Exhibit 4. This is a copy
19 of Ohio Power Company's 2nd Revised Sheet No. 450-1.

20 EXAMINER SEE: The exhibit is so marked.

21 (EXHIBIT MARKED FOR IDENTIFICATION.)

22 Q. (By Mr. Schuler) Mr. Tinkham, you are
23 aware that AEP Ohio charges its tariffed rates,
24 correct?

25 A. Yeah, yes.

1 Q. And part of those tariff rates include
2 the generation price for SSO service, correct?

3 A. That is correct, yes.

4 Q. And part of it is also the generation
5 rates for PIPP generation service, correct?

6 A. That is correct, yes.

7 Q. And those rates for SSO and PIPP
8 generation service are contained in the Generation
9 Energy Rider set forth on the 2nd Revised Sheet
10 No. 450-1 which has been marked as AEP Ohio 4,
11 correct?

12 A. Correct, yes, which is what you provided.

13 Q. You are familiar with this document,
14 correct?

15 A. I have seen it, yes.

16 Q. And you would recognize this as the
17 generation rates that are effective on June 1, 2023,
18 as it says at the beginning of the document, correct?

19 A. That's correct.

20 Q. And on the first set of blocks there, you
21 would agree that the residential rates reflect 10.589
22 cents per kilowatt-hour for Standard Service Offer
23 customers, correct?

24 A. That is correct.

25 Q. And the next block below that reflects

1 the PIPP residential generation rates at 7.216 cents
2 per kilowatt-hour, correct?

3 A. That is correct, yes.

4 Q. You would agree that AEP Ohio has no
5 control over the competitive market that provides
6 generation to the SSO auction, correct?

7 A. That is -- I mean, yes, correct.

8 Q. And you would agree that AEP Ohio makes
9 no money off of the generation provided to customers
10 and charged to customers, correct?

11 A. That is correct and that's -- that's the
12 part where it's hard for me to understand why AEP
13 wouldn't be on our side on this issue.

14 MR. SCHULER: Your Honor, I would move to
15 strike after "That is correct." I first -- there is
16 no notion that AEP Ohio disagrees. We don't know
17 what his side is. It's not responsive to the
18 question.

19 MR. MICHAEL: Your Honor, I would respond
20 by saying if he doesn't know what our side is, I
21 would suggest reading Mr. Tinkham's testimony and
22 paying attention what his testimony has been here for
23 the last couple hours.

24 But in any event the question was the
25 line of questioning AEP is going down is the

1 distinction between the PIPP price and the SSO price,
2 and Mr. Tinkham is offering his opinion that
3 consistent with the line of questioning that AEP
4 should not take a position one way or the other on
5 that because they do have no control over it, and
6 they don't make any money on it, so I think the
7 answer is responsive and should stand.

8 MR. SCHULER: Your Honor, I just
9 reiterate Mr. Tinkham is testifying about positions
10 of AEP Ohio, and he is not qualified to make those.
11 That's the specific portion of the testimony I am
12 seeking to strike.

13 MR. MICHAEL: That's the question that
14 was asked though, does AEP make any money on the SSO.

15 EXAMINER SEE: And the motion to strike
16 everything after "That is correct" is granted.

17 MR. SCHULER: Thank you, your Honor.

18 Q. (By Mr. Schuler) So we talked about the
19 SSO generation. You would agree that AEP Ohio
20 similarly has no control over the third parties that
21 provide the PIPP generation, correct?

22 A. That is correct from what I understand.

23 Q. You would also agree that AEP Ohio makes
24 no money off of the generation sold under the PIPP
25 generation either, correct?

1 A. No.

2 Q. You disagree or do you mean -- you said
3 no. Do you disagree with that notion?

4 A. That you don't make money off of it?

5 Q. Correct. Or lose money?

6 A. Yeah. As far as I understand from SSO
7 and PIPP generation, you don't make or lose money off
8 that.

9 Q. It's a direct passthrough of the
10 generation costs to those providers, correct?

11 A. That's how I understand it, yes, if
12 that's the question you are asking.

13 Q. Yes, thank you.

14 A. Okay.

15 Q. Do you recall a conversation we had
16 earlier about the Company's Bad Debt Rider?

17 A. I do, yes.

18 Q. You would agree that all of AEP Ohio
19 customers pay the Bad Debt Rider, correct?

20 A. That's correct, yes.

21 Q. In fact, the Bad Debt Rider would
22 actually even be charged to customers that are not
23 disconnected yet failing to pay their bills, right?

24 A. Yes.

25 Q. And that would further contribute to the

1 amount of bad debt, correct?

2 A. It would, yes.

3 Q. You would agree that AEP Ohio has an
4 obligation to all of its residential and non --
5 nonresidential customers, correct?

6 A. Most definitely.

7 MR. SCHULER: Your Honor, if I could just
8 have a brief moment, I may be concluded with my
9 cross. I just want to check with my co-counsel.

10 EXAMINER SEE: Sure.

11 MR. SCHULER: Your Honor, I have no
12 further questions. Thank you for your time this
13 morning and into this afternoon, Mr. Tinkham.

14 THE WITNESS: Thank you, Mr. Schuler.

15 EXAMINER SEE: Mr. Michael, any redirect?

16 MR. MICHAEL: No, your Honor. I would
17 reiterate our motion for OCC Exhibit 1.

18 EXAMINER SEE: Are there any objections
19 to the admission of OCC Exhibit 1?

20 MR. SCHULER: One second, your Honor.
21 Could I have a brief moment to consult with my
22 co-counsel?

23 EXAMINER SEE: Sure.

24 MR. SCHULER: No objection from AEP Ohio,
25 your Honor.

1 EXAMINER SEE: I am not hearing any
2 objections from any other party, OCC Exhibit 1 is
3 admitted into the record.

4 (EXHIBIT ADMITTED INTO EVIDENCE.)

5 MR. SCHULER: Your Honor, AEP Ohio would
6 move for the admission of AEP Ohio Exhibit 4.

7 EXAMINER SEE: Are there any objections
8 to the admission of AEP Ohio Exhibit 4?

9 AEP Ohio Exhibit 4 is admitted into the
10 record.

11 (EXHIBIT ADMITTED INTO EVIDENCE.)

12 EXAMINER SEE: Thank you very much,
13 Mr. Tinkham.

14 THE WITNESS: Thank you.

15 MR. MICHAEL: Your Honor, we would
16 obviously defer to the Bench on this, but we are
17 ready to go forward with OCC Witness Wilson, if the
18 Bench is so inclined at this time.

19 MR. NOURSE: It might also be a good time
20 for a lunch break.

21 EXAMINER SEE: It's almost 12:30. Let's
22 take 45 minutes. Resume at 1 o'clock. We will start
23 with Mr. Wilson.

24 We are off the record.

25 (Thereupon, at 12:17 p.m., a lunch recess

1 was taken.)

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1 Wednesday Afternoon Session,
2 October 11, 2023.

3 - - -

4 EXAMINER ADDISON: Let's go ahead and go
5 back on the record.

6 Thank you all. Before we begin with our
7 next witness, Mr. Betterton.

8 MR. BETTERTON: Good afternoon, your
9 Honors. My apologies for the confusion in the docket
10 that IGS's motion has caused, but at this time IGS
11 would look to withdrawal its motion to strike filed
12 in this proceeding. The reason being that when the
13 September 26 entry by your Honors was issued, it did
14 ask for all motions to strike to be filed in the
15 docket.

16 At that time no witness list had been
17 finalized, and it was still unclear to IGS which
18 parties would be presenting testimony and which, if
19 any, of those parties would seek to incorporate their
20 direct testimony.

21 At this point it does not appear those
22 issues remain given the discussion with Calpine and
23 assertion by other parties in the memo contra. So
24 assuming that IGS preserves IGS's right to make
25 motions to strike as is normal practice when a

1 witness takes the stand, IGS is willing to withdrawal
2 its motion to strike.

3 EXAMINER ADDISON: Thank you. And
4 consistent with the discussion earlier, of course,
5 parties will have the opportunity to present motions
6 to strike when a particular witness takes the stand.
7 Thank you.

8 With that we will consider your motion
9 withdrawn.

10 MR. BETTERTON: Thank you, your Honors.

11 EXAMINER ADDISON: Thank you.

12 Mr. Michael, are you ready to proceed?

13 MR. MICHAEL: Yes, your Honor. OCC would
14 like to call James F. Wilson.

15 EXAMINER ADDISON: Welcome, Mr. Wilson.
16 If you could raise your right hand.

17 (Witness sworn.)

18 EXAMINER ADDISON: Thank you. Please be
19 seated and, if you would, just turn on your
20 microphone.

21 MR. MICHAEL: May I approach, your Honor?

22 EXAMINER ADDISON: You may.

23 MR. MICHAEL: Your Honor, I would like to
24 have marked as OCC Exhibit 2, Testimony Recommending
25 Modification of the Stipulation of James F. Wilson

1 dated September 20, 2023.

2 EXAMINER ADDISON: It will be so marked.

3 (EXHIBIT MARKED FOR IDENTIFICATION.)

4 - - -

5 JAMES F. WILSON

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

8 DIRECT EXAMINATION

9 By Mr. Michael:

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

12 A. James F. Wilson.

13 Q. And, Mr. Wilson, where are you employed?

14 A. I'm an independent consultant doing
15 business as Wilson Energy Economics.

16 Q. And, Mr. Wilson, do you have before you
17 what was previously marked as OCC Exhibit 2?

18 A. I do.

19 Q. And can you identify that document?

20 A. This is my supplemental testimony in
21 regard to the Joint Stipulation and Recommendation
22 filed September 20, this year.

23 Q. And, Mr. Wilson, was that testimony
24 prepared by you or at your direction?

25 A. It was.

1 Q. And do you have any modifications to that
2 testimony?

3 A. No.

4 Q. And if I were to ask you the questions
5 reflected in that testimony, would your answers be
6 the same today?

7 A. Yes, they would.

8 MR. MICHAEL: Your Honor, I would move
9 for the admission of OCC Exhibit 2, subject to
10 cross-examination.

11 EXAMINER ADDISON: Thank you,
12 Mr. Michael.

13 And with Mr. Betterton's withdrawal of
14 IGS's motion to strike, I don't believe we have any
15 pending motions to strike for Mr. Wilson that were
16 prefiled; is that correct?

17 Hearing crickets, I believe I am correct
18 with that, so we will move right into cross. One
19 Energy?

20 MR. DUNN: No cross, your Honor.

21 EXAMINER ADDISON: Constellation?

22 MR. SETTINERI: No cross, your Honor.
23 Thank you.

24 EXAMINER ADDISON: I believe that would
25 be the same for OCTA?

1 MR. SETTINERI: I don't represent --
2 well, Gretchen represents them, so I assume no.

3 EXAMINER ADDISON: Thank you for that.
4 Sorry about that, Mr. Settineri.

5 OEG?

6 MS. COHN: No, your Honor.

7 EXAMINER ADDISON: OMAEG?

8 MS. EASLEY: No, your Honor.

9 EXAMINER ADDISON: OPAE?

10 MR. BOBB: No, I don't, your Honor.

11 EXAMINER ADDISON: Walmart?

12 MS. GRUNDMANN: No, your Honor.

13 EXAMINER ADDISON: IGS?

14 MR. BETTERTON: Briefly, your Honors.

15 EXAMINER ADDISON: Of course.

16 - - -

17 CROSS-EXAMINATION

18 By Mr. Betterton:

19 Q. Good afternoon, Mr. Wilson.

20 A. Good afternoon.

21 Q. Well, fortunately you had to get moved to
22 right after the lunch break instead of when we opened
23 up this morning.

24 Just a few questions. The settlement in
25 this case does not propose any of the SSO

1 modifications outlined in your testimony, correct?

2 A. Outlined in my direct testimony from
3 earlier?

4 Q. In your testimony that I believe we just
5 marked OCC Exhibit 2.

6 A. Oh, okay. It does not, yes.

7 Q. Thank you. But the Commission has opened
8 separate dockets in which to discuss other
9 SSO-related issues such as the capacity -- capacity
10 and process, correct?

11 A. Yes.

12 Q. In your testimony you state, this is on
13 page 3, lines 18 through 20, that the rules limiting
14 the quantities SSO suppliers are obligated -- that
15 SSO suppliers are obligated to serve, but the details
16 could become complicated and controversial, correct?

17 A. Page -- yes, yes.

18 Q. And as such, in your testimony or here on
19 the stand today, you do not have any
20 recommendation -- specific recommendations limiting
21 the quantities or amounts that an SSO supplier would
22 be obligated to serve, correct?

23 A. That's true. I did not make a specific
24 recommendation.

25 Q. Turning your focus briefly to your

1 recommendation in this testimony regarding the SSO
2 procurement through class-based auctions. Similar
3 question, your testimony does not offer any specific
4 plan regarding SSO customer class auctions, correct?

5 A. Well, I think I did. I recommended
6 either a separate residential class or perhaps
7 combining a residential and small commercial.

8 Q. Did you provide any specific framework on
9 customer class size or which customers would be in
10 which specific bracket?

11 A. Well, if it's residential only, there is
12 nothing more you need to define. If you combine
13 small commercial, you would have to determine what
14 the threshold was but there's not a lot that needs to
15 be defined to do that; and, of course, it's been done
16 in many other states.

17 Q. But in your testimony you left the door
18 open that it could be done in either fashion,
19 correct, either a residential only or a
20 residential/small commercial combination, correct?

21 A. Yes. I left that open because I think
22 it's important to do either one. Either one would be
23 good, and I wouldn't take a firm position on either
24 if, you know, the Commission or other stakeholders
25 felt strongly about which was preferred.

1 Q. Thank you. And on page 8, lines 10
2 through 12, you state that "SSO suppliers are likely
3 to find smaller customers less likely to switch into
4 and out of SSO" and as such, there is less risk,
5 correct?

6 A. Where am I? Page 8?

7 Q. This is page 8, lines 10 through 12.

8 A. That's not what I am seeing on page 8,
9 lines 10 to 12.

10 Q. On my page 8, this is "Question: Please
11 summarize your conclusions regarding separate
12 auctions by customer group." I have that on page 8,
13 starting on line 5. Do you see that?

14 A. Okay. Well, it's in line 11 in the copy
15 I have. Maybe -- maybe I didn't copy the -- print
16 the final, final version or something.

17 EXAMINER ADDISON: Let's go off the
18 record for a moment.

19 (Discussion off the record.)

20 EXAMINER ADDISON: Let's go back on the
21 record.

22 Mr. Betterton.

23 MR. BETTERTON: Thank you, your Honors.

24 Q. (By Mr. Betterton) So just for clarity,
25 Mr. Wilson, you are now seeing question 13 of your

1 testimony beginning on line 5, correct?

2 A. Yes.

3 Q. Okay. And on that same page, lines 10
4 through 12, you see the sentence that says "SSO
5 suppliers are likely to find smaller customers less
6 likely to switch into and out of SSO service and,
7 therefore, less risky to serve," correct?

8 A. Yes.

9 Q. And within the four corners of your
10 testimony, there are no studies or data to support
11 this assertion, correct?

12 A. That's correct.

13 Q. Thank you. And in your testimony you
14 mention other states including Massachusetts, New
15 Jersey, Maryland, Illinois, and Pennsylvania when
16 discussing separate class auctions, correct, as
17 examples?

18 A. Yes, that's in here somewhere.

19 Q. Similar question to before, in the four
20 corners of your testimony, you do not include any
21 historical pricing data for any of those states you
22 mentioned, correct?

23 A. I did not, no. We've seen it elsewhere,
24 but I didn't include that.

25 MR. BETTERTON: Sorry to interrupt you.

1 Thank you.

2 And, your Honors, I believe that's all
3 the questions I have for this witness.

4 EXAMINER ADDISON: Thank you, very much.
5 ELPC?

6 MS. McCONNELL: No, your Honor.

7 EXAMINER ADDISON: Kroger?

8 MS. WHITFIELD: No questions.

9 EXAMINER ADDISON: OEC?

10 MS. NORDSTROM: No, thank you, your
11 Honor.

12 EXAMINER ADDISON: RESA?

13 MS. WALKE: Yes, your Honor, briefly.

14 - - -

15 CROSS-EXAMINATION

16 By Ms. Walke:

17 Q. Good afternoon, Mr. Wilson.

18 A. Good afternoon.

19 Q. Avery Walke on behalf of RESA. At
20 question 9 on lines 1 through 6, page 5 of your
21 testimony, you state your recommendation with regard
22 to the Stipulation, correct?

23 A. Yes.

24 Q. And at question 9 at your answer you only
25 make two recommendations with regard to the

1 settlement, correct?

2 A. Yes. There are two recommendations
3 there.

4 Q. The first recommendation is that the PUCO
5 should require the Company to hold separate auctions
6 by customer class, correct?

7 A. Yes. I mean, elsewhere in my testimony I
8 made it clear that would be residential only with the
9 others aggregated or residential and commercial. I
10 am just being brief here.

11 Q. With regard to the second recommendation,
12 it is that the PUCO should also provide guidance on
13 how the proxy price will be set for the capacity
14 pass-through mechanism, correct?

15 A. Correct.

16 Q. Now, at the beginning of your
17 supplemental testimony, you also summarized some of
18 the aspects that you included in your direct
19 testimony, correct?

20 A. I did.

21 Q. And for clarity today, you are not
22 offering your original direct testimony that --
23 correct?

24 A. I leave that to the attorneys. I wasn't
25 aware whether that's sort of still on the table or

1 not.

2 Q. Okay. But currently the testimony you
3 are sponsoring is your supplemental testimony,
4 correct?

5 A. Well, I sponsored both pieces of
6 testimony in this proceeding.

7 Q. So, I mean, you are testifying here
8 currently on your supplemental testimony.

9 A. That's for you all to decide.

10 Q. Okay. We will move forward. Now in the
11 summary, you mentioned that you had previously
12 discussed limitations on customer switching, correct?

13 A. Where are we?

14 Q. Still in the summary that you have
15 briefly at the beginning of your supplemental
16 testimony of your previous recommendations. That
17 would be --

18 A. Page 5.

19 Q. Uh-huh. Would you like me to reread the
20 question, Mr. Wilson?

21 A. Question 9 I have in front of me.

22 Q. No. I'm talking about in the beginning
23 portion of your testimony in the summary
24 recommendation section, you discuss that you
25 previously -- or you mentioned that you previously

1 discussed limitations on customer switching, correct?

2 A. That's in another part of this document?

3 Q. I'll give you --

4 EXAMINER ADDISON: Maybe you could give a
5 page number and line number. Yes, thank you.

6 Q. (By Ms. Walke) So if you are on page 2,
7 lines 22 through 23.

8 A. And the entire Q and A summarizes my
9 direct testimony.

10 Q. Right.

11 A. Yes.

12 Q. Correct. And in that you mention placing
13 limitations on customer switching, correct?

14 A. That's one of the potential categories of
15 changes I discussed in my direct testimony, yes.

16 Q. And then in your supplemental testimony
17 on page 3, lines 11 through 13, you concede that
18 rules limiting customers switching do not go very far
19 in limiting the quantity risk faced by SSO suppliers,
20 correct?

21 A. Yes.

22 Q. Now, in your original testimony which you
23 reference here, you offered the same conclusion on
24 customer switching in the context of the idea that it
25 might help lower SSO prices, correct?

1 MR. MICHAEL: I am going to object, your
2 Honor. The direct testimony isn't submitted as an
3 exhibit. We don't intend to submit it as an exhibit.
4 Mr. Wilson is not testifying about his direct
5 testimony. I realize he summarizes it here for
6 context, and questions about the summary are fine,
7 but in terms of particular recommendations that may
8 or may not have been made in the direct testimony, I
9 would object to those questions.

10 MS. WALKE: Your Honors, if OCC is
11 objecting to this testimony because it is not being
12 offered, we are happy to remove the references to the
13 testimony that's not being offered specifically
14 placing the limits on the customer's right to
15 shopping.

16 EXAMINER ADDISON: Well, regardless, I
17 think Mr. Betterton kind of covered this in his cross
18 when Mr. Wilson answered questions posed to him that
19 he was only recommending the two -- only recommending
20 the two proposals contained in the supplemental
21 testimony, so I -- I have to agree with Mr. Michael.
22 I feel like we are kind of running around and this
23 isn't really relevant questioning at this point so
24 let's move on.

25 MS. WALKE: At this time RESA has no

1 further questions.

2 EXAMINER ADDISON: Thank you.

3 OELC?

4 MR. PROANO: Yes.

5 EXAMINER ADDISON: Please proceed.

6 - - -

7 CROSS-EXAMINATION

8 By Mr. Proano:

9 Q. Mr. Wilson, my name is David Proano from
10 Baker & Hostetler. I represent Ohio Energy
11 Leadership Council. Go back to page 3 of your
12 testimony. You recommended separate SSO auctions for
13 residential customers, and you said also perhaps
14 including small commercial customers. Do you see
15 that?

16 A. Yes.

17 Q. If your recommendation was adopted, that
18 would mean that large commercial and industrial
19 customers would have separate auctions, correct?

20 A. That's correct.

21 Q. In your testimony, do you analyze what
22 the impact would be to large commercial and
23 industrial customers if your separate auction
24 proposal were adopted?

25 A. I don't analyze it. I can discuss that

1 right now, but I don't provide analysis in this piece
2 of testimony, no.

3 Q. If you look at page 7 and through 8 of
4 your September 20 testimony, you list a number of
5 states that you testify have adopted some kind of
6 separate class auction system. Do you see that list?

7 A. Yes.

8 Q. Now, if you'll look at Massachusetts and
9 Delaware, Massachusetts, you say that state includes
10 "variable price approach from medium and large
11 commercial and industrial customers." Do you see
12 that?

13 A. Yes.

14 Q. What are you referring to there?

15 A. There's an auction for residential and
16 small commercial which is more of a fixed price-type
17 thing and I think they are just providing variable
18 pricing for medium and large commercial. If they
19 wish a fixed price, they would go to competitive
20 suppliers for it.

21 Q. Is that variable price a market price
22 essentially as you understand it in Massachusetts?

23 A. That's my understanding, yes.

24 Q. And if you look at Delaware, second from
25 bottom bullet point, you reference "an hourly price

1 to service for the largest customers." Do you see
2 that?

3 A. Yes.

4 Q. What are you referring to there for
5 Delaware?

6 A. Well, I think it's a similar situation.
7 They're not providing an SSO-type fixed price product
8 for the larger customers. They would go to
9 competitive suppliers if they were looking for fixed
10 prices.

11 Q. So if they were on this hourly price
12 service in Delaware, is it your understanding it
13 would be a market-based pricing mechanism?

14 A. Yes.

15 Q. A variable price, correct?

16 A. Yes.

17 Q. Now, isn't it true that it is possible
18 that that same outcome could happen in Ohio as it has
19 happened in Massachusetts and Delaware if your
20 proposal was adopted by the Commission?

21 A. Under a contingency plan, yes, that could
22 happen. I mean, what we've seen is that in recent
23 months the industrial SSO load has gone to almost nil
24 and so if you had a future auction with industrial or
25 maybe industrial together with large commercial, and

1 the volumes of industrial customers interested in SSO
 2 was almost nil, as it is today, as it was in August
 3 of 2023, then the auction would very likely not clear
 4 anything and the contingency plan would kick in and
 5 those customers would be looking at the kind of being
 6 served on an hourly basis. And, of course, they
 7 would have the option to seek a competitive supplier
 8 that could offer them a fixed price if that's what
 9 they were interested in.

10 Q. Have you looked at similar data for large
 11 commercial recently?

12 A. Data? I'm not sure what you are
 13 referring to.

14 Q. You mentioned the industrial class. Do
 15 you have another class between industrial and small
 16 commercial in your mind, or does industrial in your
 17 mind include large commercial?

18 A. No. I am -- I am looking at the data on
 19 the PUCO website which unfortunately is residential,
 20 commercial, and industrial. The industrial has gone
 21 from very large numbers to very small numbers. The
 22 residential has stayed very stable. The commercial
 23 has done something in between. I suspect if we could
 24 disaggregate the commercial to large and small, we
 25 would see small commercial customers behaving more

1 like residential customers with fairly stable SSO
2 loads year to year despite market prices going up and
3 down, and we would see large commercial -- commercial
4 customers acting very much like industrial customers,
5 very opportunistically switching in and out of SSO
6 based on the comparison to market prices.
7 Unfortunately that detail is not available.

8 Q. And sitting here today, you don't know
9 what the breakdown is in that commercial segment on
10 the website?

11 A. What breakdown are you asking?

12 Q. Between large and small.

13 A. No, I don't.

14 Q. Are you familiar with the Ohio Revised
15 Code Chapter 4928 relating to Competitive Retail
16 Electric Service?

17 A. I believe I've probably reviewed it at
18 one time.

19 Q. Are you familiar that Section 2 of that
20 chapter references the stated policy of the State of
21 Ohio with respect to competitive service? Are you
22 familiar with that at all?

23 A. I may have reviewed it at some time. You
24 could read it to me and refresh my memory.

25 Q. Sure. I will do just that. That

1 chapter, that 4928.02(C) provides that it is a policy
2 of the State of Ohio to "ensure diversity of
3 electricity supplies and suppliers, by giving
4 consumers effective choices over the selection of
5 those supplies and suppliers and by encouraging the
6 development of distributed and small generation
7 facilities." Did you understand what I read to you?

8 A. Yes.

9 Q. Isn't it true that placing limits on the
10 ability of customers to switch would necessarily
11 limit consumer choice of that electricity to
12 suppliers?

13 MR. MICHAEL: I am going to object to the
14 question. If I understood it correctly, that is not
15 one of Mr. Wilson's recommendations in this
16 supplemental testimony. And consistent with the
17 Bench's prior ruling, not relevant to his
18 supplemental testimony so I would object to the
19 question.

20 EXAMINER ADDISON: Thank you.
21 Mr. Proano, I think we did cover this with RESA's
22 cross so let's move on.

23 Q. (By Mr. Proano) So just to be very clear,
24 Mr. Wilson, you are not at this time recommending a
25 limit on switching on customers, correct?

1 A. Yes. I did not include such a
2 recommendation.

3 MR. PROANO: No further questions. Thank
4 you, your Honor. Thanks, Mr. Wilson.

5 EXAMINER ADDISON: Thank you very much.
6 AEP Ohio?

7 MR. MILLER: Yes, your Honor.

8 - - -

9 CROSS-EXAMINATION

10 By Mr. Miller:

11 Q. Good morning, Mr. Wilson. My name is
12 Chris Miller, and I am a lawyer with the law firm Ice
13 Miller. And I apologize if you can't hear me. I
14 will move the mic a little closer. And I am one of
15 the attorneys for the Company in this proceeding.

16 A. Good afternoon.

17 Q. I will do my best not to cover anything
18 anyone else has, so I will try to make this as brief
19 as possible. My understanding is the OCC has hired
20 you to appear as -- as their witness in this case,
21 correct?

22 A. Correct.

23 Q. And you've testified before the
24 Commission -- this Commission before?

25 A. Yes, I have.

1 Q. Have you testified recently, in the last
2 several years?

3 A. Yes.

4 Q. Can you just from memory tell me what
5 cases you might have testified in?

6 A. It's right here in my testimony.

7 Q. Okay.

8 A. In this case earlier this year. Before
9 that it's been a few years, I believe, so I don't
10 recall.

11 Q. It's not intended to test your memory.

12 A. All right.

13 Q. Just asking the question. And to be
14 clear you are a mathematician or an economist? How
15 do you refer to yourself?

16 A. I am an economist.

17 Q. And you are not a lawyer or an attorney?

18 A. I am not.

19 Q. And you are not providing any legal
20 opinion in your testimony?

21 A. Correct.

22 Q. Can you tell me, as your client would
23 certainly know, about the OCC and what their mission
24 is and who they represent? Can you -- can you tell
25 me in your own words who you believe they represent?

1 MR. MICHAEL: Objection, relevance.

2 A. OCC --

3 MR. MICHAEL: Objection. Hold on.

4 EXAMINER ADDISON: One moment,
5 Mr. Wilson.

6 MR. MICHAEL: I was just objecting to the
7 relevance, your Honor, what Mr. Wilson thinks or what
8 he thinks who we represent is.

9 EXAMINER ADDISON: Mr. Miller.

10 MR. MILLER: Well, I believe counsel read
11 into the record who they represent when he made his
12 appearance. I would hope Mr. Wilson could say the
13 same thing on the record.

14 EXAMINER ADDISON: I will overrule. I
15 will allow you to answer the question.

16 A. I believe they represent the interests of
17 consumers in Ohio.

18 Q. And do you know what types of consumers?

19 A. Well, with a particular focus on
20 residential consumers is my impression.

21 Q. And do they represent commercial
22 customers?

23 A. Not -- I don't know.

24 Q. Industrial customers?

25 A. I don't know.

1 Q. Are there any other parties -- and you
2 reviewed the record of this case, you reviewed
3 participants, you looked at the testimony filed in
4 the docket, especially when you filed your
5 supplemental testimony, correct?

6 A. What was the question?

7 Q. Let me strike that and let me ask you
8 this way, are there any other parties in this case
9 that represent residential customers?

10 A. I'm not aware whether there are.

11 Q. Okay. Can you tell me what you reviewed
12 in this case prior to preparing your testimony?

13 A. I reviewed the Stipulation and some of
14 the documents and testimony around it. I think I
15 state right upfront what I reviewed. I might have
16 reviewed other things that I didn't mention.

17 Q. And can you tell me what those would be,
18 those other things?

19 A. Before preparing my testimony on the
20 Stipulation or my direct testimony?

21 Q. Well, we'll get to this, but I believe
22 that you -- in your Stipulation testimony you
23 summarize your direct testimony; is that correct?

24 A. You asked me what I reviewed to prepare
25 this testimony.

1 Q. Yes, sir.

2 A. You are changing the subject now or?

3 Q. No, sir. You asked me for clarification.
4 I tried to give it to you. Let's back up and ask it
5 this way, you filed direct testimony in this case on
6 the docket, correct?

7 A. That's correct.

8 Q. And it is a big assumption on my part,
9 and I don't want to put words in your mouth, but I am
10 assuming you reviewed the ESP V filing for the
11 company?

12 A. Yes.

13 Q. Prior to submitting that original
14 testimony?

15 A. Yes.

16 Q. And I understand you are not sponsoring
17 that testimony today but that is the -- that
18 testimony, that original testimony, is the -- the
19 germination or the acron that the oak grew out of to
20 get us here today for your Stipulation testimony,
21 correct?

22 A. This testimony is about the Stipulation.
23 That testimony was about the filing. So acorns, I
24 don't know. I can't really agree to that.

25 Q. So the testimony you originally filed and

1 this testimony are distinctly different?

2 A. Well, they are a little different. They
3 are responding to different filings. The context is
4 different.

5 Q. So back to my original question about
6 asking you what you reviewed before you filed your
7 testimony and I think we've established that your
8 supplemental testimony builds, if you will, on the
9 direct testimony you had and I believe your
10 supplemental testimony you agreed you summarized your
11 direct testimony. So when I ask you the question
12 what did you review to prepare your testimony, I'm
13 specifically focusing on supplemental testimony but
14 also want to understand what you reviewed because you
15 summarized the direct testimony originally. What did
16 you review through the process?

17 A. Could you clarify your question, please?

18 Q. What did you review prior -- strike that.
19 What did you review in regards to this
20 case prior to filing your supplemental testimony?

21 A. Prior to filing my supplemental
22 testimony.

23 Q. Correct.

24 A. Okay. So you are not including my direct
25 testimony now.

1 Q. If you will answer the question, I'll
2 clarify that.

3 A. Clarifying the question is probably
4 helpful before trying to answer.

5 EXAMINER ADDISON: What did you review in
6 preparation of filing the testimony before you what
7 has been marked as OCC Exhibit No. 2?

8 THE WITNESS: Okay.

9 A. I reviewed the Stipulation and the
10 documents filed with it, filed with the Stipulation.

11 Q. And you reviewed the original ESP filing?

12 A. I might have taken another look at it,
13 but I had reviewed that earlier in conjunction with
14 my direct testimony.

15 Q. Did you review your direct testimony in
16 preparation for filing the Stipulation testimony?

17 A. Yes.

18 Q. And I believe you indicated -- or let's
19 ask the question, you summarize, reference your
20 direct testimony in the Stipulation testimony,
21 correct?

22 A. Correct.

23 EXAMINER ADDISON: Mr. Miller, could you
24 bring the microphone maybe a little closer? I am
25 having --

1 MR. MILLER: Yes, your Honor.

2 EXAMINER ADDISON: Your sentences are
3 trailing off a little bit towards the end.

4 MR. MILLER: I apologize. People don't
5 usually complain I am not loud enough. I apologize
6 for that.

7 Q. (By Mr. Miller) What documents did you
8 bring to the stand with you today?

9 A. I have my supplemental testimony and my
10 direct testimony.

11 Q. You have your direct testimony.

12 A. I do.

13 Q. And you're sponsoring that direct
14 testimony?

15 MR. MICHAEL: Objection, asked and
16 answered. We've been through this.

17 EXAMINER ADDISON: We have, Mr. Miller.
18 Sustained.

19 Q. (By Mr. Miller) Mr. Wilson, did you
20 testify in Case No. 22-900-EL-SSO on behalf of the
21 OCC which for reference is the Dayton Power and Light
22 case?

23 A. Yes, I did earlier this year, I believe.

24 Q. I believe in that case you recommended
25 that the Commission should separate auctions by

1 customer class, correct?

2 A. I believe I did.

3 Q. And in the Dayton case, that direct
4 testimony also addressed a proposed Stipulation?

5 A. I don't recall.

6 Q. Do you recall if your testimony -- if you
7 filed one set of testimony that gave your impressions
8 of both the filing and the Stipulation?

9 A. I don't recall those details. I recall
10 the content. I don't recall the regulatory context.

11 Q. To your knowledge, do you know if the
12 Commission modified the proposed Stipulation
13 subsequent to its filing on the docket in the Dayton
14 case?

15 A. I'm not aware, no.

16 Q. Do you know if the Commission adopted the
17 Stipulation as filed?

18 A. I don't -- I don't recall how that played
19 out, no.

20 Q. And the testimony you filed in that case,
21 22-900-EL-SSO, is that testimony materially the same
22 as the testimony you filed in the AEP case?

23 A. I think --

24 MR. SETTINERI: Objection, relevancy.
25 Separate case, separate testimony, your Honor. He's

1 filed testimony in this case. That's what the cross
2 should be on. Dayton Power and Light is a separate
3 utility.

4 EXAMINER ADDISON: Thank you,
5 Mr. Settineri. I will allow the question and provide
6 Mr. Wilson a little bit of latitude in his
7 explanation.

8 A. Yes. The discussion of the reasons for
9 and the context and such about separate auctions by
10 customer class, that was very similar.

11 Q. And in that testimony you made other
12 recommendations also, correct?

13 A. Yes.

14 Q. Do you know if the Commission adopted any
15 of those recommendations in its final order?

16 A. Are we talking about Dayton case?

17 Q. Yes; yes, sir.

18 A. No. I don't know.

19 Q. Can you tell me now that we have
20 established you filed similar -- materially similar I
21 think is the word I used, and I think you agreed,
22 testimony in that case. Can you tell me how your
23 testimony differs in this case?

24 A. This is a broader set of topics, other
25 topics involved.

1 Q. Can you elaborate on what other topics
2 you are referring to?

3 A. Are we talking about the Stipulation, the
4 supplemental?

5 Q. Yes, sir, the supplemental testimony.

6 A. Okay.

7 EXAMINER ADDISON: Mr. Miller, do you
8 have a copy of Mr. Wilson's testimony filed in the
9 Dayton case? I think it's a little unfair to ask him
10 to identify differences without --

11 MR. MILLER: I do not, your Honor.

12 EXAMINER ADDISON: -- the actual
13 testimony.

14 MR. MILLER: That's fine. I do not have
15 a copy to provide to the witness.

16 A. Okay. I don't recall.

17 MR. SETTINERI: Your Honor, I will just
18 renew my objection. This is not proper impeachment.
19 It's talking about a completely different case,
20 different matter. It's not relevant.

21 EXAMINER ADDISON: Thank you,
22 Mr. Settineri.

23 MR. SETTINERI: It is clearly not being
24 used for impeachment purposes.

25 EXAMINER ADDISON: Thank you. Perhaps

1 with the question I just posed to Mr. Miller, maybe
2 we are moving on to another line of questioning then.

3 MR. MILLER: We are, your Honor.

4 EXAMINER ADDISON: Thank you.

5 Q. (By Mr. Miller) Your supplemental
6 testimony addresses the Stipulation in this case; is
7 that correct?

8 A. Correct.

9 Q. And the single subject of this hearing is
10 the Stipulation, correct?

11 A. That's my understanding, yes.

12 Q. And I think we established this, but just
13 for clarity, you reviewed the Stipulation prior to
14 drafting your supplemental testimony?

15 A. Yes.

16 Q. Can I turn -- or can you turn, can I turn
17 you to page 3 of your supplemental testimony and look
18 at line 4, if you would. And I believe that -- are
19 you there, Mr. Wilson?

20 A. Yes.

21 Q. Thank you. You state holding separate
22 SSO auctions for residential, or perhaps residential
23 and small commercial customers, has the potential to
24 significantly mitigate the perceived risk of SSO
25 service, and could lead to more efficient and lower

1 cost SSO auction outcomes for the customers; is that
2 correct?

3 A. Yes.

4 Q. And I think throughout your testimony you
5 suggest that residential auction could also include
6 that small commercial auction together, correct?

7 A. Correct.

8 Q. Mr. Wilson, would you agree that customer
9 class definitions, when we talk about residential,
10 industrial, commercial, would you agree that they can
11 vary in their makeup definitionally from utility to
12 utility?

13 A. Yes.

14 Q. Would you agree that customer class
15 definitions vary from state to state?

16 A. They often do, yes.

17 Q. To your knowledge, has any other Ohio EDU
18 used a class-based auction to date?

19 A. To my knowledge, no, they haven't
20 surprisingly.

21 Q. Can I direct you to page 6, if you would,
22 of your supplemental testimony starting at line 16?
23 And I think starting with line 16, you analyze six
24 states and the District of Columbia that have
25 auctions for default customers, correct?

1 A. Line 16 to 18, I note New Jersey,
2 Maryland, District of Columbia. I think what you
3 said is different.

4 Q. And it continues into the next page where
5 I believe there are approximately seven total, and
6 you continue to speak about all of those different
7 states. You referenced their circumstances as you
8 know them?

9 A. And your question?

10 Q. Well, my question was is that the case?
11 Seven jurisdictions which you reference and describe
12 the circumstances regarding class-based auctions?

13 A. I think I am seeing six, but maybe I
14 mentioned D.C. also.

15 Q. You did. The District of Columbia, yes,
16 sir.

17 A. Okay.

18 Q. That's why I referred to them as
19 jurisdictions because that one is not a state.

20 A. Okay.

21 Q. Are all the states and the District of
22 Columbia, the jurisdiction, those seven that you
23 identified, are all of them in PJM?

24 A. Yes. I could have mentioned Connecticut
25 also. And, no, Massachusetts is not and not all of

1 Illinois.

2 Q. And just to be clear, Massachusetts is
3 not in PJM and portions of Illinois; is that your --

4 A. Correct.

5 Q. -- answer? And just for clarity,
6 Massachusetts is in what RTO?

7 A. ISO England.

8 Q. Illinois, portions of Illinois?

9 A. MISO.

10 Q. Thank you. The orders you reference in
11 regards to the various cases on page 7 and 8 of your
12 testimony, your supplemental testimony, those orders
13 appear to have all come down or been issued ranging
14 from 2000 to the year 2007; is that correct?

15 A. Yes.

16 Q. Do you know if there was statutory acts
17 that precipitated each Commission in those states and
18 the District to create a competitive procurement
19 process for default service required by auction
20 class?

21 A. I'm not -- I am not aware of -- I mean,
22 the citations, in some cases it's to legislation.
23 And legislation or regulatory action, I didn't pay
24 much attention to that difference.

25 Q. Given the significant amount of time

1 that's passed since those orders were issued in those
2 various states and the District, do you know if those
3 orders have been appealed, rescinded, or amended?

4 A. I'm not aware of any that have been, no.

5 Q. Do you know when Ohio adopted statutes
6 mandating all EDUs to provide an SSO?

7 A. I don't.

8 Q. Would you be aware that the Ohio General
9 Assembly provided the Commission with the authority
10 to adopt or modify rules as necessary and conduct a
11 competitive bidding process?

12 A. Sounds like that could be the case, yes.

13 Q. But you're not certain.

14 A. Well, your particular wording, I want to
15 look at it real carefully, but I will accept it if
16 that's what happened.

17 Q. I appreciate your trust. Thank you.
18 Have you compared the Ohio SSO auction customer
19 pricing results to the customer pricing results in
20 those other jurisdictions you referenced?

21 A. I haven't. Others have.

22 Q. And you provided none of those studies --

23 A. Correct --

24 Q. -- in your testimony?

25 A. -- I did not.

1 Q. And the jurisdictions you identified,
2 they all separate their default service into
3 different products for different customer groups,
4 correct?

5 A. I describe briefly the different
6 approaches and that's -- yes, all of them there is
7 some separation in the approach between customer
8 groups.

9 Q. And with such -- they are not all
10 identical. They each one of them perhaps has their
11 own formula; is that fair?

12 A. Are you saying the different states?

13 Q. Each state perhaps may do it slightly
14 differently.

15 A. Yes. I outline a little bit of the
16 approaches; yes, they tend to be different.

17 Q. And then can I draw your attention to
18 page 6, line 15, where you state that it's common to
19 hold separate auctions for either residential or
20 residential together with small commercial. Do you
21 see that?

22 A. Yes.

23 Q. Are you aware of any states other than --
24 any states or jurisdiction because I don't want to
25 leave out the District of Columbia that you

1 referenced, are you aware of any other states or
2 jurisdictions that separate their default service
3 into different products for different customer
4 groups?

5 A. I think I have seen a list that included
6 a few more, Connecticut. There might be a few
7 others, Rhode Island. I kind of focused it on PJM
8 here and included Massachusetts, but I believe there
9 are a few others.

10 Q. In those states and the District that you
11 referenced and reviewed, do you know how many of
12 those jurisdictions have adopted the use of a
13 residential only auction?

14 A. This was quite a while ago. I don't
15 recall. I think I say something about that here or
16 in my direct. Pennsylvania, Delaware, Massachusetts,
17 I believe it's residential only according to my
18 testimony.

19 Q. And, Mr. Wilson, you said it's been a
20 while. Are you referring to your -- what you
21 reviewed for the Stipulation testimony, or are you
22 referring to something else?

23 A. Well, I did this work earlier that I am
24 pulling -- that is here too for the -- earlier this
25 year.

1 Q. And you did this work for your direct
2 testimony in this case?

3 A. And for the DP&L --

4 Q. And for the DP&L?

5 A. -- that you mentioned.

6 Q. Like the question I just asked you but
7 sort of a little different, do you know how many of
8 those jurisdictions perhaps submit their default
9 service into different products for different
10 customer groups that have a joint residential and
11 commercial?

12 A. Well, at line 15, I state that New
13 Jersey, Maryland, District of Columbia, and Illinois
14 residential together with small commercial.

15 Q. And in each of those cases, it's your
16 opinion that they are joint residential and
17 commercial in those auctions?

18 A. Residential and small commercial.

19 Q. In the same class.

20 A. In the auction.

21 Q. Do you know if the market price decreased
22 for residential customers in those jurisdictions that
23 you analyzed?

24 A. Decreased when compared to what?

25 Q. Decreased subsequent to those states

1 auctioning by class?

2 A. Well, time passes, of course, and the
3 forward price moves so that wouldn't necessarily be
4 definitive; but, no, I haven't done that analysis.

5 Q. You state that holding separate SSO
6 auctions by customer class could potentially mitigate
7 the perceived risk of SSO service and could lead to
8 more efficient and lower cost SSO auction outcomes
9 for customers; is that a true statement?

10 A. You are reading my testimony, yes.

11 Q. And you indicate in that commentary that
12 the solution you are proposing could potentially
13 mitigate.

14 MR. SETTINERI: Just object, your Honor.
15 Can we have a citation to the testimony?

16 EXAMINER ADDISON: That would also be
17 helpful for the Bench.

18 MR. MILLER: I may have been summarizing,
19 so I apologize but let me -- let me ask this question
20 then. Perhaps it will be helpful.

21 EXAMINER ADDISON: Thank you.

22 Q. (By Mr. Miller) You do talk about your
23 solutions potentially mitigating, and I believe you
24 have said this is an appropriate statement resulting
25 in -- in a benefit; is that correct?

1 A. Yes.

2 Q. Is that potentially mitigating comment,
3 in that sense, it's not a certainty, correct?

4 A. Well, it also refers to it depends on the
5 context. In the old world when the premiums over the
6 forward curve were really small because SSO suppliers
7 hadn't seen any customers switching in and out, then
8 at that time, you know, five years ago, separate
9 auctions by customer class might not have had very
10 much impact.

11 And if we were to get back to that world,
12 perhaps by imposing many other changes to the
13 auctions like volumetric caps or restrictions on
14 switching in and out, then those risks might be
15 mitigated to the point where separate auctions by a
16 customer class might not have an impact. So it
17 depends on the context. That's why the assertion is
18 qualified to some extent.

19 But where we are today where, you know,
20 we've seen in AEP over the last few years industrial
21 SSO volumes go from close to nil to almost as large
22 as residential and then back to nil, having different
23 separate auctions by customer class could be very
24 beneficial to residential customers by removing that
25 volume risk.

1 Q. And to be clear, when you say the old
2 world, you don't mean Europe.

3 A. No.

4 Q. You are referring to a time frame?

5 A. Yes.

6 Q. And what would that be?

7 A. Well, as of five years ago, or even
8 three, you had slice-of-system in Ohio, and it worked
9 well because you just didn't have that history of
10 large numbers of -- large volumes of customers
11 switching in and out and imposing huge risk on the
12 SSO suppliers. It just hadn't happened.

13 Q. So -- and I want to clarify, we talked
14 about this earlier, I want to draw your attention to
15 page 3, line 4, just to be clear and provide the
16 reference. When I talked about the statement
17 regarding holding separate SSO auctions by customer
18 class could potentially mitigate the perceived risk
19 of SSO service and could lead to more efficient SSO
20 auction costs. That's where that reference is from
21 just to be clear.

22 A. Yeah. It says I concluded that holding
23 separate auctions had the potential to significantly
24 mitigate. That actually doesn't qualify it and say
25 may or may not. It just says that that provision

1 would significantly mitigate, so I don't see that as
2 qualifying the assertion.

3 Q. So you're saying it -- it could; is that
4 correct?

5 A. No. Holding separate auctions has the
6 potential to significantly mitigate.

7 Q. Potential, how do you define potential?

8 A. Well, it's an opportunity. To hold
9 separate auctions is an opportunity to mitigate. If
10 we hold the separate auctions, we will mitigate.

11 Q. All right. My parents thought I had the
12 potential to go to medical school, but it didn't work
13 out, so I just want to be clear on that issue. So
14 potential doesn't mean it's an absolute certainty.

15 A. In this context I don't think that's what
16 that word potential means.

17 Q. Okay. And then I believe the rest of the
18 sentence you go on to say could lead.

19 A. Yes.

20 Q. Is that a certainty, could?

21 A. Nothing is a certainty because there's 10
22 other things changing at the same time.

23 Q. So it's not a certainty then.

24 A. It's not a certainty because other things
25 could offset it at any point in time.

1 Q. So the result may not be positive or
2 negative.

3 A. You don't get to run the experiment where
4 you change only this and find out its impact. You
5 get to run the experiment where you change this and
6 10 other things happen at the same time so that's why
7 it's not a certainty.

8 Q. I believe you also talk about perceived
9 risk?

10 A. Yes.

11 Q. Can you explain what you mean by
12 perceived risk?

13 A. Well, it's all in the eyes of the SSO
14 suppliers. If they perceive risk, they are going to
15 add a risk premium, and we don't have to argue about
16 whether they really face risk or not. I believe they
17 do, but if they perceive risk and add a risk premium,
18 it costs residential consumers through higher SSO
19 prices. So I use perceived risk because it's not
20 important or necessary to try to establish whether
21 that risk is true or not. If it's perceived then in
22 the auction, they are adding a risk premium.

23 Q. Are you sure that all SSO suppliers would
24 perceive the same level of risk?

25 A. Of course, they would not perceive the

1 same level of risk. They are all going to
2 have very -- little bit different perspectives, maybe
3 very different, maybe a little bit different.

4 Q. So maybe very different and they perceive
5 there is no risk at all?

6 A. I would -- I can't imagine how they could
7 perceive no risk at all. But, yes, their perceived
8 risk is going to differ from supplier to supplier
9 absent ones perhaps who perceive less risk will be
10 more likely to win in the auction.

11 Q. Do you have quantifiable evidence that
12 confirms this risk is an actual risk?

13 A. Well, the experiment that was run in 2022
14 I think is real clear that you had huge increases in
15 SSO at a time when market prices were very high. I
16 mean, I haven't checked the SEC filings for those
17 firms, but my understanding is they -- they took some
18 very substantial losses, and probably some of them
19 have quantified them here and there.

20 Q. You said experiment.

21 A. Well, energy prices rose a lot, and a lot
22 of industrial and commercial customers came back to
23 SSO service because it was priced well above market.
24 And so you had SSO suppliers obligated to meet SSO
25 load at those auction prices at a time when market

1 prices were much higher, so even if they had hedged
2 the anticipated volume, they weren't hedged for these
3 much expanded volumes, and market prices were real
4 high, so they suffered losses.

5 Q. So today the inputs would be different?
6 Could be different?

7 A. Inputs?

8 Q. Inputs regarding -- meaning prices, the
9 formulas they use, the various -- I think you said
10 earlier in your testimony that -- and you used same
11 word, I believe, experiment, and I think you
12 indicated you can't hold an experiment flat because
13 the inputs will differ over time. And what I am
14 asking you, you refer to the experiment several years
15 ago and what I am going to ask you now is would the
16 results of that experiment be different today?

17 A. I don't understand the question. You
18 will have to be more specific.

19 Q. You referred to the experiment, and then
20 you said the experiment resulted in certain pricing,
21 correct?

22 A. No. The experiment was energy prices
23 rose a lot and SSO suppliers were locked into a
24 certain price as a result of earlier auctions and
25 lots of industrial and commercial customers came back

1 to SSO and the suppliers were obligated to serve them
2 at the SSO prices when market prices were much
3 higher. So I was answering your question were they
4 harmed; yes, they were.

5 Q. Why? I don't recall asking a question
6 whether they were harmed. Would -- would today's
7 circumstances, would the result be the same as the
8 time frame for the experiment? In other words, if
9 the inputs from today were placed into the various
10 experiment, would we end up with the same
11 circumstance today as we did several years ago?

12 A. I don't understand your question.

13 EXAMINER ADDISON: Neither do I,
14 Mr. Miller.

15 Q. (By Mr. Miller) Let's move on. I think I
16 have what I need. When you refer to more efficient
17 and lower cost SSO auction outcomes for customers,
18 are you referring to all customers or just
19 residential?

20 A. All customers.

21 Q. Have you completed or performed any
22 specific analysis on what effects separate auctions
23 would have -- by customer class would have on the
24 Ohio market?

25 A. Not specific analysis, no.

1 Q. And in regard to AEP's territory?

2 A. No. I, mean if you hold separate
3 auctions by customer class, then suppliers can look
4 at the industrial class and take into account in
5 forming their bids the behavior of that class, the
6 load shapes of that class, how likely they are to
7 switch in and out, and they can form their bids
8 specifically for that class in that auction.

9 And, similarly, they can look at
10 residential customers and their load shape and their
11 propensity to move in and out and formulate bids that
12 are specific to that class so it's more efficient
13 because they can tailor their bids to the particular
14 types of customers they are bidding on and that will
15 be more efficient. It may not be very attractive to
16 the industrial customers because of their propensity
17 to switch away as soon as market prices are lower but
18 that would be a more efficient outcome.

19 Q. So you haven't conducted any research in
20 regards to that issue for Ohio or AEP. Have you done
21 that anywhere?

22 A. I am not sure what kind of research you
23 are talking about, but no.

24 Q. Well, just to be clear, you are not sure
25 what kind of research I am talking about, or your

1 answer is no?

2 A. I haven't performed research. I am not
3 quite sure what kind of research could potentially be
4 performed, and I haven't done it.

5 Q. Okay. Thank you. Let's switch gears.
6 You cite to the three-prong test that the Commission
7 utilizes to evaluate the Stipulation; is that
8 correct?

9 A. Can you point to where in my testimony?

10 Q. Sure, page 2, lines 8 through 12, sir.

11 A. Yes.

12 Q. How did you become aware of that
13 three-part test?

14 A. Oh, I have known about that for many
15 years.

16 Q. And knowing about that test and being
17 familiar with it, your testimony addresses which of
18 those components?

19 A. Benefits customers in the public interest
20 and also violates an important regulatory principle
21 really. I guess I didn't elaborate on that; but,
22 yes, you would say it touches on both of those.

23 Q. There's a regulatory principle that's
24 violating in Ohio?

25 A. Yes, cost causation.

1 Q. But I think we already established you
2 can't be certain what the results would be, correct?

3 A. I mean, when you are evaluating a
4 regulatory principle against market design, you are
5 looking at the features of the market design and
6 discussing whether they are consistent with cost
7 causation. There's no certainty about the outcome of
8 any particular market design but it's clear that if
9 you separate the auctions by customer class, then the
10 resulting auction prices are going to reflect cost
11 causation of those separate classes, much more
12 accurately than if they are all bunched together.

13 Q. And you've -- but you have done no
14 analysis for that in your testimony?

15 A. What I explain is just the logic of
16 separating different cost causers for the purposes of
17 auctions. That's going to be more efficient because
18 it's going to follow the cost causation principle.

19 Q. And residential rates will go down.

20 A. Not necessarily.

21 Q. So on the three-part test, you indicated
22 that I think the benefit to public interest, et
23 cetera, is also addressed -- actually also addressed
24 by your commentary but addressed in your testimony as
25 the primary. You also made an additional

1 recommendation in your Stipulation testimony that
2 wasn't present in your direct. Can you tell us what
3 that -- what that focus was?

4 MR. MICHAEL: I am going to object to the
5 question, your Honor, the form of the question. It's
6 vague. It's not understandable, and his direct
7 testimony isn't relevant consistent with your Honor's
8 rulings on at least two prior occasions during
9 Mr. Wilson's testimony.

10 EXAMINER ADDISON: Care to rephrase?

11 MR. MILLER: Yeah. I will withdraw the
12 question.

13 EXAMINER ADDISON: Thank you.

14 Q. (By Mr. Miller) Mr. Wilson, are you
15 familiar with the capacity pass-through mechanism?

16 A. Yes.

17 Q. And you are familiar with the Stipulation
18 addressing that?

19 A. Yes.

20 Q. Are you aware that that mechanism -- type
21 of mechanism is currently under consideration in
22 another case on the docket at the Commission?

23 A. I believe I state so in my testimony.

24 Q. I believe you do on page 9. And so, yes,
25 just to be clear?

1 A. Yes.

2 Q. Thank you. Are you familiar with Case
3 No. 23-781-EL-UNC?

4 A. Yes.

5 Q. Has the OCC filed comments in that case?

6 A. I believe they have.

7 Q. Did you assist the OCC in drafting its
8 comments in that case?

9 A. No.

10 Q. Have you reviewed those comments?

11 A. I mean, I had some conversations with
12 people at OCC, but I was not involved in drafting the
13 comments.

14 Q. And you weren't retained to do that.

15 A. I was -- I had some conversations with
16 people at OCC. I was not retained to draft.

17 Q. Do you have a general retainer with the
18 OCC?

19 A. I think -- no. It has amendments that
20 refer to specific assignments.

21 Q. So it's task based.

22 A. Yes.

23 Q. But you regularly provide services to
24 them.

25 A. This year, yes.

1 Q. Have you reviewed their comments in that
2 case?

3 A. Yes.

4 Q. And have you commented on them to the
5 client?

6 MR. MICHAEL: Objection, relevance.

7 EXAMINER ADDISON: Mr. Miller.

8 MR. MILLER: Well, I think that he's
9 testified to the fact that it's the same pass-through
10 mechanism is included. He's testified he represents
11 the OCC. He's also testified he is not a lawyer, so
12 it's not privileged. I asked him if he has got a
13 retainer. He does. It's tasked base. He said he
14 reviewed those comments and I asked and I think he
15 said he had several discussions and I am just asking
16 him -- and I won't get into particulars. I am just
17 asking him if he has commented or discussed the
18 exhibits that were filed subsequent to the OCC filing
19 them.

20 MR. MICHAEL: Still not relevant.

21 A. No.

22 EXAMINER ADDISON: Oh, Mr. Wilson, there
23 is a pending objection but I believe he has already
24 answered, so we'll just move on.

25 MR. MILLER: Thank you.

1 EXAMINER ADDISON: Thank you, Mr. Miller.

2 Q. (By Mr. Miller) Do you believe that
3 because you have reviewed them, do you believe that
4 the OCC exhibits are thorough and complete in that
5 case?

6 MR. MICHAEL: Objection, relevance,
7 outside the scope of his testimony.

8 EXAMINER ADDISON: Mr. Miller.

9 MR. MILLER: Your Honor, he's opined on
10 the same subject in this case. He said he's reviewed
11 that material. We have another proceeding in front
12 of the Commission where his client has made
13 commentary, and he indicates he is aware of it. And
14 he is ostensibly making mention in his testimony
15 about it. I am just trying to have an understanding
16 what he understands about it and what he understands
17 where we are in Ohio on the issue.

18 MR. SETTINERI: Your Honor, if I may, I
19 will just object to the form of the question. If we
20 are going to ask for specific comments in terms of
21 commentary from the witness on comments that were
22 filed, it would be nice to have specificity as to
23 exactly what comment is being asked in the question.
24 These are vague and ambiguous open-ended questions
25 that I don't see how the witness can answer.

1 MR. MICHAEL: And I think he also
2 testified specifically he wasn't retained in that
3 other PUCO case so.

4 MR. MILLER: Your Honor, if I may, he did
5 testify he has had conversations and discussed it
6 with them.

7 EXAMINER ADDISON: Had conversations but
8 did not work on the comments themselves. I'm going
9 to have to --

10 MR. MILLER: Let me withdraw the question
11 and let me rephrase.

12 EXAMINER ADDISON: Thank you.

13 Q. (By Mr. Miller) Mr. Wilson, we've
14 established you reviewed the comments that the OCC
15 filed in that other case. Do you agree with those
16 comments?

17 MR. MICHAEL: Objection, relevance. He
18 wasn't retained to offer any opinions in that case.
19 He didn't author the comments.

20 MR. SETTINERI: Your Honor, if I may
21 also --

22 EXAMINER ADDISON: Certainly.

23 MR. SETTINERI: -- just object again to
24 the form of the question in terms of agreeing to the
25 comments generally for the record. It would be

1 helpful to know exactly what comment or comments is
2 being referred to. Otherwise, the record is going to
3 be muddy.

4 EXAMINER ADDISON: Thank you.
5 Mr. Miller.

6 MR. MILLER: Specifically the capacity
7 pass-through mechanism comments.

8 EXAMINER ADDISON: Well, I think we need
9 to be a little more targeted than that given the
10 nature of that docket.

11 MR. MILLER: Yes, your Honor. Let's do
12 this, let's move on.

13 EXAMINER ADDISON: Thank you. Thank you.

14 Q. (By Mr. Miller) In regards to the other
15 case in the docket, you know, generally speaking
16 what's that for, the docket? What's the intention of
17 that docket?

18 A. Are we talking about the proxy --

19 Q. The 23-781, yes.

20 A. Yeah. It's about the situation where at
21 the time of the SSO auction you do not have a PJM
22 capacity price applicable to the delivery year so as
23 a proposal to use a proxy price and then to true it
24 up when you find the actual capacity price.

25 Q. And I believe in your testimony --

1 supplemental testimony in this case, page 9, I
2 believe that you indicate that the capacity
3 pass-through mechanism as proposed by the Stipulation
4 is supported by Staff?

5 MR. MICHAEL: I am going to object, your
6 Honor. Could we have a reference on that, please,
7 counsel?

8 MR. MILLER: Sure. Page 9, line 8, I
9 believe. I'm sorry. Yeah, and it's the Staff
10 proposal in that other case.

11 EXAMINER ADDISON: Thank you. With
12 that -- with that line reference, would you like to
13 hear the question again, Mr. Michael?

14 MR. MICHAEL: I would, please.

15 EXAMINER ADDISON: Karen, if you would,
16 please. Thank you.

17 Q. (By Mr. Miller) Mr. Wilson --

18 EXAMINER ADDISON: Hold on, Mr. Miller.
19 (Record read.)

20 MR. MICHAEL: I am going to object to the
21 form of the question. I apologize.

22 EXAMINER ADDISON: Mr. Miller.

23 MR. MILLER: And it's all right. We will
24 withdraw the question.

25 EXAMINER ADDISON: Thank you.

1 Q. (By Mr. Miller) Can we move to page 10,
2 Mr. Wilson, of your testimony starting at line 8
3 through line 9. I believe you recommended that if
4 the capacity pass-through mechanism was approved, the
5 Commission should set some guidance on how proxy
6 price will be set, correct?

7 A. Yes.

8 Q. Besides suggesting that the proxy price
9 be set high, I believe that was your recommendation,
10 one of them anyway, are there others?

11 A. Well, I didn't say set it high.

12 Q. Can you clarify what you said?

13 A. Line 10 says I recommend erring on the
14 high side. It will be uncertain what the ultimate
15 price is going to be so we have to come up with an
16 approach to setting a proxy price and that proxy
17 price may be too high or it may be too low. We'll
18 find that out when the PJM capacity price is
19 established, but I suggested in coming up with
20 guidance and a formula and approach, I recommend
21 erring on the high side because when customers find
22 out that a true-up is going to occur, they are going
23 to be more unhappy if that true-up raises what they
24 are going to pay a lot, then they will be
25 disappointed -- or, you know, pleased when you lower

1 it, so it might be better to err on the high side.

2 That was my suggestion.

3 Q. Thank you for that clarity. And then on
4 page 9, lines 10 through 12, you indicate the
5 Stipulation calls for the SSO auction manager in
6 consultation with Staff to establish a proxy capacity
7 price. Do you see that?

8 A. Yes.

9 Q. And they're to base that on objective
10 criteria?

11 A. That's what it says.

12 Q. Do you not have confidence that the SSO
13 auction manager and Staff are capable of establishing
14 that proxy price based on objective criteria?

15 A. I think it would be better if they had
16 some guidance, and, you know, at this time basing it
17 on historical PJM capacity prices is probably to
18 almost certainly err on the low side because those
19 prices have been very low and the -- whether Staff
20 and auction manager take that into account or not,
21 that's a question. So I think it would be better
22 rather than leaving this wide open if the Commission
23 provides some guidance on that.

24 Q. And that's likely what's intended by the
25 word objective criteria?

1 A. No. Objective criteria would be
2 something that the auction manager and Staff might
3 come up with to explain what they are going to do.
4 That wouldn't be guidance that would have been
5 established ahead of time.

6 Q. So I ask you the question did you have
7 confidence in the Staff and the auction manager in
8 figuring this out? You sort of didn't answer my
9 question. Is it a yes or a no?

10 A. Not -- less than 100 percent, let's say.

11 Q. Can you -- can you lean to one side or
12 the other, sir?

13 MR. MICHAEL: Objection, asked and
14 answered. I mean, it's been asked eight different
15 ways, and he has responded consistent each time.

16 MR. MILLER: I don't know if it was a
17 direct response. I prefer yes or no, and I got a
18 percentage.

19 EXAMINER ADDISON: Well, I am going to
20 allow the answer to stand so please move on.

21 MR. MILLER: Can you give us a minute?

22 EXAMINER ADDISON: Absolutely.

23 MR. MILLER: I don't think we have
24 anything further. Thank you.

25 EXAMINER ADDISON: Thank you very much.

1 Mr. Margard, any questions from Staff?

2 MR. MARGARD: No, thank you, your Honor.

3 EXAMINER ADDISON: Mr. Michael, any
4 redirect?

5 MR. MICHAEL: No redirect, your Honor.

6 EXAMINER ADDISON: One moment,
7 Mr. Wilson.

8 The Bench doesn't have any questions, so
9 you are excused. Thank you very much.

10 MR. MICHAEL: Your Honor, OCC would renew
11 its motion for the acceptance into the record of OCC
12 Exhibit 2.

13 EXAMINER ADDISON: Thank you,
14 Mr. Michael.

15 Are there any objections to the admission
16 of OCC Exhibit No. 2 at this time?

17 Hearing none, it will be admitted.

18 (EXHIBIT ADMITTED INTO EVIDENCE.)

19 MR. PROANO: Your Honor, could we take a
20 10-minute break?

21 EXAMINER ADDISON: I knew it was coming.

22 EXAMINER SEE: We can take a break until
23 about 2:30.

24 (Recess taken.)

25 EXAMINER SEE: Let's go back on the

1 record.

2 Mr. Michael, your next witness.

3 MR. MICHAEL: Yes, your Honor. We would
4 like to call Bob Fortney, please.

5 EXAMINER SEE: Mr. Fortney, if you would
6 raise your right hand.

7 (Witness sworn.)

8 EXAMINER SEE: Thank you. Have a seat
9 and please turn your microphone on.

10 MR. MICHAEL: Your Honor, OCC would like
11 to have marked as OCC Exhibit No. 3, Testimony
12 Recommending Modification of the Stipulation of
13 Robert B. Fortney Dated September 20, 2023.

14 EXAMINER SEE: The exhibit is so marked.

15 (EXHIBIT MARKED FOR IDENTIFICATION.)

16 - - -

17 ROBERT B. FORTNEY

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

20 DIRECT EXAMINATION

21 By Mr. Michael:

22 Q. Would you state your name, please?

23 A. Robert B. Fortney.

24 Q. And where are you employed, Mr. Fortney?

25 A. Office of Consumers' Counsel.

1 Q. And, Mr. Fortney, do you have before you
2 what was previously marked as OCC Exhibit No. 3?

3 A. Yes, I do.

4 Q. And can you identify that document?

5 A. It's my Testimony Recommending
6 Modification of the Stipulation of September 20,
7 2023.

8 Q. Mr. Fortney, was that testimony created
9 by you or at your direction?

10 A. Yes, it was.

11 Q. And, Mr. Fortney, do you have any
12 modifications to that testimony?

13 A. One quick modification. It's on question
14 10 actually, and the question currently reads "Why is
15 \$4.00 per kilowatt day a reasonable credit?" The
16 "day" should be "month," "Why is \$4.00 per kilowatt
17 month a reasonable credit?"

18 Q. Thank you, Mr. Fortney. If I were to ask
19 you the questions reflected in OCC Exhibit No. 3 with
20 the modification, would your answers be the same?

21 A. Yes.

22 MR. MICHAEL: Your Honor, I move for the
23 admission of OCC Exhibit No. 3, subject to
24 cross-examination.

25 MR. NOURSE: Your Honor, requesting that

1 I go after Mr. Proano.

2 EXAMINER SEE: I'm sorry. I didn't hear
3 the last part.

4 MR. NOURSE: I was asking to go after
5 Mr. Proano to try to avoid duplication.

6 EXAMINER SEE: Okay. Let's first go to
7 Ohio Cable Telecommunications?

8 MS. PETRUCCI: No questions.

9 EXAMINER SEE: I take it Mr. -- any
10 questions for Constellation?

11 MS. PETRUCCI: Double duty, no questions,
12 thank you.

13 EXAMINER SEE: One Energy?

14 MR. DUNN: No questions, your Honor.

15 EXAMINER SEE: Calpine?

16 Okay. Ohio Energy Group?

17 MS. COHN: No questions, your Honor.

18 EXAMINER SEE: Ohio -- Citizens Utility
19 Board?

20 OMAEG?

21 MS. EASLEY: No questions, your Honor.

22 EXAMINER SEE: Ohio Partners for
23 Affordable Energy?

24 MR. BOBB: No questions, your Honor.

25 EXAMINER SEE: Walmart?

1 MS. GRUNDMANN: No questions, your Honor.

2 EXAMINER SEE: IGS?

3 MR. BETTERTON: No questions, your
4 Honors.

5 EXAMINER SEE: ELPC?

6 MS. McCONNELL: No questions, your Honor.

7 EXAMINER SEE: Kroger?

8 MS. WHITFIELD: No questions, your Honor.

9 EXAMINER SEE: Ohio Environmental
10 Council?

11 MS. NORDSTROM: No questions, your Honor.

12 EXAMINER SEE: RESA?

13 MS. WALKE: No questions, your Honor.

14 EXAMINER SEE: Okay. Mr. Proano?

15 MR. PROANO: Yes, thank you, your Honor.
16 We have some questions.

17 - - -

18 CROSS-EXAMINATION

19 By Mr. Proano:

20 Q. Mr. Fortney, good afternoon.

21 A. Good afternoon.

22 Q. Good to see you again.

23 A. Thank you. Nice to see you.

24 Q. My name is David Proano. I am a lawyer
25 at Baker & Hostetler, and I represent Ohio Energy

1 Leadership Council, an Intervenor in this case.

2 Referring to your testimony on the
3 Stipulation that you filed September 20, your
4 testimony focuses on the IRP-L tariff, correct?

5 A. Correct, the credits.

6 Q. Now, while you reference the IRP-E tariff
7 at times, you do not independently or separately
8 analyze the proposal on the IRP-E tariff; is that
9 correct?

10 A. That's correct.

11 Q. If you turn to page 4 of your testimony,
12 you look at lines 18 through 21. You testify that
13 the phase-down proposed for the IRP-L in the
14 Stipulation "does not go far enough nor fast enough."
15 Do you see that?

16 A. Yes.

17 Q. You then recommend a phase-down instead
18 of \$1.25 per kilowatt per year of the four-year
19 Stipulation, correct?

20 A. Correct.

21 Q. Did you come up with that \$1.25 per year?

22 A. Purely judgment on my part, purely
23 judgment on my part.

24 Q. And no one else helped you come up with
25 that number? Is that just you?

1 A. I'm sorry. Were you through with your
2 question?

3 Q. No one else helped you come up with that
4 number, that was just you?

5 A. That was just me.

6 Q. And what is that figure based on?

7 A. Well, it was based on my judgment for a
8 couple -- based on a couple different things. First
9 of all, the Application, original Application, in the
10 end reduced the principal to \$4, so I thought that
11 was a reasonable number. I believe that the \$4
12 represents the market price for capacity plus some
13 recognition of the economic and operational benefits
14 of interruptible, and I thought the \$4 was a gradual
15 reduction in the credit over four years for those
16 customers that are actually receiving the credit.

17 Q. So if I could summarize, you were trying
18 to get to \$4 by the end of the four-year term and
19 that's how you chose \$1.25 per year?

20 A. Yes.

21 Q. And that is about a 55 percent reduction
22 from the current credit of \$9 for IRP-L, correct,
23 roughly?

24 A. Whatever 50 divided by 9 is.

25 Q. I will represent to you it's about

1 55 percent. Now, did you conduct any analysis or
2 assessment of what impact that credit reduction would
3 have on the IRP-L tariff participants for Ohio State
4 or local economies?

5 A. No, I did not.

6 Q. Now, in footnote 4 of your testimony, you
7 are welcome to turn there if you want, you recognize
8 that the Commission has previously found that AEP's
9 IRP programs have reliability and economic benefits,
10 correct?

11 A. Correct.

12 Q. And in your testimony you are not
13 disputing that AEP's IRP programs do have reliability
14 and economic benefits, correct?

15 A. No. I think my \$4 recommendation takes
16 that into consideration.

17 Q. And you call those "unquantifiable
18 benefits of reliability and economic benefits that
19 the interruptible credits provide, correct?

20 A. Where are you referring?

21 Q. It's the bottom of page 4, top of page 5.

22 A. "Plus the unquantifiable benefits of
23 reliability and economic benefits that the
24 interruptible credits provide."

25 Q. Did you make any effort to quantify the

1 benefits reliability or economic benefits that the
2 interruptible credits provide?

3 A. I have tried to do that many times in the
4 past, and I have found there was a good reason they
5 are called unquantifiable because they are.

6 Q. Is that -- that's your terminology,
7 unquantifiable?

8 A. That's the terminology I used, yes.

9 Q. Going back to how you quantify that \$4
10 per kilowatt per month figure, the one quantified
11 metric you use in reference is "the Market Clearing
12 Price for capacity in the AEP zone as established by
13 PJM in its Base Residual Auction period"; is that
14 correct?

15 A. Yes.

16 Q. What is the current market clearing price
17 for capacity in the AEP zone as established by PJM
18 for the current '23-'24 delivery year?

19 A. I think the last time I looked it was in
20 the neighborhood of \$30. It might have been \$29.80.
21 Prior to that, it was \$33.40.

22 Q. Do you know sitting here exactly what it
23 is?

24 A. No. That's the best of my memory. 29.80
25 is what comes to mind but right around \$30.

1 Q. But it's publicly available, right?

2 A. Yes.

3 Q. And how did you convert the megawatt per
4 day figure to kilowatt per month figure?

5 A. Divide the 30 by 1,000 and multiply by 30
6 which comes out to about 90 cents.

7 Q. Now, the market clearing price for
8 capacity in the AEP zone has not been established
9 beyond the '24-'25 delivery year, correct?

10 A. I believe that is correct. I don't know
11 for sure.

12 Q. And the delivery years run from June 1 to
13 May 31; is that your understanding?

14 A. Yes.

15 Q. Capacity delivery years?

16 A. Yes.

17 Q. So to circle back to your recommendation
18 of \$4 per kilowatt per month by the end of ESP
19 IV's -- ESP V's term, that ESP V term year four would
20 run June 1, 2027, through May 31, 2028, correct?

21 A. I believe so, yes.

22 Q. But the market clearing price for
23 capacity in the AEP zone for the '27-'28 delivery
24 year will not be set still for several more years,
25 correct?

1 A. That's correct, nothing beyond the 29.80,
2 if that's the right number, has been sent.

3 Q. So to summarize your recommendation of \$4
4 per kilowatt per month for the '27-'28 year, the last
5 year of ESP V is for -- now based upon the capacity
6 market clearing price for '23-'24, correct?

7 A. That's correct.

8 Q. Would you agree with me that between now
9 and the auction for the '27-'28 delivery year in the
10 capacity market, capacity prices could change
11 substantially, correct?

12 A. Yes, they could change.

13 Q. Another issue I want to ask you about are
14 the conditions and restrictions applicable to IRP-L
15 interruptible customers. Did you review the terms
16 proposed in the Stipulation for the IRP-L tariff for
17 ESP V?

18 A. I did -- I did read them. I didn't make
19 any recommendations regarding them.

20 Q. Do you recall that in paragraph 19 of the
21 Stipulation AEP Ohio has a requirement that it can
22 interrupt load separate and apart from the PJM
23 emergency event including for localized load
24 constraints?

25 A. I recall that, yes.

1 Q. Now, that was not cited as a
2 consideration or factor in how you came up with \$4
3 per kilowatt per month, correct?

4 A. Correct.

5 Q. And do you recall around paragraph 20 of
6 the Stipulation IRP-L participants must show that
7 they can interrupt upon 10 minutes notice? Do you
8 recall that from the Stipulation?

9 A. Yes.

10 Q. Now, that's significantly shorter than
11 the PJM demand response program that's usually two
12 hours, correct?

13 A. Yes.

14 Q. Do you in your testimony anywhere cite or
15 factor in or quantify if -- the monetary effect of
16 that shorter 10-minute notice period coming up with
17 the \$4 per kilowatt-hour figure?

18 A. No.

19 Q. Does -- are you familiar with the
20 Stipulation penalty provision that raises the penalty
21 for noncompliance with IRP-L and IRP-E programs to
22 150 percent of credits provided in the previous 12
23 months?

24 A. I don't recall it, but if you want to
25 remind, I might know it. As a matter of fact, I have

1 the Stipulation with me if you would like --

2 Q. That's okay. I am just wondering if you
3 recall.

4 A. I recall there is a penalty provision,
5 yes.

6 Q. And did you factor that in or cite it in
7 your testimony?

8 A. I believe the \$4 takes many things into
9 account and that being one of them.

10 Q. But you said you didn't specifically
11 recall that. Do you actually cite that penalty
12 provision in your testimony as a factor?

13 A. No.

14 Q. Now, you say your purpose of your
15 testimony is to protect residential consumers,
16 correct?

17 A. Can I have a reference?

18 Q. Yeah. You are welcome to look at your
19 testimony.

20 MR. MICHAEL: Your Honor, I believe the
21 witness has asked a question about what his testimony
22 said, and the witness requested a citation to what
23 part of the testimony counsel was referring to. I
24 would request that counsel provide him with that
25 reference.

1 MR. PROANO: Sure. Happy to provide
2 that.

3 Q. (By Mr. Proano) If you look at page 2,
4 lines 14 through 16, Mr. Fortney. You say "My
5 primary focus is to make recommendations to protect
6 residential consumers..." Do you see that?

7 EXAMINER SEE: I'm sorry. What was that
8 reference again, Mr. Proano?

9 MR. PROANO: I'm sorry, page 2 -- I'm
10 sorry. Page 1, lines 1 through 16. "My primary
11 focus is to make recommendations to protect
12 residential consumers from unreasonable and
13 unjustified utility rate increases and unfair
14 regulatory practices."

15 Q. And I saw something similar also on page
16 3, answer 6, lines 9 through 12, correct?

17 A. The purpose of my testimony is to explain
18 and support OCC's position and recommendations
19 affecting residential consumers as it relates to the
20 Joint Stipulation and Recommendation filed in these
21 proceedings on September 6, 2023.

22 Q. Does your testimony within its four
23 corners provide any rate impact analysis to show what
24 your recommendations would mean for a typical
25 residential consumer in terms of rate impact?

1 A. My testimony does not show that.

2 MR. PROANO: No further questions. Thank
3 you.

4 EXAMINER SEE: Mr. Nourse?

5 MR. NOURSE: Thank you.

6 - - -

7 CROSS-EXAMINATION

8 By Mr. Nourse:

9 Q. Good afternoon, Mr. Fortney. It's good
10 to see you.

11 A. Good afternoon, Mr. Nourse. It's nice to
12 see you.

13 Q. Just a few questions now so I will try
14 not to duplicate anything you were already asked. So
15 is it your main recommendation and concern with the
16 IRP provisions in the settlement that the credit
17 reduction was good, but it was not enough of a
18 reduction; is that a fair statement?

19 A. Sure, that's fair.

20 Q. And you're -- specifically you're focused
21 on IRP-L versus the IRP-E?

22 A. The IRP-L, yes.

23 Q. Okay. And how far back -- since you've
24 got a lot of institutional memory, how far back does
25 the IRP -- it wasn't always called the IRP-L but the

1 IRP go? Do you recall?

2 A. I have got a lot of institutional history
3 but very little institutional memory.

4 Q. Okay. All right. So as far as you can
5 remember maybe; is that fair?

6 A. I'm sorry. Could I have the question
7 reread?

8 Q. I can rephrase. I'm just asking if the
9 IRP tariff has been around a long time; is that fair?

10 A. Yes. For not only for your company but
11 for other companies.

12 Q. Okay. And in light of the differences
13 that Mr. Proano went through with you of IRP-L versus
14 IRP, from a rate design expert perspective, is it
15 reasonable to have a differential between the credits
16 for IRP-L and IRP-E in your opinion?

17 MR. MICHAEL: I am going to object, your
18 Honor. I believe the witness has testified he has
19 addressed only IRP-L, not IRP-E; and, therefore, the
20 question is beyond the scope of his testimony. He
21 offers no opinions about E.

22 MR. NOURSE: Well, your Honor, I think
23 there was a dialogue already about the differences
24 between the two, and I believe Mr. Fortney on page 5,
25 line 3, is saying the price should reflect the market

1 price for very comparable products so I think these
2 differences are relevant, and he is a rate design
3 expert so I am asking him his opinion on that. There
4 again --

5 EXAMINER SEE: And I will allow the
6 witness to answer the question with any caveat
7 needed.

8 A. I'm only testifying to the IRP-L. I have
9 no opinion on the IRP -- what's the other one? E?

10 Q. Okay. Okay. And then I think there was
11 a brief reference to this earlier, but the footnote
12 for -- on page -- page 5, you reference a Commission
13 prior decision saying that the IRP has a reliability
14 and economic benefits. Do you recall that?

15 A. Yes.

16 Q. And do you agree that both of those two
17 benefits exist and are distinct?

18 A. Yes.

19 MR. NOURSE: Okay. That's all I have.
20 Thanks a lot, Mr. Fortney.

21 EXAMINER SEE: Staff?

22 MR. MARGARD: No, thank you, your Honor.

23 EXAMINER SEE: Mr. Michael?

24 MR. MICHAEL: No redirect, your Honor.

25 And OCC would move for the -- renew its motion for

1 the admission of OCC Exhibit 3.

2 EXAMINER SEE: Are there any objections
3 to the admission of OCC Exhibit 3, the supplemental
4 testimony of Robert Fortney?

5 Hearing none, OCC Exhibit 3 is admitted
6 into the record.

7 (EXHIBIT ADMITTED INTO EVIDENCE.)

8 EXAMINER SEE: Thank you very much,
9 Mr. Fortney.

10 EXAMINER ADDISON: We have Mr. Williams
11 next; is that correct?

12 MR. MICHAEL: We do, your Honor, but
13 before I call him, I have requested that another
14 witness be on standby in the event we were to get
15 through Mr. Williams today. I was interested in
16 knowing if the Bench would anticipate going further
17 after Mr. Williams, if the parties care to weigh in
18 on that, because I can certainly send a message to
19 have Mr. Buckley ready to go today if the Bench
20 wanted to stay that long given what we think the
21 cross estimates are.

22 MR. NOURSE: Yeah. It depends on how
23 late you want to stay, but I think finishing this
24 next witness would be a good place to stop.

25 MR. MICHAEL: That's fine.

1 EXAMINER SEE: You can let Mr. Buckley
2 know he will not be needed today.

3 MR. MICHAEL: Great. OCC calls Mr. James
4 D. Williams.

5 EXAMINER ADDISON: Welcome, Mr. Williams.

6 MR. WILLIAMS: Doing well. How are you?

7 EXAMINER ADDISON: Doing well myself.

8 (Witness sworn.)

9 MR. MICHAEL: May I approach, your Honor?

10 EXAMINER ADDISON: You may.

11 MR. MICHAEL: Your Honor, I would like to
12 have marked as OCC Exhibit No. 4, Testimony
13 Representing Modification of the Stipulation of James
14 D. Williams dated September 20, 2023.

15 EXAMINER ADDISON: It will be so marked.

16 (EXHIBIT MARKED FOR IDENTIFICATION.)

17 - - -

18 JAMES D. WILLIAMS

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

21 DIRECT EXAMINATION

22 By Mr. Michael:

23 Q. Would you state your name, please?

24 A. Yes. My name is James Williams.

25 Q. And where are you employed, Mr. Williams?

1 A. I'm employed by Sterling Employment
2 Services on behalf of the Ohio Consumers' Counsel.

3 Q. And, Mr. Williams, do you have what has
4 been previously marked as OCC Exhibit No. 4 before
5 you?

6 A. Yes, I do.

7 Q. And can you identify that document,
8 please?

9 A. Yes. This would be my testimony
10 recommending modification of the Stipulation.

11 Q. Mr. Williams, was that testimony prepared
12 by or at your direction -- by you or at your
13 direction?

14 A. It was.

15 Q. And do you have any modifications to that
16 testimony, Mr. Williams?

17 A. I have two minor modifications,
18 corrections. One of them is on page 10, line 22.
19 And I have the -- a SAIFI value of "1.2." The SAIFI
20 should be "1.8."

21 The second one is on page 11 and this
22 would be on line 2 and I have a CAIDI figure of 1 --
23 of "148 minutes." It should be "158 minutes." Other
24 than that those are my two corrections.

25 Q. Thank you, Mr. Williams. And if I were

1 to ask you the same questions today that are
2 reflected in OCC Exhibit 4 with those modifications,
3 would your answers be the same?

4 A. Yes, they would.

5 MR. MICHAEL: Your Honors, I would move
6 for the admission of OCC Exhibit No. 4, subject to
7 cross-examination.

8 EXAMINER ADDISON: Thank you very much,
9 Mr. Michael.

10 One Energy, any questions?

11 MR. DUNN: No questions, your Honor.

12 EXAMINER ADDISON: Constellation?

13 MS. PETRUCCI: No questions.

14 EXAMINER ADDISON: And OCTA?

15 MS. PETRUCCI: No questions as well.

16 EXAMINER ADDISON: I apologize, Ms.
17 Petrucci.

18 OEG?

19 MS. COHN: No questions, your Honor.

20 EXAMINER ADDISON: OMAEG?

21 MS. EASLEY: No questions, your Honor.

22 EXAMINER ADDISION: OPAE?

23 MR. BOBB: No questions, your Honor.

24 EXAMINER ADDISION: Walmart?

25 MS. GRUNDMANN: No questions, your Honor.

1 EXAMINER ADDISON: IGS?

2 MR. BETTERTON: While I always enjoy
3 talking to Mr. Williams, I have no questions today.

4 EXAMINER ADDISON: Thank you for that
5 plug.

6 ELPC?

7 MS. McCONNELL: No questions, your Honor.

8 EXAMINER ADDISON: Kroger?

9 MS. WHITFIELD: No questions, your Honor.

10 EXAMINER ADDISON: OEC?

11 MS. NORDSTROM: No questions, your Honor.

12 EXAMINER ADDISON: RESA?

13 MS. WALKE: No questions, your Honor.

14 EXAMINER ADDISON: OELC?

15 MR. PROANO: No questions, your Honor,
16 thank you.

17 EXAMINER ADDISON: AEP?

18 MR. NOURSE: Thank you, your Honor.

19 - - -

20 CROSS-EXAMINATION

21 By Mr. Nourse:

22 Q. Good afternoon, Mr. Williams.

23 A. Hello, Mr. Nourse.

24 Q. Good to see you.

25 A. Good seeing you.

1 Q. A few questions for Exhibit 4. So if you
2 could turn to page 2, you've got kind of a summary on
3 pages 2 and 3, I think. So one of your statements on
4 line 13 and 14 is that AEP Ohio has a troubled past,
5 quote-unquote, in providing consumers with reliable
6 service. Do you see that?

7 A. Yes, I do.

8 Q. Okay. And I'll ask you first generally
9 speaking, what is your basis for concluding or
10 characterizing AEP's service as being -- having a
11 troubled past?

12 A. A number of different things. One thing
13 is that the Company was in violation of the minimum
14 reliability service standards following a miss of
15 SAIFI in 2019 so there was a miss of CAIDI and SAIFI
16 2018-'19 respectively.

17 MR. KELTER: Could the witness speak into
18 the mic, please?

19 A. Yes. Miss of the SAIFI in 2019. I also
20 noticed based upon my own analysis that was done of
21 the CAIDI over the last couple years is that the
22 CAIDI is worse in 2022, 2021, than what it was in
23 2020; and, of course, you know, it was just over a
24 year ago that over 300,000 customers in Ohio were
25 without service, you know, due to a number of factors

1 both involving transmission and distribution --

2 Q. Okay.

3 A. -- so.

4 Q. All right. Thank you. And so speaking
5 of your references to the two misses in 2018, you
6 mentioned CAIDI and SAIFI. So were those -- were
7 those close misses, or were they bad misses rel --
8 compared to the standard?

9 MR. MICHAEL: I am going to object to the
10 form of the question, your Honor. If you miss the
11 reliability standard to say whether it is close or
12 bad I think is inappropriate, so I would object to
13 the form of the question.

14 MR. NOURSE: Well, I appreciate
15 Mr. Michael's characterization of his testimony, but
16 I am asking Mr. Williams what he meant when he just
17 said that.

18 EXAMINER ADDISON: Thank you. It's a
19 broad question. I will allow Mr. Wilson -- I'm
20 sorry, Mr. Williams to elaborate. I knew that was
21 going to happen.

22 MR. MICHAEL: He's been called worse.

23 EXAMINER ADDISON: I wasn't supposed to
24 be here, guys. Mr. Williams, you may answer the
25 question.

1 THE WITNESS: Thank you.

2 A. In my direct testimony, I included a
3 table that had the performance measured against the
4 standard for each of the last five years. I didn't
5 include that in this particular testimony. But in
6 direct response to your question, I don't recall
7 exactly how -- how far off they were.

8 MR. NOURSE: Okay. Permission to
9 approach, your Honor?

10 EXAMINER ADDISON: Permission granted.

11 Q. (By Mr. Nourse) Mr. Williams, I am just
12 going to show you one of your colleague's testimonies
13 not in the record yet, but Mr. Buckley has a table at
14 page 17. If you could take a quick look at that.
15 Does that look right to you?

16 A. My direct testimony, it was basically a
17 2019 through 2022, so I think Joe may have done some
18 more comprehensive than I did going further back, but
19 the numbers look about right.

20 Q. You believe Joe Buckley's table is
21 accurate, correct? Right?

22 A. I am just saying for the numbers I looked
23 at, this case under my direct testimony, it was just
24 the last five years so.

25 Q. Okay.

1 A. Joe goes back to 2013 in what I am
2 looking at here.

3 Q. Yes, he does. And in 2018 was one of
4 your references, can you tell me the CAIDI standard
5 and the performance that was amiss?

6 A. CAIDI was 100 -- the standard was 149
7 and -- wait a second here.

8 Q. If it helps, those are in bold. Mr.
9 Buckley was nice enough to bold the misses.

10 MR. MICHAEL: I think that signifies a
11 bad miss, if I am not mistaken.

12 MR. NOURSE: We'll get back to that.

13 Q. (By Mr. Nourse) Sorry. Mr. Williams, I
14 am asking a very specific question. Did you find it
15 on the table?

16 A. I do find it on the table.

17 Q. And what was the standard and the miss in
18 2018 for CAIDI?

19 A. It was 149 standard, 150.32 performance.

20 Q. Okay. So would you agree that that's a
21 slight miss?

22 A. It's a miss so.

23 Q. It's close?

24 A. It would be close.

25 Q. And the next year, what was the

1 performance on CAIDI?

2 A. The performance on CAIDI was 140.98
3 compared to a standard of 148.

4 Q. So that's -- that's a big improvement
5 after the slight miss, correct?

6 A. Yes.

7 Q. And then on SAIFI, can you for 2018, can
8 you tell me the standard and the miss?

9 A. The standard was 1.19. The performance
10 was 1.30. Pretty significant miss.

11 Q. And then the following year, what was the
12 performance?

13 A. The performance was 1.2 compared to a
14 SAIFI standard of 1.18.

15 Q. Okay. So that was corrected the
16 following year?

17 A. Yes.

18 Q. And it was improved to meet the standard,
19 in other words?

20 A. It's better.

21 Q. Okay. And then what's the other miss
22 that's highlighted on that table?

23 A. There's the two -- there's three of them
24 that are highlighted here.

25 Q. Right. And I asked you about two so far,

1 I think. So what's the third one?

2 A. I thought you asked me about the SAIFI.

3 Q. Yeah, for the next year.

4 A. Yes. But this table also would make the
5 point about how the CAIDI has deteriorated over the
6 last few years.

7 Q. Okay. Well, actually I will leave that
8 with you for a moment. So when you say deteriorated
9 in that context, you're saying just in a relative
10 sense the performance has -- has gone down, but it
11 still meets the standard in those years; is that
12 correct?

13 A. That's correct.

14 Q. Okay.

15 A. But -- but these are fairly significant
16 declines in CAIDI compared to say the 2020
17 performance. 129 minutes in 2020 and 144.18 minutes
18 for actual performance in 2022 is pretty sizable to
19 me, especially when I consider something like a DIR
20 that's supposed to be maintained improving
21 reliability.

22 Q. Yeah. Is it your expectation performance
23 metrics would be very similar from one year to the
24 next in general?

25 A. No. I recognize there is variability.

1 Q. And you are also not recognizing on that
2 table the areas of improvement like the one we just
3 spoke of for CAIDI in 2019, right? That was a big
4 improvement.

5 A. The 20 -- well, the 2020, and I raised
6 that that was a particularly good year.

7 Q. Okay.

8 A. The last two have been particularly bad.

9 Q. I'll take that back for now. Thank you.

10 A. Thank you.

11 Q. So besides performance metrics -- or, you
12 know, reliability metric performance, is it fair to
13 say you also looked at the Company's survey, the
14 customer survey that's required under the Commission
15 rules?

16 A. Not specifically in this case. I have
17 looked at that survey with regards to a reliability
18 standards case. That would be the 20-1111 case. And
19 so I have looked at it in that context.

20 Q. Okay. But is -- is the customer survey
21 results, are those relevant to, you know, how you
22 perceive the Company's performance as either being
23 troubled or something different?

24 A. I didn't rely upon that survey in
25 reaching these conclusions in this.

1 Q. Right. And in the last ESP, you did
2 incorporate the survey and use that, right, in your
3 testimony?

4 A. I think in the last survey that was
5 likely because the reliability standards case and,
6 yes, and that ESP or whatever were going on together.

7 Q. How about now, does AEP have a
8 reliability metric case going on right now?

9 A. They do but that's in the 20-1111 case.

10 Q. Do you know if the Commission has used
11 the customer survey results in prior ESP decisions in
12 determining whether the DIR proposal is aligned with
13 customer expectations?

14 A. I believe that the Commission has in
15 other proceedings. I haven't seen anything like that
16 in this proceeding.

17 Q. Well, the Commission hasn't decided this
18 proceeding, have they?

19 A. The Staff --

20 Q. Okay.

21 A. The Staff has relied upon that type of
22 analysis.

23 MR. NOURSE: All right. And let me mark
24 a document, your Honor. If I could approach.

25 EXAMINER ADDISON: You may.

1 MR. NOURSE: AEP Exhibit 5. There you
2 go.

3 EXAMINER ADDISON: Thank you so much.

4 MR. NOURSE: I'll deliver one to you so
5 we can keep going.

6 MR. MICHAEL: Thank you.

7 MR. NOURSE: I would ask you to share
8 those.

9 Q. (By Mr. Nourse) Okay. Mr. Williams, do
10 you agree this is the most recent AEP Ohio customer
11 survey as required by the Commission rules?

12 EXAMINER ADDISON: Oh, one moment,
13 Mr. Nourse. Just so the record is completely clear,
14 the AEP Ohio Exhibit No. 5, which is the AEP ohio
15 2021 Customer Reliability Survey, will be so marked.

16 (EXHIBIT MARKED FOR IDENTIFICATION.)

17 MR. NOURSE: Thank you.

18 EXAMINER ADDISON: Absolutely. I
19 apologize for that.

20 MR. NOURSE: No, my fault.

21 Q. (By Mr. Nourse) So, Mr. Williams, you're
22 familiar with the way these reports are set up,
23 right? And you have reviewed -- reviewed AEP's
24 customer survey results in the past, correct?

25 A. I have.

1 Q. All right. And let me just cover a
2 couple items that are in here. If you could turn to
3 Item 2. This doesn't have page numbers but each item
4 section is numbered. So Item 2 or Section 2 is
5 satisfaction in reliability. Do you see that?

6 A. I see it.

7 Q. And would you agree that 70 percent of
8 AEP Ohio customers were very satisfied or somewhat
9 satisfied from the residential customer group with
10 their service reliability?

11 A. That's what this says.

12 Q. Did -- then if you will move to Section 4
13 sustained interruptions, so these are interruptions
14 that are longer than 5 minutes; is that your
15 understanding?

16 A. Yes.

17 Q. As opposed to momentary, different
18 category. Are you with me?

19 A. Yes, I am.

20 Q. Okay. And then if you look down at
21 Table 4B for residential customers, a total of
22 85 percent of residential would consider two outages
23 or less during a year to be acceptable. Do you see
24 that?

25 A. I do.

1 Q. Okay. And that would essentially
2 correspond to a SAIFI of 2; is that correct?

3 A. It could, yes.

4 Q. Okay. All right. And --

5 A. Well, 1 or a 2 could be 50.6 so. There
6 may be some customers that would find two to be
7 acceptable but I would say a large percentage of
8 customers wouldn't.

9 Q. Did you say a large percentage?

10 A. I am just saying from this table, you
11 know, 34 percent of the customers don't want any
12 outages.

13 Q. Right. But that doesn't change the
14 answer to my question about the 85 percent total for
15 1 or 2.

16 A. Well, I think you also have to put this
17 survey in context. And the context would be the
18 reliability standards case that the Company has
19 proposed that's pending before the Commission. That
20 doesn't -- it's not directly related to the
21 performance under the current ESP. This survey isn't
22 saying are you satisfied that -- you know, that under
23 the DIR that it's given -- providing the reliability
24 benefits that it should with the extra money
25 customers are paying.

1 And this one area alone 34 percent of the
2 customers would say we don't think there ought to be
3 any outages.

4 Q. Right. So do you think that's different
5 than the result that the Commission has relied on in
6 prior ESPs from these same customer survey reports
7 for different years? That, you know, I mean, we can
8 all cite different subsections and that's fine, but I
9 asked you about the ones I wanted to ask you about.
10 So but, again, you did not include the customer
11 survey report in your analysis here even though you
12 had the report, correct?

13 A. If this was the report that was filed
14 with the Amended Application for the reliability
15 service standards, then yes.

16 Q. Yes. It's the most recent report; I
17 think we established that earlier, right? Okay.

18 A. But again, it's not AEP's responsibility
19 nor is it OCC's to do an examination of the
20 reliability of the distribution system to determine
21 whether or not customer and Company expectations are
22 aligned. That's the responsibility of the Staff.

23 Q. Well, okay. That's your opinion. But
24 the -- but the point is, I guess, I have asked you
25 this multiple times so I am trying to get back to it,

1 the Commission has used these same reports in the
2 past, and you used them in your prior testimony in
3 ESP cases and that's correct, right?

4 A. I've seen the Commission use these and
5 other information.

6 Q. Right.

7 A. Actually very detailed analysis of the
8 reliability of the distribution system and I relied
9 upon a similar type of survey for some testimony that
10 I did probably previously in the last ESP where OCC
11 was supporting the Stip.

12 Q. Okay. So other than the reliability
13 metric performance data and the customer survey data,
14 I think you had mentioned earlier part of your
15 support for troubled past, quote-unquote, was the
16 storm events in 2022 and some outages relating to
17 that; is that correct?

18 A. 300,000 customers without service is a
19 pretty significant event, especially in central Ohio
20 where over 100,000 -- I can't remember the exact
21 number, a couple hundred thousand.

22 EXAMINER ADDISON: Yeah. Mr. Williams,
23 could you speak into the microphone? Maybe sit a
24 little bit closer. Thank you so much.

25 Q. (By Mr. Nourse) My question about that

1 though, and if we are talking about the June 2022
2 interruption that you cited outages for, is it your
3 understanding that was caused by transmission lines
4 that were out of service?

5 A. I think my recollection of the report
6 that was performed is that it was transmission but
7 that there was also distribution outages as well.

8 Q. You recall that there was distribution
9 outages?

10 A. Yes.

11 Q. And what was that -- what were the nature
12 of those outages?

13 A. Likely due to trees.

14 Q. Right. Yeah, okay.

15 A. Now, that's -- and despite the fact that
16 countless dollars have been poured into by customers
17 for a tree trimming program.

18 Q. Yes. And we are going to come back to
19 that, but does tree trimming avoid the responsibility
20 of a tree falling on a line during a storm?

21 A. It doesn't.

22 Q. Okay. All right. Let me go back and ask
23 you some general questions about the DIR. You on --
24 I am on page 2, line 18, you reference the -- your
25 opinion that "the purpose of the DIR is supposedly to

1 maintain and improve reliability." Okay. When you
2 say supposedly, is that just because you disagree
3 with prior Commission orders that make that
4 conclusion?

5 A. When I said supposedly, it's because even
6 though that's the purpose of the DIR in my opinion,
7 and then I think we find that in other orders as
8 well, it's not clear to me how the DIR is fulfilling
9 that role.

10 Q. Okay. Well, so it's not clear to you how
11 it's fulfilling it, but do you agree those are the
12 purposes or some of the purposes?

13 A. It should be maintained for the
14 reliability.

15 Q. Okay. And when we talk about
16 maintaining, do you know -- do you have a sense for
17 of the dollars spent under the DIR how much goes to
18 maintaining reliability meaning trying to keep the
19 current level and not necessarily achieve an
20 improvement?

21 A. I don't know the exact percentage, but a
22 percentage of the dollars go for that purpose more
23 than maintenance of the system.

24 Q. And do you understand that
25 customer-driven work gets recovered under the DIR

1 between rate cases? Do you know what I mean by
2 customer-driven work?

3 A. If you are talking about like relocation
4 of facilities, things like that, or communities, or
5 jurisdictions that require removal of facilities or
6 relocation, that type of thing, yes, I believe those
7 occur.

8 Q. Okay. And what about upgrades or
9 expansions to serve new load in the service
10 territory?

11 A. I'm not sure.

12 Q. Okay. You're not sure if those costs go
13 into the DIR?

14 A. Yeah. At the moment I can't recall
15 whether those are part of the -- are on the list of
16 things.

17 Q. Okay. Well, assuming they are, would you
18 agree, and at least the first part of which you
19 already knew and recalled of customer-driven work,
20 the more customer-driven work occurs under a fixed
21 DIR revenue cap, the less money is left over for
22 maintaining and improving reliability; would you
23 agree?

24 A. That -- that -- assuming that there isn't
25 investment made other than the DIR, then -- then,

1 yes, there would be less dollars for reliability but
2 there's nothing that prevents AEP from investing in
3 its distribution system.

4 Q. Okay. And I guess relative to
5 customer-driven work and economic development, load
6 growth, are those things that are within the
7 Company's control or outside the Company's control
8 generally speaking?

9 A. I would tend to think a lot of that would
10 be outside the control. Perhaps the Company would
11 have some say on the scheduling, or winter, how that
12 type of stuff exists, when it is going to exist, but
13 generally this would be things that are driven from
14 outside.

15 Q. Okay. Would you also agree that part of
16 maintaining the system is dealing with an aging
17 infrastructure?

18 A. Yes. Equipment needs to be replaced.

19 Q. Have you reviewed any data on the
20 Company's system like average age of wires or
21 transformers, those kinds of things?

22 A. The types of things that I have looked --
23 that I do look at and have looked at are, of course,
24 in the -- in the Rule 27 report, the system
25 improvement plan that's filed every year. And I do

1 tend to look at items like that, kind of different
2 categories by FERC type and what the remaining life
3 is of assets; yes, I do look at that.

4 Q. So -- and then generally with the DIR
5 mechanism or rider, you agree that ultimately every
6 dollar that's spent -- that flows through the DIR is
7 audited?

8 A. There are audit requirements, yes.

9 Q. And that's comprehensive, right? Every
10 new plant-in-service investment that happens from one
11 year to the next is covered in one audit or the next,
12 correct?

13 A. There's an audit. I myself aren't --
14 necessarily have an opinion on how comprehensive the
15 audits are but I know that there is an audit.

16 Q. Okay. And so you mentioned the separate
17 reliability proceeding, the metrics case, right? You
18 are familiar with that?

19 A. That's the 20-1111?

20 Q. Yeah. Are you working on that for OCC?

21 A. I am.

22 Q. Okay. And would it be your expectation
23 let's say if there's a current hearing or -- or a
24 future hearing, in the near future hearing, that the
25 spending levels for the Stipulation, assuming that's

1 approved, would be considered as part of finalizing
2 those metrics in what should be achievable by the
3 Company?

4 A. Well, the CSP is setting a certain
5 funding level, the revenue caps through 2028. And
6 so, you know, so the reliability standard could
7 change more than once during that time, so I don't
8 see it as static. I would tend to think that given
9 the Company's current pending Application that the
10 additional funding through the DIR is barely meeting
11 the current standard the way things are. I don't
12 know how that would necessarily translate to -- I
13 think it could only get worse for customers.

14 Q. Yeah. So you -- I wasn't saying it was
15 static, but you're saying it's dynamic in that every
16 couple years that will be -- that will be an issue
17 coming up again and looking at what the DIR spend is,
18 looking at what the ESR, the vegetation spend is, and
19 setting -- refreshing the metrics based on the
20 current facts and circumstances at that time in the
21 future, correct?

22 A. Yes, but the DIR revenue cap is being set
23 through the midpart of 2028 so --

24 Q. Right. But that -- I'm sorry.

25 A. And so that's kind of the concern, you

1 know. If the Company didn't have a pending
2 Application to weak -- I am going to call it weaken
3 the standard, and I don't mean that to be
4 contentious, but to have less reliable service, then,
5 you know, I would probably look at this different
6 than I would when -- when there are these DIR revenue
7 caps that will be in place throughout 2018 and there
8 is an Application that could easily result in worse
9 reliability for consumers.

10 Q. Okay. But that's an outstanding or a
11 pending issue and you would not expect that if the
12 Stipulation is adopted, the DIR caps and the ESR
13 spending, vegetation spending, would be ignored in
14 those proceedings, right? It would be lined up, it
15 would be synced up, or refreshed; however you want to
16 say?

17 A. Yes, it's going to have to be thought
18 through in those cases and hopefully would be
19 considered --

20 Q. Okay.

21 A. -- to try to make sure customers are
22 getting the benefit of those additional dollars that
23 they are paying AEP.

24 Q. Correct. Okay. Now, on page 3 you make
25 a statement that -- beginning on line 3, 3 to 5, you

1 have the sentence "there is no consideration given to
2 if there are sufficient reliability benefits." Okay.
3 Do you see that?

4 A. I do.

5 Q. And I guess you're not making a statement
6 about any of the signatory parties and what they
7 considered, right? Can you explain what you are
8 referring to here, "no consideration given"?

9 A. Well, later in my testimony I address it,
10 there's been no analysis, what type of quantifiable
11 reliability benefits are going to go along with
12 \$244 million in spending.

13 Q. Okay. And is that something that the
14 Commission has required in prior ESPs to say, you
15 know, your DIR funding is -- is conditioned or, you
16 know, limited to meeting a specific metric?

17 A. Well, yes. In AEP's previous -- the
18 current ESP, there were specific targets that were
19 set for reliability performance as measured by a
20 SAIDI that -- that then drove the level of spending
21 under the revenue caps. Well, the same thing would
22 exist with AES. The same thing exists with Duke.
23 And so --

24 Q. I'm sorry. Go ahead and finish.

25 A. So, yeah, I do believe that the

1 Commission has conditioned certain reliability
2 improvements tied to these programs, and I think
3 that's an important thing that the Commission's
4 required that's absent in this Stipulation.

5 Q. Okay. Well, let's stick to AEP and that
6 was my question. But was that -- was your
7 understanding of the AEP provisions that you just
8 referenced, was that a Commission requirement or a
9 settlement with OCC?

10 A. It was a -- it was a settlement that was
11 approved by the Commission.

12 Q. Yeah. And it actually occurred in the
13 rate case, did it not, the rate case settlement?

14 A. I believe that to be correct.

15 Q. Okay. Not for the ESP. All right. Now,
16 let me just ask you before we move on a few questions
17 about the vegetation spending or the -- you might
18 call it the ESR. So similar to the DIR, would you
19 agree that the dollars that go through that rider are
20 also audited in a financial auditing sense and to
21 confirm that every dollar that goes through the rider
22 was prudently spent?

23 A. There's an audit. Whether or not every
24 dollar is specifically scrutinized, that, again, I
25 don't know.

1 Q. Okay. And with respect to vegetation as
2 opposed to the DIR, the Company is passing through
3 costs that are external; they're not creating or
4 generating revenues in connection with veg spending,
5 correct?

6 A. Well, the additional ESRR funding is used
7 to support a four-year cycle based tree trimming
8 program in right-of-way tree trimming. But there are
9 also other aspects that are also included, my
10 understanding are included within the 244 million for
11 outside right-of-way tree trimming or tree removal.
12 And so -- so to a certain extent it is -- AEP is
13 creating additional requirements for tree trimming.

14 Q. Well, my question was about earnings.
15 Does the outside tree work, outside of the
16 right-of-way work, is that capitalized any more?

17 A. Fortunately not.

18 Q. Fortunately not.

19 A. Fortunately not.

20 Q. So again, back to my question the ESR
21 does not generate earnings for the Company; is that
22 correct?

23 A. No. It's a passthrough.

24 Q. Okay. And, I mean, do you agree that
25 vegetation work is money well spent for customers?

1 A. I believe it to be beneficial, and I had
2 in my direct testimony actually even kind of noted
3 that the number of declines in -- in outages, in
4 events, and questioning continuing the ESR because of
5 that. It seems as though AEP's arrived at the
6 outside right-of-way trees that were kind of plaguing
7 reliability seems to be resolved. It seemed like now
8 is a good time to bring an end to the ESRR.

9 Q. Well, in your experience, I don't know,
10 before the vegetation riders in Ohio, were you --
11 were you in business at that time? Let me ask you
12 this way --

13 A. Yeah. This was ESP I so, but yes.

14 Q. Sorry. Let me ask you it differently.
15 So under traditional regulation, if all the
16 vegetation costs were in base rates and there was no
17 rider and the utility was facing cost savings times,
18 would you agree that vegetation spending might be
19 subject to reductions in that circumstance or maybe
20 even high on the list for reducing spending under
21 those circumstances?

22 A. I believe that that's hypothetical. In a
23 base rate case, you know, all revenues and expenses
24 would be considered. And so while it may be true
25 some expenses go down, other expenses go up. At the

1 end of the day the rates are set to be able to
2 provide just and reasonable rates for providing
3 service to consumers so.

4 Q. Now, Mr. Williams, I am asking you about
5 what you just said that you think it's time to end
6 the ESR. So wouldn't you agree that if all the
7 vegetation costs were reflected in base rates, that
8 that would create an incentive for utilities to
9 reduce vegetation spending after they get new rates
10 from a rate case?

11 A. I believe that the Company would be
12 required to comply with its vegetation management
13 plan, and its vegetation management plan is going to
14 prescribe what those requirements are. So in terms
15 of reducing tree trimming, the Commission approves
16 these tree trimming plans, and I would certainly
17 think the Company would -- would adhere to it.

18 Q. So you don't -- you don't think the
19 vegetation rider has a benefit of ensuring the
20 Company's interests are aligned with the customer's
21 expectations when it comes to vegetation spending and
22 activity?

23 A. I believe that this is a rider that's
24 existed since ESP I and that that -- it seems like
25 the number of tree -- tree-caused outages has

1 declined and that it's a convenient time to look at
2 getting rid of it. I didn't recommend getting rid of
3 it immediately. My direct testimony and here I
4 suggest that this be something that's done in the
5 next base rate case.

6 Q. Okay. Let me move back to another topic
7 we were talking about earlier and that is the DIR,
8 pardon me, the DIR purposes and as reflected in prior
9 Commission orders. So I want to just ask you a
10 couple of questions about your recollection, and I am
11 going to start with ESP IV, the current ESP, or the
12 immediately prior Opinion and Order for ESP IV and
13 ask you a couple of questions.

14 Just from your memory and -- so would you
15 agree with the statement that under the ESP statute
16 the DIR was initially adopted to facilitate timely
17 and efficient replacement of aging infrastructure to
18 improve service reliability? Do you agree with that
19 statement?

20 A. From ESP II or are you talking about ESP
21 IV?

22 Q. IV. I'm sorry, yes, it's a reference
23 back and says initially adopted and that started in
24 ESP II in 2011; is that your recollection?

25 A. That is my recollection, ESP II. The

1 time I'm not sure of but that does sound as though I
2 have seen that type of statement in orders before.

3 Q. And then just again from memory, an ESP
4 III Opinion and Order, would you agree that the DIR
5 was also approved and extended in the company's
6 subsequent ESP proceedings with certain modifications
7 and requirements recognizing that the DIR also
8 supports the installation of gridSMART technology?
9 Do you agree with that?

10 A. I don't recollect that specifically
11 because the gridSMART is, of course, funding through
12 its own -- through its own rider.

13 Q. But you are not aware of any investments
14 that support gridSMART technology deployment that
15 flow through the DIR that are not gridSMART
16 technologies themselves?

17 A. I understand what you are saying now,
18 like circuit ties, items like that. I believe that
19 those -- some of those types of investments are
20 through the DIR.

21 Q. Okay. And then I think I -- I have one
22 or two more. I am going to skip that one. All
23 right. We already covered it. Excuse me. All
24 right. Mr. Williams, on page 3, you are previewing
25 your position in the paragraph that starts on line 12

1 about gridSMART, gridSMART Rider. And I guess you're
2 expressing some concerns about some of the
3 investments that are going to be going through that
4 rider under that Stipulation, correct?

5 A. Yes, that's correct.

6 Q. Would you agree that in each ESP
7 proceeding there's an opportunity to create or modify
8 riders and other alternative regulation mechanisms
9 for the Company?

10 A. Unfortunately that's the case.

11 Q. Okay. So is your concern about these
12 additional investments related to the name, the fact
13 that it is called gridSMART Rider?

14 A. No.

15 Q. Okay. Let me move on. So a couple more
16 questions shifting back to veg spending again, and I
17 am on page 6 where you're talking about the ESR in
18 the top half of the page where you recommend
19 45 million annual funding. Do you see that?

20 A. Yes. I basically recommended continuing
21 the current funding level that's in place through the
22 ESP IV until rates are set in the next base rate
23 case, and then vegetation management costs would then
24 be embedded in rates.

25 Q. Is the \$45 million, that's what's

1 reflected in base?

2 A. There --

3 Q. Are you talking about the -- the rider?

4 A. I am talking about the rider piece is
5 45 million and there is 35 million in base rates.

6 Q. Yes. Okay. So is it your opinion that
7 there were no cost increases or changes in vegetation
8 costs since 2020, the period of the rate case?

9 A. There may be some -- some changes. I
10 don't know that -- that necessarily every dollar has
11 to be collected through the rider. I think we have
12 to set reasonable caps. People have to pay for
13 these.

14 Q. Okay. But that's -- but again, your
15 position, your recommendation here is not based on
16 your position that costs have not changed. In fact,
17 you are acknowledging that costs may have changed.

18 A. Costs could change. That's the level
19 that was set in the ESP. I don't know of a reason
20 for increasing that, especially if the intent is to
21 try to get all those costs embedded in base rates.

22 Q. Okay. Let's move to page 8. Your -- in
23 this looking at the bottom half of the page, you are
24 talking about rate impacts, excuse me, relative to
25 the DIR, and you reference in line 20 an

1 approximately 150 percent increase. Do you see that?

2 A. Yes.

3 Q. Okay. Is it your view that customers
4 measure a utility bill increase by looking at a small
5 portion of their bill and how that might change? Is
6 that how customers look at their bill -- utility
7 bill?

8 A. I think that assumes all customers are
9 alike and that's not the case. There are some
10 customers who would be very interested in all details
11 of a bill. In fact, in recent times the Commission
12 has required utilities to have bill calculators on
13 their websites so that people can get in and dig into
14 exactly what they are paying for. So some customers,
15 yes; some customers, no.

16 Q. Well, the rate calculator, I mean,
17 separating generation or generation supply which is
18 competitive versus the wires, that's one thing.
19 That's certainly necessary to compare prices and
20 shop, correct?

21 A. Yeah, but the rate calculator provides
22 the base rates along with all -- the cost of all the
23 riders based upon customer's usage in any given
24 month. So, of course, I mean, it's the Commission
25 recognizing the importance of that and has required

1 that in the last deferral case.

2 Q. You think they recognize the importance
3 of looking at individual rate components and
4 comparing; you think that's what it stands for?

5 A. Well, I believe that it gives customers
6 the opening to know what they are paying for. They
7 are paying \$11.78 a month for something called a DIR
8 and DIR is supposed to improve their reliability and
9 they just sat for five days without reliable --
10 without service, yeah, I think I would question it.

11 Q. Okay. Do you think most customers look
12 at it that way in your opinion?

13 A. There is enough customers that it's on
14 the AEP website and as far as I know, people use it.

15 Q. So if we zoom out and look at these
16 Stipulations as a package and the rate impact of the
17 Stipulation, have you done that?

18 A. Of the entire Stipulation?

19 Q. Yeah, the rate impact to the Stipulation.

20 A. I've not. I've just looked at the
21 testimony of Ms. Mayhan had a -- that kind of shows
22 what those costs are for each of the riders and
23 increases that I myself have not done any kind of
24 analysis on that.

25 Q. Okay. And so do you agree or disagree

1 with Ms. Mayhan's statement that a typical
2 residential customer using 1,000 kWh would see a
3 monthly bill increase of 0.5 percent in year one and
4 a -- the range of 0.6 percent to 1.8 percent of the
5 total bill for years two through four of the ESP?

6 A. I don't have a reason to dispute that.
7 But at the same time, I do think you have to look at
8 individual line items, and all the rates should be
9 just and reasonable. The fact that at the end of the
10 day there's the total impact is one thing, doesn't
11 mean that the details don't need to be looked at with
12 each of the riders but each of the programs.

13 Q. Okay. But when it comes to rate impacts
14 of the package or even when it comes to evaluating
15 the Stipulation under the three-part test, is it fair
16 to say the package should be looked at as a whole in
17 your opinion?

18 A. That's not my -- my testimony is on some
19 very specific riders so I didn't do any kind of
20 analysis. In my opinion the Commission should
21 consider the impact of each of these details. You
22 know, maybe the rates could -- maybe the rate impact
23 could even be lower.

24 Q. So you didn't look at that, and you don't
25 think it's important for the Commission to look at

1 the total bill impact for an average residential
2 customer?

3 A. No. I believe that the Commission can
4 look at the total impact. I am just saying from my
5 testimony I looked at very specific riders, and I
6 believe that the Commission also can consider the
7 impact of those specific riders and whether or not
8 those are just and reasonable.

9 Q. I appreciate that, and you've said that a
10 couple times. What I am asking you is whether it's
11 important that -- in your view that to look at the
12 total impact of the Stipulation as a package, the
13 total rate impact for a residential customer.

14 MR. MICHAEL: Objection, asked and
15 answered for probably like the fourth time now.

16 MR. NOURSE: No. He keeps going to
17 what --

18 EXAMINER ADDISON: Okay. Direct your
19 comments to the Bench, please. Thank you. I am
20 going to overrule the objection. Just to tie a bow
21 on it, Mr. Williams, you may answer the question.

22 A. Of course, the overall bill impact is
23 important but that doesn't mean that the details that
24 get to that point aren't. And that's -- that's the
25 only distinction I make with this is that based upon

1 the analysis that I did and based upon my testimony
2 is, yes, I did look at a couple of details.

3 Q. But you didn't look at the total impact
4 even though it's important?

5 A. I didn't consider the total -- I didn't
6 consider the total impact because that wasn't the
7 purpose of my testimony. If I was looking at bill
8 impacts, if I was looking at affordability, if I was
9 looking at some things like that, maybe I would, but
10 my testimony was very specific for the DIR, ESRR, and
11 a bunch of things that got added to the SmartGrid
12 Rider.

13 Q. Okay. And let's look a little closer at
14 the DIR. On page 9, you have Q and A9 where I think
15 you're -- you're giving your opinion that the DIR
16 caps -- annual revenue caps in the Stipulation are
17 too high, correct?

18 A. Yes. I believe that they should be kept
19 at levels that are closer to what they are today.

20 Q. And when you say what they are today, can
21 you just unpack that a little bit?

22 A. Yes. The rates -- the annual revenue
23 caps that were set for the -- for the period 20
24 whatever it was, 2021 through 20 -- midpart of 2023
25 is that -- it's those revenue caps.

1 Q. Yeah. And do you -- are you aware in a
2 couple of the prior ESPs, I think it was ESP II and
3 ESP III, the Commission expressed a guideline for DIR
4 growth of range of 3 to 4 percent? Does that sound
5 familiar?

6 A. That's -- I'm familiar with that. I have
7 seen that in orders.

8 Q. Okay. And you would agree that ESP II
9 was back in the 2011 to 2015 time frame, I think, was
10 the term of the ESP, right?

11 A. Subject to check.

12 Q. So it was over 10 years ago it was
13 started, correct, and subject to check?

14 A. Yes.

15 Q. Okay. And would you agree that inflation
16 has increased since that time, you know, 10 years
17 ago?

18 A. Yes.

19 Q. Okay. And so have you done a calculation
20 of the DIR revenue caps under the Stipulation in that
21 light of a 3 to 4 percent range?

22 A. I didn't look at the percentage.

23 Q. Okay. So I guess when you say maintain
24 relatively close to the current caps, isn't that -- I
25 mean, each year the cap is different, so the DIR has

1 been in place for, I think, 11 or 12 years now; does
2 that sound about right?

3 A. I believe so.

4 Q. So each year there is an increase in the
5 cap, correct?

6 A. Yes.

7 Q. Because you're -- because you're
8 taking -- I'm sorry. You're taking additional
9 investment, putting it in plant-in-service when it
10 becomes used and useful, and then you are putting a
11 carrying charge on that capital investment into the
12 DIR; is that your understanding?

13 A. That's my understanding.

14 Q. And so the annual caps are revenue
15 requirement caps, so you might have a \$200 million
16 cap for revenue that relates to \$100 million -- I'm
17 sorry, relates to a billion dollars of capital
18 investment, that it has that carrying charge of
19 200 million; does that sound -- in rough terms does
20 that sound right?

21 A. Roughly.

22 Q. Okay. So do you know how the
23 Commission -- you know, how the 3 to 4 percent
24 guideline has been calculated, or do you have an idea
25 of how to do that?

1 A. I'm not sure exactly how that's done.

2 Q. Okay. Would it -- would it be fair to
3 say look at the current annual revenue cap and
4 compare that as a numerator to the denominator of
5 the -- you know, the adjusted plant-in-service, so
6 the -- so the base distribution plant-in-service plus
7 the years that you have added under the DIR, does
8 that sound right to you?

9 A. I don't necessarily have an opinion on
10 it. It's certainly not how I looked at it.

11 Q. Okay. You've not done that calculation
12 before.

13 A. I haven't.

14 Q. Okay. And you don't know whether the
15 proposed caps are in line with that range and maybe
16 adjusted for inflation, correct?

17 A. My goal was to try to keep the revenue
18 caps relatively close to the current ones recognizing
19 that there is an annual -- that these accumulate over
20 time.

21 Q. Right.

22 A. And I felt like I considered that.

23 Q. Okay. I'm sorry. I am just looking
24 through some questions making sure we've covered
25 them.

1 And thank you for the corrections on the
2 performance metrics on pages 10 and 11

3 A. Thank you.

4 Q. That eliminated a couple questions.
5 Okay. Let me ask you a question on page 11, all
6 right? And this is a sentence on lines 4 through 6.
7 Well, maybe we should back up a little bit more.
8 Starting on line 2, after mentioning the metrics
9 performance, you say this means that customers can on
10 average expect 8-1/2 percent more interruptions
11 annually lasting 10 minutes or longer. So that's
12 just a characterization of the Amended Application
13 and the reliability metrics case we talked about
14 earlier; is that right?

15 A. Yes. These are the standards that are
16 proposed in that case. And I mentioned it here
17 because it's kind -- it's ironic that AEP or that the
18 settlement is increasing the revenue caps for the DIR
19 requiring additional funding for the ESRR, and yet
20 the Company is proposed to weaken those standards in
21 another application.

22 Q. Well, let me ask you about that because
23 we talked a little bit about it earlier but let's
24 talk about the timeline. Do you recall you said that
25 was a 2020 case, right?

1 A. Yeah. I think it's -- in fact, I cite
2 it's 21 -- 20-1111.

3 Q. Yeah. So that means -- does that mean it
4 was filed in 2020 to you?

5 A. Yes.

6 Q. Okay.

7 A. And then amendment maybe in 2022.

8 Q. Okay. But it's still a pending case,
9 right?

10 A. Yes, it is.

11 Q. Okay. And so we talked about this
12 earlier, you would not expect -- well, let me back
13 up.

14 Do you recall when the ESP Application in
15 this case was filed? If I said January 6, 2023,
16 would that sound about right?

17 A. Subject to check.

18 Q. All right. So that was way after the
19 initial reliability case was opened, correct?

20 A. Yes.

21 Q. Okay. And you wouldn't expect that
22 initial proposal to necessarily hold in the final
23 outcome of that case in light of the additional
24 investment and spending associated with the
25 Stipulation, would you?

1 A. The settlement sure didn't address
2 anything, any -- the settlement didn't examine
3 reliability and how this proposal would align with
4 the revenue caps that's proposed for these programs.

5 Q. Right.

6 A. So I don't know.

7 Q. So that's a separate pending case where
8 those issues would be resolved in the future and
9 maybe the near future perhaps.

10 A. Correct. It would have been resolved in
11 this settlement.

12 Q. Okay. Let's move on. Again, I am trying
13 to skip questions if we've already covered so bear
14 with me.

15 Do you know whether the Company has spent
16 either for vegetation spending or for DIR investment
17 above the caps or funding through the riders? Do you
18 know whether that's happened and how often?

19 A. I know it does happen. I'm not sure how
20 frequently it happens.

21 Q. All right. All right. Skip ahead. So
22 on page 17, you talk about the CIS, Customer
23 Information System, provision of the settlement. Do
24 you see that?

25 A. Yes, I do.

1 Q. Okay. And is it your understanding that
2 a CIS investment will bring enhanced capabilities
3 that -- that ultimately enhanced retail competition
4 in the Company's service territory?

5 A. I don't particularly have a benefit -- an
6 opinion on whether or not these are -- you know, it's
7 beneficial for that purpose or not. You know, these
8 are items that other parties negotiated. I don't
9 have an opinion on whether or not there's a benefit
10 or not. I do have an opinion that when and if it
11 gets put into rate base, that it should be subject to
12 a used and useful standard of review.

13 MR. NOURSE: All right. Your Honor,
14 could I --

15 Q. I'm sorry.

16 A. That's not required. In my reading of
17 the Stipulation that's not required.

18 MR. NOURSE: Okay. Your Honor, could I
19 approach?

20 EXAMINER ADDISON: You may.

21 Q. (By Mr. Nourse) Mr. Williams, I am just
22 going to hand you a copy of the September 6
23 Stipulation in this case which you may or may not
24 have a copy of already. Ask you to open up the
25 Stipulation starting at page 6.

1 A. I'm there.

2 Q. Okay. And in paragraph C6, long
3 paragraph, about five pages, lots of sub-bullets,
4 bullets. There's -- C6 deals with the CIS; is that
5 your recollection?

6 A. It is.

7 Q. And if you look at the I'll call them the
8 hollow bullets that start on page 7 and carry over to
9 page 10, do you see that list of items?

10 A. I do.

11 Q. And these are referenced as
12 functionalities in the introductory language to that
13 section? And so I just want to ask you about a
14 couple of these. I won't cover them all but -- and
15 it's the same question for each one of these. So in
16 the second bullet next to the last on page 7, "Ensure
17 that the new systems are flexible enough to allow for
18 the introduction of new rate, product, and service
19 offerings without the need for substantial additional
20 investment in IT systems." Do you see that one?

21 A. I do.

22 Q. Do you think that's beneficial to
23 residential customers?

24 MR. MICHAEL: I am going to object, your
25 Honor. The witness already clearly stated he had no

1 opinion on the purported consumer benefit provisions
2 of the settlement that was beyond the scope of his
3 testimony, so I object to the question on those
4 issues.

5 MR. NOURSE: I don't think it's beyond
6 the scope of testimony, your Honor, just because he
7 didn't include this in his testimony. He's
8 recommending against the CIS provision, so I think
9 it's fair game to ask him about some of these
10 provisions and the specific benefits to residential
11 customers.

12 MR. MICHAEL: I think he is misstating
13 the witness's testimony. I think he said to the
14 extent that they were going to implement this, it
15 should meet a used and useful standard.

16 EXAMINER ADDISON: Thank you.

17 MR. NOURSE: That's what he said but I
18 have a different question.

19 MR. MICHAEL: That's beyond the scope of
20 his testimony.

21 EXAMINER ADDISON: Thank you.

22 MR. MICHAEL: He's clearly stated that.

23 EXAMINER ADDISON: Thank you. I am going
24 to have to sustain the objection. Please move on,
25 Mr. Nourse.

1 Q. (By Mr. Nourse) So you don't have an
2 opinion on the benefits of residential customers of
3 the CIS investment?

4 A. My testimony addresses when and if these
5 costs are collected from customers, the standard of
6 review that ought to apply for every aspect of it,
7 not just these bullets, the entire system and that it
8 be subject to a -- to a standard of used and useful.

9 Q. Is there another OCC witness that could
10 answer my question?

11 A. I -- I don't know.

12 Q. Do you agree that the ultimate inclusion
13 of the CIS investment in rate base in the next
14 distribution case will be subject to a prudence and
15 used and useful standard prior to being reflected in
16 distribution rates?

17 A. There's a sentence right here on page 6
18 that says the amount of CIS expenditures for future
19 recovery is subject to a reasonableness and prudence
20 review. It doesn't say used and useful.

21 Q. Okay. So your -- your opinion is that in
22 the next distribution case when the deferral is up
23 for being included in rates, that the -- that there
24 will not be a used and useful test under your
25 understanding of the Stipulation.

1 A. I'm saying this Stipulation doesn't
2 address the specific standard. And it's not just
3 there, Mr. Nourse. It gets into each of those little
4 bullet points that you mentioned earlier as well that
5 somehow subject to a demonstration that the
6 functionality exists, that would determine whether or
7 not the Company could collect those for those
8 investments.

9 Q. You are familiar with those bullet points
10 and the functionality in the Stipulation?

11 A. I'm familiar that there were a number of
12 functionalities, that the Stipulation addresses cost
13 recovery, if it can demonstrate the functionality. I
14 don't have an opinion on each of those bullets. I do
15 have an opinion that when and if the Company seeks to
16 collect any money associated with the CIS, it needs
17 to be in the base rate case, and it needs to be
18 subject to a used and useful review standard.

19 Q. And you don't think a three- or four-page
20 list of functionalities that would be tested and
21 confirmed has any relationship to being used and
22 useful when it comes to information system
23 technology?

24 A. I think if the intent was to have a used
25 and useful standard, the word would be here.

1 MR. NOURSE: Okay. Thank you,
2 Mr. Williams. That's all I have.

3 EXAMINER ADDISON: Thank you very much,
4 Mr. Nourse.

5 Mr. Margard, any questions from Staff?

6 MR. MARGARD: Your Honor, I had prepared
7 questions for my dear old friend, but given
8 Mr. Nourse's excellent cross-examination, I no longer
9 do. No, thank you, your Honor.

10 EXAMINER ADDISON: Thank you very much.
11 Redirect?

12 MR. MICHAEL: No redirect, your Honor.

13 EXAMINER ADDISON: The Bench doesn't have
14 any additional questions. Mr. Williams, you are
15 excused.

16 THE WITNESS: Thank you.

17 EXAMINER ADDISON: Thank you very much
18 for your testimony.

19 THE WITNESS: Thank you.

20 MR. MICHAEL: Your Honor, at this time
21 OCC would reiterate its motion to move -- for OCC
22 Exhibit 4 to be put into evidence.

23 EXAMINER ADDISON: Any objections to the
24 admission of OCC Exhibit No. 4?

25 It will be admitted.

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(EXHIBIT ADMITTED INTO EVIDENCE.)

MR. NOURSE: And, your Honor, I would
move for the admission of AEP Ohio Exhibit 5.

EXAMINER ADDISON: Any objections to the
admission of AEP Ohio Exhibit 5?

Hearing none, it will be admitted.

(EXHIBIT ADMITTED INTO EVIDENCE.)

EXAMINER ADDISON: I believe that does --
I believe that does conclude the witnesses that we
had slotted for today. We will reconvene on Friday,
October 13, at 9:00 a.m.

MR. NOURSE: And, your Honor, I don't
know that it matters -- are we off the record?

EXAMINER ADDISON: No. We are still on
the record.

MR. NOURSE: Okay. Go ahead.

EXAMINER ADDISON: Okay. Anything else
to address on the record before we adjourn for today?

Okay. We are adjourned. Thank you.

Off the record.

(Thereupon, at 4:04 p.m., the hearing 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, October 11,
2023, and carefully compared with my original
stenographic notes.

Karen Sue Gibson, Registered
Merit Reporter.

(KSG-7532)

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Gibson, Karen Sue Mrs..