

BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

- - -

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 9:08 a.m. on Friday, October 13,  
2023.

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VOLUME III

- - -

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CALPINE RETAIL HOLDING EXHIBIT	IDENTIFIED	ADMITTED
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Friday Morning Session,  
October 13, 2023.

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EXAMINER SEE: Let's go on the record.

The Commission has scheduled at this --  
continued Case No. 23-23, the Ohio Power Company ESP  
case.

At this time I would like to take brief  
appearances of counsel present. On behalf of the  
Applicant.

MR. NOURSE: Thank you, your Honor. On  
behalf of Ohio Power Company, Steven T. Nourse,  
Michael J. Schuler; and the law firm of Ice Miller,  
Christopher L. Miller; the law firm of Porter,  
Wright, Morris & Arthur, Eric B. Gallon. Thank you.

EXAMINER SEE: And let's start to my  
right and go around the room.

MR. WILLISON: Good morning, your Honors.  
On behalf of Ohio Energy Leadership Council, Mr. Paul  
Willison, the law firm of Baker & Hostetler, 200  
Civic Center Drive, Columbus, Ohio 43215.

EXAMINER SEE: Okay. Go ahead.

MR. MARGARD: Thank you, your Honor. On  
behalf of the Staff of the Public Utilities  
Commission of Ohio, Assistant Attorney General Werner

1 Margard, Ambrosia Wilson, and Ashley Wnek.

2 MR. MICHAEL: Good morning, your Honors.  
3 On behalf of AEP's Residential Utility Consumers, the  
4 Office of the Ohio Consumers' Counsel by Bill  
5 Michael, Connor Semple, and Don Kral.

6 MR. KURTZ: Good morning, your Honors.  
7 Michael Kurtz and Jody Cohn for OEG.

8 MS. WALKE: Good morning, your Honors.  
9 Avery Walke with co-counsel Matt Pritchard, McNees,  
10 Wallace & Nurick on behalf of RESA.

11 MR. BETTERTON: Good morning, your  
12 Honors. On behalf of Interstate Gas Supply, Evan  
13 Betterton.

14 MS. McCONNELL: Good morning, your  
15 Honors. On behalf of the Environmental Law & Policy  
16 Center, Erica McConnell and Robert Kelter.

17 MR. DOUGHERTY: Good morning, your  
18 Honors. On behalf of Citizens Utility Board Ohio,  
19 Trent Dougherty.

20 MS. NORDSTROM: Good morning, your  
21 Honors. On behalf of the Ohio Environmental Council,  
22 Karin Nordstrom and Chris Tavenor.

23 MR. BOBB: Good morning, your Honor. On  
24 behalf of the Ohio Partners for Affordable Energy,  
25 Nicholas Bobb, Kegler, Brown, Hill & Ritter.

1 MR. MCKENNEY: Good morning. For Direct  
2 Energy Business and Direct Energy Services, Bryce  
3 McKenney.

4 MR. WHITT: Good morning. Mark Whitt for  
5 Calpine Retail Holdings.

6 MR. DUNN: Good morning. On behalf of  
7 One Energy, James Dunn.

8 MS. BOJKO: Good morning. On behalf of  
9 the Ohio Manufacturers' Association Energy Group,  
10 Kimberly W. Bojko, Emma Easley, the law firm  
11 Carpenter Lipps.

12 MS. WHITFIELD: Good morning, your  
13 Honors. On behalf of The Kroger Company, Angela Paul  
14 Whitfield, Carpenter Lipps.

15 EXAMINER SEE: Thank you.

16 Mr. Whitt.

17 MR. WHITT: Thank you, your Honor. It's  
18 my understanding that no party has cross-examination  
19 for Ms. Merola, Calpine's witness. And in light of  
20 the witness's presence out of state, we would intend  
21 to move her direct testimony into evidence by  
22 agreement without the necessity of her appearing.

23 EXAMINER SEE: Okay.

24 MR. NOURSE: Your Honor, AEP Ohio opposes  
25 the admission. We did -- are willing to waive cross

1 and personal appearance but wanted to contest the  
2 admissibility. Per the earlier arguments that the  
3 topics from the original direct testimony addressed  
4 in Ms. Merola's testimony are -- are irrelevant.  
5 Both of the topics addressed were modified by  
6 Stipulation. The testimony does not address the  
7 Stipulation. The testimony does not address the  
8 three-part test. So consistent with our earlier  
9 arguments, we don't think the testimony is probative  
10 of anything that's relevant to this -- this hearing.  
11 Thank you.

12 EXAMINER SEE: Did you wish to respond,  
13 Mr. Whitt?

14 MS. BOJKO: Your Honor, would you like to  
15 hear parties in support of AEP prior to turning to  
16 Mr. Whitt?

17 EXAMINER SEE: Sure.

18 MR. WHITT: If I may just very briefly,  
19 it might make sense if I at this time go ahead and  
20 formally offer the testimony and then hear objections  
21 to it.

22 EXAMINER SEE: First off, the Bench  
23 doesn't have any questions for Ms. Merola either, so  
24 it is -- she does not need to appear for the  
25 testimony to be offered.

1 MR. WHITT: Thank you. At this time,  
2 your Honors, I would like to mark for identification  
3 a document titled "Direct Testimony of Becky Merola  
4 on Behalf of Calpine Retail Holdings, LLC," mark it  
5 for identification Calpine Retail Holdings Exhibit 1.  
6 If I may approach.

7 EXAMINER SEE: Yes, you may. The exhibit  
8 is so marked.

9 (EXHIBIT MARKED FOR IDENTIFICATION.)

10 MR. NOURSE: And, your Honor, my earlier  
11 remarks were in response to Mr. Whitt saying we are  
12 entering the testimony by agreement. I won't repeat  
13 those but all of those apply to the admissibility now  
14 that it has been formally moved.

15 EXAMINER SEE: So noted, Mr. Nourse.

16 Okay. The parties want to -- any  
17 response from other parties?

18 MS. BOJKO: Yes, your Honor. OMAEG also  
19 opposes the admission of Calpine Exhibit 1 based on  
20 relevancy. While the Stipulation says other  
21 provisions of the Application apply if not modified  
22 by the Stipulation, this particular provision does,  
23 in fact, modify -- or Stipulation does, in fact,  
24 modify this particular provision of the Application.  
25 That means that it is no longer relevant to this

1 proceeding as that provision that was in the original  
2 Application is not being offered as part of this  
3 proceeding or as part of the Stipulation. Therefore,  
4 it's irrelevant, and this testimony should not be  
5 allowed. Thank you.

6 EXAMINER SEE: Anyone else?

7 Response, Mr. Whitt?

8 MR. WHITT: Thank you, your Honor. This  
9 proceeding involves an Application filed under  
10 Revised Code Section 4928.143. Under the statute,  
11 the Commission shall set a time for hearing a filing  
12 under the statute. A filing is AEP's Application.  
13 The testimony responds to the Application. The  
14 testimony is relevant to the issues in this case  
15 which extend well beyond the terms of the proposed  
16 settlement that is not binding on the Commission.  
17 That's all.

18 MR. NOURSE: And just to respond to that  
19 very briefly, your Honor, the issue is not whether or  
20 not we can talk about the Application. That is the  
21 scope of the proceeding. But with too -- you know,  
22 precedents too many to cite at the Commission and the  
23 court, the three-part test is what governs the  
24 contested Stipulation to resolve an Application or a  
25 proceeding.

1                   And so the scope of the query at this  
2 point is -- is driven by the three-part test. Again,  
3 this testimony addresses two topics, both of which  
4 were modified by the stipulation as -- as compared to  
5 the Application; and, therefore, without any  
6 testimony relating to the three-part test or the  
7 Stipulation or the modified terms, it's not probative  
8 or relevant to any issues.

9                   EXAMINER SEE: Okay. After considering  
10 the party's position, I am going to admit  
11 Ms. Merola's testimony, Calpine Exhibit 1, and the  
12 parties should reduce their arguments as to  
13 admissibility to writing and include it as part of  
14 their brief.

15                   With that, Calpine Exhibit 1 is admitted  
16 into the record.

17                   (EXHIBIT ADMITTED INTO EVIDENCE.)

18                   EXAMINER ADDISON: Mr. Michael, are you  
19 ready to proceed?

20                   MR. MICHAEL: Indeed I am.

21                   EXAMINER ADDISON: You may call your next  
22 witness.

23                   MR. MICHAEL: OCC would call Ms. Colleen  
24 Shutrump.

25                   EXAMINER ADDISON: Welcome, Ms. Shutrump.

1 Raise your right hand.

2 (Witness sworn.)

3 EXAMINER ADDISON: Thank you. Please be  
4 seated.

5 THE WITNESS: Sure.

6 EXAMINER ADDISON: And if you could,  
7 please just turn on the microphone.

8 MR. MICHAEL: Your Honor, I would request  
9 that --

10 EXAMINER SEE: Just a moment. Just a  
11 moment.

12 EXAMINER ADDISON: One moment. And I  
13 would request everyone just speak up for everyone's  
14 benefit in this room. I know we have had quite a few  
15 noises from outside. It is a little bit distracting,  
16 so if everyone could speak up, we would certainly  
17 appreciate it.

18 Mr. Michael.

19 MR. MICHAEL: Your Honor, I would request  
20 that we have marked as OCC Exhibit 5, Testimony  
21 Recommending Modification of the Stipulation of  
22 Colleen Shutrump dated September 20, 2023.

23 EXAMINER ADDISON: It will be so marked.

24 (EXHIBIT MARKED FOR IDENTIFICATION.)

25 MR. MICHAEL: And, your Honors, I did



1 provide each of you with copies of Ms. Shutrump's  
2 testimony.

3 EXAMINER ADDISON: Thank you very much.

4 - - -

5 COLLEEN SHUTRUMP

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 state your name, please?

11 A. Colleen Shutrump.

12 Q. And, Ms. Shutrump, where are you  
13 employed?

14 A. I'm employed with the Office of the Ohio  
15 Consumers' Counsel.

16 Q. And, Ms. Shutrump, do you have before you  
17 what was previously marked as OCC Exhibit 5?

18 A. Yes.

19 Q. And can you identify that document,  
20 please?

21 A. Yes. It's Testimony Recommending  
22 Modification of the Stipulation of Colleen Shutrump  
23 Dated September 20, 2023.

24 Q. And Ms. --

25 EXAMINER ADDISON: I'm sorry,

1 Mr. Michael.

2 Ms. Shutrump, could you please move the  
3 microphone maybe just a little closer. Yeah. Thank  
4 you.

5 Please proceed.

6 Q. (By Mr. Michael) Ms. Shutrump, was that  
7 testimony prepared by you or at your direction?

8 A. Yes.

9 Q. And do you have any modifications to that  
10 testimony?

11 A. No, I do not.

12 Q. And if I were to ask you the questions  
13 reflected in that testimony today, would your answers  
14 be the same?

15 A. Yes.

16 MR. MICHAEL: Your Honor, I would move  
17 for the admission of OCC Exhibit 5, subject to  
18 cross-examination.

19 EXAMINER ADDISON: Thank you very much,  
20 Mr. Michael.

21 Mr. Whitt, any questions?

22 MR. WHITT: No questions.

23 EXAMINER ADDISON: One Energy?

24 MR. DUNN: No questions, your Honor.

25 EXAMINER ADDISON: OEG?

1 MR. KURTZ: No questions, your Honor.

2 EXAMINER ADDISON: OMAEG?

3 MS. BOJKO: No questions, your Honor.

4 EXAMINER ADDISON: Citizens Utility  
5 Board?

6 MR. DOUGHERTY: Pending the order that  
7 was suggested by counsel for AEP --

8 EXAMINER SEE: Speak up, please. Use a  
9 mic.

10 MR. DOUGHERTY: Sorry. Pending the order  
11 of cross-examination that was offered by counsel for  
12 AEP, we would wait until my colleague from ELPC and  
13 others that were in that order have provided theirs,  
14 if I could.

15 EXAMINER ADDISON: Certainly. I wasn't  
16 aware you were part of that prearranged order.

17 MR. DOUGHERTY: I was -- I was -- I would  
18 like to know what those questions would be.

19 EXAMINER ADDISON: Certainly. I will  
20 come back to you, Mr. Dougherty.

21 MR. DOUGHERTY: Thanks.

22 EXAMINER ADDISON: IGS?

23 MR. BETTERTON: No questions.

24 EXAMINER ADDISON: Thank you. Kroger?

25 MS. WHITFIELD: No questions, your Honor.

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EXAMINER ADDISON: OEC?

MS. NORDSTROM: Your Honor, OEC would  
similarly like to wait until after ELPC.

EXAMINER ADDISON: Thank you.

MS. NORDSTROM: Thank you, your Honor.

EXAMINER ADDISON: RESA?

MS. WALKE: No questions, your Honor.

EXAMINER ADDISON: Thank you. OELC?

MR. WILLISON: None, your Honor.

EXAMINER ADDISON: Thank you. Direct?

MR. McKENNEY: No, your Honor.

EXAMINER ADDISON: ELPC?

MR. KELTER: Yes, your Honor. We do have  
some questions. Thank you. Okay if I proceed?

EXAMINER ADDISON: You may.

- - -

CROSS-EXAMINATION

By Mr. Kelter:

Q. Good morning, Ms. Shutrump.

A. Good morning.

Q. Could you please turn, excuse me, to page  
4, lines 11 to 15, of your testimony.

A. Yes. I'm there.

Q. You state that "The settlement violates  
RC 4928.02(H) because it allows a portion of consumer

1 funding to go to CRES providers so that they can  
2 close the sale to shoppers," correct?

3 A. That's what it says.

4 Q. Do all AEP customers pay delivery  
5 charges?

6 A. Yes.

7 Q. And do CRES customers pay the same  
8 delivery charges as non-CRES customers?

9 A. So if you are referring to a  
10 nonbypassable rider, both shoppers and nonshoppers do  
11 pay through the rider.

12 Q. Does the funding for this program come  
13 from delivery service charges?

14 A. The funding for this program comes from  
15 consumers.

16 Q. All consumers, correct?

17 A. Yes.

18 Q. Do you understand how demand response  
19 programs work?

20 A. Yes.

21 Q. And do you believe that demand response  
22 programs reduce stress on the grid at peak times?

23 A. Successful demand response programs have  
24 the opportunity to reduce stress on the grid at peak  
25 times.

1           Q.    And do you believe a demand response  
2   program that reduces stress on the grid benefits all  
3   AEP customers?

4           A.    Not necessarily.  As it relates to the  
5   program in the settlement, you could have a thousand  
6   customers sign up for the demand response program but  
7   there's always that possibility that all of those  
8   customers would override 80 percent of the time, 90  
9   percent of the time, 100 percent of the time, and  
10   that -- in that case then there would be no benefits  
11   to -- to the grid.

12          Q.    If the customers don't override the  
13   demand response program, do you believe that the  
14   demand response program benefits all AEP customers?

15          A.    I don't know.  It's a small program, so  
16   it would take a lot of enrollments and a lot of  
17   participation and no overrides to make -- make such  
18   an impact.

19          Q.    How many customers would need to be  
20   enrolled in the program to make an impact?  Do you  
21   know?

22          A.    I don't know.

23          Q.    Do you know how many customers this  
24   program has the potential to enroll?

25          A.    I do not.

1           Q.    At page 4, line 17, you state that "The  
2   settlement violates RC 4928.02(D) because it allows  
3   AEP Ohio to charge consumers for smart thermostats,"  
4   correct?

5           A.    Yes, sir.

6           Q.    Is the first clause of -- of 4928.02(D)  
7   to encourage innovation and market access for cost  
8   effective supply and demand side retail electric  
9   service including but not limited to demand side  
10  management?

11          A.    I don't know. My testimony does not -- I  
12  mean, when you say the first clause, I'm not sure.

13          Q.    Actually if you turn to page 12 of your  
14  testimony, you do cite that section in your  
15  testimony.

16          A.    Okay. Where exactly? 4928.02(G) or (D)?

17          Q.    (D) and I will repeat the question.

18          A.    Thank you.

19          Q.    Is the first clause of (D) to encourage  
20  innovation and market access for cost effective  
21  supply and demand side retail electric service  
22  including but not limited to demand side management?

23          A.    Well, I think the key word is encouraging  
24  market access for cost effective supply and demand  
25  side retail electric service. And so I'm referring

1     there to the competitive market for smart  
2     thermostats.

3             Q.     But it doesn't say "competitive."  
4     There -- the word "competitive" is not in that  
5     sentence, is it?

6             A.     No.

7             Q.     In your opinion, does the smart  
8     thermostat program qualify as a demand side  
9     management program?

10            A.     Can you repeat the question?

11            Q.     In your opinion -- let me rephrase the  
12     question.

13                    In your opinion does this smart  
14     thermostat demand side -- demand response program  
15     qualify as a demand side management program?

16            A.     I think without the subsidy supporting  
17     the smart thermostats, AEP Ohio can still implement a  
18     demand response program because there are customers  
19     who already have smart thermostats and have the  
20     ability to enroll in the program.

21            Q.     So are you -- are you saying that the  
22     subsidy makes it not a demand side management  
23     program?

24            A.     No.

25            Q.     Do you know how many AEP customers



1 currently have smart thermostats?

2 A. I do not, but I imagine a significant  
3 number given the programs under the mandates and the  
4 ability for consumers to access smart thermostats at  
5 Home Depot and Lowe's.

6 Q. So do you know how many customers -- do  
7 you know if AEP discounted smart thermostats under  
8 its previous demand side -- or its -- I'm sorry.  
9 Strike that.

10 Let me restate that. Do you know how  
11 many customers purchased smart thermostats under  
12 AEP's previous energy efficiency program that you  
13 just referred to?

14 A. I don't recall.

15 Q. What's the basis for your statement that  
16 there's a significant number of smart thermostats out  
17 there now?

18 A. Because under the mandates smart  
19 thermostats were rebated and since 2020 when the  
20 programs ended, that did not prevent consumers from  
21 going out into the market and purchasing a smart  
22 thermostat from Home Depot or Lowe's or Menards or  
23 Kroger or Meijer, Amazon.

24 Q. I'm sorry. I didn't mean to interrupt.

25 EXAMINER ADDISON: Thank you. Are you

1 finished with your answer?

2 THE WITNESS: Yes, ma'am.

3 Q. (By Mr. Kelter) But didn't you just say  
4 you don't know how many customers purchased smart  
5 thermostats under the program?

6 A. I do not know a specific number.

7 Q. And do you know a specific number of  
8 customers who have purchased smart thermostats  
9 outside of AEP's program?

10 A. I do not have a specific number.

11 Q. Subsection (D) also refers to time  
12 differentiated pricing, correct?

13 A. Yes.

14 Q. What is your understanding of time  
15 differentiated pricing?

16 A. Well, I mean, I think that's a component  
17 of the time of use program, if you will, where the  
18 angle is to have consumers either reduce their  
19 demand -- reduce their usage or shift their usage to  
20 times when there's not stress on the grid.

21 Q. Do you think that smart -- excuse me,  
22 your Honor.

23 Do you think that smart thermostats have  
24 the potential to help customers take advantage of  
25 time differentiated price programs?

1 A. Yes.

2 Q. The Stipulation does not hinder CRES  
3 providers from offering innovative programs, does it?

4 A. Can you repeat the question?

5 MR. KELTER: Can I have the question  
6 reread back, please?

7 EXAMINER ADDISON: You may.

8 (Record read.)

9 A. That's correct. I would agree with that.

10 Q. At page 4, line 18, you said that  
11 "PUCO-sanctioned and consumer-funded subsidies for  
12 non-low-income demand-side management programs are  
13 not reasonable given that the market already provides  
14 these programs on an optional, not mandatory basis,"  
15 correct?

16 A. That's what it says.

17 Q. Can you identify specific programs that  
18 the competitive market currently offers?

19 A. I mean, in reference to Home Depot and  
20 Lowe's and Menards, they offer rebates on smart  
21 thermostats in order to compete with one another.  
22 They offer -- they train their sales force to provide  
23 education to the customer who is looking to buy an  
24 energy efficiency product. So I would consider those  
25 two examples of programs.

1           Q.    But Home Depot, Lowe's, the other stores  
2 you are referring to, they don't offer demand  
3 response programs, do they?

4           A.    I would say in this case they do  
5 partially because they are providing the smart  
6 thermostat, and the smart thermostat is part of the  
7 demand response program.

8           Q.    Who currently offers a demand response  
9 program right now to customers?

10          A.    I don't know the answer to that.

11          Q.    So you're saying that these -- but these  
12 stores offer some kind of discount or rebate to  
13 customers, correct?

14          A.    Yes.

15          Q.    Can you tell us which -- can you name one  
16 of those stores and tell us how much of a discount or  
17 rebate they offer and describe that program?

18          A.    I can say in general. All you have to do  
19 is go to the website, and you will find rebates on  
20 energy efficiency products.

21          Q.    But I believe you stated that you can't  
22 tell us how many customers have taken advantage of  
23 whatever discount or rebate that Lowe's or whoever  
24 offers, correct?

25               MR. MICHAEL: Objection, asked and

1 answered.

2 EXAMINER ADDISON: Overruled. You may  
3 answer.

4 A. I do not have a specific number.

5 Q. And I -- I believe you stated that those  
6 stores don't specifically offer demand response  
7 programs; is that correct?

8 MR. MICHAEL: Objection, asked and  
9 answered. Mischaracterizes her previous testimony.

10 EXAMINER ADDISON: I'll allow her  
11 significant latitude in her response, Mr. Michael.  
12 But you may answer the question, Ms. Shutrump.

13 MR. MICHAEL: Thank you, your Honor.

14 A. I think -- I think what I said is the  
15 market participates in the demand response program  
16 because the market is providing for the smart  
17 thermostat, and the smart thermostat is what allows  
18 the demand response program to be successful.

19 Q. But I also believe you said that you  
20 can't name any specific -- well, let me rephrase.

21 Is there a specific CRES provider that  
22 offers a demand response program?

23 A. I don't know.

24 Q. Do you know how many residential  
25 customers AEP currently has?

1           A.    I know that number is provided, but I  
2   don't recall what it is.  It's available, but I don't  
3   recall what it is.

4           Q.    And do you know what percentage of AEP  
5   residential customers currently have smart  
6   thermostats?

7           A.    No, I don't -- I don't know.

8           MR. KELTER:  Give me one second.  I think  
9   that's all the questions I have.

10          EXAMINER ADDISON:  Take your time.

11          MR. KELTER:  That's all the questions I  
12   have.  Thank you.

13          EXAMINER ADDISON:  Thank you very much,  
14   Mr. Kelter.

15          Mr. Dougherty?

16          MR. DOUGHERTY:  Thank you for indulging  
17   me, your Honor, but I have no questions.

18          EXAMINER ADDISON:  Thank you very much.

19          OEC?

20          MS. NORDSTROM:  I do have one question,  
21   your Honor.

22          EXAMINER ADDISON:  Absolutely.

23                                 - - -

24

25

CROSS-EXAMINATION

By Ms. Nordstrom:

Q. Ms. Shutrump, when Mr. Kelter asked you how you knew whether there were smart thermostats currently in AEP customer households, you mentioned in part that under the mandates smart thermostats were rebated. When you say the mandates, you are referring to when the law required investor-owned utilities to have utility-run energy efficiency programs?

A. I apologize, yes. I should have -- I should have clarified that.

MS. NORDSTROM: Thank you. That's my only question, your Honor.

EXAMINER ADDISON: Thank you very much.

OPAE?

MR. BOBB: Yes, your Honor. A few questions, if I may.

EXAMINER ADDISON: You may.

- - -

CROSS-EXAMINATION

By Mr. Bobb:

Q. Ms. Shutrump, your testimony, turn to page 5, lines 12 through 14. Your testimony is the settlement provides for \$12 million annually to fund

1 a low-income energy efficiency program, a school  
2 program, and a community rider. Do you see that  
3 testimony?

4 A. Yes.

5 Q. Which rider are you referring to in the  
6 Stipulation?

7 MR. MICHAEL: Your Honor, at this point I  
8 am going to object and ask maybe counsel to clarify  
9 again where he's referring to because I do not read  
10 the lines he cited as saying "rider." It says  
11 "community program," not "rider."

12 EXAMINER ADDISON: Thank you. Perhaps  
13 you could direct the witness to which section of her  
14 testimony you are referring to, counsel.

15 MR. BOBB: Yes. Page 5, starting at line  
16 12.

17 Q. (By Mr. Bobb) Let me ask you this, what  
18 portion of the Stipulation are you referring to?

19 A. I'm sorry. I don't understand the  
20 question.

21 Q. You are on page 5 of your testimony, line  
22 12?

23 A. Yes.

24 Q. Starts "The settlement provides."

25 A. Yes.



1           Q.    I am asking what provision of the  
2           settlement provides for \$12 million annually as  
3           detailed in lines 12, 13, and 14?

4           A.    I think there was a table with these  
5           numbers in the settlement.

6           Q.    Do you have the Stipulation in front of  
7           you?

8           A.    No; no, I don't.

9                   EXAMINER ADDISON:  You may approach, if  
10          you would like.

11          MR. BOBB:  Well, I assumed the previous  
12          copy would be up there.  Let me grab a copy.

13          EXAMINER ADDISON:  Dangerous assumption.

14          MR. BOBB:  Apparently so.

15          MR. MICHAEL:  You know what happens when  
16          you assume.

17          MR. BOBB:  What's that?

18          EXAMINER ADDISON:  Actually the Bench has  
19          an extra copy.

20          MR. BOBB:  Thank you, your Honor.

21          Q.    (By Mr. Bobb) I believe the table you are  
22          referring to is on page 25 of the Stipulation.

23          A.    Yes, sir.

24          Q.    And you are referring to paragraph 38?

25          A.    Correct.

1 Q. And that's under Section L, titled  
2 "Energy Efficiency Rider," correct?

3 A. Where is Section L? Yes, yes, yes.

4 Q. And paragraph 38 says actually "The  
5 annual budget for residential customer programs,"  
6 which is described in the table you referenced  
7 earlier, "will not exceed \$12 million"; is that  
8 right?

9 A. That's my understanding.

10 Q. And so actually the settlement provides  
11 for up to \$12 million annually. It doesn't require  
12 or provide for exactly \$12 million annually, correct?

13 A. I would agree with that.

14 Q. If you would turn back to your testimony,  
15 page 5, lines 21 and 22. You opine there that "The  
16 selected program administrator will be paid a  
17 10 percent administration fee of total annual program  
18 costs incurred." Did I read that correctly?

19 A. So I'm still getting to --

20 Q. Sure.

21 A. Page 5?

22 Q. Yes, ma'am.

23 MR. MICHAEL: He's referring to your  
24 testimony now, Ms. Shutrump.

25 THE WITNESS: Oh, I'm sorry.

1 A. Repeat the question.

2 Q. Sure. Line 21 sentence begins "The  
3 selected program administrator will be paid a  
4 10 percent administration fee of total annual program  
5 costs incurred," correct?

6 A. Yes.

7 Q. And can you identify the portion of the  
8 Stipulation that makes that provision?

9 A. So I think that was part of AEP's  
10 Application, and anything in the settlement that does  
11 not address something in the Application, the  
12 Application -- what is proposed in the Application  
13 is -- will be implemented.

14 Q. Is it your testimony then that the  
15 Stipulation doesn't address the program  
16 administrative fee?

17 A. I'm not sure.

18 Q. Why don't you turn to page 26 of the  
19 Stipulation, paragraph 39.

20 A. Okay. 26? Yes, I see it now.

21 Q. And is that the paragraph that you are  
22 referring to when you make the statement that the  
23 program administrator will be paid a 10 percent  
24 administrative fee?

25 A. Yes.

1           Q.    Does the Stipulation identify who the fee  
2   is paid to?

3           A.    No.

4           Q.    How did you determine that the program  
5   administrative fee was payable to the selected  
6   program administrator?

7           A.    I don't understand the question.

8           Q.    Your testimony is that the selected  
9   program administrator will be paid the 10 percent  
10   administrative fee. That's on page 5, line 21, of  
11   your testimony. Do you see that?

12          A.    Yes.

13          Q.    Right. So my question is how did you  
14   determine that the 10 percent would be paid to the  
15   selected program administrator?

16          A.    So I don't think I determined that. It's  
17   evident in the settlement. The settlement determines  
18   that.

19          Q.    Where in the settlement is that  
20   determined?

21          A.    Paragraph 39 on page 26.

22          Q.    Well, that doesn't say who it will be  
23   paid to. It just says it will be 10 percent.

24          A.    Yes.

25          Q.    Right. So my question is how did you

1 determine who it would be paid to or to whom it would  
2 be paid?

3 MR. MICHAEL: I am going to object to the  
4 form of the question at this time, your Honor, and  
5 also say asked and answered. I think Ms. Shutrump is  
6 pointing out that generally the selected program  
7 administrator, and it's not clear whether counsel is  
8 asking for a name or an individual entity.

9 EXAMINER ADDISON: Overruled. You may  
10 answer the question.

11 A. Well, I think the competitive bidding  
12 process would determine who it would be paid to.

13 Q. Your belief and your opinion is it will  
14 be paid to the entity that wins the selective bidding  
15 process.

16 A. No, not necessarily. I think my  
17 testimony proposes that the competitive bidding  
18 process is meant to provide the best value at least  
19 cost by the bidders for these programs. The program  
20 administrative fee is something that is common in an  
21 RFP process, and it should not be predetermined. So  
22 it's not -- you know, if the program administrative  
23 fee is part of the selection criteria in the  
24 competitive bid, then I'm not sure that the program  
25 administrative fee would be 10 percent.

1           Q.    But my point was that your understanding  
2           is that this fee will be paid to whoever wins the  
3           competitive bidding process as it stands in the  
4           Stipulation right now.

5           A.    No.  It might not be 10 percent.

6           Q.    Why would it not be 10 percent?

7           A.    Because the fee is part of the RFP.  It's  
8           part of the selection criteria.

9           Q.    In the Stipulation -- oh, I'm sorry.

10          A.    So you might have one bidder that -- that  
11          will offer up a bid that includes services provided  
12          at a certain cost, and then you might have another  
13          bidder that can do the same thing at a cost that is  
14          lower or higher.

15          Q.    And that's the way you believe the  
16          Stipulation is structured now?

17          A.    No.  In my testimony I propose that the  
18          PUCO provide more oversight to these programs, so I  
19          think what I would recommend is that the PUCO conduct  
20          the competitive bidding process because if the  
21          competitive bidding process is conducted by AEP Ohio,  
22          then there's -- there's no oversight on influence by  
23          any one bidder on the RFP process.

24          Q.    Let's unpack that a little bit.  I think  
25          you are referring to page -- at least you start on

1 page 6 of your testimony. Let me know when you are  
2 there.

3 A. Yes.

4 Q. Now, you opine that the competitive bid  
5 process, if you look at line 11, that will be used  
6 for selecting the RFP program administrator lacks  
7 PUCO oversight, it lacks fairness, and it lacks  
8 transparency, correct?

9 A. Yes.

10 Q. Are those your only criticisms of the  
11 competitive bid process as outlined in the  
12 Stipulation?

13 A. I think this is the primary issue.

14 Q. Those three things that I -- the  
15 oversight, fairness, and transparency.

16 A. Correct.

17 Q. And can you think of any other criticisms  
18 as you sit there today?

19 A. No.

20 Q. Now, explaining your criticism, you  
21 conclude that the potential RFP bidder should not  
22 participate or provide input into the terms,  
23 requirements, and pricing of the RFP, correct?

24 A. Yes.

25 Q. All right. And we are talking about

1 entities that are bidding to administer certain  
2 programs under that Energy Efficiency Rider that we  
3 have been talking about.

4 A. Yes.

5 Q. All right. What is your opinion based  
6 on, your opinion that a potential RFP bidder should  
7 not participate or provide input into the terms,  
8 requirement, or pricing?

9 A. Well, OPAE is a signatory party to the  
10 settlement. OPAE is also a provider of low-income  
11 energy efficiency programs and so there's a potential  
12 for conflict if that process would allow input from  
13 OPAE and give OPAE an advantage over other bidders in  
14 the marketplace.

15 Q. Are there any treatises, published works,  
16 or articles you could cite to that would support that  
17 opinion?

18 A. Well, I think it's supported by previous  
19 programs, portfolio programs. OPAE has certainly  
20 played a large role in administering low-income  
21 programs. OPAE has also signed the settlement.

22 Q. You mentioned OPAE's played a large role  
23 in some of these previous programs. Does that mean  
24 that OPAE has particular experience in administering  
25 these programs?



1           A.    Yes, but I also think the Ohio Department  
2 of Development has experience in running  
3 government-funded programs.

4           Q.    And does OPAE have a certain level of  
5 expertise in running these programs?

6           A.    Well, according to OPAE's website who are  
7 we, I believe it says that OPAE advocates for  
8 low-income energy efficiency programs before the  
9 PUCO. The OPAE advocates for utility programs. So  
10 I'm not sure why experience would matter when every  
11 single person in this room supports low-income  
12 programs. The PUCO supports low-income programs. So  
13 in my view experience is irrelevant.

14           MR. BOBB: Move to strike, your Honors.  
15 I just asked her if OPAE had experience. That answer  
16 was not responsive.

17           MR. MICHAEL: Your Honor, I believe he  
18 asked for expertise in a particular area in the  
19 pending question, and I think perhaps the witness was  
20 drawing an equivalency between experience and  
21 expertise, so it should stand.

22           EXAMINER ADDISON: Thank you. I am going  
23 to deny the motion to strike. I have been waiting  
24 for the opportunity to make this type of ruling, but  
25 I usually typically invoke a one bite of the apple

1 rule, and I'll allow the answer to stand as is, but I  
2 will direct the witness to please respond to  
3 counsel's question and his questions only. If  
4 Mr. Michael would like to bring up some other points  
5 on your redirect, that might be the better  
6 opportunity to have that sort of discussion there.

7 THE WITNESS: Yes, ma'am.

8 EXAMINER ADDISON: Thank you.

9 Q. (By Mr. Bobb) You would agree with me  
10 then as an operator of these types of programs, OP&E  
11 has an expertise in operating these types of  
12 programs, correct?

13 A. Yes.

14 Q. And were there any potential  
15 administrator bidders that were prohibited from  
16 participating in this process?

17 A. Say that again.

18 Q. Sure. Were there any potential  
19 administrator bidders that were prohibited from  
20 participating in this process?

21 A. Well, I don't think competitive bidding  
22 applied to programs that were required through the  
23 2008 law.

24 MR. BOBB: Again, your Honor, I would  
25 move to strike that as nonresponsive. I just need to

1 know in there were any potential administrative  
2 bidders that were prohibited from participating in  
3 this process.

4 MR. MICHAEL: And, your Honor, I believe  
5 the response was responsive because she drew a  
6 distinction between this process and the way the  
7 process was previously, and they are distinct and  
8 different.

9 EXAMINER ADDISON: Thank you. I am going  
10 to allow the answer to stand. Perhaps you can ask  
11 your question by rephrasing.

12 MR. BOBB: Sure.

13 Q. (By Mr. Bobb) Your opinion is that there  
14 are potential competitive advantages to be gained by  
15 participating in setting the RFP criteria, correct?

16 A. Yes.

17 Q. So my question is are there any  
18 competitors that were prohibited from participating  
19 in this process if they chose to do so, this  
20 particular process to craft the criteria here in this  
21 Stipulation?

22 A. I don't think so.

23 Q. Can you identify any single advantage  
24 gained by any potential administrator bidder who  
25 participated in or provided input into the terms,

1 requirements, and pricing of the RFP in this  
2 Stipulation?

3 A. Okay. Please repeat the question a  
4 little slower, please.

5 Q. Sure. Can you identify any advantage  
6 gained by any potential administrator bidder who  
7 participated or provided input into the terms,  
8 requirements, or pricing of the RFP process in this  
9 Stipulation?

10 A. No.

11 Q. Now turning back to page 6 of your  
12 testimony. You next criticism is the program  
13 administrator pricing should be a component of the  
14 selection criteria, and I think you actually  
15 mentioned that a few minutes ago in your testimony,  
16 correct?

17 A. Yes.

18 Q. Can you define program administrator  
19 pricing for me?

20 A. So a program administrator pricing is  
21 something that would be included by the bidder  
22 through a competitive bidding process.

23 Q. What is that something? You say  
24 something included by the bidder. What does that  
25 something encompass?

1           A.     Pricing, it's a component of the RFP.

2           Q.     Do you know what that component covers?

3           A.     I don't understand the question.

4           Q.     Do you know what it goes to pay for?

5           A.     Program administration.

6           Q.     Is there an industry standard for what a  
7 program administration is?

8           A.     I don't know the answer to that, but I do  
9 know that there are other states that go through a  
10 competitive bidding process as it relates to  
11 low-income program administrators.

12          Q.     And to be fair, the Stipulation calls for  
13 a competitive bidding process for that, correct?

14          A.     It calls for a competitive bidding  
15 process be conducted by AEP, not the PUCO, and I  
16 think my testimony is recommending that the  
17 competitive bidding process be conducted by the PUCO  
18 for the purpose that if -- the PUCO is a state agency  
19 and the state agency follows certain guidelines  
20 related to the RFP process and I doubt that the PUCO  
21 in following that process would allow a potential  
22 bidder to have influence on the RFP.

23          Q.     Does the Stipulation itself define the  
24 term program administration pricing?

25          A.     As it relates to the 10 percent

1 administrative fee, yes.

2 Q. It gives a definition for program  
3 administrative pricing. Could you point that out to  
4 me, please?

5 A. I'm sorry. I don't understand the  
6 question.

7 Q. Yeah. There is a term program  
8 administrative pricing we've been talking about. I  
9 am just asking if that term is a defined term in the  
10 Stipulation. You said it was, so I am just asking  
11 you to point it to me where in the Stipulation that  
12 term is defined.

13 A. It's defined under the section that talks  
14 about the Energy Efficiency Rider.

15 Q. What page is that?

16 A. I don't know.

17 Q. You have the Stipulation in front of you,  
18 correct?

19 A. Yes. We --

20 Q. I think the Energy Efficiency Rider  
21 begins on page 25.

22 A. I -- I thought I saw the 10 percent  
23 administrative fee somewhere in the settlement. I  
24 must be confused so.

25 Q. Thank you. Turning back to your

1 testimony then, your next criticism which I think is  
2 found on page 7. I will give you a minute to get  
3 there. Let me know when you are there.

4 A. I'm there.

5 Q. You say that PUCO Staff and rider audits  
6 should not be optional as reflected in the  
7 settlement, correct?

8 A. Yes.

9 Q. And then you go on lines 5 to 6 to say  
10 "Consumers are entitled to PUCO oversight in order to  
11 protect the funding they provide"?

12 A. Yes.

13 Q. Is it your opinion that under the  
14 Stipulation consumers will not receive PUCO oversight  
15 of the Energy Efficiency Programs under the Energy  
16 Efficiency Rider?

17 A. I think my testimony is referring to  
18 additional oversight that is necessary.

19 Q. So you would agree with me though there  
20 is oversight called for in the Stipulation.

21 A. I don't know.

22 Q. Why don't we turn back then to page 25 of  
23 the -- I'm sorry, page 26 of the Stipulation.

24 A. Oh, 26. Okay.

25 Q. And the second sentence in paragraph 39

1 says "Staff reserves the right to evaluate the  
2 programs (through an independent auditor or  
3 otherwise), including but not limited to annual rider  
4 audits and periodic Evaluation, Measurement, &  
5 Verification of the programs, at no additional cost  
6 to the Company." Did I read that correctly?

7 A. Yes.

8 Q. And so you would agree with me that  
9 provision in the Stipulation calls for oversight of  
10 these Energy Efficiency Programs, correct?

11 A. Staff reserves the right to evaluate.  
12 That is not the same as their commitment to evaluate  
13 the programs.

14 Q. They have the right to if they -- if they  
15 deem it necessary, correct?

16 A. Yes.

17 Q. And that would be a form of oversight,  
18 correct?

19 A. Yes.

20 Q. Do you trust Staff to exercise that  
21 oversight?

22 A. Absolutely.

23 Q. You identify three different types of  
24 reviews or -- excuse me, audits in your testimony.  
25 And I just need some operational definitions if you



1 could provide them. The first one is on page 7, line  
2 4, you say "In addition, reviews by the PUCO Staff,"  
3 so that to me are PUCO Staff reviews. Do you see  
4 that?

5 A. Yes.

6 Q. What are PUCO Staff reviews?

7 A. Well, they typically include a review to  
8 determine that the expenses are prudent, that they  
9 are not spent on things that are disallowable. And I  
10 also believe they check calculations to make sure  
11 that everything is in effect with the numbers.

12 Q. And they are afforded that opportunity  
13 under the Stipulation, correct?

14 A. Yes.

15 Q. All right. You also go on in the same  
16 line, line 4, "rider audits." What are "rider  
17 audits"?

18 A. Just what I explained.

19 Q. So a Staff audit and a rider audit, same  
20 thing.

21 A. I'm not sure that's always true. I think  
22 audits tend to vary across the riders.

23 Q. Well, specifically here you make a  
24 distinction. You say "reviews by the PUCO Staff and  
25 rider audits." That to me seems like two separate

1 things. I am just trying to figure out what the  
2 difference is.

3 A. Between review and rider audits?

4 Q. Yes, ma'am.

5 A. I can see the confusion there. I think  
6 what I intended here is reviews by PUCO Staff through  
7 rider audits.

8 Q. I understand. So those Staff reviews  
9 that we talked about a minute ago, same thing as a  
10 rider audit in your testimony.

11 A. Yes.

12 Q. And then there is another kind of audit  
13 on page 8 of your testimony, line 10, and that's a  
14 "management audit." Do you see that?

15 A. Yes.

16 Q. What's a "management audit"?

17 A. Well, I think a management audit is  
18 determined by, you know, any entity, the PUCO or  
19 stakeholders, what it should be. I think that's  
20 flexible. You know, you can -- I mean, the contract  
21 to the auditor can say any number of things that is  
22 required to be reviewed.

23 Q. Who performs a management audit?

24 A. Providers of audits.

25 Q. And what are they auditing for?

1           A.    In this case they would audit exactly  
2 what is included in my list.

3           Q.    Which list is that?  That's the list on  
4 page 8?

5           A.    Yes.  Thank you.

6           Q.    And where did you get that list from?

7           A.    So in my role at OCC, I have a  
8 responsibility to conduct research on low-income  
9 programs, and I do that in part by looking at  
10 low-income programs and how they are administered in  
11 other states.  And this -- some of this is also  
12 determined by what the collaboratives don't  
13 necessarily discuss that could be helpful in terms  
14 of, for example, reducing administrative costs.

15          Q.    Is -- is a management audit an  
16 industry-defined term or is that a term that you  
17 created sort of whole cloth for this testimony?

18          A.    An industry-defined term; is that what  
19 you said?

20          Q.    It is.

21          A.    I don't know the answer to that.

22          Q.    Are there any textbooks or treatises or  
23 articles I could read that would give me a definition  
24 of this management audit?

25          A.    I don't know.

1           Q.   Any -- any articles or treatises I could  
2 read that would have this list of recommended audit  
3 points?

4           A.   I don't know. I mean, I think -- again,  
5 I think I'm making recommendations of what could be  
6 included in a management audit.

7           Q.   Yeah. And I am just trying to ex -- I'm  
8 sorry. I am just trying to explore where those  
9 recommendations came from, if there is any support  
10 for those recommendations. Are you aware of any?

11           MR. MICHAEL: I am going to object to the  
12 question, your Honor. Is counsel referring to above  
13 and beyond her expertise in the industry that she's  
14 here to testify about?

15           EXAMINER ADDISON: I would prefer if you  
16 rephrase the question.

17           MR. BOBB: Sure.

18           EXAMINER ADDISON: Thank you.

19           Q.   (By Mr. Bobb) Are there any external  
20 sources you could refer me to that could contain this  
21 list in full or in part referring to your management  
22 audit recommendations?

23           A.   As I explained earlier, this list is  
24 determined in part because of my research on  
25 low-income programs in other states.

1           Q.    Well, and again, I guess my question is  
2   that research had to be based on something, and I am  
3   just trying to figure out what it was based on.  What  
4   did you look at to make these determinations?

5           A.    So it's based on things that historically  
6   are not discussed in the collaborative but could be  
7   very useful in terms of an auditor making  
8   recommendations that could lower administrative  
9   costs.

10          Q.    And can you again point me to anything  
11   externally that would demonstrate the usefulness of  
12   these items?

13          A.    Can I point you to -- what did you say?

14          Q.    Articles, treatises, textbooks.

15          A.    No.  This is based on my expert opinion.

16          Q.    How frequently should these management  
17   audits occur?

18          A.    I don't know.

19          Q.    Is there an industry standard for the  
20   timing of these management audits?

21          A.    I don't know.

22          Q.    What about the PUCO Staff review or rider  
23   audits that we talked about before, how frequently  
24   should they occur?

25          A.    Well, I think that's determined when the

1 rider is established. The timing would be determined  
2 in the order.

3 Q. Well, you are the one that's proposing  
4 these audits, correct?

5 A. Yes.

6 Q. I am just asking do you have an opinion  
7 on how frequently they should occur?

8 A. No.

9 Q. How would you propose to fund these  
10 audits?

11 A. The consumer would fund the audit.

12 Q. Is that through the help funds?

13 A. Can you point me to where I talk about  
14 that?

15 Q. I don't know that you do. I'm just  
16 asking if you have an opinion on where the funds  
17 should come from. You said the consumer. We have  
18 got to take it from them somehow. So I am asking how  
19 we get it from the consumer to fund these audits.

20 A. Well, through the rider.

21 Q. And the rider that we are talking about  
22 here is specifically those help funds, correct?

23 A. Correct.

24 Q. So you're proposing that we take money  
25 out of the help funds and pay for these audits.

1           A.    No.

2           Q.    Okay.  So then my question is how do we  
3 pay for these audits that you are recommending?

4           MR. MICHAEL:  Objection, asked and  
5 answered.  She already said through the rider.

6           EXAMINER ADDISON:  I am going to allow  
7 the question.  You may answer.

8           A.    The rider acts to facilitate the funding  
9 by the consumer.

10          Q.    Are you advocating then we increase the  
11 rider to cover the costs of the audits, or are you  
12 advocating we take the money collected by the rider  
13 out of the help funds and to the auditors?

14          A.    Well, I think that's an interesting  
15 question.  I think that the audit -- the cost of the  
16 audit could indeed offset -- be offset by  
17 recommendations through the audit to reduce  
18 administrative costs.

19          Q.    Is that what would happen?

20          A.    I don't know.

21          Q.    And again, I don't think you have an  
22 answer to my question which is are you a proponent of  
23 raising the rider and increasing the rider costs or  
24 reducing the help funds to pay for the audit?

25          A.    I am proposing that the low-income

1 program would benefit from an audit that includes  
2 review of the various things that I mentioned.

3 MR. BOBB: Your Honor, I would move to  
4 strike that as nonresponsive. I asked where the  
5 funding should come from, and I still don't have an  
6 answer.

7 MR. MICHAEL: Your Honor, he does if he  
8 would pay attention to the witness's answer because  
9 she said through the rider. And he's asked it six or  
10 seven different times, and she has given the same  
11 response every time.

12 EXAMINER ADDISON: All right,  
13 Mr. Michael. I do believe the witness has given the  
14 answer she is willing to give today so let's move on.

15 MR. BOBB: Understood, your Honor.

16 EXAMINER ADDISON: Thank you.

17 Q. (By Mr. Bobb) You would agree with me  
18 that if we took funds out of the help dollars that  
19 are collected by this rider, that that would increase  
20 the operational costs of the rider?

21 A. Again, not necessarily because those  
22 costs could be offset by the auditor's  
23 recommendations of ways to reduce administrative  
24 costs.

25 Q. You keep using the phrase could be. Can



1 you say to any degree of certainty as to whether that  
2 would happen?

3 A. I don't see how that's possible. I can't  
4 predict the future.

5 Q. If you'll turn to page 7 of your  
6 testimony, lines 13 through 15. You opine that "PUCO  
7 Staff does not evaluate programs to determine  
8 recommendations on general guidelines that either  
9 protect consumer funding or lower administrative  
10 costs," correct?

11 A. That's what it says.

12 Q. Is there anything in the Stipulation that  
13 would prevent Staff from evaluating low-income  
14 programs to generate additional guidelines to protect  
15 consumer funding or lower administrative costs?

16 A. No.

17 Q. In fact, you would agree with me that the  
18 Stipulation directly empowers Staff to do that,  
19 wouldn't you?

20 A. I mean, I think that would depend on the  
21 resources by PUCO Staff, resources that are  
22 available.

23 Q. They certainly have the opportunity to  
24 evaluate the programs as you suggest here, correct?

25 A. Yes.

1           Q.    All right.  If you turn to page 9 of your  
2   testimony, I'm almost done here, lines 3 through 5,  
3   you raise concerns with weatherization, correct?

4           A.    Yes.

5           Q.    Specifically you're concerned about  
6   rental properties being sold or converted by the  
7   property owner within two years of receiving  
8   weatherization services on the property, correct?

9           A.    Correct.

10          Q.    Now, do you have any knowledge that such  
11   rental properties are being sold or converted by  
12   property owners within two years of receiving  
13   weatherization services on the property?

14          A.    Well, I think that's the point of my  
15   recommendation.

16          Q.    Yeah, but my question is, you know, do  
17   you have any evidence that this is occurring that  
18   would prompt you to make this recommendation?

19          A.    So in my role here at OCC, we have the  
20   ability to ask discovery, and so as a result of that  
21   discovery, I have reviewed invoices by vendors where  
22   one home -- and I think this is in my testimony  
23   somewhere previously, one home consumers paid I think  
24   it was 18 -- \$18,000 on one home.  It was a large  
25   home in the Cleveland area.  And when I googled the

1 property address, it was up for sale.

2 Q. Do you know --

3 MR. SCHULER: Excuse me. AEP Ohio would  
4 move to strike that answer. The witness is  
5 referencing discovery. We don't know what case it's  
6 from, what party it's from. She referenced this took  
7 place in Cleveland which is outside AEP Ohio's  
8 service territory, so it is unlikely it even has  
9 anything to do with AEP Ohio. It is, therefor,  
10 irrelevant and unauthenticated.

11 MR. MICHAEL: The question was does she  
12 have any evidence and her answer was, yes, she does  
13 have evidence and she explained what that was. So to  
14 the extent she is an expert in this field and counsel  
15 asked an open-ended question like that, she is  
16 responding to the question.

17 EXAMINER ADDISON: Mr. Schuler.

18 MR. SCHULER: That still stands even  
19 though it was on open-ended question. We are still  
20 on a case here about AEP Ohio so just because there  
21 is an open-ended question doesn't mean we can talk  
22 about other things in other jurisdictions for other  
23 utilities. That just opens the flood gates to  
24 talking about whatever we want to talk about in this  
25 case.

1                   MR. MICHAEL: Well, I think that the  
2 Commission on more than one occasion, to put it  
3 lightly, the Commissions of all states look to what's  
4 happening in different jurisdictions, best practices,  
5 and I hope we don't want it to happen in AEP Ohio and  
6 I think what Ms. Shutrump is doing is making a  
7 recommendation how we can prevent it from happening  
8 to the extent it is not happening now.

9                   MR. SCHULER: Your Honor, I would just --

10                  EXAMINER ADDISON: Thank you. Apart from  
11 the testimony from counsel, I am going to deny the  
12 motion to strike. The Commission can certainly look  
13 to Ms. Shutrump's response and determine whether or  
14 not it is relevant to the extent that it is relevant  
15 to this case so, but she is being responsive to  
16 OP&E's question. I will allow the answer to stand.  
17 Thank you.

18                  MR. SCHULER: Thank you, your Honor.

19                  Q. (By Mr. Bobb) Do you have any  
20 understanding as to how many weatherization projects  
21 take place in the state of Ohio in any given year  
22 under programs like this?

23                  A. Not at this time but those numbers are  
24 reported.

25                  Q. Thousands?

1           A.    I don't know.  I am not going to  
2 speculate.

3           Q.    And out of all those weatherization  
4 projects, you were able to identify one that occurred  
5 on one moment outside of AEP's service district that  
6 may have sold after the project?

7           A.    So that one home does significant harm to  
8 the consumers that fund these programs.  That \$18,000  
9 was used for one property.  It was not spread across  
10 other properties so that more consumers in the --  
11 would be served with weatherization.

12          Q.    And again, you don't know that that home  
13 was sold, do you?

14          A.    I don't know.  I only saw a for sale  
15 sign.

16                   MR. BOBB:  No more questions.

17                   EXAMINER ADDISON:  Thank you very much.

18                   Mr. Schuler?

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

20                                 - - -

21                                 CROSS-EXAMINATION

22   By Mr. Schuler:

23           Q.    Good morning, Ms. Shutrump.

24           A.    Good morning.

25           Q.    You've reviewed the Application filed by

1 the Company in this case, right?

2 A. Yes.

3 Q. And you also reviewed the testimony  
4 supporting that Application, correct?

5 A. Let's see, so my focus of review was on  
6 testimony provided by Mr. Billing, I believe, who  
7 talked about energy efficiency, and also I forget his  
8 name, but he talks about all the riders in -- that  
9 are proposed in the Application.

10 Q. Would it be Mr. Curtis Heitkamp?

11 A. I think that's right.

12 Q. Okay. You agree as part of the  
13 Application in this case the Company had proposed to  
14 implement an energy efficiency plan that was  
15 approximately \$43 million a year?

16 A. Yes.

17 Q. In the programs themselves, correct?

18 A. Yes.

19 Q. This included a suite of programs that  
20 were both residential, nonresidential, and  
21 cross-sector, right?

22 A. Yes.

23 Q. You would agree that the Stipulation  
24 dramatically reduces the amount of energy efficiency  
25 programs to a nearly exclusively low-income plan,

1 correct?

2 A. I would agree with that.

3 Q. And this is now a plan that is proposed  
4 to be up to \$12 million a year for the programs  
5 themselves, correct?

6 A. Yes.

7 Q. You've previously testified about energy  
8 efficiency programs before, right?

9 A. Yes.

10 Q. You would agree you've consistently taken  
11 the position of only opposing non-low-income energy  
12 efficiency programs, right?

13 A. Yes.

14 Q. You filed testimony in this case in  
15 response to the Application back in June of this  
16 year, right?

17 A. Yes.

18 Q. In that testimony you also only took  
19 issue with non-low-income energy efficiency programs,  
20 right?

21 A. I don't have that testimony in front of  
22 me, but I think that's correct.

23 Q. And I believe you said earlier today  
24 everyone in this room supports low income. Do you  
25 recall -- excuse me. Everyone in this room supports

1 low-income efficiency programs. Do you recall saying  
2 that?

3 A. Yes.

4 Q. This would include yourself and OCC as  
5 well, correct?

6 A. Well, it would include myself and the  
7 Staff of OCC.

8 Q. Is there a difference between the Staff  
9 of OCC and OCC itself?

10 A. OCC as an agency does not fund the  
11 low-income program.

12 Q. Well, my question wasn't about who funded  
13 it. It is about whether they philosophically support  
14 the concept of low-income energy efficiency programs.

15 A. Yes.

16 Q. Then, in other words, they benefit the  
17 public interest and the customers of AEP Ohio, right?

18 A. I think when you say benefit the  
19 customers of AEP Ohio, I assume you are referring to  
20 those that participate in the low-income program?

21 Q. I was clarifying -- you said that  
22 OCC's -- OCC supports the implementation of  
23 low-income energy efficiency plans. It's in that  
24 context I was asking the question.

25 A. Ask the question again, please.



1           Q.    Sure.  So you would agree that the  
2   implementation of low-income energy efficiency  
3   programs benefits the public interest.

4           A.    I would agree with that.

5           Q.    Are you familiar with the term lost  
6   distribution revenues?

7           A.    Yes.

8           Q.    You would agree that as part of the  
9   Application in this case, AEP Ohio proposed to select  
10  lost distribution revenues associated with its energy  
11  efficiency plan?

12          A.    I don't have the Application in front of  
13  me, but I would assume so.

14          Q.    You don't have any reason to doubt that  
15  AEP Ohio requested the recovery of lost distribution  
16  revenues associated with its energy efficiency plan  
17  as filed in the Application, right?

18          A.    No.

19          Q.    You do agree that the Stipulation in this  
20  case expressly prohibits the Company from recovering  
21  lost distribution revenues associated with its energy  
22  efficiency plan that's under the Stipulation, right?

23          A.    Yes.  Yes.

24          Q.    You spent a little bit of time talking  
25  about it this morning.  Let's see if we can clarify

1 it a little bit. You agree under the Stipulation the  
2 E3 smart program and the help program will be bid out  
3 through a request for proposal, correct?

4 A. That's my understanding.

5 Q. And you are of the opinion that the RFP  
6 process lacks transparency and oversight, right?

7 A. Yes.

8 Q. You base that belief -- you base that  
9 opinion on your belief that the potential RF bidder  
10 can partake, participate, or influence the RFP  
11 process, right?

12 A. Can you repeat the question?

13 Q. Yeah, sure. You base your opinion on the  
14 belief that the potential RFP bidder can participate  
15 and/or influence the RFP process, right?

16 A. Yes.

17 Q. You agree that the RFP process for  
18 administering the E3 smart and help programs that are  
19 set forth under the Stipulation have not yet been  
20 conducted, right?

21 A. Correct.

22 Q. You agree that nothing in the Stipulation  
23 sets forth the terms of the RFP, correct?

24 A. Correct.

25 Q. And that it doesn't set forth any of the

1 collection criteria for the RFP in the Stipulation,  
2 right?

3 A. Correct.

4 Q. Nothing in the Stipulation expressly  
5 permits a participant or a potential bidder to  
6 participate or influence the RFP process, right?

7 A. Well, I think that's exactly the point of  
8 my concern.

9 Q. Where in the Stipulation does it  
10 expressly permit a potential RFP bidder to  
11 participate or influence the RFP process?

12 A. I don't know.

13 Q. You agree that AEP Ohio has previously  
14 administered energy efficiency programs, right?

15 A. Yes.

16 Q. You agree that some of those programs  
17 included low-income programs, right?

18 A. Yes.

19 Q. Do you agree that some of those prior  
20 programs were administered by third parties other  
21 than AEP Ohio, right?

22 A. Yes.

23 Q. You agree that those prior programs that  
24 were done by third parties were sometimes secured  
25 through an RFP process, right?

1           A.    I don't -- I don't know the answer to  
2   that.  I only -- experiences with settlements where  
3   there is no competitive process because OP&E, for  
4   example, has been given the job as indicated in the  
5   settlement.

6           Q.    Are you referring to AEP Ohio in  
7   particular, or are you referring to other utilities?  
8   Strike that.

9                    When you refer to Stipulation, what  
10   Stipulation or Stipulations are you referring to?

11          A.    I'm not certain.  I think it's a  
12   FirstEnergy Stipulation.

13          Q.    So you are not aware of AEP Ohio entering  
14   into a Stipulation that selects OP&E as the exclusive  
15   provider of its low-income programs, correct?

16          A.    Say that again, please.

17          Q.    Sure.  You are not aware of AEP Ohio  
18   entering into a Stipulation that selects OP&E as the  
19   exclusive provider of its low-income energy  
20   efficiency programs, right?

21          A.    I would agree with that.

22          Q.    You would agree that, in fact, AEP Ohio  
23   has conducted RFPs to select the providers of its  
24   low-income energy efficiency programs previous to  
25   this Stipulation, right?

1           A.    I don't know.

2           Q.    Do you have any reason to contest that  
3   AEP Ohio has conducted RFPs to conduct its low-income  
4   energy efficiency programs?

5           A.    No.

6           Q.    You participated in the collaboratives  
7   associated with prior energy efficiency programs for  
8   AEP Ohio, right?

9           A.    Yes.

10          Q.    Did AEP Ohio report on things like RFPs  
11   for some of its energy efficiency programs?

12          A.    Not that I can recall.

13          Q.    You are not aware of any bidder ever  
14   participating in creating RFP selection criteria for  
15   any of AEP's previous energy efficiency programs,  
16   right?

17          A.    Say that again.

18          Q.    Sure. You are not aware of any bidder  
19   ever participating in creating RFP selection criteria  
20   for any of AEP's previous energy efficiency programs,  
21   right?

22          A.    Yes.

23          Q.    Yes, you are not aware? Could you  
24   clarify?

25               MR. MICHAEL: I am going to object and

1 ask him to ask a more clear question if he would like  
2 a more clear answer.

3 EXAMINER ADDISON: I don't think the  
4 witness had any issue answering. I think the record  
5 does require some clarification. So if you would  
6 like to expound on that answer, please. You may  
7 answer the question.

8 A. Can you repeat the question?

9 Q. Sure. I asked you you are not aware of  
10 any bidder ever participating in creating RFP  
11 selection criteria for any of AEP's previous energy  
12 efficiency programs. You said yes. Is that --

13 A. Yes, I am not aware.

14 Q. Okay. Thank you.

15 A. Uh-huh.

16 Q. Now earlier this morning, I believe you  
17 clarified that your recommendation is you want the  
18 Commission to conduct the RFP for administration of  
19 AEP Ohio's low-income energy efficiency programs  
20 under the Stipulation; is that correct?

21 A. Yes.

22 Q. Are you referring to the Commission as in  
23 the Commissioners themselves or the Commission Staff?

24 A. I would say both. The PUCO is one  
25 entity. The PUCO Staff provide assistant services to

1 the Commissioners, so I would say both.

2 Q. You've -- have you ever been involved in  
3 an RFP process?

4 A. Yes.

5 Q. You would agree under an RFP, a request  
6 for proposal sent out to certain parties requesting  
7 proposals from those parties to administer certain  
8 services, correct?

9 A. Yes.

10 Q. The party that sends out the RFP then  
11 selects from the candidates that submitted and RFP to  
12 perform those services presumably, right?

13 A. Yes.

14 Q. So your recommendation is that the  
15 Commissioners, the five Commissioners of the Public  
16 Utilities Commission of Ohio, should issue the RFP  
17 and select the provider of the low-income energy  
18 efficiency program set forth in AEP Ohio's ESP  
19 Stipulation.

20 A. So I don't think my testimony says that.  
21 The PUCO has been through -- has conducted many RFP  
22 processes. I think that this would probably be  
23 similar to that.

24 Q. Are you referring to RFP processes that  
25 are generally used in audits of riders?

1           A.    No.  I'm referring to RFP audits that are  
2 conducted by a state agency.

3           Q.    Which state agency?

4           A.    Any state agency.

5           Q.    Well, you just testified earlier this  
6 morning and also just in the last 5 minutes that you  
7 believe both the Commissioners and the Commission  
8 Staff should conduct the RFP to administer AEP Ohio's  
9 low-income efficiency programs under the Stipulation  
10 in this case, correct?

11          A.    I think my answer is referencing the PUCO  
12 in general.  They conduct RFP processes.  They've  
13 done many RFPs, conducted many RFPs so, yeah.

14          Q.    Is it your understanding that the party  
15 that administers an RFP ultimately ends up entering  
16 into a contract with the party that they select that  
17 responds to the RFP, right?

18          A.    Yes.

19          Q.    So is it your proposal that someone at  
20 the Commission should issue an RFP for AEP Ohio's low  
21 energy -- low-income energy efficiency programs and  
22 enter into a contract with that party that they  
23 select?

24          A.    No.

25          Q.    Are you aware of the Commission ever



1 issuing an RFP to administer a utility-sponsored  
2 program?

3 A. I'm not aware.

4 Q. Okay. I believe you said this earlier  
5 that you understand that the -- under the terms of  
6 the Stipulation, AEP Ohio's Application in this case  
7 controls unless it is amended by the Stipulation,  
8 right?

9 A. I don't think I articulated that very  
10 well, but you said it better.

11 Q. So you agree with what I just said,  
12 right?

13 A. Yes.

14 Q. And as you were having a conversation  
15 back and forth with OPAE's counsel, I believe you  
16 stated that it is your belief that the administrative  
17 fee referenced in paragraph 39 of the Stipulation  
18 will be part of the RFP?

19 A. The administrative fee should be part of  
20 the selection criteria in an RFP. It should not be  
21 predetermined in a settlement.

22 Q. Do you have a copy of the Stipulation in  
23 front of you?

24 A. Yes.

25 Q. Could you turn to paragraph 39 so we are

1 all on the same page here.

2 A. What page?

3 Q. I believe it's page 26, paragraph 39.

4 A. I see the paragraph.

5 Q. And you see the term -- the phrase there  
6 "The program administrative fee will be 10 percent of  
7 total annual program costs incurred," correct? Did I  
8 read that accurately?

9 A. Yes.

10 Q. It's your understanding that that term  
11 refers to awarding a 10 percent administrative fee to  
12 the winner of the RFP for conducting the low --  
13 low-income energy efficiency programs, right?

14 A. No.

15 Q. Who do you believe that 10 percent will  
16 go to?

17 A. If the competitive bidding process does  
18 not include or the selection criteria does not  
19 include a fee, then it's likely that the program  
20 administrative fee will be 10 percent of total annual  
21 proven costs. It's the only reference I have to a  
22 predetermined fee.

23 Q. We just talked about the Application  
24 controlling absent the Stipulation, correct?

25 A. Yes.

1           Q.    You would agree as part of the  
2   Application supporting the energy efficiency programs  
3   was Brian Billing's testimony, correct?

4           A.    Yes.

5           Q.    And I believe you said you reviewed that  
6   testimony, correct?

7           A.    Yes.

8           Q.    You recall in his testimony that  
9   Mr. Billing proposed an administrative fee to be  
10   awarded to AEP Ohio based upon the cost effectiveness  
11   of the programs that were proposed in the  
12   Application, correct?

13          A.    I mean, I don't have his testimony in  
14   front of me, but it's likely that's what it says.

15          Q.    Well, let's see if we can do something  
16   about that.

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

18               EXAMINER ADDISON:  You may.

19               MR. SCHULER:  Your Honor, I am handing  
20   the witness a copy of the direct testimony of Brian  
21   Billing filed on January 6, 2023, in this case.

22               EXAMINER ADDISON:  Will you be marking  
23   this?

24               MR. SCHULER:  I will not actually.  I am  
25   just using it for recollection.

1 MR. MICHAEL: Refreshing?

2 MR. SCHULER: Yes.

3 Q. (By Mr. Schuler) Ms. Shutrump, do you  
4 recognize this as the direct testimony of Brian  
5 Billing that was filed in support of the Company's  
6 ESP on January 6, 2023?

7 A. I do.

8 Q. You've reviewed this -- this is the  
9 testimony you said you reviewed, correct?

10 A. Yes.

11 Q. Could I turn you to page 13 of the  
12 testimony? Let me know when you are there.

13 A. I'm there.

14 Q. You see there on page 13, line 13, the  
15 question is "Is the Company proposing a fee for  
16 program administration?" Answer: "Yes, under the  
17 Company's proposal, the Company will earn a fee if  
18 the EE Plan is cost effective in a program year  
19 according to the mUCT." Did I read that correctly?

20 A. Yes.

21 Q. And then you would agree it goes on  
22 through the rest of page 13 and onto page 14  
23 discussing the program administrative fee, correct?

24 A. Yes. That is separate.

25 Q. You recall reviewing this piece of his

1 testimony before, right?

2 A. Yes.

3 Q. And on Figure BFB-4 on page 14, it lays  
4 out an administrative fee that AEP Ohio would be  
5 awarded based upon the cost effectiveness of the EE  
6 plan as filed according to the mUCT test, correct?

7 A. Okay. Can you point me?

8 Q. I'm sorry, page 14, Figure BFB-4.

9 A. Okay. What is your question?

10 Q. Sure. This figure lays out the  
11 administrative fee that AEP Ohio would be awarded  
12 based on the cost effectiveness of the energy  
13 efficiency program under the mUCT test, correct?

14 A. Correct.

15 Q. And you see that's a sliding scale, it's  
16 1.0 the Company would get 10 percent administrative  
17 fee; if it's 5.0, the Company would get a 20 percent  
18 administrative fee, correct?

19 A. Yes.

20 Q. You would agree this administrative fee  
21 was in addition to the costs of the programs  
22 themselves, right?

23 A. Yes.

24 Q. Now jumping back to the Stipulation, you  
25 can set that aside for now, paragraph 39. In that

1 context you would agree that the program  
2 administrative fee referenced on paragraph 39 refers  
3 to the administrative fee as set forth in the  
4 Application but has been amended to where the Company  
5 will only receive 10 percent of the total program  
6 costs incurred no matter what, correct?

7 A. I'm sorry. Can you repeat the question  
8 slowly -- slower?

9 Q. Sure.

10 A. Please.

11 Q. You were turning pages when I started  
12 asking.

13 You would agree that the program  
14 administrative fee referenced on paragraph 39 refers  
15 to the administrative fee as set forth in the  
16 Application but has been amended to where the Company  
17 will receive only a 10 percent annual program fee no  
18 matter what, correct?

19 A. So I think paragraph 39 does not  
20 distinguish whether the administrative fee is that  
21 which will be paid to AEP Ohio or to the program  
22 administrator. So I don't know is my answer.

23 Q. If that is indeed what is intended and  
24 captured in this language, you would agree that that  
25 would be a benefit to customers because it -- stop

1 there.

2 I think there is a question pending. Did  
3 you answer?

4 EXAMINER ADDISON: Perhaps you could  
5 rephrase, Mr. Schuler. I think it trailed off at the  
6 end.

7 MR. MICHAEL: It was kind of mumbled.

8 MR. SCHULER: Fair enough.

9 EXAMINER ADDISON: So everyone is clear.

10 Q. (By Mr. Schuler) We established under the  
11 application the Company would be entitled to an  
12 administrative fee of 10 percent to 20 percent  
13 depending on the cost effectiveness of the portfolio  
14 as proposed, right?

15 A. Yes.

16 Q. So at a minimum AEP Ohio would be awarded  
17 a 10 percent administrative fee under the Application  
18 as proposed.

19 A. I think that's correct.

20 Q. But it could go up from there depending  
21 on how cost effective the program was, right?

22 A. I think that's right. I'm not sure.

23 Q. Did you want to turn back to Brian  
24 Billing's testimony to refresh your recollection,  
25 page 14, Figure BFB-4?

1           A.     Then my answer to your question is yes.

2           Q.     And you recall that the Company was  
3     anticipating a cost effectiveness ratio that would  
4     have awarded the Company a 15 percent administrative  
5     fee, right?

6           A.     Can you point me to where it says that?  
7     I don't -- a 15 percent administrative fee? Oh, I  
8     see. I see that under an mUCT of 3, the  
9     administrative fee would be 15 percent; is that what  
10    you are referring to?

11          Q.     Yes.

12          A.     Okay.

13          Q.     And the Company was expecting -- was  
14    projecting an mUCT that was above 3, right?

15               MR. MICHAEL: Your Honor, I am going to  
16    object at this point. I think counsel properly  
17    refreshed recollection as it relates to his prior  
18    attempts, but now he is cross-examining the witness  
19    about testimony that was on the Application, and the  
20    Company has moved to strike all the Intervenor  
21    testimony on that Application, so I think the  
22    questioning now, the cross-examination on it, is  
23    inappropriate. If he wants to refresh the  
24    recollection, that's fine but that's not what he is  
25    doing right now.



1 MR. SCHULER: Your Honor, that's exactly  
2 what I am doing is refreshing her recollection.  
3 She's testified about the administrative fee in this  
4 case. There's a lot of confusion in the record  
5 including from Ms. Shutrump herself and we are trying  
6 to clarify that as it is based on the Application as  
7 filed as she has admitted here today, so we are just  
8 trying to clarify that.

9 MR. MICHAEL: Your Honor, I'm going to  
10 object to counsel pointing to Ms. Shutrump creating  
11 the confusion. If anything, it's the questioning as  
12 your Honor pointed out like 3 minutes ago.

13 EXAMINER ADDISON: Thank you. That  
14 commentary is unnecessary.

15 MR. SCHULER: I apologize, your Honor. I  
16 did not mean it to be offensive.

17 EXAMINER ADDISON: Thank you. I'll  
18 provide Mr. Schuler a little bit more latitude, but  
19 perhaps we could switch over to a different line of  
20 questioning soon.

21 MR. SCHULER: I will be. There is one  
22 question that follows this and then we will move on.

23 EXAMINER ADDISON: Perfect. Perfect.  
24 Thank you. Can we have that last question read back,  
25 Karen? Thank you.

1 (Record read.)

2 A. That's what's reflected here in Figure --  
3 sorry, BFB-4.

4 Q. Okay. Thank you. Final question on this  
5 topic as I promised, you would agree that limiting  
6 the administrative fee to 10 percent as it does in  
7 the Stipulation limits the exposure of the amount of  
8 administrative fee that customers would pay compared  
9 to the Application, correct?

10 A. Limits the exposure? Can you --

11 Q. It limits the amount that customers would  
12 be responsible for compared to what they could be  
13 responsible for under the application, correct? I  
14 could rephrase it if that would be helpful. I think  
15 we established under the Application the Company  
16 would charge anywhere from a minimum of 10 percent  
17 administrative fee up to a 20 percent administrative  
18 fee, correct?

19 A. Yes.

20 Q. And the Stipulation caps that at no more  
21 than 10 percent, correct?

22 A. Correct.

23 Q. You would agree that that is a benefit  
24 compared to the Application where customers could  
25 have been charged more than 10 percent of an

1 administrative fee, correct?

2 A. I don't agree that it's a benefit to  
3 customers.

4 Q. The question was whether it's a benefit  
5 to customers compared to the Application.

6 A. I would agree that it does reduce the  
7 amount consumers would pay.

8 Q. And you agree it doesn't change who would  
9 receive the fee compared to the Application, correct?

10 A. I think that's true.

11 Q. Okay. You are aware that the Commission  
12 Staff routinely performs audits for imprudence,  
13 correct?

14 A. Yes. I think I said earlier that the  
15 audit varies, the review varies depending on the  
16 auditor.

17 Q. You would agree that the Staff on  
18 occasion makes recommendations of disallowances based  
19 on findings of imprudence, correct?

20 A. Yes.

21 Q. And in such a circumstance, that means  
22 the Staff is recommending that the utilities would  
23 not be allowed to recover that disallowance, correct?

24 A. Correct.

25 Q. You would agree that such recommendations

1 help protect customer funding, right?

2 A. Yes.

3 Q. You would agree that the Staff's ability  
4 to recommend such disallowances incentivizes the  
5 Company to lower administrative costs to avoid such  
6 disallowance recommendations, right?

7 A. I would not agree with that.

8 Q. Why would you not agree with that?

9 A. I think the utility tends to include  
10 expenses in the rider that are inappropriate and  
11 would be disallowed, but they include those expenses,  
12 so if you had an incentive to reduce costs, I  
13 think -- I think Staff's review would not result in  
14 those disallowances.

15 Q. You would agree that the Commission on  
16 occasion agrees with the Staff and orders  
17 disallowances in rider audits, correct?

18 A. No. The Commission has not decided on  
19 some of those disallowances, so I -- I don't believe  
20 that's correct. They don't always issue an order on  
21 Staff's recommendations.

22 Q. I didn't say that they -- strike that.

23 Is it your testimony that the Commission  
24 has never granted a disallowance based on a  
25 recommendation by Staff's review of a rider?

1           A.     Say that again.

2           Q.     Is it your testimony here today that the  
3 Commission has never ordered a disallowance in a  
4 rider because of an audit conducted by Staff?

5           A.     I don't know the answer to that because  
6 there are orders pending.

7           Q.     You would agree that a disallowance means  
8 that the Company gets to collect less than it  
9 otherwise has requested, right?

10          A.     Yes.

11          Q.     And at times those, excuse me,  
12 disallowances can happen well into the future after  
13 those costs were collected, right?

14          A.     I would agree with that.

15          Q.     And you would agree that AEP Ohio's  
16 tariffs contain language that permits such audits to  
17 take place and make adjustments in the future,  
18 correct?

19          A.     I'm not sure it would be in the tariff.  
20 I think it would probably be a provision of the  
21 rider, a component of the rider that's established.

22          Q.     So either established in the original  
23 order establishing the rider or in the tariff itself;  
24 it could be either place, but you would agree those  
25 are the terms under most riders, correct?

1           A.     Yes.

2           Q.     You would agree that Staff has conducted  
3     audits of AEP Ohio's prior Energy Efficiency Rider,  
4     correct?

5           A.     Yes.

6           Q.     You would expect Staff to do a similar  
7     type audit in the Energy Efficiency Rider proposed in  
8     this ESP, correct?

9           A.     So I think that review would change if --  
10    if the rider only collects funding to support the  
11    low-income program. I don't know how it would  
12    change, but I think it would change.

13          Q.     What do you base that on?

14          A.     Well, AEP's rider has previously been  
15    reviewed by PUCO Staff and which they pointed out  
16    certain expenses that are disallowable, and those  
17    expenses would not apply to operating a low-income  
18    program.

19          Q.     When you are saying AEP's rider has  
20    previously been reviewed, which rider are you  
21    referring to?

22          A.     I'm sorry, the Energy Efficiency Rider.

23          Q.     You are referring to AEP Ohio's prior  
24    Energy Efficiency Rider that was implemented pursuant  
25    to the mandates under 4928.66, right?

1           A.    Yes, sir.

2           Q.    There's nothing in the Stipulation  
3 preventing a process where interested parties could  
4 address findings of Staff's audit of this Energy  
5 Efficiency Rider, right?

6           A.    I'm sorry.  You are going to have to  
7 repeat that.

8           Q.    Sure.  There's nothing in the Stipulation  
9 preventing a process where interested parties could  
10 address finding in response to Staff's audit of the  
11 Energy Efficiency Rider proposed in this case, right?

12          A.    I would agree with that.

13          Q.    You would agree that Staff audits are  
14 nearly universally filed in public dockets, correct?

15          A.    Yes.

16          Q.    And that comments can and often are filed  
17 in response to those audits by Staff, right?

18          A.    Yes.

19          Q.    In fact, the Commission will often issue  
20 entries inviting comments and sometimes even a  
21 hearing on those Staff audits, right?

22          A.    I don't know the answer to that.

23          Q.    I believe you clarified this morning that  
24 your testimony is recommending an additional level of  
25 audit by the Staff beyond its traditional prudence

1 review, correct?

2 A. Yes.

3 Q. And the additional review that you are  
4 recommending is contained on page 8 of your  
5 testimony, right?

6 A. Yes, yes.

7 Q. Specifically lines 10 -- excuse me, page  
8 8, line 10, through page 9, line 5, describes the  
9 additional level of audit that you would like to see  
10 Staff perform on the energy efficiency programs set  
11 forth in the Stipulation, right?

12 A. I mean, these are things I'm  
13 recommending.

14 Q. So the answer is yes?

15 A. Yes.

16 Q. Okay. And you've listed a number of  
17 things here, it looks like 11 of them, you would like  
18 Staff to consider, right?

19 A. Yes.

20 Q. And for Staff to perform this audit at  
21 the end of 2026, right?

22 A. Well, I think the independent auditor  
23 would actually perform the audit.

24 Q. So you are recommending that a  
25 third-party independent auditor perform this audit on



1     behalf of Staff?

2             A.     Yes.

3             Q.     Let me take you through a couple of  
4     these. On page 8, line 15, you want the third-party  
5     auditor to review "eligibility documentation for AEP  
6     Ohio program applicants." Did I read that correctly?

7             A.     Yes.

8             Q.     What -- what are eligibility -- what is  
9     program eligibility documentation?

10            A.     It's documentation that documents how AEP  
11    is following the eligibility requirements.

12            Q.     So proof of income, for instance, that --

13            A.     That -- that would be an example.

14            Q.     Okay. Dropping down to line 17, No. 5  
15    there, "prioritization, if applicable, of energy  
16    efficiency program services," do you see that?

17            A.     Yes.

18            Q.     What are you referring to there?

19            A.     So I think the at-risk consumer could  
20    have challenges beyond the level of income so, for  
21    example, you know, maybe perhaps a -- a customer that  
22    has challenges because of their income and a customer  
23    that is also disconnected and a customer that perhaps  
24    is taking care of a parent that needs energy  
25    efficiency services. I think -- I think that's what

1 I mean by prioritization. I mean, there is some  
2 at-risk consumers that could use weatherization  
3 services quicker, immediately.

4 Q. So are you -- are you recommending that  
5 the Company's low income energy efficiency program  
6 should prioritize certain customers over others?

7 A. No. I'm recommending that the audit look  
8 at prior -- prioritization to see if -- if there's a  
9 possibility that that would serve customers that are  
10 more in need than others.

11 Q. So you want the auditor to look at unique  
12 circumstances of all of the recipients of the  
13 low-income energy efficiency program, right?

14 A. I would agree with that.

15 Q. We talked a little bit about this one  
16 earlier on page 9, lines 3 through 5, you said "to  
17 the extent AEP Ohio knows, identifying any rental  
18 properties sold or converted by the property owner to  
19 non-low-income properties within two years of  
20 receiving weatherization services to that property."  
21 Did I read that right?

22 A. Yes.

23 Q. Do you have any reason to believe that  
24 AEP knows or can easily identify this information?

25 A. Well, I don't know. I think that's why I

1 say to the extent AEP Ohio knows.

2 Q. So you are suggesting that AEP Ohio  
3 should continue to track and monitor every property  
4 that it installs weatherization as part of its  
5 low-income energy efficiency program?

6 A. I don't know how AEP Ohio would track  
7 that information, so I can't answer that.

8 Q. You would agree there would be costs  
9 associated with tracking such information though,  
10 right?

11 A. Sure.

12 Q. Similar there would be costs associated  
13 with the prioritization analysis that we just talked  
14 about too, correct?

15 A. Yes, if the recommendations provided by  
16 the auditor are implemented.

17 Q. You agree that third-party auditors have  
18 costs associated with them as well, correct?

19 A. I don't understand that question.

20 Q. Sure. You recommended that a third-party  
21 auditor perform this additional audit you  
22 recommended, right?

23 A. Yes.

24 Q. You don't anticipate that this  
25 third-party auditor will do that audit for free,

1 right?

2 A. Correct.

3 Q. And that there will be costs associated  
4 with that audit.

5 A. Correct.

6 Q. You have recommended that those costs  
7 flow through the Energy Efficiency Rider and be  
8 charged to customers, right?

9 A. Yes.

10 Q. Have you estimated what such an audit  
11 would cost to perform?

12 A. No.

13 Q. You agree that AEP Ohio has conducted  
14 low-income energy efficiency programs like the help  
15 program for nearly a decade before, right?

16 A. Let me just -- oh. I don't think the  
17 help program -- I don't think the low-income program  
18 was previously called the help program, so I just  
19 need to --

20 Q. Sure. Just so I am not trying to be  
21 tricky in the question, I said similar to the help  
22 program, not identical in name, but AEP Ohio has run  
23 low-income energy efficiency programs similar to the  
24 help program in the Stipulation, right?

25 A. Yes.

1           Q.    And that AEP Ohio did that for at least a  
2 decade prior to this Stipulation, right?

3           A.    Correct.

4           Q.    And AEP Ohio held collaborative meetings  
5 associated with those energy efficiency programs  
6 including the prior low-income energy efficiency  
7 programs, right?

8           A.    Correct.

9           Q.    In those collaboratives AEP Ohio shared  
10 information about the operation and implementation of  
11 the programs, right?

12          A.    Are you referring to low income programs?

13          Q.    All energy efficiency programs including  
14 low income programs.

15          A.    So the collaborative did share a level  
16 of -- well, did share status of the program  
17 performance.

18          Q.    Including the low-income energy  
19 efficiency programs we previously conducted, right?

20          A.    Yes.

21          Q.    And those collaboratives allow for  
22 feedback from parties that attended including OCC,  
23 right?

24          A.    Correct. But that does not necessarily  
25 mean that OCC's input will be implemented.

1           Q.    You would agree with me that the purpose  
2   of the collaboratives was to perceive such feedback  
3   to help streamline and make programs as efficient as  
4   possible, right?

5           A.    No.

6           Q.    The supplemental audit that you have  
7   recommended on page 8 into page 9 of your testimony  
8   has never been ordered by the Commission before to  
9   your knowledge, right?

10          A.    No.

11          Q.    I believe you said this before, but it's  
12   a little foggy, there is nothing in the Stipulation  
13   preventing Staff from conducting this type of review  
14   or audit that they see fit, right?

15          A.    No. I think -- I think though that would  
16   depend on Staff resources.

17               MR. SCHULER: Your Honor, I have a  
18   decent -- can we go off the record, your Honor?

19               EXAMINER ADDISON: We can.

20               (Recess taken.)

21               EXAMINER ADDISON: Let's go ahead and go  
22   back on the record.

23               Mr. Schuler.

24               MR. SCHULER: Thank you, your Honor.

25          Q.    (By Mr. Schuler) Ms. Shutrump, you have

1 some opinions about the Neighbor-to-Neighbor program  
2 that is a part of the Stipulation, right?

3 A. I do have opinions.

4 Q. Now, the Neighbor-to-Neighbor program is  
5 a program that AEP Ohio has run for quite some time  
6 now; would you agree?

7 A. Yes.

8 Q. And the Neighbor-to-Neighbor program, is  
9 it your understanding, provides funding for customers  
10 that meet certain requirements including below the  
11 200 percent poverty -- federal poverty threshold,  
12 right?

13 A. Subject to check, yes. I --

14 Q. You would agree that those customers are  
15 at-risk customers, right?

16 A. Yes.

17 Q. And you would agree that the  
18 Neighbor-to-Neighbor program protects those customers  
19 from having their service terminated, correct?

20 A. I don't know the answer to that.

21 Q. You agree that the Neighbor-to-Neighbor  
22 program provides funding to pay customer bills that  
23 are in threat of disconnection, correct?

24 A. I know they provide bill payment  
25 assistance, but I'm not sure what the eligibility

1 criteria is. I don't know if it's connected to  
2 disconnections. I just don't know.

3 Q. You would agree that the  
4 Neighbor-to-Neighbor program does benefit at-risk  
5 customers that you identified earlier, right?

6 A. Yes.

7 Q. On page 10, lines 1 through 9 of your  
8 testimony. Let me know when you are there.

9 A. Yeah. I'm here. I'm there.

10 Q. And you quote a Columbia Gas settlement  
11 decision by the Commission, right?

12 A. Yes.

13 Q. You would agree that the Commission was  
14 not presented with a customer bill assistance program  
15 that was funded by other customer dollars in that  
16 matter, right?

17 A. Say that again.

18 Q. You would agree that the Commission was  
19 not presented with a customer bill assistance program  
20 that was funded by other customers in that case,  
21 correct?

22 A. Yes.

23 Q. So you would agree that the Commission  
24 did not offer an opinion on customer-funded bill  
25 assistance programs as part of the ruling that you



1 cite on page 10, correct?

2 A. No. They did offer an opinion on a  
3 customer bill assistance program.

4 Q. I said customer funded. They did not  
5 offer an opinion on customer-funded bill assistance  
6 programs because it was not at issue in that case,  
7 right?

8 A. I don't know what you mean by issue in  
9 the case. I'm not sure.

10 Q. Well, you just agreed that the Commission  
11 was not presented with a customer-funded bill  
12 assistance program in that case -- in that Columbia  
13 case that you cite, right?

14 A. I'm sorry. I am having trouble with the  
15 PUCO was not presented with the program or.

16 Q. The program at issue in the Columbia Gas  
17 settlement was a shareholder-funded customer  
18 assistance program, correct?

19 A. Yes.

20 Q. There was no customer funding of the  
21 customer assistance program in that settlement,  
22 right?

23 A. Yes.

24 Q. Therefore, the Commission did not  
25 consider a customer-funded customer assistance

1 program in that case, right?

2 A. Yes. That would make sense.

3 Q. And the Commission did not render an  
4 opinion on customer-funded customer assistance  
5 programs in that case, right?

6 A. I don't know. I mean, I am just pointing  
7 out one sector of the order.

8 Q. Excuse me. You didn't read the whole  
9 order?

10 A. Yes, I read the whole order.

11 Q. You are aware that AEP Ohio's  
12 Neighbor-to-Neighbor fund is also funded by voluntary  
13 donations by employees and other customers of AEP  
14 Ohio, right?

15 A. So my understanding is that the  
16 Neighbor-to-Neighbor program is administered by the  
17 Dollar Energy Fund that primarily accepts donations  
18 from individuals so, for example, you and I can go to  
19 the website and we can donate and it also relies on  
20 AEP -- AEP's -- currently relies on AEP's donations  
21 to that program including a separate donation that  
22 takes care of administrative fees.

23 Q. The donations that you referred where you  
24 and I could go on there and donate are outside of --  
25 or would be outside of rider collection like that's

1 proposed in the Stipulation, correct? In other  
2 words, they would be in addition to what is proposed  
3 to fund the Neighbor-to-Neighbor under the Energy  
4 Efficiency Rider in the Stipulation, right?

5 A. My understanding of the Stipulation is --  
6 because to my knowledge, the consumers have never  
7 funded the Neighbor-to-Neighbor programs, so my  
8 understanding of the settlement is that consumers  
9 will fund AEP Ohio's donations to -- to the program.

10 Q. When you say consumers have never funded,  
11 you are referring to consumers have never funded the  
12 Neighbor-to-Neighbor program through charges on their  
13 electric bill from AEP Ohio.

14 A. Yes, that's my understanding.

15 Q. And the Company has proposed to fund --  
16 partially fund the Neighbor-to-Neighbor program  
17 through charges that will be charged through the  
18 Energy Efficiency Rider under this Stipulation,  
19 correct?

20 A. Correct.

21 Q. In addition to those funds, anybody can  
22 go onto the website you referenced earlier and make  
23 donations to the Neighbor-to-Neighbor fund that would  
24 be in addition to what is proposed in the  
25 Stipulation, right?

1           A.    Well, yes.  I mean, like I said, the  
2   Energy Dollar Program accepts donations from  
3   individuals and relies on those donations to provide  
4   the program.

5           Q.    You are aware that AEP Ohio matches those  
6   donations from individuals, correct?

7           A.    Yes.

8           Q.    And those -- that company match is not  
9   recovered from customers, correct?

10          A.    Correct.

11          Q.    They are shareholder dollars, right?  Let  
12   me turn you to page 10, line 15, of your testimony.  
13   Let me know when you are there.

14          A.    Yes.

15          Q.    You refer to a non-low-income energy  
16   efficiency program in Q12 there, correct?

17          A.    I'm sorry.  I am at the wrong spot.  What  
18   page?

19          Q.    Sorry.  Page 10, line 15.

20          A.    Yes.

21          Q.    And you are referring to the smart  
22   thermostats that is proposed to be recovered under  
23   the gridSMART rider under the Stipulation, right?

24          A.    Yes.

25          Q.    You agree that the smart thermostat

1 program that's proposed to be recovered through the  
2 gridSMART rider under the Stipulation is a demand  
3 response program, right?

4 A. A demand response program that includes  
5 smart thermostats.

6 Q. Yes. Do you draw a distinction between  
7 energy efficiency and demand response programs?

8 A. Yes.

9 Q. What is the distinction you draw between  
10 them?

11 A. I think I mentioned earlier that the  
12 demand response program, the objective is to help the  
13 utility maintain the stability of the grid during  
14 times of high demand, so the energy efficiency  
15 program reduces energy usage by the customer. And  
16 that's -- the other distinction is the demand  
17 response program is a program where the -- where the  
18 Company takes action, for example, AEP Ohio  
19 controlling the smart thermostat during times of high  
20 demand so that they can maintain grid stability.

21 Q. You would agree that that is one of the  
22 primary purposes of the demand -- excuse me, the  
23 smart thermostat program proposed under the gridSMART  
24 rider under this Stipulation is demand response so  
25 the Company can control the smart thermostats during

1 periods of high demand, right?

2 A. Say again.

3 Q. Sure. One of the primary purposes of  
4 these smart thermostat demand response program that's  
5 proposed in the Stipulation of the SmartGrid Rider is  
6 to allow the Company to take action with smart  
7 thermostats to avoid high demand in certain times to  
8 protect the distribution grid, right?

9 A. I wouldn't agree with that. I mean, the  
10 demand response program doesn't necessarily need a  
11 smart thermostat because those are provided in the  
12 marketplace, and so I don't think -- as it relates to  
13 the program in the settlement, I don't think that is  
14 true.

15 Q. I wasn't asking about the competitive  
16 market. I was asking whether the ones that are  
17 proposed under this gridSMART Rider are intended to  
18 have the purpose of assisting AEP Ohio avoid peak  
19 demand on its distribution system. Do you agree with  
20 that?

21 A. Yes.

22 Q. You agree that the costs of the SmartGrid  
23 program will be recovered through the gridSMART  
24 Rider, right?

25 A. Yes.

1           Q.    You agree that the gridSMART rider is a  
2 nonbypassable rider, right?

3           A.    Correct.

4           Q.    So that means it will be charged to all  
5 AEP Ohio customers irrespective of whether they shop  
6 or they are on the SSO, right?

7           A.    Correct, but there's also a separate  
8 group of customers that pay through a nonbypassable  
9 rider which is somewhat dismissed or overlooked and  
10 that is the non-participating consumer that pays  
11 through the rider but does not benefit from the  
12 program. Those individuals, that set or group of  
13 customers also pay through a nonbypassable rider.

14          Q.    Are you suggesting that customers are  
15 double charged for the SmartGrid program?

16          A.    No.

17               MR. SCHULER: With that correction, your  
18 Honor, I would move to strike the answer after the  
19 word "correct" on the prior answer.

20               MR. MICHAEL: Your Honor, I would simply  
21 say given that open-ended question, Ms. Shutrump was  
22 simply explaining her answer, and the Commission has  
23 a history of allowing expert witnesses such as  
24 Ms. Shutrump to provide a yes or no answer with the  
25 explanation, so I think the motion to strike should

1 be rejected.

2 MR. SCHULER: Your Honor, if I could  
3 briefly respond.

4 EXAMINER ADDISON: I don't think it's  
5 necessary, Mr. Schuler. I will be granting the  
6 motion to strike. Mr. Michael, you can certainly  
7 bring that up on redirect if you choose.

8 MR. MICHAEL: Thank you, your Honor.

9 MR. SCHULER: Thank you, your Honor.

10 Q. (By Mr. Schuler) You agree at any time an  
11 SSO customer can choose to become a shopping  
12 customer, right?

13 A. Correct.

14 Q. And even if they do, they will still pay  
15 the gridSMART Rider, right?

16 A. Correct.

17 Q. So you would agree that the gridSMART  
18 program set forth in the Stipulation provides equal  
19 opportunity to all AEP Ohio customers to participate  
20 in a program, whether they are shopping or not  
21 shopping, right?

22 A. I think I would agree with that.

23 Q. We talked a little bit about the purpose  
24 of the program is to protect the distribution system  
25 and limit or avoid distribution outages. You agree



1     that that's the primary purpose of the SmartGrid --  
2     excuse me, the smart thermostat program under the  
3     gridSMART Rider, right?

4             A.     Yes.

5             Q.     You would agree that the more customers  
6     that are enrolled in that program provide a greater  
7     opportunity to limit or avoid distribution outages,  
8     right?

9             A.     Not necessarily because we don't know how  
10    many of those customers will override the ability for  
11    AEP to control the smart thermostat.

12            Q.     There is an incentive built in to  
13    disincentivize customers to override the thermostat,  
14    correct?

15            A.     That does not guarantee that customers  
16    will not override.

17            Q.     But you would agree that the more  
18    customers that are out there, the more likely it is  
19    that there are more opportunities to reduce  
20    congestion on the distribution grid, right?

21            A.     I'm sorry. Say again.

22                    MR. SCHULER: Karen, can we have that one  
23    read back, please?

24                    EXAMINER ADDISON: Thank you.

25                           (Record read.)

1           A.    I don't know. I don't know what you mean  
2 by more customers out there.

3           Q.    Well, if 50 -- if there is a thousand  
4 customers that enroll in this program and 50 percent  
5 of them override, that means there is only 500  
6 thermostats that are eligible to be throttled during  
7 a demand event, right?

8           A.    I don't know.

9           Q.    Do you disagree with the math in that  
10 question?

11           MR. MICHAEL: I am going to object, your  
12 Honor, to the argumentation and perhaps counsel could  
13 rephrase his question to not use words like  
14 throttled, whatever that means.

15           EXAMINER ADDISON: Okay. We don't --  
16 again, we don't need the additional commentary.

17           Mr. Schuler, perhaps you could rephrase  
18 or come up with a different hypothetical that  
19 Ms. Shutrump can answer.

20           MR. SCHULER: Sure.

21           Q.    (By Mr. Schuler) Let's try this, so if  
22 there are -- let's take it in pieces. Hypothetical  
23 situation, a thousand customers sign up for AEP  
24 Ohio's smart thermostat program, but 50 percent of  
25 those customers override their demand events. You

1 would agree under that hypothetical scenario there  
2 would only be 500 smart thermostats that would be  
3 available to offer help during a demand event because  
4 it was not otherwise overridden, right?

5 A. I think that makes sense.

6 MR. McKENNEY: Can I object from over  
7 here? I think this hypothetical assumes facts not in  
8 evidence. If we could clarify exactly -- we're  
9 talking strictly about the smart thermostat program,  
10 so I guess maybe a tighter reading of the  
11 hypothetical would be appreciated.

12 EXAMINER ADDISON: I think that's  
13 implied; so, Ms. Shutrump, you may answer the  
14 question.

15 A. I think I did before the objection which  
16 is I think that makes sense.

17 Q. Under similar circumstances but different  
18 facts, if there were 10,000 customers that were --  
19 that opted themselves into the program but then  
20 50 percent of them chose to override the demand  
21 response event, that would mean that 5,000 smart  
22 thermostats would be available to address the demand  
23 response event, right?

24 A. If they enroll in the program, correct.

25 Q. Yeah. You would agree that having 5,000

1 smart thermostats available to address a demand  
2 response event would be more advantageous than only  
3 having 500 smart thermostats to address the same  
4 demand response, correct?

5 A. I don't necessarily know what you mean by  
6 advantageous, but I would agree that that makes  
7 sense.

8 Q. You agree that limiting or avoiding  
9 distribution outages is good for customers and the  
10 public interest, right?

11 A. Yes.

12 Q. You would agree that by allowing CRES  
13 providers to offer the program to customers will  
14 likely encourage higher adoption of the program than  
15 not allowing that channel of administration, right?

16 A. Can you repeat the question?

17 Q. Yeah. You would agree that by allowing  
18 CRES providers to offer program enrollment to  
19 customers will likely encourage a higher enrollment  
20 in the program than by not allowing CRES providers to  
21 do that, right?

22 A. I think that makes sense.

23 Q. You would agree that the Stipulation does  
24 not prohibit any specific CRESs from offering the  
25 smart -- from offering enrollment in the smart

1 thermostat rebate program -- smart thermostat demand  
2 response program, correct?

3 A. Yes.

4 Q. We talked a little bit about this  
5 morning -- this morning that customers can already  
6 purchase smart thermostats through competitive  
7 channels, right?

8 A. Yes.

9 Q. And those competitive channels include  
10 retailers such as Home Depot, Lowe's, as well as  
11 Amazon, Best Buy, and some of the smart thermostat  
12 companies themselves, right?

13 A. Correct.

14 Q. You are not aware of any of those  
15 retailers including a demand response enrollment as  
16 part of the conditions of them selling the smart  
17 thermostat, right?

18 A. That's correct, because they can't take  
19 advantage of the government subsidies so, I mean,  
20 they can't directly enroll in the program or  
21 customers can't directly -- well, Home Depot and  
22 Lowe's and Menards cannot directly participate in the  
23 program included in the settlement.

24 Q. You -- you would agree that AEP Ohio is  
25 the exclusive controller of the distribution network,

1 right?

2 A. Yes.

3 Q. You would agree that means that Home  
4 Depot and other -- these other retailers have no  
5 knowledge into the operation of the distribution  
6 grid, correct?

7 MR. MICHAEL: Objection, calls for  
8 speculation.

9 MR. SCHULER: Your Honor, she's testified  
10 about what retailers can and can't do as part of the  
11 demand response program. I think I am entitled to  
12 explore her knowledge on that.

13 EXAMINER ADDISON: I don't know if she is  
14 going to have any knowledge of their knowledge  
15 though. Sustained.

16 MR. SCHULER: I tried.

17 Q. (By Mr. Schuler) You were not aware of  
18 any of the retailers you mentioned in your testimony  
19 having control over the distribution grid of AEP  
20 Ohio, right?

21 A. I'm not aware.

22 Q. You would agree it would not even be  
23 possible for any of those retailers to have control  
24 over AEP Ohio's distribution grid, right?

25 A. I would agree with that.

1           Q.    You are not aware of any CRES currently  
2 offering a demand response program through a smart  
3 thermostat right now, are you?

4           A.    I don't believe that CRES providers are  
5 offering demand response programs.

6           Q.    You agree that as the exclusive  
7 controller of the distribution network, AEP Ohio has  
8 unique knowledge to be able to call demand response  
9 events to protect the distribution grid, right?

10          A.    Yes.

11          Q.    On page 12 of your testimony, let me know  
12 when you are there.

13          A.    I'm there.

14          Q.    You cite to a Columbia Gas base rate case  
15 on lines 14 to 27, correct?

16          A.    Yes.

17          Q.    And you are citing a Commission decision  
18 ruling on a Stipulation in that case, correct?

19          A.    Correct.

20          Q.    That Stipulation did not include a smart  
21 thermostat demand response program, right?

22          A.    I believe that's correct.

23          Q.    On the next page, page 13, lines 5  
24 through 24, you reference an energy efficiency  
25 portfolio proposed by Duke, right?

1           A.     Correct.

2           Q.     There was not a smart thermostat demand  
3 response program set forth in that case either,  
4 correct?

5           A.     I don't know.

6           Q.     The next page, on page 14, if you could  
7 turn to lines 1 through 10.

8           A.     Okay.

9           Q.     You reference AEP Ohio's rate case?

10          A.     Yes.

11          Q.     There was no smart thermostat demand  
12 response program in that Stipulation either, correct?

13          A.     I don't know.

14          Q.     Why don't we -- we will finish things out  
15 here. If you drop down to -- further down on page  
16 14, line 20, you have a recommendation about AEP  
17 Ohio's Alternative -- Alternative Energy Rider here  
18 that it should not continue until Staff has had an  
19 opportunity to audit or evaluate it, correct?

20          A.     I think -- I think my intent is -- I  
21 think it's not that it should not continue. Rates  
22 are frozen so that's different than the rider not  
23 continuing.

24          Q.     So to be clear, you are not recommending  
25 that the Commission deny the implementation of Rider



1 AER going forward under this ESP, right?

2 A. I'm recommending that the PUCO consider  
3 the issues in this case before making a decision here  
4 in the ESP.

5 Q. What issues and which case are you  
6 referring to?

7 A. The issues in 20-1745 in which AEP has  
8 proposed to implement future rate adjustments  
9 designed to collect charges from consumers for  
10 mismanagement of REC inventories.

11 Q. You would agree that 20-1745 case is an  
12 audit of AEP Ohio's current AER riders for the years  
13 2018 through 2022, right?

14 A. I don't know. I can't say for sure. I  
15 don't remember.

16 Q. Actually I apologize. You would agree  
17 that case 23-252-EL-RDR is an audit of AEP's current  
18 AER riders 2018 to 2022, right?

19 A. I know that that case facilitates rider  
20 adjustments. I'm just not sure that case also  
21 facilitates audits.

22 Q. So you don't know whether the Case  
23 23-252-EL-RDR includes a third-party audit of AEP  
24 Ohio's Rider AER?

25 A. I don't know for sure. I haven't looked

1 at the case.

2 Q. You agree -- sorry.

3 A. Sorry. I haven't looked at the case  
4 recently, so I'm not sure.

5 Q. You would agree that the Company has  
6 statutory mandates to acquire a certain amount of  
7 renewable energy, correct?

8 A. Yes.

9 Q. You are not proposing that AEP Ohio fault  
10 [SIC] on its obligations under the Ohio Revised Code  
11 to acquire that renewable energy, right?

12 A. I would agree with that.

13 MR. SCHULER: Can I have one minute? I  
14 may be done.

15 EXAMINER ADDISON: You may.

16 MR. SCHULER: Thank you. I have no  
17 further questions. Thank you for your time this  
18 morning, Ms. Shutrump.

19 THE WITNESS: My pleasure.

20 EXAMINER ADDISON: Thank you, Mr.  
21 Schuler.

22 Mr. Margard, any questions?

23 MR. MARGARD: I do not, thank you, your  
24 Honor.

25 EXAMINER ADDISON: Thank you.

1 Redirect, Mr. Michael?

2 MR. MICHAEL: No, your Honor.

3 EXAMINER ADDISON: Just one moment,  
4 Ms. Shutrump.

5 The Bench doesn't have any additional  
6 questions. You are excused. Thank you very much for  
7 your testimony.

8 THE WITNESS: My pleasure.

9 EXAMINER ADDISON: Mr. Michael, you had  
10 previously moved for the admission of OCC Exhibit No.  
11 5; is that correct?

12 MR. MICHAEL: Yes, your Honor, that is  
13 correct.

14 EXAMINER ADDISON: Are there any  
15 objections to the admission of OCC Exhibit No. 5 at  
16 this time?

17 Hearing none, it will be admitted.

18 (EXHIBIT ADMITTED INTO EVIDENCE.)

19 EXAMINER ADDISON: This may make sense to  
20 go ahead and just take our lunch break for today. We  
21 will reconvene at 1 o'clock. Mr. Michael, who is  
22 your next witness?

23 MR. MICHAEL: Dr. Ramteen Sioshansi.

24 EXAMINER ADDISON: Thank you very much.  
25 We will proceed with Dr. Sioshansi's testimony at

1       that time. Thank you all.

2                       We are off the record.

3                       (Thereupon, at 12:10 p.m., a lunch recess  
4 was taken.)

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1 Friday Afternoon Session,  
2 October 13, 2023.

3 - - -

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

6 Mr. Michael.

7 MR. MICHAEL: Thank you, your Honor. OCC  
8 would call Mr. Ramteen Sioshansi.

9 EXAMINER ADDISON: Welcome.

10 THE WITNESS: Hello.

11 EXAMINER ADDISON: Raise your right hand.  
12 (Witness sworn.)

13 EXAMINER ADDISON: Thank you. Please be  
14 seated and, if you could, just turn on your  
15 microphone.

16 MR. MICHAEL: Your Honor, I would request  
17 that we have marked as OCC Exhibit 6, the Testimony  
18 Recommending Modification of the Stipulation of  
19 Ramteen Sioshansi dated September 20, 2023.

20 EXAMINER ADDISON: It will be so marked.  
21 (EXHIBIT MARKED FOR IDENTIFICATION.)

22 MR. MICHAEL: And, your Honor, I would  
23 also request we have marked as OCC Exhibit 6A, the  
24 Direct Testimony of Ramteen Sioshansi, June 9, 2023.

25 EXAMINER ADDISON: Is there a reason we

1 aren't calling this OCC Exhibit 7, Mr. Michael?

2 MR. MICHAEL: There is none. If that  
3 would be your druthers.

4 EXAMINER ADDISON: That would be my  
5 preference if there is no difference to you.

6 MR. MICHAEL: I revise and extend my  
7 remarks to suggest we have that marked as OCC  
8 Exhibit 7.

9 EXAMINER ADDISON: Thank you very much.  
10 It will certainly be easier for us to identify those  
11 exhibits by doing so.

12 MR. MICHAEL: Certainly.

13 EXAMINER ADDISON: It will be so marked.

14 (EXHIBIT MARKED FOR IDENTIFICATION.)

15 - - -

16 RAMTEEN SIOSHANSI, Ph.D.

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

19 DIRECT EXAMINATION

20 By Mr. Michael:

21 Q. Would you state your name, please.

22 A. Ramteen Sioshansi.

23 Q. And, Dr. Sioshansi, where are you  
24 employed?

25 A. My primary appointment is at Carnegie

1 Melon University.

2 Q. And, Dr. Sioshansi, do you have before  
3 you what was previously marked as OCC Exhibit 6?

4 A. Yes, I appear to.

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

7 A. It appears to be a printout of written  
8 testimony that I prepared in this case.

9 Q. And is the title of that document,  
10 Dr. Sioshansi, "Testimony Recommending Modification  
11 of the Stipulation of Ramteen Sioshansi" dated  
12 September 20, 2023?

13 A. Yes.

14 Q. And you should have another document  
15 before you, Dr. Sioshansi, entitled "Direct Testimony  
16 of Ramteen Sioshansi" dated June 9, 2023, which was  
17 previously marked as OCC Exhibit 7. Do you see that?

18 A. I do.

19 Q. And did I characterize what that document  
20 was correctly?

21 A. Yes.

22 Q. And, Dr. Sioshansi, were those documents  
23 prepared by you or at your direction?

24 A. I haven't gone through these printouts  
25 line by line, but they appear to be what I prepared,

1 yes.

2 Q. And do you have any modifications to  
3 either OCC Exhibit 6 or OCC Exhibit 7?

4 A. Not at this time, no.

5 Q. So if I were to ask you the questions  
6 reflected in those documents today, would your  
7 answers be the same?

8 A. Yes, they would be.

9 MR. MICHAEL: Your Honor, I move for the  
10 admission of OCC Exhibits 6 and 7, subject to  
11 cross-examination.

12 EXAMINER ADDISON: Thank you very much,  
13 Mr. Michael.

14 One Energy?

15 MR. DUNN: No questions, your Honor.

16 EXAMINER ADDISON: OEG?

17 MR. KURTZ: No questions, your Honor.

18 EXAMINER ADDISON: OMAEG?

19 MS. BOJKO: No questions, your Honor.

20 EXAMINER ADDISON: IGS?

21 MR. BETTERTON: No questions, your  
22 Honors.

23 EXAMINER ADDISON: Kroger?

24 MS. WHITFIELD: No questions, your Honor.

25 EXAMINER ADDISON: RESA?



1 MS. WALKE: No questions, your Honor.

2 EXAMINER ADDISON: OELC?

3 MR. WILLISON: None, your Honor.

4 EXAMINER ADDISON: Direct?

5 Citizens Utility Board?

6 MR. DOUGHERTY: No questions, your Honor.

7 EXAMINER ADDISON: OEC?

8 MS. NORDSTROM: Yes, your Honor, we have  
9 some questions. Just for clarification, I didn't  
10 quite catch so the testimony on the Stipulation is  
11 Exhibit 6 and the direct testimony filed in June is  
12 Exhibit 7?

13 EXAMINER ADDISON: That's correct.

14 MS. NORDSTROM: Thank you, your Honors.

15 - - -

16 CROSS-EXAMINATION

17 By Ms. Nordstrom:

18 Q. Hi, Dr. Sioshansi.

19 A. Hello.

20 Q. So, first, I want to talk just a little  
21 bit about rate design goals. In your testimony you  
22 state it is a rate design goal for consumers to bear  
23 the costs they impose on the system.

24 A. Where specifically are you referring?

25 Q. Page 6, lines 3 through 5.

1 A. Of which exhibit?

2 Q. Exhibit 6.

3 A. 6. Which page you said?

4 Q. Page 6.

5 A. And the line numbers you said?

6 Q. 3 through 5.

7 A. Okay.

8 Q. So in your -- so you state it is a rate  
9 design goal for consumers to bear the costs they  
10 impose on the system.

11 A. Sorry. Would you repeat the question?

12 Q. Certainly.

13 MS. NORDSTROM: Your Honor, would it be  
14 all right if the -- if Karen repeats the question?

15 EXAMINER ADDISON: Absolutely.

16 Thank you, Karen.

17 (Record read.)

18 A. So if I understand your question  
19 correctly, lines 2 through -- 3 through 5 state "To  
20 the extent possible, prices should be set in a manner  
21 to have consumers bear the costs that they impose  
22 upon the system."

23 Q. Yes. Is that correct?

24 A. Yes, that is what's written here.

25 Q. So switching to electric vehicles, a

1 customer charging an electric vehicle at a time when  
2 there is low demand on the grid generally causes less  
3 costs to the system.

4 A. Is that a question?

5 Q. Yes.

6 A. Not necessarily.

7 Q. Okay. Are there circumstances where  
8 charging an electric vehicle at a time when there is  
9 low demand on the grid will impose less costs on the  
10 system?

11 A. There can be, yes.

12 Q. And uncontrolled electric vehicle  
13 charging can create negative consequences in grid  
14 reliability, correct?

15 A. What is your definition of uncontrolled  
16 electric vehicle charging?

17 Q. So uncontrolled is -- my definition of  
18 uncontrolled is allowing consumers to -- to charge  
19 with no price signals, to just all days of the -- all  
20 times of the day charging is the same price.

21 A. So your definition is that electric  
22 vehicle owners decide when to charge and there is no  
23 time-varying pricing; that's your definition of  
24 uncontrolled charging?

25 Q. There is no external control other than

1 consumer choice of when to -- when to charge.

2 A. And there is no time-varying price  
3 mechanism?

4 Q. Including no time-varying price, yes.

5 A. And your question was what?

6 Q. Uncontrolled electric vehicle charging  
7 can create negative consequences in grid reliability;  
8 is that correct?

9 A. It could.

10 Q. And so would you agree that it is  
11 generally good policy to set electric -- electric  
12 vehicle charging rates that encourage customers to  
13 charge at off-peak times?

14 A. I would agree that there could be  
15 circumstances in which that's beneficial but that is  
16 not -- well, it's certainly not necessarily true  
17 under every conceivable circumstance.

18 Q. Okay. But generally.

19 A. Well, the term generally means as a  
20 general rule which, no, not generally.

21 Q. So not more often than not.

22 A. More often than not, probably.

23 Q. Okay. So more often than not, it is a  
24 good policy to set electric vehicle charging rates  
25 that encourage customers to charge at off-peak times.

1           A.    Again, it depends on are you defining off  
2 peak in terms of demand? Are you defining it in  
3 terms of net demand? How are you defining off peak?  
4 Are you defining it in terms of demand across the  
5 entire PJM system? Are you defining it in terms of  
6 demand on a particular circuit? Your question leaves  
7 a lot of vag -- vagaries I can't answer.

8           Q.    Sure. I -- when I say off peak, I am  
9 saying at times when there is lower demand on the  
10 grid system.

11          A.    On the entire PJM system?

12          Q.    Sure.

13          A.    No. I mean, there could be circumstances  
14 that the PJM-wide demand is low but demand on a  
15 particular circuit could be high.

16          Q.    Okay. So what about at particular  
17 circuits?

18          A.    Again, the opposite could be true.  
19 Demand could be low on a particular circuit. It  
20 could be high on the PJM-wide system so --

21          Q.    Okay.

22          A.    -- it's difficult for me to answer  
23 because the questions are very vague in your wording.

24          Q.    Okay. I understand. So let me back up.  
25 So it's -- so would you say that it's not generally

1 good policy to set electric vehicle charging rates to  
2 encourage customers to charge at off-peak times?

3 A. Again, it depends on how you are defining  
4 off peak.

5 Q. Okay. Let's take it one at a time then.  
6 So you gave several definitions of off peak. I think  
7 you started with PJM. So is it not generally a good  
8 policy to set electric vehicle charging rates that  
9 encourage customers to charge at off-peak times when  
10 off peak means the PJM market?

11 A. I would say that -- I would say that  
12 in -- I mean, there are circumstances, yes, that  
13 would be beneficial to do that.

14 Q. Okay. Is it beneficial to set electric  
15 vehicle charging rates that encourage customers in  
16 AEP's service territory to charge at off-peak times  
17 on AEP's service distribution -- on AEP's  
18 distribution grid?

19 A. Again, there could be circumstances, yes,  
20 when that is beneficial.

21 Q. Okay. So is it an important rate design  
22 goal to control electric vehicle charging to reduce  
23 electricity demand peaks on AEP Ohio's service  
24 territory's distribution grid?

25 A. It could be, yes.

1           Q.    Okay.  And one way to control electric  
2 vehicle charging is to send price signals to  
3 customers that incentivize charging at off-peak  
4 times; is that correct?

5           A.    It could be.  It in part, not entirely  
6 but in part, depends on the elasticity of demand on  
7 the part of electric vehicle owners and how they  
8 would react to price signals.

9           Q.    So it's one way.

10          A.    It could be a way.

11          Q.    And finding the appropriate price signal  
12 can be an iterative process between the customer  
13 feedback and utility system needs.

14          A.    That is one way that rate design could be  
15 undertaken.

16          Q.    And the working group created by the  
17 Stipulation in this case allows AEP and stakeholders  
18 to engage in an iterative process; is that correct?

19          A.    I don't know anything about any working  
20 group.

21          Q.    Okay.  You should have the Stipulation up  
22 there at your podium.

23          A.    Okay.

24          Q.    Do you see it?  It should say -- yep,  
25 that's it.  If you would please turn to page 13,

1 paragraph 13. Are you there, Doctor?

2 A. Okay.

3 Q. Okay. I am just going to read it allowed  
4 if you would follow along. It says "AEP Ohio commit  
5 to data sharing associated with PEV rates," that's  
6 plug-in electric vehicle rates, "(including  
7 anonymized data on EV usage and customer billing from  
8 existing PEV tariffs) and to establish a workgroup  
9 that will meet semi-annually with interested parties  
10 to discuss and analyze cost of service impacts in  
11 advance of the Company's next base distribution rate  
12 case. The working group will also consider  
13 additional TOU," meaning time of use, "rate  
14 offerings, including potential SSO," Standard Service  
15 Offer, "TOU options. Based on collaborative  
16 discussions, the Company can file an EL-ATA  
17 application to change the PEV TOU rates." And I'll  
18 stop there. Did I read that correctly?

19 A. Yes.

20 Q. Okay. So the working group created by  
21 this Stipulation in that paragraph 13 does allow AEP  
22 and stakeholders to engage in an iterative process  
23 with the data from the program?

24 MR. MICHAEL: Objection. Your Honor, the  
25 document speaks for itself. Dr. Sioshansi already



1 testified he knows nothing about any working group.  
2 To simply have him read what the document says and  
3 opine on what it means or its implications is  
4 inappropriate.

5 MS. NORDSTROM: Your Honor, Dr. Sioshansi  
6 is testifying about the Stipulation. This is in the  
7 Stipulation. I read it allowed to refresh his  
8 recollection.

9 EXAMINER ADDISON: If you could ask him  
10 if it did, in fact, refresh his recollection about a  
11 working group and then we can move forward.

12 MS. NORDSTROM: Okay. Thank you, your  
13 Honor.

14 Q. (By Ms. Nordstrom) Dr. Sioshansi, did  
15 that refresh your recollection about a working group?

16 A. Yes.

17 Q. Okay. So does that working group created  
18 by the Stipulation allow AEP Ohio and stakeholders to  
19 engage in an iterative process?

20 A. Well, for one thing it's not clear to me  
21 who is part of the working group, so when you say  
22 stakeholders, I don't know what that means.

23 Q. Okay. So it could be any number of  
24 experts.

25 A. It could be. It could be none.

1 Q. Yeah. It doesn't limit who gets to be in  
2 the collaborative.

3 A. Again, if I understand your question  
4 correctly, you are asking me to comment on a working  
5 group the composition of which I don't know.

6 Q. Okay.

7 A. So I don't know who was part of this  
8 working group.

9 Q. Okay. What's your understanding of a --  
10 of a typical utility working group?

11 A. I don't have any typical understanding of  
12 one.

13 Q. Okay. So you -- you testify that you  
14 used to -- your testimony mentions that you used to  
15 work for the Federal Electric Regulatory Corporation?

16 A. No.

17 Q. FERC?

18 A. FERC?

19 Q. Yes. That's the Federal --

20 A. Do you mean Federal Energy Regulatory  
21 Commission?

22 Q. My apologies. Yes, that's what I meant.

23 A. Yes, I did work for the Federal Energy  
24 Regulatory Commission for a period of time.

25 Q. Okay. Did you ever participate in

1 working groups as a part of your time at the Federal  
2 Energy Regulatory Commission?

3 A. No.

4 Q. And have you ever participated in working  
5 groups as a time of -- in your capacity as a  
6 professor?

7 A. Did I work in working groups as a  
8 professor?

9 Q. Yes.

10 A. I've worked on University committees. I  
11 don't know if you consider that the same thing.

12 Q. Sure. Close enough. So who typically --  
13 what parties typically come to those working  
14 groups -- or strike that. Let me rephrase that.

15 Do those committees typically involve  
16 experts on the issues the committee is -- is  
17 addressing?

18 A. Not necessarily. Normally either a  
19 committee chair or someone else exterior to the  
20 committee just appoints members to a committee of  
21 that type.

22 Q. And they have knowledge on that issue,  
23 the people appointed?

24 A. In some circumstances, yes.

25 Q. Okay. And the Stipulation in this case

1 does contemplate that AEP Ohio may file a modified  
2 time-of-use rate based on the data it receives from  
3 implementing this program; is that correct?

4 A. Are you referring still to what is in  
5 paragraph 13?

6 Q. Yes, I am.

7 A. And your question was?

8 Q. It contemplates that AEP Ohio may file a  
9 modified time-of-use rate based on the data it  
10 receives from implementing this program.

11 A. Well, what I see here it states that  
12 "Based on collaborative discussions, the Company can  
13 file an EL-ATA application to change the PEV TOU  
14 rates," so that's what I read here.

15 Q. Okay. So, yes, it does contemplate a  
16 modified time-of-use rate?

17 A. It says the Company will have the option  
18 to do that, yes.

19 Q. Okay. And that's the same working group  
20 that's reviewing the data coming out of -- that's  
21 committed to have the data sharing?

22 A. Pardon me?

23 Q. That's the same group that's committed to  
24 doing the data sharing?

25 A. What is the --

1           Q.    So that working group that is  
2   contemplating the modified TOU rate is the same  
3   working group that AEP Ohio has committed to data  
4   sharing with?

5           A.    The sentence says the Company can file an  
6   application to change the PEV TOU group.  It doesn't  
7   say a working group can.

8           Q.    It says "Based on collaborative  
9   discussions, the Company can file an application to  
10  change the PEV TOU rates"?

11          A.    Uh-huh.

12          Q.    Do you see the collaborative discussions?

13          A.    Yep.

14          Q.    Okay.  And those collaborative  
15  discussions are the ones that involve data sharing.

16          A.    Well, my understanding is it is  
17  collaborative discussion of this working group.

18                MS. NORDSTROM:  Okay.  Thank you, your  
19  Honors.  No further questions.

20                EXAMINER ADDISON:  Thank you very much.  
21  ELPC?

22                MS. McCONNELL:  No questions, your Honor.

23                EXAMINER ADDISON:  Thank you.

24                OPAE?  Oh.  RESA?

25                MS. WALKE:  No questions, your Honor.

1 EXAMINER ADDISON: AEP?

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

3 - - -

4 CROSS-EXAMINATION

5 By Mr. Schuler:

6 Q. Good afternoon, Dr. Sioshansi.

7 A. Good afternoon.

8 Q. I am Mike Schuler. I am in-house counsel  
9 for AEP Ohio. You testified that there are one or  
10 more desirable goals for rate design philosophy or  
11 goals, right?

12 A. Where in the testimony are you referring?

13 Q. I'm just asking generally if you testify  
14 to that.

15 A. You are asking generally if I testify  
16 what?

17 Q. To that point.

18 MR. MICHAEL: Your Honor, I am going to  
19 object to the witness answering that question. The  
20 question was asked -- the witness asked for reference  
21 to his testimony, and in a general normal course of  
22 things for Commission proceedings, the counsel  
23 refers, when requested, the witness to what he is  
24 asking about. The witness asked about that. I would  
25 ask that counsel point him to the part of his

1 testimony.

2 EXAMINER ADDISON: Thank you.

3 MR. SCHULER: I wasn't referring to a  
4 specific page but.

5 EXAMINER ADDISON: I'm sorry,  
6 Mr. Schuler?

7 MR. SCHULER: I'm sorry. I wasn't  
8 referring to a specific page. I can't provide a cite  
9 to that.

10 EXAMINER ADDISON: Thank you.

11 MR. SCHULER: I was just asking  
12 generally.

13 EXAMINER ADDISON: Thank you. The  
14 objection is overruled. You may answer the question.

15 A. Would you restate the question?

16 Q. (By Mr. Schuler) Yeah. You testified  
17 that there are one or more desirable goals for rate  
18 design philosophy, correct?

19 A. So I believe it's OCC Exhibit 6, page 4,  
20 lines 24, 25, I do state "Normally, regulators aim to  
21 set prices in a manner that achieves one or more  
22 desirable goals."

23 Q. You would agree that there are not a  
24 specific number of regulatory principles or goals  
25 that you are referring to there, correct?

1 A. In that specific sentence?

2 Q. Yes.

3 A. That specific sentence does not reference  
4 any specific desirable goals, no.

5 Q. Outside of that sentence, in your expert  
6 opinion are you aware of a specific number of  
7 regulatory principles and goals that guide rate  
8 design?

9 A. So I'm not aware specifically of the rate  
10 design goals that the Commission uses in determining  
11 rate designs that it approves.

12 Q. You would agree that -- strike that.

13 You have a discussion about cost  
14 causation in your testimony presented in OCC  
15 Exhibit 6, correct?

16 A. So I do. As an example pages 4, line 25,  
17 through page 5, line 1, reference cost causation,  
18 yes.

19 Q. You would agree that cost causation is  
20 not an exact science, correct?

21 A. Not necessarily, no.

22 Q. To be clear, are you saying that the  
23 answer to my question is not necessarily, or are you  
24 saying that cost causation is not necessarily an  
25 exact science?



1           A.    I'm saying that there certainly are  
2           circumstances in which one can do an exact estimation  
3           of cost causation.

4           Q.    What are those circumstances?

5           A.    As one example, someone could build a  
6           unit commitment model with a given load profile,  
7           could add incremental load to that load profile, to  
8           solve the unit commitment model with the two  
9           different load profiles, compare the costs of the two  
10          solutions, and have an exact estimate of the cost  
11          change that is caused by that change in load profile.  
12          Now, that's not an exhaustive example. That's just  
13          one.

14          Q.    And that is referring to a single piece  
15          of plant-in-service as opposed to a total  
16          distribution system, for instance, correct?

17          A.    No. What I referenced was using the unit  
18          commitment model that would be akin to looking at  
19          cost impacts of incremental load change as an example  
20          on the PJM-wide system. Now, one does not have to do  
21          unit commitment modeling at the PJM level but one  
22          could.

23          Q.    When you are referring to unit, are you  
24          referring to generation units?

25          A.    I'm referring to unit commitment which is

1 a fairly standard modeling methodology that's used in  
2 the electricity industry.

3 Q. What is the word unit referring to?

4 A. Unit typically refers to generating  
5 units.

6 Q. You would agree that there are  
7 circumstances where cost causation is subjective,  
8 right?

9 A. Not necessarily. I'm -- I am trying to  
10 think of a circumstance in which a cost causation  
11 study would have to be subjective, and one is not  
12 coming to my mind immediately.

13 Q. So you're saying there is no circumstance  
14 where cost causation could be a subjective  
15 determination.

16 A. I'm saying that in theory if the models  
17 and the data are available, one should be able to do  
18 objective analysis of the cost impacts of making  
19 changes to an electricity system.

20 Q. You consider yourself an expert on rate  
21 design, correct?

22 A. I would characterize myself as having  
23 general knowledge of rate design, yes.

24 Q. Do you agree that there are other people  
25 in the industry that have knowledge or expertise on

1 rate design?

2 A. I do believe there are other people with  
3 knowledge and expertise concerning rate design, yes.

4 Q. Do you agree that people with knowledge  
5 or expertise on rate design don't always agree on  
6 cost causation principles?

7 A. I'm not certain that the two go together  
8 because you are describing rate design versus cost  
9 causation which are not the exact same thing.

10 Q. But you state that cost causation is a  
11 principle upon which rate design can be built,  
12 correct?

13 A. I do state that, yes.

14 Q. So different expert -- different experts  
15 could take different views of how to calculate cost  
16 causation, correct?

17 A. If I understood your original question,  
18 you were asking if people with expertise in rate  
19 design could have differing reviews regarding cost  
20 causation. The way that I view it is that one can  
21 have expertise in rate design but not necessarily  
22 have expertise in cost causation because cost  
23 causation could be viewed as an exogenous input into  
24 examining rate design questions.

25 So as I understood your question, you

1 were conflating two things that don't go together  
2 necessarily.

3 Q. Let me be clear because the question that  
4 was posed was different, experts could take different  
5 views on how to calculate cost causation.

6 A. Different experts, yes, could take  
7 different views on how to do a cost causation  
8 analysis.

9 Q. You would agree that there are  
10 circumstances where cost causation is subjective,  
11 correct?

12 MR. MICHAEL: Objection, asked and  
13 answered.

14 EXAMINER ADDISON: Overruled.

15 A. So I believe I stated already that if --  
16 if data and modeling methodologies are available,  
17 I -- I am having difficulty thinking of a  
18 circumstance in which one would have to rely upon a  
19 subjective analysis to determine cost causation.

20 Q. That answer is conditioned upon data  
21 modeling and methodologies being available?

22 A. Yes.

23 Q. If there can be differing opinions on a  
24 cost causation analysis by different experts,  
25 wouldn't you agree that would be -- there is a

1 certain level of subjectivity involved for them to  
2 reach different conclusions?

3 A. I think it would be difficult for me to  
4 comment generally what leads to disagreements in  
5 terms of how people would propose to do cost  
6 causation studies.

7 Q. Do you have experience performing cost  
8 causation studies?

9 A. Yes, I have undertaken cost causation  
10 studies.

11 Q. How many times?

12 A. I could not give you an exact number. I  
13 would have to go through my publication and  
14 presentation and other activity listed in my CV to  
15 determine how many cost causation studies I've done.

16 Q. Are you able to give a rough estimate  
17 whether it's been one? 10? 20? 100?

18 A. Well, to give you an estimate, if you  
19 look at Attachment RMS-1 to I believe it's OCC  
20 Exhibit 7, pages 3 through -- 3 through 7, lists 97  
21 peer-reviewed journal publications. This list is  
22 slightly out of date. I think it is now up to 101,  
23 102. I would estimate conservatively at an absolute  
24 minimum a third of these included different types of  
25 cost causation studies.

1           Q.    Were any of those cost causation studies  
2 submitted in support of a litigated regulatory  
3 filing?

4           A.    I don't have a list in front of me.  I do  
5 know of cases in which some of these studies that are  
6 in this publication list have been submitted not by  
7 me, by others, in different at least domestically  
8 state regulatory cases.  Again, I don't have the  
9 list.

10          Q.    Are you aware of anyone disagreeing with  
11 your cost causation analyses?

12          A.    I'm not aware specifically, no.

13          Q.    Did any of these studies include a  
14 specific -- strike that.

15                Did any of these studies analyze cost  
16 causation for a specific utility?

17          A.    Is your question whether it was cost  
18 causation for one single utility?

19          Q.    Yes, as opposed to general cost causation  
20 discussion.

21          A.    I believe that I would have to -- I would  
22 have to invest some time to double-check.  I believe  
23 at least one of these published studies did examine  
24 cost causation impacts taking data from the Southern  
25 California Edison utility which operates in southern

1 California.

2 Q. Did the Commission adopt that opinion?

3 A. Did what Commission adopt that opinion?

4 Q. I'm assuming -- you said that was for a  
5 California Edison utility, correct?

6 A. If I remember correctly, it was for  
7 Southern California Edison.

8 Q. And it was submitted to the California  
9 Public Utilities Commission?

10 A. I don't know if it was.

11 Q. You would agree that incentive rate  
12 making can be another regulatory goal or principle,  
13 right?

14 A. What do you mean by incentive ratemaking?

15 Q. How would you define incentive  
16 ratemaking?

17 A. I don't know. I didn't use the term.

18 Q. Do you agree there can be incentives to  
19 encourage certain type of usage or behavior on an  
20 electrical grid, right?

21 A. Yes, there can be.

22 Q. And you would agree that sometimes  
23 commissions employ goals that incentivize that type  
24 of behavior through ratemaking, right?

25 A. I don't know of specific cases in which

1 that has happened, but I could imagine that that  
2 could be a Commission goal.

3 Q. What about peak shifting? Would you see  
4 that as a potential goal as well?

5 A. What about what?

6 Q. Peak shifting.

7 A. By peak you mean what?

8 Q. Peak usage on an electrical grid.

9 A. Peak demand?

10 Q. Correct.

11 A. I could envision that as being a goal,  
12 yes.

13 Q. You would agree that some of these goals,  
14 cost causation, incentive ratemaking, peak demand  
15 shifting can be mutually exclusive to each other,  
16 correct?

17 A. Not necessarily. Again, the example that  
18 you offered, for example, incentive rate making to  
19 reduce peak demand and cost causation, those actually  
20 from an economic theory perspective are aligned with  
21 one another.

22 Q. There could be circumstances where they  
23 are not aligned with each other though, right?

24 A. There could be.

25 Q. You read the Company's Application filed



1 in this ESP V matter, right?

2 A. I read portions of the filings based off  
3 of direction from OCC Staff that pertained to the  
4 topics that they asked me to review.

5 Q. Is it fair to assume that that included  
6 review of the electric transportation plan that was  
7 included as part of the original application?

8 A. Yes. I did review at least some filings  
9 that pertain to that portion of the filing.

10 Q. Did you also review the Company's  
11 proposals to implement plug-in vehicle time-of-use  
12 proposals for residential customers?

13 A. You're referring to time-of-use rates  
14 that would be levied on electric vehicle owners?

15 Q. That would be made available for electric  
16 vehicle owners under the Company's Application as  
17 filed, yes.

18 A. Yes. So I did see that in the  
19 Stipulation.

20 Q. Did you see that in the original  
21 Application as filed?

22 A. I believe so, but I reviewed those  
23 filings several months ago and don't remember  
24 specifically.

25 Q. You agree that there is a residential

1 plug-in vehicle time-of-use set of rates proposed as  
2 part of the Stipulation, correct?

3 A. So page 12 of the Stipulation beginning  
4 paragraph 12 -- well, just paragraph 12 proposes time  
5 of use and I believe also a time-of-day tariff for  
6 electric vehicle charging.

7 Q. You would agree that there are two  
8 different time-of-use proposals in here as it  
9 pertains to residential customers owning plug-in  
10 electric vehicles, right? For clarity one being a  
11 whole home rate, one being a separately metered rate,  
12 right?

13 A. That's my understanding, yes.

14 Q. Do you know if the Company proposed a  
15 whole home and a separately metered plug-in --  
16 plug-in electric vehicle time-of-use rate for  
17 residential customers as part of its application in  
18 this case as well?

19 A. I don't recall.

20 Q. You submitted testimony obviously in this  
21 case in response to the Application, correct?

22 A. Yes. I believe you are referring to I  
23 believe it's OCC Exhibit 7?

24 Q. Yes.

25 A. Yes, I did.

1           Q.    Your original testimony gave opinions  
2   about the electric transportation plan that was filed  
3   as part of the Company's Application, right?

4           A.    Yes.   Section 3 provides testimony  
5   related to the proposed electric transportation plan.

6           Q.    You would agree you also testified to the  
7   time-of-use tariffs that are proposed as part of the  
8   electric transportation plan in your direct  
9   testimony, correct?

10          A.    My response to question 12, which begins  
11   on page 11 of OCC Exhibit 7 and goes through the top  
12   of page 13, does pertain to the tariffs that are  
13   included in the proposed ETP.

14          Q.    In that testimony contained in OCC  
15   Exhibit 7, you never identified any issues with the  
16   whole home or separately metered plug-in vehicle --  
17   plug-in electric vehicle time-of-use rates failing to  
18   properly incentivize customers, correct?

19          A.    Would you restate the question?

20               MR. SCHULER:   Karen, could I have that  
21   read back, please?

22               (Record read.)

23          A.    No, I don't appear to have raised that  
24   issue in the original direct testimony.

25          Q.    In your original direct testimony, you --

1 strike that.

2 It is your opinion that one of the  
3 shortcomings of the Company's Application as filed is  
4 that the electric trans -- the electric  
5 transportation plan did not require recipients of  
6 rebates to enroll in the Company's proposed  
7 time-of-use rates, correct?

8 A. You are referring to the original June 9  
9 or the revised September 20 testimony?

10 Q. Well, I am referring to your opinion here  
11 today as an expert witness right now.

12 A. So the question was what?

13 MR. SCHULER: Karen, can we have that one  
14 reread? Sorry.

15 (Record read.)

16 A. To clarify are you asking in regards to  
17 the Stipulation, or are you asking in regards to the  
18 original filing?

19 Q. I think the question was about the  
20 Company's Application which would be the original  
21 filing.

22 A. Yes.

23 Q. I believe you testified when you were  
24 being cross-examined by counsel for OEC that there  
25 could be circumstances where having electric vehicle

1 owners charge at off-peak times -- strike that.

2 I believe you testified earlier that  
3 there could be circumstances where it would be  
4 beneficial to have electric vehicle owners charge at  
5 off-peak times, right?

6 A. Yes, there could be circumstances.

7 Q. You would agree that in those  
8 circumstances, it would be beneficial for customers  
9 because it can reduce costs associated with utility  
10 investment that would otherwise be necessary,  
11 correct?

12 A. It could be but not necessarily.

13 Q. It's your opinion that EV charging during  
14 peak hours will result in greater cost to AEP Ohio's  
15 electric consumers, right?

16 A. Not necessarily, no.

17 Q. Could I turn you to OCC Exhibit 7, page  
18 13, lines 4 through 7?

19 A. Lines what?

20 Q. Lines 4 through 7. It states here -- let  
21 me know when you are there. Sorry.

22 A. Say again.

23 Q. Are you there?

24 A. Yes.

25 Q. Okay. It states there "To the extent

1 that charges subsidized through the non-TOU programs  
2 yield EV-charging that is coincident with time  
3 periods of high electricity demand, the ETP will  
4 result in greater costs to all AEP Ohio electricity  
5 consumers, which is harmful to consumers." Did I  
6 read that correctly?

7 A. Yes.

8 Q. Do you disagree with that statement here  
9 today?

10 A. No.

11 Q. So you agree that it would benefit all  
12 customers to incentivize shifting of electric vehicle  
13 load off of peak times, correct?

14 A. Again, I would go back to an answer I  
15 gave to a similar question before which is that it  
16 would depend if you are examining load at the bulk  
17 power system level, on an individual circuit level,  
18 so peak demand -- peak demand doesn't necessarily  
19 give you a 100 percent complete answer.

20 Q. You would agree that AEP Ohio has to  
21 build the distribution system to meet peak demand,  
22 correct?

23 A. That is normally the design goal, yes.

24 Q. You would agree that shifting load off of  
25 the peak could reduce the amount of investment the

1 Company would have to make that it would otherwise  
2 have to make without shifting that peak, right?

3 A. The net cost effect could be mixed  
4 because, again, you could be shifting demand away  
5 from the peak load period on the distribution system,  
6 but you may be shifting it to a peak load period on a  
7 congested transmission line on the bulk power system  
8 which could have an offsetting cost impact.

9 Q. But that would be creating another peak,  
10 right?

11 A. Again, you would be looking at -- you  
12 would be looking at the demand or demand peak from a  
13 different perspective, whether you were looking at it  
14 on the distribution circuit level or whether you are  
15 looking at it on the bulk power system level.

16 Q. My questions have been about the  
17 distribution system because that's what AEP Ohio  
18 owns. So with that in mind, I'll ask you agree that  
19 shifting load off of the distribution peak could  
20 reduce the overall amount of distribution investment  
21 the Company would have to make that it would  
22 otherwise have to make without shifting that  
23 distribution peak?

24 A. Yes, probably.

25 Q. And reductions in the amount that AEP

1 Ohio has to invest in its distribution system reduces  
2 the overall amount of cost that it has to charge  
3 customers, correct?

4 A. Not necessarily.

5 Q. Avoiding the distribution investment by  
6 shifting the peaks we just talked about will mean  
7 that the Company would not incur distribution costs  
8 as a result, right?

9 A. If demand -- if demand on a distribution  
10 feeder is shifted from periods of peak net demand on  
11 that distribution feeder, yes, it can reduce  
12 investment. It can reduce cost at the distribution  
13 level.

14 Q. You would agree that would be a benefit  
15 to residential customers?

16 A. It could be. It depends on to what time  
17 period the demand has shifted. If it's shifted to a  
18 period of scarce transmission or scarce generation  
19 capacity, it would be more expensive to customers.

20 Q. That's looking at generation, not just  
21 distribution only, correct?

22 A. In that example I gave, it would be  
23 looking at generation and transmission.

24 Q. From a distribution perspective, however,  
25 it would reduce the amount that would be charged to



1 customers, right?

2 A. In that example, yes.

3 Q. And you agree that would be a benefit to  
4 residential customers of AEP Ohio, right?

5 MR. MICHAEL: Objection, asked and  
6 answered. I mean -- asked and answered.

7 MR. SCHULER: Your Honor, I would say I  
8 have asked this question, and I got responses about  
9 generation. I had to clarify and go back to this is  
10 about distribution.

11 MR. MICHAEL: I was --

12 EXAMINER ADDISON: Overruled. You may  
13 answer the question, Dr. Sioshansi.

14 A. So, yes, as a hypothetical, you may save  
15 customers a dollar in distribution costs, but you may  
16 also increase their generation and transportation  
17 costs by \$10; so, no, that would be a net benefit  
18 loss of \$9 in that example.

19 Q. You would agree AEP Ohio does not provide  
20 generation to customers, correct?

21 A. That's my understanding.

22 Q. Is generation cheaper during off-peak  
23 hours?

24 A. Typically, not always. I would add that,  
25 again, it depends whether you are talking at on peak

1 or off peak at what level.

2 Q. Let me turn to you page 5, lines 16 to 19  
3 in your testimony.

4 A. Which exhibit?

5 Q. I'm sorry, OCC 6.

6 A. Which page you said?

7 Q. Page 5, lines 16 to 19.

8 A. 16 through?

9 Q. Through 19.

10 A. 19, okay.

11 Q. You say "there is no evidence provided  
12 that the price levels (e.g., setting an off-peak rate  
13 at 60 percent of Schedule RS rate and other proposed  
14 prices) provide a sufficient incentive for electric  
15 vehicle owners to shift their electric  
16 vehicle-charging demands to off-peak periods." Did I  
17 read that correct?

18 A. You did.

19 Q. You have not proposed alternative PEV  
20 time-of-use rates as part of your testimony in  
21 response to the Stipulation, correct?

22 A. If you look at page 6, lines 16 through  
23 18, I give my recommendation that the Commission  
24 "should request and scrutinize information regarding  
25 the design of the aforementioned rates and modify

1     them accordingly."   So, no, I have not given specific  
2     recommendations.

3             Q.     So your recommendation is just that AEP  
4     Ohio should share data and information related to the  
5     proposed PEV time-of-use rates, right?

6             A.     Again, line 16 through 18, I can read it  
7     again if you would like, what my recommendation is.

8             Q.     You agree that the Company can review  
9     impacts to the costs of service as part of its next  
10    distribution rate case, right?

11            A.     Would you repeat that?

12            Q.     Yes.   You would agree that the Company  
13    can review impacts to cost of service as part of its  
14    next base rate case, right?

15            A.     I believe that it can, yes.

16            Q.     You're familiar with cost-of-service  
17    studies that are submitted in support of distribution  
18    rate cases in Ohio?

19            A.     I have a general knowledge of them.

20            Q.     Have you ever submitted a cost-of-service  
21    study to support a base distribution rate case in  
22    Ohio?

23            A.     I have not, no.

24            Q.     Have you ever been involved in developing  
25    a cost-of-service study to support a base

1 distribution case in Ohio?

2 A. Not to my knowledge.

3 Q. Do you know when AEP Ohio will file its  
4 next base distribution case?

5 A. I'm sorry. You asked if I know when?

6 Q. Yes.

7 A. I do not, no.

8 Q. Do you know of any commitment that AEP  
9 Ohio has to file its next base distribution rate  
10 case?

11 A. I'm not aware of any specific  
12 commitments, no.

13 Q. We talked a little bit about generation  
14 earlier. Can I -- can I take you to page 6, lines 5  
15 through 6, of your testimony?

16 A. This is Exhibit 6?

17 Q. I'm sorry, yes, Exhibit 6.

18 A. Page 6, you said?

19 Q. Page 6, lines 5 through 6. I promise at  
20 some point I will remember to tell you which exhibit  
21 first. You say "As one example, retail prices that  
22 are related to real-time wholesale locational  
23 marginal prices can embody the impact of electricity  
24 consumption upon generation- and  
25 transmission-capacity needs." Did I read that right?

1           A.    You did, yes.

2           Q.    LMP prices are wholesale generation  
3 prices, correct?

4           A.    LMPs are prices that come out of PJM's  
5 market clearing process.

6           Q.    And that is a generation market clearing  
7 process?

8           A.    I don't think I would characterize it as  
9 a generation market clearing process because PJM  
10 considers more than just generation in its market  
11 clearing.

12          Q.    PJM does not consider distribution as  
13 part of its market clearing though, does it?

14          A.    As far as I know, PJM does not include  
15 distribution circuit constraints in its market  
16 models.

17          Q.    You are aware that the Stipulation has a  
18 provision related to CIAC? Are you familiar with  
19 that acronym? Also known as contribution in aid of  
20 construction?

21          A.    Yes.

22          Q.    You would agree that the Stipulation has  
23 a provision related to amending the CIAC for electric  
24 vehicle supply equipment, correct?

25          A.    Are you referring to -- where

1 specifically in the Stipulation are you referring?

2 Q. Sure. One moment. Page 14, paragraph --  
3 starting on paragraph 14. Are you familiar with  
4 that -- with paragraph 14 on page 14 of the  
5 Stipulation?

6 A. I am reviewing it.

7 Q. I'm sorry. What was that again?

8 A. I am reviewing it. I am reading  
9 paragraph 14. Okay. I see paragraph 14.

10 Q. You have taken the opinion paragraph 14  
11 is not germane to the current case; is that correct?

12 A. I make a statement to that effect on  
13 lines 9 and 10 on page 10 of OCC Exhibit 6.

14 Q. How do you define germane?

15 A. Here I am using it to refer to issues  
16 that the Commission is deciding directly in this  
17 case.

18 Q. You would agree that the issues that have  
19 been placed before the Commission in this case is the  
20 Stipulation and Recommendation as well as the  
21 Application that was filed by the Company, correct?

22 A. Yes. My understanding is the case  
23 consists of an original Application and a  
24 Stipulation.

25 Q. And that Stipulation on paragraph 14 and

1 15 includes certain commitments related to  
2 contribution in aid of construction related to EV  
3 chargers, right?

4 A. What was the question?

5 Q. You would agree that the Stipulation on  
6 paragraphs 14 and 15 include certain commitments  
7 related to contribution in aid of construction  
8 related to EV charges, correct?

9 A. It is not clear to me there is a  
10 commitment in paragraph 14.

11 Q. I said 14 and 15. I apologize.

12 A. Paragraph 15 appears to have a  
13 conditional commitment.

14 Q. You agree that the Company cannot enforce  
15 this Stipulation unless the Commission approves it,  
16 right?

17 A. My understanding is that the Stipulation  
18 is not binding absent approval from the Commission.

19 Q. You would agree that PUCO opinions  
20 adopting stipulations have the force of law, right?

21 A. I'm not a lawyer but that's my  
22 understanding.

23 Q. Looking at paragraph 14 of the  
24 Stipulation on -- on the fifth line down there, says  
25 "In the Commission's next review of Ohio Admin. Code

1 4901:1-9, whether in the COI or some other  
 2 proceeding, for nonresidential customers, AEP Ohio  
 3 will propose and support that electric utilities  
 4 shall be responsible for eighty percent of the total  
 5 cost of line extensions for publicly available EVSE,  
 6 and customers will be responsible for the remaining"  
 7 80 -- excuse me, "twenty provided the Company is  
 8 ensured full cost recovery for the eighty percent."  
 9 Did I read that correctly?

10 A. You did.

11 Q. You are aware that under the Commission's  
 12 rules as they stand right now, instead of the  
 13 80/20 percent, it's actually a 60/40 split, correct?

14 A. I'm not aware of the current rules, no.

15 Q. Based on this commitment that is in the  
 16 Stipulation, if the Commission were to approve the  
 17 stipulation, AEP Ohio would be precluded from taking  
 18 any other position than the 80/20 set forth in here,  
 19 correct?

20 MR. MICHAEL: Could I have that question  
 21 read back, please, your Honor?

22 EXAMINER ADDISON: You may.

23 MR. SCHULER: I tell you what, I will  
 24 actually withdrawal the question.

25 MR. MICHAEL: Save me the time.



1 EXAMINER ADDISON: Appreciate it.

2 Q. (By Mr. Schuler) Based on the commitment  
3 I just read out of the Stipulation, assuming the  
4 Commission approves this Stipulation as it's filed  
5 including AEP will be ensured full cost recovery of  
6 its 80 percent, AEP Ohio will be prohibited from  
7 taking any other position contrary to that in the  
8 referenced cases, right?

9 MR. MICHAEL: Your Honor, I am going to  
10 object to that question. To the extent Dr. Sioshansi  
11 is not a lawyer but a regulatory expert, I suppose he  
12 can answer to the best of his ability with that  
13 caveat, but it does call for a lot of legal thought  
14 and conclusion.

15 EXAMINER ADDISON: Thank you,  
16 Mr. Michael. Since you opened the door, I will allow  
17 Dr. Sioshansi to take a stab at it.

18 A. I don't know enough about the specifics  
19 of AEP Ohio's involvement in the Commission's next  
20 review of the Administrative Code to say definitively  
21 what it's required to do.

22 Q. Could I turn you to page 9, line 2 of  
23 your testimony?

24 EXAMINER ADDISON: Which testimony is  
25 that, Mr. Schuler?

1 MR. SCHULER: OCC Exhibit 6, the  
2 testimony -- the Stipulation testimony.

3 EXAMINER ADDISON: Thank you.

4 A. Okay.

5 Q. You state "To my knowledge, the PUCO's  
6 decision regarding the ESP does not preclude AEP Ohio  
7 from taking any position with respect to either OAC  
8 4901:1-9 or PUCO case number 22-1025-AU-COI." Did I  
9 read that correct?

10 A. Yes.

11 Q. Is this your interpretation of paragraph  
12 14 of the Stipulation?

13 A. The lines that you just read are my  
14 interpretation of AEP Ohio's options with respect to  
15 taking a position in -- with respect to OAC 4901 dash  
16 -- or colon 1-9 or PUCO No. 22-1025-AU-COI in  
17 paragraph 14 was not in the Stipulation.

18 Q. So this statement that you made on lines  
19 2 through lines 4 on page 9 of OCC Exhibit 6 is if  
20 paragraph 14 did not exist?

21 A. Yes. Lines 2 through 4 if paragraph 14  
22 doesn't exist, my interpretation is that AEP Ohio  
23 could take whatever position it wants in those cases.

24 Q. But you agree that paragraph 14 does  
25 exist in the Stipulation, right?

1 A. Yes.

2 Q. So if it's approved, AEP Ohio would not  
3 be able to take whatever positions it likes in those  
4 cases, correct?

5 A. Again, going back to the answer I gave  
6 before, I don't have enough expertise to know if  
7 paragraph 4 is in the Stipulation the extent to which  
8 it's legally binding on AEP Ohio.

9 Q. But you've opined on what it will -- what  
10 would happen if it was not in the Stipulation?

11 A. My understanding is if it's not in the  
12 Stipulation, AEP Ohio doesn't have restrictions on  
13 what it can advocate in these cases.

14 Q. So the converse would be true, that if it  
15 is in there, AEP Ohio does have restrictions,  
16 correct?

17 A. Again, I don't have enough expertise to  
18 be able to say that definitively.

19 MR. SCHULER: Your Honor, at this time I  
20 would move to strike lines 2 through 5 of Witness  
21 Sioshansi's testimony.

22 EXAMINER ADDISON: Grounds?

23 MR. SCHULER: Actually it will be lines 2  
24 through 7.

25 EXAMINER ADDISON: Of page 9,

1 Mr. Schuler?

2 MR. SCHULER: Of page 9 of OCC Exhibit 6.

3 MR. MICHAEL: If I could hear what the  
4 grounds are, your Honor.

5 EXAMINER ADDISON: I would as well.

6 MR. SCHULER: The grounds are that Mr. --  
7 Dr. Sioshansi has testified he has no knowledge of  
8 the interpretation of paragraph 14, yet he has opined  
9 on what would be the legal grounds if paragraph 14  
10 did not exist. Not only is it speculative, it was  
11 not apparent from the testimony -- the actual text  
12 that is contained on the page, but he also has  
13 established that he does not have sufficient expert  
14 knowledge to make such an opinion as he has admitted  
15 here today.

16 EXAMINER ADDISON: Mr. Michael.

17 MR. MICHAEL: Well, your Honor, I think  
18 as Dr. Sioshansi pointed out, we are talking about  
19 two very different things. In one we are talking  
20 about the complete absence of something which as a  
21 regulatory expert, Dr. Sioshansi was making --  
22 offering an opinion on.

23 On the flip side, what Mr. Schuler is  
24 trying to get Dr. Sioshansi to testify about is the  
25 implications on the flip side if there was an

1 affirmative obligation. Him offering an opinion on  
2 the absence of something doesn't necessarily mean he  
3 can offer an opinion on the enforceability of if  
4 there is a provision in the settlement and that's  
5 precisely why I objected to the question that he is  
6 not a legal expert.

7 He can offer an opinion as a regulatory  
8 expert but not as a legal expert and that's a legal  
9 issue, so it shouldn't be surprising he doesn't have  
10 enough expertise to testify about an affirmative  
11 obligation and the extent to which that obligation is  
12 enforceable.

13 MR. SCHULER: Your Honor, Mr. -- if I may  
14 quickly because Mr. Michael brought up a new issue.

15 EXAMINER ADDISON: You may.

16 MR. SCHULER: Mr. Michael's explanation  
17 actually leads this to mean that it is irrelevant and  
18 actually the information that we gathered as well is  
19 this is -- it's not relevant because it's talking  
20 about something that would not exist in the  
21 Stipulation and what we are here on today is what is  
22 in the Stipulation so that is completely irrelevant  
23 testimony.

24 EXAMINER ADDISON: Well, it may be  
25 relevant if the Commission decides to not include

1 this; is that correct, Mr. Schuler?

2 MR. SCHULER: From my perspective, no,  
3 because the Commission should approve the  
4 Stipulation.

5 EXAMINER ADDISON: Loaded question. I  
6 should take that one back.

7 MR. MICHAEL: I wish I would have said  
8 that.

9 EXAMINER ADDISON: At this time I am  
10 going to deny the motion to strike. We've had  
11 significant cross on this particular paragraph at  
12 this point. I do think it would be beneficial for  
13 the Commissioners to have access to all this  
14 information, and they can certainly make a  
15 determination as to how much weight to afford this  
16 particular piece of testimony.

17 MR. SCHULER: Thank you, your Honor.

18 EXAMINER ADDISON: Thank you.

19 Q. (By Mr. Schuler) Dr. Sioshansi, I think  
20 we have covered this already, but you are aware that  
21 the Company proposed the electric transportation plan  
22 as part of its original Application, correct?

23 A. Yes.

24 Q. You would agree that the electric  
25 transportation plan as filed in the Company's

1 Application included rebate incentives for electric  
2 vehicle supply equipment, right?

3 A. I recall that being there. Again, I  
4 reviewed those filings quite a while ago, so I don't  
5 remember much of the details.

6 Q. Do you recall that the original  
7 Application included a proposal for the Company to  
8 cover 100 percent of the CIAC costs related to  
9 publicly available EVSE?

10 A. I don't remember the 100 percent numbers  
11 specifically, so I can't affirm or deny.

12 Q. Could I turn you to page 10 of OCC  
13 Exhibit 7, lines 7 to 9. So OCC Exhibit 7, page 10,  
14 lines 7 to 9. Does that refresh your recollection?

15 A. Yes, it does.

16 Q. So do you recall that AEP Ohio's initial  
17 Application included a proposal for the Company to  
18 cover 100 percent of the CIAC costs associated with  
19 publicly available EVSE?

20 A. Based on what I see on line 7 through 9,  
21 yes.

22 Q. In your original direct testimony that is  
23 currently marked as OCC Exhibit 7 included opposition  
24 to the Company -- certain parts of the Company's  
25 electric transportation plan, right?

1           A.    You said it included opposition to  
2   certain portions of the ETP?

3           Q.    Yes.

4           A.    Yes, I -- I recall opposition to  
5   portions, yes.

6           Q.    You never raised opposition to the  
7   100 percent CIAC provision being germane to the  
8   filing in that testimony, correct?

9           A.    No, I don't believe this issue was raised  
10   in the original testimony.

11          Q.    The issue of whether CIAC was germane to  
12   the case?

13          A.    No. I don't believe that was raised in  
14   the original testimony.

15          Q.    You are not of the opinion that a utility  
16   can tell the Commission what to do, right?

17          A.    Pardon me?

18          Q.    You are not of the opinion that a utility  
19   can tell the Commission what to do, correct?

20          A.    No, I do not believe that a utility can  
21   direct the Commission to do something.

22          Q.    I am going to turn you to page -- OCC  
23   Exhibit 6, page 10, starting at line 23.

24          A.    Starting at 22, you said?

25          Q.    23.



1 A. 23?

2 Q. Yeah.

3 A. Through?

4 Q. Page 11, line 12.

5 A. Give me a moment to review it.

6 Q. Sure. To actually page 11, line 1.

7 A. Page 11, line 1, okay. Okay.

8 Q. You are of the opinion that amending the  
9 CIAC to the 80/20 as set forth in paragraph 15 of the  
10 Stipulation is a subsidy to higher income customers;  
11 is that your testimony here?

12 A. Line 23, page 10 through line 1, page 11,  
13 states "As I noted in my original testimony in this  
14 case, (confirm my response to question 11 therein),  
15 this creates a perverse cross subsidy to electric  
16 vehicle owners, who would be the primary  
17 beneficiaries of electric vehicle-charging stations,  
18 and who tend to be higher-income compared to the  
19 average electricity consumer," yes.

20 Q. To support this you cite to footnote 11  
21 at the bottom of your testimony. It appears to be an  
22 article entitled "Electric Car Owners Are Richer and  
23 Smarter Than the Average American"; is that correct?

24 A. That is correct.

25 Q. This article was published in 2012,

1 correct?

2 A. I believe so. I don't have it in front  
3 of me, so I can't confirm.

4 Q. Let me help with that.

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

6 EXAMINER ADDISON: You may.

7 MR. SCHULER: I don't plan to mark this  
8 because I don't plan to move it into evidence as it  
9 is already cited in his testimony but here is an  
10 article that is entitled "Electric Car Owners Are  
11 Richer and Smarter Than the Average American" by  
12 Alice Davies dated November 20, 2012.

13 Q. Do you have the document I just placed  
14 before you? Do you recognize this?

15 A. Yes.

16 Q. Do you recognize this as the article that  
17 you are referencing in your testimony in footnote 11  
18 on OCC Exhibit 6?

19 A. Yes.

20 Q. And does this refresh your recollection  
21 that this was an article that was published in 2012?

22 A. Yes.

23 Q. You were not involved in the preparation  
24 of this article, were you?

25 A. No, I was not.

1           Q.    You did not vet the information contained  
2   in the article to see if it was true in 2012, did  
3   you?

4           A.    No, I did not.

5           Q.    You are not aware if the statistical  
6   information that's contained in this article from  
7   over a decade ago is still true today, are you?

8           A.    I have not examined the specific data  
9   that are referenced in this article compared to  
10  current demographics, no.

11          Q.    You would agree that over the last 10  
12  years, electric vehicle ownership has changed  
13  dramatically, right?

14          A.    What do you mean by changed dramatically?

15          Q.    You would agree that electric vehicle  
16  ownership has increased over the last 10 years.

17          A.    Is your question whether more electric  
18  vehicles are owned today compared to 2012?

19          Q.    Yes.

20          A.    Yes.

21          Q.    You would agree it's possible that the  
22  socioeconomic make up of those that own EVs has  
23  likely changed since 2012?

24          A.    Likely changed I won't agree. Has it  
25  changed, it's possible.

1 Q. You don't know?

2 A. I don't know.

3 Q. You agree that the CIAC provision that's  
4 contained in paragraphs 14 and 15 of the Stipulation  
5 are limited to publicly available electric supply  
6 equipment, correct?

7 A. Unless I am missing it, the only  
8 reference I see to publicly available is in paragraph  
9 14, not 15.

10 Q. Okay. But you agree that the CIAC  
11 provision to switch from 80 -- to go to 80/20  
12 split -- strike that.

13 You would agree that the commitment to  
14 split CIAC 80/20 percent is only applicable to  
15 publicly available EV supply equipment, correct?

16 A. Again, I don't see any reference to that  
17 in paragraph 15.

18 Q. What about in paragraph 14?

19 A. I do see the word publicly available,  
20 unless I am missing it somewhere else, referenced one  
21 place in paragraph 14.

22 Q. You would agree if it's only applicable  
23 to publicly available electric vehicle supply  
24 equipment, it would not be available to private  
25 residential EV owners, correct?

1           A.    If the program is targeted exclusively  
2           towards publicly available, then, yes, I assume that  
3           would exclude privately owned, not publicly  
4           available.

5           Q.    You also agree that pursuant to the  
6           Stipulation that the 80/20 split, that CIAC will only  
7           be available for approved locations, correct?

8           MR. MICHAEL: Your Honor, I am going to  
9           object at this point. I mean, the proposal for the  
10          80/20 split is simply that AEP Ohio will propose and  
11          support so that's a long way between what is provided  
12          for in the Stipulation and the way Mr. Schuler is  
13          characterizing it. It's not a done deal. The  
14          Commission may accept that recommendation. It might  
15          reject it. It might modify it. We don't know.

16          MR. SCHULER: Your Honor, my question is  
17          Stipulation as it is present today. Dr. Sioshansi  
18          has the Stipulation in front of him. Despite  
19          Mr. Michael providing him a potential response to the  
20          question, I think he can answer it on his own.

21          EXAMINER ADDISON: Thank you. The  
22          objection is overruled. You may answer.

23          A.    So as I see it, paragraph 15 says that  
24          the Company agrees to annually commit to invest  
25          \$2 million of capital investment provided there is

1 sufficient request to support the level of investment  
2 that will limit such investment to approximately  
3 \$4 million of capital investment for recovery through  
4 the DIR to support its proposal to modify the CIAC  
5 costs for custom installation of EV charging stations  
6 in approved locations.

7 Q. You would agree that the Stipulation  
8 defines approved locations, right?

9 A. The following sentence defines approved  
10 locations as those where there is existing capacity  
11 to serve the requested amount of peak load without  
12 having to install additional facilities to maintain,  
13 protect, upgrade, or improve the existing  
14 distribution facilities before the point of origin.

15 Q. You would agree that this will  
16 necessarily result in avoided distribution upgrades  
17 that would otherwise have to be made, right?

18 A. Perhaps. It's not clear how the  
19 definition of approved locations considers the  
20 potential for load growth through other things that  
21 could happen.

22 Q. You would agree that it will necessarily  
23 result in avoided distribution upgrades that would  
24 otherwise have to be made absent other load growth,  
25 right?

1           A.    Other load growth meaning -- what do you  
2           mean by other load growth?

3           Q.    The other load -- the other load growth  
4           that you referenced in your prior answer.

5           A.    Not necessarily. I -- again, I don't  
6           understand how this definition of approved locations  
7           takes account of what happens if electric vehicle  
8           charging loads grow more than what is anticipated.

9           Q.    Well, you read the definition of approved  
10          locations. Do you understand that definition?

11          A.    I mean, I can read and interpret what is  
12          written here, but it's not entirely clear how the  
13          definition of approved locations takes account of the  
14          possibility that electric vehicle charging loads  
15          could grow, that other loads could grow that could  
16          result in eventually needing to improve the existing  
17          distribution facilities.

18          Q.    Okay. On page 11 of your testimony, you  
19          also cite to -- well, strike that.

20                   In question 19 and answer 19, you  
21          reference a --

22          A.    Question 19, you said?

23          Q.    Yes.

24          A.    Okay. And this is Exhibit 6?

25          Q.    Exhibit 6, yes.

1           A.    Uh-huh.

2           Q.    You reference a \$100 million grant for  
3 electric vehicle charging infrastructure from  
4 Governor DeWine, correct?

5           A.    And I assume you are referring to  
6 footnote 12, correct?

7           Q.    Yes.

8           A.    Yes, I do.

9           Q.    This is -- it's \$100 million to support  
10 electric vehicle supply equipment through the State  
11 of Ohio via Drive Ohio, correct?

12          A.    That's my recollection. I haven't looked  
13 at the article recently.

14          Q.    And is it your recollection that Drive  
15 Ohio is a division of the Ohio Department of  
16 Transportation?

17          A.    I don't remember specifically.

18          Q.    Would you characterize this \$100 million  
19 grant as a subsidy?

20          A.    Yes. It could be characterized as a  
21 subsidy.

22          Q.    Do you feel it will incentivize further  
23 EV adoption?

24          A.    It's certainly a possible outcome.

25          Q.    Would you believe that would be the



1 intent of it?

2 A. I would imagine that is a policy goal,  
3 yes.

4 Q. You would agree that AEP Ohio is tasked  
5 with building its distribution infrastructure to meet  
6 the demand of its customers including EV charging,  
7 correct?

8 A. Yes.

9 Q. You would agree that's in the public  
10 interest for the utility to be able to build its  
11 system to meet those needs, right?

12 A. Not necessarily.

13 Q. You do not have personal knowledge of the  
14 distribution peaks of AEP Ohio, do you?

15 A. What do you mean by knowledge of  
16 distribution peaks?

17 Q. Do you know what AEP Ohio's distribution  
18 peaks are, when the distribution grid peaks?

19 A. You mean the time of distribution peaks?

20 Q. Time or date, yes.

21 A. No, not off the top of my head.

22 MR. SCHULER: Your Honor, if I could have  
23 a moment.

24 EXAMINER ADDISON: Absolutely.

25 Q. (By Mr. Schuler) Just one other question,

1 Dr. Sioshansi, that my co-counsel would like me to  
2 ask. If he owns two electric vehicles, would that  
3 make him twice as smart as the average American?

4 A. I can't comment on that.

5 MR. SCHULER: I'll withdraw the question.  
6 Thank you, Dr. Sioshansi. Appreciate your time this  
7 afternoon.

8 EXAMINER ADDISON: Thank you,  
9 Mr. Schuler. I think everyone needed that so  
10 appreciate it.

11 MR. MICHAEL: Particularly after that  
12 cross.

13 EXAMINER ADDISON: Mr. Margard, any  
14 questions from Staff?

15 MR. MARGARD: No, your Honor.

16 EXAMINER ADDISON: Thank you.

17 Redirect, Mr. Michael?

18 MR. MICHAEL: We have no redirect, your  
19 Honor.

20 EXAMINER ADDISON: Thank you.

21 The Bench doesn't have any additional  
22 questions, Dr. Sioshansi. Thank you very much for  
23 your testimony today.

24 Mr. Michael, you had previously moved for  
25 the admission of OCC Exhibits 6 and 7; is that

1 correct?

2 MR. MICHAEL: That's correct, your Honor.

3 EXAMINER ADDISON: Any objections to the  
4 admission of OCC Exhibit Nos. 6 or 7 at this time?

5 Hearing none, they will be admitted.

6 (EXHIBITS ADMITTED INTO EVIDENCE.)

7 EXAMINER ADDISON: At this time we will  
8 take a brief 5-minute break before we take on our  
9 next witness.

10 Let's go off the record.

11 (Recess taken.)

12 EXAMINER SEE: Let's go -- let's go back  
13 on the record.

14 Mr. Michael.

15 MR. MICHAEL: Yes, your Honor. OCC would  
16 like to call Joseph P. Buckley.

17 EXAMINER SEE: Mr. Buckley, when you are  
18 ready, raise your right hand.

19 (Witness sworn.)

20 EXAMINER SEE: Have a seat. Please turn  
21 your microphone on.

22 MR. MICHAEL: Your Honor, I would like to  
23 request the marking as OCC Exhibit No. 8, Testimony  
24 Recommending Modification of the Stipulation of  
25 Joseph P Buckley dated September 20, 2023.

1 EXAMINER SEE: The exhibit is so marked,  
2 Mr. Michael.

3 (EXHIBIT MARKED FOR IDENTIFICATION.)

4 MR. MICHAEL: Thank you, your Honor.

5 - - -

6 JOSEPH P. BUCKLEY  
7 being first duly sworn, as prescribed by law, was  
8 examined and testified as follows:

9 DIRECT EXAMINATION

10 By Mr. Michael:

11 Q. Would you please state your name?

12 A. Joseph Buckley.

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

14 A. The Ohio Consumers' Counsel.

15 Q. And, Mr. Buckley, do you have before you  
16 what was previously marked as OCC Exhibit 8?

17 A. I believe so, yes.

18 EXAMINER SEE: Mr. Buckley, please speak  
19 into the microphone.

20 Q. And, Mr. Buckley, can you identify that  
21 document?

22 A. That is my prefiled testimony.

23 Q. Regarding modification of the  
24 Stipulation?

25 A. Correct.

1           Q.    And, Mr. Buckley, was that testimony  
2 prepared by you or at your direction?

3           A.    It was.

4           Q.    And do you have any modifications to that  
5 testimony?

6           A.    I do not.

7           Q.    And if I were to ask you the questions  
8 reflected in that testimony today, would your answers  
9 be the same?

10          A.    I believe they would.

11               MR. MICHAEL: Your Honor, I would move  
12 for the admission of OCC Exhibit 8, subject to  
13 cross-examination.

14               EXAMINER SEE: Okay. And there was a  
15 motion to strike certain portions of Mr. Buckley's  
16 testimony.

17               MR. GALLON: Your Honor, this is Eric  
18 Gallon, outside counsel for AEP Ohio. We had filed a  
19 prefiled motion to strike certain portions of  
20 Mr. Buckley's testimony. Based on the Bench's  
21 earlier rulings on our motion to strike, we are  
22 withdrawing the portion of the motion that relates to  
23 Mr. Buckley.

24               EXAMINER SEE: Thank you very much.

25               With that, let's proceed.

1 MR. GALLON: Mr. Buckley, good afternoon.

2 EXAMINER SEE: Did you intend to go

3 first, Mr. Gallon?

4 MR. GALLON: I apologize, your Honor.

5 Very presumptuous of me. Please.

6 EXAMINER SEE: So, Ms. Nordstrom?

7 MS. NORDSTROM: No questions, your Honor.

8 EXAMINER SEE: Mr. Dougherty?

9 MR. DOUGHERTY: No questions, your Honor.

10 EXAMINER SEE: Ms. McConnell?

11 MS. McCONNELL: No questions, your Honor.

12 EXAMINER SEE: Mr. Betterton?

13 MR. BETTERTON: No questions, your Honor.

14 EXAMINER SEE: Ms. Walke?

15 MS. WALKE: No questions, your Honor.

16 EXAMINER SEE: Mr. Kurtz?

17 MR. KURTZ: No questions.

18 EXAMINER SEE: Mr. Willison?

19 MR. WILLISON: No questions, your Honor.

20 EXAMINER SEE: Okay. Now, Mr. Gallon.

21 MR. GALLON: Apologies again, your Honor.

22 EXAMINER SEE: No problem.

23 - - -

24

25

CROSS-EXAMINATION

By Mr. Gallon:

Q. Mr. Buckley, good afternoon again.

A. Good afternoon.

Q. As I said before, my name is Eric Gallon. I am outside counsel for AEP Ohio, and I have a few questions for you today about your -- your prefiled testimony. Your opinions in this case are summarized in answer A6 of your testimony, are they not?

A. I'm sorry. Could you repeat the question?

Q. Certainly. Would you turn to page 3 of OCC Exhibit 8.

A. Yes.

Q. And if I could direct your attention to lines 12 through 16.

A. Yes.

Q. And I am going to read your testimony on those lines. You state there "I recommend that the PUCO reject the Settlement entirely and instead require an MRO. But if the PUCO opts to move forward with an ESP, I believe the Settlement is not appropriate for ratemaking. The PUCO should modify the Settlement and use the OCC's recommended Return on Equity (or ROE) and resulting rate of return."

1 Did I read that correctly?

2 A. Yes, you did.

3 Q. Does that summarize the opinions that you  
4 are offering in this proceeding?

5 A. For the most part, yes.

6 Q. And just above that in your answer to  
7 question 6 also on page 3, you describe the PUCO's  
8 three-prong test for evaluating settlements, correct?

9 A. Yes.

10 Q. And prong two you say asks whether the  
11 settlement as a package benefits consumers and the  
12 public interest, correct?

13 A. Correct.

14 Q. While we are on the same page in your  
15 response to question 7, on line 21, you say "The  
16 Settlement includes a return on equity (or ROE) of  
17 9.71 percent. I believe that this does not benefit  
18 consumers and the public interest (prong two)." Did  
19 I read that correctly?

20 A. You did.

21 Q. You're saying an ROE of 9.71 does not  
22 benefit consumers and the public interest?

23 A. Yes.

24 Q. So you are saying an ROE of 9.71 violates  
25 prong two of the Commission's three-prong test for



1 settlements?

2 A. Yes.

3 Q. Do you offer an opinion in your testimony  
4 on the settlement as a package whether it meets the  
5 three-prong test that you describe in the answer to  
6 question 6?

7 A. I believe that the rate of return and  
8 return on equity are a part of the package; and,  
9 therefore, with evaluating the package of a whole --  
10 as a whole, it is such a big piece of that package  
11 that I think it violates prong two.

12 Q. So the ROE itself determines whether the  
13 package as a whole meets the Commission's three-prong  
14 test?

15 A. I did not state that. I don't believe  
16 that that's necessarily always true. But in this  
17 case I think it sways the -- the needle to the point  
18 where it is not in the public interest.

19 Q. Mr. Buckley, is it fair to say that  
20 there's no portion of OCC Exhibit 8 in which you  
21 discuss the Stipulation as a package?

22 A. I don't think that's fair to say, no.

23 Q. Can you point to me where in your  
24 testimony you describe the Stipulation as a package?

25 A. I say that the ROE shifts the needle to

1 the point where the package violates prong two.

2 Q. Is there a portion of your prefiled  
3 testimony, Mr. Buckley, in which you describe the  
4 other portions of the Stipulation?

5 A. I describe some other parts of the  
6 Stipulation, yes.

7 Q. Is there a portion of your testimony in  
8 which you provide an overview of the contents of the  
9 Stipulation that's been filed in this case?

10 A. I don't believe there is, no.

11 Q. You also opine that a return on equity of  
12 9.71 percent results in rates to consumers that are  
13 not just and reasonable, correct?

14 A. Yes.

15 Q. And that opinion is based on your  
16 conclusion that the ROE in this settlement and  
17 resulting rate of return are too high, correct?

18 A. If you could point me where in my  
19 testimony I said that, I could verify that, but I  
20 believe that's true.

21 Q. Certainly. It would be page 3, line 25,  
22 "As explained later in my testimony" --

23 A. Yeah.

24 Q. -- "the ROE in the Settlement and  
25 resulting rate of return is too high"; is that

1 correct?

2 A. Correct.

3 Q. I would like to cover each of the topics  
4 in your testimony in turn, Mr. Buckley. I am going  
5 to start with return on equity or ROE. I may use  
6 either term. You will understand what I mean,  
7 correct? You reviewed the Joint Stipulation and  
8 Recommendation that was filed in these proceedings,  
9 correct?

10 A. Yes.

11 Q. And that Stipulation contained a clause  
12 that said that the carrying charge for capital riders  
13 will reflect the cost of capital approved in the most  
14 recent base rate case, correct?

15 A. Correct.

16 Q. What are the capital riders that will be  
17 affected by this portion of the Stipulation?

18 A. I don't know all of them off the top of  
19 my head. I don't think it's in my testimony. I know  
20 there is a few, but I don't recall them off the top  
21 of my head, I'm sorry.

22 Q. That's okay, Mr. Buckley. Have you read  
23 the Opinion and Order in AEP Ohio's most recent base  
24 rate case?

25 A. I have.

1           Q.    And in that case, the Commission approved  
2 this Stipulation that had been filed by the majority  
3 of the parties to that proceeding, correct?

4           A.    I don't know if -- the majority or not  
5 but there was a Stipulation filed and there were  
6 multiple parties, but I don't -- I don't know if it  
7 was the majority or not.

8           Q.    And the Commission approved the  
9 Stipulation without modifying the return on equity  
10 that was included in the Stipulation, correct?

11          A.    I believe that's true.

12          Q.    And that is the return on equity that AEP  
13 Ohio is currently earning today in 2023?

14          A.    Yes.

15          Q.    And the Opinion and Order in AEP Ohio's  
16 most recent base rate case was adopted in November of  
17 2021, correct?

18          A.    I don't know.

19          Q.    It was adopted at some time in 2021,  
20 correct?

21          A.    I -- I have no reason to doubt you, but I  
22 don't know that.

23          Q.    You originally prepared testimony for  
24 this proceeding in opposition to AEP Ohio's  
25 application, correct?

1           A.    Which proceeding are you meaning? The  
2 rate case or this case?

3           Q.    Thank you for asking for clarification.  
4 You originally prepared testimony in the proceeding  
5 for which you are sitting right now, the ESP  
6 proceeding in opposition to AEP Ohio's Application,  
7 correct?

8           A.    Correct.

9           Q.    And that testimony was filed on or about  
10 June 9, 2023?

11          A.    Again, I apologize. I'm not real good  
12 with dates and numbers and things like that. If you  
13 are talking about this testimony, again, I have no  
14 reason to doubt you, but I don't -- I don't have that  
15 date up here with me.

16               MR. GALLON: Your Honor, I would mark --  
17 I would ask the court reporter to mark as Exhibit --  
18 AEP Ohio 7, the Direct Testimony of Joseph P. Buckley  
19 dated June 9, 2023.

20               EXAMINER SEE: Mr. Buckley's direct  
21 testimony will be so marked.

22               Do you happen to have a copy with you,  
23 Mr. Gallon?

24               MR. GALLON: Permission to approach?

25               EXAMINER SEE: Yes. Mr. Gallon, you said

1 AEP Ohio Exhibit 7?

2 MR. NOURSE: AEP Ohio 6.

3 MR. GALLON: Oh, I see. Thank you for  
4 the correction. I thought we had done 6. This will  
5 be AEP Ohio Exhibit 6.

6 EXAMINER SEE: Thank you.

7 MR. GALLON: Thank you.

8 EXAMINER SEE: Mr. Buckley's testimony is  
9 marked AEP Ohio Exhibit 6.

10 (EXHIBIT MARKED FOR IDENTIFICATION.)

11 MR. MICHAEL: Do you have another copy,  
12 Mr. Gallon?

13 MR. GALLON: I have several copies. It's  
14 being handed down. Sorry, counsel.

15 Q. (By Mr. Gallon) Mr. Buckley, can you  
16 identify the document that has been marked AEP Ohio  
17 Exhibit 6?

18 A. The document you just handed me was my  
19 direct testimony in this case dated June 9, 2023.

20 Q. And was this testimony prepared by you or  
21 on your behalf?

22 A. It was.

23 Q. And was that testimony truthful to the  
24 best of your knowledge when it was filed?

25 A. I believe so, yes.

1 Q. Did it honestly express your opinions at  
2 the time OCC filed it?

3 A. It did.

4 Q. Mr. Buckley, could you turn to page 3 of  
5 AEP Ohio Exhibit 6?

6 A. Yes.

7 Q. I am going to read to you the question  
8 and answer for question 7.

9 MR. MICHAEL: Your Honor, before counsel  
10 does, I am going to object to any questions about  
11 this document. This was his direct testimony filed  
12 in the case. It hasn't been presented as an exhibit  
13 by OCC. AEP Ohio, in fact, moved to prevent all  
14 parties from introducing their direct testimony. So,  
15 you know, it's perfectly appropriate -- I thought he  
16 was going after a date, you know, confirmation, stuff  
17 like that is fine, but in terms of substantive  
18 questions, I object for the reasons stated.

19 EXAMINER SEE: Mr. Gallon.

20 MR. GALLON: I apologize, your Honor. I  
21 don't believe AEP Ohio moved to exclude all original  
22 testimony. I think this is straightforwardly  
23 admissible. It's a statement of a party opponent. I  
24 am going to be using it to compare and contrast the  
25 opinions he originally offered in his direct

1 testimony to those he offered in his testimony filed  
2 in September.

3           It's common in cases like this to use the  
4 party's different versions of their testimony in  
5 cross-examination, and the distribution rate case we  
6 were just discussing, IGS was allowed to examine AEP  
7 Ohio Witness David Roush regarding the testimony he  
8 filed in support of the Company's Application even  
9 though AEP Ohio did not move that testimony into  
10 evidence and I -- the Attorney Examiner allowed it in  
11 that case, and I see no reason why the Commission  
12 would not allow the same here.

13           EXAMINER SEE: I'll allow it. Go ahead.

14           MR. GALLON: Thank you, your Honor.

15           Q. (By Mr. Gallon) So we are looking at AEP  
16 Ohio Exhibit 6, Mr. Buckley, question 7, the question  
17 says "Please summarize your recommendations." Answer  
18 7 says "For consumer protection, I recommend that the  
19 PUCO accept OCC's recommended Return on Equity (ROE)  
20 and Debt Rate in this case. However, if the PUCO  
21 rejects OCC's recommendation, I believe Ohio Power  
22 should be required to revert to the last PUCO  
23 approved rate established in case 20-585-EL-AIR." Is  
24 that a correct statement of your testimony from AEP  
25 Ohio Exhibit 6, page 3, lines 11 through 16?



1           A.     That's what it states, correct.

2           Q.     And I would like to direct your attention  
3 now to question 8. Question 8 said "Do you believe  
4 the rate of return should be updated in this ESP, as  
5 Ohio Power proposes"; is that correct?

6           A.     Correct.

7           Q.     And your answer to question 8 is "No.  
8 The current rate of return was approved less than two  
9 years ago. The national averages for rates of return  
10 for distribution only electric companies (such as  
11 Ohio Power) have not fluctuated substantially during  
12 that timeframe." Did I accurately state that portion  
13 of your answer to question 8 in AEP Ohio Exhibit 6?

14          A.     You did.

15          Q.     Those two points made in your original  
16 testimony to support the continuation of AEP Ohio's  
17 approved rate of return is still true, are they not?

18          A.     Can you reread the question, please?

19          Q.     I can clarify, make it more  
20 straightforward, Mr. Buckley, if you would like.

21                   EXAMINER SEE: Would you prefer?

22                   THE WITNESS: Yeah, I would prefer the  
23 question.

24                   (Record read.)

25                   EXAMINER SEE: Karen, could you reread

1 that, please?

2 (Record read.)

3 A. I'm sorry. I don't understand that  
4 question.

5 Q. Let me break it down, Mr. Buckley. In  
6 your answer to question 8 in AEP Ohio Exhibit 6, the  
7 first reason you give for not updating the rate of  
8 return in this case was that the current rate of  
9 return was approved less than two years ago.

10 MR. MICHAEL: I'm going to -- I  
11 apologize, counsel. Go ahead. I object to the form  
12 of the question, your Honor. Q8 that counsel is  
13 referring to says updated as Ohio Power proposes, not  
14 updating all together, so I object to the form of the  
15 question.

16 EXAMINER SEE: Overruled. You can answer  
17 the question, Mr. Buckley.

18 THE WITNESS: I'm sorry. I am going to  
19 have the question reread.

20 (Record read.)

21 A. Correct.

22 Q. And the date it was approved was  
23 November 17, 2021, correct?

24 A. Could you point me to where in my  
25 testimony I say that?

1           Q.    Absolutely.  It's in footnote 1 and  
2           footnote 2 of AEP Ohio Exhibit 6.

3           A.    Correct, yeah.

4           Q.    November 17, 2021, is still less than two  
5           years ago, correct, Mr. Buckley?

6           A.    Correct.

7           Q.    And then you go on to say in explaining  
8           why you don't believe the rate of return should be  
9           updated in this ESP that "The national averages for  
10          rates of return for distribution only electric  
11          companies (such as Ohio Power) have not fluctuated  
12          substantially during that timeframe," correct?

13          A.    Correct.

14          Q.    And that is still true, is it not?

15          A.    I wasn't finished with my answer, I'm  
16          sorry.

17                   EXAMINER SEE:  Go ahead.

18                   THE WITNESS:  Could you reread the  
19          question?

20                   (Record read.)

21          A.    I just want to be clear that at the time  
22          I wrote my original testimony, I had not seen the  
23          Stipulation and the other components of the  
24          Stipulation.  That's why I believe that now 9.71 as a  
25          package, as part of that package, and the Stipulation

1 is not in the public interest.

2 Q. Mr. Buckley, the question I asked you can  
3 probably be clarified as this, have the national  
4 averages for rates of return for distribution only  
5 electric companies such as Ohio Power fluctuated  
6 substantially since November 17, 2021?

7 A. When I wrote my testimony in the original  
8 case, I do not believe they had fluctuated  
9 substantially. When you are starting to look at  
10 different pieces of -- of companies such as a  
11 distribution only utility, that there has been some  
12 fluctuation but, again, the reason, the primary  
13 reason for my change in my recommendation is based on  
14 the other factors in the Stipulation.

15 Q. So it isn't primarily based on the ROE  
16 itself?

17 A. I don't understand that question. I'm  
18 sorry.

19 Q. You said the primary reason for the  
20 change in your recommendation is based on the other  
21 factors in the Stipulation. And I am asking you to  
22 clarify then the primary reason for the change in  
23 your recommendation has nothing to do with the ROE  
24 itself.

25 A. The ROE is a risk model, something that

1 judges risk, and I believe the risks to the Company  
2 overall have changed from my original testimony into  
3 the current testimony.

4 Q. Mr. Buckley, if I could return your  
5 attention to your September testimony which has been  
6 marked OCC Exhibit 8. In this testimony you  
7 recommend the rate of return 6.7 percent and an ROE  
8 of 9.51 percent, correct?

9 A. Could you point me to where I say that?

10 Q. Absolutely. If you turn to page 11.

11 A. Yeah, I've got it. Thank you.

12 Q. So line 10, rate of return of  
13 6.7 percent, ROE of 9.51 percent, correct?

14 A. Correct.

15 Q. Whereas, the return on equity that was  
16 agreed to in the stipulation that was approved in AEP  
17 Ohio's last base rate case was approximately  
18 9.7 percent, correct?

19 A. Correct.

20 Q. Did you analyze how lowering the ROE and  
21 the rate of return to the levels you recommend on  
22 page 11, line 10, of your testimony would affect the  
23 rates that residential customers will pay under the  
24 gridSMART rider?

25 A. I don't recall if I did or not to be

1 honest with you. I know there was -- there was some  
2 calculations being done, but I don't remember if that  
3 was part of it or not.

4 Q. Do you recall whether you analyzed how  
5 lowering the ROE and the rate of return to your  
6 recommended levels would affect the rates that  
7 residential customers will pay under the Distribution  
8 Investment Rider?

9 A. I don't recall.

10 Q. So in this case you offer, as I said -- I  
11 know I am repeating myself, counsel, but I am merely  
12 doing this to set up the next question that the PUCO  
13 should set an ROE 9.51 percent, correct?

14 A. Correct.

15 Q. And you came up with that number  
16 calculating a return on equity for AEP Ohio using two  
17 different methods, correct?

18 A. Yes.

19 Q. And those were the discounted cash flow  
20 method and the capital asset pricing model, correct?

21 A. Commonly called CAPM.

22 Q. And the discounted cash flow method is  
23 commonly called DCF?

24 A. DCF, correct.

25 Q. I will use DCF and CAPM in my

1 questioning. You provide the results of the DCF and  
2 the CAPM on page 9 of your September testimony,  
3 correct?

4 A. Correct.

5 Q. And the result of the CAPM analysis is  
6 9.32 percent?

7 A. Correct.

8 Q. And the result of the DCF analysis is  
9 9.707 percent, correct?

10 A. Correct.

11 Q. Which is almost identical to the return  
12 on equity that the Commission adopted in AEP Ohio's  
13 last base rate case, is it not?

14 A. It is, yes.

15 Q. In your testimony you say that the  
16 standard PUCO Staff method to calculate return on  
17 equity for at least the last 25 years was to average  
18 the outcomes of the DCF and CAPM methods; is that  
19 right?

20 A. Correct.

21 Q. And that testimony is at the top of page  
22 8, correct?

23 A. Yes.

24 Q. You say there are -- I want to point to  
25 the specific language, "This method has been relied

1 on by the PUCO Staff predominantly for at least the  
2 last 25 years," correct?

3 A. Correct.

4 Q. What do you mean by predominantly?

5 A. They -- there has been some fluctuations  
6 where one -- and it's only happened a couple times,  
7 but one factor may have received a higher weighting  
8 than the other.

9 Q. You would agree in your 25 years with the  
10 PUCO that there were cases in which the Commission  
11 did not adopt Staff's calculation of return on  
12 equity, would you not?

13 A. I don't think your question is factually  
14 correct, I'm sorry. I was with the Commission for  
15 more than 25 years.

16 Q. How long were you with the Commission?

17 A. 35 years.

18 Q. 35 years? Forgive my bad math. In the  
19 35 years you were with the Commission, would you  
20 agree that there have been cases in which the  
21 Commission did not adopt Staff's calculation of the  
22 return on equity?

23 A. Yeah. I mean, it's -- return on equity a  
24 lot of times is used, but it's -- the rate of return  
25 is what's really important. You don't earn a return



1 on equity of your investment. You earn a rate of  
2 return. The rate of return has been modified some --  
3 some -- in some cases from what the Staff  
4 recommended.

5 Q. Would you agree that there have been  
6 times during your 35 years with the Public Utilities  
7 Commission in which the DCF was the primary method  
8 for calculating return on equity?

9 A. I don't recall that. It doesn't mean it  
10 didn't happen, but I don't recall it.

11 Q. In this case, Mr. Buckley, in your  
12 calculation using the DCF and CAPM methods, you  
13 attempted to calculate a rate of return for AEP Ohio  
14 that was based on current market conditions, correct?

15 A. Correct.

16 Q. So in calculating the DCF, you used the  
17 average stock price for April 13, 2022, to April 12,  
18 2023, correct?

19 A. Correct.

20 Q. And you relied on the sum of the last  
21 four quarterly dividends in calculating the DCF,  
22 correct?

23 A. Correct.

24 Q. And you relied on 2023 estimates of the  
25 expected growth rate of earnings, correct?

1           A.     Correct.

2           Q.     And for the long-term growth rate and  
3     GNP, you used the average annual change in GNP from  
4     the Department of Commerce for 1929 through 2022,  
5     correct?

6           A.     Subject to check, it would be correct. I  
7     would have to go back and look exactly to verify  
8     those numbers, but subject to check, I believe that's  
9     correct.

10          Q.     I would direct your attention to page 10,  
11     line 25 of your September testimony.

12          A.     Okay. Thank you.

13          Q.     It says "The long-term growth rate in GNP  
14     was the average annual change in GNP from the U.S.  
15     Department of Commerce from 1929 through 2022,"  
16     correct?

17          A.     Correct.

18          Q.     These are all things that were updated  
19     since the Commission adopted the current rate of  
20     return in November of 2021, correct?

21          A.     Correct.

22          Q.     And in calculating the CAPM cost of  
23     common equity estimate, you also relied on current  
24     market information, correct?

25          A.     Correct.

1           Q.    You use the average of the yearly 10-year  
2           and 30-year bond rates over the last 30 years so  
3           through 2023?

4           A.    Correct.

5           Q.    And average betas for the comparable  
6           companies as of this year, 2023?

7           A.    Correct.

8           Q.    You also use the New York University  
9           Stern College of Business's equity risk premium as of  
10          2023?

11          A.    Yes.

12          Q.    Let me ask you about that last one.  Who  
13          specifically is the source of the equity risk premium  
14          that's cited on page 9, line 19, of your testimony?

15          A.    I -- I found it from an internet  
16          publication.  I don't recall exactly where it was but  
17          that was how it was stated.  It's the New York Stern  
18          College of Business equity risk premium.  I took it  
19          from an article I read.

20          Q.    Do you know whether that equity risk  
21          premium has actually been endorsed by the New York  
22          Stern College of Business as opposed to being  
23          published by a professor there?

24          A.    I don't recall if it was or not.

25          Q.    And you don't recall the name of the

1 article from which you obtained this information?

2 A. I don't.

3 Q. There's no citation in your -- in your  
4 September testimony?

5 A. There is not.

6 Q. I mentioned a minute or two ago the  
7 yearly 10-year and 30-year bond rates that you relied  
8 on for your CAPM estimate. Do you remember that?

9 A. Yes.

10 Q. Let me ask you about those 10-year and  
11 30-year bond rates. Are you familiar with the  
12 concept of the yield spread?

13 A. Yes.

14 Q. What does -- what is a yield spread?

15 A. It would be the difference between  
16 treasuries and the yields on let's say a public  
17 company.

18 Q. Would you agree that the yield on a  
19 30-year treasury bond is typically lower than the  
20 yield on an A- rated public utility bond?

21 A. Yes.

22 Q. And the primary reason for this, would  
23 you agree, is investors require a higher return to  
24 invest in public utility debt than in debt issued by  
25 the U.S. Government?

1           A.    Yes.  But as I've stated earlier in my  
2   testimony, when you are setting a rate of return or a  
3   return on equity, I think the statutes or the  
4   judicial precedents are Hope and Bloomfield, and it's  
5   about capital attraction that's important.  And I  
6   believe that the rate that I'm suggesting will allow  
7   AEP Ohio to attract capital.

8           Q.    I haven't asked this, but since you are  
9   mentioning the legal precedents, I should probably  
10  clarify for the record, Mr. Buckley, you are not an  
11  attorney, correct?

12          A.    No, I am not.

13          Q.    And you have never been to law school?

14          A.    No.

15          Q.    Are 30-year treasury bonds widely cited  
16  in the investment community as a barometer of  
17  long-term debt costs?

18          A.    I don't understand the question.  I'm  
19  sorry.

20          Q.    Let me ask a different question.  Would  
21  you agree that U.S. Government bonds are considered  
22  to be the benchmark for a risk-free rate?

23          A.    Yes.

24          Q.    So the reason there's a yield spread  
25  between public utility bonds and U.S. treasury yields

1 is that the risks associated with investing in  
2 utility debt are higher; would you agree with that?

3 A. Correct.

4 Q. So for --

5 A. Historically correct.

6 Q. Is it correct that another way to think  
7 about yield spread is that it's a risk premium?

8 A. It -- it is sometimes used that way.  
9 There -- there could be other things that affect a  
10 certain company's debt so I don't know if that's  
11 used -- I don't know if I am as comfortable as some  
12 are with that, but it has been used by others that  
13 way.

14 Q. So in the way that it's been used by  
15 others, would you agree there is risk premium yields  
16 on treasury bonds in the cost of common equity?

17 A. Yes.

18 Q. So other things being equal, if the  
19 yields on bonds fall, we would expect the cost of  
20 common equity to fall as well; is that correct?

21 A. No. I would not make that step -- that  
22 leap at all, no.

23 Q. Would you say that when bond yields  
24 increase, the cost of common equity shall also  
25 increase?

1           A.    No.  I would not make that leap at all.  
2    I would not make that -- no.

3           Q.    You looked at yearly 10-year bond rates  
4    over the last 10 years to calculate your CAPM common  
5    equity, correct?

6           A.    Yes.

7           Q.    And the yield on 10-year treasury bonds  
8    have increased since November of 2021, have they not?

9           A.    They have.

10          Q.    And you also looked at the yearly 30-year  
11   bond rates over the last 30 years to calculate your  
12   CAPM cost --

13          A.    Yes.

14          Q.    -- common equity estimate?

15          A.    Yes.

16          Q.    And the yield on 30-year treasury bonds  
17   have also increased since November of 2021, correct?

18          A.    Yeah, but the -- looking at the average  
19   rates of return on return on equities that are being  
20   granted nationwide and the spreads between 30-year  
21   and 10-year, that spread is narrowing or getting  
22   narrower.  That's why I'm -- I think I understand  
23   where you are going, and I am not comfortable with  
24   that.  That spread does not stay constant over time.

25          Q.    It doesn't change -- stay constant in

1 part because the yields on treasury bonds don't stay  
2 constant over time; isn't that correct?

3 A. I don't understand that question. I'm  
4 sorry.

5 Q. That's okay. Mr. Buckley, that's --  
6 let's move on for a moment. In this case you  
7 calculated an updated rate of return, correct?

8 A. Correct.

9 Q. And that's based on the weighted average  
10 cost of capital?

11 A. Yes.

12 Q. And for your updated rate of return, you  
13 used the Company's capital structure as of end of  
14 fiscal year 2022, correct?

15 A. I'm sorry to do this to you, but could  
16 you -- is that on page 11? Is that what you were  
17 referring to?

18 Q. Yes.

19 A. Yes, yes.

20 Q. That's okay. Yeah, it's question 19,  
21 answer 19. And the title to this little chart, it  
22 says "Capital Structure as 2022 end of Fiscal Year."

23 A. Yes.

24 Q. Per -- okay. And you said that was the  
25 most recent information available from S&P to update



1 capital structure long-term debt cost?

2 A. Correct.

3 Q. You mentioned S&P here. You also  
4 reported Ohio Power's bond rating in your report,  
5 correct?

6 A. Correct.

7 Q. You point out in your testimony on page 7  
8 that AEP Ohio is rated A- by S&P; is that right?

9 A. Correct.

10 Q. Now, that's the same rating S&P gave to  
11 AEP Ohio in April of 2021, isn't it?

12 A. Correct.

13 Q. So AEP Ohio's risk hasn't changed  
14 materially since the Opinion and Order was filed in  
15 the distribution rate case?

16 A. Its rating has not changed. I -- and  
17 bond rating is a -- is a big factor in determining  
18 risk. I believe that the Company has become less  
19 risky based on the Stipulation and the guaranteed  
20 returns of the riders in that Stipulation.

21 Q. AEP Ohio -- AEP Ohio has riders now,  
22 doesn't it?

23 A. They do.

24 Q. So in some of the riders that are going  
25 to continue in this ESP if the Commission adopts this

1 Stipulation in this case are the same riders that it  
2 has now, correct?

3 A. Yes. But I think as a package when we  
4 were evaluating at the OCC, the entire package, we  
5 were suggesting that there would be less riders.  
6 That's -- that helps explain the discrepancy between  
7 the two numbers.

8 Q. Mr. Buckley, the two capital riders in  
9 this case are capital riders that currently exist,  
10 are they not?

11 A. I believe so, yes.

12 Q. And under this Stipulation they would be  
13 continuing with the same ROE they currently have,  
14 correct?

15 A. I believe so, yes.

16 Q. We are talking about the S&P bond rating  
17 which is the one that you reference in your  
18 testimony, but S&P is not the only company in the  
19 United States that provides bond ratings, correct?

20 A. I can't hear you over the whispering and  
21 stuff, so could you repeat the question?

22 Q. Oh, absolutely. S&P is not the only  
23 company in the United States that provides bond  
24 ratings, correct?

25 A. Correct. There's -- I think Fitch and

1 Moody's are the other two that most people look at.

2 Q. Are you familiar with Moody's bond rating  
3 system?

4 A. I am, yes.

5 Q. So Ohio Power's bond rating for Moody's  
6 is included in one of the attachments to your report,  
7 correct?

8 A. Could you point me to where that is? I  
9 don't -- I don't know.

10 Q. Oh, absolutely. This isn't a memory  
11 test.

12 A. Okay.

13 Q. So it's Attachment JPB-03. So if we turn  
14 to JPB-03, can you identify this exhibit or this  
15 attachment to your testimony?

16 A. I have that, yes.

17 Q. Can you identify what Attachment JPB-03  
18 to your testimony is, Mr. Buckley?

19 A. I believe it's the J.P. Morgan Midwest  
20 Utilities Forum.

21 Q. And it's a presentation from AEP Ohio at  
22 that forum?

23 A. I believe so, yes.

24 Q. And if you turn to page 24 of 53 of that  
25 presentation, it provides the credit ratings for

1 various members of the AEP Ohio corporate family,  
2 correct?

3 A. It does.

4 Q. And if you look at the seventh line in  
5 that chart, it provides the credit rating for AEP  
6 Ohio as of March 14, 2023?

7 A. Correct.

8 Q. And the Moody's rating for AEP Ohio is  
9 Baa1 as of March 14, 2023?

10 A. Correct.

11 Q. And that's analogous to a BBB+ rating on  
12 the S&P scale, correct?

13 A. I don't know that for a fact. Again, I  
14 am not doubting it, but I don't know that for a fact.  
15 I would have to look it up.

16 Q. You have a NARUC publication attached to  
17 your report, correct?

18 A. Yes.

19 Q. Are NARUC publications the kind of  
20 sources you typically consider to be reliable sources  
21 of information on public utility matters?

22 A. It -- could you point me to the exhibit  
23 that you are referring to? Is it Exhibit 1?

24 Q. Actually, Mr. Buckley, I'm leading up  
25 to -- to a new document I am going to be providing

1 you in just a second, so I am just asking you you  
2 typically review NARUC publications --

3 A. I --

4 Q. -- for information on public utilities?

5 A. I do review them. I don't always -- I  
6 don't always agree with them or sort them -- or cite  
7 them as fact, but sometimes I do if I believe that  
8 they are good and confirm some of the information in  
9 them.

10 MR. GALLON: Your Honor, I would like to  
11 have marked as AEP Ohio Exhibit 7, a NARUC document  
12 titled "Utility Credit Ratings and Equity Analysis"  
13 dated September 19, 2016. And may I approach, your  
14 Honors?

15 EXAMINER SEE: Yes, you may. The exhibit  
16 is so marked, Mr. Gallon.

17 (EXHIBIT MARKED FOR IDENTIFICATION.)

18 Q. (By Mr. Gallon) Mr. Buckley, I have put  
19 in front of you a document that has been marked AEP  
20 Ohio Exhibit 7. And it is a document titled "Utility  
21 Credit Ratings and Equity Analysis," correct?

22 A. It is, yes.

23 Q. And it was prepared by John Quackenbush,  
24 CFA, correct?

25 A. He's listed as the author, yes.

1 Q. And he states that he is with NARUC Staff  
2 Subcommittee on Accounting and Finance.

3 A. Correct.

4 Q. And the document is dated September 19,  
5 2016, correct?

6 A. Correct.

7 Q. So I would ask you to turn to page 7,  
8 Mr. Buckley. And you will see it's a chart titled  
9 "Credit Ratings Scale"?

10 A. Yes.

11 Q. Have you seen in the past scales like  
12 this one that provides a translation of S&P credit  
13 ratings to Moody's credit ratings?

14 A. I have, yes.

15 Q. So we were just discussing the fact that  
16 AEP Ohio as of March 2023 had a credit rating of  
17 Baal, correct?

18 A. Correct.

19 Q. And if you will look at the credit rating  
20 scale I put before you, that would be equivalent to a  
21 BBB+ rating on the S&P scale, correct?

22 A. Based on this, yes.

23 Q. And on page 7 of your testimony, you  
24 reported that the average bond rating of regulated  
25 electric utilities and the industry's parent

1 companies is BBB+, did you not?

2 A. I did, yes.

3 Q. So if AEP Ohio has the same average bond  
4 rating as regulated electric utilities and the  
5 industry's parent companies, wouldn't that mean their  
6 bonds are viewed as being equally risky investments  
7 as the average utility bond?

8 A. They were, but according to S&P they're  
9 not.

10 Q. But according to Moody's, they are.

11 A. According to Moody's, they are but not  
12 according to S&P.

13 Q. And to be clear, when I say they are,  
14 according to Moody's, AEP Ohio's bond rating is as  
15 risky as the average utility bond.

16 A. According to the Moody's, correct.

17 Q. If I could direct your attention now to  
18 page 12 of your September testimony, Mr. Buckley.

19 A. Okay. I'm there.

20 Q. I wanted to direct your attention now to  
21 question and answer 21.

22 A. Yes.

23 Q. You say in your answer to 21 that "The  
24 national average return on equity granted to electric  
25 companies from March 31, 2022, to March 31, 2023, was

1 9.61 percent overall and 9.19 when distribution only  
2 utilities are averaged"; is that correct?

3 A. Correct.

4 Q. So a 9.7 percent return on equity in your  
5 opinion would be higher than these national averages  
6 for distribution only electric utilities from  
7 March 31, 2022, to March 31, 2023?

8 A. It would.

9 Q. And that number that you are discussing  
10 here is taken from Attachment JPB-02 to your  
11 testimony, correct?

12 A. Yes. Sorry.

13 Q. Can you identify Attachment JPB-02 to  
14 your testimony, Mr. Buckley?

15 A. Yeah. It's the major energy rate case  
16 decisions in the U.S. as of March 31, 2023.

17 Q. And this particular document includes  
18 both electric and gas rate case decisions, correct?

19 A. It does. It separates them out. Table 3  
20 is electric only, and Table 4 is gas only.

21 Q. Thank you for that clarification. This  
22 document does not include any information about the  
23 results of electric rate case decisions in the United  
24 States over the last six months, correct?

25 A. It does not, no.



1           Q.    Would it be fair to say interest rates in  
2   the United States generally have risen in the last  
3   six months?

4           A.    I would have to verify that.  I believe  
5   that's true.  I think that they have trended down  
6   recently, the 30-year, but I -- I don't know that for  
7   a fact.

8           Q.    Can we turn to Table 1 of the Attachment  
9   JPB-02?

10          A.    Yes.

11          Q.    So Table 1 is titled "Average ROEs  
12   authorized, 1990 to March 2023," correct?

13          A.    Correct.

14          Q.    And there are different columns in  
15   Table 1 for electric utilities and for gas utilities,  
16   correct?

17          A.    Correct.

18          Q.    So I would like to direct your attention  
19   to the columns -- the column for electric utilities.

20          A.    Yes.

21          Q.    The most recent information in this table  
22   is from the first quarter of 2023, correct?

23          A.    Correct.

24          Q.    And the average ROE for electric  
25   utilities in the first quarter of 2023 is

1 9.71 percent, correct?

2 A. It is.

3 Q. And you mentioned Table 3 of this  
4 attachment provides information on electric  
5 authorized ROEs?

6 A. It does. One of the -- one of the -- one  
7 of the problems with using just that line is there is  
8 only 10 observations. Typically you would like to  
9 have a few more. But that would not be for  
10 distribution only. That would be for all electric  
11 utilities.

12 Q. When you say typically you would like to  
13 have more than 10 observations to base an ROE on, can  
14 you cite a treatise or a policy that would support  
15 that opinion?

16 A. I went to public schools. I never use  
17 treatise. I have no idea what you are talking about.

18 Q. That's one of those fancy words I learned  
19 in law school, Mr. Buckley.

20 A. Okay.

21 Q. Let me rephrase that.

22 A. I'm sorry.

23 Q. You said that typically you would like to  
24 have more than 10 observations to determine the  
25 average authorized ROE. On what are you basing that

1     assertion?

2             A.     Just kind -- I don't -- I don't know  
3     what's behind the data, I guess, so you would like to  
4     look and see is there an outlier or is there two  
5     outliers once you get more data points? You are not  
6     as concerned about outliers. So if that's all I had  
7     to use, I could use that, but so data points is kind  
8     of -- you would like to see what the data points are  
9     before you say, oh, that's -- that's a good number.

10            Q.     And you did not look to see what the data  
11     points were underlying the first quarter 2023 results  
12     in Attachment JPB-02 in forming your opinions in this  
13     case?

14            A.     I did not.

15            Q.     So again, I wanted to direct your  
16     attention to Table 3 in this attachment. The top  
17     section of Table 3 shows the average and median ROEs  
18     for all cases, correct?

19            A.     Are -- you are referring to the top table  
20     in Table 3, the top?

21            Q.     Correct. So if you look at Table 3 which  
22     is page 5 of 8 Attachment JPB-02.

23            A.     Correct.

24            Q.     The first row is titled "Settled vs.  
25     fully litigated cases," correct?

1           A.     Correct.

2           Q.     And then the first group of columns has  
3 the header "All cases," correct?

4           A.     Correct.

5           Q.     And again, row -- the last row in that --  
6 the one that's titled "Q1'23" shows that the average  
7 ROE for electric utilities in the first quarter of  
8 2023 was 9.71 percent, correct?

9           A.     Correct.

10          Q.     And then it breaks down the average and  
11 median ROEs in the next groups of columns based on  
12 whether they were the result of settled or fully  
13 litigated cases, correct?

14          A.     Correct. It -- just to be clear the  
15 average -- you can tell because the median is below  
16 the average that there are probably some outliers  
17 there. Again, that's the -- the -- downfalls to -- I  
18 am struggling coming up with the word but that's one  
19 of the problems with only using 10 data points, and  
20 if you are using fewer than 10 data points, you would  
21 have -- outliers could have a bigger effect on the  
22 outcome.

23          Q.     Mr. Buckley, the report that we're  
24 looking at right now covers utility rate case  
25 decisions through the end the first quarter of 2023,

1 correct?

2 A. Correct.

3 Q. How often does S&P Global publish these  
4 reports?

5 A. They -- I believe they -- I'm sorry. I  
6 believe they publish them quarterly, but they don't  
7 always come out at -- you can't count on them to come  
8 out on certain days every year. I am not explaining  
9 this very well, but you can't count on them to come  
10 out October 1, January 1, those days. They are --  
11 they come out periodically usually four times a year.

12 Q. So the most recent S&P Global market  
13 intelligence report on major energy rate case  
14 decisions in the United States may not be the one for  
15 the third quarter of 2023; is that what you are  
16 saying?

17 A. Yes. Last one I reviewed, I think, was  
18 the second quarter, and I think it came out recently.

19 Q. Did it come out before you filed your  
20 testimony on September 20?

21 A. I believe recently is like a couple days  
22 ago so, no, it did not.

23 Q. So this is the most -- this was the most  
24 recent information available on rate case outcomes  
25 when you filed your September testimony.

1           A.    Correct.

2           Q.    If we could turn back to Table 3, the  
3 first row, the middle set of columns, these are the  
4 results of settled cases in the electric utility  
5 field, correct?

6           A.    Correct.

7           Q.    And it says that the average ROE in a  
8 settled case in the first quarter of 2023 was  
9 9.73 percent, correct?

10          A.    Yeah. Again, I struggle with it because  
11 there is only five observations, so I struggle with  
12 giving a whole lot of credence to that, but you are  
13 correct in that that is what it says.

14          Q.    And that's higher than the average ROE  
15 for settled cases in 2022?

16          A.    It is, yes.

17          Q.    And it's higher than the average ROE for  
18 settled cases in 2021, correct?

19          A.    Yes.

20          Q.    And it's higher than the average ROE in  
21 settled cases in 2020, correct?

22          A.    I apologize, but I am having trouble  
23 reading this. I believe so, yes.

24          Q.    If I could turn your attention to the  
25 last row in Table 3, this -- or last row of

1 information provides the same ROE information but  
2 this time breaking it down by whether the utility is  
3 vertically-integrated or distribution only; is that  
4 correct?

5 A. Yes.

6 Q. And the last group of columns at the  
7 bottom of Table 3 in Attachment JPB-02 is the group  
8 of columns that provide the average and median ROE in  
9 distribution only cases?

10 A. Correct.

11 Q. And the average ROE in distribution only  
12 electric utility cases for the first quarter of 2023  
13 was the same as the 9.7 percent ROE that was agreed  
14 to in AEP Ohio's electric distribution rate case in  
15 2021?

16 A. Could you repeat the question, please?

17 Q. Let me break it down, Mr. Buckley. The  
18 average ROE in distribution only electric utility  
19 cases for the first quarter of 2023 was 9.70 percent,  
20 correct?

21 A. For vertically-integrated, is that what  
22 you said?

23 Q. No, sir. For distribution only cases, so  
24 we are on Table --

25 A. Yes, yeah. I'm there with you now.

1           Q.    Okay.  The average ROE in distribution  
2   only electric utility cases for the first quarter of  
3   2023 was 9.7 0 percent, correct?

4           A.    Yeah.  There was one observation so there  
5   was one occurrence.

6           Q.    And that's the same ROE that was agreed  
7   to in the AEP Ohio electric distribution rate case  
8   and approved by the Commission in 2021, correct?

9           A.    Correct.

10          Q.    Let me turn to a slightly different  
11   question.  You mentioned earlier and in correcting  
12   one of my questions that you worked for the  
13   Commission for 35 years, correct?

14          A.    Correct.

15          Q.    1987 to 2022.

16          A.    Correct.

17          Q.    During that time would you agree that it  
18   was the Commission's practice not to recalculate  
19   rates of return in between base rate cases?

20          A.    I would agree with that statement.

21          Q.    And the Commission held a cost of capital  
22   forum in 2021 to discuss whether it wanted to change  
23   its longstanding policy of using the costs of equity  
24   and capital structures determined in the public  
25   utilities most recent rate case -- base case



1 proceeding to establish and adjust rates other than  
2 base rates, did it not?

3 A. I was not part of that. I don't know if  
4 they did or not. I did not attend that. I  
5 shouldn't -- I don't remember attending that. I  
6 don't believe I did.

7 Q. Are you aware of any change in the  
8 Commission's policy of not recalculating rates of  
9 return in between base rate cases?

10 A. I am not.

11 Q. A few last questions on ROE before we  
12 turn our attention to the MRO test. Would you agree  
13 there are many reasonable ways to calculate a rate of  
14 return?

15 A. I believe there are.

16 Q. Application of DCF and CAPM are simply  
17 educated guesses as to a fair rate of return on  
18 equity?

19 A. Again, I always default to the capital  
20 attraction. If using those two models gives you  
21 something that's way off base, it's -- experts a lot  
22 of times defend the models. I think what's more  
23 important is what the number is that they produce.  
24 If the models produce something that's not  
25 appropriate for ratemaking, then you would have to

1 find a different model.

2 Q. Mr. Buckley, can you identify the  
3 document that's attached to your testimony as  
4 Attachment JPB-01?

5 A. It's the Price Regulation and Accounting  
6 III: Cost of Capital Overview.

7 Q. And who is the author?

8 A. Author is Chancy Bittner.

9 Q. Of the Iowa Utilities Board, correct?

10 A. Correct.

11 Q. And this document is from NARUC Energy  
12 Regulatory Partnership Program?

13 A. Correct.

14 Q. What was the purpose for attaching this  
15 document to your report?

16 A. It discusses the Bluefield and Hope  
17 decisions in a nonlegal per -- in a way that nonlegal  
18 people can understand, I believe. That's why I  
19 picked this one. You could go back and pull the  
20 actual law, but I think it becomes difficult for  
21 non-attorneys to kind of understand it, so I tried to  
22 find something that simplified it a little bit.

23 Q. Do you think this document in general  
24 provides a nice overview of the process that Public  
25 Utilities Commissions like this one undertake when

1 trying to determine their rate of return on equity?

2 A. Yes.

3 Q. Would you turn to page 37 of 38 in  
4 Attachment JPB-01.

5 A. Yes.

6 Q. Do you see the last bullet point on that  
7 page where it says "And like a pilot landing a plane,  
8 as soon as the Board hits a zone of reasonableness,  
9 it's doing its job!"?

10 A. Yes.

11 Q. And here he is referring to the Iowa  
12 Utilities Board, correct?

13 A. Correct.

14 Q. So would you agree that if the Public  
15 Utilities Commission of Ohio hits a zone of  
16 reasonableness in picking a return on equity in this  
17 case, it's doing its job?

18 A. Could you rephrase that question, please?

19 Q. I could repeat it, but I'm not sure I  
20 could rephrase it.

21 A. Could you repeat it, please?

22 Q. Sure. Would you agree that if the Public  
23 Utilities Commission of Ohio hits a zone of  
24 reasonableness in setting the rate of return on  
25 equity in this case, it's doing its job?

1           A.    You are kind of tripping me up.  The rate  
2   of return on equity, it's a rate of return or return  
3   on equity.  Those are two different things.  If they  
4   are within a zone of reasonableness, I believe that  
5   that's -- if they were within that zone, then I would  
6   be comfortable.

7           Q.    Thank you for clarifying my question.  
8   We'll move on to the second part of your opinion at  
9   this point, Mr. Buckley.  Part IV of your September  
10   testimony offers your testimony on whether the  
11   proposed ESP set forth in the Stipulation is more  
12   favorable in the aggregate than the results of an  
13   MRO.  Let me rephrase the question.  Pardon me.  
14   Could we turn to page 4 -- part IV of your testimony.

15          A.    Could you give me -- it's page 12?

16          Q.    It's page 13.

17          A.    Page 13, yes, I've got it.

18          Q.    So starts on line 11.

19          A.    Yes.

20          Q.    ESP versus MRO more variable in the  
21   aggregate.  Would you agree that part IV of your  
22   September testimony is practically identical to part  
23   IV of your June testimony?

24          A.    I believe it is.

25          Q.    At most there might be 30 words different

1 between the two?

2 A. I don't know the exact number, but they  
3 are very similar.

4 Q. And the exhibits to your September  
5 testimony are the same as the exhibits to your June  
6 testimony, correct?

7 A. I believe they are.

8 Q. You offer an opinion on page 19 of your  
9 report, lines 12 through 17. I think I have the  
10 wrong page. You offer an opinion that Ohio Power's  
11 proposed ESP is not more favorable in the aggregate  
12 than an MRO, correct?

13 A. Correct.

14 Q. You offered the same opinion in the  
15 testimony you originally filed in June; is that  
16 right?

17 A. Correct.

18 Q. When you say that Ohio Power's proposed  
19 ESP is not more favorable in the aggregate than an  
20 MRO, I assume you mean the ESP that was proposed in  
21 the application that AEP Ohio filed in these  
22 proceedings?

23 A. Correct.

24 Q. So AEP Ohio's original application was  
25 modified in the Joint Stipulation and Recommendation

1 that was filed in this proceeding, correct?

2 A. Correct.

3 Q. Does your prefiled testimony include an  
4 opinion on whether the modified ESP proposed in the  
5 Joint Stipulation is more favorable in the aggregate  
6 than an MRO?

7 A. I believe the answer would be the same.

8 Q. Well, I am not asking you your opinion.  
9 I am asking whether your September testimony offers  
10 an opinion on that point.

11 A. It does not.

12 Q. Mr. Buckley, I have just one more  
13 question at this time and then redirect. And again,  
14 like my colleague Mr. Schuler, I have been asked to  
15 ask you this question under oath by someone at this  
16 table, Mr. Buckley, what is your golf handicap?

17 A. It fluctuates. Within -- I can answer  
18 within a zone of reasonableness it fluctuates between  
19 4 and 7.

20 MR. GALLON: Thank you for your honest  
21 testimony, Mr. Buckley.

22 No more questions at this time, your  
23 Honor.

24 THE WITNESS: Thank you.

25 EXAMINER SEE: Do you want to take a few

1 minutes, Mr. Michael?

2 MR. MICHAEL: I do not. We have no  
3 redirect, your Honor.

4 EXAMINER SEE: Mr. Margard, I don't think  
5 you had an opportunity to indicate whether or not you  
6 had cross for this witness.

7 MR. MARGARD: Thank you for the  
8 opportunity, your Honor. I'll decline.

9 EXAMINER SEE: And the Bench doesn't have  
10 any questions for you either, Mr. Buckley.

11 Mr. Michael?

12 MR. MICHAEL: Your Honor, I would  
13 reiterate my motion for the admission of OCC  
14 Exhibit 8.

15 EXAMINER SEE: Are there any objections  
16 to the admission of OCC Exhibit 8? Hearing none, OCC  
17 Exhibit 8 is admitted into the record.

18 (EXHIBIT ADMITTED INTO EVIDENCE.)

19 EXAMINER SEE: Mr. Gallon.

20 MR. GALLON: Your Honor, I would move the  
21 admission of AEP Ohio Exhibits 6 and 7.

22 EXAMINER SEE: Are there any objections  
23 to the admission of AEP Ohio Exhibits 6 and 7?

24 MR. MICHAEL: I have a question of  
25 clarification, your Honor. If counsel could identify

1     which of those exhibits -- remind which of those  
2     exhibits was his direct testimony?

3             MR. GALLON:  Absolutely.

4             EXAMINER SEE:  AEP Ohio Exhibit 6.

5             MR. GALLON:  AEP Ohio Exhibit 6 and  
6     Exhibit 7 was the NARUC document on utility credit  
7     ratings.

8             MR. MICHAEL:  Thank you, counsel.  OCC  
9     would object to the admission of AEP Ohio Exhibit 6  
10    for the reasons I stated when counsel first began  
11    questioning of the witness on that exhibit which I am  
12    happy to reiterate if the Bench would like.

13            EXAMINER SEE:  It's Friday at 4 o'clock.  
14    The Bench would like.

15            MR. MICHAEL:  Yeah.  So, your Honor, I  
16    recall that was Mr. Buckley's direct testimony.  As  
17    AEP argued vigorously earlier in this case, testimony  
18    filed before the Stipulation was filed is irrelevant.  
19    It doesn't address the three-part test.  The  
20    Stipulation has fundamentally changed the  
21    Application.  And given those reasons we believe --  
22    OCC objects to the admission of AEP Exhibit 6 which  
23    was the direct testimony filed before the  
24    Stipulation.

25            MR. GALLON:  Your Honors, despite the



1 fact that the Stipulation as Mr. Michael said is  
 2 greatly varied from the original Application, I  
 3 appreciate OCC's acknowledgment of that fact, the  
 4 fact remains Mr. Buckley's testimony is almost  
 5 identical with the exception of his justification  
 6 relating to ROE. And the purpose for asking him  
 7 those questions was to point out the fundamental  
 8 disconnect between the relief that OCC sought through  
 9 Mr. Buckley in his original testimony and the  
 10 opposite relief that they are seeking through his  
 11 September testimony.

12 We think the change in positions by  
 13 Mr. Buckley is relevant to his -- his credibility and  
 14 the credibility of the relief that OCC is now  
 15 seeking. You've already allowed me to question  
 16 Mr. Buckley about it, and I think it makes sense to  
 17 have the full testimony in the record for the  
 18 Commission's review.

19 EXAMINER SEE: Agreed. AEP Ohio Exhibits  
 20 6 and 7 are admitted into the record.

21 (EXHIBITS ADMITTED INTO EVIDENCE.)

22 EXAMINER SEE: We are finished for today.  
 23 We will resume on Monday at 10:00.

24 We are off the record.

25 (Thereupon, at 4:12 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 Friday, October 13,  
2023, and carefully compared with my original  
stenographic notes.

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Karen Sue Gibson, Registered  
Merit Reporter.

(KSG-7533)

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**Case No(s). 23-0023-EL-SSO, 23-0024-EL-AAM**

Summary: Transcript of the Ohio Power Company hearing held on 10/13/23 -  
Volume III electronically filed by Mr. Ken Spencer on behalf of Armstrong & Okey,  
Inc. and Gibson, Karen Sue Mrs..