

BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

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

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

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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 10:02 a.m. on Monday, October 16,
2023.

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VOLUME IV

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1 Monday Morning Session,
2 October 16, 2023.

3 - - -

4 EXAMINER SEE: Let's go on the record.
5 We are continuing the hearing in Case No.
6 23-23 and 23-24, Ohio Power Company ESP.

7 I would like to take brief appearances of
8 the parties starting on this side.

9 MR. PROANO: Good morning, your Honor.
10 David Proano for OELC.

11 MR. NOURSE: On behalf of the Ohio Power
12 Company, Steven T. Nourse, Michael J. Schuler.

13 MR. SETTINERI: On behalf of
14 Constellation Energy Generation, LLC, and
15 Constellation NewEnergy, Inc, Michael Settineri and
16 Gretchen Petrucci with the law firm Vorys, Sater,
17 Seymour and Pease. And good morning.

18 EXAMINER SEE: Good morning.

19 MR. MARGARD: Good morning, your Honor.
20 On behalf of the Commission Staff, Werner Margard,
21 Ambrosia Wilson, Ashley Wnek, Assistant Attorneys
22 General.

23 MR. KURTZ: Good morning, your Honors.
24 Mike Kurtz and Jody Cohn for OEG.

25 MS. WALKE: Good morning, your Honor. On

1 behalf of RESA, Avery Walke and Matthew Pritchard.

2 MR. BETTERTON: Good morning, your Honor.
3 On behalf of IGS Energy, Evan Betterton.

4 MR. SEMPLE: Good morning, your Honors.
5 On behalf of the Ohio Consumers Counsel, Connor
6 Semple.

7 MR. DOVE: Good morning, your Honor. On
8 behalf of OPAC, Robert Dove and Nick Bobb.

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

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

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

17 MR. DARR: On behalf OTA, Frank Darr.

18 EXAMINER SEE: Okay. Mr. Settineri.

19 MR. SETTINERI: Thank you, your Honor.
20 At this time Constellation would call Muralikrishna
21 Indukuri to the stand.

22 EXAMINER SEE: Mr. Indukuri, if you would
23 raise your right hand.

24 (Witness sworn.)

25 EXAMINER SEE: Thank you. Have a seat.

1 Mr. Settineri.

2 MR. SETTINERI: Thank you, your Honor.

3 - - -

4 MURALIKRISHNA INDUKURI

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

7 DIRECT EXAMINATION

8 By Mr. Settineri:

9 Q. Good morning, Mr. Indukuri.

10 A. Good morning.

11 Q. Could you please state your name and
12 business address for the record?

13 A. Sure. My name is Muralikrishna Indukuri,
14 business address 1310 Point Street, Floor 8,
15 Baltimore, Maryland.

16 Q. One thing, if you would move the
17 microphone just a little closer. Perfect. Thank
18 you.

19 MR. SETTINERI: Your Honor, at this time
20 we would mark as Constellation Exhibit 2 the Direct
21 Testimony of Muralikrishna Indukuri. This is dated
22 September 20, 2023.

23 EXAMINER SEE: The exhibit is so marked.

24 (EXHIBIT MARKED FOR IDENTIFICATION.)

25 Q. (By Mr. Settineri) Mr. Indukuri, could

1 you identify what's been marked as Constellation
2 Exhibit 2 for the record, please?

3 A. I have it with me.

4 Q. And what is that?

5 A. This is my direct testimony dated
6 September 20, 2023.

7 Q. All right. That was prepared by you or
8 at your direction?

9 A. Yes, it was.

10 Q. And does that include all the figures in
11 your testimony?

12 A. Yes, they do.

13 Q. Do you have any changes to your testimony
14 at this time?

15 A. No, I do not.

16 Q. And if I asked you the questions today in
17 that testimony, would your answers be the same?

18 A. Yes, they would.

19 MR. SETTINERI: All right. Your Honor,
20 the witness is available for cross. Subject to that
21 cross, we would move for the admission of
22 Constellation Exhibit 2 into the record.

23 EXAMINER SEE: Okay.

24 MR. NOURSE: Your Honor, we had a motion
25 to strike part of this testimony. If you would like

1 to briefly address that, we raise -- and, secondly,
2 on the order of cross, I think it was agreed only a
3 couple other Intervenors have questions. I would
4 like to go last before the Staff.

5 And I will just briefly reiterate our
6 motion to strike related to some of the tables and
7 data that were included without all the citations and
8 support relative to hearsay information. If it is
9 permitted, your Honor, we would like to get
10 permission to explore additional data that's of the
11 same -- same nature on cross.

12 EXAMINER SEE: Okay. The Bench
13 recognizes that there were -- there was a motion to
14 strike filed by AEP Ohio and a memoranda contra filed
15 by Constellation and at this time the Bench denies
16 the motion to strike on all six portions of
17 Mr. Indukuri's testimony.

18 With that, let's proceed with
19 cross-examination for the witness. One Energy, any
20 questions for Mr. Indukuri?

21 MR. DUNN: No questions, your Honor.

22 EXAMINER SEE: OCC, Mr. Semple?

23 MR. SEMPLE: No questions, your Honor.

24 EXAMINER SEE: Start on this side of the
25 room, Ms. Whitfield?

1 MS. WHITFIELD: No questions, your Honor.

2 EXAMINER SEE: On behalf of OMAEG?

3 MS. EASLEY: No questions, your Honor.

4 EXAMINER SEE: Mr. Dove?

5 MR. DOVE: No questions, your Honor.

6 EXAMINER SEE: Mr. Darr?

7 MR. DARR: No questions, thank you.

8 EXAMINER SEE: Mr. Betterton?

9 MR. BETTERTON: Briefly, your Honor.

10 - - -

11 CROSS-EXAMINATION

12 By Mr. Betterton:

13 Q. Good to see you again, Mr. Indukuri.

14 A. Hello.

15 Q. It feels like we were just here in the
16 AES case not too long ago. Just a few questions.
17 Participating in AEP's SSO auction process -- bidding
18 process is a relatively sophisticated process,
19 correct?

20 A. I mean, it's -- you have the
21 qualification requirements. You have it set to a
22 certain criteria, once you have posted collateral,
23 and once you are -- you qualify, you can participate
24 in the descending clock auction.

25 Q. I just want to make sure one of the

1 requirements that you laid out is the display of
2 collateral, correct?

3 A. You have to post collateral, correct.

4 Q. You state in your testimony that the
5 categories of risk facing SSO bidders has not
6 changed, correct?

7 MR. SETTINERI: Your Honor, could we have
8 a citation to the testimony, please?

9 MR. BETTERTON: I was referring
10 generally, but I am happy to point you to the
11 citation. One of the places you mention that is page
12 14, line 21 of your testimony. However, it is
13 mentioned numerous times throughout.

14 MR. SETTINERI: Your Honor, could we have
15 that question reread, please?

16 EXAMINER SEE: Sure.

17 Q. I am happy to reread it, and for clarity
18 I'll even give a citation this time. Mr. Indukuri,
19 throughout your testimony you mentioned the
20 categories of risk facing SSO bidders has not
21 changed, and specifically you mention this on page
22 14, line 21, correct?

23 A. The category is, yes.

24 Q. And when you say the category, is it fair
25 to say that you are referring to the types of risk

1 that those -- that bidders that choose to supply the
2 SSO auction face?

3 A. I make a distinction. It's -- there is
4 both the types of risks and the magnitude of risks,
5 so here all I am saying is about the various buckets
6 you can think of risk being a part of.

7 Q. So is it fair then to draw a parallel
8 between the categories and the types?

9 A. Probably.

10 Q. And no substantive changes have been made
11 to those categories or types of risk in the past five
12 years in AEP Ohio's service territory, correct?

13 A. I would disagree with that. The -- the
14 risks that the suppliers have been exposed to have
15 changed at least in the recent procurements in the --
16 to the extent that the customer behavior has
17 basically changed in that you have more industrial
18 customers who are showing up in the SSO and then
19 leaving SSO when the prices are beneficial to them.

20 Q. That seems to me, however, the change in
21 the customer patterns would equate more towards the
22 magnitude of risk, not the type of risk because
23 migration risk has happened -- has always been
24 present, correct? Nothing has changed the migration
25 risk category, just the magnitude?

1 A. The category existed, but the magnitude
2 is significantly changed, yes.

3 Q. There's a known lag between the SSO
4 prices and real-time market prices given that
5 auctions occur well in advance of finalized SSO
6 prices, correct?

7 A. Can you repeat the question, please?

8 Q. Yeah. There is a known -- or would you
9 agree there is a known lag between SSO prices and
10 real-time market prices given that SSO auction
11 procurement auctions happen in advance?

12 A. I mean, the SSO auctions happen in
13 advance, correct, prior to the February term, yes.

14 Q. AEP's most recent auction that you cite
15 in your testimony, and for the record that's
16 Figure 2, page 18, attracted eight bidders, correct?

17 A. That's correct.

18 Q. That figure also shows that those eight
19 bidders is an additional bidder, one additional
20 bidder, from the prior auction, correct?

21 A. One additional bidder than the
22 November 2022 but almost half compared to the prior,
23 yes.

24 MR. BETTERTON: Your Honor, I would move
25 to strike everything after "Yes." His counsel is

1 free to ask him about what happened in prior
2 auctions. I simply asked if it attracted more
3 bidders than the prior auction, and he answered yes.

4 EXAMINER SEE: His answer can stand.

5 Q. (By Mr. Betterton) AEP Ohio's auction
6 results on March 7, 2023, so using the same table,
7 resulted in a price \$31.42 lower than the prior
8 November '22 auction, correct?

9 A. The auction prices so there is -- the
10 auctions that -- the prices that you are quoting here
11 one occurred in November. The other occurred in
12 March, and the suppliers basically bid on auctions
13 based on the current market conditions prevailing at
14 that time and the prices, basically the forward
15 prices, dropped between November and March and that's
16 the reason for the lower prices between November and
17 March that you are referring to here.

18 MR. BETTERTON: Your Honor, I would also
19 move to strike that question [SIC]. I was only
20 trying to gather the difference in the two auction
21 prices. I don't believe my question was answered.

22 EXAMINER SEE: Perhaps you -- you could
23 ask your question again, Mr. Betterton.

24 MR. BETTERTON: I would be happy to.

25 Q. (By Mr. Betterton) Mr. Indukuri, SSO

1 auction results from March 7, 2023, resulted in a
2 price \$31.42 lower than the prior auction which was
3 held in November 2022, correct?

4 A. I mean, the reason why I answered the way
5 I did is you cannot look at prices -- the clearing
6 prices in a vacuum without regard to the underlying
7 forward prices which drive these auction prices.
8 Yes, there was a decrease but the decrease was driven
9 not because the risks were any different. It was
10 driven primarily because the underlying commodity
11 price was lower. The risks were still there. The
12 risks were still being priced.

13 MR. BETTERTON: Your Honor, I would renew
14 my motion. I am still simply just trying to clarify
15 what the difference was in the two results and all
16 he's admitted is that the price was lower. He has
17 not agreed to my number of \$31.42.

18 MR. SETTINERI: Your Honor, if I may, his
19 testimony is very helpful for the record, No. 1. You
20 can do the math. In fact, the math isn't right
21 that's being presented. The difference is \$31.43, I
22 believe. We can do the math.

23 EXAMINER SEE: The witness did answer
24 your question, but he gave some reason why he
25 believes it to be that way. Go ahead. Next

1 question.

2 MR. BETTERTON: Thank you, your Honors.

3 Q. (By Mr. Betterton) You state that a
4 residential customer's load is very weather dependent
5 multiple times throughout your testimony, correct?

6 A. I do mention it, but if you can tell me
7 specifically where you are referring to, that would
8 be helpful to me.

9 Q. I am happy to pull up a reference, but I
10 can ask it more broadly. Would you agree a
11 residential customer's load is extremely weather
12 dependent?

13 A. It is weather sensitive, yes.

14 Q. And when a CRES supplier offers a fixed
15 price to a residential customer, the supplier is
16 obligated to maintain the contracted price even if
17 the customer's actual load differs from expected
18 load, correct?

19 MR. SETTINERI: I just object as to types
20 of contracts, many different contracts, and he is not
21 being presented with a contract to review.

22 MR. BETTERTON: In the question I believe
23 I specified it was a fixed-price contract, but I am
24 happy to provide more specificity if the Bench deems.

25 MR. SETTINERI: Your Honor, I would note

1 every contract has different terms.

2 EXAMINER SEE: You specified, and the
3 witness can answer the question.

4 A. So, I mean, the contract would be a fixed
5 price for a set of components. You could also have
6 like basically volumetric limits, and so I don't
7 think -- I mean, it all depends on the kind of
8 contract that the customer is signing with the
9 particular CRES supplier, I would say. Fixed price
10 doesn't mean full requirements.

11 Q. Are you familiar with Ohio's general held
12 rule of fixed means fixed in terms of CRES supplier
13 contracts?

14 A. No.

15 Q. Would you agree that power prices are
16 generally nodal?

17 A. Could you elaborate, please?

18 Q. Happily. That was my next question.
19 When I say power prices are nodal, I was trying to
20 describe they are established based on different
21 locations and can be set at different prices even
22 within the same regional transmission organization.

23 A. So PJM, which is the ISO, I would
24 basically take as an example here clears the entire
25 RTO -- it takes the demand in aggregate, the supply

1 which is all the underlying generation units in
2 aggregate, and it clears the market. And the market
3 is cleared by taking -- by respecting of constraints
4 that exist. That's how the market clearing occurs.

5 Q. And you would agree that location plays
6 into some of those constraints, correct?

7 A. Sometimes it does. Sometimes it does
8 not. All the PJM prices across various zones, hubs,
9 and nodes, for lack of a better word, are very well
10 correlated. So what happens in one particular
11 location of PJM does have -- I mean, going back to
12 the first part of my answer, the entire generation of
13 PJM plays a role on any given day as long as the
14 units are not in an outage into what the clearing
15 price would be for that particular day, hour, minute.

16 Q. Is it true government aggregations as we
17 know of them in Ohio does not exist in Pennsylvania?

18 A. Correct. Pennsylvania does not have a
19 government aggregation market.

20 Q. Turning quickly, as I am wrapping up, to
21 the figure on page 25 of your testimony.

22 A. Yes.

23 Q. Would you agree that in some instances,
24 even a few instances -- instances specifically
25 pointed out on this chart, commercial prices have

1 cleared lower than residential prices?

2 EXAMINER SEE: Mr. Betterton, what page?
3 25 or 26?

4 MR. BETTERTON: I believe it was page 26.
5 My apologies.

6 A. If you could specify to me particular
7 instances, that would be helpful to me.

8 Q. I would be happy to. The one instance
9 that I think is easiest to see is the zone called PPL
10 Electric Utilities. The top line there of
11 December 1, 2022, through November 30, 2023,
12 residential, I believe the clearing price there was
13 106.47. And if you scroll down two lines for the
14 same time frame for small commercial, the clearing
15 price is listed as 102.82.

16 A. Yes. That is the only instance where it
17 is lower. Everywhere else I see it's -- within a
18 particular zone between the classes it's consistently
19 higher.

20 Q. But that's the only instance on this
21 chart, correct?

22 A. There are others like where you have -- I
23 mean, the table has the summary of all the
24 residential clearing and commercial clearing prices.
25 That PPL -- the one term is the only instance where

1 it is lower. Everywhere else the small commercial
2 prices are higher than residential prices for the
3 same term, zone, yep.

4 Q. On page 25, the prior page, line 17, you
5 use the phrase apples to apples, correct?

6 A. Uh-huh, yes.

7 Q. And in this instance are you generally
8 okay defining that phrase as comparing two things
9 that are generally very similar or almost the same?

10 A. It's more akin to making sure that you
11 are comparing the prices by taking the underlying
12 components that are being fixed and coming up with
13 that price.

14 Q. Are you aware that the Ohio PUCO hosts a
15 website called Apples to Apples that allows customers
16 to apply CRES plans based on different criteria that
17 could be sorted and filtered?

18 A. Yes.

19 Q. Is it also fair to say that your
20 testimony does not attempt to quantify the
21 differences in regional pricing or the different
22 pricing elements between Ohio and the Pennsylvania
23 prices outlined in this chart?

24 A. Could you repeat the question, please?

25 Q. Yes. Your testimony does not attempt to

1 quantify the differences in either regional pricing
2 or pricing elements between those represented in
3 Figure 3 on page 26 and Ohio clearing prices,
4 correct?

5 A. By quantify, if you mean a dollar per
6 megawatt-hour number, I don't do that, but I do get
7 into detail the methodology that any knowledgeable
8 person can basically add up to come up with the
9 numbers themselves, so in a way I quantify it more
10 verbally, but I don't do it numerically.

11 Q. And without the numeric calculations that
12 you just referenced, it would be unfair to say that
13 the prices represented in the chart could be compared
14 to an apples-to-apples comparison to any Ohio price,
15 correct?

16 A. Sorry. Say the question again.

17 Q. You stated in your prior answer that you
18 have not numerically done the calculations to make
19 the numbers comparable, so at this time with the
20 information presented in your testimony, it would be
21 unfair to make an apples-to-apples comparison between
22 prices in Figure 3 on page 26 and Ohio clearing
23 prices, correct?

24 A. I would disagree with that because I give
25 you a detailed description of how you can go about

1 doing the calculations and where you can get the
2 necessary data to come up with those numbers, so I
3 think I provide enough detail to actually do the
4 comparison.

5 Q. But you did not do the comparison in this
6 testimony, correct?

7 A. I have described it.

8 Q. But you did not do the calculation,
9 correct?

10 A. I did the calculations. I just did not
11 give you the numerical number here is what I said.

12 MR. BETTERTON: Thank you, your Honors.
13 I have no further questions.

14 EXAMINER SEE: Ms. Walke?

15 MS. WALKE: No questions, your Honor.

16 EXAMINER SEE: Okay. Mr. Kurtz?

17 MR. KURTZ: No questions, your Honor.

18 EXAMINER SEE: On behalf of OELC?

19 MR. PROANO: We do have some questions,
20 your Honor. Thank you.

21 EXAMINER SEE: Okay.

22 - - -

23 CROSS-EXAMINATION

24 By Mr. Proano:

25 Q. Good morning, Mr. Indukuri. My name is

1 David Proano from Baker & Hostetler. I represent
2 Ohio Energy Leadership Council. Under the current
3 CBP auction system, isn't it true that the SSO load
4 suppliers bear all the risk of any load migration
5 that occurs during the delivery year?

6 A. They do bear all the risk of migration,
7 yes.

8 Q. Under the proposals that you are
9 advancing, namely, the 8 percent band proposal, you
10 shift some of that risk to the customers, correct,
11 under that proposal?

12 A. No, it does not shift the risk. What it
13 does is it creates a market design construct wherein
14 the customers do not have to pay for the potential
15 risk of customer migration because suppliers
16 routinely pricing the product would have to take into
17 account the potential costs and incorporate that into
18 their bids.

19 So in a way it would actually reduce the
20 risk that the -- that the customers would be exposed
21 to in terms of the excess costs that they are paying
22 today which they wouldn't under the proposal that I
23 have.

24 Q. Let's unpackage your answer because you
25 are making an assumption, correct? You are assuming

1 that if your 8 percent band proposal is adopted,
2 there would be lower priced SSO provided to Ohio
3 customers, correct?

4 A. Under -- so we have to keep the commodity
5 price comparable between the two. What you have
6 today versus the proposal we have, assuming you are
7 doing it in the same commodity price environment,
8 yes, you will get a lower price to the Ohio
9 customers.

10 Q. Okay. That is your theory, correct?

11 A. It's not a theory. It's basically think
12 of risk in terms of what a supplier is exposed to and
13 if the magnitude of that risk is limited or is well
14 defined, suppliers can incorporate that into their
15 pricing and thereby that will result in a lower cost.

16 Q. Okay. But there is going to be some risk
17 shifted to the customers if you get another event
18 that causes large scale load migration as we saw on
19 the May -- June 2022 through May 2023 delivery year
20 meaning that if there is a large shift in SSO load
21 that breaks that band, then outside that band those
22 customers are going to pay real-time market prices
23 essentially, correct?

24 A. So there -- there is two things I would
25 mention there. One, there is a very robust

1 competitive supply market for customers in Ohio so
2 they don't have to take their supply from the SSO.
3 They can choose supply from suppliers such that they
4 are not exposed to those real-time prices, so they
5 are not really paying for that cost.

6 Q. Yeah, but you are assuming.

7 MR. SETTINERI: Objection. Can he finish
8 his answer, please?

9 Q. Are you finished?

10 A. Yeah. I mean, so that's the one. The
11 second aspect of it is that it is contingent behavior
12 that you are essentially referring to. Today in the
13 current SSO construct, customers are already paying
14 for it whether it happens or not, so in the proposal
15 that we have, there could be a potential that if a
16 customer switches to SSO and the band is exceeded,
17 they would basically be exposed to real-time prices.

18 But because of that, like I explained
19 earlier in my answer, there -- the suppliers will
20 provide lower prices both because of the risk being
21 defined and also you'll have potentially more
22 suppliers because of the risk being defined to
23 participate in the auction and more competition
24 generally results in lower prices to customers. So
25 in a way I don't see why customers are exposed to

1 higher risk in that band.

2 Q. Okay. Let me unpackage that answer too.
3 You're saying, well, there's no risk on the customers
4 because they can always go to the competitive
5 marketplace to buy generation. That's your response,
6 correct?

7 A. That's one part of that.

8 Q. That's one part, correct?

9 A. Yes.

10 Q. So why do you even need any kind of fix
11 to the SSO market in the first place? Isn't that
12 option available now meaning the SSO market price
13 right now is high compared to the real-time market
14 price, correct?

15 MR. SETTINERI: Objection, multiple -- I
16 don't even know what that question was. Multiple
17 compound questions and I also object on the basis we
18 are getting close to argumentative on a lot of these
19 questions.

20 MR. PROANO: Let me rephrase it.

21 EXAMINER SEE: Okay.

22 Q. (By Mr. Proano) Customers right now have
23 the option to shop for their generation service,
24 correct?

25 A. But the SSO load is not zero.

1 Q. No. I am asking you a question. Right
2 now in the State of Ohio, any customer can shop for
3 their generation service, correct?

4 A. Correct.

5 Q. Okay. And right now if someone is on the
6 SSO and they don't like that price, they can go out
7 and buy competitive generation service, correct?

8 A. Yes.

9 Q. And you are saying, well, my proposal
10 doesn't introduce additional risk because they can
11 always go out and shop for power. That's what you
12 are saying, correct?

13 A. That was in response to your question
14 that a customer is coming to SSO causing a triggering
15 of the band going in excess of the 5 percent. That's
16 why I gave the answer I gave you because that's how
17 your question was phrased. Customers are coming into
18 SSO, right, and the result of which is that the band
19 has been exceeded.

20 Q. But if right now the SSO prices are too
21 high and a customer has the option of getting lower
22 power in the marketplace, they have that option right
23 now, correct?

24 A. They have the option, yes.

25 Q. Now, if you look at page 20 of your

1 testimony, lines 11 through 12, you talk about your
2 8 percent band proposal.

3 A. Can you give --

4 Q. Sure. Page 20, line 11 and -- lines 11
5 and 12. You propose an 8 percent band where the SSO
6 load suppliers essentially must serve full
7 requirements of that tranche within 5 percent above
8 that initial threshold or 3 percent below, correct?

9 A. Correct.

10 Q. Are there any other states where you are
11 a portfolio manager where they have a 5 percent and
12 3 percent type band?

13 A. They have a megawatt band.

14 Q. Okay. That's not my -- that's not my
15 question.

16 MR. SETTINERI: Object again. He hadn't
17 finished his answer, please.

18 Q. Okay. My question is --

19 MR. SETTINERI: Can he finish his answer?

20 EXAMINER SEE: Just a moment.

21 Mr. Indukuri, had you finished your first answer to
22 Mr. Proano's first question?

23 THE WITNESS: No, not completely.

24 EXAMINER SEE: Okay. Proceed.

25 A. So there are multiple states in PJM where

1 there is a volumetric threshold. The threshold is in
2 megawatts but that's translatable in terms of
3 percentages. They are equivalent mathematically
4 speaking.

5 Q. Okay. Is there any other state where you
6 are a portfolio manager for Constellation that uses a
7 percentage type band that you are proposing? Not
8 megawatt, percentage.

9 A. They are equivalent.

10 Q. That's not my question. Is there a state
11 that uses percentages because that's what you are
12 proposing is a percentage? Is there any other state
13 on those listed on page 1 here of your testimony that
14 uses a percentage?

15 A. Not exactly a percentage.

16 Q. Now look at the states on page 1 of your
17 testimony. As the portfolio manager responsible for
18 these SSO auctions for Constellation, you must be
19 familiar with the different auction rules and market
20 environments in these various states listed on
21 pages -- page 1, lines 10 through 12, correct?

22 A. Yes, I am.

23 Q. Okay. Let's go through each one. Does
24 Pennsylvania have any kind of band or cap on SSO load
25 obligation?

1 A. No, but Pennsylvania procures by class.

2 Q. Does Delaware have a band or cap on SSO
3 load obligations?

4 A. Yes, they do for certain classes.

5 Q. And what is that?

6 A. MGS, LG -- LGS, and GS primary.

7 Q. Which is -- are those residential or are
8 those commercial?

9 A. They are predominantly commercial. The
10 RCI class doesn't.

11 Q. So in Delaware the commercial classes do
12 have band limits of some kind and what are those band
13 limits in Delaware?

14 A. It's a 5 megawatt on a 50 megawatt block,
15 if I recall correctly.

16 Q. How about in New Jersey? Does New Jersey
17 have any caps or percentage bands of any type for SSO
18 load suppliers?

19 A. They don't have any on the -- but their
20 large industrial class is procured separately, and
21 the large industrial class has an energy passthrough,
22 so you don't really need balance because you are not
23 fixing energy.

24 Q. But they don't have specific bands in New
25 Jersey. They just have separate classes auctioned

1 off separate, correct?

2 A. But the fact that you are not procuring
3 energy precludes the requirement for bands.

4 Q. So if you proceed --

5 A. That matters --

6 EXAMINER SEE: Just a moment.

7 Q. I'm sorry.

8 A. That matters because if you are not
9 procuring the energy portion of it, why do you need
10 bands?

11 Q. Okay. So if you procured energy
12 separately for the industrial class, would you say
13 then you don't need bands any more?

14 A. You are mischaracterizing what I stated.
15 In New Jersey the large industrial customers' energy
16 is a passthrough.

17 Q. Okay. Thank you. How about in Maryland,
18 any bands or caps on SSO load obligations?

19 A. Yes.

20 Q. And what are those?

21 A. It's on all classes. It's 5 megawatts on
22 a 50 megawatt block and 3 megawatts down on 50
23 megawatt block.

24 Q. And if you translate that into
25 percentages, it's essentially 10 percent and

1 6 percent, correct? 10 percent up and 6 percent
2 down, correct?

3 A. Yes. But the market is Maryland.

4 Q. How about D.C.? Any band or caps on SSO
5 load obligations?

6 A. I don't recall on the top of my head, but
7 I think they do. I need to look at the contract
8 before I can --

9 Q. You don't recall sitting here
10 specifically today?

11 A. Yes.

12 Q. How about Massachusetts?

13 A. Massachusetts has again a class-based
14 procurement. There are no bands.

15 Q. How about Rhode Island?

16 A. Class-based procurement, no bands, the
17 terms are different. They are short -- very short
18 terms. It's only a six-month procurement in all of
19 the New England states, and New England is a
20 completely different market than PJM.

21 Q. How about Connecticut?

22 A. Same answer, six months.

23 Q. New Hampshire?

24 A. By class, six months procurement by
25 class.

1 Q. No bands in New Hampshire?

2 A. No bands.

3 Q. And Maine?

4 A. It's 12-month procurement by class, again
5 energy passthrough for large commercial customers and
6 industrial customers.

7 Q. But no bands.

8 A. They don't procure energy so no bands,
9 yes.

10 Q. And no caps in Maine either, correct?

11 A. No.

12 Q. So how did you come up with 5 percent and
13 3 percent if there is no comparable state?

14 A. It is specific to Ohio. Ohio is a state
15 where -- the only state where you have a
16 slice-of-system procurement which combines all
17 classes and procures them as a single procurement.
18 And then you also have a robust government
19 aggregation market in Ohio which exposes suppliers to
20 incremental risks because government aggregators can
21 leave at any point in time. The supplier is left
22 with hedges that they have to liquidate at
23 potentially losses to them.

24 And also the fact that recently we have
25 seen through behavior of government aggregators,

1 specifically NOPEC, they have dropped customers to
2 SSO, and all of these are risks that suppliers factor
3 in into their prices and to give better price or a
4 price that is better reflective of the risks and such
5 that the customers do not get extremely high priced
6 because of all these risks.

7 That's why we proposed -- or I proposed
8 the bands such that you are allowing customers to
9 move organically in and out of the SSO, yet at the
10 same time you are not -- you are providing suppliers
11 with sufficient certainty that they don't have to
12 incorporate a huge risk premium into their SSO
13 prices, so customers benefit.

14 Q. Did you come up with the 5 percent up,
15 3 percent down number yourself?

16 A. I did look at the data and that was the
17 proposal, yes.

18 Q. That -- those numbers came from you?

19 A. Yes.

20 Q. So what happens if that 5 percent band is
21 exceeded? I understand that 8 percent band, it can
22 move down, right? PLCs move down, the whole band can
23 move down. So what happens if you have a large scale
24 of migration of that and that 5 percent cap on the
25 upper end is exceeded? How does that energy get

1 priced and how do customers on SSO pay for that
2 excess energy?

3 A. So I would like to answer it in two
4 parts. The first part is the presence of the --
5 the -- I call it volumetric threshold actually would
6 introduce behavioral changes in the customers,
7 specifically the savvy industrial customers such that
8 they know for a fact now that if they move into SSO,
9 there's volumetric limits, so they would actually
10 shop with suppliers and try to find product that
11 would meet their requirements on the second part, if
12 the threshold gets exceeded, the excess energy gets
13 settled at real-time prices.

14 And here I would like to make a
15 distinction. Ohio has multiple procurements for any
16 given planning year, and the threshold exceedance
17 could potentially happen in one of these and not all
18 of them because the threshold is set for each
19 individual procurement. So for that let's -- for
20 example, say there is three procurements. Then in
21 one of them it exceeds. Then that excess energy is
22 settled at the existing PJM prices in real-time or
23 day-ahead and that cost is then calculated and you
24 collect it from the SSO customers through like a
25 reconciliation mechanism on their bill for total cost

1 of the SSO that AEP would potentially see.

2 Q. So the customer that's on SSO when that
3 5 percent threshold is exceeded would then pay
4 real-time market prices for that excess energy that
5 would appear on their bill from AEP Energy,
6 correct -- or Ohio Power Company, correct?

7 A. Correct.

8 Q. Under your proposal, does AEP procure
9 that excess energy, or do the SSO load suppliers
10 procure it and make a financial settlement with AEP?

11 A. The way I think about it it would be a
12 financial settlement.

13 Q. Okay. Isn't it true that the current SSO
14 prices are relatively high in real-time for market
15 prices?

16 A. Sir, could you repeat the question?

17 Q. Sure. Isn't it true that today the SSO
18 prices available in AEP territory are significantly
19 higher than market prices?

20 A. I don't know what the real-time prices
21 are going to be in the future, but for the past few
22 months I would agree, yes.

23 Q. Doesn't that price differential provide
24 an incentive currently for customers to shop further
25 electricity with a competitive supplier?

1 A. It does provide an incentive, but looking
2 at the load data I do in my role, I don't see a lot
3 of change -- I mean, specifically when it comes to
4 residential customers, you look at the historical
5 load of AEP of SSO residential customers, there's
6 been a slight uptick, but then it's steady at close
7 to I think about 800 megawatts, give or take, so that
8 tells me that the existence of supplier offers is not
9 necessarily a driving factor, but these customers are
10 actually paying higher prices because they stay in
11 the SSO.

12 Q. Do you believe that if your proposal is
13 adopted, that that would somehow encourage these
14 customers to still remain on SSO to go shop for
15 generation service.

16 MR. SETTINERI: Can we just clarify which
17 proposal?

18 MR. PROANO: Yeah, the 8 percent band.

19 A. Could you repeat the question, please?

20 Q. Sure. What -- do you feel your 8 percent
21 band proposal would somehow encourage residential
22 customers who don't shop to go out and suddenly start
23 shopping?

24 A. I mean, customer shopping is a
25 customer-by-customer behavioral decision. My

1 proposal, however, actually provides them a
2 competitive price reflective of the risks that are
3 inherent for that class and provides them lower price
4 than what currently is being priced into SSO.

5 Q. That's not my question though. My
6 question is do you believe your proposal would
7 encourage customers to shop for generation service
8 if, for example, those bands are exceeded under your
9 proposal?

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

11 Q. Let's look at your customer class
12 proposal. And you -- you -- at least two classes, a
13 residential or a residential with a perhaps small
14 commercial, correct?

15 A. Yes. Yes.

16 Q. Now, what happens with the
17 industrial/large commercial customers under your
18 proposal?

19 A. They would be a separate class.

20 Q. And in your experience, are there other
21 states where you are portfolio manager that have
22 separate classes for a large commercial or industrial
23 customers?

24 A. Yes.

25 Q. All right. Let's look at page 1 again of

1 your testimony. Okay. Pennsylvania has -- do have
2 separate classes, correct?

3 A. They do.

4 Q. Okay. Can you tell me the separate
5 classes and how they are treated?

6 A. They are residential, small commercial,
7 and large industrial/commercial.

8 Q. The large industrial/commercial, how are
9 they treated in these auctions? Are they fixed
10 price? Passthrough? Real-time? What is the
11 mechanism?

12 A. They are energy passthrough, but the
13 ancillary, capacity, transmission is fixed, and
14 specifically in FirstEnergy utilities in Pennsylvania
15 in the case of PECO, it's energy passthrough.
16 Capacity, RECs, and ancillary is fixed. It's the
17 same in the case of PPL.

18 Q. So energy passthrough means the large
19 industrial or large commercial customer pays the
20 real-time market price, correct?

21 A. Correct.

22 Q. How about Delaware, what occurs there?

23 A. Actually it could be real-time or
24 day-ahead. It depends on but that's PJM prices.

25 Q. But it's market prices, correct?

1 A. Correct.

2 Q. How about Delaware?

3 A. Delaware has, like I told you earlier in
4 answer to the bands, the MGS, LGS, GS primary, they
5 all have fixed price.

6 Q. And the industrials -- I don't know those
7 acronyms for Delaware. Can you break those down for
8 me please?

9 A. I consider GS primary as your equivalent
10 of industrial/large commercial so general service
11 primary.

12 Q. And those -- those auctions, are they for
13 a fixed price, or they are like a passthrough like
14 Pennsylvania?

15 A. Fixed price.

16 Q. And how about New Jersey, any class --
17 class auctions?

18 A. Yes. They have RSCI which is a
19 combination of residential, small commercial, and
20 then they have large commercial/industrial customers
21 with an energy passthrough product fixing ancillaries
22 and -- ancillaries, capacity, and RECs.

23 Q. So New Jersey is similar to Pennsylvania
24 for large industrial/commercial, real-time energy
25 prices essentially.

1 A. Yes.

2 Q. How about Maryland, class auctions?

3 A. Yes.

4 Q. How about the industrials and large
5 commercial, how are they treated?

6 A. They have fixed price to my knowledge.
7 It's called type II.

8 Q. Is that passthrough or fixed?

9 A. Energy fixed.

10 Q. D.C., any class auctions?

11 A. Yes. RCI, large commercial, large
12 commercial energy fixed.

13 Q. Massachusetts?

14 A. Three-month procurements for industrial
15 customers fixed price.

16 Q. And Rhode Island?

17 A. Fixed price.

18 Q. For large? Are there class auctions?

19 A. There are class auctions. All states,
20 whether it's New England or PJM, other than Ohio,
21 pretty much have some flavor of class auctions.

22 Q. Now, if class auctions were introduced in
23 Ohio, do you have a view of what would happen to the
24 industrial or large commercial customer class? Would
25 that go to real-time passthrough, or would that

1 depend on how the auction is actually played out?

2 A. I mean, I don't go into like the
3 recommendations on how the auction ought to be
4 conducted. That would be between the Commission and
5 the auction manager to come up with what the
6 appropriate procurement process and methodology, I
7 guess, would be.

8 Q. Okay. Go to Figure 3 in your testimony,
9 please.

10 A. Yes.

11 Q. And you see there is an auction result
12 for medium-sized customers. There is only one I see
13 that has medium-sized customers.

14 A. Yeah. That is Duquesne.

15 Q. And it's about \$180 per megawatt-hour.
16 Do you see that?

17 A. Yeah, but focus on the term. The term is
18 winter months.

19 Q. Can you explain what you mean by that?

20 A. It's a three-month procurement for fixed
21 price.

22 Q. Okay. But it's still \$180 per
23 megawatt-hour, correct? 182 to be precise?

24 A. Yeah, but the term matters though. You
25 can't just look at the price independent of the

1 material.

2 Q. I am not asking about the term. I am
3 asking about the price. The price for medium,
4 commercial, and industrial customers for that winter
5 term, you say those three months, is \$182 per
6 megawatt-hour, correct?

7 A. Yes.

8 MR. PROANO: No further questions.

9 EXAMINER SEE: Ohio Power?

10 MR. NOURSE: Thank you, your Honor.

11 - - -

12 CROSS-EXAMINATION

13 By Mr. Nourse:

14 Q. Good morning, Mr. Indukuri. I don't
15 think we have met before. I'm Steve Nourse. I
16 represent AEP Ohio.

17 A. Good morning.

18 Q. So your testimony here regarding the
19 Stipulation, you have two recommendations, a circuit
20 breaker or tranche band proposal is No. 1, right?

21 A. Actually I have multiple proposals. It's
22 not just those two.

23 Q. Okay. That's the first one, right?

24 MR. SETTINERI: Just object. Asked and
25 answered.

1 Q. (By Mr. Nourse) Do you have a tranche
2 band proposal --

3 EXAMINER SEE: Hold on, Mr. Nourse.
4 Mr. Indukuri can answer the question. The objection
5 is overruled.

6 A. I have multiple proposals here in my
7 testimony. We support the descending clock format
8 for AEP Ohio auctions. We support the procurement
9 that is 12, 24, 36 months. We support the capacity
10 price, capacity proxy price, that AEP proposed both
11 in the Stipulation and in the original proposal -- in
12 the Stipulation actually, not in the original, and
13 we -- in addition to those three, we are proposing
14 the banding or the volumetric threshold and the class
15 base procurement.

16 Q. Okay. Well, go back to my question. I
17 know you are making other recommendations that are
18 already reflected in the current CBP that don't
19 involve any change. I don't want to discuss any of
20 those. I want to discuss your recommendations.

21 A. But those are changes from how the CBP
22 currently occurs in AEP.

23 Q. The descending clock auction?

24 A. No. The 12, 24, 36 month procurement and
25 the capacity proxy price. None of them exist in

1 today's world.

2 Q. You are not aware of laddering and
3 staggering that's already done for the CBP?

4 A. The multi-year procurements has not
5 happened in AEP since PJM RPM auctions have not had a
6 price. The Commission has to my knowledge actually
7 conducted or they've had proceedings where they
8 either postpone the auction until the capacity price
9 was known, or they actually truncated the term such
10 that only for the period that the capacity price was
11 known the procurement happened.

12 Q. But throughout the more than a decade now
13 the CBP has used laddering and staggering as a
14 general matter, correct?

15 A. In the past they have. In the immediate
16 past they have not.

17 Q. Right. Okay. And so your next one was
18 the capacity passthrough. Now, that was in your
19 original direct testimony in response to the
20 Application, correct?

21 A. I don't have my original testimony, but
22 maybe I did have it in there.

23 MR. NOURSE: Okay. I would like to
24 refresh, your Honor. Can we approach?

25 EXAMINER SEE: Yes.

1 MR. SETTINERI: Your Honor, while they
2 are handing that out, I will object to the extent we
3 are bringing in testimony from June which AEP was
4 emphatic about not bringing in testimony from June.

5 MR. NOURSE: We have brought a lot of
6 testimony in from June.

7 EXAMINER SEE: Thank you.

8 MR. NOURSE: I have a specific purpose
9 here.

10 MR. SETTINERI: Your Honor, this
11 testimony has not been admitted by Mr. Indukuri. He
12 has not been sworn to it. It has not been presented.
13 It's prefiled testimony.

14 EXAMINER SEE: And we have allowed other
15 counsel to refresh the witness's memory as to what
16 was in their testimony so.

17 MR. SETTINERI: Your Honor, if I may just
18 gently push on that, this testimony has not been
19 admitted. It's not his testimony.

20 MR. NOURSE: I am not going to move for
21 admission, your Honor. I am using it to refresh. I
22 already indicated that.

23 EXAMINER SEE: Thank you both. Thank
24 you. Go ahead, Mr. Nourse.

25 Q. (By Mr. Nourse) Mr. Indukuri, do you have

1 your original direct testimony dated June 9, 2023, in
2 front of you now?

3 A. Yes.

4 Q. Okay. Can you take a moment to look at
5 your recommendations that were made in that
6 testimony?

7 MR. SETTINERI: Again, your Honor, I'll
8 object.

9 Q. (By Mr. Nourse) I'll direct you to page
10 6.

11 EXAMINER SEE: Your objection is noted,
12 Mr. Settineri.

13 What page did you direct the witness to?

14 MR. NOURSE: Page 6.

15 Q. (By Mr. Nourse) You summarize your
16 recommendations there.

17 MR. SETTINERI: Well, your Honor, again,
18 if this is to refresh his memory on the capacity
19 proxy, I think it should be appropriately used in
20 that way versus a broad swath. It's also -- I mean,
21 again, object, relevancy, et cetera.

22 Q. (By Mr. Nourse) And does this help you
23 refresh your recollection that you recommended a
24 capacity passthrough in response to the Application?

25 A. The capacity proxy price, yes.

1 Q. And so is the reason that you did not
2 include it in your Stipulation testimony that the
3 capacity passthrough and proxy price solution was
4 already reflected in the Stipulation?

5 A. I think I do in my testimony make a
6 mention that we support those three provisions.

7 EXAMINER SEE: What was the last part?

8 Q. So is the answer yes, sir?

9 THE WITNESS: The three provisions which
10 is descending clock auction; the 12, 24, 36
11 procurement; and the capacity price, capacity proxy
12 price.

13 Q. (By Mr. Nourse) I am asking you about the
14 capacity passthrough. Is the reason you don't
15 recommend modification on that is because it's
16 already reflected in the Stipulation?

17 A. Correct.

18 Q. And similarly you also recommend that the
19 Government Aggregation Standby Rider be rejected in
20 your original direct, correct?

21 MR. SETTINERI: Your Honor, we are beyond
22 refreshing. This is crossing on testimony that's not
23 been admitted into the record or sponsored by the
24 witness. It's improper. He can -- this is not
25 testimony that's been admitted. Mr. Nourse -- I

1 should say AEP Ohio made multiple objections to
2 June 9 testimony. It's not being used to refresh.
3 This is being used to cross. And this witness has
4 not taken the stand, and this exhibit has not been
5 marked. He hasn't -- he hasn't presented this
6 testimony. He hasn't said it's been prepared by him
7 or under his direction, but yet he is being crossed
8 on June 9 testimony, your Honor. This is beyond a
9 general refresh.

10 MR. NOURSE: He is just repeating himself
11 here. Your Honor, I didn't even refer to it in my
12 questions, so I think he can answer my question.

13 MR. SETTINERI: He is asking about the
14 June 9 testimony. That testimony has not been
15 sponsored by Mr. Indukuri today. It's improper. It
16 doesn't belong in the record.

17 MR. NOURSE: I think that's already been
18 ruled upon.

19 EXAMINER SEE: Okay. Mr. Indukuri, you
20 can answer the question. The objection is overruled.

21 A. Can you repeat the question, please?

22 EXAMINER SEE: We can have it read back.
23 Karen.

24 (Record read.)

25 MR. SETTINERI: Same objections, your

1 Honor, for the record.

2 MR. DUNN: Your Honor. Over here. I
3 would like to echo Mr. Settineri's objection. I
4 won't get into details. He has already laid it out.

5 EXAMINER SEE: Thank you, Mr. Dunn.

6 A. Correct.

7 Q. Do you need the question reread?

8 A. I think I just answered it.

9 EXAMINER SEE: He just answered it.

10 A. Correct.

11 Q. Okay. Thank you. I didn't hear you.
12 Okay. So in your Stipulation testimony, you advance
13 two additional recommendations, the capacity -- I'm
14 sorry, the circuit breaker and the customer
15 segmentation. Do you know what I mean by those two
16 references?

17 A. Let me clarify.

18 Q. Okay.

19 A. So by circuit breaker you are referring
20 to the volumetric thresholds, the 5 percent and the
21 3 percent?

22 Q. Yes.

23 A. And the segmentation is to conduct the
24 SSO procurements by procuring supply reflecting the
25 risk of the underlying customer class?

1 Q. Yes. And those two recommendations are
2 the same as they were in your direct testimony, and
3 because the Stipulation did not adopt them, you are
4 recommending that it be modified for those two,
5 correct?

6 MR. SETTINERI: Your Honor, I have to
7 object again emphatically. This is improper. We
8 followed your order. We submitted Stipulation
9 testimony in adherence to the order. We modified our
10 testimony to fit it. This is clearly intended to
11 bring in direct testimony to show a change in
12 position is what he is trying to show and essentially
13 trying to disclose settlement discussions through
14 this cross. That's what I see here, but again, it's
15 referencing testimony that's not been submitted is
16 improper. It's not relevant.

17 MR. NOURSE: Disagree, your Honor. I am
18 certainly not getting into settlement. I'm showing
19 that his position hasn't changed from the beginning
20 which I think is -- is relevant, and even though half
21 of his recommendations were adopted in the
22 Stipulation, he still wants the other half to be
23 modified through Commission order. I think that's a
24 relevant point.

25 MR. SETTINERI: Your Honor, again, we

1 followed your order.

2 EXAMINER SEE: Mr. Nourse, you could
3 focus on the two provisions of his testimony that you
4 want to challenge, and we can move on. You've made
5 your point.

6 Q. (By Mr. Nourse) Okay. Mr. Indukuri, so
7 on page 7 of your testimony, you talk about in line
8 10, your recommendation for AEP Ohio and Ohio in
9 general should adopt competitive procurement
10 methodology that meets the needs, et cetera, et
11 cetera. Do you see that?

12 A. Yes.

13 Q. So your recommendation here goes beyond
14 AEP Ohio; is that correct?

15 A. No. In the testimony it's specific to
16 AEP Ohio.

17 Q. So why did you say and Ohio in general
18 right there?

19 A. Because the SSO procurements are similar
20 across all Ohio utilities.

21 Q. And is it your understanding that
22 Constellation has made similar recommendations in
23 generic industry proceedings, comments in other
24 dockets?

25 A. We have, but I believe that making that

1 recommendation here in AEP Ohio's ESP case is the
 2 right forum because this particular proceeding
 3 focuses specifically on AEP Ohio customers and AEP
 4 Ohio load which has a bearing to the proposals that
 5 we are making here because the SSO agreement that we
 6 signed is specific to each utility, and the terms and
 7 conditions that govern suppliers like us are specific
 8 to each utility.

9 Q. Are you aware that the Stipulation
 10 also -- the signatory parties recommend that the
 11 Commission would have continuing jurisdiction for
 12 other SSO matters and dockets outside of this case?

13 A. Yes. The Stipulation mentions it; but,
 14 like I said, the proposals we are making are like the
 15 data that I present specifically on the customer
 16 migration trends in Ohio -- the auction clearing
 17 price, they are specific to AEP Ohio and that is the
 18 reason why we are proposing it here, because like I
 19 said, the SSO agreement that governs the suppliers is
 20 specific to AEP Ohio. So having it here in the ESP
 21 proceeding is the best forum to address all the
 22 necessary changes such that the customers eventually
 23 end up benefiting from the proposals we are making
 24 here.

25 Q. Recognizing that's your opinion, you also

1 agree that the Stipulation framework would facilitate
2 these two recommendations being considered in other
3 dockets as well, correct?

4 A. I mean, the customers in AEP Ohio are
5 paying pretty significantly increased SSO price and
6 providing relief through the proposals we are making
7 here is appropriate to do it here than when any
8 future docket that may potentially be considered or
9 not considered.

10 Q. So you don't recognize that the
11 Stipulation framework would facilitate consideration
12 of these two recommendations in other dockets?

13 A. It recognizes it, but I don't know if
14 those dockets would ever be considered or not. I
15 mean, like the customers are paying exceedingly high
16 prices for the risks that they are essentially not
17 causing, and we are providing the proposals to
18 address that market inefficiency such that customers
19 would benefit from the proposals we are making.

20 Q. Let me ask you a couple of questions
21 about Constellation and their activities in Ohio
22 generally in the competitive market. Does
23 Constellation or any of its affiliates operate a
24 retail CRES entity in Ohio?

25 A. Yes, Constellation NewEnergy.

1 Q. And Constellation also participates as an
2 auction manager -- I'm sorry, auction supplier for
3 CBP auctions for the four electric distribution
4 utilities?

5 A. Yes, we do participate in all the SSO
6 auctions in Ohio.

7 Q. So you participate in the wholesale and
8 the retail markets in that sense in Ohio?

9 A. Yes, we do.

10 Q. Is more of your business in the wholesale
11 auction supply or in the retail competitive market?

12 MR. SETTINERI: Object, your Honor.
13 Calling for confidential information. Frankly I
14 don't think it's relevant.

15 MR. NOURSE: I think you could determine
16 it based on public records and what you file with the
17 Commission. And I am just asking a very high level.
18 I don't think that's competitive.

19 EXAMINER SEE: Go ahead, Mr. Settineri.

20 MR. SETTINERI: Yes, we do view it as
21 competitively-sensitive information.

22 EXAMINER SEE: The objection is
23 sustained.

24 Q. (By Mr. Nourse) Okay. Earlier you said
25 in questions to Mr. Proano in response to his

1 questions that under your band proposals the
 2 real-time pricing that would result from the band
 3 being exceeded or broken would cause customers to
 4 either come back to a CRES from the SSO or
 5 consider -- it would be a disincentive going back to
 6 the SSO because they would know the result of the
 7 band. Do you recall that?

8 MR. SETTINERI: Object to the extent it
 9 mischaracterizes testimony. You can answer.

10 MR. NOURSE: Your Honor, I think the
 11 witness can answer the question without continual
 12 interruptions.

13 A. Yeah. I don't think you characterized my
 14 answer correctly.

15 Q. Okay. I think you were speaking about an
 16 industrial example where you said the industrial
 17 customer would consider the fact that the band would
 18 be broken as they would make a decision to -- whether
 19 or not to go back to the SSO. Do you recall that?

20 A. Yes.

21 Q. And so that would be a disincentive for
 22 that customer to go back to the SSO if they consider
 23 your band proposal and how it could be broken if they
 24 do go back, correct?

25 A. I would be speculating because, I mean, I

1 don't know what individual commercial/industrial
2 customer would make a decision. I mean, they would
3 choose to -- they could choose to get their supply
4 from SSO. They could choose to shop with the CRES,
5 so I don't know.

6 Q. But to follow through the example you
7 were speaking of, an industrial -- a large industrial
8 customer would be large enough to break the band
9 let's say by themselves if they come back to the SSO;
10 is that what you were referring to?

11 A. No. I mean, the large industrial
12 customers are a very diverse group. Like, I mean,
13 their sizes could vary from like really minimal
14 quantities to like huge quantities in terms of
15 megawatt-hours of usage. So it's -- I guess your
16 assumption that an industrial customer would result
17 in the threshold being exceeded I don't think is the
18 right way to think about it because of the diversity
19 of the base of industrial customers.

20 Q. I was asking you what you meant in your
21 prior answer, sir, so I don't think it was an
22 assumption. But it is true, isn't it, under your
23 proposal that customers would have to consider not
24 only the current price to compare that's set by the
25 auction clearing prices, but they would also have to

1 consider what would happen if the band gets broken
2 and real-time prices are added on top of that price
3 to compare, correct?

4 A. Yes. And commercial and industrial -- or
5 large commercial and industrial customers are
6 sophisticated customers. They have the ability to
7 make a decision by taking all the variables into
8 account.

9 Q. But the price to compare would no longer
10 be accurate, would it?

11 A. There is no price to compare for large
12 industrial/commercial customers to my knowledge.

13 Q. Okay. So you are using that term as --
14 as what? As the published number that's on the
15 Commission's website?

16 A. I mean, the Commission's website and the
17 Apples to Apples comparison gives you a PTC for
18 residential and small commercial customers. It does
19 not have for industrial customers. It says
20 industrial customers should negotiate with the C&I
21 CRES suppliers in Ohio and gives their addresses.

22 Q. Okay. Let me ask you to turn to page 16,
23 Figure 1. So these commercial and industrial
24 customers or load in your Figure 1 since
25 November 2022 approximately, the numbers spike up, so

1 those customers knew the price they were going to pay
2 when they came back to the SSO at that time, right?

3 A. Yes.

4 Q. And if under your proposal they wouldn't
5 know for sure what price they would pay if they came
6 back to the SSO, correct?

7 A. They have the means to make a decision
8 because they can take the SSO price into account and
9 the volumetric thresholds that we are proposing.

10 Q. So they could take into account data, but
11 they wouldn't have a set price like they would have
12 today or under the chart in Figure 1 they did have at
13 that time, correct?

14 A. A customer's price is one variable that
15 industrial customers take into account when making
16 their energy decisions, so they have the necessary
17 information to basically make a decision one way or
18 the other.

19 Q. That wasn't my question though. Do you
20 know the answer to my question?

21 A. I think I answered the question, but I
22 will restate it. The customers have the necessary
23 information to make a decision.

24 Q. Okay. In November 2022 those industrial
25 customers knew what price they would pay through a

1 specific term that was already set for the SSO price,
2 correct?

3 A. Yes.

4 Q. And under your proposal they would not
5 have that same level of certainty as to what they
6 would pay under the SSO, correct?

7 A. I mean, they know the price. There is
8 just an added qualifier to that price.

9 Q. There is an added question mark, correct?

10 A. It's not a question mark. It's well
11 defined. I mean, it's basically the volume is
12 defined as to what up to that volume you will get
13 that price. Beyond that volume you are exposed to
14 market prices.

15 Q. And you don't know that at the date that
16 you make the decision. You don't know whether that's
17 going to be broken or what the future market price
18 will be during that period, do you?

19 A. We never know what future market prices
20 are. I can't tell you today what future market
21 prices is going to be.

22 Q. But under your proposal the answer is yes
23 to both of those questions?

24 A. What are the two questions?

25 Q. You don't know whether the band's broken,

1 and you don't know the future market price at the
2 time you switch back to the SSO.

3 MR. SETTINERI: I am going to object.
4 Asked and answered.

5 EXAMINER SEE: No, it was not.

6 You can answer the question,
7 Mr. Indukuri.

8 A. I would say maybe. I mean, I can't
9 really answer.

10 Q. Thank you. With respect to
11 slice-of-system auction products, would you agree
12 that's a blended price or an average price of the
13 different types of load shapes that are reflected in
14 a slice-of-system tranche?

15 A. The blending of loads is taken into
16 account, yes, but the price that is provided is the
17 same across all the different customer classes.

18 Q. Right. So it's an average or a blended
19 price that everybody pays under a slice-of-system
20 approach?

21 A. I wouldn't say an average. Blended, yes.

22 Q. Okay. So when -- if you -- if you
23 segment the auction products into customer classes,
24 some classes will win, some will lose as compared to
25 slice-of-system in a given auction, correct?

1 A. Could you clarify what you mean by win
2 and lose?

3 Q. Have a higher price or lower price than
4 the auction clearing price for a slice-of-system
5 product?

6 A. So to the extent that the proposals that
7 we are -- the proposals that we have here are
8 adopted, customers, all classes should see a
9 uniformly -- uniformly reduced SSO prices because
10 today in the SSO procurement, suppliers are having to
11 take into account the risk associated with unexpected
12 customer movements which with the threshold proposal
13 we have that is well defined. So the risk being well
14 defined helps supplier competitive prices, so I would
15 think they would all benefit.

16 Q. So your proposition is that each customer
17 class will get a lower price than the slice-of-system
18 that's blended, but when it's blended, it's a higher
19 rate; is that what you are saying?

20 A. No. I am saying that the proposals being
21 adopted will result in a lower price compared to what
22 you are currently having for the SSO price in the
23 recent procurements.

24 Q. Well, first of all, my question is about
25 the slice-of-system versus segmentation. I don't

1 want you to talk about other proposals. I am talking
2 about one proposal and the effect of it, okay?

3 A. Uh-huh.

4 Q. All right. So are you saying for
5 slice-of-system if we are to do an auction today
6 and -- two auctions, one is slice-of-system and the
7 other one is customer segmented, is it your
8 proposition that all the segmented customer prices
9 would be lower, let's say all three of them,
10 residential, commercial, industrial are going to be
11 lower than the slice-of-system auction done today?

12 A. I mean, it would really depend on the
13 underlying load. You cannot really -- it will --
14 because, I mean, the costs that a supplier provides
15 is based on the customer characteristics of the load
16 at that point in time.

17 Q. In my example the auction was done on the
18 same day with the same market conditions. I am
19 trying to understand what you said about all classes
20 benefiting from the segmentation as it relates to the
21 blended rate that we talked about earlier.

22 A. Yes. I said that in conjunction with the
23 threshold -- volumetric thresholds and you said --
24 you told me not to consider the volumetric
25 thresholds, so my answer would change.

1 Q. Okay. So under the customer class
2 segmentation proposal, you would not expect
3 individual customer class prices to be less than the
4 blended slice-of-system price if we did an auction --
5 we did two auctions on the same day; is that correct?

6 A. They would get different prices. I
7 cannot really comment on what those price levels
8 would be. Even though you are conducting an auction
9 on the same day, the customer load characteristics
10 that are going into determining that price are --
11 they vary every day, and unless I know what the
12 underlying load factor, for example, of the customer
13 is, I can't really opine on what -- whether they are
14 below or higher.

15 Q. Okay. But going back to my original
16 question on this, again, sticking with the
17 segmentation proposal only, whereas the
18 slice-of-system is a blended price that has all the
19 load profiles in there mixed together, the individual
20 customer segmentation will separate some of those
21 load profiles into their classes, right?

22 A. Uh-huh.

23 Q. And so would you agree that some of the
24 classes would be lower than the blended
25 slice-of-system price and some would be higher; is

1 that what you would expect?

2 MR. SETTINERI: Just object to the --
3 clarify the answer but what classes are we talking
4 about? That would be helpful for the record.

5 Q. (By Mr. Nourse) Feel free to clarify it
6 in your answer.

7 A. Yeah. I mean, you could have some
8 classes getting lower than the blended price and some
9 higher than the blended price.

10 Q. Okay. Now, let's talk about on page 12
11 in the answer that begins on line 11 you talk about
12 some of the risks that -- of serving default service
13 load today, correct?

14 A. Yeah.

15 Q. Excuse me. So is it -- would you agree
16 that different suppliers have different strategies
17 for managing the risks as they bid in SSO auctions?

18 A. Potentially, yeah. I don't know.

19 Q. Would you agree that different bidders
20 have different tolerance for risk as well?

21 A. Again, I don't know.

22 Q. You don't know? Is it your position that
23 all bidders have the same risk tolerance and
24 strategies for dealing with risk?

25 A. I can't opine about the other suppliers.

1 I mean, that's not how we approach auctions. We
2 think about how we consider the risk, and we approach
3 it based on our view of the risk.

4 Q. And in your experience you never learned
5 about other competitors' risk strategies or
6 tolerance?

7 A. Like I said, I don't think about others'
8 risk tolerances when we are participating in an
9 auction. We look at it from what the characteristics
10 of the load are, what they think the risks are, and
11 price them appropriately.

12 Q. I wasn't asking about how Constellation
13 does -- I wasn't asking about your strategies. I am
14 asking about your knowledge of competitors in that
15 high level question I asked.

16 A. My answer would be I don't know.

17 Q. Okay. Now, on page 13 you're talking --
18 in the top half of the page or so, you are talking
19 about how things changed, I guess. I think you are
20 referring to 2022; is that correct?

21 A. Yeah.

22 Q. Okay. And then in line 8 through 11, you
23 say that "This occurs because during times in which
24 there are higher prices in the energy market,
25 customers will explore and return to default service,

1 if a lower-priced option, after their agreement with
2 their CRES supplier has ended or potentially
3 terminating their CRES agreement early." Do you see
4 that?

5 A. Yeah.

6 Q. So is that a good thing that the -- in
7 your opinion that customers have the option of the
8 SSO in circumstances where it's a lower price than
9 the CRES offers?

10 A. It's -- I think the SSO price that
11 reflects the risks appropriately is the best option
12 for customers because it helps customers make a
13 decision based on all the risks that are inherent at
14 that point in time. And, you know, that's how I
15 would answer it.

16 Q. Yeah. So at some times CRES prices may
17 be lower than the SSO and vice versa, correct?

18 A. Again, as long as the risks are
19 appropriately reflected, that is the appropriate
20 price that the customers can take into account when
21 making a decision.

22 Q. And that's a benefit to have competitive
23 choice including whether to go back to the SSO if
24 that's a more favorable price, correct?

25 A. No, because if customers basically move

1 into the SSO and that behavior is unpredictable, then
 2 that risk is appropriately priced by suppliers, and
 3 under the current construct, everyone, even the ones
 4 that are not causing that risk, are paying for it.
 5 So everyone actually will suffer when customers
 6 migrate in and out of SSO without any limit because,
 7 I mean, suppliers have to pay the cost associated
 8 with that movement by appropriately buying more
 9 hedges or buying existing hedges, and it's a cost
 10 that then is passed on to the customers.

11 Q. Well, whether they buy another hedge or
 12 not is dependent on what they originally covered
 13 their tranches with in terms of original hedges or
 14 transactions, correct?

15 A. Yeah. I mean, any supplier would have a
 16 view, and based on that, they would hedge their load.

17 Q. And those supplier views would be
 18 different, correct?

19 A. Again, I cannot answer that. I don't
 20 know what other suppliers' views of risks are.

21 Q. You don't know that they would all be the
 22 same, correct?

23 A. I just don't know.

24 Q. Okay. On page 14 you talk about some of
 25 the unique risks in Ohio, and one of those is

1 government aggregation, right?

2 A. Yes.

3 Q. And do you propose a solution for the
4 government aggregation risk in your testimony?

5 A. Yes, the volumetric thresholds.
6 Basically the volumetric thresholds that we propose
7 are in my opinion very robust and market-based
8 approach to mitigate for any potential risks that
9 suppliers could be exposed to because of government
10 aggregation at the same time not restricting or
11 basically enabling the objective of Ohio to encourage
12 government aggregation.

13 Q. Okay. And putting customers that get
14 defaulted from aggregation into a market procurement
15 would be another option; would you agree?

16 A. That's what the volumetric threshold
17 effectively does.

18 Q. Well, I am saying that a specifically
19 tailored where you actually take the customer load
20 and put them in a market procurement as opposed to
21 the band -- your band circuit breaker would take any
22 load that exceeds coming back to the SSO, right? It
23 wouldn't have to be related to aggregation; am I
24 correct?

25 MR. SETTINERI: Objection as to

1 relevance, your Honor. I believe Mr. Nourse is
2 getting at something that's already been withdrawn
3 with prejudice.

4 MR. NOURSE: Not at all, your Honor.
5 Exploring his testimony as I just demonstrated.

6 EXAMINER SEE: The witness can answer the
7 question.

8 A. Could I request you to repeat your
9 question, please?

10 Q. Okay. Well, I asked you about
11 aggregation on page 14.

12 A. Yeah, yeah.

13 Q. And then I asked you your answer was your
14 band proposal addresses it, and so testing your
15 answer with that, if -- and I am asking you your band
16 proposal is not limited to aggregation load
17 returning. It's any load that returns to the SSO
18 could break the band, correct?

19 A. If you are continuing with the
20 slice-of-system approach, yes.

21 Q. Well, even if you did customer
22 segmentation, your -- your band proposal would not be
23 limited to the aggregation load, correct?

24 A. Generally, yes.

25 Q. And my related question was whether --

1 the band proposal is not the only way to deal with
2 aggregation load coming back, correct?

3 A. Like I said, it's the best market-based
4 approach to addressing it without creating
5 inefficiencies in -- I mean, when suppliers are
6 modeling load, adding more variables makes it harder
7 for them to actually model or predict that risk. And
8 having something that is clear and is market based is
9 a better approach and that's why I think our proposal
10 of banding is clear and superior to mitigating that
11 risk.

12 Q. I understand. But it's not -- your
13 proposal is not related to or limited to aggregation,
14 correct?

15 A. I said yeah.

16 Q. It is? So only aggregation load can trip
17 the band?

18 A. No, no. Any customer movements can trip
19 the band.

20 Q. So your proposal is not limited to
21 aggregation load, correct?

22 A. Yes.

23 Q. Okay. Now, would you agree that pursuing
24 too many changes to the CBP at one time could be
25 problematic?

1 A. I mean, here the benefit outweighs any
2 potential with quote-unquote problematic as you
3 characterize it because customers would actually
4 benefit from other prices, and considering the
5 changes that would lower customer costs, I think in
6 the inflationary environment we are in is worthwhile
7 to actually explore and implement.

8 Q. So you don't see any downside to doing
9 any number of changes at the very same time?

10 A. I'm specifically referring to my
11 testimony is on the CBP part of the SSO, and the
12 auction manager is well versed, has the technical
13 expertise, experience, and knowledge to do it.

14 Q. But your changes are on top of what's
15 already being changed in the -- through the
16 Stipulation, correct?

17 A. Again, you have the necessary knowledge,
18 experience, and ability to do it, so just because you
19 have a few other changes does not preclude not doing
20 something that is in the best interests of the
21 customers. I mean, by adopting our proposal I've
22 explained to multiple other questions that have been
23 asked actually will result in a reduction in prices
24 to the customers from where they currently are at and
25 that should be something worthwhile to be considered.

1 Q. And you -- you agree that the competitive
2 bidding process including the slice-of-system feature
3 in Ohio has worked very well for over a decade; would
4 you -- would you agree or disagree?

5 A. I mean, the customer -- the suppliers
6 have been exposed to great risks and the -- I mean,
7 the markets are dynamic. Markets evolve. And as
8 markets evolve, you need to basically design a
9 process that would provide the best outcome to the
10 customers. That would be my answer.

11 I mean, we know for -- based on the
12 suppliers that are showing up for the CBP SSO
13 auctions and the prices that the auctions are
14 clearing at, it certainly is not working in the best
15 interests of the customers currently.

16 Q. So you are saying that it worked well for
17 over a decade, but because of the NOPEC incident last
18 year, now we should make additional reforms; is that
19 a fair summary?

20 A. I mean, it's in line with one of the
21 state policies that as markets evolve, you basically
22 have to provide the flexibility to encourage or adapt
23 accordingly.

24 Q. Right. But do you disagree with my
25 statement of your position or not?

1 MR. SETTINERI: Object to the
2 mischaracterizing his answers. He has given his
3 answer.

4 MR. NOURSE: He didn't answer the
5 question I posed and that's why I was following up,
6 your Honor.

7 EXAMINER SEE: The witness can answer the
8 question.

9 Would you like to have it reread,
10 Mr. Indukuri?

11 THE WITNESS: Yes, please.

12 (Record read.)

13 A. No. My answer to your question was that
14 markets are dynamic. Markets evolve. As markets
15 evolve, you essentially improve the design of your
16 markets to provide the best outcome for the
17 customers, so I cannot say one way or the other if
18 the -- that would be the appropriate way I would
19 answer your question. I cannot say anything beyond
20 that.

21 Q. But prior to 2022, this incident you are
22 saying that triggered this current discussion, do you
23 agree the slice-of-system and the CBP process in Ohio
24 worked well for customers?

25 A. Well, it's difficult to say.

1 Q. You have no opinion?

2 A. The inefficiency existed, all true. And
3 the market conditions and customer behavior exposed
4 that inefficiency blatantly. And because of that,
5 the recommended changes are being proposed.

6 Q. So the inefficiency that you are
7 referencing, is that the migration risk that was
8 built into the clearing price?

9 A. It is basically the pricing of distinct
10 customer groups together as a whole and offering all
11 of them the same fixed price, although the cost
12 causation is distinct between the individual groups
13 resulting in inefficiencies. Basically there wasn't
14 an appropriate price signal available for say a
15 residential customer, say a commercial customer, say
16 an industrial customer.

17 Q. But your answer seems to relate to the
18 customer segmentation and not the band proposal. So
19 none of the inefficiency of the prior auction
20 clearing prices relate to your band proposal or
21 justify it?

22 A. No. They do justify it because when a
23 customer is getting a price signal that is not
24 correlated to his or her underlying load
25 characteristics, they would result -- they would

1 engage in behavior that could potentially be to the
2 detriment of other customers. The banding proposal
3 effectively mitigates that.

4 Q. Well, the banding proposal relates to the
5 migration risk, the level of migration risk that's
6 present with an auction product setting aside whether
7 it's segmented into customer groups or not; would you
8 agree?

9 A. But the migration happens for a reason.
10 Because you have no limit to the potential -- like,
11 one, the price signal that -- the customers are
12 responding to a price signal. They are not migrating
13 in a vacuum.

14 Q. Okay. But in --

15 A. And what I am saying is that the price
16 signal that was being put out was inefficient.

17 Q. Right. But in the prior auctions, let's
18 say prior to 2022, would you agree that suppliers had
19 incorporated a price premium that's based on a
20 migration risk that they perceived at that time for
21 that tranche?

22 A. One of the variables probably, yes.

23 Q. And so whether -- just sticking with the
24 banding proposed for now, not the segmentation,
25 whether or not your banding proposal would benefit

1 customers, retail customers, is dependent on whether
2 that migration price premium based on the migration
3 risks that you agreed was in there is going to be
4 larger or smaller than your 8 percent band, correct?

5 A. Could you repeat the question, please?

6 Q. Okay. Well, you agreed with me that in
7 the prior 2022 auctions, there was a component in the
8 price, that auction suppliers put a price premium
9 associated with migration risk. Okay. Let's just
10 say that was 10 percent of the price that they bid
11 was based on that risk premium -- or price premium
12 for migration. Are you with me?

13 A. I would not agree with the 10 percent so
14 let's keep it general.

15 Q. Pick a different number if you don't like
16 10 percent.

17 A. I can't. Sorry. It's tough to assign
18 numbers.

19 Q. Well, you have to place a bid, right?

20 A. Yes.

21 Q. In the auction you have to evaluate and
22 turn out a number, right?

23 A. Right. But we take all the historical
24 load data and existing load data into account to come
25 up with a price. I can't sit here and tell you what

1 that number is.

2 Q. But you came up with your 5 percent and
3 3 percent. You came up with your 8 percent band.

4 A. Uh-huh.

5 Q. Okay. So if -- if actual migration
6 exceeds that and customers trip the band and have to
7 pay real-time prices, whether or not that saves them
8 money in the long run depends on what those embedded
9 price premiums were in the prior regime, right? They
10 could have been lower or higher in your -- your band
11 that you are proposing?

12 A. Because we are defining contractually
13 what the exposure to the supplier is, they would
14 actually take that into account and that should
15 result in lower cost to the customers because what
16 you are defining the band being exceeded is a
17 contingent event. It necessarily may not happen at
18 all. If it happens, it would be for a few months or
19 for a procurement of the multiple procurements that
20 end up determining the price for that particular
21 planning year.

22 Q. Right. But when you say it should result
23 in a lower cost, you're talking about as long as
24 the -- as long as the load stays within the band, you
25 think it will be lower, correct?

1 A. No. I mean, because we are defining the
2 band, suppliers know what their risk exposure is so
3 they will always give you a price taking those bands
4 into account which would be lower than what the
5 current clearing prices are always.

6 Q. But what you don't know is, No. 1,
7 whether the band will be broken during the delivery
8 period.

9 A. That doesn't matter to suppliers --

10 Q. Let me -- let me finish. No. 1, whether
11 you break the band during the period; No. 2, what the
12 real-time prices will be if and when you do break the
13 band; and those things get added to the price that
14 customers actually pay during the delivery period
15 under your proposal, correct?

16 A. Yes. But as I answered in the prior
17 answer of mine, it's a contingent event. It doesn't
18 happen 24/7, every single day of the term. So the
19 benefit that the customers accrue though is that they
20 start off with a lower price for their SSO supply,
21 and the overall benefit from that lower SSO cost
22 would actually be far more beneficial to them than
23 the contingent band threshold being exceeded.

24 Q. Well, they start off with a lower price,
25 but you don't know what the final price will be, do

1 you?

2 A. I mean, the SSO price is the SSO price.
3 Like I said, there will be a financial settlement for
4 that excess energy that exceeds the band.

5 Q. Who pays for the real-time prices when
6 the band is exceeded?

7 A. The customers.

8 Q. SSO customers, correct?

9 A. Yes.

10 Q. All right. Let's move to the
11 contingency -- I'm sorry, the segmentation section of
12 your testimony which starts on page 23.

13 MR. SETTINERI: Your Honor, if we could
14 do a time check. We've been almost two hours. Take
15 a break would be good.

16 MR. NOURSE: Sure. It would probably be
17 a half hour or so. I would say let's take a break.

18 EXAMINER SEE: Okay. Let's go off the
19 record.

20 (Recess taken.)

21 EXAMINER SEE: Let's go back on the
22 record.

23 Mr. Nourse.

24 MR. NOURSE: Thank you.

25 Q. (By Mr. Nourse) Mr. Indukuri, I wanted to

1 talk to you about your customer segmentation proposal
 2 portion of your testimony starting at page 23. And
 3 try to short circuit this a little bit. Can you go
 4 to page 25. And in lines 14, 15, you say "As can
 5 be -- as can be seen from Figure 3 below, segmenting
 6 customer classes results in lower auction clearing
 7 prices." Do you see that?

8 A. Uh-huh, yes.

9 Q. So that's an unqualified statement. Your
 10 opinion is that segmenting customer classes will
 11 always result in lower auction clearing prices?

12 A. I was basically referring to the data
 13 that is being presented in the table and making the
 14 statement off of that data.

15 Q. And is Figure 3 -- the data in Figure 3,
 16 that's the only data that you relied on in making
 17 that conclusion?

18 A. That and, I mean, I work for
 19 Constellation dealing with load auctions, so we do
 20 look at the various procurements that we participate
 21 in and characterize or calculate what the underlying
 22 risk is and that informed that statement as well.

23 Q. Okay. But so to understand your
 24 statement there, I want to rephrase it and see if you
 25 agree or disagree. So are you saying based on

1 Figure 3, that segmenting customer classes resulted
2 in other auction clearing prices for the time period
3 reflected in Figure 3 and for the auctions that are
4 cited in Figure 3? Is that a better way to state
5 that?

6 A. Yes.

7 Q. So would you agree that segmenting
8 customer classes in auctions may or may not reduce
9 prices for customers depending on market emissions
10 and depending on what customer class the customer is
11 in and other factors? Is that fair?

12 A. When you have to compare the prices for
13 the -- for the same product and when procurements
14 have happened in close proximity to one another so
15 that the market conditions are also comparable.

16 Q. Okay. And do you -- would you contend
17 that Figure 3 does that or is that just a narrow
18 example that you included in your testimony?

19 A. No, the Figure 3 doesn't. And, like I
20 said, it's consistent with our experience of
21 participating in auctions across multiple states.

22 Q. Okay.

23 MR. NOURSE: Your Honor, I would like to
24 approach and mark AEP Ohio Exhibit 8.

25 EXAMINER SEE: You may.

1 (EXHIBIT MARKED FOR IDENTIFICATION.)

2 MR. NOURSE: And I'll explain what it is
3 while Mr. Schuler is handing it out.

4 MR. SETTINERI: Before that I would like
5 to get a copy, your Honor. Thank you.

6 EXAMINER SEE: It's coming.

7 MR. NOURSE: This is a cross-examination
8 exhibit that AEP prepared. The next to last page
9 reflects the same data that's in Figure 3 only it
10 actually has citations and notes that show where the
11 data comes from. And then we've prepared a similar
12 presentation for multiple auction time frames since
13 Figure 3 only relates to one three-month period. And
14 so I want to go over and test the statements that he
15 just made about his experience and the data he looked
16 at to arrive at his conclusions.

17 MR. SETTINERI: Your Honor, I would just
18 at this time object that there's been no foundation
19 established that the witness has seen the document,
20 is familiar with the document.

21 MR. NOURSE: I can guarantee you he has
22 not seen it, but I want to ask him questions about
23 it, your Honor.

24 EXAMINER SEE: Okay. Just a moment.

25 MR. SETTINERI: He's not seen the

document. It's been prepared by AEP. AEP had a chance to put in testimony, did not -- could have put this in with their witnesses, has not, so it's improper to cross the witness on a document he has never seen, he's not prepared, and it's been prepared by AEP Ohio.

EXAMINER SEE: Just a moment.

MR. NOURSE: Certainly not, your Honor.

EXAMINER SEE: Just a moment, gentlemen.

Okay.

MR. NOURSE: May I respond?

EXAMINER SEE: Go ahead, Mr. Nourse.

MR. NOURSE: Yes, your Honor. This is a cross-examination exhibit. Of course, the witness hasn't seen it, but as I pointed out, the next to the last page is the identical data to Figure 3 which we objected to in our motion to strike based on unsubstantiated hearsay. We did put together the notes that actually support the data, and we used the same sources to draw similar tables, figures, to Figure 3 only for other time periods in the last few years to really look at the data beyond one point in time like the witness did.

And that needs to be explored to -- to deal with his credibility on the statements that he

1 just made about his experience and the data he used
2 to support his conclusion.

3 MR. SETTINERI: Your Honor, if I may
4 briefly.

5 EXAMINER SEE: Go ahead, Mr. Settineri.

6 MR. SETTINERI: Yeah. We have no way to
7 validate the accuracy. Again, this is an AEP Ohio
8 document. We don't know who prepared it at AEP. It
9 could have been Mr. Nourse. It could have been
10 anyone. It's highly prejudicial to subject the
11 witness to cross-examination on a document he is not
12 familiar with. It is not a public document.

13 And so we would object to the use of this
14 document for impeachment purposes. AEP can always
15 bring a witness on rebuttal if it wishes to present
16 rebuttal testimony. It could have presented a
17 witness previously. Apparently it knew what our
18 positions were based on the prior questioning, so we
19 object to the use of this document with this witness.

20 MR. NOURSE: Yeah, your Honor, it's the
21 same footing that the information was presented in
22 his testimony, only it's not a narrow single data
23 point. It looks at -- it looks at several data
24 points for the last few years to test the credibility
25 of his testimony he's already been allowed to give.

1 EXAMINER SEE: Just a moment.

2 Go ahead. Go ahead, Mr. Nourse, and ask
3 the witness some --

4 MR. NOURSE: Thank you, your Honor.

5 MR. SETTINERI: Your Honor, if I may, if
6 we are going to cross this witness on a document that
7 we don't know who made, where it came from, whether
8 it's inaccurate or not, I would ask we have at least
9 a two- to three-hour break to allow the witness to
10 look at this document. Again, we don't know who
11 prepared this. He hasn't said.

12 EXAMINER SEE: Let's --

13 MR. SETTINERI: So I object to the cross
14 on this document, your Honor.

15 EXAMINER SEE: So noted. Start with --
16 let's hear the first question first.

17 MR. SETTINERI: Thank you, your Honor.

18 EXAMINER SEE: Go ahead, Mr. Nourse.

19 MR. NOURSE: Thank you, your Honor.

20 Q. (By Mr. Nourse) Mr. Indukuri, you have
21 the document that was marked as AEP Ohio Exhibit 8 in
22 front of you? Do you have it, sir?

23 A. The one that was just handed?

24 Q. Yes, sir.

25 A. Yep.

1 Q. Can you look at the next to last page in
2 the packet?

3 MR. SETTINERI: Is there a page number on
4 this document?

5 EXAMINER SEE: No, there aren't.

6 MR. SETTINERI: Also for the record I
7 don't see any AEP identifiers on this document. I
8 don't know where it came from, your Honor.

9 Q. (By Mr. Nourse) Sir, have you reached the
10 page I directed you to?

11 A. Page?

12 Q. The next to last page. It's -- at the
13 top it says "Fixed Price Auctions Fall of 2022."

14 A. Yes.

15 Q. Now, I would like you to take a moment
16 and compare the data and all the information in that
17 table to Figure 3 in your testimony, page 26, and
18 confirm that it provides the same data in terms of
19 auction clearing prices.

20 A. Yes.

21 Q. I'm sorry. Was your answer yes? Okay.
22 And the notes below the table were added. Are these
23 the same sources that you used for the information in
24 Figure 3?

25 A. Yeah. I think the source is -- I think

1 in Ohio I may have gotten mine from the PUCO filings.

2 Q. And so all of your sources were public
3 sources?

4 A. Yes.

5 Q. You created Figure 3?

6 A. Yes.

7 Q. And did those sources also have similar
8 data for other time periods for auction clearing
9 prices besides the September through December 2022
10 that you used in Figure 3?

11 A. Yes, they do.

12 Q. Did you examine that data before you
13 created Figure 3 and included it -- excuse me,
14 included it in your testimony?

15 A. Like I said, we participate in auctions
16 in multiple states as Constellation. We do look at
17 the results. We participate in them, so we are
18 certainly making decisions based off of prior
19 experience and, yeah.

20 Q. But you -- you only included the
21 three-month period listed in Figure 3 in support of
22 your proposition that there should be lower clearing
23 prices based on customer segmentation, correct?

24 MR. SETTINERI: Objection to the
25 characterization of the three-month period. Well,

1 I'll also just object on the record that this
 2 document that has been part of AEP Exhibit 3 [SIC]
 3 does not include all the information from Figure 3
 4 itself in his testimony. It does not include exact
 5 dates for the auctions like Figure 3 does. It also
 6 does not include a notes --

7 EXAMINER SEE: Thank you.

8 MR. SETTINERI: -- on products for the
 9 record.

10 EXAMINER SEE: So noted.

11 Q. (By Mr. Nourse) Mr. Indukuri, to address
 12 the three-month issue, your table is labeled
 13 "September through December 2022," right, in your
 14 Figure 3?

15 A. September through November?

16 Q. At the very top under the word
 17 "Figure 3," it says "September through December
 18 2022." Do you see that?

19 A. Yeah, "PJM Auctions," yeah. Those were
 20 the PJM auctions held in that time frame.

21 Q. Okay. But the actual auctions listed in
 22 the table go from September through November,
 23 correct, the three-month period?

24 A. Yes.

25 Q. Thank you. Okay. So now I would like to

1 go to the front page of this exhibit and ask you
2 relative to comparing AEP Ohio auction clearing
3 prices for the stated date to the same Ohio EDUs and
4 Pennsylvania and other companies that are listed,
5 these are the same companies that you listed in
6 Figure 3, correct? Now I am on page 1 of the
7 exhibit.

8 MR. SETTINERI: Yeah. At this time, your
9 Honor, I have to object on this line of questioning
10 on this document. Again, this is an AEP Ohio
11 prepared document. There is no witness from AEP
12 Ohio. There has been no identification made who even
13 prepared this document. We have no way to test the
14 accuracy of any of the numbers here, any of the
15 information, and this witness is going to be crossed
16 on a document prepared in-house. It should not be
17 allowed.

18 He has been able to ask questions on that
19 one expert -- excerpt page. He asked questions about
20 the sources of his data. But for AEP Ohio to bring
21 in a document through this witness that AEP Ohio
22 created for litigation purposes, it's improper. It's
23 not -- there has been no foundation laid this witness
24 prepared it, is familiar with it, and if we -- if he
25 is going to be crossed on the numbers here, we are

1 going to take a significant break in order for him to
2 go through and verify that -- all the information on
3 every page is accurate. AEP can bring a rebuttal
4 witness in and just do it just as easy since they
5 prepared it.

6 MR. NOURSE: Yeah, your Honor. Again,
7 we've established he used the same sources and that
8 information on those same websites is available for
9 other auction clearing prices for other auctions
10 conducted in recent time periods and that he had
11 access to that same information, didn't include it.
12 And so we actually provided this -- the cites and the
13 sources and they are the same sources for all of
14 these -- all of these time periods and I am happy to
15 ask them subject to check.

16 I want to ask him a few questions per
17 page. I'm also okay with taking a break if they need
18 to review the document, but I do think it's
19 appropriate to test his credibility based on, again,
20 we opposed this table coming in to begin with for the
21 same reasons, and we are at least showing the sources
22 and the citations and testing the statements that he
23 has already been permitted to make on the record that
24 were based on an unreasonably narrow pinpoint set of
25 data.

1 MR. SETTINERI: Well, the good news is,
2 your Honor, AEP Ohio does not contest the accuracy of
3 Figure 3 now. That's been established which is good.
4 But again, it's not just asking him questions on the
5 sources. It's the dollars, and it's the type of
6 products. There is a lot of work that has to go into
7 that to understanding that. And so, again, if AEP
8 wants to bring this document in and have a witness
9 come to present its side of the story in rebuttal, it
10 is more than welcome to. They could have taken his
11 deposition. AEP did not take his deposition. There
12 is no notice of deposition on the docket. They could
13 have reviewed this in deposition with him. They did
14 not.

15 MR. NOURSE: And I appreciate the options
16 that Mr. Settineri is providing but.

17 EXAMINER SEE: Okay. Thank you both.
18 It's now 12:21. We will take a recess until 1:45.

19 We are off the record.

20 (Thereupon, at 12:22 p.m., a lunch recess
21 was taken.)

22 - - -

23

24

25

1 Monday Afternoon Session,
2 October 16, 2023.

3 - - -

4 EXAMINER SEE: Let's go back on the
5 record.

6 And I believe that there is an objection
7 from Constellation that had not been ruled on
8 regarding AEP Ohio Exhibit 8. And that objection is
9 overruled.

10 MR. SETTINERI: Your Honor, if I may just
11 for the record.

12 EXAMINER SEE: Go ahead.

13 MR. SETTINERI: As to that objection, AEP
14 Ohio Exhibit 8, there has been no foundation this
15 witness is familiar or prepared for and indeed AEP
16 Ohio admitted that it -- someone within its
17 organization prepared this document. We have no idea
18 as to the validity of any of the numbers, the types
19 of products, et cetera, for the auction periods that
20 are listed. Essentially it would be viewed as
21 hearsay --

22 EXAMINER SEE: I'm sorry, that the
23 products -- say that part again.

24 MR. SETTINERI: So, for instance,
25 Figure 3, Mr. Indukuri's testimony notes the types of

1 products that are procured through the auctions.
 2 This document does not show that. So there are a
 3 host of issues just in terms of the validity and
 4 accuracy and this -- how can this witness testify to
 5 a document that he has no way of knowing whether
 6 anything is accurate or what information is
 7 available? Again, there's no foundation and
 8 essentially what they are doing, they are
 9 bootstrapping an exhibit that should have been
 10 brought in through one of their witnesses so we could
 11 cross their witness on the document and the validity
 12 and the accuracy of the document. They are trying to
 13 bootstrap it to bring it in through our witness, a
 14 document they prepared internally. It is not a
 15 public document.

16 So I would renew my objection, ask the
 17 Bench to reconsider that objection, and not allow
 18 questioning on this document beyond what's already
 19 occurred as to that one page. Thank you, your Honor.

20 MR. NOURSE: And just to briefly respond,
 21 your Honor, I think it's only hearsay to the extent
 22 that the original Figure 3 in testimony was hearsay.
 23 And I raised that at the time we made our motion to
 24 strike. But the witness has already confirmed that
 25 these are the same resources, sources that he used,

1 and that this other data was also available through
2 the same resources.

3 We also just took an hour and a half
4 break. To the extent he wanted to look at it and
5 confirm any of the data, could have done that. But
6 it's the same information that was presented in
7 Figure 3, just for different time frames. And that's
8 why I wanted to go through it to test his -- the
9 validity and the credibility of his prior statements
10 on the record.

11 MR. SETTINERI: Your Honor, just on the
12 hearsay issue, Mr. Indukuri prepared Table 3 in his
13 testimony. It is not hearsay. This document is
14 hearsay because it was prepared by another entity, in
15 fact, a litigant in this party [SIC]. That's the
16 difference. That's why it's hearsay.

17 MR. NOURSE: Yeah. It's data from the
18 same resources that he relied on to prepare Figure 3.

19 EXAMINER SEE: Thank you both. Just a
20 moment.

21 And the objection is overruled.

22 MR. SETTINERI: Thank you, your Honor.

23 EXAMINER SEE: Mr. Indukuri?

24 THE WITNESS: Yeah.

25 EXAMINER SEE: It's on already. Sorry.

1 I was trying to check to see if your microphone was
2 on.

3 Go ahead, Mr. Nourse.

4 MR. NOURSE: Thank you, your Honor.

5 Q. (By Mr. Nourse) So, sir, could you turn
6 to page 1 of Exhibit 8 that reflects auction results
7 for the fall of 2019.

8 MR. SETTINERI: I'll object at this time.
9 There has been no foundation laid that the witness
10 has reviewed this page and is familiar with this
11 page. You have to lay a foundation at least.

12 MR. NOURSE: I disagree. I disagree,
13 your Honor.

14 MR. SETTINERI: It hasn't been asked.

15 EXAMINER SEE: Mr. Indukuri, how long
16 have you been the Portfolio Manager for Constellation
17 or otherwise working in the competitive bid process?

18 THE WITNESS: Since fall of 2018, your
19 Honor.

20 EXAMINER SEE: I'm sorry?

21 THE WITNESS: Since fall of 2018.

22 EXAMINER SEE: Fall of 2018?

23 THE WITNESS: Uh-huh.

24 EXAMINER SEE: Okay. All right. Okay.

25 MR. NOURSE: Shall I proceed, your Honor?

1 EXAMINER SEE: Yes.

2 Q. (By Mr. Nourse) So, Mr. Indukuri, I think
3 we have already established that these resources that
4 are listed on page 1 are the same ones you used for
5 similar data from different time periods for
6 Figure 3. So my question --

7 MR. SETTINERI: Object to -- I'm sorry.
8 Go ahead and finish your question. I'll object.

9 MR. NOURSE: Well, we're just going to
10 continue with constant interruptions, your Honor.

11 MR. SETTINERI: I'm sorry. Due process
12 is something cherished in the courts.

13 EXAMINER SEE: Okay. Let him finish his
14 question, okay?

15 MR. SETTINERI: Thank you.

16 Q. (By Mr. Nourse) Do you see the
17 November 2019 auction result for two different
18 products, auction clearing prices for two different
19 products for AEP Ohio near the top of the chart?

20 A. Is this page for fall 2019? I don't have
21 page numbers, sorry.

22 Q. Yes. It's the first page, fall of 2019,
23 November '19 auction results.

24 A. Okay.

25 Q. And you see the auction clearing price of

1 \$40.18 for the 12-month product and \$42.83 per
2 megawatt-hour for the 24-month product?

3 MR. SETTINERI: Objection, lack of
4 foundation as to those are the actual clearing prices
5 for that time. No foundation has been laid, your
6 Honor.

7 EXAMINER SEE: Mr. Nourse.

8 MR. NOURSE: I think the foundation is
9 that this is the same resources he's used and it's
10 the data for a different data point other than the
11 one single data point that he included in Figure 3
12 and I want to ask some questions about to test his
13 credibility about his prior statements that the --
14 that the segmentation of customers will lower prices
15 based on Figure 3.

16 MR. SETTINERI: If I may, your Honor.

17 EXAMINER SEE: And you are arguing about
18 the auction clearing price that's on the first sheet
19 for 2019, Mr. Settineri?

20 MR. SETTINERI: I am saying there's been
21 no foundation laid those are the actual clearing
22 prices. Mr. Indukuri did not prepare this document.
23 He has no way of knowing, your Honor.

24 EXAMINER SEE: And the auction prices --
25 Mr. Indukuri, the auction prices for this period

1 through -- until spring of 2023 are a matter of
2 public record, correct?

3 THE WITNESS: They are a matter of public
4 record, yes.

5 EXAMINER SEE: Okay. And that is, in
6 fact, what you used to prepare Exhibit -- Figure 3 in
7 your testimony?

8 THE WITNESS: I used the public record to
9 basically come up with the table that I have in
10 Figure 3 but at the same time I --

11 EXAMINER SEE: That is the information
12 you used to compose the information in Figure 3?

13 THE WITNESS: I used public records for
14 Figure 3, yes, ma'am.

15 EXAMINER SEE: Okay. To the extent that
16 Mr. Settineri believes that these are incorrect, that
17 matter can be argued. All the parties have access to
18 the public information that was used, and if those
19 figures are incorrect, you can argue about it on
20 brief.

21 THE WITNESS: May I?

22 Q. (By Mr. Nourse) And, sir, again, you use
23 those public websites for auction clearing prices for
24 all the utilities that were in Figure 3 in your
25 testimony, correct?

1 A. I used the public sources for the data
2 that I have in Figure 3, correct.

3 Q. And the same public sources have auction
4 clearing prices for different dates for the last
5 three, four years, correct?

6 A. They would, but I did not look at those
7 numbers nor can I say anything about what numbers you
8 have here because this is not something that I looked
9 at. So, I mean, it's -- I can't -- I can't remember
10 auction clearing prices for multiple years for
11 multiple zones for multiple products.

12 Q. No. That's exactly why I prepared the
13 exhibit, to help refresh your -- your information.

14 A. But the numbers you have lacking what
15 gets fixed in each of those products would be taking
16 the prices out of context. Also the fact that what
17 the prevailing commodity prices were on each of those
18 months when those auctions happened and what the
19 capacity prices were, what the prices were for all
20 the other components that are getting fixed in coming
21 up with that auction clearing price would all matter
22 to -- for me to make any statements one way or the
23 other about this data. And at the very outset, like
24 I said, I don't know if the numbers you have here are
25 correct numbers because I didn't prepare them.

1 Q. Well, you are making all the statements
2 you just made apply equally to the data in Figure 3,
3 correct?

4 A. I mean, all the statements I have made
5 apply to Figure 3, but if you look at my testimony
6 from the prior page, on page 25, starting line 15 on,
7 I describe that -- I mean, actually line 17 on, I
8 describe how you can arrive at making an
9 apples-to-apples comparison off of those prices to
10 arrive at the conclusion that I present here that
11 procuring products by customer class would result in
12 lower prices to the customers.

13 The other point I would make is there was
14 a change in the market behavior of the customers
15 and --

16 MR. NOURSE: Your Honor.

17 A. -- the fact of that is the prices have
18 result -- the prices have changed because the
19 suppliers took that data into account, so going back
20 prior to the -- prior to that change in the behavior
21 would not be providing -- would not -- would be
22 taking those numbers out of context because, I mean,
23 the market is different today than it was prior to
24 all the customer behavior we have changed -- we have
25 seen.

1 Q. Well, first of all, I didn't ask you
2 about any of that. Secondly, we already talked about
3 that earlier with Mr. Betterton, and you're saying
4 that these other markets that you are pointing to
5 that have segmented their customer in the auction,
6 all of that is irrelevant except for the one date
7 that you presented in Figure 3; is that what you are
8 trying to say?

9 A. No. I am saying that you have to look at
10 the numbers presented in the context of the products,
11 and the numbers I have presented for that particular
12 period I did the analysis to make sure all the
13 data -- all the preconditions I laid out earlier in
14 my statement were met.

15 Q. But you didn't present any of that
16 additional analysis. You have already admitted that
17 earlier.

18 MR. SETTINERI: Objection,
19 mischaracterizes his testimony.

20 Q. (By Mr. Nourse) You disagree with my
21 question?

22 EXAMINER SEE: Overruled. The witness
23 can answer with whatever caveat you believe
24 necessary.

25 Q. (By Mr. Nourse) Mr. Indukuri, didn't you

1 already agree with Mr. Betterson -- Betterton, excuse
2 me, that you did not quantify or present any of the
3 apples-to-apples additional analysis that you
4 referred to on the bottom of page 25 in your
5 testimony?

6 A. If I recall my answer, what I said to
7 Mr. Betterton in response to his question was that I
8 did the analysis and I described the qualitative way
9 or, in other words, how the analysis can be arrived
10 at in the testimony but don't put the numbers in
11 there but I did the analysis.

12 Q. Yes. That's exactly right. And so,
13 again, on page 1, I am not asking you -- these are
14 the same products and the same companies that you've
15 presented in Figure 3 that are on page 1, correct?

16 A. I do not know. It's 2019.

17 Q. You don't know if -- they are listed the
18 same way. You don't know if they are residential,
19 small C&I, medium C&I?

20 A. The class could be the same, but when I
21 say product, it is the description I have in the
22 table which describes what other -- what components
23 are being fixed in coming up with the auction
24 clearing price. The class is what residential, small
25 commercial, all of that refers to. The product is

1 the last column that I have in my table, and I don't
2 know what the products were in 2019 because I didn't
3 look at it.

4 Q. Yeah. And I am asking about the auction
5 clearing prices, and so you would agree on page 1 for
6 the November 2019 auction that all eight of the
7 residential products for the segmented auctions are
8 higher than AEP Ohio's slice-of-system clearing
9 price?

10 MR. SETTINERI: I just object again.
11 Figure 3 in Mr. Indukuri's testimony listed the types
12 of products -- what was included in the product,
13 capacity, energy, things of that nature. This
14 document does not. He is being asked -- and so
15 that's the problem with this document again, your
16 Honor. And so when we say we are doing comparisons,
17 there's nothing here in the document that Mr. Nourse
18 apparently prepared himself, counsel prepared the
19 document. I don't think he wants to be a witness but
20 I don't -- that information is not here. And again,
21 it's something that's -- that Mr. Indukuri did not
22 prepare.

23 MR. NOURSE: I'll ask an additional
24 background question and come back to that, your
25 Honor.

1 EXAMINER SEE: Okay.

2 Q. (By Mr. Nourse) Mr. Indukuri, as the
3 expert and Constellation executive that's responsible
4 for these markets --

5 A. I am not an executive, sorry.

6 Q. You are the -- you are the expert, and
7 you manage the decisions?

8 A. I do not manage. I am one of the
9 employees for Constellation, and we are a group. We
10 participate -- we work together, and we participate
11 in the auctions.

12 Q. All right. I'll rephrase. As the expert
13 on pricing for these markets, and you talked about
14 that earlier in your testimony, you -- do you know
15 whether any of these auction segmentation products
16 that you point to as an example of why you think Ohio
17 should do it, have these changed since 2019, these
18 other markets?

19 A. I do know their markets are dynamic and
20 they -- every auction that we go through to
21 participate, there is an elaborate process. The
22 auction manager puts out a presentation where they
23 describe all the components that are getting fixed,
24 what the duration is, what the products are. We
25 basically have to look at all the data in detail for

1 us to be able to provide a price, and sitting here
2 without access to that data, I cannot tell you one
3 way or the other.

4 Q. Well, that doesn't answer my question.
5 So does -- the definition of what a residential
6 customer is, has that changed in Pennsylvania in the
7 last three or four years?

8 A. Again, without access to data, I cannot
9 answer that. I mean, the -- as a utility, utility --
10 and this is me making a statement in general.
11 Utilities reclassify customers all the time. And for
12 me to answer a question whether it was the same group
13 of customers back in 2019 versus today would not
14 be -- I mean, without looking at the rules that were
15 the data that we had for that auction which I don't
16 even know if you can go look at the data. I can't
17 answer that.

18 Q. You don't know -- I didn't ask you if it
19 was the same group of customers. I asked you whether
20 the definition of a residential customer has changed
21 in Pennsylvania over the last three, four years.

22 MR. SETTINERI: Objection, asked and
23 answered.

24 MR. NOURSE: It was asked, your Honor.

25 A. And I think I --

1 EXAMINER SEE: The witness can answer the
2 question. Go ahead.

3 A. I think I answered that that utilities
4 reclassify customers all the time; so, I mean, I
5 cannot -- without looking at the data, I cannot tell
6 you one way or the other if the definition of the
7 residential customer class, i.e., the group of
8 customers that formed the data that we used to price
9 the auction in 2019, if it was same, different, or
10 significantly different. I cannot make those
11 statements.

12 Q. You can't tell me as the expert for
13 Constellation matters in these markets whether the
14 definition of residential customer has changed?

15 A. No, I cannot, and I just answered
16 earlier. I just refer back to my answer earlier.

17 Q. Okay. Well, again, subject to check and
18 with the caveat you just offered, would you agree
19 that on page 1, all eight of the residential products
20 that are segmented in those markets produced an
21 auction clearing price that's higher than the
22 slice-of-system result for AEP Ohio?

23 MR. SETTINERI: I will renew my
24 objection, your Honor. Again, it's apples to
25 oranges. Again, this document doesn't show what

1 types of products are within those.

2 MR. NOURSE: Your Honor, I think he
3 already answered --

4 MR. SETTINERI: It's deceptively -- it's
5 misleading. It's prejudicial to the record. And
6 this whole line of questioning I will be asking a
7 motion to strike at the end for all of this just
8 because it's prejudicial. It's polluting the record,
9 and it shouldn't be happening.

10 MR. NOURSE: Well, your Honor, I think
11 you have already ruled on this, but it's already been
12 established that this is either -- the same sources.
13 He's already indicated that. He has already
14 indicated that other dates of other auctions and
15 clearing prices were listed on the same website. He
16 just decided not to include them in Figure 3 and made
17 sweeping conclusions about it and that's why I am
18 testing the credibility of his statements through
19 this other data from the same websites.

20 MR. SETTINERI: Your Honor, again, if I
21 may, it is testimony to a hearsay document.

22 EXAMINER SEE: The objection was
23 previously noted. I am going to allow the witness to
24 answer to the extent that he can. And the Commission
25 will take it into consideration what weight to give

1 the witness's testimony in consideration of his
2 response or lack of foundation or whether it
3 contradicts his prior testimony. We will take all of
4 that into consideration.

5 Go ahead and answer the question,
6 Mr. Indukuri.

7 A. Could you repeat your question, please?
8 Sorry.

9 EXAMINER SEE: Do you need it read back?

10 THE WITNESS: Yes, please.

11 (Record read.)

12 A. I caveat my answer that I cannot attest
13 to the accuracy of or the validity of this data; and
14 so, I mean, I can only tell you if \$40 and change is
15 lower or -- lower than the other prices you have in
16 other zones here in this sheet, but I would again
17 qualify my answer that looking at just the prices
18 without the appropriate context and the definition or
19 the customer behavior that was prevalent at some
20 point in the past is not beneficial to make any
21 statements about what the customer behavior or all of
22 the price outcomes would be today because as I stated
23 earlier, price outcomes are dependent on customer
24 behavior and markets and dynamic suppliers take that
25 into account and appropriately offer the prices.

1 Q. So in order to support your
2 recommendation that customer segmentation should
3 occur in Ohio, are you saying now that it's
4 inappropriate for the Commission to look at any
5 results in the past for any other jurisdictions that
6 have -- have exercised segmentation because you
7 haven't examined the data and proved it?

8 A. No. That was not what I said. What I
9 said is that you can look at the past data as long as
10 you are taking the full entire matters into account,
11 what the prevailing forward prices were at that time
12 and what the prevailing capacity prices were at that
13 point and what the underlying customer load and load
14 characteristics were at that time, what the various
15 components that are being fixed in each of these
16 prices here are, you have to net them out and do an
17 apples-to-apples comparison of the underlying energy
18 price, and then you are coming up with the
19 appropriate analysis to make a statement one way or
20 the other.

21 Without doing that analysis, just looking
22 at the actual clearing price and making broad
23 statements about it would be misleading is all I am
24 saying.

25 Q. Yeah. So you didn't do any of that for

1 any point in time in the past in your testimony, did
2 you?

3 A. I did that and I did explain that I did
4 the analysis and based off of that is why the
5 Figure 3 in my testimony is in the -- in my
6 testimony.

7 Q. Well, I'll let the record speak for
8 itself on what you already admitted multiple times
9 you didn't do.

10 MR. SETTINERI: Objection, argumentative.
11 Repeatedly argumentative.

12 MR. NOURSE: Well, I could go through it
13 again, your Honor. I am just trying to save time.
14 Let me --

15 EXAMINER SEE: Without the statements go
16 ahead, Mr. Nourse.

17 Q. (By Mr. Nourse) Let me rephrase that. So
18 is there a reason why you picked one data point to
19 present Figure 2 out of all the other examples from
20 the past and the recent years and all the other
21 markets you cite? Why did you look at one data point
22 and ignore all others?

23 A. So it's not one data point. It's
24 multiple auction clearing prices for multiple
25 utilities for multiple customer classes with the

1 caveat of the underlying product differences between
2 each of them.

3 Having said that, the reason why the --
4 the data that I included was included, as I have
5 stated earlier, is because markets are dynamic.
6 Customer behavior changed. The customer behavior
7 changed resulting in suppliers factoring that into
8 their risk that they are being exposed to in serving
9 particular Ohio load and there forward you would
10 notice that -- that suppliers will take that customer
11 behavior into account and appropriately come up with
12 the SSO prices.

13 Q. Well, your assertion that there is a
14 change is not based on any data that you presented in
15 the testimony, correct?

16 A. I mean, the chart that I have what the
17 customer behavior change is -- I will go to page --
18 page 16. The chart Figure 1, that is what I refer to
19 as customer behavior change. I mean, you can go back
20 all the way to 2019 through November 2022, and you
21 notice that industrial customers and small commercial
22 customers, they stayed very well behaved. They
23 didn't switch in and out of the SSO. And then all of
24 a sudden, their behavior changed, started in November
25 of 2021. So I do have the customer behavior change

1 in my testimony.

2 Q. Sir, that data is in your testimony about
3 the circuit breaker and it does not relate to
4 Figure 3 which is what I am asking you about. You
5 are asserting there has been a change, but you use
6 one data point to prove that, right? You don't have
7 any other data that says this change occurred and it
8 still applies today?

9 A. The data that I have presented in my
10 testimony is not -- because of its location at a
11 particular point in my testimony, it applies to that
12 part of the testimony. The proposals we are putting
13 forth are based on the entirety of the data that I am
14 presenting in my testimony that includes the auction
15 clearing prices for SSO, the customer behavior change
16 in AEP Ohio's data relating to industrial customers,
17 commercial customers, as well as the bidder
18 participation in the AEP Ohio SSO auctions.

19 Q. Okay. Well, sir, can you point me in
20 your testimony -- where in your testimony do you
21 present any auction clearing prices that don't relate
22 to the narrow time frame in Figure 3?

23 A. Figure 2.

24 EXAMINER SEE: What was it?

25 THE WITNESS: Figure 2, page 18, your

1 Honor.

2 EXAMINER SEE: Thank you.

3 Q. (By Mr. Nourse) Those are all AEP Ohio
4 clearing prices?

5 A. Yeah. I mean, your question was if I had
6 any clearing prices, and those are clearing prices
7 from sometime in the past.

8 Q. Okay. But for your thesis -- again, I am
9 asking you questions about your segmentation
10 recommendations so is there anything in your
11 testimony that shows auction clearing prices that
12 illustrate where segmentation has been used other
13 than the narrow time frame presented in Figure 3?

14 A. It has to be taken -- so just the auction
15 clearing prices are a result of the underlying
16 customer behavior. My testimony does go into detail
17 about how the customer behavior change is resulting,
18 and one customer class causes the costs while the
19 other customer class that is predominantly dependent
20 on SSO is bearing that cost.

21 So the auction clearing prices themselves
22 is not the only data point that is supporting
23 segmentation of customers. The other parts in my
24 testimony where I go in detail about how industrial
25 customers moving into SSO resulted in SSO suppliers

1 incurring additional costs thereby incorporating
2 premiums resulting in higher costs for SSO clearing
3 prices is supportive of the same recommendation that
4 segmentation would help.

5 I mean, the proposals should be taken in
6 entirety. They cannot just be this particular data
7 supports this. And then we gain -- we presented a
8 set of data points and then made recommendations in
9 how those recommendations taken together would result
10 in a lower price and better outcomes for customers in
11 Ohio, AEP Ohio territory specifically.

12 MR. NOURSE: Your Honor, I have been very
13 patient, but I am going to move to strike that
14 answer. I had a very specific yes or no question,
15 and none of his answer went to my question.

16 MR. SETTINERI: Your Honor, if I may.

17 EXAMINER SEE: No. Just wait a minute.

18 MR. SETTINERI: I will hold my horses,
19 your Honor.

20 EXAMINER SEE: Briefly, Mr. Settineri.

21 MR. SETTINERI: Yes, your Honor. We have
22 had a number of questions asked same and different
23 ways. I think his answers are appropriate. It will
24 assist the Commission's decision and there has been a
25 lot of latitude given today, and I think that

1 latitude should be given here as well.

2 EXAMINER SEE: I will grant the motion to
3 strike.

4 Mr. Indukuri, you need to answer the
5 question that's posed to you. If you need some
6 explanation, give it but make sure it's focused on
7 the question that's asked of you.

8 THE WITNESS: Yes, your Honor.

9 EXAMINER SEE: Next question, Mr. Nourse.

10 MR. NOURSE: Well, I do want an answer to
11 that question so thank you for granting the answer be
12 stricken.

13 Q. (By Mr. Nourse) But, Mr. Indukuri, can
14 you point me anywhere in your testimony where you
15 present auction clearing price data relating to an
16 auction that has implemented customer segmentation
17 other than the narrow time frame in Figure 3?

18 A. No, I do not, but I would just add one
19 statement that the data that is presented is with
20 context and to demonstrate the customer behavior
21 change resulting in a different auction clearing
22 price.

23 Q. Do you consider yourself a data
24 scientist?

25 A. I deal with a lot of data. I wouldn't

1 define or categorize myself as a data scientist, but
2 I do deal with a lot of data.

3 Q. You study data, interpret it, and try to
4 draw conclusions from it?

5 A. I analyze data, I gather data, and as
6 part of my role for Constellation, yes, I interpret
7 and try to make informed decisions of the data.

8 Q. So in support of your claim on page 25,
9 lines 14 and 15, we talked about several times now,
10 is there -- are you telling me that you did not look
11 at any data to support your thesis that lower prices
12 will occur from customer segmentation other than the
13 three months late in 2022 that's reflected in
14 Figure 3?

15 A. As I answered before, I did look at data,
16 but the data has to be looked at in conjunction with
17 the prevailing market conditions at that point in
18 time. The data in Table 3 satisfies that condition.

19 Q. And the data -- the other data you looked
20 at you didn't present in the testimony, correct?

21 A. It doesn't satisfy the condition of
22 change in the market participant behavior or the
23 market conditions.

24 Q. And what is the other data that you
25 looked at?

1 A. I looked -- I mean, as a course of
2 my par -- us participating, Constellation
3 participating in auctions, we do look at the auction
4 clearing prices in the auctions that we participate
5 in.

6 Q. So you looked at auction clearing prices
7 that had customer segmentation built into the auction
8 structure?

9 A. When we participate in auctions across
10 Pennsylvania and other states that do have customer
11 segmentation. But, I mean, what do you mean I looked
12 at the data? Did I -- if you can probably clarify.

13 Q. Well, I'm responding to your -- your
14 answer a couple questions ago that you did look at
15 data, but the data didn't pass your test, and so you
16 didn't address -- you didn't include it in your
17 testimony. So I am asking you what was the data you
18 referred to when you said you looked at other data
19 that didn't pass the test?

20 A. Like I said, the data that is relevant is
21 to take the prevailing market conditions into
22 account, and I look at data all the time for us to be
23 able to participate in the default service auctions
24 across multiple states in Ohio -- sorry, in the U.S.

25 Q. So if you looked at data from say 2019

1 through the middle of 2022 from those other
2 jurisdictions that did exercise segmentation and the
3 price -- clearing prices from all those auctions was
4 higher than slice-of-system results in Ohio, would
5 you not consider that to undermine your theory that
6 segmentation should be done in Ohio for residential
7 customers?

8 A. So there are a lot of ifs in the question
9 you've asked me. First of all, I don't recall
10 numbers on top of my head; so, I mean, it's very
11 difficult for me to answer the question, but I would
12 answer it this way, that the -- when we price any
13 load, the underlying characteristics of the load is
14 deterministic of what the cost we offer to that
15 particular customer. And taking that cost causation
16 into account, even without the analysis, I would say
17 that you would be justified to take the route of
18 conducting auctions by customer class. And, I mean,
19 almost -- other than a -- other than Ohio, all states
20 in the U.S. conduct auctions by class.

21 Q. And that's your recommendation even if it
22 results in increases for residential customers?

23 A. I -- I don't know why it would result in
24 an increased cost to residential customers.

25 Q. That's not what I asked you.

1 MR. SETTINERI: Object. He just answered
2 the bad question, your Honor.

3 EXAMINER SEE: Okay. That was --

4 MR. NOURSE: The witness can explain why
5 he thinks he disagrees or.

6 EXAMINER SEE: Yes, he certainly can. Go
7 ahead and answer the question, Mr. -- the objection
8 is overruled, Mr. Settineri.

9 MR. SETTINERI: Thank you, your Honor.

10 A. So the -- going back to my prior answer,
11 the -- the residential customer data taking -- being
12 taken into account to come up with the price for the
13 residential customer is appropriate because the --
14 the load characteristics and the risks associated
15 with that class is effectively what is -- what the
16 customer pays. The price could be higher, lower, but
17 from a cost causation standpoint that is the
18 appropriate thing to do.

19 MR. NOURSE: I'll accept that. Thank
20 you, your Honor. That's all I have.

21 EXAMINER SEE: Mr. Margard?

22 MR. MARGARD: I have no questions. Thank
23 you.

24 EXAMINER SEE: Thank you.

25 Mr. Settineri, redirect?

1 MR. SETTINERI: Yeah. Your Honor, a
2 couple things. If we could have 10 minutes first.

3 EXAMINER SEE: Sure.

4 MR. SETTINERI: Thank you, your Honor.

5 EXAMINER SEE: Let's go off the record.

6 (Recess taken.)

7 EXAMINER SEE: Let's go back on the
8 record.

9 MR. SETTINERI: Your Honor, we have just
10 a few redirect questions for Mr. Indukuri.

11 EXAMINER SEE: Okay.

12 MR. SETTINERI: May we proceed?

13 EXAMINER SEE: Yes.

14 MR. SETTINERI: Thank you.

15 - - -

16 REDIRECT EXAMINATION

17 By Mr. Settineri:

18 Q. Mr. Indukuri, earlier today you were
19 asked about impacts on large industrial/commercial
20 customers as a result of your class auction proposal.
21 Do you recall that general line of questioning about
22 that?

23 A. Yes, I do.

24 Q. Okay. Now, if class auctions were held
25 in the AEP Ohio service territory, do you have an

1 opinion on whether a competitive auction can be held
2 for a large commercial and large industrial class?

3 A. So the August data we have for large
4 industrial/commercial class in AEP Ohio, which is
5 public, roughly is about 30 megawatts and that is a
6 quantity sufficient enough that suppliers would be
7 interested in bidding on and supplying that
8 particular load, yes. And this is based on the other
9 auctions, the class-based auctions, we participate in
10 other states in the U.S. where we have seen similar
11 loads being procured without any problems.

12 Q. Now, earlier today also you discussed how
13 the -- if a threshold cap -- if the threshold cap of
14 5 percent were exceeded how the market procurement
15 costs would be recovered from SSO customers. Do you
16 recall that line of questioning about that?

17 A. Yes, I do.

18 Q. Now, if -- and assuming the class
19 auctions are in place as well, if the threshold cap
20 exceeded for a class, would the cost of the market
21 procurement be recovered from the -- only the SSO
22 customers within that class?

23 A. Yes. It would be recovered from the
24 customers in the class, but the -- the increase in
25 cost would be significantly lower because the

1 threshold is set for each single procurement, and
 2 based on like Ohio, how the auctions are conducted,
 3 this is at least five such procurements for any
 4 planning year and that should result in you coming up
 5 with a PLC threshold that is the baseline for -- on
 6 the basis of which you calculate the exceedance that
 7 would be increasing or would be different for each of
 8 these different procurements resulting in an overall
 9 lower cost.

10 Q. Now, you -- you also discussed previously
 11 today how the costs would be reconciled. Do you
 12 recall that?

13 A. Yes.

14 Q. Okay. Now, another way would be to blend
 15 the cost into the existing SSO price or with the SSO
 16 price, correct?

17 A. Correct. I think that's what I mention
 18 in my testimony, and I think that's actually a
 19 superior way of doing it because you are giving a
 20 price signal to the customers whereby they can make
 21 the appropriate decision taking that -- you are
 22 providing more transparency which is in the best
 23 interest of all the customers in AEP Ohio's
 24 territory.

25 Q. Now, you were asked obviously a lot of

1 questions today about your proposals and auction
2 clearing prices. If both of your proposals, the
3 class auction and the caps, were adopted in AEP
4 Ohio's service territory, would the auction clearing
5 prices for all classes be reduced?

6 MR. NOURSE: Objection. I think this
7 goes beyond the scope of cross. He is trying to
8 fortify his original rebut -- or his original
9 Stipulation testimony on a matter that wasn't asked
10 about.

11 MR. SETTINERI: Your Honor, I think we
12 had a number of questions about auction clearing
13 prices being reduced or increased, et cetera. It's
14 certainly proper for redirect. And I will add, your
15 Honor, we also had some questions about benefits of
16 the proposals so.

17 EXAMINER SEE: Okay. Thank you,
18 Mr. Settineri. That's enough.

19 MR. SETTINERI: Thank you.

20 EXAMINER SEE: The witness can answer the
21 question.

22 MR. SETTINERI: Can we have the question
23 reread, please? Thank you.

24 (Record read.)

25 A. The auction clearing prices would be

1 reduced and for two reasons. One is we are giving
2 certainty on the risk that the suppliers would be
3 exposed to in serving the SSO load in Ohio. That in
4 itself will prevent them from making assumptions on
5 their risk exposure thereby providing better prices
6 to the customers and also the procurement being based
7 off of the specific customer characteristics would
8 benefit or would result in providing the appropriate
9 prices to the various customer classes.

10 The combination of that -- of the -- of
11 the mitigation and the customer-specific procurement
12 also could potentially attract more bidders and more
13 bidders in general creates competition and
14 competition often results in lower prices.

15 MR. SETTINERI: No further questions,
16 your Honor. Thank you.

17 EXAMINER SEE: On behalf of OMAEG?

18 MS. EASLEY: No questions, your Honor.

19 EXAMINER SEE: Mr. Dunn?

20 MR. DUNN: No questions, your Honor.

21 EXAMINER SEE: Ms. Paul -- Ms. Whitfield?
22 I'm sorry.

23 MS. WHITFIELD: No questions, your Honor.

24 EXAMINER SEE: Mr. Semple?

25 MR. SEMPLE: No questions, your Honor.

1 EXAMINER SEE: Mr. Betterton?

2 MR. BETTERTON: One very quick question
3 just to clean up my mistake earlier, if you would
4 indulge me.

5 - - -

6 RECROSS-EXAMINATION

7 By Mr. Betterton:

8 Q. Mr. Indukuri, can we turn back to page 18
9 of your testimony, Figure 2.

10 A. Yes.

11 Q. Earlier I asked you about the difference
12 in the auction clearing prices for two auctions in
13 Ohio, and your counsel correctly pointed out that my
14 mental math earlier this morning was incorrect, so
15 could you tell me the difference between the auction
16 clearing prices of November 1, 2022, and March 7,
17 2023?

18 MR. SETTINERI: Your Honor, I will object
19 as it's outside my redirect.

20 MR. BETTERTON: In his redirect I believe
21 he discussed auction clearing prices. These are
22 auction clearing prices in his testimony. Just
23 trying to clear the record earlier where I said
24 31.42.

25 EXAMINER SEE: Okay. Thank you very

1 much, Mr. Betterton. Is that your only question?

2 MR. BETTERTON: That's my only question.

3 EXAMINER SEE: Okay. I am pretty sure
4 your math was cleared up earlier by a statement made.
5 You have -- not by the witness, by counsel to correct
6 it, so if that's your only question, we're done.

7 MR. BETTERTON: Thank you, your Honor.

8 EXAMINER SEE: On behalf of RESA?

9 MS. WALKE: No questions, your Honor.

10 EXAMINER SEE: Mr. Kurtz?

11 MR. KURTZ: No questions.

12 MR. PROANO: I do have some questions,
13 your Honor. Thank you.

14 - - -

15 RECROSS-EXAMINATION

16 By Mr. Proano:

17 Q. You had -- Mr. Indukuri, you testified on
18 redirect that it was in your opinion that suppliers
19 would bid on the load that was only 30 megawatts of
20 industrial customers, correct? You recall that?

21 A. Yes.

22 Q. Now, you are not purporting to speak for
23 other suppliers, are you?

24 A. I'm not, but just given my experience in
25 power markets, your traditional block is about

1 50 megawatts and a lot of 50 megawatt blocks trade
2 and 30 megawatts is a decent quantity.

3 Q. 30 megawatts equals about how many
4 megawatt-hours in a month?

5 A. So if I assume 744, that would be -- I'm
6 just doing the math here, so 12, about 20 -- 22,000
7 megawatt-hours.

8 Q. That's very close. It's 21,900
9 megawatt-hours per month. Do you know what the
10 current industrial load is on SSO in AEP Ohio's
11 territory?

12 A. August I think industrial was 28,000ish.

13 Q. That's correct. Would -- how many
14 bidders do you foresee participating in an auction
15 for only 30 megawatts of load based on your
16 experience?

17 A. At least three to four.

18 Q. Have you seen any SSO load auctions in
19 any other states where there was an auction for such
20 size load?

21 A. Just looking at the magnitude of the
22 load?

23 Q. No, 30 megawatts, that size or lower.
24 Have you seen any auction in any other states where
25 there is bifurcated auctions where you have had an

1 actual auction for load that small?

2 A. Did you say bifurcated and 30 megawatts
3 or just 30 megawatts?

4 Q. A state where there's bifurcated auctions
5 meaning a separate auction for separate classes where
6 there was a load that was 30 megawatts or smaller
7 within that specific class of industrial or large
8 commercial.

9 A. Delaware.

10 Q. And which year?

11 A. Multiple years if I recall. Again, I
12 have to look at the data but that's my recollection.

13 Q. Any other states you can recall sitting
14 here?

15 A. Again, we are talking of average loads so
16 probably D.C., PEPCO, PEPCO D.C. Again, I have to
17 look at the numbers, but on average, average load
18 level, I would say PEPCO D.C.

19 Q. Those are the two states you can recall
20 sitting here today having that size load auction?

21 A. Yes.

22 MR. PROANO: Thank you.

23 EXAMINER SEE: Mr. Nourse?

24 MR. NOURSE: No, thank you.

25 EXAMINER SEE: Mr. Margard?

1 MR. MARGARD: No, thank you, your Honor.

2 EXAMINER SEE: I believe Mr. Settineri
3 has already moved for the admission of Constellation
4 Exhibit 2. Are there any objections?

5 With that, Constellation Exhibit 2 is
6 admitted into the record.

7 (EXHIBIT ADMITTED INTO EVIDENCE.)

8 EXAMINER SEE: Mr. Nourse, you had --

9 MR. NOURSE: Yeah. I'm not moving for
10 admission of 8.

11 EXAMINER SEE: Okay. Thank you,
12 Mr. Indukuri.

13 THE WITNESS: Thank you, your Honor.

14 EXAMINER SEE: Okay. That concludes the
15 witnesses we had scheduled.

16 Mr. Nourse, is there a desire for
17 rebuttal?

18 MR. NOURSE: Yes, your Honor. We would
19 propose to file rebuttal testimony by the end of the
20 week.

21 EXAMINER SEE: By Friday?

22 MR. NOURSE: I'm sorry?

23 EXAMINER SEE: By Friday?

24 MR. NOURSE: This Friday and would be
25 available, excuse me, any time next week for

1 cross-examination.

2 EXAMINER SEE: Any idea how many
3 witnesses you expect to have on rebuttal?

4 MR. NOURSE: I think it's going to be
5 one.

6 EXAMINER SEE: To be filed by the 20th.

7 MR. SETTINERI: Your Honor, depending
8 on -- I don't know who is testifying or what the
9 topic would be. We would obviously want to leave
10 time in for depositions of any rebuttal witness
11 coming into this case. So to the extent we are
12 going -- I would say coming back to hearing next week
13 would be rather aggressive on that given the
14 testimony would be filed on Friday and need to get
15 transcripts as well from the hearing itself.

16 MR. NOURSE: I think we could cross that
17 bridge, your Honor. There's no reason to think a
18 deposition would be needed. We haven't done it for
19 any of the other testimony phases in this case.

20 MR. DUNN: Your Honor. Over here. I've
21 tried to remain silent as long as I could. I just
22 want to reiterate I just hope there is ample
23 opportunity to be able to review said rebuttal
24 testimony and have time to prepare accordingly.

25 EXAMINER SEE: Okay.

1 MR. SETTINERI: And, your Honor --

2 EXAMINER SEE: Go ahead, Mr. Settineri.

3 MR. SETTINERI: I know I have exceeded my
4 words for the day.

5 EXAMINER SEE: Yes, you have,
6 Mr. Settineri.

7 MR. SETTINERI: We would also want to
8 check our schedules as well.

9 EXAMINER SEE: And we also have to check
10 the schedule of the availability of the room and the
11 AEs. So with that said, we will expect rebuttal
12 testimony to be filed by close of business on Friday,
13 and we will issue an entry directing the date that we
14 need to return to consider the rebuttal witness.

15 MR. NOURSE: Thank you, your Honor.

16 EXAMINER ADDISON: It might be helpful
17 for the Bench as well if counsel would be able to
18 provide us their availability for the next two weeks.
19 That is not a guarantee that we will adhere to that
20 said availability but it will certainly help with our
21 decision as to when to take the rebuttal witness. So
22 if you could also do that by e-mail close --

23 MR. NOURSE: Yeah, we can even go one
24 further. Once we file, we can try to coordinate
25 these issues and if there are any issues about

1 depositions or readiness to go forward and try to
2 work on schedules and then present some options for
3 the Bench to consider if you would like.

4 EXAMINER ADDISON: We would appreciate
5 that, Mr. Nourse. Thank you.

6 EXAMINER SEE: Please do not assume that
7 only one date is sufficient. We have to coordinate
8 various schedules not only for the room but the
9 availability of the AEs.

10 MR. NOURSE: Yeah, right. You mean one
11 day as here is our one day we can all meet or -- I
12 think we will be done in one day.

13 EXAMINER SEE: Try to give us some
14 options.

15 Okay. With that we are adjourned for the
16 day. Thank you.

17 (Thereupon, at 3:06 p.m., the hearing was
18 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 Monday, October 16,
2023, and carefully compared with my original
stenographic notes.

Karen Sue Gibson, Registered
Merit Reporter.

(KSG-7534)

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Summary: Transcript of the Ohio Power Company hearing held on 10/16/23 -
Volume IV electronically filed by Mr. Ken Spencer on behalf of Armstrong & Okey,
Inc. and Gibson, Karen Sue Mrs..