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OFFICE OF THE CITY MANAGER

January 5, 2007

Alan R. Schriber, Chairman  
The Public Utilities Commission of Ohio  
180 East Broad Street, 13th Floor  
Columbus, Ohio 43215-3793

PUCO

2007 FEB -6 AM 10:09

RECEIVED-DOCKETING DIV

RE: AEP Requested Rate Increase

Dear Mr. Schriber,

In January the Public Utilities Commission (PUCO) will hold a series of public hearings regarding American Electric Power's (AEP) request to the PUCO to "develop a program to improve its service reliability and recover the costs through an increase in customer's distribution rates". Primarily as a result of prolonged citywide outages caused by a severe July, 2003 storm, staff initiated discussions with AEP and the PUCO regarding service performance levels in the City of Worthington. The effect of those meetings was the development of an AEP plan to mitigate the ten (10) distribution circuits that serve the Worthington area. Work performed in the mitigation plan included a range of activities from infrared inspection of the entire network to the installation of lightening and animal mitigation devices to the wholesale replacement of the primary service equipment feeding specific circuits (i.e. the extensive tree removal, pole replacement, and wire replacement completed on SR 161/East Granville Road). All circuits received forest mitigation. The AEP mitigation plan was completed in mid 2005.

Throughout the mitigation process staff met with AEP and the PUCO officials on a quarterly basis and with field crews almost daily. Since 2005 we have continued to monitor AEP's performance and meet with both the PUCO and AEP semi-annually. Ohio Revised Code 4901:1-10-11 requires that AEP report its 8 percent lowest performing circuits annually to the PUCO based on three (3) indices; the total number of interruptions per customers served; how frequently an average customer is interrupted, and; the average customer time of outage.

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None of the required indices include outages of less than five (5) minutes or "major events" defined as storm events resulting in more than a 24 hour outage where outside resources are required to restore power.

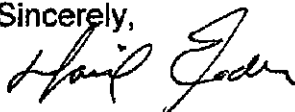
Currently none of Worthington's ten (10) circuit fall within the lowest performing 8% and in April of 2005 AEP reported that the mitigation program had reduced outages by 30% and the number of customers interrupted by 73%. However, one area that staff requested data and significant improvement was in a reduction in the number of "momentary outages"; those split second interruptions that effect digital clocks and personal computers. Although momentary interruptions are caused by built in AEP protective equipment in an attempt to reduce longer term outages, staff identified these as an important service reliability issue. AEP, with direction from the PUCO, began tracking momentary outages and including them on their circuit performance reports.

In an October 13, 2006 meeting with AEP to discuss performance data for the 12 month period ending July 31, 2006, staff expressed concerns that momentary outage data showed an approximately 30% increase in specific neighborhoods during the reporting period. Concern was also raised that the July 2006 data indicated a decrease in reliability in most neighborhoods compared to the same reporting period in 2005. A 2007 action plan including equipment replacements and additional circuit inspections was discussed. As a result of the meeting, tree trimming on the worst performing circuit was completed in October and November, 2006 and AEP agreed to place monitoring devices in specific locations to better track and record momentary outages.

David Groth, Director of Public Service will be attending the January 17<sup>th</sup> PUCO public hearing in Reynoldsburg, Ohio and will report that although the City of Worthington appreciates AEP's willingness to meet and discuss service reliability issues, and despite performance improvements resulting from the 2004 reliability mitigation program, that reliability issues in the City of Worthington have declined in the last 12-18 months. In addition, efforts to accurately collect data and reduce the frequency of momentary outages have never been fully resolved. Issues regarding AEP's inconsistent response to public infrastructure maintenance requests including street light maintenance and pole replacements/removals will also be addressed.

Please feel free to contact me at (614) 436-3100 or David Groth at (614) 431-2425 if you have any questions or comments.

Sincerely,



David Elder, City Manager  
City of Worthington, Ohio