

Office of the Ohio Consumers' Counsel

Your Residential Utility Consumer Advocate

2009 MAY -1 PH 4: 11 PUCO

Janine L. Migden-Ostrander Consumers' Counsel

May 1, 2009

Doris McCarter, Director (via HAND DELIVERY) Service Monitoring and Enforcement Department Public Utilities Commission of Ohio 180 East Broad Street, 7th Floor Columbus, Ohio 43215-3793

Re: Request for Commission Workshop Pursuant to Ohio Adm. Code 4901-1-37 Docket: Case No. 08-1299-EL-UNC

Dear Ms. McCarter:

The Office of the Ohio Consumers' Counsel and the other undersigned members of Consumers for Reliable Electricity in Ohio ("CREO") formally request a workshop to be conducted by the Public Utilities Commission of Ohio ("PUCO" or "Commission") regarding the reliability of electric service provided to the millions of customers of Ohio's seven electric distribution utilities ("EDUs" or "electric utilities"¹). This request is transmitted according to Ohio Administrative Code 4901-1-37 that instructs an interested person to submit a request "in writing to the director of the relevant staff department, with a copy of the request submitted to the chairman of the commission."

The CREO members request that electric reliability be examined in a workshop format (possibly involving multiple meetings) to bring together the collective experiences of a range of stakeholders on reliability issues. The CREO members propose that the most benefit can be achieved from this workshop if stakeholders initially respond to a number of inquiries to establish a "baseline" of information as well as a common understanding of reliability issues and terminology. The attachment to this letter provides inquiries proposed by the CREO members that should serve as a starting point for the PUCO Staff's further inquiries as part of our shared interest in the reliability of Ohio's electric service. The attached list is not intended to limit the scope of the workshop subject matter.

The process proposed by the CREO members is similar to that pursued by the Commission (i.e. in a more formal setting) regarding the participation of Ohio's electric utilities in regional transmission organizations ("RTOs").² The Commission's inquiries regarding electric utility participation in RTOs was prompted by the requirements of Senate Bill 221 ("S.B. 221").³

¹ Dayton Power & Light Company; Duke Energy Ohio, Inc.; FirstEnergy's Cleveland Electric Illuminating Company, Ohio Edison Company, and Toledo Edison Company; and AEP's Columbus Southern Power Company and Ohio Power Company.

² In re RTO Contribution to the Delivery of Electric Service in Ohio, Case No. 09-90-EL-COI, Entry at 4, referring to Appendix A (March 4, 2009).

³ Id. at 1.

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Similarly, S.B. 221 contains many reliability-related provisions that have not been explored by this date or have been examined lightly during the recent activities regarding the establishment of standard service offers. As examples, it is Ohio policy to:⁴

(D) Encourage innovation and market access for cost-effective supply- and demand-side retail electric service including, but not limited to, demand-side management, time differentiated pricing, and implementation of advanced metering infrastructure;

(E) Encourage cost-effective and efficient access to information regarding the operation of the transmission and distribution systems . . . and the development of performance standards and targets for service quality for all consumers, including annual achievement reports written in plain language;

Additionally, R.C. 4928.143 contains an entirely new provision that requires the PUCO, in the context of an electric security plan proceeding, to:

examine the reliability of the electric distribution utility's distribution system and ensure that customers' and the electric distribution utility's expectations are aligned and that the electric distribution utility is placing sufficient emphasis on and dedicating sufficient resources to the reliability of its distribution system.

The PUCO has not approved a market rate offer for any of Ohio's electric utilities that would prevent the additional approval of a future electric security plan.⁵ Therefore, the PUCO should endeavor to further understand customers' reliability requirements and the spending electric utilities dedicate to reliability-related activities.

The CREO members believe that addressing these matters in a workshop framework will make an important contribution to the effective implementation of the provisions contained in S.B. 221. The workshop meetings should be made available for public viewing on the PUCO's website.

Please feel free to contact me regarding the instant request. You may contact me by e-mail at <u>small@occ.state.oh.us</u> (copy to serio@occ.state.oh.us). Thank you.

Very truly yours,

Jeffrey L. Small

Assistant Consumers' Counsel Office of the Ohio Consumers' Counsel

⁴ R.C. 4928.02 (words added by S.B. 221 underlined).

⁵ R.C. 4928.142(F).

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cc: Honorable Allen Schriber, PUCO Chairman Christopher Rhodes, Legal Director – Service Monitoring and Enforcement Department

PROPOSED ELECTRIC RELIABILTY WORKSHOP INQUIRIES FOR ISSUANCE BY THE PUBLIC UTILITIES COMMISSION OF OHIO

I. Electric distribution utilities subject to the jurisdiction of the PUCO shall fully respond to the following Commission inquiries. Interested stakeholders are invited to also respond to the inquiries:

- Regarding time differentiated pricing and the implementation of advanced metering infrastructure to support such pricing:
 - How would the implementation of advanced metering infrastructure and related investments affect outage measurement?
 - How would the implantation of advanced metering infrastructure and related investments affect the number and duration of outages?
 - How should investments in advanced metering infrastructure and related investments that support reliability improvements be phased-in geographically and over customer classes?
- Regarding reporting on reliability performance:
 - What factors should be considered in setting performance standards for service quality?
 - What factors should be considered in setting performance targets for service quality?
 - What examples can you provide regarding the creation of periodic achievement reports written for use by customers (provide copies or citations)?
- Regarding customer expectations and the resources dedicated to reliability:
 - How have customer characteristics changed expectations regarding electric reliability (include quantification or reference to studies if available)?
 - What technological developments, recent and anticipated in the near future, drive changes in expectations regarding electric reliability?
 - For utilities, how many full-time equivalent workers (employees and contract workers) have been dedicated to the maintenance of your electric utility distribution facilities over the period 2004-2008?
 - For utilities, what were your operating and maintenance (reported separately) expenditures as well as the number of accounts over the period 2004-2009?
 - For utilities, what was your investment in distribution facilities over the period 2005-2008?

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II. Electric distribution utilities subject to the jurisdiction of the PUCO shall fully respond to the following Commission inquiries:

- Regarding your outage information recording, collection, and reporting systems and procedures:
 - How have technological changes affected the recording, collection, and reporting of outages?
 - Describe the type and duration of outages that are considered "intermittent" for purposes of reporting outages to the Commission and to customers, and explain how such intermittent outages are treated in reporting to the PUCO and to customers.
- Regarding your outage recovery activities in connection with the windstorm that caused damage in Ohio beginning on September 14, 2008:
 - Which utilities were you assisting using your Ohio-based distribution resources at the time the windstorms began to damage electric facilities in Ohio?
 - What percentage of your Ohio-based employees and of your heavy equipment continued to be unavailable for use in the repair of damage to electric facilities in Ohio twenty-four hours after the damage began in Ohio? Forty-eight hours? Seventy-two hours?
 - How has your mutual aid changed over the last ten years (e.g. partners, commitments, arrangements in connection with affiliates, including additional affiliates)?
- Regarding your efforts to communicate with customers during major outages:
 - What procedures are followed to keep the PUCO, other governmental officials (e.g. municipal officials), and the media apprised of large outage situations?
 - What capabilities exist to communicate with customers regarding estimated outage restoration times?
 - What capabilities exist that permit customers to report the source and location of problems so that utility resources can be more quickly directed to problems?
 - What follow-up communications and other activities are undertaken to verify that service to all customers on a circuit has been restored?