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**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of **Ohio Edison Company, The** :
Cleveland Electric Illuminating Company, and : Case No. 12-1230-EL-SSO
The Toledo Edison Company for Authority to :
Provide for a Standard Service Offer pursuant to :
Section 4928.143, Revised code, in the Form of an :
Electric Security Plan. :

**PREFILED TESTIMONY
OF
PETER K. BAKER
SERVICE MONITORING & ENFORCEMENT DEPARTMENT
RELIABILITY & SERVICE ANALYSIS DIVISION
PUBLIC UTILITIES COMMISSION OF OHIO**

STAFF EX. _____

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May 7, 2012

1 1. Q. Please state your name and your business address.

2 A. My name is Peter Baker. My address is 180 E. Broad Street, Columbus,
3 Ohio, 43215-3793.

4

5 2. Q. By who are you employed?

6 A. I am employed by the Public Utilities Commission of Ohio.

7

8 3. Q. What is your present position with the Public Utilities Commission of Ohio
9 and what are your duties?

10 A. I am a section chief in the Reliability and Service Analysis Division of the
11 Service Monitoring and Enforcement Department. My section analyzes
12 reliability and service quality performance, and enforces reliability, service
13 quality, and consumer protection rules for electric, gas, and water utilities.
14 This includes analyzing and assessing the electric reliability and main-
15 tenance performance of electric distribution utilities.

16

17 4. Q. Would you briefly state your educational background and work history?

18 A. I have bachelor's degrees in Psychology (1967) and Philosophy (1971)
19 from the University of Oklahoma, and a 1987 bachelor's degree in Business
20 Administration (with major in Accounting) from Franklin University.
21 From 1972 to 1986, I was employed by Dowell Division of Dow Chemical
22 Company (an oil field service operation later called Dowell Schlumberger)

1 where I functioned as clerk/dispatcher and administrative assistant. In
2 1987, I joined the PUCO, where I worked as an analyst and coordinator in
3 the Performance Analysis Division of the Utilities Department. In
4 December of 1994, I was promoted to Administrator in the Consumer
5 Services Department (now called the Service Monitoring and Enforcement
6 Department), and assigned to the Compliance Division (now the Facilities
7 and Operations Field Division). In that organization, I enforced electric,
8 gas, and telephone service quality, customer service, and consumer protec-
9 tion rules. In 1997, I was transferred to the Service Quality and Analysis
10 Division (now called the Reliability and Service Analysis Division), and in
11 2000, I was promoted to my current position and duties.

12
13 5. Q. What is the purpose of your testimony in this case?

14 A. The purpose of my testimony is to address whether the FirstEnergy Com-
15 panies¹ have met the requirements of R.C. 4928.143 (B)(2)(h).

16
17 6. Q. Please describe your working knowledge of what R.C. 4928.143 (B)(2)(h)
18 requires.

¹ The FirstEnergy Companies are the Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company.

1 A. This statute requires that before approving an electric utility's distribution
2 infrastructure or modernization incentive as part of its Electric Security
3 Plan, the Commission must examine the reliability of the utility's distribu-
4 tion system to ensure that customers' and the utility's reliability expecta-
5 tions are aligned.

6
7 7. Q. How does the Staff perform such an examination?

8 A. Administrative Code Rule 4901:1-10-10-(B)(2) requires each electric utility
9 in the state to file with the commission an application to establish company-
10 specific minimum reliability performance standards. As part of that appli-
11 cation, electric utilities are to include supporting justification for the pro-
12 posed methodology and each resulting performance standard. The perfor-
13 mance standards should reflect historical system performance, system
14 design, technological advancements, service area geography, customer per-
15 ception surveys, and other relevant factors. Staff's review mainly involves
16 two steps. The first step is to work with the company and other interested
17 parties in establishing Commission approved reliability standards that
18 incorporate a consideration of historical performance, customer survey
19 results, and input from customer groups. The second step is once the per-
20 formance standards are set, to monitor the utility's performance against its
21 reliability standards to ensure that the standards are met.

1 8. Q. Please describe the historical data that was used to set the standards.

2 A. The Companies' application in the reliability standards case ² proposed to
3 calculate their minimum reliability performance standards based on nine
4 years of historical reliability data and using three standard deviations to
5 account for unknown variations such as weather, system design, and service
6 area geography challenges.³ Ultimately the Companies stipulated to a
7 tighter standard based on a shorter, more recent time period and a roughly
8 ten percent allowance for variability.

9
10 9. Q. Please describe how consumer groups were involved in the standard-setting
11 process.

12 A. The Ohio Consumers' Counsel filed comments and replies concerning the
13 Companies' application, and participated in the ensuing negotiations.

14
15 10. Q. Please also describe the Companies' customer survey results that were
16 considered in the standard setting process.

17 A. The survey results filed with the Companies' application reported that their
18 proposed performance standards complied with customer expectations.

19 The fact that the approved standards were more stringent than those in the

² *In the Matter of the Application of Ohio Edison Company The Cleveland Electric Illuminating Company and the Toledo Edison Company for Approval of Proposed Reliability Standards*, Case No. 09-759-EL-ESS.

³ *Id.* (Opinion and Order at 3) (December 15, 2010).

Companies' application makes Staff even more confident about the survey results.

11. Q. Have the Companies met their reliability standards?

A. Yes, the Companies have met their standards since they became effective (beginning for year 2010). The table below analyzes the Companies' performance against their standards in 2011.

2011 Performance Against Reliability Standards (Lower is Better)					
Measure	Company	Performance	Standard	Variance	% Variance
SAIFI ⁴	CEI	1.18	1.30	-0.12	-9 %
	OE	0.86	1.11	-0.25	-23 %
	TE	0.64	1.00	-0.36	-36 %
CAIDI ⁵	CEI	116.87	135.00	-18.13	-13 %
	OE	113.76	114.37	-0.61	-1 %
	TE	106.71	112.33	-5.62	-5 %

The table indicates that all the Companies bettered their SAIFI standard by variances ranging from nine to 36 percent, and bettered their CAIDI standard by variances ranging from one to 13 percent.

⁴ SAIFI, or the System Average Interruption Frequency Index, represents the average number of interruptions per customer. SAIFI is calculated by dividing the total number of customer interruptions by the total number of customers served.

⁵ CAIDI, or the Customer Average Interruption Duration Index, represents the average interruption duration or average time to restore service per interrupted customer. CAIDI is calculated by dividing the sum of customer interruption durations by the total number of customers interrupted.

1 12. Q. As a result of the Companies meeting their approved performance standards
2 does staff believe they are complying with the requirement of
3 R.C. 4928.143 (B)(2)(h)?
4 A. Yes. Based on the Companies' successful performance against their
5 reliability standards, Staff believes that the Companies' and their custom-
6 ers' reliability expectations are in alignment and that the Companies are
7 dedicating sufficient resources to the reliability of their distribution sys-
8 tems.
9
10 13. Q. Does this conclude your testimony?
11 A. Yes, it does. However, I reserve the right to submit supplemental testi-
12 mony as described herein, as new information subsequently becomes avail-
13 able or in response to positions taken by other parties.

PROOF OF SERVICE

I hereby certify that a true copy of the foregoing Prefiled Testimony of Peter Baker submitted on behalf of the Staff of the Public Utilities Commission of Ohio, was served by regular U.S. mail, postage prepaid, hand-delivered, and/or delivered via electronic mail, upon the following parties of record, this 7th day of May, 2012.



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