

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application)	
of Duke Energy Ohio, Inc. to)	
Establish Reliability Standards.)	Case No. 13-1539-EL-ESS
)	

DIRECT TESTIMONY OF

TONY J. PLATZ

ON BEHALF OF

DUKE ENERGY OHIO, INC.

August 5, 2014

TABLE OF CONTENTS

	PAGE
I. INTRODUCTION AND PURPOSE OF TESTIMONY	1
II. OVERVIEW OF THE STIPULATION	2
III. CRITERIA FOR APPROVAL OF A STIPULATION	3
IV. CONCLUSION	5

I. INTRODUCTION AND PURPOSE OF TESTIMONY

1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A. My name is Tony J. Platz. My business address is 139 East Fourth Street,
3 Cincinnati, Ohio.

4 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

5 A. I am employed by Duke Energy Business Services LLC, an affiliate of Duke
6 Energy Ohio, Inc., (Duke Energy Ohio, or Company) as Director of Power
7 Quality, Reliability and Infrastructure Engineering for Duke Energy's Midwest
8 Delivery Operations.

9 **Q. PLEASE BRIEFLY DESCRIBE YOUR EDUCATION AND**
10 **PROFESSIONAL EXPERIENCE.**

11 A. I received a Bachelor of Science in Electrical Engineering with an emphasis in
12 Power Systems from Rose Hulman Institute of Technology and a Master's Degree
13 in Business Administration from Xavier University. Additionally, I am a
14 registered professional engineer with the state of Ohio. I have been in the electric
15 utility business for twenty-six years with twenty-four of those at Duke Energy.
16 Over the last twenty-four years I have had several positions of increasing
17 responsibility in areas related to the transmission and distribution system.

18 **Q. PLEASE DESCRIBE YOUR DUTIES AS DIRECTOR OF POWER**
19 **QUALITY, RELIABILITY AND INFRASTRUCTURE ENGINEERING.**

20 A. For the Ohio, Kentucky, and Indiana service territories, I lead a technical staff that
21 is responsible for the long term capability and integrity of the distribution system;
22 I oversee the implementation for the reliability and integrity projects and
23 programs as well as have responsibility for the oversight and execution of the

1 Midwest distribution capital budget. I also lead a customer and system level
2 power quality and reliability investigation and resolution team and a Distribution
3 Automation and Control team for the Midwest.

4 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE PUBLIC**
5 **UTILITIES COMMISSION OF OHIO?**

6 A. No.

7 **Q. WHAT IS THE PRUPOSE OF YOUR TESTIMONY IN THIS**
8 **PROCEEDING?**

9 A. The purpose of my testimony is to discuss the Stipulation and Recommendation
10 (Stipulation) that was submitted and to demonstrate why the Stipulation
11 represents the best resolution of the issues raised in this proceeding.

II. OVERVIEW OF THE STIPULATION

12 **Q. PLEASE IDENTIFY THE SIGNATORY PARTIES TO THE**
13 **STIPULATION.**

14 A. In addition to the Commission Staff, the Office of the Ohio Consumers' Counsel
15 intervened in this proceeding and represented customers in Duke Energy Ohio's
16 service territory. These parties have extensive experience with participation in
17 matters related to regulatory compliance and electric reliability. They have
18 significant experience and understanding of the history of the Company with
19 respect to providing reliable and affordable energy and each has knowledge of the
20 matters relevant to this proceeding.

1 **Q. PLEASE PROVIDE AN OVERVIEW OF THE TERMS OF THE**
2 **SETTLEMENT AGREEMENT AS DETAILED IN THE STIPULATION.**

3 **A.** The Stipulation provides, *inter alia*, that in the 2015 and 2016 calendar years,
4 Duke Energy Ohio shall measure performance against the following reliability
5 standards: A Customer Average Interruption Duration Index, (CAIDI), and a
6 System Average Interruption Frequency Index, (SAIFI). The Parties agreed that
7 the SAIFI standard shall be set at 1.05 for each of the years 2015 and 2016. The
8 Parties further agreed that the CAIDI standard shall be set at 122.81 for each of
9 the years 2015 and 2016.

10 In addition to the fundamental measures above, the Company agreed to
11 additional terms related to administering a customer perception survey, and to
12 filing another application to establish performance standards during 2016 so that
13 the standards will be in place for 2017.

14 Also, the Company committed to providing certain specified information
15 in connection with the application to be filed during 2016, including five years of
16 historic system performance, factors and a methodology used to determine
17 historic performance data. The Company will also be providing outage code
18 information, an explanation of how it applies Major Event Day calculations, and
19 an analysis to quantify the impact that grid modernization has had on reliability.

III. CRITERIA FOR APPROVAL OF A STIPULATION

20 **Q. PLEASE IDENTIFY THE CRITERIA USED BY THE COMMISSION IN**
21 **REVIEWING A STIPULATION.**

1 A. As I understand it, the Commission will approve a stipulation when it (1) is the
2 product of serious bargaining among capable, knowledgeable parties; (2) does not
3 violate any important regulatory principle or practice, and (3) as a package
4 benefits ratepayers and the public interest.

5 **Q. DOES THE STIPULATION REPRESENT THE PRODUCT OF SERIOUS**
6 **BARGAINING AMONG CAPABLE, KNOWLEDGEABLE PARTIES?**

7 A. Yes. The capability and knowledge of the parties and their counsel is readily
8 apparent. The signatory parties regularly participate in rate proceedings before
9 the Commission, are very knowledgeable in regulatory matters, and were
10 represented by experienced competent counsel. Furthermore, the signatory
11 parties represent a broad range of interests.

12 I personally participated in the process that resulted in the Stipulation. I
13 can therefore confirm that all of the issues raised by the signatory parties in the
14 proceeding were thoroughly reviewed and addressed during negotiations and
15 despite the divergent interests among them, all parties had an opportunity to
16 express their opinions in the negotiation process.

17 Further, the settlement discussions resulted in beneficial modifications and
18 compromises, thereby confirming that serious bargaining occurred at settlement
19 meetings.

20 For all of these reasons, I believe that the Stipulation is a compromise
21 resulting from those negotiations and, therefore, represents a product of the efforts
22 of capable, knowledgeable parties.

1 **Q. DOES THE STIPULATION VIOLATE ANY IMPORTANT**
2 **REGULATORY PRINCIPLE OR PRACTICE?**

3 A. No. Based upon my experience, involvement in this proceeding, and review of
4 the Stipulation, I believe that it complies with all relevant and important
5 principles and practices. The Stipulation furthers important regulatory principles
6 and practices through the advancement of energy efficiency and peak demand
7 reduction that is consistent with Ohio energy policy.

8 **Q. DOES THE STIPULATION BENEFIT CONSUMERS AND THE PUBLIC**
9 **INTEREST?**

10 A. Yes. As set forth in the Stipulation, and as agreed to by the signatory parties, the
11 Stipulation provides benefits for all customer groups and interested stakeholders,
12 while advancing and remaining consistent with state policy.

13 **Q. IS THE STIPULATION A JUST AND REASONABLE RESOLUTION OF**
14 **THE ISSUES IN THE PROCEEDING?**

15 A. Yes. As described above, the Stipulation affords benefits to our customers and
16 the public and is consistent with established regulatory policy and practice. The
17 Stipulation represents a timely and efficient resolution of all of the issues in this
18 proceeding, after thoughtful deliberation and discussion by the parties.

IV. CONCLUSION

19 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

20 A. Yes, it does.

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Summary: Testimony Direct Testimony of Tony J. Platz on Behalf of Duke Energy Ohio, Inc.
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