

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of Ohio)
Power Company for Approval of an) Case No. 14-1158-EL-ATA
Advanced Meter Opt-Out Service Tariff.)

**TESTIMONY
OF
JAMES D. WILLIAMS**

**On Behalf of
The Office of the Ohio Consumers' Counsel**
*10 West Broad Street, Suite 1800
Columbus, Ohio 43215-3485*

April 24, 2015

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ATTACHMENTS

JDW-1	List of Previous Testimony Filed at the PUCO by James Williams
JDW-2	AEP Ohio Meter Reading Fact Sheet
JDW-3	PUCO Ohio Utility Rate Survey (March 2015)
JDW-4	Excerpt from AEP 1 st Quarter 2015 Earnings Release Presentation, April 23, 2015
JDW-5	AEP Ohio AMR Frequently Asked Questions

1 **I. INTRODUCTION**

2

3 ***Q1. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND POSITION.***

4 ***A1.*** My name is James D. Williams. My business address is 10 West Broad Street,
5 18th Floor, Columbus, Ohio 43215-3485. I am employed by the Office of the
6 Ohio Consumers' Counsel ("OCC") as a Senior Utility Consumer Policy Analyst.

7

8 ***Q2. PLEASE BRIEFLY SUMMARIZE YOUR EDUCATION AND***
9 ***PROFESSIONAL EXPERIENCE***

10 ***A2.*** I am a 1994 graduate of Webster University, in St. Louis, Missouri, with a
11 Masters in Business Administration, and a 1978 graduate of Franklin University,
12 in Columbus, Ohio, with a Bachelor of Science, Engineering Technology. My
13 professional experience includes a career in the United States Air Force and over
14 19 years of utility regulatory experience with the OCC.

15

16 Initially, I served as a compliance specialist with the OCC and my duties included
17 the development of compliance programs for electric, natural gas, and water
18 industries. Later, I was designated to manage all of the agency's specialists who
19 were developing compliance programs in each of the utility industries. My role
20 evolved into the management of the OCC consumer hotline, the direct service
21 provided to consumers to resolve complaints and inquiries that involved Ohio
22 utilities. More recently, following a stint as a Consumer Protection Research
23 Analyst, I was promoted to a Senior Utility Consumer Policy Analyst. In this

*Testimony of James D. Williams
On Behalf of the Office of the Ohio Consumers' Counsel
PUCO Case No. 14-1158-EL-ATA*

1 role, I am responsible for developing and recommending policy positions on
2 utility issues that affect residential consumers.

3
4 I have been directly involved in the development of comments in various
5 rulemaking proceedings at the Public Utilities Commission of Ohio (“PUCO”)
6 and the Ohio Development Services Agency. Those comments included
7 advocacy for consumer protections, affordability of utility rates, and the provision
8 of reasonable access to essential utility services for residential consumers.
9 Additionally, I helped formulate OCC comments in the Electric Service and
10 Safety Standards rules,¹ set forth in Ohio Administrative Code 4901:1-10.

11
12 ***Q3. HAVE YOU PREVIOUSLY SUBMITTED TESTIMONY OR TESTIFIED***
13 ***BEFORE THE PUCO?***

14 ***A3.*** Yes. The cases in which I have submitted testimony and/or have testified before
15 the PUCO can be found in Attachment JDW-1.

¹ *In the Matter of the Commission's Review of Chapter 4901:1-10, Ohio Administrative Code*, Case No. 12-2050-EL-ORD.

1 **II. PURPOSE OF MY TESTIMONY**

2

3 ***Q4. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS***

4 ***PROCEEDING?***

5 ***A4.*** The purpose of my testimony is to review the Stipulation and
6 Recommendation (“Stipulation”) reached between the PUCO Staff and
7 Ohio Power Company (“AEP Ohio”) related to the proposed Advanced
8 Meter Opt-out Tariff. That purpose includes providing my opinion on
9 whether the Stipulation meets the three-prong test used by the PUCO in
10 judging stipulations.

11

12 ***Q5. PLEASE DESCRIBE THE STIPULATION BETWEEN AEP OHIO***
13 ***AND THE PUCO STAFF.***

14 ***A5.*** This Stipulation, if approved by the PUCO, would enable AEP Ohio to
15 impose two new additional charges on customers. First, the Stipulation
16 would enable AEP Ohio to charge a one-time fee of \$43.00 for customers
17 who request having an advanced meter removed and replaced with a
18 traditional meter. Second, the proposed tariff enables AEP Ohio to
19 impose a recurring charge of \$24.00 per month for manually reading the
20 meter for those customers who request to retain their traditional meter
21 instead of having their electric service metered with a an advanced meter.

1 **Q6. PLEASE SUMMARIZE YOUR RECOMMENDATIONS**

2 **A6.** I recommend that the PUCO reject the Stipulation between Ohio Power
3 and the PUCO Staff because it violates all three prongs of the test that the
4 PUCO has used in evaluating stipulations. I also recommend that the
5 PUCO not approve the charges in the proposed Stipulation until and
6 unless the charges can be reviewed in an appropriate regulatory
7 proceeding where the costs and expenses associated with providing the
8 Advanced Meter Opt-out Service can be fully examined.

9
10 The PUCO's rules permit an electric utility to establish charges for
11 customers opting out of an advanced meter.² But the rules also
12 contemplate special tariff provisions related to circumstances that are not
13 addressed by rules.³ Because AEP Ohio's advanced meter deployment is
14 a pilot program,⁴ the PUCO should consider this to be a special
15 circumstance where separate charges on customers to opt-out of the

² Ohio Admin. Code 4901:1-10-05(J)(1): "An electric utility shall provide customers with the option to remove an installed advanced meter and replace it with a traditional meter, and the option to decline installation of an advanced meter and retain a traditional meter, including a cost-based, tariffed opt-out service."

³ Ohio Admin. Code 4901:1-10-05(J)(5)(b)(i): "In the event special tariff provisions are required due to circumstances not addressed in this rule, the electric utility shall address those circumstances in its tariff application, but shall make its best efforts to maintain consistency with the rules herein."

⁴ In AEP Ohio's first electric security plan case, the PUCO approved a pilot program whereby AEP Ohio installed approximately 132,000 Advanced Metering Infrastructure ("AMI") meters at a cost to customers of approximately \$28 million in a relatively small segment of the Columbus area. Case No. 08-917-EL-SSO, Opinion and Order (March 18, 2009) at 34. AEP Ohio has filed an application in Case No. 13-1939 to expand the gridSMART deployment. That application is still pending. Hence my testimony will specifically address the gridSMART pilot program, but many aspects of my testimony would also apply to gridSMART expansion as the utility has proposed in Case No. 13-1939-EL-RDR.

1 advanced meter should be waived at this time. Utility cost recovery as
2 permitted by the rules should occur in an appropriate regulatory
3 proceeding where the charges are reviewed under standards including just
4 and reasonable.⁵ The charges proposed in the Stipulation have not been
5 subject to such a review.

6
7 **III. EVALUATION OF THE STIPULATION REGARDING THE THREE-**
8 **PRONG TEST USED BY THE PUCO FOR JUDGING SETTLEMENTS**

9
10 ***Q7. WHAT CRITERIA DOES THE PUCO USUALLY RELY UPON FOR***
11 ***CONSIDERING WHETHER TO ADOPT A STIPULATION?***

12 ***A7.*** It is my understanding that the PUCO will adopt a stipulation only if it meets all
13 of the three criteria below. The PUCO must analyze the Stipulation and decide the
14 following:

- 15 1. Is the settlement a product of serious bargaining among
16 capable, knowledgeable parties representing diverse
17 interests?
- 18 2. Does the settlement, as a package, benefit customers and
19 the public interest?
- 20 3. Does the settlement package violate any important
21 regulatory principle or practice?⁶

⁵ Ohio Revised Code 4909.15(A).

⁶ *Consumers' Counsel v. Pub. Util. Comm'n.* (1992), 64 Ohio St.3d 123, 126.

1 ***Q8. DOES THE STIPULATION FILED IN THIS PROCEEDING MEET ALL***
2 ***THREE CRITERIA?***

3 ***A8.*** No. The proposed Stipulation does not meet the three-prong test, as I elaborate
4 below.

5
6 ***Q9. IS THE STIPULATION A PRODUCT OF SERIOUS BARGAINING***
7 ***AMONG CAPABLE, KNOWLEDGEABLE PARTIES***
8 ***REPRESENTING DIVERSE INTERESTS?***

9 ***A9.*** No. The settlement is not a product of serious bargaining between capable
10 and knowledgeable parties representing a diversity of interests. A
11 “diversity of interests” is not present. The Stipulation lacks any
12 signatories representing the customers who would pay the charges that the
13 PUCO Staff and AEP Ohio propose.

14
15 ***Q10. DOES THE STIPULATION BENEFIT CUSTOMERS AND THE***
16 ***PUBLIC INTEREST?***

17 ***A10.*** No. Under the Stipulation, customers in the gridSMART Phase I pilot
18 service area who opt out of an advanced meter would be required to pay
19 an additional \$24.00 per month – or \$288 per year – just to have their
20 meter read. These additional charges would be imposed by AEP Ohio to
21 perform the same meter reading services that it currently performs at a
22 fraction of that cost in base rates without separately charging customers.
23 To the customer with a traditional meter, it will appear that the customer is

1 paying several hundred dollars more per year for the exact same service
2 that the customer has had without the charges. Even without these
3 charges, AEP has had to explain to its customers why it may appear to
4 them that their electric bill is higher.⁷

5
6 ***Q11. DOES THE OPT-OUT CHARGE GUARANTEE TRADITIONAL-***
7 ***METERED CUSTOMERS WILL RECEIVE AN ACTUAL METER***
8 ***READING EACH MONTH?***

9 ***A11.*** No. The Stipulation results in customers being charged \$24.00 per month
10 to have the same traditional meter that they have had for years. However,
11 there is no guarantee that AEP Ohio will even perform a monthly meter
12 read. In fact, the proposed tariff states this fact explicitly:⁸

13 The customer can request not to have the installation of an AMI or
14 AMR meter and pay a monthly fee of \$24.00. This monthly fee
15 option **does not guarantee an actual meter read** each month and
16 monthly bills at times may be based on estimated usage with a
17 true-up to actual usage upon the Company obtaining an actual
18 meter read. (Emphasis added)

⁷ <https://www.aepohio.com/account/bills/highbills/>

⁸ Stipulation, Exhibit B-1, Original Sheet No. 103-12, paragraph 16(2).

1 And in its Application in this proceeding, AEP Ohio based its proposed
2 monthly charge on the assumption that a meter would be read about nine
3 times per year.⁹ The PUCO's rules require electric utilities to perform an
4 actual meter read on an annual basis and to make reasonable attempts to
5 obtain accurate actual meter each billing period.¹⁰ Charging customers
6 \$24.00 per month and then not reading their meter is not reasonable.
7 Instead this opt-out charge appears to be a punitive charge intended to
8 force customers to switch to an AMI or AMR meter in order to avoid a
9 \$288 per year charge. Note that my basic recommendation to protect
10 customers from these charges is applicable even if these customers' meters
11 were read monthly.

12
13 ***Q12. ARE THERE MORE REASONABLE ALTERNATIVE MEANS FOR***
14 ***CUSTOMERS TO PROVIDE ACTUAL METER READINGS TO AEP***
15 ***OHIO?***

16 ***A12.*** Yes. AEP Ohio customers already have options to provide usage
17 information to the utility if the meter is not actually read. For example,
18 AEP Ohio educates customers on how to read their meter and to mail-in

⁹ See Application (June 27, 2014), Exhibit E.

¹⁰ Ohio Admin. Code 4901:1-10-05(I)(1): "The electric utility shall obtain actual readings of all its in-service customer meters at least once each calendar year. Every billing period, the electric utility shall make reasonable attempts to obtain accurate, accurate readings of the energy and demand, if applicable, delivered for the billing period, except where the customer and electric utility have agreed to other arrangements. Meter readings taken by electric means shall be considered actual readings."

usage information to the utility.¹¹ Customers in the gridSMART Phase I pilot area should have the same options to provide usage information to AEP Ohio if they chose to retain a traditional meter.

Q13. DO YOU HAVE OTHER REASONS FOR YOUR OPINION THAT THE STIPULATION DOES NOT BENEFIT CUSTOMERS AND IS NOT IN THE PUBLIC INTEREST?

A13. Yes. The objectives of the AEP Ohio gridSMART pilot program included demonstrating customer acceptance with the new technologies and capabilities that are available with advanced meters.¹² The customers in the gridSMART Phase I pilot area should be provided a reasonable opportunity over time to learn about, and possibly accept, the new technology free from the charges proposed in the Stipulation. Allowing this reasonable opportunity over time, without charges, is supported by the rate design principle of gradualism.

AEP's proposed additional charges may be viewed by customers as a way of forcing customer acceptance of advanced meters, even though they have genuine concerns with the new technologies used with the meters.

¹¹ AEP Ohio Meter Reading Fact Sheet attached hereto as Exhibit JDW-2.

¹² AEP Ohio gridSMART® Demonstration Project, A Community-Based Approach to Leading the Nation in Smart Energy Use Department of Energy (DOE) Smart Grid Demonstration Project (SGDP), March 2014.

1 And such customer views would appear to be correct. These few
2 customers who prefer avoidance of this technology should not now be
3 required to pay a recurring monthly charge for services.
4

5 ***Q14. DO YOU HAVE ANY OTHER REASONS FOR FINDING THE***
6 ***STIPULATION DOES NOT BENEFIT CUSTOMERS AND IS NOT***
7 ***IN THE PUBLIC INTEREST?***

8 ***A14.*** Yes. The fact that the Stipulation was not signed by any party whose
9 undivided purpose is to represent the residential customers who will pay
10 the charges proposed in the Stipulation further demonstrates that the
11 Stipulation is not in the public interest. AEP Ohio's residential customers
12 already pay the highest rates for electricity in the state.¹³ The additional
13 charges that AEP Ohio customers are generally paying for the
14 gridSMART Phase I AMI meters are adding to the utility's already high
15 charges. And recently AEP Ohio's parent company, AEP, reported that its
16 shareholders received a total return of 35 percent, exceeding the total
17 returns for both the S&P 500 Electric Utilities Index and the S&P 500.¹⁴

¹³ Ohio Utility Rate Survey, March 1, 2015, A report by the Staff of the Public Utilities Commission of Ohio. Attached herein as Exhibit JDW-3.

¹⁴ AEP News release "AEP's Investment in Core, Regulated Operations Supporting Earnings Growth, Shareholders Learn at Company's Annual Meeting (Apr. 21, 2015).

1 Customers should not be subjected to additional charges for reading the
2 same meter they have had for years. Further, customers who choose to
3 keep their traditional meter are already paying for AEP Ohio's
4 gridSMART program through the gridSMART rider, without receiving
5 any benefit (unless their service is disconnected and later reconnected).¹⁵
6 Including an additional \$288 in charges per year to these customers' bills
7 is not in the public interest. Additionally, the amount of money AEP Ohio
8 would collect in the aggregate from these customers is small, especially in
9 the context of a company whose parent corporation just announced very
10 high earnings of 12.2 percent as shown in Exhibit JDW-4.¹⁶

11
12 ***Q15. DOES THE STIPULATION VIOLATE IMPORTANT REGULATORY***
13 ***PRINCIPLES OR PRACTICES?***

14 ***A15.*** Yes. The Stipulation claims to be a just and reasonable resolution of all
15 the issues in the proceeding.¹⁷ However, the Stipulation contradicts
16 important rate making principles in Ohio Revised Code 4909.15 because
17 the \$24.00 recurring monthly charge and the \$43.00 one-time fee to

¹⁵ The only gridSMART benefit passed through to residential customers is a \$4 reduction in reconnection fees. See *In the matter of the pre-notification of the application of Columbus Southern Power Company and Ohio Power Company, individually and, if their proposed merger is approved, as a merged company (collectively AEP Ohio) for an increase in electric distribution rates, Application (February 28, 2011)*. This does not offset the \$12.12 per year that all residential customers will pay for gridSMART through the latest rider case. See *In the Matter of the Application of Ohio Power Company to Update Its gridSMART Rider, Compliance Tariffs (March 25, 2015)*.

¹⁶ 1st Quarter 2015 Earnings Release Presentation, April 23, 2015.
<https://www.aep.com/newsroom/resources/earnings/2015-04/1Q15EarningsReleasePresentation.pdf>

¹⁷ Stipulation at page 1.

1 replace an AMI/Automated Meter Reading (“AMR”) meter for a
2 traditional meter are not just and reasonable.
3

4 ***Q16. PLEASE EXPLAIN.***

5 ***A16.*** The proposed charges are based solely upon estimates of the alleged costs
6 that AEP Ohio might incur for providing the advanced meter opt-out
7 service. Charges should have been evaluated in the context of a traditional
8 rate case under ratemaking principles where the amount of the charge is
9 based on a demonstrated review of the utility’s revenues and expenses.
10 Such a review would examine any costs that AEP Ohio is already
11 collecting from customers in base rates that might provide an off-set to the
12 charges proposed by AEP Ohio in the Stipulation. This approach should
13 be used in lieu of the approach in the Stipulation to use single-issue
14 ratemaking.
15

16 ***Q17. ARE THERE ADDITIONAL CONSIDERATIONS FOR THE PUCO***
17 ***WHEN EVALUATING WHETHER THE CHARGES ARE JUST AND***
18 ***REASONABLE?***

19 ***A17.*** Yes. In evaluating these charges, the PUCO should consider the costs
20 AEP Ohio avoids when it installs the AMI/AMR meters. For instance
21 AEP Ohio has identified the annual savings of \$860,000 in meter reading
22 and meter operations costs that AEP Ohio has obtained from the

1 gridSMART Phase I pilot area.¹⁸ AEP Ohio has obtained the benefit of
2 these operational savings every year since the Phase I pilot AMI meters
3 were installed. However, residential customers have not benefited from
4 these savings. Ohio Power has not proposed to reduce customers' bills to
5 reflect its reduced operations costs.

6
7 ***Q18. CAN YOU FURTHER ELABORATE ON THE OPERATIONAL COST***
8 ***SAVINGS FROM THE PHASE I PILOT AMI DEPLOYMENT AREA?***

9 ***A18.*** Yes. The additional operational costs (if any) should be negligible
10 considering that the AMI Phase I deployment area is surrounded by an
11 AEP Ohio service area that is largely served with traditional meters. The
12 small pilot service area represents approximately nine percent of the total
13 1,533,000 AEP Ohio meters installed throughout its entire service
14 territory. Based on available information, perhaps fewer than twenty
15 customers in the gridSMART Phase I pilot service area have refused an
16 AMI meter.¹⁹ Obtaining an occasional meter read from this handful of
17 customers in the Phase I service area should not be burdensome for AEP
18 Ohio.

¹⁸ *In the Matter of the Application of Ohio Power Company to Initiate Phase 2 of its gridSMART Project and to Establish the gridSMART Phase 2 Rider*, Case 13-1939-EL-RDR, Application Attachment A (September 13, 2013) at 5.

¹⁹ In Case No 14-1160-EL-UNC, Duke estimated that approximately 725 customers or 0.01 percent of its residential electric population might participate in an advanced meter opt-out program. Using similar projections for the pilot Phase I service area, approximately 13 customers might choose to participate in the advanced meter opt-out service.

1 ***Q19. WHAT OTHER FACTORS SHOULD THE COMMISSION BE***

2 ***CONSIDERING WHEN SETTING THE NEW CHARGES?***

3 ***A19.*** In addition to the AMI operational savings, AEP Ohio is currently
4 installing about 105,000 AMR meters across its service territory.²⁰ These
5 AMI meters enable AEP Ohio to obtain even more savings in meter
6 reading and meter operations costs. While the AMR meters are being paid
7 for by customers through a separate Distribution Investment Rider charge,
8 AEP has not proposed to reduce customers' bills to reflect its reduced
9 operational expenses AMR either.

10
11 The approximately \$3,800 dollars²¹ in additional annual revenues that
12 AEP Ohio seeks to collect from customers in the pilot service area is
13 negligible to the approximate \$125 million²² AEP Ohio obtained for the
14 total gridSMART Phase I pilot program. The approximately \$3,800 in
15 additional revenues AEP Ohio would collect from customers if the
16 Stipulation is approved pales in comparison to the operational savings
17 AEP Ohio is obtaining with AMI and AMR meters, but is not sharing with
18 residential customers.²³ These additional charges should not be approved
19 in a vacuum. Consequently, prior to moving forward beyond the current

²⁰ AMR Project – Frequently Asked Questions (Attached herein as JDW-5).

²¹ Annual revenues of \$288 in recurring monthly charges times 13 customers.

²² *In the Matter of the Application of Ohio Power Company to update its gridSMART Rider Rates*, Case No. 15-240-EL-RDR, Application, Attachment 2.

²³ The gridSMART rider involves an annual true-up of actual costs from the prior year and a projection of gridSMART costs for the coming year. Benefits are not passed along to customers.

1 gridSMART Phase I pilot, the PUCO should conduct an independent
2 cost/benefit analysis determining the tangible benefits to customers prior
3 to charging customers for an expanded gridSMART program.
4

5 ***Q20. WHAT FORUM ARE YOU RECOMMENDING FOR THE PUCO TO***
6 ***DETERMINE THE JUSTNESS AND REASONABLENESS OF THE***
7 ***CHARGES?***

8 ***A20.*** My recommendation is that the PUCO not approve the charges in the
9 proposed Stipulation until and unless the charges can be reviewed in an
10 appropriate regulatory proceeding where the costs and expenses associated
11 with providing the Advanced Meter Opt-out Service can be fully
12 examined. The costs for reading traditional meters in the Phase I area are
13 negligible compared to the operational benefits AEP Ohio has obtained
14 from the Phase I program and AMR deployments, but has not shared with
15 customers. If at some point in time the PUCO were to approve an
16 expansion of gridSMART program beyond the pilot area, the additional
17 costs to customers who may want to participate in the advanced meter opt-
18 out program should be evaluated in an appropriate regulatory proceeding
19 where AEP Ohio's revenues, expenses, and tangible gridSMART benefits
20 can be thoroughly evaluated.

21
22 Specifically, among other things, such an evaluation should include a
23 quantification of the increased efficiencies AEP Ohio achieves through its

1 gridSMART program to arrive at a corresponding rate decrease involved
2 with those benefits to reduce the rates its customers pay. If the
3 efficiencies/benefits customers realize do not exceed the gridSMART
4 charges, the PUCO should reevaluate its smart grid program expansion
5 policies. Without this evaluation, the PUCO cannot determine that the
6 proposed additional charges are just and reasonable for customers who opt
7 out from having an advanced meter.

8

9 **IV. CONCLUSION**

10

11 ***Q21. DOES THIS CONCLUDE YOUR TESTIMONY?***

12 ***A21.*** Yes. However, I reserve the right to incorporate new information that may
13 subsequently become available through outstanding discovery or otherwise.

CERTIFICATE OF SERVICE

It is hereby certified that a true copy of the foregoing *Testimony of James D. Williams on Behalf of the Office of the Ohio Consumers' Counsel* has been served via electronic transmission this 24th day of April 2015.

/s/Terry L. Etter
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Testimony of James D. Williams
Filed at the Public Utilities Commission of Ohio

1. *In the Matter of the Application of the Cincinnati Gas and Electric Company for an Increase in Its Rates for Gas Service to All Jurisdictional Customers, Case No. 95-0656-GA-AIR (August 12, 1996).*
2. *In the Matter of the Application of the Cincinnati Gas and Electric Company for an Increase in Its Rates for Gas Service to All Jurisdictional Customers, Case No. 01-1228-GA-AIR (February 15, 2002).*
3. *In the Matter of the Commission's Investigation into the Policies and Procedures of Ohio Power Company, Columbus Southern Power Company, The Cleveland Electric Illuminating Company, Ohio Edison Company, The Toledo Edison Company and Monongahela Power Company regarding installation of new line extensions, Case No. 01-2708-EL-COI (May 30, 2002).*
4. *In the Matter of the Application of The East Ohio Gas Company d/b/a Dominion East Ohio for an Increase in Its Rates for Gas Service to All Jurisdictional Customers, Case No. 07-0829-GA-AIR (June 23, 2008).*
5. *In the Matter of the Application of the Columbia Gas of Ohio, Inc. for Authority to Amend Filed Tariffs to Increase the Rates and Charges for Gas Distribution, Case No. 08-072-GA-AIR (September 25, 2008).*
6. *In the Matter of a Settlement Agreement Between the Staff of the Public Utilities Commission of Ohio, The Office of the Consumers' Counsel and Aqua Ohio, Inc. Relating to Compliance with Customer Service Terms and Conditions Outlined in the Stipulation and Recommendation in Case No. 07-564-WW-AIR and the Standards for Waterworks Companies and Disposal System Companies, Case No. 08-1125-WW-UNC (February 17, 2009).*
7. *In the Matter of the Application of the Ohio American Water Company to Increase its Rates for water and Sewer Services Provided to its Entire Service Area, Case No. 09-391-WS-AIR (January 4, 2010).*
8. *In the Matter of the Application of Aqua Ohio, Inc. for Authority to Increase its Rates and Charges in its Masury Division, Case No. 09-560-WW-AIR (February 22, 2010).*
9. *In the Matter of the Application of Aqua Ohio, Inc. for Authority to Increase its Rates and Charges in Its Lake Erie Division, Case No. 09-1044-WW-AIR (June 21, 2010).*

10. *In the Matter of the Application of The Ohio American Water Company to Increase its Rates for Water Service and Sewer Service*, Case No. 11-4161-WS-AIR (March 1, 2012).
11. *In the Matter of Columbus Southern Power Company and Ohio Power Company for Authority to Establish a Standard Service Offer Pursuant to Section 4928.143, Ohio Rev. Code, in the Form of an Electric Security Plan*, Case No. 11-346-EL-SSO, et al (May 4, 2012).
12. *In the Matter of the Application of The Dayton Power and Light Company for Approval of its Market Rate Offer*, Case No. 12-426-EL-SSO (June 13, 2012).
13. *In the Matter of the Application of Ohio Power Company to Establish Initial Storm Damage Recovery Rider Rates*, Case No. 12-3255-EL-RDR (December 27, 2013).
14. *In the Matter of the Application of Ohio Power Company for Authority to Establish a Standard Service Offer Pursuant to Section 4928.143, Ohio Rev. Code, in the Form of an Electric Security Plan*, Case No. 13-2385-EL-SSO (May 6, 2014).
15. *In the Matter of the Application of Duke Energy Ohio for Authority to Establish a Standard Service Offer Pursuant to Section 4928.143, Revised Code, in the Form of an Electric Security Plan, Accounting Modifications and Tariffs for Generation Service*, Case 14-841-EL-SSO (May 29, 2014).
16. *In the Matter of the Application of Ohio Edison Company, The Cleveland Electric Illuminating Company and The Toledo Edison Company for Authority to Provide for a Standard Service Offer Pursuant to R.C. 4928.143 in the Form of an Electric Security Plan*, Case No. 14-1297-EL-SSO (December 22, 2014).
17. *In the Matter of the Application of Duke Energy Ohio, Inc., to Adjust Rider DR-IM and Rider AU for 2013 Grid Modernization Costs*, Case No. 14-1051-EL-RDR (December 31, 2014) and (February 6, 2015).
18. *In the Matter of the Application Not for an Increase in Rates Pursuant to Section 4901:18, Revised Code, of Ohio Power Company to Establish Meter Opt Out Tariff*, Case No. 14-1158-EL-ATA (April 24, 2015).

How to Read Your Electric Meter

Your electric meter is a good place to start saving energy. Reading your meter regularly can tell you what energy-saving practices work best for your home. Just follow these easy steps to learn how to read your electric meter.



First, look at the dials on your meter.

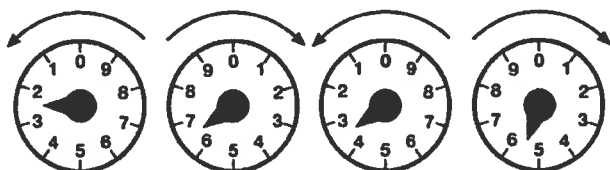
Your meter has four, five or six dials. The dials, from left to right, measure kilowatt-hours by the thousands, hundreds, tens and ones. A kilowatt-hour (kWh) is the electricity needed to burn ten 100-watt light bulbs for one hour.

Notice that the dials turn in opposite directions. These numbers are arranged on the dial depending on which way the pointer turns.

Read the dials from left to right.

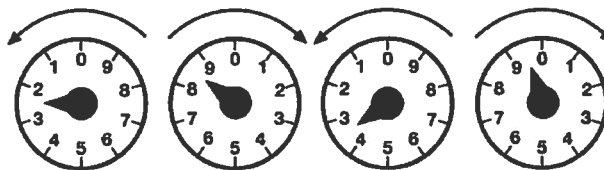
Record your readings in the same order. Jot down the numbers that the hand on each dial has just passed. When the hand of a dial is anywhere between two numbers, always record the smaller number. Whenever the hand is between 9 and 0, always record the number 9.

For example, the dials below read: 2 6 3 5:



For daily readings, read the meter at the same hour each day.
For weekly readings, read the meter at the same hour on the same day each week.

See if you can determine the new reading:



If you wrote down 2-8-3-9, you're learning how to read a meter. To determine how many kilowatt-hours you have used, subtract the reading taken at the beginning of the period from the reading taken at the end of the period.

For Example:

2839	New Reading
– 2635	Earlier reading
204	kilowatt-hours (kWh) used

Access To Your Meter



You Are Responsible For:

- Keeping the meter clear of shrubs, bushes, and debris
- Confining your animals so that the meter reader can enter the area and feel safe.

If The Meter Is Indoors:

- Leave us a key (keys are identified only by a code number),
or
- Read your meter by completing a card that we provide and mailing it to AEP Ohio or leaving it at an agreed-upon location for pickup; please contact us to make arrangements

Please Note:

Eventually we are required to periodically obtain actual readings. Additional arrangements may be needed to accommodate these readings.

**A report by the Staff of the
Public Utilities Commission of Ohio**

Ohio Utility Rate Survey

March 1, 2015

Ohio Utility Bills - Residential Customers Comparison of Utility Bills 16 Major Ohio Cities

Rank	Cities	Combined Bill 03/14/14	Combined Bill 03/01/15	Electric Standard Service Offer* 03/01/15	Gas ** 03/01/15	Telephone*** 03/01/15
1	Ashtabula	200.68	195.84	104.36	67.68	23.79
2	Cleveland	204.58	203.08	104.36	67.68	31.03
3	Akron	207.74	204.07	105.70	67.68	30.68
4	Youngstown	205.79	204.14	105.70	67.68	30.75
5	Dayton	220.72	210.78	106.49	73.47	30.82
6	Lorain	220.69	212.86	105.70	81.14	26.02
7	Canton	217.62	213.66	115.37	67.68	30.61
8	Lima	221.74	213.89	115.37	67.68	30.84
9	Toledo	217.84	215.01	103.12	81.14	30.75
10	Marietta	225.97	215.35	116.85	67.68	30.82
11	Mansfield	223.29	216.42	105.70	81.14	29.58
12	Marion	219.52	216.76	105.70	81.14	29.92
13	Cincinnati	223.30	226.42	86.84	103.01	36.57
14	Zanesville	229.05	227.33	115.37	81.14	30.82
15	Columbus	237.40	228.88	116.85	81.14	30.89
16	Chillicothe	241.34	232.44	116.85	81.14	34.45
Average		\$219.83	\$214.81	\$108.15	\$76.14	\$30.52

Based on 750 KWH, 10 MCF, and Flat Rate Telephone Service

* Price does not reflect savings available to customers participating in electric choice programs

** Price does not reflect savings available to customers participating in gas choice programs

*** Price reflects incumbent local exchange carrier's flat rate, USF, SLC & 911 and local taxes for Residential

Combined Bill = Electric Standard Service Offer + Gas + Telephone

This document was created by the staff of the Rates and Analysis Department. It is for staff discussion purposes only and does not reflect the view of the Commission.

Ohio Utility Bills - Commercial Customers

Comparison of Utility Bills

8 Major Ohio Cities

Rank	Cities	Combined Bill 03/14/14	Combined Bill 03/01/15	Electric Standard Service Offer* 03/01/15	Gas ** 03/01/15	Telephone*** 03/01/15
1	Cincinnati	30,465.52	29,162.70	28,477.56	616.24	68.90
2	Columbus	39,006.74	31,224.32	30,791.30	393.62	39.40
3	Dayton	31,860.34	31,382.72	31,048.89	294.71	39.12
4	Canton	35,402.60	33,492.84	33,210.73	243.26	38.85
5	Akron	30,977.93	34,802.37	34,520.17	243.26	38.94
6	Youngstown	30,977.49	34,802.46	34,520.17	243.26	39.03
7	Toledo	32,879.89	36,498.48	36,065.83	393.62	39.03
8	Cleveland	33,777.41	38,627.55	38,344.89	243.26	39.40
Average		\$33,168.49	\$33,749.18	\$33,372.44	\$333.90	\$42.83

Based on 300,000 KWH, 1,000 KWD, 46 MCF, and Business Rate Telephone Service

Ohio Utility Bills - Industrial Customers

Comparison of Utility Bills

8 Major Ohio Cities

Rank	Cities	Combined Bill 03/14/14	Combined Bill 03/01/15	Electric Standard Service Offer* 03/01/15	Gas ** 03/01/15	Telephone*** 03/01/15
1	Columbus	492,076.97	447,407.15	444,983.12	2,384.63	39.40
2	Cincinnati	494,429.86	457,770.30	454,955.73	2,745.68	68.90
3	Canton	571,029.07	471,037.59	469,088.98	1,909.76	38.85
4	Toledo	506,306.40	568,262.65	565,839.00	2,384.63	39.03
5	Dayton	578,420.94	580,205.01	578,105.90	2,059.99	39.12
6	Akron	521,473.59	590,892.34	588,943.64	1,909.76	38.94
7	Youngstown	521,474.40	590,892.43	588,943.64	1,909.76	39.03
8	Cleveland	537,424.69	631,244.72	629,295.56	1,909.76	39.40
Average		\$527,829.49	\$542,214.02	\$540,019.44	\$2,151.75	\$42.83

Based on 6,000,000 KWH, 20,000 KWD, 350 MCF, and Business Rate Telephone Service

* Price does not reflect savings available to customers participating in electric choice programs

** Price does not reflect savings available to customers participating in gas choice programs

*** Price reflects incumbent local exchange carrier's flat rate, USF, SLC and 911

Combined Bill = Electric Standard Service Offer + Gas + Telephone

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Ohio Energy Bills - Residential Customers 8 Major Ohio Cities As of March 1, 2015

Cities	Electric Bill	Per KWH	Gas Bill	Per MCF	GCR Rate
Akron	105.70	0.14	67.68	6.77	3.32
Canton	115.37	0.15	67.68	6.77	3.32
Cincinnati	86.84	0.12	103.01	10.30	5.22
Cleveland	104.36	0.14	67.68	6.77	3.32
Columbus	116.85	0.16	81.14	8.11	4.29
Dayton	106.49	0.14	73.47	7.35	4.00
Toledo	103.12	0.14	81.14	8.11	4.29
Youngstown	105.70	0.14	67.68	6.77	3.32
Average	\$105.56	\$0.14	\$76.19	\$7.62	\$3.888

Based on Usage of 750KWH and 10 MCF

Ohio Energy Bills - Commercial Customers 8 Major Ohio Cities As of March 1, 2015

Cities	Electric Bill	Per KWH	Gas Bill	Per MCF	GCR Rate
Akron	34,520.17	\$0.12	243.26	\$5.29	3.32
Canton	33,210.73	0.11	243.26	5.29	3.32
Cincinnati	28,477.56	0.09	616.24	13.40	5.22
Cleveland	38,344.89	0.13	243.26	5.29	3.32
Columbus	30,791.30	0.10	393.62	8.56	4.29
Dayton	31,048.89	0.10	294.71	6.41	4.00
Toledo	36,065.83	0.12	393.62	8.56	4.29
Youngstown	\$34,520.17	\$0.12	243.26	\$5.29	3.32
Average	\$33,372.44	\$0.11	\$333.90	\$7.26	\$3.888

Based on Usage of 300,000 KWH, 1,000 KWD and 46MCF

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Ohio Energy Bills - Industrial Customers 8 Major Ohio Cities As of March 1, 2015

Cities	Electric Bill	Per KWH	Gas Bill	Per MCF	GCR Rate
Akron	588,943.64	0.10	1,909.76	5.46	3.32
Canton	469,088.98	0.08	1,909.76	5.46	3.32
Cincinnati	454,955.73	0.08	2,745.68	7.84	5.22
Cleveland	629,295.56	0.10	1,909.76	5.46	3.32
Columbus	444,983.12	0.07	2,384.63	6.81	4.29
Dayton	578,105.90	0.10	2,059.99	5.89	4.00
Toledo	565,839.00	0.09	2,384.63	6.81	4.29
Youngstown	588,943.64	0.10	1,909.76	5.46	3.32
Average	\$540,019.44	\$0.09	\$2,151.75	\$6.15	\$3.888

Based on Usage of 6,000,000KWH, 20,000 KWD and 350 MCF

Cities	Electric	Gas	Telephone
Akron	Ohio Edison	Dominion	AT&T Ohio
Ashtabula	Cleveland Electric Illuminating	Dominion	Western Reserve
Canton	Ohio Power	Dominion	AT&T Ohio
Chillicothe	Columbus Southern Power	Columbia Gas	Horizon Chillicothe
Cincinnati	Duke Energy	Duke Energy	Cincinnati Bell
Cleveland	Cleveland Electric Illuminating	Dominion	AT&T Ohio
Columbus	Columbus Southern Power	Columbia Gas	AT&T Ohio
Dayton	Dayton Power & Light	Vectren	AT&T Ohio
Lima	Ohio Power	Dominion	CenturyLink
Lorain	Ohio Edison	Columbia Gas	CenturyLink
Mansfield	Ohio Edison	Columbia Gas	CenturyLink
Marietta	Columbus Southern Power	Dominion	AT&T Ohio
Marion	Ohio Edison	Columbia Gas	Frontier
Toledo	Toledo Edison	Columbia Gas	AT&T Ohio
Youngstown	Ohio Edison	Dominion	AT&T Ohio
Zanesville	Ohio Power	Columbia Gas	AT&T Ohio

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The Public Utilities Commission of Ohio

John R. Kasich, Governor
Thomas W. Johnson, Chairman

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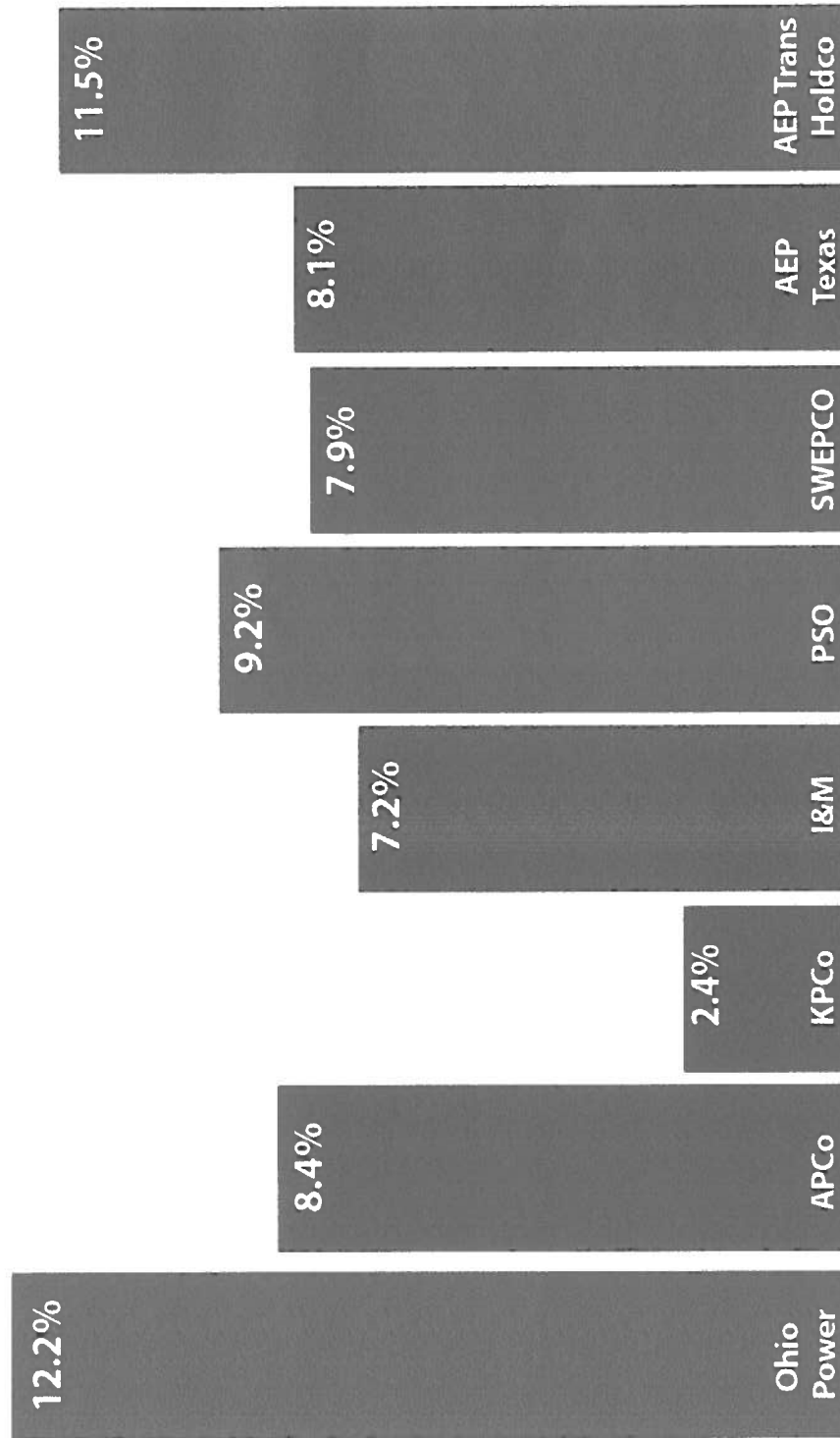


1st Quarter 2015 Earnings Release Presentation

April 23, 2015

AEP® Regulated Returns

Twelve Months Ended 03/31/2015 Earned ROEs (Operating Earnings*)



Regulated Operations ROE of 8.7%
as of March 31, 2015

* operating adjusts GAAP results by eliminating any material non operating items and is not weather normalized

Automated Meter Reading Project (AMR)

Exhibit JDW-5

AEP Ohio is partnering with APEX for the installation of meters across the AEP Ohio service territory. **Meter installations will be conducted Monday through Saturday between the hours of 7:00 a.m. and 5:30 p.m.** The meter change is at no cost to customers.

AEP Ohio will install approximately 105,000 automated meter reading (AMR) meters throughout the AEP Ohio service territory. AMR improves reading efficiency and greatly reduces the need to estimate meter readings during periods of inclement weather. AMR meters only transmit meter readings which are collected by the utility remotely unlike Smart meters which use two-way communications to receive and transmit information between the meter and the utility on a continual basis.

Routine monthly readings will be collected by a mobile unit usually without the need to enter customer's property. The new meter will have a digital display which makes it easier for customers to read and monitor their electric use. In addition, an AMR system nearly eliminates hazardous conditions for the meter readers such as dog bites and slips, trips and falls.

The majority of AMR meters use a weak radio frequency (RF) signal to transmit the meter reading. The radio frequency signals used by AMR meters comply with all FCC standards and have not been shown to pose any risk to human health. The monthly meter readings are then collected, or read, by an AEP Ohio meter reader using a specialized portable receiver when it is in close proximity to the meter. AMR meters only transmit meter readings; personally identifiable or account information is not transmitted.

The project is ongoing and is expected to be completed in May 2015, barring weather delays.

Areas to receive new meters Jan-May 2015

Benefits of Automated Meter Reading

- Greater privacy. Meter readers will be able to collect meter data without setting foot on your property and interrupting your schedule, though AEP Ohio will still need occasional access for testing and maintenance.
- Accurate billings. Because AEP Ohio no longer needs to depend on in-person meter readings, we no longer have to estimate your bill when we cannot access your meter.
- Eliminates hazards. An AMR system nearly eliminates hazardous conditions for the meter readers such as dog bites and slips, trips and falls.

This foregoing document was electronically filed with the Public Utilities

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in

Case No(s). 14-1158-EL-ATA

Summary: Testimony Testimony of James D. Williams on
Behalf of the Office of the Ohio Consumers' Counsel electronically filed by Ms. Deb J.
Bingham on behalf of Etter, Terry L.