

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Establishment of)	
4901:1-10-10(B) Minimum Reliability)	Case No. 16-1511-EL-ESS
Performance Standards for Ohio Power)	
Company.)	

**INITIAL COMMENTS
OF THE
OFFICE OF THE OHIO CONSUMERS' COUNSEL**

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I. INTRODUCTION

In this case, the state's largest electric company is proposing to lower the standards of reliability for electric service provided to its residential customers. The utility makes this proposal while continuing to collect millions of dollars from residential customers for to improve its distribution system. Under the law, Ohioans are entitled to adequate utility service at just and reasonable rates.¹ Ohio law also requires the Public Utilities Commission of Ohio ("PUCO") to set minimum service quality, safety, and reliability requirements for noncompetitive electric service in Ohio.²

On June 30, 2016, Ohio Power Company ("AEP Ohio") filed an Application to reduce the standards for its reliability. These lower standards could adversely affect the quality of service that 1.2 million Ohioans receive at their homes from AEP Ohio. In a

¹ R.C. 4905.22.

² R.C. 4928.11.

previous reliability standards case, the PUCO adopted a settlement agreement that required AEP Ohio to file an application for new reliability standards by June 30, 2016.³

The reliability standards being established in this proceeding are an indication of the quality of electric service AEP Ohio customers should receive during typical days, without major weather events or transmission outages. They are sometimes referenced as the “blue sky” standards, i.e., standards for reliability during normal weather conditions. PUCO rules require electric companies to establish for the System Average Interruption Frequency Index (“SAIFI”) and the Customer Average Interruption Duration Index (“CAIDI”).⁴ SAIFI reflects the number of sustained interruptions in electric service the average consumer experiences over a predefined period of time. CAIDI represents the average number of minutes required to restore electric service to residential customers.⁵ Higher thresholds for SAIFI or CAIDI as minimum reliability standards mean that service to customers will be less reliable – interruptions could be longer and service restorations could be slower.

Ironically, AEP Ohio’s request to be held to lesser quality standards comes at a time when customers are paying ever-increasing prices for electric service resulting from single issue rate cases, such as gridSMART and the Distribution Investment Rider

³ *In the Matter of the Establishment of 4901:1-10-10(B) Minimum Reliability Performance Standards for Columbus Southern Power Company and Ohio Power Company*, Case No. 12-1945-EL-ESS, Opinion and Order (March 19, 2014), corrected by Entry Rehearing (May 7, 2014). *See id.*, Stipulation and Recommendation (March 4, 2014) (“2014 Settlement”) at 4.

⁴ Ohio Adm. Code 4901:1-10-10(B)(1) and (B)(2).

⁵ Institute of Electrical and Electronic Engineers (“IEEE”) Guide for Electric Power Distribution Reliability Indices, IEEE Std 1366-2012, (Revision of IEEE Std 1366-2003) at 5 (May 31, 2012).

(“DIR”) charges. These charges were touted to regulators and consumers as investments intended to enhance service quality.⁶

For AEP Ohio, the 2014 Settlement set a SAIFI standard of 1.20 and a CAIDI standard of 150.⁷ In the Application, AEP Ohio has proposed to lower the reliability standards for service to residential customers. AEP Ohio proposes a SAIFI standard of 1.22 and a CAIFI standard of 159.8.⁸ AEP Ohio’s proposal for calculating the standards going forward results in allowing customers to experience more (in number) and longer (in duration) outages before AEP Ohio would be considered to have violated the standards.⁹ In these Comments, the Office of the Ohio Consumers’ Counsel (“OCC”) explains why the PUCO should reject the new standards proposed by AEP Ohio.¹⁰

The PUCO’s rules require a hearing if the proposed reliability standards appear to the PUCO to be unjust or unreasonable.¹¹ In the 2014 Settlement, the parties agreed that they would not oppose any signatory party’s request for a hearing in this case.¹² OCC requests that the PUCO hold such a hearing. The PUCO should also hold local public hearings so that consumers may have an opportunity to present their views directly to the PUCO.

⁶ See *In the Matter of the Application of Columbus Southern Power Company and Ohio Power Company for Authority to Establish a Standard Service Offer Pursuant to Section 4928.143, Revised Code, in the Form of an Electric Security Plan*, Case No. 11-346-EL-SSO, Opinion and Order (August 8, 2012) (“ESP 2 Order”) at 42; *In the Matter of the Application of Columbus Southern Power Company for Approval of an Electric Security Plan; an Amendment to its Corporate Separation Plan; and the Sale or Transfer of Certain Generating Assets*, Case No. 08-917-EL-SSO, et al., Opinion and Order (March 18, 2009) at 34-35.

⁷ 2014 Settlement at 3.

⁸ Application at 19.

⁹ *Id.* at 15-19.

¹⁰ The procedural schedule for this case was established by Entry issued on December 14, 2016.

¹¹ Ohio Adm. Code 4901:1-10-10(6)(e).

¹² 2014 Settlement at 4.

II. RECOMMENDATIONS

A. **AEP Ohio's proposed reliability standards could harm Ohioans by allowing longer service interruptions and slower service restorations, providing lower quality of electric service to residential consumers.**

To protect Ohioans, the PUCO must adopt rules that specify minimum service quality, safety, and reliability requirements for noncompetitive retail electric services supplied by electric utilities.¹³ To that end, the PUCO adopted Ohio Adm. Code 4901:1-10-10. This rule requires electric companies to periodically propose standards for service reliability. AEP Ohio's current reliability standards were adopted in the 2014 Settlement.

In its Application in this case, AEP Ohio proposed revising its existing distribution service reliability standards. AEP Ohio bases its calculations on a three-year average of reliability rather than the five years contained in the PUCO Staff's Guidelines.¹⁴ AEP Ohio claims three years is more appropriate because (1) no adjustments would be needed for its forestry program, (2) the timeframe covers recent reliability trends and current system design, (3) it is a timeframe where AEP Ohio performed better than the current standards, (4) the CAIDI value is lower, and (5) no new grid modernization was implemented during that time.¹⁵

AEP Ohio's proposal would lower the reliability standards for electric service provided to residential customers. As a result, residential customers could experience more frequent and longer outages, without AEP Ohio being subjected to PUCO enforcement actions.

¹³ R.C. 4928.11(A).

¹⁴ See <http://www.puco.ohio.gov/puco/index.cfm/rules/pending-rules/staff-guidelines-for-electric-utility-reliability-standards-under-rule-4901-1-10-10-b/#sthash.gLyjltVG.hcwu93k5.dpbs>

¹⁵ Application at 15.

The PUCO's rules require electric utilities to establish reliability standards for both SAIFI and CAIDI.¹⁶ AEP Ohio's existing reliability standards are a 1.2 SAIFI and a CAIDI of 150.0 minutes.¹⁷ In its Application, AEP Ohio proposed a SAIFI of 1.22 and a CAIDI of 159.23 minutes.¹⁸ AEP Ohio has proposed a less stringent SAIFI standard, meaning residential consumers could expect more outages. And a significantly reduced CAIDI standard would mean that residential consumers can expect outages that last longer.

In evaluating the reasonableness of the proposed reliability standards, it is important to consider that the standards reflect only a portion of the outages that customers can have on an annual basis. For example, the proposed reliability standards do not take into account how a utility performs during major storms where the weather could significantly impact the number and duration of outages across the utility's service territory. By PUCO rules, the reliability standards are specific to the distribution system and exclude outages that are associated with a failure in generation or transmission facilities.¹⁹ Finally, the reliability standards exclude momentary interruptions of service where the outage duration is less than five minutes.²⁰ Therefore, the reliability standards are a partial indicator of the actual quality of electric service that AEP Ohio is obligated and responsible for providing to its customers under normal and routine operations of the

¹⁶ Ohio Adm. Code 4901:1-10-10(B).

¹⁷ *In the Matter of the Application of Ohio Power Company to Establish New Reliability Standards*, Case No. 12-1945-EL-ESS, Opinion and Order (March 19, 2014) at 2.

¹⁸ Application at 19.

¹⁹ Ohio Adm. Code 4901:1-10-10(B)(4)(c).

²⁰ Ohio Adm. Code 4901:1-10-01(V).

distribution system. Therefore, AEP Ohio has direct control over most of the factors that influence its ability to meet these standards.

B. AEP Ohio’s proposed reliability standards are unjust and unreasonable because customers are paying rates for electric reliability that is superior to what AEP Ohio is now proposing to provide.

Ohio law requires the PUCO to protect consumers by adopting rules that specify the minimum requirements for electric service quality.²¹ The rules must address reliability and prescriptive standards for the inspection, maintenance, repair, and replacement of transmission and distribution systems by electric utilities.²² The PUCO’s rules make electric utilities responsible for establishing and complying with inspection, maintenance, repair, and replacement plans and programs that directly impact reliability of customers’ electric service.²³

The current reliability standards for AEP Ohio were established in the 2014 Settlement. The standards and annual performance since reliability standards were last established are provided in Table 1.

Table 1: AEP Ohio Reliability Standards/Performance 2013-2016

SAIFI	2013	2014	2015	2016 ²⁴
Standard	1.20	1.20	1.20	1.20
Performance	1.03	1.13	1.13	

CAIDI (Minutes)	2013	2014	2015	2016
Standard	150.00	150.00	150.00	150.00
Performance	140.97	146.61	139.03	

²¹ R.C. 4928.11(A).

²² *Id.*

²³ Ohio Adm. Code 4901:1-10-27(E).

²⁴ Ohio Adm. Code 4901:1-10-10(C) requires AEP Ohio to file an Annual Report with actual performance data for 2016 by March 31, 2017.

Since distribution rates and reliability standards were last established, AEP Ohio's customers have paid substantial amounts, through base distribution rates, that compensate AEP Ohio for operational costs associated with the inspection, maintenance, repair, and replacement of its distribution facilities.²⁵ Hence, the proposed reliability standards should not be worse than the current standards, which were established shortly after the last base distribution rate case. But AEP Ohio has proposed less stringent SAIFI and CAIDI standards in the current Application.

Residential customers should be getting what they have paid for through the base distribution rates and the Enhanced Service Reliability Rider ("ESRR") that were last approved by the PUCO,²⁶ i.e., improved reliability from AEP Ohio. AEP Ohio's proposal would yield the opposite result – more money paid by residential customers for lower service quality and reliability. This is not equitable for residential consumers. The PUCO should not let this happen.

C. AEP Ohio's proposed lower reliability standards are inconsistent with the distribution system improvements that residential consumers are paying for through several riders on their electric bill that are intended to improve service reliability.

In addition to the money residential consumers pay AEP Ohio in base rates to improve service reliability, residential consumers also pay for several single issue rate

²⁵ *In the Matter 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*, Case No. 11-351-EL-AIR, Opinion and Order (December 14, 2011).

²⁶ *In the Matter of the Application of Ohio Power Company to Update Its Enhanced Service Reliability Rider*, Case No. 16-2154-EL-RDR, Application (November 1, 2016 at Schedule 1). Vegetation management spending that was included in base rates was \$24,200,000. An additional incremental \$24,660,247 was paid by consumers in 2015 for the ESRR.

mechanisms (“riders”) for programs that are purported to provide reliability benefits. For example, residential consumers are billed and pay millions of dollars in DIR charges on their electric bill. Through the DIR, AEP Ohio has used single issue ratemaking to expedite collecting approximately \$1.2 billion from customers since 2013.²⁷ Customers are paying AEP Ohio a return of and on its investment. Table 2 provides a summary of AEP Ohio’s spending, through the DIR between 2013 and 2015, and the projected spending levels for 2016 and 2017.

Table 2: Distribution Investment Rider Spending (2013-2017)

Year	2013 ²⁸	2014 ²⁹	2015 ³⁰	2016 ³¹	2017 ³²	Total
DIR Spending	\$210,569,965	\$255,519,611	\$271,496,682	\$200,080,000	\$234,780,000	\$1,172,446,258

In approving the DIR, the PUCO specifically found that “adoption of the DIR and the improved service that will come with the replacement of aging infrastructure will facilitate *improved service reliability* and better align the Company’s and its customers’ expectations.”³³ AEP Ohio cannot justify lowering its service reliability standard after spending so much money in distribution infrastructure and collecting substantial amounts of DIR charges every year from its customers.

In addition, the PUCO found that “proactive” spending on infrastructure modernization as supported by the DIR would help avoid reliability performance

²⁷ ESP 2 Order at 45-47.

²⁸ Application at 16.

²⁹ *Id.*

³⁰ *Id.*

³¹ *In the Matter of the Commission’s Review of the Ohio Power Company’s Distribution Investment Rider Work Plan for 2016*, Case No. 16-024-EL-UNC.

³² *In the Matter of the Commission’s Review of the Ohio Power Company’s Distribution Investment Rider Work Plan for 2017*, Case No. 17-045-EL-UNC.

³³ ESP 2 Order at 46 (emphasis added).

standards taking a negative turn.³⁴ But as shown in Table 1, the SAIFI has increased (meaning service reliability has decreased) each year since 2013 when the DIR was approved. In addition, CAIDI increased (meaning service reliability has decreased) between 2013 and 2014. The reliability standards as proposed by AEP Ohio are now taking that negative turn the DIR was specifically intended to prevent. The lower service reliability standards proposed by AEP Ohio will in all likelihood accelerate, rather than avoid, the negative turn.

But there is more. The residential consumer money that is spent for programs to “improve reliability” is not limited to just the DIR. In fact, AEP Ohio customers have paid over \$140 million since 2011 through another single issue ratemaking charge, the ESRR. That charge is supposed to help AEP Ohio provide better service because it pays for additional tree trimming. And AEP Ohio customers are paying over \$125 million for a gridSMART Phase I program that is purportedly providing customers with reliability benefits.

The millions of dollars residential consumers have spent for AEP Ohio infrastructure in the past six years should result in higher (improved), not lower, reliability standards. AEP Ohio, however, would have Ohioans spend even more money while reliability standards are worsened. Consumers should get what they’ve paid for and what they were promised. The PUCO should reject AEP Ohio’s plan.

³⁴ *Id.* at 47.

D. AEP Ohio's proposed standards do not comply with the PUCO Rules and the PUCO Staff's Guidelines for establishing reliability standards for electric service to residential consumers.

1. AEP Ohio should have used a five-year performance average in establishing the standards for reliability of service to residential customers.

The PUCO requires supporting justification for reliability performance standards based on historical system performance, system design, technological advancements, service area geography, and the results of customer perception surveys.³⁵ In addition, the PUCO Staff has provided guidance concerning how reliability standards are to be established.

AEP Ohio's proposed reliability standards are based on three years of historical performance as opposed to the five years contained in the Guidelines. AEP Ohio provided five reasons for using a three-year instead of a five-year average.³⁶ First, it has completed the transition to a four-year cycle for tree trimming and thus no adjustments to its calculations are needed for the tree trimming program. Second, a three-year average covers recent reliability trends and current system design, so no adjustments would be needed for calculating the average. Third, AEP Ohio has performed better than the current reliability standards over the past three years. Hence, no adjustments would be needed. Fourth, the CAIDI value is lower using a three-year average versus a five-year average. Fifth, there has been no further deployment of gridSMART since 2012, so no adjustments for gridSMART deployment are necessary. These reasons are not sufficient to use a three-year average.

³⁵ Ohio Adm. Code 4901:1-10-10(B)(3)(c) and (4)(a).

³⁶ Application at 14-15.

For one thing, AEP Ohio implemented a prototype database to collect information concerning outages caused by trees that are outside the right-of-way.³⁷ The purpose of the database is to allow AEP Ohio to better plan and schedule certain vegetation management activities before related outages occur.³⁸ This program, which is being paid for by residential consumers, should enable AEP Ohio to be more proactive in trimming trees to prevent outages before they occur. This should reduce the number of outages or the duration of outages on an on-going basis. Thus, the PUCO should require AEP Ohio to revise its Application to establish reliability standards that reflect the impact of the tree trimming database.

AEP Ohio also ignored the results of the customer perception survey and proposed a significantly higher CAIDI. Approximately 32 percent of the residential survey respondents (the second highest category of respondents) indicated that it is most important for AEP Ohio to quickly restore service when outages occur. Yet, AEP Ohio has proposed more than a nine-minute increase in the time it takes (on average) to restore service to customers.

Customers surveyed also indicated that on-average their service was interrupted 3.82 times during the past 12-month period.³⁹ Total power outages would include momentary interruptions (less than five minutes' duration) that are not included in the reliability standards. However, given the technological advancements that have been made through the PowerOn Advantage and supervisory control and data acquisition ("SCADA") systems, AEP Ohio now has the capability for monitoring and tracking

³⁷ *Id.* at 8.

³⁸ *Id.*

³⁹ *Id.* at Attachment 2, page 7.

momentary outages.⁴⁰ AEP Ohio should have proposed the inclusion of standards for monitoring momentary interruptions, such as a Momentary Average Interruption Frequency Index, which is the average number of interruptions that a customer will experience in a given year. Residential consumers who are paying through the DIR for the technological investments that AEP Ohio is making to improve reliability⁴¹ should also receive the benefit from more refined reporting of the total number of momentary outages that occurred on AEP Ohio's system.

And AEP Ohio proposed no adjustment to its SAIFI and CAIDI calculations for gridSMART even though the capabilities that were deployed as part of the Phase I initiative should be resulting in fewer and shorter duration outages over time.⁴² The capabilities are distribution automation circuit reconfiguration ("DACR") and automated metering infrastructure ("AMI"). Further, these capabilities installed may be substantially expanded in Phase II, which is presently before the PUCO in Case No. 13-1939-EL-RDR. AEP Ohio claims that both of these programs improve service reliability to consumers.⁴³ If the PUCO approves the gridSMART Phase II program, the reliability standards should be adjusted annually to reflect the benefits customers are expected to receive.

Under Phase II, 894,000 residential customers will receive AMI meters, in addition to the 132,000 residential customers who already have AMI meters from Phase I

⁴⁰ See Attachment 1 (AEP Ohio response to OCC INT-1-005).

⁴¹ For example, AEP Ohio states that switching to PowerOn Advantage and PowerOn Restore increase its efficiency in responding to outages during major storms. Application at 7.

⁴² See *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 No. 13-1939-EL-RDR, Application (September 13, 2013), Attachment A at 1.

⁴³ See *id.*, Attachment A at 3-4, 6.

(out of a total of 1.2 million residential customers). Similarly, under Phase II, DACR will be applied to 250 distribution circuits, which will add to the 70 Phase I DACR circuits (on a system with about 1,600 total distribution circuits.) Phase II of gridSMART should greatly increase the portion of the system that will have such technology installed.

Nevertheless, AEP Ohio used performance data from 2013 through 2015 to establish a baseline for historical average performance of 1.10 for SAIFI and 142.20 for CAIDI. But as shown in Table 3, the use of five years of average historical performance data as required by the Guidelines provides a more accurate reflection of the reliability performance over a much longer period of time.

Table 3: Historical Reliability Performance (2011-2015)

SAIFI	2011	2012	2013	2014	2015	Average
	1.19	0.98	1.03	1.13	1.13	1.09

CAIDI	2011	2012	2013	2014	2015	Average
	142.9	144.2	140.9	146.6	139.0	142.72

The five-year average contained in the Guidelines is more fair and realistic standard for reliability of AEP Ohio's service to residential consumers. AEP Ohio has not sufficiently supported using a three-year standard that allows for lower service reliability for residential consumers. The PUCO should reject AEP Ohio's three-year average and instead use the five-year average for SAIFI and CAIDI.

2. AEP Ohio has not justified the 12 percent variation adjustment proposed in the Application.

In their applications for reliability standards, electric companies must include supporting justification for amending the current standards and the methodology used to

calculate them.⁴⁴ The justification must reflect the historical performance of the distribution system based on system design, technological advancements, service area geography, and the results of the customer perception surveys.⁴⁵ As AEP Ohio observed, the PUCO Staff has taken the position that using the most recent five-year average plus ten percent is a more reasonable and uniform approach to account for annual variation in system performance.⁴⁶

Nevertheless, AEP Ohio has proposed adding a 12 percent variation adjustment onto the three-year average historical performance that is not supported in the PUCO Rules or the Guidelines. Proposed adjustments that are based on a straight “across the board” percentage increase to the average historical performance are not in compliance with the Rules.⁴⁷ Instead, AEP Ohio should have complied with the PUCO Rules and the Guidelines by proposing adjustments to the five-year average historical performance based on technological advancements that it has made.

AEP Ohio has deployed a new more robust outage management system that more efficiently tracks outage data and restoration efforts following storms.⁴⁸ This new outage management system has been in use since February 2016 and should improve AEP Ohio’s reliability, through shorter outages, for 2016 and beyond.⁴⁹ PowerOn Advantage and PowerOn Restore are intended to improve functionality for reducing the number of

⁴⁴ Ohio Adm. Code 4901:1-10-10(B)(3)(c) and (4).

⁴⁵ Ohio Adm. Code 4901:1-10-10(B)(4).

⁴⁶ Application at 14, citing Case No. 09-756-EL-ESS, PUCO Staff Comments (December 3, 2009).

⁴⁷ Interestingly, AEP Ohio used the shorter three-year average historical performance to support the need for the 12 percent adder. *Id.*

⁴⁸ *Id.* at 6.

⁴⁹ See Attachment 2 (AEP Ohio response to OCC INT-1-003).

outages and reducing outage durations.⁵⁰ AEP Ohio also has improved its Geographic Information Systems to better predict outages and enable more efficient restoration effort.⁵¹

AEP Ohio has expanded SCADA capabilities throughout a majority of its substations to enable better monitoring and control of distribution feeders.⁵² This should help reduce the number and duration of outages for customers. AEP Ohio has expanded its SCADA capabilities in every year of the period it uses to establish its baseline of historical average performance, 2013-2015. Table 4 below shows the number of distribution circuits on which AEP Ohio has installed substation SCADA capability.

Table 4: AEP Ohio SCADA Capabilities (2011-2016)

AEP Distribution Circuits With Substation SCADA Capability			
Year	SCADA Circuits	Additions	% of System
2011	939		62.6%
2012	951	12	63.4%
2013	995	44	66.3%
2014	1,046	51	69.7%
2015	1,092	46	72.8%
2016	1,112	20	74.1%
System circuits calculated from 2015 Rule 11 Report For AEP Ohio			

Note that in the three years of the baseline period, 2013 to 2015, AEP Ohio has installed substation SCADA on between 44 and 51 distribution circuits.⁵³ AEP Ohio's

⁵⁰ See Attachment 3 (AEP Ohio response to OCC INT-1-004).

⁵¹ Application at 6.

⁵² *Id.* at 7.

⁵³ See Attachment 4 (AEP Ohio's responses to OCC INTs 1-012 and 1-014) for historical values.

average reliability performance for its baseline period therefore reflects less than three years of operation with SCADA on these circuits.⁵⁴

AEP Ohio has declined to quantify the reliability impacts it attributes to having substation SCADA capability on distribution circuits. AEP Ohio says it does not know how many distribution circuits will have substation SCADA installed in future years.⁵⁵ Even if there will be no substation SCADA installed on distribution circuits in the future, the three-year average baseline AEP Ohio used to calculate its reliability standards should be adjusted to account for reliability impacts of the substation SCADA that has been installed since the beginning of 2013. If we assume that this program will be continued in the next several years,⁵⁶ then the three-year baseline would need further adjustment.

3. The proposed DIR adjustment does not accurately reflect the millions of dollars residential consumers have paid through the DIR in the past six years.

AEP Ohio proposed a DIR adjustment to the average historical performance. However, as shown in Table 2, the proposed adjustment is miniscule in comparison to the amount of customer money AEP Ohio is spending on DIR.

AEP Ohio proposed an adjustment to SAIFI of -0.01 and to CAIDI of -0.036. AEP Ohio calculated the adjustment based on reductions that have occurred in customer outages and customer minutes interrupted since DIR was initiated. But the number of avoided interruptions that are attributed to DIR indicate that AEP Ohio is not targeting

⁵⁴ Less than three years on the 44 circuits with substation SCADA installed in 2013, less than two years of operation of the 51 circuits with substation SCADA installed in 2014, less than one year of operation of the 46 circuits with substation SCADA installed in 2015, and zero years of operation of the 20 circuits with substation SCADA installed in 2016.

⁵⁵ See Attachment 5 (AEP Ohio's response to OCC INT 1-013).

⁵⁶ See Application at 7.

DIR spending on investments that help consumers obtain better reliability. In fact, as shown in Table 5, the number of interruptions attributed to distribution station failures and equipment failures have increased since DIR was initiated. DIR should be resulting in fewer, not more, interruptions for both of these outage causes.

Table 5: Distribution Station and Equipment Failure Outages (2013-2015)

Outage Cause	2013	2014	2015
Distribution Station	178	253	219
Equipment Failure	8,379	9,129	9,552

The PUCO has currently approved the DIR through May 2018. Customers should be receiving more reliable service from the DIR program. To the extent that the DIR is continued past 2018, the annual adjustment in AEP Ohio's reliability standards should continue.

E. AEP Ohio's proposal to reduce the reliability standards for Ohioans' electric service is unjust and unreasonable, and the PUCO should conduct a hearing on the Application.

Ohio Adm. Code 4901:1-10-10(B)(6)(e) provides that if it appears to the PUCO that the proposals in the application may be unjust or unreasonable, the PUCO shall set the matter for hearing. At the hearing, the burden of proof to show that the proposals in the application are just and reasonable shall be upon the electric utility.

OCC has presented the PUCO with cause for a hearing under Ohio Adm. Code 4901:1-10-10(B)(6)(e). As discussed above, AEP Ohio's proposal would unreasonably reduce the quality of electric service to Ohioans, who are still paying millions of dollars extra each year for improvements to AEP Ohio's distribution system, enhanced vegetation management, and gridSMART. This is unjust. The PUCO should schedule a hearing on the Application.

F. The PUCO should also conduct local public hearings on AEP Ohio's proposal so that consumers have an opportunity to testify.

In addition to the hearing provided under its rules, the PUCO should schedule local public hearings to receive input directly from consumers. Although the Application includes a summary of the results of the 2015 quarterly customer satisfaction surveys required in the 2014 Settlement,⁵⁷ the sample size for each survey is relatively small. AEP Ohio surveyed just 100 residential customers and 100 commercial customers each quarter.⁵⁸ The PUCO should solicit additional input from consumers.

The PUCO should schedule at least one local public hearing in Columbus and should consider local public hearings in other locations across the state. They should be conducted in the evening, so that more consumers would be able to attend. Local public hearings would help the PUCO be better informed about AEP Ohio customers' views on the reliability of service provided by AEP Ohio.

III. CONCLUSION

Ohioans have paid millions of dollars for improvements to AEP Ohio's distribution system. Yet, AEP Ohio's proposal would indicate that there is little or nothing to show for these expenditures. Instead of providing more reliable service, AEP Ohio is asking to be held to lower reliability standards for service to residential consumers. For customers this could mean more and longer outages before the PUCO can hold AEP Ohio accountable. This is not equitable. Higher customer charges and

⁵⁷ Application, Attachment 2.

⁵⁸ See *id.* at 2.

reduced service quality is unacceptable. AEP Ohio has not met its burden of proof in this case.

Instead of lowering the standards (through higher SAIFI and CAIDI numbers), the PUCO should hold AEP Ohio to standards that require it to provide better, more reliable service, primarily because of the significant dollars that customers have paid AEP Ohio through the numerous charges added on to their bills. Additionally, the PUCO should use a five-year average instead of the three years AEP Ohio proposes. Further, the PUCO should allow no more than a ten percent variance adder instead of the 12 percent AEP Ohio proposes. Finally, the PUCO should use a more realistic adjustment for the DIR.

In accordance with Ohio Adm. Code 4901:1-10-10(B)(6)(e), AEP Ohio's Application for proposing lower reliability standards for service to residential customers is unjust and unreasonable. The PUCO should set this matter for hearing, and should schedule local public hearings to allow AEP Ohio's consumers to present their views directly to the PUCO.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that a copy of these Comments was served on the persons stated below via electronic transmission, this 26th day of January 2017.

/s/ Terry L. Etter

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**OHIO POWER COMPANY'S RESPONSES TO
THE OFFICE OF THE OHIO CONSUMERS' COUNSEL'S
DISCOVERY REQUEST
PUCO CASE NO. 16-1511-EL-ESS
FIRST SET**

INTERROGATORY

INT-1-005 Does the outage management system (or other AEP Ohio systems) have the capability to detect and monitor momentary outages (i.e., outages with a duration of less than 5 minutes)?

RESPONSE

PowerOn Advantage (and the Transmission SCADA system) have the capability to detect and monitor momentary operations of SCADA controlled devices. If a SCADA controlled device operates, the device status is tracked through the applications alarm window that is monitored by the dispatcher.

PowerOn Restore will track the device operation if the duration time exceeds 30 seconds (device opens and 30+ seconds later closes). This scenario will create an outage order in the outage management system and the order is archived for historical reference.

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INTERROGATORY

INT-1-003 When did the transition to PowerOn Advantage and PowerOn Restore begin?

RESPONSE

AEP Ohio's first production use of PowerOn Restore was January 19, 2016. Ohio's first production use of PowerOn Advantage was February 17, 2016.

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INTERROGATORY

INT-1-004 How do PowerOn Advantage and PowerOn Restore help in reducing the occurrence of outages or the duration of outages?

RESPONSE

PowerOn Restore and PowerOn Advantage provide historical outage information that is collected and stored. Analysis of this data can be used to improve system conditions and reduce the occurrence of outages. PowerOn Restore and PowerOn Advantage provide additional efficiencies and functionality (see INT-1-002) that make it a more effective tool for outage restoration dispatching. More effective dispatching can reduce outage duration.

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INTERROGATORY

INT-1-012 Referring to the Application at page 7, for each year between 2011 and 2015, how many distribution feeders were equipped and monitored with Supervisory Control and Data Acquisition ("SCADA") technologies?

RESPONSE

For 2015 = 1,092, 2014 = 1,046, 2013 = 995, 2012 = 951, and 2011 = 939.

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INTERROGATORY

INT-1-014 How many distribution feeders were equipped with SCADA technologies in 2016?

RESPONSE

Total number of feeders as of October 31, 2016 with SCADA is 1,112.

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INTERROGATORY

INT-1-013 For each year between 2011 and 2015, please quantify the impact that SCADA has had in reducing the number of customers interrupted ("CI") and Customer Minutes Interrupted ("CMI") on SCADA equipped and monitored distribution feeders.

RESPONSE

This information has not been quantified.

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Summary: Comments Initial Comments by the Office of the Ohio Consumers' Counsel electronically filed by Ms. Deb J. Bingham on behalf of Etter, Terry L.