**BEFORE**

**THE PUBLIC UTILITIES COMMISSION OF OHIO**

|  |  |  |
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| In the Matter of the Review of the Distribution Investment Rider Contained in the Tariff of Ohio Power Company. | ))) | Case No. 16-0021-EL-RDR |

**COMMENTS**

**BY**

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**COMMENTS**

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# I. INTRODUCTION

In this case, the Distribution Investment Rider (“DIR”) of the Ohio Power Company (“AEP Ohio” or “Utility”) that was funded by the Utility's customers in 2015 is being reviewed, yet with no review of whether the expenditures were prudent. Yet, under the DIR, the Utility is permitted to charge its 1.4 million residential customers for its proactive distribution infrastructure plan that is supposed to maintain and “facilitate improved service reliability.”[[1]](#footnote-2)

In its Order initiating the DIR, the Public Utilities Commission of Ohio (“PUCO”) explicitly required the Utility and the PUCO Staff to quantify reliability improvements that are expected as a result of the DIR funding.[[2]](#footnote-3) Furthermore, the PUCO explicitly required the Utility and the PUCO Staff to focus DIR spending on where it will have the greatest impact on maintaining and improving reliability.[[3]](#footnote-4) And the PUCO

expressly found that the DIR was intended “to replace aging distribution infrastructure in order to maintain and *improve* service reliability over the term of this ESP.”[[4]](#footnote-5) The DIR is then subject to annual review for accounting accuracy, prudency, and compliance with the Utility’s distribution maintenance plan.[[5]](#footnote-6)

AEP Ohio has spent over $1 billion on the DIR program from 2010 through 2015.[[6]](#footnote-7) And the PUCO approved the expenditure of $146.2 million for 2016, $170 million for 2017, and $103 million for January through May of 2018.[[7]](#footnote-8) Yet AEP’s service reliability to customers has worsened as measured by the reliability indices that the PUCO uses.[[8]](#footnote-9)

The Office of the Ohio Consumer’s Counsel (“OCC”) files these Comments to address the annual review of the DIR Program, and the shortcomings related to AEP's reliability performance. OCC urges the PUCO to adopt the recommendations that are discussed in detail below. OCC’s recommendations are designed to protect AEP Ohio’s customers from bearing costs that were not prudently incurred and costs that did not produce quantifiable reliability improvements.

# II. BACKGROUND

The DIR shall be reviewed annually for accounting accuracy, prudency, and compliance with the DIR plan.[[9]](#footnote-10) The 2015 DIR Compliance Audit relates only to the financial and accounting review of the investment expenditures that AEP Ohio is seeking to collect from customers through the DIR. It does not address the prudence or compliance reviews also required by the PUCO.

The prudency review is extremely important in protecting customers from paying for unneeded and unnecessary investments that a Utility might make in its distribution system. Although the PUCO granted AEP Ohio authority to expedite the collection of money from customers for investments that it makes in its distribution system, AEP Ohio still must demonstrate, before passing costs onto customers, that its investments were prudently incurred.

Prudency reviews occur at a more holistic level than accounting and financial audits. They examine both the decision to invest and the management of investments made, including but not limited to, review of business plans, cost-benefit analysis, pay-back periods, and overall cost effectiveness. Customers do not pay for investments until a determination is made that the asset is used and useful in serving its intended purpose.

In the case of the DIR, this intended purpose is to maintain and improve reliability. Ultimately, prudency reviews help ensure that a utility is not transferring to customers the financial risks for unwise, unsound, and unnecessary investments that should instead be the responsibility of the Utility and its shareholders.

Nonetheless, despite the PUCO’s order requiring a prudence review, no such review has been conducted in this docket. And without a prudency review, the PUCO cannot determine that the charges AEP Ohio is seeking to collect from customers through the DIR are used and useful and serving their intended purpose.

# III. RECOMMENDATIONS

## A. A proper prudence review would show that the DIR investments are not prudent and used and useful and therefore customers should be protected from paying these unreasonable charges.

### 1. Blue Ridge did not conduct any review of the prudency of AEP Ohio’s DIR investments and its review of “used and useful” plant is cursory.

The Order establishing the DIR stated that the annual review must be done by an independent auditor.[[10]](#footnote-11) The Utility’s DIR expenditures shall be reviewed for accounting, accuracy, and prudency.[[11]](#footnote-12) Blue Ridge Consulting Service, Inc. was selected by the PUCO to review the accounting accuracy, prudency, and compliance of AEP Ohio with its PUCO-approved DIR with regard to in-service net capital additions since the last DIR compliance audit. Blue Ridge was hired to also review capital additions, recovered through other riders authorized by the PUCO and ensure that that they were excluded from Rider DIR. The auditor was also to identify, quantify, and explain any significant net plant increases within individual accounts. As discussed below, Blue Ridge has failed to identify some issues that have significant impacts on consumers.

Additionally, Blue Ridge’s Compliance Audit report does not constitute a sufficient prudence review considering the amount of money that customers are paying for the DIR. A thorough and complete inspection of AEP Ohio’s DIR investments must be completed to determine among other things if the investments are used and useful. Even more analysis is needed to determine the prudency of such investments.

### 2. AEP Ohio’s DIR investments are not prudent because, despite AEP Ohio customers paying through the DIR, over $1 billion for purported reliability benefits between 2010 and 2015,[[12]](#footnote-13) AEP Ohio’s reliability performance has consistently declined.

AEP Ohio customers are paying over $1 billion for investments made between 2010 and 2015 (in addition to distribution base rates) for the DIR. The DIR charge on customer bills has now increased to $7.73 per month (or almost $93.00 annually) and there is no end to this drain on customer wallets in sight.[[13]](#footnote-14)

The DIR is supposed to provide customers with better reliability. In fact, the Commission specifically emphasized its goal of modernizing the distribution infrastructure before reliability performance standards take a negative turn:

We believe that it is detrimental to the state's economy to require the utility to be reactionary or allow the performance standards to take a negative turn before we encourage the electric utility to proactively and efficiently replace and modernize infrastructure and, therefore find it reasonable to permit the recovery of prudently incurred distribution infrastructure investment costs.[[14]](#footnote-15)

While the PUCO clearly expects the DIR to improve reliability, AEP Ohio’s reliability performance since the DIR was approved has gone in the opposite direction. This is shown in Table 1 below that identifies AEP Ohio’s reliability performance between 2010 and 2015. Accelerated recovery of investment costs through the DIR began in 2011. The reliability performance data excludes outages associated with major weather events that can vary significantly from one year to the next; outages associated with transmission and/or generation outages; and outages where the duration is less than 5 minutes. In other words, this data reflects “blue sky” reliability performance where AEP Ohio has direct control over the majority of factors that influence the reliability of its distribution system.

Three common reliability metrics are used to evaluate reliability performance. There metrics include the System Average Interruption Frequency Index (“SAIFI”), the System Average Interruption Duration Index (“SAIDI”), and the Customer Average Interruption Index (“CAIDI”). SAIFI is an indicator of the average number of outages that customers will experience in a year. SAIDI is an indicator of the average outage duration over a year. CAIDI is the average time to restore service following an outage. The PUCO has adopted reliability standards including SAIFI and CAIDI.[[15]](#footnote-16) Higher numbers for any one of these metrics means worse reliability performance compared with a baseline year.

Table 1 provides a comparison of the AEP reliability performance for 2010 through 2015. For each of the years 2010 through 2012, separate reliability index data for Columbus Southern Power and Ohio Power were combined on a customer-weighted basis to reflect the merged Ohio Power Company.

**Table 1: Ohio Power Reliability Performance 2010 – 2015**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| AEP - OPC\* | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|  |  |  |  |  |  |  |
| CAIDI | 139.98 | 146.53 | 147.23 | 140.97 | 146.61 | 139.03 |
| SAIFI | 1.10 | 1.23 | 0.98 | 1.03 | 1.13 | 1.13 |
| SAIDI | 153.73 | 180.23 | 144.87 | 145.20 | 165.67 | 157.52 |
|  |  |  |  |  |  |  |
| Customers  | 1,447,212 | 1,446,871 | 1,447,191 | 1,453,647 | 1,455,393 | 1,455,994 |
| \*Index data for 2010 - 2012 reflects the customer-weighted average of values from CSP and OPC.  |  |

As shown in Table 1, AEP Ohio’s SAIDI and SAIFI were higher (meaning worse reliability) in 2014 and 2015 than they were in 2010 before the DIR began. This means that, on average, AEP Ohio customers are having more frequent and longer service disruptions. Furthermore, AEP Ohio’s CAIDI performance was worse in 2011 through 2014 than it was in 2010. The minimal (0.95) improvement in AEP Ohio’s 2015 CAIDI does not suggest an improvement in reliability performance – AEP Ohio’s 2016 CAIDI performance was once again worse than 2010.[[16]](#footnote-17)

Table 1 demonstrates that AEP Ohio customers are paying $7.73 (or more) per month for the DIR yet are receiving less reliable service.[[17]](#footnote-18) Given the decline in reliability demonstrated above, a more meaningful review of the Utility’s expenditures is required to ascertain if it has been making prudent investments in assets that are used and useful for providing customers reliable electric service.

### 3. AEP Ohio’s DIR investments are not prudent because the DIR has not resulted in a reduction in the number of outage events for AEP Ohio customers. In fact, customer outage events have increased each year since the DIR was approved by the PUCO in 2012.

Reliable service can be measured by the number of outages that customers experience. Table 2 below compares the total number of outage events (by cause) that AEP Ohio customers have experienced for each year between 2012 and 2015.[[18]](#footnote-19) Table 2 shows that there were 31,051 outage events in 2012. In 2012, the leading cause of outage events was equipment and hardware failures involving the AEP Ohio distribution system (8,533); the second highest cause s (5,490) involved tree’s both inside and outside of right of way (5,490); and the third leading was events that involved scheduled or planned outages (5,115). AEP also has an Enhanced Service Reliability Rider that is intended to reduce vegetation-related outages. These causes are all within AEP Ohio’s control and should be reducing outages.

There were 4,783 more outage events in 2015 than there were in 2012. This table proves that the AEP Ohio DIR rider is not having any impact on reducing the number of outage events. In fact, outage events have increased each year since 2012 when the DIR was approved by the Commission.

**Table 2: Comparison of Outage Events 2012 – 2015**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Cause of Outage** | **2012[[19]](#footnote-20)** | **2013[[20]](#footnote-21)** | **2014[[21]](#footnote-22)** | **2015** |
| Accidental Ground | 218 | 276 | 247 | 182 |
| Animal/ Bird | 3,828 | 4,107 | 4,114 | 3,312 |
| Blast/Explosion/Fire | 1 | 1 | Not Addressed | 6 |
| Contamination/ Flashover | 53 | 41 | 19 | 7 |
| Customer Equipment | 103 | 101 | 85 | 65 |
| Distribution Source | 30 | 26 | 34 | 22 |
| Equipment/ Hardware Failure  | 8,533 | 8,466 | 9,230 | 9,642 |
| Fire/ Police | 104 | 90 | 113 | 126 |
| Flooding/ Slide/ High Winds/ Ice/ Sleet/ Snow | 863 | 232 | 221 | 164 |
| Lightning | 1,554 | 1,179 | 1,180 | 923 |
| Object on Line | 105 | 100 | 71 | 92 |
| Operations Incident | 43 | 50 | 61 | 24 |
| Other/ Other Utility | 327 | 270 | 186 | 73 |
| Overload | 266 | 198 | 234 | 123 |
| Scheduled/ Planned Outage | 5,115 | 13,652 | 14,295 | 10,998 |
| Tree/ Vegetation Removal | 168 | 188 | 188 | 161 |
| Tree’s Inside ROW/ Tree’s Outside ROW | 5,490 | 4,844 | 4,568 | 4,851 |
| Underground/ Construction/ Dig-in  | 200 | 219 | 246 | 244 |
| Unbalance | 4 | 2 | 2 | 1 |
| Unknown/ Unknown by Weather | 2,932 | 2,997 | 3,540 | 3,882 |
| Vandalism | 236 | 222 | 193 | 156 |
| Vehicle Accident/ Auto Damage | 878 | 1,007 | 1,022 | 1,024 |
| Total | 31,051 | 38,268 | 39,849 | 35,834 |
| Increase/ (Decrease) 2012 |  | **7,217** | **8,798** | **4,783** |

Table 2 also shows that one of the leading causes of outage events in 2015 was the number of outages associated with equipment/ hardware failures. Comparing 2015 equipment/ hardware failures with the number of like failures that occurred 2012, there was an 11.5 percent increase in the number of outage events associated with equipment/ hardware failures. Yet, when the Commission most recently approved continuing the DIR, the purpose was to support AEP Ohio in replacing distribution infrastructure in order to maintain and improve reliability.[[22]](#footnote-23)

According to the AEP Ohio 2015 DIR Work Plan, [[23]](#footnote-24) the vast majority of the projects and money that was collected from customers had nothing to do with replacing distribution infrastructure to maintain or improve reliability. Of the $192 million that AEP Ohio sought to collect from customers for the DIR, only $89 million (or 46 percent) was expected to have any reliability improvement whatsoever.[[24]](#footnote-25) And at least $28.5 million of the DIR funds[[25]](#footnote-26) that are supposed to help maintain or improve reliability have nothing to do with reducing equipment/ hardware failures even though that was one of the top outage event causers in each year between 2012 and 2015.

 Customer Interruptions (“CI”) and Customer Minutes Interrupted (“CMI”) are two measures used to determine the specific reliability impact on customers. Customers interrupted are the total number of customers who are impacted by an outage event. Customer minutes interrupted shows how long customers are without service following an outage. Table 3 provides a comparison of the total number of CI and CMI for each year between 2012 (when the DIR was approved) and 2015.

As shown in Table 3, there were 226,836 more customer interruptions in 2015 over the number of customer interruptions in 2012 (a 14 percent increase).[[26]](#footnote-27) The number of customer interruptions was also higher in both 2013 and 2014 than in 2012. Table 3 also shows that there were 22,975,988 more customer minutes interrupted in 2015 than in 2012.[[27]](#footnote-28) Customer minutes interrupted were also higher in both 2013 and 2014 than in 2012.

**Table 3: Comparison CI and CMI (2012 – 2015)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2012 | 2013 | 2014 | 2015 | Change 2012-2015 |
| Customer Interruptions (after exclusions) | 1,422,807 | 1,498,232 | 1,645,511 | 1,649,643 | 226,836 |
| Customer Minutes Interrupted (after exclusions) | 206,369,764 | 211,210,995 | 241,243,229 | 229,345,752 | 22,975,988 |

There is no doubt that AEP Ohio's investments made under the DIR are misaligned and inconsistent with the Commission’s expectations that DIR maintain or improve reliability. Such drastic increases in the number of outage events that have occurred since 2012 when DIR was approved should not be occurring if the investments were prioritized towards appropriate reliability spending. If AEP is unable to provide customers with improved reliability through the DIR, then the DIR should be discontinued.

## B. The Audit Compliance report fails to identify numerous issues that the PUCO must address in order to protect consumers.

### 1. AEP Ohio is already collecting expenses for certain employee time in base rates and should not be permitted to collect these same costs from customers through the DIR.

 In May 2014, the Company “[p]rovided guidance on time reporting for safety meetings. Based on the Company’s review, they determined that it was reasonable to allocate safety meeting time between capital and O&M. Previously only jobsite safety briefings qualified for capitalization.”[[28]](#footnote-29) In its Reply Comments in Case No. 15-66-EL-RDR, the Staff of the PUCO made the following recommendation with regard to this change in capitalization policy:

Although not discussed in the Report, the Company indicated in a response to a data request made by the Office of the Ohio Consumer’s Counsel that as of 2014 the Company now capitalizes a portion of employee time spent in safety meetings. While this accounting treatment of employee safety training time could be appropriately treated as a capital cost, Staff notes that at the time of its last rate case the Company was expensing employee time spent in safety meetings. Therefore, the effect of allowing the Company to recover this expense in the DIR, coupled with its recovery through base rates (as part of the O&M calculation used in establishing those rates), would have the effect of recovering these costs twice. Therefore, Staff concurs with OCC’s recommendation that the Company should quantify the impact of this capitalization policy change and eliminate it from the plant additions included in the DIR revenue requirement.[[29]](#footnote-30)

The Compliance Audit report determined that this change in accounting policy, along with the Company’s other changes in capitalization policy since the time of the 2012 audit, “was adequate and not unreasonable.”[[30]](#footnote-31) However, the Compliance Audit report should have noted the potential for double recovery created by this change in accounting policy and included in its recommendations the necessary steps to eliminate any such double recovery.

Particularly, the PUCO should require AEP Ohio to quantify the effect of the change in capitalization policy to allocate a percentage of an employee’s safety meeting time to capital based on the capital/O&M split of the employee’s direct labor. The increase in the plant as a result of this change in capitalization policy should then be eliminated from the plant additions included in the DIR revenue requirement.

### 2. The PUCO should protect consumers by enforcing its orders.

The PUCO ordered revisions to the DIR formula in Case No. 13-2385-EL-SSO.[[31]](#footnote-32) The Compliance Audit report notes that in Case No. 13-2385-EL-SSO “the Commission adopted OCC’s recommendation to modify the property tax calculation.”[[32]](#footnote-33) And the report continues that AEP Ohio “stated that it has implemented the Commission’s order with respect to the property tax adjustment beginning with the DIR filing for June 2015 plant balances.”[[33]](#footnote-34) Unfortunately, however, this is not the case – the property tax adjustment has not occurred.

The Compliance Audit report should have found that the failure to implement the change in calculation of property taxes included in the DIR ordered in Case No. 13-2385-EL-SSO effective with the DIR filing for the March 2015 plant balances was an instance of non-compliance with the Commission-approved DIR. The Audit should have recommended that the DIR filing for the March 2015 plant balances be modified to incorporate the changes ordered in Case No. 13-2385-EL-SSO. Further, all subsequent DIR filings must also be modified to reflect the necessary corrections to the DIR filing for the March 2015 plant balances. Without these remedies, consumers will be forced to pay more for the DIR than they should pay. The PUCO must protect consumers and enforce its orders.

### 3. Consumers should not pay for AEP Ohio’s failure to implement certain income tax accounting changes that would save consumers millions of dollars.

 The offset to the DIR revenue requirement for accumulated deferred income taxes (ADIT) is addressed on page 47 of the Compliance Audit report. In its Reply Comments in Case No. 15-66-EL-RDR, the Staff of the PUCO made the following recommendation with regard to the calculation of the ADIT offset to the DIR revenue requirement:

OCC recommends the Commission order the Company to quantify the effect of implementing the tax accounting changes pursuant to the final Tangible Property Regulations adopted by the IRS in September 2013. OCC further recommends that the accumulated deferred income tax (ADIT) benefits of this foregone tax deduction should be imputed in the calculation of the DIR revenue requirement. Staff shares OCC’s concern that the Company should pursue tax opportunities that are beneficial to the Company’s customers. However, Staff is aware that the Company is actively working toward taking advantage of this opportunity. Staff encourages the Company to expeditiously take advantage of this tax opportunity if it can be demonstrated that the cost of updating the property accounting software produces an overall benefit that would accrue to the Company’s customers. Therefore, Staff recommends that the Commission direct the Company to incorporate the tax deduction into the upcoming Annual DIR Compliance Audit if the cost/benefit analysis is favorable.[[34]](#footnote-35)

As noted by the OCC in its comments in Case No. 15-66-EL-RDR, the potential benefits to customers from implementing the referenced tax accounting changes (often referred to as “capital repairs” deductions) are material.[[35]](#footnote-36) Yet AEP Ohio has offered no plausible explanation of its failure to implement the capital repairs deductions, which have, in fact, been implemented by numerous other electric distribution utilities.

 The Compliance Audit report states that “Blue Ridge reviewed the list of ADIT balances provided by the Company in Account 282 and found them not unreasonable.”[[36]](#footnote-37) This determination ignores AEP Ohio’s failure to take advantage of these available tax benefits. Indeed, there is no description of the basis for this finding and no comparison of this “not unreasonable” balance of ADIT to what the balance of ADIT would be if AEP Ohio had actually availed itself of the allowable capital repairs deductions.

 There is no evidence that AEP Ohio has conducted the cost/benefit analysis referenced by Staff in its reply comments in Case No. 15-66-EL-RDR. The Compliance Audit should have determined whether or not AEP Ohio had conducted an analysis of the costs and benefits of implementing the capitals repairs deductions. The Audit should have included in its recommendations that AEP Ohio complete such an analysis as soon as possible and “expeditiously take advantage of this tax opportunity” if warranted. Indeed, AEP Ohio’s failure to take advantage of these available tax deductions raises serious questions of prudence in AEP Ohio’s management of its program to replace its aging distribution infrastructure and its commitment to provide electric distribution service at the lowest reasonable cost.

 Customers must be protected from AEP Ohio’s failure to take advantage of these available tax benefits. Customers should not pay for taxes that could have easily been avoided. The DIR revenue requirement should be reduced accordingly.

# IV. CONCLUSION

OCC appreciates the opportunity to provide these Comments in order to assist the PUCO in its annual review of AEP Ohio’s customer-funded DIR. The PUCO’s adoption of the recommendations proposed by OCC are necessary to protect AEP Ohio customers from paying additional, unreasonable, and imprudent DIR charges, especially considering AEP Ohio’s reliability has declined since the creation of the DIR.

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 15th day of May 2017.

 */s/ Jodi Bair*

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1. Entry at 1 (April 13, 2017). [↑](#footnote-ref-2)
2. *In the Matter of the Applications of Ohio Power Company for Authority to Establish a Standard Service Offers Pursuant to Section 4928.143, Revised Code, in the Form of an Electric Security Plan* (“*ESP II*”), Case No. 11-346-EL-SSO, Opinion and Order at 46-47 (August 8, 2012); *see also*, *In the Matter of the Commission’s Review of Ohio Power Company’s Distribution Investment Rider Plan*, Case No. 12-3129-EL-UNC, Finding and Order at 10 (May 29, 2013). [↑](#footnote-ref-3)
3. *Id*. [↑](#footnote-ref-4)
4. *In the Matter of the Application of Ohio Power Company for Authority to Establish a Standard Service Offer Pursuant to R.C. 4928.143, in the Form of an Electric Security Plan*. Case No. 13-2385-EL-SSO, Opinion and Order (Feb. 25, 2015) at 47 (emphasis added). [↑](#footnote-ref-5)
5. Entry at 1 (April 13, 2017). [↑](#footnote-ref-6)
6. *In the Matter of the Commission’s Review of the Ohio Power Company’s Distribution Investment Rider Work Plan for 2017*, Case No. 17-0045-EL-UNC, Notice (Jan. 6, 2017) at 5. [↑](#footnote-ref-7)
7. *In the Matter of the Application of Ohio Power Company for Authority to Establish a Standard Service Offer Pursuant to R.C. 4928.143, in the Form of an Electric Security Plan*. Case No. 13-2385-EL-SSO, Opinion and Order (Feb. 25, 2015) at 47. [↑](#footnote-ref-8)
8. See Tables 1, 2, and 3 below. [↑](#footnote-ref-9)
9. Entry (April 13, 2017) at 1. [↑](#footnote-ref-10)
10. *ESP II*, Order at 47 (Aug. 8, 2012). [↑](#footnote-ref-11)
11. Id. [↑](#footnote-ref-12)
12. *In the Matter of the Commission’s Review of the Ohio Power Company’s Distribution Investment Rider Work Plan for 2017*, Case No. 17-0045-EL-UNC, Notice (Jan. 6, 2017) at 5. [↑](#footnote-ref-13)
13. https://www.aepohio.com/account/bills/rates/AEPOhioRatesTariffsOH.aspx. (assuming 1,000 kWh monthly usage). [↑](#footnote-ref-14)
14. *ESP II*, Order at 47 (August 8, 2012). [↑](#footnote-ref-15)
15. Ohio Admin. Code 4901:1-10-10(B). [↑](#footnote-ref-16)
16. *In the Matter of the Annual Report of Electric System Reliability Pursuant to Rule 4901:1-10-10(C),* Case No. 17-890-EL-ESS, March 31, 2017. CAIDI for 2016 was 143.45 minutes and well above the 2010 baseline CAIDI of 139.98 minutes. [↑](#footnote-ref-17)
17. See https://www.aepohio.com/account/bills/rates/AEPOhioRatesTariffsOH.aspx. (assuming 1,000 kWh monthly usage). [↑](#footnote-ref-18)
18. An outage event can interrupt service for up to 2,100 customers. [↑](#footnote-ref-19)
19. *In the Matter of the Annual Report of Ohio Power Company Pursuant to Rule 10 of the Electric Service and Safety Standards, Ohio Administrative Code 4901:1-10-10*, Case No. 13-780-EL-ESS, Report (April 1, 2013). Combines OP and CSP outage events. [↑](#footnote-ref-20)
20. *In the Matter of the Annual Report of Ohio Power Company Pursuant to Rule 10 of the Electric Service and Safety Standards, Ohio Administrative Code 4901:1-10-10*, Case No. 14-517-EL-ESS, Report (March 31, 2014). [↑](#footnote-ref-21)
21. *Id.* [↑](#footnote-ref-22)
22. *In the Matter of the Application of Ohio Power Company for Authority to Establish a Standard Service Offer Pursuant to R.C. 4928.143, in the Form of an Electric Security Plan.,* Case No. 13-2385-EL-SSO, Opinion and Order (February 25, 2015 at 47). [↑](#footnote-ref-23)
23. *In the Matter of the Commission’s Review of the Ohio Power Company’s Distribution Investment Rider Work Resulting from Commission Case No. 13-2394-EL-UNC*, Case No. 14-2275-EL-UNC, (December 15, 2014). [↑](#footnote-ref-24)
24. Id. Attachment A contains a summary of the projects that are expected to have a reliability benefit and those projects that will not. [↑](#footnote-ref-25)
25. The DIR Work Plan reflects $8.0 million for Forestry – Emerald Ash Borer Mitigation Ash Tree, $500 thousand for Animal Mitigation Station, and $20 million for Underground Cable Replacement. [↑](#footnote-ref-26)
26. This chart contains the number of customer interruptions and customer minutes interrupted as reflected in the AEP Ohio Rule 10 reports filed with the PUCO pursuant to Ohio Admin. Code 4901:1-10-10 for each year 2010 through 2015. [↑](#footnote-ref-27)
27. Id. [↑](#footnote-ref-28)
28. Blue Ridge Compliance Audit (Aug. 5, 2016) at 23-24. [↑](#footnote-ref-29)
29. *In the Matter of the Distribution Investment Rider Contained in the Tariffs of Ohio Power Company*, Case No. 15-66-EL-RDR, Reply Comments Submitted on Behalf of the Staff of the Public Utilities Commission of Ohio, December 28, 2015, at 2-3. [↑](#footnote-ref-30)
30. Blue Ridge Compliance Audit (Aug. 5, 2016) at 24. [↑](#footnote-ref-31)
31. *In the Matter of the Application of Ohio Power Company for Authority to Establish a Standard Service Offer Pursuant to R.C. 4928.143, in the Form of an Electric Security Plan.,* Case No. 13-2385-EL-SSO, Opinion and Order (February 25, 2015 at 46). [↑](#footnote-ref-32)
32. Blue Ridge Compliance Audit (Aug. 5, 2016) at 29. [↑](#footnote-ref-33)
33. Id. [↑](#footnote-ref-34)
34. *In the Matter of the Distribution Investment Rider Contained in the Tariffs of Ohio Power Company*, Case No. 15-66-EL-RDR, Reply Comments Submitted on Behalf of the Staff of the Public Utilities Commission of Ohio, December 28, 2015, at 2-3. [↑](#footnote-ref-35)
35. *In the Matter of the Distribution Investment Rider Contained in the Tariffs of Ohio Power Company*, Case No. 15-66-EL-RDR, Comments By The Office of the Ohio Consumers’ Counsel, December 10, 2015, at 5-6. The total reduction in DIR revenue requirement from taking advantage of this tax accounting change is $9.8 million. Id. [↑](#footnote-ref-36)
36. Blue Ridge Compliance Audit (Aug. 5, 2016) at 47. [↑](#footnote-ref-37)