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BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Ohio)
Power Company and Columbus Southern) Case No. 10-2376-EL-UNC
Power Company for Authority to Merge)
and Related Approvals)

In the Matter of the Application of)
Columbus Southern Power Company and)
Ohio Power Company for Authority to) Case No. 11-346-EL-SSO
Establish a Standard Service Offer) Case No. 11-348-EL-SSO
Pursuant to §4928.143, Ohio Rev. Code,)
in the Form of an Electric Security Plan.)

In the Matter of the Application of)
Columbus Southern Power Company and) Case No. 11-349-EL-AAM
Ohio Power Company for Approval of) Case No. 11-350-EL-AAM
Certain Accounting Authority)

In the Matter of the Application of)
Columbus Southern Power Company) Case No. 10-343-EL-ATA
to Amend its Emergency Curtailment)
Service Riders)

In the Matter of the Application of)
Ohio Power Company) Case No. 10-344-EL-ATA
to Amend its Emergency Curtailment)
Service Riders)

In the Matter of the Commission Review of)
the Capacity Charges of Ohio Power) Case No. 10-2929-EL-UNC
Company and Columbus Southern Power)
Company.)

In the Matter of the Application of)
Columbus Southern Power Company) Case No. 11-4920-EL-RDR
for Approval of a Mechanism to Recover)
Deferred Fuel Costs Ordered Under)
Ohio Revised Code 4928.144)

In the Matter of the Application of)
Ohio Power Company for Approval)
of a Mechanism to Recover) Case No. 11-4921-EL-RDR
Deferred Fuel Costs Ordered Under)
Ohio Revised Code 4928.144)

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PREFILED REBUTTAL TESTIMONY

Of

Peter Baker

STAFF EXHIBIT _____

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

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

4
5 2. Q. By whom are you employed?

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

7
8 3. Q. What is your present position with the Public Utilities Commission of Ohio and what
9 are your duties?

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

16
17 4. Q. Would you briefly state your educational background and work history?

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

1 analyst and coordinator in the Performance Analysis Division of the Utilities
2 Department. In December of 1994, I was promoted to Administrator in the Consumer
3 Services Department (now called the Service Monitoring and Enforcement
4 Department), and assigned to the Compliance Division (now the Facilities and
5 Operations Field Division). In that organization, I enforced electric, gas, and
6 telephone service quality, customer service, and consumer protection rules. In 1997, I
7 was transferred to the Service Quality and Analysis Division (now called the
8 Reliability and Service Analysis Division), and in 2000, I was promoted to my
9 current position and duties.

10
11 5. Q. What is the purpose of your rebuttal testimony in this case?

12 A. The purpose of my rebuttal testimony is to address certain issues raised by
13 Intervenors concerning whether the Commission has satisfied the requirements of
14 ORC Sec. 4928.143 (B)(2)(h).

15
16 6. Q. Please describe your working knowledge of what ORC Sec. 4928.143 (B)(2)(h)
17 requires.

18 A. This statute requires that, before approving an electric utility's distribution
19 infrastructure or modernization incentive as part of an Electric Security Plan, the
20 Commission must examine the reliability of the utility's distribution system and
21 ensure that customers' and the utility's reliability expectations are aligned.

1 7. Q. What positions do Intervenor take regarding the requirements of ORC Sec. 4928.143
2 (B)(2)(h)?

3 A. I have identified three instances where Intervenor refer to this statute in direct
4 testimony they filed in opposition to the Stipulation. First, OCC Witness Duann
5 states that the “Commission has not examined the reliability of AEP Ohio’s
6 distribution system in this proceeding, which it must do before approving distribution
7 infrastructure investment under an ESP.” IEU Witness Bowser states that “the DIR
8 recommended in the Stipulation is unaccompanied by any examination of reliability
9 of the utility’s distribution system or the other requirements in Section
10 4928.143(B)(2)(h), Revised Code . . .” Finally, IEU witness Murray states that the
11 DIR contained in the Stipulation is being proposed without a showing required by this
12 statute, and maintains that there has been “no examination of the reliability of each
13 EDU’s distribution system and there is nothing in the Stipulation that ensures
14 alignment of expectation of customers and the EDU.”

15
16 8. Q. How do you respond to these statements?

17 A. It is not correct to conclude that Staff has not examined the AEP Companies’
18 reliability to ensure that the reliability expectations of these Companies are in
19 alignment with those of their customers.

20
21 9. Q. How does the Staff perform such an examination?

22 A. Administrative Code Rule 4901:1-10-10-(B)(2) requires each electric utility in the
23 state to file with the commission an application to establish company-specific

1 minimum reliability performance standards. As part of that application, electric
2 utilities are to include supporting justification for the proposed methodology and each
3 resulting performance standard. The performance standards should reflect historical
4 system performance, system design, technological advancements, service area
5 geography, customer perception surveys, and other relevant factors. Staff's review
6 mainly involves two steps. The first step is to work with the company and other
7 interested parties in establishing commission approved reliability standards that
8 incorporate a consideration of historical performance, customer survey results, and
9 input from customer groups. Once the performance standards are set, the second step
10 is to monitor the utility's performance against its reliability standards to ensure that
11 the standards are met.

12
13 10. Q. Please describe the historical data that was used to set the standards.

14 A. The Companies' original application included six years of reliability data, but only
15 the more recent years were used for setting the standards, because performance in
16 these years better reflects the current operating conditions of the system and results in
17 standards that enforce better reliability.

18
19 11. Q. Please describe the AEP Companies' customer survey results that were considered in
20 the standard setting process.

21 A. The survey results indicated that a high percentage of AEP-Ohio customers, both
22 residential and commercial were satisfied overall with the service reliability provided
23 by AEP-Ohio.

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12. Q. Please describe how consumer groups were involved in the standard-setting process.

A. The Ohio Consumers' Counsel participated in the standards proceeding by filing comments (and replies), and also signed the joint stipulation recommending reliability standards for the AEP Companies. The Commission approved that stipulation on September 8, 2010. *In the Matter of the Application of Columbus Southern Power Company and Ohio Power Company for Approval of Proposed Reliability Standards*, Case No. 09-756-EL-ESS (Opinion and Order) (September 8, 2010).

13. Q. Have the AEP Companies met their reliability standards?

A. Yes, the Companies have met their standards since they became effective (beginning for year 2010).

14. Q. As a result of AEP meeting their approved performance standards does Staff believe that it is complying with the requirement of ORC. § 4928.143 (B)(2)(h)?

A. Yes. Based on the Companies' successful performance against their reliability standards, Staff believes that the Companies' and their customers' reliability expectations are in alignment and that the Companies are dedicating sufficient resources to the reliability of their distribution systems.

15. Q. Does this conclude your testimony?

A. Yes, it does.

PROOF OF SERVICE

I hereby certify that a true copy of the foregoing **Prefiled Rebuttal Testimony of Peter Baker**, submitted on behalf of the Staff of the Public Utilities Commission of Ohio, was served by regular U.S. mail, postage prepaid, or hand-delivered, upon the following Parties of Record, this 21st day of October, 2011.



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