

EXHIBIT NO. _____

BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of)
Columbus Southern Power Company for)
Approval of its Program Portfolio Plan)
and Request for Expedited Consideration) Case No. 11-5568-EL-POR

In the Matter of the Application of)
Ohio Power Company for)
Approval of its Program Portfolio Plan)
and Request for Expedited Consideration) Case No. 11-5569-EL-POR

DIRECT TESTIMONY OF
ANDREA E. MOORE
ON BEHALF OF
COLUMBUS SOUTHERN POWER COMPANY
AND
OHIO POWER COMPANY

INDEX TO DIRECT TESTIMONY OF
ANDREA E. MOORE
PUCO CASE No. 11-5568-EL-POR
PUCO CASE No. 11-5569-EL-POR

<u>SUBJECT</u>	<u>PAGE</u>
PERSONAL DATA.....	1
PURPOSE OF TESTIMONY	2
BACKGROUND	3
DESIGN OF THE PROPOSED RATES AND RIDERS	3
RIDER IMPLEMENTATION AND CUSTOMER BILL IMPACTS	5

BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO
DIRECT TESTIMONY OF
ANDREA E. MOORE
ON BEHALF OF
COLUMBUS SOUTHERN POWER
AND
OHIO POWER COMPANY

PERSONAL DATA

1 **Q. WHAT IS YOUR NAME AND BUSINESS ADDRESS?**

2 **A.** My name is Andrea E. Moore and my business address is 850 Tech Center Drive,
3 Gahanna, Ohio 43230.

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

5 **A.** I am employed by American Electric Power Service Corporation as Manager,
6 Regulated Pricing and Analysis for Columbus Southern Power Company (CSP)
7 and Ohio Power Company (OPCo), collectively known as AEP Ohio or the
8 Companies. AEPSC is a subsidiary of the American Electric Power Company
9 Inc. (AEP) and provides technical and other services to AEP Ohio and other
10 operating units within the AEP System. In 2009, I began focusing solely on AEP
11 Ohio's regulated pricing matters.

12 **Q. WHAT IS YOUR EDUCATIONAL AND PROFESSIONAL**
13 **BACKGROUND?**

14 **A.** I received my Bachelor of Science in Accounting degree from the University of Rio
15 Grande. I completed the Basic Concepts of Rate Making class through New
16 Mexico State University. I earned a Master of Business Administration degree
17 from Franklin University. I joined AEPSC in 2001 as an Accountant and joined
18 the Regulatory Tariffs department as a Regulatory Analyst III in 2004. I

1 progressed through various positions before being promoted to my current
2 position of Manager – Regulated Pricing and Analysis. My duties within the
3 regulatory department have included preparing cost-of-service studies for
4 regulatory filings, preparing cost based formula rates for wholesale customers,
5 preparing rider filings and rate designs, maintaining tariff books as well as other
6 projects related to regulatory issues and proceedings, individual customer requests
7 and general rate matters.

8 **Q. HAVE YOU PREVIOUSLY SUBMITTED TESTIMONY IN A**
9 **REGULATORY PROCEEDING?**

10 A. Yes. I have submitted testimony before the Public Utilities Commission of Ohio
11 on behalf of AEP Ohio. I have also submitted testimony before the Virginia State
12 Corporation Commission on behalf of Appalachian Power Company.

13 **PURPOSE OF TESTIMONY**

14 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

15 A. The purpose of my testimony is to support the Companies' proposed rates for the
16 Energy Efficiency and Peak Demand Reduction (EE/PDR) Cost Recovery Rider.
17 I will also support the proposed methodology for updating the Rider annually and
18 provide the rate impacts for the proposed Stipulation.

19 **Q. ARE YOU SPONSORING ANY EXHIBITS?**

20 A. Yes, I am sponsoring the following exhibits:

21 Exhibit AEM-1 – Assignment and Allocation of Program Costs

22 Exhibit AEM-2 – Proposed Tariffs

1 **BACKGROUND**

2 **Q. DO THE COMPANIES HAVE EXISTING EE/PDR COST RECOVERY**
3 **RIDERS?**

4 A. Yes. The Companies currently have an EE/PDR Rider in place to collect costs
5 associated with the 2009-2011 EE/PDR Action Plan. The Companies are
6 requesting to update the current Rider rates to reflect the collection of costs for the
7 2012-2014 EE/PDR Action Plan, as well as reflect the final true-up of the 2009-
8 2011 Action Plan.

9 **DESIGN OF THE PROPOSED RATES AND RIDERS**

10 **Q. HOW WERE THE EE/PDR COST RECOVERY RIDERS DETERMINED?**

11 A. The EE/PDR Cost Recovery Riders were designed based upon the programs
12 included in the 2012-2014 EE/PDR Action Plan. The Companies propose to
13 implement an updated Rider rate that would be effective with the first billing
14 cycle of 2012. The Companies are proposing to file a rate adjustment in May
15 each year with the rates effective in August of each year. The Companies are
16 proposing that the first adjustment filing be made in May of 2012 to reflect any
17 final over/under recovery resulting from the 2009-2011 EE/PDR Action Plan.
18 The rider would be updated annually thereafter to true-up the prior year
19 over/under recovery of the 2012-2014 EE/PDR Action Plan.

20 **Q. HOW WERE THE PROGRAM COSTS ASSIGNED?**

21 A. The cost of each program was assigned to the customer classes as shown on page
22 7 of Attachment A as filed with the Stipulation. Page 7 is a summary of the
23 program costs for 2012 through 2014. Certain programs are applicable to more

1 than one customer class and the percentages applicable to those classes are also
2 shown.

3 **Q. DOES THE STIPULATION AND RECOMMENDATION PROVIDE FOR**
4 **THE COMPANIES TO RECEIVE AN INCENTIVE IF THE COMPANIES**
5 **EXCEED THE COMPLIANCE BENCHMARKS?**

6 A. Yes. The Stipulation and Recommendation provides for a Shared Savings
7 component of the EE/PDR Cost Recovery Rider. The sharing mechanism
8 provides that the Companies receive, after taxes, the lesser of \$20 million or up to
9 13 percent of UCT Net Benefits for each year that a compliance level of greater
10 than 100 percent is achieved. The calculation of shared savings assumes the
11 Company will achieve the cap level of \$20 million, after taxes, in each year 2012-
12 2014. These actual shared savings amounts will be trued up each year to the
13 prior-year estimate.

14 **Q. HOW WERE THE EE/PDR RIDER RATES CALCULATED?**

15
16 A. The costs to be recovered by each class are the sum of the program costs, plus
17 shared savings incentives as shown on pages five through ten of Attachment A as
18 filed with the Stipulation. Both program costs and shared savings were directly
19 assigned to residential based on residential programs and estimated savings. The
20 Commercial and Industrial program costs and shared savings estimates were
21 allocated to each class based on their percentage of base distribution revenue. No
22 costs were assigned to outdoor lighting, private area lighting, street lighting and
23 standby service classes. The 2012 through 2014 costs and shared savings were
24 divided by three years of projected kWh usage to determine the rider rate per

1 kWh. This percentage allocation calculated in Exhibit AEM-1 will remain the
2 same percentage allocation during the three-year true-up filings in order to
3 allocate costs and shared savings to the commercial and industrial classes.

4 **Q. WHAT ARE THE RESULTING RIDER RATES?**

5 A. The resulting rates are shown in Exhibit AEM-2. The Companies are proposing
6 these rates be effective with the first billing cycle of 2012. If the implementation
7 is delayed, the Companies request increasing the rider rates due to collecting the
8 costs over a shorter recovery period.

9 **RIDER IMPLEMENTATION AND CUSTOMER BILL IMPACTS**

10 **Q. WHEN WILL THE COMPANIES UPDATE THE EE/PDR RIDERS?**

11 A. The Companies will update the EE/PDR Cost Recovery Rider on May 15th of
12 each year with the true-up rates to be effective in August of the same year.
13 However, in order to reconcile any over/under recovery from the 2009-2011
14 EE/PDR Action Plan, the Companies are proposing that a filing be made in May
15 of 2012 which would adjust the currently proposed rate as necessary to
16 incorporate any over/under recovery of the 2009-2011 EE/PDR Action Plan.

17 **Q. WHAT IMPACTS WILL THE COMPANIES' EE/PDR RIDERS HAVE ON**
18 **CUSTOMER BILLS?**

19 A. Upon implementation, residential customers using 1,000 kWh of electricity per
20 month would see a monthly rate increase of \$0.82 for CSP and \$0.16 for OPCo.
21 Pages one through four of Attachment A as filed with the Stipulation show the
22 percentage increases at various "typical" usage levels for AEP Ohio's major tariff
23 schedules.

1 **Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

2 **A. Yes.**

PROOF OF SERVICE

I certify that the foregoing Testimony was served by electronic mail upon counsel for all parties of record identified below this 20th day of December, 2011.

/s/ Anne M. Vogel

Mike Dewine
Thomas McNamee
Assistant Attorney General
Public Utilities Section
180 East Broad Street
Columbus, OH 43215
william.wright@puc.state.oh.us
thomas.mcnamee@puc.state.oh.us
ON BEHALF OF THE PUBLIC
UTILITIES COMMISSION OF OHIO

Henry W. Eckhart
50 W. Broad Street #2117
Columbus, OH 43215
henryeckhart@aol.com
ON BEHALF OF THE SIERRA CLUB
OF OHIO AND THE NATURAL
RESOURCES DEFENSE COUNCIL

Michael L. Kurtz
Boehm, Kurtz & Lowry
36 East Seventh Street, Suite 1510
Cincinnati, OH 45202
dboehm@BKLawfirm.com
mkurtz@BKLawfirm.com
ON BEHALF OF OHIO ENERGY
GROUP

Clinton A. Vince
Douglas G. Bonner
Enuna F. Hand
Keith C. Nusbaum
Soimenschein Noth & Rosenthal LLP
1301 K Street, NW
Suite 600, East Tower
Washington, DC 20005
cvince@sormenschein.com
dbonner@soimenschein.com
ehand@sonmenschein.com

Matthew Pritchard
McNees, Wallace & Nurick, LLC
21 East State Street
Columbus, Ohio 43215
ON BEHALF OF THE INDUSTRIAL
ENERGY USERS OF OHIO

Thomas O'Brien
Bricker & Eckler LLP
100 South Third Street
Columbus, OH 43215
tobrien@bricker.com
ON BEHALF OF THE OHIO HOSPITAL
ASSOCIATION

Richard Sites
Ohio Hospital Association
155 E. Broad Street, 15th Floor
Columbus, OH 43215-3620
ricks@ohanet.org
ON BEHALF OF THE OHIO HOSPITAL
ASSOCIATION

Nolan Moser
Cathryn N. Loucas
The Ohio Environmental Council
1207 Grandview Avenue, Suite 201
Columbus, OH 43212
nmoser@theOEC.org
will@tieOEC.org
ON BEHALF OF THE OHIO
ENVIRONMENTAL COUNCIL

Bruce Weston
Ohio Consumers' Counsel
Kyle Kern
Terry L. Etter
Office of the Ohio Consumers' Counsel
10 West Broad Street, Suite 1800

knusbaum@sonnenschein.com
ON BEHALF OF ORMET PRIMARY
ALUMINUM CORPORATION
David C. Rinebolt
Colleen L. Mooney
Ohio Partners for Affordable Energy
231 West Lima Street
Findlay, OH 45839-1793
drinebolt@aol.com
cmooney2@columbus.rr.com
ON BEHALF OF OHIO PARTNERS FOR
AFFORDABLE ENERGY

Chris Allwein
callwein@williamsandmoser.com
ON BEHALF OF THE NATURAL
RESOURCE DEFENSE COUNCIL

Lisa G. McAlister
Bricker & Eckler LLP
100 South Third Street
Columbus, OH 43215-4291
lmcalister@bricker.com
ON BEHALF OF THE OHIO
MANUFACTURING ASSOCIATION

Columbus, OH 43215
kern@occ.state.oh.us
etter@occ.state.oh.us
ON BEHALF OF THE OFFICE OF THE
OHIO CONSUMERS COUNSEL

Michael Smalz
Ohio Poverty Law Center
555 Buttles Avenue
Columbus, OH 43215
msmalz@ohiopoveritylaw.org
ON BEHALF OF THE APPALACHIAN
PEACE AND JUSTICE NETWORK

Tara Santenelli
TSantarelli@elpc.org
ON BEHALF OF THE
ENVIRONMENTAL LAW AND POLICY
CENTER

Chad Endsley
Dale Arnold
Ohio Farm Bureau Federation
280 North High Street
P.O. Box 182383
Columbus, OH 43218-2383
cendsley@ofbf.org
darnold@ofbf.org
ON BEHALF OF THE OHIO FARM
BUREAU FEDERATION

Calculation of Energy Efficiency and Peak Demand Reduction Rider January 2012 - December 2014
Columbus Southern Power

<u>Tariffs</u>	<u>Allocation</u> <u>%</u>	<u>Program</u> <u>Costs</u> <u>(\$)</u>	<u>Shared</u> <u>Savings</u> <u>(\$)</u>	<u>Total</u> <u>(\$)</u>	<u>Forecasted</u> <u>Metered Energy</u> <u>(kWh)</u>	<u>EE&PDR Rider</u> <u>(\$/kWh)</u>	<u>Revenue</u> <u>Verification</u> <u>(\$)</u>
RS		\$ 69,098,156	\$ 11,679,299	\$ 80,777,456	22,054,526,041	0.003663	\$ 80,785,729
All Other C&I	93.06%	\$ 63,455,566	\$ 31,004,320	\$ 94,459,886	27,617,937,150	0.003420	\$ 94,453,345
GS4/IRP	6.94%	\$ 4,730,444	\$ 2,311,290	\$ 7,041,734	14,167,977,623	0.000497	\$ 7,041,485
Total C&I		\$ 68,186,010	\$ 33,315,610	\$ 101,501,620	\$ 41,785,914,773		\$ 101,494,830
Total		\$ 137,284,166	\$ 44,994,909	\$ 182,279,075	63,840,440,814		\$ 182,280,559

Calculation of Energy Efficiency and Peak Demand Reduction Rider January 2012 - December 2014
Ohio Power Company

<u>Tariffs</u>	<u>Allocation</u> <u>%</u>	<u>Program</u> <u>Costs</u> <u>(\$)</u>	<u>Shared</u> <u>Savings</u> <u>(\$)</u>	<u>Total</u> <u>(\$)</u>	<u>Forecasted</u> <u>Metered Energy</u> <u>(kWh)</u>	<u>EE&PDR Rider</u> <u>(\$/kWh)</u>	<u>Revenue</u> <u>Verification</u> <u>(\$)</u>
RS		\$ 58,031,844	\$ 9,890,647	\$ 67,922,491	21,896,314,547	0.0031020	\$ 67,922,368
All Other C&I	88.31%	\$ 69,838,529	\$ 34,382,132	\$ 104,230,662	30,243,259,115	0.0034460	\$ 104,218,271
GS4/IRP	11.69%	\$ 9,245,461	\$ 4,552,947	\$ 13,798,407	28,459,447,877	0.0004850	\$ 13,802,832
Total C&I		\$ 79,083,980	\$ 38,945,079	\$ 118,029,059	58,702,706,952		\$ 118,021,103
Total		137,115,834	48,835,727	185,951,560	80,599,021,539		\$ 185,943,471

COLUMBUS SOUTHERN POWER COMPANY

2nd Revised Sheet No. 81-1
Cancels 1st Revised Sheet No. 81-1

P.U.C.O. NO. 7

ENERGY EFFICIENCY AND PEAK DEMAND REDUCTION COST RECOVERY RIDER

Effective Cycle 1 January 2012, all customer bills subject to the provisions of this Rider, including any bills rendered under special contract, shall be adjusted by the Energy Efficiency and Peak Demand Reduction Cost Recovery charge per KWH as follows:

Schedule	¢/KWH
R-R, R-R-1, RLM, RS-ES and RS-TOD	0.36630
GS-1	0.34200
GS-2 and GS-2-TOD	0.34200
GS-3	0.34200
GS-4 and IRP-D	0.04970
SBS	0.00000
SL	0.00000
AL	0.00000

If approved by the Commission, mercantile customers that have committed their demand response or other customer-sited capabilities, whether existing or new, for integration into the Company's demand response, energy efficiency or peak demand reduction programs, may be exempted from this Rider.

Filed pursuant to Order dated _____ in Case No. 11-5568-EL-POR

Issued: _____

Issued by
Joseph Hamrock, President
AEP Ohio

Effective: Cycle 1 January 2012

COLUMBUS SOUTHERN POWER COMPANY

2nd Revised Sheet No. 81-1D
Cancels 1st Revised Sheet No. 81-1D

P.U.C.O. NO. 7

OAD – ENERGY EFFICIENCY AND PEAK DEMAND REDUCTION COST RECOVERY RIDER
(Open Access Distribution – Energy Efficiency and Peak Demand Reduction Cost Recovery Rider)

Effective Cycle 1 January 2012, all customer bills subject to the provisions of this Rider, including any bills rendered under special contract, shall be adjusted by the Energy Efficiency and Peak Demand Reduction Cost Recovery charge per KWH as follows:

Schedule	¢/KWH
OAD-RS	0.36630
OAD-GS-1	0.34200
OAD-GS-2	0.34200
OAD-GS-3	0.34200
OAD-GS-4	0.04970
OAD-SBS	0.00000
OAD-SL	0.00000
OAD-AL	0.00000

If approved by the Commission, mercantile customers that have committed their demand response or other customer-sited capabilities, whether existing or new, for integration into the Company's demand response, energy efficiency or peak demand reduction programs, may be exempted from this Rider.

Filed pursuant to Order dated _____ in Case No. 11-5568-EL-POR

Issued: _____

Issued by
Joseph Hamrock, President
AEP Ohio

Effective: Cycle 1 January 2012

OHIO POWER COMPANY

2nd Revised Sheet No. 81-1
Cancels 1st Revised Sheet No. 81-1

P.U.C.O. NO. 19

ENERGY EFFICIENCY AND PEAK DEMAND REDUCTION COST RECOVERY RIDER

Effective Cycle 1 January 2012, all customer bills subject to the provisions of this Rider, including any bills rendered under special contract, shall be adjusted by the Energy Efficiency and Peak Demand Reduction Cost Recovery charge per KWH as follows:

Schedule	¢/KWH
RS, RS-ES, RS-TOD and RDMS	0.31020
GS-1	0.34460
GS-2 and GS-TOD	0.34460
GS-3	0.34460
GS-4 and IRP-D	0.04850
EHG	0.34460
EHS	0.34460
SS	0.34460
OL	0.00000
SL	0.00000
SBS	0.00000

If approved by the Commission, mercantile customers that have committed their demand response or other customer-sited capabilities, whether existing or new, for integration into the Company's demand response, energy efficiency or peak demand reduction programs, may be exempted from this Rider.

Filed pursuant to Order dated _____ in Case No. 11-5569-EL-POR

Issued: _____

Issued by
Joseph Hamrock, President
AEP Ohio

Effective: Cycle 1 January 2012

OHIO POWER COMPANY

2nd Revised Sheet No. 81-1D
Cancels 1st Revised Sheet No. 81-1D

P.U.C.O. NO. 19

OAD – ENERGY EFFICIENCY AND PEAK DEMAND REDUCTION COST RECOVERY RIDER
(Open Access Distribution – Energy Efficiency and Peak Demand Reduction Cost Recovery Rider)

Effective Cycle 1 January 2012, all customer bills subject to the provisions of this Rider, including any bills rendered under special contract, shall be adjusted by the Energy Efficiency and Peak Demand Reduction Cost Recovery charge per KWH as follows:

Schedule	¢/KWH
OAD – RS	0.31020
OAD – GS-1	0.34460
OAD – GS-2	0.34460
OAD – GS-3	0.34460
OAD – GS-4	0.04850
OAD – EHG	0.34460
OAD – EHS	0.34460
OAD – SS	0.34460
OAD – OL	0.00000
OAD – SL	0.00000
OAD – SBS	0.00000

If approved by the Commission, mercantile customers that have committed their demand response or other customer-sited capabilities, whether existing or new, for integration into the Company's demand response, energy efficiency or peak demand reduction programs, may be exempted from this Rider.

Filed pursuant to Order dated _____ in Case No. 11-5569-EL-POR

Issued: _____

Issued by
Joseph Hamrock, President
AEP Ohio

Effective: Cycle 1 January 2012

This foregoing document was electronically filed with the Public Utilities

Commission of Ohio Docketing Information System on

12/20/2011 3:42:14 PM

in

Case No(s). 11-5568-EL-POR, 11-5569-EL-POR

Summary: Testimony Direct Testimony of Andrea E. Moore on Behalf of Columbus Southern Power Company and Ohio Power Company electronically filed by Anne M Vogel on behalf of Columbus Southern Power Company and Ohio Power Company