BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Duke Energy Ohio, Inc., to Establish Reliability Targets.	)))	Case No. 13-1539 -EL-ESS

COMMENTS
BY
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I. INTRODUCTION

In this proceeding, Duke Energy Ohio, Inc. ("Duke" or the "Utility") seeks to convince the Public Utilities Commission of Ohio ("PUCO") that Duke should not be required to reduce the frequency of electrical outages experienced by its customers and that its customers should have to be without electric service for longer periods of time. The PUCO should reject Duke's proposal.

Just over three years ago, the PUCO approved Stipulations in two proceedings which established reliability standards for service to the approximate 690,000 customers of Duke, pursuant to Ohio Adm. Code 4901:1-10-10.[1] The Stipulation resolving Case No. 09-757-EL-ESS required Duke to file an updated reliability performance standard application no later than June 30, 2013.[2] Through that filing, Duke was required to

[1] *In the Matter of the Application of Duke Energy Ohio for Approval of an Electric Security Plan*, Case No. 08-920-EL-SSO, Stipulation and Recommendation filed October 27, 2008; approved by Opinion and Order of December 17, 2010. *In the Matter of the Application of Duke Energy Ohio, Inc. for Approval of Proposed Reliability Standards*, Case No. 09-757-EL-ESS, Stipulation and Recommendation filed May 25, 2010; approved by Opinion and Order of July 29, 2010.

[2] *In the Matter of the Application of Duke Energy Ohio, Inc. for Approval of Proposed Reliability Standards*, Case No. 09-757-EL-ESS, Opinion and Order of July 29, 2010 at 5.

"assess[] the impact of system design changes, technological advancements, geographical effects, and the results of Duke's updated customer perception survey."[3]

This proceeding was initiated when Duke filed its "update" application on June 28, 2013. Thereafter, Duke filed an Amended Application on August 12, 2013. But despite the requirement for an assessment of "system design changes, technological advancements, geographical effects, and the results of Duke's updated customer perception survey," Duke did not perform or present such an assessment. Duke's update application and its Amended Application are void of the assessment required by the PUCO-approved Stipulation at Case No. 09-757-EL-ESS.

Instead of improving its reliability standards, Duke proposes to continue to use the same performance standard (approved for 2015) for the frequency of service interruptions and it proposes an **increase in the allowed duration of customer outages**. Specifically, Duke, proposes to continue to use a System Average Interruption Frequency Index (SAIFI) performance standard[4] of 1.10, already ordered by the PUCO for the year 2015,[5] for 2016 and thereafter.[6] Duke also proposes a Customer Average Interruption Duration Index (CAIDI) performance standard[7] of 127.37 for 2016 – 3 minutes **more** than its 2015 standard and almost 12 minutes **more** than its 2013 standard -- and to revisit

[3] *Id. at* 5.

[4] SAIFI is an indicator of how often the average customer experiences a sustained outage. IEEE Guide for Electric Power Distribution Reliability Indices, IEEE Std. 1366-2012, May 31, 2012 at 5.

[5] *In the Matter of the Application of Duke Energy Ohio for Approval of an Electric Security Plan*, Case No. 08-920-EL-SSO, Stipulation and Recommendation filed October 27, 2008; approved by Opinion and Order of December 17, 2010.

[6] Amended Application at 2.

[7] CAIDI represents the average time required to restore service. IEEE Guide for Electric Power Distribution Reliability Indices, IEEE Std. 1366-2012, May 31, 2012 at 5.

this standard for 2017 and beyond after the completion of grid modernization.[8] Duke's proposed increase in the CAIDI performance standard violates the PUCO Order that required Duke to maintain that standard at or below 124.37 minutes for 2015 and beyond.[9]

Customers have already paid or are currently paying tens of millions of dollars[10] for grid modernization improvements. These expenditures are intended to provide operational efficiencies and to improve reliability.[11] But if Duke is unwilling or unable to commit to quantified reductions in the frequency of customer interruptions and if their duration is allowed to increase further, the PUCO should revisit the costs and benefits of the grid modernization improvements currently being done by Duke. The PUCO, before approving any new or revised reliability standards for Duke, should also require Duke to provide the assessment that the PUCO ordered it to perform.[12] The SAIFI and CAIDI indices together provide an important measure of the quality of service that Duke is obligated to provide its customers – and that customers are paying for. The PUCO should ensure that customers are receiving value for their significant investments in reliability, rather than allowing for declines in reliability standards.

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[8] Amended Application at 4.

[9] *In the Matter of the Application of Duke Energy Ohio, Inc. for Approval of Proposed Reliability Standards*, Case No. 09-757-EL-ESS, Opinion and Order of July 29, 2010, pp. 5-9. These performance standard measurements exclude, in accordance with PUCO rules momentary interruptions (interruptions of less the 5 minutes), and interruptions associated with major storms and transmission failures. Ohio Adm. Code 4901:1-10-01(Q) and Ohio Adm. Code 4901:1-10-01(Y); Ohio Adm. Code 4901:1-10-10(B)(4)(c).

[10] *In the Matter of the Application of Duke Energy Ohio, Inc., to Adjust Rider DR-IM and Rider AU, for 2010 SmartGrid Costs and Mid-Deployment Review*, Case No. 10-2326-GE-RDR, June 30, 2011, Direct Testimony of Duke witness Mark D. Wyatt, Attachment MDW-1at 5, reflecting estimated capital costs of $509.4 million or grid modernization.

[11] *Id.*

[12] IEEE Guide for Electric Power Distribution Reliability Indices, IEEE Std. 1366-2012, May 31, 2012 at 5

II. COMMENTS

A. The PUCO Should Deny Duke's Application Because Duke Failed To Make The Required Assessment For Determining Electric Reliability Standards.

1. Duke's application does not comply with the requirements of the PUCO's rules, as well as the PUCO-approved Stipulations in Duke's earlier reliability proceedings.

Ohio Adm. Code 4901:10-10(B)(4)(a) requires an electric utility to justify a proposed reliability standard based on historical system performance, system design, technological advancements, service area geography, and the results of periodic customer perception surveys. In addition, the PUCO Staff has issued guidelines with specific instructions that the proposed reliability standards are to be based on at least five years of historical performance data with quantified adjustments to the historical performance baseline for each factor the electric utility believes should be adjusted.[13] And, as discussed above, the PUCO's Order at Case No. 09-757-EL-ESS, specifically required Duke to perform assessments of system design, technological advancements, service area geography effects, and the results of customer perception surveys.

But Duke did not make this required analysis in evaluating the appropriate reliability standards to be established in this proceeding. Instead, Duke simply proposed continuance of the existing 2015 SAIFI standard for 2016 and thereafter.[14] And for CAIDI, Duke actually proposed an increase for 2016 and then argued that until the grid modernization installation is completed in 2016,[15] "establishing a fixed performance

[13] Ohio Adm. Code 4901:1-10-10-B: Staff's Guidelines for Reliability Standards Applications on PUCO website.

[14] Amended Application at 2.

[15] Amended Application at 4.

standard is difficult if not impossible."[16] Therefore, Duke did not propose a CAIDI standard for 2017 or thereafter.

The PUCO should find that Duke's Amended Application should be denied because it fails to provide the assessment required by Ohio Adm.Code 4901:10-10(B)(4)(a), PUCO Staff Guidelines, and the PUCO Order in Case No. 09-757-EL-ESS. Duke should be directed to re-file its Application with the required assessment.

2. The PUCO should require Duke to quantify the benefits achieved through grid modernization and distribution system investment, including both analysis of system data and the correlation with customer survey data.

Duke's failure to make the required assessment is significant in light of the shortcomings that prompted the requirement for this update filing. In Case No. 09-757-EL-ESS, OCC was critical of Duke's application because the Utility failed to properly describe and support its proposed reliability standards.[17] In particular, the inability of Duke to quantify the impact of grid modernization spending into tangible reliability standards benefits for customers was troubling. Consequently, the PUCO's Order adopted a stipulated CAIDI standard of 124.37 minutes that was conditioned on Duke filing an updated reliability performance application no later than June 30, 2013.[18] The PUCO's Order also anticipated improvement in the quantification of an appropriate SAIFI standard for 2016 and beyond.[19]

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[16] Amended Application at 4.

[17] Case 09-757-EL-ESS, OCC Initial Comments, December 14, 2009.

[18] Case 09-757-EL-ESS, Opinion and Order at 5.

[19] *In the Matter of the Application of Duke Energy Ohio for Approval of an Electric Security Plan*, Case No. 08-920-EL-SS0, Stipulation and Recommendation, October 27, 2008, at 16-17 supported a SAIFI at a level of 1.50 in 2009, 1.44 in 2010, 1.38 in 2011, 1.31 in 2012, 1.24 in 2013, 1.17 in 2014, and 1.10 in 2015.

Clearly, system design changes and technological advancements should have an impact on both the reliability of Duke's system, including both SAIFI and CAIDI, and the measurement of that reliability.[20] Duke's approach to wait until after grid modernization is completed to analyze and adjust reliability standards because it will have a "better picture of the performance of the distribution system" violates the PUCO's Order in Case No. 09-757-EL-ESS and is contrary to sound system planning.[21] Duke's position implies that the significant amounts spent thus far have been of little value to Duke in being able to predictably measure and improve the reliability of its system. In fact, customers have already paid or are currently paying tens of millions of dollars on grid modernization initiatives that should have enabled Duke to substantially improve its ability to measure reliability, as well as to produce predictable and quantifiable reliability benefits for consumers. These reliability benefits should have been assessed by Duke in its application to establish reliability standards. But they weren't.

Duke's Application also effectively ignores the results of its updated and current customer perception survey that it was required to perform per the PUCO-approved Stipulation in Case 09-757-EL-ESS.[22] The PUCO ordered Duke to assess the results of the customer perception survey in the application to update its reliability standards.[23] In

[20] *In the Matter of the Application of Duke Energy Ohio, Inc. to Adjust Rider DR-IM and Rider AU for 2010 SmartGrid Costs and Mid-Deployment Review,* Case No. 10-2326-GE-RDR, Opinion and Order of June 13, 2012 at 22-28.

[21] Id.

[22] *In the Matter of the Application of Duke Energy Ohio, Inc. for Approval of Proposed Reliability Standards*, Case No. 09-757-EL-ESS, Second Revised Stipulation and Recommendation, May 15, 2010 at 7.

[23] *In the Matter of the Application of Duke Energy Ohio, Inc. for Approval of Proposed Reliability Standards*, Case No. 09-757-EL-ESS, Opinion and Order of July 29, 2010 at 5.

addition, Duke agreed to provide advance copies of the survey to the PUCO Staff and OCC for review and comment.[24]

In its Amended Application, Duke claims that the survey was administered using the PUCO Staff directives.[25] However, contrary to the Stipulation's requirements, OCC was not afforded the opportunity to review and comment on the survey before it was administered to customers. Furthermore, there is no indication in the Amended Application that Duke considered the results of the customer survey when it proposed its reliability standards in this case as required by the Stipulation.

Notably, the results of the customer perception survey suggest that customers are troubled by the number of brief interruptions, as well as by sustained interruptions, of service. Brief interruptions were defined in the survey question as interruptions less than five minutes. Indeed, over 45% of the respondents reported having four or more brief interruptions in service.[26] Twenty-two percent of customers reported having six or more brief interruptions in service in the last twelve months.[27]

The customer survey results are consistent with data showing increases in the number of momentary outages between 2010 and 2012. According to the annual report filed by Duke pursuant to Ohio Adm. Code 4901:1-10-10(C)(4), 522,798 momentary outages were reported by Duke in 2010. In 2011, Duke reported 1,406,243 momentary outages. And in 2012, Duke reported 1,105,849 momentary outages. But these numbers likely do not reflect all momentary interruptions experienced by customers, as indicated

[24] Id.

[25] Amended Application at 4.

[26] Amended Application, Ohio PUC Reliability, Residential Survey Results.

[27] Id.

by Duke.[28] Notably, Duke does not currently use a common measure of momentary interruptions – the Momentary Average Interruption Frequency Index ("MAIFI"). And Duke does not have any programs designed to reduce MAIFI.[29]

Given the concern customers have voiced regarding the frequency of brief interruptions in service and the technologies available through the grid modernization program, Duke should be evaluating ways to reduce the number of momentary, as well as sustained, outages. Approximately twenty-five percent of respondents to the survey reported their longest power outage exceeded five hours in the last twelve months.[30] There was concern about the increasing magnitude of the CAIDI standard in the last reliability standards case and the Utility agreed in the Stipulation that no single customer would experience longer outage durations as a result of the implementation of grid modernization and other distribution-related improvements.[31] However, the customer survey data suggests that customers could be experiencing longer duration outages. Without additional outage-specific reporting, it is not possible to determine whether this could be related to the grid modernization program.

Duke should be required to perform the assessment, including a thorough evaluation of historic data, required by the PUCO-approved Stipulations and PUCO's rules to appropriately measure the impact of grid modernization and distribution system

[28] This is because Duke records momentary interruptions at the distribution circuit breaker level. Momentary outage information is not captured from other reclosing devices on a circuit.

[29] *In the Matter of the Application of Duke Energy Ohio to Adjust and Set Its Gas and Electric Recovery Rate for SmartGrid Deployment Under Riders AU and Rider DR-IM*, Case No. 09-543-GE-UNC*, Duke Energy Ohio, Inc. Report Regarding SmartGrid Deployment and MAIFI Capabilities*, August 9, 2010 at 3.

[30] *Application of Duke Energy Ohio, Inc. Customer Perception Survey, Residential, Ohio PUC Reliability Residential Survey Results, Q1-13 Update,* Prepared by Duke Energy Customer Satisfaction (Attached to Application in this proceeding), filed June 28, 2013.

[31] Case No. 09-757-EL-ESS, Second Revised Stipulation at 5.

improvement on system reliability. Additionally, the PUCO should require Duke to provide an assessment of the correlation between customer perception, as reflected in its survey results, and the actual improvements of reliability occurring on Duke's system. Until such analyses are completed, the PUCO should deny Duke's Application and carefully review whether Duke's grid modernization and distribution system reliability improvements are benefitting customers.

B. The PUCO Should Require Duke To Meet Higher Reliability Performance Standards.

1. SAIFI Standards

In Case No. 08-920-EL-SSO the PUCO established a SAIFI performance standard of 1.24 for 2013, 1.17 for 2014, and 1.10 for 2015 and thereafter. In its update, Duke proposed to continue SAIFI performance standards as required in that case – with no further reduction.[32] But Duke anticipates that SAIFI values below 1.10 may be reached in years after 2015.[33] Rather than performing the assessment that should have been provided in this case to determine appropriate future SAIFI values, Duke merely mentions that improvements in SAIFI will be evaluated based on their "relative merits and cost effectiveness" at some undefined time in the future.[34] Considering the considerable investment that Duke is making on grid modernization initiatives, which it anticipates completing in 2016[35], the time to assess the costs and benefits these changes will have on reliability is now –before further amounts are expended.

[32] Amended Application at 2.

[33] Amended Application at 2.

[34] Amended Application at 2.

[35] Amended Application at 4.

Table 1 below provides ten years of actual SAIFI performance data - 2003 through 2012:

Table 1: Duke Energy Ohio SAIFI Performance Data[36]

Year	Duke SAIFI (Interruption Frequency per Customer)
2003	1.34
2004	1.35
2005	1.49
2006	1.48
2007	1.33
2008	1.33
2009	1.30
2010	1.10
2011	1.38
2012	1.08
Five-Year Average (2003 -2007)	1.40
Five-Year Average (2008 -2012)	1.24
Ten-Year Average (2003 – 2012)	1.32

As shown in Table 1, the frequency of customer interruptions declined by 11.4% between the first five years (2003-2007) and the following five years (2008-2012). In two of the last three years (2010-2012), the SAIFI was actually at, or below, the SAIFI performance standard proposed by Duke for 2015 and beyond, demonstrating that the proposed 1.10 standard is achievable in the near term. However, the 2011 SAIFI of 1.38 indicates that there are undetermined factors that could impact this trend and which should have been identified and explained by Duke in its update Application in this case based on further data analysis.

Despite the fact that the SAIFI performance standard of 1.10 has been achieved in two of the last three years, Duke has not proposed to target further reductions in SAIFI

[36] See Duke's Response to OCC-INT-01-004 for 2003-2007 data; See Amended Application, Attachment 1, at 2 for 2008-2012 data.

beyond 2015, but to instead maintain SAIFI at 1.10 for 2015 and beyond. It is appropriate for the PUCO to establish a SAIFI reliability standard that accounts for likely reductions to be achieved through grid modernization and distribution system improvement for 2016 and beyond. The PUCO should set standards that recognize the value of customer investment in these endeavors and, therefore, reflects an appropriate improvement over the status quo, if such customer funding for improvements is to be continued. However, the level of achievable reduction can only be fairly determined if Duke performs an appropriate assessment. The PUCO should require Duke to submit a further assessment, as required by the PUCO rules and PUCO-approved Stipulations, to establish a new Duke SAIFI standard for 2016 and beyond.

2. CAIDI Standards

With respect to CAIDI, the PUCO approved a Stipulation requiring Duke to meet a CAIDI reliability performance standard at a level of 124.37 minutes for 2015 and beyond.[37] However, without any meaningful further assessment, Duke is now proposing that the CAIDI reliability standard for 2016 be increased to 127.37 minutes.[38] This proposal results in worse service quality and is a violation of the PUCO Order that approved CAIDI for 2016 at a level of 124.37 minutes.[39] Furthermore, Duke is now claiming that it "is difficult if not impossible" to establish a fixed CAIDI performance standard until the installation of the grid modernization program is completed in 2016.[40] However, the PUCO has already determined that Duke's future CAIDI standard should

[37] *In the Matter of the Application of Duke Energy Ohio, Inc. for Approval of Proposed Reliability Standards*, Case No. 09-757-EL-ESS, Opinion and Order of July 29, 2010 at 5.

[38] Amended Application at 4.

[39] Case No. 09-757-EL-ESS, Opinion and Order at 4.

[40] Amended Application at 4.

not exceed 124.37 minutes.[41] And Duke's failure to assess the significance of existing data is not a good reason to increase the CAIDI performance standard, i.e. to accept a decline in a performance standard.

Table 2 below provides ten years of actual CAIDI performance data for 2003 through 2012:

Table 2: Duke Energy Ohio CAIDI Performance Data[42]

Year	Duke Ohio CAIDI (Minutes of Interruption per Customer)
2003	82.80
2004	84.01
2005	82.20
2006	87.81
2007	97.04
2008	98.31
2009	99.19
2010	110.85
2011	107.00
2012	103.26
Five-Year Average (2003 - 2007)	86.77
Five-Year Average (2008 - 2012)	103.72
Ten-Year Average (2003 – 2012)	95.25

As can be seen in Table 2, the five year average CAIDI historical performance for the period 2008 through 2012 is 103.72 minutes. The highest CAIDI in any single year was 110.85 minutes (in 2010), approximately 10% below Duke's current performance

[41] *In the Matter of the Application of Duke Energy Ohio, Inc. for Approval of Proposed Reliability Standards*, Case No. 09-757-EL-ESS, Stipulation and Recommendation filed May 25, 2010; approved by Opinion and Order of July 29, 2010 at 4-5.

[42] 2003 – 2007 data is in the company Response to OCC-INT-01-004, November 15, 2013. 2008-2012 data is in the Amended Application, Attachment 1 at 3.

standard of 124.37 for 2015 and beyond. It is also 15% below Duke's proposed performance standard for 2016 of 127.37. And CAIDI seems to be on a downward trend since 2010.

In fact, based on a linear trend line provided in the Amended Application, Duke is projecting its CAIDI performance at a level of 114.3 minutes in 2015 and 115.5 minutes in 2016.[43] Thus, even the Utility's flawed application refutes the need for increasing the CAIDI standard. These projections of Duke's CAIDI performance in 2015 and 2016 are well-below the established performance standards for these years.[44] Further adjustment in CAIDI to account for even more variability that may occur due to weather and storm conditions is inappropriate and unnecessary.[45]

When Duke's existing standards were established, a 10 percent variance was permitted to be added to the average CAIDI historical performance from 2005 – 2009 because of the uncertainty that reductions in SAIFI would have on CAIDI.[46] Mathematically, as the same total number of minutes of interruptions is spread over a smaller number of interruptions, the average duration of an interruption will increase.[47] But this mathematical truism assumes that improvements in reliability do not proportionately reduce the total number of minutes of interruption at the same time that the frequency of interruptions is reduced.

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[43] Amended Application, Attachment 1.

[44] The projected performance for 2015 of 114.3 is 8.1% below the 2015 standard of 124.37. The projected performance in 2016 of 115.5 is 9.3% below Duke's proposed performance standard of 127.37.

[45] Amended Application at 4.

[46] Case No. 09-757-EL-ESS, Second Revised Stipulation and Recommendation, (May 25, 2010) at 6.

[47] As an example, if there are 1,000 minutes of interruption and 100 interruptions, the average interruption would have duration of 10 minutes. If interruptions are reduced to 50 but the total length of interruptions does not decrease, the average interruption would increase to 20 minutes.

Despite the fact that improvements in reliability are intended to decrease **both** frequency and duration of interruptions, Duke continues to maintain that decreases in SAIFI performance will likely result in increases in CAIDI.[48] While the initial variance may have been allowed because of uncertainty regarding the relationship between SAIFI and CAIDI, a continuing increase in CAIDI is not justified by the data.[49] Furthermore, if excessive variances[50] between actual performance levels and performance standards for CAIDI are permitted to continue, the incentive intended by these performance standards to reduce the duration of interruptions will be undermined.

Duke's proposal to establish a CAIDI reliability performance standard that reflects a continuing increase in the average duration of outages to 124.37 minutes for 2015, and 127.37 for 2016 should be rejected. The PUCO should guard against excessive variances from standards which may promote continued degradation in the average outage duration on Duke's distribution system over time. Reliability standards provide an important link between the quality of service that Duke is required to provide customers and the investments and resources that the Utility must make to provide reliable service. Duke should be evaluating and implementing cost-effective measures to improve both SAIFI and CAIDI rather than infer that reductions in SAIFI will likely

[48] Amended Application at 4.

[49] The PUCO's Order approving the Second Revised Stipulation included a 10% variance allowance to the 2005-2009 actual performance data in recognition of this uncertainty. *In the Matter of the Application of Duke Energy Ohio, Inc. for Approval of Proposed Reliability Standards*, Case No. 09-757-EL-ESS, Opinion and Order of July 29, 2010 at 5.

[50] Excessive variance refers to the approximate 16.4% variance between the five year average performance level of 103.72 minutes and the 124.37 minute standard in 2015, as compared to the 10% variance allowance established at Case No. 09-757-EL-ESS. *In the Matter of the Application of Duke Energy Ohio, Inc. for Approval of Proposed Reliability Standards,* Case No. 09-757-EL-ESS, Opinion and Order of July 29, 2010 at 5.

result in increases in CAIDI.[51]. The PUCO should require Duke to perform the required assessment set forth in the PUCO's rules and PUCO-approved Stipulations and establish a CAIDI reliability standard for 2015 and beyond that reflects improvement in reliability rather than degradation of reliability.

C. Reliability Standards Should Accurately Reflect The Normal Operation Of The Duke Distribution System Since Outages Associated With Major Storm Events And Transmission Failures Are Excluded From The Reliability Calculations.

OCC notes that, in order to ensure that reliability standards are reviewed in their proper context, the PUCO's rules allow for the exclusion of actual performance data related to certain outages from being considered in establishing reliability performance standards. Specifically, the PUCO rules support exclusion of outages with durations of less than five minutes and outage data related to major events and transmission outages.[52] Since the SAIFI and CAIDI standards being set in this case are intended to represent the normal operations of the distribution system without consideration of the effect that momentary outages, major storms or transmission failures also have on customers, the standards should be closely aligned with the actual performance of the distribution system. Thus, actual SAIFI and CAIDI performance should be considered as good indicators of the reasonable range to establish SAIFI and CAIDI performance standards.

The establishment of "blue sky" standards based on data that excludes major events can have a dramatic impact on the standards. In 2012, Duke's CAIDI reliability performance standard was 115.02 minutes and the actual system performance ("blue

[51] Amended Application at 4.

[52] Ohio Adm. Code 4901:1-10-10(B)(4)(c).

sky") CAIDI was 103.26 minutes.[53] However, before excluding data for major storms and transmission failures, the actual CAIDI performance was 266.71 minutes. That number is a more accurate reflection of the reliability Duke customers actually experienced in 2012, but it is heavily impacted by the number and severity of major storms in 2012.

In addition to removing the effects of major storms and other unusual conditions, the PUCO's rules acknowledge some expected variability in even this adjusted interruption data. Specifically, the PUCO's rules mandate that a rule violation does not occur until a utility fails to meet the reliability standards for *two consecutive years*.[54] Since the Duke reliability standards were last established, the Utility has only missed the CAIDI standard in one year. In 2010, the Duke CAIDI standard was 108.79 minutes and the actual CAIDI performance was 110.85 minutes.[55]

Clearly, the establishment of SAIFI and CAIDI standards based upon the reasonable range of actual historical performance data is reasonable and appropriate. Duke's proposal to establish a CAIDI standard that is out-of-line with the historical performance of the system is unjust and unreasonable and should be rejected.

III. CONCLUSION

Duke's Application should be denied. Prior to approving any revisions to Duke's reliability targets, the PUCO should require Duke to perform the reliability assessment

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[53] *In the Matter of the Annual Report of the Duke Energy Ohio Company Pursuant to Rule 10 of the Electric Service and Safety Standards, Ohio Administrative Code 4901:1-10-10*, Case No. 13, 0723-EL-ESS, (March 21, 2013 at 2).

[54] Ohio Admin. Code 4901:1-10-10(E).

[55] *In the Matter of the Annual Report of the Duke Energy Ohio Company Pursuant to Rule 10 of the Electric Service and Safety Standards, Ohio Administrative Code 4901:1-10-10*, Case No. 11-1167-EL-ESS, (March 28, 2011 at 2).

required by PUCO rules and agreed to in prior PUCO-approved Stipulations. Among other things, that assessment should evaluate the costs and benefits of grid modernization and distribution system improvements on the reliability of Duke's service to customers. Further, those results should be correlated with customer experience as measured through the customer perception survey. After such further study is completed, further comments should be received, and a hearing held.[56] The PUCO should approve reliability targets for Duke that ensure customers are recognizing real benefits from the reliability measures in which they have invested.

Respectfully submitted,

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[56] A hearing is required to be held if a party requests it, as per the terms of the PUCO-approved Stipulation at Case No. 09-757-EL-ESS. *In the Matter of the Application of Duke Energy Ohio, Inc. for Approval of Proposed Reliability Standards*, Case No. 09-757-EL-ESS, Opinion and Order of July 29, 2010 at 5.

CERTIFICATE OF SERVICE

I hereby certify that a copy of *Comments* was served on the persons stated below via electronic transmission to the persons listed below, this 6th day of January 2014.

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