

BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of)
Ohio Valley Electric Corporation)
For Approval of Termination of) Case No. 15-892-EL-AEC
Service.)

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

Filed: May 15, 2018

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ANDREA E. MOORE

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BEFORE
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DIRECT TESTIMONY OF
ANDREA E MOORE
ON BEHALF OF
OHIO POWER COMPANY

1 **PERSONAL DATA**

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

3 **A.** My name is Andrea E. Moore and my business address is 700 Morrison Road, Gahanna,
4 Ohio 43230.

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

6 **A.** I am employed by Ohio Power Company, known as AEP Ohio or the Company, as
7 Director – Regulatory Services.

8 **Q. WHAT ARE YOUR RESPONSIBILITIES AS DIRECTOR- REGULATORY**
9 **SERVICES?**

10 **A.** I am responsible for directing the preparation and presentation of regulatory matters to
11 management as well as regulatory bodies. I plan, organize and direct team activities to
12 develop and support pricing structures, rider and true-up filings, maintenance of tariffs,
13 pilot programs, special contracts and other pricing initiatives depending on assigned
14 function.

15

1 **Q. WHAT IS YOUR EDUCATIONAL AND PROFESSIONAL BACKGROUND?**

2 **A.** I received my Bachelor of Science in Accounting degree from the University of
3 Rio Grande and a Master of Business Administration degree from Franklin University.
4 In addition, I have completed the Basic Concepts on Rate Making class through New
5 Mexico State University.

6 I joined American Electric Service Corporation (AEPSC) in 2001 as an
7 Accountant and joined the Regulatory Tariffs department as a Regulatory Analyst III in
8 2004. I progressed through various positions before being promoted to my current
9 position of Director – Regulatory Services. My duties within the regulatory department
10 have included preparing cost-of-service studies for regulatory filings, preparing cost
11 based formula rates for wholesale customers, preparing rider filings and rate designs,
12 maintaining tariff books as well as other projects related to regulatory issues and
13 proceedings, individual customer requests and general rate matters.

14 **Q. HAVE YOU PREVIOUSLY TESTIFIED IN A REGULATORY PROCEEDING?**

15 **A.** Yes. I have testified before the Public Utilities Commission of Ohio in several cases. I have
16 also submitted testimony before the Virginia State Corporation Commission on behalf of
17 Appalachian Power Company.

1 **PURPOSE OF TESTIMONY**

2 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?**

A. The purpose of my testimony is to sponsor and summarize the provision of the Joint Stipulation and Recommendation (Stipulation) filed on April 10, 2018 for the Commission's consideration. The Stipulation provides the basis for resolving the pending application of Ohio Valley Electric Corporation (OVEC) to terminate service. My testimony discusses the criteria that the Commission uses when considering settlement agreements and explains how the Stipulation in this proceeding meets those criteria. Specifically, my testimony supports the conclusion that the Stipulation: (1) Is the product of serious bargaining among capable, knowledgeable, parties; (2) As a package, benefits ratepayers and the public interest; and (3) Does not violate any important regulatory principle of practice.

3 **SIGNATORY PARTIES**

4 **Q. WHO ARE THE SIGNATORY PARTIES TO THE STIPULATION?**

5 A. In addition to the Company, the Ohio Valley Electric Corporation and the United States
6 Department of Energy (DOE).

7

1 **OVERVIEW OF THE STIPULATION**

2 **Q. PLEASE EXPLAIN THE STIPULATION.**

3 A. The Stipulation provides a timeline and plan for AEP Ohio to assume the right and
4 obligation to serve DOE as well as the approval of OVEC's request to be relieved from
5 the obligation to serve the DOE. Attached as Exhibit AEM-1 is the service territory
6 map that incorporates the area of the existing DOE facilities. The DOE facility, shown in
7 Exhibit AEM-2, is essentially an island surrounded by AEP Ohio territory. Once the
8 Stipulation is adopted by the Commission and implemented by the Parties, the entire
9 DOE facility (including the well field sites shown on Exhibit AEM-2) will become part
10 of AEP Ohio's service territory and the Company will serve any retail load associated
11 with the facility. Exhibit B to the Stipulation shows the planned build out of the required
12 facilities for AEP Ohio to serve the DOE load including ownership and cost
13 responsibility.

14 **CRITERIA FOR CONSIDERING APPROVAL OF A STIPULATION**

15 **Q. WHAT IS THE STANDARD THAT THE COMMISSION HAS USED WHEN**
16 **CONSIDERING APPROVAL OF A STIPULATION AMONG PARTIES TO**
17 **PROCEEDINGS?**

18 A. My understanding is that the Commission evaluates Stipulations using a three-part test.
19 The questions that the Commission considers are: (1) Is the stipulation the product of
20 serious bargaining among capable, knowledgeable parties? (2) As a package, does the

1 stipulation benefit ratepayers and the public interest? And (3) Does the stipulation violate
2 any important regulatory principle or practice?

3 **Q. IS THE STIPULATION SUBMITTED IN THIS CASE THE PRODUCT OF**
4 **SERIOUS BARGAINING AMONG CAPABLE AND KNOWLEDGEABLE**
5 **PARTIES?**

6 A. Yes. The stipulation was the product of meetings and negotiations involving experienced
7 counsel as well as the technical experts from each represented party.

8 **Q. DOES THE STIPULATION AS A PACKAGE BENEFIT CUSTOMERS AND THE**
9 **PUBLIC INTEREST?**

10 A. Yes. The Stipulation included the cost responsibilities for the buildout of the new
11 facilities as well as ownership of the new facilities. AEP Ohio's responsibility of the
12 costs associated with serving the DOE load over the contribution in aid of construction
13 payments made by the DOE are expected to be offset by payments by the DOE through
14 the Company's Basic Transmission Cost Rider (BTCR). In addition, the new load being
15 brought to the AEP Ohio system will provide payment of some fixed riders without
16 adding additional costs to those riders. This contribution will lower the amount that other
17 customers of AEP Ohio would have otherwise paid bringing a benefit to all customers in
18 AEP Ohio's territory including low-income customers. A summary of the costs of
19 additional investment versus payments received from DOE is shown as Exhibit AEM-3
20 and reflects a net benefit of approximately \$286,023.

1 **DOES THE STIPULATION VIOLATE ANY IMPORTANT REGULATORY**
2 **PRINCIPLE OR PRACTICE?**

3 A. No. The Stipulation is a settlement balancing the interest of the customers and
4 complying with the Ohio Administrative Code. The stipulation provides a reasonable
5 settlement of the request to terminate the current contract to serve load from OVEC to the
6 DOE and appropriately provides AEP Ohio with the right and obligation to serve the load
7 as part of its service territory.

8 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

9 A. Yes.

South Central Power

Buckeye Rural

Pike

Piketon

Columbus Southern Power (AEP OHIO)

Jasper

South Central Power

Ohio Power Company (AEP OHIO)

3930 US-23



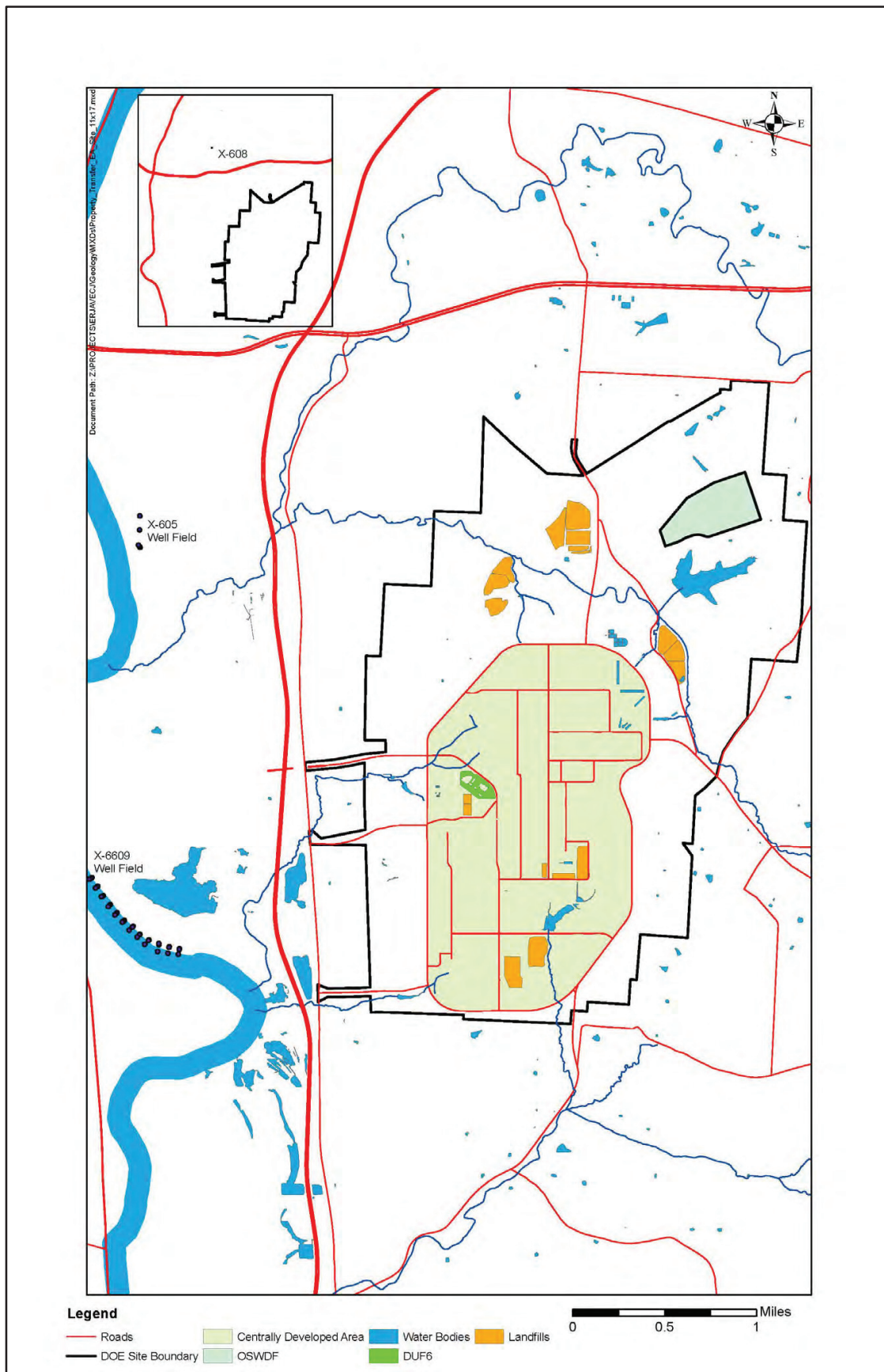


Figure 3. DOE PORTS Area

Billing Parameters

	Metered	Adjusted		
On-Peak Demand:	36,000.00	0.0 kW		
Off-Peak Demand:	0.00	0.0 kW	Load Factor:	55.1%
kWh Usage:	14,485,333	0 kWh		
Metered Voltage Adjustment:	0.00			
Peak kVAR:	0.0	kVAR		
Allowable kVAR:	0.0	kVAR (Highest Metered Demand/2)		

Bill Calculation

				Rates				Billing				Annual
				Generation	Transmission	Distribution	Total	Generation	Transmission	Distribution	Total	
Customer Charge						\$ 1,060.00	\$ 1,060.00			\$ 1,060.00	\$ 1,060.00	
Reactive Demand Charge:	0.0 kVAR	x				\$ 0.48	\$ 0.48			\$ -	\$ -	
Base Charges										\$ 1,060.00	\$ 1,060.00	\$ 12,720.00

Riders

Universal Service Fund (first 833,000 kWh)	833,000 kWh	x			\$ 0.0025116	\$ 0.0025116	/kWh			\$ 2,092.16	\$ 2,092.16	\$ 25,105.92
Universal Service Fund (in excess of 833,000 kWh)	13,652,333 kWh	x			\$ 0.0001830	\$ 0.000183	/kWh			\$ 2,498.38	\$ 2,498.38	\$ 29,980.56
kWh Tax (first 2000 kWh)	2,000 kWh	x			\$ 0.00465	\$ 0.00465	/kWh			\$ 9.30	Exempt	\$ -
kWh Tax (next 13,000 kWh)	13,000 kWh	x			\$ 0.00419	\$ 0.00419	/kWh			\$ 54.47	Exempt	\$ -
kWh Tax (in excess of 15,000 kWh)	14,470,333 kWh	x			\$ 0.00363	\$ 0.00363	/kWh			\$ 52,527.31	Exempt	\$ -
Deferred Asset Phase-In Rider	\$1,060.00 Base (Dist)	x			7.8100%	7.81000%				\$ 82.79	\$ 82.79	\$ 993.48
Power Purchase Agreement Rider	14,485,333 kWh	x				\$ 0.0006637	/kWh			\$ -	\$ 9,613.92	\$ 115,367.04
Basic Transmission Cost Rider	14,485,333 kWh	x		\$ 0.0004836		\$ 0.0004836	/kWh		\$ 7,005.11	\$ -	\$ 7,005.11	\$ 84,061.32
Basic Transmission Cost Rider	36,000.0 kW	x		\$ 5.54		\$ 5.54	/kW		\$ 199,440.00	\$ -	\$ 199,440.00	\$ 2,393,280.00
Energy Efficiency & Peak Demand Reduction Cost Recovery	14,485,333 kWh	x			\$ 0.0001885	\$ 0.0001885	/kWh			\$ 2,730.18	\$ 2,730.18	\$ 32,762.16
Energy Efficiency & Peak Demand Reduction Cost Recovery	36,000.0 kW	x			\$ 0.91	\$ 0.91	/kWh			\$ 32,760.00	\$ 32,760.00	\$ 393,120.00
Economic Development Cost Recovery	\$1,060.00 Base (Dist)	x			0.00138%	0.00138%				\$ 0.01	\$ 0.01	\$ 0.12
Enhanced Service Reliability	\$1,060.00 Base (Dist)	x			7.34119%	7.34119%				\$ 77.82	\$ 77.82	\$ 933.84
gridSMART Phase 2 Rider	\$1.00 Month				\$ 0.16	\$ 0.16				\$ 0.16	\$ 0.16	\$ 1.92
Retail Stability Rider (first 833,000 kWh)	833,000 kWh	x				\$ 0.0072504	/kWh			\$ -	\$ 6,039.58	\$ 72,474.96
Retail Stability Rider (in excess of 833,000 kWh)	13,652,333 kWh	x				\$ 0.0008000	/kWh			\$ -	\$ 10,921.87	\$ 131,062.44
Distribution Investment Rider	\$1,060.00 Base (Dist)	x			32.29875%	32.29875%				\$ 342.37	\$ 342.37	\$ 4,108.44
Storm Damage Recovery Rider	\$1.00 Month				\$ -	\$ -				\$ -	\$ -	\$ -
Significant Excess Earnings Test Credit Rider	kWh	x				\$ -	/kWh			\$ -	\$ -	\$ -
Riders Total								\$ -	\$ 206,445.11	\$ 93,174.95	\$ 273,604.35	\$ 3,283,252.20

Base + Rider Total

\$ 206,445.11 \$ 94,234.95 \$ 274,664.35 \$ 3,295,972.20

\$ 6.51 \$ 274,664.35

Total Ohio Power Billing Charge:

\$ 14,485.33
\$ 18.96

Assumed Charge for the EE/PDR based on forecasted Costs. Current Rate includes a credit for an over recovery that will expire in 2018

Removed SEET Credit as it will expire in 2018

Adjusted T Costs to reflect new costs with additional investment

Total Payment per BTCL	\$ 2,477,341.32
Annual Contribution to other Revenue Requirement	\$ 408,682.44
Annual Contribution to State of Ohio	\$ -
Total Contribution to Customers & State	\$ 2,886,023.76
Total Cost of Transmission Revenue Requirement	\$ 2,600,000.00
Net Benefit of New Load	\$ 286,023.76

CERTIFICATE OF SERVICE

In accordance with Rule 4901-1-05, Ohio Administrative Code, the PUCO's e-filing system will electronically serve notice of the filing of this document upon the following parties. In addition, I hereby certify that a service copy of the foregoing *Direct Testimony of Andrea E. Moore* was sent by, or on behalf of, the undersigned counsel to the following parties of record this 15th day of May 2018, via electronic transmission.

/s/ Steven T. Nourse _____

Steven T. Nourse

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Summary: Testimony - Direct Testimony of Andrea E. Moore on Behalf of Ohio Power Company electronically filed by Mr. Steven T Nourse on behalf of Ohio Power Company