

BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Ohio Power Company for an Increase in Electric Distribution Rates.)))	Case No. 20-585-EL-AIR
In the Matter of the Application of Ohio Power Company for Tariff Approval.)))	Case No. 20-586-EL-ATA
In the Matter of the Application of Ohio Power Company for Approval to Change Accounting Methods.)))	Case No. 20-587-EL-AAM

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

Management Policies, Practices & Organizations

Operating Income

Rate Base

Allocations

Rate of Return

X Rates and Tariffs

Other

INDEX TO DIRECT TESTIMONY OF
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 **I. PERSONAL DATA**

2 **Q. PLEASE STATE 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 WHAT IS YOUR POSITION?**

6 A. I am employed by Ohio Power Company, (“AEP Ohio” or the “Company”) as Director –
7 Regulatory Services.

8 **Q. WOULD YOU PLEASE DESCRIBE YOUR EDUCATIONAL AND
9 PROFESSIONAL BACKGROUND?**

10 A. I received my Bachelor of Science in Accounting degree from the University of Rio
11 Grande. I completed the Basic Concepts of Rate Making class through New Mexico State
12 University. I earned a Master of Business Administration degree from Franklin University.
13 I joined AEPSC in 2001 as an Accountant and joined the Regulatory Tariffs department as
14 a Regulatory Analyst III in 2004. I progressed through various positions before being
15 promoted to my current position of Director – Regulatory Services. My duties within the
16 regulatory department have included preparing cost-of-service studies for regulatory
17 filings, preparing cost based formula rates for wholesale customers, preparing rider filings
18 and rate designs, maintaining tariff books as well as other projects related to regulatory
19 issues and proceedings, individual customer requests and general rate matters.

1 **Q. WHAT ARE YOUR RESPONSIBILITIES AS DIRECTOR – REGULATORY**
2 **SERVICES?**

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

8 **Q. HAVE YOU PREVIOUSLY SUBMITTED TESTIMONY IN ANY REGULATORY**
9 **PROCEEDINGS?**

10 A. Yes. I have testified before the Public Utilities Commission of Ohio in several cases.

11 **II. PURPOSE OF TESTIMONY**

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

13 A. The purpose of my testimony is to support the Company's proposed changes to the Terms
14 and Conditions of Service, the combining of service tariffs, and updated prices for
15 miscellaneous distribution charges. I will also sponsor treatment of certain rider rates.

16 **Q. ARE YOU SPONSORING ANY SCHEDULE?**

17 A. Yes. I am sponsoring the following Schedules:

18 Schedule E-1 - Proposed tariff schedules

19 Schedule E-2 - Clean current tariff schedules

20 Schedule E-2.1 - Redlined current tariff schedules

21 Schedule E-3 – Narrative rationales for tariff changes

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

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

- 1 Exhibit AEM-1 – Calculation of Miscellaneous Charges in Terms and Conditions
- 2 Exhibit AEM-2 – Typical Bill Impacts of Distribution Investment Rider and Enhanced
- 3 Service Reliability Rider
- 4 Exhibit AEM-3 – Illustrative Example of the Distribution Investment Rider

5 **III. PROPOSED CHANGES TO TERMS AND CONDITIONS**

6 **Q. PLEASE PROVIDE AN OVERVIEW OF TARIFF CHANGES.**

7 A. The main changes we are proposing to our tariffs is finishing the combination of Ohio
8 Power and Columbus Southern Power tariffs into one tariff book. Likewise, if the Public
9 Utilities Commission of Ohio (“Commission”) approves the tariffs as proposed we will no
10 longer have a Standard Service Offer (“SSO”) and Open Access Distribution (“OAD”)
11 tariff book. In other words, all customers regardless of shopping or not shopping and
12 regardless of service territory will be served under the same terms and conditions of service
13 as well as service schedules.

14 **Q. PLEASE EXPLAIN THE MODIFICATIONS OF THE TERMS AND**
15 **CONDITIONS PROPOSED BY THE COMPANY.**

16 A. The modifications to the terms and conditions were mostly to update certain sections to
17 reflect the manner in which we currently operate, to eliminate duplication, and to clarify
18 language.

19 **Q. PLEASE EXPLAIN THE CHANGES TO SECTION 4 FOR AVAILABLE RATES.**

20 A. This change was to eliminate legacy language that is no longer relevant to the tariff
21 schedules. The timeframe for which the terms in the section apply are expired and as such
22 the language was removed from the terms and conditions. In addition, with the proposed

1 structure of the rate schedules, eliminating the provision to not allow changes from one
2 schedule to another is no longer relevant.

3 **Q. PLEASE EXPLAIN THE CHANGES TO SECTION 7 FOR INSPECTIONS.**

4 A. The Company has added an additional provision for service that is disconnected for a
5 period of time greater than six months, the Company wants the ability to re-inspect the
6 customer's facilities before re-energizing the service, and the ability to refuse to connect
7 service if there is a safety hazard. The Company has included a cost-based fee associated
8 with the inspection. Exhibit AEM-1 shows the calculations of the miscellaneous fees.

9 **Q. PLEASE DESCRIBE THE CHANGES TO SECTION 8, LOCATION &
10 MAINTENANCE OF THE COMPANY'S EQUIPMENT.**

11 A. Changes to this section provide clarification that the Company may require a customer to
12 provide the necessary easements for the Company to erect and maintain facilities on the
13 customer's property. There is also clarification for when the customer needs to provide
14 space for the Company's equipment. In certain circumstances, the Company needs space
15 within a Customer's building or vault. These changes explain that once the Company puts
16 its equipment on the customer's property, the Company will need to access its equipment
17 periodically and the Customer needs to provide that access.

18 **Q. PLEASE DESCRIBE THE CHANGES MADE TO SECTION 9, SERVICE
19 CONNECTIONS.**

20 A. This section includes a reference to the National Electrical Safety Code, clarifies that cable
21 can be either inside or outside of a building and updates the costs associated with multiple
22 trips based on Exhibit AEM-1.

1 **Q. PLEASE DESCRIBE THE CHANGES MADE TO SECTION 11, TEMPORARY**
2 **AND SPECIAL SERVICE.**

3 A. The Company modified this section to remove the language associated with generation
4 capacity as the generation is now procured through an auction process. Additional
5 modifications reflect updated temporary costs.

6 **Q. PLEASE DESCRIBE THE CHANGES MADE TO SECTION 12, WORK**
7 **PERFORMED ON COMPANY'S FACILITIES AT CUSTOMER'S REQUEST.**

8 A. This section was updated to reflect the costs charged for this service. The update
9 includes the list of costs as well as the manner in which charges and refunds will be applied.

10 **Q. PLEASE DESCRIBE THE CHANGES MADE TO SECTION 13, NOMINAL**
11 **VOLTAGE LEVELS.**

12 A. In this section, the Company is proposing to eliminate the Subtransmission voltage classes.
13 The Subtransmission and Transmission tariff classes are being combined since their rates
14 were the same. The language is also updated for clarification.

15 **Q. PLEASE DESCRIBE THE CHANGES MADE TO SECTION 14, METER**
16 **REGISTRATION AND TESTING.**

17 A. In this section, the Company is proposing language that requires customers to run
18 communication equipment so that the meter frequency can be picked up by Company
19 communication equipment. Again, once the metering equipment is installed, Company
20 employees must have access to the equipment. The tampering fees have been updated in
21 this section. The language is also updated to remove reference to older type meters that
22 are no longer on the Company's system. Clarification language is included in this section
23 around unmetered service.

1 **Q. PLEASE DESCRIBE THE CHANGES MADE TO SECTION 15, INTERVAL**
2 **METERING INSTALLATIONS.**

3 A. The costs associated with interval metering have been updated in this section.

4 **Q. PLEASE DESCRIBE THE CHANGES MADE TO SECTION 16, ADVANCED**
5 **METER OPT OUT.**

6 A. This section was modified to remove reference to the meter reading fee for opt outs around
7 the schedule of deployment for meters. This language was implemented as the Company
8 began to roll out AMI meters and is no longer necessary as the criteria of 85% or greater
9 of designated AMI or AMR has been achieved. In addition, language has been added to
10 clarify the AMI opt-out process. The Company modified language to reflect that the Opt
11 Out is available to customers that are not the property owner unless the property owner
12 requires the installation of an AMI or AMR meter. The Company proposes language that
13 would prohibit net metering customers from opting out of AMI meters. Measuring energy
14 usage and generation hourly promotes consistency in metering and settlement processes.
15 From a system perspective, net metering data needs to be consistent to achieve potential
16 system changes in the future of settling load on an hourly basis.

17 **Q. PLEASE DESCRIBE THE CHANGES MADE TO SECTION 18, RESALE OF**
18 **ENERGY.**

19 A. Changes proposed in this section were intended to clarify the language to accept any order
20 the Commission issues relating to who can or cannot offer electric-related services. The
21 Commission has adopted a three-part test providing guidance on resale of energy and this
22 language clarifies that the resale must fall within the parameters of that Commission order.

1 **Q. PLEASE DESCRIBE THE CHANGES MADE TO SECTION 21, RESIDENTIAL**
2 **SERVICE.**

3 A. This section includes clarification language that includes certain terms but also recognizes
4 that those examples are not an all-encompassing list.

5 **Q. PLEASE DESCRIBE THE CHANGES MADE TO SECTION 23, BILLING AND**
6 **BILLS PAYABLE.**

7 A. The Company moved the language from Supplement 21 out of the schedules section of the
8 tariffs and included the language in the terms and conditions of service. There is no change
9 to the proposed Supplement 21, only its placement in the tariff book. The fee for any
10 dishonored payment was also updated in this section.

11 **Q. PLEASE DESCRIBE THE CHANGES MADE TO SECTION 24.**

12 A. Only the title of this section was changed because the Company believes the new title
13 reflects that this section addresses what happens when a customer requests service to be
14 terminated at a given location.

15 **Q. PLEASE DESCRIBE THE CHANGES MADE TO SECTION 25, DENIAL OR**
16 **DISCONTINUATION OF SERVICE.**

17 A. This section was updated to provide clarification that if a safety concern exists at the
18 premise and has not yet been addressed, the Company will not restore power. This section
19 was also updated to reflect updated costs associated with trip charges as well as
20 disconnection and reconnection of service.

1 **Q. PLEASE DESCRIBE THE CHANGES MADE TO SECTION 26, DISCONNECT**
2 **PROVISIONS- NON-RESIDENTIAL.**

3 A. This section was updated to provide clarification that a former customer requesting service
4 may not be provided service if their former account is in arrears.

5 **Q. PLEASE DESCRIBE THE CHANGES MADE TO THE DELETED SECTION 27,**
6 **PRE-ENROLLMENT CUSTOMER INFORMATION LIST AS WELL AS THE**
7 **NEW SECTION 27 – CHANGING COMPETITIVE SERVICE PROVIDERS.**

8 A. The old section was deleted because it is included in the Supplier Terms and conditions in
9 the new Section 31.8. The new section 27 was edited to provide to add clarification that
10 mercantile customers must contact the competitive retail electric service (“CRES”)
11 provider directly in order to stop a pending switch that was not requested by the customer.

12 **Q. PLEASE EXPLAIN THE CHANGES TO SECTION 28, CUSTOMER CHOICE**
13 **OF COMPETITIVE SERVICE PROVIDER.**

14 A. This section includes a change to the way the Company will notify customers of CRES
15 providers enrolled and actively seeking residential customers in AEP Ohio’s territory. The
16 Company will refer customers to the Commission’s Apples to Apples website or mail a list
17 of CRES providers upon request.

18 **Q. PLEASE DESCRIBE THE CHANGES TO SECTION 29, LOSSES.**

19 A. This section includes updated loss factors.

1 **Q. PLEASE DESCRIBE THE CHANGES MADE TO SECTION 30, TRANSMISSION**
2 **SERVICE.**

3 A. The change made to this section reflects a new charge (Transmission Enhancement
4 Settlement) that has already been assigned to CRES Providers through PJM's line item
5 billing. Updating this line to the tariff reflects the current bills from PJM.

6 **Q. PLEASE DESCRIBE THE CHANGES MADE TO THE SUPPLIER TERMS AND**
7 **CONDITIONS SECTION OF TARIFFS.**

8 A. The Supplier Terms and Conditions were taken from the OAD section of tariffs. The whole
9 section was accepted in the redline version of the terms and conditions and then track
10 changes were made after this section was incorporated into the SSO terms and conditions.

11 **Q. PLEASE DESCRIBE THE CHANGES MADE TO THE NEW SECTION 31.1,**
12 **CONTENTS.**

13 A. The changes made to this section simply update the table of contents for the supplier terms
14 and conditions. Some sections were eliminated or combined with others to simplify the
15 tariff or to eliminate duplication.

16 **Q. PLEASE DESCRIBE THE CHANGES MADE TO THE PREVIOUS SECTIONS**
17 **31.3 AND 31.4.**

18 A. These sections were eliminated because they are already contained elsewhere in the terms
19 and conditions. Specifically, these are now new Sections 27 and 28.

20 **Q. PLEASE DESCRIBE THE CHANGES MADE TO SECTION 31.4.**

21 A. The transmission portion of this section and the PJM billing line items were deleted
22 because they are already contained in Section 30. In addition, the Company removed the

1 reference to the current general service schedules, GS-2 or above, to be demand-metered
2 general service to reflect the proposed general service schedules.

3 **Q. PLEASE DESCRIBE THE CHANGES MADE TO SECTION 31.6.**

4 A. Changes made to this section reflect clarification language of the process and includes an
5 additional provision for rejecting CRES registrations if the Supplier is no longer certified
6 by the Commission.

7 **Q. PLEASE DESCRIBE THE CHANGES MADE TO SECTION 31.8.**

8 A. Changes to this section reflect AEP Ohio's method of providing the pre-enrollment list
9 information through the Company's CRES portal and changes to Ohio Developmental
10 Services Agency's name. Other changes reflect changes made to the Ohio Administrative
11 Code ("O.A.C.") that require CRES providers to produce letters of authorization when
12 requested and use of a governmental aggregation code when a customer is registered as a
13 member of a government aggregation program.

14 **Q. PLEASE DESCRIBE THE CHANGES MADE TO SECTION 30.10, LOSSES.**

15 A. This section reflects updated loss factors.

16 **Q. PLEASE DESCRIBE THE CHANGES MADE TO SECTION 30.15, METERING
17 AND LOAD PROFILING.**

18 A. Changes made to this section were to delete references to Interval Metering Charges
19 because those are already contained in Section 15 of the terms and conditions.

20 **Q. PLEASE DESCRIBE THE CHANGES MADE TO SECTION 31.20, BILLING
21 SERVICES.**

22 A. This section was modified to eliminate charges for special billing work that may have been
23 done on behalf of the CRES Provider. Also added to this section is a provision that says

1 the Company can terminate a billing service agreement if they are in violation of the O.A.C.
2 The Company will permit three “strikes” before terminating the agreement.

3 **IV. MISCELLANEOUS SERVICE CHARGES**

4 **Q. PLEASE EXPLAIN THE CHANGES TO MISCELLANEOUS CHARGES WITHIN**
5 **THE TERMS AND CONDITIONS.**

6 A. The miscellaneous charges in the terms and conditions were modified to reflect the
7 Company’s current costs of labor and vehicle expenses. These costs have not been updated
8 in the terms and conditions since the last base rate case. Some costs increased while others
9 decreased due to improvements to technology and implementation of AMI meters. WPE-
10 1 a-h shows the current costs and rate calculations for miscellaneous charges. The
11 calculations are also attached here as Exhibit AEM-1.

12 The Company is also requesting to include a late payment fee for residential
13 customers. Currently, approximately 38% of residential customers pay their bills late. The
14 Company is proposing this fee in order to incent on time payment of electric bills.
15 Currently the Company factors its account receivables and has certain metrics which it
16 must maintain. One such metric is the days sales outstanding. In order to meet the metrics
17 for days sales outstanding, timely payments must be received. Through increased
18 efficiency in credit metrics such as on time payments, less delinquencies, etc., there is a
19 chance that the factoring rate could improve, reducing factoring expense and producing
20 savings for all customers. Due to the unknown measure of how a late payment fee may
21 incent on time payment, the Company is proposing to credit any late payment fees charged
22 to and collected from residential customers to the bad debt rider.

1 **V. SERVICE SCHEDULE TARIFFS**

2 **Q. PLEASE DESCRIBE THE CHANGES MADE TO THE SERVICE SCHEDULE**
3 **TARIFFS IN GENERAL.**

4 A. Service Schedule Tariffs were consolidated between CSP and OP and further within the
5 various voltage classes with the elimination of GS 1 – 4 designations. The Company is
6 offering a few new service tariffs, and eliminated tariff size requirements that would
7 require a customer to move from one tariff to another based on load growth or reduction.
8 The Company eliminated specific references to water heating and other specific uses of
9 electricity that were no longer used. The Service Schedule tariffs and all riders were
10 renumbered to better organize the tariff book.

11 Each time there is a rate change, the Company has to manage an extensive list of
12 tariffs. This is no longer necessary as many have the same rate structure, but due to changes
13 over time, historically needed to be separate. This change reduces the tariffs and provides
14 operational benefits when it comes to managing the tariff books as well as the customer
15 billing system. RDMS is being eliminated, as there are no current customers.

16 **Q. PLEASE EXPLAIN THE NEW SERVICE TARIFFS THE COMPANY IS**
17 **OFFERING.**

18 A. The Company is proposing new LED service offerings in both its Street Lighting and Area
19 Lighting Tariffs, as sponsored by Company witness Williams. I am sponsoring a new
20 Alternate Feed Service Schedule.

21 **Q. EXPLAIN THE COMPANY'S ALTERNATE FEED SERVICE SCHEDULE.**

22 A. The Company currently charges customers for alternate feed service. The proposed rates
23 were combined for the Columbus Southern Power and Ohio Power rates zones as supported

1 by Company witness Roush. This change only impacts two customers in the Ohio Power
2 rate zone. The addition of this schedule is being proposed in the tariff book to provide
3 transparency.

4 **VI. UPDATES TO CURRENT RIDERS**

5 **Q. IS THE COMPANY REQUESTING ANY UPDATES TO CURRENT RIDERS?**

6 A. Yes. As discussed below, the Company is requesting updates to the Distribution
7 Investment Rider (“DIR”), Enhanced Service Reliability Rider (“ESRR”), Bad Debt Rider
8 (“BDR”), the Storm Damage Recovery Rider (“SDRR”), Auction Cost Reconciliation
9 Rider (“ACRR”), and Economic Development Cost Recovery Rider (“EDR”).

10 **Q. PLEASE EXPLAIN THE PROPOSED UPDATES TO THE DIR.**

11 A. The Company is proposing an update to the DIR that includes a formulaic change that
12 reflects that the revenue requirement caps as proposed by the Company are the sum of the
13 monthly revenue requirement, which reflects one-twelfth of the current month revenue
14 requirement, which is what is actually passed through to customers. This update is only
15 recommended to better identify the caps set by the Commission and avoid unintended
16 under recoveries. The Company is proposing to create a separate cap calculation section
17 that is not linked in the DIR workbook that can be analyzed during the quarterly filings for
18 accuracy. See Exhibit AEM-3 for an illustrative example of the format proposed. All
19 numbers are for illustrative example only. Exhibit AEM-3 shows that if in any year the
20 total annual amount will exceed the Commission approved DIR cap, the Company will
21 adjust the remaining months to ensure the caps are not exceeded. This change will provide
22 transparency to the cap calculation. If a quarter reflects a lowered amount, the rate will be
23 adjusted to collect the average of the quarter. As an example in Exhibit AEM-3, the

1 December amount for the full year application of the improved cap calculation example
2 was adjusted to reflect a reduction of \$3,083,333. The rate for the DIR will be the average
3 of the 4th quarter, or in this example, \$11,472,222, which represents the entire 4th quarter
4 revenue requirement (*i.e.*, \$11,472,222 for 3 months = \$34,416,667)

5 Additionally, the Company is proposing to increase the DIR upon expiration of the
6 theoretical reserve amortization as agreed to in ESP III (Case Numbers 16-1852-EL-SSO
7 et al.). The test year of the base case includes the amortization of a current theoretical
8 reserve. This amortization has the impact of lowering depreciation expense during the test
9 year. Upon expiration of the theoretical reserve the amortization amount included in the
10 test year of \$23,726,170, as found in Appendix A of the Stipulation filed in Case No. 18-
11 1652-EL-SSO et al., will be included as additional revenue requirement through the DIR.
12 After the test year in this case is established, the theoretical reserve amortization will
13 increase by approximately \$21M beginning June 1, 2021 and ending May 31, 2023. Just
14 as the Company is proposing to increase the DIR by \$23.7M in June of 2023, the Company
15 proposes to pass back this additional benefit through the DIR from June 1, 2021 through
16 May 31, 2023. The bill impacts shown in Exhibit AEM-2 include this proposal.

17 The Carrying Charge rate for the DIR is being updated to include the most recent
18 average depreciation rate as proposed by Company witness Cash, an updated property tax
19 component based on 2019 actuals and a new Weighted Average Cost of capital as proposed
20 by Company witness Messner. The proposed Revenue requirement of the DIR based on
21 the amounts supported by Company witness Kratt are \$71M in 2021, \$117M in 2022,
22 \$164M in 2023, and \$211M in 2024. Exhibit AEM-2 shows the ongoing bill impacts
23 associated with the DIR and ESRR. The revenue requirement for 2021 will be

1 implemented upon approval of the base distribution case. Currently the Company has a
2 revenue cap for 2021 of \$290 million with the potential of \$295 million if there is a
3 carryover from the previous year. Upon approval of the base distribution case, this cap
4 will reset based on the timing of Commission approval. As an example, if the Commission
5 approves the base case and the new DIR caps are effective June 1, 2021, then 1/12 of the
6 approved cap will be calculated each month beginning in June 2021 and the basing point
7 of the DIR will be December 2019, the date certain of this case effective that same month.

8 The DIR will also be updated to reflect that the only rider in which capital plant is
9 being collected is through GS Phase II. As such, adjustments were made to remove the
10 plant from gridSMART Phase I, the Energy Efficiency and Peak Demand Reduction Cost
11 Recovery Rider (“EE/PDR”) and the ESRR. The costs included in the ESRR will be
12 included in the rider going forward as O&M. To the extent there is capital, it will be
13 included in the DIR. In addition, the amount collected through the DIR for the revenue
14 requirement in the Company’s last base case, Case No. 11-351-EL-AIR will also be
15 removed.

16 The caps as proposed do not include an adjustment for the normalized ADIT. The
17 estimated increase in plant based on the normalized ADIT is already included in the cap
18 calculation and as such it is no longer necessary to exclude that calculation from the cap
19 balance. If the caps are not approved as proposed, the Company would need to continue
20 to exclude the normalized ADIT from the cap calculation.

1 **Q. IS THE COMPANY PROPOSING ANY CHANGES TO THE PROTECTED ADIT**
2 **RECOVERED THROUGH THE DIR OR THE UNPROTECTED ADIT**
3 **RECOVERED THROUGH THE TAX SAVINGS CREDIT RIDER?**

4 A. No. Per pages 3 and 4 of the Stipulation in Case No. 18-1451-EL-ATA, the protected
5 ADIT will continue to be passed back through the DIR and not subject to the caps. The
6 unprotected ADIT per pages 4 and 5 of that same Stipulation explains that the
7 unprotected ADIT will be recovered through the tax savings credit rider. The protected
8 and unprotected ADIT was removed from the test year in order to reflect that those benefits
9 are being and will continue to be passed back through other mechanisms.

10 **Q. PLEASE EXPLAIN THE UPDATES TO THE ESRR.**

11 A. The Company did not adjust the current levels of ESRR out of the base rates. The total
12 level included in base rates is \$45,091,362. Per the Stipulation in Case Numbers 17-0038-
13 EL-RDR and 18-0230-EL-RDR, the Company will, upon approval of the rates filed here,
14 begin to expense certain work that used to be classified as capital. Per Company witness
15 Kratt, the incremental spend needed for vegetation management is \$57,746,869,
16 \$49,031,169, \$49,031,169 and \$49,031,169 for 2021, 2022, 2023 and 2024 respectively.
17 The annual forestry dollars spent above the base rate amount will be included in the ESRR.
18 Exhibit AEM-2 shows the ongoing bill impacts associated with the ESRR and the DIR.

19 **Q. PLEASE EXPLAIN THE UPDATES TO THE STORM DAMAGE RECOVERY**
20 **RIDER.**

21 A. The test year reflects the five-year average of major storm expenses experienced by Ohio
22 power from 2015 through 2019. The adjustment reflects that the current level of O&M has
23 been reduced from the base of approximately \$5.120 million dollars currently established

1 in the storm damage rider to approximately \$3.341 million dollars as proposed for the new
2 baseline. As such, the Company has reset the test year to include \$3.341 million O&M for
3 Storm O&M expenses and will collect or return to customers the amount spent each year
4 on major events above or below that new baseline.

5 **Q. PLEASE EXPLAIN THE PROPOSED UPDATES TO THE BAD DEBT RIDER.**

6 A. The Company is requesting to update the bad debt rider based on the test year level of
7 factoring expense. The rider will track the test year level of factoring expense to the actual
8 factoring expense. The Company is proposing to include any late payment fees collected
9 from residential customers to be included as a credit to the bad debt rider.

10 The Company currently offers customers to pay their bill online by credit card.
11 However, there is currently a fee associated with Automated Clearing House (“ACH”)
12 payments made through the vendor as well as credit and debit card payments. The
13 Company has provided a level of credit card fees to be included in base rates that is equal
14 to the 2019 number of customers utilizing ACH, credit/debit card payments and the
15 estimated amount per transaction from the vendor. However, if the number of customers
16 that will utilize the credit or debit card payment increases, the amount of fees associated
17 with these incremental payments may exceed the current level as included in base rates.
18 As such, the credit card fees included in the test year will be trued-up through the bad debt
19 rider. Credit card options are another way to potentially prevent nonpayment, reducing
20 the levels of factoring expense, producing savings to all customers.

1 **Q. PLEASE EXPLAIN THE ADJUSTMENT TO THE BAD DEBT RIDER**
2 **ASSOCIATED WITH THE COMMISSION APPROVED DEFERRAL OF COVID-**
3 **19 COSTS.**

4 A. In Case No. 20-604-EL-AAM, the Commission ordered the Company to track and defer
5 certain incremental expenses as they related to the coronavirus pandemic. The Company
6 worked with the Staff of the Commission in order to determine that a separate FERC
7 account be established that would defer incremental costs as they relate to COVID-19 less
8 any cost savings recognized through the pandemic. The Company is requesting to collect
9 the amount of the deferral through the Bad Debt Rider upon approval in this case to the
10 extent a recovery mechanism is not approved in Case No. 20-604-EL-AAM. The costs
11 associated with the deferral will be subject to audit during the bad debt rider proceeding in
12 compliance with the Commission order.

13 **Q. PLEASE EXPLAIN THE ADJUSTMENTS REQUESTED FOR THE AUCTION**
14 **COST RECONCILIATION RIDER.**

15 A. The Company is proposing to include payments to Co-generation customers through the
16 ACRR. Those payments are currently included in account 555 and as such were removed
17 from the test year. To the extent customers qualify for co-generation, the amount of
18 generation produced would decrease the amount of energy necessary to procure through
19 the auction process. The ACRR is the true-up mechanism to the auction process for AEP
20 Ohio. Co-generation credits would be included as an additional cost through the ACRR.

21 **Q. IS THE COMPANY PROPOSING ANY UPDATES TO THE EDR?**

22 A. Yes. As supported by Company witness Williams, the test year includes an estimated
23 amount of energy efficiency program costs. To the extent the Company does not reach the

1 estimated costs of those programs as included in the test year, any unspent dollars will be
2 refunded to customers through the EDR. In addition, an adjustment was made to the EDR
3 to include the portion of Interruptible credits currently being collected through the EE/PDR
4 rider.

5 **Q. PLEASE EXPLAIN ADJUSTMENT C-3.8 FOR ENERGY EFFICIENCY LABOR.**

6 A. The test year excludes any cost and revenue associated with the current Energy
7 Efficiency/Peak Demand Reduction program costs as the rider is winding down and will
8 expire. In the Company's last base distribution case, the EE/PDR team members' labor
9 was included in the rider and as such adjusted out of the base case as adjustment C-3.3.
10 Adjustment C-3.8 was made in order to reflect that the labor amounts for the EE/PDR team
11 should remain in the test year as removing the entire EE/PDR costs would also remove this
12 labor. As the team members are retained, the labor associated with those team members
13 should remain in base rates.

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

15 A. Yes.

Miscellaneous Service Revenue Increases

		01/01/19 - 12/31/19				
	<u>Tariff Sheet</u>	<u>Test Year Charges</u>	<u>Current Rate</u>	<u>Current Revenue</u>	<u>Proposed Rate</u>	<u>Proposed Revenue</u>
<u>Reconnect Charges</u>						
At meter - regular business hours	5 - 1	135,515	\$53	\$7,182,295	\$27	\$3,658,905
At meter - overtime	5 - 1	4,728	\$98	\$463,344	\$58	\$274,224
At meter - Sunday or holiday	5 - 1	78	\$119	\$9,282	\$71	\$5,538
At pole - regular business hours	5 - 1	95	\$154	\$14,630	\$161	\$15,295
At pole - overtime	5 - 1	11	\$192	\$2,112	\$222	\$2,442
At pole - Sunday or holiday	5 - 1	3	\$221	\$663	\$261	\$783
*Remove & reset meter	5 - 1		\$73	\$0		\$0
Install locking device	5 - 1	99	\$73	\$7,227	\$78	\$7,722
At customer's request for non-credit reasons	5 - 1	5,168	\$153	\$790,704	\$168	\$868,224
Inspections for over 6 Months		10,607	\$0		\$27	\$286,389
Collection Trip Charge	5 - 1	60,282	\$16	\$964,512	\$18	\$1,085,076
<u>Meter Test Charges</u>						
All meters	5 - 2		\$0	\$0	\$0	\$0
Single phase meters	Revised		\$64	\$0	\$75	\$0
All other meters	Revised		\$85	\$0	\$100	\$0
Minimum Fraudulent or Tampering Charge	5 - 2	296	\$49	\$14,504	\$52	\$15,392
Returned Check Charge	5 - 1	26,629	\$9	\$239,661	\$12	\$319,548
<u>Temporary Service</u>						
Read-in/Read-out existing meter	Revised	1	\$57	\$57	\$61	\$61
Overhead - 120/240 V, 1 ph, 200A	Revised	562	\$237	\$133,194	\$383	\$215,246
Underground - 120/240 V, 1 ph, 200A	Revised	2,124	\$134	\$284,616	\$144	\$305,856
Connect Phone Line			\$57		\$66	
Perform Manual Meter Read			\$43	\$0	\$50	\$0
Check Phone Line & Perform Manual Read		6	\$47	\$282	\$55	\$330
Repair/Replace Surge Protector			\$119		\$119	
Repair/Replace Interval Board			\$121		\$137	
Repair/Replace Modem Board			\$210		\$236	
Repair/Replace Interval and Modem Boards			\$260		\$276	
Total Miscellaneous Service Revenue				\$10,107,083		\$7,061,031
				Total Revenue Differential		-\$3,046,052

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1. Reconnect at meter for non-pay during regular business hours (8:00 a.m. to 4:00 p.m.) when disconnect is made at meter.

Schedule Reference

Current charge: \$53:00

Proposed charge: \$27.00

Weighted Average travel time per trip: 25 Minutes

Labor: MRO Specialist @ \$29.84 per hour plus fringes at 41% x .42 hour =

\$17.67

Average time to disconnect and reconnect: 12 minutes

Labor: \$29.84 per hour plus fringes at 41% x .2 hour =

8.41

Vehicle cost for class 34: \$7.50 per hour x .611 hour =

4.58

Total cost justified reconnect charge

\$30.67 Schedule E-1 Page 16

Cost justified disconnect charge

30.67

Total rounded cost justified charge

\$61.00

AMI Meter Adjustment Rounded 55% Credit

-\$34.00

Total AMI Adjusted cost justified Rounded Charge

\$27.00 Schedule E-1 Page 31

2. Reconnect at meter for non-pay during overtime hours after 4:00 p.m. and Saturday.

Current charge: 98.00

Proposed charge: \$58.00

Average travel time per trip: 1 hour

Labor: MRO Specialist @ \$29.84 per hour x 1.5 (time and a half) x 2 hr. (min) =
(Two hour union contractual call out minimum)

\$89.52

Vehicle cost for class 34: \$7.50 per hour x 1 hour =

7.50

Total cost justified reconnect charge

\$97.02 Schedule E-1 Page 16

Cost justified disconnect charge (during regular hours)

30.67

Total rounded cost justified charge

\$128.00

AMI Meter Adjustment Rounded 55% Credit

-\$70.00

Total AMI Adjusted cost justified Rounded Charge

\$58.00 Schedule E-1 Page 32

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3. Reconnect at meter on Sunday or holiday when double time is required.

Schedule Reference

Current charge: 119.00 Proposed charge: 71.00

Average travel time: 1 hour

Labor: \$29.84 per hour x 2 (double time) x 2 hr. (min.) =
(Two hour union contractual call out minimum)

\$119.36

Vehicle cost for class 34: \$7.50 per hour x 1 hour =

7.50

Total cost justified reconnect charge

\$126.86 Schedule E-1 Page 16

Cost justified disconnect charge (during regular hours)

30.67

Total rounded cost justified charge

\$158.00

AMI Meter Adjustment Rounded 55% Credit

-\$87.00

Total AMI Adjusted cost justified Rounded Charge

\$71.00 Schedule E-1 Page 32

4. Reconnect for non-pay during regular business hours (8:00 a.m. to 4:00 p.m.) when disconnect is made at pole.

Current charge: 154.00 Proposed charge: \$161.00

Average travel and time to disconnect or reconnect: 1 hour

Labor: Line Mechanic A @ \$38.61 per hour plus fringes at 41% x 1 hour =

\$54.44

Vehicle cost for class 68: \$25.81 per hour x 1 hour =

25.81

Cost justified reconnect charge

\$80.25

Cost justified disconnect charge

80.25

Total rounded cost justified charge

\$161.00 Schedule E-1 Page 32

AEP Ohio Power Company
Terms and Conditions of Service
Cost Support for Proposed Schedule of Charges
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5. Reconnect for non-pay during overtime hours when disconnect is made at pole. Schedule Reference
(Disconnect during regular hours/reconnect during overtime hours)

Current charge: 192.00 Proposed charge: \$222.00

Average travel and time to disconnect or reconnect: 1 hour	
Reconnect: Line Mechanic A @ \$38.61/hr. x 1.5 (overtime) x 2 hr. (min) = (Two hour union contractual call out minimum)	\$115.83
Vehicle cost for class 68: \$25.81 per hour x 1 hour =	<u>25.81</u>
Cost justified reconnect charge	\$141.64
Disconnect: Line Mechanic A @ \$38.61/hr. plus fringes at 41% (reg. time)	\$54.44
Vehicle cost for class 68: \$25.81 per hour x 1 hour =	<u>25.81</u>
Total rounded cost justified charge	\$222.00 Schedule E-1 Page 32

6. Reconnect at pole on Sunday or holidays when double time is required.
(Disconnect during regular hours/reconnect during overtime hours)

Current charge: 221.00 Proposed charge: \$261.00

Average travel time: 1 hour	
Labor: \$38.61 per hour x 2 (double time) x 2 hr. (min.) = (Two hour union contractual call out minimum)	\$154.44
Vehicle cost for class 68: \$25.81 per hour x 1 hour =	<u>25.81</u>
Total cost justified reconnect charge	\$180.25
Disconnect: Line Mechanic A @ \$38.61/hr.x 1 hour plus fringes at 41% (reg. time)	\$54.44
Vehicle cost for class 68: \$25.81 per hour x 1 hour =	<u>25.81</u>
Total rounded cost justified charge	\$261.00 Schedule E-1 Page 32

AEP Ohio Power Company
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Using 2019 Cost Information

7. Install locking device and reconnect service.	Schedule Reference
<u>Current charge: \$73.00</u> <u>Proposed charge: \$78.00</u>	
Average travel time per trip: 30 Minutes	
Labor: MRO Specialist @ \$29.84 per hour plus fringes at 41% x .50 hour =	\$21.04
Average time to install lock and reconnect meter 15 minutes	
Labor: \$29.84 per hour plus fringes at 41% x .25 hour =	10.52
Locking device (Jiffy Lock)	10.55
Vehicle cost for class 34: \$7.50 per hour x .75 hour =	5.63
Cost justified disconnect charge	<u>30.67</u>
Total cost justified reconnect charge	\$78.00 Schedule E-1 Page 32
8. Disconnect and Reconnect at customer's request for non-credit related reasons.	
<u>Current charge: \$77.00</u> <u>Proposed charge: \$160.00</u>	
Disconnect/Reconnect is made at pole, weatherhead, secondary bushings of transformer or other similar manner. Customer will be assessed charge for each trip.	
Cost justified reconnect charge from item #4.	\$80.00
Cost justified disconnect charge from item #4.	<u>\$80.00</u>
	\$160.00 Schedule E-1 Page 32
9. Collection trip charge accessed the customer for each time an employees is dispatched to the customer's premise for the purpose of performing collection activities.	
<u>Current charge: \$16.00</u> <u>Proposed charge: \$18.00</u>	
Average travel time per trip: 19 Minutes	
Labor: MRO Specialist @ \$29.84 per hour plus fringes at 41% x .317 hour =	\$13.34
Average time to complete collection task at customer site: 2 minutes	
Labor: MRO Specialist @ \$29.84 per hour plus fringes at 41% x .033 hour =	\$1.39
Vehicle cost for class 34: \$7.50 per hour x .4 hour =	<u>3.00</u>
Total cost justified reconnect charge	\$18.00 Schedule E-1 Page 31

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Cost Support for Proposed Schedule of Charges
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	Schedule Reference
10. Meter test charge for single phase meters for each subsequent test conducted within thirty-six (36) months of the last previous test.	
<u>Current charge: \$64.00</u> <u>Proposed charge: \$75.00</u>	
Average travel time per trip: 38 minutes	
Labor: MRO Electrician A @ \$39.61 per hour plus fringes at 41% x .633 hour =	\$35.35
Vehicle cost for class 44: \$10.53 per hour x 1.13 hours =	11.90
Average time at meter single phase: 30 minutes	
Labor : MRO Electrician A @ \$39.61 per hour plus fringes at 41% x .5 hour =	<u>27.93</u>
Total rounded cost justified charge for single phase meters	\$75.00 Schedule E-1 Page 21
11. Meter test charge for other than single phase meters for each subsequent test conducted within thirty-six (36) months of the last previous test.	
<u>Current charge: \$85.00</u> <u>Proposed charge: \$100.00</u>	
Average travel time per trip: 38 minutes	
Labor: MRO Electrician A @ \$39.61 per hour plus fringes at 41% x .633 hour =	\$35.35
Vehicle cost for class 44: \$10.53 per hour x 1.5 hours =	15.80
Average time at meter other than single phase: 52.5 mins	
Labor : MRO Electrician A @ \$39.31 per hour plus fringes at 41% x 52.5 mins =	<u>48.87</u>
Total rounded cost justified charge for other than single phase	\$100.00 Schedule E-1 Page 21
12. Minimum charge to investigate tampering or fraudulent practice.	
<u>Current charge: \$49.00</u> <u>Proposed charge: \$52.00</u>	
Average travel time per trip: 30 Minutes	
Labor: MRO Specialist @ \$29.84 per hour plus fringes at 41% x .5 hour =	\$21.04
Average time to investigate and inspect equipment 20 minutes	
Labor: \$29.84 per hour plus fringes at 41% x .333 hour =	14.01
Locking device (Jiffy Lock)	10.55
Vehicle cost for class 34: \$7.50 per hour x .833 hour =	<u>6.25</u>
Total cost justified tampering of fraud charge	\$52.00 Schedule E-1 Page 21

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	Schedule Reference
13. Returned check charge.	
<u>Current charge: \$9.00</u> <u>Proposed charge: \$12.00</u>	
Bank fee per returned check	\$6.50
Labor: Direct Collection Associate @ \$20.90 per hour plus fringes at 50% x 1/12 hours (average processing time).	2.72
Labor: Payment Option Coordinator @ \$33.00 per hour plus fringes at 50% x 1/20 hours (average process time)	2.57
Total rounded cost justified charge processing and review	\$12.00 Schedule E-1 Page 30
14. Temporary service requiring only reading-in and reading-out an existing meter.	
<u>Current charge: \$57.00</u> <u>Proposed charge: \$61.00</u>	
Same as disconnect and reconnect at meter during normal business hours.	
Total cost justified charge from item #1.	\$61.00 Schedule E-1 Page 19
15. Connect Phone Line	
<u>Current charge: \$57.00</u> <u>Proposed charge: \$66.00</u>	
Average travel time per trip: 30 minutes	
Labor: MRO Electrician A @ \$39.61 per hour plus fringes at 41% x .5 hour =	\$27.93
Vehicle cost for class 44: \$10.53 per hour x 1 hour =	\$10.53
Average time at meter single phase: 30 minutes	
Labor : MRO Electrician A @ \$39.61 per hour plus fringes at 41% x .5 hour =	<u>\$27.93</u>
Total rounded cost justified charge for single phase meters	\$66.00 Schedule E-1 Page 22
16. Perform Manual Meter Read	
<u>Current charge: \$43.00</u> <u>Proposed charge: \$50.00</u>	
Average travel time per trip: 30 minutes	
Labor: MRO Electrician A @ \$39.61 per hour plus fringes at 41% x .5 hour =	\$27.93
Vehicle cost for class 44: \$10.53 per hour x 3/4 hour =	\$7.90
Average time at meter single phase: 15 minutes	
Labor : MRO Electrician A @ \$39.61 per hour plus fringes at 41% x .25 hour =	<u>\$13.96</u>
Total rounded cost justified charge for single phase meters	\$50.00 Schedule E-1 Page 22

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Cost Support for Proposed Schedule of Charges
Using 2019 Cost Information

	Schedule Reference
17. Check Phone Line and Perform Manual Meter Read Due to Loss of Communication	
<u>Current charge: \$47.00</u> <u>Proposed charge: \$55.00</u>	
Average travel time per trip: 30 minutes	
Labor: MRO Electrician A @ \$39.61 per hour plus fringes at 41% x .5 hour =	\$27.93
Vehicle cost for class 44: \$10.53 per hour x 50 min =	\$8.77
Average time at meter single phase: 20 minutes	
Labor : MRO Electrician A @ \$39.61 per hour plus fringes at 41% x .333 hour =	<u>\$18.60</u>
Total rounded cost justified charge for single phase meters	\$55.00 Schedule E-1 Page 22
18. Repair/Replace Surge Protector	
<u>Current charge: \$119.00</u> <u>Proposed charge: \$119.00</u>	\$119.00 Schedule E-1 Page 22
19. Repair/Replace Interval Board	
<u>Current charge: \$121.00</u> <u>Proposed charge: \$137.00</u>	\$137.00 Schedule E-1 Page 22
20. Repair/Replace Modem Board	
<u>Current charge: \$210.00</u> <u>Proposed charge: \$236.00</u>	\$236.00 Schedule E-1 Page 22
21. Repair/Replace Interval and Modem Boards	
<u>Current charge: \$260.00</u> <u>Proposed charge: \$276.00</u>	\$276.00 Schedule E-1 Page 22
22. Temporary service - 120/240V, 1 ph, 200A with 100 foot service lateral from permanent overhead source. Install and remove service.	
<u>Current charge: \$237.00</u> <u>Proposed charge: \$383.00</u>	\$383.00 Schedule E-1 Page 19
23. Temporary service - 120/240 V, 1 ph, 200 A with 100 foot service lateral from permanent underground source. Instal and remove service.	
<u>Current charge: \$134</u> <u>Proposed charge: \$144.00</u>	\$144.00 Schedule E-1 Page 19
24. Inspection	
<u>Current Charge: \$0.00</u> <u>Proposed Charge: \$27.00</u>	\$27.00 Schedule E-1 Page 14

**Ohio Power Company
Typical Bill Comparison
Estimated DIR and ESRR Bill Impacts
Ohio Power Rate Zone**

<u>Tariff</u>	<u>kWh</u>	<u>KW</u>	<u>Current</u>	<u>Year 1</u>	<u>Difference</u>	<u>Difference</u>	<u>Year 2</u>	<u>Difference</u>	<u>Difference</u>	<u>Year 3</u>	<u>Difference</u>	<u>Difference</u>	<u>Year 4</u>	<u>Difference</u>	<u>Difference</u>
Residential	100	\$	28.14	\$ 29.55	\$ 1.41	5.0%	\$ 29.99	\$ 0.44	1.5%	\$ 31.20	\$ 1.21	4.0%	\$ 32.30	\$ 1.10	3.5%
	250	\$	45.38	\$ 47.13	\$ 1.75	3.9%	\$ 47.69	\$ 0.56	1.2%	\$ 49.20	\$ 1.51	3.2%	\$ 50.57	\$ 1.37	2.8%
	500	\$	74.13	\$ 76.46	\$ 2.33	3.1%	\$ 77.22	\$ 0.76	1.0%	\$ 79.22	\$ 2.00	2.6%	\$ 81.04	\$ 1.82	2.3%
	750	\$	102.90	\$ 105.80	\$ 2.90	2.8%	\$ 106.74	\$ 0.94	0.9%	\$ 109.25	\$ 2.51	2.4%	\$ 111.52	\$ 2.27	2.1%
	1,000	\$	131.65	\$ 135.14	\$ 3.49	2.7%	\$ 136.26	\$ 1.12	0.8%	\$ 139.27	\$ 3.01	2.2%	\$ 141.99	\$ 2.72	2.0%
	1,500	\$	189.15	\$ 193.80	\$ 4.65	2.5%	\$ 195.29	\$ 1.49	0.8%	\$ 199.30	\$ 4.01	2.1%	\$ 202.92	\$ 3.62	1.8%
	2,000	\$	246.66	\$ 252.47	\$ 5.81	2.4%	\$ 254.33	\$ 1.86	0.7%	\$ 259.34	\$ 5.01	2.0%	\$ 263.86	\$ 4.52	1.7%
GS-1	375	3 \$	58.71	\$ 60.27	\$ 1.56	2.7%	\$ 60.77	\$ 0.50	0.8%	\$ 62.10	\$ 1.33	2.2%	\$ 63.31	\$ 1.21	2.0%
Secondary	1,000	3 \$	121.56	\$ 124.25	\$ 2.69	2.2%	\$ 125.11	\$ 0.86	0.7%	\$ 127.42	\$ 2.31	1.9%	\$ 129.51	\$ 2.09	1.6%
	750	6 \$	96.44	\$ 98.66	\$ 2.22	2.3%	\$ 99.38	\$ 0.72	0.7%	\$ 101.30	\$ 1.92	1.9%	\$ 103.04	\$ 1.74	1.7%
	2,000	6 \$	222.14	\$ 226.62	\$ 4.48	2.0%	\$ 228.07	\$ 1.45	0.6%	\$ 231.94	\$ 3.87	1.7%	\$ 235.43	\$ 3.49	1.5%
GS-2	1,500	12 \$	225.19	\$ 229.99	\$ 4.80	2.1%	\$ 231.54	\$ 1.55	0.7%	\$ 235.68	\$ 4.14	1.8%	\$ 239.42	\$ 3.74	1.6%
	4,000	12 \$	429.99	\$ 439.30	\$ 9.31	2.2%	\$ 442.30	\$ 3.00	0.7%	\$ 450.33	\$ 8.03	1.8%	\$ 457.59	\$ 7.26	1.6%
	6,000	30 \$	796.50	\$ 817.70	\$ 21.20	2.7%	\$ 824.53	\$ 6.83	0.8%	\$ 842.82	\$ 18.29	2.2%	\$ 859.35	\$ 16.53	2.0%
	10,000	30 \$	1,032.35	\$ 1,053.55	\$ 21.20	2.1%	\$ 1,060.38	\$ 6.83	0.7%	\$ 1,078.67	\$ 18.29	1.7%	\$ 1,095.20	\$ 16.53	1.5%
	10,000	40 \$	1,164.10	\$ 1,191.40	\$ 27.30	2.4%	\$ 1,200.21	\$ 8.81	0.7%	\$ 1,223.76	\$ 23.55	2.0%	\$ 1,245.05	\$ 21.29	1.7%
	14,000	40 \$	1,399.95	\$ 1,427.25	\$ 27.30	2.0%	\$ 1,436.06	\$ 8.81	0.6%	\$ 1,459.61	\$ 23.55	1.6%	\$ 1,480.90	\$ 21.29	1.5%
	12,500	50 \$	1,443.26	\$ 1,476.66	\$ 33.40	2.3%	\$ 1,487.44	\$ 10.78	0.7%	\$ 1,516.25	\$ 28.81	1.9%	\$ 1,542.30	\$ 26.05	1.7%
	18,000	50 \$	1,765.86	\$ 1,799.26	\$ 33.40	1.9%	\$ 1,810.04	\$ 10.78	0.6%	\$ 1,838.85	\$ 28.81	1.6%	\$ 1,864.90	\$ 26.05	1.4%
	15,000	75 \$	1,920.04	\$ 1,968.70	\$ 48.66	2.5%	\$ 1,984.40	\$ 15.70	0.8%	\$ 2,026.37	\$ 41.97	2.1%	\$ 2,064.32	\$ 37.95	1.9%
	30,000	100 \$	3,125.46	\$ 3,189.38	\$ 63.92	2.1%	\$ 3,209.99	\$ 20.61	0.7%	\$ 3,265.12	\$ 55.13	1.7%	\$ 3,314.97	\$ 49.85	1.5%
	36,000	100 \$	3,475.87	\$ 3,539.79	\$ 63.92	1.8%	\$ 3,560.40	\$ 20.61	0.6%	\$ 3,615.53	\$ 55.13	1.6%	\$ 3,665.38	\$ 49.85	1.4%
	30,000	150 \$	3,784.21	\$ 3,878.65	\$ 94.44	2.5%	\$ 3,909.10	\$ 30.45	0.8%	\$ 3,990.55	\$ 81.45	2.1%	\$ 4,064.21	\$ 73.66	1.9%
	60,000	300 \$	7,512.54	\$ 7,698.52	\$ 185.98	2.5%	\$ 7,758.49	\$ 59.97	0.8%	\$ 7,918.89	\$ 160.40	2.1%	\$ 8,063.95	\$ 145.06	1.8%
	90,000	300 \$	9,264.63	\$ 9,450.61	\$ 185.98	2.0%	\$ 9,510.58	\$ 59.97	0.6%	\$ 9,670.98	\$ 160.40	1.7%	\$ 9,816.04	\$ 145.06	1.5%
	100,000	500 \$	12,483.67	\$ 12,791.70	\$ 308.03	2.5%	\$ 12,891.05	\$ 99.35	0.8%	\$ 13,156.71	\$ 265.66	2.1%	\$ 13,396.98	\$ 240.27	1.8%
	150,000	500 \$	15,403.80	\$ 15,711.83	\$ 308.03	2.0%	\$ 15,811.18	\$ 99.35	0.6%	\$ 16,076.84	\$ 265.66	1.7%	\$ 16,317.11	\$ 240.27	1.5%
180,000	500 \$	17,155.86	\$ 17,463.89	\$ 308.03	1.8%	\$ 17,563.24	\$ 99.35	0.6%	\$ 17,828.90	\$ 265.66	1.5%	\$ 18,069.17	\$ 240.27	1.4%	

**Ohio Power Company
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Estimated DIR and ESRR Bill Impacts
Ohio Power Rate Zone**

<u>Tariff</u>	<u>kWh</u>	<u>KW</u>	<u>Current</u>	<u>Year 1</u>	<u>Difference</u>	<u>Difference</u>	<u>Year 2</u>	<u>Difference</u>	<u>Difference</u>	<u>Year 3</u>	<u>Difference</u>	<u>Difference</u>	<u>Year 4</u>	<u>Difference</u>	<u>Difference</u>
GS-3 Secondary	18,000	50	\$ 1,765.86	\$ 1,799.26	\$ 33.40	1.9%	\$ 1,810.04	\$ 10.78	0.6%	\$ 1,838.85	\$ 28.81	1.6%	\$ 1,864.90	\$ 26.05	1.4%
	30,000	75	\$ 2,796.08	\$ 2,844.74	\$ 48.66	1.7%	\$ 2,860.44	\$ 15.70	0.6%	\$ 2,902.41	\$ 41.97	1.5%	\$ 2,940.36	\$ 37.95	1.3%
	50,000	75	\$ 3,964.14	\$ 4,012.80	\$ 48.66	1.2%	\$ 4,028.50	\$ 15.70	0.4%	\$ 4,070.47	\$ 41.97	1.0%	\$ 4,108.42	\$ 37.95	0.9%
	36,000	100	\$ 3,475.87	\$ 3,539.79	\$ 63.92	1.8%	\$ 3,560.40	\$ 20.61	0.6%	\$ 3,615.53	\$ 55.13	1.6%	\$ 3,665.38	\$ 49.85	1.4%
	30,000	150	\$ 3,784.21	\$ 3,878.65	\$ 94.44	2.5%	\$ 3,909.10	\$ 30.45	0.8%	\$ 3,990.55	\$ 81.45	2.1%	\$ 4,064.21	\$ 73.66	1.9%
	60,000	150	\$ 5,536.28	\$ 5,630.72	\$ 94.44	1.7%	\$ 5,661.17	\$ 30.45	0.5%	\$ 5,742.62	\$ 81.45	1.4%	\$ 5,816.28	\$ 73.66	1.3%
	100,000	150	\$ 7,872.39	\$ 7,966.83	\$ 94.44	1.2%	\$ 7,997.28	\$ 30.45	0.4%	\$ 8,078.73	\$ 81.45	1.0%	\$ 8,152.39	\$ 73.66	0.9%
	120,000	300	\$ 11,016.70	\$ 11,202.68	\$ 185.98	1.7%	\$ 11,262.65	\$ 59.97	0.5%	\$ 11,423.05	\$ 160.40	1.4%	\$ 11,568.11	\$ 145.06	1.3%
	150,000	300	\$ 12,768.78	\$ 12,954.76	\$ 185.98	1.5%	\$ 13,014.73	\$ 59.97	0.5%	\$ 13,175.13	\$ 160.40	1.2%	\$ 13,320.19	\$ 145.06	1.1%
	200,000	300	\$ 15,688.90	\$ 15,874.88	\$ 185.98	1.2%	\$ 15,934.85	\$ 59.97	0.4%	\$ 16,095.25	\$ 160.40	1.0%	\$ 16,240.31	\$ 145.06	0.9%
	180,000	500	\$ 17,155.86	\$ 17,463.89	\$ 308.03	1.8%	\$ 17,563.24	\$ 99.35	0.6%	\$ 17,828.90	\$ 265.66	1.5%	\$ 18,069.17	\$ 240.27	1.4%
	200,000	500	\$ 18,323.92	\$ 18,631.95	\$ 308.03	1.7%	\$ 18,731.30	\$ 99.35	0.5%	\$ 18,996.96	\$ 265.66	1.4%	\$ 19,237.23	\$ 240.27	1.3%
	325,000	500	\$ 25,624.24	\$ 25,932.27	\$ 308.03	1.2%	\$ 26,031.62	\$ 99.35	0.4%	\$ 26,297.28	\$ 265.66	1.0%	\$ 26,537.55	\$ 240.27	0.9%
GS-2 Primary	200,000	1,000	\$ 24,742.46	\$ 25,311.34	\$ 568.88	2.3%	\$ 25,494.83	\$ 183.49	0.7%	\$ 25,985.47	\$ 490.64	1.9%	\$ 26,429.23	\$ 443.76	1.7%
	300,000	1,000	\$ 30,438.78	\$ 31,007.66	\$ 568.88	1.9%	\$ 31,191.15	\$ 183.49	0.6%	\$ 31,681.79	\$ 490.64	1.6%	\$ 32,125.55	\$ 443.76	1.4%
GS-3 Primary	360,000	1,000	\$ 33,856.57	\$ 34,425.45	\$ 568.88	1.7%	\$ 34,608.94	\$ 183.49	0.5%	\$ 35,099.58	\$ 490.64	1.4%	\$ 35,543.34	\$ 443.76	1.3%
	400,000	1,000	\$ 36,135.10	\$ 36,703.98	\$ 568.88	1.6%	\$ 36,887.47	\$ 183.49	0.5%	\$ 37,378.11	\$ 490.64	1.3%	\$ 37,821.87	\$ 443.76	1.2%
	650,000	1,000	\$ 50,375.91	\$ 50,944.79	\$ 568.88	1.1%	\$ 51,128.28	\$ 183.49	0.4%	\$ 51,618.92	\$ 490.64	1.0%	\$ 52,062.68	\$ 443.76	0.9%
GS-2 Subtransmissi	1,500,000	5,000	\$ 107,458.46	\$ 107,920.98	\$ 462.52	0.4%	\$ 108,070.15	\$ 149.17	0.1%	\$ 108,469.06	\$ 398.91	0.4%	\$ 108,829.84	\$ 360.78	0.3%
GS-3 Subtransmissi	2,500,000	5,000	\$ 155,593.56	\$ 156,056.08	\$ 462.52	0.3%	\$ 156,205.25	\$ 149.17	0.1%	\$ 156,604.16	\$ 398.91	0.3%	\$ 156,964.94	\$ 360.78	0.2%
	3,250,000	5,000	\$ 191,694.88	\$ 192,157.40	\$ 462.52	0.2%	\$ 192,306.57	\$ 149.17	0.1%	\$ 192,705.48	\$ 398.91	0.2%	\$ 193,066.26	\$ 360.78	0.2%
GS-4 Subtransmissi	3,000,000	10,000	\$ 205,461.11	\$ 205,923.63	\$ 462.52	0.2%	\$ 206,072.80	\$ 149.17	0.1%	\$ 206,471.71	\$ 398.91	0.2%	\$ 206,832.49	\$ 360.78	0.2%
	5,000,000	10,000	\$ 301,731.31	\$ 302,193.83	\$ 462.52	0.2%	\$ 302,343.00	\$ 149.17	0.1%	\$ 302,741.91	\$ 398.91	0.1%	\$ 303,102.69	\$ 360.78	0.1%
	6,500,000	10,000	\$ 373,933.96	\$ 374,396.48	\$ 462.52	0.1%	\$ 374,545.65	\$ 149.17	0.0%	\$ 374,944.56	\$ 398.91	0.1%	\$ 375,305.34	\$ 360.78	0.1%
	10,000,000	20,000	\$ 594,006.81	\$ 594,469.33	\$ 462.52	0.1%	\$ 594,618.50	\$ 149.17	0.0%	\$ 595,017.41	\$ 398.91	0.1%	\$ 595,378.19	\$ 360.78	0.1%
	13,000,000	20,000	\$ 738,412.11	\$ 738,874.63	\$ 462.52	0.1%	\$ 739,023.80	\$ 149.17	0.0%	\$ 739,422.71	\$ 398.91	0.1%	\$ 739,783.49	\$ 360.78	0.1%
GS-4 Transmission	25,000,000	50,000	\$ 1,470,833.31	\$ 1,471,295.83	\$ 462.52	0.0%	\$ 1,471,445.00	\$ 149.17	0.0%	\$ 1,471,843.91	\$ 398.91	0.0%	\$ 1,472,204.69	\$ 360.78	0.0%
	32,500,000	50,000	\$ 1,831,846.56	\$ 1,832,309.08	\$ 462.52	0.0%	\$ 1,832,458.25	\$ 149.17	0.0%	\$ 1,832,857.16	\$ 398.91	0.0%	\$ 1,833,217.94	\$ 360.78	0.0%

* Typical bills assume 100% Power Factor

AEP Ohio Distribution Investment Rider

<u>Line</u>		<u>Return</u>	<u>Depreciation</u>	<u>Property Tax</u>	<u>Total</u>
1	Distribution Plant as of 12/31/2019				
2	Accumulated Depreciation as of 12/31/2019				
3=1-2	Net Distribution Plant	\$ -	\$ -	\$ -	
4					
5	Distribution Plant	\$ -	\$ -	\$ -	
6	Accumulated Depreciation	\$ -	\$ -	\$ -	
7=5-6	Net Distribution Plant	\$ -	\$ -	\$ -	
8					
9=7-3	Change in Distribution Net Plant	\$ -	\$ -	\$ -	
10					
11	gridSMART II Net Plant Adjustment (Recovered through GS Rider)	\$ -	\$ -	\$ -	
12					
13	Incremental ADIT/Theoretical Reserve Offset	\$ -	\$ -	\$ -	
14					
15=9-11-13	Adjusted Change in Distribution Plant	\$ -	\$ -	\$ -	
16					
17	Carrying Charge Rate	9.45%	3.50%	4.24%	17.19%
18					
19=15*17	Initial Rider Revenue	\$ -	\$ -	\$ -	\$ -
20					
21	Gross Up Factor (CAT)				100.26%
22					
23=19*21	Revised Grossed Up Revenue	\$ -	\$ -	\$ -	\$ -
24					
25	DIR Cap Adjustment (Annual Cap Verification)				\$ -
26					
27	Normalized ADIT Pass Back Not subject to Cap				\$ -
28					
29	Theoretical Reserve Adjustment				\$ -
30					
31=23+25+27+29	Total DIR Revenue Requirement				\$ -
32					
33	(Over)/Under (Based on _____ Actuals)	xx	xx	xx	\$ -
34					
35=31+33	Fully Adjusted Revenue Requirement				\$ -
36					
37	Annual Base Distribution Revenue (12 months ending December XX)				\$0.00
38					
39=35/37	AEP Ohio Percentage of Base Distribution Revenue				<u>XX</u>

Example: Partial Year			
2021 Cap* 1/12 Revenue			
	71,000,000	Requirement	(Over)/Under
Jun-21	\$ 5,916,667	4,000,000	
Jul-21	\$ 5,916,667	\$ 4,500,000	
Aug-21	\$ 5,916,667	\$ 5,000,000	
Sep-21	\$ 5,916,667	\$ 5,500,000	
Oct-21	\$ 5,916,667	\$ 6,000,000	
Nov-21	\$ 5,916,667	\$ 6,500,000	
Dec-21	\$ 5,916,667	\$ 7,000,000	
	\$ 41,416,667	\$ 38,500,000	\$ 2,916,667

* Represents Partial Year

Example Full Year Over the Cap			
2022 Cap	\$ 117,000,000		
2021 Under	\$ 2,916,667		
Total 2022	\$ 119,916,667		
1/12 Revenue			
2022Cap	Requirement	(Over)/Under	
Jan-22	\$ 9,993,056	\$ 7,500,000	
Feb-22	\$ 9,993,056	\$ 8,000,000	
Mar-22	\$ 9,993,056	\$ 8,500,000	
Apr-22	\$ 9,993,056	\$ 9,000,000	
May-22	\$ 9,993,056	\$ 9,500,000	
Jun-22	\$ 9,993,056	\$ 10,000,000	
Jul-22	\$ 9,993,056	\$ 10,500,000	
Aug-22	\$ 9,993,056	\$ 11,000,000	
Sep-22	\$ 9,993,056	\$ 11,500,000	
Oct-22	\$ 9,993,056	\$ 12,000,000	
Nov-22	\$ 9,993,056	\$ 12,500,000	
Dec-22	\$ 9,993,056	\$ 13,000,000	
	\$ 119,916,667	\$ 123,000,000	\$ (3,083,333)

Example Full Year Current Cap Calculation			
2022 Cap	\$ 117,000,000		
2021 Under	\$ 2,916,667		
Total 2022	\$ 119,916,667		
1/12 Revenue			
2022Cap	Requirement	(Over)/Under	
Jan-22	\$ 9,993,056	\$ 7,500,000	
Feb-22	\$ 9,993,056	\$ 8,000,000	
Mar-22	\$ 9,993,056	\$ 8,500,000	
Apr-22	\$ 9,993,056	\$ 9,000,000	
May-22	\$ 9,993,056	\$ 9,500,000	
Jun-22	\$ 9,993,056	\$ 9,993,056	
Jul-22	\$ 9,993,056	\$ 9,993,056	
Aug-22	\$ 9,993,056	\$ 9,993,056	
Sep-22	\$ 9,993,056	\$ 9,993,056	
Oct-22	\$ 9,993,056	\$ 9,993,056	
Nov-22	\$ 9,993,056	\$ 9,993,056	
Dec-22	\$ 9,993,056	\$ 9,993,056	
	\$ 119,916,667	\$ 112,451,389	\$ 7,465,278

Example Full Year Application of Improved Cap Calculation			
2022 Cap	\$ 117,000,000		
2021 Under	\$ 2,916,667		
Total 2022	\$ 119,916,667		
1/12 Revenue			
2022Cap	Requirement	(Over)/Under	
Jan-22	\$ 9,993,056	\$ 7,500,000	
Feb-22	\$ 9,993,056	\$ 8,000,000	
Mar-22	\$ 9,993,056	\$ 8,500,000	
Apr-22	\$ 9,993,056	\$ 9,000,000	
May-22	\$ 9,993,056	\$ 9,500,000	
Jun-22	\$ 9,993,056	\$ 10,000,000	
Jul-22	\$ 9,993,056	\$ 10,500,000	
Aug-22	\$ 9,993,056	\$ 11,000,000	
Sep-22	\$ 9,993,056	\$ 11,500,000	
Oct-22	\$ 9,993,056	\$ 12,000,000	
Nov-22	\$ 9,993,056	\$ 12,500,000	
Dec-22	\$ 9,993,056	\$ 9,916,667	
	\$ 119,916,667	\$ 119,916,667	\$ (0)

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 June 2020, via electronic transmission.

/s/ *Steven T. Nourse* _____

Steven T. Nourse

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Case No(s). 20-0585-EL-AIR, 20-0586-EL-ATA, 20-0587-EL-AAM

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