

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of)
Ohio Power Company to Initiate)
Phase 3 of Its gridSMART Project.) Case No. 19-1475-EL-RDR

INITIAL COMMENTS OF INTERSTATE GAS SUPPLY, INC.

I. INTRODUCTION

In this proceeding, the Ohio Power Company (“AEP Ohio” or “Company”) submits its Application for the third phase of its gridSMART Project, which will complete the deployment of AMI to the Company’s remaining customers by replacing approximately 475,000 additional meters with smart meters. While full smart deployment is certainly an accomplishment, Interstate Gas Supply, Inc. (“IGS” or “IGS Energy”) submits these comments expressing its concern for the lack of progress in another key pieces of grid modernization efforts. Although AEP Ohio is the furthest along in its smart meter deployment out of Ohio’s four electric distribution utilities (“EDUs”), customers in its territory are lagging behind in experiencing the benefits their new AMI meters provide such as interval data.

A recent concurrence from Commissioner Trombold perfectly summarizes the unchanging needs of customers and CRES providers when it comes to data access and the importance of these enhancements to fully experiencing the benefits arising from advanced meters:

Much has changed over 20 years; however, **the data access issues at the forefront of the data workgroup report are not new, and their solutions are not novel.** Electric Distribution Utilities (EDUs) that have deployed advanced meters--for the benefit of customers and with ratepayer dollars--**must** make the interval data readily available to customers and to

Competitive Retail Electric Service (CRES) providers authorized by the customer to receive it. The interval data **must** also be used by the EDUs for wholesale settlement so that CRES providers have the opportunity to build a better business case in Ohio. ***To not do these things is to devalue the investment made across the state in advanced meters and to move away from—instead of towards—greater customer engagement.***¹

Yet despite the urging from the Commission and Staff² and the repeated requests of CRES providers over the years,³ AEP Ohio submitted its 10-year gridSMART Phase 3 Application with little consideration for data access. Instead, the Company is pursuing a novel expansion of its regulated business, seeking to enter the competitive fiber market with ratepayer funds.

In response, IGS urges the Commission to return the focus of gridSMART to true grid modernization projects by directing AEP Ohio to make the data access enhancements detailed in these comments. To not do these things will deprive customers of an enhanced electricity experience that can only be made possible by the deployment of advanced metering infrastructure and the development of the tools needed to harness that new infrastructure efficiently.

¹ *In the Matter of the PowerForward Collaborative*, Case Nos. 18-1595-EL-GRD, et al. (“PowerForward Entry”), Concurring Opinion of Commissioner M. Beth Trombold at ¶ 5 (emphasis added).

² “In the short term, the Commission believes that the EDUs should calculate and settle the following values on an individual basis for all customers with smart meters: total hourly energy obligation (THEO), peak load contribution (PLC) and network service peak load (NSPL).” *PowerForward Roadmap* (Aug. 29, 2018) at 32; “Staff also encourages the Company to include a proposal to update its settlement processes for all customers with AMI meters in any future gridSMART application before the Commission.” *In the Matter of the Application of the Ohio Power Company for Approval to Establish Time-of-Use Rates*, Case No. 17-1234-EL-ATA (“TOU Rates Case”) Staff Report (May 30, 2019) at 4.

³ “A Glimpse of the Future: Ohio Perspectives - Panel 2” (May 16, 2017) Presentation of Evan Wilson (noting the following as necessary from EDUs: real-time access to smart meter data, customized PLC tags, and RTO settlement alignment with true usage); Data and Modern Grid (DWG) Workgroup #1 (Mar. 5, 2019) Presentations of Tom Roberts and Teresa Ringenbach.

II. ARGUMENT

A. Without efficient interval data access and improvements to the wholesale settlement process, customers will fail to realize the complete benefits of an advanced electric grid.

Taking advantage of the full scope of grid modernization and the numerous benefits and opportunities afforded by the gridSMART investment is critical to making the large customer investment meaningful. Creation of tools and systems by which customers, and those designated by customers, can easily and efficiently access interval usage data, is crucial to reap the benefits of the large capital investments made as part of the gridSMART initiative. Furthermore, conducting wholesale settlements based on each customer's actual usage will enable CRES providers to tailor products and services that will drive engagements, increase efficiency, and improve the market dynamics throughout the electric market.

Demonstrated by the disagreements surrounding the intent of the provisions approved in gridSMART Phase 2, a piecemeal approach to data access is simply less favorable.⁴ Therefore, IGS requests that the Commission direct AEP Ohio to do the following as part of gridSMART Phase 3:

- The Company will implement data access enhancements for customers and competitive retail electric service providers. This should include the necessary upgrades to systems and processes for wholesale market settlements, i.e. **calculating and settling** individual total hourly energy obligation ("THEO"), peak load contribution ("PLC"), and network service peak load ("NSPL") values for each customer, instead of relying on generic load profiles.
- The THEO, PLC, and NSPL data will be made available to authorized CRES providers, consistent with 4901:1-10-24 of the Ohio Administrative Code, through the pre-enrollment list and electronic data interchange transactions, as applicable.

⁴ See e.g. *TOU Rate Case*, Initial and Reply Comments of IGS, Direct Energy, and AEP Ohio.

- The Company will modify its systems to allow CRES providers to access AMI interval usage data via EDI transactions.
- The Company will also allow CRES providers to access the data through an Application Program Interface (API).
- There will be no fees associated with accessing or requesting data provided via EDI, customer portal, or supplier portal.

These are consistent with the data access provisions approved in grid modernization proceedings for FirstEnergy and Duke.⁵ Additionally, IGS requests certain modifications to the online letter of authorization process that is available on AEP Ohio's website. IGS believes with these data access enhancements, AEP Ohio's customers will finally be on a path toward enjoying the full benefits of a modernized electric grid.

1. AEP Ohio must have the ability to calculate wholesale market settlements based upon actual customer usage data for all customers.

Currently, AEP Ohio's capability of calculating wholesale market settlements based upon actual customer usage data is limited to less than 5,000 of its customers.⁶ Unfortunately, expansion of this capability is not included in this Application. Instead, AEP Ohio states it "is exploring the possibility of expanding the existing program," and it will make a subsequent filing regarding an implementation plan "in the future."⁷

Simply "exploring the possibility" is no longer enough. The desire of the Commission that customers have an opportunity to benefit from removing the disconnect

⁵ *In the Matter of the Filing of Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company of a Grid Modernization Business Plan*, Case Nos. 16-481-EL-UNC, et al., Stipulation (Nov. 9, 2018) at 14-17; *In the Matter of the Application of Duke Energy Ohio, Inc. for an Increase in Electric Distribution Rates*, Case Nos. 17-32-EL-AIR, et al., Stipulation (Apr. 13, 2018) at Att. F, Phase III and IV.

⁶ Testimony of Scott Osterholt at 47; PUCO-DR-04-001; PUCO-DR-04-002.

⁷ Testimony of Osterholt at 47, 8-9.

between wholesale and retail prices and the need for AEP Ohio to make these upgrades is well known and long-standing. This disregard for such a key component of grid modernization efforts is disappointing, and it is essentially rendering it impossible for CRES providers to offer cost-effective time-varying rates and programs. As Staff has stated, without the fundamental capability to perform wholesale settlements based upon a customer's actual usage data, CRES providers will simply be unable develop TOU products and services for the mass market.⁸

Requiring AEP Ohio to complete a timely upgrade would also be consistent with the direction issued by the General Assembly and the Commission in the year since AEP Ohio has filed its Application. In October 2019, the General Assembly amended the state policy to include encouraging the cost-effective, timely, and efficient access to and sharing of customer data with customers and CRES providers to promote customer choice and grid modernization.⁹ And in June, the Commission made it clear this was a priority, noting that "it continues to be important that EDUs focus on providing consumers and CRES providers with direct and comparable access to meter data and enabling billing mechanisms that properly reflect cost-causation for things like generation capacity and network integration transmission service."¹⁰

Therefore, IGS urges the Commission to direct the Company to undertake necessary system upgrades to facilitate the calculation of CRES provider wholesale

⁸ *TOU Rates Case*, Staff Report at 4.

⁹ R.C. 4928.02(O).

¹⁰ *In the Matter of the Application of Duke Energy Ohio, Inc. for Approval of its 2021 Energy Efficiency and Demand Side Management Portfolio of Programs and Cost Recovery Mechanism*, Case Nos. 20-1013-EL-POR, Entry (June 17, 2020) ("Duke EE/DSM Entry") at ¶ 9.

market settlements for energy and capacity based on actual customer energy data within a specific timeline established by the Commission. Without this directive, IGS fears that this upgrade will continue indefinitely in its “exploration phase” and customers will continue to be deprived of innovative, money-saving opportunities and engagement with their electricity use.

2. Limiting the expansion of interval data sharing capabilities is unnecessary and contrary to state policy.

The ability to access a customer’s interval data in an efficient, cost-effective, and timely manner is an additional key component of data access enhancements. Currently, a CRES provider must access the Business Partner Portal (“BPP”) and manually retrieve AMI interval data for a customer. The CRES provider must then also manually add the data to its system in order to bill the customer.¹¹ This process is archaic, tedious, and contrary to state policy to encourage cost-effective and efficient access to customer data.¹²

Adding the functionality to transmit a customer’s interval data through an EDI transaction would allow the CRES provider to have machine-to-machine access of this data, removing the manual steps and providing the data to CRES providers in useful format. Unfortunately, however, AEP Ohio has limited its lone data access provision in gridSMART Phase 3 to only expanding the ability to send AMI interval data through EDI transactions for those it considers “CRES TOU product customers.”¹³ Limiting this functionality is unnecessary and contrary to state policy.

¹¹ Testimony of Osterholt at 46-47.

¹² See R.C. 4928.02(O).

¹³ Testimony of Osterholt at 46-47.

First, limiting the transmittal of interval data through EDI for only those customers on a TOU product adds an unnecessary layer of complexity and potential confusion, as “CRES TOU product customers” is not a universally defined term. Additionally, the benefits of the transmittal of a customer’s interval data through EDI is not limited to more efficient billing of a time-varying rate customer. With proper consent, receiving a customer’s interval data through an automated EDI transaction makes the data more readily available to analyze for forecasting, usage insight, and scheduling purposes. Indeed, this capability without limitation is included in FirstEnergy’s and Duke’s data access commitments.¹⁴

Similarly, the process for prospective customers is equally tedious. Once the CRES provider obtains consent to access the customer’s interval data, it again must manually access and retrieve the data from the BPP. However, with an API, machine-to-machine access would enable IGS to create an automated process to pull the data already contained on the BPP. This could occur almost instantaneously, creating a streamlined process and the faster, more efficient development of personalized offerings.

Therefore, IGS requests that the Commission direct AEP Ohio to upgrade its systems to provide CRES providers with access to interval data and THEO, NSPL, and PLC values for all customers, with proper consent, through EDI transactions and an API.

¹⁴ See *In the Matter of the Filing of Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company of a Grid Modernization Business Plan*, Case Nos. 16-481-EL-UNC, et al., Stipulation (Nov. 9, 2018) at 17; *In the Matter of the Application of Duke Energy Ohio, Inc. for an Increase in Electric Distribution Rates*, Case Nos. 17-32-EL-AIR, et al., Stipulation (Apr. 13, 2018) at Att. F, Phase III and IV.

3. *Minor enhancements to the Electronic Letter of Authorization Process should be explored.*

IGS notes that the online Letter of Authorization (“LOA”) process for a customer’s interval data that is available on AEP Ohio’s website (“CRES LOA Website”) is certainly a positive step towards more efficient sharing of customer data. However, IGS believes minor enhancements could be explored that would make this compatible with the Commission’s stated belief that “timely and efficient access to and sharing of customer usage data with customers and competitive suppliers is necessary...subject to appropriate consumer privacy protections.”¹⁵ Specifically, IGS requests electronic notification to a CRES provider when a customer consents to sharing data via the CRES LOA Website and a proposal for a more efficient way to provide consent.

First, IGS notes that when a customer consents to sharing their data with a CRES provider through the CRES LOA Website, the CRES provider is not notified. IGS believes that a simple e-mail notification alerting the CRES provider that the customer has affirmatively selected to share their data with the CRES provider would be a logical and beneficial feature of the process. Therefore, IGS recommends that AEP Ohio add this functionality to the CRES LOA process as soon as possible.

Second, IGS notes that in order to access the CRES LOA Website, a customer must log-in to the AEP Ohio website, select “Service Requests,” then select “Electric Choice,” and then select “CRES LOA.” IGS submits that an easier, more direct way to enable a customer to provide consent to share data would be a step in the right direction. Therefore, IGS recommends that the Commission direct AEP Ohio to file a proposal that

¹⁵ PowerForward Entry at ¶ 10; see R.C. 4928.02(O).

would enable a customer to provide consent without logging into their account on the AEP Ohio website. Cost recovery and any potential waivers regarding electronic consent as required by O.A.C. 4901:1-10-24 could be addressed in the subsequent filings.

B. AEP Ohio's proposal to recover the costs of fiber optic cable should be rejected.

In its Application, AEP Ohio proposes to install approximately 600 miles of fiber optic cable to select Access Points and the first distribution line device outside the station for DACR and VVO circuits rather than installing the traditional wireless communication to these devices.¹⁶ Additionally, AEP Ohio plans to lease all excess dark fiber capacity above its operational needs to third parties, alleging this will facilitate broadband expansion to customers, particularly in unserved and underserved areas.¹⁷ The Commission should reject this proposal because costs they are ineligible for recovery under a distribution rider, AEP Ohio has failed to demonstrate these costs are just and reasonable, and the General Assembly is already examining broadband expansion in Ohio.

First, AEP Ohio has failed to demonstrate that the installation of fiber optic cable is eligible for recovery under the gridSMART Rider. The gridSMART Rider was last approved in AEP Ohio's ESP 4 as a distribution service rider, and thus, the costs to be recovered through this mechanism must be regarding distribution service.¹⁸ However, AEP Ohio has put forth no such evidence. Deploying fiber optic cable and entering into

¹⁶ Testimony of Osterholt at 24-25.

¹⁷ *Id.* at 27.

¹⁸ *In the Matter of the Application of Ohio Power Company for Authority to Establish a Standard Service Offer Pursuant to R.C. 4928.143*, in the Form of an Electric Security Plan, Case Nos. 16-1852-EL-SSO (Apr. 25, 2018) at ¶ 93.

the competitive telecommunications market is simply not distribution service. Because AEP Ohio has failed to establish that these costs are eligible for recovery through the gridSMART Rider, the Commission should reject this portion of AEP Ohio's Application.

Additionally, AEP Ohio has failed to demonstrate this is a just and reasonable charge to be collected from ratepayers. AEP Ohio estimates that its fiber proposal will reduce the need for public cellular wireless communication, which in turn reduces the ongoing expense by approximately \$5.3M over ten years.¹⁹ Yet the cost for AEP Ohio's proposed investments are \$52.6M over 15 years.²⁰ In defense of this almost ten-fold difference, the Company states that it intends on leasing the majority of the system to various groups, testifying that it "expects to receive significant revenues from third party use."²¹

However, AEP Ohio admits that it "has not completed any calculations or formal analyses of the revenues from third party use of its fiber."²² Instead, the expectation that AEP Ohio would receive any revenue from third parties is based upon Company Witness Osterholt's past employment history at an AEP subsidiary.²³ Yet according to Mr. Osterholt's testimony, he has not worked at another AEP affiliate in *fourteen years*.²⁴ Paired with testimony that the Company has not developed a cost model for the dark fiber

¹⁹ Testimony of Osterholt at 26.

²⁰ *Id.* at 26-17.

²¹ *Id.* at 31.

²² OCC-RPD-1-023.

²³ *Id.*

²⁴ See Testimony of Osterholt at 1-2.

leases,²⁵ AEP Ohio has simply failed to demonstrate that cost recovery for the entrance into the competitive fiber leasing market is just and reasonable.

Finally, IGS notes that the General Assembly is already considering potential solutions to expand broadband into underserved areas. If approved, House Bill 13 will allow EDUs, such as AEP Ohio, to construct broadband facilities within its certified territory, subject to Commission approval, with full cost recovery.²⁶ As the Legislature is currently considering this expansion in the role of a regulated utility requested by AEP Ohio, IGS respectfully recommends that the Commission deny AEP Ohio's current proposal. To move forward could ultimately create conflicting schemes and policies.

III. CONCLUSION

IGS respectfully requests that the Commission adopt the recommendations set forth above that would take advantage of the benefits of advanced meters by providing consumers and CRES providers with direct and comparable access to meter data and enabling billing mechanisms that properly reflect cost-causation.²⁷

²⁵ *Id.* at 33.

²⁶ The bill is currently before the Senate Energy and Public Utilities Committee after being approved by the House of Representatives. <https://www.legislature.ohio.gov/legislation/legislation-status?id=GA133-HB-13>

²⁷ See Duke EE/DSM Entry at ¶ 9.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I certify that this *Initial Comments of Interstate Gas Supply, Inc.* was filed electronically through the Docketing Information System of the Public Utilities Commission of Ohio on September 9, 2020. The Commission's e-filing system will electronically serve notice of the filing of this document on the parties subscribed to these proceedings. Additionally, notice was provided to the parties listed below.

/s/ Bethany Allen

Bethany Allen

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**OHIO POWER COMPANY'S RESPONSE TO
THE PUBLIC UTILITIES COMMISSION OF OHIO'S
DATA REQUEST
PUCO CASE NO. 19-1475-EL-RDR
FOURTH SET**

DATA REQUEST

PUCO-DR-04-002 How many AEP Ohio customers currently have a demand greater than 200 kW?
a. From these customers, how many have AMI meters and how many have interval data recorders?

RESPONSE

Currently there are 4,786 AEP Ohio customers with demand greater than 200KW.
a. 2,106 Customers have AMI meters and 2,461 have interval data recorders.

Prepared by:
Scott S. Osterholt

**OHIO POWER COMPANY'S RESPONSE TO
THE PUBLIC UTILITIES COMMISSION OF OHIO'S
DATA REQUEST
PUCO CASE NO. 19-1475-EL-RDR
FOURTH SET**

DATA REQUEST

PUCO-DR-04-001 How many AEP Ohio customers are currently on a CRES time-of-use program?

RESPONSE

As of 9/18/19 there are 18 customers on a CRES time-of-use program in AEP Ohio.

Prepared by:

Scott S. Osterholt

**OHIO POWER COMPANY'S RESPONSE TO
THE OFFICE OF THE OHIO CONSUMERS' COUNSEL'S
DISCOVERY REQUEST
PUCO CASE 19-1475-EL-RDR
FIRST SET**

REQUEST FOR PRODUCTION OF DOCUMENTS

OCC-RPD-1-023 Please provide all data, calculations, analyses, and all work papers related to AEP Ohio's expectation that it will receive significant revenues from third party use of its fiber, as stated on Page 31, Line 23 of the Direct Testimony of Scott S. Osterholt.

RESPONSE

The Company has not completed any calculations or formal analyses of the revenues from third party use of its fiber. Rather, this expectation was derived from Company witness Osterholt's past employment history working at an AEP subsidiary, where he experienced firsthand situations in which dark fiber was in demand and valuable.

Prepared by:

Scott S. Osterholt

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Summary: Comments of IGS Energy electronically filed by Mr. Evan F Betterton on behalf of Interstate Gas Supply, Inc.