

BEFORE THE
PUBLIC UTILITIES COMMISSION OF OHIO

THE DAYTON POWER AND LIGHT COMPANY
D/B/A AES OHIO

CASE NO. 20-1651-EL-AIR
CASE NO. 20-1652-EL-AAM
CASE NO. 20-1653-EL-ATA

REBUTTAL TESTIMONY
OF KATHRYN STORM

- X MANAGEMENT POLICIES, PRACTICES, AND ORGANIZATION**
- ☐ **OPERATING INCOME**
- ☐ **RATE BASE**
- ☐ **ALLOCATIONS**
- ☐ **RATE OF RETURN**
- ☐ **RATES AND TARIFFS**
- ☐ **OTHER**

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I. INTRODUCTION

Q. Please state your name, employer and position.

A. My name is Kathryn Storm. I am employed by AES U.S. Services, LLC, a subsidiary of The AES Corporation, and my position is Vice President, US Smart Grid and OH T&D Operations.

Q. What are your responsibilities in your current position?

A. In my current role I am responsible for Transmission and Distribution Operations for The Dayton Power and Light Company d/b/a AES Ohio, as well as leading the smart grid transformation organization for the US Utilities, including AES Ohio and Indianapolis Power & Light Company d/b/a AES Indiana.

Q. Please describe your educational and business background.

A. I received a Bachelor of Science degree in Ocean Engineering from the United States Naval Academy in May 1999 and later while on active duty a Masters of Engineering Management from Old Dominion University. I spent seven years active duty in the Navy as a nuclear qualified Surface Warfare Officer. I joined AES Ohio in July 2006 as the Transportation Manager overseeing all the vehicles within the Company's fleet. In May 2007, I became the Manager of Services and Locating, overseeing the day-to-day work of low voltage service technicians as well as the locators who identify and mark the Company's underground facilities. In July 2008, I became a Project Manager in addition to my role as the Manager of Services and Locating. As a Project Manager, I oversaw

1 construction projects, running crews and ensuring projects were constructed to the
2 Company's standards, on time and within budget. In December 2008, I became the
3 Manager of the Transmission Department, managing the day-to-day operations of the
4 Transmission Linemen, and retained my Project Management responsibilities. In June
5 2009 I assumed responsibility for the Customer Dispatch Operations and AES Ohio's
6 Major Accounts Department. In October 2010, I was promoted to a Director of
7 Operations and became the privatization Project Manager for Wright Patterson Air Force
8 Base and assumed responsibility for the Metering Services Department. The Meter
9 Services department consists of Meter Reading, Locating, Services, Collections, Revenue
10 Protection and Electric Meter. In July 2013, I assumed my role as the Director of
11 Operations over Metering Services for both AES Ohio and AES Indiana. In addition to
12 my responsibilities with Metering Services I assumed responsibility for the safety
13 departments at AES Ohio and AES Indiana in 2014. In 2017, I assumed the role of
14 Director, Generation Asset Management for the US Strategic Business Unit. In February
15 2018, I assumed responsibility for T&D Asset Management for AES Ohio and AES
16 Indiana. In October 2020 I assumed responsibility as the Senior Director, OH T&D
17 Operations. In this role I was responsible for all engineering, operations, maintenance,
18 and construction for all of AES Ohio. In March 2021 I was promoted to my current role
19 as the Vice President US Smart Grid and Ohio T&D Operations.

20 **Q. Have you ever testified before the Public Utilities Commission of Ohio before?**

21 A. I prepared written testimony that was filed in AES Ohio's Smart Grid case and most
22 recent distribution rate case (Case Nos. 18-1875-EL-GRD, and 15-1830-EL-AIR).

1 **II. PURPOSE OF TESTIMONY**

2 **Q. What is the purpose of this testimony?**

3 A. The purpose of my testimony is to rebut the testimony of Wm. Ross Willis (pp. 4-5) on
4 behalf of the Office of the Ohio Consumers' Counsel ("OCC") that the Commission
5 should freeze AES Ohio's distribution rates at their current level. In addition, at the
6 hearing, Mr. Willis was asked whether he considered whether the rate freeze would
7 promote Ohio policies; this testimony rebuts his answer of "No. . . . DP&L has an
8 obligation to serve. They have an obligation to provide safe and reliable service," I also
9 rebut the testimony of James B. Williams (p. 23) on behalf of OCC regarding his
10 recommendation that the Commission should not approve the recovery of increased
11 vegetation management costs for AES Ohio and should have instead recommended the
12 enforcement of AES Ohio's vegetation management plan. My testimony also rebuts Mr.
13 Williams' testimony at the hearing that "the impact of the rate freeze would simply mean
14 that there would need to be a prioritization of the revenues and expenses, and there would
15 have to be an allocation towards things that are most important" when he was asked
16 whether AES Ohio could provide safe and reliable service if a rate freeze was enforced.

17 My testimony demonstrates that freezing AES Ohio's distribution rates at their current
18 level would have a negative effect on AES Ohio's ability to provide service by forcing the
19 Company to reduce spending to levels that may not maintain compliance, proactive
20 maintenance, or line clearance. The rates that AES Ohio proposed in this proceeding are
21 to compensate it for past investments and meet updated spending needs driven by
22 increasing costs over the past 6 years. The new rates are necessary for AES Ohio to

1 continue investing and spending at levels to have a reliable grid. The revenue currently
2 being received by the company is based on investments and expense levels from 2015
3 and has become insufficient to keep up with rising cost trends. If AES Ohio does not
4 have enough revenue to continue necessary investments, then the rates are not just and
5 reasonable.

6 Specifically, AES Ohio's current investment and spending levels assume that new
7 distribution rates will be approved by the Commission. AES Ohio is currently spending
8 more than it is collecting in rates and is struggling to provide reliable service. If new
9 rates were not approved by the Commission, then AES Ohio would be forced to reduce
10 investments and expenses significantly below their current levels to levels that can be
11 supported by current rates.

12 The situation would require AES Ohio to reduce operation and maintenance ("O&M")
13 expenses by over \$25 million for 2022-2024 and reduce capital spending by more than
14 \$120 million for the same period. This would represent an 11% reduction in budgeted
15 distribution O&M spending and a 35% reduction in budgeted distribution capital
16 investment.

17 Most of AES Ohio's line clearance and storm-restoration work is done by contractors,
18 who have worked on AES Ohio's distribution system for years and know it well. The
19 Company's plan under a rate freeze would include a 70% reduction in the number of
20 contracted line resources, from 179 persons to 54 persons. Those cuts would
21 significantly hamper AES Ohio's ability to manage its distribution lines and would make
22 its responses to large storms much slower.

AES Ohio would need to stop performing proactive maintenance and inspections and would only have sufficient funds to restore power following an equipment or weather-related outage. It is important to note that the cumulative effect of these year-over-year reductions in spending will have a devastating effect on long-term reliability and, as demonstrated in my testimony below, will take years to recover from when new rates are permitted to be implemented.

AES Ohio would endeavor to perform work requested by customers and would mitigate hazardous conditions in the field; however, all currently planned projects for the purpose of maintaining or improving distribution reliability would be forced to stop until updated base distribution rates are implemented.

III. A DISTRIBUTION RATE FREEZE WOULD SEVERELY HAMPER AES OHIO'S ABILITY TO PROVIDE RELIABLE SERVICE

Q. How has the Commission characterized AES Ohio's financial condition over the last several years?

A. In its Opinion and Order in AES Ohio's recent Smart Grid case (Case No. 18-1875-EL-GRD, *et al.*), the Commission described AES Ohio's financial condition as "fragile." At the hearing, Staff witness Liphtratt described AES Ohio's financial condition as "distressed."

As shown in the testimony of AES Ohio witness Adams, as of December 2020, AES Ohio's residential rates were the lowest in the state and would have remained so even if AES Ohio's proposed rate increase in this case was put into effect. AES Ohio has

1 maintained the lowest Residential rates in Ohio for the last 5 years. At the end of
2 December 2021, our Residential rates were 16.6% below the lowest of the other EDUs
3 and 24.5% below the median of the other EDUs. Since our current base distribution rates
4 were approved in 2018, our rates were lower than that those of the other EDUs by 6.0%,
5 14.9%, 16.9%, and 16.6% for December 2018-2021, respectively.

6 **Q. What effects has that fragile financial condition and those low rates had on AES**
7 **Ohio's O&M and capital expenditures?**

8 A. This combination of low rates and a fragile financial condition for many years has limited
9 the ability of AES Ohio to perform proactive system maintenance activities that would
10 benefit customers, such as maintaining a five-year vegetation management cycle and
11 eliminating at risk trees out of the right-of-way. With the increasing cost of goods and
12 services, AES Ohio has been carefully managing its business to find savings in areas not
13 directly connected to reliability for years. While AES Ohio will continue to work to find
14 ways to maintain reliable service for customers, the savings efforts over the years in areas
15 not directly connected to reliability have been all but exhausted and the company would
16 be forced to make drastic reductions in its capital and O&M in all areas – including
17 expenditures that allow AES Ohio to provide reliable distribution service – if rates were
18 to be frozen at their current level.

19 As an example, as outlined in Witness Vest's testimony, AES Ohio experienced a major
20 restoration event in 2019 when approximately 15 tornadoes hit the Company's service
21 territory in a single day, resulting in outages to approximately 100,000 customers and
22 causing catastrophic damage. In order to restore power, AES Ohio utilized all available

resources, internal and external, to rebuild circuits, reconnect services and trim trees.

Over 80,000 people hours were expended to safely restore customers within 10 days of the initial event. This significant event resulted in restoration efforts costing upwards of \$33 million, representing \$18.6 million of distribution capital, \$10.1 million in transmission capital and \$4.5 million in distribution operational expenditures. Although AES Ohio has a Storm Rider that may recover these operational expenditures in the future, the only mechanism currently available for AES Ohio to recover these substantial distribution capital investments is this pending rate case.

Q. Has AES Ohio's limited spending on O&M and capital already impacted AES Ohio's ability to provide reliable service?

A. Yes. As the chart below demonstrates, AES Ohio's reliability metrics have been growing worse and AES Ohio failed to meet its PUCO-approved standard for the Customer Average Interruption Duration Index (CAIDI) in 2017, 2019 and 2020. Since 2016, the Company's CAIDI performance has deteriorated 11% from 119.08 to 132.17, resulting in the average outage duration experienced by customers increasing 13 minutes. This represents a disturbing trend of reduced reliability already being experienced by customers because of the historically fragile financial condition of the Company, and not having new rates implemented now will only accelerate this decline in reliability for all customers; residential, commercial and industrial.

Year	CAIDI Standard	CAIDI	SAIFI Standard	SAIFI
2020	125.04	132.17	0.88	0.84
2019	125.04	133.29	0.88	0.88
2018	125.04	118.41	0.88	0.83
2017	125.04	133.07	0.88	0.68
2016	125.04	119.08	0.88	0.69

1

2 **Q. What has been the recent trend in the costs of goods and services that AES Ohio**
3 **needs to acquire to provide reliable service?**

4 A. The costs of necessary goods and services have been increasing as is evident in the
5 national Consumer Price Index (CPI) which increased 7% in 2021, but the increasing
6 costs of goods and services has hit AES Ohio much harder. More specifically, on
7 average, it cost AES Ohio \$5,148 to clear a mile of distribution line of vegetation in
8 2015; in 2019, that cost averaged \$13,968, a 170% increase. In addition, AES Ohio has
9 experienced an average increase in the cost of cable and wire of 10.82%, a 21% increase
10 in the cost of poles and a 30% increase in the cost of transformers *in just the last year*. In
11 addition to the cost of services increasing, the cost of equipment that enables us to
12 perform work safely has also increased substantially, further reducing the amount that we
13 have to spend. These cost increases are expected to continue, and they will be cumulative
14 over time, meaning that AES Ohio's current rates are getting more and more insufficient
15 with each passing year.

1 **Q. What effect have those increased costs had on AES Ohio's ability to provide reliable**
2 **service?**

3 A. As stated above, the company's current revenues are based on the level of expenditure
4 required in 2015, and AES Ohio has seen significant increases in the costs of goods and
5 services since then. Those increased costs have made it much more difficult to provide
6 reliable service since revenue has not been increasing and each dollar that AES Ohio
7 spends provides less than it did in 2015.

8 **Q. Has AES Ohio prepared a plan under the assumption that the amount of the rate**
9 **increase is zero?**

10 A. Yes. AES Ohio would need to make drastic cuts to its current O&M and capital
11 expenditures if new distribution rates were not to go into effect. While the Company will
12 continue to endeavor to provide the most reliable service as possible to customers, the
13 reality is in the face of a rate freeze, AES Ohio will need to make hard decisions
14 regarding where to deploy its limited capital, which will severely impact the Company's
15 ability to service customers reliably and effectively. From an O&M perspective, work
16 that was performed proactively will no longer be able to be performed including
17 inspections and preventative maintenance. All capital projects that are planned to
18 improve or enhance reliability would have to be cut. The Company will be forced to
19 perform only the capital work that is related to restoring outages, as needed to mitigate a
20 safety concern or to serve new customer load. AES Ohio's ability to comply with the
21 PUCO ESSS Rules, such as Rule 10, Rule 11, Rule 26 and Rule 27, will be in jeopardy.
22 Customer satisfaction would be negatively impacted and the contractor workforce that is

1 currently on property would be greatly reduced, impacting the Company's ability to
2 restore power efficiently and effectively during weather related events.

3 **Q. Why would such drastic cuts be necessary from the present state if the Company's**
4 **rates stay the same?**

5 A. The Company has been operating under the assumption that the outcome of this case will
6 result in increased rates and has continued its operation and maintenance programs with
7 the expectation that those expenses would soon be recovered in rates. However, the
8 current rates cannot sustain these programs at their current levels. If the Commission
9 institutes a rate freeze, AES Ohio would be spending more than it is recovering in rates.
10 With no rate relief or recovery of our investments, AES Ohio would be forced to cut its
11 expenses and investments to a level that could be supported by its current rates.

12 **Q. How would a rate freeze, and the resulting reductions in maintenance and**
13 **investment, impact the Company and its customers?**

14 A. The primary effect of reducing AES Ohio's O&M and capital funding would be the
15 decreased number of contractors on property, which has a direct impact on the
16 Company's ability to perform restoration following a weather-related event.

17 Currently, AES Ohio has a large contingent of contracted line resources on its property
18 performing construction related work. When a storm hits AES Ohio's service area, the
19 Company redirects those contractors from project work to storm restoration. These day
20 to day contracted line resources are a critical component of AES Ohio's storm restoration,
21 as they currently make up 61% of the Company's available line resources. However, the

1 Company's plan under a rate freeze would include a 70% reduction in the number of
2 contracted line resources, from 179 persons to 54 persons. This reduction in the current
3 contractor workforce would significantly hinder AES Ohio's ability to quickly call-in
4 additional resources during weather events.

5 Further, day to day line clearance contractor crews would decrease by 45 contracted full-
6 time employees ("FTEs") from 185 to 140 FTEs as the Company reduces the vegetation
7 program from \$20.3M to \$15.7M. This would be another significant setback to the
8 number of contractors on property that could be available to rapidly respond to storm
9 damage, exacerbating AES Ohio's constraints on resources to restore power. This
10 reduction would erode reliability as both storm restoration and responsiveness to after-
11 hours vegetation related outages are diminished. These actions would also drive future
12 line clearance costs up dramatically as tree growth would be more difficult for crews as it
13 encroaches on the distribution lines, resulting in fewer miles trimmed annually.

14 It is essential to note that it is not just the number of available contractors that matters,
15 but the contractor experience with AES Ohio's distribution system as well. Many of the
16 contractors currently working at AES Ohio have significant experience working on the
17 Company's distribution system. Their familiarity with the nuances of AES Ohio's system
18 allows for faster troubleshooting and overall better restoration efforts alongside internal
19 resources. Bringing in new contractors from mutual assistance would increase restoration
20 times as new resources are not familiar with the service territory and the system
21 configuration.

1 The 2019 tornadoes discussed above are a case in point to the importance of having an
2 adequate number of experienced contractors available for storm restoration. The
3 onslaught of winds from 15 different tornadoes ripping through the Company's service
4 territory resulted in approximately 100,000 customer outages and caused catastrophic
5 damage. AES Ohio needed to utilize all available resources, internal and external, to
6 restore power, resulting in over 80,000 expended people hours to safely restore customers
7 within 10 days of the initial event.

8 Significant weather events are not unusual in AES Ohio's service territory, and include
9 the 2019 TORNADOS, the 2018 ice storm, the 2017 thunderstorms with severe wind, the
10 2012 derecho, and 2008 Hurricane Ike. Should the Company endure a similar
11 catastrophic event in the future without the same support from locally experienced
12 contracted resources, AES Ohio's customers would bear the effects: restoration times
13 would be extended as the same number of people hours would need to be expended by
14 fewer and less experienced resources.

15 **Q. Please explain in more detail how a rate freeze would impact AES Ohio's vegetation**
16 **management program.**

17 A. Distribution Line Clearance would be scaled back from its current target level of \$20.3M
18 to \$15.7M (the amount included in current base distribution rates), limiting the number of
19 circuits that would be trimmed at AES Ohio, resulting in risk of non-compliance with its
20 trim cycle. The reduction to \$15.7M would eliminate approximately 45-line clearance
21 FTEs and would reduce the annual miles trimmed by 377 miles or 23%, effectively
22 placing the Company on an 8-year cycle. The Company committed to spending

1 additional funding on out-of-ROW at risk trees as part of our reliability action plan for
2 noncompliance with our 2020 CAIDI standard, however, that funding would be
3 eliminated, and our focus instead would be on trimming the highest risk circuits within
4 our \$15.7M budget. This would increase vegetation related outages and reduce our
5 contractor resources for vegetation which in turn impacts our ability to respond to storm
6 restoration efforts. Vegetation costs would increase even more dramatically as trimming
7 would become more difficult due to encroachment and density resulting in fewer and
8 fewer miles being trimmed for the same cost.

9 **Q. Are there other programs or areas of maintenance that would suffer due to this rate**
10 **freeze?**

11 A. Yes. As explained in more detail below, the Company would need to reduce expenses
12 and investments in several programs and maintenance areas, all of which would suffer
13 negative impacts.

14 **Q. Explain how a rate freeze would impact the Company's Technical Services and**
15 **Substation maintenance practices and the associated negative impacts.**

16 A. Proactive substation inspections and maintenance would no longer be performed
17 including breaker maintenance and Load Tap Changer (LTC) maintenance, and the
18 company would no longer respond to minor alarms within a substation. Oil sampling
19 would no longer be performed proactively; only if a substation bank is experiencing
20 health and performance issues. Distribution relays would no longer be tested, voltage
21 surveys would not be proactively performed, and capacitor bank and regulator banks

1 would no longer be inspected. Spare parts inventory would be limited. These actions
2 would put the company at risk for violating the ESSS rules, significantly increasing the
3 chance of catastrophic equipment failure and decreased reliability. Reducing these O&M
4 costs within the Substation Service and Test department would result in more equipment
5 being unavailable for service, reduce the overall reliability of our substations, put the
6 Company at risk for noncompliance with ESSS rules, and increase customer complaints
7 due to voltage issues.

8 **Q. Explain how a rate freeze would impact the pole inspection program.**

9 A. AES Ohio may also be forced to reduce or eliminate the Company's pole inspection
10 program, placing AES Ohio at compliance risk for Rule 27 and negatively impacting
11 customer reliability as poles will fail before action would be taken in the field. This
12 would increase outages.

13 **Q. Explain how a rate freeze would impact the Company's planned Capital**
14 **investments.**

15 A. From a Capital perspective AES Ohio would endeavor to perform work requested by the
16 customer but would not be able to execute projects that are needed for loading or
17 reliability issues.

18 More specifically, planned replacement of capacitor banks would be eliminated and only
19 failed cutouts would be replaced in the field. AMI meters would continue to be installed,
20 but non-AMI meters would be set for meter failures or new sets where the AMI network
21 is not yet built out as part of the smart grid meter deployment. Underground cable would

1 not be proactively injected or replaced, instead faults would be dug up and fixed as
2 failures occur. This would result in long-term customer reliability issues as well as
3 contractor retention risk as this work is eliminated, increasing the time to mobilize crews
4 after hours.

5 The Overhead Reliability Programs would be essentially eliminated as work would not be
6 performed on circuits to proactively improve reliability. AES Ohio's focus would be
7 limited to restoring customers following a failure. This would result in more frequent
8 and longer outages. As mentioned earlier, the pole replacement program could be
9 reduced or eliminated, reducing the number of rotten or damaged poles that are currently
10 replaced annually. Poles that pose a safety concern would be replaced; however, more
11 poles would fail, negatively impacting AES Ohio's reliability standards.

12 **Q. Explain how a rate freeze would impact the Company's fleet.**

13 A. AES Ohio would not be in a position to invest in any new fleet vehicles. Currently 75%
14 of AES Ohio's 179 bucket trucks are over 10 years old with an average age of 12 years;
15 82% of that class of vehicle is over 10 years old or has over 150,000 miles driven. 53%
16 of the AES Ohio light duty fleet and 79% of the equipment/trailer class is over 10 years
17 old with an average age of 9.9 years and 19 years respectively. Not investing in new
18 vehicles or equipment would increase down-time due to maintenance and significant
19 repairs, reducing our ability to serve customers effectively. AES Ohio's service territory
20 covers approximately 6,000 square miles. The Company may not have a sufficient
21 number of functioning, reliable vehicles to properly service its vast geographic footprint,

1 leaving a significant number of Ohio counties at risk of experiencing slower response
2 times.

3 **Q. Explain how a rate freeze would impact the Company's capital spend in Substations**
4 **and Test Departments.**

5 A. Within the AES Ohio substation and test capital work, the planned replacement of old
6 monitoring equipment would be eliminated which may delay receiving substation alarms,
7 potentially extending customer outages. Substation riser cables would not be proactively
8 replaced, and instead would be operated to failure, leading to larger and longer customer
9 outages that could have been prevented through proactive work.

10 **Q. How would the cuts you have described affect reliability?**

11 A. As explained above, reducing AES Ohio O&M and capital funding would significantly
12 impact the Company's ability to respond quickly to weather related restoration due to the
13 decreased number of contractors on property. This would have a direct impact on
14 restoration times, not only during major events like the 2019 tornadoes and other storms
15 referenced above, but even on day-to-day operations.

16 AES Ohio would limit spare parts, eliminate proactive maintenance and inspections.

17 These steps may lead to equipment failing before its end of life and doing so in a
18 catastrophic manner, leading to larger and longer outages for customers. Not investing in
19 new vehicles would lead to increased O&M costs to keep vehicles road-worthy and may
20 also lead to increased response times as vehicles are down for maintenance more often.

21 Reduction in reliability specific programs would give rise to additional outages that may

1 have been preventable through maintenance and repair. Reduction in underground and
2 overhead related proactive projects will reduce contractors which would transfer labor
3 intensive restoration work to AES Ohio internal resources, diminishing their ability to
4 respond to other outages. The suspension of ESSS rule inspection programs would also
5 cause an increase in outages that may have been otherwise prevented through inspection
6 finding and proactive remediation. Additionally, AES Ohio may have to limit the
7 amount of overtime and allow outages to persist overnight if adequate resources are not
8 available on that shift to safely perform restoration. This would have a negative impact
9 on reliability and customer satisfaction.

10 **Q. What does the plan assume as to grid modernization?**

11 A. The revised plans maintain the current grid modernization investment commitments since
12 those investments will help to promote reliability and AES Ohio has a recovery
13 mechanism in place for those investments. This mechanism allows for near real-time
14 recovery of costs associated with grid modernization, thus allowing AES Ohio to
15 continue making these investments, while at the same time helping to bolster the tenuous
16 financial condition a rate freeze would cause. In addition, maintaining these projects will
17 benefit customers by allowing AES Ohio to maintain a small contingent of contractors on
18 property, providing some staffing during emergency outage situations when AES Ohio
19 resources become overwhelmed.

20 **Q. Would the reduced O&M and capital spending that you describe have longer-term**
21 **effects on AES Ohio's ability to provide reliable service?**

1 A. Yes. These severe reductions in O&M and Capital would result in AES Ohio being
2 forced to perform work reactively and not proactively, thus causing equipment to run to
3 failure. Routine maintenance and inspections would have to be deferred, allowing
4 equipment to degrade until failure, placing the system in an overall higher risk posture.
5 Additionally, equipment that is not properly maintained may fail prematurely, causing
6 additional damage that could have been avoided.

7 As mentioned above, AES Ohio has a large number of contractors working on
8 construction and tree trimming activities across the service territory. Many of these
9 crews have been on property for years and they are familiar with the AES Ohio service
10 area, its customers, and its distribution system. If the contractor crews are released, it
11 will be very challenging to re-establish today's staffing level as these crews will move on
12 to other projects outside of AES Ohio. Reducing the day-to-day contractor workforce
13 would significantly impact the Company's ability to respond to storms. Additionally, any
14 crews that could be procured to assist in future restoration would be less experienced on
15 the AES Ohio systems, which may cost AES Ohio additional money and would take
16 longer to troubleshoot and perform restoration. Reductions in line clearance would result
17 in overgrown rights of way and less miles trimmed ultimately resulting in higher cost per
18 mile to trim higher density vegetation.

19 **Q. Can you summarize the impacts of a rate freeze on AES Ohio and its Customers?**

20 A. Yes. AES Ohio has been assuming that a rate increase would be approved in this case
21 and rates would not be frozen, largely because, as I say above, AES Ohio has been
22 spending more than it is collecting in rates and has been struggling to provide reliable

1 service. Without increased distribution rates, AES Ohio would have to reduce its O&M
2 and capital expenditures significantly to a level that its current rates could afford, which
3 would have very real, negative, and tangible impacts upon our customers and our ability
4 to maintain a reliable distribution grid.

CERTIFICATE OF SERVICE

I certify that a copy of the foregoing Rebuttal Testimony of Kathryn Storm has been served via electronic mail upon the following counsel of record, this 2nd day of February, 2022:

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Mr. Jeffrey S. Sharkey on behalf of The Dayton Power and Light Company