

**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of Ohio       )  
Power Company to Revise Reliability       ) Case No. 20-1111-EL-ESS  
Performance Standards Pursuant to       )  
O.A.C. 4901:1-10-10(B)(7).       )

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**CONSUMER PROTECTION COMMENTS  
BY  
OFFICE OF THE OHIO CONSUMERS' COUNSEL**

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**I. INTRODUCTION**

Ohio law and PUCO rules require that the health and safety of Ohioans be protected with quality and reliable electric service.<sup>1</sup> But during the week of June 13, 2022, AEP Ohio consumers' electricity service was disrupted for several days. This occurred during the hottest days of the year. Consumers suffered. And many of the service disruptions occurred because AEP Ohio intentionally shut-off electricity during the heat wave that plagued Ohioans. While the underlying cause for these specific outages is reportedly under "review" by the Public Utility Commission of Ohio ("PUCO"), AEP Ohio has asked the PUCO to adopt reliability standards for 2022 and beyond that are less protective of consumers (meaning consumers would be subjected to more frequent outages for longer periods of time).

The PUCO should reject AEP Ohio's request and set reasonable reliability standards that would ensure adequate and reliable essential electric service to consumers. Further, the PUCO should bring openness and transparency to any investigations examining the underlying causes for the June 2022 outages and AEP Ohio's response to

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<sup>1</sup> R.C. 4928.02(A).

them.<sup>2</sup> The PUCO can do this by granting OCC's pending consumer protection motions.<sup>3</sup> It can do this by requiring AEP Ohio to respond to important discovery requests related to the outages.<sup>4</sup> This information is crucial for understanding and evaluating the sufficiency of AEP Ohio's electric reliability now and into the future.

## **II. BACKGROUND**

AEP Ohio filed an application in 2022 to establish new electric reliability performance standards. It then filed an amended application based on changes that were made in the PUCO electric service and safety standards in O.A.C. 4901:1-10.<sup>5</sup> AEP Ohio's proposed standards, if approved, will govern the minimum acceptable annual distribution reliability that AEP Ohio is required to provide consumers. Ohio law explicitly requires the PUCO to protect consumers through rules that specify minimum service quality, safety, and reliability requirements for retail electric service.<sup>6</sup>

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<sup>2</sup> See Motions filed in Case 20-1111-EL-ESS for the PUCO to Order an Investigation of the AEP-Ohio Service Outages That Affected Thousands of Consumers, Their Families, and Businesses During the Week of June 12, 2022, Instead of the PUCO's Undefined "Review" That Lacks a Formalized Process for Consumer Justice and Motion for the PUCO to Hire an Independent Auditor for an Investigation of the AEP-Ohio Service Outages During the Week of June 12, 2022 and Motion for the PUCO to Order and Publicize Local Hearings, Virtual Hearings, Online Comments, and Other Opportunities for the Public to be Heard on the Mid-June Service Outages by AEP and Any Other Ohio Electric Utilities and Motion for the PUCO to Determine if AEP Ohio Was Negligent and Is Liable to Consumers for Perishable Food and Other Damages Regarding Its Service Outages During the Week of June 12, 2022, Pursuant to O.A.C. 4901:1-10-02(G), AEP's Tariff No. 21 (Original Sheet No. 103- 16) and Other Authority and for the PUCO to Waive the 30-Day Limit in AEP's Tariffs for Consumers to Notify AEP of a Damages Claim That Is Based on AEP Negligence by Office of the Ohio Consumers' Counsel, Ohio Poverty Law Center and Pro Seniors, Inc. (July 11, 2022).

<sup>3</sup> *Id.*

<sup>4</sup> See AEP Ohio Motion for a Protective Order for responding to OCC discovery (September 2, 2022) and the OCC Memorandum Contra (September 19, 2022) currently pending before the PUCO.

<sup>5</sup> *In the Matter of the Application of Ohio Power Company to Revise Reliability Performance Standards Pursuant to O.A.C. 4901:1-10—10(B)(7)*, Application (June 1, 2020). Also see the Amended Application (April 29, 2022).

<sup>6</sup> O.R.C. 4928.11(A).

The PUCO has established minimum service standards for reliability through two specific indices that are subject to annual reporting and enforcement.<sup>7</sup> These standards include a System Average Interruption Frequency Index (“SAIFI”) and a Customer Average Interruption Duration Index (“CAIDI”).<sup>8</sup> SAIFI is the system-wide average number of interruptions that consumers should experience in a year. CAIDI is the average outage duration (or time to restore services after an outage occurs) measured in minutes, for each consumer that experiences an interruption, on an annual basis.

Under the PUCO rules for establishing reliability standards, “momentary interruptions” (or interruptions with durations less than five minutes), “major events” (interruptions typical during adverse weather conditions), and “transmission outages” are excluded from the calculation of proposed standards.<sup>9</sup> Therefore, the proposed minimum reliability standards are considered “blue sky.” This means that the reliability performance that the PUCO should expect a utility to provide consumers is based on normal operations of the distribution system where the utility has control over the major factors that cause interruptions to consumers’ service.

AEP Ohio proposed in its amended application a SAIFI standard of 1.30 in 2022 and 1.28 in 2023 (and beyond)<sup>10</sup> compared to its current SAIFI standard of 1.18.<sup>11</sup> In other words AEP wants to increase the number of times it can interrupt consumers

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<sup>7</sup> O.A.C. 4901:1-10-10(B).

<sup>8</sup> *Id.*

<sup>9</sup> O.A.C. 4901:1-10-01(T) and (V); *see also* O.A.C. 4901:1-10-10(B)(4)(c).

<sup>10</sup> Amended Application (April 29, 2022) at 13.

<sup>11</sup> *In the Matter of the Establishment OF Minimum Reliability Performance Standards, Pursuant to Ohio Adm. Code 4901:1-10-10(B), for Ohio Power Company*, Case No. 16-1511-EL-ESS, Opinion and Order (February 7, 2018) at 4.

without violating Ohio reliability rules. AEP Ohio also proposed in its amended application a CAIDI standard of 158 minutes in 2022 (and beyond)<sup>12</sup> compared to the current standard of 148 minutes.<sup>13</sup> That means AEP Ohio wants to increase the length of outages for consumers without violating Ohio reliability rules.

If AEP Ohio's proposals were approved, AEP Ohio residential consumers will be subjected to over 10 percent more interruptions on average than what the PUCO currently considers acceptable. And under the AEP Ohio proposals, AEP Ohio residential consumers will be subjected to outage durations that are 10 minutes longer per interruption on average than what the PUCO would currently consider acceptable.

The PUCO should protect consumers against the further less reliable service that AEP Ohio is seeking to provide consumers.<sup>14</sup> The PUCO should find that AEP Ohio's proposed SAIFI and CAIDI reliability standards are unjust and unreasonable.<sup>15</sup> Since the amended application was filed before the June 2022 AEP Ohio power outages, the PUCO should schedule public hearings as previously recommended by OCC and others as part of its on-going investigation to obtain public input on the reliability standards. This is extremely important because the PUCO rules require consideration of consumer perceptions in the establishment of reliability standards.<sup>16</sup> The timing of the AEP Ohio application, the severity of the impact that the June 2022 outages had on consumers, and the yet to be provided specific details regarding the causes and impact of the June 2022

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<sup>12</sup> Amended Application at 13.

<sup>13</sup> Case 16-1511-EL-ESS, Opinion and Order at 4.

<sup>14</sup> R.C. 4928.02(A).

<sup>15</sup> O.A.C. 4901:1-10-10(B)(6)(e).

<sup>16</sup> O.A.C. 3901:1-10-10(B)(4)(b).

outages leaves doubt regarding the appropriateness of the proposed 2022 standards. Further, the PUCO should schedule this matter for a hearing to allow parties in the proceeding to submit evidence and develop a full evidentiary record in this matter of critical importance to residential consumers served by AEP Ohio.<sup>17</sup>

**A. Current Reliability Performance Standards.**

AEP Ohio's current reliability standards were approved by the PUCO in 2018.<sup>18</sup> Under a settlement approved in that case, AEP Ohio was required to file an application to establish new reliability performance standards by June 1, 2020 that would apply in 2021 and beyond.<sup>19</sup> The proceeding was stayed pending changes that were proposed and later adopted by the PUCO in the Electric Service and Safety Standards.<sup>20</sup>

Specifically, the new minimum electric service standards redefined how the major event day ("MED") threshold calculations will be performed.<sup>21</sup> Transmission related outages that were previously *excluded* from the calculations used in determining what constitutes the major event day are now *included*.<sup>22</sup> The PUCO made these revisions in the rules to better align Ohio's definition with the definitions adopted by the Institute of Electrical and Electronic Engineers ("IEEE"). Changing the definition required AEP

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<sup>17</sup> *Id.*

<sup>18</sup> *In the Matter of the Establishment of Minimum Reliability Performance Standards, Pursuant to Ohio Adm. Code 4901:1-10-10(B), for Ohio Power Company*, Opinion and Order (February 7, 2018) at 4.

<sup>19</sup> *Id.* at 5.

<sup>20</sup> *In the Matter of the Commission's Review of Its Rules for Electric Safety and Service Standards Contained in Chapter 4901:1-10 of the Ohio Administrative Code*, Case No. 17-1842-EL-ORD, Finding and Order (February 26, 2020).

<sup>21</sup> O.A.C. 4901:1-10-01(T).

<sup>22</sup> *Id.*



Ohio to amend its application for establishing new reliability standards for 2022 (and beyond).<sup>23</sup>

Table 1 provides a summary of AEP Ohio's reliability performance as reported in its annual reliability reports since the SAIFI and CAIDI reliability standards were last established in 2013 (both including and excluding major events). Performance during major events is excluded from the calculations and reporting used to determine if AEP Ohio has complied with its minimum reliability performance standards.<sup>24</sup>

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<sup>23</sup> *In the Matter of the Commission's Review of Its Rules for Electrical Safety and Service Standards Contained in Chapter 4901:1-10 of the Ohio Administrative Code*, Case No. 17-1842-EL-ORD, Finding and Order (February 26, 2020) at 7.

<sup>24</sup> O.A.C. 4901:1-0-10(C).

**Table 1: AEP Ohio Reliability Performance Compared with Its PUCO Approved Standards (2013 -2021)**

Year	2013 <sup>25</sup>	2014 <sup>26</sup>	2015 <sup>27</sup>	2016 <sup>28</sup>	2017 <sup>29</sup>	2018 <sup>30</sup>	2019 <sup>31</sup>	2020 <sup>32</sup>	2021 <sup>33</sup>
CAIDI Standard (Minutes)	150.00	150.00	150.00	150.00	150.00	149.00	148.00	148.00	148.00
CAIDI Performance After Exclusion	140.97	146.61	139.03	143.45	146.02	<b>150.32</b>	140.98	129.93	132.13
CAIDI Performance Before Exclusion	246.03	159.09	171.97	146.96	173.60	162.35	188.86	178.15	169.30
SAIFI Standard	1.2	1.20	1.20	1.20	1.20	1.19	1.18	1.18	1.18
SAIFI Performance After Exclusion	1.03	1.13	1.13	1.08	1.15	<b>1.30</b>	<b>1.20</b>	1.11	1.17
SAIFI Performance Before Exclusion	1.40	1.34	1.39	1.29	1.47	1.57	1.63	1.43	1.36

<sup>25</sup> *In the Matter of the Annual Report of Pursuant to Rule 10 of the Electric Service and Safety Standards, Ohio Administrative Code 4901:1-10-10, Case No. 14-517-EL-ESS (March 31, 2014).*

<sup>26</sup> *In the Matter of the Annual Report of Pursuant to Rule 10 of the Electric Service and Safety Standards, Ohio Administrative Code 4901:1-10-10, Case No. 15-627-EL-ESS (March 30, 2015).*

<sup>27</sup> *In the Matter of the Annual Report of Pursuant to Rule 10 of the Electric Service and Safety Standards, Ohio Administrative Code 4901:1-10-10, Case No. 16-0550-EL-ESS (March 31, 2016).*

<sup>28</sup> *In the Matter of the Annual Report of Pursuant to Rule 10 of the Electric Service and Safety Standards, Ohio Administrative Code 4901:1-10-10, Case No. 17-890-EL-ESS (March 31, 2017).*

<sup>29</sup> *In the Matter of the Annual Report of Pursuant to Rule 10 of the Electric Service and Safety Standards, Ohio Administrative Code 4901:1-10-10, Case No. 18-992-EL-ESS (March 29, 2018).*

<sup>30</sup> *In the Matter of the Annual Report of Pursuant to Rule 10 of the Electric Service and Safety Standards, Ohio Administrative Code 4901:1-10-10, Case No. 19-992-EL-ESS (March 29, 2019).*

<sup>31</sup> *In the Matter of the Annual Report of Pursuant to Rule 10 of the Electric Service and Safety Standards, Ohio Administrative Code 4901:1-10-10, Case No. 20-992-EL-ESS (March 31, 2020).*

<sup>32</sup> *In the Matter of the Annual Report of Pursuant to Rule 10 of the Electric Service and Safety Standards, Ohio Administrative Code 4901:1-10-10, Case No. 21-992-EL-ESS (March 31, 2021).*

<sup>33</sup> *In the Matter of the Annual Report of Pursuant to Rule 10 of the Electric Service and Safety Standards, Ohio Administrative Code 4901:1-10-10, Case No. 22-992-EL-ESS (March 30, 2022).*

As shown in Table 1, AEP Ohio met its CAIDI standard in each year between 2013 and 2021 with the exception of 2018 where it missed the CAIDI standard by 1.32 minutes. Table 1 also shows that AEP Ohio met its SAIFI standard in each year between 2013 and 2021 with the exception of 2018 and 2019. In those two years, AEP Ohio missed the SAIFI standard by 0.11 and 0.02, respectively. Even though the missed SAIFI standards in 2018 and 2019 would constitute a violation of O.A.C. 4901:1-10-10(E), there were no explicit enforcement actions taken by the PUCO against AEP Ohio.

Table 1 also provides a summary of the CAIDI and SAIFI performance on an annual basis before exclusions of outages associated with major events and transmission-caused events. This provides an accurate indication of the actual number of interruptions and the duration of interruptions customers are experiencing outside of the blue-sky reliability performance standards being established in this proceeding.

**B. AEP Ohio's Proposed Reliability Standards.**

O.A.C. 4901:1-10-10(B)(4)(a) requires that any application to establish or update reliability standards include the justification for the proposed standards including historical system performance, system design, technological advancements, service area geography, results from customer perception surveys, and other relevant factors. O.A.C. 4901:1-10-10(B)(4)(b) requires the exclusion of major event days and transmission caused outages from being included in the proposed performance standards.

In establishing the new standards, AEP Ohio has proposed using reliability performance data from 2016 through 2021 to establish an average historical baseline performance across those years. AEP Ohio updated the CAIDI and SAIFI performance for those years to reflect what the performance would have been between 2017 and 2021 using the new definition for major events and excluding transmission outages. Table 2

provides a summary of the CAIDI and SAIFI reliability standards as proposed by AEP Ohio.

**Table 2: AEP Ohio Proposed Standards (2022 and beyond)<sup>34</sup>**

Year	CAIDI Performance (Minutes)	SAIFI Performance
2017	148.00	1.17
2018	148.00	1.28
2019	144.00	1.24
2020	132.00	1.13
2021	132.00	1.17
Five-Year Average	141.00	1.2
Average plus 2 Std Deviations	158.00	1.32
DACR Adjustment		0.02
2022 Reliability Standards	158.00	1.30
Additional 2023 DACR Adjustment		0.02
Proposed Standard 2023 and beyond	158.00	1.28

AEP Ohio has proposed adding two standard deviations as allowable variance to the five-year average performance for 2017 through 2021 to establish the new SAIFI and CAIDI standards. Further, AEP Ohio has proposed adjusting the SAIFI standard by (0.02) in 2022 to account for planned reductions in consumer interruptions due to the installation of distribution automation circuit reconfiguration (“DACR”). DACR is a smart grid technology being deployed on approximately 250 circuits as part of the AEP Ohio grid smart II deployment. Circuits with DACR technologies are designed to

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<sup>34</sup> Amended Application, Attachment 1.

automatically reroute power around fault areas by using alternative circuits and feeders to reduce the number of consumers who otherwise would be interrupted. AEP Ohio proposed an additional SAIFI adjustment of (0.02) for 2023 and beyond as the DACR deployment as part of the grid smart II is planned for completion by 2023.

### III. CONSUMER PROTECTION COMMENTS AND RECOMMENDATIONS

- A. The two-standard deviation variance that AEP Ohio is proposing to add to the five-year average CAIDI and SAIFI performance for 2017 through 2021 harms consumers by failing to comply with the PUCO rules for establishing new reliability standards and would result in further unreasonable degradation in reliability performance over time.**

AEP Ohio's proposal to weaken reliability standards is going in the wrong direction for consumers. Both the SAIFI and the CAIDI standards should reflect *improvement* over the current 1.18 SAIFI and 148-minute CAIDI in light of AEP Ohio's enormous spending on "reliability" (such as gridSmart). AEP Ohio's proposed weaker standards are due to a two-standard deviation variance that AEP Ohio is seeking to add to the five-year average historical CAIDI and SAIFI performance for 2017 through 2021.<sup>35</sup> But the proposed additional variance does not comply with the PUCO rules for establishing new standards.

Under the PUCO rules, reliability performance standards should be based on historical system performance, system design, technological advancements, service area geography, consumer perception survey results, and other relevant factors, not some unquantifiable and unsupported number like AEP Ohio is proposing.<sup>36</sup>

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<sup>35</sup> Amended Application at 13.

<sup>36</sup> O.A.C. 4901:1-10-10(B)(4)(a).

The PUCO rules require AEP Ohio to establish a historical average baseline performance using at least five-years of CAIDI and SAIFI reliability data. The five-year average CAIDI and SAIFI baseline performance is then adjusted to reflect quantifiable changes in the system design, technological advancements, service area geography, and the results of periodic consumer perception surveys. In other words, AEP Ohio should have proposed standards based on its five-year average baseline for both CAIDI (141 minutes) and SAIFI (1.20) with additional adjustments as appropriate. AEP Ohio provided no support for adjusting the five-year average performance with any additional variance – let alone an unreasonable two standard deviation variance. After all, outages associated with major event days and transmission outages *are already excluded* from the standards and the “blue sky” reliability performance that AEP Ohio is responsible for providing consumers.

The sole rationale that AEP Ohio provided for the two standard deviation variance is “to account for normally expected annual fluctuations.”<sup>37</sup> While there may be annual fluctuations in operating conditions, the five-year average historical performance *already accounts for* most if not all of these conditions.<sup>38</sup> AEP Ohio complains that it is required to perform an analysis if it fails to meet a standard and to develop action plans to provide at least standard service the following year.<sup>39</sup> But proposing reliability standards at a level that even AEP Ohio would have a difficult time missing defeats the purpose for establishing prescribed standards as required under Ohio law.<sup>40</sup> Adding two-standard

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<sup>37</sup> Amended Application at 12.

<sup>38</sup> O.A.C. 4901:1-10-10(B)(5).

<sup>39</sup> *Id.*

<sup>40</sup> R.C. 4928.11.

deviation variance on the five-year average historical SAIFI and CAIDI performance, which has never been done before, would serve no purpose except disincentivizing AEP Ohio from providing consumers with the reliable service that they pay for and deserve.

The PUCO should require AEP Ohio to comply with the PUCO rules for establishing new reliability standards. The PUCO should eliminate the two standard deviation variance adders on the five-year average historical performance for its CAIDI and SAIFI standards.

- B. In determining the five-year average baseline SAIFI performance for 2017 through 2021, the SAIFI performance for 2018 and 2019 should be adjusted to a level not to exceed 1.19 and 1.18 respectively (the standards for those years) to protect consumers and to avoid rewarding AEP Ohio for failing to meet its SAIFI standard during both of those years.**

As shown in Table 2, AEP Ohio established its five-year average historical performance using the actual SAIFI and CAIDI values for 2017 through 2021. But AEP Ohio is not adjusting the historical performance baseline for those years in which it missed the SAIFI standard. It should.

AEP Ohio missed its SAIFI standard in 2018 and in 2019. AEP Ohio is proposing to use its poor SAIFI performance in 2018 and 2019 to calculate its five-year average SAIFI historical performance. That will then be used as a baseline for establishing the new standards. But this distorts the historical baseline and rewards AEP Ohio for providing consumers with inadequate reliability during those years. To avoid rewarding AEP Ohio for its poor performance in the past by allowing it to influence the reliability performance it is required to provide in the future, the PUCO should require AEP Ohio to adjust the SAIFI historical performance baseline to account for the missed standards in 2018 and 2019 as shown in Table 3.

**Table 3: Proposed Adjustment to the AEP Ohio Historical Performance Baseline**

Year	CAIDI Performance (Minutes)	SAIFI Performance Adjusted
2017	148.00	1.17
2018	148.00	1.19
2019	144.00	1.18
2020	132.00	1.13
2021	132.00	1.17
Five-Year Average	141.00	1.17

**C. To protect consumers, the PUCO should require AEP Ohio to further adjust the SAIFI and CAIDI standards as appropriate based on technological advancements that were made in its gridSmart program.**

As shown on Table 2, AEP Ohio has proposed a DACR adjustment to the 2022 (and beyond) SAIFI by 0.02. While the DACR is an appropriate adjustment to the five-year average performance baseline, the meager level of the adjustment pales in comparison to the significant investment that consumers have and are paying for AEP Ohio's gridSMART program. Considering that the 250 circuits that were selected for DACR for gridSMART Phase 2 were intended to be circuits with the greatest potential for improving reliability, a more significant adjustment in the five-year average historical baseline is appropriate.<sup>41</sup> In fact, AEP Ohio agreed to a 15.8 percent improvement in SAIFI for the circuits where the DACR was to be deployed. Additionally, AEP Ohio

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<sup>41</sup> *In the Matter of the Application of Ohio Power Company to Initiate Phase 2 of its gridSMART Project and to Establish a gridSMART Phase 2 Rider*, Case No. 13-1939-EL-RDR, Stipulation and Recommendation (April 7, 2016) at 6.



deployed DACR technology on 70 circuits as part of an earlier smart grid deployment (gridSMART Phase 1) that should be providing recurring quantifiable reliability benefits for consumers.

Any investigation into the June 2022 outages (and the establishment of the reliability standards) for 2022 must examine the impact that distribution automation had on reducing the number of consumers who were impacted and for how long. This includes evaluating if there were opportunities for distribution automation to avoid outages that did not operate as designed.

The PUCO should require AEP Ohio to quantify the DACR adjustment to the five-year average historical performance baseline based on the SAIFI commitments that were made for gridSMART Phase 2 and further adjustments for the 70 DACR circuits that were installed as part of gridSMART Phase 1.

**D. To protect consumers, the PUCO should require AEP Ohio to provide a vegetation management adjustment to the proposed SAIFI and CAIDI standards beginning in 2022 and beyond to reflect the reductions in tree-caused outages outside right of way that is being paid for by consumers through the Enhanced Service Reliability Rider (“ESRR”).**

AEP Ohio has not proposed an adjustment to the SAIFI and CAIDI standards for improvements in vegetation management even though it is collecting upwards of \$45 million annually for tree-trimming through the ESRR. The ESRR as initially approved by the PUCO was intended to fund AEP Ohio transitioning to a five-year cycle-based tree-trimming program for vegetation within the right of way (“ROW”). More recently, the

ESRR was approved to fund a danger tree removal program that is intended to reduce tree-caused outages outside the ROW.<sup>42</sup> The danger tree program ends in 2023.<sup>43</sup>

Table 4 provides a comparison of the number of tree-caused outages outside the ROW between 2017 and 2021. Additionally, Table 4 provides a summary of the number of consumers interrupted and customer minutes interrupted due to tree-caused outages outside ROW.

**Table 4: AEP Ohio Tree Caused Outages Outside ROW (2017 – 2021)**

	2017	2018	2019	2020	2021	% Change 2017 - 2021
Number of Outage Events	5,955	6,821	6,061	5,529	5,391	(9.5%)
Consumers Interrupted	295,081	389,309	284,155	264,018	250,255	(15.2%)
Consumer Minutes Interrupted	64,464,058	93,424,121	67,928,197	54,299,052	57,587,810	(10.7%)

Table 4 shows that between 2017 and 2021, there was an approximate 9.5 percent reduction in the number of tree-caused outages outside ROW. Additionally, there has been an approximate 15.2% reduction in the number of consumers interrupted and an approximate 10.7% reduction in consumer minutes interrupted due to tree caused outages outside ROW. While the five-year average historical performance as proposed by AEP Ohio reflects these reductions, the 2022 standards being established in this proceeding does not. The trend for continuing declines in the tree caused outages outside ROW is continuing now and should be reflected as an adjustment in the proposed reliability

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<sup>42</sup> *In the Matter of the Application of Ohio Power Company for an Increase in Electric Distribution Rates*, Case No. 20-585-EL-AIR, Joint Stipulation and Recommendation (May 11, 2021) at 7.

<sup>43</sup> *Id.*

standards. Also, the danger tree removal program is intended to continue through 2023. Therefore, the reliability standards for 2023 and beyond must also be adjusted to reflect the impact that the additional consumer funding through the ESRR had on removing danger trees and the continuing impact that will have on customer reliability.

Any investigation into the June 2022 outages (and the establishment of the reliability standards) for 2022 must examine the impact that vegetation management for both the transmission and distribution systems had on the number of customers who were interrupted and durations of interruptions. This includes evaluating if the level of vegetation management (and spending) being performed by AEP Ohio is providing all of the reliability benefits that are intended.

The PUCO should require AEP Ohio to quantify a vegetation management adjustment for both SAIFI and CAIDI associated with tree-caused outages outside ROW.

**E. To protect consumers, the PUCO should require AEP Ohio to provide a distribution investment rider (“DIR”) adjustment to the proposed SAIFI and CAIDI standards beginning in 2022 and beyond to reflect the impact that DIR is intended to have on reliability.**

AEP Ohio has not proposed an adjustment to the SAIFI and CAIDI standards for reliability improvements that are contemplated in 2022 through 2024 based on additional consumer funding that is being provided through the Distribution Investment Rider (“DIR”). DIR is intended to support investments for infrastructure modernization and the proactive replacement of equipment leading to more avoided outages. Through a recent settlement, AEP Ohio agreed to DIR performance-based standards for 2021 through 2023 that should result in adjustments in the proposed SAIFI and CAIDI standards in 2022 and

beyond.<sup>44</sup> Under that settlement, AEP Ohio intendeds to improve reliability as measured through a quantifiable reduction in the System Average Interruption Duration Index (“SAIDI”) standard between 2021 and 2023.<sup>45</sup> While SAIDI is not a specific measure used for establishing reliability performance standards in Ohio, it is often used in conjunction with SAIFI for evaluating reliability performance.

Reductions in equipment caused outages is one measure used to determine the effectiveness of the DIR. Table 5 provides a comparison of the number of equipment caused outages between 2017 and 2021. Also, Table 5 provides a summary of the number of customers interrupted and consumer minutes interrupted due to equipment caused outages.

**Table 5: AEP Ohio Equipment Caused Outages (2017 – 2021)**

	2017	2018	2019	2020	2021	% Change 2017 - 2021
Number of Outage Events	8,038	9,573	9,065	8,230	8,095	0.007%
Consumers Interrupted	518,029	558,385	431,498	439,119	423,727	(18.2)
Consumer Minutes Interrupted	74,033,978	75,964,835	54,230,218	54,651,140	53,015,413	(28.4)

Table 5 shows that between 2017 and 2021, there was an approximate 0.007 percent increase in the number of events associated with equipment caused outages. But there was an approximate 18.2 percent reduction in the number of consumers interrupted and an approximate 28.4 reduction in consumer minutes interrupted due to equipment

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<sup>44</sup> *Id.* at 6.

<sup>45</sup> *Id.*

caused outages. While the five-year average historical performance as proposed by AEP Ohio reflects these reductions, the 2022 standards being established in this proceeding does not. Further, the impact of the DIR will continue through at least 2024 (the term of the most recent ESP that approved the DIR). Therefore, the reliability standards for 2022 and beyond must also be adjusted to reflect the impact that the additional consumer funding through the DIR is having on consumer reliability.

Any investigation into the June 2022 outages (and the establishment of the reliability standards) for 2022 must examine the impact that the DIR had on hardening the distribution system to help reduce the number of consumers who were interrupted and for how long. This includes evaluating the programs that are being funded under the DIR and determining if priorities should be realigned within the spending caps approved by the PUCO.

The PUCO should require AEP Ohio to quantify a DIR adjustment for both SAIFI and CAIDI associated with reductions in equipment and other types of outages.

- F. To protect consumers, the PUCO should require AEP Ohio to make quantifiable adjustments to the SAIFI and CAIDI standards for 2022 and beyond based on any updates that are made to the AEP Ohio Inspection, Maintenance, Repair and Replacement programs and policies for its distribution and transmission facilities that occur as a result of the June 2022 outages.**

The PUCO rules require AEP Ohio to establish, maintain, and comply with written programs, policies, procedures, and schedules for the inspection, maintenance, repair, and replacement of its transmission and distribution circuits and equipment.<sup>46</sup>

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<sup>46</sup> O.A.C. 4901:1-0-27(E).

These programs are intended to prevent outages from occurring, so consumers are provided with safe and reliable service.<sup>47</sup>

While the underlying causes for the June 2022 outages remain unknown, any investigation into the June 2022 outages (and the establishment of the reliability standards) for 2022 must examine the impact that the inspection, maintenance, repair, and replacement programs and policies had on reducing the number of consumers who were interrupted and duration.

Adjustments in the 2022 reliability standards may be appropriate if AEP Ohio was not complying with its inspection, maintenance, repair, and replacement programs and policies. Further, to the extent that changes are made in these programs and policies as a result of the June 2022 outages, the reliability standards should be adjusted as appropriate to reflect the impact of the changes on consumer reliability.

**G. OCC has been denied the opportunity to make consumer protection comments specific to the June 2022 outages.**

The PUCO has not opened a specific docket regarding the June 2022 outages. This has denied consumers' advocate – OCC – from commenting specifically about the outages. OCC (along with other consumer advocates) has moved the PUCO in this case to (among other things) open an investigation (rather than the ill-defined “review” now underway) into the outages.<sup>48</sup> OCC's motions (for an investigation; to hire an independent auditor; to order and publicize local hearings, virtual hearings, online comments, and other opportunities for the public to be heard; to determine if AEP was negligent and liable to consumers; and for the PUCO to waive the 30-day limit in AEP's

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<sup>47</sup> *Id.*

<sup>48</sup> *See* OCC's Motions (July 11, 2022).

tariffs for consumers to notify AEP of a damages claim that is based on AEP's negligence) have not yet been ruled on. In consumers' interest, they should be granted with all deliberate speed.<sup>49</sup>

The importance of granting OCC's motions is highlighted by AEP's refusal to answer OCC's consumer protection information requests about the outages. In fact, AEP has asked the PUCO to step-in and excuse AEP's refusal to answer OCC's information requests.<sup>50</sup> We have explained to the PUCO why AEP's attempt to avoid providing information about the outages should be rejected.<sup>51</sup> The PUCO should reject AEP's efforts and order it to respond to OCC's consumer protection information requests with all deliberate speed.

To protect consumers, the PUCO should require AEP to respond to OCC's discovery, grant OCC's pending motions and provide OCC the opportunity to file comments related to the June outages.

#### **IV. CONCLUSION**

For all the reasons that are addressed in these comments and recommendations, the PUCO should protect consumers by finding that AEP Ohio's proposed reliability standards are unjust and unreasonable. The PUCO should schedule this matter for hearing. In addition, OCC has been denied the opportunity to file consumer protection comments related to the June power outages. That opportunity to file comments should

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<sup>49</sup> *See id.*

<sup>50</sup> AEP's Motion for Protective Order (September 2, 2022).

<sup>51</sup> OCC's Memorandum Contra AEP's Motion for Protective Order (September 19, 2022).

be provided to OCC after OCC's pending motions are granted and AEP is required to respond to outstanding discovery.

Respectfully submitted,

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## **CERTIFICATE OF SERVICE**

I hereby certify that a copy of the Consumer Protection Comments was served on the persons stated below via electronic transmission, this 28<sup>th</sup> day of September 2022.

/s/ William J. Michael

William J. Michael

Assistant Consumers' Counsel

The PUCO's e-filing system will electronically serve notice of the filing of this document on the following parties:

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