

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Commission’s Review :
of Chapter 4901:1-10, Ohio Case No. 22-0872-EL-ORD
Administrative Code, Regarding Electric :
Safety and Service Standards.

REPLY COMMENTS OF AES OHIO

The Dayton Power and Light Company d/b/a AES Ohio (“AES Ohio” or the “Company”) appreciates the opportunity to provide these reply comments regarding the rules in Ohio Adm.Code Chapter 4901:1-10 (Electric Safety and Service Standards) and Staff’s proposed revisions of those rules pursuant to the November 2, 2022, Entry in this proceeding.

Rule 4901:1-10-10 (Distribution System Reliability)

AES Ohio supports the recommendation of the Ohio Power Company (“AEP Ohio”) to adopt the system average interruption duration index (“SAIDI”) to measure electric utilities’ minimum reliability performance. While AES Ohio agrees with AEP Ohio that SAIDI should be the only performance metric to assess compliance with Rule 10 (and thereby reduce the Commission’s total number of regulatory restrictions pursuant to R.C. 121.951(A)(1)), the Company particularly believes that replacing the customer average interruption duration index (“CAIDI”) with SAIDI would better incentivize utilities to meet the reliability demands of customers.

AES Ohio shares AEP Ohio’s concern that CAIDI does not provide the most accurate representation of the performance of an electric distribution system. A customer’s reliability experience is not based on *either* the duration of interruptions *or*

the frequency of interruptions standing by themselves, but rather a function of **both** duration **and** frequency. SAIDI reflects that experience. The index measures the total duration of an interruption for the average customer, *i.e.* the sum of all customer interruption durations divided by the total number of customers served.

The current use of CAIDI as minimum performance standards can penalize utilities for taking actions that indisputably improve reliability for customers. For example, in recent years, AES Ohio has replaced more than 15,000 porcelain cutouts, thereby reducing the number of short-duration outages throughout its distribution system. Although doing so benefits customers, it perversely puts upward pressure on AES Ohio's CAIDI performance by increasing the average duration of remaining interruptions. If SAIFI (*i.e.*, the system average interruption frequency index) and SAIDI both decrease, but SAIFI decreases faster than SAIDI, then CAIDI will indicate worsening system performance even though reliability is improving.

The Commission has acknowledged that SAIDI “is a reliable measure of the system’s overall reliability” and can be calculated using data already reported to the Commission by electric utilities. *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, Entry (Feb. 26, 2020), ¶ 62. The Commission has additionally stated its willingness to explore whether SAIDI should be incorporated into Rule 10. *Id.* It has also approved broadly-supported stipulations that measure reliability performance with SAIDI. *E.g.*, *In the Matter of the Application of Ohio Power Company for an Increase in Electric Distribution Rates, et al.*, Case No. 20-585-EL-AIR, *et al.*, Opinion and Order (Nov. 17, 2021), ¶ 56 (adopting performance-based trigger standards based on SAIDI); *In the Matter of The Dayton Power and Light*

Company for Approval of Its Plan to Modernize Its Distribution Grid, et al., Case No. 18-1875-EL-GRD, *et al.*, Opinion and Order (June 2, 2021), p. 52 (measuring the system-wide performance benefits of AES Ohio’s Smart Grid Plan based on SAIFI and SAIDI, not CAIDI).¹

AES Ohio does not oppose continuing to report CAIDI and SAIFI to the Commission on an annual basis. However, the Commission should no longer require electric utilities to measure their minimum reliability performance on those indices and should, instead, adopt SAIDI to assess compliance with Rule 10.

AES Ohio further supports AEP Ohio’s proposed revision (p. 3) to subsection (B)(4)(c) to remove planned outages and outages related to public acts from performance standards. AES Ohio agrees that including planned outages in reliability performance can disincentivize utilities from performing work that *promotes* system reliability. AES Ohio also agrees that public acts as defined by AEP Ohio (*id.*) should be removed from performance results because they are outside a utility’s control. Penalizing utilities for such interruptions serves no purpose in maintaining system reliability.

Rule 4901:1-10-11 (Distribution Circuit Performance)

AES Ohio supports AEP Ohio’s proposal (p. 4) to amend subsections (C) and (C)(1) of Rule 11 and change the reporting requirement to five percent of a utility’s distribution circuits. AES Ohio agrees that this revision would allow utilities to focus time, energy, and resources on the circuits that are most in need of repairs and upgrades,

¹ See also *In the Matter of the Application of Duke Energy Ohio, Inc. for an Increase in Electric Distribution Rates, et al.*, Case No. 17-32-EL-AIR, *et al.*, Opinion and Order (Dec. 19, 2018), ¶ 193 (“Although the Stipulation calls for the CAIDI standard to slightly increase, where the average duration of an outage may be longer, the Commission is persuaded by the testimony of Mr. Nicodemus that this is a natural result of significantly fewer outages occurring. With the reduction in total outages [*i.e.*, SAIFI], the average outage duration for each customer [*i.e.*, SAIDI] will decrease. . . . Therefore, we find that the proposed standards comply with customer expectations and result in increased reliability.”).

while not unnecessarily diverting investment from areas that may have a more positive impact on total system reliability.

AES Ohio thanks the Commission for this opportunity to submit reply comments.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I certify that the foregoing document was e-filed with the Public Utilities Commission of Ohio today on November 30, 2022. The PUCO's e-filing system will electronically serve notice of the filing of this document.

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**This foregoing document was electronically filed with the Public Utilities
Commission of Ohio Docketing Information System on**

11/30/2022 5:17:30 PM

in

Case No(s). 22-0872-EL-ORD

Summary: Comments Reply Comments of AES Ohio electronically filed by Mr.
Christopher C. Hollon on behalf of The Dayton Power and Light Company d/b/a
AES Ohio