BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Ohio)	
Power Company to Update Its Enhanced)	Case No. 21-1268-EL-RDR
Service Reliability Rider.)	

CONSUMER PROTECTION COMMENTS ON AEP OHIO'S PROPOSAL TO CHARGE CONSUMERS FOR TREE TRIMMING EXPENSES BY OFFICE OF THE OHIO CONSUMERS' COUNSEL

I. INTRODUCTION

This case involves add-on charges on Ohioans' electric bills, for tree-trimming, separate from what they already pay in base rates for tree-trimming. Ohio Power Company ("AEP Ohio") is seeking to charge consumers for tree trimming expenses it claims to have incurred during 2021. The expenses would be charged to consumers through a single-issue ratemaking charge, a so-called "Enhanced Service Reliability Rider" ("ESRR" or "Add-On Charge").

The PUCO authorized AEP to charge consumers in base rates for tree-trimming expenses of \$35 million annually. The PUCO also authorized AEP to levy the Add-On Charge for consumers to pay an additional \$45 million for tree-trimming. Total spending for the Add-On Charge was approved for the period January 2021 through May 2024 at a level not to exceed \$153.75 million.

Vegetation management contributed to hundreds of thousands of AEP Ohio consumers losing electric service for multiple days during a heat wave in June 2022. The

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¹ In the Matter of the Application of Ohio Power Company for an Increase in Electric Distribution Rates, Case No. 20-585-EL-AIR, Opinion and Order (November 17, 2021) at 23.

 $^{^{2}}$ Id.

AEP Ohio presentation to the PUCO about the outages on July 13, 2022 specifically identified vegetation contacts with wires both within the right of way and from outside the right of way as among the causes for the outages.³ The PUCO should audit and investigate AEP Ohio's vegetation management expenditures to ensure that consumers are getting the reliability that they're paying for.

II. CONSUMER PROTECTION COMMENTS

A. To protect consumers, the PUCO should conduct an independent audit, with a detailed cost-benefit analysis, of the reliability Add-On Charge.

Through base rates and the reliability Add-On Charge, AEP is charging consumers upwards of \$85 million annually for distribution vegetation management.⁴ AEP Ohio's 2021 reliability report shows some improvement in the number of consumer interruptions, but not in the consumer minutes interrupted. It is far from clear if the level of improvement between 2020 and 2021 is commensurate with the amount of money consumers are being charged by AEP.

The following table provides a comparison of the number of tree-caused consumer interruptions and consumer minutes interrupted for 2020 compared with 2021.

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https://puco.ohio.gov/static/empliibrary/files/Power+outage+review/AEP+Ohio +July+13+PUCO+Present ation.pdf.

⁴ See note 1, supra.

Comparison of AEP Ohio Tree-Caused Outages⁵ 2020 with 2021

	2020	2021	Difference
Customer	277,485	268,475	(9,010)
Interruptions			
Customer	56,768,407	60,629,360	3,860,953
Minutes			
Interrupted			

There were 9,010 fewer AEP Ohio tree-caused consumer interruptions in 2021 compared with the number of interruptions in 2020. There were 3,860,953 more consumer minutes interrupted in 2021 compared with 2020. But the PUCO Staff Report contained no analysis to determine if the level of spending under the Add-On Charge actually contributed to the reduction in consumer interruptions. There is therefore no assurance that consumers are getting the full benefits from paying the reliability Add-On Charge – or if the charge is making a difference at all for consumers (especially considering there approximately 3.9 million more consumer minutes interrupted). The PUCO Staff should make such determination before recommending approval of any charges.

Such a determination is necessary for consumer protection, particularly in light of the June 2022 AEP Ohio outages. It has been asserted that those outages were a result of *transmission*-related vegetation management problems. But there is no certainty that next time it will not be *distribution* problems or some combination of both. The June 2022 outages underscore the importance of the PUCO making sure that the reliability Add-On Charges levied on consumers are reasonable and effective.

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⁵ Includes trees inside ROW and outside ROW.

B. The PUCO should require that the updated transmission vegetation management plan (that PUCO Staff recommended be filed in response to the June 2022 outages) be subject to public review and comments before PUCO considers it for approval.

Transmission and distribution are inextricably intertwined when it comes to providing consumers with safe and reliable service. The PUCO Staff's Report on the June 2022 power outages recommended that AEP Ohio file an updated transmission vegetation management plan within 90 days of its report.⁶ But such electric utility plans, for inspection, maintenance, repair, and replacement, are *automatically approved* 45 days after their filing unless it is acted upon by the PUCO.⁷ There should not be an automatic approval. There should be a full audit with ultimate consideration by PUCO Commissioners.

According to the Staff Report on the June 2022 outages, over 600,000 consumers were interrupted during this outage event. The June 2022 outages had a substantial negative impact on the health and safety of consumers for multiple days during an intense heat wave. Therefore, the PUCO should afford consumers (and parties) the opportunity to be heard regarding how they were impacted by the June 2022 outages. This opportunity will also further a needed transparency. Consumers and others should be allowed to comment on the reasonableness (or lack thereof) of the updated vegetation management plan before the plan is considered by the PUCO for approval.

This recommendation promotes openness and transparency with vegetation management practices that can have a significant impact on consumers. Consumer

⁶ A report by the Staff of the PUCO on the Summer 2022 Electric Outages (January 3, 2022).

⁷ O.A.C. 4901:1-10-27(E)(3).

⁸ Staff Report at 4.

comments and other input should be heard in structuring vegetation management programs that reduce or avoid minor and major outages (such as the June 2022 outages).

III. CONCLUSION

The Ohio Consumers' Counsel's recommendations should be adopted.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that a copy of these Consumer Protection Comments on AEP Ohio's Proposal to Charge Consumers for Tree Trimming Expenses was served on the persons stated below via electronic transmission, this 30th day of January 2023.

/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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Summary: Comments Consumer Protection Comments on AEP Ohio's Proposal to Charge Consumers for Tree Trimming Expenses by Office of the Ohio Consumers' Counsel electronically filed by Mrs. Tracy J. Greene on behalf of Michael, William J.