

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of)
Ohio Power Company for Authority to) Case No. 23-23-EL-SSO
Establish a Standard Service Offer)
Pursuant to Section 4928.143, Revised)
Code, in the Form of an Electric Security)
Plan)

In the Matter of the Application of Energy)
Ohio Power Company for Approval of) Case No. 23-24-EL-AAM
Certain Accounting Authority)

**DIRECT TESTIMONY
OF
JAMES D. WILLIAMS**

On Behalf of
Office of the Ohio Consumers' Counsel
65 East State Street, Suite 700
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June 9, 2023

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LIST OF ATTACHMENTS

Attachment JDW-01 List of Previous Testimony Filed at the PUCO by James Williams

Attachment JDW-02 AEP Ohio Response to OCC INT-08-007

Attachment JDW-03 AEP Ohio Response to OCC INT-08-015

Attachment JDW-04 AEP Ohio Response to OCC RPD-08-001

Attachment JDW-05 AEP Ohio Response to OCC RPD-08-002

Attachment JDW-06 AEP Ohio Response to OCC INT-06-001

Attachment JDW-07 AEP Ohio Response to OCC INT-06-017

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Attachment JDW-09 AEP Ohio Response to OCC INT-05-012

Attachment JDW-10 AEP Ohio Response to OCC RPD-05-005

Attachment JDW-11 AEP Ohio Response to OCC INT-07-005

Attachment JDW-12 AEP Ohio Response to OCC INT-03-002

1 **I. INTRODUCTION**

2

3 ***Q1. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND POSITION.***

4 ***A1.*** My name is James D. Williams. My business address is 65 East State Street, Suite
5 700, Columbus, Ohio 43215. I am employed by Sterling Staffing Services (which
6 serves state government among others) and work on behalf of the Office of the
7 Ohio Consumers' Counsel ("OCC") as a Utility Consumer Policy Analyst.

8

9 ***Q2. PLEASE BRIEFLY SUMMARIZE YOUR EDUCATION AND***
10 ***PROFESSIONAL EXPERIENCE.***

11

12 ***A2.*** I am a 1994 graduate of Webster University, in St. Louis, Missouri, with a Master
13 of Business Administration, and a 1978 graduate of Franklin University, in
14 Columbus, Ohio, with a Bachelor of Science, Engineering Technology. My
15 professional experience includes a career in the United States Air Force and over
16 27 years of utility regulatory experience with the OCC.

17

18 Initially, I served as a compliance specialist with the OCC and my duties included
19 the development of compliance programs for electric, natural gas, and water
20 industries. Later, I was designated to manage all of the agency's specialists who
21 were developing compliance programs in each of the utility industries. My role
22 evolved into the management of OCC's consumer hotline, the direct service
23 provided to consumers to resolve complaints and inquiries that involved Ohio
24 utilities. More recently, following retirement from state government, I assumed a
25 new part time role as a Utility Consumer Policy Analyst working on behalf of the

1 OCC. In this role, I am responsible for developing and recommending policy
2 positions on utility issues that affect residential consumers including necessary
3 consumer protections, just and reasonable rates, and service quality types of
4 issues like those raised by AEP Ohio in this Electric Security Plan (“ESP”).
5

6 ***Q3. HAVE YOU PREVIOUSLY SUBMITTED TESTIMONY OR TESTIFIED***
7 ***BEFORE THE PUCO?***
8

9 ***A3.*** Yes. The cases that I have submitted testimony and/or have testified before the
10 PUCO can be found in Attachment JDW-01.
11

12 **II. PURPOSE/RECOMMENDATIONS**
13

14 ***Q4. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS***
15 ***PROCEEDING?***
16

17 ***A4.*** The purpose of my testimony is to oppose several recommendations that AEP
18 Ohio included within its proposed Electric Security Plan (“ESP V”).¹ Specifically,
19 I oppose AEP Ohio’s proposal to establish yet another single-issue ratemaking
20 rider called the Customer Experience Rider (“CER”) that seeks to increase
21 charges to consumers on their electric bills.² The CER is particularly troublesome
22 because it is indicative that AEP Ohio is unwilling to make even basic
23 investments in its distribution system unless expedited cost collection from

¹ *In the Matter of the Application of Ohio Power Company for Authority to Establish a Standard Service Offer Pursuant to Section 4928.143, Revised Code, in the Form of an Electric Security Plan*, Case No. 23-23-EL-SSO, et al., Application (January 6, 2023).

² *Id.* at 15.

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1 consumers is practically guaranteed. This is not how utility regulation in Ohio is
2 intended to function.

3
4 AEP Ohio is now proposing to charge consumers through the CER for capital
5 investments and expenses associated with replacing its existing Customer
6 Information System (“CIS”), replacing its existing Outage Management System
7 (“OMS”) and Distribution Management System (“DMS”) with a new Advanced
8 Distribution Management System (“ADMS”), initiating a new Community Grid
9 Resiliency (“CGR”) pilot program, and creating a Reliability and Infrastructure
10 Communications Plan. Combined, these four programs represent almost a quarter
11 billion dollars in additional charges that consumers will be required to pay for
12 many years.

13
14 In addition, the purpose of my testimony is to oppose certain changes that AEP
15 Ohio proposed in its existing Distribution Investment Rider (“DIR”) and
16 Enhanced Service Reliability Rider (“ESRR”). Specifically, AEP Ohio has
17 proposed changing its DIR to exclude certain types of investments that are
18 associated with new customer growth from being subject to the DIR revenue
19 caps.³ AEP Ohio has proposed significant increases in the DIR revenue caps for
20 other types of investment that are supposedly associated with reliability, but
21 without any quantifiable improvement in reliability. AEP Ohio is also proposing
22 that the new revenue caps for reliability investments be established for only the

³ *Id.* at 12.

1 initial three years of the ESP V and that the revenue caps for the remaining three
2 years of the ESP V be revisited later.⁴ Finally, AEP Ohio is proposing to
3 substantially increase the amount of money it charges consumers to perform tree-
4 trimming under its current ESRR.⁵

5

6 ***Q5. PLEASE SUMMARIZE YOUR RECOMMENDATIONS.***

7 ***A5.*** My recommendations include each of the following:

- 8 • The PUCO should protect the financial interests of consumers by not
9 requiring them to pay unjust and unreasonable charges for the replacement of
10 the existing CIS system within the proposed CER rider. Instead, AEP Ohio
11 should seek collection of all capital costs and expenses associated with the
12 replacement of the CIS system in future base rate proceedings, **after** it
13 demonstrates that the costs were prudently incurred and that the investments
14 are used and useful in providing distribution service to consumers.
- 15 • The PUCO should protect consumers by not allowing AEP Ohio to charge
16 consumers unjust and unreasonable charges for the replacement of the Outage
17 Management System and Distribution Management System within the
18 proposed CER rider. Instead, AEP Ohio should seek collection of all capital
19 costs and expenses associated with the replacement of these systems with an
20 Advanced Distribution Management System (“ADMS”) in a future base rate
21 proceedings **after** it demonstrates that the costs were prudently incurred and

⁴ *Id.*

⁵ *Id.* at 13.

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1 that the investments are used and useful in providing safe and reliable
2 distribution service to consumers.

- 3 • The PUCO should protect consumers from paying capital costs and expenses
4 associated with the proposed CGR pilot program within the proposed CER
5 rider. Instead, AEP Ohio should work with state and local emergency
6 management resources to determine if there is even a need for capabilities like
7 those proposed by AEP Ohio. To the extent that there is a need for such a
8 program, AEP Ohio is encouraged to assist community organizations as
9 needed in applying for available funding through emergency management
10 grant programs. Alternatively, AEP could make contributions to organizations
11 in socially vulnerable communities to fund the programs using shareholder
12 dollars.

- 13 • The PUCO should protect consumers from charges for unjust and
14 unreasonable expenses associated with the proposed Reliability and
15 Infrastructure Communications Plan within the proposed CER rider.
16 Communicating with consumers about topics such as reliability and/or outage
17 restoration times is part of the normal core functionality that AEP Ohio should
18 already be providing to consumers within its distribution base rates. AEP Ohio
19 should have the opportunity to demonstrate the need for any additional
20 communication expenses that it seeks to collect from consumers as part of any
21 proposed increase in test year expenses and as part of its next distribution base
22 rate case.

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- The PUCO should protect consumers by significantly reducing the level of spending that AEP Ohio can charge consumers for through its DIR. In addition, the DIR should be used to support only those additional investments that will provide meaningful and quantifiable reliability improvements for consumers. All DIR charges under the DIR should be subject to revenue caps in establishing just and reasonable charges to consumers. Since AEP Ohio has not proposed revenue caps for DIR charges for reliability types of programs after May 2027, the DIR should end in May 2027. AEP Ohio can file a distribution rate case prior to that time and recommend revenue caps for continuing the DIR to charge consumers for reliability programs that provide quantifiable reliability benefits for consumers.

Traditional types of investment associated with customer growth and that may be necessary for AEP Ohio to comply with its obligation to serve should not be collected under the DIR. Instead, AEP Ohio should have the opportunity to seek collection of all capital costs and expenses associated with such customer growth in future base rate proceedings, **after** it demonstrates that the costs were prudently incurred and that the investments are used and useful in providing distribution service to consumers.

The PUCO should protect consumers by significantly reducing annual incremental tree-trimming expenses that AEP Ohio collects from consumers under the ESRR rider. Consumer charges under the ESRR should be

significantly reduced and the rider should end with the next distribution rate case when all vegetation management costs associated with AEP Ohio complying with its vegetation management program are included in distribution base rates.

III. SPECIFIC ISSUES

A. Customer Experience Rider

Q6. PLEASE DESCRIBE THE CUSTOMER EXPERIENCE RIDER THAT AEP OHIO HAS PROPOSED IN ESP V.

A6. AEP Ohio proposed a new rider called the Customer Experience Rider (“CER”) for the collection of capital costs and operations and maintenance expenses from consumers associated with “customer experience enhancements” over the term of ESP V. These customer experience enhancements include the replacement of the existing AEP Ohio CIS system with a new AEP wide CIS. Additionally, the CER would permit AEP Ohio to collect capital and O&M expenses associated with the replacement of its existing outage management system and distribution management system (“OMS” and “DMS”) with a new ADMS. Other customer experience enhancements proposed under the CER include a Community Grid Resilience Pilot program to help mitigate disproportionate impacts of outages to socially vulnerable areas. And the customer experience enhancements collected under the CER would include expenses associated with a Reliability and Infrastructure Communications Plan intended to inform consumers about

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1 reliability improvements and outage restoration times. The total projected
2 spending for the four programs is approximately \$225 million. The revenues
3 expected to be collected from AEP Ohio consumers over the six-year term of ESP
4 V is approximately \$120 million.⁶

5

6 ***Q7. DO YOU HAVE AN OPINION REGARDING THE PUCO APPROVAL OF***
7 ***THE CER?***

8

9 ***A7.*** Yes. The PUCO should not approve the blank check that AEP Ohio is requesting
10 with the CER. The CER is yet another single-issue ratemaking initiative that is
11 intended to circumvent more traditional ratemaking principles by practically
12 guaranteeing full and expedited collection of costs from consumers. Without
13 consideration of the cost to consumers, the CER serves to shift the financial risk
14 for investments onto consumers with no regard for whether the investments are
15 cost-effective and result in just and reasonable charges to consumers. CER
16 encourages inefficiency by not requiring AEP Ohio to prioritize planning for its
17 capital budget where they can provide the most benefit. And CER drives up the
18 cost of electric bills for consumers who already are struggling trying to maintain
19 their electric service.

20

21 To be clear, I am not opposed to AEP Ohio making any investment it chooses to
22 make in its distribution system (as it has done for decades, including the
23 replacement of major systems like the CIS and distribution management systems).

⁶ See Direct Testimony of Curtis Heitkamp (January 6, 2023) at Exhibit CMH-2.

1 In fact, AEP Ohio is obligated under state law to furnish necessary services and
2 facilities and to provide adequate service that is just and reasonable.⁷ But AEP
3 Ohio should not be able to charge consumers for the costs associated with these
4 investments until it has demonstrated that its costs were prudently incurred and
5 that the investments are used and useful in providing distribution service to
6 consumers. The traditional ratemaking process protects consumers by insisting
7 upon a finding that investment in its distribution system is used and useful at date
8 certain and that consumers are charged just and reasonable rates for ordinary and
9 necessary service.⁸

10

11 **1. Customer Information System (“CIS”)**

12

13 ***Q8. CAN YOU BRIEFLY DESCRIBE THE NEW CUSTOMER INFORMATION***
14 ***SYSTEM THAT AEP OHIO IS WANTING CONSUMERS TO PAY FOR***
15 ***USING THE CER RIDER?***

16

17 ***A8.*** Yes. AEP Ohio is proposing to replace its existing CIS with a new more “modern
18 CIS” that supposedly provides additional functionality and capabilities for serving
19 consumers. The CIS serves as a central repository of consumer information to
20 support billing, accounts receivable, and various rate and tariff information. AEP
21 Ohio claims that the new CIS system is needed to unlock the full potential of grid
22 modernization efforts such as more complex billing, additional settlement options
23 for behind the meter assets, and growth in distributed energy resources. AEP Ohio

⁷ R.C. 4905.22.

⁸ R.C. 4909.15.

1 also claims that the new CIS is needed for better communications with
2 consumers, improved demand response resources, integration with outage
3 management resources, and additional consumer options such as pre-pay electric
4 services.

5
6 ***Q9. IS THE PROPOSED REPLACEMENT OF THE CIS OCCURRING ACROSS***
7 ***ALL OF THE AEP OPERATING COMPANIES AND WHAT ARE THE***
8 ***TOTAL COSTS THAT OHIO CONSUMERS COULD BE CHARGED UNDER***
9 ***THE CER?***

10
11 ***A9.*** According to the utility's response to OCC INT-08-007 (attached hereto as JDW-
12 02), all of the AEP affiliated operating companies will be transitioning to the new
13 CIS. According to the utility's response to OCC INT-08-015 (attached hereto as
14 JDW-03), approximately 27.3 percent of the total costs, approximately \$183.5
15 million,⁹ will be allocated to AEP Ohio's share of the costs for the new CIS
16 system. During the term of ESP V, AEP Ohio has projected a revenue
17 requirement of approximately \$57.8 million.¹⁰ But there is no specific cap or
18 limitation on the amount of money that AEP Ohio could charge consumers under
19 the CER. Without knowing the full magnitude and scope of the CIS, portions of
20 the CIS would be deemed eligible for collection from consumers as they become
21 used and useful.¹¹ AEP Ohio has proposed to collect from consumers all CIS

⁹ Direct Testimony of Stacey Gabbard (January 6, 2023) at 18.

¹⁰ Direct Testimony of Curtis Heitkamp (January 6, 2023) at Exhibit CMH-2.

¹¹ *Id.* at 19.

capital and O&M expenses through the CER, with over/ under true-up regulatory accounting including changes in the actual capital and O&M spent on the CIS.¹²

Q10. DO YOU HAVE AN OPINION REGARDING WHETHER THE PUCO SHOULD AUTHORIZE AEP OHIO TO COLLECT CIS REPLACEMENT COSTS UNDER THE PROPOSED CER RIDER?

A10. Yes. The PUCO should not authorize AEP Ohio to collect capital costs or O&M under the proposed CER rider. AEP Ohio has been unwilling or unable to provide any type of overall architecture documents that support the requirements, specifications, and functionality that will supposedly be available in the new CIS.¹³ Without this type of documentation, there is no basis for assessing the specifications that AEP Ohio intends to implement or to evaluate the impact these capabilities might have on enhancing the consumer experience. AEP Ohio has been unwilling or unable to provide cost benefits studies or analysis regarding the proposed new CIS.¹⁴ Without this type of documentation, there is no basis for determining if the CIS replacement is prudent, cost effective and/or if the costs are being allocated fairly to AEP Ohio on a jurisdictional basis. And there is no basis to determine if the allocation to each customer class is reasonable. And there is factually no support for AEP Ohio to even replace the CIS, let alone to collect such costs through a CER rider.

¹² *Id.*

¹³ See AEP Ohio response to OCC RPD-08-001 (attached herein as JDW-04).

¹⁴ See AEP Ohio response to OCC RPD-08-002 (attached herein as JDW-05).

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1 AEP Ohio is proposing to implement the new CIS in three phases and to collect
2 the costs for each phase or capability as they become used and useful.¹⁵ But there
3 is absolutely no definition beyond that for what would constitute a determination
4 by the PUCO for what types of capabilities would be considered used and useful
5 and would justify the collection of the costs from consumers.

6
7 The first phase involves the automation of billing functions for some large
8 industrial customers who are currently billed with spreadsheets. But according to
9 the utility's Company response to OCC INT 08-007,¹⁶ there are only 11 \
10 customers billed this way, requiring approximately 66 hours per year to perform.
11 Other tasks that would be completed in Phase 1 include further refining cost
12 estimates and the scope for Phase 2 and Phase 3 to supposedly mitigate
13 programmatic risks.¹⁷

14
15 Additionally, the utility disclosed that replacement of CIS Phase 1 began in 2021.
16 Therefore, AEP has apparently been planning to replace the CIS enterprise wide
17 regardless of whether AEP Ohio had a rider to charge consumers. The CER is just
18 an opportunity for AEP Ohio to charge consumers sooner than they could
19 otherwise do so through base rates, while at the same time earning a return on and
20 of that investment sooner than it could otherwise. This shifts the entire

¹⁵ See Direct Testimony Stacey Gabbard (January 6, 2023) at 19.

¹⁶ See JDW-02.

¹⁷ *Id.* at 10.

1 programmatic risk to consumers. (Yet, AEP Ohio, with this reduced risk, is not
2 proposing to reduce its rate of return commensurate with the lesser risk it will
3 bear). While AEP Ohio may assert that the new “CIS system will unlock the full
4 potential of grid modernization efforts[,]”¹⁸ AEP Ohio consumers are paying over
5 *a billion dollars* already in gridSMART investments that should already be (but
6 are not) unlocking the full potential of grid modernization. Consumers should not
7 be required to pay for a new CIS until and unless AEP Ohio demonstrates that its
8 costs were prudently incurred and that the investments are used and useful in
9 providing necessary service to consumers.

10
11 **2. Advanced Distribution Management System (“ADMS”)**

12
13 ***Q11. CAN YOU BRIEFLY DESCRIBE THE ADMS THAT AEP OHIO IS***
14 ***SEEKING TO HAVE CONSUMERS PAY FOR THROUGH THE PROPOSED***
15 ***CER RIDER?***

16
17 ***A11.*** Yes. AEP Ohio has proposed replacing the current outage management system
18 (“OMS”) and distribution management system (“DMS”) with an integrated
19 system to assist in managing the distribution system. According to AEP Ohio, the
20 OMS is software that is used to identify and locate outages within the distribution
21 system and to manage restoration efforts especially in areas where SCADA
22 communications are not deployed.¹⁹ DMS is used for real-time monitoring and
23 control of SCADA-connected equipment located across the distribution system. In

¹⁸ *Id.* at 8.

¹⁹ Direct Testimony of Chris Schafer (January 6, 2023) at 5.

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1 addition, the DMS manages third-party control systems for the distribution
2 automation and volt var optimization (“VVO”) equipment deployed during
3 gridSMART programs. Additionally, AEP Ohio claims that the ADMS is needed
4 to help operators manage the increasing complexity of the grid going forward as
5 significant penetration of distributed energy resources (“DERs”) occurs. The
6 Company claims that the OMS vendor began sunseting the application in 2022
7 which limits the ability to continue modifying the system for proper functioning.²⁰

8

9 ***Q12. IS AEP CURRENTLY UNDER A CONTRACT TO INSTALL ADMS AT ALL***
10 ***OF ITS OPERATING COMPANIES?***

11

12 ***A12.*** Yes.²¹

13

14 ***Q13. WHEN WILL THE ADMS CAPABILITIES BE DEPLOYED IN THE AEP***
15 ***OHIO SERVICE TERRITORY?***

16

17 ***A13.*** AEP intends to begin placing the ADMS in service at all of the operating
18 companies including AEP Ohio in early 2025.²² However, the currently planned
19 ADMS does not include the capabilities for full integration and control of new
20 and existing DACR and VVO systems.

²⁰ *Id.* at 6.

²¹ *Id.* at 13.

²² *Id.* at 13.

1 **Q14. WHAT ARE THE PROJECTED COSTS THAT AEP OHIO IS SEEKING**
2 **PUCO AUTHORITY TO COLLECT FROM CONSUMERS THROUGH THE**
3 **PROPOSED CER?**

4
5 **A14.** AEP Ohio projected a capital revenue requirement of approximately \$25.4 million
6 during the term of ESP V.²³ In addition, AEP Ohio has projected approximately
7 \$2.7 million in O&M expenses associated with the ADMS deployment.

8
9 **Q15. DO YOU HAVE AN OPINION ON WHETHER THE PUCO SHOULD**
10 **AUTHORIZE AEP OHIO TO COLLECT ADMS COSTS UNDER THE**
11 **PROPOSED CER RIDER?**

12
13 **A15.** Yes. The PUCO should not authorize AEP Ohio to collect ADMS costs from
14 consumers under the CER rider. AEP is already under contract with a vender to
15 develop the new ADMS system and plans to deploy the system in Ohio without
16 expedited collection of costs as proposed through the CER rider.²⁴ Assuming that
17 the ADMS is installed prior to the next AEP Ohio base rate case, AEP Ohio could
18 seek to collect the prudently incurred costs once the system is determined to be
19 used and useful in providing distribution services for consumers. This avoids
20 shifting the financial risks associated with replacing components of its existing
21 distribution systems onto consumers. According to the AEP Ohio response to
22 OCC INT-06-017 (attached herein as JDW-07), cost and benefits of the ADMS
23 were considered only at a high level and without considering interoperability
24 issues with new and existing gridSMART technologies.

²³ Direct Testimony of Curtis Heitkamp (January 6, 2023) at Exhibit CMH-2.

²⁴ See AEP Ohio response to OCC INT-06-001 (attached herein as JDW-06).

1 The PUCO should require AEP Ohio to discuss options available to resolve
2 interoperability issues with the current and future DACR and VVO systems
3 deployed as part of the on-going gridSMART program. Such discussion should
4 occur within the context of the gridSMART 3 collaborative as the ADMS is being
5 deployed in Ohio. Based on AEP Ohio's response to OCC INT-06-012 (attached
6 hereto as JDW-08), the incremental costs for AEP Ohio to integrate DACR and
7 VVO control within the ADMS have not been determined. Once the technical
8 details and costs are determined, AEP can implement changes to the ADMS (if
9 needed) and if beneficial for consumers as part of the normal capital budgeting
10 process.

11
12 **3. Community Grid Resiliency Pilot Program**
13

14 ***Q16. PLEASE DESCRIBE THE COMMUNITY GRID RESILENCY PILOT***
15 ***PROGRAM THAT AEP OHIO IS SEEKING PUCO AUTHORITY TO***
16 ***COLLECT FROM CONSUMERS USING THE CER RIDER.***
17

18 ***A16.*** AEP Ohio has proposed a pilot program to test the ability to limit the impact of
19 power outages within socially vulnerable communities.²⁵ According to AEP Ohio,
20 social vulnerability factors include such things as poverty, lack of access to
21 transportation, crowded housing, human suffering and financial loss during
22 extreme weather events and longer duration power interruptions.²⁶ The

²⁵ Direct Testimony of James Garrett (January 6, 2023) at 2.

²⁶ *Id.*

1 technologies that would be deployed as part of the pilot program include
2 renewables, batteries, and distributed energy resources.²⁷

3

4 ***Q17. WHAT ARE THE PROJECTED COSTS THAT AEP OHIO IS SEEKING TO***
5 ***COLLECT FROM CONSUMERS THROUGH THE CER RIDER?***

6

7 ***A17.*** AEP Ohio has not identified a specific revenue requirement for the grid resiliency
8 pilot program.²⁸ However, the company has estimated a total cost of \$15 million
9 for the pilot program.²⁹ According to the AEP Ohio response to OCC INT-05-012
10 (attached herein as JDW-09), there are no internal AEP Ohio studies or analysis,
11 specifications, or parameters to even support the proposed need for the CGR Pilot
12 program. And according to the AEP Ohio response to OCC RPD-05-005
13 (attached herein as JDW-10), there is no substance or support behind the \$15
14 million price tag.

15

16 ***Q18. DO YOU HAVE AN OPINION ON WHETHER THE PUCO SHOULD***
17 ***AUTHORIZE AEP OHIO TO COLLECT COSTS ASSOCIATED WITH THE***
18 ***PROPOSED GRID RESILIENCY PILOT PROGRAM UNDER THE CER***
19 ***RIDER?***

20

21 ***A18.*** Yes. The PUCO should not authorize AEP Ohio to collect costs associated with
22 the grid resiliency pilot program using the proposed CER rider.

²⁷ *Id.* at 5.

²⁸ See Direct Testimony of Curtis Heitkamp (January 6, 2023) at CMH-2. Mr. Heitkamp claims that the revenue requirement is not known at this time and that is included under the CER rider for future filings.

²⁹ Direct Testimony of Garrett at page 6.

Contrary to state law and PUCO orders, the pilot program would result in AEP Ohio installing generation types of resources on the customer side of the meter. In addition, the proposed pilot program would not be considered as a regulated service and therefore, should not be paid for using regulated consumer dollars.

Rather than diverting dollars and resources into a pilot program to help consumers respond to power outages, my recommendation is that AEP Ohio prioritize the spending of necessary funds to avoid power outages for all communities - - including the socially vulnerable communities. Finally, AEP Ohio should be encouraged to support state and local emergency response authorities in applying for any available federal or state funding through emergency management agency grants or other programs including contributions funded using shareholder dollars.

4. Reliability and Infrastructure Communications Plan

Q19. PLEASE DESCRIBE THE RELIABILITY AND INFRASTRUCTURE COMMUNICATIONS PLAN (“RICP”) THAT AEP OHIO IS SEEKING PUCO AUTHORITY TO COLLECT FROM CONSUMERS USING THE CER RIDER.

A19. AEP Ohio has proposed the RICP to inform consumers about electric infrastructure investments the Company is making to improve reliability and to keep consumers informed during actual outages about restoration progress and restoral times.³⁰ AEP Ohio claims that the RICP is needed during the term of ESP

³⁰ Direct Testimony of Angie Rybalt (January 6, 2023) at 3.

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1 V to keep consumers informed about the large number of projects that AEP Ohio
2 has planned within its DIR work plan.³¹

3

4 ***Q20. WHAT ARE THE TOTAL RICP COSTS THAT AEP OHIO IS SEEKING TO***
5 ***COLLECT FROM CONSUMERS THROUGH THE CER?***

6

7 ***A20.*** AEP Ohio has included a \$3.6 million O&M revenue requirement over the term
8 of ESP V.³²

9

10 ***Q21. DO YOU HAVE AN OPINION ON WHETHER THE PUCO SHOULD***
11 ***AUTHORIZE AEP OHIO TO COLLECT RICP COSTS FROM CONSUMERS***
12 ***UNDER THE CER RIDER?***

13

14 ***A21.*** Yes. The PUCO should not authorize AEP Ohio to collect O&M expenses
15 associated with the RICP through the CER rider. While I fully support AEP Ohio
16 communicating with consumers and keeping consumers informed during outages,
17 AEP Ohio is ultimately responsible under state law to provide safe and reliable
18 electric service. According to the AEP Ohio response to OCC INT-07-005
19 (attached herein as JDW-11), AEP Ohio currently collects \$473,000 annually in
20 base rates for customer communications on many topics including electric safety
21 and reliability. Rather than the PUCO authorizing charging consumers for
22 additional communications expenses in the proposed CER rider, AEP Ohio
23 should demonstrate the need for any additional communication expenses that it
24 seeks to collect from consumers as in its next distribution base rate case.

³¹ *Id.* at 4.

³² See Direct Testimony of Curtis Heitkamp (January 6, 2023) at Exhibit CMH-2.

1 **B. Modifications to Existing Riders**

2

3 ***Q22. CAN YOU BRIEFLY DESCRIBE THE MODIFICATIONS TO EXISTING***
4 ***RIDERS THAT AEP OHIO PROPOSED IN THE ESP V?***

5

6 ***A22.*** Yes. AEP Ohio has proposed significant increases in spending under the DIR and
7 the ESRR riders. Both riders are driving up the cost of consumers' monthly
8 electric bills and are contributing to the overall unaffordability of AEP Ohio's
9 electric service. Contrary to state policy,³³ the proposed increases lack any
10 consideration of affordability. Further, neither rider is providing substantial
11 reliability benefits to consumers, the premise that AEP relied upon when
12 originally seeking the riders. In fact, at the very time that AEP Ohio is seeking
13 massive increases in spending authority under the DIR and ESRR, it has a
14 pending application to make the minimum electric reliability standards it must
15 meet less stringent. Under this application, it is acceptable for AEP Ohio
16 consumers to experience more frequent outages and outages of longer duration.³⁴
17 AEP is simultaneously asking consumers to pay more while getting less.

³³ R.C. 4928.02(A).

³⁴ *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)(B)(7)*, Case No. 20-1111-EL-ESS, Revised Application (April 29, 2022).

1. Distribution Investment Rider (“DIR”)

Q23. PLEASE DESCRIBE THE DIR RIDER AND THE MODIFICATIONS THAT AEP OHIO IS SEEKING UNDER THE TERMS OF ESP V.

A23. The PUCO authorized the DIR in AEP Ohio’s ESP 2 as a single-issue ratemaking mechanism under R.C. 4928.143(B)(2)(h) for providing capital funding for distribution investments associated with infrastructure modernization. The DIR has traditionally provided capital for programs that are intended to maintain or improve the reliability that AEP Ohio provides consumers. Traditionally the DIR has also been used to collect capital for programs that are more consumer oriented. To help moderate the impact that the DIR could have on consumer bills, there have been annual revenue caps governing the amounts collected from consumers.

AEP Ohio is proposing to maintain the revenue caps for DIR investments that are associated with reliability-based types of programs in the ESP V. However, AEP Ohio is seeking to exclude investments in “customer driven” investment from being subject to revenue caps.³⁵ According to AEP Ohio, the change in is necessary because of the increased level of customer growth, rising costs of labor and materials, and the company’s obligation to serve.³⁶ AEP further asserts that levels of customer growth limit the Company’s ability to make needed reliability investments.

³⁵ Direct Testimony of Jaime Mayhan (January 6, 2023) at 16.

³⁶ Direct Testimony of Ryan Forbes (January 6, 2023).

*Direct Testimony of James D. Williams
On Behalf of the Office of the Ohio Consumers' Counsel
PUCO Case No. 23-23-EL-SSO, et al.*

AEP Ohio has proposed DIR reliability revenue caps of \$125 million for June – December 2024, \$233 million for 2025, \$260 million for 2026, and \$118 million for January – May 2027.³⁷ Through a separate filing, DIR caps would be set for reliability programs through the remainder of 2027 and for the remaining term of ESP V.

The total DIR revenue requirement over the term of ESP V is approximately \$2.8 billion. Annual revenue requirements are \$144 million in 2024 (June – December), \$304 million in 2025, \$377 million in 2026, \$454 million in 2027, \$533 million in 2028, \$617 million in 2029, and \$283 million in 2030 (January – May).³⁸ And these revenues requirements could increase even more since AEP Ohio proposed there be no revenue caps on non-reliability types of programs.

Q24. CAN YOU SUMMARIZE THE CONCERNS YOU HAVE WITH THE MODIFICATIONS TO THE DIR AS PROPOSED BY AEP OHIO?

A24. Yes. First and foremost, the PUCO, in keeping with its duty to approve just and reasonable rate, must moderate the magnitude of the rate increases that AEP Ohio intends to charge consumers for the DIR. Based on October 2022 rates for residential consumers using 1,000 kWh per month, the DIR would cost \$2.77 per month.³⁹ As proposed by AEP Ohio, the proposed rates for the DIR would increase to \$27.05 per month by 2030 or \$324.60 annually. These increases in the

³⁷ Direct Testimony of Jaime Mayhan (January 6, 2023) at 17.

³⁸ *Id.* at 16.

³⁹ Direct Testimony Curtis Heitkamp (January 6, 2023) at CMH-1.

*Direct Testimony of James D. Williams
On Behalf of the Office of the Ohio Consumers' Counsel
PUCO Case No. 23-23-EL-SSO, et al.*

1 DIR charges result in unreasonably priced retail electric service contrary to state
2 policy.⁴⁰

3

4 ***Q25. DO YOU HAVE OTHER CONCERNS WITH AEP OHIO'S PROPOSAL TO***
5 ***MODIFY THE DIR?***

6

7 ***A25.*** Yes. AEP Ohio wants to exclude investments in customer programs from being
8 subjected to the DIR revenue caps. The statutory authority for the DIR is founded
9 upon the utility placing sufficient emphasis on and dedicating sufficient resources
10 to the reliability of the distribution system.⁴¹ While some distribution plant
11 associated with customer programs and growth have been collected through the
12 DIR under the existing revenue caps, AEP Ohio should not be prioritizing
13 customer growth types of investment over reliability-based programs. Investments
14 that support additional customer growth should be excluded from the DIR. DIR
15 should be focused during the ESP V on limiting charges to consumers for only
16 reliability-based programs that can demonstrate quantifiable reliable
17 improvements for consumers. And reasonable revenue caps should apply to all
18 spending under the DIR.

19

20 ***Q26. IN YOUR OPINION, IS THE DIR RESULTING IN RELIABILITY***
21 ***IMPROVEMENTS FOR CONSUMERS?***

22

23 ***A26.*** No. During the period 2018 through 2022, AEP Ohio invested approximately
24 \$880 million in distribution plant through the DIR for reliability-based programs

⁴⁰ R.C. 4928.02(A).

⁴¹ R.C. 4928.143(B)(2)(h).

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On Behalf of the Office of the Ohio Consumers' Counsel
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1 and projects.⁴² During the same time period, approximately \$970 million in
2 distribution plant was invested through the DIR was for consumer-oriented
3 programs and projects.⁴³ AEP Ohio claims that in order to maintain and improve
4 reliability, additional funding is needed through the DIR.⁴⁴ Table 1 provides a
5 summary of the AEP Ohio reliability performance as measured by its SAIFI and
6 CAIDI standards.

⁴² See Direct Testimony of Ryan Forbes (January 6, 2023) at 15.

⁴³ *Id.*

⁴⁴ *Id.* at 16.

Table 1: AEP Ohio Reliability Performance Compared to Standards (2018 – 2022)⁴⁵

Reliability Standard	2018 ⁴⁶	2019 ⁴⁷	2020 ⁴⁸	2021 ⁴⁹	2022 ⁵⁰	5-Year Average
CAIDI Standard	149.00	148.00	148.00	148.00	148.00	148.20
CAIDI Performance	150.32	140.98	129.93	132.13	144.81	139.63
SAIFI Standard	1.19	1.18	1.18	1.18	1.18	1.18
SAIFI Performance	1.30	1.20	1.11	1.17	1.10	1.18

Table 1 shows that during this five-year period, AEP Ohio missed its Customer Average Interruption Duration Index (“CAIDI”) and its System Average Interruption Frequency Index (“SAIFI”) standards in 2018. And in 2019, AEP Ohio missed its SAIFI standard for a second consecutive year constituting a violation of the minimum PUCO reliability standards.⁵¹ Despite charging consumers hundreds of millions of dollars for improvements over the terms of the ESP II, ESP III, and ESP IV through the DIR, AEP Ohio reliability is not showing signs of improvement. In fact, the CAIDI performance in 2022 was 14.88 minutes

⁴⁵ Excludes major event days and transmission caused outages.

⁴⁶ *In the Matter of the Annual Report of Electric Distribution System Reliability Pursuant to Rule 4901:1-10-10(C)*, Case No. 19-992-EL-ESS, Report (March 29, 2019).

⁴⁷ *In the Matter of the Annual Report of Electric Distribution System Reliability Pursuant to Rule 4901:1-10-10(C)*, Case No. 20-992-EL-ESS, Report (March 31, 2020).

⁴⁸ *In the Matter of the Annual Report of Electric Distribution System Reliability Pursuant to Rule 4901:1-10-10(C)*, Case No. 21-992-EL-ESS, Report (March 31, 2021).

⁴⁹ *In the Matter of the Annual Report of Electric Distribution System Reliability Pursuant to Rule 4901:1-10-10(C)*, Case No. 22-992-EL-ESS, Report (March 30, 2022).

⁵⁰ *In the Matter of the Annual Report of Electric Distribution System Reliability Pursuant to Rule 4901:1-10-10(C)*, Case No. 23-992-EL-ESS, Report (March 31, 2023).

⁵¹ O.A.C. 4901:1-10-10(E).

1 longer than in 2020 and 12.68 minutes longer than in 2021. The average SAIFI
2 performance over the five-year period remains at the minimum SAIFI standard of
3 1.18 indicating little if any improvement in reliability.

4

5 **Q27. ARE THERE OTHER INDICATIONS THAT DIR IS NOT CONTRIBUTING**
6 **TO IMPROVED AEP OHIO RELIABILITY?**

7

8 **A27.** Yes. AEP Ohio has a pending application before the PUCO to weaken the
9 reliability standards and make it acceptable for consumers to have more outages
10 annually and lasting for longer durations of time.⁵² The AEP Ohio proposal is to
11 weaken the SAIFI standard for 2023 and beyond to 1.28 meaning that consumers
12 can experience 8.5 percent more outages annually as a minimum performance
13 standard.⁵³ AEP Ohio also proposed a CAIDI of 158 minutes for 2023 and beyond
14 meaning that the average interruption can last 10 minutes longer than what is
15 currently accepted as a minimum performance standard.⁵⁴

16

17 **Q28. DO YOU HAVE OTHER CONCERNS WITH AEP OHIO'S PROPOSAL TO**
18 **MODIFY THE DIR?**

19

20 **A28.** Yes. Consumers should be getting the full reliability benefits that they are being
21 charged for under the DIR. Customer growth types of investments do not
22 contribute to better reliability and therefore, should not be charged to consumers
23 under the DIR. The current DIR revenue caps of approximately \$57 million in

⁵² *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), Case No. 20-1111-EL-ESS, Revised Application (April 29, 2022).*

⁵³ *Id.* at 13.

⁵⁴ *Id.*

2021 (June – December), \$91 million for 2022, \$116 million for 2023, and \$57 million for 2024 (January – May 2024) should continue with only moderate increases to help account for inflation through May 2027. AEP Ohio has not proposed DIR revenue caps for programs that improve reliability after May 2027 and therefore, there is no need to continue the DIR after May 2027.⁵⁵ However, if AEP Ohio seeks to reset DIR revenue caps after May 2027 as it has proposed, these resets should only occur in the context of a distribution rate case where all revenues and expenses can be examined contemporaneously. Based upon the AEP Ohio response to OCC INT-03-002 (attached herein as JDW-12), AEP Ohio does not plan to file a distribution rate case during the term of the ESP V.

2. Enhanced Service Reliability Rider (“ESRR”)

Q29. PLEASE DESCRIBE THE MODIFICATIONS THAT AEP OHIO IS PROPOSING FOR THE ESRR UNDER THE ESP V.

A29. AEP Ohio currently collects \$35 million associated with vegetation management expenses that is included in base rates. In addition, the Utility currently collects \$45 million annually for vegetation management expenses through the ESRR.⁵⁶ One of the major drivers for the magnitude of the ESRR charges is the stand-alone danger tree program that was scheduled to end in 2023.⁵⁷ Under ESP V, the AEP Ohio is seeking to increase the amount that can be charged to consumers

⁵⁵ See Testimony of Jaime Mayhan (January 6, 2023) at 17.

⁵⁶ *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.

⁵⁷ *Id.*

*Direct Testimony of James D. Williams
On Behalf of the Office of the Ohio Consumers' Counsel
PUCO Case No. 23-23-EL-SSO, et al.*

1 annually under the ESRR to a total of \$539 million (practically doubling) the
2 current annual spending level of the ESRR. And AEP Ohio intends to expand the
3 scope of the ESRR to include more vegetation management outside the utility
4 right of way.⁵⁸

5

6 ***Q30. DO YOU HAVE CONCERNS WITH AEP OHIO'S PROPOSED***
7 ***MODIFICATIONS TO THE ESRR?***

8

9 ***A30.*** Yes. The increase in the annual spending amount for the ESRR is of great concern
10 because it contributes to the overall unaffordability of AEP Ohio's electric
11 service. Based upon ESRR rates that were in effect in October 2022, the ESRR
12 resulted in a charge of \$1.11 per month for residential consumers using 1,000
13 kWh per month.⁵⁹ But AEP Ohio's proposed increase in the ESRR spending
14 levels results in ESRR charges by 2030 of \$4.30 per month⁶⁰ or \$51.60 annually.
15 I also have concerns with continuing the ESRR at such elevated levels given that
16 the additional tree-trimming expense is not resulting in sufficient reliability
17 benefits to continue.

18

19 ***Q31. DOES THE NUMBER OF TREE-CAUSED OUTAGES SUPPORT THE***
20 ***NEED FOR CONTINUING THE ESRR?***

21

22 ***A31.*** No. Table 2 provides a summary of the number of tree-caused outages between
23 2018 and 2022.

⁵⁸ Direct Testimony of Mark Berndt (January 6, 2023) at 5.

⁵⁹ Direct Testimony of Curtis Heitkamp (January 6, 2023) at CMH-1.

⁶⁰ *Id.*

Table 2: Tree Caused Outages (2018 -2022)⁶¹

Year	Events	Customers Interrupted	Customer Minutes Interrupted
2018	7,387	411,100	97,681,526
2019	6,643	302,473	71,167,818
2020	6,037	277,485	56,768,407
2021	5,927	268,475	60,629,360
4-Year Average	6,499	314,883	71,561,778
2022	6,239	322,104	71,795,492
Difference	260	(7,221)	(233,714)

1 As shown above, comparing the total number of tree-caused outages in 2022 with
2 the four-year average number of outage events between 2018 and 2021 revealed
3 that there are fewer outage events. However, the number of customers interrupted
4 was slightly higher (2.3 percent) in 2022 compared with the four-year average
5 2018 through 2021. The number of customer minutes interrupted was slightly
6 higher as well in 2022 (.33 percent) compared with the four-year average
7 customer minutes interrupted 2018 through 2021. Given the reductions in the total
8 number of tree-caused outage events in 2021 compared with the average for 2018
9 through 2021, the continued need for an ESRR funded at the elevated levels
10 proposed by AEP Ohio is not supported.

11

12 The time is right for the PUCO to sunset the ESRR effective with the completion
13 of the next distribution base rate case when all vegetation management costs
14 associated with AEP Ohio complying with its vegetation management program
15 are included in distribution base rates.

⁶¹ Outage Cause designated Trees Inside ROW and Trees Outside ROW. Excludes outages during major events and transmission caused outages.

1 **IV. CONCLUSION**

2

3 ***Q32. DOES THIS CONCLUDE YOUR TESTIMONY?***

4 ***A32.*** Yes. However, I reserve the right to incorporate new information that may
5 subsequently become available through outstanding discovery or otherwise.

CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing Direct Testimony of James D. Williams on Behalf of Office of the Ohio Consumers' Counsel was served via electronic transmission to the persons listed below on this 9th day of June 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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Testimony of James D. Williams
Filed at the Public Utilities Commission of Ohio

1. *In the Matter of the Application of the Cincinnati Gas and Electric Company for an Increase in Its Rates for Gas Service to All Jurisdictional Customers, Case No. 95-0656-GA-AIR (August 12, 1996).*
2. *In the Matter of the Application of the Cincinnati Gas and Electric Company for an Increase in Its Rates for Gas Service to All Jurisdictional Customers, Case No. 01-1228-GA-AIR (February 15, 2002).*
3. *In the Matter of the Commission's Investigation into the Policies and Procedures of Ohio Power Company, Columbus Southern Power Company, The Cleveland Electric Illuminating Company, Ohio Edison Company, The Toledo Edison Company and Monongahela Power Company regarding installation of new line extensions, Case No. 01-2708-EL-COI (May 30, 2002).*
4. *In the Matter of the Application of The East Ohio Gas Company d/b/a Dominion East Ohio for an Increase in Its Rates for Gas Service to All Jurisdictional Customers, Case No. 07-0829-GA-AIR (June 23, 2008).*
5. *In the Matter of the Application of the Columbia Gas of Ohio, Inc. for Authority to Amend Filed Tariffs to Increase the Rates and Charges for Gas Distribution, Case No. 08-072-GA-AIR (September 25, 2008).*
6. *In the Matter of a Settlement Agreement Between the Staff of the Public Utilities Commission of Ohio, The Office of the Consumers' Counsel and Aqua Ohio, Inc. Relating to Compliance with Customer Service Terms and Conditions Outlined in the Stipulation and Recommendation in Case No. 07-564-WW-AIR and the Standards for Waterworks Companies and Disposal System Companies, Case No. 08-1125-WW-UNC (February 17, 2009).*
7. *In the Matter of the Application of the Ohio American Water Company to Increase its Rates for water and Sewer Services Provided to its Entire Service Area, Case No. 09-391-WS-AIR (January 4, 2010).*
8. *In the Matter of the Application of Aqua Ohio, Inc. for Authority to Increase its Rates and Charges in its Masury Division, Case No. 09-560-WW-AIR (February 22, 2010).*
9. *In the Matter of the Application of Aqua Ohio, Inc. for Authority to Increase its Rates and Charges in Its Lake Erie Division, Case No. 09-1044-WW-AIR (June 21, 2010).*

- IO. *In the Matter of the Application of The Ohio American Water Company to Increase its Rates/or Water Service and Sewer Service, Case No. 11-4161-WS-AIR (March 1, 2012).*
11. *In the Matter a/Columbus Southern Power Company and Ohio Power Company for Authority to Establish a Standard Service Offer Pursuant to Section 4928.143, Ohio Rev. Code, in the Form of an Electric Security Plan, Case No. 11-346-EL- SSO, et al (May 4, 2012).*
12. *In the Matter of the Application o/The Dayton Power and Light Company for Approval of its Market Rate Offer, Case No. 12-426-EL-SSO (June 13, 2012).*
13. *In the Matter of the Application of Ohio Power Company to Establish Initial Storm Damage Recovery Rider Rates, Case No. 12-3255-EL-RDR (December 27, 2013).*
14. *In the Matter of the Application of Ohio Power Company for Authority to Establish a Standard Service Offer Pursuant to Section 4928.143, Ohio Rev. Code, in the Form of an Electric Security Plan, Case No. 13-2385-EL-SSO (May 6, 2014).*
15. *In the Matter of the Application of Duke Energy Ohio/or Authority to Establish a Standard Service Offer Pursuant to Section 4928.143, Revised Code, in the Form of an Electric Security Plan, Accounting Modifications and Tariffs for Generation Service, Case 14-841-EL-SSO (May 29, 2014).*
16. *In the Matter of the Application of Ohio Edison Company, The Cleveland Electric Illuminating Company and The Toledo Edison Company for Authority to Provide for a Standard Service Offer Pursuant to R.C. 4928.143 in the Form of an Electric Security Plan, Case No. 14-1297-EL-SSO (December 22, 2014).*
17. *In the Matter of the Application of Duke Energy Ohio, Inc., to A4just Rider DR- IM and Rider AU for 2013 Grid Modernization Costs, Case No. 14-1051-EL- RDR (December 31, 2014) and (February 6, 2015).*
18. *In the Matter of the Application Not for an Increase in Rates Pursuant to Section 4901:18, Revised Code, of Ohio Power Company to Establish Meter Opt-Out Tariff, Case No. 14-1158-EL-ATA (April 24, 2015).*
19. *In the Matter of the Application of Duke Energy of Ohio, Inc., for Approval of a Grid Modernization Opt-out Tariff and for a Change in Accounting Procedures Including a Cost Recovery Mechanism., Case 14-1160-EL-UNC and 14-1161-EL- AAM (September 18, 2015).*

20. *In the Matter of the Application of Duke Energy Ohio, Inc., for Approval of an Alternative Rate Plan Pursuant to Section 4929.05, Revised Code, for an Accelerated Service Line Replacement Programs*, Case No. 14-1622-GA-ALT (November 6, 2015).
21. *In the Matter of the Complaint of Jeffrey Pitzer, Complainant, v. Duke Energy Ohio, Inc. Respondent.*, Case No. 15-298-GE-CSS (December 30, 2015).
22. *In the Matter of the Application of Ohio Power Company to Initiate Phase 2 of Its gridSMART Project and to Establish the gridSMART Phase 2 Rider*, Case No. 13-1939-EL-RDR (July 22, 2016).
23. *In the Matter of the Application of Columbia Gas of Ohio, Inc. for Approval of Demand Side Management Program for Its Residential and Commercial Customers*, Case No. 16-1309-GA-UNC (September 13, 2016).
24. *In the Matter of the Application of the Dayton Power and Light Company for Approval of Its Electric Security Plan*, Case No. 16-0395-EL-SSO (November 21, 2016). Supplemental Testimony, (March 29, 2017).
25. *In the Matter of the Application of Aqua Ohio, Inc. to Increase Its Rates and Charges for Its Waterworks Service.*, Case No. 16-0907-WW-AIR (December 19, 2016).
26. *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 No. 16-1852-EL-SSO, (May 2, 2017).
27. *In the Matter of the Application of the Ohio Development Services Agency for an Order Approving Adjustments to the Universal Service Fund Riders of Jurisdictional Ohio Electric Distribution Utilities*, Case No. 17-1377-EL-USF, (August 11, 2017).
28. *In the Matter of the Application of Duke Energy Ohio, Inc. to Adjust Rider AU for 2016 Grid Modernization Costs*, Case No. 17-690-GA-RDR, (August 18, 2017).
29. *In the Matter of the Application of Duke Energy Ohio, Inc., for an Adjustment to Rider AMRP Rates*, Case No. 17-2318-GA-RDR, (April 5, 2018).
30. *In the Matter of the Application of Dayton Power and Light Company for an Increase in Electric Distribution Rates*, Case No. 15-1830-EL-AIR, (April 11, 2018).
31. *In the Matter of the Application of Duke Energy Ohio, Inc. for an Increase in Electric Distribution Rates*, Case No. 17-032-EL-AIR, et al, (June 25, 2018).

32. *In the Matter of the Complaint of Citizens Against Clear Cutting, et al., Complainants, v. Duke Energy Ohio, Inc. Respondent*, Case No. 17-2344-EL-CSS (August 27, 2018). Supplemented Direct Testimony (November 9, 2018).
33. *In the Matter of the Application of Vectren Energy Delivery of Ohio, Inc. for Approval of an Increase in Gas Rates*, Case No. 18-0298-GA-AIR (November 7, 2018). Supplemental Testimony (January 22, 2019).
34. *In the Matter of the Application of Ohio Power Company to Update Its Enhanced Service Reliability Rider*, Case No. 17-1914-EL-RDR (May 3, 2019).
35. *In the Matter of the Application of the Review of Duke Energy Ohio, Inc.'s Distribution Capital Investment Rider*, Case No. 18-1036-EL-RDR, (July 8, 2019).
36. *In the Matter of the Review of the Distribution Investment Rider Contained in the Tariff of Ohio Power Company*, Case No. 17-38-EL-RDR (August 20, 2019).
37. *In the Matter of the Commission's Investigation into Verde Energy USA Ohio, LLC's Compliance with the Ohio Administrative Code and Potential Remedial Actions for Non-Compliance*, Case No. 19-958-GE-COI, (October 2, 2019).
38. *In the Matter of the Application of Columbia Gas of Ohio, Inc. for an Adjustment to Rider IRP and Rider DSM Rates*, Case No. 19-1940-GA-RDR, (April 20, 2020).
39. *In the Matter of the Application of Vectren Energy Delivery of Ohio, Inc. for Approval to Continue Demand Side Management Program for its Residential, Commercial, and Industrial Customers*, Case No. 19-2084-GA-UNC (August 11, 2020).
40. *In the Matter of the Application of The Dayton Power and Light Company for Approval of Its Plan to Modernize Its Distribution Grid*, Case No. 18-1875-EL-GRD (December 14, 2020).
41. *In the Matter of the Application of The Dayton Power and Light Company to Increase Its Rates for Electric Distribution*, Case No. 20-1651-EL-AIR (August 25, 2021).
42. *In the Matter of the Application of Ohio Power Company to Initiate its gridSMART Phase 3 Project*, Case No. 19-1475-EL-RDR (November 3, 2021).
43. *In the Matter of the Application of Aqua Ohio, Inc. to Increase Rates and Charges for Its Waterworks Service*, Case No. 21-0595-WW-AIR (March 14, 2022).
44. *In the Matter of the Application of the Ohio Department of Development for an Order Approving Adjustments to the Universal Service Rider Fund Riders of Jurisdictional Ohio Electric Distribution Utilities*. Case No. 22-556-EL-USF (August 19, 2022).

45. *In the Matter of the Application of Duke Energy Ohio, Inc., for an Increase in Electric Distribution Rates*, Case No. 21-887-EL-AIR (September 2, 2022) and September 29, 2022).
46. *In the Matter of the Commission's Investigation into RPA Energy, Inc.'s Compliance with the Ohio Administrative Code and Potential Remedial Actions for Non-Compliance.*, Case No. 22-441-GE-COI (September 30, 2022).
47. *In the Matter of the Application of The Dayton Power and Light Company d/b/a AES Ohio for Establishing New Reliability Standards*, Case No. 21-956-EL-ESS, (December 19, 2022).
48. *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 No. 23-23-EL-SSO, (June 9, 2023).

**OHIO POWER COMPANY'S RESPONSE TO
THE OFFICE OF THE OHIO CONSUMERS' COUNSEL'S
DISCOVERY REQUEST
PUCO CASE 23-0023-EL-SSO
EIGHTH SET**

INTERROGATORY

- OCC-INT-08-007 Mr. Gabbard states on page 10 of his testimony that “One of the outputs of the first phase will be a more detailed deployment schedule for each operating company.”
- a.: Identify each of the AEP operating companies that will be transitioning to the new CI.
 - b.: Related to the automation of manually intensive industrial customer spreadsheet billing and over each of the last five years, what was the total number of AEP Ohio customers that required manual spreadsheet billing?
 - c.: Does AEP Ohio perform manual spreadsheet billing for any residential customers?
 - d.: What is the total annual expense incurred by AEP Ohio to perform manual spreadsheet billing?
 - e.: Is the current AEP meter data management (“MDM”) system used by each of the operating companies?
 - f.: Please explain any differences in the functionality of the MDM that is unique to AEP Ohio.
 - g.: Please explain any additional functionality that will be available for AEP Ohio in the new MDM that is not available in the current MDM.
 - h.: Has the first phase begun, and if so, when did the first phase begin?
 - i.: Has AEP and/or AEP Ohio developed any type of an overall architecture plan that describes the functionality that will be available in the new CIS?
 - j.: Please provide the order in which AEP intends to deploy the new CIS at each of the operating companies.
 - k.: Other than eliminating the need for manual spreadsheet billing, what other CIS functionality will be provided as part of the first phase?

RESPONSE

AEP Ohio objects that the request seeks information about future events that are not currently known. The Company further objects that the request is vague and undefined. The Company further objects to the extent the request mischaracterizes filed testimony. The Company further objects that this request seeks a narrative response. Without waiving these objections or any general objections the Company may have, the Company states as follows.

a.: AEP Ohio objects to the extent this request seeks information about affiliates of AEP Ohio that are not subject to the Commission's jurisdiction. Without waiving this objection or any general objections the Company may have, the Company states as follows. All of the Company's affiliated operating companies will be transitioning to the new CIS.

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b.: There are 11 spreadsheet billed customers. These are industrial customers, which results in 660 spreadsheet bills for these customers over the last five years.

c.: No.

d.: AEP Ohio further objects because the request seeks information that is not kept in the ordinary course of business and would unduly burdensome to compile in the format requested. Without waiving this objection or any general objections the Company may have, the Company states as follows. The Company estimates that the amount of effort to manually bill large industrial accounts on spreadsheets is approximately 66 hours of effort per year.

e.: AEP Ohio objects to the extent this request seeks information about affiliates of AEP Ohio that are not subject to the Commission's jurisdiction. Without waiving this objection or any general objections the Company may have, the Company states as follows. All of the jurisdictions that have AMI are using are AEP's current MDM system.

f.: AEP Ohio objects to the extent this request seeks information about affiliates of AEP Ohio that are not subject to the Commission's jurisdiction. Without waiving this objection or any general objections the Company may have, the Company states as follows. There are no significant differences in the functionality of the MDM that is unique to AEP Ohio compared to other AEP operating companies.

g.: The main additional functionality of the new CIS systems includes having the MDM integrated as part of the core data base, allowing interval usage from the MDM to be ingested for billing in CIS. In addition, AEP Ohio's new CIS system would integrate market facing functionality such as settlements and usage transaction as part of the core functionality, not additional dated technology integrated to the CIS.

h.: Yes. Q3 of 2021.

i.: Please see the Company's response to OCC-RPD-08-001, the objections and response to which are hereby incorporated by reference.

j.: AEP Ohio objects to the extent this request seeks information about affiliates of AEP Ohio that are not subject to the Commission's jurisdiction. Without waiving this objection or any general objections the Company may have, the Company states as follows. The order of operating companies that AEP is planning to deploy the new CIS system is being evaluated at this time.

k.: The scope of the new CIS Phase 1 functionality is still under review.

Prepared by:

Counsel
Stacey D. Gabbard

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INTERROGATORY

OCC-INT-08-015 Referring to the testimony of Mr. Gabbard on page 19, 28% of the total investment and cost for the proposed CIS will be allocated to AEP Ohio.
a.: What percentage of the total investment and cost will be allocated to each of the other AEP operating companies?
b.: What methodology was used to calculate the allocation of CIS investment and costs to AEP Ohio?
c.: Which FERC accounts will be used to record AEP Ohio capital costs associated with the new CIS?
d.: Which FERC accounts will be used to record AEP Ohio O&M costs associated with the new CIS?
e.: Please describe any regulatory accounting changes that would occur under the "Cloud Computing Arrangement" described in the testimony of Mr. Gabbard on page 20.
f.: Please describe AEP's plan for seeking regulatory approval for recovery of capital and O&M costs associated with the new CIS in the jurisdiction of each of the operating companies.

RESPONSE

AEP Ohio objects to the extent the request mischaracterizes filed testimony. The Company further objects that the request seeks information that is not relevant or likely to lead to the discovery of admissible information. The Company further objects to the form of the question as this request is vague, overbroad and/or unduly burdensome. The Company objects to this request seeking a narrative answer. The Company further objects that the request seeks information about future events that are not currently known. Without waiving these objections or any general objections the Company may have, the Company states as follows.

a.: Response: Please refer to OCC INT-08-015 Attachment 1 for the requested information. Please note that during the initial cost estimate and filing of this ESP V, the Company believed that Kentucky Power would no longer be affiliated with AEP since there was a pending transaction to sell that operating company (which resulted in the 28.17% allocation to AEP Ohio). The attachment reflects the inclusion of Kentucky Power (which changes AEP Ohio's allocation to 27.31%) since the Kentucky Power transaction has been withdrawn.
b.: The methodology currently used to provide a class 5 estimate is based upon customer allocation. Please refer to page 19, lines 2-5 of the direct testimony of Company witness Gabbard for further details regarding the methodology.
c.: The capital costs associated with the new CIS system is expected to be recorded in FERC plant account 303.
d.: The O&M costs associated with the new CIS system would predominately be recorded in a combination of FERC plant accounts 920 and 935.

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e.: As part of this proceeding, AEP Ohio has proposed the Customer Experience Rider (CER) that would recover the Customer Information System (CIS) capital and O&M with over/under true-up regulatory accounting. If approved by the Commission, the rider would collect a return of and on capital investment and recovery of CIS O&M. This mechanism would address any changes in the actual capital and O&M spent on the CIS.

f.: AEP Ohio objects to the extent this request seeks information about affiliates of AEP Ohio that are not subject to the Commission's jurisdiction. The Company further objects that the requested information is not within the possession of AEP Ohio. The Company further objects to the extent this request seeks information protected by the work product doctrine and attorney-client privilege.

Prepared by:

Counsel
Stacey D. Gabbard

**OHIO POWER COMPANY'S RESPONSE TO
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REQUEST FOR PRODUCTION

OCC-RPD-08-001 Please provide a copy of any reports, studies, presentations or plans that have been developed by AEP and/or AEP Ohio that describes the requirements and functionality that will be available in the proposed new CIS.

RESPONSE

AEP Ohio objects to the form of the question as this request is vague, overbroad and would be unduly burdensome provide. The Company further objects that the request seeks information that is not relevant or likely to lead to the discovery of admissible information. The Company further objects to the extent this request seeks information about affiliates of AEP Ohio that are not subject to the Commission's jurisdiction. Without waiving these objections or any general objections the Company may have, the Company states as follows. The Company is currently conducting a good faith search for responsive documents and will supplement this response as necessary.

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REQUERST FOR PRODUCTION

OCC-RPD-08-002 Please provide a copy of cost benefit studies or analysis performed by AEP and/or AEP Ohio regarding the proposed new CIS.

RESPONSE

AEP Ohio objects to the form of the question as this request is vague, overbroad and would be unduly burdensome provide. The Company further objects that the request seeks information that is not relevant or likely to lead to the discovery of admissible information. The Company further objects to the extent this request seeks information about affiliates of AEP Ohio that are not subject to the Commission's jurisdiction. Without waiving these objections or any general objections the Company may have, the Company states as follows. The Company is currently conducting a good faith search for responsive documents and will supplement this response as necessary.

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INTERROGATORY

- OCC-INT-06-001 Regarding the statement in the testimony of Chris Schafer on page 6 that "...the Company's current OMS vendor has indicated the OMS platform is nearing end of life and has plans to begin sunseting the application in 2022..."
- a.: Identify each of the AEP affiliates that use the OMS platform.
 - b.: When did the current OMS vendor notify AEP and/or AEP Ohio that its OMS platform was nearing end of life?
 - c.: Who is the vendor for the current OMS platform?
 - d.: What is the make and model number of the OMS platform?
 - e.: When did AEP Ohio begin using the current OMS platform?
 - f.: What is the typical life cycle of an OMS platform?
 - g.: Does AEP Ohio intend to transition from the current OMS to the new ADMS if the proposed funding mechanism through the Customer Experience Rider is not approved by the PUCO?

RESPONSE

AEP Ohio objects to the extent the request mischaracterizes filed testimony. The Company further objects that the request is vague and undefined. Without waiving these objections or any general objections the Company may have, the Company states as follows.

- a.: AEP Ohio objects to the extent this request seeks information about affiliates of AEP Ohio that are not subject to the Commission's jurisdiction. Without waiving these objections or any general objections the Company states as follows. All of AEP Ohio's operating company affiliates use the current OMS platform.
- b.: February, 2020
- c.: General Electric
- d.: PowerOn Restore version 4.3
- e.: The original PowerOn platform was installed in approximately 2005. The Company performed a number of upgrades and enhancements over the years to remain current with the vendor's advancement of the technology. The latest major upgrade was from PowerOn to PowerOn Restore in January 2016.
- f.: The Company is unable to answer the question as posed because it depends on a number of factors including vendor commitment to maintain their products over time. However, the

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Company typically expects about 10 years of life for these types of application used in operations.

g.: AEP Ohio objects that the request seeks information about future events that are not currently known. The Company further objects that this request seeks information associated with an incomplete hypothetical. Without waiving this objection or any general objections the Company may have, the Company states as follows. Under current circumstances, yes

Prepared by:

Counsel
Christopher M. Schafer

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INTERROGATORY

OCC-INT-06-017 Was a cost benefit analysis of the ADMS performed by AEP and/or AEP Ohio prior to issuing the RFP to select a vendor for the ADMS?

RESPONSE

AEP Ohio objects to the form of the question as this request is vague and undefined. The Company further objects to the extent this request seeks information about affiliates of AEP Ohio that are not subject to the Commission's jurisdiction. Without waiving these objections or any general objections the Company may have the Company states as follows. Yes. An analysis was performed in conjunction with the RFP that incorporated high-level anticipated costs and benefits. The actual costs and benefits may vary as the scope of the implementation is refined throughout the project period and AEP Ohio develops plans for the future transition to ADMS DACR and VVO capabilities that will occur post initial ADMS deployment.

Prepared by:

Counsel

Christopher M. Schafer

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INTERROGATORY

OCC-INT-06-012 What are the incremental costs for AEP Ohio to integrate DACR and VVO control within the ADMS?

RESPONSE

AEP Ohio objects to the form of the question as this request is vague and undefined. Without waiving this objection or any general objections the Company may have, the Company states as follows. The costs to implement ADMS/DERMS described in witness Schafer's testimony includes the transition of existing DACR and VVO capabilities that is currently available in DMS. At a future date, removal of the 3rd party DACR and VVO controller and utilization of the control capabilities that were made available during this ADMS implementation will be determined.

Prepared by:

Counsel
Christopher M. Schafer

**OHIO POWER COMPANY’S RESPONSE TO
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FIFTH SET**

INTERROGATORY

OCC-INT-05-012 Referring to the testimony of James Garrett IV on page 8, please describe the criteria that will be used for selecting “key sites within selected communities” where micro-grid installations could occur?

RESPONSE

AEP Ohio objects to the extent the request mischaracterizes filed testimony. The Company further objects that the request seeks information about future events that are not currently known. The Company further objects that this request seeks information associated with an incomplete hypothetical. The Company objects to this request seeking a narrative answer that includes an array of details and examples. Without waiving these objections or any general objections the Company may have, the Company states as follows. Project specific design specifications and parameters will be determined at a later date. Preliminarily, the criteria for the key sites selected are set forth on page 4 of the Direct Testimony of Company witness Garrett.

Prepared by:

Counsel
James G. Garrett

**OHIO POWER COMPANY'S RESPONSE TO
THE OFFICE OF THE OHIO CONSUMERS' COUNSEL'S
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FIFTH SET**

INTERROGATORY

OCC-RPD-05-005 Please provide details supporting the \$15,000,000 cost estimate for the CGR Pilot program as referenced in Figure JGC-1 in the testimony of James Garrett IV.

RESPONSE

AEP Ohio objects to the form of the question as this request is vague, overbroad and/or unduly burdensome. Without waiving the foregoing objection or any general objections the Company may have the Company states as follows. Each item that composes the \$15,000,000 cost estimate for the CGR program was based upon on transient research and internal expertise that was not retained or otherwise documented.

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SEVENTH SET**

INTERROGATORY

OCC-INT-07-005 On an annual basis between 2012 and 2022, what was the total expense for customer communications involving electric safety and reliability that AEP Ohio collected in distribution base rates?

RESPONSE

AEP Ohio objects that the request seeks information that is not relevant or likely to lead to the discovery of admissible information. The Company further objects to the form of the question as this request is vague and overbroad and seeks information that is not kept in the ordinary course of business and would unduly be burdensome to compile in the format requested. Without waiving these objections or any general objections the Company may have, the Company states as follows. The Company does not track the information as requested in this interrogatory; however, \$473,000 in base distribution was reflected in base rates as approved by the Commission in the Company's most recent base case.

Prepared by:

Counsel
Angela M. Rybalt

**OHIO POWER COMPANY’S RESPONSE TO
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THIRD SET**

INTERROGATORY

- OCC-INT-03-002 The testimony of Jaime Mayhan on page 17 states that “The Company is proposing to file, at a future date, to reset the DIR reliability caps based on a more detailed DIR Work Plan for years beyond May 31, 2027 through the end of the ESP V.”
- a.: Please explain why proposed DIR reliability caps are not available now for the full year of 2027 through the term of the ESP V?
 - b.: Does AEP Ohio contemplate filing a separate application to reset the DIR reliability caps for years after May 31, 2027 through the end of the ESP V?
 - c.: Is AEP Ohio proposing a separate PUCO proceeding to address resetting the proposed DIR reliability caps for the period after May 31, 2027 through the end of the ESP V?
 - d.: Does AEP Ohio intend to file a distribution rate case during the term of the ESP V, and if so, what is the projected date when a distribution rate case will be filed?

RESPONSE

AEP Ohio objects that the requested information is publicly available in the Commission's docket. The Company further objects that the request seeks information about future events that are not currently known. AEP Ohio further objects that this request seeks a narrative response. Without waiving these objections or any general objections the Company may have, the Company states as follows:

- a. Please see Company Witness Mayhan’s testimony on page 17 as well as Company Witness Forbes’ testimony on pages 25 through 27.
- b. Please see the Company's response to part a.
- c. Please see the Company's response to part a.
- d. AEP Ohio further objects that this request seeks information protected by the work product doctrine and attorney-client privilege. Without waiving this additional objection or any general objections the Company may have, the Company states that it does not currently have plans to file a distribution rate case during the proposed ESP V term, but reserves the right to make such a filing.

Prepared by:

Counsel
Jaime L. Mayhan

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Summary: Testimony Direct Testimony of James D. Williams on Behalf of Office of the Ohio Consumers' Counsel electronically filed by Ms. Alana M. Noward on behalf of Michael, William J..