

EXHIBIT NO. ___

BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Columbus
Southern Power Company for Approval of
Electric Transition Plan and Application for
Receipt of Transition Revenues

Case No. 99-1729-EL-ETP

In the Matter of the Application of Ohio
Power Company for Approval of
Electric Transition Plan and Application for
Receipt of Transition Revenues

Case No. 99-1730-EL-ETP

SUPPLEMENTAL DIRECT TESTIMONY OF
JEFFRY L. LAINE
ON BEHALF OF
COLUMBUS SOUTHERN POWER COMPANY
AND
OHIO POWER COMPANY

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JEFFRY L. LAINE
PUCO CASE NOS. 99-1729-EL-ETP and
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BEFORE
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SUPPLEMENTAL DIRECT TESTIMONY OF
JEFFRY L. LAINE
ON BEHALF OF
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CASE NO. 99-1729-EL-ETP
AND
OHIO POWER COMPANY
CASE NO. 99-1730-EL-ETP

12 **Personal Data**

13 Q. Please state your name and business address.

14 A. My name is Jeffrey L. Laine. My business address is 1 Riverside Plaza, Columbus,
15 Ohio 43215.

16 Q. Are you the same Jeffrey L. Laine that has filed Direct Testimony in this
17 proceeding?

18 A. Yes.

19

20 **Purpose of Testimony**

21 Q. What is the purpose of your supplemental direct testimony in this proceeding?

22 A. The purpose of my supplemental direct testimony is to provide updated
23 information relative to the Operational Support Systems and the costs associated
24 with implementing Customer Choice.

25

26 **Operational Support Systems Plan**

27 Q. In your pre-filed Direct Testimony, you indicated that the Company was in the
28 process of deciding upon the appropriate Information Technology (IT) solution

1 path to carry out the Company's Customer Choice implementation plan. Has a
2 decision been made on the IT solution path?

3 A. Yes. The Company has determined that a "Clearinghouse" approach best meets
4 our needs. The specific clearinghouse solution which is being utilized is one in
5 which the new functionality required by Customer Choice, such as service
6 provider registration, enrollment & switching, estimation & reconciliation,
7 settlement, and bill data delivery, will be outsourced to Logica, Inc. and
8 performed by their Market Data ClearingHouse (MDCH) for the North American
9 electricity market. The MDCH is a solution delivered through a service provided
10 and operated by Logica that facilitates the provision of key market services. It
11 will also act as the long-term repository and audit source of all key market
12 enabling data, offering continuity over time as participants enter and leave the
13 market. The benefits of the MDCH service to the Company include elimination
14 of up-front IT capital investment and the provision of required services on an
15 interim basis prior to the complete IT infrastructure of the MDCH actually being
16 put in service.

17

18 **Implementation Costs**

19 Q. Have you reviewed the estimated costs for the implementation of Customer
20 Choice as compared to those identified in your Direct Testimony?

21 A. Yes. The costs presented in my Direct Testimony reflected the typical IT solution
22 path where the utility purchases the entire IT infrastructure necessary to perform
23 all Customer Choice functionality. The solution chosen by the Company reduces
24 the infrastructure and maintenance costs by outsourcing much of the IT processing.

1 However, recent proposed rules by the Commission such as the apparent
2 requirement for utility-provided consolidated billing appear to offset much of the
3 avoided costs gained by the ClearingHouse solution. We are currently in the
4 process of evaluating the still-evolving requirements for implementing Customer
5 Choice in Ohio.

6 Q. Are the implementation costs presented in your Direct Testimony still applicable?

7 A. Based on the information available at this point in time, with factors suggesting
8 that various components of the estimate could be adjusted both upwards and
9 downwards, the implementation costs presented in my Direct Testimony remain
10 the Company's best estimate of implementation costs over the next five years.

11 Q. Does this conclude your supplemental direct testimony?

12 A. Yes.