

DIRECT TESTIMONY OF
THOMAS J. RINGENBACH
ON BEHALF OF
INDIANA MICHIGAN POWER COMPANY
IN MPSC CASE NO. U-12652

1 Q. Please state your name, business address, and present position.

2 A. My name is Thomas J. Ringenbach and my business address is 700 Morrison Road,
3 Gahanna, Ohio, 43230. I am employed by American Electric Power Service Corporation
4 (AEPSC) as Manager – Business Standards, within the Planning & Business Development
5 Department.

6 Q. Have you previously filed testimony in this proceeding?

7 A. Yes, I filed rebuttal testimony on April 27, 2001, with regard to certain portions of the
8 testimony of Staff Witness Paul A. Carlson.

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

10 A. The purpose of this testimony is to support certain sections of Indiana Michigan Power
11 Company's (I&M or Company) Restructuring Implementation Plan filed with the MPSC
12 on October 2, 2000. Specifically, I am supporting the following sections:

13 B. Projects Supporting Supplier Transactions

14 1. Supplier Qualifications

15 7. Supplier Support

16 C. Projects Supporting Customer Transactions

17 1. Customer Enrollment/Switching

18 2. Customer Billing and Collections

19 D. Projects Supporting Awareness and Education

20 2. Supplier Education

21 E. Projects Supporting Customer Usage Determination

- 1 1. Metering
- 2 2. Load Profiling
- 3 G. Information Systems Summary (entire section)
- 4 I. Proposed Schedule (entire section)
- 5 J. Projected Costs
- 6 1.b. Operational Implementation Costs

In addition, I am sponsoring certain sections of the Company's proposed terms and conditions of service. A draft of this document was filed with the MPSC on February 20, 2001, as part of AEP's Progress Report, and is being refiled with additional rate information as part of the Company's current submission. My testimony supports those portions of the terms and conditions relating to policies and procedures for customer enrollment and switching, billing, metering and load profiling, and AES registration and credit requirements. Company Witnesses Thomas and DeLizio support the remainder of the terms and conditions of service and rate schedules.

Q. Are you sponsoring any exhibits in this proceeding?

A. Yes, I am sponsoring Exhibit A-____(TJR-1) and Exhibit A-____(TJR-2).

Q. Were these exhibits prepared by you or under your supervision?

A. Yes.

Q. Is the Company proposing any changes to the terms and conditions filed in the Progress Report in your specific areas of responsibility?

A. Yes. The Company is proposing to use the customer's regular meter read date as the effective date of a customer enrollment, rather than the first day of a calendar month, as was proposed in the Progress Report. If this change receives regulatory approval in Michigan, then all of the states served by AEP, which have implemented a choice program,

will make consistent use of the meter read date as the effective date for customer enrollment. The resulting process uniformity would result in improved operational efficiency for the Company. Further, it would create uniformity with respect to enrollment date among the service territories of the major utilities serving Michigan.

Also, in my rebuttal testimony filed April 27, 2001, I proposed a revision to the terms and conditions of service relating to AES credit requirements, which was intended to be responsive to Staff concerns about the Company's original proposal. Although the current filing does not include this revision, the Company continues to offer it as an alternative to the creditworthiness language proposed in its February filing.

Q. Please provide an overview of AEP's restructuring efforts in preparation for customer choice in the areas listed above.

A. The overall objective of AEP's restructuring efforts is to develop and implement processes and infrastructure which will enable interaction with suppliers to facilitate customer enrollment, consumption measurement, billing and collection, and market settlement in a timely and efficient manner. The Company's principle strategies for accomplishing this are (1) creation of a Market Data Clearinghouse (MDCH); (2) modification of the Company's existing customer information system (CIS) and related systems; and (3) development of an extensive Electronic Data Interchange (EDI) capability. These efforts are described in detail in Section G, Information Systems Summary of the Company's Restructuring Implementation Plan filed on October 2, 2000.

Q. Is the Company providing a calculation in this filing of its operational implementation costs?

A. Yes. In its October filing in this proceeding, the Company identified operational implementation costs through 2007 for AEP's Michigan jurisdiction of \$6.4 million (pp.

65-66). Based on additional market and regulatory requirements identified since then, as well as experience gained in developing and implementing functionality required for customer choice, the Company has revised its estimate of costs, as detailed in Exhibit A____(TJR-1). The revisions are primarily in the areas of program development and IT integration, maintenance, and processing costs. A description of the Company's operational implementation costs is presented in section J.1.b of the October filing. Consistent with that description, this cost estimate includes the Customer Support activities sponsored by Witness Charles D. Via, as well as the activities sponsored by me.

Q. Has AEP developed a timeline by which it plans to accomplish all of the various developmental activities necessary for the Company to be prepared to support Customer Choice when the Michigan market opens January 1, 2002?

A. Yes. In its October 2, 2000 filing, AEP submitted a sample implementation plan which identified key preparation milestones and dates leading to market opening. The Company used a plan developed for Ohio for illustrative purposes in that filing and indicated that it would prepare and submit a plan specifically for Michigan with this filing. The Company's plan for Michigan is included here as Exhibit A____(TJR-2).

Q. Does this complete your direct testimony?

A. Yes.