

FILED
June 28, 2023
**INDIANA UTILITY
REGULATORY COMMISSION**

VERIFIED DIRECT TESTIMONY
OF
CHADWICK M. BOCOOK
ON BEHALF OF
INDIANAPOLIS POWER & LIGHT COMPANY
D/B/A AES INDIANA
Cause No. 45911

VERIFIED DIRECT TESTIMONY OF CHADWICK M. BOCOOK

ON BEHALF OF AES INDIANA

1

1. INTRODUCTION

2 **Q1. Please state your name, employer, and business address.**

3 A1. My name is Chadwick M. Bocook. I am employed by AES US Services, LLC, (“AES
4 Services”, also “Service Company”), which is the service company that serves Indianapolis
5 Power & Light Company d/b/a AES Indiana (“AES Indiana”, “IPL”, or “the Company”).
6 The Service Company is located at One Monument Circle, Indianapolis, Indiana 46204

7 **Q2. What is your position with AES Services?**

8 A2. I am the Director of Maintenance, Inspections, Contract Management & Reliability
9 Programs with responsibilities in both AES Indiana and AES Ohio.

10 **Q3. On whose behalf are you submitting this direct testimony?**

11 A3. I am submitting this testimony on behalf of AES Indiana.

12 **Q4. Please describe your duties as Director, Maintenance, Inspections, Contract
13 Management & Reliability Programs.**

14 A4. I am responsible for transmission and distribution vegetation management at AES Ohio
15 and AES Indiana, Ohio Electric Service Safety Standards regulatory compliance, and
16 infrastructure inspection programs at AES Ohio.

17 **Q5. Please summarize your educational and professional qualifications.**

18 A5. I am a graduate of Antioch University Midwest with a Bachelor of Arts in Management.

1 **Q6. Please summarize your prior work experience.**

2 A6. I began my career in the electric utility industry in 1990 as a part-time Meter Reader at The
3 Dayton Power & Light Company, currently known as AES Ohio. In 1994, I became an
4 Electric Line Technician. In 2010, I was promoted to Field Supervisor, Metro Line
5 Operations. In 2015, I was promoted to Regional Manager, Metro Line Operations. In
6 2021, I was promoted to my current position.

7 **Q7. Have you testified previously before the Indiana Utility Regulatory Commission**
8 **(“Commission”) or other regulatory agency?**

9 A7. No.

10 **Q8. What is the purpose of your testimony in this proceeding?**

11 A8. My testimony discusses the Company’s adjustments to test year distribution system
12 vegetation management expense.

13 **Q9. Are you sponsoring or co-sponsoring any financial exhibits or attachments?**

14 A9. Yes. I am sponsoring AES Indiana Financial Exhibit AESI-OPER, Schedule OM 12 – Pro
15 Forma Adjustment to Distribution Vegetation Management Costs.

16 **Q10. Did you submit any workpapers?**

17 A10. Yes. A workpaper supporting the above referenced schedule was submitted.

18 **Q11. Were the exhibits, attachments, or workpapers, or portions thereof, that you are**
19 **sponsoring or co-sponsoring prepared or assembled by you or under your direction**
20 **and supervision?**

21 A11. Yes.

1 **2. VEGETATION MANAGEMENT OVERVIEW**

2 **Q12. Please provide a general overview of AES Indiana’s distribution system vegetation**
3 **management program.**

4 A12. AES Indiana’s Vegetation Management Program (“VMP”), also referred to as line
5 clearance, strives to balance safety, reliability, shareholder value, environmental
6 stewardship, and customer satisfaction. The Vegetation Management Department has the
7 objective of meeting this mission by controlling the growth of vegetation near electrical
8 lines using best management practices while remaining compliant with federal, state and
9 local laws, regulations, and ordinances. Consistent with state policy, effective vegetation
10 management helps provide customers with reliable service and a stable source of electricity
11 in which frequency and voltage are maintained consistent with industry standards. AES
12 Indiana’s distribution system has approximately [REDACTED] miles of overhead lines that require
13 varying levels of vegetation management. To manage incompatible vegetation, AES
14 Indiana uses qualified contractors to monitor and control the vegetation. The Company
15 conducts vegetation management pursuant to applicable law and regulations, including
16 IURC rule 170 IAC 4-9, and best management practices (“BMPs”). AES Indiana files a
17 Vegetation Management Report annually with the Commission in Cause No. 43663.

18 **Q13. Why is Vegetation Management conducted?**

19 A13. Vegetation management is necessary to maintain proper clearance between AES Indiana’s
20 facilities and the surrounding vegetation to minimize electrical hazards and prevent outages
21 caused by vegetation interference, and therefore increase reliability. Vegetation is the
22 single leading cause of power outages at AES Indiana, which is reflected in AES Indiana’s
23 System Average Interruption Distribution Index (“SAIDI”) and System Average

1 Interruption Frequency Index (“SAIFI”). On average over the last five years, vegetation-
2 related outages account for 30% of the frequency of outages, and 52% of the duration of
3 outages as measured by SAIFI and SAIDI respectively.

4 **3. DISTRIBUTION VEGETATION MANAGEMENT ADJUSTMENT**

5 **Q14. Please describe the vegetation management adjustment found on AES Indiana**
6 **Financial Exhibit AESI-OPER, Schedule OM12.**

7 A14. The adjustment shown on AES Indiana Financial Exhibit AESI-OPER, Schedule OM12
8 reflects an increase in AES Indiana's vegetation management expenses over the amount
9 incurred during the test year. The identified adjustment is reasonable and necessary due to
10 higher contractor labor costs that AES Indiana will incur during and after the adjustment
11 period, increased overhang removal (i.e., removal of vegetation above the electric line),
12 and additional miles to be trimmed as circuit maintenance annually. If the adjustment is
13 not made, AES Indiana’s vegetation management expenses reflected in the revenue
14 requirement will be understated and insufficient to meet AES Indiana’s actual, reasonable
15 vegetation management expenses.

16 **Q15. How was the adjustment on AES Indiana Financial Exhibit AESI-OPER, Schedule**
17 **OM12 calculated?**

18 A15. As shown in AES Indiana Financial Exhibit AESI-OPER, Schedule OM12, the pro forma
19 adjustment is \$10.2 million, which brings the total proposed vegetation management
20 expense to \$25.2 million. The adjustment was calculated by comparing the Company’s
21 calculation of the pro forma cost of vegetation management with the test year vegetation

1 management expense. The difference represents the \$10.2 million adjustment AES Indiana
2 seeks.

3 **Q16. What factors drive the increased cost?**

4 A16. Three factors cause AES Indiana to experience an increase in vegetation management cost
5 compared to the test year expense.

6 1. Beginning on January 1, 2023, the cost for contractor labor increased by 3%.

7 2. AES Indiana's decision to increase the removal of overhanging vegetation to improve
8 reliability requires additional work and in turn increases costs. During a portion of the test
9 year, increased overhang removal for [REDACTED] miles of line was completed. The average cost
10 per mile to trim to this specification was \$ [REDACTED] compared to the cost of \$ [REDACTED] per mile
11 to trim [REDACTED] miles to the fifteen-foot box specification. The increased trimming to improve
12 reliability for the full adjustment period (i.e., for 12 months versus a portion of the test
13 year) will cause AES Indiana's pro forma trimming costs to exceed those incurred in the
14 test year.

15 3. AES Indiana's annual goal is to perform circuit maintenance on [REDACTED] miles, which is
16 approximately one fourth of the [REDACTED] total overhead line miles managed. During the test
17 year AES Indiana trimmed a total of [REDACTED] miles at a total cost, including circuit planning,
18 of \$10.2 million. Therefore, to normalize this expense, it is reasonable to adjust the test
19 year to reflect the cost of trimming 283 additional miles.

20 Vegetation management costs incurred in addition to the cost of circuit maintenance
21 included the following: trimming completed for real-time reliability issues (i.e., hot
22 spotting), hazard tree mitigation, internal labor, and miscellaneous operating expenses.
23 Combined, these expenses totaled \$4.8 million for the test year – resulting in a total

1 vegetation management expense of \$15.0 million in 2022. AES Indiana’s expectation is
 2 that performing circuit maintenance on ■ miles annually will reduce other vegetation
 3 management costs by \$1.9 million annually from \$4.8 million in the test year to \$2.9
 4 million as shown in Confidential Workpaper OM12-WP2, for AES Indiana Financial
 5 Exhibit AESI-OPER, Schedule OM12.

6 **Q17. Please summarize AES Indiana’s distribution system vegetation management costs**
 7 **since the Company’s last rate case (Cause No. 45029).**

8 A17. The settlement agreement in the Company’s rate case docketed as Cause No. 45029
 9 embedded \$11.0 million in current base rates, which was \$1.3 million less than the
 10 Company’s proposal in that case. As shown by Table 1 below, the Company’s cost of
 11 vegetation management exceeded the amount embedded in base rates every year from 2019
 12 through 2022.

13 **Table 1: AES Indiana Annual Vegetation Management Costs**

Year	Vegetation Management Costs
2019	\$13,534,725
2020	\$13,084,304
2021	\$12,660,889
2022	\$15,032,693

1 **Q18. Does AES Indiana seek any additional relief related to vegetation management?**

2 A18. Yes. AES Indiana witness Aliff presents the Company's proposed accounting and
3 ratemaking in the event of a shortfall in annual expenditures for vegetation management
4 costs on its distribution facilities relative to the amount the Company proposes to embed
5 in basic rates.¹

6 **4. SUMMARY AND RECOMMENDATIONS**

7 **Q19. Please summarize your testimony and recommendations.**

8 A19. AES Indiana is committed to providing our customers with safe and reliable electric
9 service. To be more successful in meeting this commitment, it is critical that we are
10 afforded the opportunity to fully implement our plan to address vegetation related outages
11 as referred to in my testimony and adjust test year costs to reflect ongoing costs.

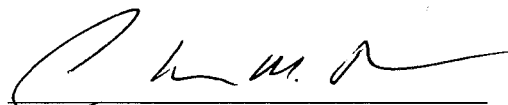
12 **Q20. Does this conclude your verified pre-filed direct testimony?**

13 A20. Yes.

¹ See AES Indiana witness Aliff Direct testimony Q/A 29.

VERIFICATION

I, Chadwick M. Bocook, Director of Vegetation Management for Indianapolis Power & Light Company dba AES Indiana, affirm under penalties of perjury that the foregoing representations are true and correct to the best of my knowledge, information, and belief.

A handwritten signature in black ink, appearing to read 'C. M. Bocook', written over a horizontal line.

Chadwick M. Bocook

Dated: June 28, 2023