

**UNITED STATES OF AMERICA  
BEFORE THE  
FEDERAL ENERGY REGULATORY COMMISSION**

Managing Transmission Line Ratings        )  
Technical Conference                            )

Docket No. AD19-15-000

**PREPARED STATEMENT OF CARLOS CASABLANCA, DIRECTOR OF ADVANCED  
TRANSMISSION STUDIES AND TECHNOLOGY, AMERICAN ELECTRIC POWER**

Chairman Chatterjee, Commissioners, staff, and colleagues, thank you for the opportunity to participate in this important dialogue. My name is Carlos Casablanca, and I am the Director of Advanced Transmission Studies and Technology at American Electric Power (AEP) Transmission.

**I. DESCRIPTION OF AEP**

AEP is one of the largest electric utilities in the United States, delivering electricity to more than 5.3 million customers in 11 states. AEP also owns the nation’s largest electricity transmission system, a more than 40,000-mile network that includes more 765 kilovolt extra-high voltage transmission lines than all other U.S. transmission systems combined. AEP’s transmission system directly or indirectly serves about 10 percent of the electricity demand in the Eastern Interconnection, and approximately 11 percent of the electricity demand in ERCOT.

**II. COMMENTS**

Transmission system facility ratings are an integral part of the process of developing, operating, and maintaining a safe, reliable, and economic Transmission system. The

methods through which transmission system facility ratings have been determined have evolved over time and will likely continue to evolve as science, technology, and our operating experience as an industry and Transmission Owners continues to evolve.

Different Transmission owners can and do apply different methodologies and assumptions in determining their facility ratings. Differences in equipment specifications, weather patterns, environmental conditions, geography, resource availability, risk profile, and operating experience are just some of the reasons why facility rating methodology differences can and do exist among Transmission Owners. In the end, Transmission Owners have the duty to own and operate a safe, reliable, and economic Transmission system, and they accept the risks and liability associated with these obligations.

AEP believes that the existing NERC Reliability Compliance Standards, like the FAC-008-3 standard, are more than adequate to have review and oversight over the facility rating methodology applied by Transmission Owners. Strict processes and controls are already in place to ensure that Transmission facility ratings used in Long-Term Transmission Planning and Real Time Operational Planning studies are determined based on technically sound principles. Transmission Owners are required to adhere to their established rating methodologies and all changes to the methodology or assumptions are required to be documented and communicated accordingly.

Within AEP, facility ratings methodology changes can be triggered by regulatory mandates, changes in technical reference documents and standards, new technology, or

new technical insights brought about operating experience. These methodology changes are proposed as needed and issued by our internal Engineering Standards teams, and go through a coordinated internal cross-functional review. The impact of the proposed changes is reviewed internally by our Transmission Planning and Transmission Operations organizations, which will determine if any long-term or short-term mitigation steps will need to be put in place to address any facility rating changes as a result of the methodology change. Once fully vetted and evaluated internally, the changes are made and communicated to the respective regional organization. In some cases, depending on the significance of the facility rating changes, AEP will inform and discuss the changes with the appropriate regional organization prior to implementation of the ratings change.

AEP has shared details of our facility rating methodology with regional entities as part of competitive transmission project proposals undertaken under FERC Order 1000, to justify transmission line conductor selection and overall facility ratings. A review of the rationale of selected facility rating parameters and assumptions is common by the issuer of the competitive project's Request for Proposal (RFP) to ensure fairness among competing proposals. AEP has also shared details of its facility rating methodology and assumptions in past technical industry publications.

As such, if the Commission believes that developing a consistent process aimed at the publication of transmission line rating methodologies by all Transmission Owners would help maintain or improve the safety, reliability, and cost-effectiveness of the Transmission system, then AEP would support it.

If this approach were chosen, AEP would ask that the Commission implement protections to ensure that Transmission Owners, Regional Transmission Organizations, Independent System Operators, and the Commission itself do not become burdened by litigation and challenges associated with 3<sup>rd</sup> party concerns with the transmission line rating methodology and assumptions applied by different Transmission Owners.

As mentioned previously, Transmission Owners have the duty to own and operate a safe, reliable, and economic Transmission system, and they accept the risks and liability associated with these obligations. Allowing open challenges by any 3<sup>rd</sup> party to transmission line rating methodologies would be a burden and distraction to the industry and AEP would oppose those attempts.

I would like to thank again the FERC Commissioners and staff for your time, for organizing this technical conference, and for allowing us to participate. I welcome your questions and look forward to the coming dialogue.