TFS Employee Transfers to Service Corporation

KPSC Case No. 2017-00179
KIUC's First Set of Data Requests
Dated: August 14, 2017
Item No. 052
Attachment 1
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Please post in locations where employees do not have email.

Many employees (about 350) in Transmission Field Services were recently transferred from an operating company business unit (e.g. Ohio Power) to the AEP Service Corporation. There have been some questions about the transfers and how it affects time reporting. The information below is to help answer those questions. This is being sent to all TFS employees; if you were not transferred, this is just an FYI.

Why were some employees transferred?

- 1. Because of Corporate Separation in Ohio, only Service Corporation employees can work on the unregulated generation assets in Ohio as of 1/1/2014. For that reason, all of the TFS Ohio employees (including a few in the immediate surrounding areas due to potential work in Ohio) were transferred to the Service Corporation. (Many other AEP employees outside of Transmission were transferred for this reason, also.)
- A recent Virginia State Corporation Commission order prohibits operating company employees from doing construction work (maintenance work is okay) on WV Transco (and future VA Transco) facilities. Therefore, any TFS employees who are expected to do construction work on those Transcos were transferred.
- 3. Finally, all of the employees in Technical Services who weren't already Service Corporation employees were transferred. By nature of the work in the central Technical Services organization, these employees are or will be doing support work for many or all operating companies, and, by definition, should be Service Corporation employees.
- 4. TFS employees who do not fit into one of the above categories or are already a Service Corporation employee have had no changes to their employment status.

What is required of transferred employees?

- 1. As mentioned in an earlier communication, completion of a new W-4 tax form was required and should have been submitted by December 13, 2013. If you were transferred and did not complete a new W-4 form, please contact your local Human Resources representative.
- 2. The majority of employees moving to the Service Corporation will see no change in the work orders they use for time reporting. All employees should always us a specific work order for a specific job when appropriate.
- 3. Employees who spend the majority of their time working within the footprint of one operating company should continue to charge safety, general meetings and general maintenance to that operating company's work orders.
- 4. A benefit to employees who REGULARLY work within the footprint of more than one operating company is that they will be able to choose Service Corporation work orders that will split their time for safety and general meetings appropriately between those operating companies. A list of these Service Corporation work orders can be found at http://transmissionsp/sites/tfs/committees/cmte04/WorkOrders/Forms/AllItems.aspx but you should check with one of the TFS contacts below if you have any questions as to the appropriate work order to use.
- 5. There will be instances when employees are assigned to teams or special projects that support more than one operating company. In those instances, instructions will be provided as to the work orders to be used.

If you have any additional questions, please feel free to contact Teri Berliner (614-552-2123 or 8-910-2123) or any of the budget coordinators in the Performance Management group (Karla Hancock-Gibbs, Bruce Tolson, Scott Senger, Beth Gleason or Joe Guerra).