

THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE APPLICATION OF
OHIO POWER COMPANY FOR
ADMINISTRATION OF THE SIGNIFICANTLY
EXCESSIVE EARNINGS TEST PURSUANT TO
R.C. 4928.143(F) AND OHIO ADM.CODE
4901:1-35-10.

CASE No. 15-1022-EL-UNC

IN THE MATTER OF THE APPLICATION OF
OHIO POWER COMPANY FOR
ADMINISTRATION OF THE SIGNIFICANTLY
EXCESSIVE EARNINGS TEST PURSUANT TO
R.C. 4928.143(F) AND OHIO ADM.CODE
4901:1-35-10.

CASE No. 16-1105-EL-UNC

ENTRY

Entered in the Journal on June 22, 2016

{¶ 1} Ohio Power Company (AEP Ohio or Company) is a public utility, as defined in R.C. 4905.02, and, as such, is subject to the jurisdiction of this Commission.

{¶ 2} On August 8, 2012, the Commission approved, with certain modifications, AEP Ohio's application for a standard service offer in the form of an electric security plan (ESP), in accordance with R.C. 4928.143. *In re Columbus Southern Power Co. and Ohio Power Co.*, Case No. 11-346-EL-SSO, et al. (*ESP 2 Case*), Opinion and Order (Aug. 8, 2012); Entry on Rehearing (Jan. 30, 2013). As part of the ESP, the Commission established a significantly excessive earnings test (SEET) threshold of 12 percent during the term of the ESP, September 1, 2012 through May 31, 2015. *ESP 2 Case*, Opinion and Order at 37; Entry on Rehearing at 41-42. The Order in the *ESP 2 Case* was appealed to the Ohio Supreme Court by several parties. In its appeal to the Court, AEP Ohio opposed, among other issues, the implementation of a 12 percent SEET threshold.

{¶ 3} On February 24, 2015, in Case No. 15-386-EL-WVR, AEP Ohio filed a motion for an extension of the due date to file its application for administration of the SEET for 2014 revenues in consideration of its appeal of the *ESP 2 Case* and other pending Commission proceedings. Citing R.C. 4903.15, the Commission denied AEP Ohio's

request but extended the due date to file its SEET application to June 1, 2015. *In re AEP Ohio*, Case No. 15-386-EL-WVR, Entry (April 22, 2015).

{¶ 4} On February 25, 2015, the Commission approved, with certain modifications, AEP Ohio's application for a standard service offer in the form of an ESP, in accordance with R.C. 4928.143, with a term of June 1, 2015 through May 31, 2018. The Commission specifically declined to establish a SEET threshold given that the retail stability rider was not renewed. *In re Ohio Power Co.*, Case No. 13-2385-EL-SSO, et al. (*ESP 3 Case*), Opinion and Order (Feb. 25, 2015) at 87-88.

{¶ 5} On June 1, 2015, in Case No. 15-1022-EL-UNC (*2014 SEET Case*), AEP Ohio filed its application for the administration of the SEET for 2014 revenues, as required by R.C. 4928.143(F) and Ohio Adm.Code 4901:1-35-10. In support of the SEET application, the Company also filed the testimony of William A. Allen and Thomas E. Mitchell.

{¶ 6} By decision issued April 21, 2016, the Court determined that the Commission failed to explain its decision to establish a SEET threshold of 12 percent to be applied during the term of the ESP for purposes of the annual earnings review required by R.C. 4928.143(F). *In re Application of Columbus S. Power Co.*, Slip Opinion No. 2016-Ohio-1608, at ¶ 66.

{¶ 7} On May 16, 2016, in Case No. 16-1105-EL-UNC (*2015 SEET Case*), AEP Ohio filed its application for the administration of the SEET for 2015 revenues, as required by R.C. 4928.143(F) and Ohio Adm.Code 4901:1-35-10. In support of the *2015 SEET Case* application, the Company also filed the testimony of William A. Allen and Tyler H. Ross.

{¶ 8} Pursuant to the directives set forth in R.C. 4928.143(F), the Commission is required to evaluate the earnings of each electric utility's approved ESP to determine whether the ESP produces significantly excessive earnings for the electric utility. The

following procedural schedule is established for the review of AEP Ohio's pending SEET applications:

- (a) Motions to intervene should be filed by July 18, 2016.
- (b) Testimony on behalf of Staff and intervenors should be filed by August 15, 2016.
- (c) Discovery requests, except for notices of deposition, should be served by September 2, 2016.
- (d) Upon the request of any party to this matter by no later than September 2, 2016, a procedural conference will be scheduled for September 7, 2016, at 10:00 a.m., at the offices of the Commission, Hearing Room 11-D, 180 East Broad Street, Columbus, Ohio.
- (e) The evidentiary hearing shall commence on September 13, 2016, at 10:00 a.m., at the offices of the Commission, Hearing Room 11-D, 180 East Broad Street, Columbus, Ohio.

{¶ 9} It is, therefore,

{¶ 10} ORDERED, That the procedural schedule for these cases be adopted as set forth in paragraph 8. It is, further,

{¶ 11} ORDERED, That a copy of this Entry be served upon all parties of record.

THE PUBLIC UTILITIES COMMISSION OF OHIO

/s/ Greta See

By: Greta See
Attorney Examiner

jrj/vrm

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Case No(s). 15-1022-EL-UNC, 16-1105-EL-UNC

Summary: Attorney Examiner Entry setting forth a procedural schedule; electronically filed by Vesta R Miller on behalf of Greta See, Attorney Examiner, Public Utilities Commission of Ohio