

THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE REVIEW OF THE
DISTRIBUTION INVESTMENT RIDER
CONTAINED IN THE TARIFF OF OHIO
POWER COMPANY.

CASE NO. 14-255-EL-RDR

IN THE MATTER OF THE 2014 REVIEW OF
THE DISTRIBUTION INVESTMENT RIDER
CONTAINED IN THE TARIFF OF OHIO
POWER COMPANY.

CASE NO. 15-66-EL-RDR

IN THE MATTER OF THE REVIEW OF THE
DISTRIBUTION INVESTMENT RIDER
CONTAINED IN THE TARIFF OF OHIO
POWER COMPANY.

CASE NO. 16-21-EL-RDR

ENTRY

Entered in the Journal on June 29, 2017

{¶ 1} Ohio Power Company d/b/a AEP Ohio (AEP Ohio or Company) is an electric distribution utility as defined in R.C. 4928.01(A)(6) and a public utility as defined in R.C. 4905.02, and, as such, is subject to the jurisdiction of this Commission.

{¶ 2} R.C. 4928.141 provides that an electric distribution utility shall provide consumers within its certified territory a standard service offer (SSO) of all competitive retail electric services necessary to maintain essential electric services to customers, including a firm supply of electric generation services. The SSO may be either a market rate offer in accordance with R.C. 4928.142 or an electric security plan (ESP) in accordance with R.C. 4928.143.

{¶ 3} In Case No. 11-346-EL-SSO, et al., the Commission modified and approved, pursuant to R.C. 4928.143, AEP Ohio's application for an ESP, to be effective with the first billing cycle of September 2012 through May 31, 2015. Among other provisions of the ESP, the Commission modified and approved AEP Ohio's proposed distribution investment rider (DIR) to allow for the recovery of capital costs for distribution infrastructure investments in order to facilitate improved service reliability. The

Commission required that the DIR be reviewed annually for accounting accuracy, prudence, and compliance with the DIR plan developed by Staff and AEP Ohio. *In re Columbus Southern Power Co. and Ohio Power Co.*, Case No. 11-346-EL-SSO, et al., Opinion and Order (Aug. 8, 2012) at 42-43, 47, Entry on Rehearing (Jan. 30, 2013).

{¶ 4} In Case No. 13-2385-EL-SSO, et al., the Commission modified and approved an ESP for AEP Ohio, including modification and approval of the Company's request to continue the DIR, for the period of June 1, 2015, through May 31, 2018. *In re Ohio Power Co.*, Case No. 13-2385-EL-SSO, et al., Opinion and Order (Feb. 25, 2015) at 45-47, Second Entry on Rehearing (May 28, 2015) at 23-25, Fourth Entry on Rehearing (Nov. 3, 2016) at 50-51, Seventh Entry on Rehearing (Apr. 5, 2017) at 14.

Case No. 14-255-EL-RDR

{¶ 5} By Entry issued on March 26, 2014, in Case No. 14-255-EL-RDR (*2013 DIR Case*), the Commission selected Larkin & Associates, PLLC (Larkin) to perform the annual audit of AEP Ohio's DIR for 2013.

{¶ 6} On June 19, 2014, Larkin filed its compliance audit report.

{¶ 7} Staff filed comments on July 21, 2014, and July 28, 2014, regarding AEP Ohio's progress on the DIR program implementation and the compliance audit report, respectively.

{¶ 8} By Entry issued August 11, 2014, the procedural schedule was established in the *2013 DIR Case*, and Ohio Consumers' Counsel (OCC) was granted intervention.

{¶ 9} Consistent with the directives in the Entry issued August 11, 2014, OCC filed comments and AEP Ohio filed reply comments in the *2013 DIR Case*.

Case No. 15-66-EL-RDR

{¶ 10} By Entry issued on March 18, 2015, in Case No. 15-66-EL-RDR (*2014 DIR Case*), the Commission selected Baker Tilly Virchow Krause, LLP (Baker Tilly) to perform the annual audit of AEP Ohio's DIR for 2014.

{¶ 11} Baker Tilly filed its compliance audit report in the *2014 DIR Case* on August 6, 2015.

{¶ 12} On August 6, 2015, Staff filed comments regarding AEP Ohio's progress on implementation of the DIR programs.

{¶ 13} By Entry issued November 19, 2015, the procedural schedule was established in the *2014 DIR Case*, including the due date for motions for intervention and the filing of comments and reply comments on the audit report and on Staff's report regarding AEP Ohio's implementation of the DIR programs.

{¶ 14} Timely motions to intervene in the *2014 DIR Case* were filed by The Kroger Company (Kroger), the Ohio Manufacturers' Association Energy Group (OMAEG), and OCC. Kroger and OMAEG members are served by AEP Ohio. Kroger and OMAEG assert a direct real and substantial interest in the *2014 DIR Case* that cannot be adequately represented by any other party to the proceeding. OCC asserts that it is entitled to intervene, pursuant to R.C. 4903.221 and Ohio Adm.Code 4901-1-11, on behalf of residential customers.

{¶ 15} No memoranda contra the motions to intervene were filed.

{¶ 16} The attorney examiner finds that Kroger, OMAEG, and OCC have set forth reasonable grounds for intervention and, therefore, their motions to intervene in the *2014 DIR Case* should be granted.

{¶ 17} Consistent with the procedural schedule for the *2014 DIR Case*, OCC filed comments and AEP Ohio, OMAEG, and Staff filed reply comments.

Case No. 16-21-EL-RDR

{¶ 18} On March 16, 2016, in Case No. 16-21-EL-RDR (*2015 DIR Case*), the Commission selected Blue Ridge Consulting Services, Inc. (Blue Ridge) to perform the annual audit of AEP Ohio's DIR for 2015.

{¶ 19} Blue Ridge filed the audit report on August 4, 2016.

{¶ 20} On March 25, 2016, OCC filed a motion to intervene in the *2015 DIR Case*. OCC asserts that it is entitled to intervene, pursuant to R.C. 4903.221 and Ohio Adm.Code 4901-1-11, on behalf of residential customers, who may be adversely affected by the outcome in this proceeding. No memorandum contra OCC's motion to intervene was filed.

{¶ 21} The attorney examiner finds that OCC's motion to intervene in the *2015 DIR Case* is reasonable and should be granted.

{¶ 22} By Entry issued April 13, 2017, a procedural schedule was established in the *2015 DIR Case*.

{¶ 23} Consistent with the procedural schedule, comments and reply comments on Blue Ridge's compliance audit report were filed by AEP Ohio, Staff, and OCC.

Consolidated DIR Cases

{¶ 24} Upon review of the audit reports and the parties' comments and reply comments in the *2013 DIR Case*, *2014 DIR Case*, and *2015 DIR Case*, the attorney examiner finds that an evidentiary hearing should be held, in order to address the issues raised by the parties and in the audit reports. To facilitate the Commission's efficient review of the issues raised in these matters, the attorney examiner finds that the *2013 DIR Case*, *2014 DIR Case*, and *2015 DIR Case* should be consolidated. Accordingly, the following procedural schedule should be established:

- (a) All testimony to be offered by AEP Ohio shall be filed by November 1, 2017.
- (b) All testimony to be offered by intervenors shall be filed by November 9, 2017.
- (c) All testimony to be offered by Staff shall be filed by November 15, 2017.
- (d) The evidentiary hearing shall commence on November 20, 2017, at 10:00 a.m., at the offices of the Commission, 180 East Broad Street, Hearing Room 11-C, Columbus, Ohio.

{¶ 25} It is, therefore,

{¶ 26} ORDERED, That the motions to intervene in the *2014 DIR Case* filed by Kroger, OMAEG, and OCC be granted. It is, further,

{¶ 27} ORDERED, That OCC's motion to intervene in the *2015 DIR Case* be granted. It is, further,

{¶ 28} ORDERED, That the parties comply with the procedural schedule as set forth in Paragraph 24. It is, further,

{¶ 29} ORDERED, That a copy of this Entry be served upon all parties and other interested persons of record.

THE PUBLIC UTILITIES COMMISSION OF OHIO

/s/ Greta See

By: Greta See
Attorney Examiner

GAP/dah

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Summary: Attorney Examiner Entry ordering the motions to intervene in the 2014 DIR Case filed by Kroger, OMAEG, and OCC be granted; that OCC's motion to intervene in the 2015 DIR Case be granted; and that the parties comply with the procedural schedule as set forth in Paragraph 24. Entry electronically filed by Debra Hight on behalf of Greta See, Attorney Examiner.