

BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Commission’s Review of)	
the Purchase of Receivables Implementation)	Case No. 15-1507-EL-EDI
Plan for Ohio Power Company.)	

**OHIO POWER COMPANY’S MEMORANDUM CONTRA
THE OFFICE OF THE OHIO CONSUMERS’ COUNSEL’S
SECOND APPLICATION FOR REHEARING**

The Public Utilities Commission of Ohio (“Commission”) should deny the Second Application for Rehearing that the Office of the Ohio Consumers’ Counsel (“OCC”) filed on March 30, 2018. Although OCC’s application purports to address the Commission’s interpretation of R.C. 4928.08(B) in its February 28, 2018 Second Entry on Rehearing, in reality, OCC merely repeats the same assertions that it has already raised twice in these proceedings. *Compare* OCC 2d AFR at 3-5 (Mar. 30, 2018), *with* OCC AFR at 3-5 (Oct. 27, 2017), *and* OCC Reply Cmts. at 6-7 (Dec. 22, 2016). OCC offers nothing in its third reprise of this theme that justifies a grant of rehearing.

The Commission has repeatedly confirmed that Ohio Power Company’s (“AEP Ohio”) Bad Debt Rider (“BDR”) is necessary and appropriate “to facilitate the recovery of CRES receivables when economic conditions overwhelm the discount rate or the viability of [AEP Ohio’s Purchase of Receivables (“POR”)] program in general.” Finding and Order at ¶ 67 (Sept. 27, 2017). And the Commission has already thoroughly considered and rejected each of OCC’s arguments supporting OCC’s position that the financial guarantee that R.C. 4928.08(B) requires competitive retail electric service (“CRES”) providers to make to become certified to provide retail electric service in the state of Ohio obviates the need for the BDR. *See id.* at ¶ 64, 66-67;

2d Entry on Rehearing at ¶ 18-21 (Feb. 28 2018). The Commission should decline to take up those arguments again on rehearing.¹

OCC's contention that the Commission has "shut down the right to collect unforeseen costs from marketers and not customers," *see* OCC AFR at 4, is belied by the very language of the Commission's Finding and Order and Second Entry on Rehearing, which make clear that the BDR is to be "relied on a recovery mechanism of last resort." Finding and Order at ¶ 67; 2d Entry on Rehearing at ¶ 21. Contrary to OCC's characterization, it is clear from the Commission's orders that costs of the POR program will still be collected from CRES providers.

Moreover, it is simply not correct that the Commission even interpreted R.C. 4928.08(B) when it recognized in its Second Entry on Rehearing that "the financial guarantee [R.C. 4928.08(B) requires is] a certification requirement meant to protect electric companies and consumers from marketer default," as OCC claims. OCC AFR at 4. The plain language of the statute itself makes that fact clear without any interpretation:

No electric utility, electric services company, electric cooperative, or governmental aggregator shall provide a competitive retail electric service to a consumer in this state on and after the starting date of competitive retail electric service without first being certified by the public utilities commission regarding its managerial, technical, and financial capability to provide that service and providing a financial guarantee sufficient to protect customers and electric distribution utilities from default.

(Emphasis added.) R.C. 4928.08(B). There is nothing unreasonable or unlawful about the Commission's recognition of the statute's plain language in its Second Entry on Rehearing.

¹ Rather than repeat them again here, AEP Ohio expressly incorporates its previous responses to OCC's arguments on this topic, as well as the responses that Interstate Gas Supply, Inc., Direct Energy Services, LLC, and Direct Energy Business, LLC provided, herein. *See* AEP Ohio Mem. Opp. at 1-3 (Nov. 6, 2017); IGS/Direct Mem. Contra. at 2-4 (Nov. 6, 2017).

OCC's Second Application for Rehearing fails to raise any respect in which the Commission's Second Entry on Rehearing was unjust or unreasonable, or to make any new argument that the Commission has not already fully considered and rejected in this case. For the reasons set forth above, therefore, the Commission should deny OCC's Second Application for Rehearing.

Respectfully submitted,

/s/ Christen M. Blend

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CERTIFICATE OF SERVICE

In accordance with Rule 4901-1-05, Ohio Administrative Code, the PUCO's e-filing system will electronically serve notice of the filing of this document upon the following parties. In addition, I hereby certify that a service copy of the foregoing *Memorandum Contra* was sent by, or on behalf of, the undersigned counsel to the following parties of record this 9th day of April, 2018, via electronic mail .

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Summary: Memorandum - Ohio Power Company's Memorandum Contra the Office of the Ohio Consumers' Counsel's Second Application for Rahearing electronically filed by Ms. Christen M. Blend on behalf of Ohio Power Company