

THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE REVIEW OF
THE OPERATIONAL BENEFITS
ASSESSMENT OF THE GRIDSMART
DEPLOYMENT OF OHIO POWER
COMPANY.

CASE NO. 18-1618-EL-RDR

ENTRY

Entered in the Journal on October 7, 2019

{¶ 1} Ohio Power Company d/b/a AEP Ohio (AEP Ohio or the 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. 08-917-EL-SSO, et al., the Commission modified and approved AEP Ohio's application for a first ESP, including the Company's proposal to establish a gridSMART rider and initiate Phase 1 of its gridSMART program, which would focus on advanced metering infrastructure, distribution automation, and home area network initiatives. *In re Columbus Southern Power Co.*, Case No. 08-917-EL-SSO, et al., Opinion and Order (Mar. 18, 2009) at 37-38, Entry on Rehearing (July 23, 2009) at 18-24.

{¶ 4} On August 8, 2012, the Commission approved, with certain modifications, AEP Ohio's application for a second ESP, effective with the first billing cycle of September 2012 through May 31, 2015. Among other provisions of the ESP, the Commission approved AEP Ohio's request to continue the gridSMART Phase 1 project, as well as the gridSMART Phase 1 rider, which enabled the Company to recover its prudently incurred costs associated with Phase 1 and was subject to an annual true-up and reconciliation. The Commission also

directed AEP Ohio to file an application addressing Phase 2 of the gridSMART program. *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) at 62-63, Entry on Rehearing (Jan. 30, 2013) at 53.

{¶ 5} In Case No. 13-2385-EL-SSO, et al., the Commission approved, pursuant to R.C. 4928.143, AEP Ohio's application for a third ESP for the period of June 1, 2015, through May 31, 2018. Among other matters, the Commission approved AEP Ohio's proposal to extend the gridSMART program. The Commission also noted that, consistent with its directive in the *ESP 2 Case*, AEP Ohio should file, within 90 days after the expiration of ESP 2, an application for review and reconciliation of the gridSMART Phase 1 rider. The Commission found that, after the review and reconciliation of the gridSMART Phase 1 costs, AEP Ohio should be authorized to transfer the approved capital cost balance into its distribution investment rider (DIR), which would not be subject to the DIR caps, and should also transfer any unrecovered operations and maintenance balance into the gridSMART Phase 2 rider. *In re Ohio Power Co.*, Case No. 13-2385-EL-SSO, et al., Opinion and Order (Feb. 25, 2015) at 51-52.

{¶ 6} In Case No. 13-1939-EL-RDR, the Commission modified and approved a joint stipulation and recommendation (Stipulation) regarding AEP Ohio's application to implement Phase 2 of its gridSMART project. The Stipulation provides that costs incurred for the gridSMART Phase 2 project will be recovered through a gridSMART Phase 2 Rider to be adjusted on a quarterly basis and subject to an annual audit for prudence. Pursuant to the Stipulation, Staff is authorized to retain an external consultant to review the Phase 1 and Phase 2 operational benefits of AEP Ohio's gridSMART project. The Stipulation provides that the consultant will evaluate and recommend an ongoing level of operational benefits to be achieved and recognized in rates, to the extent such operational savings are not already reflected in rates. *In re Ohio Power Co.*, Case No. 13-1939-EL-RDR, Opinion and Order (Feb. 1, 2017) at ¶¶ 33, 35.

{¶ 7} In Case No. 16-1852-EL-SSO, et al., the Commission modified and approved a stipulation and recommendation filed by AEP Ohio, Staff, and numerous other signatory parties, which authorized the Company to implement a fourth ESP for the period of June 1, 2018, through May 31, 2024, including continuation of the gridSMART Phase 2 Rider. *In re Ohio Power Co.*, Case No. 16-1852-EL-SSO, et al., Opinion and Order (Apr. 25, 2018) at ¶ 93.

{¶ 8} By Entry dated November 7, 2018, the Commission directed Staff to issue a request for proposal to acquire consulting services for the review of the operational benefits assessment of AEP Ohio's gridSMART deployment for Phase 1 and Phase 2.

{¶ 9} On December 19, 2018, the Commission selected Daymark Energy Advisors (Daymark) to conduct the review of the operational benefits assessment of AEP Ohio's gridSMART deployment.

{¶ 10} On February 22, 2019, the Ohio Consumers' Counsel (OCC) filed a motion to intervene in this case. No memoranda contra were filed. The attorney examiner finds that OCC's motion is reasonable and should be granted.

{¶ 11} On April 12, 2019, Staff filed Daymark's report addressing the operational benefits assessment of AEP Ohio's gridSMART deployment.

{¶ 12} By Entry dated September 13, 2019, the attorney examiner issued a procedural schedule, with initial and reply comments due on October 15, 2019, and October 30, 2019, respectively.

{¶ 13} On October 2, 2019, AEP Ohio filed a joint stipulation and recommendation (Stipulation) signed by the Company, Staff, and OCC. The Stipulation states that it would resolve all of the issues in this proceeding.

{¶ 14} At this time, the attorney examiner finds that the filing deadlines for initial and reply comments should be held in abeyance, pending the Commission's consideration of the Stipulation. Consistent with Ohio Adm.Code 4901-1-30(D), the attorney examiner

directs that the testimony of at least one signatory party that supports the Stipulation be filed no later than October 25, 2019.

{¶ 15} It is, therefore,

{¶ 16} ORDERED, That OCC's motion to intervene in this proceeding be granted. It is, further,

{¶ 17} ORDERED, That the filing deadlines for initial and reply comments be held in abeyance, pending the Commission's consideration of the Stipulation. It is, further,

{¶ 18} ORDERED, That testimony in support of the Stipulation be filed by October 25, 2019. It is, further,

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

THE PUBLIC UTILITIES COMMISSION OF OHIO

/s/ Sarah J. Parrot

By: Sarah J. Parrot
Attorney Examiner

JRJ/mef

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Case No(s). 18-1618-EL-RDR

Summary: Attorney Examiner Entry granting motion to intervene; holding the filing deadlines for initial and reply comments in abeyance; and requiring testimony in support of the stipulation be filed by 10/25/19 electronically filed by Ms. Mary E Fischer on behalf of Sarah J. Parrot, Attorney Examiner, Public Utilities Commission of Ohio