

**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of Ohio Power Company for an increase in Electric Distribution Rates.	) ) )	Case No. 20-585-EL-AIR
In the Matter of the Application of Ohio Power Company for Tariff Approval.	) ) )	Case No. 20-586-EL-ATA
In the Matter of the Application of Ohio Power Company for Approval to Change Accounting Methods.	) ) )	Case No. 20-587-EL-AAM

**OBJECTIONS TO THE STAFF REPORT AND SUMMARY OF MAJOR ISSUES OF  
DIRECT ENERGY BUSINESS LLC AND DIRECT ENERGY SERVICES LLC**

In Accordance with R.C. 4909.18 and O.A.C. 4901-1-28, Direct Energy Business, LLC and Direct Energy Services, LLC (collectively, “Direct”) submit the following objections to the Staff Report issued in this proceeding on November 18, 2020.

**I. Objections to Staff’s determination of Operating Income and Rate Base (Staff Report p. 9)**

**Objection 1:** Direct objects to Staff’s recommended revenue requirements (Schedule A-1) based on the flow-through effect of Objections 2 through 3.5 below.

**II. Objections to Staff’s determination of Operating Income (Staff Report pp. 17-23)**

**Objection 2:** Direct objects to Staff’s recommended adjustments to operating income (Schedules C1- and C-2.) Neither AEP’s filing nor the Staff Report provide any indication that revenues derived from the fees and charges referenced below in Direct Objection 2.1 are included in Test Year operating income. If AEP’s presentation of operating income failed to include revenue associated with these charges, Staff should have recommended adjustments to account for these revenues.

### III. Objections to Rates and Tariffs (Staff Report pp. 27-41)

**Objection 3:** “The Applicant is proposing changes to its tariffs. Unless noted, Staff recommends approval of these change[s] as proposed by the applicant.” (Staff Report at 27.) AEP’s proposed changes are reflected in Schedule E-2.1. Direct’s objections are as follows:

**Objection 3.1:** The Staff Report offers no explanation or support for AEP’s collection of the following fees:

- a. Switching fee of \$5 referenced in P.U.C.O. No. 21, Section 27 (Schedule E-2 Part I, Page 36).
- b. Initial registration fee of \$100 referenced in P.U.C.O. No. 21, Section 31.6(b) (Schedule E-2 Part I, Page 45).
- c. Annual registration fee of \$100 referenced in P.U.C.O. No. 21, Section 31.6(c) (Schedule E-2 Part I, Page 45).
- d. Initial registration fee and annual registration fee of \$500 and \$100, respectively, chargeable to meter service providers under P.U.C.O. No. 21, Section 31.11(a) (Schedule E-2 Part I, Page 53).
- e. Meter data management agent annual registration fee of \$100 referenced in P.U.C.O. No. 21, Section 31.12(a) (Schedule E-2 Part I, Page 54.).
- f. Interval metering fees referenced in P.U.C.O. No. 21, Sections 15 and 31.15 (Schedule E-2 Part I, Page 56).

To the extent Staff’s recommended revenue requirements are sufficient for AEP to recover the cost of the underlying services associated with these fees, then the fees provide a windfall to AEP. AEP is entitled to recover its reasonably incurred costs once, not twice.

**Objection 3.2:** Direct objects to Staff’s recommended approval of the following provisions:

- a. AEP is proposing a change in PUCO No. 21, Section 31.6(b) to purportedly require CRES providers to complete an “Annual” registration application. (Schedule E-2 Part I, Page 46.) Staff should have recommended that this change be rejected. CRES providers should only be required to register with the Company once. The proposed tariff change is inconsistent with registration requirements of O.A.C. 4901:1-24-10(E) and should be rejected.
- b. AEP is proposing a change in PUCO No. 21, Section 21.20(n) to allow the Company “to terminate Company consolidated billing services in the event that the CRES providers are not following the Ohio Administrative Code rules.” (Schedule E-2 Part

I, Page 65.) Staff should have recommended that this change be rejected. The proposed tariff is inconsistent with the enforcement procedure set out in O.A.C. 4901:1-23 and should be rejected.

**Objection 3.3:** Direct objects to Staff's recommendation to reject AEP's proposed Retail Reconciliation Rider and SSO Credit Rider. (Staff Report at 31.) These riders were approved in Case No. 16-1852-EL-SSO and set at \$0. AEP was ordered to submit information in its next base rate case differentiating the costs between standard service offer customers and shopping customers. To the extent AEP has failed to comply with the Commission's directive, the remedy is to order AEP to do so—not cancel the riders.

**Objection 3.4:** Direct objects to Staff's failure to investigate and issue a recommendation concerning the differentiation in costs between standard service offer customers and shopping customers.

**Objection 3.5:** Direct objects to Staff's failure to investigate and issue a recommendation concerning the proper values/rates for the Retail Reconciliation Rider and SSO Credit Rider.

### **CONCLUSION**

Direct reserves the right to supplement or modify these Objections in the event that Staff makes additional findings, conclusions, or recommendations with respect to the Staff Report. Direct also reserves the right to respond to objections or other issues (either in support or opposition) raised by other parties in the proceeding.

Dated: December 18, 2020

Respectfully submitted,

/s/ Mark A. Whitt

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## **CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing Objections to Staff Report was served by electronic mail this 18<sup>th</sup> day of December, 2020 to the following:

/s/ Mark A. Whitt

One of the Attorneys for Direct Energy  
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Summary: Objection Objection to the Staff Report of  
Direct Energy Business, LLC and Direct Energy Services, LLC

electronically filed by Ms. Valerie A Cahill on behalf of Direct Energy Business, LLC and  
Direct Energy Services, LLC