

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

**IN THE MATTER OF THE COMMISSION’S
REVIEW OF THE STANDARD FILING
REQUIREMENTS FOR RATE INCREASES
IN OHIO ADM.CODE 4901-7**

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CASE No. 19-2103-AU-ORD

REPLY COMMENTS OF OHIO POWER COMPANY

INTRODUCTION

Pursuant to Public Utilities Commission of Ohio’s (“Commission”) Entry filed December 16, 2020 (“Entry”), Ohio Power Company (“AEP Ohio” or the “Company”) respectfully submits these reply comments regarding proposed changes to Ohio Adm.Code 4901-7.

REPLY COMMENTS

Chapter II, (D), Supplemental Information provided at Audit

AEP Ohio agrees with Duke Energy Ohio, Inc. (“Duke”), Columbia Gas of Ohio, Inc. (“Columbia”), and the East Ohio Gas Company d/b/a Dominion Energy Ohio (“DEO”) and Vectren Energy Delivery of Ohio (“VEDO”), that the proposed deletion of “provided at audit” from the heading of this section and the subsequent deletion of the language that explained that the information required to be provided under this section must be made available to Staff on the “first day of the field audit” has created ambiguity as to when the Company would be required to provide this information to Staff.¹ As such, the Company agrees with each of these entities that the Commission should clarify whether this information is due upon request from Staff or at a certain stage of the proceeding to eliminate the current ambiguity.

¹ Duke Initial Comments at 3, Columbia Initial Comments at 2; and DOE & VEDO Initial Comment at 5.

Chapter II, Paragraph (D)(3)(d)

The Company agrees with Duke that the proposed addition of subsection (d), requiring utilities to file their currently authorized CAM under the Standard Filing Requirements (“SFRs”), is unnecessary.² Consistent with Duke’s comments,³ the Company’s CAM is already available for audit by Staff under the current rules⁴ and the Company files its CAM with the Commission semi-annually. And the CAM is grounded in the corporate separation statute which has its own set of rules and proceedings, apart from base rate cases. As such, to require the Company file its currently authorized CAM would increase the Company’s filing burden without any commensurate benefit and, therefore, should be rejected. The Company also shares Duke’s concerns regarding filing its CAM in the public docket as part of a rate proceeding.⁵ If the Commission decides to adopt this provision, the Company would recommend the Commission adopt Duke’s proposed language that reads, “The applicant shall file, under seal, its currently authorized CAM. . .”

Chapter II. Sect. A, Sect. A Instructions (C), Revenue Conversion Factor (Sched. A-2)

Consistent with the Company’s initial comments,⁶ AEP Ohio agrees with Duke’s position that the Commission and OCC assessments are a legitimate cost of providing service and, as such, should be included in the gross revenue conversion factor.⁷ As such, the Company recommends the Commission adopt (C) as amended in Duke’s comments or strike the last

² Duke Initial Comments at 4.

³ *Id.*

⁴ *See* 4901:1-37-08

⁵ Duke Initial Comments at 4.

⁶ Ohio Power Initial Comments at 5-6.

⁷ Duke Initial Comments at 4-5.

sentence that reads. “Public Utilities Commission and Ohio Consumers’ Counsel assessments shall not be included.”

Chapter II, Sect. B, Sect. B Instructions (E), Working capital

AEP Ohio also agrees with Duke’s proposed modifications to (E) to clarify that (E)(1) applies to allowances for *cash* working capital and that the Company shall provide a summary schedule under (E)(1) that shows that calculation of *cash* working capital.⁸ Duke’s modifications are warranted because they clarify that a lead-lag study is required *only for the purpose of computing cash working capital* provided for in Schedule B-5 and has *no bearing on working capital items other than cash* that are provided for in Schedule B-5.1. To the extent the utility does not file a lead lag study, the amount of cash working capital will be zero.

OCC’s Proposed Changes

The Company recommends the Commission reject all of The Office of the Ohio Consumers’ Counsel’s (“OCC”) proposed amendments to Ohio Adm.Code 4901-7 as they are unnecessary, seek only to place an increased burden on the utility without any commensurate benefit, and have no basis in statute. The majority of OCC’s proposed changes seek to rewrite the SFRs to require the utilities to provide OCC, and, in some instances, every other party, with all the information that is provided to Staff under the rules.⁹ Essentially, OCC argues that it should not be subject to the discovery process because requesting information through discovery is inefficient for OCC’s review of the filing, can delay OCC’s review of the case, and can result in discovery disputes.

⁸ *Id.* at 5-6.

⁹ *See* OCC Initial Comments.

First and foremost, as OCC correctly points out, the purpose of the SFRs is to assist the *Commission*, not OCC, in performing a thorough and expeditious review of applications for rate increases.¹⁰ Unlike Commission Staff, OCC does not have a statutory obligation or right to review a utilities' rate case increase application. In fact, OCC must meet the requirements for intervention before becoming a party to a rate increase proceeding. It does not make logical sense to rewrite the SFRs to require utilities to provide all the information required by the SFRs to a party that does not have a statutory right or obligation to review the utilities' application.

Furthermore, OCC's justification for why it should be automatically entitled to the information provided to Staff contains an intellectual inconsistency as, in recommending that it be provided with all the information the utility provides to Staff automatically, OCC's proposed changes would increase inefficiencies in each rate increase proceeding by requiring the utility to provide all the information required by the SFRs to OCC and, in some instances, each intervening party regardless of whether or not that information is germane to the parties position and/or review in that case. Additionally, as OCC readily admits, it can request all the information it deems necessary to review the utility's application, including any information provided by the utility pursuant to the SFRs, through the discovery process after it is granted intervention. Thus, OCC's proposed changes to the SFRs would only serve to add significant rate case expense to each rate increase filing with no commensurate benefits to any party other than OCC. As such, OCC's proposed changes are unnecessary and unreasonable and should be rejected.

Retail Energy Supply Association Comments

AEP Ohio disagrees with Retail Energy Supply Association's ("RESA") recommendation that the utilities be required to address its treatment of FERC Accounts 580,

¹⁰ Id. at 1.

586, 589, 597, 901-905, 907-919 and 920-935 in the SFRs.¹¹ RESA claims that this information is necessary to identify when an account is not adjusted to account for revenue, costs, or plant used to support the standard service offer.¹² To the extent RESA seeks to ensure the utilities are only recovering the costs it is permitted to recover pursuant to their respective tariffs and the Commission Orders setting their rates, the Company avers that the framework already exists for such a review. Specifically, where the utility is required to unbundle its costs related to electric generation service and regulated distribution rates, the Commission, and intervening parties, have the ability to review and take discovery to insure that the respective utilities' costs and rates are unbundled on a case-by-case basis. As such, the Company does not believe RESA's proposed requirement is necessary and that the Commission continue to consider the issue of unbundling on a case-by-case basis.

CONCLUSION

AEP Ohio appreciates the opportunity to provide the foregoing comments and respectfully requests, for the reasons set forth above, that the Commission adopt them in its final amendments to Ohio Adm. Code Chapter 4901-7 in this proceeding.

Respectfully submitted,

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¹¹ RESA Initial Comments at 10.

¹² Id. at 11-12.

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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 *Reply Comments* was sent by, or on behalf of, the undersigned counsel to the following parties of record this 29th day of January 2021, via electronic transmission.

/s/ Tanner S. Wolfram

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This foregoing document was electronically filed with the Public Utilities

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1/29/2021 3:39:03 PM

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Case No(s). 19-2103-AU-ORD

Summary: Comments -Reply Comments Of Ohio Power Company electronically filed by
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