BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Ohio Power Company for : Case No. 20-585-EL-AIR

an Increase in Electric Distribution Rates

In the Matter of the Application of Ohio Power Company for : Case No. 20-586-EL-ATA

Tariff Approval

Case No. 20-300-EL-ATA

In the Matter of the Application of Ohio Power Company : Case No. 20-587-EL-AAM

for Approval to Change Accounting Methods

REPLY BRIEF OF THE THE OHIO ENERGY GROUP

The Ohio Energy Group ("OEG") submits this Reply Brief in response to the Briefs filed by Interstate Gas Supply, Inc. ("IGS") and Ohio Partners for Affordable Energy ("OPAE") at the Public Utilities Commission of Ohio ("Commission") on July 14, 2021.

I. IGS Failed To Demonstrate That The Stipulated Approach To The BTCR Pilot Program Should Be Modified.

IGS claims that the Stipulation is not in the public interest and violates important regulatory principles because it does not expand the BTCR pilot billing approach immediately to all customers.¹ Yet IGS simultaneously acknowledges that the BTCR pilot billing approach is reasonable and that retaining the program as set forth in the Stipulation is better than eliminating the program.² IGS' concern therefore does not lie with merits of the BTCR pilot itself, but rather with the stipulated limitations on pilot participation. However, IGS failed to present any evidence regarding the potential rate impacts of its recommended "flashcut"

¹ Initial Brief of Interstate Gas Supply at 41-50.

² IGS Brief at 47; Tr. Vol. V at 1016:13-1017:6 ("I would agree with that, that the pilot program is a better cost method allocation policy than not having it at all.").

approach to changing the BTCR billing for all customers — impacts that could be significantly adverse for some customers. Hence, there is no evidence that expanding the program as IGS requests will benefit customers or the public interest as compared to the approach outlined in the Stipulation. Given this lack of record support for adopting a "flash cut" pilot expansion rather than the gradual pilot expansion approach used by the Commission since 2017, IGS has failed to substantiate its claim that the stipulated BTCR pilot approach does not benefit customers or the public interest.

II. The Commission Should Not Alter The Rate Design Of AEP Ohio's Riders As Suggested By OPAE.

OPAE argues that the Commission should convert several riders that it claims are "fixed" charges to volumetric charges, including the Distribution Investment Rider ("DIR"), Enhanced Service Reliability Rider ("ESRR"), Economic Development Cost Recovery Rider ("EDR"), gridSMART Phase 2 Rider, and Storm Damage Recovery Rider.³ As an initial matter, while costs arising under the DIR, ESRR, and EDR are recovered from customers based upon a percentage of their distribution charges, that does not render them "fixed" charges. Indeed, at the hearing, OPAE conceded that residential base distribution rates are comprised of an energy charge and a customer charge, and that many of the riders that he identified as fixed – including the EDR, DIR, and ESRR - are actually variable to the extent the rider charges are based upon the customer's energy consumption.⁴ OPAE similarly failed to provide any analysis of the potential rate impacts to other customers of drastically modifying the current recovery methodologies used for each of those riders. Accordingly, OPAE's argument is unfounded and should be rejected.

³ Initial Brief of Ohio Partners for Affordable Energy at 9-14.

⁴ Tr. Vol. II at 459:24-460:3 and 461:15-23.

WHEREFORE, the Commission should approve the Stipulation without modification.

Respectfully submitted,

/s/ Michael L. Kurtz_____

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July 6, 2021

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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 on the parties referenced on the service list of the docket card who have electronically subscribed to this case. In addition, the undersigned certifies that a courtesy copy of the foregoing document is also being served (via electronic mail) on the 6th day of July 2021 to the following:

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