

## THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE APPLICATION OF  
OHIO POWER COMPANY TO UPDATE ITS  
GRIDSMART PHASE 2 RIDER.

CASE No. 18-783-EL-RDR

IN THE MATTER OF THE APPLICATION OF  
OHIO POWER COMPANY TO UPDATE ITS  
GRIDSMART PHASE 2 RIDER.

CASE No. 19-1029-EL-RDR

### ENTRY

Entered in the Journal on December 7, 2023

{¶ 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.

### I. BACKGROUND

{¶ 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 its 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 its second ESP, 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. (*ESP 3 Case*), 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 (*Phase 2 Case*), 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. (*ESP 4 Case*), Opinion and Order (Apr. 25, 2018) at ¶ 93.

**A. Case No. 18-783-EL-RDR**

{¶ 8} On April 30, 2018, in Case No. 18-783-EL-RDR (18-783), AEP Ohio filed an application to update its gridSMART rider for Phase 2 costs. According to AEP Ohio, the application reflects actual gridSMART Phase 2 project expenses for January through December 2018, including capital carrying charges related to the transfer of 22,000 AMI meters to gridSMART Phase 2, as directed in the *Phase 2 Case*, and the reallocation between residential and non-residential in accordance with the Order in the Global Settlement. *In re AEP Ohio*, Case No. 09-872-EL-FAC et al., Order on Global Settlement Stipulation (Feb. 23, 2017) at ¶ 92-93.

{¶ 9} Ohio Consumers' Counsel (OCC) filed a motion to intervene in 18-783 on September 5, 2019.

{¶ 10} On October 31, 2019, Staff filed its review and recommendation of AEP Ohio's application in 18-783. AEP Ohio filed reply comments on December 12, 2019.

{¶ 11} Staff filed an updated review and recommendation on March 3, 2020.

**B. Case No. 19-1029-EL-RDR**

{¶ 12} On April 30, 2019, in Case No. 19-1029-EL-RDR (19-1029), AEP Ohio filed an application to update its gridSMART rider for Phase 2 costs for the period January through December 2019, along with quarterly updates.

{¶ 13} On December 2, 2020, Staff filed its review and recommendation to which AEP Ohio filed reply comments on February 5, 2021.

{¶ 14} OCC filed a motion to intervene in 19-1029 on March 17, 2020.

{¶ 15} In order to assist the Commission in its review of AEP Ohio's applications to update its gridSMART rider for Phase 2 costs, the attorney examiner finds that the following procedural schedule should be established in both 18-783 and 19-1029:

- (a) January 8, 2024 - Deadline for the filing of motions to intervene.
- (b) January 8, 2024 - Deadline for the filing of initial comments.
- (c) January 22, 2024 - Deadline for the filing of reply comments.

{¶ 16} It is, therefore,

{¶ 17} ORDERED, That the procedural schedule set forth in Paragraph 15 be adopted. It is, further,

{¶ 18} ORDERED, That a copy of this Entry be served upon all parties of record.

THE PUBLIC UTILITIES COMMISSION OF OHIO

/s/David M. Hicks

By: David M. Hicks  
Attorney Examiner

PAS/dr

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**Case No(s). 18-0783-EL-RDR, 19-1029-EL-RDR**

Summary: Attorney Examiner Entry adopting the following procedural schedule: motions to intervene due January 8, 2024; initial comments due January 8, 2024; and reply comments due January 22, 2024 electronically filed by Debbie S. Ryan on behalf of David M. Hicks, Attorney Examiner, Public Utilities Commission.