BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Ohio Power Company to Update its gridSMART Phase 2 Rider Rates.	)))	Case No. 18-783-EL-RDR
In the Matter of the Application of Ohio Power Company to Update its gridSMART Phase 2 Rider Rates.	)))	Case No. 19-1029-EL-RDR

OHIO POWER COMPANY'S REPLY COMMENTS

I. INTRODUCTION.

Ohio Power Company ("AEP Ohio" or the "Company") files the following Reply Comments in response to the Comments that the Office of the Ohio Consumers' Counsel (OCC) filed in these proceedings on January 8, 2024. As set forth below and as set forth in the Company's January 8, 2024 Initial Comments,[1] the Public Utilities Commission of Ohio ("the Commission") should disregard OCC's Comments and approve the Company's Applications as filed in Case No. 18-783-EL-RDR and 19-1029-EL-RDR.

II. AEP OHIO'S REPLY COMMENTS IN RESPONSE TO THE COMMENTS AND RECOMMENDATIONS RAISED BY OCC.

A. The Non-Financial gridSMART Phase 2 Metrics have no Bearing on the Prudency or Used and Usefulness of the gridSMART Phase 2 Rider Update.

OCC takes issue with the 2018 PUCO Staff review by alleging that Staff failed to review the non-financial metrics report. (OCC Comments at 2.) OCC inaccurately states that a review of the non-financial metrics report would demonstrate an upward trend in the number of AMI

[1] AEP Ohio Comments in the 18-783-EL-RDR case adopt by reference prior Comments filed on December 12, 2019. AEP Ohio's Initial Comments in the 19-1029-EL-RDR case adopt by reference prior Comments filed on February 5, 2021

meters that are failing and increasing numbers of AEP Ohio consumers being disconnected for nonpayment. (Id.) Interestingly, OCC does not allege the same about the 2019 audit because the Staff expressly addressed that it was included with the Company's tariff update filing. But there is no indication that Staff failed to review and/or consider the non-financial metrics associated with the 2018 audit. In fact, OCC concedes that the Company filed the non-financial metrics as part of the 2018 docket and the Staff requested this information, which was provided in response to Staff data requests. Thus, the Company disagrees with OCC's conclusory assessment of Staff's audit as factually inaccurate.

Nevertheless, the non-financial metrics have no impact on whether the gridSMART Phase 2 investments were prudent or used and useful, which was the scope of the Staff's review. Like much of OCC's arguments, concerns about AMI failure and customer disconnections are beyond the scope of this audit. OCC's allegations regarding failure rates of AMI meters and increases in customer disconnections for nonpayment are further recycled by OCC and addressed later in sections D and G of these Reply Comments. As established in those sections, the Company is in compliance with the 4901:1-18-06 disconnection procedures and claims about the AMI failure rates are an unsubstantiated collateral attack on the underlying gridSMART Phase 2 approval. For this myriad of reasons, the Commission should reject OCC's conclusory hyperbole regarding the non-financial metrics.

B. The Commission Should Refrain from Reducing the Capital Balance of the gridSMART Phase 2 Rider Associated with Financial Incentives Paid to Employees.

OCC provides little, if any, analysis to support its argument that employee financial incentives tied to financial performance of the Company should be disallowed from the gridSMART rider under the 2019 audit. OCC relies substantially upon Staff's recommendations in case No. 19-1029-EL-RDR, which AEP Ohio addressed in its February 5, 2021 Reply

Comments. (*See* AEP Ohio 19-1029-EL-RDR Comments at pp. 2-3.) Notably, neither Staff nor OCC raised this issue as part of the 18-783-EL-RDR audit; therefore, it should not be considered as part of the 2018 review despite the cases seemingly operating in a consolidated fashion.

OCC pays lip service to the arguments that AEP Ohio raised in its Initial Comments in 19-1029-EL-RDR, only to generically argue that "including financial incentives that would result in customers paying unjust and unreasonable charges is contrary to law and precedent." (OCC Comments at 4.) OCC cites to R.C. 4905.22, which states, in part "all charges made or demanded for any service rendered, or to be rendered, shall be just, reasonable, and not more than the charges allowed by law or by order of the public utilities commission, and no unjust or unreasonable charge shall be made or demanded for, or in connection with, any service, or in excess of that allowed by law or by order of the commission." In turn, OCC relies exclusively on a single inapposite ruling where the Commission disallowed the recovery of employee incentives based upon financial performance of Duke Energy Ohio. (OCC Comments at 4.) But AEP Ohio already addressed this case as part of its Initial Comments – the case is not controlling and should not be improperly applied on a sweeping basis for all utilities especially without a detailed analysis of the Company's incentive plans like what is afforded in a rate case. (*See* AEP Ohio 19-1029-EL-RDR Comments at 2.)

It is important to note that the Duke case upon which OCC relies involved a request to recover costs associated with Duke's energy efficiency portfolio – a very specific recovery mechanism provided for under R.C. 4928.66 that is not at issue in this audit. OCC also neglects to mention that the Commission subsequently approved AEP Ohio's base rate case stipulation whereby the Company was permitted "to capitalize incentives and there will be no rate base reduction for this item or capitalized incentive adjustments in future rider audit cases." *In Re the*

Application of Ohio Power Company for an Increase in Electric Distribution Rates, Case No. 20-585-EL-AIR, Opinion and Order at ¶50 (Nov. 17, 2021). For these reasons, and the reasons more fully explained in AEP Ohio's Initial Comments, the Commission should deny Staff and OCC's recommendation to disallow financial incentives of employees that are part of a comprehensive compensation package that is reasonable and market competitive.

C. The Commission Should Refrain from Reducing the Capital Balance in the 2019 gridSMART Phase 2 Rider Update Because Staff and OCC Fail to Apply the Proper Analysis Set Forth in the Commission-Approved gridSMART Phase 2 Stipulation.

OCC provides little, if any, analysis to support its argument that the 2019 update to the gridSMART Rider capital account should be reduced by the $8,222,874 as recommended by Staff due to AMI inventory amounts. Once again, OCC relies substantially upon Staff's recommendations and doubles-down with a misreading of the Stipulation approved in Case No. 13-1939-EL-RDR ("gridSMART Phase 2 Stipulation"). The Company has already addressed these issues in its Comments filed on February 5, 2021 in Case 19-1029-EL-RDR. (*See* AEP Ohio 19-1029-EL-RDR Comments at pp. 6-9.) Nevertheless, OCC proceeds to misstate and omit AEP Ohio's Comments in response to Staff's recommendation.

AEP Ohio does not contend that there are "exceptions" to the inventory requirement as OCC misstates in its attempt to reframe AEP Ohio's Initial Comments (OCC Comments at 5); rather, AEP Ohio argues that the Staff method of the inventory calculation does not comport with the gridSMART Phase 2 Stipulation. Staff's calculation of 128.62 days was a year-over-year comparison rather than an "aggregate" supply "on average" as required by the gridSMART Phase 2 Stipulation.[2] Tellingly, this issue was not raised as part of the 2018 audit; rather, it was

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[2] *In the Matter of the Application of the Ohio Power Company to Initiate Phase 2 of Its gridSMART Project and to Establish the gridSMART Phase 2 Rider* ("*gridSMART Phase 2*"), Case No. 13-1939-EL-RDR, February 1, 2017 Opinion and Order, p. 13, par 33 (emphasis added).

raised in the 2019 audit after the Company had been using the same inventory tracking method since 2017. Such an about face, which is also inconsistent with the gridSMART Phase 2 Stipulation is unreasonable and improper. Contrary to OCC's mischaracterizations, AEP Ohio's discussion of the difficulty of tracking meters and examples of meters held for longer periods of time were to demonstrate the rationale and support for the "aggregate on average" calculation from the gridSMART Phase 2 Stipulation. Additionally, the Company provided the Staff with the full dates of when the meters were received as well as when the meters were installed for the complete project. After removing the dates after October 25th, 2019, which was the date the final meter installations were completed, with the exception of those few meters AEP Ohio'a contractor was not able to install, the Company's meter inventory was in compliance with the 90 day "aggregate on average" requirement.

Even assuming Staff's calculation is correct (it is not), an average inventory duration of less than 120 days is "approximate" to the 90 days target that is also set forth in the 19-1939-EL-RDR Stipulation; especially, considering managing supply chain acquisition and the installation of hundreds of tens of thousands of meters is not the simple task that OCC attempts to depict. Therefore, the Commission should deny OCC's recommendation.

To the extent the Commission is not inclined to summarily reject the Staff and OCC's disallowance regarding the AMI inventory, the Company requests an evidentiary hearing to contest Staff's calculation and demonstrate how it conflicts with the controlling language in the gridSMART Phase 2 settlement.

D. OCC's Allegations about AMI Meter Failures are an Unsubstantiated Collateral Attack on the gridSMART Phase 2 Approval that Beyond the Scope of this Case while OCC's Recommended Protections are Already Afforded by AEP Ohio.

OCC suggests that the Staff audits were insufficient because it should include an examination of the AMI smart meter failure rate and AEP Ohio's policies related to replacing failed AMI smart meters. (OCC Comments at 7.) The basis of the OCC's suggestion is the representation that approximately 6,251 of the approximate one million AMI smart meters installed by AEP Ohio failed and required replacement between 2017 and 2019 and an additional 6,732 AMI meters failed and required replacement between 2020 and 2022. OCC astoundingly asserts that a failure rate of approximately 0.63% is "excessive and costly to consumers" such that a 15-year depreciation life could be unlikely. (OCC Comments at 6-7.) Without any supporting analysis,[3] nor relation to this case, OCC further suggests that the AMI failure rate may be higher in the coming years. (OCC Comments at 6.) The Commission should reject OCC's request for an additional Staff review of AMI meter failure rates as part of these audits. The Commission should also ignore OCC's remaining requests because AEP already has a robust suite of warranty and salvage processes that protect consumers from excessive AMI costs.

As an initial matter, OCC bases much of its analysis on information from 2017, 2020, 2021 and 2022 that is beyond the scope of this audit, which is limited to the years of 2018 and 2019. Additionally, meter failures that happened during the audit period in 2018 and 2019 were not necessarily installed in those years and are also out of scope. Putting aside these out of scope factors, much of OCC's argument is based upon the unsubstantiated belief that the 15-year depreciation life for AMI meters was based upon a 0.5% fail rate. OCC seemingly attempts to provide support for this suggestion in footnote 25 – a link that does not work and does not appear to be information prepared by OCC or at its direction. More importantly, the 15-year

[3] OCC provides a footnote that appears to be a title of a third-party publication but there is no link, publication information such that AEP Oho or the Commission can ascertain the information, nor any indication that OCC was involved in its preparation. For these reasons it should not be considered as part of the ruling in this matter.

depreciation life was set as part of the gridSMART Phase 2 Stipulation that was expressly approved by the Commission.[4] Any suggestion that this should be revisited is certainly outside the scope of this audit and serves as an improper collateral attack on the Commission-approved gridSMART Phase 2 Stipulation.

Despite OCC's Comments being unsubstantiated and beyond the scope of this audit, AEP Ohio does have policies in place to protect customers from prematurely failing AMI meters. AMI meters from the Company's meter vendor (Aclara) have a 5-year warranty. The Company tracks the age of the meters in two ways: (1) by the manufacture date printed on each meter; and (2) by the sequential serial number on the device that ties to a manufacture date. Any meter removed because of failure while still in warranty is sent to the Company's meter lab. The meter is tested at the lab and if a failure is confirmed, it is returned to Aclara using the Returned Merchandise Authorization ("RMA") process. A replacement meter is then sent to AEP Ohio for each meter sent to Aclara using the RMA process. Meters older than 5 years (past warranty) that have failed are included with other salvageable materials and processed for salvage and recycling. The failed meter is retired in AEP's systems and the asset is removed from the Company's books following AEP Ohio accounting processes. Finally, if an AMI meter has been removed from service (premise closed, temporary service, other) and is still working, it is sent to the Meter Lab for testing. If it passes the test process, it is reset and returned to inventory to be redeployed. This process is followed even if the meter is past the 5-year warranty time. Consequently, OCC's analysis of failed meters rates and its resulting calculation of replacement costs is unfounded as it doesn't take the Company's replacement

[4] *In Re the Application of Ohio Power Company to Initiate Phase 2 of its gridSMART project and to Establish the gridSMART Phase 2 Rider*, Case No. 13-1939-EL-RDR, Opinion and Order ("gridSMART Phase 2 Order") at ¶ 36 (Feb. 1, 2017)("The accounting life of all AMI meters will be 15 years instead of 7 years.").

policy into consideration. Moreover, OCC's requested remedy is already afforded by AEP Ohio.

OCC's suggestion that the PUCO should require Staff to examine the AMI smart meters' failure rate, the applicable depreciation rates, and AEP Ohio's warranty policies are out of the scope of this audit, based upon no verifiable information, collaterally attacking the underlying gridSMART Phase 2 Order, and should be duly disregarded.

E. OCC Fails to Raise Any Recommendations Regarding the 2018-2019 Audit Years or Any Indication that DACR Implementation was in Violation of Commission Approval.

OCC incorrectly states that AEP Ohio's DACR implementation has been "slow tracked" resulted in reliability improvements that were not realized that contributed to AEP Ohio missing its reliability performance standards in 2018. (OCC Comments at 8.) Accordingly, OCC does not make any requests with respect to the 2018-2019 audits; instead, OCC improperly asks the Commission to require the Staff to review the Phase 2 DACR deployment as part of the 2020 audit. (OCC Comments at 8-9.) The Commission should once again disregard OCC's comments as beyond the scope of this audit and an improper attempt to influence and expand a future audit that has already taken place.[5]

Putting aside OCC's improper focus on future audits, OCC speaks out of both sides of its mouth and relies upon misreadings of the gridSMART Phase 2 Stipulation. The gridSMART Phase 2 Stipulation did not mandate that AEP Ohio install DACR on 250 circuits within 72 months of approval. Rather, it provided that AEP Ohio "shall be authorized" to install DACR on 250 circuits within that time frame – meaning the Company has an opportunity, not a mandate, to

[5] *See, In Re the Application of Ohio Power Company to Update its gridSMART Phase 2 Rider Rates*, Case No. 20-939-EL-RDR, Staff Report (Mar. 31, 2022).

recover the associated costs under the gridSMART Phase 2 Rider. Nor was there a year-by-year requirement as to when the DACR was to be implemented, only (as OCC concedes) that it was to be completed within 72-months of the PUCO's approval of the Stipulation that occurred on February 1, 2017. This means that AEP Ohio had until February 1, 2023 to complete the total rollout of the DACR on the 250 circuits. OCC does not contest that AEP Ohio did complete the rollout on the 250 circuits within the 72 months. (OCC Comments at 8.) Instead, OCC complains that the DACR was not implemented quick enough despite no obligation.

Moreover, there is no analysis to support the rudimentary arithmetic that OCC uses to allege that there could have been a reduction of 5.5 million customer minutes of interruption had the DACR been installed quicker. OCC's naïve accusations also overlook the planning and implementation efforts involved in completing the DACR rollout as well as the complex nature of what influences the reliability metrics as discussed above. (*See* infra Section F). AEP Ohio successfully implemented DACR in the timeline prescribed in the Stipulation (despite no obligation to do so); thus, OCC's Comments regarding the DACR implementation should be duly disregarded.

F. The Staff Performed an Audit that Reviewed whether the gridSMART Phase 2 investments Were Used and Useful and Prudently Incurred.

OCC requests that Staff review as part of the next audit (presumably for the 2020 year) whether the gridSMART Phase 2 assets were used and useful and prudently incurred. In so arguing, OCC insinuates that Staff did not perform that analysis for 2018-2019, which couldn't be further from the truth. As part of the audits, Staff reviewed revenues, operation and maintenance expenses, and capital assets added throughout the respective calendar years and conducted field audits to confirm asset costs were associated with plant actually in service. This is standard procedure in Staff audits.

OCC appears to improperly attribute AEP Ohio's CAIDI and SAIFI performance for the audit years solely to DACR and gridSMART Phase 2 assets not performing as expected. (OCC Comments at 10-11.) OCC compounds this misconception based upon a misinterpretation of AEP Ohio's DACR commitment in the gridSMART Phase 2 Stipulation. As such, OCC argues that customers are "not receiving the benefits of improved electric reliability." (OCC Comments at 10.) OCC mistakenly argues that gridSMART Phase 2 investments necessitate that customers should have seen "major improvement in the SAIFI and CAIDI reliability performance standards" in the 2018 and 2019 years.[6] (OCC Comments at 10.) First, this false premise overlooks that there are numerous factors that influence reliability performance as well as the CAIDI and SAIFI metrics in any given year. Second, investment is not immediate, nor are results. While arguing out of both sides of its mouth, OCC concedes that the DACR investments were minimal in 2018 and 2019. (OCC Comments at 8-9); thus, it is not intellectually honest for OCC to then draw the conclusion that DACR and the gridSMART Phase 2 investments are responsible for the CAIDI and SAIFI performance in those years and thereby not generating benefits. Indeed, DACR reporting demonstrates that the DACR investments have been exceedingly beneficial resulting in a 22.84% reduction in the 2020/2021 year, a 19.54% reduction in the 2021/2022 year, and 24.3% reduction in the 2022/2023 year once it was installed on more than a handful of circuits.

Finally, OCC misrepresents the reliability improvements to which AEP Ohio committed in the gridSMART Phase 2 Stipulation. There is no mention of a CAIDI reduction; in fact, DACR tends to have a negative corollary impact on CAIDI as it often reduces the shorter

[6] To the extent OCC is arguing about the lack of DACR benefits in years beyond 2018 and 2019, that is beyond the scope of this audit and should be duly disregarded.

duration outages. Moreover, AEP Ohio never committed to a 15.8% reduction in SAIFI in any given year as OCC so errantly claims. (OCC Comments at 11.) AEP Ohio committed to "achieving a ***3-year average annual*** improvement of 15.8 percent, excluding major events, in the AEP Ohio System Average Interruption Frequency Index (SAIFI), on the aggregated performance of DACR-installed circuits, ***when compared with the SAIFI performance for the same circuits that would have occurred without the DACR installation***."[7] In other words, AEP Ohio's reliability commitment was for a three-year average (not each year), and only compared to the same circuits if they had not otherwise had DACR investment (not a straightline reduction to overall SAIFI).

The Commission Staff did, in fact, review whether the gridSMART Phase 2 investments incurred in 2018 and 2019 were used and useful and prudently incurred. Any suggestion otherwise is contrary to the facts of this case and rely upon misinterpretation of prior commitments. Moreover, any requests related to future audits is beyond the scope of this audit and should be duly rejected especially considering Staff has already conducted audits for the 2020, 2021, and 2022 investment years have already taken place.[8]

G. The Commission should Disregard OCC's Continual Quest to Investigate Disconnections and Improperly Force Shareholder Funding and Changes to AEP Ohio Disconnection Policies that could Harm AEP Ohio and its Customers.

OCC argues that the PUCO Staff should have reviewed service disconnection data for non-payment as part of the annual 2018 and 2019 audits of the gridSMART rider. Accordingly,

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[7] gridSMART Phase 2 Order at 24.

[8] *See, In Re the Application of Ohio Power Company to Update its gridSMART Phase 2 Rider Rates*, Case No. 20-939-EL-RDR, Staff Report (Mar. 31, 2022; *In Re the Application of Ohio Power Company to Update its gridSMART Phase 2 Rider Rates*, Case No. 21-499-EL-RDR, Staff Report (Dec. 22, 2022); *In Re the Application of Ohio Power Company to Update its gridSMART Phase 2 Rider Rates*, Case No. 22-473-EL-RDR, Staff Report (Aug. 2, 2023).

OCC requests numerous forms of relief such as expanding payment plan options, increasing shareholder funding for the Neighbor-to-Neighbor program, allowing extensions of disconnection timelines, and surveying of customers -- all of which are beyond the scope of these audits and improper relief that should be disregarded. Moreover, OCC's Comments are nearly a copy paste of what OCC raised in AEP Ohio's recent electric security plan in case number 23-23-EL-SSO ("ESP V") – which the Company addressed in more detail upon cross-examination of the OCC witness that sponsored the nearly identical forms of relief.

OCC's Comments go far beyond the scope of these proceedings as indicated by the information upon which it relies. The audits at issue are related to a review of the capital and O&M investments in gridSMART Phase 2 for the years of 2018 and 2019. OCC attempts to dramatically expand the scope of these audits by complaining about disconnection rates and does so by citing disconnection data from 2010 through May 31, 2023. Not only is this substantively beyond the scope of the audits, it is well beyond the time period at issue in these audits. OCC misleadingly attempts to generate some nexus to these audits by arguing that "the deployment of AMI smart meters is causing a substantial increase in service disconnections." (OCC Comments at 15.) This argument is riddled with flaws, not the least of which is overlooking the fact that much has changed in 11 years, including the significant increases in the generation market and inflation. In ESP V, OCC witness Tinkham conceded the existence of these changes and that they were not within AEP Ohio's control.[9] OCC's Tables 3 and 4 go on to compare the reported disconnections for nonpayment among all utilities in the state. Not only is this is vastly outside the scope of this proceeding, similar information (including some

[9] *In Re the Application of Ohio Power for Authority to Establish a Standard Service Offer Pursuant to R.C. 4928.143, in the Form of an Electric Security Plan ("ESP V")*, Transcript Volume II at 217, 284-286 (Oct. 11, 2023

of the same information) was presented in AEP Ohio's ESP V where OCC witness Tinkham admitted that he did not prepare such data, it was not prepared at his direction, nor was he aware whether all the utilities calculate and report disconnection data in the same way.[10] OCC also overlooks the fact that that AMI allows for more expedient reconnection – in the last year 78% of AEP Ohio disconnections are reconnected within the same day often within 1 minute.[11] Thus, besides being completely out of scope, OCC has no real understanding of the information upon which they are relying to draw the sensational and unfounded conclusion that AMI is contributing to higher disconnection rates. Thus, there is no evidence to support that the gridSMART Phase 2 AMI investments from 2018-2019 had any influence on disconnections.

Moreover, it is uncontroverted that AEP Ohio is following all approved disconnection procedures. In the ESP V case, OCC witness Tinkham admitted that AEP Ohio is following the legal requirements and protections associated with disconnections for nonpayment.[12] Additionally, Mr. Tinkham did not disagree that disconnection is one of the few tools that AEP Ohio has to ensure that customers pay.[13] Nor did OCC witness Tinkham disagree that allowing customers to continue to use electricity without paying will increase receivables that could be borne by other customers under the Bad Debt Rider.[14] Similarly, OCC has not alleged, as part of its Comments in this case, that AEP Ohio failed to follow the administrative procedures for disconnection during the audit years or otherwise address the collateral impacts of changing

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[10] *ESP V*, Transcript Volume II at 218, 223-224.

[11] *In the Matter of the Annual Report Required by R.C. 4933.123 Regarding Service Disconnections for Nonpayment*, Case No. 23-532-GE-UNC, Report of Service Disconnections for Nonpayment of Ohio Power Company (June 30, 2023).

[12] *ESP V*, Transcript Volume II at 252.

[13] *ESP V*, Transcript Volume II at 259.

[14] *ESP V*, Transcript Volume II at 258-59, 286-87.

disconnection procedures.

Besides failing to establish that disconnection rates are at all related to AMI deployment or within AEP Ohio's control, OCC's requested forms of relief suffer from numerous other problems. OCC attempts to collaterally attack the Commission's approval of AEP Ohio's disconnection policies that were approved by the Commission in Case No 17-1380-EL-WVR. OCC unabashedly asks the Commission to "revise AEP Ohio's current waiver of providing personal notice on the day of disconnection." (OCC Comments at 16.) The waiver case to which OCC refers, however, was decided in April 2018 and the Commission denied OCC's application for rehearing. OCC is seemingly asking the Commission reopen the case that is now closed.[15] This is procedurally incorrect not to mention highly improper when there is no sound basis upon which to revisit the ruling. OCC does not support or provide factual evidence if the communication process allowed by the waiver is working or not working. Even with the waiver in effect, from the time of billing a customer has approximately 60 days before a disconnection for non-payment occurs. Prior to the disconnection date, customers are contacted three times by AEP Ohio – (1) on the first bill subsequent to a missed payment; (2) a 10-day disconnection notice/call; and (3) a customer contract phone call two-days before the disconnect date. The Commission should not permit such untimely collateral attacks on decided cases.

OCC improperly requests that current payment plans are "expand[ed]" to "work within the consumers' budget." (OCC Comments at 15.) But there is no evidence to indicate that the current payment plans, which are codified in Ohio Adm. Code, are insufficient. Nor should the

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[15] *In Re the Application of Ohio Power Company for a Limited Waiver of Ohio Adm. Code 4901:1-18-06(A)(2),* 17-1380-EL-WVR *et al*., Case Action Form Closing Case (Oct. 22, 2018).

Commission amend the payment plan rules during the course of an audit of a single rider for a single utility outside the context of a formal rulemaking. Needless to say, this is beyond the scope of this audit and improper relief. There is also no evidence or data to identify what would constitute a standard customer's budget. Indeed, each customer has a unique experience and financial circumstance. Nevertheless, AEP Ohio attempts to work with all customers to find an acceptable payment plan. For instance, the Company offers different payment plan options to customers including the Average Monthly Plan (AMP), budget billing, and other payment arrangement options. Additionally, the AEP Ohio website, communications, and call center representatives educate customers on numerous federal and state assistance programs such as HEAP, winter reconnect, medical certifications, and the Percentage of Income Payment Plan. The Commission should reject such concepts that are generic, unfounded and better addressed in rulemaking cases; especially, given the vast amount of resources that AEP Ohio and government entities provide to customers

Even more offensively, OCC generically requests that the Commission order further shareholder funding of the Neighbor-2-Neighbor bill assistance program. (OCC Comments at 16.) This throwaway recommendation does not even come with a specific recommended price tag much less have anything to do with the audit of the gridSMART Phase 2 investments. Obviously, it would be unconscionable to require AEP Ohio to use shareholder funding for bill payment assistance that has no basis in law; especially, when OCC has submitted no analysis about the company's financial ability to make such funding commitment or what kind of impact that would have on AEP Ohio or its ability to serve its customers with safe and reliable service. Interestingly, OCC opposed the portion of AEP Ohio's recent ESP V Stipulation that

proposed increased funding for the Neighbor-2-Neighbor program.[16]

OCC has done no analysis and has not supported the need for its recommendations. Nor has OCC considered the underlying cost it may bring to customers. Based on the reasons above, this again should be disregarded and is clearly beyond the scope of these audits.

III. CONCLUSION

In sum, AEP Ohio respectfully requests the Commission deny the OCC's recommendations and approve the Company's Applications in Case No 18-783-EL-RDR and 19-1029-EL-RDR for the reasons set forth in these Reply Comments and as the Company's January 8, 2024 Comments[17] filed in each of the respective cases.

Respectfully submitted,

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[16] ESP V, Initial Brief for Consumer Protection by Office of the Ohio Consumers' Counsel at 31 (Dec. 1, 2023).

[17] AEP Ohio Comments in the 18-783-EL-RDR case adopt by reference prior Comments filed on December 12, 2019. AEP Ohio's Initial Comments in the 19-1029-EL-RDR case adopt by reference prior Comments filed on February 5, 2021.

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 all parties of record. In addition, I hereby certify that a service copy of the foregoing was sent by, or on behalf of, the undersigned counsel to the following parties of record this 22nd day of January 2024.

/s/ Michael J. Schuler
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Summary: Comments Reply Comments electronically filed by Mr. Michael J. Schuler on behalf of Ohio Power Company.