

**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of	)	
Ohio Power Company to Update	)	Case No. 14-0873-EL-RDR
its Energy Efficiency and	)	
Peak Demand Reduction Rider.	)	

**COMMENTS OF OHIO POWER COMPANY**

On May 15, 2012, Ohio Power Company (“AEP Ohio” or the “Company”) filed an Application to update its EE/PDR Rider for a final true-up of the program costs from 2009-2011.<sup>1</sup> Having not received Public Utilities Commission of Ohio (“Commission”) authority in the 2012 Update proceeding to update its EE/PDR Rider rates, on May 15, 2013, AEP Ohio filed an action nearly identical to its 2012 Update request. In the 2013 filing, the Company sought authority to implement and true-up the Company’s EE/PDR Rider consistent with the 2012 Portfolio cases along with the final true-up from the 2009 Portfolio cases as filed in Case No. 12-1557-EL-RDR.<sup>2</sup> Having not received a ruling on either the 2012 or the 2013 Update applications, AEP Ohio filed its 2014 update application in this proceeding seeking a comprehensive update to its EE/PDR Rider to cover 2009-2013 actual expenditures.<sup>3</sup> All three proceedings remain pending before the Commission.

On June 5, 2014, the Commission Staff filed a Review and Recommendation in the Company’s 2012 and 2013 Update proceedings. The Staff recommended “financial audits of the

---

<sup>1</sup> *In the Matter of the Application of Ohio Power Company to Update the Energy Efficiency and Peak Demand Reduction Rider* (“2012 Update”), Case No. 12-1557-EL-RDR, Application at p. 2 (May 15, 2012).

<sup>2</sup> *In the Matter of the Application of Ohio Power Company to Update The Energy Efficiency and Peak Demand Reduction Rider* (“2013 Update”), Case No. 13-1201-EL-RDR, Application at p. 3 (May 15, 2013).

<sup>3</sup> *In the Matter of the Application of Ohio Power Company to Update The Energy Efficiency and Peak Demand Reduction Rider* (“2014 Update”), Case No. 14-873-EL-RDR, Application at p. 3 (May 15, 2014).

Company's EE/PDR riders," where "the first such audit [will] cover the EE/PDR rates and updates for the time period of January 2011 through December 2013."<sup>4</sup> The Staff Report was supportive of the Company's update filings and raised no substantive issues: "The Staff has reviewed AEP Ohio's filing updates to its EE/PDR riders, for rider effective dates from March 2009 through May 2013. Based on Staff's review, it appears that the Company has followed all applicable Commission directives in its calculation of the EE/PDR rider rates. ... Staff finds that the procedure followed by AEP Ohio in calculating the comprehensive updates to its EE/PDR rider rates is consistent with the 2009 portfolio approvals and 2012 portfolio approvals, as well as the Commission's approvals in other cases relevant to the EE/PDR riders."<sup>5</sup> While the Staff did not file the same Report in this docket, the Company's 2014 Update application requests a comprehensive update to the EE/PDR Rider rates to reflect the actual expenditures for the years 2009-2013.<sup>6</sup>

AEP Ohio does not oppose the Staff's recommendation for a financial audit to verify the accounting and costs incurred by the Company under the EE/PDR Rider for the years 2009-2013, but notes that the audit should be limited to a financial audit since Staff already reviewed the substance of the costs being included in the EE/PDR. The Company also recognizes that the cost recovery sought in this proceeding overlaps the Company's 2012 and 2013 applications such that if the Staff recommendation for an audit is approved, it should encompass the 2014 Application for efficiency in conducting a single financial audit for all pending update filings.

---

<sup>4</sup> AEP Ohio 2012 Update, Staff Review and Recommendation at p. 9; AEP Ohio 2013 Update, Staff Review and Recommendation at p. 9 (June 5, 2014) ("Staff Report").

<sup>5</sup> *Id.*

<sup>6</sup> The Company's Application in this proceeding also sought to recover the costs associated with the IRP-D credit in conformance with the Commission's August 8, 2012, Opinion and Order in Case Nos. 11-346-EL-SSO, *et al.*

AEP Ohio notes that under the terms of its EE/PDR Rider, all expenditures would be subject to final reconciliation. In the interim, while the recommendation for a financial audit of the EE/PDR Rider is being considered, AEP Ohio encourages the Commission to approve the Company's 2014 application filed in this proceeding. Approval of the 2014 Update would moot the need for separate resolution of the Company's 2012 and 2013 applications (because the 2014 Update is cumulative), but the Company understands that the 2014 Update would be implemented subject to reconciliation based on the outcome of the financial audit (presuming the Staff's recommendation is adopted). Swift resolution of the 2014 Update is particularly important because the Company is currently not recovering the costs associated with the IRP-D credit approved in the *ESP II* proceedings, which, as shown on Schedule 4 of the 2014 Update, are substantial. As a minimum, if the Commission chooses not to approve the Company's 2014 application in the interim, it should still authorize the implementation of the portion of the EE/PDR rates associated with the IRP-D credit now. Because the Company has funded the significant IRP-D credit without any cost recovery for nearly two years, if the Commission presently decides not to authorize immediate commencement of cost recovery of the IRP-D credits, the Company should be authorized to recover carrying charges on the unrecovered amount.

Respectfully submitted,  
/s/ Yazen Alami  
Steven T. Nourse  
Yazen Alami  
American Electric Power Service Corporation  
1 Riverside Plaza, 29<sup>th</sup> Floor  
Columbus, Ohio 43215-2373  
Telephone: (614) 716-1608  
[stnourse@aep.com](mailto:stnourse@aep.com)  
[yalami@aep.com](mailto:yalami@aep.com)  
*Counsel for Ohio Power Company*

## CERTIFICATE OF SERVICE

I hereby certify that a true and accurate copy of the foregoing was served via electronic mail on the persons listed below on this 1<sup>st</sup> day of July, 2014.

/s/ Yazen Alami

Yazen Alami

William Wright  
Attorney General's Office  
Public Utilities Commission of Ohio  
180 E. Broad St., 6<sup>th</sup> Fl.  
Columbus, Ohio 43215  
[William.wright@puc.state.oh.us](mailto:William.wright@puc.state.oh.us)

Michael J. Schuler  
Assistant Consumers' Counsel  
Office of the Ohio Consumers' Counsel  
10 West Broad Street, Suite 1800  
Columbus, Ohio 43215  
[Michael.schuler@occ.ohio.gov](mailto:Michael.schuler@occ.ohio.gov)

David F. Boehm  
Michael L. Kurtz  
Jody Kyler Cohn  
Boehm, Kurtz & Lowry  
36 East Seventh Street, Suite 1510  
Cincinnati, Ohio 45202  
[dboehm@BKLawfirm.com](mailto:dboehm@BKLawfirm.com)  
[mkurtz@BKLawfirm.com](mailto:mkurtz@BKLawfirm.com)  
[jkyler@BKLawfirm.com](mailto:jkyler@BKLawfirm.com)

**This foregoing document was electronically filed with the Public Utilities**

**Commission of Ohio Docketing Information System on**

**7/1/2014 1:22:54 PM**

**in**

**Case No(s). 14-0873-EL-RDR**

Summary: Comments of Ohio Power Company electronically filed by Mr. Yazen Alami on behalf of Ohio Power Company