

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Review of the)
Distribution Investment Rider) Case No. 16-21-EL-RDR
Contained in the Tariff of Ohio Power)
Company.)

ENTRY

The Commission finds:

- (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.
- (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) On August 8, 2012, the Commission issued its Opinion and Order in Case No. 11-346-EL-SSO, et al., which approved, with certain modifications, AEP Ohio's application for a standard service offer in the form of an ESP, effective with the first billing cycle of September 2012 through May 31, 2015. *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). Among other provisions of the ESP, the Commission modified and approved AEP Ohio's proposed distribution investment rider (DIR) to allow for the recovery of capital costs for distribution infrastructure investments in order to facilitate improved service reliability. Additionally, the Commission directed AEP Ohio to work with Staff to develop a DIR plan to emphasize proactive distribution maintenance that focuses spending on where it will have the greatest impact on maintaining and improving reliability for customers. Finally, the Commission required that

the DIR be reviewed annually for accounting accuracy, prudence, and compliance with the DIR plan developed by Staff and AEP Ohio. *ESP 2 Case* at 46-47.

- (4) In Case No. 13-2385-EL-SSO, et al., the Commission modified and approved an ESP for AEP Ohio, including modification and approval of continuation of the DIR, for the period of June 1, 2015, through May 31, 2018. *In re Ohio Power Co.*, Case No. 13-2385-EL-SSO, et al., Opinion and Order (Feb. 25, 2015) at 45-47, Second Entry on Rehearing (May 28, 2015) at 23-25.
- (5) By Entry dated February 3, 2016, the Commission directed Staff to issue a request for proposal (RFP) for the audit services specified in the RFP, with proposals due by March 1, 2016, in order to assist the Commission with the annual audit of AEP Ohio's DIR costs.
- (6) Four auditors submitted timely proposals.
- (7) Staff has evaluated the proposals received in response to the RFP. After consideration of the proposals received, the Commission selects Blue Ridge Consulting Services, Inc. (Blue Ridge) to conduct the audit. The Commission finds that Blue Ridge has the necessary experience to complete the required work under the RFP.
- (8) AEP Ohio shall enter into a contract with Blue Ridge by April 8, 2016, for the purpose of providing payment for its auditing services. The contract shall incorporate the terms and conditions of the RFP, the auditor's proposal, and relevant Commission entries in this case.
- (9) Blue Ridge will execute its duties pursuant to the Commission's statutory authority to investigate and acquire records, contracts, reports, and other documentation under R.C. 4903.02, 4903.03, 4905.06, 4905.15, and 4905.16. Blue Ridge is subject to the Commission's statutory duty under R.C. 4901.16, which provides:

Except in his report to the public utilities commission or when called on to testify in any

court or proceeding of the public utilities commission, no employee or agent referred to in section 4905.13 of the Revised Code shall divulge any information acquired by him in respect to the transaction, property, or business of any public utility, while acting or claiming to act as such employee or agent. Whoever violates this section shall be disqualified from acting as agent, or acting in any other capacity under the appointment or employment of the commission.

- (10) Upon request of Blue Ridge or Staff, AEP Ohio shall provide any and all documents or information requested. AEP Ohio may conspicuously mark such documents or information "confidential" if the Company believes the document should be deemed as such. In no event, however, shall AEP Ohio refuse or delay in providing such documents or information.
- (11) Once disclosure is permitted by R.C. 4901.16, the following process applies to the release of any document or information marked as confidential. Three days' prior notice of intent to disclose shall be provided to the party claiming confidentiality. Three days after such notice, Staff or Blue Ridge may disclose or otherwise make use of such documents or information for any lawful purpose, unless the Commission receives a request for a protective order pertaining to such documents or information within the three-day notice period. The three-day notice period will be computed according to Ohio Adm.Code 4901-1-07.
- (12) Blue Ridge shall perform its audit and investigation as an independent contractor. Any conclusions, results, or *recommendations formulated by Blue Ridge may be examined* by any participant to this proceeding. Further, it shall be understood that the Commission and/or its Staff shall not be liable for any acts committed by Blue Ridge or its agents in the preparation and presentation of the report.

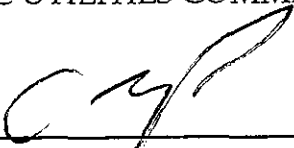
It is, therefore,

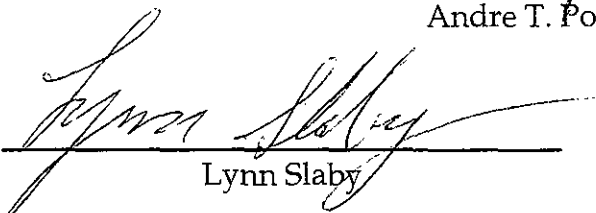
ORDERED, That Blue Ridge is hereby selected to perform the consulting activities set forth above. It is, further,

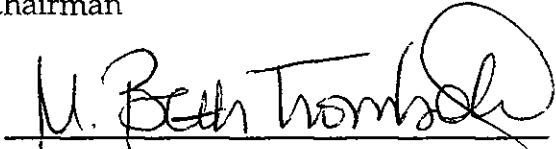
ORDERED, That AEP Ohio and Blue Ridge shall observe the requirements set forth in this Entry. It is, further,


ORDERED, That a copy of this Entry be served upon all parties of record.

THE PUBLIC UTILITIES COMMISSION OF OHIO



Andre T. Porter, Chairman

Lynn Slaby

M. Beth Trombold

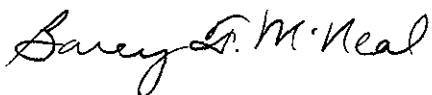
Asim Z. Haque

Thomas W. Johnson

DM/HW:js

Entered in the Journal

MAR 16 2016



Barcy F. McNeal
Secretary