



Office of the Ohio Consumers' Counsel

April 11, 2016

Honorable Sarah Parrot
Attorney Examiner
Public Utilities Commission of Ohio
180 East Broad Street
Columbus Ohio 43215-3793

Re: *In the Matter of 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

Dear Examiner Parrot:

On April 7, 2016, Ohio Power Company ("AEP Ohio") filed a settlement in this case that could ultimately cost Ohioans more than a quarter billion dollars for the AEP Ohio smart grid. The Office of the Ohio Consumers' Counsel ("OCC") has recommendations for consumer protection and did not sign the agreement. In a letter also filed on April 7, AEP Ohio asked for an expedited schedule for this matter. The Public Utilities Commission of Ohio ("PUCO") should allow a typical, not expedited, schedule for the important consumer issues in this case.

AEP Ohio originally proposed, in its application, that customers pay approximately \$250,000,000 for deployment of phase 2 of its gridSMART program. The settlement contains even more projects, some of which are not even true smart grid projects. And the additional projects will further increase the amount customers will pay for the smart grid. The total cost of the projects is not even included in the settlement, and thus the agreement's total financial impact on customers is not known.

The stipulators have taken approximately three years to reach an agreement, although the process included several long periods of time when no formal negotiations occurred. Further, the final settlement was derived from a settlement in another case (Case No. 14-1693-EL-RDR), which was filed with the PUCO only three months ago. As a matter of fair PUCO processes, AEP Ohio's timeline should not become OCC's problem for consumer advocacy. There will need to be considerable discovery and analysis of the projects and consumer costs associated with the settlement. OCC has already begun discovery on the settlement. In order for the PUCO to have an adequate record with fair process for properly reviewing the settlement and its impact on Ohioans, a regular non-expedited schedule should be established in this proceeding.

Sincerely,

/s/ Terry L. Etter

Terry L. Etter, Counsel of Record
Assistant Consumers' Counsel

cc: Service list

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Summary: Correspondence Correspondence Regarding AEP Ohio's April 7, 2016 Letter Filed by the Office of the Ohio Consumers' Counsel electronically filed by Ms. Deb J. Bingham on behalf of Etter, Terry L.