



Office of the Ohio Consumers' Counsel

December 12, 2016

Hon. Richard Bulgrin
Attorney Examiner
Public Utilities Commission of Ohio
180 E. Broad St., 12th Floor
Columbus, OH 43215-3793

Re: In the Matter of the Application of Ohio Power Company for Approval of its Energy Efficiency/Peak Demand Reduction Portfolio Plan, Case No. 16-574-EL-POR, Stipulation and Recommendation filed December 9, 2012

Dear Attorney Examiner Bulgrin:

The Office of the Ohio Consumers' Counsel, on behalf of AEP Ohio's 1.2 million residential consumers, appreciates the opportunity to share its views on the settlement that AEP filed in this case on December 9, 2016. In this letter, the Consumers' Counsel advises, with some explanations, that we neither support nor oppose the settlement. We acknowledge the efforts of AEP, the PUCO Staff, and others to negotiate a settlement with us that, among other things, enabled the Consumers' Counsel to not oppose.

AEP's energy efficiency programs, as proposed in its application and modified by the settlement, will impact what consumers pay for electricity. Energy efficiency programs can benefit customers. At the same time, energy efficiency programs come with a cost (for programs and for utility profit) for consumers on their electric bills. Given our concerns about these costs and profits that consumers will pay, the Consumers' Counsel is not supporting the settlement; however, the settlement's potential to limit these costs and profits has enabled us to not oppose the settlement. We note that our non-opposition is not precedent for any future case or issue where the Consumers' Counsel can advocate for Ohio consumers.

It is noteworthy that the settlement provides benefits to AEP's residential customers:

- Customers will not be charged for utility profits as a result of non-electric savings, non-energy benefits, and banked energy savings.
- Residential customers will not pay up to \$75 million in charges to subsidize nonresidential energy efficiency programs, which could have resulted from AEP's application.
- Customer payments for energy efficiency programs will have annual limits during at least 2017 and 2018, with the potential for limits in 2019 and 2020.
- Residential customers are protected from costs being shifted to their bills as a result of nonresidential customer opt-outs.
- Residential customers will continue to pay volumetric rates (based on their usage) instead of a fixed charge for AEP's energy efficiency rider. Volumetric rates allow for energy efficiency by enabling customers to lower their bills by reducing their usage.
- Customers will not pay the proposed "long-term" incentive of \$8 million per year.
- Residential customers are protected from paying additional profits to AEP for energy efficiency measures that they take on their own and with no involvement from their electric utility (as a result of eliminating the Customer Assessment Survey from the calculation of shared saving).

Again, the Consumers' Counsel appreciates the efforts of AEP, the PUCO Staff, and others to negotiate a result with sufficient benefits for consumers to enable our non-opposition.

Very truly yours,



Christopher Healey
Assistant Consumers' Counsel

cc: Parties of Record

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Case No(s). 16-0574-EL-POR

Summary: Correspondence Correspondence Regarding the AEP Stipulation by the Office of the Ohio Consumers' Counsel electronically filed by Ms. Deb J. Bingham on behalf of Healey, Christopher Mr.