

THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE APPLICATION
OF OHIO POWER COMPANY FOR A
LIMITED WAIVER OF OHIO ADM.CODE
4901:1-35-10.

CASE NO. 18-713-EL-WVR

ENTRY

Entered in the Journal on May 2, 2018

{¶ 1} Ohio Power Company d/b/a AEP Ohio (AEP Ohio or Company) is a public utility, as defined in R.C. 4905.02, and, as such, is subject to the jurisdiction of this Commission.

{¶ 2} On February 25, 2015, the Commission approved, with certain modifications, AEP Ohio's application for a standard service offer in the form of an electric security plan (ESP), in accordance with R.C. 4928.143, with a term 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).

{¶ 3} Pursuant to the directives set forth in R.C. 4928.143(F), the Commission is required to evaluate the earnings of each electric utility's approved ESP to determine whether the ESP produces significantly excessive earnings for the electric utility. Ohio Adm.Code 4901:1-35-10 and 4901:1-35-03(C)(10)(a) direct that each electric utility file with the Commission, by May 15 of each year, testimony, information, and analysis to demonstrate that the rate adjustments approved in the ESP do not result in significantly excessive earnings.

{¶ 4} On April 18, 2018, AEP Ohio filed an application for a limited waiver of the filing due date, until July 2, 2018, to file its application for administration of the significantly excessive earnings test (SEET). AEP Ohio requests additional time to file its SEET application to allow the Company to analyze the impacts of the Tax Cuts and Jobs Act of 2017 (TCJA) on the book earnings of public utility companies and other companies with comparable financial and business risks. AEP Ohio also requests an expedited ruling on its motion.

{¶ 5} On April 25, 2018, Ohio Consumers' Counsel (OCC) filed a motion to intervene and a memorandum contra AEP Ohio's motion for a limited waiver. In its memorandum

contra, OCC submits that AEP Ohio has not provided sufficient justification for the additional time requested to file its SEET application, as the TCJA did not prevent the Company from reporting its 2017 earnings to the Securities and Exchange Commission in the Form 10-K and FERC Form 1 and to its investors. According to OCC, the delay works against the interest of customers in the event AEP Ohio has significantly excessive earnings to be refunded to customers.

{¶ 6} The TCJA was signed into law on December 22, 2017, and provides for a number of changes in the federal tax system, most of which went into effect on January 1, 2018. However, given that the extension requested is only for six weeks, the attorney examiner finds that AEP Ohio should be afforded the additional time to file its SEET application. At this point, the prospect of a refund to customers is speculative and, therefore, OCC has failed to demonstrate harm to the interest of AEP Ohio customers. Accordingly, AEP Ohio's motion for a limited waiver of the due date to file its SEET application is reasonable and should be granted. AEP Ohio's SEET application shall be due July 2, 2018.

{¶ 7} It is, therefore,

{¶ 8} ORDERED, That AEP Ohio's motion for a limited waiver of the due date to file its SEET application be granted and the SEET application be due July 2, 2018. It is, further,

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

THE PUBLIC UTILITIES COMMISSION OF OHIO

s/Greta See

By: Greta See
Attorney Examiner

JRJ/sc

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in

Case No(s). 18-0713-EL-WVR

Summary: Attorney Examiner Entry granting AEP Ohio's motion for a limited waiver of the due date to file its SEET application now due July 2, 2018 - electronically filed by Sandra Coffey on behalf of Greta See, Attorney Examiner, Public Utilities Commission of Ohio