

THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE 2015 THROUGH
2017 REVIEW OF THE ALTERNATIVE
ENERGY RIDER OF OHIO POWER
COMPANY.

CASE NO. 18-80-EL-RDR

ENTRY

Entered in the Journal on June 20, 2018

I. SUMMARY

{¶ 1} The Commission selects London Economics International LLC to conduct the management/performance and financial audit of the Alternative Energy Rider of Ohio Power Company d/b/a AEP Ohio for activity from 2015 through 2017.

II. DISCUSSION

{¶ 2} Ohio Power Company d/b/a AEP Ohio (AEP Ohio or the Company) is an electric distribution utility as defined by 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.

{¶ 3} 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.

{¶ 4} R.C. 4928.64(B)(2) establishes benchmarks for an electric distribution utility to acquire a portion of its electricity supply for retail customers in Ohio from renewable energy resources. R.C. 4928.645 provides that an electric distribution utility may use renewable energy credits and solar energy credits to meet its respective renewable energy and solar benchmarks.

{¶ 5} 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 an ESP, effective with the first billing cycle of September 2012 through May 31, 2015. *In re 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 approved AEP Ohio's request to establish the Alternative Energy Rider (AER) for the recovery of renewable energy credit expenses, subject to an annual audit. *ESP 2 Case* at 17-18.

{¶ 6} In Case No. 13-2385-EL-SSO, et al., the Commission modified and approved an ESP for AEP Ohio, including approval of the continuation of the AER, 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 35.

{¶ 7} On February 28, 2018, the Commission issued an Entry directing Staff to issue a request for proposal (RFP) to acquire audit services to assist the Commission with the review of AEP Ohio's AER for the period of January 1, 2015, through December 31, 2017.

{¶ 8} By Entry dated May 2, 2018, the Commission directed Staff to reissue the RFP, due to an insufficient number of proposals submitted to the Commission. In the Entry, prospective bidders were directed by the Commission to submit proposals by June 8, 2018. Bidders were directed to demonstrate their understanding of the project and the work required by showing a clear understanding of the tasks to be completed, the experience and qualifications of the personnel who will perform the work, and the anticipated breakdown of costs and timing.

{¶ 9} The proposals received in response to the RFP have been evaluated and, after consideration of those proposals, the Commission selects London Economics International LLC (LEI). The Commission finds that LEI has the necessary experience to complete the required work.

{¶ 10} AEP Ohio shall enter into a contract with LEI by July 6, 2018, 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.

{¶ 11} The Commission shall solely direct the work of the auditor. Staff will review and approve payment invoices submitted by the auditor.

{¶ 12} LEI 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. LEI 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.

{¶ 13} Upon request of LEI 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.

{¶ 14} 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 the auditor 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.

{¶ 15} LEI shall perform its audit and investigation as an independent contractor. Any conclusions, results, or recommendations formulated by LEI 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 LEI or its agents in the preparation and presentation of the report.

III. ORDER

{¶ 16} It is, therefore,

{¶ 17} ORDERED, That LEI be selected to perform the auditing activities set forth above and in the RFP. It is, further,

{¶ 18} ORDERED, That AEP Ohio and LEI shall observe the requirements set forth herein. It is, further,

{¶ 19} ORDERED, That a copy of this Entry be served upon all parties of record.

THE PUBLIC UTILITIES COMMISSION OF OHIO

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JUN 20 2018

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