

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

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| In the Matter of the Application of |) | |
| Ohio Power Company to Update Its |) | Case No. 18-731-EL-RDR |
| Storm Damage Recovery Rider |) | |

OHIO POWER COMPANY’S REPLY COMMENTS

I. Introduction

On April 19, 2018, Ohio Power Company (“AEP Ohio” or the “Company”) filed its 2018 application to update its Storm Damage Recovery Rider (SDRR) (“Application”). The Application reflects the refund of 2017 incremental distribution expenses under \$5.0 million relating to “Major Events” as defined by Rule 4901:1-10-10(B) of the Ohio Administrative Code. On November 7, 2018, Staff of the Public Utilities Commission of Ohio (“Staff”) filed their Review and Recommendation in regard to the Company’s Application. AEP Ohio hereby responds to the comments filed by Staff.

II. Reply Comments

A. The Company’s Response to Comments Raised by Commission Staff:

Maintenance of Underground Lines

In the Review and Recommendation the Staff recommended an adjustment of \$21,132.52 for expenses related to Maintenance of Underground Lines. The Staff stated that, “During the February 28, 2017 storm, a fuse feeding a 3,500’ span of underground cable malfunctioned. While repairing the fuse, the Company discovered multiple faults on the cable and this resulted in the Company replacing the cable and charging that expense to the SDRR. Staff recommends recovery of the costs associated with repairing the fuse, but does not recommend recovery of \$21,132.52 associated with the replacement of cable, as the

cable was not damaged as a result of the storm.” The Company initially disagrees with Staff’s recommendation as the damage to the underground line was storm related. The underground line in question was functioning properly before the storm. After the storm, in the process of making repairs to the cable the company discovered multiple faults in the line which is typically the type of underground cable damage found after a lightning strike. Therefore, the damage to the underground cable was determined to be the result of the storm. Upon further review, the Company found that the SDRR work order was charged for this work that originally appeared to an O&M “repair”. However, as the restoration process evolved it became apparent that the job should have been capital “replacement” work. As the SDRR Rider only tracks O&M, the Company is removing the request to recover \$21,599.50 through this rider which consists of \$21,132.52 for the cost of the cable replacement and \$466.98 for the fuse.

Miscellaneous Distribution Expense

In the Review and Recommendation the Staff recommended an adjustment of \$2,077.57 for expenses related to Miscellaneous Distribution Expense. As noted in the Company’s reply to Staff Data Request 3-001 the Company agrees with Staff’s recommendation.

Customer Orders and Inquiries

In the Review and Recommendation the Staff recommended an adjustment of \$115.23 for expenses related to Customer Orders and Inquiries. As noted in the Company’s reply to Staff Data Request 6-001 the Company agrees with Staff’s recommendation.

Corrected Schedule 1

Staff recommended an adjustment of \$8,382 for the correction of the prior period under recovery on Schedule 1. The Company agrees with Staff's recommendation.

Additional Adjustment

Although not included the in the Staff's Review and Recommendation in the Company's corrected reply to Staff Data Request 4-001 the Company agreed to remove \$160.57 for a partial invoice that was inadvertently charged to the AEP Ohio Storm Case.

CONCLUSION

In sum, the Company proposes to remove \$21,599.50 for capital related to Maintenance of Underground Lines. The Staff's adjustments of \$2,077.57 for Miscellaneous Distribution Expense, \$115.23 for Customer Orders and Inquiries and Corrected Schedule 1 of \$8,382 should be accepted. An additional adjustment of \$160.57 reflecting a corrected reply to Staff Data request 4-001 should also be accepted as an increase to the refund. As shown on attachment 1, the Company has applied recommendations above to Line 1, total incremental Major Storm damage expense as of December 2017 resulting in a credit of \$1,523,135. The resulting rates are a one month credit for residential customers of \$(0.73) and non-residential customers of \$(3.13).

Respectfully submitted,

/s/ Steven T. Nourse

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Summary: Comments - Ohio Power Company's Reply Comments electronically filed by Mr. Steven T Nourse on behalf of Ohio Power Company