

THE PUBLIC UTILITIES COMMISSION OF OHIO

**IN THE MATTER OF THE APPLICATION OF
OHIO POWER COMPANY FOR APPROVAL
TO ESTABLISH A GENERATION STATION
POWER TARIFF.**

CASE NO. 18-1313-EL-ATA

FINDING AND ORDER

Entered in the Journal on March 6, 2019

I. SUMMARY

{¶ 1} The Commission approves the application of Ohio Power Company d/b/a AEP Ohio to establish a generation station power tariff, subject to Staff's recommendations.

II. DISCUSSION

{¶ 2} Ohio Power Company d/b/a AEP Ohio (AEP Ohio or the Company) is an electric distribution utility as defined in 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. 4909.18 provides, in part, that a public utility may file an application to establish any rate, charge, regulation, or practice. If the Commission determines that the application is not for an increase in any rate and does not appear to be unjust or unreasonable, the Commission may approve the application without the need for a hearing.

{¶ 4} On August 22, 2018, AEP Ohio filed, pursuant to R.C. 4909.18, an application to establish a generation station power (GSP) tariff, which, according to the Company, would not result in an increase in its rates or charges. AEP Ohio states that the GSP tariff would provide a new standby retail electric supply service that would enable a generation production facility to account for its usage under the PJM Interconnection, LLC (PJM) tariff for any calendar month in which the facility is a net

generator, while also providing a ready retail electric supply from the Company to the facility when the facility is not a net generator. As proposed, service under the GSP tariff would be available to customers that have a generating facility with nameplate capacity of 20 megawatts (MW) or greater at a single location; intend to schedule, deliver, and sell power solely at wholesale; do not serve load unrelated to the generation facility and the associated facilities and electrical equipment located on site; and have an interconnection agreement under PJM's open access transmission tariff (OATT) for service at a nominal system voltage of 69,000 volts or higher. Further, the proposed GSP tariff would not apply to generating facilities that are eligible for and have elected to participate in remote self-supply under the OATT.

{¶ 5} On January 18, 2019, Staff filed its review and recommendations. Following its review of AEP Ohio's application and supplemental information provided by the Company, Staff explains that the proposed GSP tariff is intended to offer a distinct service for merchant generation facilities that primarily exist to provide power to the grid but that have standby load characteristics as well. Staff notes that, currently, station power customers are served by AEP Ohio's general service tariff classification, which is not designed for such customers. Staff further notes that the proposed GSP tariff is expected to clarify the relationship between AEP Ohio and a merchant generator and the conditions under which the merchant generator can self-supply its station power. With respect to AEP Ohio's proposal to limit the application of the GSP tariff to generators with a nameplate capacity of 20 MW or greater at a single location, Staff states that the Company believes that these large generators would typically have material station power needs that may not be adequately served under the Company's standard retail tariffs.

{¶ 6} For its recommendations, Staff advises first that AEP Ohio's application should be found to establish new and distinct metering and billing procedures that will facilitate the PJM settlement process when generation facilities are net generators in a

calendar month, while also enabling retail electric supply by the Company to generation facilities when they are not net generators. Second, Staff recommends that AEP Ohio remove the 20 MW minimum nameplate capacity requirement from the GSP tariff, given that the application of the tariff is inherently limited to larger generation facilities through the provision requiring an interconnection agreement at a nominal system voltage of 69,000 volts or higher. Finally, Staff recommends that the Commission approve AEP Ohio's application to establish the GSP tariff, as filed on August 22, 2018, and as modified by Staff's recommendations.

{¶ 7} No other comments or objections to AEP Ohio's application were filed.

{¶ 8} The Commission finds that AEP Ohio's proposed GSP tariff does not appear to be unjust or unreasonable. Accordingly, the GSP tariff should be approved, subject to Staff's recommendations. We find that the GSP tariff constitutes a "first filing" for a new service and, thus, AEP Ohio's application is not an application for an increase in rates. *City of Cleveland v. Pub. Util. Comm.*, 67 Ohio St.2d 446, 424 N.E.2d 561 (1981); *Cookson Pottery v. Pub. Util. Comm.*, 161 Ohio St. 498, 120 N.E.2d 98 (1954). Therefore, consistent with R.C. 4909.18, the Commission finds that no hearing is required in this case.

III. ORDER

{¶ 9} It is, therefore,

{¶ 10} ORDERED, That AEP Ohio's GSP tariff be approved, subject to Staff's recommendations. It is, further,

{¶ 11} ORDERED, That AEP Ohio be authorized to file tariffs, in final form, consistent with this Finding and Order. AEP Ohio shall file one copy in this case docket and one copy in its TRF docket. It is, further,

{¶ 12} ORDERED, That the effective date of the new tariffs shall be a date not earlier than the date upon which the final tariff pages are filed with the Commission. It is, further,

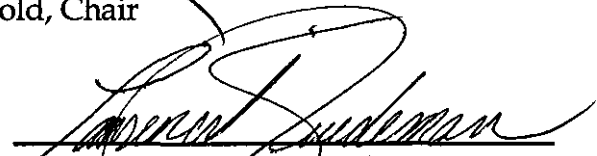
{¶ 13} ORDERED, That nothing in this Finding and Order shall be binding upon the Commission in any future proceeding or investigation involving the justness or reasonableness of any rate, charge, rule, or regulation. It is, further,

{¶ 14} ORDERED, That a copy of this Finding and Order be served upon all parties and interested persons of record.

THE PUBLIC UTILITIES COMMISSION OF OHIO


M. Beth Trombold, Chair


Thomas W. Johnson


Lawrence K. Friedeman

Daniel R. Conway

SJP/sc

Entered in the Journal MAR 06 2019



Tanowa M. Troupe
Secretary