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Via E-FILE

April 27, 2020

Public Utilities Commission of Ohio PUCO Docketing 180 E. Broad Street, 10th Floor Columbus, Ohio 43215

## In re: Case Nos. 20-602-EL-UNC, 20-603-EL-WVR, 20-604-EL-AAM and 20-734-EL-AEC

Dear Sir/Madam:

Please find attached the COMMENTS OF THE OHIO ENERGY GROUP (OEG) e-filed today in the above-referenced matter(s).

Copies have been served on all parties on the attached certificate of service. Please place this document of file.

Respectfully yours,

<u>/s/ Michael L. Kurtz</u> Michael L. Kurtz, Esq. Kurt J. Boehm, Esq. Jody Kyler Cohn, Esq. **BOEHM, KURTZ & LOWRY** 

MLKkew Encl. Cc: Certificate of Service

## BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Ohio Power Company for Approval of its Temporary Plan for Addressing the COVID-19 State of Emergency.	:	<b>Case No. 20-602-EL-UNC</b>
In the Matter of the Application of Ohio Power Company for a Waiver of Tariffs and Rules Related to the COVID- 19 State of Emergency.	: : :	Case No. 20-603-EL-WVR
In the Matter of the Application of Ohio Power Company for Approval of Certain Accounting Authority.	:	Case No. 20-604-EL-AAM
In the Matter of the Application of Ohio Power Company for Approval of a Reasonable Arrangement.	:	Case No. 20-734-EL-AEC

# COMMENTS OF THE OHIO ENERGY GROUP

The Ohio Energy Group ("OEG") submits these Comments on Ohio Power Company's ("AEP Ohio" or "Company") plan for addressing the COVID-19 State of Emergency. Specifically, OEG will address AEP Ohio's proposed minimum demand credit reasonable arrangement and how any deferred costs associated with that arrangement should ultimately be recovered from customers.

In its Second Amended Application filed April 9, 2020, AEP Ohio asks permission to temporarily eliminate or offset through a bill credit the minimum demand charges to commercial and industrial customers pursuant to the Public Utilities Commission of Ohio's ("Commission" or "PUCO") authority under reasonable arrangement statute (R.C. 4905.31) and the emergency ratemaking statute (R.C. 4909.16). This change is intended to serve as "*an economic development program to retain jobs and assist business customers in managing the impacts of the crisis*" by helping commercial and industrial customers avoid demand ratchet wires charges as a consequence of operational curtailments during the declared State of Emergency.<sup>1</sup> AEP Ohio proposes to recover any deferred costs associated with its minimum demand credit reasonable arrangement through the Company's Economic Development Rider

<sup>&</sup>lt;sup>1</sup> Second Amended Application at 6.

("EDR") in the same manner that AEP Ohio recovers the costs associated with all of its other Commissionapproved reasonable arrangements.<sup>2</sup>

On April 15, 2020, PUCO Staff submitted its Report on AEP Ohio's COVID-19 plan, including the minimum demand credit reasonable arrangement proposal. In that Report, Staff does not oppose AEP Ohio's proposal for cost recovery, however, Staff provides two potential alternative recovery methods for any deferred minimum demand credit costs. Staff's two alternatives are: 1) recovering the deferred minimum demand credit costs from only non-residential customer classes using the existing EDR allocation; or 2) if administratively feasible, requiring each customer receiving minimum demand relief to repay their deferred costs at some point in the future through some yet to be determined rate mechanism.<sup>3</sup>

Given that AEP Ohio already has a rate mechanism expressly tied to reasonable arrangement cost recovery – the EDR – it is both reasonable and administratively efficient to use that mechanism in order to recover the costs associated with AEP Ohio's minimum demand credit reasonable arrangement. Consequently, should the Commission approve AEP Ohio's proposed arrangement, then the Commission should also adopt either AEP Ohio's proposed recovery methodology or Staff's first alternative methodology.

Respectfully submitted,

/s/ Michael L. Kurtz Michael L. Kurtz, Esq. Kurt J. Boehm, Esq. Jody Kyler Cohn, Esq. **BOEHM, KURTZ & LOWRY** 36 East Seventh Street, Suite 1510 Cincinnati, Ohio 45202 Ph: (513) 421-2255 Fax: (513) 421-2764 E-Mail: mkurtz@BKLlawfirm.com kboehm@BKLlawfirm.com jkylercohn@BKLlawfirm.com

### **COUNSEL FOR THE OHIO ENERGY GROUP**

April 27, 2020

<sup>&</sup>lt;sup>2</sup> Id. at 8.

<sup>&</sup>lt;sup>3</sup> Staff Report at 5.

#### **CERTIFICATE OF SERVICE**

In accordance with Rule 4901-1-05, Ohio Administrative Code, the PUCO's e-filing system will electronically serve notice of the filing of this document on the parties referenced on the service list of the docket card who have electronically subscribed to this case. In addition, the undersigned certifies that a courtesy copy of the foregoing document is also being served (via electronic mail) on the 27<sup>TH</sup> day of April, 2020 to the following:

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Summary: Comments Ohio Energy Group (OEG) Comments electronically filed by Mr. Michael L. Kurtz on behalf of Ohio Energy Group