

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

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| In the Matter of the Application of Ohio Power Company for Approval of its Temporary Plan for Addressing the COVID-19 State of Emergency |) | Case No. 20-602-EL-UNC |
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| In the Matter of the Application of Ohio Power Company for Waiver of Tariffs and Rules Related to the COVID-19 State of Emergency |) | Case No. 20-603-EL-WVR |
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| 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 NATURAL RESOURCES DEFENSE COUNCIL
AND OHIO ENVIRONMENTAL COUNCIL**

I. Introduction

Pursuant to the procedural schedule established by the Public Utilities Commission of Ohio (the “Commission” or “PUCO”) for Case Nos. 20-602-EL-UNC, 20-603-EL-WVR, 20-604-EL-AAM, and 20-734-EL-AEC, the Natural Resources Defense Council and Ohio Environmental Council (collectively, the “Environmental Advocates”) submit these joint comments regarding Ohio Power Company’s (the “Company” or “AEP”) proposed plan for addressing the COVID-19 state of emergency. AEP’s plan came in response to an Entry in Commission-initiated Case No. 20-591-AU-UNC, *In the Matter of the Proper Procedures and Process for the Commission’s Operations and Proceedings During the Declared State of*

Emergency and Related Matters, requesting that all public utilities under its jurisdiction “review their service disconnection policies, practices, and tariff provisions and to promptly seek any necessary approval to suspend otherwise applicable requirements that may impose a service continuity hardship on residential and nonresidential customers or create unnecessary COVID-19 risks associated with social contact” due to the declared state of emergency. (*State of Emergency Proceeding*, Mar. 13, 2020, Entry at ¶ 1.) In response, AEP has filed in the above-captioned cases, an Application (Mar. 17, 2020), an Amended Application (Mar. 24, 2020), and a Second Amended Application (Apr. 9, 2020), and PUCO Staff has filed its Review and Recommendation (Apr. 15, 2020), to which the Environmental Advocates now respond in these Comments.

II. Comments of the Environmental Advocates

The Environmental Advocates appreciate the Commission’s expedient action to ensure protection of Ohioans’ basic needs and minimize the hardships faced in light of the COVID-19 pandemic. Additionally, the Environmental Advocates are generally supportive of the proposed plan set out by AEP, subject to the comments set forth below, and appreciate the Company’s recognition of the unprecedented nature of these circumstances and steps that must be taken to ensure all Ohioans are protected during this crisis.

Statistically, people who live and work in America’s most polluted environments are commonly low-income communities and communities of color. These communities include Ohioans who will be the most severely impacted as a result of job loss and economic collapse, as well as most at-risk for COVID-19 and complications therefrom due to subpar air quality. Ohioans who live in these challenged areas, known as environmental justice communities, will be the most at-risk population as a result of the COVID-19 pandemic; just as they are when

climate impacts affect our state. Ohioans in these communities often live in in closer proximity to significant sources of air pollution and suffer from increased rates of asthma and chronic obstructive pulmonary disease. With these communities in mind, the Environmental Advocates submit the following comments on the Company's proposed plan and Staff's Recommendation.

A. Duration of the Temporary Cessation of Disconnection of All Residential and Non-Residential Customers, and Removal of Financial Barriers to Reconnection or Continuity of Service

The Environmental Advocates generally support the Company's disconnection and continuity of service plan, and agree that suspending disconnections and removing financial barriers to reconnection or continuity of service, including the elimination of deposits, late fees for commercial customers, and reconnection fees, are appropriate and necessary steps given the current circumstances.

However, AEP has proposed that the disconnection and service continuity plan remain in place only until the declared state of emergency is lifted. In such uncertain times, extending the disconnection and service continuity plan only through the declared state of emergency may not be long enough. Ohioans are being laid off in record numbers, and ensuring that we have a stable environment for utility customers is critical prior to lifting the important measures in the disconnection and service continuity plan proposed by AEP. As we move into summer, the need to ensure continued electric service will only grow more critical. A nationwide study showed that a one unit increase of atmospheric particulate matter lead to a 15% increase in the COVID-19 death rate, and environmental justice communities across Ohio will be the hardest hit if they are unable to keep their homes properly sealed and cooled.

AEP acknowledges this uncertainty as well, evidenced in the Company's request for waivers during the pendency of the emergency "and *until further notice for a period after as plans are made to properly recover from the emergency.*" (*Second Am. Application*, at 14, Apr. 9, 2020, emphasis added.) Just as AEP is asking for a waiver of certain requirements for a reasonable time post state of emergency, so should AEP customers be given a reasonable period of time to ensure proper recovery from the emergency. That reasonable period should be determined in conjunction with Staff and consider stakeholder input, to ensure all perspectives and hardships are thoroughly considered, prior to removing these incredibly important disconnect and continuity of service changes. If a return to normal processes at the end of the declared state of emergency happens immediately and automatically, the Commission runs the risk of compounding the problems related to bill payment and disconnects that this very order is seeking to remedy.

The Environmental Advocates therefore recommend that the Company's planned suspension of disconnections and removal of financial barriers to reconnection or continuity of service only be discontinued after a reasonable period of time in which Staff, the Company, and stakeholders are able to assess whether it is appropriate to return processes to normal.

B. Deferred Costs

Additionally, the Company proposed, as part of its plan, to defer foregone charges (including waived reconnection and late fees and minimum billing demand credits) as a regulatory asset for subsequent recovery. Because the scope of this increased spending is currently unknown, including both the monetary amounts and on which items the money will be spent as proposed by the Company, the Commission should not grant blanket approval of

recovery of these deferred costs. Instead, the Environmental Advocates agree with Staff's recommendation that the Commission not guarantee recovery until the deferred amounts have been reviewed and analyzed in future proceeding(s) before the Commission. As Staff notes, the deferred amounts must be subject to the proper pre-recovery reviews to ensure prudence, proper computation, proper recording, reasonableness, and the avoidance any potential double-recovery. Any deferrals granted in these cases should be subject to a future proceeding and considered at the time AEP files the future application(s) to recover those deferred amounts. (*Staff Review and Recommendation*, at 3-6, Apr. 15, 2020). Granting a blanket approval now would result in unknown future costs. The Environmental Advocates urge the Commission to adopt Staff's recommendation as to deferred costs to ensure customers are only subject to costs which meet the tests set forth by this Commission, including determination of which customers classes are responsible for which costs.

C. Reasonable Arrangements under R.C. 4905.31

AEP has requested the authority to provide a credit to its commercial and industrial customers to avoid demand ratchet charges that may occur as a result of operational curtailments during the state of emergency. In an effort to make the Company whole for this foregone revenue, AEP suggests recovery of the revenue lost from these charges through the Economic Development Rider ("EDR"). The EDR will socialize the costs across all customer classes as is traditionally done with Reasonable Arrangements under R.C. 4905.31.

This proposal should be rejected as it is currently proposed. Commercial and industrial customers are sophisticated purchasers of energy who hold more bargaining power than any residential customer. As a result, commercial and industrial customers are often given

preferential rates, subsidized largely by the residential class, provided they meet certain load requirements. Despite this bargained-for benefit, AEP is proposing a bailout that would relieve them of the burden that is tied to their contractual benefit. Further, AEP suggests using the residential class as the predominant funders of that bailout.

The EDR is recovered through a percentage charge on every customer's bill based on that customer's individual distribution charge.¹ Residential customers provide the greatest share of AEP's distribution revenue and therefore would provide the greatest share of funding for the proposed bailout. Residential customers will see no benefit from this proposal yet AEP suggests they bear the burden of its costs. At a time when energy efficiency and conservation programs are being eliminated on the erroneous grounds that they cost too much and provide too little benefit, it is unacceptable that AEP would seek to burden residential customers with the costs of bailing out other customer classes for which they truly will see zero benefits.

The Environmental Advocates strongly oppose this proposal and agree with Staff's position. If AEP wants to relieve its larger customers of their contractual obligations, then those customer classes should bear the burden of that relief. Basic fairness and equity demand that residential customers, who may already be in a precarious financial position, be protected from bailing out commercial and industrial customers.

III. Conclusion

The Environmental Advocates appreciate the Commission's prompt attention to this urgent matter affecting Ohioans, and urge adoption of the plan put together by AEP subject to

¹ https://www.aepohio.com/global/utilities/lib/docs/ratesandtariffs/Ohio/2020-3-30_AEP_Ohio_Standard_Tariff.pdf. See 18th Revised Sheet No. 482-1.

the recommendations contained herein.

Respectfully Submitted,

/s/Robert Dove

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CERTIFICATE OF SERVICE

I hereby certify that a true and accurate copy of the foregoing was served upon all parties of record via electronic mail on April 27, 2020.

/s/Miranda Leppla
Miranda Leppla

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Case No(s). 20-0602-EL-UNC, 20-0603-EL-WVR, 20-0604-EL-AAM, 20-0734-EL-AEC

Summary: Comments of the Natural Resources Defense Council and Ohio Environmental Council electronically filed by Ms. Miranda R Leppla on behalf of Natural Resources Defense Council and Ohio Environmental Council