

**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 )	Case No. 20-602-EL-UNC
COVID-19 State of Emergency )	

In the Matter of the Application of )	
Ohio Power Company for Waiver of )	
Tariffs and Rules Related to the )	Case No. 20-603-EL-WVR
COVID-19 State of Emergency )	

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 INTERSTATE GAS SUPPLY, INC.**

---

On March 12, 2020, the Commission issued an Entry that, due to the declaration of a state of emergency, directed public utilities “to 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.” *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*, Case No. 20-591-AU-UNC, Entry (Mar. 12, 2020).

In response, on March 17, 2020, as amended on March 24, and April 9, 2020, Ohio Power Company (“AEP Ohio”) filed an application in these proceedings with its proposal to implement the Commission’s directives in the State of Emergency Proceeding (“Application”). In its Application, AEP Ohio seeks, among other things, authority to establish a mechanism to track, defer, and recover its uncollectible expenses.<sup>1</sup> Specifically, AEP states “as part of the package of emergency ratemaking measures under R.C. 4909.16, the Company proposes to implement a rate mechanism to track, defer, and recover uncollectible costs that exceed the current pre-emergency level (approximately \$25.2 million), which is already higher than what is reflected in its base rates (approximately \$22.1 million).”<sup>2</sup>

Currently reflected in AEP Ohio’s base rates are the uncollectible expenses associated with distribution service, as well as the bad debt associated with default service generation receivables.<sup>3</sup> None of these uncollectible costs are explicitly allocated to SSO customers through bypassable rates. However, in AEP Ohio’s most recent electric security plan, the Commission approved a Stipulation that obligates AEP Ohio to propose in its next base rate case recovery of bad debt associated with default service generation receivables on a bypassable basis. In light of AEP Ohio’s Application and this commitment, IGS respectfully requests that, should the proposed the deferral mechanism be approved, the Commission direct AEP Ohio to track, defer, and recover the

---

<sup>1</sup> Second Amended Application (April 9, 2020) at 12.

<sup>2</sup> *Id.*

<sup>3</sup> See *In the Matter of the Application of Ohio Power Company for Authority to Establish a Standard Service Offer Pursuant to Section 4928.143, Revised Code, in the Form of an Electric Security Plan*, Case Nos. 16-1852-EL-SSO, et al., Joint Stipulation and Recommendation (Aug. 25, 2017) at 36.

unexpected uncollectible costs associated with default service generation receivables through a bypassable mechanism.

Because AEP Ohio collects uncollectible expenses associated with default service generation through distribution rates, shopping customers in the AEP Ohio territory are paying twice for generation bad debt: once through distribution rates paid to AEP Ohio and once through generation rates paid to their supplier. Indeed, as CRES Suppliers also incur bad debt due to unpaid generation expenses, CRES Suppliers must pass along these costs to their customers through rates.

However, as recognized by the commitment made by AEP Ohio, this disparity can easily be remedied by only collecting the default service bad debt from those customers receiving default service. Then shopping customers would only be responsible for their Supplier's bad debt.

Further, proper allocation of these unexpected costs will avoid increased hardships to shopping customers, consistent with the spirit of the Commission's March 12, 2020 Order. Finally, properly allocating the generation related uncollectible expenses furthers state policy to ensure "nondiscriminatory retail electric service" and "the availability of unbundled and comparable retail electric service" to customers.<sup>4</sup>

Therefore, IGS requests that any deferral mechanism approved by the Commission would separate the uncollectible expenses associated with AEP Ohio's default service generation.

---

<sup>4</sup> R.C. 4928.02(H).

Respectfully submitted,

/s/ Bethany Allen

Bethany Allen (0093732)

Counsel of Record

[bethany.allen@igs.com](mailto:bethany.allen@igs.com)

Joseph Olikar (0086088)

[joe.oliker@igs.com](mailto:joe.oliker@igs.com)

Michael Nugent (0090408)

[michael.nugent@igs.com](mailto:michael.nugent@igs.com)

IGS Energy

6100 Emerald Parkway

Dublin, Ohio 43016

Telephone: (614) 659-5000

***Attorneys for IGS***

*(willing to accept service via email)*

## **CERTIFICATE OF SERVICE**

I certify that this *Comments of Interstate Gas Supply, Inc.* was filed electronically through the Docketing Information System of the Public Utilities Commission of Ohio on April 27, 2020. The Commission's e-filing system will electronically serve notice of the filing of this document on the parties subscribed to these proceedings. Additionally, notice was provided to the parties listed below.

/s/ Bethany Allen

Bethany Allen

### **SERVICE LIST**

mpritchard@mcneeslaw.com  
rglover@mcneeslaw.com  
stnourse@aep.com  
cblend@aep.com  
mkurtz@BKLawfirm.com  
kboehm@BKLawfirm.com  
jkylern@BKLawfirm.com  
William.Michael@occ.ohio.gov  
Ambrosia.Wilson@occ.ohio.gov  
rdove@keglerbrown.com  
dborcher@bricker.com  
dparram@bricker.com  
mleppla@theOEC.org  
tdougherty@theOEC.org  
ctavenor@theOEC.org  
rdove@keglerbrown.com

**This foregoing document was electronically filed with the Public Utilities**

**Commission of Ohio Docketing Information System on**

**4/27/2020 5:02:00 PM**

**in**

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

Summary: Comments Comments of Interstate Gas Supply, Inc. electronically filed by Bethany Allen on behalf of Interstate Gas Supply, Inc.