

**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 COVID-19 State of)	Case No. 20-603-EL-WVR
Emergency.)	

In the Matter of the Application of Ohio)	
Power Company for Approval of Certain)	Case No. 20-604-EL-AAM
Accounting Authority.)	

In the Matter of the Application of Ohio)	
Power Company for Approval of A)	Case No. 20-734-EL-AEC
Reasonable Arrangement.)	

COMMENTS OF THE OHIO HOSPITAL ASSOCIATION

I. INTRODUCTION

On March 9, 2020, Governor DeWine declared a state of emergency to protect the health and safety of Ohioans from the dangerous effects of the coronavirus (“COVID-19”) pandemic. On March 12, 2020, the Public Utilities Commission of Ohio (“PUCO” or “Commission”) opened a docket and directed all utility companies to review their service disconnection policies, practices, and tariffs and promptly seek approval to suspend requirements that may impose a service continuity hardship or create unnecessary COVID-19 risks. On March 17, 2020, Ohio Power Company (“AEP Ohio”) filed an application for approval of its temporary plan for addressing the COVID-19 state of emergency. The Application was amended on March 24,

2020 and again on April 9, 2020 (the “Second Amended Application”). On April 15, 2020, Staff filed its review and recommendations in response to AEP Ohio’s proposed emergency plan, as amended. By entry dated April 17, 2020, the attorney examiner established a deadline for filing comments.

OHA is a nonprofit trade association with over 200 hospitals, 55 of which are AEP Ohio customers. These OHA-member hospitals served by AEP Ohio consume a significant amount of electricity. Residents in the area served by AEP Ohio rely on those 55 OHA-member hospitals over well over one million times per year for health care services on a combined in-patient and out-patient basis. OHA’s mission is to be a membership-driven organization that provides proactive leadership to create an environment in which Ohio hospitals are successful in serving their communities. Every hospital, or virtually every hospital, in AEP Ohio’s service area is a member of OHA, and all OHA member hospitals are posted at <http://www.ohanet.org/Members>.

II. COMMENTS

Included in the Second Amended Application, AEP Ohio proposes “to repurpose a pre-existing regulatory liability” of approximately \$2.1 million in over-collection balances, “in order to make funds accessible to the [OHA] for coordination of energy-related challenges to hospitals during the COVID-19 crisis.”¹ As AEP Ohio explains, the funding would be used for COVID-19 specific purposes, including:

- a program that will support logistics for distribution, sanitization and reuse of personal protective equipment and testing kits for hospital workers; and
- a program to help facilitate any changes required to the environment of care due to an increased demand to care for patients, including expansion of negative pressure treatment rooms within hospitals for safer treatment of COVID-19 patients.

Id. OHA expresses its support of AEP Ohio’s proposal.

¹ Second Amended Application, at 10.

While COVID-19 has affected almost every industry in the State of Ohio, Ohio's hospitals have been affected as much as any industry by this pandemic. OHA's members are on the front lines of the pandemic response each day and have been one of the central focuses behind Governor Mike DeWine's and Dr. Amy Acton's stay-at-home orders.

As integral members of their communities, hospitals are in need of support during this crisis. Hospitals are collectively the top employer in the state of Ohio, directly employing over 255,000 Ohioans.² In 2019, the following hospitals operating in AEP Ohio territory were among top 25 statewide employers: OhioHealth, Bon Secours Mercy Health, Nationwide Children's, and Ohio State Medical Center.³ Particularly in small and rural communities, hospitals often serve as community centers, emergency shelters, and sources of aid.

The proposed funds from AEP Ohio would greatly help hospitals within AEP Ohio's territory respond to this pandemic and better serve their communities in this time of need. Due to necessary changes to hospital operations during the pandemic, e.g., suspension of elective procedures, hospitals have seen a significant reduction in revenue across the board. The resulting impacts have been dire. Already, Central Ohio hospitals, such as the Mount Carmel Health System, have had to furlough hundreds of staff.⁴ Adena Health, a local health system in AEP Ohio territory, has been forced to furlough 500 employees, with a projected deficit of over \$50 million through 2020.⁵

² See, "Ohio Major Employers-Section 1," Ohio Research Office: A State Affiliate of the U.S. Census Bureau (May 2019), available at: <https://development.ohio.gov/files/research/B2001.pdf>.

³ Id.

⁴ "8 hospitals furloughing staff in response to COVID-19," Becker's Hospital CFO Report (April 3, 2020), available at <https://www.beckershospitalreview.com/finance/8-hospitals-furloughing-staff-in-response-to-covid-19.html>.

⁵ "Adena Health System announces 500 furloughs, projected \$50 million deficit in 2020," 10 WBNS (April 15, 2020), available at <https://www.10tv.com/article/adena-health-system-announces-500-furloughs-projected-50-million-deficit-2020-2020-apr>.

At the same time as this financial hardship, hospitals are undertaking additional costs to reconfigure facilities to respond to the COVID-19 crisis. Building this capacity to safely treat COVID-19 patients is especially important as Ohio looks to “re-open” its economy. These efforts will have a number of energy-related consequences for hospitals. For example, repurposing facilities to add negative air rooms requires energy-intensive equipment. Along with other behavioral-changes in how buildings are being used, hospitals will be experiencing increased energy demands and changing load-profiles. Moreover, some hospitals are facing the potential need for additional back-up power to support COVID-19 “surge sites.” With these additional requirements, hospitals will face a difficult challenge to expand COVID-19 treatment capacity while also managing energy costs in the midst of extreme revenue shortfall.

OHA has long been a trusted energy advisor to many of its members. OHA’s energy experts work closely with its members to identify ways to reduce energy consumption.⁶ For many smaller hospitals that lack a dedicated energy manager, OHA’s energy experts provide critical guidance on how to reduce energy costs.

Hospitals in AEP Ohio’s service territory also continue to remain in dire need of personal protective equipment (“PPE”). Though there has been historic mobilization of national, statewide, and local organizations to produce and redistribute PPE to hospital workers, the need persists and grows each day. This is true as the pandemic continues, but also because “re-opening” of Ohio anticipates the restarting of certain electric medical procedures, while the

⁶ In 2018, participating members achieved \$9.6 million in energy savings, rebates and educational benefits from the OHA Energy & Sustainability Program.

hospitals are still dealing with COVID-19 patients. These funds would allow the OHA to directly support and coordinate effective distribution of PPE for its members.⁷

The PUCO Staff recommendation states that these funds should instead “be used to assist residential customers due to the COVID-19 pandemic and whose energy usage may have increased due to the stay at home orders.”⁸ OHA shares Staff’s concerns about the ongoing impact of the pandemic to AEP Ohio’s customers. However, OHA believes that AEP Ohio’s proposal is consistent with providing a greater benefit to AEP Ohio’s ratepayers at large.

Initially, AEP Ohio’s proposal is consistent with the Commission Order establishing the regulatory liability at issue. These funds stem from an over-collection balance associated with the Phased-In Recovery Rider, which was collected from all AEP Ohio customers, including hospitals and other large energy users. The Commission ordered that “AEP Ohio should continue to maintain the over-collection as a regulatory liability, until otherwise directed by the Commission.”⁹ The Order does not require a particular allocation or use of the funds. Rather, the Commission left itself discretion to direct how the funds could be used.

The use of the funds as proposed in AEP Ohio’s Second Amended Proposal will provide a benefit to all of AEP Ohio’s ratepayers. Ohio’s hospitals are on the front-line of this pandemic and have been serving, and will continue to serve, communities in AEP Ohio’s territory. Recently, Governor DeWine stated an intent to gradually re-open Ohio’s economy in the coming weeks and months.¹⁰ As Ohio attempts to “re-open,” Dr. Acton has cautioned that Ohio should

⁷ OHA is a member of the Ohio Manufacturing Alliance to Fight COVID-1, with the focus of repurposing and retooling to make PPE. As part of this effort, OHA is a hub for PPE distribution, determining needs, priorities, and assisting in logistical distribution.

⁸ Review and Recommendation of the Staff of the PUCO, at p. 4.

⁹ February 27, 2019 Entry in Case Nos. 09-872-EL-FAC et al.

¹⁰ See, “DeWine warns reopening Ohio will be slow process,” Fulton County Expositor (April 16, 2020), available at <https://www.fcnews.org/news/24372/dewine-warns-reopening-ohio-will-be-slow-process>.

expect an increase in coronavirus infections.¹¹ The ability for Ohio's economy to re-open will be directly related to hospitals' capacity to safely treat patients infected with the coronavirus and effectively access PPE.¹² All ratepayers benefit immediately from a sustained re-opening of Ohio's economy.

III. CONCLUSION

For these reasons, OHA respectfully requests the Commission promptly approve AEP's Ohio's Application.

Respectfully submitted on behalf of
THE OHIO HOSPITAL ASSOCIATION



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¹¹ See, "Ohio expects coronavirus number to increase when economy reopens," WKYC Studios (April 21, 2020), available at <https://www.wkyc.com/article/news/health/coronavirus/ohio-expects-coronavirus-numbers-to-increase-when-economy-reopens/95-7aa5d487-e60e-4ab5-8f69-3d367608561e>.

¹² See, "Principles of a Responsible Return," The RESTART TASK FORCE, available at <https://www.wkyc.com/article/news/health/coronavirus/ohio-expects-coronavirus-numbers-to-increase-when-economy-reopens/95-7aa5d487-e60e-4ab5-8f69-3d367608561e>. The RESTART Task Force is collaborative effort of the Cincinnati Regional Chamber, the Cincinnati Regional Business Committee, and the Cincinnati Business Committee to offer principles of a "Responsible Return" to inform State and local officials, businesses, and citizens on the region's plan for returning to work and other activities after peak COVID-19 risk has passed. A prerequisite to a "Responsible Return" is agreement from the region's healthcare leadership that the system has achieved the necessary readiness and capacity to "safely treat all patients requiring hospitalization without reverting to crisis standards of care."

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing *Comments* was served upon the parties of record in this proceeding by electronic mail this 27th day of April 2020.



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This foregoing document was electronically filed with the Public Utilities

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4/27/2020 5:07:35 PM

in

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

Summary: Comments of The Ohio Hospital Association electronically filed by Teresa Orahood
on behalf of Dylan F. Borchers