

THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE APPLICATION OF
OHIO POWER COMPANY FOR AN
INCREASE IN ELECTRIC DISTRIBUTION
RATES.

CASE NO. 20-585-EL-AIR

IN THE MATTER OF THE APPLICATION OF
OHIO POWER COMPANY FOR TARIFF
APPROVAL.

CASE NO. 20-586-EL-ATA

IN THE MATTER OF THE APPLICATION OF
OHIO POWER COMPANY FOR APPROVAL
TO CHANGE ACCOUNTING METHODS.

CASE NO. 20-587-EL-AAM

ENTRY

Entered in the Journal on May 6, 2020

I. SUMMARY

{¶ 1} The Commission finds that the motion of Ohio Power Company d/b/a AEP Ohio to set a test period and date certain, and for a waiver of certain filing requirements, should be granted.

II. DISCUSSION

{¶ 2} Ohio Power Company d/b/a AEP Ohio (AEP Ohio or the Company) is an electric light company as defined by R.C. 4905.03 and a public utility as defined by R.C. 4905.02, and, as such, is subject to the jurisdiction of this Commission.

{¶ 3} In Case No. 16-1852-EL-SSO, et al., the Commission modified and approved a stipulation and recommendation (Stipulation) filed by AEP Ohio, Staff, and numerous other signatory parties, which authorized the Company to implement an electric security plan (ESP) for the period of June 1, 2018, through May 31, 2024. Among the commitments in the Stipulation, AEP Ohio agreed to file a base distribution rate case by June 1, 2020. *In re Ohio Power Co.*, Case No. 16-1852-EL-SSO, et al. (*ESP 4 Case*), Opinion and Order (Apr. 25, 2018) at ¶ 45.

{¶ 4} An application for an increase in rates is governed by and must meet the requirements of R.C. 4909.17 to 4909.19, and 4909.42. In applying for a rate increase, R.C. 4909.15(C)(1) and (2) provide that a utility may propose a test period for determining the revenues and expenses that is any 12-month period beginning not more than six months prior to the date the application is filed and ending not more than nine months subsequent to the date the application is filed. Unless otherwise ordered by the Commission, the test period shall be what is proposed by the utility. It is also required that the date certain be no later than the date of filing.

{¶ 5} On April 9, 2020, in the above-captioned cases, AEP Ohio filed a motion to set a test period and date certain for its forthcoming application for an increase in its electric distribution rates, which the Company intends to file on or about May 29, 2020.

{¶ 6} On April 29, 2020, AEP Ohio filed a pre-filing notice of its intent to file an application for approval of an increase in its electric distribution rates, tariff modifications, and changes in accounting methods.

{¶ 7} In the motion filed on April 9, 2020, AEP Ohio proposes, pursuant to R.C. 4909.15(C) and Chapter II(A)(5)(a) of the Commission's standard filing requirements (SFR) set forth in Ohio Adm.Code 4901-7-01, Appendix A, to use the 12 months ending November 30, 2020, as the test year for the filing, and December 31, 2019, as the date certain for determining rate base. The Commission finds that the proposed test period and date certain should be approved.

{¶ 8} In the motion, AEP Ohio also seeks a waiver of certain filing requirements that, according to the Company, would require the submission of information that is either irrelevant or unavailable. More specifically, AEP Ohio requests that the Commission waive the requirement to provide certain supplemental information contained in Chapter II(B) and Chapter II(C) of the SFR. First, AEP Ohio requests that, because the Company does not seek to increase any rates associated with electric generation or transmission service, the Commission grant a general waiver of any requirement in those chapters that relates to the

Company's generation and transmission functions. AEP Ohio notes that its request is consistent with waivers granted in other electric distribution rate cases. *See, e.g., In re Duke Energy Ohio, Inc.*, Case No. 17-32-EL-AIR, et al., Entry (Feb. 23, 2017) at ¶ 7; *In re Columbus Southern Power Co. and Ohio Power Co.*, Case No. 11-351-EL-AIR, et al. (2011 Rate Case), Entry (Feb. 23, 2011) at 3, 5. AEP Ohio specifies that its request for waiver includes the following SFR to the extent that the production of generation or transmission information is required: five-year capital expenditures budget (Chapter II, (B)(1)); five-year financial forecast (Chapter II, (B)(2)); underlying assumptions (Chapter II, (B)(3)); five-year projection of revenue requirements (Chapter II, (B)(4)); balance sheet items (Chapter II, (B)(5)); changes in financial position (Chapter II, (B)(6)); executive summary of applicant's corporate process (Chapter II, (B)(8)); executive summary of applicant's management policies, practices, and organization (Chapter II, (B)(9)); materials and supplies (Chapter II, (C)(11)); depreciation expense (Chapter II, (C)(12)); prior plant in service data (Chapter II, (C)(16)); depreciation reserve (Chapter II, (C)(19)); construction projects that are 75 percent complete (Chapter II, (C)(20)); surviving dollars by vintage year of placement (Chapter II, (C)(21)); chart of accounts (Chapter II, (D)(6)); monthly managerial reports (Chapter II, (D)(7)); depreciation study (Chapter II, (D)(8)); labor contracts (Chapter II, (D)(11)); standard journal entries (Chapter II, (D)(16)); all Section A (Revenue Requirements) schedules; all Section B (Rate Base) schedules; all Section C (Operating Income) schedules; all Section D (Rate of Return) schedules; and all Section E (Rate and Tariffs) schedules.

{¶ 9} Noting that Chapter II(C)(13) of the SFR requires an electric utility to provide copies of certain specified federal income tax information, AEP Ohio requests that, consistent with the *2011 Rate Case*, it be permitted to make the required information available to Staff on a confidential basis during Staff's field audit, along with the Company's state income tax returns. *2011 Rate Case*, Entry (Feb. 23, 2011) at 3-4, 5. Additionally, AEP Ohio requests that the Commission waive the requirement to provide information regarding construction work in progress (CWIP) contained in paragraph (D) in Chapter II, Section B (Rate Base) of the SFR, including the CWIP information required in Schedules B-4, B-4.1, B-

4.2, and B-9, as well as in Chapter II(C)(7) and Chapter II(C)(20) of the SFR. AEP Ohio states that it is not including any CWIP balances in the rate base to be proposed in these proceedings and that no CWIP allowances were included in the Company's rate base in the *2011 Rate Case*. *2011 Rate Case* at 4, 5.

{¶ 10} As a final matter, AEP Ohio notes that, although it is obligated to initiate these proceedings under the terms of the Stipulation in the *ESP 4 Case*, the Company is cognizant of the COVID-19 crisis and associated impacts on customers and the economy. Accordingly, AEP Ohio states that it plans to request a temporary delay of the normal rate case schedule after filing its application. AEP Ohio concludes that this future request will incorporate reasonable conditions designed to preserve the ongoing operation of the rates and riders approved in the *ESP 4 Case* and to avoid prejudice to the outcome of these proceedings.

{¶ 11} Upon review of AEP Ohio's motion for waiver, the Commission finds that the motion is reasonable and should be granted. The Commission notes that the granting of these waivers does not preclude Staff from obtaining the information waived through data requests, if it is subsequently deemed necessary to complete Staff's investigation effectively and efficiently.

III. ORDER

{¶ 12} It is, therefore,

{¶ 13} ORDERED, That the test period for AEP Ohio shall be the 12 months ending November 30, 2020, and the date certain shall be December 31, 2019. It is, further,

{¶ 14} ORDERED, That the appropriate method for making any changes to the date certain or test period shall be the filing of a new notice of intent to file an application for an increase in rates. It is, further,

{¶ 15} ORDERED, That AEP Ohio's request for a waiver of certain filing requirements be granted as set forth in this Entry. It is, further,

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

COMMISSIONERS:

Approving:

Sam Randazzo, Chairman

M. Beth Trombold

Lawrence K. Friedeman

Daniel R. Conway

Dennis P. Deters

SJP/kck

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Case No(s). 20-0585-EL-AIR, 20-0586-EL-ATA, 20-0587-EL-AAM

Summary: Entry finding that the motion of Ohio Power Company d/b/a AEP Ohio to set a test period and date certain, and for a waiver of certain filing requirements, should be granted. electronically filed by Ms. Mary E Fischer on behalf of Public Utilities Commission of Ohio