

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of)	Case No. 13-1937-EL-ATA
Ohio Power Company for Approval to)	
Expire Its gridSMART Experimental)	
Tariffs.)	
)	
In the Matter of the Application of)	Case No. 17-1234-EL-ATA
Ohio Power Company for Approval to)	
Establish Time-of-Use Rates.)	

**REPLY COMMENTS OF STAFF OF THE PUBLIC UTILITIES COMMISSION
OF OHIO**

I. STAFF REVIEW AND RECOMMENDATION

On May 30, 2019, the Public Utilities Commission of Ohio’s (“Commission”) Staff filed its Review and Recommendations (“Staff Report”) regarding the Application filed by Ohio Power Company (“the Company”) to amend its tariffs in Case No. 17-1234-EL-ATA. The Staff Report summarized the time-of-use (TOU) rates that are part of the transition plan authorized as part of the Stipulation and Recommendation approved in Case No. 13-1939-EL-RDR (“Stipulation”). The Staff Report also provided a status update of the Company’s compliance with the TOU transition plan and activity of participating competitive retail electric service (CRES) providers, and made several recommendations for moving forward.

Based on the lack of TOU offerings by CRES providers, Staff recommended that the Company maintain a TOU rate in accordance with the Stipulation in Case No. 13-1939-EL-RDR. However, Staff also recommended that the Company reduce the duration of the

proposed on-peak period and update the input data used to calculate the proposed rates i.e., most recent annual load profiles for the Residential Service (RS and General Service – Not Demand Metered (GS-1)) customer classes and the current Generation Capacity Rider (GENC) rates. When an amended Application is approved by the Commission in Case No. 17-1234-EL-ATA, Staff recommended that the Commission approve the pending Application to terminate the experimental tariff offerings associated with the gridSMART pilot project in Case No. 13-1937-EL-ATA.¹

In addition, Staff further noted that:

it has become evident to staff that without updating the wholesale settlement process to calculate individual THEO and PLC values for all customers with AMI meters, instead of just those customers who participated in the pilot, it is unlikely that CRES providers will be able to develop TOU products and services for the mass market. Staff anticipates that these issues will be resolved, in part, by the tasks currently assigned to the Data and Modern Grid Workgroup. Staff also encourages the Company to include a proposal to update its settlement processes for all customers with AMI meters in any future gridSMART application before the Commission.²

II. AMENDED APPLICATION

On May 1, 2020, the Company filed an amended Application in Case No. 17-1234-EL-ATA. In the Amended Application, the Company agreed with Staff's recommendations to modify the duration of the on-peak period and to update the input data used to calculate the proposed rates. The Company provided updated tariff sheets, which reflected those

¹ The experimental tariffs include: Schedule RS – TOD2 (Experimental Residential Time-of-Day Service), Rider DLC (Experimental Direct Load Control Rider), Schedule CPP (Experimental Critical Peak Pricing Service), Schedule RS – RTP (Experimental Residential Real-Time Pricing Service), and Schedule GS-1 TOD (Experimental Small General Service Time-of-Day).

² Case No. 17-1234-EL-ATA, Staff Review and Recommendation at 4 (May 30, 2019).

changes. The Company also made several additional requests regarding the pending Application to eliminate the experimental tariffs in Case No. 13-1937-EL-ATA.

First, the Company proposed that the customers currently taking service on the “Smart Shift” (Schedule RS–TOD2) and “Smart Shift Plus” (Schedule CPP) tariffs, both experimental tariffs pending elimination in Case No. 13-1937-EL-ATA, be transferred to the new TOU rate pending approval by the Commission in this proceeding. According to the Company, there are approximately 450 customers currently taking service under these tariffs. As proposed, the Company plans to notify the customers of the new rate design and provide an opportunity to opt-out of being transitioned to the new TOU rate.

Second, the Company requested to maintain the “Smart Cooling” (Rider DLC) tariff, another experimental tariff offering pending elimination in Case No. 13-1937-EL-ATA, because there is no alternative tariff for this program. According to the Company, there are approximately 857 customers currently taking service under this tariff.

On June 17, 2020, the Attorney Examiner established a procedural schedule for Case Nos. 13-1937-EL-ATA and 17-1234-EL-ATA, which set July 10, 2020 as the deadline for filing of motions to intervene and the filing of initial comments, and July 24, 2020 as the deadline for filing reply comments.

III. COMMENTS FROM IGS AND DIRECT ENERGY

In the initial comments, Intestate Gas Supply, Inc. (IGS), Direct Energy Business, LLC, and Direct Energy Services, LLC (collectively, Direct Energy) provided additional

comments on how the Company's inability to perform wholesale settlements using AMI data prohibits the development of TOU products and services in the retail market.

Direct Energy stated that:

[f]or any TOU products to be marketable, AEP must build the systems and processes necessary to provide CRES with data it can utilize. Unless CRES can use, supply, and settle with the data, they cannot develop and bill dynamic TOU products. Absent this functionality, the CRES TOU market will likely never develop to be "sufficiently competitive."³

IGS recommends that the Commission, "[w]ithin twelve months, direct AEP Ohio to undertake necessary system upgrades to facilitate the calculation of CRES provider wholesale market settlements for energy and capacity based upon actual customer energy usage data."⁴

Staff believes additional steps are necessary to enable CRES providers to offer TOU products and services in the retail market. As noted above, Staff previously encouraged the Company to include a proposal to update its settlement processes for all customers with AMI meters in any future gridSMART Application before the Commission. However, the Company's gridSMART "Phase 3" Application filed in Case No. 19-1475-EL-RDR did not include such a proposal. Staff believes that Case No. 19-1475-EL-RDR is the appropriate forum to address the wholesale settlement issue necessary to advance the retail market and to better leverage existing and future AMI deployments.

³ Direct Energy Business, LLC and Direct Energy Services, LLC, Initial Comments at 3-4 (July 10, 2020).

⁴ Interstate Gas Supply, Inc., Initial Comments at 5 (July 10, 2020).

IV. COMMENTS FROM OCC

In its initial comments, the Ohio Consumers' Counsel noted that the generation capacity rates included in the Amended Application have since been updated in Case No. 20-0943-EL-RDR and recommended that the proposed rates be updated to reflect the current rates, among a number of other recommendations.⁵

Staff agrees that the proposed rates in the current case should be updated to reflect the current rates for RS and GS-1 customers in the Generation Capacity Rider, as these rates have changed since the Amended Application was filed.

V. RECOMMENDATION

Staff recommends that the Commission direct the Company to amend its pending Application for gridSMART "Phase 3" in Case No. 19-1475-EL-RDR. Specifically, Staff recommends the Commission direct the Company to file supplemental testimony that details a timeline to update the wholesale settlement systems and processes needed to calculate and settle individual total hourly energy obligation (THEO), network service peak load (NSPL), and peak load contribution (PLC) values for all customers with AMI meters. The supplemental testimony should also include the estimated cost of implementation.

Staff believes that the Company's updated TOU proposal is reasonable, pending resolution of the wholesale settlement issues referenced above. However, Staff recommends that the proposed rates be updated to reflect the current rates for RS and GS-1 customers in the Generation Capacity Rider, as approved in Case No. 20-0943-EL-RDR.

⁵ Ohio Consumers' Counsel, Initial Comments at 7-8 (July 10, 2020).

Finally, Staff recommends that Case Nos. 13-1937-EL-ATA and 17-1234-EL-ATA be closed at the conclusion of this proceeding.

Respectfully submitted,

/s/ Jodi Bair

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CERTIFICATE OF SERVICE

I hereby certify that a true and accurate copy of the foregoing was delivered via U.S. mail (postage prepaid), personal, or electronic mail delivery on this the 24th day of July 2020, to the following:

/s/ Jodi Bair

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This foregoing document was electronically filed with the Public Utilities

Commission of Ohio Docketing Information System on

7/24/2020 4:06:59 PM

in

Case No(s). 13-1937-EL-ATA, 17-1234-EL-ATA

Summary: Reply Comments Of Staff Of The Public Utilities Commission Of Ohio
electronically filed by Mrs. Kimberly M Naeder on behalf of PUCO