

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 July 29, 2020

I. SUMMARY

{¶ 1} The Commission accepts for filing as of June 8, 2020, an application for an increase in rates filed by Ohio Power Company d/b/a AEP Ohio and directs that legal notice of the application be published in the non-legal notice section of the applicable newspapers. The Commission also grants various motions filed by the parties.

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} R.C. 4909.17, 4909.18, 4909.19, and 4909.43 enumerate the statutory requirements for an application to increase a public utility's electric base rates. The Commission has adopted the standard filing requirements (SFR) in Ohio Adm.Code 4901-7-01 and its appendix. The SFR specify the format for filing all of the information required in an application for an increase in rates and define the information that the Commission, in its discretion, requires pursuant to R.C. 4909.18(E).

{¶ 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.

{¶ 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} By Entry dated May 6, 2020, the Commission approved the test year and date certain and granted a waiver of certain of the SFR.

{¶ 8} On June 8, 2020, AEP Ohio filed its application to increase its rates.¹ AEP Ohio filed direct testimony in support of its application on June 15, 2020.

{¶ 9} Upon its review of the application for completeness, Staff filed a recommendation for the Commission's consideration on July 20, 2020. Staff states that, in the application, AEP Ohio calculated a revenue deficiency of \$42.3 million, as shown on Schedule A-1. Staff further states that AEP Ohio designed its base distribution rates, excluding miscellaneous charges, to increase by \$39.2 million, which was based on the assumption that miscellaneous charges would increase by \$3.05 million. Staff notes that

¹ Due to the closure of the Commission's offices from June 1, 2020, through June 5, 2020, the application for a rate increase, which was submitted by AEP Ohio on June 1, 2020, was accepted for filing on June 8, 2020, and deemed timely filed in accordance with R.C. 1.14 and Ohio Adm.Code 4901-1-07 and 4901-1-13. *In re the Extension of Filing Dates for Pleadings and Other Papers Due to a Building Emergency*, Case No. 20-1132-AU-UNC, Entry (June 8, 2020).

AEP Ohio's assumption that miscellaneous charges would increase by \$3.05 million was incorrect, as the Company ultimately proposed to decrease miscellaneous charges by \$3.05 million. Staff adds that, as a result, AEP Ohio's proposed rate calculations produce a total revenue increase, including miscellaneous charges, of \$36.2 million, as described in the testimony of David M. Roush and shown on Schedule E-4. According to Staff, if the Commission were to accept all revenue-related aspects of AEP Ohio's application in their entirety, the revenue increase would be \$36.2 million, not the \$42.3 million shown on Schedule A-1, and would result in a total base distribution rate increase of 2.96 percent. Staff concludes that the Commission should be aware of this issue, particularly in light of the legal requirement for public notice of the application.

{¶ 10} The Commission finds that AEP Ohio's application meets the filing requirements of R.C. 4909.17 to 4909.19 and the SFR. Accordingly, the Commission finds that the application shall be accepted as of the filing date of June 8, 2020.

{¶ 11} Further, the Commission finds that AEP Ohio's proposed notice for publication, set forth in its application, complies with Chapter II(B)(7) of the SFR and should be approved, with modifications. Specifically, AEP Ohio should ensure that its notice includes the correct test year. Consistent with Staff's recommendation, the notice should also provide accurate increases in distribution service operating revenue, net of changes in distribution-related riders, on a class-of-service basis. Further, the instructions for access to the application should be modified to specify that a copy of AEP Ohio's application and supporting documents may either be inspected at the Company's offices or viewed on the Commission's docketing information system at <http://dis.puc.state.oh.us/>, by inputting 20-585 in the case lookup box, and selecting the application filed on June 8, 2020. The notice should not state that the application is available for inspection at the offices of the Commission.

{¶ 12} AEP Ohio shall begin publication of the newspaper notice, pursuant to R.C. 4909.19, within 30 days of the date of this Entry, and such notice shall not appear in the legal notices section of the applicable newspapers.

A. Motions for Intervention and Pro Hac Vice Admission

{¶ 13} On various dates, motions to intervene in these proceedings were filed by Ohio Energy Group (OEG); Ohio Consumers' Counsel (OCC); Ohio Manufacturers' Association Energy Group (OMAEG); The Kroger Co. (Kroger); Interstate Gas Supply, Inc. (IGS); Natural Resources Defense Council (NRDC); Industrial Energy Users-Ohio (IEU-Ohio); Ohio Partners for Affordable Energy (OPAE); Environmental Law & Policy Center (ELPC); Walmart Inc. (Walmart); Direct Energy Services, LLC and Direct Energy Business, LLC (collectively, Direct Energy); Ohio Hospital Association (OHA); and ChargePoint, Inc. (ChargePoint).

{¶ 14} No memoranda contra the motions to intervene were filed.

{¶ 15} The Commission finds that each of the motions to intervene meets the criteria set forth in R.C. 4903.221 and Ohio Adm.Code 4901-1-11. Accordingly, the motions for intervention filed by OEG, OCC, OMAEG, Kroger, IGS, NRDC, IEU-Ohio, OPAE, ELPC, Walmart, Direct Energy, OHA, and ChargePoint should be granted.

{¶ 16} Gov.Bar R. XII(2)(A) provides rules governing eligibility to practice pro hac vice in Ohio. Pursuant to Gov.Bar R. XII(2)(A)(7), motions for admission pro hac vice must be accompanied by a certificate of pro hac vice registration furnished by the Supreme Court Office of Attorney Services.

{¶ 17} A motion to appear pro hac vice and certificate of pro hac vice registration were filed for Robert Kelter on behalf of ELPC on July 8, 2020. The Commission finds that the motion is reasonable and should be granted.

B. *AEP Ohio's Motion for Continuance*

{¶ 18} On June 8, 2020, AEP Ohio filed a motion for a 60-day continuance of the otherwise applicable procedural schedule and timeline for the review of the Company's application. In support of the motion, AEP Ohio states that, although it was 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. AEP Ohio, therefore, proposes the 60-day extension as a means to mitigate the impacts of the pandemic. AEP Ohio also notes that its request is conditioned on preserving the ongoing operation of the rates and riders approved in the *ESP 4 Case* and on avoiding any prejudice to the outcome of these proceedings. AEP Ohio adds that it is not waiving any statutory right beyond the 60-day extension.

{¶ 19} No memoranda contra AEP Ohio's motion were filed.

{¶ 20} The Commission finds that AEP Ohio's motion is reasonable and should be granted.

C. *Staff's Motion for Leave to File Instanter*

{¶ 21} On June 12, 2020, Staff filed a motion for leave to file instanter its letter, as attached to the motion, specifying the functional areas of AEP Ohio's management policies and practices that the Company should address for review by Staff in these proceedings. Staff notes that Chapter II(B)(9) of the SFR requires that an application for an increase in rates include an executive summary of the applicant's management policies, practices, and organization employed to meet the corporate goals determined by the board of directors and corporate officers, while also addressing three functional areas identified by Staff in a letter to be filed within ten days of the pre-filing notice. However, given the circumstances surrounding the declared state of emergency and the COVID-19 crisis, Staff inadvertently failed to timely file its letter specifying the functional areas that AEP Ohio should address. Staff states that AEP Ohio will not be prejudiced by the late filing, as Staff had previously

discussed two specific topics with the Company - capital spares and vegetation management - and the Company was aware at the time that it filed its pre-filing notice that Staff plans to investigate these topics. Staff adds that AEP Ohio intends to address these topics in its testimony.

{¶ 22} No memoranda contra Staff's motion were filed.

{¶ 23} The Commission finds that Staff's motion is reasonable under the circumstances and that it should, therefore, be granted. Further, the Commission grants AEP Ohio a waiver of Chapter II(B)(9) of the SFR, to the extent that the Company has addressed Staff's two identified functional areas in the Company's testimony rather than in the executive summary required by the SFR.

III. ORDER

{¶ 24} It is, therefore,

{¶ 25} ORDERED, That the application for an increase in rates filed by AEP Ohio be accepted for filing as of June 8, 2020. It is, further,

{¶ 26} ORDERED, That the proposed newspaper notice submitted by AEP Ohio be modified and approved for publication. It is, further,

{¶ 27} ORDERED, That the motions to intervene filed by OEG, OCC, OMAEG, Kroger, IGS, NRDC, IEU-Ohio, OPAE, ELPC, Walmart, Direct Energy, OHA, and ChargePoint be granted. It is, further,

{¶ 28} ORDERED, That the motion to appear pro hac vice of Robert Kelter be granted. It is, further,

{¶ 29} ORDERED, That AEP Ohio's motion for continuance be granted. It is, further,

{¶ 30} ORDERED, That Staff's motion for leave to file instanter be granted. It is, further,

{¶ 31} 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/mef

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

Summary: Entry accepting for filing as of June 8, 2020, an application for an increase in rates filed by Ohio Power Company d/b/a AEP Ohio and directs that legal notice of the application be published in the non-legal notice section of the applicable newspapers. The Commission also grants various motions filed by the parties. electronically filed by Ms. Mary E Fischer on behalf of Public Utilities Commission of Ohio