

**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

<b>In the Matter of the Application of Ohio Power Company for an Increase in Electric Distribution Rates.</b>	)	<b>Case No. 20-585-EL-AIR</b>
	)	
<b>In the Matter of the Application of Ohio Power Company for Tariff Approval.</b>	)	<b>Case No. 20-586-EL-ATA</b>
	)	
<b>In the Matter of the Application of Ohio Power Company for Approval to Change Accounting Methods.</b>	)	<b>Case No. 20-587-EL-AAM</b>
	)	

**OBJECTIONS OF  
NATIONWIDE ENERGY PARTNERS, LLC**

In accordance with Ohio Revised Code Section 4909.19(C), Ohio Administrative Code Rule 4901:1-19-07(F), and the Attorney Examiner’s Entries in these proceedings, Nationwide Energy Partners, LLC (“NEP”) files the following objections to the Staff Report docketed on November 25, 2020, and to AEP’s Rate Increase Application filed June 8, 2020.

**A. Objections to the Staff Report**

- 1. The Staff Report’s recommended demand charge for GS Primary and Secondary customers should not be adopted because it results in an unreasonable and disproportionate increase. (Staff Report at 46-47)**

Based on the proposed consolidation of general service tariffs and the Staff Report, current General Service-3 (GS-3) and GS-2 Primary customers would become General Service customers. Staff recommends an increase in the demand charge for these customers. Staff Report at 46-47. Under that recommendation, GS-Primary and Secondary customers with low load factors (such as restaurants, multi-family, single shift manufacturing, churches, etc.) would experience significant rate increases that would be disproportionately higher than the increases for other customers. The Staff Report’s recommended increase for these customers is unreasonably high for businesses struggling during this unprecedented time, such as restaurants, multi-family communities, single-

shift manufacturers, and other low load factor customers. NEP objects to Staff's recommended approach for the demand charge that would apply to GS-Primary and Secondary customers (former GS-2 and GS-3 customers). Others should be allocated a fairer share of the costs, which in turn would result in a lower, more reasonable demand charge for GS-Primary and Secondary customers. At a minimum, any increase should be in the energy charge and not the demand charge for low load factor customers. To the extent revenue must increase, that increase should also not fall solely on the GS-Primary and Secondary customers (former GS-2 and GS-3 customers). Instead, the energy charge should take precedent over an increased demand charge and Staff's proposed significant reductions for other classes should be rejected in favor of a more equitable and reasonable increase across all classes.

**2. The Staff Report failed to include a recommended modification to change the scope of the Pilot Throughput Balancing Adjustment Rider. (Staff Report at 29).**

AEP proposed to continue its Pilot Throughput Balancing Adjustment Rider (PTBAR) to update the test year usage and authorized rates, and to update the rider because of the redesign of its GS schedules. Roush Prefiled Testimony at 11. The proposed redesign of the GS schedules would eliminate the one GS schedule that is currently decoupled in the PTBAR and AEP therefore proposed to adjust the PTBAR design rather than tracking usage of the current GS customers whose energy revenue would be decoupled. *Id.* AEP's proposal is to decouple the first 4,500 kWh for all GS secondary voltage customers. *Id.* Staff supports the continuation of the PTBAR and also supports updating the rider with test year usage and authorized rates. Staff Report at 29. Staff also agrees that the redesign of the GS schedules will trigger a need to adjust the PTBAR. Staff, however, concluded that the utility's proposed design change to the PTBAR would expand the number of customers included and the amount of energy revenues to be decoupled, and that AEP had not supported the design change. *Id.* The Staff Report did not include a recommended

modification to address this concern and instead removed the PTBAR from the test year in its entirety. *Id.* at 92, 112. NEP objects to the Staff Report failure to recommend a modification to the PTBAR that would provide a change in the rider scope given Staff's support for (a) continuing the PTBAR, (b) updating the usage and rates, and (c) needing a redesign of the PTBAR because of the GS schedule changes that Staff also supports.

**3. The Staff Report failed to consider and address tariff revisions that would provide for needed improvement in AEP operations for customer requests for construction work. (Staff Report at 27-35)**

AEP has proposed tariff language that would ensure that it recovers costs associated with work performed at a customer's request (e.g., Tariff Sheet 103-9) and it seeks to retain language that requires the customers to submit detailed and complete information (e.g., Tariff Sheet 103-5 to 103-06). The Staff reported on the processes used by AEP for its capital spares program and vegetation management program (Staff Report at 54-57). The Staff Report, however, failed to consider and address or recommend any improvements for AEP's operations and processes involving customer requests for construction work related to line extensions for new service. Today, AEP's approach is cumbersome and slow. For example, the form for construction requests does not allow customers to request or identify customized equipment needs so that customers can provide the necessary information at the start of the project. A better-crafted form would allow customers to specify equipment needs in writing and early on in the process. Also, the process should obligate AEP to timely provide the customer (and any designee of the customer) with the name and contact information of the AEP representative who will be responsible for the construction project. Providing the contact information within seven days of receiving the construction request is a reasonable time period. NEP objects to the Staff Report's failure to consider and address or recommend any improvements to AEP's operations and processes involving customer requests for construction work related to line extensions for new service.

4. **The Staff Report failed to recommend tariff language allowing customers to contact AEP about purchasing infrastructure and to require AEP to include a formal process for such negotiations in its handbook and website. (Staff Report at 27-35)**

While Staff reported on the processes used by AEP for its capital spares program and vegetation management program (Staff Report at 54-57), the Staff Report failed to recommend a process under which customers and AEP can negotiate the purchase of infrastructure installed on customer property. Commercial customers seek to purchase infrastructure, such as transformers, from AEP and there is no uniform process for such discussions and negotiations. The tariff should be modified to allow customers to contact AEP about purchasing infrastructure from AEP and to require AEP to set forth a process and contact person in AEP's handbook and website.<sup>1</sup> NEP objects to this omission from the Staff report.

5. **The Staff Report's recommended approval of, and failure to address, proposed changes to the "Availability of Residential Service" provision of Schedule RS (Sheet 210-1), Schedule RSDM (Sheet 214-1) and Schedule RS-TOU (Sheet 215-1) was in error. (Staff Report at 27)**

AEP has proposed tariff language in Schedule RS (Sheet 210-1), Schedule RSDM (Sheet 214-1) and Schedule RS-TOU (Sheet 215-1) that sets forth a series of conditions for service availability including developing its own definition of a dwelling unit.<sup>2</sup> AEP explained that the language changes were to clarify availability and consolidate its standard and OAD tariffs. *See* Schedule E-3 at 9. Accord, Ms. Moore's Prefiled Testimony at 7. Although Staff analyzed the proposed residential rate schedules (Staff Report at 41-44) and recommended different residential charges than were proposed, the Staff report did not discuss its review or analysis of the language changes related to the availability of residential service in the referenced residential service

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<sup>1</sup> The parties would negotiate the details of a specific infrastructure purchase on a case-by-case basis.

<sup>2</sup> "Secondary service" is not defined in the proposed tariffs. Nominal voltage levels are described, however, in paragraph 13 of the terms of service. Tariff Sheets 103-9 to 103-10.

schedules. Rather, Staff recommended approval because it did not address the proposed language. Staff Report at 27. NEP objects to the Staff Report accepting the revised tariff language for “Availability of Service,” omitting any analysis of the language and not rejecting the proposed language in the above-referenced schedules. NEP objects as well to Staff’s recommendation to approve of the proposed language without explanation and justification. The Staff Report recommends approval of ambiguous tariff language that is not consistent with other language related to residential service in the tariff (e.g., Tariff Sheets 103-17 to 103-18). To avoid residential customer confusion, the Staff Report should have rejected the proposed language and left in place the existing tariff language, which clearly and simply states that the services are “Available for residential service through one meter to individual residential customers.” *See* Tariff Sheet 210-1.

## **B. Objections to AEP’s Rate Increase Application**

### **1. AEP’s recommended demand charge for current GS-Primary and Secondary customers should not be adopted because it results in an unreasonable and disproportionate increase. (Staff Report at 46-47)**

Based on the proposed consolidation of GS tariffs, current General Service-3 (GS-3) and GS-2 Primary customers would become General Service customers. Under AEP’s proposed demand charge structure for GS customers, GS-Primary and Secondary customers with low load factors (such as restaurants, multi-family, single shift manufacturing, churches, etc.) would experience significant rate increases that would be disproportionately higher than the increases for other customers. AEP’s rate structure and recommended increase for these customers is unreasonably high for businesses struggling during this unprecedented time, such as restaurants, multi-family communities, single-shift manufacturers, and other low load factor customers. NEP objects to AEP’s proposed approach for the demand charge that would apply to GS-Primary and Secondary customers (former GS-2 and GS-3 customers). Others should be allocated a fairer share

of the costs, which in turn would result in a lower, more reasonable demand charge for GS-Primary and Secondary customers. At a minimum, any increase should be in the energy charge and not the demand charge for low load factor customers. AEP's proposed structure and reliance on demand charges in Schedule GS should be rejected.

**2. AEP failed to address needed improvements in AEP operations for customer requests for construction work.**

In its rate increase application, AEP failed to propose any tariff language to put in place improvements for its operations and processes when a customer requests construction work for line extensions and new service. The current approach is cumbersome, slow, and involves multiple exchanges. AEP requires that customers use a specific form that, especially when the construction is more customized, triggers back and forth conversations without allowing the customers (and any designee for the customer) to request or identify their equipment needs at the start of the project. Improvements would include a better form and a specific time period of seven days for AEP to provide the requesting customer (and any designee for the customer) with the name and contact information of the person who will handle the project. NEP objects to this omission from the rate increase application and proposed tariff.

**3. AEP should have included language in its tariff addressing right of ways necessary for lines and extension thereof incidental to providing service to customers beyond a customer's property. (Tariff Sheet 103-4)**

AEP's proposed tariff fails to address right of ways that are necessary for lines and extensions thereof that are incidental to providing service to customers beyond a customer's property. To remedy this failing, AEP should be directed to revise Section 8 (Location & Maintenance of Company's Equipment) of AEP's Terms and Conditions of Service to include such a provision. For example, Sheet No. 21.5 of Duke Energy Ohio's tariff includes the following

language that addresses rights of way for lines necessary for service to customers beyond a customer's property:

The customer, without reimbursement, shall furnish all necessary rights of way upon or across property owned or controlled by the customer for any and all of the Company's facilities that are necessary or incidental to the supplying of service to the customer, or to continue service to the customer.

The customer, without reimbursement, will make or procure conveyance to the Company, all necessary rights of way upon or across property owned or controlled by the customer along dedicated streets and roads, satisfactory to the Company, for the Company's lines or extensions thereof necessary or maintenance incidental to the supplying of service to customers beyond the customer's property, in the form of Grant or instrument customarily used by the Company for these facilities.

Where the Company seeks access to the customer's property not along dedicated streets and roads for the purpose of supplying or maintaining service to customers beyond the customer's property, the Company will endeavor to negotiate such right of way through an agreement that is acceptable to both the Company and the customer, including with compensation to the customer. Notwithstanding the foregoing, the Company and its customers maintain all their rights under the law with respect to the Company acquiring necessary rights of way in the provision of service to its customers.

AEP should include similar language in its tariff to ensure an orderly and prompt buildout of the necessary infrastructure to support line extensions and service to customers.

**4. AEP failed to add to its terms and conditions the process allowing customers to contact AEP to purchase from AEP infrastructure installed on the customer's property.**

Commercial customers seek to purchase infrastructure, such as transformers, from AEP and there is no uniform process for such discussions and negotiations. The tariff should include language allowing customers to contact AEP about purchasing infrastructure from AEP. AEP also should have proposed language in its tariff requiring it to set forth a process in AEP's handbook and website. The information should include a contact person so that interested customers know

whom to contact.<sup>3</sup> NEP objects to this omission from AEP's rate case application and its proposed tariff.

**5. AEP's proposed changes to the "Availability of Residential Service" provision of Schedule RS (Sheet 210-1), Schedule RSDM (Sheet 214-1) and Schedule RS-TOU (Sheet 215-1) should not be granted.**

AEP asks to revise the availability of residential service under Schedule RS (Sheet 210-1), Schedule RSDM (Sheet 214-1) and Schedule RS-TOU (Sheet 215-1) by limiting it to only the customers who match a list of attributes. The impact of the revised language is a confusing and potentially unreasonable limitation on who qualifies as a residential customer. The revised language also is ambiguous including phrases such as "all residential purposes" and "secondary service." Moreover, the new language is not consistent with other language related to residential service in the tariff (e.g., Tariff Sheets 103-17 to 103-18). The existing tariff language, which clearly and simply states that the services are "Available for residential service through one meter to individual residential customers," should remain unaltered. *See* Tariff Sheet 210-1. NEP objects to AEP's proposal as unreasonable and it should be rejected.

**C. Conclusion**

For the foregoing reasons, NEP objects to the Staff Report and AEP's Rate Increase Application in these proceedings. NEP's **major issues** are:

- (a) Retain the existing energy and demand charges for GS-Primary and Secondary customers or, alternatively, apply any necessary rate increase to an energy charge, rather than a demand charge, for low load nonresidential customers.
- (b) A properly redesigned PTBAR.

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<sup>3</sup> Customers and AEP would negotiate the purchase of infrastructure installed on the customer property on a case-by-case basis.

- (c) Tariff language to provide for an improved process, including improved form and contact person, for customers to request construction work.
- (d) Tariff language addressing Company needed rights of way to support line extensions to other customers.
- (e) Tariff language and a formal process and contact person for customers to use when seeking to purchase AEP infrastructure located on the customer's property.
- (f) Rejection of the proposed revised availability of residential service language.

Respectfully Submitted,

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**CERTIFICATE OF SERVICE**

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Summary: Objection Objections electronically filed by Mrs. Gretchen L. Petrucci on behalf of Nationwide Energy Partners, LLC