

## THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE APPLICATION OF  
OHIO POWER COMPANY TO UPDATE ITS  
ALTERNATIVE ENERGY RIDER AND  
AUCTION COST RECONCILIATION RIDER.

CASE NO. 15-1052-EL-RDR

### ENTRY

Entered in the Journal on December 22, 2020

{¶ 1} Ohio Power Company d/b/a AEP Ohio (AEP Ohio or the Company) is an electric distribution utility as defined in R.C. 4928.01(A)(6) and a public utility as defined in R.C. 4905.02, and, as such, is subject to the jurisdiction of this Commission.

{¶ 2} R.C. 4928.141 provides that an electric distribution utility shall provide consumers within its certified territory a standard service offer (SSO) of all competitive retail electric services necessary to maintain essential electric services to customers, including a firm supply of electric generation services. The SSO may be either a market rate offer in accordance with R.C. 4928.142 or an electric security plan (ESP) in accordance with R.C. 4928.143.

{¶ 3} On August 8, 2012, the Commission issued its Opinion and Order in Case No. 11-346-EL-SSO, et al., which approved, with certain modifications, AEP Ohio's application for an ESP, effective with the first billing cycle of September 2012 through May 31, 2015. Among other provisions of the ESP, the Commission approved AEP Ohio's proposed Alternative Energy Rider (AER), including quarterly adjustments and annual audits of the rider. *In re Columbus Southern Power Co. and Ohio Power Co.*, Case No. 11-346-EL-SSO, et al., Opinion and Order (Aug. 8, 2012) at 18.

{¶ 4} In Case No. 13-2385-EL-SSO, et al., the Commission modified and approved an ESP for AEP Ohio for the period of June 1, 2015, through May 31, 2018. Among other matters, the Commission approved AEP Ohio's proposal to establish the Auction Cost Reconciliation Rider (ACRR), including quarterly adjustments and annual audits of the rider. The Commission also approved AEP Ohio's request to continue the AER. *In re Ohio*

*Power Co.*, Case No. 13-2385-EL-SSO, et al., Opinion and Order (Feb. 25, 2015) at 34, 35.

{¶ 5} 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 ESP for the period of June 1, 2018, through May 31, 2024. Among other things, the Stipulation provides for the continuation of the AER and ACRR. *In re Ohio Power Co.*, Case No. 16-1852-EL-SSO, et al., Opinion and Order (Apr. 25, 2018) at ¶¶ 91, 110.

{¶ 6} The above-captioned proceeding was initiated on June 1, 2015, for AEP Ohio's AER and ACRR quarterly adjustments. Staff is tasked with reviewing each of AEP Ohio's quarterly filings. If Staff raises no issues prior to the billing cycle during which the quarterly adjustments are to become effective, the adjusted AER and ACRR rates take effect for that billing cycle. As noted above, however, AER and ACRR costs are subject to adjustment during the annual audit and reconciliation.

{¶ 7} On December 1, 2020, AEP Ohio filed an application to update the ACRR and AER, effective with the first billing cycle of January 2021. AEP Ohio notes that, in Case No. 20-1745-EL-RDR, the Company has proposed an updated AER calculation method and going-forward rate based on Am. Sub. H.B. 6. AEP Ohio further notes that, if the Commission does not approve the application in that case prior to January 1, 2021, the Company proposes to freeze the current rates until that application is approved. Additionally, AEP Ohio states that, if the Commission does not consider either of those proposals, the Company has filed in this case, as a third option, the AER update, which uses the existing calculation method.

{¶ 8} On December 21, 2020, Staff filed its review and recommendations. Staff states that AEP Ohio's proposal in Case No. 20-1745-EL-RDR requires additional analysis and will not be resolved prior to the first quarter of 2021. Staff further states that a freeze of the current AER rates is reasonable, while the proposal in Case No. 20-1745-EL-RDR is

evaluated. Accordingly, Staff recommends that AEP Ohio's current AER rates remain in effect until such time as the Commission issues a final decision in Case No. 20-1745-EL-RDR. Staff also notes that, because the AER includes a reconciliation component, and the tariff language specifically includes the potential for refunds, the proper mechanisms exist to make any necessary rate adjustments in the future, if a freeze of the current rates results in any material over recovery.

{¶ 9} In order to afford Staff sufficient time to review AEP Ohio's proposal in Case No. 20-1745-EL-RDR, the attorney examiner finds that the Company's current AER rates should remain in effect, until otherwise ordered by the Commission.

{¶ 10} It is, therefore,

{¶ 11} ORDERED, That AEP Ohio's current AER rates remain in effect, until otherwise ordered by the Commission. It is, further,

{¶ 12} ORDERED, That a copy of this Entry be served upon all parties of record.

THE PUBLIC UTILITIES COMMISSION OF OHIO

/s/ Sarah J. Parrot

By: Sarah J. Parrot  
Attorney Examiner

GAP/kck

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**Case No(s). 15-1052-EL-RDR**

Summary: Attorney Examiner Entry ordering AEP Ohio's current AER rates remain in effect, until otherwise ordered by the Commission. electronically filed by Kelli C. King on behalf of Sarah J. Parrot, Attorney Examiner, Public Utilities Commission of Ohio