

THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE APPLICATION OF
OHIO POWER COMPANY TO UPDATE ITS
STORM DAMAGE RECOVERY RIDER
RATES.

CASE NO. 20-859-EL-RDR

FINDING AND ORDER

Entered in the Journal on May 5, 2021

I. SUMMARY

{¶ 1} The Commission approves the application of Ohio Power Company d/b/a AEP Ohio to update its storm damage recovery rider rates, consistent with this Finding and Order.

II. DISCUSSION

{¶ 2} 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.

{¶ 3} 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.

{¶ 4} In Case No. 11-346-EL-SSO, et al., the Commission modified and approved AEP Ohio's application for a second ESP, effective with the first billing cycle of September 2012 through May 31, 2015. Among other proposals, the Commission approved AEP Ohio's request to establish a storm damage recovery rider (SDRR) to enable the Company to recover incremental expenses incurred due to major storm events. Specifically, AEP Ohio was authorized to defer incremental distribution expenses above or below an annual amount of \$5 million that are related to major events as defined in Ohio Adm.Code Chapter

4901:1-10. *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 68-69, Entry on Rehearing (Jan. 30, 2013) at 54-55.

{¶ 5} In Case No. 12-3255-EL-RDR, the Commission adopted a joint stipulation and recommendation filed by AEP Ohio, Staff, and several other parties and, thereby, approved the Company's request to establish initial SDRR rates. *In re Ohio Power Co.*, Case No. 12-3255-EL-RDR, Opinion and Order (Apr. 2, 2014), Entry on Rehearing (May 28, 2014).

{¶ 6} In Case No. 13-2385-EL-SSO, et al., the Commission approved, pursuant to R.C. 4928.143, AEP Ohio's application for a third ESP for the period of June 1, 2015, through May 31, 2018. Among other matters, the Commission approved AEP Ohio's proposal to continue the SDRR, including the Company's request to file an annual true-up in April of each year. *In re Ohio Power Co.*, Case No. 13-2385-EL-SSO, et al., Opinion and Order (Feb. 25, 2015) at 55-56.

{¶ 7} 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 provisions, the Stipulation provided for the continuation of the SDRR and increased the baseline by \$120,000. *In re Ohio Power Co.*, Case No. 16-1852-EL-SSO, et al., Opinion and Order (Apr. 25, 2018) at ¶ 109.

{¶ 8} On April 16, 2020, in the above-captioned case, AEP Ohio filed an application to update its SDRR rates. In the application, AEP Ohio proposes to collect the net deferral of the under-recovered SDRR balance as of December 31, 2019. AEP Ohio also proposes to recover the under-collection over a period of one month. AEP Ohio recommends a charge of \$1.29 for residential customers and \$5.32 for non-residential customers.

{¶ 9} On May 13, 2020, the Ohio Consumers' Counsel (OCC) filed an unopposed motion to intervene in this proceeding. The Commission finds that OCC's motion is reasonable and should be granted.

{¶ 10} On November 10, 2020, Staff filed its review and recommendations in response to AEP Ohio's application. AEP Ohio filed reply comments on November 13, 2020, and Staff filed a response on November 18, 2020.

A. *Summary of Staff's Recommendations*

{¶ 11} In its review and recommendations, Staff notes that AEP Ohio's application to adjust the SDRR proposes to recover an under-collection of approximately \$2.7 million for 2019. Following its review, Staff recommends that AEP Ohio's application be approved, subject to certain adjustments. Staff notes that AEP Ohio identified three small amounts that were erroneously included in the SDRR. Staff concludes that its total recommended adjustment is \$139.23, which reduces the revenue requirement but does not change the amount of the proposed one-month charges for residential and non-residential customers.

{¶ 12} In its reply comments, AEP Ohio states that it disagrees with Staff's recommendation, because the necessary accounting corrections have already been made and, therefore, no adjustment is required.

{¶ 13} In response to AEP Ohio's reply comments, Staff reports that it has confirmed that the recommended disallowance has already been addressed by the Company. Staff agrees with AEP Ohio's position that no adjustment is necessary.

B. *Commission Conclusion*

{¶ 14} Upon review of AEP Ohio's application to update its SDRR rates and the subsequent filings by Staff and the Company, the Commission finds that the application does not appear to be unjust or unreasonable and that it should be approved. Accordingly, the Commission authorizes AEP Ohio to file revised tariffs to implement the updated SDRR rates. AEP Ohio, however, is directed to remove the word "credit" from the first sentence of its tariff. The Commission further finds that it is unnecessary to hold a hearing in this matter.

III. ORDER

{¶ 15} It is, therefore,

{¶ 16} ORDERED, That OCC's motion to intervene in this case be granted. It is, further,

{¶ 17} ORDERED, That AEP Ohio's application be approved, consistent with this Finding and Order. It is, further,

{¶ 18} ORDERED, That AEP Ohio be authorized to file tariffs, in final form, consistent with this Finding and Order. AEP Ohio shall file one copy in this case docket and one copy in its TRF docket. It is, further,

{¶ 19} ORDERED, That the effective date of the new tariffs shall be a date not earlier than the date upon which the final tariff pages are filed with the Commission. It is, further,

{¶ 20} ORDERED, That AEP Ohio shall notify all affected customers via a bill message or bill insert within 30 days of the effective date of the tariffs. A copy of the customer notice shall be submitted to the Commission's Service Monitoring and Enforcement Department, Reliability and Service Analysis Division, at least ten days prior to its distribution to customers. It is, further,

{¶ 21} ORDERED, That nothing in this Finding and Order shall be binding upon this Commission in any future proceeding or investigation involving the justness or reasonableness of any rate, charge, rule, or regulation. It is, further,

{¶ 22} ORDERED, That a copy of this Finding and Order be served upon all parties of record.

COMMISSIONERS:

Approving:

Jenifer French, Chair
M. Beth Trombold
Lawrence K. Friedeman
Daniel R. Conway
Dennis P. Deters

SJP/kck

This foregoing document was electronically filed with the Public Utilities

Commission of Ohio Docketing Information System on

5/5/2021 2:23:25 PM

in

Case No(s). 20-0859-EL-RDR

Summary: Finding & Order approving the application of Ohio Power Company d/b/a AEP Ohio to update its storm damage recovery rider rates, consistent with this Finding and Order. electronically filed by Ms. Mary E Fischer on behalf of Public Utilities Commission of Ohio