

## THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE APPLICATION OF  
OHIO POWER COMPANY FOR  
ADMINISTRATION OF THE  
SIGNIFICANTLY EXCESSIVE EARNINGS  
TEST FOR 2019 PURSUANT TO R.C.  
4928.143(F) AND OHIO ADM.CODE  
4901:1-35-10.

CASE NO. 20-1006-EL-UNC

IN THE MATTER OF THE APPLICATION OF  
OHIO POWER COMPANY FOR  
ADMINISTRATION OF THE  
SIGNIFICANTLY EXCESSIVE EARNINGS  
TEST FOR 2020 PURSUANT TO R.C.  
4928.143(F) AND OHIO ADM.CODE  
4901:1-35-10.

CASE NO. 21-541-EL-UNC

IN THE MATTER OF THE QUADRENNIAL  
REVIEW REQUIRED BY R.C. 4928.143(E)  
FOR THE ELECTRIC SECURITY PLAN OF  
OHIO POWER COMPANY.

CASE NO. 21-1166-EL-UNC

### ENTRY

Entered in the Journal on February 17, 2022

{¶ 1} Ohio Power Company d/b/a AEP Ohio (AEP Ohio or Company) is an electric distribution utility, as defined by 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 (MRO), in accordance with R.C. 4928.142, or an electric security plan (ESP), in accordance with R.C. 4928.143.

{¶ 3} On April 25, 2018, the Commission approved, with certain modifications, AEP Ohio's ESP application, pursuant to a stipulation and recommendation, for the term June 1,

2018, through May 31, 2024. *In re Ohio Power Co.*, Case No. 16-1852-EL-SSO, et al., Opinion and Order (Apr. 25, 2018).

{¶ 4} Pursuant to the directives set forth in R.C. 4928.143(F), the Commission is required to evaluate annually the earnings of each electric utility's approved ESP to determine whether the ESP produces significantly excessive earnings for the electric utility. Moreover, R.C. 4928.143(E) requires that, if a Commission-approved ESP has a term that exceeds three years from the effective date of the plan, the Commission must test the plan in the fourth year (the quadrennial review) to determine whether the ESP, including its then-existing pricing and all other terms and conditions, including any deferrals and any future recovery of deferrals, continues to be more favorable in the aggregate and during the remaining term of the plan as compared to the expected results that would otherwise apply under R.C. 4928.142, i.e., under an MRO. The Commission must also determine the prospective effect of the ESP to determine if that effect is substantially likely to provide the electric distribution utility with a return on common equity that is significantly in excess of the return on common equity that is likely to be earned by publicly traded companies, including utilities, that face comparable business and financial risk, with adjustments for capital structure as may be appropriate.

{¶ 5} Ohio Adm.Code 4901:1-35-10 and 4901:1-35-03(C)(10)(a) direct that each electric utility file with the Commission, by May 15 of each year, testimony, information, and analysis for administration of the significantly excessive earnings test (SEET).

{¶ 6} On May 15, 2020, in Case No. 20-1006-EL-UNC (*2019 SEET Case*), AEP Ohio filed its application for administration of the SEET for 2019 earnings, as required by R.C. 4928.143(F) and Ohio Adm.Code 4901:1-35-10. In support of the application, the Company also filed the testimony of Lisa O. Kelso, Franz D. Messner, and Jason M. Yoder.

{¶ 7} On May 14, 2021, in Case No. 21-541-EL-UNC (*2020 SEET Case*), AEP Ohio filed its application for administration of the SEET for 2020 earnings. In support of the

application, the Company also filed the testimony of Mark A. Berndt, Franz D. Messner, and Jason M. Yoder.

{¶ 8} Additionally, the Commission opened Case No. 21-1166-EL-UNC (*Quadrennial Review Case*) to conduct the quadrennial review for AEP Ohio. On November 17, 2021, AEP Ohio filed the testimony of Lisa O. Kelso and Adrien McKenzie in the *Quadrennial Review Case*.

{¶ 9} Motions to intervene in the *2019 SEET Case*, *2020 SEET Case*, and the *Quadrennial Review Case* were timely filed by Industrial Energy Users-Ohio (IEU-Ohio), The Kroger Company (Kroger), Ohio Consumers' Counsel (OCC), and the Ohio Manufacturers' Association Energy Group (OMAEG). By Entry issued January 24, 2022, the motions to intervene were granted.

{¶ 10} By Entry issued November 19, 2021, for administrative and procedural efficiency, these matters were consolidated, and a procedural schedule was established such that motions to intervene were due by December 17, 2021; Staff and intervenor testimony was to be filed by January 31, 2022; and the evidentiary hearing was scheduled to commence on February 22, 2022, at 10:00 a.m., via Webex.

{¶ 11} By Entry issued January 24, 2022, a joint motion filed by AEP Ohio, Staff, IEU-Ohio, Kroger, OCC, and OMAEG was granted such that the due date for Staff and intervenor testimony was extended to February 22, 2022, and the hearing continued to a date to be determined to accommodate the continuance of settlement discussions. Further, the parties were directed to advise the attorney examiners assigned to these matters regarding the status of settlement negotiations by no later than February 17, 2022.

{¶ 12} On February 16, 2022, on behalf of the parties, AEP Ohio filed a correspondence stating that the parties were productively engaged in settlement negotiations and hope to complete negotiations within the month. Further, the parties jointly request that the current procedural schedule be suspended pending the outcome of

settlement efforts. The parties plan to either file a stipulation or will report the status of settlement efforts to the attorney examiners on or before February 28, 2022.

{¶ 13} Considering the continued settlement negotiations, the attorney examiner finds the request to suspend the due date to file Staff and intervenor testimony, to be reasonable and, therefore, the request should be granted. Further, the attorney examiner directs the parties to advise the attorney examiners assigned to these matters regarding the status of settlement negotiations or file a stipulation, along with supporting testimony, in these matters by no later than February 28, 2022.

{¶ 14} It is, therefore,

{¶ 15} ORDERED, That the parties' request to suspend the due date to file Staff and intervenor testimony be granted. It is, further,

{¶ 16} ORDERED, That the parties inform the assigned attorney examiners regarding the status of negotiations or file a stipulation by no later than February 28, 2022. It is, further,

{¶ 17} ORDERED, That a copy of this Entry be served upon all parties and interested persons of record.

THE PUBLIC UTILITIES COMMISSION OF OHIO

/s/ Greta See

By: Greta See  
Attorney Examiner

SJP/hac

**This foregoing document was electronically filed with the Public Utilities  
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**in**

**Case No(s). 20-1006-EL-UNC, 21-0541-EL-UNC, 21-1166-EL-UNC**

Summary: Attorney Examiner Entry ordering that the parties' request to suspend the due date to file Staff and intervenor testimony be granted and that the parties inform the assigned attorney examiners regarding the status of negotiations or file a stipulation by no later than February 28, 2022 electronically filed by Heather A. Chilcote on behalf of Greta See, Attorney Examiner, Public Utilities Commission