

THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE APPLICATION OF
OHIO POWER COMPANY TO UPDATE ITS
BASIC TRANSMISSION COST RIDER.

CASE NO. 22-41-EL-RDR

FINDING AND ORDER

Entered in the Journal on March 23, 2022

I. SUMMARY

{¶ 1} The Commission approves, subject to Staff's recommendations, Ohio Power Company d/b/a AEP Ohio's application to update its basic transmission cost rider.

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. 13-2385-EL-SSO, et al., the Commission modified and approved an ESP for AEP Ohio, including approval of the Company's proposed basic transmission cost rider (BTCR), for the period of June 1, 2015, through May 31, 2018. *In re Ohio Power Co.*, Case No. 13-2385-EL-SSO, et al., Opinion and Order (Feb. 25, 2015) at 67-68, Entry (May 28, 2015) at 4-5. The BTCR recovers the non-market-based transmission costs assessed to AEP Ohio by PJM Interconnection, LLC (PJM). Consistent with R.C. 4928.05, the BTCR is a reconcilable rider by which AEP Ohio passes through to customers the transmission and transmission-related costs charged to the Company by PJM, as authorized by the Federal Energy Regulatory Commission.

{¶ 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 provisions, the Stipulation provided for the continuation of the BTCR, as well as the BTCR pilot program.¹ *In re Ohio Power Co.*, Case No. 16-1852-EL-SSO, et al., Opinion and Order (Apr. 25, 2018) at ¶¶ 94-95.

{¶ 6} On January 18, 2022, in the above-captioned case, AEP Ohio filed an application to update the BTCR, pursuant to Ohio Adm.Code Chapter 4901:1-36, and to revise its tariffs, effective with the first day of the April 2022 billing cycle. In the application, AEP Ohio proposes an increase of approximately \$117.0 million in the BTCR revenue requirement, which, according to the Company, represents an average increase in the BTCR of 13.62 percent. AEP Ohio's supporting schedules indicate that the proposed increase reflects an under-recovery, including carrying charges, of approximately \$2.9 million.

{¶ 7} Ohio Adm.Code 4901:1-36-05 provides that, unless otherwise ordered, the Commission shall approve the application or set the matter for hearing within 75 days after the filing of a complete application under Ohio Adm.Code Chapter 4901:1-36. Additionally, pursuant to Ohio Adm.Code 4901:1-36-03(F), affected parties may file a motion to intervene and detailed comments on any issues concerning the application within 40 days of the date of the filing of the application.

{¶ 8} Timely motions for intervention in this proceeding were filed by Ohio Energy Group (OEG), Industrial Energy Users-Ohio (IEU-Ohio), and Ohio Manufacturers' Association Energy Group (OMAEG). No memoranda contra the motions for intervention

¹ A participant in the BTCR pilot program is billed for demand-related transmission costs based on its individual network service peak load.

were filed. The Commission finds that the motions filed by OEG, IEU-Ohio, and OMAEG are reasonable and should be granted.²

{¶ 9} On March 11, 2022, Staff filed its review and recommendations in response to AEP Ohio's application. For the audit period of January through December 2021, Staff requested documentation as needed to determine that the costs were substantiated and jurisdictional or to conclude that an adjustment was warranted. Staff notes, however, that AEP Ohio has not been able to support its application in the time available. Staff proposes to keep working with AEP Ohio on the outstanding issues, while continuing the investigation and review of documentation supporting the revenues and expenses within the audit period. Staff adds that it will file a supplemental letter addressing its findings once the review is complete. In order to minimize any potential under-recovery, Staff recommends that the rates proposed in the application be approved to take effect with the first billing cycle of April 2022, subject to Staff's continued review and any future adjustments in Staff's supplemental letter.

{¶ 10} The Commission finds that AEP Ohio's application to update the BPCR should be approved, subject to Staff's continued review and any positive or negative adjustments that may be recommended by Staff. We note that AEP Ohio's application proposes an increase in the BPCR, which is partly due to an under-recovery of the Company's transmission costs. In order to avoid further exacerbation of the under-recovery, we find that it is appropriate to approve the proposed BPCR rate adjustment at this time, while Staff continues to work with the Company to complete the audit of the rider. Therefore, in accordance with Staff's recommendations, AEP Ohio's proposed BPCR rates should be approved, subject to audit, and become effective with the first day of the April 2022 billing cycle. The Commission notes that all BPCR costs and recoveries may be subject to further

² On March 22, 2022, the Ohio Consumers' Counsel (OCC) filed a motion to intervene out of time. Ohio Adm.Code 4901-1-12(B)(1) provides that any party may file a memorandum contra within 15 days after service of a motion. In order to afford the parties to this proceeding the full response period provided under the rule, the Commission will not address OCC's motion at this time.

adjustments following Staff's ongoing audit and the audit in AEP Ohio's next BTCR update proceeding. Finally, at this time, we find that it is unnecessary to hold a hearing in this matter.

III. ORDER

{¶ 11} It is, therefore,

{¶ 12} ORDERED, That the motions for intervention filed by OEG, IEU-Ohio, and OMAEG be granted. It is, further,

{¶ 13} ORDERED, That AEP Ohio's application be approved, subject to Staff's recommendations. It is, further,

{¶ 14} 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,

{¶ 15} ORDERED, That the effective date of the new tariffs shall be a date not earlier than the first day of the April 2022 billing cycle, and the date upon which the final tariff pages are filed with the Commission. It is, further,

{¶ 16} 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,

{¶ 17} 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

Dennis P. Deters

SJP/mef

**This foregoing document was electronically filed with the Public Utilities
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Case No(s). 22-0041-EL-RDR

Summary: Finding & Order approving, subject to Staff's recommendations, Ohio Power Company d/b/a AEP Ohio's application to update its basic transmission cost rider electronically filed by Ms. Mary E. Fischer on behalf of Public Utilities Commission of Ohio