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March 14, 2023

Barcy F. McNeal  
Docketing Division Chief  
Public Utilities Commission of Ohio  
180 East Broad Street  
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*Re: In the Matter of the Application of Ohio Power  
Company to Update Its Basic Transmission Cost  
Rider, Case No. 23-57-EL-RDR*

Dear Ms. McNeal:

On January 17, 2023, AEP Ohio initiated this docket by filing its application for update the BTCR in accordance with the normal process for adjusting and reconciling this rider. On March 7, 2023, the Company filed a revision that corrected an error in the original application. On March 10, 2023, the Staff filed its report recommending that the amended application be approved effective on the first billing cycle of April 2023. In order to facilitate a complete record, the Company would like to briefly respond to comments filed by the Office of the Ohio Consumers' Counsel (OCC) and the Ohio Manufacturers' Association Energy Group (OMAEG) on February 27, 2023.

OCC and OMAEG launch broad general criticisms relating to the BTCR and the BTCR Pilot, suggesting modifications that they believe should be adopted. (OCC Comments at 1-5; OMAEG Comments at 3-7.) But these comments are either improper collateral attacks or are otherwise not within the scope of this case. This is a rider update (rate adjustment and reconciliation) case, not an opportunity to challenge the existence or reasonableness of the rider itself. The BTCR was most recently adopted in ESP IV, Case Nos. 16-1852-EL-SSO et al. In particular, the Commission continued the BTCR and BTCR Pilot for the term ending May 2024. (*ESP IV*, Opinion and Order at ¶¶ 94-99, 145-147, 204.) Thus, it is inappropriate and simply out of scope for OCC and OMAEG to seek changes to the BTCR and BTCR Pilot in this rider update proceeding.

Regarding OCC's familiar refrain about so-called supplemental transmission projects, in addition to being outside the scope of this proceeding and an improper collateral attack on the BTCR itself, OCC is wrong in suggesting that such investments are not in customer interests or otherwise imprudent. Supplemental Projects include all projects that are not addressing minimum bright-line Transmission Planning criteria. These projects are needed to maintain the existing grid as designed, connect new customers to the grid, satisfy contractual and regulatory requirements, and to meet RTO and industry standards, as set forth in the PJM Operating Agreement. Examples of Supplemental upgrades include interconnection of new retail demand, modification to existing delivery points, replacing failed equipment, proactive replacement of deteriorating assets in poor condition prior to failure, modernization and hardening of the grid, improved operational efficiency and performance, and installation and expansion of supervisory control and data acquisition. Supplemental projects are labeled as such by PJM because they are supplemental (additional) to baseline projects that PJM is responsible for approval. Supplemental projects are the responsibility of transmission owners to meet our fundamental obligation to serve customers reliably. It is a broad category and a lot of investment drivers fall into this bucket.

Finally, OMAEG also identified an error in their comments but that is the same error for this adjustment period already corrected in the Company's amended application in this case and reviewed by Staff. AEP Ohio also committed to working through resolution of the error during prior adjustment periods.

Thank you for your attention to this matter.

Respectfully Submitted,

*//s/ Steven T. Nourse*

cc: Parties of Record

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Summary: Comments Reply Comments. electronically filed by Mr. Steven T. Nourse  
on behalf of Ohio Power Company.