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. 20-95-EL-RDR**

FINDING AND ORDER

Entered in the Journal on March 25, 2020

I. SUMMARY

{¶ 1} The Commission approves, subject to Staff's recommendations, Ohio Power Company d/b/a AEP Ohio's application, as amended, 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 (FERC).

{¶ 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. *In re Ohio Power Co.*, Case No. 16-1852-EL-SSO, et al. (*ESP 4 Case*), Opinion and Order (Apr. 25, 2018) at ¶ 94.

{¶ 6} On January 15, 2020, 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 2020 billing cycle. In the application, AEP Ohio proposes an increase of approximately $235.5 million in the BTCR revenue requirement, which, according to the Company, represents an average increase in the BTCR of 46.93 percent. AEP Ohio notes that the proposed increase reflects an over-recovery, including carrying charges, of approximately $6.7 million.

{¶ 7} In correspondence dated January 16, 2020, AEP Ohio stated that its application also includes the proposed rates for its BTCR pilot program. AEP Ohio noted that, pursuant to the Stipulation in the *ESP 4 Case*, participation for 2020 is limited to average billing demand of 500 megawatts (MW). Because enrollment in the program exceeded the cap, AEP Ohio advised that it would work with the sponsoring parties to complete the reallocation necessary to comply with the Stipulation. AEP Ohio concluded that it would update the proposed rates following the final notification of participation on February 15, 2020.

{¶ 8} On February 21, 2020, AEP Ohio filed an amended application with updated proposed rates. In the amended application, AEP Ohio states that it has notified the sponsoring groups regarding the effect of the pro rata reallocation resulting from the 557

MW subscription for the BTCR pilot program, as referenced in the Company's correspondence dated January 16, 2020.

{¶ 9} 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.

{¶ 10} On March 10, 2020, the Ohio Consumers' Counsel (OCC) filed an untimely motion to intervene in this proceeding. In its motion, OCC did not explain why its motion was filed out of time, request leave to file the motion, or attempt to demonstrate extraordinary circumstances in accordance with Ohio Adm.Code 4901-1-11(F). The Commission notes that this is not the first untimely motion for intervention from OCC in a transmission cost recovery case in recent history. *In re Ohio Edison Co., The Cleveland Electric Illuminating Co., and The Toledo Edison Co.*, Case No. 18-1818-EL-RDR, Finding and Order (Feb. 27, 2019) at ¶¶ 17-22. In light of OCC's failure to attempt to demonstrate extraordinary circumstances, the Commission finds that OCC's motion should be denied. If OCC seeks to intervene in future transmission cost recovery cases, OCC should comply with the filing deadline set forth in Ohio Adm.Code 4901:1-36-03(F).

{¶ 11} On March 12, 2020, Staff filed its review and recommendations, which Staff supplemented on March 16, 2020. In its supplemental review and recommendations, Staff notes that AEP Ohio performed a pro rata allocation of the authorized load and adjusted BTCR rates to ensure that only 500 MW of load is subject to the BTCR pilot program, consistent with the Stipulation in the *ESP 4 Case*. Further, Staff indicates that AEP Ohio included, in the BTCR, $903,852 in charges for PJM Transmission Loss Credits – LSE, which were billed to the Company by PJM, pursuant to a recent FERC decision, for the purpose of reversing credits that the Company had previously received and passed to its customers

through the bypassable transmission cost recovery rider (TCRR). Staff reports that it needs additional time to review this change, FERC's decision, and AEP Ohio's proposed allocation. Staff also notes that the TCRR terminated in May 2016 and that the remaining TCRR balance was recovered through the bypassable auction cost reconciliation rider (ACRR). Staff states that any charges related to service provided under the bypassable TCRR should be recovered on a bypassable basis through the ACRR. Accordingly, Staff recommends that the PJM charges in question be removed from the BTCR and that AEP Ohio request recovery of the charges through the ACRR. Staff adds that AEP Ohio should continue to work with Staff as it completes its review of these charges. Finally, Staff recommends that the schedules in AEP Ohio's application, as amended, be approved, subject to Staff's recommendations, with the new rates to become effective with the first billing cycle of April 2020.

{¶ 12} The Commission finds that AEP Ohio's application to update the BTCR, as amended, is consistent with Ohio Adm.Code Chapter 4901:1-36, does not appear to be unjust or unreasonable, and should be approved, subject to Staff's recommendations filed on March 16, 2020. We also find that it is unnecessary to hold a hearing in this matter. In accordance with Staff's recommendations, AEP Ohio's proposed BTCR rates should be approved, subject to audit, and become effective with the first day of the April 2020 billing cycle. The Commission notes that all BTCR costs and recoveries may be subject to further adjustments following the audit in AEP Ohio's next BTCR update proceeding.

III. ORDER

{¶ 13} It is, therefore,

{¶ 14} ORDERED, That OCC's motion to intervene in this proceeding be denied. It is, further,

{¶ 15} ORDERED, That AEP Ohio's application, as amended, be approved, subject to Staff's recommendations filed on March 16, 2020. It is, further,

{¶ 16} 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,

{¶ 17} ORDERED, That the effective date of the new tariffs shall be a date not earlier than the first day of the April 2020 billing cycle, and the date upon which the final tariff pages are filed with the Commission. It is, further,

{¶ 18} 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,

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

COMMISSIONERS:
Approving:
Sam Randazzo, Chairman
M. Beth Trombold
Daniel R. Conway

SJP/mef

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Case No(s). 20-0095-EL-RDR

Summary: Finding & Order the Commission approves, subject to Staff's recommendations, Ohio Power Company d/b/a AEP Ohio's application, as amended, to update its basic transmission cost rider electronically filed by Heather A Chilcote on behalf of Public Utilities Commission of Ohio