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**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of)
Columbus Southern Power Company for) Case No. 08-917-EL-SSO
Approval of its Electric Security Plan; an)
Amendment to its Corporate Separation)
Plan; and the Sale or Transfer of Certain)
Generation Assets.)

In the Matter of the Application of Ohio)
Power Company for Approval of its) Case No. 08-918-EL-SSO
Electric Security Plan; and an Amendment)
to its Corporate Separation Plan.)

**JOINT MOTION FOR LOCAL PUBLIC HEARINGS
BY
THE OFFICE OF THE OHIO CONSUMERS' COUNSEL, OHIO
ENVIRONMENTAL COUNCIL,
THE SIERRA CLUB OHIO CHAPTER AND
OHIO PARTNERS FOR AFFORDABLE ENERGY**

The Office of the Ohio Consumers' Counsel ("OCC"), Ohio Environmental Council ("OEC"), The Sierra Club Ohio Chapter ("Sierra Club") and Ohio Partners for Affordable Energy ("OPAE") (collectively, "Movant"), on behalf of about 1.3 million electric customers of Columbus Southern Power Company ("CSP") and Ohio Power Company ("OPC") (collectively, "AEP" or "Companies") move for at least seven daytime and evening local public hearings to provide AEP's customers an opportunity to testify in the above-captioned proceedings that relate to AEP's proposed electric security plan, that may change the terms and conditions of electric service and increase rates customers pay for electricity, and other matters. The Public Utilities Commission of

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Ohio ("Commission" or "PUCO") stated that it would schedule local public hearings;¹ the hearings should be scheduled for Columbus, Marietta, Athens, Zanesville, Portsmouth, Lima, and Canton.

The reasons for granting Movant's Motion are further set forth in the attached Memorandum in Support.

Respectfully submitted,

JANINE L. MIGDEN-OSTRANDER
CONSUMERS' COUNSEL



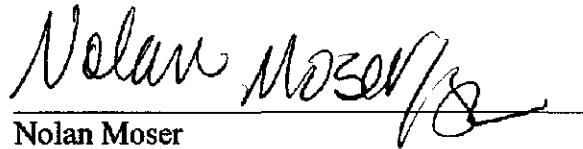
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¹ Applications, July 31, 2008 at 17, 18.



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MEMORANDUM IN SUPPORT

I. INTRODUCTION

On July 31, 2008, AEP filed Applications for approval of the electric security plans (ESP) in Case Nos. 08-917-EL-SSO and 08-918-EL-SSO. The Applications affect AEP's all AEP's electric customers, including almost 1.3 million residential electric service customers in Ohio. Movant requests the PUCO to schedule several day and evening public hearings on these matters in Columbus, Marietta, Athens, Zanesville, Portsmouth, Lima, and Canton.

II. ARGUMENT

A. Transparency and Ohio Statutes.

In the August 5, 2008 Entry in these cases the Attorney Examiner noted that local public hearings would be scheduled.² Because the Applications appear to significantly

² Applications, July 31, 2008 at 17, 18.

impact customer rates, Movant appreciates the PUCO's intention to schedule local hearings. Several day and evening local public hearings will provide AEP's residential utility customers a chance to participate in the state's regulatory process concerning (without limitation) increases in customers' electric rates, deployment of renewable energy, and a determination of AEP's service quality, among other things. Announced principles and statutory language, both general to the ratemaking process and specific to the Application process, support this request by Movant for local public hearings. In addition, the request is supported by Commission precedent.

In August 2007, Ohio's Administration announced seven principles ("Principles") that would guide the development of energy policies, in particular with regard to electricity and electric rates.³ One of the announced Principles was transparency:

"...The electricity market must feature accountability and transparency. Quite simply, customers should be able to understand what they pay for and what they get."⁴

Transparency is ensured when residential customers "understand what they pay for and what they get." Local public hearings allow customers the opportunity to fully participate in the Commission's process. Local public hearings help customers understand AEP's Applications and what they will be required to pay for electricity.

In the Principles it was noted how important it is to include consumers in the process:

"...Consumers deserve equal footing with utilities. Electricity is vital in the lives of every Ohioan and every Ohio company.

³ T. Strickland, *Energy, Jobs, and Progress Proposal*, (2007), <http://www.governor.ohio.gov/News/PressReleases/2007/August2007/News82907/tabid/750/Default.aspx>

⁴ Id.

Therefore, the needs and preferences of our utilities cannot be the PUCO's sole concern."⁵

Toward implementing this principle of transparency, the Commission should allow residential consumers a convenient and important way to learn more about the Applications, and to express their opinions directly to the Commission as part of the overall record. The Commission should schedule local public hearings.

In addition to the announced Principles guiding Ohio's overall approach to ensuring affordable and stable electric rates, existing general statutory language is consistent with public participation. R.C. 4901.12 states that all proceedings and records of the Commission are public records. The plain language of this statute conveys that public scrutiny and involvement in Commission hearings and decisions are encouraged.

In addition, R.C. 4903.13 states the imperative that "[a]ll hearings shall be open to the public." In this case, local hearings will help ensure that the hearing process is "open to the public." These proceedings, in order to truly be open to the public, should include local public hearings as part of the evidentiary record. This provides electric customers an opportunity to participate in the hearing process who might otherwise be unable to reasonably attend hearings in Columbus.

B. The PUCO's Past Scheduling of Local Public Hearings for Electric Transition Plans and Rate Stabilization Plans Provides Precedent for Local Public Hearings in this Case.

During periods of statutory change and transition, the PUCO scheduled and held several local public hearings in order to provide the opportunity for public comment:

Pursuant to recently adopted rules, the Commission has scheduled public hearings on each of the utilities' transition plan applications. The Commission also wishes to hold local public hearings in each

⁵ Id.

of the utilities' service territories to provide the public the opportunity to comment on the transition plans for the utilities' provision of retail electric service in Ohio.⁶

Thus, in the electric transition plan cases, the Commission gave the public an opportunity to comment on each company's plan.

Several local public hearings were also scheduled in the rate stabilization plan cases that preceded the end of the market development period. The Commission scheduled local public hearings to provide the public an opportunity to comment:

"...The Commission believes that [...] a hearing on the application is warranted to provide affected parties an opportunity to express their views on the applications."⁷

In both the transitional period after the passage of Senate Bill 3, and later in advance of the rate stabilization plans, the PUCO determined it was necessary to allow consumers to voice comments at several local public hearings because they were affected by changes in their electric rates. Ohio is in another transitional period with electric service and prices. Support for this motion and the PUCO's stated intent to schedule local public hearings is provided by administration Principles, statutory requirements and obligations, and Commission procedural precedent.

⁶ *In the Matter of the Application of First Energy Corp. on Behalf of Ohio Edison Company, The Cleveland Electric Illuminating Company, and the Toledo Edison Company for Approval of Their Transition Plan and for Authorization to Collect Transition Revenues*, Case No. 99-1313-EL-ETP et al, Entry at 2 (May 2, 2000). Note: This Entry lists all local public hearings for each of the companies that filed transition plans.

⁷ *In the Matter of the Applications of Ohio Edison Company, The Cleveland Electric Illuminating Company and The Toledo Edison Company for Authority to Continue and Modify Certain Regulatory Accounting Practices and Procedures, for Tariff Approvals and to Establish Rates and Other Charges Including Regulatory Transition Charges Following the Market Development Period*, Case No. 03-2144-EL-ATA et al, Entry at 3 (October 28, 2003).

C. Movant Recommends that the PUCO Hold Local Hearings in at Least Seven Locations and Publish Notice in Advance that Includes a Summary of Major Issues.

It has been Commission practice⁸ to schedule day and evening public hearings within a close proximity of the Company's customers. State officials and AEP then travel to the hearing location to hear customers' concerns.⁹ Movant has reviewed AEP's customer base, both in terms of population density and geographic location, and accordingly requests that the Commission schedule seven local public hearings as follows: Marietta; Portsmouth; Zanesville; Canton; Lima; Athens; and Columbus.

The seven locations listed above constitute population centers throughout AEP's customer service area. Due to AEP's size and location, these seven public hearings are appropriate and provide AEP's customers an opportunity to be heard.

The notice to customers should include a listing of major issues, as in various other cases before the Commission. The major issues affecting residential customers in these cases are numerous:

- What is a fair case process and timeline that should be used for the parties and the public to participate in the development of the electric utility's rate plan?
- Based on Ohio's new electric policy law, what rates are reasonable for the electric utility to charge customers?
- Before the PUCO accepts any proposal for customers to be required to pay for electric rate discounts that are provided to businesses in order to promote economic development, what eligibility criteria should be used to ensure that discounts are in the public interest and what standards should be used to measure whether the economic development benefits are achieved?

⁸ R.C. 4903.083, "At least one such public hearing shall be held after 5:00 p.m."

⁹ See *In the Matter of the Application of Ohio American Water Company to Increase its Rates for Water and Sewer Services Provided to its Entire Service Area*, Case No. 06-433-WS-AIR, Entry at 1-2 (November 14, 2006). (The attorney examiner found it appropriate to add an additional local public hearing in response to an OCC motion for an additional local public hearing because of the number of customers that would have to travel more than 100 miles to testify at one of the other local public hearings.)

- What will be the process for determining whether an electric utility's profits are significantly in excess of the profits of comparable companies?
- What will be the process for determining how and whether the utility will collect costs from customers when electric service lines need to be extended to reach new homes and businesses?
- Are improvements needed in the quality of the electric utility's service to customers?
- What assurances should be provided to utility customers that rate increases designed to pay for system upgrades will result in improvements in the reliability of electric service and what should the consequences be if the electric utility fails to improve its service?
- What new or advanced technologies should be implemented for meters and other portions of the electric system to help consumers manage their usage and assist the utility in identifying reliability concerns?
- What renewable resources should the electric utility implement to meet the requirements of Ohio's new electric policy law?
- What energy efficiency programs should be implemented by the electric utility and how should those programs be made available for customers?
- How will the utility meet the requirement in the new state law to use renewable energy?

The issues in these Applications affect a total of approximately 1.3 million residential customers of AEP.

To provide sufficient notice to AEP's customers and the public, the PUCO should provide at least 30 days notice prior to the public hearings. This allows AEP's customers to plan their schedules and travel to the hearings. The effectiveness of the public hearings will be diminished without adequate notice.

III. CONCLUSION

The Commission should implement its intention to hold local public hearings regarding these Applications by scheduling seven separate hearing locations to facilitate attendance for the customers who face increased electric costs as a result of the

Applications. Because AEP's service territories encompass a large geographic area, scheduling seven sites for the local public hearings provides AEP's customers an opportunity to participate in these cases that will significantly affect their rates and service.

WHEREFORE, Movant's Motion should be granted.

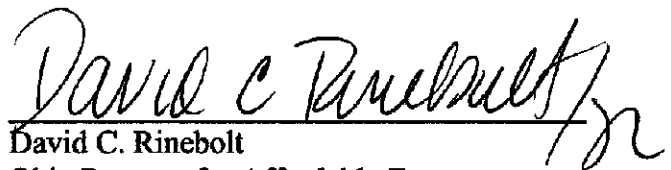
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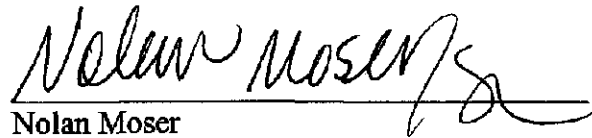


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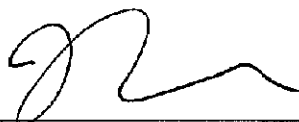
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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Motion for Local Public Hearings was served via electronic transmission to the persons listed below on this 28th day of August, 2008.



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