

FILE

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Commission Review of the
Capacity Charges of Ohio Power Company and
Columbus Southern Power Company.

)
) Case No. 10-2929-EL-UNC
)

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**MOTION TO INTERVENE AND INITIAL COMMENTS OF
THE OHIO HOSPITAL ASSOCIATION**

INTRODUCTION

On November 1, 2010, AEP Electric Power Service Corporation, on behalf of Ohio Power Company and Columbus Southern Power Company (collectively, "AEP Ohio"), filed an application before the Federal Energy Regulatory Commission ("FERC") in FERC Docket No. ER11-1995 et al., seeking authority to change the basis for compensation for capacity costs to a cost-based mechanism and included proposed formula rate templates under which the AEP Ohio would calculate their respective capacity costs. On November 24, 2010, AEP Ohio refiled its application in FERC Docket No. ER11-2183.

On December 8, 2010, the Public Utilities Commission of Ohio ("Commission") issued an Entry stating that it would not adopt the state compensation mechanism at least until after FERC has completed a review. The Commission also and invited interested stakeholders to file comments on three issues set forth in the Entry.

MOTION TO INTERVENE

Pursuant to Ohio Revised Code Section ("R.C.") 4903.221, Ohio Administrative Code ("OAC") Rule 4901-1-11, the Ohio Hospital Association ("OHA") moves for leave to intervene

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in this proceeding. The Public Utilities Commission of Ohio ("Commission") should grant OHA leave to intervene because OHA has a real and substantial interest in this proceeding, and the Commission's disposition of this proceeding may impair or impede OHA's ability to protect that interest.

MEMORANDUM IN SUPPORT

The members of OHA will be affected by the Commission's determination in this matter, and should be permitted to intervene in the above-captioned proceedings because it has real and substantial interests.

OHA is a private nonprofit trade association established in 1915 as the first state-level hospital association in the United States and is the only Ohio trade association representing hospitals with 169 private, state and federal government hospitals and more than 18 health systems. OHA's mission is to be a membership-driven organization that provides proactive leadership to create an environment in which Ohio hospitals are successful in serving their communities. The 50 hospitals receiving electricity from AEP Ohio are OHA members and consume significant amounts of electrical energy, relying on their host electric distribution utilities of the AEP Companies to deliver the electric power necessary to provide patient care. Every hospital, or virtually every hospital, in AEP Ohio's service area is a member of OHA and all OHA member hospitals are posted at <http://www.ohanet.org/Members>.

OHA is concerned that the ultimate resolution of the matters to be addressed in the above-captioned proceeding could have a substantial effect on the electricity costs of OHA members, including the hospitals in the service area of the AEP Ohio, as well as hospital interests in power reliability, adequacy, and demand management. A significant component of hospital costs is electric, estimated at about \$4500 per staffed bed per annum, and such costs are

necessarily passed on to patients, their families, businesses and taxpayers. Additionally, hospitals have somewhat unique electricity load patterns and require reliable electric service on a 24-hour basis very day of the year in order to provide medical care. Pertinent to this proceeding is the additional fact that all hospitals are required by federal regulators and accrediting organization to maintain emergency generators in the event of interrupted utility power, and larger hospitals in particular utilize sophisticated energy management systems and related energy efficiency technology. In sum, communities and individuals depend upon hospitals, hospitals in turn depend upon electric companies to provide reliable service at an affordable rate; the outcome of this case will significantly impact the reasonableness of AEP Ohio's rates charged to hospitals for the foreseeable future.

As a result of the above concerns and hospital characteristics, OHA has a substantial interest in this proceeding that is not adequately addressed by any other party. OHA's participation will enhance the effectiveness of the above proceedings, will not unnecessarily cause delay, and will help ensure that the proceedings in this matter are fair to its membership.


COMMENTS

OHA supports and adopts the Comments filed today, January 7, 2011, by the Ohio Manufacturers' Association ("OMA").

CONCLUSION

Accordingly, OHA respectfully requests the Commission to determine that OHA has a real and substantial interest in this proceeding and should grant its Motion to Intervene pursuant to R.C. 4903.221 and OAC Rule 4901-1-11. Furthermore, OHA respectfully requests that the Commission adopt the recommendations set forth in OMA's comments.

Respectfully submitted on behalf of
OHIO HOSPITAL ASSOCIATION



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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing Motion to Intervene was served upon the parties of record listed below this 7th day of January 2011 *via* first class mail.


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