

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Commission Review of)
the Capacity Charges of Ohio Power) Case No. 10-2929-EL-UNC
Company and Columbus Southern Power)
Company)

ENTRY

The attorney examiner finds:

- (1) On November 1, 2010, AEP Electric Power Service Corporation (AEP), on behalf of Ohio Power Company and Columbus Southern Power Company (AEP-Ohio or the Companies), filed an application with the Federal Energy Regulatory Commission (FERC) in FERC Docket No. ER11-1995. At the direction of FERC, AEP refiled its application in FERC Docket No. ER11-2183 on November 24, 2010. The application proposes to change the basis for compensation for capacity costs to a cost-based mechanism and includes proposed formula rate templates under which the Companies would calculate their respective capacity costs under Section D.8 of Schedule 8.1 of the Reliability Assurance Agreement.
- (2) On December 8, 2010, the Commission found that an investigation was necessary in order to determine the impact of the proposed change to AEP-Ohio's capacity charges. Consequently, the Commission sought public comments regarding the following issues: (1) what changes to the current state mechanism are appropriate to determine the Companies' FRR capacity charges to Ohio competitive retail electric service (CRES) providers; (2) the degree to which AEP-Ohio's capacity charges are currently being recovered through retail rates approved by the Commission or other capacity charges; and (3) the impact of AEP-Ohio's capacity charges upon CRES providers and retail competition in Ohio. The Commission invited all interested stakeholders to submit written comments to the proceeding within 30 days of issuance of the entry and to submit reply comments within 45 days of the issuance of the entry.
- (3) On January 20, 2011, AEP-Ohio filed a motion to stay the reply comment period and to establish a procedural schedule for hearing, as well as for an expedited ruling. In the alternative,

AEP-Ohio requested an extension of the deadline to file reply comments until January 28, 2011. In support of its motion, AEP-Ohio asserts that, due to recent rejection of AEP-Ohio's application by FERC based on the "existence of a state compensation mechanism," it will be necessary for the Commission to move forward with an evidentiary hearing process to establish the state compensation mechanism. AEP-Ohio argues that, in light of this recent development, the parties need more time to file reply comments.

- (4) The attorney examiner finds that AEP-Ohio's motion to extend the deadline to file reply comments is reasonable and should be granted. Accordingly, the January 24, 2011 deadline to file reply comments shall be extended to February 7, 2011. The extension of the deadline applies to all interested stakeholders. In addition, AEP-Ohio's motion for the Commission to establish a procedural schedule for hearing shall be considered after the reply comment period has concluded.


It is, therefore,

ORDERED, That AEP-Ohio's motion for extension be granted and the reply comments be filed by February 7, 2011. It is, further,

ORDERED, That a copy of this entry be served upon all parties of record.

THE PUBLIC UTILITIES COMMISSION OF OHIO

By: 
Mandy L. Willey
Attorney Examiner

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Entered in the Journal

JAN 21 2011



Renee J. Jenkins
Secretary