

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of)
Columbus Southern Power Company and)
Ohio Power Company for Authority to) Case No. 11-346-EL-SSO
Establish a Standard Service Offer Pursuant) Case No. 11-348-EL-SSO
to Section 4928.143, Revised Code, in the)
Form of an Electric Security Plan.)

In the Matter of the Application of)
Columbus Southern Power Company and) Case No. 11-349-EL-AAM
Ohio Power Company for Approval of) Case No. 11-350-EL-AAM
Certain Accounting Authority.)

ENTRY

The attorney examiner finds:

- (1) Columbus Southern Power Company (CSP) and Ohio Power Company (OP) (jointly, AEP-Ohio) are public utilities as defined in Section 4905.02, Revised Code, and, as such, are subject to the jurisdiction of this Commission.
- (2) On January 27, 2011, AEP-Ohio filed an application for a standard service offer (SSO) pursuant to Section 4928.141, Revised Code. The application is for an electric security plan (ESP) in accordance with Section 4928.143, Revised Code.
- (3) As part of the application, AEP-Ohio filed a request for three waivers. First, AEP-Ohio has proposed to establish a new nonbypassable Generation Resource Rider (GRR) to collect the costs associated with AEP-Ohio's investment in generating facilities pursuant to Section 4928.143(B)(2)(c), Revised Code. AEP-Ohio's proposed Turning Point solar project would be the first capacity addition to be included in the GRR. AEP-Ohio states that it has not yet determined the proposed rate level for the nonbypassable charge for the life of the facility, as the final terms of the definitive agreements are still the subject of confidential negotiations. AEP-Ohio proposes to make a separate filing proposing the rate level upon completion of the agreements (Turning Point charge filing). In order to demonstrate the need for the capacity associated with the Turning Point solar project, AEP-Ohio states that it filed a

Supplement to its 2010 Long-Term Forecast Report on December 20, 2010 in Case Nos. 10-501-EL-FOR and 10-502-EL-FOR (LTFR Supplement filing). AEP-Ohio requests that the LTFR Supplement filing be consolidated, for purposes of hearing and decision, with the Turning Point charge filing. To the extent that it is necessary to implement this proposed approach, AEP-Ohio requests a waiver of Rules 4901:1-35-03(C)(3) and 4901:1-35-03(C)(9)(b), Ohio Administrative Code (O.A.C.).

Second, to the extent that the relief requested in AEP-Ohio's application requires a waiver of any other filing requirement found in Chapter 4901:1-35, O.A.C., AEP-Ohio requests such a waiver.

Finally, AEP-Ohio has proposed to create a new optional Green Power Portfolio Rider (GPPR). The GPPR would give customers the option to purchase a certain percentage of their energy usage from renewable resources with the resulting renewable energy credits (REC) being used for AEP-Ohio's compliance with Section 4928.64, Revised Code. Customers that elect this option would be exempt from AEP-Ohio's proposed Alternative Energy Rider (AER), a new bypassable rider intended to recover REC expense. All amounts collected under the GPPR would offset the costs paid by all other customers through the AER. To the extent necessary, AEP-Ohio requests a waiver from the double counting prohibition found in Rule 4901:1-40-01(M), O.A.C., in order to implement this program.

- (4) No memoranda contra AEP-Ohio's request for waivers were filed.
- (5) With respect to AEP-Ohio's request for a waiver of Rules 4901:1-35-03(C)(3) and 4901:1-35-03(C)(9)(b), O.A.C., the attorney examiner finds that AEP-Ohio's request is reasonable and should be granted. However, the granting of this waiver does not relieve AEP-Ohio of its responsibility to provide information related to the Turning Point solar project if, in the determination of the Staff, the information becomes necessary to process the application.

As to AEP-Ohio's request for a general waiver of any other filing requirement found in Chapter 4901:1-35, O.A.C., to the extent that the relief requested in AEP-Ohio's application requires such a waiver, the attorney examiner finds that AEP-Ohio has failed to make a demonstration of good cause for the request and such request is unsupported. Thus, the request should be denied.

Finally, regarding AEP-Ohio's request for a waiver from the double counting prohibition found in Rule 4901:1-40-01(M), O.A.C., as it relates to the GPPR, AEP-Ohio's request is premature. The attorney examiner finds that AEP-Ohio's request should be considered at a later date in conjunction with the Commission's determination of whether the GPPR should be approved as proposed by AEP-Ohio.

- (6) By entry issued February 9, 2011, the attorney examiner set a deadline of March 14, 2011 for filing motions to intervene in these matters and scheduled the evidentiary hearing to begin on July 13, 2011.
- (7) On February 16, 2011, AEP-Ohio filed a motion for continuance of the evidentiary hearing until July 20, 2011. AEP-Ohio states that its lead witness, the president and chief operating officer of AEP-Ohio, has a pre-existing schedule conflict with the first week of the hearing. Further, counsel for AEP-Ohio has communicated with Staff and all parties with a motion to intervene, and no party expressed any objection or opposition to continuing the evidentiary hearing until July 20, 2011. Accordingly, the attorney examiner finds AEP-Ohio's request for a continuance to be reasonable, and, therefore, the evidentiary hearing shall commence on July 20, 2011.
- (8) Timely motions to intervene were filed by the following parties:

Industrial Energy Users-Ohio
Duke Energy Retail Sales, LLC
Ohio Energy Group
Ohio Hospital Association
Ohio Consumers' Counsel
Ohio Partners for Affordable Energy
The Kroger Company

FirstEnergy Solutions Corp.
 Paulding Wind Farm II LLC
 Appalachian Peace and Justice Network
 Ohio Manufacturers' Association Energy Group
 AEP Retail Energy Partners LLC
 Distributed Wind Energy Association
 PJM Power Providers Group
 Constellation NewEnergy, Inc. and Constellation
 Energy Commodities Group, Inc.
 COMPETE Coalition
 Natural Resources Defense Council
 The Sierra Club
 City of Hilliard, Ohio
 Retail Energy Supply Association
 Exelon Generation Company, LLC
 City of Grove City, Ohio
 Association of Independent Colleges and
 Universities of Ohio
 Wal-Mart Stores East, LP and Sam's East, Inc.

- (9) All of the motions to intervene assert a real and substantial interest that is not represented by another party to these matters. Further, each motion asserts that the disposition of these proceedings may impair or impede the party's ability to protect that interest. No party filed a memorandum contra any of the motions to intervene. The attorney examiner finds that all of the motions to intervene are reasonable and should be granted.
- (10) Motions for admission *pro hac vice* were filed by Sandy I-ru Grace and Jesse A. Rodriguez on behalf of Exelon Generation Company, LLC and Holly Rachel Smith on behalf of Wal-Mart Stores East, LP and Sam's East, Inc. No memoranda contra were filed. The attorney examiner finds that these motions are reasonable and should be granted.
- (11) In order to provide customers of AEP-Ohio a reasonable opportunity to provide public testimony in these proceedings, local public hearings will be conducted on the following dates:
 - (a) Monday, June 6, 2011, at 6:00 p.m., at Whetstone Park of Roses Shelter House, 3901 N. High Street, Columbus, Ohio 43214.

- (b) Tuesday, June 7, 2011, at 6:00 p.m., at Glenwood Middle School, Auditorium, 1015 44th Street N.W., Canton, Ohio 44709.
 - (c) Wednesday, June 8, 2011, 6:00 p.m., at Lima Senior High School, 1 Spartan Way, Lima, Ohio 45801.
 - (d) Monday, June 13, 2011, at 6:00 p.m., at Washington State Community College, Arts & Science Building, Harvey Graham Auditorium, 710 Colegate Drive, Marietta, Ohio 45750.
 - (e) Tuesday, June 14, 2011, at 12:30 p.m., at the offices of the Commission, 180 East Broad Street, Hearing Room 11-C, Columbus, Ohio 43215.
- (12) Accordingly, AEP-Ohio should publish notice of the local public hearings one time in a newspaper of general circulation in each county in its certified territory. The notice should not appear in the legal notices section of the newspaper. The notice should read as follows:

LEGAL NOTICE

The Public Utilities Commission of Ohio has scheduled local hearings in Case Nos. 11-346-EL-SSO and 11-348-EL-SSO, *In the Matter of the Application of Columbus Southern Power Company and Ohio Power Company for Authority to Establish a Standard Service Offer Pursuant to Section 4928.143, Revised Code, in the Form of an Electric Security Plan*, and Case Nos. 11-349-EL-AAM and 11-350-EL-AAM, *In the Matter of the Application of Columbus Southern Power Company and Ohio Power Company for Approval of Certain Accounting Authority*. In the application, Columbus Southern Power Company and Ohio Power Company seek Commission approval of an electric security plan filed pursuant to Am. Sub. Senate Bill 221, which was signed into law on May 1, 2008. The bill requires electric utilities to establish a standard service offer and, as part of that process, to file an application for approval of an electric security plan. According to the application, Columbus Southern Power Company's and Ohio Power Company's electric security plan would increase customer rates by approximately 1.4 percent in 2012, 2.7 percent in 2013, and 0 percent from January through

May 2014. In addition, the application proposes investment in capital improvements for the companies' energy delivery systems, energy efficiency initiatives, as well as economic development and job retention programs.

The local hearings are scheduled for the purpose of providing an opportunity for interested members of the public to testify in this proceeding. The local hearings will be held as follows:

- (a) Monday, June 6, 2011, at 6:00 p.m., at Whetstone Park of Roses Shelter House, 3901 N. High Street, Columbus, Ohio 43214.
- (b) Tuesday, June 7, 2011, at 6:00 p.m., at Glenwood Middle School, Auditorium, 1015 44th Street N.W., Canton, Ohio 44709.
- (c) Wednesday, June 8, 2011, 6:00 p.m., at Lima Senior High School, 1 Spartan Way, Lima, Ohio 45801.
- (d) Monday, June 13, 2011, at 6:00 p.m., at Washington State Community College, Arts & Science Building, Harvey Graham Auditorium, 710 Colegate Drive, Marietta, Ohio 45750.
- (e) Tuesday, June 14, 2011, at 12:30 p.m., at the offices of the Commission, 180 East Broad Street, Hearing Room 11-C, Columbus, Ohio 43215.

The evidentiary hearing will commence on July 20, 2011, at 10:00 a.m., at the offices of the Commission, Hearing Room 11-A, 180 East Broad Street, Columbus, Ohio 43215. Further information may be obtained by contacting the Public Utilities Commission of Ohio, 180 East Broad Street, Columbus, Ohio 43215-3793, viewing the Commission's web page at <http://www.puco.ohio.gov>, or contacting the Commission's hotline at 1-800-686-7826.

It is, therefore,

ORDERED, That AEP-Ohio's request for waivers be granted, denied, or held in abeyance in accordance with finding (5). It is, further,

ORDERED, That the evidentiary hearing in these proceedings be continued until July 20, 2011 in accordance with finding (7). It is, further,

ORDERED, That the motions to intervene filed by various parties be granted in accordance with finding (9). It is, further,

ORDERED, That the motions for admission *pro hac vice* filed by various individuals be granted in accordance with finding (10). It is, further,

ORDERED, That local public hearings in these proceedings be held as set forth in finding (11). It is, further,

ORDERED, That AEP-Ohio publish notice of the local public hearings as set forth in finding (12). It is, further,

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

THE PUBLIC UTILITIES COMMISSION OF OHIO

By: Sarah J. Parrot
Sarah J. Parrot
Attorney Examiner

JEG/sc

Entered in the Journal

MAR 23 2011

Renee J. Jenkins

Renee J. Jenkins
Secretary