

BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

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In the Matter of the Application of Ohio Power Company for Approval of the Shutdown of Unit 5 of the Philip Sporn Generating Station and to Establish a Plant Shutdown Rider.

Case No. 10-1454-EL-RDR

CONSOLIDATED MOTION FOR LEAVE TO FILE SUPPLEMENTAL COMMENTS *INSTANTER* AND SUPPLEMENTAL COMMENTS BY THE OFFICE OF THE OHIO CONSUMERS' COUNSEL

JANINE L. MIGDEN-OSTRANDER CONSUMERS' COUNSEL

Ann M. Hotz, Counsel of Record Maureen R. Grady Assistant Consumers' Counsel

Office of the Ohio Consumers' Counsel

10 West Broad Street, Suite 1800 Columbus, Ohio 43215-3485 (614) 466-8574 (Telephone) (614) 466-9475 (Facsimile) hotz@occ.state.oh.us grady@occ.state.oh.us

April 20, 2011

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The Office of the Ohio Consumers' Counsel ("OCC"), on behalf of the nearly 612,000 residential utility customers of Ohio Power Company ("OP" or "Company") moves under Ohio Adm. Code 4901-1-12 and 4901-1-14 for the Public Utilities Commission of Ohio ("PUCO" or "Commission") to grant OCC's motion for leave to file supplemental comments in this proceeding. In this case, the Commission is evaluating whether the Company may collect, from customers, accelerated depreciation and other net-closure costs associated with the early retirement of the Philip Sporn Plant Unit 5 ("Sporn Unit 5").

Initial Comments were filed April 8th and Reply Comments are due on April 22nd by Attorney Examiner Entry dated April 15, 2011. OCC files this Motion to File Supplemental Comments *Instanter* in order to address, for the PUCO's consideration, a recent Supreme Court decision this week that impacts this case. OCC has attached to this motion the supplemental comments that OCC seeks leave to file, so that other parties have the opportunity to address the supplemental comments in their Reply Comments and

so the Commission may consider the supplemental comments for its decision. This

motion is more fully explained in the following memorandum in support.

Respectfully submitted,

JANINE L. MIGDEN-OSTRANDER CONSUMERS' COUNSEL

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Ann M. Hotz, Counsel of Record Maureen Grady Assistant Consumers' Counsel

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MEMORANDUM IN SUPPORT

I. MOTION FOR LEAVE TO FILE SUPPLEMENTAL COMMENTS

The OCC files this motion pursuant to Ohio Adm. Code Section 4901-1-12 for good cause. The Ohio Supreme Court issued a decision yesterday that has significant bearing on this case. The Commission has granted parties authority to file supplemental comments in the past.¹ Attorney Examiners have the authority to issue such procedural rulings, under Ohio Adm. Code 4901-1-14.

OCC has attached to this motion the supplemental comments that OCC seeks leave to file so that other parties have the opportunity to address the supplemental comments in their Reply Comments. Accordingly, the Commission's granting of the motion will not adversely affect a substantial right of any party.

II. COMMENTS

In OCC's Comments filed on April 8, 2011, OCC argued that the company should not collect plant closing costs from customers because the costs have not been identified

¹ See eg., In the Matter of the Commission's Promulgation of Rules for Competitive "Retail Natural Gas Service and its Providers Pursuant to Chapter 4929, Revised Code, Case No. 01-1371-GA-ORD, Entry on Rehearing (April 9, 2002) at 2-3.

under S.B. 221 as a recoverable cost under an electric security plan ("ESP").² The basis for OCC's argument was that plant closing costs were not identified as an item that may be included in an ESP and collected from customers under R.C. 4928.143(B)(2)(a-i). In OCC's comments, OCC noted that provision began with the statement "The plan may provide for or include, without limitation, any of the following, * * *."

OCC concluded that "nowhere in that section are the closing costs of plants * * *.". Additionally, OCC noted "the fact that closing costs of plant were not included is an indication that it was certainly not an item on the minds of the General Assembly as recoverable under an ESP".³

The Supreme Court of Ohio issued a decision *In Re Application of Columbus* Southern Power Co. et al.; Office of the Ohio Consumers Counsel et al.; Public Utilities Commission et al.⁴ on April 19, 2011. In that decision the Court clarified that the phrase "without limitation" under R.C. 4928.143(B)(2) provides substantive limits to what an electric security plan may include. The Court held that the Commission's perception that the list of items under (a-i) are "illustrative, * * * not exhaustive" is in error.⁵ Specifically, the Court held that R.C. 4938.143(B)(2) permits plans to include only the listed items in sections a-i.:

The list limits *the type* of categories a plan my include, while the phrase "without limitation" allows *as many or as much* of the listed categories as the commission finds reasonable—subject to any other applicable limits, which we do not consider here.⁶

⁶ Id.

² OCC Comments at 2-3.

³ OCC Comments at 3.

⁴ Slip Opinion No. 2011-Ohio-1788.

⁵ Id at ¶ 33.

This decision by the Court must be taken into consideration by the Commission because it represents binding authority that cannot be ignored by the PUCO. When the Court's finding is applied to the costs being sought here, it is clear that AEP Ohio's request must be denied. Closing costs are not within any of the listed categories of (B)(2). For that reason, in addition to the reasons set forth in OCC's original comments, the Commission should not allow the Company to collect any of the closing costs of the Sporn Unit.

III. CONCLUSION

For the reasons stated in the above memorandum in support the Commission should grant OCC's Motion for Leave to File Supplemental Comments *Instanter*. Based upon the Supreme Court Decision in *In re Application of Columbus Southern Power Co., et al.,* the Commission should act upon the Supplemental Comments and the decision of the Court, to not allow the Company to collect the closing costs of the Sporn Unit 5 from customers.

Respectfully submitted,

JANINE L. MIGDEN-OSTRANDER CONSUMERS' COUNSEL

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Ann M. Hotz, Counsel of Record Maureen R. Grady Assistant Consumers' Counsel

Office of the Ohio Consumers' Counsel 10 West Broad Street, Suite 1800 Columbus, Ohio 43215-3485 (614) 466-8574 (Telephone) (614) 466-9475 (Facsimile) hotz@occ.state.oh.us grady@occ.state.oh.us

CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing Comments has been served via regular U.S. Mail, postage prepaid, to the following persons on this 20th day of April 2011.

-m.1 Ann M. Hotz

Assistant Consumers' Counsel

SERVICE LIST

Steven T. Nourse American Electric Power corp. 1 Riverside Plaza, 29th Floor Columbus, OH 43215-2373

Samuel C. Randazzo Frank P. Darr Joseph E. Oliker McNees Wallace & Nurick LLC 21 East State St., 17th Floor Columbus, OH 43215

David F. Boehm Michael L. Kurtz Boehm, Kurtz & Lowry 36 East Seventh St., Ste.1510 Cincinnati, OH 45202

Lisa G. McAlister Matthew W. Warnock Bricker & Eckler LLP 100 South Third Street Columbus, OH 43215-4291

Holly Rachel Smith Holly Rachel Smith, PLLC Hitt Business Center 3803 Rectortown Road Marshall, VA 20115 William L. Wright Public Utilities Commission of Ohio 180 E. Broad St., 6th Fl. Columbus, OH 43215

William T. Reisinger Nolan Moser Trent A. Dougherty Ohio Environmental Council 1207 Grandview Avenue, Suite 201 Columbus, OH 43212-3449

Henry W. Eckhart Sierra Club of Ohio 1200 Chambers Rd., #106 Columbus, OH 43212

Kenneth P. Kreider Keating Muething & Klekamp PLL One East Fourth St., Ste 1400 Cincinnati, OH 45202

David C. Rinebolt Colleen L. Mooney Ohio Partners for Affordable Energy 231 West Lima Street Findlay, OH 45839-1793