

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

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

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

ENTRY

The Commission finds:

- (1) On March 18, 2009, the Commission issued its opinion and order in Columbus Southern Power Company's (CSP) and Ohio Power Company's (OP) (jointly, AEP-Ohio or the Companies) electric security plan (ESP) cases (ESP Order).<sup>1</sup> By entries on rehearing issued July 23, 2009 (First ESP EOR) and November 4, 2009 (Second ESP EOR), the Commission affirmed and clarified certain issues raised in AEP-Ohio's ESP Order. As ultimately modified and adopted by the Commission, AEP-Ohio's ESP directed, among other things, that AEP-Ohio be permitted to recover the incremental capital carrying costs that would be incurred after January 1, 2009, on past environmental investments (2001-2008)<sup>2</sup> and approved a provider of last resort (POLR) charge for the ESP period.
- (2) The Commission's decision in the AEP-Ohio ESP cases was appealed to the Ohio Supreme Court. The Ohio Supreme Court determined that Section 4928.143(B)(2), Revised Code, does not authorize the Commission to allow recovery of items not included in the section. The Court remanded the case to the Commission for further proceedings that "the Commission may determine whether any of the listed categories set forth in

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1 In re AEP-Ohio ESP cases, Case Nos. 08-917-EL-SSO and 08-918-EL-SSO, Opinion and Order (March 18, 2009).

2 ESP Order at 24-28; First ESP EOR at 10-14.

Section 4928.143(B)(2), Revised Code, authorize recovery of environmental carrying charges."

- (3) Further, as to the POLR charge approved in the AEP-Ohio ESP cases, the Court declared that concluding that the POLR charge is cost based is against the manifest weight of the evidence, an abuse of the Commission's discretion and reversible error. While the Court specifically stated that "we express no opinion on whether a formula-based POLR charge is per se unreasonable or unlawful," the Court noted two other methods by which the Commission may establish the POLR charge: a non-cost-based POLR charge or evidence of AEP-Ohio's actual POLR costs.
- (4) Pursuant to the Court's decision, the Commission directs AEP-Ohio to file by May 11, 2011, proposed revised tariffs that would remove the POLR charges and environmental carrying cost charges associated with investments made 2001-2008, from the Companies' tariffs.
- (5) In addition, in the event that AEP-Ohio intends to seek a non-cost-based POLR charge or a POLR charge based upon costs or to seek recovery of environmental carrying charges pursuant to the Court's remand, the Commission directs AEP-Ohio to make the appropriate filing in these proceedings and the Commission will establish an appropriate procedural schedule.

It is, therefore,

ORDERED, That AEP-Ohio file proposed revised tariffs as directed in finding (4). It is, further,

ORDERED, That a copy of this entry be served upon all persons of record in these cases.


THE PUBLIC UTILITIES COMMISSION OF OHIO

  
Todd A. Snitchler, Chairman

  
Paul A. Centolella


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Steven D. Lesser

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Andre T. Porter

  
Cheryl L. Roberto

GNS/vrm

Entered in the Journal  
**MAY 04 2011**

  
Betty McCauley  
Secretary