

BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application for )  
Establishment of a Reasonable )  
Arrangement between Marathon )  
Petroleum Company LP and )  
Ohio Power Company. )

Case No. 10-2777-EL-AEC

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**NOTICE OF WITHDRAWAL OF BALANCE OF APPLICATION  
(AE/AER CATEGORY) OF MARATHON PETROLEUM COMPANY LP**

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July 1, 2011

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This proceeding was initiated by Marathon Petroleum Company LP's ("Marathon" or "Company") November 22, 2010 application for approval of a reasonable arrangement ("Application"). Motions to intervene and comments were filed regarding the Application on November 24, 2010 and December 10, 2010 by the Ohio Environmental Council ("OEC") and Ohio Power Company ("OPCo"), respectively.

In the Application, Marathon sought two categories of relief through a proposed reasonable arrangement. The first category included Marathon's energy efficiency and peak demand reduction ("EE/PDR") capabilities (existing and new) which it proposed to commit to OPCo in exchange for an exemption from the cost recovery mechanism that OPCo uses to collect the cost of compliance with this portion of Ohio's portfolio requirements. As specified in the Application, the rider exemption is available to Marathon so long as Marathon's performance, measured *via* the "benchmark method", meets or exceeds the performance targets expressed as percentages in Section 4928.66, Revised Code.

As a result of a Stipulation and Recommendation filed with the Commission on April 4, 2011, the first category of relief was granted by the Commission through an Opinion and Order issued on May 25, 2011 (hereinafter referred to as the "*Opinion and Order*").

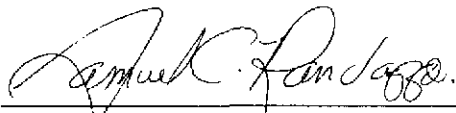
The second category of relief requested in the Application included a total bill discount, a commitment to spend \$2.5 million towards customer-sited projects, a Btu reduction target and other features associated with Marathon's offer to commit its advanced energy ("AE") or alternative energy resource ("AER") capabilities to OPCo for purposes of facilitating compliance with OPCo's AE or AER compliance requirements. The second category of requested relief shall be referred to herein as the "AE/AER Category" as it was in the Stipulation and Recommendation filed in this proceeding on April 4, 2011.

Prior to and following the issuance of the *Opinion and Order*, the Parties engaged in good faith discussions regarding the AE/AER Category. Based on the June 2, 2011 Entry issued in this proceeding, the current and twice-revised procedural schedule requires testimony to be filed on July 6, 2011 and that an evidentiary hearing commence on July 13, 2011.

Marathon greatly appreciates all the time and effort that the Parties have devoted to discussions regarding the balance of the Application dealing with the AE/AER Category. Nonetheless it appears unlikely that these discussions will mature into a settlement that can be presented to the Commission on or before the current due date of testimony or the scheduled commencement of the hearing.

For the reasons expressed above, Marathon hereby withdraws the balance of its Application. More specifically, Marathon is hereby withdrawing that portion of the Application that deals with the AE/AER Category. Such withdrawal is not intended to affect the relief provided by the *Opinion and Order*. Marathon's withdrawal is without prejudice to any future effort by Marathon to seek or secure the relief requested in the Application with regard to the AE/AER Category.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Samuel C. Randazzo", is written over a horizontal line.

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## **CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing *Notice of Withdrawal of the Balance of Application (AE/AER Category) of Marathon Petroleum Company LP*, was served upon the following parties this 1st day of July 2011, via electronic transmission, hand-delivery or first class U.S. mail, postage prepaid.



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