

EXHIBIT NO. \_\_\_\_\_

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	)	Case No. 11-348-EL-SSO
Pursuant to §4928.143, Ohio Rev. 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.	)	

SUPPLEMENTAL DIRECT TESTIMONY  
OF  
DAVID M. ROUSH  
ON BEHALF OF  
COLUMBUS SOUTHERN POWER COMPANY  
AND  
OHIO POWER COMPANY

Filed: July 1, 2011

RECEIVED RECORDING DIV  
 2011 JUL -1 PM 3:50  
 10000

This is to certify that the images appearing are an accurate and complete reproduction of a case file document delivered in the regular course of business.  
 Technician Re Date Processed 7/1/2011

BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO  
SUPPLEMENTAL DIRECT TESTIMONY OF  
DAVID M. ROUSH  
ON BEHALF OF  
COLUMBUS SOUTHERN POWER  
AND  
OHIO POWER COMPANY

1   **Q.   PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2   A.   My name is David M. Roush. My business address is 1 Riverside Plaza,  
3       Columbus, Ohio 43215.

4   **Q.   ARE YOU THE SAME DAVID M. ROUSH THAT FILED DIRECT**  
5       **TESTIMONY IN THIS PROCEEDING ON JANUARY 27, 2011?**

6   A.   Yes.

7   **Q.   WHAT IS THE PURPOSE OF YOUR SUPPLEMENTAL TESTIMONY IN**  
8       **THIS PROCEEDING?**

9   A.   The purpose of my supplemental testimony is to provide additional information  
10       regarding the inclusion of the Turning Point Solar Project in the Generation  
11       Resource Rider as discussed on pages 10 and 11 of my direct testimony filed in  
12       this proceeding.

13   **Q.   WHAT EXHIBITS ARE YOU SPONSORING?**

14   A.   I am sponsoring the following exhibits:

15               Exhibit DMR-8       Calculation of Generation Resource Rider

16   **Q.   PLEASE DESCRIBE THE GENERATION RESOURCE RIDER.**

1 A. The Generation Resource Rider (GRR) is a nonbypassable rider designed to  
2 collect the costs associated with AEP Ohio investment in generating facilities in  
3 accordance with Section 4928.143 (B) (2) (c). Since the agreements had not been  
4 finalized at the time of the January 27, 2011 filing, the rider was simply a  
5 placeholder until such time as the Commission approves costs to be recovered.  
6 The Turning Point Solar Project was anticipated to be the first project included in  
7 the GRR.

8 **Q. PLEASE PROVIDE ADDITIONAL INFORMATION REGARDING THE**  
9 **INCLUSION OF THE TURNING POINT SOLAR PROJECT IN THE**  
10 **GRR.**

11 A. As discussed by Company witness Nelson, the first phase of the Turning Point  
12 Solar Project is anticipated to be in service January 1, 2013. Company witness  
13 Nelson has provided an estimated revenue requirement for the first phase costs to  
14 be included in the design of the GRR rates to be effective with the first billing  
15 cycle of January 2013.

16 **Q. PLEASE DESCRIBE THE DESIGN OF THE GRR RATES.**

17 A. The design of the GRR rates must take into account the nature of the costs being  
18 included in the GRR. As discussed by Company witnesses Godfrey and Nelson,  
19 the entire output of the Turning Point Solar Project will be dedicated to meet the  
20 needs of AEP Ohio customers and will contribute to meeting the annually  
21 increasing solar benchmarks established by SB 221 for all AEP Ohio customers.

22 Based upon these facts, the GRR rates for the Turning Point Solar Project  
23 have been designed to allocate GRR costs in proportion to AEP Ohio's base

1 generation rates. A preliminary per kWh rate is then computed for each class.  
2 The preliminary GRR rates are then scaled down to reflect that the rate will apply  
3 to all metered kWh, and not just kWh for customers receiving standard offer  
4 service from the Company. Exhibit DMR-8 shows the GRR calculation for the  
5 Turning Point Solar Project for 2013.

6 **Q. IS THE COMPANY PROPOSING TO RECONCILE THE ACTUAL**  
7 **COLLECTIONS UNDER THE GRR TO ACTUAL COSTS?**

8 A. Yes. The GRR is intended only to recover actual costs. As such the AEP Ohio is  
9 proposing over-/under-recovery accounting as discussed by Company witness  
10 Mitchell. Any over- or under-recovered balances will be included in the annual  
11 calculation of the GRR rate throughout the life of the project.

12 **Q. WHAT IMPACT WILL THE GRR HAVE ON CUSTOMER BILLS?**

13 A. Upon implementation, residential customers using 1,000 kWh of electricity per  
14 month would see a monthly increase of \$0.25.

15 **Q. DOES THIS CONCLUDE YOUR SUPPLEMENTAL DIRECT**  
16 **TESTIMONY?**

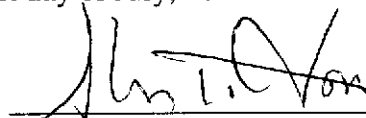
17 A. Yes it does.

## Calculation of Generation Resource Rider

Line No.	Description	Residential	GS-1	GS-2	Area Lighting	Street Lighting	Total
1	Base Generation Revenue By Class						
2		CSP \$ 255,924,889	\$ 5,709,585	\$ 208,206,315	\$ 22,644	\$ 28,017	
3		OPCo \$ 249,139,267	\$ 8,960,825	\$ 357,035,734	\$ 33,066	\$ 43,236	
	Total	\$ 505,064,156	\$ 14,670,410	\$ 565,242,049	\$ 55,710	\$ 71,253	\$ 1,085,103,578
4	Allocation Percentage	46.55%	1.35%	52.09%	0.01%	0.01%	
5	Class Allocation of Revenue Requirement	\$ 3,993,117	\$ 115,987	\$ 4,468,893	\$ 440	\$ 563	\$ 8,579,000
6	Metered MWh (Excluding Shopping)						
7		CSP 7,470,809	225,397	9,696,312	38,379	43,103	
8		OPCo 7,335,377	356,726	18,214,838	56,043	66,516	
	Total	14,806,186	582,123	27,911,149	94,422	109,620	43,503,500
9	Preliminary GRR Rate ¢/kWh	0.02697	0.01992	0.01601	0.00047	0.00051	
10	All Metered MWh						
11		CSP 7,470,811	369,557	13,267,661	55,757	43,214	
12		OPCo 7,335,378	383,767	18,631,190	59,149	66,516	
	Total	14,806,189	753,324	31,898,851	114,905	109,731	47,683,000
13	Preliminary Collection	\$ 3,993,229	\$ 150,062	\$ 5,107,006	\$ 540	\$ 560	\$ 9,251,397
14	Proposed GRR Rate ¢/kWh	0.02500 *	0.01847	0.01485	0.00044	0.00047	
15	Proposed Collection	\$ 3,701,547	\$ 139,139	\$ 4,736,979	\$ 506	\$ 516	\$ 8,578,687
16	Revenue Verification						\$ 313
	* Revised after Revenue Verification						
Line 1	Base Generation Revenue at Proposed 2013 Rates for Columbus Southern Power Company (David M. Roush January 27, 2011 Workpapers, page 3)						
Line 2	Base Generation Revenue at Proposed 2013 Rates for Ohio Power Company (David M. Roush January 27, 2011 Workpapers, page 6)						
Line 3	Line 1 Plus Line 2						
Line 4	Class Base Generation (Line 3) Divided by Total Base Generation						
Line 5	2013 TPS Revenue Requirement from page 2 of Exhibit PJN-4 Multiplied by Line 4						
Line 6	Non-shopping metered MWh Columbus Southern Power Company (David M. Roush January 27, 2011 Workpapers, page 1)						
Line 7	Non-shopping metered MWh Ohio Power Company (David M. Roush January 27, 2011 Workpapers, page 1)						
Line 8	Line 6 Plus Line 7						
Line 9	Line 5 Divided by Line 8 Divided by 10						
Line 10	Total metered MWh Columbus Southern Power Company (David M. Roush January 27, 2011 Workpapers, page 52)						
Line 11	Total metered MWh Ohio Power Company (David M. Roush January 27, 2011 Workpapers, page 52)						
Line 12	Line 10 Plus Line 11						
Line 13	Line 9 Times Line 12 Times 10						
Line 14	Line 9 Times Line 5 Total Divided by Line 13 Total						
Line 15	Line 12 Times Line 14 Times 10						
Line 16	Line 5 Total Minus Line 15 Total						

## CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing Supplemental Direct Testimony of David M. Roush on behalf of Columbus Southern Power Company and Ohio Power Company has been served upon the below-named counsel via First Class mail, postage prepaid, this 1st day of July, 2011.



Steven T. Nourse

William L. Wright  
Werner L. Margard III  
Stephen A. Reilly  
Public Utilities Commission of Ohio  
180 East Broad Street, 6<sup>th</sup> Floor  
Columbus, OH 43215-3793

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

David F. Boehm  
Michael L. Kurtz  
Boehm, Kurtz & Lowry  
36 East Seventh Street, Suite 1510  
Cincinnati, Ohio 45202

Thomas J. O'Brien  
Terrence O'Donnell  
Christopher Montgomery  
Lisa G. McAlister  
Matthew W. Warnock  
Bricker & Eckler LLP  
100 South Third Street  
Columbus, OH 43215-4291

John W. Bentine  
Mark S. Yurick  
Zachary D. Kravitz  
Chester Willcox & Saxbe, LLP  
65 East State Street, Suite 1000  
Columbus, OH 43215

Terry Etter  
Michael E. Idzkowski  
Maureen R. Grady  
Ohio Consumers' Counsel  
10 W. Broad Street Suite 1800  
Columbus OH 43215

Dorothy K. Corbett  
Duke Energy Retail Sales, LLC  
139 East Fourth Street  
1303-Main  
Cincinnati Ohio 45202

Richard L. Sites  
Ohio Hospital Association  
155 East Broad Street, 15<sup>th</sup> Floor  
Columbus, OH 43215-3620

Colleen L. Mooney  
David C. Rinebolt  
Ohio Partners for Affordable Energy  
231 West Lima Street  
Findlay, OH 45840

James F. Lang  
Laura C. McBride  
N. Trevor Alexander  
Calfee, Halter & Griswold LLP  
1400 KeyBank Center  
800 Superior Avenue  
Cleveland, OH 44114

Michael R. Smalz  
Joseph V. Maskovyak  
Ohio Poverty Law Center  
555 Buttlers Avenue  
Columbus, OH 43215

Jay E. Jadwin  
AEP Retail Energy Partners LLC  
155 West Nationwide Blvd, Suite 500  
Columbus, OH 43215

M. Howard Petricoff  
Stephen M. Howard  
Michael J. Settineri  
Vorys, Sater, Seymour and Pease LLP  
52 East Gay Street  
Columbus, OH 43215

Glen Thomas  
1060 First Avenue, Ste. 400  
King of Prussia, PA 19406

Laura Chappelle  
4218 Jacob Meadows  
Okemos, MI 48864

David I. Fein  
Constellation Energy Group, Inc.  
550 W. Washington Blvd., Ste. 300  
Chicago, IL 60661

Cynthia Former Brady  
Constellation Energy Resources, LLC  
550 W. Washington Blvd., Ste. 300  
Chicago, IL 60661

William L. Massey  
Covington & Burling, LLP  
1201 Pennsylvania Ave., NW  
Washington, DC 20004

Joel Malina  
COMPETE Coalition  
1317 F Street, NW, Ste 600  
Washington, DC 20004

Henry W. Eckhart  
Natural Resources Defense Council  
1200 Chambers Road, Ste 106  
Columbus, OH 43212

Shannon Fisk  
Senior Attorney  
Natural Resources Defense Council  
2 N. Riverside Plaza, Suite 2250  
Chicago, IL 60606

Christopher L. Miller  
Gregory H. Dunn  
Asim Z. Haque  
Schottenstein Zox & Dunn Co., LPA  
250 West Street  
Columbus, OH 43215

Sandy I-ru Grace  
Exelon Business Services Company  
101 Constitution Avenue NW  
Suite 400 East  
Washington, DC 20001

Jesse A. Rodriguez  
Exelon Generation Company, LLC  
300 Exelon Way  
Kennett Square, PA 19348

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

Holly Rachel Smith  
Holly Rachel Smith, PLLC  
Hitt Business Center  
3803 Rectortown Road  
Marshall, VA 20115

Steve W. Chriss  
Manager, State Rate Proceedings  
Wal-Mart Stores, Inc.  
2011 SE 10<sup>th</sup> Street  
Bentonville, AR 72716-0550

Mark A. Hayden  
FirstEnergy Service Company  
76 South Main Street  
Akron, OH 44308

Barth E. Royer  
Bell & Royer Co., LPA  
33 South Grant Avenue  
Columbus, OH 43215-3927

Gary A. Jeffries  
Dominion Resources Services, Inc.  
501 Martindale Street, Suite 400  
Pittsburgh, PA 15212-5817

Tara C. Santarelli  
Environmental Law & Policy Center  
1207 Grandview Avenue, Suite 201  
Columbus, OH 43212

E. Camille Yancey  
Nolan Moser  
Trent A. Dougherty  
Ohio Environmental Council  
1207 Grandview Avenue, Suite 201  
Columbus, Ohio 43212-3449

Douglas G. Bonner  
Emma F. Hand  
Keith C. Nusbaum  
SNR Denton US LLP  
1301 K Street NW  
Ste. 600, East Tower  
Washington, DC 20005

Philip B. Sineneng  
Thompson Hine LLP  
41 S. High Street, Ste. 1700  
Columbus, Ohio 43215

Gregory J. Poulos  
EnerNOC, Inc.  
101 Federal Street, Ste. 1100  
Boston, MA 02110