BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Ohio Power Company and Columbus Southern Power Company for Authority to Merge and Related Approvals.	))))	Case No. 10-2376-EL-UNC
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 §4928.143, Ohio Rev. Code, in the Form of an Electric Security Plan.	))))))	Case No. 11-346-EL-SSO Case No. 11-348-EL-SSO
In the Matter of the Application of Columbus Southern Power Company and Ohio Power Company for Approval of Certain Accounting Authority	))))	Case No. 11-349-EL-AAM Case No. 11-350-EL-AAM
In the Matter of the Application of Columbus Southern Power Company to Amend its Emergency Curtailment Service Riders	))))	Case No. 10-343-EL-ATA
In the Matter of the Application of Ohio Power Company to Amend its Emergency Curtailment Service Riders	))))	Case No. 10-344-EL-ATA
In the Matter of the Commission Review of the Capacity Charges of Ohio Power Company and Columbus Southern Power Company.	))))	Case No. 10-2929-EL-UNC
In the Matter of the Application of Columbus Southern Power Company for Approval of a Mechanism to Recover Deferred Fuel Costs Ordered Under Ohio Revised Code 4928.144	)))))	Case No. 11-4920-EL-RDR
In the Matter of the Application of Ohio Power Company for Approval of a Mechanism to Recover Deferred Fuel Costs Ordered Under Ohio Revised Code 4928.144	)))))	Case No. 11-4921-EL-RDR

TESTIMONY OF JOSEPH HAMROCK
IN SUPPORT OF THE STIPULATION AND RECOMMENDATION
ON BEHALF OF
COLUMBUS SOUTHERN POWER COMPANY
AND
OHIO POWER COMPANY

Filed: September 13, 2011

INDEX TO TESTIMONY OF
JOSEPH HAMROCK IN SUPPORT OF THE STIPULATION
AND RECOMMENDATION

BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO
TESTIMONY OF
JOSEPH HAMROCK
IN SUPPORT OF THE STIPULATION AND RECOMMENDATION
ON BEHALF OF
COLUMBUS SOUTHERN POWER
AND
OHIO POWER COMPANY

PERSONAL DATA

Q. WHAT IS YOUR NAME AND BUSINESS ADDRESS?

A. My name is Joseph Hamrock and my business address is 850 Tech Center Drive, Gahanna, Ohio 43230.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am employed by the American Electric Power Service Corporation (AEPSC), a unit of American Electric Power (AEP). My title is President and Chief Operating Officer of AEP Ohio. AEP Ohio is an operating unit of AEP and is comprised of Columbus Southern Power Company (CSP) and Ohio Power Company (OPCo), hereby collectively referred to as AEP Ohio or the Company.

Q. WHAT ARE YOUR RESPONSIBILITIES AS PRESIDENT AND CHIEF OPERATING OFFICER OF AEP OHIO?

A. I am directly responsible for the day-to-day operations of AEP Ohio. As a part of my responsibilities, I oversee and lead AEP Ohio in establishing goals that are designed to support as well as achieve the objectives of the state of Ohio for the benefit of customers and shareholders.

Q. WHAT IS YOUR EDUCATIONAL AND PROFESSIONAL BACKGROUND?

A. I earned a bachelor of engineering degree in electrical engineering in 1985 from Youngstown State University. In 1999, I earned a master's degree in business administration from the Massachusetts Institute of Technology in Cambridge where I was a Sloan Fellow.

I joined AEP in 1986 as an electrical engineer and have worked over the years in transmission and distribution planning as well as commercial and industrial customer services. In Ohio, I am a registered professional engineer and have held several positions including Director-Strategic Development, Executive Assistant to E. Linn Draper Jr. (AEP's former Chairman, President and Chief Executive Officer), Senior Vice President, General Services, and Senior Vice President and Chief Information Officer (CIO). I have served in my current role as President and Chief Operating Officer of AEP Ohio since January 2008.

Q. HAVE YOU PREVIOUSLY SUBMITTED TESTIMONY BEFORE A REGULATORY AGENCY?

A. Yes. I have testified before the Public Utilities Commission of Ohio (Commission) in AEP Ohio's Standard Service Offer (SSO) in the first Electric Security Plan (ESP) cases which are Case No. 08-917-EL-SSO for CSP and Case No. 08-918-EL-SSO OPCo (2009-2011 ESP); the subsequent proposed ESP cases currently pending which are Case No. 11-346-EL-SSO for CSP and Case No. 11-348-EL-SSO for OPCo (2012-2014 ESP); and the pending distribution cases which are Case No. 11-351-EL-AIR for CSP and Case No. 11-352-EL-AIR for OPCo (Distribution Case). Also, I testified before the Commission in the first annual Significantly Excessive Earnings Test (SEET) for 2009 in Case No. 10-1261-EL-UNC, and have submitted testimony in the pending 2010 SEET

Case Nos. 11-4571-EL-UNC and 11-4572-EL-UNC for CSP and OPCo, respectively. Finally, I submitted testimony before the Public Utility Commission of Texas (PUCT) in PUC Docket No. 33309.

PURPOSE OF TESTIMONY

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. The purpose of my testimony is to summarize the provisions of the Stipulation and Recommendation (Stipulation) submitted on September 7, 2011 for the Commission's consideration. The Stipulation provides the basis for resolving a number of pending proceedings involving AEP Ohio, including: its request for authority to merge (Case No. 10-2376-EL-UNC); its application for approval to establish a standard service offer (SSO) in the form of an electric security plan (ESP) and certain related accounting authority (Case Nos. 11-346-EL-SSO, 11-348-EL-SSO, 11-349-EL-AAM, and 11-350-EL-AAM); the Commission's review of the capacity charges that AEP Ohio charges to competitive retail electric service (CRES) providers (Case No. 10-2929-EL-UNC); AEP Ohio’s application to amend its emergency curtailment service tariffs (Case No. 10-343-EL-ATA and 10-344-EL-ATA); and the AEP Ohio’s application, pursuant to §4928.144, Ohio Rev. Code, for approval of a mechanism to recover its deferred fuel costs (Case Nos. 11-4920-EL-RDR and 11-4921-EL-RDR).

My testimony discusses the criteria that the Commission uses when considering settlement agreements and explains how the Stipulation in this proceeding meets those criteria. Specifically, my testimony supports the conclusion that the Stipulation; (1) is the product of serious bargaining among capable, knowledgeable parties; (2) does not violate any important regulatory principle of practice; and (3) as a package, benefits ratepayers and the public interest.

I also support the conclusion, in conjunction with Company witnesses Allen and Thomas that AEP Ohio's proposed ESP, as modified by the Stipulation, including its pricing and other terms and conditions, is more favorable to customers in the aggregate than the expected results that would otherwise apply under a market rate offer (MRO).

Finally, I explain and support the conclusion that the merger of CSP and OPCo will promote the public convenience and result in the provision of adequate service at reasonable rates and charges.

<u>SIGNATORY PARTIES</u>

Q. WHO ARE THE SIGNATORY PARTIES TO THE STIPULATION?

A. Numerous parties representing a variety of diverse interests have signed the Stipulation, including:

- CSP and OPCo;
- the Commission's Staff (Staff);
- industrial customers, namely members of The OMA Energy Group and the Ohio Energy Group (whose members include Aleris International, Inc., Amsted Rail Company, Inc., AK Steel Corporation, ArcelorMittal, USA, BP-Husky Refining, LLC, E.I. DuPont de Nemours & Company, Ford Motor Company, GE Aviation, Proctor & Gamble Co., Linde, Inc., Praxair Inc., Severstal Wheeling and Worthington Industries);

- commercial customers, namely members of The Ohio Hospital Association, The Kroger Co., Wal-Mart Stores East, LLP, and Sam's East, Inc., and The Association of Independent Colleges and Universities of Ohio;
- municipalities, including their residential customers, namely, the City of Grove City, and the City of Hilliard;
- CRES providers, namely Constellation NewEnergy, Inc., LLC, Duke Energy Retail Sales, LLC, AEP Retail Energy Partners LLC, and the Retail Energy Supply Association (whose members include: Champion Energy Services, LLC, ConEdison Solutions, Constellation Energy, Inc.; Direct Energy Services, LLC, Engentrix, Inc, Energy Plus Holdings, LLC, Exelon Energy Company, GDF SUEZ Energy Resources NA, Inc., Green Mountain Energy Company, Hess Corporation, Integrys Energy Services, Inc., Just Energy, Liberty Power, MC Squared Energy Services, LLC, Mint Energy, LLC, MX Energy, NextEra Energy, Noble Americas Energy Solutions, PPL EnergyPlus, LLC; Reliant Energy, TriEagle Energy, L.P.).
- Competitive generation suppliers, including Constellation Energy Commodities Group, Exelon Generation Company, LLC, and the PJM Power Providers Group (whose members include: Public Service Enterprise Group Inc., Exelon Corp., Constellation Energy Group Inc., NextEra Energy Inc., NRG Energy Inc., Calpine Corp., PPL Corp., and GenOn Energy Inc.)
- Alternative energy resource and demand response/energy efficiency providers, including Paulding Wind Farm II, LLC, and EnerNOC; and
- Environmental advocacy groups, namely the Natural Resources Defense Council, Sierra Club, the Ohio Environmental Council, and the Environmental Law and Policy Center.

OVERVIEW OF THE STIPULATION

Q. PLEASE PROVIDE AN OVERVIEW OF THE STIPULATION.

A. The Stipulation addresses and resolves a large number of issues facing AEP Ohio and its customers, and it provides numerous benefits to customers and competitive suppliers. The Stipulation is supported by a broad and diverse group of stakeholders, and it provides a reasonable and steady path to fully competitive markets for supplying electricity to AEP Ohio's customers. By agreeing to corporate separation of AEP Ohio's generation and non-generation functions, along with associated changes to AEP's business model, the path is being cleared for competitive auctions to serve AEP Ohio's Standard Service Offer (SSO) load. I have been advised by counsel that implementing an auction-based SSO is not something the Commission can require of an EDU within an ESP; in that regard, the entire structure of the Stipulation is based on a negotiated result not possible in litigation that will yield a fully competitive SSO rate into the future. AEP Ohio will also switch to PJM's Reliability Pricing Model (RPM), thereby eliminating the distinction between the compensation model for AEP Ohio's generating resources and the compensation model adopted by competitive retail electric suppliers. During the transition, AEP Ohio will provide discounted capacity prices to competitive suppliers for increasing portions of AEP Ohio's generation portfolio in order to support growth of robust competitive supply options for customers and to resolve the pending capacity compensation case for AEP Ohio. The generation prices for SSO customers during this transition will reflect a highly simplified pricing structure that essentially fixes the base generation rate and varies primarily based on the cost of fuel and other components of the FAC rate. With support from the new Distribution Investment Rider (DIR), the

Company will be able to sustain critical investments that benefit customers by maintaining and improving service reliability. Economic development and low income support from AEP shareholder funds are also provided in this stipulation, along with a number of alternative and advanced energy programs. The opportunity for AEP Ohio to build new generating resources that will be dedicated to its retail customers is a noteworthy element of this plan, in that it provides for a path to cost-based generating pricing that can serve as a hedge against potentially volatile market prices. This plan represents a significant number of compromises for the Company, and provides for a balanced outcome for all stakeholders. The Stipulation assures the availability of reliable supplies of power at reasonable and stable rates for AEP Ohio’s generation SSO customers, further enhances competitive opportunities for customers and suppliers, provides stable distribution rates for customers, provides for enhancements, both in the reliability and the manner in which customers can manage their consumption of electric services, promotes economic development, energy efficiency, and alternative energy resources, and provides continued support for low income customer programs.

Q. DOES THE STIPULATION RESOLVE EACH OF THE PROCEEDINGS THAT IT ADDRESSES ON A REASONABLE BASIS?

A. Yes, I believe that each of these proceedings is resolved in an arm’s length negotiated manner that is reasonable and appropriate. Below, I specifically support the Stipulation's recommendation that the ESP, as modified, also should be approved (Case Nos. 11-346-EL-SSO, 11-348-EL-SSO, 11-349-EL-AAM, and 11-350-EL-AAM); and that CSP’s and OPCo’s request for merger authority should be approved (Case No. 10-2376-EL-UNC). Company witness Munczinski supports the reasonableness and appropriateness of the manner in which the Stipulation resolves capacity pricing issues (Case No. 10-2929-EL-UNC). Company witness Roush supports the Stipulation's resolution of the emergency curtailment service rider issues (Case Nos. 10-343-EL-ATA and 10-344-EL-ATA), and Company witness Allen supports its resolution of the recovery of deferred fuel expenses through the Phase-in Recovery Rider (Case Nos. 11-4920-EL-RDR and 11-4921-EL-RDR).

CRITERIA FOR CONSIDERING APPROVAL OF A STIPULATION

Q. WHAT IS THE STANDARD THAT THE COMMISSION HAS USED WHEN CONSIDERING APPROVAL OF A STIPULATION AMONG PARTIES TO PROCEEDINGS?

A. Based on advice of counsel, my understanding is that a stipulation must satisfy a three-part test. The questions that the Commission considers, as I understand it, are: (1) is the stipulation the product of serious bargaining among capable, knowledgeable parties? (2) does the stipulation violate any important regulatory principle or practice? and (3) as a package, does the stipulation benefit ratepayers and the public interest?

The Stipulation Is The Result Of Serious Bargaining Among Capable, Knowledgeable Parties

Q. IS THE STIPULATION SUBMITTED IN THIS CASE THE PRODUCT OF SERIOUS BARGAINING AMONG CAPABLE AND KNOWLEDGEABLE PARTIES?

A. Yes. The Stipulation that has been proposed in this case is the result of a lengthy process of negotiation involving experienced counsel representing members of every affected stakeholder group. In addition, the Stipulating Parties were represented by counsel with many years of experience in proceedings before the Commission.

The Parties met and communicated for over a month before the Stipulating Parties agreed to the Stipulation and Recommendation. AEP Ohio circulated its first proposed settlement term sheet to all of the Parties on August 3, 2011. Between August 3 and August 30, 2011, representatives of AEP Ohio, the Staff, and the Intervening Parties met five times to try and resolve the multiple issues and disagreements between the parties. These meetings involved representatives of every intervening stakeholder group affected by the Stipulation, including industrial, commercial and residential customers, competitive generation suppliers, CRES providers, municipalities, alternative and advanced energy providers, curtailment service providers, and environmental groups. During that time period, AEP Ohio circulated revisions to its proposed term sheet a number of times to all of the Parties. The Staff met separately with representatives of the Intervening Parties without AEP Ohio for a period of nearly a week (starting on August 17) to develop counterproposals to AEP Ohio's proposals.

On August 30, 2011, AEP Ohio, Staff, and numerous intervenor parties filed a joint motion to continue the hearing date, so as to allow for further settlement negotiations. FirstEnergy Solutions Corp., Industrial Energy Users-Ohio, and Ohio Partners for Affordable Energy opposed the motion and chose to stop participating in the settlement negotiations. The Office of the Ohio Consumers Counsel also chose to stop participating in the negotiations at that juncture. Even during this period, AEP Ohio continued to reach out to Parties that were not participating in an attempt to keep an open settlement dialogue. Also during this period, AEP Ohio, the Staff, and the remaining intervenor parties met several more times and considered multiple proposals and counterproposals before ultimately reaching agreement on the Stipulation and Recommendation on September 7, 2011. The day before the Stipulation was finalized, AEP Ohio sent the Stipulation to all Parties and requested a final counter-offer or solicitation for additional discussions.

In sum, throughout this lengthy process, the parties considered and debated the proposals of each customer class and interest group before AEP Ohio, the Staff, and the majority of intervening parties representing a broad cross-section of interests ultimately reached agreement on the Stipulation and Recommendation.

The Stipulation Does Not Violate Any Important Regulatory Principle Or Practice

Q. DOES THE STIPULATION VIOLATE ANY IMPORTANT REGULATORY PRINCIPLE OR PRACTICE?

A. I am not aware of any important regulatory principle or practice with which the Stipulation conflicts. As I explained above, the Stipulation resolves each of the various proceedings that it addresses in a manner that, in my opinion, is reasonable. In addition, none of the individual provisions of the Stipulation is inconsistent with or violates any important regulatory principle or practice. On the contrary, the Stipulation promotes a number of the state policies expressed in Ohio Revised Code 4928.02. Those policies advanced could include but may not be limited to: 1] subsection (A) ensuring the availability to consumers of adequate reliable, safe, efficient, nondiscriminatory, and reasonably priced retail electric service. 2] subsection (C) ensuring diversity of electricity supplies and suppliers, by giving consumers effective choices over the selection of those supplies... 3] subsection (D) encouraging demand side management 4] subsection (G) continuing emergence of competitive electricity markets through the development and implementation of flexible regulatory treatment, and 5] subsection (N) facilitating the state's effectiveness in the global economy.

As A Package, The Stipulation Benefits Ratepayers And The Public Interest

Q. DOES THE STIPULATION AS A PACKAGE BENEFIT CUSTOMERS AND THE PUBLIC INTEREST?

A. Yes. The Stipulation provides numerous benefits for customers and the public interest. Moreover, many of those benefits would not have been achievable absent the Stipulation.

Q. WHAT ARE SOME OF THE SIGNIFICANT QUANTIFIABLE BENEFITS THAT THE STIPULATION PROVIDES TO CUSTOMERS AND STAKEHOLDERS?

A. There are several very significant quantifiable benefits. First Company witness Thomas has estimated that the ESP price benefit alone for non-shopping customers, calculated on a weighted average basis during the ESP, amounts to $1.67/MWH compared to the result expected from an MRO. Company witness Allen has quantified the present value of this pricing advantage, for non-shopping customers, to be $130 million.

Second, the Stipulation also provides for a substantially reduced carrying cost on the unamortized balance of deferred fuel costs to be recovered during the seven-year period 2012-2018 through the Phase-In Recovery Rider. That reduction is a consequence of AEP Ohio's agreement to limit the carrying cost to a long-term debt interest rate, instead of the weighted average cost of capital that included a cost of equity component that the Commission's orders in the prior ESP proceeding authorized for the seven-year amortization and recovery period. [Stip. IV.6.] Mr. Allen has calculated that the savings from this provision will amount to $35.2 million during 2012 and (absent securitization) $153.4 million over the seven-year (2012-2018) amortization and recovery period.

In addition, as part of the Stipulation, AEP Ohio will provide capacity to CRES providers at a significant discount from what it would otherwise be willing to charge. Mr. Allen estimates that the net present value of that discounted capacity pricing over the term of the ESP will amount to $856 million. And, as I describe below, AEP Ohio has agreed to provide funding for the Partnership With Ohio (PWO) initiative of $3 million annually and the Ohio Growth Fund (OGF) initiative of $5 million annually during the term of the ESP.

In the aggregate, Mr. Allen estimates that the net present value of these quantifiable benefits that result from the Stipulation are in excess of $1.1 billion. These are substantial quantifiable benefits that result from the Stipulation.

Q. HOW DOES THE STIPULATION PROMOTE COMPETITION?

A. As I mentioned above, the Stipulation provides a reasonable and steady path to fully competitive markets for supplying electricity to AEP Ohio's customers. By agreeing to corporate separation of AEP Ohio's generation and non-generation functions the path is being cleared for competitive auctions to serve AEP Ohio's SSO load. I have been advised by counsel that implementing an auction-based SSO is not something the Commission can require of an EDU within an ESP; in that regard, the entire structure of the Stipulation is based on a negotiated result not possible in litigation that will yield a fully competitive SSO rate into the future. During the ESP, AEP Ohio will provide discounted capacity prices to CRES providers for substantial and increasing portions of

AEP Ohio’s capacity resources in order to support growth of robust competitive supply options for customers and to resolve the pending capacity compensation case for AEP Ohio. As Company witness Munczinski testifies, the RPM-priced set aside under the Stipulation for 2012 is roughly equal to the entire load of Toledo Edison, for 2013 is roughly equal to the entire load of Dayton Power & Light and for 2014 is roughly equal to the entire load of Duke Energy Ohio. The generation prices for SSO customer during this transition will reflect a highly simplified pricing structure. In short, the Stipulation provides a transition to complete corporate separation and full market pricing for generation services that is materially quicker than what would be possible otherwise, and it provides for transparent and stable pricing during that transition.

Q. DOES THE STIPULATION IMPACT AEP OHIO'S PROPOSALS FOR THE IMPLEMENTATION OF NONBYPASSABLE RIDERS?

A. Yes. Many of the stakeholders were opposed to a number of the existing and proposed nonbypassable generation-related riders included in AEP Ohio's proposed ESP. As part of the Stipulation, AEP Ohio has agreed to withdraw its proposals for the Facilities Closure Cost Recovery Rider, NERC Compliance Cost Recovery Rider, Carbon Capture and Sequestration Rider, Provider of Last Resort Rider (POLR), Environmental Investment Carrying Cost Rider (EICCR), and Rate Security Rider. As a result, except for the Generation Resource Rider, which I describe below, all of these proposed or existing nonbypassable generation-related riders will be withdrawn. [Stip. IV.1.a.] The withdrawal of these proposals, and in particular the elimination of the POLR and EICCR, provides significant rate benefits to customers.

Q. WHY DID AEP OHIO AGREE TO WITHDRAW ITS PROPOSED NONBYPASSABLE RIDERS?

A. AEP Ohio agreed to an overall package that will dramatically change its business model. The request for nonbypassable riders was consistent with AEP Ohio's current business model and its desire to operate with pricing designed to recover costs. However, the Signatory Parties (and the non-Signatory Parties) in the various proceedings detailed above were strongly opposed to such riders. Through the negotiations process, the parties supported AEP Ohio separating its generation assets and transitioning to competitive auctions for standard service offer supply. AEP Ohio's agreement to withdraw the nonbypassable riders is consistent with this transition to market. Elimination of these riders, along with implementation of a fixed base generation rate through the transition plan significantly improves rate stability and predictability for customers, while shifting risks to AEP Ohio. Of particular note, the significant environmental compliance investments AEP Ohio expects to make during the plan will not be associated with a rider designed to track those investments. Nor will AEP Ohio have a nonbypassable rider for recovering plant closure costs. AEP Ohio's agreement to provide fixed base generation rates without such variable rate mechanisms is a significant compromise by the Company, and provides customers with clear stable price signals during the plan. The Stipulation does provide for a new Generation Resource Rider (GRR) which will provide for recovery of AEP Ohio's investments in new generation resources that will be dedicated to serving retail customers.

Q. WHAT DO YOU MEAN WHEN YOU SAY THE STIPULATION INCREASED RISK ASSOCIATED WITH ENVIRONMENTAL OR OTHER OBLIGATIONS?

A. As reported in the June 9, 2011 AEP press release, AEP disclosed the economic, operational and rate impacts associated with a series of regulations proposed by the U.S. Environmental Protection Agency (EPA) that the has proposed to further reduce coal-fueled power plant environmental impacts. According to analyses conducted by AEP's Generation, Corporate Planning & Budgeting, and Environmental Services organizations, the new rules will require the Company to invest $6 billion to $8 billion in capital to add additional environmental controls, upgrade existing controls and build new generation, and will result in the retirement of over 5,900 megawatts (MW) of coal-fired generating capacity. As a result of this Stipulation, the Company is agreeing to absorb its share of the costs of these future investments.

Q. YOU INDICATE ABOVE THAT AEP OHIO IS WITHDRAWING ITS PROPOSED POLR CHARGES. HOW DOES THE STIPULATION MODIFY AEP OHIO'S PROPOSAL FOR PRICING SSO SERVICE FOR SHOPPING CUSTOMERS WHO RETURN TO SSO DURING THE ESP?

A. Consistent with the elimination of the POLR charges, shopping customers who previously waived the POLR charge faced the risk of paying market rates if for some reason they had to return to the electric distribution utility. That risk and the associated decision to determine whether to take that risk are alleviated under the Stipulation. Those who return to the SSO will obtain SSO service at the applicable SSO rate, rather than at market prices, which AEP Ohio had proposed for this ESP. [Stip. IV.1.e.]

Q. WITH REGARD TO SSO GENERATION SERVICE, WHAT BASE GENERATION RATES DOES THE STIPULATION AUTHORIZE AEP OHIO TO CHARGE DURING THE ESP?

A. Automatic annual increases or decreases to the (non-fuel) bypassable base generation rate will be made as necessary to achieve an average rate of $.0245/kWh starting in January of 2012, $.0257/kWh in January of 2013, and $.0272/kWh in January of 2014 to be in effect through May 31, 2015. This provision significantly improves rate stability and predictability for customers, while shifting risks to AEP Ohio.

Notably, with these automatic rate changes (which I am advised by counsel are being implemented under §4928.143(B)(2)(d), Ohio Rev. Code), the only other bypassable generation rates that change for customers during the ESP term prior to implementing auction-based SSO pricing is the Fuel Adjustment Clause (FAC) rate, which currently includes costs associated with the Alternative Energy Rider (AER). [Stip. IV.1.f.]

Q. THE STIPULATION CONTAINS PROVISIONS REGARDING AEP OHIO'S CAPACITY PLAN, INCLUDING STEPS TO ACCELERATE DEVELOPMENT OF OHIO SHALE GAS RESOURCES. PLEASE DESCRIBE HOW THE STIPULATION WOULD IMPLEMENT THIS ASPECT OF THE CAPACITY PLAN.

A. Pursuant to Paragraph IV.2.a of the Stipulation, AEP Ohio has committed to substantial fleet transformation and fuel diversification utilizing Ohio shale gas. In accordance with this key component of the Stipulation, which would not have been possible absent settlement, AEP Ohio will endeavor to enter into competitively priced long-term shale gas contracts for AEP Ohio generation plants with Ohio producers who commit to investment and employment growth in Ohio. Total annual volumes are projected to grow to as much as 60 billion cubic feet (BCF) annually, based upon anticipated consumption by: a new combined cycle gas plant (Muskingum River Unit (MR) 6) (with a capacity of approximately 500 MW) that will replace MR 5, which will be retired; and the existing AEP Ohio gas-fueled generating units, Darby Units 1-6 and the Waterford Energy Center. The costs of the new MR 6 will be recovered, upon approval of a new generation resource recovery (GRR) rider. I am advised by counsel that the GRR is authorized by §4928.143(B)(2)(b) and (c), Ohio Rev. Code. AEP Ohio will file a plan with the Commission by the end of 2012 for retiring MR5 and constructing MR6. After a one-time up-front prudence review, the cost of the shale gas contracts for the existing AEP Ohio gas units will be recovered through the bypassable FAC during the term of the ESP for those non-dedicated generation assets; and through the GRR for the life of the facility for dedicated generation assets, such as MR-6. [Stip. IV.2.a.]

Q. PLEASE DESCRIBE HOW THE STIPULATION PROVIDES SUPPORT FOR THE DEVELOPMENT OF ALTERNATIVE CAPACITY RESOURCES?

A. Another key benefit to Ohio customers that we do not believe could have resulted from litigation is the Signatory parties' and AEP Ohio’s agreement to pursue development of up to 350 MW, in total, of customer sited combined heat and power (CHP), waste energy recovery (WER) and distributed generation resources in its service territory, with the costs to be recovered through an appropriate rider. The details for pursuing this effort will be resolved in a separate proceeding before the Commission, and AEP Ohio has agreed to consult with the Ohio Environmental Council, the Ohio Energy Group, and the Ohio Manufacturers' Association in developing the program, including the cost recovery mechanism within 12-months of the Commission adopting the Stipulation. [Stip. IV.2.c.]

Q. DOES THE STIPULATION ADDRESS THE MANNER IN WHICH THE SIGNIFICANTLY EXCESSIVE EARNINGS TEST WILL BE APPLIED TO AEP OHIO?

A. Yes. Pursuant to the Stipulation the Signatory Parties have agreed that the plan is not likely to lead to significantly excessive earnings, and the SEET ROE threshold during the ESP will be 13.5% (calculated in a manner consistent with the Commission's order in Case No. 10-1261-El-UNC). [Stip. IV.1.g.] Because the proposed ESP term is longer than three years, I am advised by counsel that a different SEET process applies under §4928.143(E), Ohio Rev. Code, whereby the Commission only applies the applicable ROE threshold twice during the ESP term: (i) an initial, up front application through a *pro forma* evaluation, and (ii) in the fourth year of the plan. Both applications of the SEET test should utilize the 13.5% ROE threshold per the Stipulation. Company witness Allen supports the up front *pro forma* earnings projection associated with the proposed ESP. The 13.5% SEET ROE threshold represents a substantial reduction from the level authorized by the Commission in its most recent SEET review proceeding for CSP (17.6%), and consequently represents a significant benefit for customers, worth as much as $120 million (this calculation was provided to me by Company witness Allen).

Q. DOES THE STIPULATION'S PROVISION REGARDING THE DISTRIBUTION INVESTMENT RIDER (DIR) BENEFIT CUSTOMERS THROUGH THE UPGRADING OF SERVICE TO HOSPITALS IN AEP OHIO'S SERVICE TERRITORY?

A. In recognition of the critical importance of reliable electric supply to hospitals, AEP Ohio has committed to work with the Ohio Hospital Association to identify specific distribution circuit that serve hospitals for targeted reliability improvements, subject to maximum investment commitments under the DIR of $5 million per year during the term of the ESP. [Stip. IV.1.n.]

Q. WHAT CONSIDERATION WILL BE GIVEN TO THE DEVELOPMENT OF A RATE DECOUPLING MECHANISM AS A RESULT OF THE STIPULATION?

A. Certain customer groups have advocated for consideration of rate decoupling mechanisms in recent years. As part of the Stipulation, AEP Ohio has agreed to form an advisory group of interested Signatory Parties to discuss and explore a distribution rate decoupling mechanism, including rate design changes for non-demand metered customers. The decoupling advisory group will begin meeting within forty-five days after the Commission's adoption of the Stipulation. [Stip. IV.1.n.]

Q. HOW DOES THE STIPULATION PROVIDE SUPPORT FOR THE PARTNERSHIP WITH OHIO AND THE OHIO GROWTH FUND INITIATIVES?

A. AEP Ohio has agreed to provide funding for the PWO initiative of $3 million annually for the benefit of low-income customers during the ESP term, provided that AEP Ohio's return on equity (ROE) exceeds 10% for the prior calendar year, and such funding will not be recoverable from customers. AEP Ohio agrees to collaborate with Staff for determining the uses of the PWO fund. [Stip. IV.1.u.]

In addition, AEP Ohio will provide funding for the Ohio Growth Fund (OGF) initiative of $5 million annually for the benefit of economic development during the ESP term, provided that AEP Ohio's ROE exceeds 10% for the prior calendar year, and such funding will not be recoverable from customers. An advisory group of interested

Signatory Parties, including Staff, industrial customers and municipal corporations, will be established to assist in developing the framework and criteria for AEP Ohio funding under the OGF. An initial commitment from the OGF will be $50,000 annually over the next three years for the Association of Independent Colleges and Universities of Ohio (AICUO) to utilize either for (i) scholarships in the area of alternative energy, or (ii) for alternative energy upgrades on its college campuses, as part of educational programs on energy efficiency/alternative energy. [Stip. IV.1.v.]

Q. ARE THERE ADDITIONAL BENEFITS WHICH WOULD NOT HAVE BEEN ATTAINABLE IF THE PARTIES TO THE STIPULATION HAD CHOSEN TO LITIGATE?

A. Yes. As detailed in the discussion of Company witness Allen, significant benefits have been achieved for customers not attainable through litigation in the concessions associated with this Stipulation regarding the distribution business. The details are spelled out in the Stipulation and discussed by Company witness Allen, but a notable example includes the Distribution Investment Rider (DIR) that will allow recovery of carrying costs on incremental distribution plant investment. The DIR will allow scaled increases for continued maintenance and improved reliability of AEP Ohio's distribution infrastructure, based on verified and audited capital investments. Investments aligned to Distribution Asset Management and Capacity Additions programs will be included in the DIR. These investments translate into additional reliability benefits for customers.

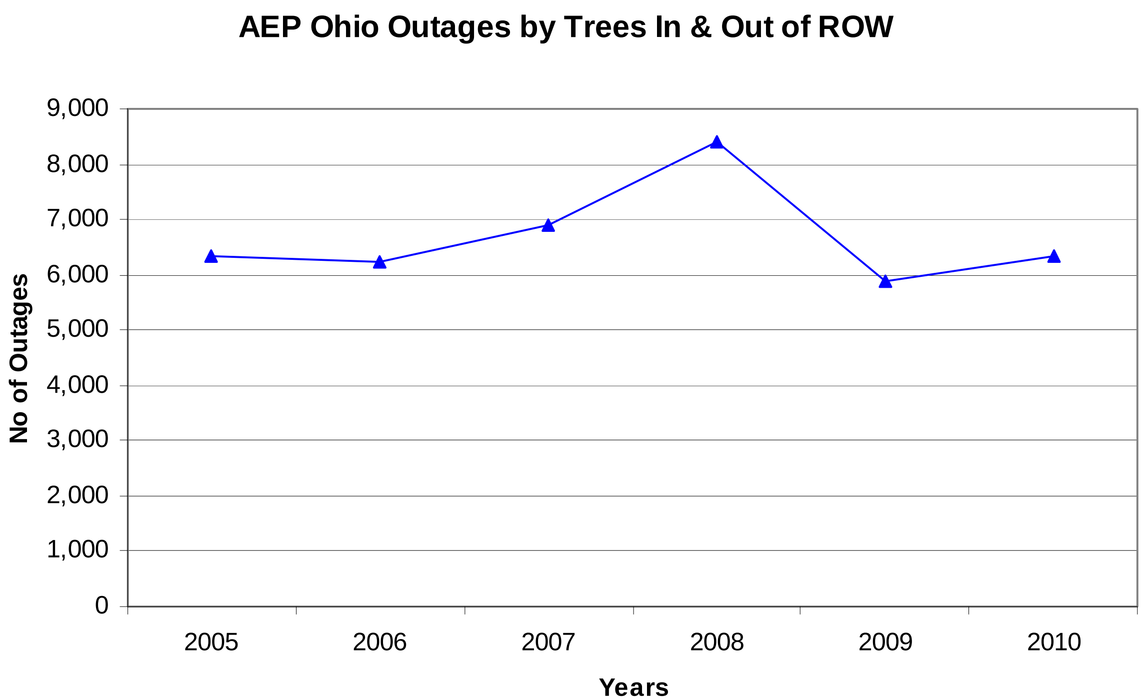
Q. HOW DOES THE STIPULATION AFFECT THE ENHANCED SERVICE RELIABILITY RIDER?

A. The signatory Parties have agreed with AEP Ohio that the Enhanced Service Reliability (ESR) Rider should continue in the manner AEP Ohio has proposed. [Stip. IV. 1.o.] The proposal was to continue the remaining two years of the five year program first proposed in the current ESP approved in Case Nos. 08-917-EL-SSO and 08-918-EL-SSO with an incremental amount above the current base level of O&M expense required to maintain the program going forward. The comprehensive Distribution Asset Management and Capacity Additions programs, the Vegetation Management programs and the use of advanced technologies, such as through the gridSMART® program, have been designed and implemented over the past several years to improve customer service and minimize the impact of service interruptions.

Q. HAVE AEP OHIO CUSTOMERS EXPERIENCED ANY BENEFITS BY INCREASED SPENDING ON VEGETATION MANAGEMENT?

A. Yes. Increased spending since initiation of the Enhanced Service Reliability Rider in the 2008-2010 time periods has led to reductions in tree-caused outages, resulting in improved service reliability. Referring to Chart 1 below, after initiation of the Enhanced Service Reliability Rider in 2009, there was a decline in the number of outages caused by trees.

Chart 1



The Signatory Parties agree that recovery of costs under the Enhanced Service Reliability Rider (ESR) should continue as proposed until the end of the Stipulation period. The total baseline for base spending should be the same $24,200,000 million agreed to with the Staff when applying the first three years of the program. This component of the Stipulation is expected to benefit customers by continuing to improve reliability due to reduced tree related interruptions. [Stip.IV.1.o],

Q. PLEASE DESCRIBE THE PROGRESS OF THE gridSMART® PROGRAM.

A. In the Company's 2009-2011 ESP and the proposed 2012-2014 ESP cases, Company witness Sloneker describes the details of gridSMART®– Phase 1 (Phase 1), which was designed to explore the gridSMART® technologies, develop the communication interfaces, and fine tune the details of the processes for operating the gridSMART® system. The Stipulation implements the Signatory Parties' agreement to first complete and review Phase 1 before submitting and investing in gridSMART®-Phase 2 (Phase 2) programs. Although AEP Ohio originally proposed having the gridSMART® program deployed system wide over a ten-year period, the Signatory Parties have agreed that AEP Ohio will not file a separate application to initiate Phase 2 and beyond for the gridSMART project until completion and review of Phase 1. [Stip. IV.1.h.]

Q. WHAT IMPACT DOES THE STIPULATION HAVE ON THE PROPOSAL FOR AN EXPERIMENTAL PLUG-IN ELECTRIC VEHICLE TARIFF?

A. The Signatory Parties agree that AEP Ohio may implement its proposed plug-in electric vehicle (PEV) tariff, but must absorb the cost of the proposed $2500 allowance per customer for installation of a charging station and a time-of-use meter, and shall not collect those costs associated with this pilot offering from customers. [Stip. IV.1.i.]

Q. HOW DO THESE COMMITMENTS REFLECTED IN THE STIPULATION BENEFIT AEP OHIO'S CUSTOMERS?

A. There are several ways these commitments add value to Ohio residents and communities. The PWO fund has benefitted qualifying low-income customers through assistance in paying their electric bills, and it also has helped support food banks and United Way funded programs that provided targeted assistance to low income households in AEP Ohio's service territory. The OGF resources will be utilized to attract new businesses and provide economic development opportunities within the state. While AEP Ohio has proven its contribution and support of Ohio development and job growth, continued economic development success requires a collaborative effort among legislators, state and local leaders, and business developers across the state. Thus, an advisory group of Signatory Parties will be established to assist in developing a process for allocation of

OGF funds. Additionally, from the OGF, the annual $50,000 commitment to fund either scholarships or projects related to energy efficiency/ alternative energy for Ohio higher education institutions. The continued commitment to maintaining vegetation and instituting the trim cycle will benefit residential customers susceptible to tree related outages. The agreement to delay the implementation of the next phase of the gridSMART® program to better understand the current data and the burden of establishing elements of the PEV tariff is a measured approach that will focus on understanding the customer's needs and motivations.

Q. DOES THE STIPULATION SUPPORT PROGRAMS AND OPPORTUNITIES FOR THE COMMITMENT OF CUSTOMER-SITED RESOURCES, DESIGNED TO HELP AEP OHIO MEET ADVANCED ENERGY RESOURCE AND ENERGY EFFICIENCY AND PEAK DEMAND REDUCTION OBJECTIVES?

A. Yes. Pursuant to the Stipulation, AEP Ohio has agreed to work with Signatory Parties to further develop programs and opportunities for the commitment of customer-sited resources and, in exchange for incentive payments to the customer or exemptions from applicable cost recovery mechanisms, in order to help meet AEP Ohio's advanced energy mandates under §4928.64, Ohio Rev. Code, and its energy efficiency and peak demand reduction mandates under §4928.66, Ohio Rev. Code. In addition, to advance the progress of state energy mandates, AEP Ohio also has committed to the City of Grove City and/or the City of Hilliard, in addition to any Commission approved financial incentives for LED traffic signals and street lighting, to develop a pilot program for: (i) municipally owned LED street lighting and (ii) municipally owned LED traffic signal conversion. AEP Ohio has committed to provide to each City for this pilot program an amount not to exceed $100,000, pursuant to cost recovery that AEP Ohio shall include in its 2012-2014 energy efficiency/peak demand reduction portfolio plan, to be filed with the PUCO under a separate application. This commitment benefits not only the residents of Grove City and Hilliard, but will provide meaningful data for future development of LED projects. [Stip. IV.1.w.]

Q. DOES THE STIPULATION IN THIS PROCEEDING SATISFY EACH ASPECT OF THE THREE-PART TEST?

A. For all of the reasons provided above, the Stipulation satisfies each aspect of that test.

<u>MARKET RATE OFFER (MRO) TEST (STIP. IV.7)</u>

Q. DOES THE ESP, AS MODIFIED BY THE STIPULATION, PASS THE SO-CALLED MRO TEST?

A. Yes. I have been advised by counsel that an application for an ESP should be approved if the Commission finds that the ESP, including its pricing and all other terms and conditions, is more favorable in the aggregate as compared to the expected results that a market rate offer under §4928.142, Ohio Rev. Code, would provide. As further demonstrated below, the ESP being recommended through the provisions of the Stipulation, including its pricing and all other terms and conditions, is more favorable in the aggregate as compared to the expected results of an MRO.

Q. PLEASE EXPLAIN.

A. As I understand it, there are three aspects to the MRO test. The first aspect is the comparison of the ESP pricing to the expected results from an MRO. Company witness

Thomas provides this comparison, and her analysis shows that the pricing of the stipulated ESP is more favorable to customers in the aggregate, compared to what is expected to result from an MRO. Ms. Thomas has estimated that the aggregate ESP price benefit, calculated on a weighted average basis over the ESP, amounts to $1.67/MWH. Company witness Allen has quantified the present value of this pricing benefit, for non-shopping customers, to be $130 million.

The next aspect of the MRO test involves evaluating the other, non-price, benefits that result from the ESP that would not be available under the MRO option. In addition to quantifying the value of the pricing advantage for non-shopping customers, Company witness Allen also quantifies the values of other non-price benefits. He concludes that the quantifiable price and non-price benefits exceed $1.1 billion.

The third aspect of the test considers benefits that are not readily quantified yet are nevertheless of significant value. There are a number of such benefits that result from the stipulated ESP, which I describe below.

All of these factors, taken together, confirm that the stipulated ESP is more favorable in the aggregate as compared to the expected results under an MRO.

Q. WITH REGARD TO THE SECOND ASPECT OF THE MRO TEST, WHAT ADDITIONAL QUANTIFIABLE NON-PRICE BENEFITS DOES THE STIPULATION PROVIDE FOR CUSTOMERS AND STAKEHOLDERS, WHICH WOULD NOT BE EXPECTED TO RESULT FROM AN MRO?

A. In addition to the $130 million of pricing benefits that the stipulated ESP provides for non-shopping customers (referenced above), there are a number of other substantial quantifiable financial benefits that result from the stipulated ESP, compared to what would result from an MRO. For example, the Stipulation provides for a substantially reduced carrying cost on the unamortized balance of deferred fuel costs to be recovered during the seven-year period 2012-2018 through the Phase-In Recovery Rider. That reduction is a consequence of AEP Ohio's agreement to limit the carrying cost to a long-term debt interest rate, instead of the weighted average cost of capital that included a cost of equity component that the Commission's orders in the prior ESP proceeding authorized for the seven-year amortization and recovery period. [Stip. IV.6.] Mr. Allen has calculated (in Exhibit WAA-4) that this provision reduces carrying charges for which customers are responsible by $35.2 million during 2012 and by $153.4 million over the over the seven-year recovery period (2012-2018). On a net present value basis Mr. Allen calculated that this benefit is worth $104 million over the seven-year period. In addition, Mr. Allen has estimated that the benefit of discounting the price of capacity to be provided to CRES providers during the ESP in order to encourage shopping has a present value of $856 million. Finally, Mr. Allen has estimated that the commitments to provide, annually, $3 million for the Partnership with Ohio and $5 million for the Ohio Growth Fund initiatives provide, respectively, present value benefits of $10 million and $17 million that would not be available through an MRO.

I should note that in certain respects these benefits of the Stipulation, are not contained in a specific provision included within the stipulated ESP. However, each of them is directly tied to the ESP. Without agreement to the provisions of the Stipulation, AEP Ohio would not have agreed to any of them. Accordingly, it is appropriate to include each of them among the financial benefits of the ESP that would not be possible through an MRO.

Q. WHAT IS THE TOTAL AMOUNT OF QUANTIFIABLE BENEFITS, INCLUDING THE PRICE AND NON-PRICE BENEFITS, THAT RESULTS FROM AN ANALYSIS OF THE FIRST TWO ASPECTS OF THE MRO TEST?

A. In total, Company witness Allen has calculated that the quantifiable price and non-price financial benefits that result from the stipulated ESP, compared to what would be expected to result from an MRO, amount to more than $1.1 billion.

Q. WHAT BENEFITS, NOT AS READILY QUANTIFIABLE IN TERMS OF FINANCIAL BENEFITS, DOES THE STIPULATED ESP PROVIDE TO CUSTOMERS, COMPARED TO WHAT WOULD RESULT FROM AN MRO?

A. The third aspect of the MRO test, which must be included in the evaluation of whether the ESP in the aggregate is more beneficial than an MRO, is an assessment of the more qualitative benefits of the ESP. There are a number of such benefits that the stipulated ESP provides, compared to what an MRO would provide, and they are significant. For example, for those customers (and marketers and suppliers) that want market-based generation prices sooner, rather than later, the ESP provides an earlier transition to fully market-based prices (about three-and-a-half years) than would be possible through an MRO, which requires a significantly longer period for the transition (at least five years). Although not so readily quantifiable as other benefits, AEP Ohio's agreement to eliminate POLR charges that, in large part, are nonbypassable, is a significant benefit to customers. In addition, as a result of the Stipulation, shopping customers who return during the new ESP, who waived POLR charges while away, may return at the SSO price, as opposed to being subject to market-based pricing for their SSO service upon return. AEP Ohio's commitment to pursue a distribution decoupling mechanism and alternative customer-sited generation resources are yet additional benefits not achievable through the MRO alternative. Furthermore, under an MRO, future environmental costs would be explicitly recovered from customers, yet this stipulated ESP has no such cost recovery mechanism. In addition, through the Stipulation's fixed non-fuel generation rates, customers will have known rate certainty over the transition period. AEP Ohio, on the other hand, faces the exposure to the risk of cost increases over this period which will have to be managed.

Q. IS THE ESP, INCLUDING ITS PRICING AND ALL OTHER TERMS AND CONDITIONS, MORE FAVORABLE IN THE AGGREGATE AS COMPARED TO THE EXPECTED RESULTS OF AN MRO?

A. Yes. The ESP that results from the Stipulation is substantially more favorable than an MRO, in the aggregate, with regard to its pricing, its other quantifiable benefits, and its other less-quantifiable benefits.

<u>**MERGER APPROVAL (STIP. IV.3)**</u>

Q. IN CASE NO. 10-2376-EL-UNC, IN ITS FEBRUARY 9, 2011 ENTRY, THE COMMISSION HELD THAT A REVIEW OF THE MERGER OF CSP AND OPCO "IS NECESSARY TO ENSURE THAT THE MERGER WILL PROMOTE THE PUBLIC INTEREST AND NOT ADVERSELY AFFECT ANY CLASS OF CSP OR OPCO CUSTOMER WITHIN THE COMMISSION'S JURISDICTION." WILL THE MERGER OF CSP AND OPCO PROMOTE THE PUBLIC INTEREST?

A. Yes, it will.

Q. PLEASE EXPLAIN HOW THE MERGER OF CSP AND OPCO WILL PROMOTE THE PUBLIC INTEREST.

A. The merger will promote the public interest in several ways. First, it will eliminate the need to keep two separate sets of records and prepare two separate sets of audited annual financial statements, tax returns, and other financial and regulatory reports. This will reduce the AEP Ohio's administrative costs and the annual fees paid to independent auditors. Second, the merger will lessen the burden on the Commission by eliminating the need to file separate regulatory filings for both CSP and OPCo. Third, the merger should reduce the number of bond issuances, which would reduce the merged Company's rating agency and internal labor expense. Fourth, a larger, merged Company should be more flexible and may be able to more efficiently meet Ohio's advanced energy portfolio standards, Ohio's energy efficiency and peak demand reduction requirements, and current and future mandates for environmental controls. Fifth, the merger will provide a larger customer base and scale, which will reduce barriers to the deployment of new technologies and to conducting research and development projects.

Q. WILL THE MERGER OF CSP AND OPCO ADVERSELY AFFECT ANY CLASS OF CSP OR OPCO CUSTOMER?

A. No, it will not. The merger of CSP into OPCo will have no detrimental impact on the adequacy and reliability of the service that CSP's and OPCo's customers receive. All existing pre-merger regulatory obligations of CSP and OPCo under Ohio law, such as their obligations to comply with the Commission's electric service and safety standards, and each Company's commitments to meet those obligations, will be maintained after the merger, unless and until such obligations are modified in accordance with Ohio law.

And, the merger of CSP and OPCo will have no independent effect on the distribution rates charged to CSP and OPCo's customers, either. After the merger, OPCo will continue to provide retail electric services to customers within the pre-merger certified territories of CSP and OPCo in accordance with the distribution rates, terms, and conditions that were in effect for CSP and OPCo prior to the merger through 2011. CSP and OPCo's transmission rates will be consolidated in January 2012, however, as will CSP and OPCo's generation rates.

<u>INDEX TO THE STIPULATION'S PROVISIONS</u>

Q. PLEASE EXPLAIN WHICH WITNESS FOR AEP OHIO WITNESS IS PRIMARILY RESPONSIBLE FOR EXPLAINING AND SUPPORTING THE PROVISIONS OF THE STIPULATION.

A. Below is an index that explains which Company witness is responsible for explaining each of the Stipulation's provisions.

[THIS SPACE INTENTIALLY LEFT BLANK]

Table 2: Witnesses for the September 7, 2011 Stipulation and Recommendation

Witness	General Subject Area	Section Supported
Joseph Hamrock	General Policy Witness StipulationThree-Part Test MRO Test in the Aggregate Merger Approval Non-fuel g increases, gridSMART, Plug-In Electric vehicle (PEV) pilot	• Stipulation Paragraph IV.1.a. • Stipulation Paragraph IV.1.e. and f. • Stipulation Paragraph IV.1.h. and i. • Stipulation Paragraph IV.1.u.,v., and w. • Stipulation Paragraph IV.2.a.1. • Stipulation Paragraph IV.2.c • Stipulation Paragraph IV.3.
Rich Munczinski	Capacity base charge and Pool modification/termination Securitization	• Stipulation Paragraph IV.1.q. • Stipulation Paragraph IV.1.t. • Stipulation Paragraph IV.2.b • Stipulation Paragraph IV.5.
William Allen	MRO Test Quantification Generation Resource Rider (GRR) Fuel Adjustment Clause (FAC) Distribution Investment Rider (DIR) Shopping Rules Phase-In Recovery Rider (PIRR)/Securitization	• Stipulation Paragraph IV.1.d. • Stipulation Paragraph IV.1.g. • Stipulation Paragraph IV.1.m., n.,o., p. • Stipulation Paragraph IV.2.a.2. • Stipulation Paragraph IV.2.b.2. and 3. • Stipulation Paragraph IV.2.d. • Stipulation Paragraph IV.6.
Peggy Simmons	Timber Road and Turning Pont	• Stipulation Paragraph IV.1.j. •
Dr. Chantale LaCasse	Competitive Bidding Process	• Stipulation Paragraph IV.1.r. • Stipulation Paragraph IV.1.t.
Kelly Pearce	Cost-Based Capacity Charge	• Stipulation Paragraph IV.2.b.1
David Roush	Tariffs and Rate Design for Market Transition Rider (MTR), Green Power Portfolio Rider (GPPR), Alternative Energy Rider (AER) Enhanced Service Reliability Rider (ESR)	• Stipulation Paragraph IV.1.b. and c. • Stipulation Paragraph IV.1.k and l • Stipulation Paragraph IV.1.o. • Stipulation Paragraph IV.1.r. and s. • Stipulation Paragraph IV.4.
Laura Thomas	MRO Price Test	• Stipulation Paragraph IV.7

<u>CONCLUSION</u>

Q. DOES THAT CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes.

CERTIFICATE OF SERIVICE

I hereby certify that a copy of the testimony of Joseph Hamrock was served on the persons stated below via electronic mail, this 13th day of September 2011.

Steven T. Nourse

"Bair, Jodi" <Jodi Bair@puc state.oh.us>
"Bentine, John" <jbentine@cwslaw.com>
"Fortney, Bob" <Bob.Fortney@puc.state.oh us>
"McCarter, Doris" <Doris McCarter@puc.state.oh.us>
"Montgomery, Christopher" <cmontgomery@bricker.com>
"O'Donnell, Terrence" <todonnell@bricker.com>
"Randazzo, Sam" <sam@mwncmh.com>
"Reilly, Stephen" <Stephen.Reilly@puc.state.oh.us>
"Sineneng, Philip" <Philip.Sineneng@thompsonhine.com>
"Wright, Bill" <bill.wright@puc state.oh.us>
aaragona@eimerstahl com
ahaque@szd.com
Amy.Spiller@duke-energy.com
barthroyer@aol.com
callwein@williamsandmoser.com
cmiller@szd com
cmooney2@columbus.rr.com
cvince@sonnenschein.com
cynthia.brady@constellation.com
dakutik@jonesday.com
david fein@constellation com
dbarnowski@sonnenschein.com
dboehm@bkllawfirm com
dclark1@aep com
dconway@porterwright.com
dmeyer@kmklaw.com
doug.bonner@snrdenton.com
drinebolt@aol com
dstahl@eimerstahl com
emma.hand@snrdenton com
etter@occ.state oh.us
fdarr@mwncmh com
gary.a.jeffries@dom.com
gdunn@szd.com
gpoulos@enernoc.com
grady@occ.state.oh us

greta.see@puc.state.oh.us
gthomas@gtpowergroup.com
gwgaber@jonesday.com
haydenm@firstenergycorp.com
henryeckhart@aol.com
holly@raysmithlaw.com
jeff jones @puc state oh.us
jejadwin@aep com
jesse.rodriguez@exeloncorp.com
jestes@skadden.com
jlang@calfee com
jmaskovyak@ohiopovertylaw.org
john.jones@puc.state.oh us
joliker@mwncmh com
jroberts@enernoc.com
kbowman@mwncmh.com
keith.nusbaum@snrdenton.com
korenergy@insight.rr com
kpkreider@kmklaw com
laurac@chappelleconsulting.net
lmcalister@bricker.com
lmcbride@calfee.com
malina@wexlerwalker.com
mhpetricoff@vorys.com
mjsatterwhite@aep.com
mjsettineri@vorys.com
mkurtz@bkllawfirm.com
msmalz@ohiopovertylaw.org
mwarnock@bricker.com
myurick@cwslaw.com
ned.ford@fuse.net
nolan@theoec.org
paul.wight@skadden.com
pfox@hilliardohio.gov
rgannon@mwncmh.com
ricks@ohanet.org
rplawrence@aep.com
sandy.grace@exeloncorp.com
sfisk@nrdc.org
small@occ.oh us
smhoward@vorys.com
stephen.chriss@wal-mart.com
stnourse@aep.com
talexander@calfee.com
Terrance.Mebane@thompsonhine.com>
Thomas Lindgren <thomas.lindgren@puc.state.oh.us

tobrien@Bricker com
trent@theoec.org
tsantarelli@elpc.org
Werner.Margard@puc.state.oh.us
will@theoec.org
wmassey@cov.com
zkravitz@cwslaw com
afreifeld@viridityenergy.com
aehaedte@jonesday.com
amvogel@aep.com
carolyn flahive@thompsonhine com
bingham@occ.state.oh.us
dorothy.corbett@duke-energy.com
jkooper@hess com
BAKahn@vorys.com
lkalepsclark@vorys.com
kguerry@hess com
msinfelt@akllp.com
swolfe@veridityenergy com
ssolberg@eimerstahl com
camille@theoec.org
Daniel.Shields@puc.state.oh.us
dsullivan@nrdc.org
joseph.dominguez@exeloncorp.com
Tammy.Turkenton@puc state oh us
mallarnee@occ state oh us