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November 21, 2011

Betty McCauley
Docketing Division Chief
Public Utilities Commission of Ohio
180 East Broad Street
Columbus Ohio 43215-3793

Matthew J. Satterwhite
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RE: Settlement Agreement 10-~~501~~-EL-FOR and 10-502-EL-FOR

Dear Ms. McCauley:

The Commission Staff, Columbus Southern Power Company and Ohio Power Company have reached a partial settlement in the above captioned cases. Attached please find that settlement agreement. The Signatory Parties will file testimony in support of the Stipulation once a procedural schedule is established to hear the case before the Attorney Examiner.

Thank you for your attention to this matter. Please contact me with any questions.

Cordially,

//ss// Matthew J. Satterwhite

Matthew J. Satterwhite
Senior Counsel

Cc: Parties of Record
Attorney Examiner Price

**BEFORE THE
PUBLIC UTILITIES COMMISSION OF OHIO**

**In the Matter of the Long-Term Forecast)
Report of Ohio Power Company and) Case No. 10-501-EL-FOR
Related Matters.)**

**In the Matter of the Long-Term Forecast)
Report of Columbus Southern Power) Case No. 10-502-EL-FOR
Company and Related Matters.)**

PARTIAL STIPULATION AND RECOMMENDATION

Rule 4901-1-30, Ohio Administrative Code, provides that any two or more parties to a proceeding may enter into a written stipulation covering the issues presented in such a proceeding. The purpose of this document is to set forth the understanding and agreement of the parties that have signed below the Staff of the Public Utilities Commission, Columbus Southern Power Company and Ohio Power Company (hereinafter, the "Signatory Parties") and to recommend that the Public Utilities Commission of Ohio ("Commission") approve and adopt this Stipulation and Recommendation ("Stipulation"), which supports the required findings that need to be made by the Commission concerning the Columbus Southern Power Company and Ohio Power Company (collectively "AEP Ohio") 2010 Long Term Forecast Report ("LFIR") and supporting materials filed in these dockets. The other parties of record participating in the above-captioned cases ("Forecasting Cases") are the Industrial Energy Users-Ohio (filed for intervention on January 28, 2011), and FirstEnergy Solutions Corp. (filed for intervention on February 17, 2011). Those parties were included in consideration of the Stipulation but declined to join as a Signatory Party.

This Stipulation is supported by adequate data and information including, but not limited to:

- AEP Ohio's Application and supporting documentation filed on April 15, 2010,

- AEP Ohio's supplement to the 2010 Long-Term Forecast Report filed December 20, 2010,

- The Transcript of the public hearing held on March 9, 2011 and filed in these dockets on March 21, 2011,

- The notice filed by AEP Ohio on May 27, 2011 to ensure updated forms and formats associated with the report, and

- Testimony that will be filed in this docket in support of the Stipulation.

WHEREAS, the scope of the Forecasting Cases is enumerated in R.C. 4935.04 and limits the issues for hearing to issues related to forecasting;

WHEREAS, all of the enumerated issues required to be addressed by the Commission in the Forecasting Cases have been addressed in the substantive provisions of this Stipulation, and reflect, as a result of such discussions and compromises by the Signatory Parties, and overall reasonable resolution of all such issues;

WHEREAS, all parties were provided notice of an opportunity to participate in settlement discussions, this Stipulation is the product of serious, arm's-length bargaining and negotiations between capable and knowledgeable parties and is not intended to reflect the views or proposals that any individual Signatory Party may have advanced acting unilaterally;

WHEREAS, this Stipulation represents an accommodation of the diverse interests represented by the Signatory Parties and is entitled to careful consideration by the Commission;

WHEREAS, this Stipulation represents a serious compromise of complex issues and involves substantial benefits that would not otherwise have been achievable; and

WHEREAS, the Signatory Parties believe that the agreements herein represent a fair and reasonable solution to the issues raised in the Forecasting Cases concerning AEP Ohio's long-term forecast and associated documents

NOW, THEREFORE, the Signatory Parties stipulate, agree and recommend that the Commission make the following finding and issue its Opinion and Order in these proceedings approving this Stipulation in accordance with the following:

Based on the report information filed in these dockets encompassing the reporting contemplated in R.C. 4935.04, the Signatory Parties agree to the following:

(1) The Commission should make all necessary findings that AEP Ohio's application and subsequent filings in these dockets comply with and satisfy the requirements of R.C. 4935.04 and O.A.C. 4901:5-3 and 4901:5-5 relating to the long-term forecast, resource planning, and related requirements

(2) Based on resource planning projections submitted by AEP Ohio pursuant to R.C. 4928.143(B)(2)(c), and the provisions of 4928.64(B)(2) that require AEP Ohio to obtain alternative energy resources including solar resources located in Ohio, the Commission

should find that there is a need for the 49.9 MW solar facility known as the Turning Point Solar Project ("Turning Point") during the LIFR planning period as described herein

(3) The settlement and resulting Stipulation are a product of serious bargaining among capable, knowledgeable parties with diverse interests and that the settlement, as a package, benefits ratepayers and is in the public interest. The Signatory Parties agree that the settlement package does not violate any important regulatory principle or practice

(4) AEP Ohio's application and supplemental filings listed above in support of the Stipulation shall be deemed part of the record in these cases.

(5) The Stipulation represents a just and reasonable resolution of the issues raised in this proceeding. Although this Stipulation is not binding on the Commission, it is entitled to careful consideration by the Commission as evidence of record in the case. For purposes of resolving all issues raised by the Forecasting Cases, the Signatory Parties stipulate, agree and recommend as set forth below.

(6) Except for purposes of enforcement of the terms of this Stipulation, this Stipulation, the information and data contained therein or attached and any Commission rulings adopting it, shall not be cited as precedent in any future proceeding for or against any Signatory Party or the Commission itself. The Signatory Parties' agreement to this Stipulation, in its entirety, shall not be interpreted in any other proceeding before this Commission as their agreement to any isolated provision of this Stipulation. More specifically, no specific element or item contained in or supporting this Stipulation shall be construed or applied to attribute the results set forth in this Stipulation as the results that any Signatory Party might support or seek, but for this Stipulation in these

proceedings or in any other proceeding. This Stipulation is a reasonable compromise involving a balancing of competing positions and it does not necessarily reflect the position that one or more of the parties would have taken if these issues had been fully litigated.

(7) This Stipulation is expressly conditioned upon its adoption in its entirety and without material modification by the Commission. Should the Commission, either in its initial review or on remand from the Ohio Supreme Court, reject or materially modify all or any part of this Stipulation, the Signatory Parties shall have the right within thirty days of issuance of the Commission's Order, to file an application for rehearing or to terminate and withdraw the Stipulation by filing a notice with the Commission. The Signatory Parties agree they will not oppose or argue against any other Signatory Party's notice of termination or application for rehearing that seeks to uphold the original unmodified Joint Stipulation and Recommendation. If, upon rehearing, the Commission does not adopt this Stipulation in its entirety and without material modification, any Signatory Party may terminate and withdraw from this Stipulation. Termination and withdrawal from the Stipulation shall be accomplished by filing a notice with the Commission, including service to all Signatory Parties, in this proceeding within thirty days of the Commission's Order or ruling on rehearing as applicable. Other Signatory Parties agree to defend and shall not oppose the termination and withdrawal of the Stipulation by any other Signatory Party. Upon the filing of a notice of termination and withdrawal, the Stipulation shall immediately become null and void.

(8) Prior to filing of such a notice, the Signatory Party wishing to terminate agrees to work in good faith with the other Signatory Parties to achieve an outcome that

substantially satisfies the intent of the Stipulation and, if a new agreement is reached that includes the Signatory Party wishing to terminate, then the new agreement shall be filed for Commission review and approval. If the discussions to achieve an outcome that substantially satisfies the intent of the Stipulation and, if a new agreement is reached then the new agreement shall be filed for Commission review and approval. If the discussions to achieve an outcome that substantially satisfies the intent of the Stipulation are unsuccessful in reaching a new agreement that includes all Signatory Parties to the present Stipulation, the Commission will convene an evidentiary hearing such that the Signatory Parties will be afforded the opportunity to present evidence through witnesses and cross-examination, present rebuttal testimony, and brief all issues that the Commission shall decide based upon the record and briefs as if this Stipulation had never been executed.

(9) This Stipulation contains the entire Agreement among the Signatory Parties, and embodies a complete settlement of all claims, defenses, issues and objections in these proceedings. All the Signatory Parties fully support this Stipulation in its entirety and urge the Commission to accept and approve the terms herein.

The undersigned Signatory Parties hereby stipulate and agree and each represents that it is authorized to enter into this Stipulation and Recommendation for cases 10-501-EL-FOR and 10-502-EL-FOR, this 21st day of November 2011.

STAFF OF THE PUBLIC UTILITIES COMMISSION OF OHIO

By: Thomas McNamee *per authority by M.J. Satterwhite*
Thomas McNamee, Assistant Attorney General
Its Attorney

COLUMBUS SOUTHERN POWER COMPANY AND OHIO POWER COMPANY

By: Matthew J. Satterwhite
Matthew J. Satterwhite, Senior Counsel
Its Attorney

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Case No(s). 10-0501-EL-FOR, 10-0502-EL-FOR

Summary: Notice Settlement Agreement electronically filed by Mr. Matthew J Satterwhite on behalf of American Electric Power Service Corporation