

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Commission Review of)
the Capacity Charges of Ohio Power) Case No. 10-2929-EL-UNC
Company and Columbus Southern Power)
Company.)

ENTRY

The Attorney Examiner finds:

- (1) Pursuant to the procedural schedule established in this case, the evidentiary hearing commenced on April 17, 2012, and continued each business day through April 27, 2012. During the hearing, Ohio Power Company (AEP-Ohio or Company) requested, and was granted, leave to file rebuttal testimony. AEP-Ohio's rebuttal testimony was due by noon on May 2, 2012. The hearing is scheduled to reconvene on May 7, 2012 at noon for cross-examination of AEP-Ohio's rebuttal witnesses.
- (2) By entry issued March 7, 2012, the Commission granted AEP-Ohio's request for relief and implemented an interim capacity charge. Thus, the two-tier capacity pricing mechanism proposed by AEP-Ohio in its motion for relief, subject to the clarifications contained in our January 23, 2012, entry, including the clarification to include mercantile customers as governmental aggregation customers eligible to receive RPM-priced capacity, was granted. Under the two-tier capacity pricing mechanism, the first 21 percent of each customer class shall be entitled to tier-one RPM pricing. All customers of governmental aggregations approved on or before November 8, 2011, shall be entitled to receive tier-one RPM pricing. The second-tier charge for capacity shall be at \$255.00 per megawatt (MW) day. In accordance with the March 7, 2012 entry, this interim rate will be in effect until May 31, 2012, at which point the rate for capacity under the state compensation mechanism shall revert to the current RPM in effect pursuant to the PJM base residual auction for the 2012/2013 delivery year.
- (3) On May 1, 2012, Staff filed a motion for an extension of the procedural schedule, a request for leave to file additional Staff testimony, and a motion for expedited ruling. Staff notes that during the cross-examination of Staff witness Harter, AEP-

Ohio requested updated workpapers supporting the Revised Ex. RTH-1 be provided to AEP-Ohio to facilitate the preparation of rebuttal testimony. AEP-Ohio's request was granted and the Staff directed to submit the workpapers to AEP-Ohio by April 30, 2012. Staff states that in the process of collecting the workpapers, it became aware of significant, inadvertent errors in its estimation of the energy credit presented in Staff witness Harter's testimony. Staff reasons that the errors in the determination of the energy credit resulted in an incomplete record. As such, Staff requests leave to file corrective testimony to be filed by May 7, 2012.

Further, Staff proposes that, in order to accommodate the filing of additional Staff testimony and to facilitate rebuttal testimony by the Company, the procedural schedule in this case be revised as follows:

Additional Staff testimony due: May 7, 2012;

Hearing for Staff cross-examination: May 9, 2012;

AEP-Ohio rebuttal testimony due: May 11, 2012;

Hearing for AEP-Ohio rebuttal testimony: May 14, 2012.

- (4) On May 2, 2012, AEP-Ohio filed a response to Staff's motions. AEP-Ohio states that it does not oppose Staff's motion to the extent that additional Staff testimony is, as the motion asserts, to correct the significant, inadvertent errors in Harter's testimony. However, AEP-Ohio contends that it is a violation of the Company's due process rights if Staff is permitted a second, after-the-fact opportunity to present additional testimony through another witness for the purpose of rehabilitating or supplementing Staff witness Harter's written testimony and cross-examination. Should the Commission grant Staff's motion, AEP-Ohio emphasizes that the evidentiary hearing in the Company's electric security plan (ESP) case is scheduled to commence on May 14, 2012, and the Company would prefer to move forward with that proceeding as soon as practicable.
- (5) It is imperative that the Commission have an accurate and complete record to make an informed decision. To that end, it is necessary that we grant Staff's motion for leave to file

additional testimony. The Attorney Examiner also recognizes that granting Staff's request affects the schedule in this matter and the Commission's ability to issue a decision on the merits by May 31, 2012, and acknowledges that Staff's proposed schedule to conduct the hearing on the Company's rebuttal testimony coincides with the commencement of the evidentiary hearing in the Company's ESP 2 proceeding. As noted in the Commission's March 7, 2012, entry, the purpose for initiating this proceeding, separate from the ESP 2 cases, is to fully develop the record to address the issues raised in this matter expeditiously. Accordingly, Staff's additional testimony, along with complete updated workpapers supporting the additional testimony, shall be filed by May 7, 2012. Further, the procedural schedule shall be revised as set forth below:

Hearing for Staff cross-examination: May 9, 2012;

AEP-Ohio rebuttal testimony due: May 11, 2012;

Hearing for AEP-Ohio rebuttal:

Witnesses Allen and Nelson: May 14, 2012;

Other AEP-Ohio witness: May 15, 2012.

The hearing shall reconvene on May 9, 2012, at 10:00 a.m., at the offices of the Commission, 180 East Broad Street, Hearing Room 11-A, Columbus, Ohio.

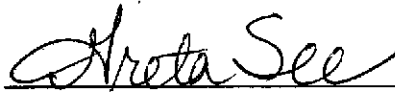
It is, therefore,

ORDERED, That Staff's motion for leave to file additional testimony is granted. Staff's testimony, along with complete updated workpapers supporting the additional testimony, shall be filed by May 7, 2012. It is, further,

ORDERED, That the procedural schedule be amended and the parties comply with the directives as set forth in Finding (5). It is, further,

ORDERED, That a copy of this Entry be served upon all parties of record in this case.

THE PUBLIC UTILITIES COMMISSION OF OHIO

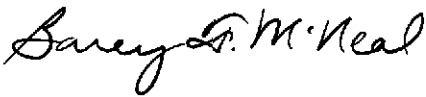


By: Greta See
Attorney Examiner

 vrm

Entered in the Journal

MAY 03 2012



Barcy F. McNeal
Secretary