

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)	

REBUTTAL TESTIMONY OF

WILLIAM A. ALLEN

IN SUPPORT OF AEP OHIO'S

MODIFIED ELECTRIC SECURITY PLAN

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WILLIAM A. ALLEN

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BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO
REBUTTAL TESTIMONY OF
WILLIAM A. ALLEN
ON BEHALF OF
OHIO POWER COMPANY

1 **PERSONAL DATA**

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

3 A. My name is William A. Allen, and my business address is 1 Riverside Plaza,
4 Columbus, Ohio 43215.

5 **Q. DID YOU PRESENT DIRECT TESTIMONY IN THIS PROCEEDING?**

6 A. Yes.

7 **PURPOSE OF TESTIMONY**

8 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

9 A. The purpose of my testimony is to rebut certain claims made by various parties in
10 this case related to the Retail Stability Rider, the Distribution Investment Rider,
11 and the two-tiered capacity pricing mechanism. In addition, I quantify the
12 financial harm to AEP Ohio if certain recommendations of FES witness Banks are
13 adopted. The failure to address any of the positions of the various parties in this
14 case should not be interpreted as agreement by the Company with those positions.

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

16 A. I am sponsoring the following exhibits:

17 Exhibit WAA-R1 RSR Should Not Use 2013 Projected ROE

18 Exhibit WAA-R2 AEP Ohio Response to OCC Interrogatory 146

19

1 **RETAIL STABILITY RIDER**

2 **Q. SEVERAL PARTIES IN THIS CASE HAVE PROVIDED THEIR**
3 **UNDERSTANDING OF THE PURPOSE OF THE PROPOSED RSR AND**
4 **DESCRIBED HOW THEY BELIEVE THE PROPOSED RSR WORKS.**
5 **BASED UPON YOUR REVIEW OF THE TESTIMONY OF THESE**
6 **PARTIES HAVE THERE BEEN INACCURATE STATEMENTS**
7 **REGARDING THE PURPOSE AND MECHANICS OF THE RSR?**

8 A. Yes. There are several inaccuracies stated by other parties about the proposed
9 RSR. These include:

- 10 1) that the RSR provides a guaranteed 10.5% ROE for the Company;
11 2) that the 2011 ROE used to develop the target revenues should be based
12 on a lower ROE such as the 2013 projected earnings as shown in Exhibit
13 OJS-2; and
14 3) that the credit for shopped load is significantly understated.

15 **Q. DOES THE RSR GUARANTEE AEP OHIO A 10.5% ROE AS STATED**
16 **BY OMA WITNESSES FORSHEY, JOHNSON AND WALTER, AS WELL**
17 **AS FES WITNESS DR. LESSER?**

18 A. No. The RSR is designed to provide a stable level of non-fuel generation
19 revenues that would have allowed AEP Ohio to earn a 10.5% ROE in 2011. On
20 that basis, the RSR's target level of revenue was demonstrated to be \$929M
21 annually in my direct testimony. The \$929M target level of annual revenue
22 includes a reduction of \$107M from the actual level of non-fuel generation
23 revenue collected in 2011. Just because the RSR was designed to produce non-

1 fuel generation revenues consistent with a 10.5% ROE based on conditions
2 present in 2011, that does not mean that total company earnings in future years
3 will be equal to 10.5%; operation of the RSR only involves decoupling of the
4 non-fuel generation revenue and there are many other factors that affect total
5 company earnings. Indeed, as shown in Company witness Sever's Exhibit OJS-2,
6 the projected ROEs for AEP Ohio in 2012 and 2013 are 9.5% and 7.5%,
7 respectively. Exhibit OJS-2 is a *pro forma* projection of AEP Ohio's earnings
8 based upon all of the elements of the Company's proposed ESP, including the
9 RSR. These projected earnings clearly demonstrate that the RSR does not
10 guarantee the Company will earn a 10.5% ROE. Rather, the Company's
11 projections affirmatively demonstrate that AEP Ohio will likely earn an ROE
12 substantially below 10.5%. Even with the RSR the Company is at risk of not
13 earning the ROEs projected by Company witness Sever. No party has questioned
14 the accuracy of these total company earnings estimates. The RSR simply
15 provides AEP Ohio a stable level of non-fuel generation revenues during the term
16 of the ESP, not a stable ROE.

17 It is also important to note that the ROE for the generation function of
18 AEP Ohio will be substantially below the level of the integrated company. Based
19 upon the projected ROE for the integrated company in 2013 of 7.5% and the
20 relative size of the generation function it can be estimated that the ROE for the
21 generation function will be approximately 5% in 2013, even with the RSR as
22 proposed.

1 **Q. IN THIS CONTEXT, CAN YOU ELABORATE ON THE RELATIONSHIP**
2 **BETWEEN THE ROE USED TO DEVELOP THE RSR'S NON-FUEL**
3 **GENERATION REVENUE TARGET AND THE TOTAL COMPANY ROE**
4 **RESULTING FROM THE MODIFIED ESP?**

5 A. Yes. There is an important distinction between non-fuel generation revenues
6 (addressed by the RSR) and total company earnings (not addressed by the RSR).
7 For example, while AEP Ohio has accepted the prospect of a 7.5% total company
8 ROE in 2013 as part of the larger package of terms and conditions reflected in the
9 Modified ESP, it would be highly inappropriate to use a 7.5% ROE in developing
10 the non-fuel generation revenue target for the RSR. If the RSR's target level of
11 revenues based upon 2011 financial data used the 7.5% total company ROE
12 projected for 2013, then the result would be a target level of non-fuel generation
13 revenue of \$726M. This lower target revenue level would result in lower earnings
14 for AEP Ohio than the levels included in Exhibit OJS-2. As can be seen in
15 Exhibit WAA-R1, such an approach to the RSR would result in an ROE of 4.7%
16 in 2013. Following this flawed logic, the target level of revenues would need to
17 be reduced once again to match the projected 2013 ROE of 4.7%. This flawed
18 logic results in a circular calculation that creates lower earnings in each
19 successive iteration until it finally converges at an ROE of negative 58.4%. This
20 absurd result clearly demonstrates the flawed logic of such an approach. In
21 evaluating the proposed RSR, the Commission should make sure to preserve the
22 important distinction between the ROE used to develop the RSR's baseline non-

1 fuel generation revenue target and the total company ROE resulting from
2 implementation of the entire Modified ESP.

3 **Q. OEG WITNESSES KOLLEN TESTIFIED THAT THE CREDIT FOR**
4 **SHOPPED LOAD SHOULD BE MUCH GREATER THAN THE \$3/MWH**
5 **VALUE THAT WAS INCLUDED IN THE PROPOSED RSR**
6 **MECHANISM. DO YOU AGREE?**

7 A. No. The \$3/MWh credit for shopped load is appropriate. It is important to note
8 that this amount is margin and not the full price for sales of MWh freed up by
9 shopped load. This can easily be confirmed by reviewing the Company's
10 response to OCC Interrogatory 146 which is provided as Exhibit WAA-R2. For
11 2011, the East Physical Margins of \$262M (excluding CRES capacity payments)
12 were generated by sales of 22,343 GWh resulting in an average margin of
13 \$11.73/MWh. For 2012, the projected East Physical Margins of \$153M
14 (excluding CRES capacity payments) were generated by sales of 24,721 GWh
15 resulting in an average margin of \$6.19/MWh. This shows that projected margins
16 are clearly declining as a result of currently depressed prices for energy. To
17 determine the off-system sales (OSS) margin benefit that is created when a
18 customer shops the effect of the AEP Interconnection Agreement (AEP Pool)
19 must be considered as well as the fact that a reduction in retail load does not result
20 in an equal increase in off-system sales. As a conservative measure, in the
21 following scenario I will use the actual margins from 2011 (the same exercise can
22 be done for the projected 2012 margins). As a member of the AEP Pool, Ohio
23 Power only retains 40% of any OSS margins created; therefore the potential

1 margin of \$11.73/MWh is reduced by 60% to only \$4.69/MWh. This result is
2 further reduced to a range of \$2.35/MWh to \$3.75/MWh when recognizing that
3 only 50%-80% of reduced retail sales results in additional off-system sales.
4 Using this same methodology applied to projected margins for 2012 results
5 margins in the range of \$1.24/MWh to \$1.98/MWh. This clearly demonstrates
6 that the \$3/MWh credit for shopped load included in the RSR mechanism is
7 appropriate and conservative.

8 OEG witness Kollen's claim (Tr. X at 2868-2871) that the OSS margins
9 will be significantly greater than the \$3/MWh credit is based upon several flawed
10 assumptions without any analysis. His first flawed assumption is that he only
11 uses on-peak power prices and not around the clock prices. In an analysis of
12 potential margins the market price of power in must be considered for all hours –
13 on-peak and off-peak – given that retail customers have some usage in all hours.
14 Off-peak prices are much lower than on-peak prices and margins in those hours
15 would also be much lower. His second flawed assumption is that he fails to
16 address the functioning of the AEP Pool. His third flawed assumption is that he
17 does not address the relationship between changes in retail sales and changes in
18 off-system sales that I previously discussed.

19 Mr. Kollen further relies on testimony submitted by Kentucky Power
20 Company (KPCo) in a proceeding before the Kentucky Public Service
21 Commission, to suggest that higher energy price projections by AEP in that
22 context should be used here to establish the energy credit. (OEG Ex. 101 at 15,
23 Exhibit LK-2.) Initially, the referenced application was withdrawn by KPCo and

1 was not decided by the Kentucky Public Service Commission. Further, Mr.
2 Kollen's reliance on the Kentucky Power forecast is misplaced, for the following
3 reasons:

- 4 • The projected market prices in the Kentucky case were based on dated
5 natural gas prices and natural gas prices have declined significantly since
6 the analysis was prepared.
- 7 • Between the time the projected market prices were prepared and now,
8 environmental regulations have changed with delays in new regulations.
- 9 • The forecast prices in the Kentucky case focused on the period when the
10 Big Sandy scrubber would be in service -- it's a long-term forecast and the
11 focus of that forecast was on the years in which the Big Sandy Scrubber
12 would have been operational which would not have been 2012, 2013, or
13 2014.
- 14 • More current market prices for the period June 2012 through May 2015
15 have been provided in this case by Company witness Thomas and these
16 market prices have been accepted as accurate by Staff witness Johnson
17 and FES witness Schnitzer. In contrast to the dated market prices
18 referenced by OEG witness Kollen, these accepted market prices range
19 from \$32.68/MWh to \$37.75/MWh.

20 All of the above flaws lead to witness Kollen's mistaken conclusion that
21 the \$3/MWh credit for shopped load is understated. As demonstrated, the
22 \$3/MWh credit for shopped load included in the RSR is appropriate and, if
23 anything, conservative.

24 **Q. FES WITNESS DR. LESSER (FES EX. 101 AT 78 AND TR. IX AT 2554-**
25 **2558) STATED THAT THE 2011 EARNINGS THAT WERE THE**
26 **STARTING POINT FOR THE \$929M TARGET LEVEL OF REVENUE**
27 **FOR THE RSR DID NOT INCLUDE OSS MARGINS. ARE THESE**
28 **STATEMENTS ACCURATE?**

1 A. No. Although both of these witnesses made claims that OSS margins were not
2 included in the 2011 earnings, neither of them presented any evidence that OSS
3 margins were not included. In fact, OSS margins of \$204M were included in the
4 2011 earnings of \$537M reflected in Exhibit WAA-6.

5 **Q. ORMET WITNESS RUSSELL STATED THAT THE RSR SHOULD BE**
6 **MODIFIED TO ADDRESS CUSTOMER SHOPPING THAT OCCURRED**
7 **BEFORE THE COMPANY FILED ITS MODIFIED ESP ON MARCH 30,**
8 **2012. DO YOU AGREE?**

9 A. No. The RSR is part of an overall package that addresses, among other items, the
10 pricing of capacity to CRES providers related to all shopping customers. The
11 RSR is not directly linked to the capacity pricing for shopping customers as non-
12 fuel generation revenues, including interruptible credits, from non-shopping
13 customers are also credited toward the RSR revenue target. Thus, the RSR works
14 the same way with respect to customers that shopped both before and after the
15 Company filed its modified ESP on March 30, 2012. The real issue is the
16 financial impact based on the capacity charge; if the charge is established below
17 cost, then there is an adverse financial impact on AEP Ohio. In reality, the
18 threshold reduction of non-fuel generation revenue of \$107 million (*i.e.*, the
19 reduction of 12.06% ROE to 10.5% prior to establishing the \$929 million RSR
20 revenue target) exceeds the net revenue reduction associated with the
21 approximately 12% of AEP Ohio customers that shopped prior to the September
22 7, 2011 Stipulation that initially created the two-tiered capacity pricing. Thus,
23 Ormet witness Russell is wrong in claiming that the RSR makes AEP Ohio whole

1 for the effects of shopping that occurred in 2011 and previously. Moreover, the
2 capacity price determined in Case No. 10-2929-EL-UNC, absent the proposed
3 compromise position included in this proceeding, would apply to CRES providers
4 for all shopping customers – not just those customers that shopped after the
5 Company filed its modified ESP. As such, it would be inappropriate and
6 unnecessary to modify the RSR mechanism to address charges to CRES providers
7 for customer shopping that occurred prior to the filing of the modified ESP.

8 **DISTRIBUTION INVESTMENT RIDER**

9 **Q. STAFF WITNESS MCCARTER RECOMMENDS THAT THE PROPOSED**
10 **DIR BE MODIFIED TO INCLUDE AN ADJUSTMENT FOR**
11 **ACCUMULATED DEFERRED FEDERAL INCOME TAXES (ADFIT).**
12 **DO YOU AGREE THAT THIS MODIFICATION SHOULD BE MADE?**

13 A. No. First, modifying the DIR to include an adjustment for ADFIT would be
14 inconsistent with the revenue credit related to the DIT included in the distribution
15 case settlement in Case Nos. 11-351-EL-AIR et al. If an ADFIT adjustment is
16 made to the proposed DIR the revenue credit that was included in the distribution
17 case settlement would have been smaller. Secondly, any ADFIT benefit that the
18 Company may receive can be used to offset other costs that are not recovered
19 through the DIR such as carrying costs on general and intangible plant. If the
20 DIR is modified to include an adjustment for ADFIT, the earnings projected in
21 Exhibit OJS-2 would be reduced and the credit provided to customers, as a result
22 of the recent distribution base rate case settlement applying the DIR to

1 distribution rates, would improperly be greater than the amount collected in the
2 DIR.

3 **TWO-TIER CAPACITY PRICING MECHANISM**

4 **Q. FES WITNESS BANKS AND RESA WITNESS RINGENBACH**
5 **TESTIFIED THAT THE TWO-TIERED CAPACITY PRICING**
6 **STRUCTURE IS CONFUSING AND SHOULD BE ELIMINATED. DO**
7 **YOU AGREE?**

8 A. No. The two-tiered capacity pricing structure has been in place for over five
9 months and was proposed as part of a stipulation for nearly four months prior to
10 that. In those nine months the level of customer shopping has nearly tripled –
11 from 11.63% on September 1, 2011 to 31.09% on May 31, 2012. The table below
12 provides the current level of customer switching by customer class. Clearly
13 customer shopping has continued to grow in a significant manner while the two-
14 tiered structure has been proposed or in place. The assertion that the two-tiered
15 structure is confusing is not supported by the results measured by actual customer
16 behavior. The important fact in determining if there is no detrimental confusion is
17 that the two-tiered system has supported continued shopping in the AEP Ohio
18 service territory well beyond where it was previously.

Class	Switched as of May 31, 2012	Additional Switches Pending	Total
Residential	14.31%	1.27%	15.57%
Commercial	47.55%	1.14%	48.69%
Industrial	31.51%	1.58%	33.09%
Total	31.09%	1.35%	32.43%

1 **FINANCIAL HARM**

2 **Q. FES WITNESS BANKS, AT PAGE 4 OF HIS TESTIMONY,**
 3 **RECOMMENDS THAT THE COMMISSION REQUIRE AEP OHIO TO**
 4 **PROVIDE CAPACITY TO CRES PROVIDERS AT RPM RATES AND**
 5 **ELIMINATE THE RSR. WHAT WOULD BE THE FINANCIAL IMPACT**
 6 **ON AEP OHIO OF ADOPTING BOTH THESE RECOMMENDATIONS?**

7 **A.** If these two recommendations were adopted by the Commission, the financial
 8 harm to AEP Ohio would be significant. To demonstrate the financial harm to
 9 AEP Ohio, one only need to start with the projected earnings presented in Exhibit
 10 OJS-2 and make a few adjustments as shown below:

	<u>Adjustments</u>	<u>Earnings</u>	<u>ROE</u>
2013 Projected Earnings		\$350.7 M	7.5%
Adjustments			
Remove Two-Tiered Capacity Revenue	-\$439.0 M		
Add RPM Capacity Revenue	\$59.3 M		
Remove RSR Revenue	-\$78.2 M		
Subtotal	-\$457.9 M		
Tax Effect @ 35%	\$160.3 M		
Net	-\$297.6 M		
Adjusted Earnings		<u>\$53.1 M</u>	<u>1.1%</u>

11
 12 Clearly, a result that produces an ROE of only 1.1% for a utility in any period,
 13 much less in a period in which the Company is undergoing a significant
 14 transformation from an integrated utility into a wires only entity is unacceptable
 15 and dangerous. Company witness Dr. Avera discusses the topic of a fair return on

1 common equity in great detail and a 1.1% return falls far short of any level that he
2 describes as being a fair return.

3 **Q. STAFF WITNESS FORTNEY TESTIFIED [TR. XVI AT 4555-4559] THAT**
4 **THE RSR SHOULD RECOVER “SOME DIFFERENCE BETWEEN**
5 **THEIR [AEP OHIO’S] COST OF CAPACITY AND THE STATE-**
6 **MANDATED RATE WHICH THEY [AEP OHIO] WILL BE ALLOWED**
7 **TO CHARGE CRES PROVIDERS FOR CAPACITY.” IF THE**
8 **COMMISSION DETERMINED THAT AEP OHIO’S COST OF**
9 **CAPACITY WAS \$146/MW-DAY, AS RECOMMENDED BY STAFF**
10 **WITNESS MEDINE IN CASE NO. 10-2929-EL-UNC, AND DETERMINED**
11 **THAT THE STATE-MANDATED RATE THE AEP OHIO WILL BE**
12 **ALLOWED TO CHARGE CRES PROVIDERS IS THE RPM RATE,**
13 **HAVE YOU CALCULATED WHAT THE IMPACT ON AEP OHIO’S**
14 **EARNINGS WOULD BE AND THE LEVEL OF THE RSR?**

15 **A. Yes. In 2013 AEP Ohio’s ROE would drop to only 4.6% and the RSR would**
16 **increase to \$5/MWh. The adjusted financial projection for 2013 is provided**
17 **below.**

	<u>Adjustments</u>	<u>Earnings</u>	<u>ROE</u>
2013 Projected Earnings		\$350.7 M	7.5%
Adjustments			
Remove Two-Tiered Capacity Revenue	-\$439.0 M		
Add RPM Capacity Revenue	\$59.3 M		
Remove AEP Ohio Proposed RSR Revenue	-\$78.2 M		
Add Staff Proposed RSR Revenue	\$250.7 M		
Subtotal	-\$207.2 M		
Tax Effect @ 35%	\$72.5 M		
Net	-\$134.7 M		
Adjusted Earnings		<u>\$216.0 M</u>	<u>4.6%</u>

Similar to the prior scenario, a result that produces an ROE of only 4.6% for a utility in any period, much less in a period in which the Company is undergoing a significant transformation from an integrated utility into a wires only entity is unacceptable and dangerous. A 4.6% return falls far short of any level that Company witness Dr. Avera describes as being a fair return.

Q. OEG WITNESS KOLLEN RECOMMENDS A LEVELIZED RPM RATE DURING THE 2012-2015 PERIOD. DOES AEP OHIO AGREE WITH THE LEVELIZED RPM APPROACH?

A. No.

Q. HAVE YOU QUANTIFIED THE IMPACT OF OEG WITNESS KOLLEN'S LEVELIZED RPM RATE RECOMMENDATION?

A. Yes. Using the same methodology that I used to calculate the financial impact of FES witness Banks' recommendation that I previously provided, the earnings for 2013 under OEG witness Kollen's levelized RPM recommendation would be

1 \$110M with an ROE of 2.4%. Similar to the prior scenarios, a result that
2 produces an ROE of only 2.4% for a utility in any period, much less in a period in
3 which the Company is undergoing a significant transformation from an integrated
4 utility into a wires only entity is unacceptable and dangerous. A 2.4% return falls
5 far short of any level that Company witness Dr. Avera describes as being a fair
6 return.

7 **Q. DOES THIS COMPLETE YOUR PRE-FILED REBUTTAL TESTIMONY?**

8 A. Yes, it does.

RSR Should Not Use 2013 Projected ROE

		Iteration 1	Iteration 2	Iteration 3	Iteration 212
Revenue	\$ 1,036	\$ 1,036	\$ 1,036	\$ 1,036	\$ 1,036
ROE	12.06%	12.06%	12.06%	12.06%	12.06%
Earnings	\$ 537	\$ 537	\$ 537	\$ 537	\$ 537
Equity	\$ 4,450	\$ 4,450	\$ 4,450	\$ 4,450	\$ 4,450
Target ROE	10.50%	7.54%	4.71%	2.00%	-58.39%
Earnings at Target	\$ 467	\$ 336	\$ 210	\$ 89	\$ (2,598)
Revenue Reduction	\$ 107	\$ 310	\$ 504	\$ 689	\$ 4,823
Target Revenue	\$ 929	\$ 726	\$ 532	\$ 347	\$ (3,787)
2013 Projected Earnings	\$ 351	\$ 219	\$ 93	\$ (27)	\$ (2,715)
2013 Projected Equity	\$ 4,650	\$ 4,650	\$ 4,650	\$ 4,650	\$ 4,650
2013 Projected ROE	7.54%	4.71%	2.00%	-0.59%	-58.39%

**OHIO POWER COMPANY'S RESPONSES
TO THE OFFICE OF THE OHIO CONSUMERS' COUNSEL'S
DISCOVERY REQUESTS
PUCO CASE 11-346-EL-SSO and 11-348-EL-SSO - Modified ESP
SEVENTH SET**

INTERROGATORY

OCC-INT-7-146 Please identify the documents from which the OSS net margins for 2011 and 2012, as provided in response to OCC INT 3-46, were derived.

RESPONSE

The source of the 2011 actual data is the various general ledgers (GL) across the system. In addition, there are supporting systems maintained in the "back-office" that feed the results of the various wholesale transactions into the GL. The GL data is placed in a financial reporting data base and we prepare summary reports from that data to summarize the activity shown for OSS margins.

The 2012 guidance is a product of our corporate financial planning model. In addition, we employ the use of a production costing simulation model to develop estimates for OSS activity. The results of these model runs are included in our financial projections for each of the AEP companies.

See attachment to OCC Set 7-INT-146 Net Margins 2011 & 2012 for supporting detail of the 2011 and 2012 values for OSS margins.

Prepared by: Oliver Sever.

AEP Ohio
Case Nos. 11-346-EL-SSO, et al.
OCC-Set 7-INT-146
Page 1 of 1

**EEI Line 5 - OSS Back Up
\$Millions**

	<u>2011</u>	<u>2012</u>	<u>Variance</u>
Off System Sales Margin - by Region			
Total East Physical Margin⁽¹⁾	\$ 317	\$ 197	\$ (120)
West Physical	14	7	(7)
Texas Supply	41	42	1
Total West Physical Margin	55	49	(6)
Trading	103	75	(28)
OSS Sharing	(132)	(71)	61
Total System Sales - by Region	\$ 343	\$ 250	\$ (93)
Off-System Sales GWH - by Region			
East Physical	26,341	28,235	1,894
Purchase Volume	(3,998)	(3,514)	484
Net East Physical	22,343	24,721	2,378
West Physical	3,350	3,021	(329)
Total Off-System Sales GWH - by Region	25,693	27,742	2,049

⁽¹⁾ East Physical Margins Include CRES Capacity Revenue payments of \$54.7M in 2011 vs. \$43.9M in 2012; Variance of (\$10.8M).

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of Ohio Power Company's Rebuttal Testimony of William A. Allen have been served upon the below-named counsel and Attorney Examiners by electronic mail to all Parties this 13th day of June, 2012.

/s/ Steven T. Nourse
Steven T. Nourse

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Summary: Testimony Rebuttal Testimony of William A. Allen electronically filed by Mr. Steven T Nourse on behalf of American Electric Power Service Corporation