

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

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

ENTRY ON REHEARING

The Commission finds:

- (1) By entry issued on March 7, 2012, the Commission granted the request of Columbus Southern Power Company and Ohio Power Company (jointly, AEP-Ohio) for relief and implemented an interim capacity pricing mechanism until May 31, 2012.<sup>1</sup> Approval of the interim capacity pricing mechanism was subject to the clarifications contained in the Commission's January 23, 2012, entry, including the clarification to include mercantile customers as governmental aggregation customers eligible to receive capacity pricing based on the reliability pricing model (RPM) of PJM Interconnection, LLC (PJM). Under the two-tier capacity pricing mechanism, the first 21 percent of each customer class was entitled to tier-one, RPM-based capacity pricing. All customers of governmental aggregations approved on or before November 8, 2011, were also entitled to receive tier-one, RPM-based capacity pricing. For all other customers, the second-tier charge for capacity was \$255/megawatt-day. In accordance with the March 7, 2012, entry, the interim rate was to remain in effect until May 31, 2012, at which point the charge for capacity under the state compensation mechanism would revert to the current RPM price in effect pursuant to the PJM base residual auction for the 2012/2013 delivery year.

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<sup>1</sup> By entry issued on March 7, 2012, the Commission approved and confirmed the merger of Columbus Southern Power Company into Ohio Power Company, effective December 31, 2011. *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.


- (2) On April 30, 2012, AEP-Ohio filed a request for an extension of the interim capacity pricing mechanism implemented by the Commission pursuant to the entry issued on March 7, 2012.
- (3) By entry issued on May 30, 2012, the Commission approved an extension of the interim capacity pricing mechanism through July 2, 2012.
- (4) Section 4903.10, Revised Code, states that any party who has entered an appearance in a Commission proceeding may apply for a rehearing with respect to any matters determined therein by filing an application within 30 days after the entry of the order upon the Commission's journal.
- (5) On June 15, 2012, FirstEnergy Solutions Corp. (FES) filed an application for rehearing of the May 30, 2012, entry. Industrial Energy Users-Ohio (IEU-Ohio) and the Ohio Manufacturers' Association (OMA) also filed applications for rehearing of the May 30, 2012, entry on June 19, 2012, and June 20, 2012, respectively.
- (6) On June 25, 2012, AEP-Ohio filed a memorandum contra the applications for rehearing filed by FES, IEU-Ohio, and OMA.
- (7) The Commission believes that sufficient reason has been set forth by FES, IEU-Ohio, and OMA to warrant further consideration of the matters specified in the applications for rehearing. Accordingly, the applications for rehearing filed by FES, IEU-Ohio, and OMA should be granted.

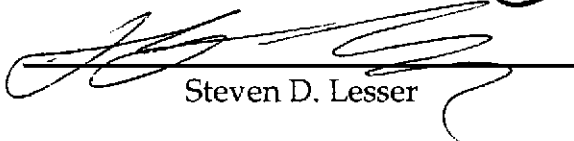
It is, therefore,

ORDERED, That the applications for rehearing filed by FES, IEU-Ohio, and OMA be granted for further consideration of the matters specified in the applications for rehearing. It is, further,

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

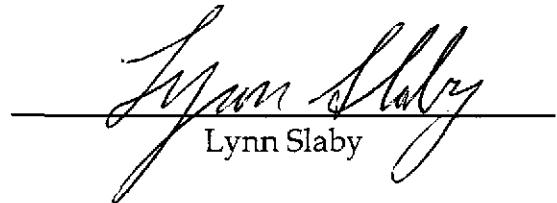
THE PUBLIC UTILITIES COMMISSION OF OHIO

  
Todd A. Snitchler, Chairman

  
Steven D. Lesser

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Cheryl L. Roberto

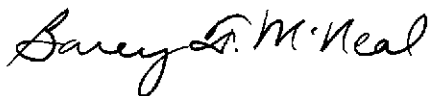
  
Andre T. Porter

  
Lynn Slaby

SJP/sc

Entered in the Journal

**JUL 11 2012**

  
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Barcy F. McNeal  
Secretary

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Secretary