

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of)
Columbus Southern Power Company for)
Approval of a Mechanism to Recover) Case No. 11-4920-EL-RDR
Deferred Fuel Costs Ordered Under Section)
4928.144, Ohio Revised Code.)

In the Matter of the Application of Ohio)
Power Company for Approval of a)
Mechanism to Recover Deferred Fuel Costs) Case No. 11-4921-EL-RDR
Ordered Under Section 4928.144, Ohio)
Revised Code.)

FOURTH ENTRY ON REHEARING

The Commission finds:

- (1) Columbus Southern Power Company (CSP) and Ohio Power Company (OP) (jointly, AEP-Ohio or the Company)¹ are public utilities and electric light companies within the definitions of Sections 4905.02 and 4905.03, Revised Code, and, as such, are subject to the jurisdiction of this Commission, pursuant to Sections 4905.04, 4905.05, and 4905.06, Revised Code.
- (2) On March 18, 2009, in Case No. 08-917-EL-SSO, *et al.*, the Commission issued its opinion and order regarding the application for an electric security plan (ESP) for CSP and OP (ESP 1 Order). Entries on rehearing were issued on July 23, 2009 (First ESP 1 Entry on Rehearing) and November 4, 2009. In the ESP 1 Order, the Commission directed AEP-Ohio, pursuant to Section 4928.144, Revised Code, to phase-in a portion of the rate increase authorized over an established percentage for each year of the ESP, in order to mitigate the impact of the rate increase for customers.² The Commission authorized AEP-Ohio to establish a regulatory asset to record and defer fuel expenses with carrying costs, at the weighted average cost of capital, with

¹ By entry issued on March 7, 2012, the Commission approved and confirmed the merger of CSP into OP. *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 ESP 1 Order at 22-23.

recovery through a nonbypassable surcharge to commence in 2012 and continue through 2018.³

- (3) On September 1, 2011, in the above-captioned cases, AEP-Ohio filed an application for approval of a mechanism to recover its deferred fuel costs, as directed by the Commission in the ESP 1 Order. Specifically, AEP-Ohio requested approval of the creation of a recovery mechanism, in the form of a nonbypassable phase-in recovery rider (PIRR), to ensure recovery of its accumulated deferred fuel costs, including carrying costs, as approved by the Commission in the ESP 1 Order. AEP-Ohio proposed that the PIRR take effect with the first billing cycle of January 2012.
- (4) By finding and order issued on August 1, 2012, the Commission approved AEP-Ohio's application for a mechanism to recover its deferred fuel costs to the extent set forth in the finding and order and authorized the Company to establish the PIRR (PIRR Order).
- (5) 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.
- (6) On August 31, 2012, applications for rehearing of the PIRR Order were filed by AEP-Ohio, Ohio Consumers' Counsel (OCC), and Industrial Energy Users-Ohio (IEU-Ohio).
- (7) On September 10, 2012, memoranda contra AEP-Ohio's application for rehearing were filed by OCC and IEU-Ohio. On that same date, AEP-Ohio filed a memorandum contra OCC's and IEU-Ohio's applications for rehearing.
- (8) The Commission believes that sufficient reason has been set forth by AEP-Ohio, OCC, and IEU-Ohio to warrant further consideration of the matters specified in the applications for rehearing. Accordingly, the applications for rehearing filed by AEP-Ohio, OCC, and IEU-Ohio should be granted.

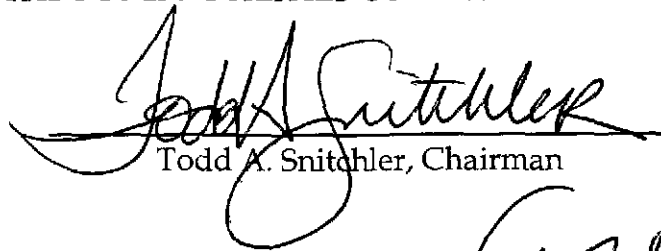
³ ESP 1 Order at 20-23; First ESP 1 Entry on Rehearing at 6-10.

It is, therefore,

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

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

THE PUBLIC UTILITIES COMMISSION OF OHIO

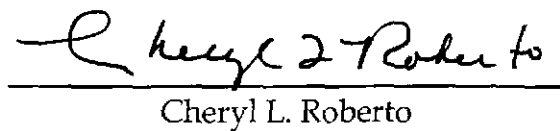


Todd A. Snitchler, Chairman

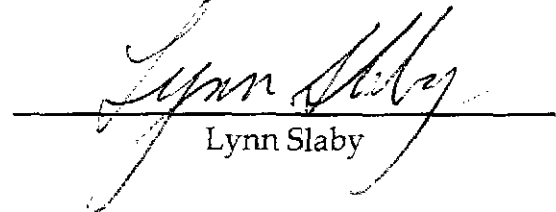
Steven D. Lesser



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SJP/sc

Entered in the Journal

SEP 26 2012



Barcy F. McNeal
Secretary