

FILE

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PUCO EXHIBIT FILING

Date of Hearing: 10-20-15

Case No. 14-1693-EL-RDR, 14-1694-EL-AAM

PUCO Case Caption: In the Matter of the Application Seeking
Approval of Ohio Power Company's Proposal to
Enter into an Affiliated Power Purchase Agreement for
Inclusion in the Power Purchase Agreement Rider.

In the Matter of the Application of Ohio Power Company
for approval of Certain ~~Accounting~~ Accounting Authority.

List of exhibits being filed:

Volume XIV

AEP 38-39-42

IGS 8

PUCO

2015 OCT 29 PM 2:37

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Reporter's Signature: A.E.O
Date Submitted: 10/29

BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

- - -

In the Matter of the :
Application Seeking :
Approval of Ohio Power :
Company's Proposal to : Case No. 14-1693-EL-RDR
Enter into an Affiliate :
Power Purchase Agreement :
for Inclusion in the Power:
Purchase Agreement Rider. :

In the Matter of the :
Application of Ohio Power :
Company for Approval of : Case No. 14-1694-EL-AAM
Certain Accounting :
Authority. :

- - -

PROCEEDINGS

before Ms. Greta See and Ms. Sarah Parrot, Attorney
Examiners, at the Public Utilities Commission of
Ohio, 180 East Broad Street, Room 11-D, Columbus,
Ohio, called at 9:00 a.m. on Tuesday, October 20,
2015.

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VOLUME XIV

- - -

ARMSTRONG & OKEY, INC.
222 East Town Street, Second Floor
Columbus, Ohio 43215-5201
(614) 224-9481 - (800) 223-9481
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- - -

AEP OH Ex
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**Summary of Switch Rates from EDUs to CRES Providers in Terms of Customers
For the Month Ending June 30, 2015**

Provider Name	EDU Service Area	Quarter Ending	Year	Residential Customers	Commercial Customers	Industrial Customers	Total Customers*
Cleveland Electric Illuminating Company	CEI	30-Jun	2015	185,640	19,078	131	205,243
CRES Providers	CEI	30-Jun	2015	475,348	64,383	517	540,337
Total Customers	CEI	30-Jun	2015	660,988	83,461	648	745,580
EDU Share	CEI	30-Jun	2015	28.09%	22.86%	20.22%	27.53%
Electric Choice Customer Switch Rates	CEI	30-Jun	2015	71.91%	77.14%	79.78%	72.47%

Provider Name	EDU Service Area	Quarter Ending	Year	Residential Customers	Commercial Customers	Industrial Customers	Total Customers*
Duke Energy Ohio	DUKE	30-Jun	2015	311,969	28,518	685	342,979
CRES Providers	DUKE	30-Jun	2015	311,391	40,432	1,464	357,700
Total Customers	DUKE	30-Jun	2015	623,360	68,950	2,149	700,679
EDU Share	DUKE	30-Jun	2015	50.05%	41.36%	31.88%	48.95%
Electric Choice Customer Switch Rates	DUKE	30-Jun	2015	49.95%	58.64%	68.12%	51.05%

Provider Name	EDU Service Area	Quarter Ending	Year	Residential Customers	Commercial Customers	Industrial Customers	Total Customers*
AEP - Ohio**	AEP	30-Jun	2015	869,868	87,236	4,864	963,136
CRES Providers	AEP	30-Jun	2015	415,901	89,859	5,226	512,594
Total Customers	AEP	30-Jun	2015	1,285,769	177,095	10,090	1,475,730
EDU Share	AEP	30-Jun	2015	67.65%	49.26%	48.21%	65.27%
Electric Choice Customer Switch Rates	AEP	30-Jun	2015	32.35%	50.74%	51.79%	34.73%

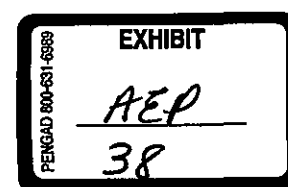
Provider Name	EDU Service Area	Quarter Ending	Year	Residential Customers	Commercial Customers	Industrial Customers	Total Customers*
The Dayton Power and Light Company	DPL	30-Jun	2015	255,671	21,886	451	279,202
CRES Providers	DPL	30-Jun	2015	200,739	28,834	1,272	236,360
Total Customers	DPL	30-Jun	2015	456,410	50,720	1,723	515,562
EDU Share	DPL	30-Jun	2015	56.02%	43.15%	26.18%	54.15%
Electric Choice Customer Switch Rates	DPL	30-Jun	2015	43.98%	56.85%	73.82%	45.85%

Source: PUCO, Rates & Analysis

*Total customers includes residential, commercial, industrial and other customers.

NOTE: The switch rate calculation is intended to present the broadest possible picture of the state of retail electric competition in Ohio. Appropriate calculations made for other purposes may be based on different data, and may yield different results.

**CSP and OP have merged into AEP-Ohio



**Summary of Switch Rates from EDUs to CRES Providers in Terms of Customers
For the Month Ending June 30, 2015**

Provider Name	EDU Service Area	Quarter Ending	Year	Residential Customers	Commercial Customers	Industrial Customers	Total Customers*
Ohio Edison Company	OEC	30-Jun	2015	283,194	28,731	323	313,808
CRES Providers	OEC	30-Jun	2015	637,869	83,780	1,025	723,236
Total Customers	OEC	30-Jun	2015	921,063	112,511	1,348	1,037,044
EDU Share	OEC	30-Jun	2015	30.75%	25.54%	23.96%	30.26%
Electric Choice Customer Switch Rates	OEC	30-Jun	2015	69.25%	74.46%	76.04%	69.74%

Provider Name	EDU Service Area	Quarter Ending	Year	Residential Customers	Commercial Customers	Industrial Customers	Total Customers*
Toledo Edison Company	TE	30-Jun	2015	95,553	9,303	75	105,736
CRES Providers	TE	30-Jun	2015	175,186	26,601	433	202,459
Total Customers	TE	30-Jun	2015	270,739	35,904	508	308,195
EDU Share	TE	30-Jun	2015	35.29%	25.91%	14.76%	34.31%
Electric Choice Customer Switch Rates	TE	30-Jun	2015	64.71%	74.09%	85.24%	65.69%

Source: PUCO, Rates & Analysis

*Total customers includes residential, commercial, industrial and other customers.

NOTE: The switch rate calculation is intended to present the broadest possible picture of the state of retail electric competition in Ohio.
Appropriate calculations made for other purposes may be based on different data, and may yield different results.

**CSP and OP have merged into AEP-Ohio

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Aggregation Activity in Ohio

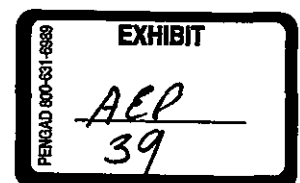
Residential Customers		
Year	Month	Percent Switching thru Aggregation
2014	Sep	58.52%
2014	Dec	58.94%
2015	Mar	59.75%
2015	Jun	51.08% *
Commercial Customers		
Year	Month	Percent Switching thru Aggregation
2014	Sep	36.76%
2014	Dec	36.96%
2015	Mar	42.34%
2015	Jun	29.42% *
Industrial Customers		
Year	Month	Percent Switching thru Aggregation
2014	Sep	0.20%
2014	Dec	0.19%
2015	Mar	0.41%
2015	Jun	0.62% *

Source: Form MM1-2B, MM1-3, and Form MM1-4

*Preliminary information; aggregators will submit updates to data

The percentages above represent the number of customers who are taking generation service from a CRES as of the end of the quarter.

<http://www.puco.ohio.gov/puco/assets/File/Summary%20of%20Switch%20Rates%20AGG%202Q2015.pdf>



AEP Ohio Electric Apples to Apples Chart

Current Supplier Offers

Publication Date: January 6, 2014

The chart below reflects the current supplier rate offers provided by the suppliers to residential customers in the AEP Ohio service area.

Please refer to your most recent bill for your current price to compare.

Price to Compare

In order for you to save money, the new supplier's rate needs to be lower than the Price to Compare rate shown on your bill. The Price to Compare is calculated based on the total amount you would no longer pay your utility company for the generation portion of your electric supply if you choose another supplier, divided by the kilowatt hours used.

The calculation determining the Price to Compare varies by utility company. As always, you will still be responsible for the utility company distribution charges and any related riders on your utility bill. Please consult the utility's web site for specific information. As with any contract, read and understand all terms and conditions before signing up with a supplier.

Please be advised that if you are currently enrolled in the Percentage of Income Payment Plan (PIPP PLUS), you are not eligible to enroll with or switch to an alternate supplier.

If you are currently enrolled with an alternate supplier, and want to enroll with a different supplier prior to the expiration of your current contract, you may be subject to an Early Termination Fee.

Electric Apples to Apples Charts

Published offers are subject to change without prior notice. Consumers should verify offers with the supplier before signing a contract. As with all contracts, consumers should carefully read and understand all terms and conditions before signing any forms or agreeing to enroll with a supplier for electric service.

Note: The electric apples to apples charts reflect the most recent available offers from marketers in each service territory, and are updated on a weekly basis.

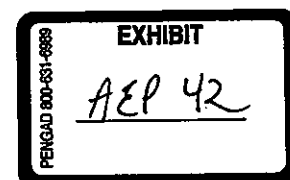
Before choosing a supplier, please review the information on the Choosing an Electric Supplier page.

The PUCO is not responsible for selections you make based on the information contained herein.

Step 1: Compare the supplier offers contained in the chart with the "Price to Compare" shown on your electric bill.

Note: The "Tariff" code referenced in some of the Offer Details can be found on your monthly electric bill, under the charges from the utility.

Step 2: In order for you to save money, the new supplier's rate needs to be lower than the Price to Compare rate shown on your bill.



AEP Ohio Service Area Offers

<u>Supplier Name</u>	<u>Current Offer</u>	<u>Contract Term</u>	<u>Offer Details</u>
AEP Energy 155 West Nationwide Blvd. Suite 500 Columbus, OH 43215 (855) 300-7192 http://www.aepenergy.com/	Fixed Price of \$0.0599 per kWh	Through May 2014	Enroll online at http://www.aepenergy.com/aep10-web This offer is limited to residential customers of AEP Ohio. Early Termination Fee: \$10 per remaining month
AEP Energy 155 West Nationwide Blvd. Suite 500 Columbus, OH 43215 (855) 300-7192 http://www.aepenergy.com/	Fixed Price of \$0.0679 per kWh	12 Months	Enroll online at http://www.aepenergy.com/aep12-web This offer is limited to residential customers of AEP Ohio. Early Termination Fee: \$10 per remaining month
AEP Energy 155 West Nationwide Blvd. Suite 500 Columbus, OH 43215 (855) 300-7192 http://www.aepenergy.com/	Fixed Price of \$0.0699 per kWh	24 Months	Enroll online at http://www.aepenergy.com/aep24-web This offer is limited to residential customers of AEP Ohio. Early Termination Fee: \$10 per remaining month
AEP Energy 155 West Nationwide Blvd. Suite 500 Columbus, OH 43215 (855) 300-7192 http://www.aepenergy.com/	100% Wind Product, \$0.0709 per kWh	Through May 2014	Enroll only online at http://www.aepenergy.com/aepgreen-web This offer is limited to residential customers of AEP Ohio. Early Termination Fee: \$10 per remaining month
AP Gas & Electric 6161 Savoy Drive, Suite 500 Houston, TX 77036 877-544-4857 http://www.apge.com	\$0.0649 per kWh	12 Months	To Enroll call 888-797-4537 Early Termination Fee: None
Border Energy Electric Services, Inc. 888-901-8461 http://www.borderenergyelectric.com/	Guaranteed 10% discount off the AEP price-to-compare through May 31, 2014	Through May 31, 2014	Enroll online at http://signup.borderenergyinc.com/AEPOhio_ex.aspx Early Termination Fee: \$100 This offer is limited to residential customers of AEP.
Constellation Energy 1-866-577-4700 www.home.constellation.com	\$0.0739 per kWh	12 Months	Enroll online at http://www.constellation.com/pages/ohpuc.aspx This offer is for electric residential customers in AEP area. Early Termination Fee: \$25
Direct Energy 888-566-9988 http://directenergy.gesc.com/Products/Signup.aspx? sc=RES&state=OH&promo=OHPUC	Fixed Price of \$0.0649 per kWh	6 Billing Cycles from enrollment	This offer is for residential RS customers of AEP Columbus Southern Power and Ohio Power only. Early Termination Fee: None
Dominion Energy Solutions (855) 215-3908 http://www.dominionenergy.com	Fixed Price of \$0.0619 per kWh	Through the June 2014 meter read date	This offer is for residential customers of AEP Ohio only, and is limited to the first 10,000 customer who enroll. Enroll online at http://www.dominionenergy.com Early Termination Fee: None
Dominion Energy Solutions (855) 215-3908 http://www.dominionenergy.com	Fixed Price of \$0.0685 per kWh	Through the December 2014 meter read date	This offer is for residential customers of AEP Ohio only, and is limited to the first 10,000 customer who enroll. Enroll online at http://www.dominionenergy.com Early Termination Fee: None
DP&L Energy 1065 Woodman Drive Dayton, OH 45432 800-319-1356 http://www.dplenergy.com	Fixed Price of \$0.0649 per kWh.	12 Month	This offer is for AEP Residential Customers only. online at http://www.dplenergy.com or call 800-319-1356 Early Termination Fee: \$99

DP&L Energy 1065 Woodman Drive Dayton, OH 45432 800-319-1356 http://www.dplenergy.com	Fixed Price of \$0.0659 per kwh.	18 Month	For AEP residential customers only. Enroll online at http://dplenergy.com or call 800-319-1356 Early Termination Fee: \$99
DP&L Energy 1065 Woodman Drive Dayton, OH 45432 800-319-1356 http://www.dplenergy.com	Fixed Price of \$0.0679 per kwh.	24 Month	For AEP Residential Customers only. Enroll online at http://www.dplenergy.com or call 800-319-1356 Early Termination Fee: \$99
Duke Energy Retail 139 East 4th Street EX 320 Cincinnati, Ohio 45202 855-289-7012 http://www.DukeEnergyRetail.com	Fixed Price of \$0.0589	Through May 2014 meter read	We Make the Right Choice Easy SM - \$0.0589/kWh through May 2014 - AEP Residential customer in Ohio Power and Columbus Southern Power - Early Termination Fee None Enroll in less than 3 minutes. www.DukeEnergyRetail.com/aep
Duke Energy Retail 139 East 4th Street EX 320 Cincinnati, Ohio 45202 855-289-7012 http://www.DukeEnergyRetail.com	Fixed price of \$0.0668 per kwh	Through December 2014 meter read	We Make the Right Choice Easy SM - \$0.0668/kWh through December 2014 - AEP Residential customer in Ohio Power and Columbus Southern Power - Early Termination Fee \$50 Enroll in less than 3 minutes. www.DukeEnergyRetail.com/aep
FirstEnergy Solutions 866-271-2265 http://www.FES.com	\$0.0679 per kwh	Through December 2015	Savings off PTC offer for AEP Residential customers in Columbus Southern Power rate zone (rate codes 013 and 014) and in Ohio Power Rate zone (rate codes 015 and 022) only. http://www.FES.com Early Termination Fee: \$100
FirstEnergy Solutions 866-271-2265 http://www.FES.com	\$0.0689 per kwh	Through December 2015	Cash back offer for AEP Residential customers in Columbus Southern Power rate zone (rate codes 013 and 014) and in Ohio Power Rate zone (rate codes 015 and 022) only. 3% off generation portion of bill. http://www.FES.com Early Termination Fee: \$100
FirstEnergy Solutions 866-271-2265 http://www.FES.com	\$0.0695 per kwh	Through December 2015	Green offer is for AEP Residential customers in Columbus Southern Power rate zone (rate codes 013 and 014) and in Ohio Power Rate zone (rate codes 015 and 022) only. http://www.FES.com Early Termination Fee: \$100
FTR Energy 877-811-7023 www.ftrenergyservices.com	Variable Price of \$0.0659 per kwh	Month to month	This offer is for residential RS customers of AEP- Columbus Southern. Enroll online at www.ftrenergyservices.com Early Termination Fee: None
FTR Energy 877-811-7023 www.ftrenergyservices.com	Variable Price of \$0.0593 per kwh	Introductory Rate	This is a 1- month promotional offer for residential RS customers of AEP-Columbus Southern. Enroll online at www.ftrenergyservices.com Early Termination Fee: None
FTR Energy 877-811-7023 www.ftrenergyservices.com	Fixed Price of \$0.0649 per kwh	Fixed 6-month	This is a 6 month fixed offer for residential RS customers of AEP-Columbus Southern. Enroll online at www.ftrenergyservices.com Early Termination Fee: None
FTR Energy 877-811-7023 www.ftrenergyservices.com	Variable Price of \$0.0599 per kwh	Month to Month	This offer is for residential RS customers of AEP-Ohio Power. Enroll online at www.ftrenergyservices.com Early Termination fee: None
FTR Energy 877-811-7023 www.ftrenergyservices.com	Variable Price of \$0.0539 per kwh	Introductory Rate	This is a 1-month promotional offer for residential RS customers of AEP-Ohio Power. Enroll online at www.ftrenergyservices.com Early Termination Fee: None

FTR Energy 877-811-7023 www.ftrenergyservices.com	Fixed Price of \$0.0699 per kWh	Fixed 6-month	This is a fixed offer for residential RS customers of AEP -Ohio Power. Enroll online at www.ftrenergyservices.com Early Termination Fee: None
Glacial Energy of Ohio Park One Center 6100 Oak Tree Boulevard, Suite 200 Independence, OH 44131 888-452-2425 http://www.glacialenergy.com	Fixed price of \$0.0719 per kWh	12 Months	This offer is limited to residential customers of AEP OHIO. Enroll online at http://www.glacialenergy.com Early Termination Fee: \$50
Glacial Energy of Ohio Park One Center 6100 Oak Tree Boulevard, Suite 200 Independence, OH 44131 888-452-2425 http://www.glacialenergy.com	\$ 0.07390 per kWh Glacial Pure Wind Renewable Energy Certificates	12 Months	This offer is limited to residential customers of AEP OHIO. Enroll online at http://www.glacialenergy.com Early Termination Fee: \$50
Glacial Energy of Ohio Park One Center 6100 Oak Tree Boulevard, Suite 200 Independence, OH 44131 888-452-2425 http://www.glacialenergy.com	Fixed price of \$0.07599 per kWh	24 Month	This offer is limited to residential customers of AEP OHIO. Enroll online at http://www.glacialenergy.com Early Termination Fee: \$150
Glacial Energy of Ohio Park One Center 6100 Oak Tree Boulevard, Suite 200 Independence, OH 44131 888-452-2425 http://www.glacialenergy.com	\$ 0.07799 per kWh Glacial Pure Wind Renewable Energy Certificates	24 Month	This offer is limited to residential customers of AEP OHIO. Enroll online at http://www.glacialenergy.com Early Termination Fee: \$150
IGS Energy 6100 Emerald Pkwy Dublin, OH 43016 (888) 995-0992 http://www.igsenergy.com/	Fixed Offer of \$0.0649 per kWh	Fixed Offer through May 2014	Enroll Online at http://www.igsenergy.com/ This offer is limited to residential customers of AEP Ohio. Early Termination Fee: None
IGS Energy 6100 Emerald Pkwy Dublin, OH 43016 (888) 995-0992 http://www.igsenergy.com/	Guaranteed Savings of 10% off AEP's Price to Compare	Fixed Offer Through May 2014	Enroll Online at http://www.igsenergy.com/ This offer is limited to residential customers (CSP: R-R, OHP: RS) of AEP Ohio. Early Termination Fee: None
IGS Energy 6100 Emerald Pkwy Dublin, OH 43016 (888) 995-0992 http://www.igsenergy.com/	Fixed Green Offer of \$0.0699 per kWh	Fixed Offer through May 2014	Enroll Online at http://www.igsenergy.com/ This offer is limited to residential customers of AEP Ohio. Early Termination Fee: None
Integrus Energy Services, Inc. 1-888-340-2017 http://integrusenergy.com/aep	\$0.0669 per kWh	6 Months	This offer is limited to residential customers of AEP. Enroll online at http://www.integrusenergy.com/aep . Early Termination Fee: \$25
Integrus Energy Services, Inc. 1-888-340-2017 http://integrusenergy.com/aep	\$0.0699 per kWh	12 Months	This offer is limited to residential customers of AEP. Enroll online at http://www.integrusenergy.com/aep . Early Termination Fee: \$25
Integrus Energy Services, Inc. 1-888-340-2017 http://integrusenergy.com/aep	\$0.0719 per kWh	24 Months	This offer is limited to residential customers of AEP. Enroll online at http://www.integrusenergy.com/aep . Early Termination Fee: \$25
Just Energy PO Box 2210 Buffalo, NY 14240-2210 866-587-8674 www.justenergy.com	5% Discount Off AEP's Price to Compare	Month to Month	5% off Utility's Price to Compare for the first month. This offer is limited to residential customers of Columbus Southern Power and Ohio Power. Call Just Energy for details. Early Termination Fee: None
North American Power 20 Glover Avenue Norwalk, CT 06851 888-313-9086 https://napower.com	\$0.0619 per kWh 25% Renewable Energy	6 Month Fixed	Enroll online at https://napower.com Early Termination Fee: \$10 per each month remaining on the contract AEP Residential customers in Ohio Power and Columbus Southern Power Effective as of December 2013

North American Power 20 Glover Avenue Norwalk, CT 06851 888-313-9086 https://napower.com	\$0.0659 per kWh 25% Renewable Energy	12 Month Fixed	Enroll online at https://napower.com Early Termination Fee: \$10 per each month remaining on the contract AEP Residential customers in Ohio Power and Columbus Southern Power Effective as of December 2013
North American Power 20 Glover Avenue Norwalk, CT 06851 888-313-9086 https://napower.com	\$0.0814 per kWh 100% Renewable Energy	6 Month Fixed	Enroll online at https://napower.com Early Termination Fee: \$10 per each month remaining on the contract AEP Residential customers in Ohio Power and Columbus Southern Power Effective as of December 2013
North American Power 20 Glover Avenue Norwalk, CT 06851 888-313-9086 https://napower.com	\$0.0854 per kWh 100% Renewable Energy	12 Month Fixed	Enroll online at https://napower.com Early Termination Fee: \$10 per each month remaining on the contract AEP Residential customers in Ohio Power and Columbus Southern Power Effective as of December 2013
North American Power 20 Glover Avenue Norwalk, CT 06851 888-313-9086 https://napower.com	\$0.0669 per kWh for current market-based general variable price. 25% Renewable Energy	Month to Month	Enroll online at https://napower.com Early Termination Fee: None AEP Residential customers in Ohio Power and Columbus Southern Power Effective as of December 2013
North American Power 20 Glover Avenue Norwalk, CT 06851 888-313-9086 https://napower.com	\$0.0864 per kWh for current market-based variable price. 100% Renewable Energy	Month to Month	Enroll online at https://napower.com Early Termination Fee: None AEP Residential customers in Ohio Power and Columbus Southern Power Effective as of December 2013
North American Power 20 Glover Avenue Norwalk, CT 06851 888-313-9086 https://napower.com	\$0.0669 per kwh for new customers - one month introduction/promotional, then a market-based variable price. 25% Renewable Energy	Month to Month	Enroll online at https://napower.com Early Termination Fee: None AEP Residential customers in Ohio Power and Columbus Southern Power Effective as of December 2013
North American Power 20 Glover Avenue Norwalk, CT 06851 888-313-9086 https://napower.com	\$0.0864 per kwh for new customers - one month introduction/promotional, then a market-based variable price. 100% Renewable Energy	Month to Month	Enroll online at https://napower.com Early Termination Fee: None AEP Residential customers in Ohio Power and Columbus Southern Power Effective as of December 2013
Perigee Energy LLC 3 Sugar Creek Center Blvd. Sugar Land, TX 77478 866-878-3492 http://www.perigeenergy.com	\$0.0660 per kwh	12 Months	Enroll online at http://www.perigeenergy.com/ This offer is limited to residential customers of AEP Ohio. Early Termination Fee: \$25
Perigee Energy LLC 3 Sugar Creek Center Blvd. Sugar Land, TX 77478 866-878-3492 http://www.perigeenergy.com	\$0.0663 per kwh	14 Months	Enroll online at http://www.perigeenergy.com/ This offer is limited to residential customers of AEP Ohio. Early Termination Fee: \$25
Perigee Energy LLC 3 Sugar Creek Center Blvd. Sugar Land, TX 77478 866-878-3492 http://www.perigeenergy.com	\$0.0671 per kwh	18 Months	Enroll online at http://www.perigeenergy.com/ This offer is limited to residential customers of AEP Ohio. Early Termination Fee: \$25

Perigee Energy LLC 3 Sugar Creek Center Blvd. Sugar Land, TX 77478 866-878-3492 http://www.perigeeenergy.com	\$0.0675 per kwh	24 Months	Enroll online at http://www.perigeeenergy.com/ This offer is limited to residential customers of AEP Ohio. Early Termination Fee: \$25
Public Power, LLC 1055 Washington Blvd., 7th Floor Stamford, CT 06901 (888) 354-4415 www.PPandU.com	Variable price of \$0.06999 per kwh	Month to month	This offer is for residential RS customers of AEP- Ohio Power only. Enroll online at http://www.PPandU.com Early Termination Fee: None
Public Power, LLC 1055 Washington Blvd., 7th Floor Stamford, CT 06901 (888) 354-4415 www.PPandU.com	Variable price of \$0.07999 per kwh	Month to month	This offer is for residential RS customers of AEP- Columbus Southern Power only. Enroll online at http://www.PPandU.com Early Termination Fee: None
Public Power, LLC 1055 Washington Blvd., 7th Floor Stamford, CT 06901 (888) 354-4415 www.PPandU.com	Variable price of \$0.06299 per kwh	Introductory Rate	This is a 2 -month promotional offer for residential RS customers of AEP- Ohio Power only. Enroll online at http://www.PPandU.com Early Termination Fee: None
Public Power, LLC 1055 Washington Blvd., 7th Floor Stamford, CT 06901 (888) 354-4415 www.PPandU.com	Variable price of \$0.06499 per kwh	Introductory Rate	This is a 2-month promotional offer for residential RS customers of AEP- Columbus Southern Power only. Enroll online at http://www.PPandU.com Early Termination Fee: None
Public Power, LLC 1055 Washington Blvd., 7th Floor Stamford, CT 06901 (888) 354-4415 www.PPandU.com	Fixed Price of \$0.06499 per kwh	Fixed 6 Months	This is a fixed offer for residential RS customers of AEP - Ohio Power only. Enroll online at http://www.PPandU.com Early Termination Fee: None
Public Power, LLC 1055 Washington Blvd., 7th Floor Stamford, CT 06901 (888) 354-4415 www.PPandU.com	Fixed Price of \$0.07499 per kwh	Fixed 6 Months	This is a fixed offer for residential RS customers of AEP - Columbus Southern Power only. Enroll online at http://www.PPandU.com Early Termination Fee: None
Public Power, LLC 1055 Washington Blvd., 7th Floor Stamford, CT 06901 (888) 354-4415 www.PPandU.com	Variable price of \$0.07199 per kwh	Month to Month	This is a Green offer for residential RS customers of AEP- Ohio Power only. Enroll online at http://www.PPandU.com Early Termination Fee: None
Public Power, LLC 1055 Washington Blvd., 7th Floor Stamford, CT 06901 (888) 354-4415 www.PPandU.com	Variable price of \$0.8199 per kwh	Month to Month	This is a Green offer for residential RS customers of AEP- Columbus Southern Power only. Enroll online at http://www.PPandU.com Early Termination Fee: None
Verde Energy USA 101 Merritt 7, 2nd Floor Norwalk, CT 06851 800-388-3862 www.lowcostpower.com	Introductory fixed price of \$0.0659 per kWh for 12 billing cycles and variable thereafter.	Fixed for 12 billing cycles, Month-to-month thereafter	This offer is limited to residential customers of Ohio Power & Columbus Southern Power. Early Termination Fee: None New enrollments receive a \$50 cash bonus, a 20% discount on energy saving products and free access to Verde Energy Savings Solutions where customers can monitor and analyze their energy use. Please contact Verde Energy USA for more information or go to www.lowcostpower.com to enroll.
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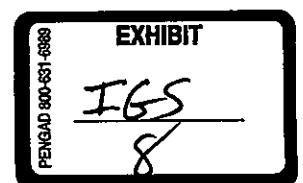
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**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application Seeking)	
Approval of Ohio Power Company's)	Case No. 14-1693-EL-RDR
Proposal to Enter into an Affiliate Power)	
Purchase Agreement for Inclusion in the)	
Power Purchase Agreement Rider)	
)	
In the Matter of the Application of Ohio)	
Power Company for Approval of Certain)	Case No. 14-1694-EL-AAM
Accounting Authority)	

DIRECT TESTIMONY OF MATTHEW WHITE

On behalf of Interstate Gas Supply, Inc.



1 **I. INTRODUCTION AND PURPOSE OF TESTIMONY**

2 **Q. Please introduce yourself.**

3 A. My name is Matthew White. I am employed by Interstate Gas Supply, Inc. ("IGS"
4 or "IGS Energy") as General Counsel, Legislative and Regulatory Affairs. My
5 business address is 6100 Emerald Parkway, Dublin, Ohio 43016.

6 **Q. Please describe your educational background and work history.**

7 A. I have a Juris Doctor (J.D.) and Masters in Business Administration (M.B.A.) from
8 the College of William & Mary. I also have a Bachelor of Arts (B.A.) from Ohio
9 University. I started my career in energy working at the law firm of Chester,
10 Wilcox & Saxbe as an energy and utilities lawyer. At Chester Wilcox, I
11 participated in numerous regulatory proceedings relating to utility matters,
12 including natural gas and electric rate cases and electric power siting cases. I
13 also have worked on power and gas sales transactions. At the beginning of
14 2011, I was hired into IGS Energy's rotation program where I spent the next 16
15 months working in various different departments throughout the company
16 learning IGS' entire business including the electric and gas supply and risk
17 departments. In 2012 I began full-time as an attorney in IGS' regulatory affairs
18 department. In 2014 I was promoted to Manager, Legal and Regulatory Affairs at
19 IGS. In 2015, I was promoted to my current position, General Counsel,
20 Regulatory and Legislative Affairs. In my current position I oversee the regulatory
21 and legislative activities for IGS Energy throughout the country. My team is

1 responsible for electric and natural gas litigation for IGS Energy, including electric
2 and natural gas rate cases and other proceedings that relate to energy.

3 **Q. Have you provided testimony in utility regulatory proceedings before?**

4 A. Yes. I have submitted written testimony on gas and electric matters before public
5 utilities commissions in Ohio, Michigan, Pennsylvania, Kentucky, Maryland and
6 Illinois. Specifically, I have filed testimony in Public Utilities Commission of Ohio
7 "PUCO" Case No. 12-1685-GA-AIR; Michigan Public Service Commission Case
8 No. U-17131; Kentucky Public Service Commission Case No. 2013-00167;
9 PUCO Case Nos. 12-426-EL-SSO, *et al.*; PUCO Case Nos. 13-2385-EL-SSO, *et*
10 *al.*; PUCO Case Nos. 14-841-EL-SSO, *et al.*; PUCO Case No. 14-1051-EL-
11 UNC); Illinois Commerce Commission Case 14-0312; PUCO Case No. 14-
12 1297-EL-SSO; Pennsylvania Public Utility Commission Docket No. R-2015-
13 2468056; Pennsylvania Public Utility Commission Docket No. R-
14 2015-2468056; Maryland Public Service Commission Case No. Case No. 9221.

15 **Q. What is the nature of IGS's business?**

16 A. IGS Energy has over 25 years experience serving customers in Ohio's
17 competitive markets. IGS Energy serves over 1 million gas and electric
18 customers nationwide in 11 states and in over 40 utility service territories. In
19 Ohio, IGS currently serves electric customers in the AEP, Duke Energy Ohio,
20 FirstEnergy and the Dayton Power & Light service territories and serves gas
21 customers behind Duke Energy Ohio, Vectren, Dominion Ohio and Columbia
22 Gas of Ohio. The IGS family of companies (which include IGS Generation, IGS

1 Home Services and IGS CNG Services) also provides customer focused energy
2 solutions that compliment IGS Energy's core commodity business including
3 distributed generation, demand response, CNG refueling, and utility line
4 protection.

5 **Q. What is the purpose of your testimony?**

6 A. In this proceeding, the Ohio Power Company ("AEP") is asking AEP ratepayers
7 to guaranteed cost recovery, plus a rate of return, for 2,671 MW of AEP
8 Generation Resources ("AEPGR") coal fired generation ("PPA Proposal").¹ The
9 purpose of my testimony is to explain that the adoption of the PPA Proposal
10 would harm Ohio ratepayers and should not be adopted.

11 Specifically I explain:

- 12 • The technologies that have led to increased shale natural gas production
13 have fundamentally altered the economics of electric generation such that
14 coal generation has become much less competitive visa-vi natural gas
15 generation - and this trend is only likely to become stronger;
- 16 • Compounding the difficult economics of coal, is the U.S. Environmental
17 Protection Agency's ("EPA") Clean Power Plan which is likely to make
18 coal even less economical with respect to renewable and natural gas
19 generation;

¹ The Coal Plants subject to the PPA Proposal are units at the Cardinal, Conesville, Stuart and Zimmer generation facilities ("PPA Units"). If AEP's entitlement to the Ohio Valley Electric Company is also included in the PPA, it would approximately an additional 400 MWs.

- Reliability concerns also do not justify adoption of the PPA Proposal as new electric generation is getting built in Ohio and PJM's reserve margin have gone up in the 2018/2019 capacity auction;
- The economic impact of the PPA Units also does not justify adoption of the PPA Proposal because approval of AEP's proposal will cost Ohio more jobs than it can expect to create.

II. COMPETITIVENESS OF COAL GENERATION

Q. Would accepting AEP's PPA Proposal be betting that coal generation will be more cost competitive compared to other sources of electric generation?

A. Yes. All of the PPA Units generate electricity using coal as the feedstock. The mechanics of AEP's PPA Proposal work such that AEP ratepayers will pay all of the costs associated with these coal generating units, plus a rate of return, to AEPGR (an unregulated AEP affiliate). Further, all of the electricity and capacity from the PPA Units would be sold into wholesale electric markets and the revenue generated from those sales would offset the costs to AEP ratepayers. So necessarily Ohio ratepayers will only receive a positive price benefit from the PPA Proposal if the PPA Units somehow manage to become more competitive than other sources of electric generation in the market.

Q. Is it likely that the PPA Units will become more cost competitive compared to other sources of generation over the long run?

1 A. No. First, the most telling sign that the PPA Units will not in the future be
2 competitive compared to the wholesale electric markets is the fact that the PPA
3 Units are not competitive today. AEP even acknowledges this in its application,
4 and this is why even AEP has projected that its PPA Proposal will be a cost to
5 customers initially. So under the PPA Proposal, ratepayers are already starting
6 from a deficit, and in order for the PPA Proposal just to break even for
7 customers, the PPA Units would have to become more efficient than they
8 currently are compared to the electric market as a whole.

9 **Q. Is it reasonable to assume that the PPA Units will be more competitive than**
10 **the rest of the electric market in the future?**

11 A. No. As I note already, AEPGR's PPA Units have to become significantly more
12 efficient compared to the rest of the market, *just for the PPA Proposal to break*
13 *even*. However, there are a number of significant macro-economic trends that
14 suggest that coal generation is likely to become less cost competitive with
15 respect to the rest of the electric markets - not more competitive.

16 **Q. What trends are making it increasingly more difficult for coal generating to**
17 **compete?**

18 A. The number one trend making it difficult for coal generation to compete is low
19 natural gas prices. The marginal price of electricity is often set by the price of
20 gas fired generation. Further, the price of gas electric generation is highly
21 correlated with the price of natural gas. Thus, there is a strong correlation
22 between natural gas prices and electric prices. AEP witness Bletzacker

1 acknowledged as much in his testimony. Given that natural gas prices have
2 declined significantly over the last several years, and there has been a
3 corresponding drop in electric prices, other generation types (including coal
4 generation) have become less competitive compared to natural gas generation.
5 Thus, much of the premise that the PPA Units will somehow be a net economic
6 benefit to customers relies on the assumption that natural gas prices will steadily
7 rise during the life of the proposed PPAs.

8 **Q. Is it reasonable to expect the trend of low natural gas prices to end anytime**
9 **soon?**

10 A. No. While AEP projects increased natural gas prices, the projections simply have
11 not played out and are unlikely to play out in the future. As noted in the
12 testimony of Witness Leanza, even now we know AEP's projections on natural
13 gas prices were dramatically wrong for 2015 as natural gas prices have dropped
14 even in the last year. Further, as noted by Mr. Leanza, AEP's natural gas price
15 projections are much higher than current market indicators and higher than even
16 the worst case scenario projections made by the EIA. Further, given the
17 advancements in the natural gas industry and the location of Ohio close to the
18 largest natural gas reserves in the country, it is likely that the low price, low
19 volatility landscape for natural gas prices will continue for the foreseeable future.

20 **Q. Is it a wise policy decision to lock Ohio ratepayers into supporting the PPA**
21 **Units given the trends in the natural gas and electric generation markets?**

1 A. No. To accept AEP's PPA Proposal would require the Commission to completely
2 ignore the long term shift in electric generation away from coal and towards
3 natural gas. This is particularly true given Ohio is located so close to such an
4 abundant supply of natural gas. AEP's PPA Proposal would require AEP
5 ratepayers to place a giant bet on coal generation in the midst of a natural gas
6 revolution that is increasingly making coal generation less competitive.
7 Accepting AEP's PPA Proposal would be analogous to requiring AEP ratepayers
8 to make a large investment in the horse and buggy industry just as Henry Ford
9 was rolling out the Model-T.

10 **III. EPA'S CLEAN POWER PLAN**

11 **Q. Can you please explain how the EPA's Clean Power Plan might affect the**
12 **economics of the PPA Proposal?**

13 A. Yes. The United States EPA has issued a plan which would require the U.S.
14 power generating industry to reduce its carbon emission output ("Clean Power
15 Plan"). While the implementation of the Clean Power Plan will largely be left to
16 individual states, the Clean Power Plan requires the states to implement
17 mechanisms to achieve 32% carbon reduction from the power industry by 2030.
18 The Clean Power Plan also sets forth a series of building blocks that outline how
19 states will receive credit for carbon reduction. One way that states will be able to
20 achieve credit for carbon reduction is to improve heat-rate efficiency for existing
21 fossil fuel plants. Another means to receive credit is to increase the percentage
22 of renewable energy generation. Thus, in order to meet the reductions required

1 under the Clean Power Plan, Ohio will likely need to implement mechanisms that
2 incentivize reduction in carbon emissions from existing facilities and/or increase
3 renewable electric generation.

4 **Q. How is the Clean Power Plan likely to be implemented in Ohio?**

5 A. The implementation details of the Clean Power Plan for Ohio are still undecided;
6 however, what is clear is that if the Clean Power Plan is adopted, Ohio will need
7 to implement measures that will make it more costly to own and operate carbon
8 intensive generation such as the PPA Units. These measures could come in the
9 form of establishing a market for carbon credits; or Ohio could require existing
10 coal generation facilities to make costly environmental upgrades; or Ohio could
11 create programs to give financial incentives to build renewable energy
12 generation. Likely there will be a combination of many measures which are not
13 yet know. However, no matter the measures Ohio chooses to adopt, what is
14 almost certain is that implementing the Clean Power Plan will make coal
15 generation less competitive as compared to electric generated from renewables
16 and natural gas.

17 **Q. Is it a wise policy decision to adopt AEP's PPA proposal in the face of a**
18 **looming Clean Power Plan?**

19 A. No. There is still much uncertainty with respect to the Clean Power Plan and the
20 Clean Power Plan may not be implemented. That said, it would be extremely
21 unwise to require Ohio ratepayers to guarantee cost recovery on AEPGR's coal
22 generation when there is a strong chance that the Clean Power Plan will go into

1 effect. As I noted above, AEPGR's coal generating units are already
2 uncompetitive with respect to the rest of the electric generation market. The
3 Clean Power Plan will only make those units more costly and less competitive as
4 compared other generating resources. Thus, if the PPA Proposal is implemented,
5 and the Clean Power Plan is adopted, AEP ratepayers will face even higher
6 costs.

7 **III. ELECTRIC GENERATION RELIABILITY IN PJM**

8 **Q. What other justifications has AEP made to support its PPA Proposal?**

9 A. AEP seeks to support the PPA Proposal by raising reliability concerns.
10 Specifically, AEP witness Vegas claims that if AEP's PPA Proposal is not
11 adopted then AEPGR PPA Units will be at risk of early retirement. Further,
12 Witness Vegas claims that as more coal generation retires then Ohio may not
13 have enough electric generation to meet Ohio's electric generation requirements.

14 **Q. Do the reliability concerns raised by AEP justify adopting the PPA**
15 **Proposal?**

16 A. No. First it is unclear, how, or why, AEP would know whether any AEPGR
17 generation units are at risk of early retirement. Under Ohio's corporate separation
18 rules, AEP and AEPGR are supposed to be functionally completely separate
19 corporate entities. Thus, AEP should have no involvement in the strategic
20 business decisions of AEPGR and no knowledge of whether or not the AEPGR
21 units may or may not retire. Second, simply claiming that generation units may
22 be at risk of retiring does not mean they will actually retire. AEPGR could keep

1 their generation units operating or sell their generating units to a willing buyer,
2 and no evidence has been put on the record to indicate otherwise. AEPGR has
3 not intervened in this proceeding and also not submitted testimony in this
4 proceeding, and given Ohio's corporate separation requirements, AEP should not
5 be viewed as a proxy to represent what may occur with the AEPGR PPA Units.
6 Finally, even if it is 100% known that AEPGR PPA Units will close (which is far
7 from clear), it still would not justify supporting the PPA Proposal. As I more fully
8 discuss later, PJM and Ohio continue to see increased investment in electric
9 generation and capacity growth thus even if the AEPGR PPA Units close, there
10 is no reason to suggest this would affect reliability in Ohio.

11 **Q. Is new electric generation being built in Ohio?**

12 A. Yes. In its testimony AEP claims that very little new electric generation being
13 built in Ohio. Specifically, AEP witness Vegas states that only an additional 814
14 MW of generation is being built in Ohio and the vast majority of planned
15 generation is renewable. These statements are simply not correct.

16 **Q. Can you please identify the new non-renewable generation currently under**
17 **construction or planned in Ohio?**

18 A. Yes. Currently there is a 799 MW Oregon Clean Energy plant under construction
19 in Oregon Ohio.² Also there is a 700 MW plant under construction in Carrollton

² Source: <http://www.pennenergy.com/articles/pennenergy/2014/12/construction-begins-on-799-mw-gas-fired-power-plant-in-ohio.html>

1 Ohio.³ Finally, soon a 500 MW NTE Energy plant in Middleton Ohio will be under
2 construction.⁴ Further, Tenaska has announced plans to convert its 850 MW
3 peaking plant into a 1,414 MW combined cycle plant in Vincent County, Ohio.⁵
4 Finally, Clean Energy Future announced plans to build an 800 MW plant in
5 Lordstown Ohio.⁶ These are just the plants I have been able to identify. Also,
6 this is in addition to all of the other renewable energy generation projects that
7 AEP claim represents the vast majority of generation that is being built in Ohio.

8 **Q. Is there indication that reserve margins increasing within the PJM area?**

9 A. Yes. PJM recently released its base residual auction ("BRA") results for the
10 2018/2019 delivery year. In that auction approximately 167,000 MW cleared the
11 BRA for the 2018/2019 deliver year resulting in a 19.8% reserve margin. PJM
12 reported *that this reserve margin was 4.1% higher than the target reserve margin*
13 *of 15.7%.* Further according to the report published with the BRA results
14 *"(a)uction results reflect a continuation of strong participation by new Generation*
15 *Capacity Resources...BRA procured 2,919.3 MW of capacity from new*
16 *generation and 587.8 MW from uprates to existing or planned generation. The*
17 *quantity of capacity procured from external Generation Capacity Resources in*

³ Source: <http://www.ohio.com/news/local/new-power-plant-seen-as-game-changer-as-natural-gas-topples-coal-in-ohio-1.609913>

⁴ Source: <http://www.journal-news.com/news/news/local/new-construction-projects-underway-at-major-middle/nnRhdl/>

⁵ Source: <http://www.argusmedia.com/News/Article?id=996245>

⁶ <http://www.wfmj.com/story/29761653/state-board-ponders-approval-of-lordstown-power-plant-project>

1 the 2018/2019 BRA is 4,687.9 MW which is an increase of 162.4 MW from that
2 procured in last year's BRA (emphasis added)."⁷

3 **Q. Do the results of the 2018/2019 BRA refute AEP's claims that new**
4 **generation is not being added?**

5 A. Yes. Not only is new generation capacity being added in Ohio, the 2018/2019
6 PJM BRA auction results further indicates that new generation capacity is in fact
7 being added throughout PJM region. Further, the 2018/2019 PJM BRA auction
8 results indicate that PJM has enough generation capacity to meet the needs of
9 Ohio.

10 **Q. Has there been other mechanisms put in place by PJM to help ensure there**
11 **is enough power to reliably serve customers?**

12 A. Yes. In its testimony AEP mentions the price spikes in the PJM markets that
13 occurred during the polar vortex. AEP uses the events of the polar vortex as a
14 reason to justify requiring AEP ratepayers to purchase the electric generation
15 from AEPGR's PPA Units. However, since the polar vortex, there have been
16 significant adjustments to the PJM capacity markets that have led to increased
17 reliability and increased capacity performance.

18 **Q. Can you please explain the changes made by PJM resulting out of the polar**
19 **vortex winter?**

⁷ Source: <http://www.pjm.com/~media/879A2FA2A1794C7887A98686A70336D2.ashx/>

1 A. Yes. First, it is important to keep the polar vortex winter in context. As noted by
2 Witness Leanza, the winter of 2013/2014 was the coldest winter Ohio
3 experienced in over 30 years. And during the coldest days of the winter there
4 were large wholesale electric price increases in PJM markets. A major reason
5 why those price increases occurred was because there were generation outages
6 that resulted in some PJM generation capacity resources not performing.
7 However, as explained in the testimony of Witness Haugen, since the polar
8 vortex, PJM has implemented a number of proceedings to address these
9 reliability concerns. And in the most recent winter we saw similar demand in the
10 PJM markets as seen during the polar vortex and electric prices did not increase
11 like during the polar vortex. Thus the events of the polar vortex should not be
12 used as justification for adopting the PPA proposal.

13 **IV. ECONOMIC IMPACT OF THE PPA PROPOSAL**

14 **Q. Does the economic benefits of the PPA Units to Ohio justify adopting the**
15 **PPA proposal?**

16 A. No. AEP witness Allen discusses the benefits that the PPA Units add to the Ohio
17 economy. AEP uses this rationale to argue that adoption of the PPA Proposal
18 will support Ohio's economy. AEP's rationale is flawed for multiple reasons.

19 **Q. Will rejection of the PPA Proposal mean the economic benefits of the PPA**
20 **Units will go away?**

21 A. No. If the Commission rejected the PPA Proposal, it would not mean the
22 economic impact of the PPA Units would go away. AEPGR would have to close

1 all of the PPA Units in order for Ohio to lose the economic impact from the PPA
2 Units. As noted already, there is no evidence presented in this proceeding that
3 AEPGR is going to shut down the PPA Units if the PPA Proposal is not granted.
4 The notion that AEPGR may shut down the PPA Units is only speculation made
5 by AEP. Further, it is reasonable to assume AEPGR is an economically rationale
6 actor and would not shut down the PPA Units if it were able to sell the PPA Units
7 to another entity, or be able to operate the PPA Units at above its variable costs.
8 Unsubstantiated speculation that PPA Units may close is not a viable reason to
9 commit Ohio ratepayers to financially supporting those units. All businesses
10 contribute to the Ohio economy and it is possible that any business may close.
11 Thus, AEP's rationale would justify giving every business in Ohio a subsidy
12 simply because they have employees.

13 **Q. Is there other reason to believe that the PPA Units will not close?**

14 A. Yes. Witness Pearce indicates that many of the AEPGR units are jointly owned
15 by other generators in Ohio.⁸ Thus it would not be AEPGR's decision alone to
16 shut down the PPA Units. Further, it is my understanding that Dynegy recently
17 purchased ownership in some of the units; thus it is unlikely Dynegy intends on
18 agreeing to close plants it recently invested millions of dollars into.

19 **Q. Even if the economic impact of the PPA Units is diminished, is this**
20 **justification to adopt the PPA Proposal?**

⁸ Pearce at p. 5 "AEPGR jointly owns Conesville unit 4, Stuart units 1 through 4, and Zimmer unit 1 with Dayton Power and Light (DP&L) and Duke Energy Ohio ("Duke")."

1 A. No. Even assuming for argument sake that it is 100% guaranteed that rejection
2 of the PPA Proposal will result in closure of the PPA Units, it would still not create
3 justification to subsidize the PPA Units by Ohio ratepayers. As explained already
4 herein, the cost to ratepayers of the PPA proposal is likely to be much greater
5 than the financial impact the PPA Units have on the Ohio economy. Further, by
6 choosing to subsidize one set of technologies (i.e. coal generation) and one
7 business (i.e. AEPGR) other technologies and businesses will be harmed that
8 are seeking to compete in the marketplace. So while AEPGR generation units
9 may stay open, another company may choose not to invest in Ohio generation
10 because they are forced to compete against subsidize generation. Thus, in the
11 long run, fewer jobs will be created in Ohio if the Commission agrees to subsidize
12 the AEPGR generation units via the PPA Proposal.

13 **Q. Does Ohio law recognize the adverse effects of subsidize electric**
14 **generation of a competitive entity?**

15 A. Yes. Ohio law recognizes the adverse effects described above. Specifically,
16 R.C. 4928.02(H) states that it is the state policy to “[e]nsure effective competition
17 in the provision of retail electric service by avoiding anticompetitive subsidies
18 flowing from a noncompetitive retail electric service to a competitive retail electric
19 service or to a product or service other than retail electric service, and vice versa,
20 including by prohibiting the recovery of any generation-related costs through
21 distribution or transmission rates.” Generation service is a competitive service
22 under Ohio law. R.C. 4928.03. This is true whether generation is sold at
23 wholesale or retail. If the PPA plants are uneconomic, the PPA would require

1 distribution customers to subsidize AEP Generation Resources' out-of-market
2 investment.⁹ Conversely, if the PPA were a credit, it would require a competitive
3 service to subsidize distribution customers either of the above scenarios would
4 run afoul of the law.

5 **V. CONCLUSION**

6 **Q. Does that conclude your testimony?**

7 **A. Yes.**

8

⁹ The PPA may pertain to a product or service other than retail electric service because it does not involve the provision of electric service to SSO or shopping customers. Either way, the PPA represents a subsidy because generation service and products or services other than retail electric service are not subject to the Commission's economic regulation. Thus, the Commission cannot guarantee cost recovery through a non-bypassable charge.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing *Direct Testimony of Matthew White* was served this 11th day of September 2015 via electronic mail upon the following:

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