

**BEFORE THE
PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application Seeking)	
Approval of Ohio Power Company's)	
Proposal to Enter into an Affiliate Power)	Case No. 14-1693-EL-RDR
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)	

**OHIO POWER COMPANY'S MEMORANDUM CONTRA
JOINT MOTION FOR AN EXTENSION OF THE ATTORNEY EXAMINER'S
PROCEDURAL SCHEDULE**

Ohio Power Company ("AEP Ohio" or the "Company") first filed an application seeking the establishment of a Power Purchase Agreement (PPA) Rider on December 20, 2013, in Case No. 13-2385-EL-SSO. Now, almost two years after first proposing the rider, AEP Ohio and the Staff of the Public Utilities Commission of Ohio ("Commission"), alongside a diverse group of intervenors including environmental groups, manufacturers, competitive retail electric service ("CRES") providers, and low-income ratepayer advocates, have filed a Joint Stipulation and Recommendation ("Joint Stipulation") that proposes to resolve the mechanism for determining the PPA Rider rate.

Under the Joint Stipulation, which was hammered out over months of negotiations (*see* Direct Testimony of William A. Allen at 11 (Dec. 14, 2015)), the PPA Rider would reflect the net credits or costs of two PPAs – one with AEP Ohio's generation affiliate, AEP Generation Resources, Inc. (the "Revised Affiliate PPA"), and a second involving AEP Ohio's contractual entitlement to a share of the electrical output of the Ohio Valley Electric Corporation's

generating units (the “OVEC PPA”). (*See* Joint Stipulation at 2-5.) The initial rider rate for 2016 will be based on a \$4 million credit, subject to reconciliation. (*Id.* at 6.) And, as part of the Joint Stipulation, AEP Ohio has committed to provide up to \$100 million in additional credits to customers in the last four years of the PPA Rider (2020-2024). (*See id.* at 5.)

Other provisions of the Joint Stipulation reflect AEP Ohio’s strong commitment to reduce carbon emissions, increase renewable energy resources, and improve energy efficiency. AEP Ohio has agreed to donate \$500,000 to an Ohio public higher educational institution for research and development on clean energy technology. (*See id.* at 13.) AEP Ohio and its affiliates (“AEP”) have committed to seek Commission approval for cost recovery to convert two coal-fired electrical generating units (Conesville Units 5 and 6) to natural gas co-firing by December 2017 (*see id.* at 19) and to retire, refuel, or repower those units (and Cardinal Unit 1) by December 2029 and December 2030, respectively (*see id.* at 20). AEP will work towards retiring, repowering, or refueling another 4 units (Conesville Unit 4, Zimmer Unit 1, Stuart Units 1-4, and the OVEC units). (*See id.* at 23-26.) AEP Ohio also agreed to file a carbon emission reduction plan (*see id.* at 28), implement programs to promote fuel diversity (*see id.* at 29), and propose the development of at least 500 MW of wind energy and 400 MW of solar energy projects in Ohio (*see id.* at 30-32). And, AEP Ohio committed to expanding its energy efficiency efforts beyond those currently required by Ohio’s energy efficiency requirements (*see id.* at 28) and to seek approval to expand its deployment of Volt/Var Optimization (*see id.* at 26).

After AEP Ohio, Staff, and the other parties filed their Joint Stipulation, the Commission set a procedural schedule to consider the Stipulation. The Commission gave the parties until December 24 to serve discovery requests (except for deposition notices) and until December 28 to file testimony in opposition to the stipulation; an evidentiary hearing is scheduled for January

4, 2016. (Entry ¶9 (Dec. 15, 2015).) The Office of the Ohio Consumers' Counsel ("OCC") and other Joint Movants reviewed the Joint Stipulation and provided AEP Ohio with a substantive set of discovery requests within one day of the Joint Stipulation being filed. AEP Ohio responded to a large number of those requests within two business days. Additional discovery requests have also been served upon the Company, and the Company is working expeditiously to respond to those requests. This provides clear evidence that the parties have had ample time to review the Joint Stipulation and pose the questions they feel are necessary to better understand the Stipulation and its implications. It is also important to recognize that the Joint Movants participated in the settlement discussions that ultimately led to the Joint Stipulation and had the opportunity to ask questions, provide feedback, and understand the provisions of the Stipulation before it was finalized and filed.

Nonetheless, representatives of three environmental organizations (the Environmental Law & Policy Center, Ohio Environmental Council, and the Environmental Defense Fund), the Appalachian Peace and Justice Network, several independent power producers, and OCC (the "Joint Movants") now come to the Commission seeking additional time to "enquir[e]" into the Joint Stipulation's changes to the Revised Affiliate PPA and the environmental and energy efficiency aspects of the Joint Stipulation. (Joint Motion for an Extension ("Joint Motion") at 6-7.) The Joint Movants offer little reason to extend this case further, beyond the Joint Movants' conclusory assertions that the current case schedule "does not provide adequate time." (*Id.* at 6.) The Joint Movants state that "[t]he Stipulation proposes several substantive modifications to AEP Ohio's pending application for [the Revised Affiliate PPA]" (*id.*), but they do not say they oppose those modifications or identify any particular modification that would require more than two to three weeks more to analyze and address. Instead, the Joint Movants show more interest

in aspects of the Joint Stipulation that, in the Joint Movants' own words, "are not related to the [PPA Rider or PPA agreements] in any fashion" and have nothing to do with "retail rate stability." (*Id.*)

The Joint Movants point, as their first example of a "new proposal[]" requiring attention (*id.*), to an agreement to pay Ohio Partners for Affordable Energy (OPAE) "\$200,000 in 2016 to provide direct assistance with the approved Community Assistance Program *** within the Company's EE/PDR Plan ***." (Joint Stipulation at 15.) The Joint Movants complain that the contract was not publicly bid and that it is unclear what service OPAE will be offering. (Joint Motion at 6.) But, as the Joint Stipulation explains, this funding will be carried out "[i]n a manner that is consistent with the Company's existing EE/PDR plan and *** within the currently-approved funding levels ***." (Joint Stipulation at 15.) AEP Ohio had previously "commit[ted] to sourcing the Community Assistance Program in [AEP Ohio's 2012-2014] EE/PDR Action Plan to OPAE for three years ***." *In the Matter of the Application of Columbus Southern Power Company for Approval of its Program Portfolio Plan and Request for Expedited Consideration*, Case No. 11-5568-EL-POR, Opinion and Order, at 15 (Mar. 21, 2012). Ohio Senate Bill 310 (2014) extended AEP Ohio's (and other electric distribution utilities') existing EE/PDR Program Portfolio Plans through 2016. *See* Sub. S.B. No. 310, § 6(D) (130th General Assembly). Analyzing AEP Ohio's agreement to provide OPAE \$200,000 to assist with a program that OPAE previously administered and (under the Joint Stipulation) will administer again in 2017 (*see* Joint Stipulation at 16), subject to future Commission approval in a separate PUCO docket, does not require a three-week extension in the case schedule.

The Joint Movants next assert that they need more time to consider the Joint Stipulation's proposal to extend the current Electric Security Plan through May 2024. (*See* Joint Motion at 7.)

And they further assert that AEP's commitment to convert two coal-fired units to natural gas co-firing within two years; retire, refuel, or repower three units by 2029-2030; undertake numerous grid modernization and energy efficiency projects; and develop "900 MW of new renewables" will "require significant time and effort *** to prepare any effective opposition." (*Id.*)¹ But the Joint Stipulation is not the last word on any of these commitments. Under the Joint Stipulation, AEP Ohio must "file a separate Application with the Commission" next year to extend its ESP through 2024. (Joint Stipulation at 10.) AEP Ohio must make a cost recovery filing to "support[] the conversion of Conesville Units 5 and 6 to natural gas co-firing" and open other dockets at the Commission to work towards "retiring, refueling or repowering Conesville 5 and 6 and Cardinal Unit 1 ***." (*Id.* at 19, 21.) AEP Ohio must propose its expanded deployment of Volt/Var Optimization within the context of the ongoing proceedings in Case No. 13-1939-EL-RDR. (*Id.* at 26.) AEP Ohio must file its proposed expanded 2017-2019 EE/PDR Plan for approval in another PUCO docket. *See* Ohio Admin. Code 4901:1-39-04(A). And AEP Ohio cannot obtain retail cost recovery for its new wind and solar energy projects without filing EL-RDR applications under the PPA Rider. (*See id.* at 30-32.) The Joint Movants do not explain why they need an extension of the case schedule to analyze AEP Ohio's proposal to seek an extension of its current ESP in another docket next year and to pursue various environmental and energy efficiency projects in other, future Commission proceedings down the road.

Finally, the Joint Movants assert that they need additional time to consider a provision of the Joint Stipulation "committing the Commission to a finding that the Stipulation 'preserves and advances the positive results of the MRO v. ESP test under R.C. 4928.143(C) as found in the *ESP III Order*.'" (Joint Motion at 7.) But there is no such provision. The Joint Stipulation

¹ It is unclear why Joint Movants such as the Environmental Law & Policy Center, the Ohio Environmental Council, and the Environmental Defense Fund would oppose actions that would move AEP Ohio away from fossil-fuel fired generation and towards natural-gas-fired and renewable energy sources.

merely states that the “Signatory Parties [other than the Sierra Club] agree that the Stipulation preserves and advances the positive results of the MRO v. ESP test ***.” (Joint Stipulation at 34.) And that agreement does not change the Company’s Application (or Amended Application) in this case at all. The Company’s position has been from the outset that its Application for approval of an expanded PPA Rider (and Amended Application) would, if approved, only provide additional net benefits during the ESP’s term and, thus, would increase the positive results of the MRO test. The further significant benefits that the Joint Stipulation provides further enhance that positive result, in the Company’s view. There are no changes in the Company’s Application as a result of the Joint Stipulation that alter the debate regarding the MRO test. Accordingly, the Stipulation does not inject any new “weighty or complex” issues that would require enlarging or delaying the schedule established to review the Joint Stipulation.

In short, the Joint Movants have not justified their request for a three-week extension of the case schedule. For all of these reasons, AEP Ohio respectfully requests that the Commission deny the Joint Movants’ Joint Motion for an Extension of the Attorney Examiner’s Procedural Schedule and maintain the existing procedural schedule established by the December 15, 2015 Entry.

Respectfully submitted,

/s/ Daniel R. Conway

Steven T. Nourse

Matthew J. Satterwhite

Matthew S. McKenzie

American Electric Power Service Corporation

1 Riverside Plaza, 29th Floor

Columbus, Ohio 43215

Telephone: (614) 716-1608

Fax: (614) 716-2950

Email: stnourse@aep.com

mjsatterwhite@aep.com

msmckenzie@aep.com

Daniel R. Conway
Porter Wright Morris & Arthur, LLP
41 S. High Street, 30th Floor
Columbus, Ohio 43215
Telephone: (614) 227-2270
Fax: (614) 227-2100
Email: dconway@porterwright.com

Christopher L. Miller
Ice Miller LLP
250 West Street
Columbus, Ohio 43215
Telephone: (614) 462-2339
Fax: (614) 222-4707
Email: christopher.miller@icemiller.com

Counsel for Ohio Power Company

CERTIFICATE OF SERVICE

I hereby certify that a copy of *Ohio Power Company's Memorandum Contra Joint Motion for an Extension of the Attorney Examiner's Procedural Schedule* was served by e-mail upon the following counsel of record for all parties on this 18th day of December, 2015:

/s/ Daniel R. Conway

Daniel R. Conway

Bojko@carpenterlipps.com;
chris@envlaw.com
[Christopher J. Allwein](mailto:Christopher.J.Allwein@keglerbrown.com)
callwein@keglerbrown.com
Christopher.Miller@icemiller.com
cmooney@ohiopartners.org
dstinson@bricker.com
dboehm@BKLawfirm.com
dconway@porterwright.com
dwilliamson@spilmanlaw.com
fdarr@mwncmh.com
ghull@eckertseamans.com
glpetrucci@vorys.com;
haydenm@firstenergycorp.com;
mhpetricoff@vorys.com
hussey@carpenterlipps.com;
jeffrey.mayes@monitoringanalytics.com
jfinnigan@edf.org
jkylercohn@BKLawfirm.com
jlang@calfee.com
jmcdermott@firstenergycorp.com
Jodi.bair@occ.ohio.gov
joliker@igsenergy.com
Allison@carpenterlipps.com
joseph.clark@directenergy.com
Katie.johnson@puc.state.oh.us
Kevin.moore@occ.ohio.gov
Kristin.henry@sierraclub.org
Kurt.Helfrich@ThompsonHine.com
tony.mendoza@sierraclub.org

Larry.sauer@occ.ohio.gov
lhawrot@spilmanlaw.com
mjsatterwhite@aep.com
msmckenzie@aep.com
mdortch@kravitzllc.com
mfleisher@elpc.org
msoules@earthjustice.org
mjsettineri@vorys.com
mkurtz@BKLawfirm.com
mpritchard@mwncmh.com
msmalz@ohiopoveritylaw.org
mswhite@igsenergy.com
myurick@taftlaw.com
ricks@ohanet.org
sam@mwncmh.com
scasto@firstenergycorp.com
schmidt@sppgrp.com
Scott.Campbell@ThompsonHine.com
sfisk@earthjustice.org
sasloan@aep.com
Stephanie.Chmiel@ThompsonHine.com
steven.beeler@puc.state.oh.us
stnourse@aep.com
laurie.williams@sierraclub.org
talexander@calfee.com
tdougherty@theOEC.org
tobrien@bricker.com
twilliams@snhsllaw.com
todonnell@dickinsonwright.com

Werner.margard@puc.state.oh.us

William.michael@occ.ohio.gov

william.wright@puc.state.oh.us

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Summary: Memorandum Ohio Power Company's Memorandum Contra Joint Motion for Extension of Procedural Schedule electronically filed by Mr. Daniel R. Conway on behalf of Ohio Power Company