

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 Certain) Case No. 14-1694-EL-AAM
Accounting Authority.)

ENTRY

The attorney examiner finds:

- (1) Ohio Power Company d/b/a AEP Ohio (AEP Ohio or the Company) is an electric distribution utility as defined in R.C. 4928.01(A)(6) and a public utility as defined in R.C. 4905.02, and, as such, is subject to the jurisdiction of this Commission.
- (2) R.C. 4928.141 provides that an electric distribution utility shall provide consumers within its certified territory a standard service offer (SSO) of all competitive retail electric services necessary to maintain essential electric services to customers, including a firm supply of electric generation services. The SSO may be either a market rate offer in accordance with R.C. 4928.142 or an electric security plan (ESP) in accordance with R.C. 4928.143.
- (3) In Case No. 13-2385-EL-SSO, et al., the Commission modified and approved AEP Ohio's application for an ESP for the period beginning June 1, 2015, through May 31, 2018, pursuant to R.C. 4928.143. *In re Ohio Power Co.*, Case No. 13-2385-EL-SSO, et al. (*ESP 3 Case*), Opinion and Order (Feb. 25, 2015), Second Entry on Rehearing (May 28, 2015). Among other matters, the Commission concluded that AEP Ohio's proposed power purchase agreement (PPA) rider, which would flow through to customers the net impact of the Company's contractual entitlement associated with the Ohio

Valley Electric Corporation (OVEC), satisfies the requirements of R.C. 4928.143(B)(2)(d) and, therefore, is a permissible provision of an ESP. The Commission stated, however, that it was not persuaded, based on the evidence of record, that AEP Ohio's PPA rider proposal would provide customers with sufficient benefit from the rider's financial hedging mechanism or any other benefit that is commensurate with the rider's potential cost. Noting that a properly conceived PPA rider proposal may provide significant customer benefits, the Commission authorized AEP Ohio to establish a placeholder PPA rider, at an initial rate of zero, for the term of the ESP, with the Company being required to justify any future request for cost recovery. Finally, the Commission determined that all of the implementation details with respect to the placeholder PPA rider would be determined in a future proceeding, following the filing of a proposal by AEP Ohio that addresses a number of specific factors, which the Commission will consider, but not be bound by, in its evaluation of the Company's filing. In addition, the Commission indicated that AEP Ohio's PPA rider proposal must address several other issues specified by the Commission. *ESP 3 Case*, Opinion and Order (Feb. 25, 2015) at 20-22, 25-26.

- (4) On October 3, 2014, in the above-captioned proceedings, AEP Ohio filed an application seeking approval of a proposal to enter into a new affiliate PPA with AEP Generation Resources, Inc. (AEPGR).
- (5) Following the issuance of the Commission's Opinion and Order in the *ESP 3 Case*, AEP Ohio filed, on May 15, 2015, an amended application and supporting testimony, again seeking approval of a new affiliate PPA with AEPGR and also requesting authority to include the net impacts of both the affiliate PPA and the Company's OVEC contractual entitlement in the placeholder PPA rider approved in the *ESP 3 Case*.
- (6) An evidentiary hearing in these proceedings commenced on September 28, 2015, and concluded on November 3, 2015.

- (7) On December 14, 2015, AEP Ohio filed a joint stipulation and recommendation (stipulation) for the Commission's consideration.
- (8) The evidentiary hearing on the stipulation commenced on January 4, 2016, and concluded on January 8, 2016.
- (9) On March 31, 2016, the Commission issued an Opinion and Order that approved the stipulation with modifications.
- (10) R.C. 4903.10 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. Ohio Adm.Code 4901-1-35(B) provides that any party may file a memorandum contra within ten days after the filing of an application for rehearing.
- (11) On April 29, 2016, applications for rehearing of the Commission's Opinion and Order were filed by Dynegy, Inc.; PJM Power Providers Group and Electric Power Supply Association; and Retail Energy Supply Association. On May 2, 2016, applications for rehearing were filed by AEP Ohio; Mid-Atlantic Renewable Energy Coalition; Ohio Manufacturers' Association Energy Group; Environmental Law & Policy Center, Ohio Environmental Council, and Environmental Defense Fund; and Ohio Consumers' Counsel.
- (12) On May 2, 2016, AEP Ohio filed a motion for an extension of time, along with a request for an expedited ruling on the motion. Specifically, AEP Ohio seeks a three-day extension of time to respond to the applications for rehearing that were filed on April 29, 2016. AEP Ohio asserts that, without the extension, the parties to these proceedings may need to file two separate memoranda contra in order to respond to the applications for rehearing filed on April 29, 2016, and the applications for rehearing filed on May 2, 2016. In support of its motion, AEP Ohio contends that no party will be prejudiced by the requested extension. AEP Ohio adds that the extension would also help to facilitate efficiency and

alleviate the administrative burden of the Commission by enabling the Company to consolidate its arguments in response to the applications for rehearing in a single memorandum contra. AEP Ohio, therefore, proposes that all memoranda contra be due on May 12, 2016.

- (13) The attorney examiner finds that AEP Ohio's motion for an extension of time is reasonable and should be granted pursuant to Ohio Adm.Code 4901-1-12(C). Accordingly, all memoranda contra the parties' applications for rehearing should be filed by May 12, 2016.

It is, therefore,

ORDERED, That AEP Ohio's motion for an extension of time be granted. It is, further,

ORDERED, That all memoranda contra the parties' applications for rehearing be filed by May 12, 2016, in accordance with finding (13). It is, further,

ORDERED, That a copy of this Entry be served upon all parties of record.

THE PUBLIC UTILITIES COMMISSION OF OHIO

s/Sarah Parrot

By: Sarah J. Parrot
Attorney Examiner

JRJ/sc

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in

Case No(s). 14-1693-EL-RDR, 14-1694-EL-AAM

Summary: Attorney Examiner Entry granting AEP Ohio's motion for an extension of time and directing all memoranda contra the parties' applications for rehearing be filed by 05/12/2016 in accordance with Finding (13). - electronically filed by Sandra Coffey on behalf of Sarah Parrot, Attorney Examiner, Public Utilities Commission of Ohio