

**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.)	

**MEMORANDUM CONTRA OHIO POWER COMPANY'S
APPLICATION FOR REHEARING
ON BEHALF OF THE
OHIO MANUFACTURERS' ASSOCIATION ENERGY GROUP**

Kimberly W. Bojko (0069402)
Ryan P. O'Rourke (0082651)
Carpenter Lipps & Leland LLP
280 N. High Street, Suite 1300
Columbus, Ohio 43215
Telephone: 614.365.4100
Fax: 614.365.9145
bojko@carpenterlipps.com
o'rourke@carpenterlipps.com

Counsel for the OMAEG

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I. Introduction

In its May 2, 2016 Application for Rehearing, the Ohio Power Company rightfully concedes that the “central feature” of its proposal, the Affiliate Power Purchase Agreement (Affiliate PPA), is without force and effect.¹ This concession was inevitable in light of the Federal Energy Regulatory Commission’s (FERC) recent order which rescinded the waiver on affiliate sales restrictions previously granted to AEP Ohio and its unregulated generating affiliate, AEP Generating Resources, Inc. (AEPGR).² In that order, FERC declared that “no sales may be made with respect to the Affiliate PPA unless and until the [FERC] approves the

¹ AEP Ohio’s Application for Rehearing at fn. 1.

² *Electric Power Supply Association v. AEP Generating Resources, Inc.*, 155 FERC ¶ 61,102 at P 55 (April 27, 2016) (*EPSA Order*) (explaining that “we hereby rescind Respondents’ waivers as to the Affiliate PPA and find that, prior to transacting under the Affiliate PPA, Respondents must submit the Affiliate PPA for review and approval under *Edgar* and *Allegheny* in accordance with 18 C.F.R. § 35.39(b).”).

Affiliate PPA under *Edgar and Allegheny*.”³ Given FERC’s order, AEP Ohio is no longer seeking to pass the costs of the Affiliate PPA through to customers under the Power Purchase Agreement Rider (PPA Rider).⁴

In an attempt to salvage the modified and approved Joint Stipulation and Recommendation (Stipulation) after FERC’s order, AEP Ohio resurrects a previous proposal that the Public Utilities Commission of Ohio (Commission) rejected during AEP Ohio’s third electric security plan (ESP 3) proceeding regarding the Ohio Valley Electric Cooperative (OVEC). In that proceeding, which did not feature the Affiliate PPA, the Commission denied AEP Ohio’s request to recover costs associated with AEP Ohio’s contractual entitlement to the output of OVEC (OVEC PPA) through the PPA Rider. The Commission stated that AEP Ohio’s OVEC PPA Rider proposal did not “promote rate stability,” did not safeguard “the public interest,” and did not “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.”⁵

Undeterred by that decision, AEP Ohio is once again asking the Commission to approve that failed proposal, which it now calls the “OVEC-only PPA Rider.”⁶ Tellingly, nowhere in its Application for Rehearing does AEP Ohio acknowledge that the Commission’s prior decision forecloses the idea of an OVEC-only PPA Rider. In any event, AEP Ohio’s cunning avoidance of the Commission’s decision to deny cost recovery of the OVEC PPA cannot alter the essential fact that customers should not be forced to bear the costs of these uneconomic generating units

³ Id. at fn. 85.

⁴ AEP Ohio Application for Rehearing at 4.

⁵ *In the Matter of the Application of Ohio Power Company for Authority to Establish a Standard Service Offer Pursuant to R.C. 4928.143, in the Form of an Electric Security Plan, et al.*, Case No. 13-2385-EL-SSO, et al., Opinion and Order at 24-25 (February 25, 2015) (ESP 3 Order).

⁶ AEP Ohio Application for Rehearing at 3.

for the next eight years. The Ohio Manufacturers' Association Energy Group (OMAEG) requests that the Commission follow its precedent and deny the OVEC-only PPA Rider. Any attempt to seek approval of the previously rejected proposal is an unlawful attempt to seek a second rehearing of the Commission's decision and must be rejected.⁷

Nevertheless, in apparent recognition that its OVEC-only PPA Rider has already been rejected by the Commission and cannot lawfully be revived, AEP Ohio proposes an alternative. AEP Ohio proposes to make the OVEC-only PPA Rider bypassable. While an improvement, a bypassable OVEC-only PPA Rider still fails to promote rate stability, is not in the public interest, does not provide customers with sufficient benefit as an alleged financial hedge, does not offer any other benefit that is commensurate with the PPA Rider's potential cost, and does not satisfy the Commission's other stated factors in its ESP 3 Order.⁸

The Commission should also reject AEP Ohio's requests to trim back on the Stipulation's and the Order's consumer-friendly provisions. AEP Ohio should not be permitted to flow Capacity Performance (CP) penalties back to customers. A one-way ratchet that entitles AEP Ohio to retain CP bonus payments but not shoulder the burden of CP penalties unfairly shifts the risk of CP penalties to customers and is against the public interest. Likewise, the Commission should retain the credit commitments as originally proposed in the Stipulation and retain the 5% limit on customer rate increases (Rate Impact Mechanism) if any permutation of the PPA Rider succeeds. In short, all rate-relief measures should be retained for the benefit of customers as a means of counterbalancing the proliferation of costs engendered by the Stipulation.

⁷ Ohio Adm. Code 4901-1-35(D).

⁸ ESP 3 Order at 24-25.

II. Discussion.

A. The Commission has already rejected an OVEC-only PPA Rider.

AEP Ohio's request to revive its failed attempt at recovering the costs of the OVEC PPA through the PPA Rider should be denied. In AEP Ohio's ESP 3 proceeding, where the concept of recovering the costs associated with the OVEC PPA was first raised, the Commission made it abundantly clear that a PPA Rider predicated solely on the OVEC PPA "may result in a net cost to customers, with little offsetting benefit from the rider's intended purpose as a hedge against market volatility."⁹ The record showed that over the course of a three-year period, the proposal would neither promote rate stability nor benefit the public interest.¹⁰ In the Commission's view, there was no need to flow the costs of the OVEC PPA through the PPA Rider because customers were already sufficiently hedged against volatility by virtue of the laddering and staggering of SSO auction products and the availability of fixed-price contracts offered by competitive suppliers.¹¹ The Commission speculated that customers "perhaps" could benefit from a PPA Rider in excess of three years, but given the lack of any record evidence on this point, any surmise about the effects of a longer term PPA Rider must be understood as mere guesswork.¹²

The Commission should follow its precedent and hold once again that the concept of an OVEC-only PPA Rider is unjust and unreasonable because it does not promote rate stability, does not serve the public interest, and does not function as a hedge. The Supreme Court of Ohio has directed the Commission to "respect its own precedents in its decisions to assure the

⁹ ESP 3 Order at 24.

¹⁰ Id.

¹¹ Id.

¹² Id.

predictability which is essential in all areas of the law, including administrative law.”¹³ That longstanding principle ought to apply with particular force here given that AEP Ohio’s OVEC-only PPA Rider proposal is a virtual carbon copy of the proposal from the ESP 3 proceeding.

The OVEC-only PPA Rider proposal contained in AEP Ohio’s Application for Rehearing also runs afoul of Ohio Adm. Code 4901-1-35(D), which provides that a party “may only file one application for rehearing to a commission order within thirty days following the entry of the order upon the journal of the commission.” AEP Ohio’s request to disinter the OVEC-only PPA Rider proposal and reargue its purported merits here—in addition to arguing its purported merits on rehearing in the ESP 3 docket¹⁴—constitutes an impermissible attempt to circumvent the Commissions’ rule governing rehearing procedure. If at all, issues associated with recovering the costs of the OVEC PPA, on a standalone basis, through the PPA Rider should have been addressed in the ESP 3 docket, not here.

In sum, given that AEP Ohio is withdrawing its request to recover the costs of the Affiliate PPA and that the Commission has already denied cost recovery of the OVEC-only PPA, the Commission can only come to one conclusion in these proceedings: *no costs* can be recovered through the PPA Rider. On rehearing, the Commission should expressly adopt this finding.

B. Approving an OVEC-only PPA Rider in this proceeding would violate R.C. 4903.09 because there is no evidence to support such a proposal.

Not only would approval of an OVEC-only PPA Rider mark a sharp departure from the Commission’s ESP 3 Order, it would also violate R.C. 4903.09. This statute requires the Commission to “explain its decisions and identify, in sufficient detail to enable review, the

¹³ *Cleveland Electric Illuminating Co. v. Pub. Util. Comm.*, 42 Ohio St.2d 403, 431, 330 N.E.2d 1 (1975).

¹⁴ AEP Ohio Application for Rehearing at 5-6, Case No. 13-2385-EL-SSO, et al., (March 27, 2015).

record evidence upon which its orders are based.”¹⁵ “A legion of cases establish that the [C]ommission abuses its discretion if it renders an opinion on an issue without record support.”¹⁶ Under R.C. 4903.09, “the PUCO’s order must show, in sufficient detail, the facts in the record upon which the order is based, and the reasoning followed by the PUCO in reaching its conclusion.”¹⁷

Here, approval of an OVEC-only PPA Rider would constitute a violation of R.C. 4903.09 because this issue was not presented to the Commission for evaluation in these proceedings. There is nothing in the record to justify an OVEC-only PPA Rider because AEP Ohio did not propose or make this an issue when its application was filed. Rather, AEP Ohio’s application was premised on recovering the costs of *both* the OVEC PPA and the Affiliate PPA.¹⁸ Its evidentiary presentation hinged on recovering the costs of *both* the OVEC PPA and the Affiliate PPA.¹⁹ And the Stipulation was similarly dependent on recovering the costs of *both* the OVEC PPA and the Affiliate PPA.²⁰ Put simply, there is nothing in the record that supports adoption of an OVEC-only PPA Rider and any contrary determination by the Commission would run afoul of the standards prescribed by R.C. 4903.09.

C. AEP Ohio’s improperly offered new proposal on rehearing should be rejected.

AEP’s proposal for an OVEC-only PPA Rider could have been offered in its initial application and during the hearings held in these cases, but it was not. Pursuant to R.C.

¹⁵ *In re Commission Review of the Capacity Charges of Ohio Power Co. and Columbus S. Power Co.*, Slip Opinion 2016-Ohio-1607, ¶ 53.

¹⁶ *Cleveland Electric Illuminating Co. v. Pub. Util. Comm.*, 76 Ohio St.3d 163, 166, 666 N.E.2d 1372 (1996).

¹⁷ *MCI Telecommunications Corp. v. Pub. Util. Comm.*, 32 Ohio St.3d 306, 344, 513 N.E.2d 337 (1987).

¹⁸ AEP Ohio Ex. 13 at 1 (Amended Application).

¹⁹ AEP Ohio Ex. 1 at 2 (Vegas Direct) (urging Commission approval of a PPA Rider that recovers the costs of *both* the OVEC PPA and the Affiliate PPA).

²⁰ Joint Ex. 1 at 4-5 (Stipulation); AEP Ohio Ex. 52 at 3 (Allen Direct in Support of Stipulation).

4903.10(B), in the event that rehearing is granted and additional evidence is permitted, the Commission “shall not upon such rehearing take any evidence that, with reasonable diligence, could have been offered upon the original hearing.” Nothing precluded AEP Ohio from offering its new proposal at the original hearing; therefore, the proposal should be rejected as impermissible rehearing evidence and an improper late motion to reopen the record.

D. A bypassable OVEC-only PPA Rider would still have damaging effects on non-shopping customers and competitive markets.

Even assuming there is record evidence to support an OVEC-only PPA Rider (and there emphatically is not), AEP Ohio’s recommendation to make the OVEC-only PPA Rider bypassable would not be sufficient to counteract the harms that such a proposal would usher in.²¹ While an improvement, requiring non-shopping customers to bear the costs of AEP Ohio’s contractual entitlement to the OVEC output would still be flatly inconsistent with the General Assembly’s decision to deregulate the provision of electric generation services.²² Non-shopping customers should not be forced to bear the financial risks associated with a fleet of uneconomic generating units simply because they decide that they derive more value by taking service through the SSO rather than a competitive supplier. A bypassable OVEC-only PPA Rider punishes non-shopping customers for making this choice. Moreover, as compared to a nonbypassable OVEC-only PPA Rider, a bypassable OVEC-only PPA Rider would have the effect of further increasing non-shopping customers’ costs because the amount set for recovery would be spread over a smaller pool of customers.

²¹ AEP Ohio Application for Rehearing at 4.

²² See, e.g., R.C. 4928.38 (providing that a “utility shall be fully on its own in the competitive market.”); *Migden-Ostrander v. Pub. Util. Comm.*, 102 Ohio St.3d 451, 2004-Ohio-3924, ¶ 2 (noting that “Am. Sub. S.B. No. 3 * * * provides for competition in the supply of electric generation services, commencing January 1, 2001.”).

Finally, a bypassable OVEC-only PPA Rider would pose the same or similar harms as a non-bypassable version. Insulating a fleet of aging coal units from the discipline of the market could have deleterious effects on wholesale market price signals,²³ suppress wholesale market clearing prices,²⁴ thwart new entry from more efficient generating resources,²⁵ and make the harmful potential for “uneconomic non-exit”²⁶ a reality. At bottom, any benefits associated with making the OVEC-only PPA Rider bypassable are clearly outweighed by the costs. The Commission should apply the reasoning from its ESP 3 Order and hold that a bypassable OVEC-only PPA Rider still fails to promote rate stability, is not in the public interest, does not provide customers with sufficient benefit as an alleged financial hedge, does not offer any other benefit that is commensurate with the PPA Rider’s potential cost, and does not satisfy the Commission’s other stated factors in its ESP 3 Order.²⁷

E. AEP Ohio should not be authorized to pass the costs of Capacity Performance penalties onto customers.

The Commission’s decision restricting AEP Ohio from recovering the costs of CP penalties from customers through the PPA Rider was correct and AEP Ohio presents no compelling reason to depart from that determination.²⁸ AEP Ohio’s heads-I-win, tails-you-lose proposal, wherein it would keep CP bonus payments but recover CP penalties from customers, wholly ignores the plight of customers and their inability to manage the plants’ risks. In AEP Ohio’s view, a prohibition on flowing CP penalties through the PPA Rider is unfair because it is

²³ PJM IMM Ex. 2 at 4-5 (Dr. Bowring Supp. Direct).

²⁴ Id.

²⁵ OMAEG Ex. 29 at 6 (Dr. Hill Supp. Direct).

²⁶ *Independent Power Producers of New York, Inc. v. New York Independent System Operator, Inc.*, 150 FERC ¶ 61,214 at P 69 (2015).

²⁷ ESP 3 Order at 24-25.

²⁸ Order at 87-88.

impossible to know in advance whether imprudent management decisions led to the imposition of those penalties.²⁹ But that logic applies even more forcefully to customers.

AEP Ohio's request to shift 100% of the risks of CP penalties to customers is economically irrational because customers are the least equipped to manage the risks associated with the plants.³⁰ Customers do not own the plants; customers do not operate the plants; and customers are not responsible for bidding the plants' output into the PJM market. Given this, it would be unjust and unreasonable to require customers to fully bear the costs of circumstances that are completely beyond their ability to control.

F. Any customer subject to the OVEC-only PPA Rider should be eligible for protection under the Rate Impact Mechanism.

As a measure of protection for customers, the Commission "direct[ed] AEP Ohio to limit customer rate increases related to the PPA Rider at five percent of the June 1, 2015 SSO rate plan bill schedules for the remainder of the current ESP period through May 31, 2018."³¹ With little supporting rationale, AEP Ohio urges the Commission to rescind the Rate Impact Mechanism to the extent the OVEC-only PPA Rider is made bypassable.³² The Commission should deny this request.

All customers, shopping or not, are deserving of protection from the harms that could ensue from the OVEC-only PPA Rider. It is the Commission's policy to "[e]nsure the availability to consumers of adequate, reliable, safe, efficient, nondiscriminatory, and reasonably priced retail electric service[.]"³³ To stay in line with this policy, the Commission should ensure

²⁹ AEP Ohio Application for Rehearing at 13.

³⁰ IEU-Ohio Ex. 1 at 45 (Dr. Lesser Direct).

³¹ Order at 81.

³² AEP Ohio Application for Rehearing at 13.

³³ R.C. 4928.02(A).

the Rate Impact Mechanism remains in place if the OVEC-only PPA Rider is converted into a bypassable rate. Doing so would be congruent with the Commission's mission of ensuring that customers receive reasonably priced retail electric service.

G. Requiring customers to pay charges under the PPA Rider for the costs associated with a renewable PPA reached between AEP Ohio and its affiliate portends the same harms that prompted the FERC to rescind the waiver on affiliate sales restrictions granted to AEP Ohio and AEPGR.

Unfazed by FERC's recent order which pointed out the potential hardships that customers in retail choice states face when forced to bear the costs of affiliate transactions, AEP Ohio insists that its affiliates must be permitted to own up to 50% of wind projects and 50% of solar projects "on an aggregate net basis based on installed capacity" in accordance with the Stipulation.³⁴ If this provision is allowed to move forward, customers would be confronting the same potential harms that surfaced before FERC rescinded the waiver on affiliate sales restrictions granted to AEP Ohio and AEPGR with regards to the Affiliate PPA. In rescinding the waiver, FERC explained that:

Those AEP Ohio retail ratepayers are nonetheless captive in that they have no choice as to payment of the non-bypassable generation-related charges incurred under the Affiliate PPA. These non-bypassable charges present the potential for the inappropriate transfer of benefits from [captive] customers to the shareholders of the franchised public utility, and, thus, could undermine the goal of [our] affiliate restrictions.

* * *

The Affiliate PPA raises the potential for cross-subsidization from AEP Ohio's retail customers – who are captive in the sense that they cannot avoid the non-bypassable charge – to AEP Ohio's market-regulated power sales affiliate, AEP Generation.³⁵

³⁴ AEP Ohio Application for Rehearing at 12.

³⁵ *EPSA Order* at P 57, 66 (internal quotations omitted).

These same harms identified by FERC with respect to the Affiliate PPA are lurking in AEP Ohio's proposal requesting affiliate ownership and full cost recovery of the renewable projects. AEP Ohio explains that the "structure of the [renewable] projects would still ultimately be PPAs and would flow through the PPA Rider * * * ."³⁶ AEP Ohio also states that cost recovery associated with these renewable projects must be done on a nonbypassable basis.³⁷ This type of construct may be impermissible according to FERC. If AEP Ohio is proposing to recover on a nonbypassable basis the costs associated with affiliated renewable projects, then customers would once again be captive to a charge that raises the potential for cross-subsidization from retail customers to a franchised public utility's affiliate. AEP Ohio's commitment to use a competitive process does not alter this conclusion. Any selection process that ultimately results in awarding ownership to an affiliate is not truly competitive. Contrary to AEP Ohio's preference, the guiding principle in awarding ownership should depend on the owner's ability to operate the project as economically as possible. The Commission should follow FERC's reasoning and deny AEP Ohio's request to permit its affiliates to claim an ownership stake in the renewable projects.

H. The Commission should deny AEP Ohio's request to scale back its credit commitments.

The Commission should safeguard the interests of customers by retaining AEP Ohio's credit commitments as originally proposed in the Stipulation. AEP Ohio proposes to scale back the credit commitments featured in the Stipulation to 15% of their original value because it is no longer pursuing cost recovery of the Affiliate PPA.³⁸ But AEP Ohio's proposal to scale back the

³⁶ AEP Ohio Application for Rehearing at 11.

³⁷ Id. at fn. 3.

³⁸ Id. at 4.

credit commitments is premised on an unduly narrow view of the Stipulation. The Stipulation must be viewed as a package, as AEP Ohio insists it must.³⁹ Removing the costs of the Affiliate PPA as an issue certainly softens the blow to customers, but the Stipulation's assorted package of features imposes several other costs on customers that are unrelated to the Affiliate PPA. To name just a few: customers will be forced to bear the costs of the provisions that grant funding to the Ohio Partners for Affordable Energy and the Ohio Hospital Association; customers could be forced to bear the costs of an expanded IRP program; customers could be forced to bear the costs associated with solar and wind projects; customers could be forced to bear the costs of an OVEC-only PPA Rider; customers could be forced to bear the costs associated with implementing grid-scale battery technology; and customers could be forced to bear the costs of the Pilot Supplier Consolidated Billing Program.⁴⁰

The credit commitment as originally proposed will help to offset these costs by providing a measure of rate relief to customers. If the Stipulation is to be viewed as a package, then the package of costs imposed onto customers must be counterbalanced by the package of credits that AEP Ohio promised to customers. AEP Ohio's proposal to scale back the credit commitments ignores the fact that the Stipulation still imposes an array of costs onto customers even without the Affiliate PPA. The credit commitments, as originally proposed, should be retained.

I. The Commission should reject AEP Ohio's premature tariff filings.

On May 3, 2016, AEP Ohio requested approval of tariff filings that bear no relationship to the Commission's Order approving and modifying the Stipulation.⁴¹ The filings contain two proposals: the first is premised on a non-bypassable OVEC-only PPA Rider and the second is

³⁹ Tr. Vol. XVIII at 4592; Tr. Vol. XIX at 4686.

⁴⁰ Joint Ex. 1 at 5, 10-11, 13-18, 30-32.

⁴¹ AEP Ohio Tariff Update at 1 (May 3, 2016).

premised on a bypassable OVEC-only PPA Rider. AEP Ohio “requests affirmative Commission approval to implement one of these non-zero alternatives starting June 1, 2016.”⁴² The Commission should deny AEP Ohio’s premature request for tariff approval because it cannot be squared with statute or precedent.

Under R.C. 4905.30, all public utilities “shall print and file with the public utilities commission schedules showing all rates * * * and charges for service of every kind furnished by it.” Similarly, R.C. 4905.32 directs that “No public utility shall charge, demand, exact, receive, or collect a different rate * * * or charge for any service rendered, or to be rendered, than that applicable to such service as specified in its schedule filed with the public utilities commission which is in effect at that time.” Building on this statutory guidance, the Supreme Court of Ohio has observed that tariffs must be congruent with Commission orders:

The principle underlying Ohio’s regulatory scheme is that utility rates are to be set by the commission upon hearings and evidence, and only those rates found to be fair and reasonable after such hearings may be lawfully charged. These approved rates are then set down in tariff schedules and filed with the commission.⁴³

Glaringly absent from the Commission’s Order is any passage directly stating, let alone implying, that the OVEC-only PPA Rider proposal meets the factors from the ESP 3 order and that AEP Ohio can flow the net effects of the OVEC PPA—on a standalone basis—through to customers under the PPA Rider. The Commission’s failure to explicitly authorize the OVEC-only PPA Rider means AEP Ohio’s tariff filings are inappropriate. In order to implement a proposal through tariff filings, the Commission must have first granted its authorization. Because AEP Ohio plainly cannot make this showing based on the record, the Commission should reject the proposed tariffs. Moreover, AEP Ohio’s untimely proposal could have been

⁴² Id. at 2.

⁴³ *In re Complaint of Reynoldsburg*, 134 Ohio St.3d 29, 2012-Ohio-5270, ¶ 41.

raised during the hearing but it was not. AEP Ohio's request to consider the OVEC-only PPA Rider proposal at this juncture is tantamount to a request to reopen the record in direct contravention of R.C. 4903.10(B) which bars on rehearing the consideration of any evidence that, with reasonable diligence, could have been offered during the original hearing.

III. Conclusion.

The Commission previously decided that authorizing cost recovery of the OVEC PPA through the PPA Rider is unjust and unreasonable. It should follow that precedent here and hold once again that customers derive no benefits from bearing the costs of the OVEC PPA. In view of AEP Ohio's decision to forego cost recovery of the Affiliate PPA, the Commission should go one step further and state unequivocally that *no costs* may be recovered from customers through the PPA Rider. Moreover, there is no record evidence to support the concept of an OVEC-only PPA Rider, thus the Commission would be forbidden by R.C. 4903.09 from approving an OVEC-only PPA Rider. And a bypassable OVEC-only PPA Rider, while better, would only serve to punish SSO customers while inflicting the same types of harms on competitive markets that would stem from a non-bypassable version.

AEP Ohio's insistence that its affiliates be permitted to claim an ownership stake in the renewable projects cannot be squared with FERC's order. To avoid another standoff with FERC, the Commission should not countenance a process that grants affiliate ownership regardless of the results of a competitive bidding process.

To protect against rising customers' costs, the Commission should deny AEP Ohio's request to eliminate or trim back on several customer-friendly elements that are contained in the Stipulation and in the Order. Customers are least equipped to manage the risk of the plants, thus they should not bear the costs of CP penalties. AEP Ohio's credit commitments should be kept

at their original value. And the Rate Impact Mechanism should remain in place if the OVEC-only PPA Rider is converted to a bypassable rate.

Lastly, the Commission should deny AEP Ohio's request for tariff approval because the tariffs are premised on a proposal that the Commission has plainly not authorized.

Respectfully submitted,

/s/ Kimberly W. Bojko
Kimberly W. Bojko (0069402)
Ryan P. O'Rourke (0082651)
Carpenter Lipps & Leland LLP
280 N. High Street, Suite 1300
Columbus, Ohio 43215
Telephone: 614.365.4100
Fax: 614.365.9145
bojko@carpenterlipps.com
o'rourke@carpenterlipps.com

Counsel for the OMAEG

660358

CERTIFICATE OF SERVICE

I certify that a copy of foregoing was served via email on May 12, 2016 upon the following parties of record:

/s/ Ryan P. O'Rourke
Ryan P. O'Rourke

stnourse@aep.com
mjsatterwhite@aep.com
msmckenzie@aep.com
Christopher.Miller@icemiller.com
cmooney@ohiopartners.org
dboehm@BKLawfirm.com
dconway@porterwright.com
dwilliamson@spilmanlaw.com
fdarr@mwncmh.com
ghull@eckertseamans.com
glpetrucci@vorys.com
mjsettineri@vorys.com
haydenm@firstenergycorp.com
mhpetricoff@vorys.com
jeffrey.mayes@monitoringanalytics.com
jfinnigan@edf.org
jkylercohn@BKLawfirm.com
mkurtz@bkllawfirm.com
jlang@calfee.com
Jodi.bair@occ.ohio.gov
joliker@igsenergy.com
joseph.clark@directenergy.com
Kurt.Helfrich@ThompsonHine.com
mdortch@kravitzllc.com
mfleisher@elpc.org
mpritchard@mwncmh.com
msmalz@ohiopovertylaw.org
mswhite@igsenergy.com
myurick@taftlaw.com
ricks@ohanet.org

sam@mwncmh.com
scasto@firstenergycorp.com
schmidt@sppgrp.com
Scott.Campbell@thompsonhine.com
Stephanie.Chmiel@ThompsonHine.com
talexander@calfee.com
tdougherty@theOEC.org
tobrien@bricker.com
todonnell@dickinsonwright.com
tony.mendoza@sierraclub.org
William.Michael@occ.ohio.gov
william.wright@puc.state.oh.us
twilliams@snhsllaw.com
Kevin.moore@occ.ohio.gov
Steven.beeler@puc.state.oh.us

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

Summary: Memorandum MEMORANDUM CONTRA OHIO POWER COMPANY'S APPLICATION FOR REHEARING ON BEHALF OF THE OHIO MANUFACTURERS' ASSOCIATION ENERGY GROUP electronically filed by Ms. Cheryl A Smith on behalf of The Ohio Manufacturers' Association