

## **THE PUBLIC UTILITIES COMMISSION OF OHIO**

**IN THE MATTER OF THE APPLICATION  
OF THE FUEL ADJUSTMENT CLAUSES  
FOR COLUMBUS SOUTHERN POWER  
COMPANY AND OHIO POWER  
COMPANY AND RELATED MATTERS.**

**CASE No. 11-5906-EL-FAC**

**IN THE MATTER OF THE FUEL  
ADJUSTMENT CLAUSES FOR COLUMBUS  
SOUTHERN POWER COMPANY AND  
OHIO POWER COMPANY.**

**CASE No. 12-3133-EL-FAC**

**IN THE MATTER OF THE FUEL  
ADJUSTMENT CLAUSES FOR OHIO  
POWER COMPANY.**

**CASE No. 13-572-EL-FAC**

**IN THE MATTER OF THE FUEL  
ADJUSTMENT CLAUSES FOR OHIO  
POWER COMPANY.**

**CASE No. 13-1286-EL-FAC**

**IN THE MATTER OF THE FUEL  
ADJUSTMENT CLAUSES FOR OHIO  
POWER COMPANY.**

**CASE No. 13-1892-EL-FAC**

### **ENTRY ON REHEARING**

Entered in the Journal on May 17, 2017

#### **I. SUMMARY**

{¶ 1} The Commission finds that the application for rehearing filed by the Ohio Consumers' Counsel on August 21, 2015, should be deemed withdrawn.

#### **II. DISCUSSION**

{¶ 2} 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.

{¶ 3} 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.

{¶ 4} In Case No. 11-346-EL-SSO, et al., the Commission modified and approved AEP Ohio's application for an ESP to commence with the first billing cycle of September 2012 and continue through May 31, 2015, pursuant to R.C. 4928.143. *In re Ohio Power Co.*, Case No. 11-346-EL-SSO, et al. (*ESP 2 Case*), Opinion and Order (Aug. 8, 2012), Entry on Rehearing (Jan. 30, 2013). As part of the *ESP 2 Case*, the Commission continued the fuel adjustment clause (FAC) for each of AEP Ohio's rate zones and approved the implementation of the new alternative energy rider (AER) mechanism to facilitate the Company's recovery of prudently incurred fuel and fuel-related costs, subject to annual audit. In addition, the Commission approved, with certain modifications, AEP Ohio's transition to a fully competitive auction-based SSO, with all energy procured by auction for delivery as of January 1, 2015. *ESP 2 Case*, Opinion and Order (Aug. 8, 2012) at 18, 38-40.

{¶ 5} In Case No. 12-3254-EL-UNC, the Commission approved and modified AEP Ohio's application, as supplemented, to establish a competitive bid procurement (CBP) process for its SSO. *In re Ohio Power Co.*, Case No. 12-3254-EL-UNC (*CBP Case*), Opinion and Order (Nov. 13, 2013), Entry on Rehearing (Jan. 22, 2014). The Commission approved AEP Ohio's proposal to unbundle the FAC, including the Company's request to establish the fixed cost rider (FCR) and the auction phase-in rider (APIR). *CBP Case*, Opinion and Order (Nov. 13, 2013) at 16.

{¶ 6} On October 23, 2013, in the above-captioned proceedings, the Commission issued a request for proposal (RFP) for two audits of AEP Ohio's FAC and AER

mechanisms, with the first audit to cover the period of 2012 and 2013, and the second audit to include both a review of 2014 and a final reconciliation and true-up of the FAC following its termination on December 31, 2014. The RFP noted that the timeline for the second audit would be established at a future date.

{¶ 7} On December 4, 2013, the Commission selected Energy Ventures Analysis, Inc. (EVA) to perform the annual audits of AEP Ohio's fuel and alternative energy costs for the 2012, 2013, and 2014 audit periods and the final reconciliation and true-up of the FAC. On May 9, 2014, in Case No. 13-1892-EL-FAC, EVA filed its report regarding the management/performance and financial audits of AEP Ohio's FAC and AER for 2012 and 2013.

{¶ 8} By Entry dated July 22, 2015, the Commission clarified that, as part of the second audit of the FAC and AER for 2014 and the final reconciliation and true-up of the FAC, EVA should audit AEP Ohio's FCR and APIR for the period of January 1, 2015, through May 31, 2015. The Commission also directed EVA to present its draft audit report to Staff and AEP Ohio by November 9, 2015, and to file the final audit report by November 30, 2015.

{¶ 9} 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.

{¶ 10} On August 21, 2015, the Ohio Consumers' Counsel (OCC) filed an application for rehearing of the Commission's July 22, 2015 Entry. AEP Ohio filed a memorandum contra OCC's application for rehearing on August 31, 2015.

{¶ 11} By Entry on Rehearing dated September 16, 2015, the Commission granted OCC's application for rehearing for further consideration of the matters specified in the application for rehearing.

{¶ 12} On December 21, 2016, AEP Ohio, Staff, and OCC, along with several other parties, filed a Joint Stipulation and Recommendation (Global Settlement Stipulation) in several cases pending before the Commission, including the present proceedings, to resolve all of the issues raised in the cases.

{¶ 13} A hearing on the Global Settlement Stipulation was held on January 24, 2017. While the Global Settlement Stipulation did not directly address the pending application for rehearing in these proceedings, OCC indicated, at the hearing, that it was OCC's intention that, once a final, non-appealable order approving the Global Settlement Stipulation was issued, its application for rehearing would be considered withdrawn (Tr. at 13-17).

{¶ 14} By Order issued February 23, 2017, the Commission adopted and approved the Global Settlement Stipulation to resolve all of the issues raised in the specified cases, including the present proceedings.

{¶ 15} Accordingly, the Commission finds that OCC's request to withdraw its application for rehearing of the July 22, 2015 Entry should be granted and the application should be deemed withdrawn.

### III. ORDER

{¶ 16} It is, therefore,

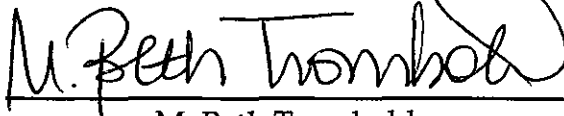
{¶ 17} ORDERED, That OCC's request to withdraw its application for rehearing of the July 22, 2015 Entry be granted and the application be deemed withdrawn. It is, further,

{¶ 18} ORDERED, That a copy of this Entry on Rehearing be served upon all parties of record.

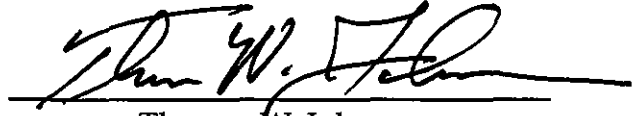
THE PUBLIC UTILITIES COMMISSION OF OHIO



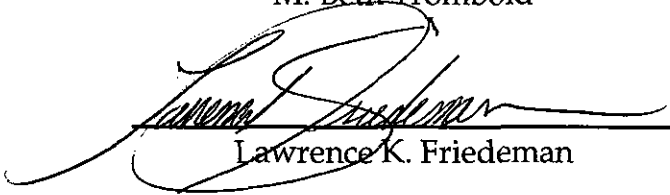
Asim Z. Haque, Chairman



M. Beth Trombold



Thomas W. Johnson



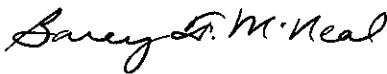
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Barcy F. McNeal  
Secretary