BEFORE THE POWER SITING BOARD OF THE STATE OF OHIO

Ohio House of Representatives

Ohio Senate

| In the Matter of the Construction Notice Application of |) | |
|---|---|----------------|
| AEP Ohio Transmission Company, Inc. for the |) | 17-1315-EL-BNR |
| Middleboro Switch Extension Project |) | |

Members of the Board:

Chairman, Public Utilities Commission

Director, Development Services Agency

Director, Department of Health

Director, Department of Agriculture

Director, Environmental Protection Agency

Director, Department of Natural Resources

Public Member

To the Honorable Power Siting Board:

Please review the attached Staff Report of Investigation, which has been filed in accordance with Ohio Power Siting Board (Board) rules. The accelerated certificate application in this case is subject to an automatic approval process as required by Section 4906.03 of the Ohio Revised Code.

The application will be recommended for automatic approval on June 1, 2017 unless suspended by the Board's chairperson or an administrative law judge. If suspended, the Board must render a decision on the application within 90 days from the date of suspension.

Please present any concerns you or your designee may have with this case to my office at least four business days prior to June 1, 2017, which is the automatic approval date.

Sincerely,

Patrick Donlon

Director, Rates and Analysis

Public Utilities Commission of Ohio

180 East Broad Street

Columbus, Ohio 43215

(614) 644-8932

OPSB STAFF REPORT OF INVESTIGATION

| Case Number: | 17-1315-EL-BNR | | |
|--|-------------------------------------|--|--|
| Project Name: | Middleboro Switch Extension Project | | |
| Project Location: | Warren County | | |
| Applicant: | AEP Ohio Transmission Company | | |
| Application Filing Date: | May 24, 2017 | | |
| Filing Type: | Construction Notice | | |
| Inspection Date: | May 22, 2017 | | |
| Report Date: | May 25, 2017 | | |
| Recommended Automatic Approval Date: | June 1, 2017 | | |
| Applicant's Waiver Requests: | none | | |
| Staff Assigned: | J. Whitis, J. Cross, G. Zeto | | |
| Summary of Staff Recommendations (see discussion below): | | | |
| Application: Approval Disapproval Approval with Conditions | | | |
| Waiver: X Appro | oval 🗌 Disapproval 🔲 Not Applicable | | |

Project Description

AEP Ohio Transmission Company (AEP or Applicant) proposes to modify the Middleboro Switch by moving the tap to the northwest as part of the reconfiguration of the Middleboro Substation from a tap configuration to a flow through configuration. The construction would consist of installing one new steel pole dead-end structure.

The entire proposed work would occur within AEP's easement, and would be accessed through DP&L's property. No new rights of way or easements would be necessary. The Applicant proposes to begin construction in June 2017, and place the facility in-service the same month. The Applicant estimates the total cost of the project to be \$150,000.

AEP's application was filed in conjunction to DP&L's case no. 17-1240-EL-BNR. Staff considered the entire project in its inspection that was conducted on May 22, 2017.

In order to respond to a PJM Interconnection, LLC (PJM) required relocation of existing metering points by June 1, 2017, AEP requests a shorter automatic approval date than the twenty-one day construction notice requirement, as described in Ohio Adm.Code 4906-6-03(C). Staff recommends approval of this request.

Site Description

The project is located in Harlan Township, Warren County, Ohio. The Middleboro substation is located 2200 feet east of the Middleboro Road and Edwardsville Road intersection. The project construction of one new steel pole will be located within AEP's easement.

Basis of Need

The Applicant states PJM is requiring the Middleboro Substation to be reconfigured to facilitate the PJM settlement process for Locational Marginal Pricing (LMP). The current configuration of the substation serves DP&L customers and should be within PJM's Dayton zone, however it is currently within PJM's AEP zone. The existing PJM settlement process is using AEP's LMP to calculate costs for DP&L customers. Therefore, when PJM is settling the Dayton zone, PJM is incorrectly attributing the load at the substation to be a part of AEP's zone, even though it is serving DP&L customers.

The Middleboro Substation load must be within PJM's Dayton zone in order to allow PJM's automatic settlement system to properly allocate costs among the various retail Competitive Retail Electric Service providers and the DP&L standard service offer auction suppliers serving that load. In order to accommodate this request, AEP must move a tap and install a new pole on AEP's existing 138 kilovolt line to accommodate the necessary reconfiguration. The new configuration will allow for the substation to be within the Dayton transmission zone and allow for accurate settlements.

Nature of Impacts

Construction of the project would occur on previously disturbed land and would not result in any adverse ecological and cultural resources impacts. The project is not located within agricultural district land.

Surface Waters

No wetlands or streams would be impacted by the project, and no surface waters were delineated within proximity of the project.

Threatened and Endangered Species

The project consists of one pole within a fallow agricultural field. The only potential habitat that may be impacted is a small row of trees near the proposed pole location. Staff recommends that removal of any trees greater than three inches in diameter only occur from October 1 through March 3, unless coordination with the Ohio Department of Natural Resources (ODNR) and the United States Fish and Wildlife Service (USFWS) allows a different course of action.

Conclusion

Staff's review of the application included consideration of the requirements listed in Ohio Revised Code Section 4906.10. Based on Staff's review, the application meets the necessary criteria for granting a certificate. Staff recommends automatic approval of this case on June 1, 2017, provided that the following conditions are satisfied.

Conditions

- 1) Staff's recommendation for automatic approval of this application only applies to the portion of the project that involves AEP's assets, since Staff's review and recommendation for DP&L's portion of the project is presented in case no. 17-1240-EL-BNR.
- 2) The Applicant shall adhere to seasonal cutting dates of October 1 through March 31 for removal of any trees greater than three inches in diameter, unless coordination with ODNR and USFWS allows a different course of action.

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Case No(s). 17-1315-EL-BNR

Summary: Staff Report of Investigation electronically filed by Mr. Jason Cross on behalf of Siting Staff