

FILE

PUCO EXHIBIT FILING

Date of Hearing: 5/12/18

Case No. 15-892-EL-AEC

PUCO Case Caption: Ohio Valley Electric

Cooperation

PUCO

RECEIVED ELECTRICITY
2018 MAY 29 PM 3:31

List of exhibits being filed:

Joint Ex-1

Ohio Power Ex-1

This is to certify that the information are as
accurate and complete reproduction of a case file
document delivered in the regular course of business.
Technician [Signature] Date Processed MAY 29 2018

Reporter's Signature: Michael O. Spence

Date Submitted: 5/29/18

BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

- - -

In the Matter of the :
Application of Ohio Valley : Case No.
Electric Corporation for : 15-892-EL-AEC
Approval of Termination :
of Service. :

- - -

PROCEEDINGS

Before Dick Bulgrin, Attorney Examiner, held at
the offices of the Public Utilities Commission
of Ohio, 180 East Broad Street, Hearing Room
11-D, Columbus, Ohio, on Thursday, May 17, 2018,
at 10:00 A.M.

- - -

Armstrong & Okey, Inc.
222 East Town Street, 2nd Floor
Columbus, Ohio 43215
(614) 224-9481 - (800) 223-9481

- - -



An AEP Company

BOUNDLESS ENERGY



American Electric Power
1 Riverside Plaza
Columbus, OH 43215-2373
AEP.com

April 10, 2018

The Honorable Richard Bulgrin
Attorney Examiner
Public Utilities Commission of Ohio
180 East Broad Street
Columbus Ohio 43215-3793

Steven T. Nourse
Chief Ohio Regulatory
Counsel
(614) 716-1608 (P)
(614) 716-2014 (F)
stnourse@aep.com

*Re: In the Matter of the Application of Ohio Valley
Electric Corporation for Approval of Termination of
Service, Case No. 15-892-EL-AEC*

Dear Examiner Bulgrin:

The Parties are pleased to submit the enclosed Joint Stipulation and Recommendation (Stipulation) for the Commission's consideration in resolving this case. Please note that the contracts for resolving the underlying retail service matters consistent with the Stipulation are Exhibits to the Stipulation and have been executed by the United States Department of Energy and Ohio Power Company, subject to the Commission's approval of the Stipulation that is supported by all parties. The one exception is Exhibit E, the CIAC agreement, which will be executed (subject to Commission approval) once the cost figures are finalized; but that should not delay the Commission's consideration of the Stipulation. While the Staff is not a Signatory Party, the Signatory Parties did consult with Staff and seek input concerning the Stipulation prior to filing it.

The Signatory Parties request consideration and approval by the Commission and await your further direction on the next procedural steps toward that goal. Thank you for your attention to this matter.

Respectfully Submitted,

//s/ Steven T. Nourse

cc: Parties of Record

BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of)	
Ohio Valley Electric Corporation)	Case No. 15-892-EL-AEC
for Approval of Termination of)	
Service.)	

JOINT STIPULATION AND RECOMMENDATION

I. Introduction

Rule 4901-1-30 of the Ohio Administrative Code provides that any two or more parties to a proceeding may enter into a written stipulation covering the issues presented in such a proceeding. This document sets forth the understanding and agreement of the parties who have signed below ("Signatory Parties") and jointly present to the Public Utilities Commission of Ohio ("Commission") this Joint Stipulation and Recommendation, which includes Exhibits A, B, C, D, and E, attached (herein referred to collectively as "Stipulation") in order to resolve all of the issues raised in this proceeding through the application filed by Ohio Valley Electric Corporation ("OVEC") on May 7, 2015.

This Stipulation is a product of lengthy, serious, arm's-length bargaining among the Signatory Parties (all of whom are capable, knowledgeable parties), which negotiations were undertaken by the Signatory Parties to settle this proceeding. All intervenors were invited to *discuss and negotiate this Stipulation and it was openly negotiated among those stakeholders* who responded and chose to participate. This Stipulation is supported by adequate data and information. As a package, the Stipulation benefits customers and the public interest, provides direct benefits to residential and low income customers, represents a just and reasonable resolution of all issues in this proceeding, violates no regulatory principle or practice, and complies with and promotes the policies and requirements of Title 49 of the

Ohio Revised Code. This Stipulation represents an accommodation of the diverse interests represented by the Signatory Parties and, though not binding on the Commission, is entitled to careful consideration by the Commission. For purposes of resolving the issues raised by these proceedings, the Signatory Parties agree to fully support adoption of the Stipulation without modification in this proceeding and stipulate, agree, and recommend as set forth below.

II. Recitals

WHEREAS, OVEC is a public utility as defined by R.C. 4905.02;

WHEREAS, OVEC has a power supply agreement with the United States of America, Department of Energy ("DOE");

WHEREAS, the DOE has an ongoing multiyear decommissioning and decontamination ("D&D") project at the former Portsmouth Gaseous Diffusion Plant funded through annual congressional appropriations for which funding of replacement electrical infrastructure was not included in current budget requests;

WHEREAS, OVEC filed an Application on May 7, 2015 to terminate service to DOE and establish retail service from Ohio Power Company ("AEP Ohio");

WHEREAS, the Industrial Energy Users – Ohio ("IEU") moved to intervene in the proceeding on November 3, 2017;

WHEREAS, the Staff of the Commission expressed an interest in discussing the Application;

WHEREAS, all parties engaged in settlement discussions concerning the issues identified in comments concerning the Application;

WHEREAS, the Signatory Parties believe that the agreements herein represent a fair

and reasonable resolution of the issues raised in these cases; and

WHEREAS, this Stipulation represents a serious compromise of complex issues and involves substantial benefits that would not otherwise have been achievable, and it is not intended to reflect the views or proposals which any individual party may have advanced acting unilaterally.

NOW, THEREFORE, the Signatory Parties stipulate, agree, and recommend that the Commission should issue a decision in these proceedings accepting and adopting this Stipulation and relying upon its provisions as the basis for resolving all issues raised by these proceedings.

III. Joint Recommendations of Signatory Parties

The Signatory Parties recommend that the Commission modify, approve, and adopt the Application filed in this case on June 30, 2016, as set forth in this Stipulation:

1. OVEC's request to be relieved of the obligation to serve DOE will be granted, and AEP Ohio will assume the right and obligation to serve DOE under the terms of this Stipulation. A map showing DOE's location within AEP Ohio's service territory is attached as Exhibit A.

- a. AEP Ohio will transition to serving DOE under the following plan of service:

- i. AEP Ohio will build out necessary transmission/distribution lines and substation to serve the DOE load using a 138kV service plan. DOE will build out necessary facilities to allow AEP Ohio to serve DOE using a 138kV service plan.

- ii. **AEP Ohio will build out necessary transmission facilities to remove DOE from the transmission throughpath. AEP Ohio and OVEC will establish new 345kV transmission interconnections directly between AEP Ohio and OVEC, bypassing DOE. OVEC and DOE will build out necessary facilities and complete any other construction necessary to remove DOE from the transmission throughpath as set forth herein.**
- iii. **A preliminary schematic of the planned build outs, with initial cost responsibility estimates, is attached as Exhibit B. The parties understand that this plan may be altered as necessary during the engineering, planning, and PJM Interconnection LLC ("PJM")/Federal Energy Regulatory Commission ("FERC") approval process described below. In addition, upon mutual agreement, the parties can adjust other details of service configuration and associated construction/equipment implementation including but not limited to configuration of service to American Centrifuge Plant ("ACP") facility.**

b. The parties agree to the following schedule:

- **Milestone 1: All parties sign this stipulation and all attached agreements.**
- **Milestone 2: The parties submit this stipulation to the Commission for approval. All parties begin process of conducting necessary engineering and planning. *(To occur as soon as practicable after Milestone 1.)***

- Milestone 3: The Commission approves this stipulation without modification. *(All parties to use commercially reasonable efforts to obtain such approval as soon as practicable after the submission.)*
- Milestone 4: All parties complete necessary engineering and planning and gain necessary regulatory approvals from PJM/FERC, as well as Commission/Ohio Power Siting Board ("OPSB"). *(All parties to use commercially reasonable efforts to complete process in pursuit of an 18 month target period after Milestone 3.)* As part of Milestone 4, the parties agree to update and modify, as needed, all easements and right-of-way documentation needed to complete the activities covered by this Stipulation. Furthermore, as part of Milestone 4, the applicable parties will complete Class 3 (-20%/+30%) estimates and review and revise, as needed, target periods associated with follow-on Milestones 6 and 7.
- Milestone 5: All parties begin construction of facilities. *(All parties to use commercially reasonable efforts to start construction as soon as practicable after Milestone 4.)*
- Milestone 6 ("138kV Transfer Date"): All parties complete construction of facilities necessary for AEP Ohio to begin 138 kV electric service to DOE as specified herein. *(All parties to use commercially reasonable efforts to complete 138kV facilities in pursuit of a 36 month target period after Milestone 5.)*

- **Milestone 7 ("345kV Transfer Date"):** All parties complete construction of facilities necessary for DOE's facilities to be removed from the transmission throughpath and replaced by a 345kV interconnection directly between AEP Ohio and OVEC, as specified herein. *(All parties to use commercially reasonable efforts to complete 345kV facilities and to assist DOE in its effort to de-register (e.g., respond to regulatory inquiries, provide supporting evidence to demonstrate radial feed, review of submittals) as a North American Electric Reliability Corporation ("NERC") Transmission Operator/Transmission Owner for the X-530 facility within a 12-18 month target period after Milestone 6.)*

2. The DOE load will transfer from OVEC to AEP Ohio's certified territory upon the 138kV Transfer Date (i.e., Milestone 6 above).

- a. Until the 138kV Transfer Date, OVEC will continue to have the exclusive right and obligation to serve DOE.
- b. After the 138kV Transfer Date, AEP Ohio's obligation to serve will become effective and remain in place until otherwise ordered by the Commission. OVEC will no longer have a retail service obligation to DOE and agrees not to make any retail sales to DOE after the 138kV Transfer Date.
- c. After the 138kV Transfer Date, AEP Ohio will charge DOE under the applicable AEP Ohio tariff, unless otherwise ordered by the Commission.

- d. DOE will be solely responsible for the construction, operation, and maintenance of all DOE-owned facilities necessary for AEP Ohio to provide 138kV service described herein.
3. Until the 345kV Transfer Date (i.e., Milestone 7 above), DOE will continue to own and operate the X-530 substation and the transmission line from X-530 to the AEP Don Marquis substation. DOE will be solely responsible for the operation and maintenance of the DOE-owned facilities to be utilized (i.e., the X-530 substation and line to Don Marquis). DOE understands that the transmission throughpath involving the 345kV portion of the X-530 substation needs to continue as a predicate to this agreement until AEP Ohio's 345kV build out is complete and placed in service.
4. After the 345Kv Transfer Date, all OVEC transmission facilities on the DOE reservation that are not utilized for the 345kV connection(s) between OVEC and AEP shall be removed by OVEC at its expense. OVEC shall use commercially reasonable efforts to complete such removal within six months of the 345kV Transfer Date and DOE shall provide reasonable access for OVEC to complete such removal.
5. As part of this Stipulation, AEP Ohio and DOE will execute the following agreements:
 - a. Letter of Commitment (attached as Exhibit C) – to be executed concurrently with stipulation.
 - b. Electric Service Agreement (attached as Exhibit D) – to be executed concurrently with stipulation. This contract may need to be updated for the demand for the services that is expected at the time the contract is executed (currently listed as 36,000 kW).

- c. **Contribution in Aid of Construction Agreement ("CIAC" - attached as Exhibit E)**
 - to be executed in the form provided when CIAC figures are finalized.
- 6. **The stipulation and all attached agreements only become effective upon adoption by the Commission without material modification and shall contain additional procedural/boilerplate provisions relating to rehearing, appeals, etc.**
 - a. **If the Stipulation is rejected or is modified in a way that is unacceptable, each of the parties reserves its right to withdraw its support for the foregoing, including the transfer of service from OVEC to AEP Ohio of DOE as a retail customer and/or the mutual agreements covering all incremental costs as a condition of service.**
 - b. **In addition to the agreements and approvals identified in this term sheet, OVEC, DOE, and AEP Ohio may need to execute other agreements (or to terminate existing agreements, such as the OVEC-DOE Interconnection Agreement), jointly pursue OPSB, Commission, PJM, FERC, or other regulatory approvals, and other related matters as a predicate to this agreement.**

IV. The Three-Part Test for Commission Approval

The Signatory Parties agree that the Stipulation satisfies the three-part test traditionally used by the Commission to consider stipulations. Specifically, the Signatory Parties agree that:

- 1. **the Stipulation is a product of serious bargaining among capable, knowledgeable parties representing diverse interests;**
- 2. **the Stipulation does not violate any important regulatory principle or practice; and,**

3. the Stipulation, as a whole, benefits customers and the public interest.

V. Procedural Matters

A. *Except for enforcement purposes or to establish that the terms of the Stipulation are lawful, neither the Stipulation nor the information and data contained herein shall be cited as a precedent in any future proceeding for or against any Signatory Party, if the Commission approves the Stipulation. Nor shall the acceptance of any provision within this Stipulation be cited by any party or the Commission in any forum so as to imply or state that any Signatory Party agrees with any specific provision of the Stipulation. More specifically, no specific element or item contained in or supporting this Stipulation shall be construed or applied to attribute the results set forth in this Stipulation as the results that any Signatory Party might support or seek, but for this Stipulation, in these proceedings or in any other proceeding. This Stipulation contains a combination of outcomes that reflects an overall compromise involving a balance of competing positions, and it does not necessarily reflect the position that one or more of the Signatory Parties would have taken on any individual issue. Rather, the Stipulation represents a package that, taken as a whole, is acceptable for the purposes of resolving all contested issues without resorting to litigation. The Signatory Parties believe that this Stipulation, taken as a whole, represents a reasonable compromise of varying interests.*

B. The Signatory Parties will support the Stipulation if the Stipulation is contested, and no Signatory Party will oppose an application for rehearing designed to defend the terms of this Stipulation.

C. *This Stipulation is conditioned upon adoption of the Stipulation by the*

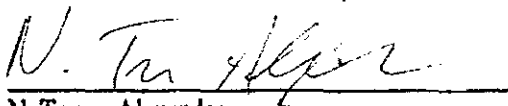
Commission in its entirety and without material modification. If the Commission rejects or materially modifies all or any part of this Stipulation, any Signatory Party shall have the right within 30 days after the issuance of the Commission's order to apply for rehearing. The Signatory Parties agree that they will not oppose or argue against any other Party's application for rehearing that seeks to uphold the original, unmodified Stipulation. If the Commission does not adopt the Stipulation without material modification upon any rehearing ruling, then within 30 days after such Commission rehearing ruling, any Signatory Party may terminate and withdraw from the Stipulation by filing a notice with the Commission. If the Commission does not act upon the application(s) for rehearing in support of the Stipulation as filed within 45 days after the filing of the application(s) for rehearing, then any Signatory Party may terminate and withdraw from the Stipulation by filing a notice with the Commission. Upon the filing of either of these notices, the Stipulation shall immediately become null and void.

D. No Signatory Party shall file a notice of termination and withdrawal pursuant to Section IV.D. without first negotiating in good faith with the other Signatory Parties to achieve an outcome that substantially satisfies the intent of the Stipulation. If a new agreement is reached, the Signatory Parties will file the new agreement for Commission review and approval. If the discussions to achieve an outcome that substantially satisfies the intent of the Stipulation are unsuccessful, the Commission will convene an evidentiary hearing to afford the Signatory Parties the opportunity to present evidence through witnesses, to cross-examine witnesses, to present rebuttal testimony, and to brief all issues that the Commission shall decide based upon the record and briefs as if this Stipulation had never been executed. If the discussions to achieve an outcome that substantially satisfies

the intent of the Stipulation are successful, some, or all, of the Signatory Parties shall submit the amended Stipulation to the Commission for approval after a hearing if necessary.

E. Unless the Signatory Party exercises its right to terminate its Signatory Party status or withdraw as described above, each Signatory Party agrees to and will support the reasonableness of this Stipulation before the Commission, and to cause its counsel to do the same, and in any appeal it participates in from the Commission's adoption and/or enforcement of this Stipulation. The Signatory Parties also agree to urge the Commission to accept and approve the terms hereof as promptly as possible.

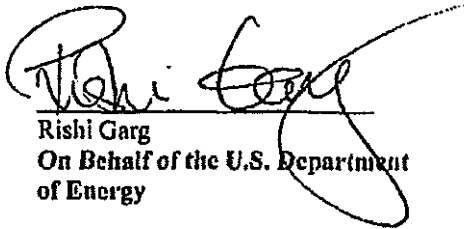
IN WITNESS WHEREOF, this Stipulation and Recommendation has been signed by the authorized agents of the undersigned Signatory Parties as of this 9th day of April, 2018.



N. Trevor Alexander
On Behalf of the Ohio Valley Electric Corporation



Steven T. Nourse
On Behalf of Ohio Power Company



Rishi Garg
On Behalf of the U.S. Department
of Energy

EXHIBIT A

Exhibit A



Figure 1: DOE's Location within AEP Ohio's Service Territory

Service Territories

- AEP Ohio
- Appalachian Power
- Indiana Michigan Power
- Kentucky Power

Figure 2: Legend of AEP Eastern Service Territories

EXHIBIT B

Exhibit B

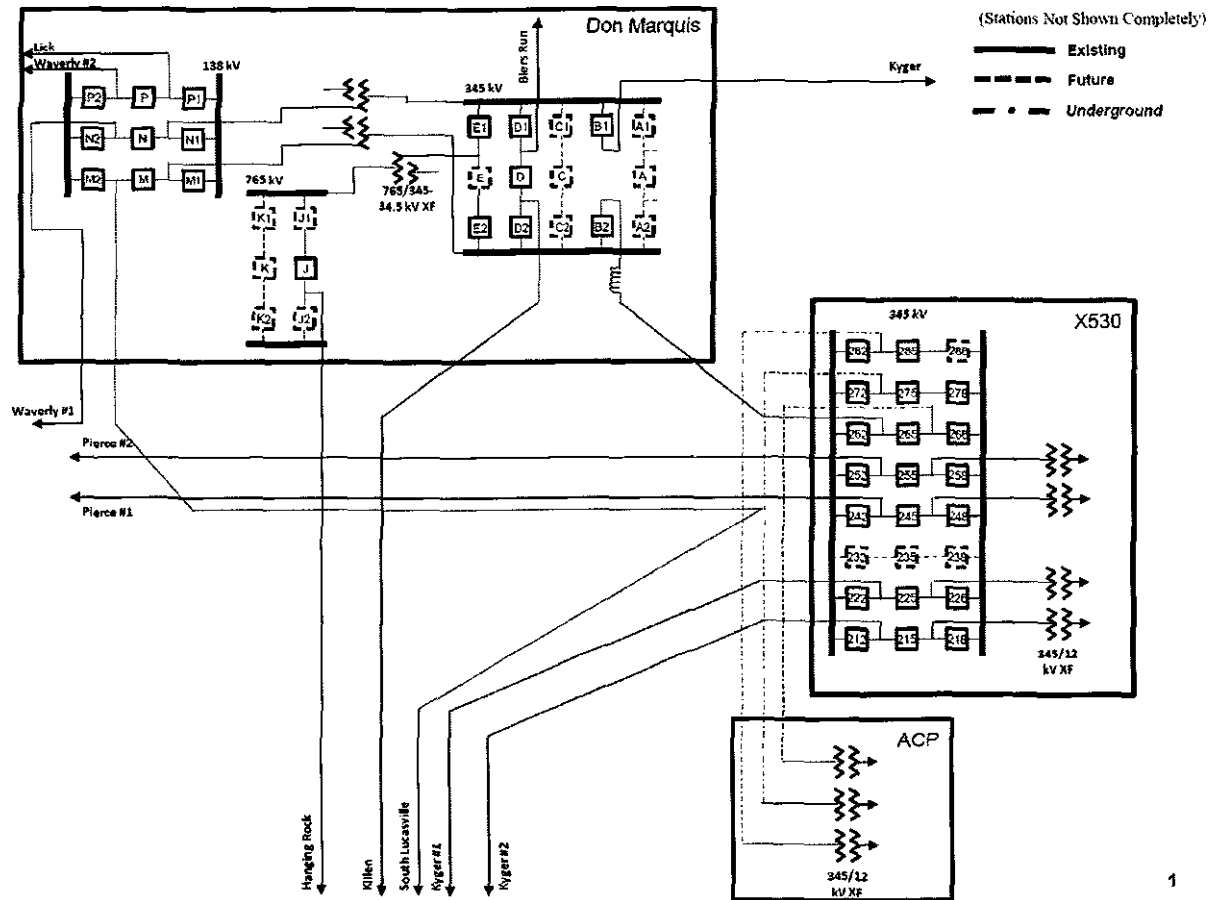


Figure 1: System Schematic - Existing

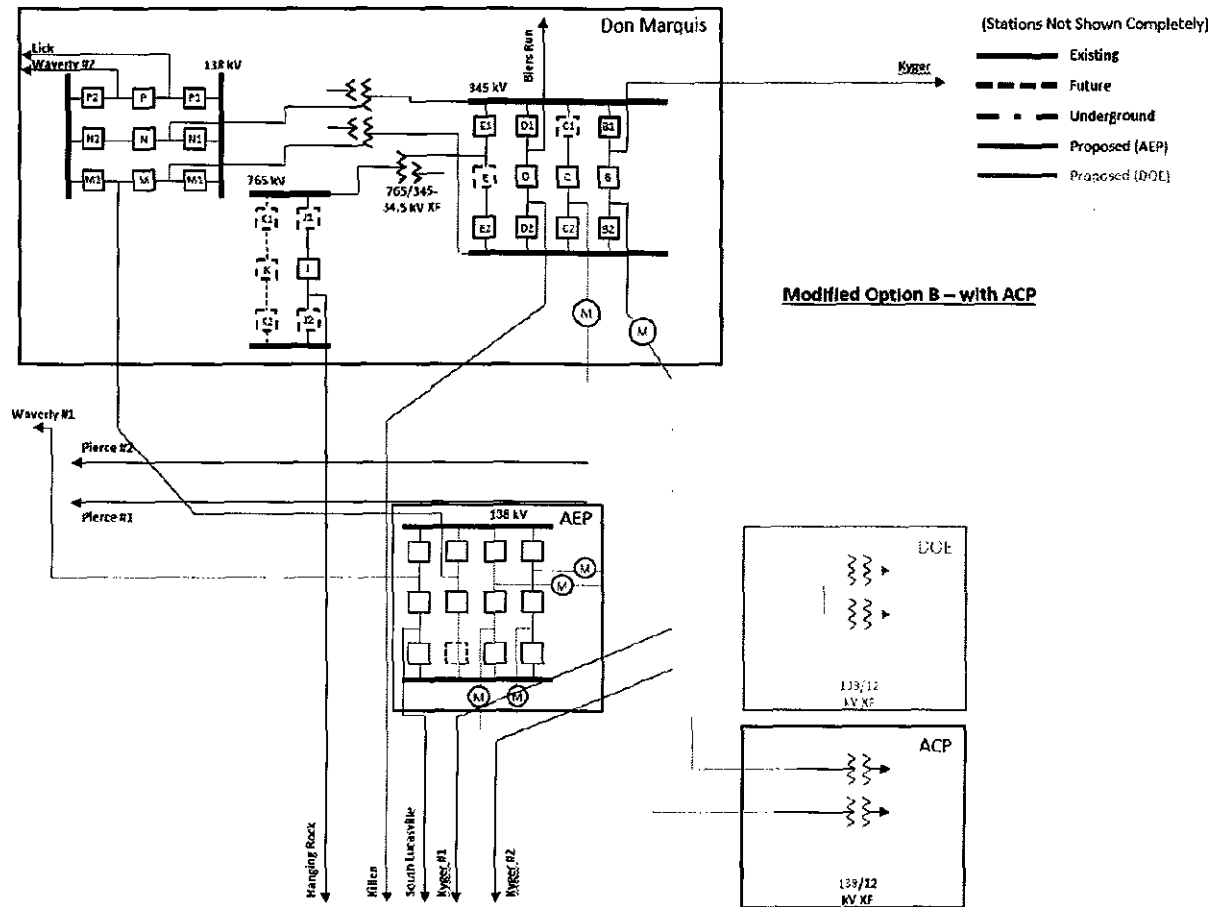


Figure 2: System Schematic – After



Figure 3: Geographical View – Before



Figure 4: Geographical View – After

Table 1: Scope, Ownership and Responsibility Matrix

Scope of Work	Ownership (%)			Cost Responsibility (%)		
	AEP	DOE	OVEC	AEP	DOE	OVEC
138kV Delivery Substation	100			97	3	
138kV Line Extensions to Delivery Substation	100			62.5	37.5	
138kV Metering Package	100			25	75	
138kV Radial Connections from Delivery Substation	100			60	40	
Two New 138kV DOE Lines		100			100	
138/13.8kV Substation for DOE Load		100			100	
Modify 13.8kV Cable Bus		100			100	
Two New 138kV ACP Lines		100			100	
138/13.8kV Transformers at ACP		100			100	
345kV Equipment De-Energizing		100			100	
Property and Right-of-Way	100				100	
345kV Six Wiring and Line Work			100			100
345kV Work at Pierce and Kyger			100			100
345kV Breakers at Don Marquis	100			100		
345kV Metering at Don Marquis	100			50		50 ¹
345kV Entrance Spans at Don Marquis	100			100		
345kV Equipment Retirement at X530		100			100	

¹ [note: OVEC and AEP are discussing allocation of metering costs]

EXHIBIT C

This Contract, entered into this 9th day of April, 2018 by and between Ohio Power Company, hereafter called the Company, and the United States Department of Energy, 3930 US Highway 23, Piketon, OH 45661, or his or its heirs, successors or assigns, hereafter called the Customer,

Witnesseth:

For and in consideration of the mutual covenants and agreements hereinafter contained, the parties hereto agree with each other as follows:

The Company agrees to furnish to the Customer, during the term of this Contract, and the Customer agrees to take from the Company, subject to Company's standard Terms and Conditions of Service as regularly filed with the Public Utilities Commission of Ohio, distribution service of the character specified herein that shall be purchased by the Customer in the premises located at 3930 US Highway 23, Piketon, OH.

The Company is to furnish and the Customer is to take distribution service under the terms of this Contract for an initial period of 24 month(s) from the time such service is commenced, and continuing thereafter until terminated upon 12 months' written notice given by either party of its intention to terminate the Contract. The date that service shall be deemed to have commenced under this Contract shall be upon completion of a 138kV service to the premise location.

The electric energy delivered hereunder shall be alternating current at approximately 138,000 volts, 3-wire, 3-phase, and delivered where the Customer's overhead 138 kV conductors from its two 138000-volt lines connect to the Company's deadend insulators on the first steel structures outside the Company's 138 kV Switchyard at the site, which shall constitute the points of delivery under this Contract. The said electric energy shall be delivered at reasonably close maintenance to constant potential and frequency, and it shall be measured by a meter or meters owned and installed by the Company and located in the control building in the Company's 138 kV Switchyard at the site, 138 kV metering.

The Customer acknowledges that the Customer may be eligible to receive service under more than one of the Company's schedules and that such options have been explained to the Customer. The Customer and Company agree that the Customer has chosen to receive service under the provisions of the Company's Schedule GENERAL SERVICE LARGE. The Customer agrees to pay the Company monthly for electric energy delivered hereunder at the rates and under the provisions of the Company's Schedule GENERAL SERVICE LARGE, as regularly filed with the Public Utilities Commission of Ohio, as long as that schedule is in effect. In the event that the Schedule chosen by the Customer is replaced by a new or revised Schedule incorporating different rates or provisions, or both, the Company and Customer understand and agree that the Company will continue to provide service, and the Customer will continue to take service, under this Contract, subject to such changed provisions, and that the Customer will pay for such service at the new rates on and after the date such rates become effective.

The Customer's contract capacity under the Schedule named herein is hereby fixed at 36,000 kW. If a time-of-day demand is available under the Schedule and is selected by the Customer, the reservation of capacity aforementioned shall be the peak period reservation of capacity.

This Contract is for distribution service only and does not prohibit the Customer from exercising its option to purchase its electrical energy from a Competitive Retail Energy Services (CRES) provider. Additionally, the tariff schedule referenced in this contract applies to either the Standard Service schedule or its companion Open Access Distribution (OAD) schedule.

There are no unwritten understandings or agreements relating to the service hereinabove provided. This Contract cancels and supersedes all previous agreements, relating to the delivery of energy by the Company at Customer's premises as referred to above, on the date that service under this Contract commences. This Contract shall be in full force and effect when signed by the authorized representatives of the parties hereto.

Ohio Power Company

By: 

Mary C. Grayem

Title: Director, Customer Experience and Communications

Date: 4/9/2018

Account Number:

U.S. Department of Energy

By: 

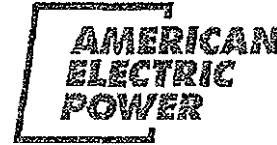
Matthew Carpenter

Title: Contracting Officer

Date: 4/9/18

EXHIBIT D

American Electric Power



U.S. Department of Energy
Matthew Carpenter
Contracting Officer
250 E. 5th Street, Suite 500
Cincinnati, Ohio 45202

April 9, 2018

Re: U.S. Department of Energy ("Customer") facility located in
Piketon, OH (the "Facility").

Dear Mr. Carpenter;

This letter (the "Agreement") sets forth an agreement between Customer and Ohio Power Company ("Company") under the terms of which Company will proceed with the engineering, design, procurement and construction work described in this Agreement (the "Work") in order to provide new 138kV service to Customer's facility in Piketon, OH. Customer has requested Company to provide service to the Facility at transmission voltage pursuant to the Company's terms and conditions of service (the "Terms and Conditions"). In an effort to meet a customer requested in-service date at the completion of Milestone 6, Company has agreed to begin the Work subject to Customer's agreement to the terms found herein. The Company will use commercially reasonable efforts to complete the Work on or before the in-service date but does not guarantee the in service date will be met as there are many variables beyond its control.

Customer will issue a Task Order to the Areawide Public Utility Contract For Electric Services, Regulated Energy Management Services, and Services Provided under the Appropriate Regulatory Authority, Contract No. GS-00P-12-BSD-0845. between the United States of America and AMERICAN ELECTRIC POWER SERVICE CORPORATION, for providing service to Customer's Piketon, Ohio facility, including construction and financing of the project.

The Customer agrees to reimburse the Company allowable costs, both internal and external, incurred by the Company up to an authorized limit of \$23,130,000 to be

paid in the event (a) Customer terminates this project, in accordance with the task order, or (b) a new electric service agreement is not executed prior to the service being energized. Furthermore, if expenses reach the authorized limit, it is understood and agreed that all work will be stopped until either this Agreement is amended by the parties or a new letter of commitment as proposed by the Company and agreed to by the Customer, is executed by the Customer.

The Contribution in Aid of Construction ("CIAC") for this project is preliminarily estimated to be \$1,810,000. This amount will be updated after detailed engineering is completed. Customer will receive an updated estimate which will be included in the CIAC agreement to be executed by Customer prior to the start of construction.

The above financial commitment was based upon a plan that involves, at a high level, the following work to be performed by Company:

A new 138kV delivery substation with three independent 138kV sources and four 138kV connection points (two near X-530 and two near X-5001 substations) for the Customer. Integration of the existing Ohio Valley Electric Corporation ("OVEC") 345kV transmission lines, currently integrated into the Customer's existing X-530 substation, into Company's Don Marquis 345kV substation. Retirement of existing 345kV connection for the Customer at Company's Don Marquis 345kV substation.

Company and Customer agree to confer regularly to coordinate the planning, scheduling and performance of the Work.

Based upon the above preliminary plan of service, the Customer, its heirs or successors would be expected to perform, at no cost to Company, the following: Grant all required easements and/or other access rights on their property per AEP Ohio requirements.

Customer will perform its work in accordance with applicable laws, rules and regulations and subject to required regulatory consent and approvals. In addition, Customer shall comply with the Company's connection requirements which can be found at the following internet address:

[http://www.aep.com/about/codeofconduct/OASIS/TransmissionStudies/Requirements/AEP Interconnection Requirements Rev1.pdf](http://www.aep.com/about/codeofconduct/OASIS/TransmissionStudies/Requirements/AEP%20Interconnection%20Requirements%20Rev1.pdf)

All of the facilities installed by Company in performing the Work shall be owned, maintained and controlled solely by Company. Company retains the right to use those facilities for any purpose it deems appropriate under good utility practices, including the distribution of electric service to other customers.

Company will perform the Work in accordance with applicable laws, rules and regulations and subject to required regulatory consents and approvals. Except for the foregoing, **COMPANY HEREBY DISCLAIMS ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING WARRANTIES OF MERCHANTABILITY,**

FITNESS FOR A PARTICULAR PURPOSE, OR GOOD AND WORKMANLIKE PERFORMANCE.

COMPANY (AND ITS OFFICERS, EMPLOYEES AND CONTRACTORS) SHALL NOT BE LIABLE FOR ANY ECONOMIC OR COMMERCIAL LOSSES OR OTHER SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL, PUNITIVE OR EXEMPLARY DAMAGES (INCLUDING LOSS OF PROFIT OR REVENUE, LOSS OF USE OF EQUIPMENT, COST OF CAPITAL, OR DAMAGE TO REPUTATION OR RELATIONS) RESULTING FROM THE PERFORMANCE OR FAILURE TO PERFORM THE WORK DESCRIBED HEREIN, WHETHER BASED IN CONTRACT, TORT, STRICT LIABILITY, STATUTORY LIABILITY OR ANY OTHER THEORY OF LIABILITY.

In performing the Work, Company is making modifications and additions solely to its own electric system, in accordance with the Tariff, in response to Customer's request for service. Company is not performing any work on any facilities or equipment owned, or to be owned by Customer. No provisions contained in this Agreement and no action on the part of any of the parties hereto shall be construed as creating an employer/employee relationship, joint venture, or any other relationship other than that of regulated electric utility and customer. Nothing contained herein shall be construed as a waiver or relinquishment by Company of any right it has or may hereafter have to discontinue service for default in the payment of any bill owing or to become owing hereunder or for any reason or cause allowed by law.

No amendment or modification of this Agreement shall be valid and binding unless made in writing and signed by the respective authorized representatives of Company and Customer. This Agreement constitutes the entire agreement between the parties and supersedes all previous and collateral agreements or understandings with respect to the subject matter of the Agreement.

Please indicate your acceptance of these terms by having the appropriate authorized officer or agent of your company sign the attached 2 copies of this letter and return them both to me. A fully executed copy of this agreement will be returned for your files.

Sincerely;

OHIO POWER COMPANY

By: 

U.S. DEPARTMENT OF ENERGY

By: 

Title: JR Cust Experience

Date: 4/9/2018

Title: CONTRACTING OFFICER

Date: 4/9/18

EXHIBIT E

Ohio Power Company
Contribution-In-Aid-Of-Construction Agreement
For Electric Distribution Service
At Subtransmission or Transmission Voltages

Customer Name:

Service Address, Town & Zip:

Mailing Address, Town & Zip:

Agreement No.

Work Order No.

Date:

The Customer has requested extended or expanded electric distribution facilities (hereinafter referred to as "Basic Service") as follows:

1. *(additional demand amount requested)*
2. *(proposed contract capacity)*
3. *(delivery voltage)*
4. *(requested date)*
5. *(facilities to be provided by Company)*
6. *(other specific details, to ad nauseum)*

The Customer has requested Premium Service as follows:

1. there is no premium service request
2. *(or similar details as identified for Basic Service)*

Ohio Power Company (hereinafter referred to as "Company") agrees to install facilities as agreed. All facilities installed by the Company will be and remain the property of the Company. It is understood that these facilities are not dedicated solely for the Customer's present or future electric service needs.

In accordance with the Company's terms and conditions as filed with the Public Utilities Commission of Ohio the Customer agrees to pay to the Company as follows.

1. *(\$\$ amount of up-front Contribution-In-Aid-Of-Construction for Basic Service/Premium Service)*
2. *(details of any payment arrangement of up-front Contribution-In-Aid-Of-Construction for Basic Service/Premium Service)*

It is understood and agreed that the Company will not begin facilities construction until the payment terms, as outlined above, are completed.

It is understood and agreed that this agreement, and particularly the amount of the Contribution-In-Aid-Of-Construction contained herein, are based on the specifics of the Customer's request for extended or expanded distribution electric facilities and the anticipated service commencement date. If the Customer's request for facilities is altered or the Customer requests a delay or otherwise is unable to take service by *(date)*, the Company reserves the right to adjust the amount of the Contribution-In-Aid-Of-Construction and surcharge to reflect either the alteration in requested facilities or the delay in service date, or both, or cancel this agreement.

It is understood that the Contribution-In-Aid-Of-Construction costs are based on detailed estimates using typical conditions. It is agreed that the Company reserves the right to assess an additional amount of Contribution-In-Aid-Of-Construction to reflect conditions that are different from typical conditions assumed in the development of the detailed estimate. The Company will provide the Customer an update, as warranted, about these conditions. Any additional assessed amounts will be limited to the following conditions:

1. Higher expense to acquire right-of-way easements or property for line or station work
2. Higher than expected expense for site grading
3. Higher than expected costs to integrate the facilities, as outlined above, into the system due to restrictions to maintain system reliability or needed to coordinate with other customers.

Ohio Power Company
Contribution-In-Aid-Of-Construction Agreement
For Electric Distribution Service
At Subtransmission or Transmission Voltages

Customer Name:

Service Address, Town & Zip:

Mailing Address, Town & Zip:

Agreement No.

Work Order No.

Date:

This Agreement is void if not accepted on or before *(date)*.

By signing and returning this Agreement, Customer agrees to accept the above described terms and conditions.

On behalf of the Customer

By: _____
Signature: _____
Title: _____
Date: _____

On behalf of the Company

By: _____
Signature: _____
Title: _____
Date: _____

This foregoing document was electronically filed with the Public Utilities

Commission of Ohio Docketing Information System on

4/10/2018 4:09:22 PM

in

Case No(s). 15-0892-EL-AEC

Summary: Stipulation - Joint Stipulation and Recommendation submitted by Ohio Power Company electronically filed by Mr. Steven T Nourse on behalf of Ohio Power Company



BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of)
Ohio Valley Electric Corporation)
For Approval of Termination of) Case No. 15-892-EL-AEC
Service.)

DIRECT TESTIMONY
OF
ANDREA E. MOORE
ON BEHALF OF
OHIO POWER COMPANY

Filed: May 15, 2018

INDEX TO DIRECT TESTIMONY OF
ANDREA E. MOORE

	<u>Page No.</u>
1. Personal Data.....	1
2. Purpose of Testimony.....	3
3. Signatory Parties.....	3
4. Overview of the Stipulation.....	4
5. Criteria for Considering Approval of a Stipulation.....	4

BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO
DIRECT TESTIMONY OF
ANDREA E MOORE
ON BEHALF OF
OHIO POWER COMPANY

1 **PERSONAL DATA**

2 **Q. WHAT IS YOUR NAME AND BUSINESS ADDRESS?**

3 **A. My name is Andrea E. Moore and my business address is 700 Morrison Road, Gahanna,**
4 Ohio 43230.

5 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

6 **A. I am employed by Ohio Power Company, known as AEP Ohio or the Company, as**
7 Director – Regulatory Services.

8 **Q. WHAT ARE YOUR RESPONSIBILITIES AS DIRECTOR- REGULATORY**
9 **SERVICES?**

10 **A. I am responsible for directing the preparation and presentation of regulatory matters to**
11 management as well as regulatory bodies. I plan, organize and direct team activities to
12 develop and support pricing structures, rider and true-up filings, maintenance of tariffs,
13 pilot programs, special contracts and other pricing initiatives depending on assigned
14 function.

15

1 **Q. WHAT IS YOUR EDUCATIONAL AND PROFESSIONAL BACKGROUND?**

2 **A.** I received my Bachelor of Science in Accounting degree from the University of
3 Rio Grande and a Master of Business Administration degree from Franklin University.
4 In addition, I have completed the Basic Concepts on Rate Making class through New
5 Mexico State University.

6 I joined American Electric Service Corporation (AEPSC) in 2001 as an
7 Accountant and joined the Regulatory Tariffs department as a Regulatory Analyst III in
8 2004. I progressed through various positions before being promoted to my current
9 position of Director – Regulatory Services. My duties within the regulatory department
10 have included preparing cost-of-service studies for regulatory filings, preparing cost
11 based formula rates for wholesale customers, preparing rider filings and rate designs,
12 maintaining tariff books as well as other projects related to regulatory issues and
13 proceedings, individual customer requests and general rate matters.

14 **Q. HAVE YOU PREVIOUSLY TESTIFIED IN A REGULATORY PROCEEDING?**

15 **A.** Yes. I have testified before the Public Utilities Commission of Ohio in several cases. I have
16 also submitted testimony before the Virginia State Corporation Commission on behalf of
17 Appalachian Power Company.

1 **PURPOSE OF TESTIMONY**

2 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?**

A. The purpose of my testimony is to sponsor and summarize the provision of the Joint Stipulation and Recommendation (Stipulation) filed on April 10, 2018 for the Commission's consideration. The Stipulation provides the basis for resolving the pending application of Ohio Valley Electric Corporation (OVEC) to terminate service. My testimony discusses the criteria that the Commission uses when considering settlement agreements and explains how the Stipulation in this proceeding meets those criteria. Specifically, my testimony supports the conclusion that the Stipulation: (1) Is the product of serious bargaining among capable, knowledgeable, parties; (2) As a package, benefits ratepayers and the public interest; and (3) Does not violate any important regulatory principle of practice.

3 **SIGNATORY PARTIES**

4 **Q. WHO ARE THE SIGNATORY PARTIES TO THE STIPULATION?**

5 A. In addition to the Company, the Ohio Valley Electric Corporation and the United States
6 Department of Energy (DOE).

7

1 **OVERVIEW OF THE STIPULATION**

2 **Q. PLEASE EXPLAIN THE STIPULATION.**

3 A. The Stipulation provides a timeline and plan for AEP Ohio to assume the right and
4 obligation to serve DOE as well as the approval of OVEC's request to be relieved from
5 the obligation to serve the DOE. Attached as Exhibit AEM-1 is the service territory
6 map that incorporates the area of the existing DOE facilities. The DOE facility, shown in
7 Exhibit AEM-2, is essentially an island surrounded by AEP Ohio territory. Once the
8 Stipulation is adopted by the Commission and implemented by the Parties, the entire
9 DOE facility (including the well field sites shown on Exhibit AEM-2) will become part
10 of AEP Ohio's service territory and the Company will serve any retail load associated
11 with the facility. Exhibit B to the Stipulation shows the planned build out of the required
12 facilities for AEP Ohio to serve the DOE load including ownership and cost
13 responsibility.

14 **CRITERIA FOR CONSIDERING APPROVAL OF A STIPULATION**

15 **Q. WHAT IS THE STANDARD THAT THE COMMISSION HAS USED WHEN**
16 **CONSIDERING APPROVAL OF A STIPULATION AMONG PARTIES TO**
17 **PROCEEDINGS?**

18 A. My understanding is that the Commission evaluates Stipulations using a three-part test.
19 The questions that the Commission considers are: (1) Is the stipulation the product of
20 serious bargaining among capable, knowledgeable parties? (2) As a package, does the

1 stipulation benefit ratepayers and the public interest? And (3) Does the stipulation violate
2 any important regulatory principle or practice?

3 **Q. IS THE STIPULATION SUBMITTED IN THIS CASE THE PRODUCT OF**
4 **SERIOUS BARGAINING AMONG CAPABLE AND KNOWLEDGEABLE**
5 **PARTIES?**

6 A. Yes. The stipulation was the product of meetings and negotiations involving experienced
7 counsel as well as the technical experts from each represented party.

8 **Q. DOES THE STIPULATION AS A PACKAGE BENEFIT CUSTOMERS AND THE**
9 **PUBLIC INTEREST?**

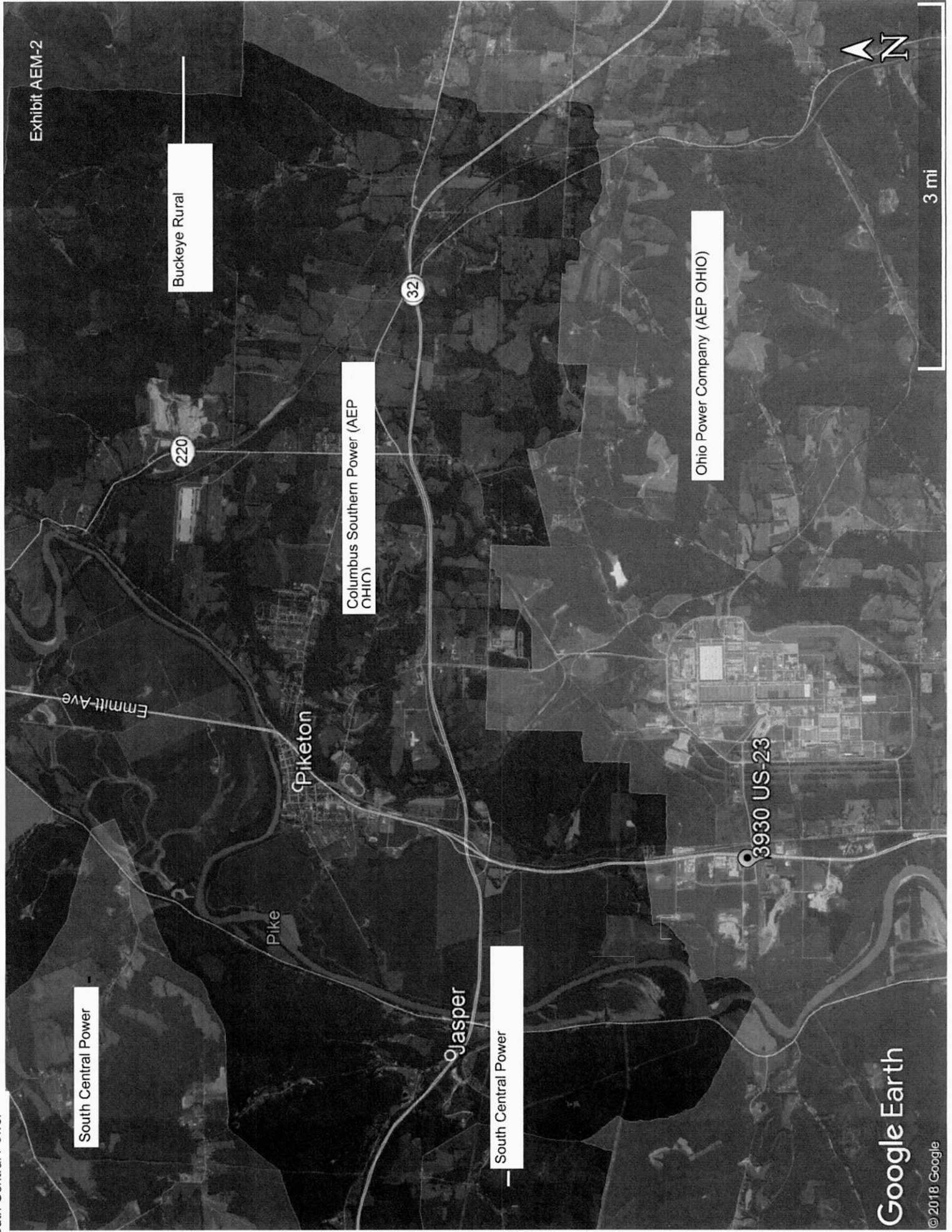
10 A. Yes. The Stipulation included the cost responsibilities for the buildout of the new
11 facilities as well as ownership of the new facilities. AEP Ohio's responsibility of the
12 costs associated with serving the DOE load over the contribution in aid of construction
13 payments made by the DOE are expected to be offset by payments by the DOE through
14 the Company's Basic Transmission Cost Rider (BTCR). In addition, the new load being
15 brought to the AEP Ohio system will provide payment of some fixed riders without
16 adding additional costs to those riders. This contribution will lower the amount that other
17 customers of AEP Ohio would have otherwise paid bringing a benefit to all customers in
18 AEP Ohio's territory including low-income customers. A summary of the costs of
19 additional investment versus payments received from DOE is shown as Exhibit AEM-3
20 and reflects a net benefit of approximately \$286,023.

1 **DOES THE STIPULATION VIOLATE ANY IMPORTANT REGULATORY**
2 **PRINCIPLE OR PRACTICE?**

3 A. No. The Stipulation is a settlement balancing the interest of the customers and
4 complying with the Ohio Administrative Code. The stipulation provides a reasonable
5 settlement of the request to terminate the current contract to serve load from OVEC to the
6 DOE and appropriately provides AEP Ohio with the right and obligation to serve the load
7 as part of its service territory.

8 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

9 A. Yes.



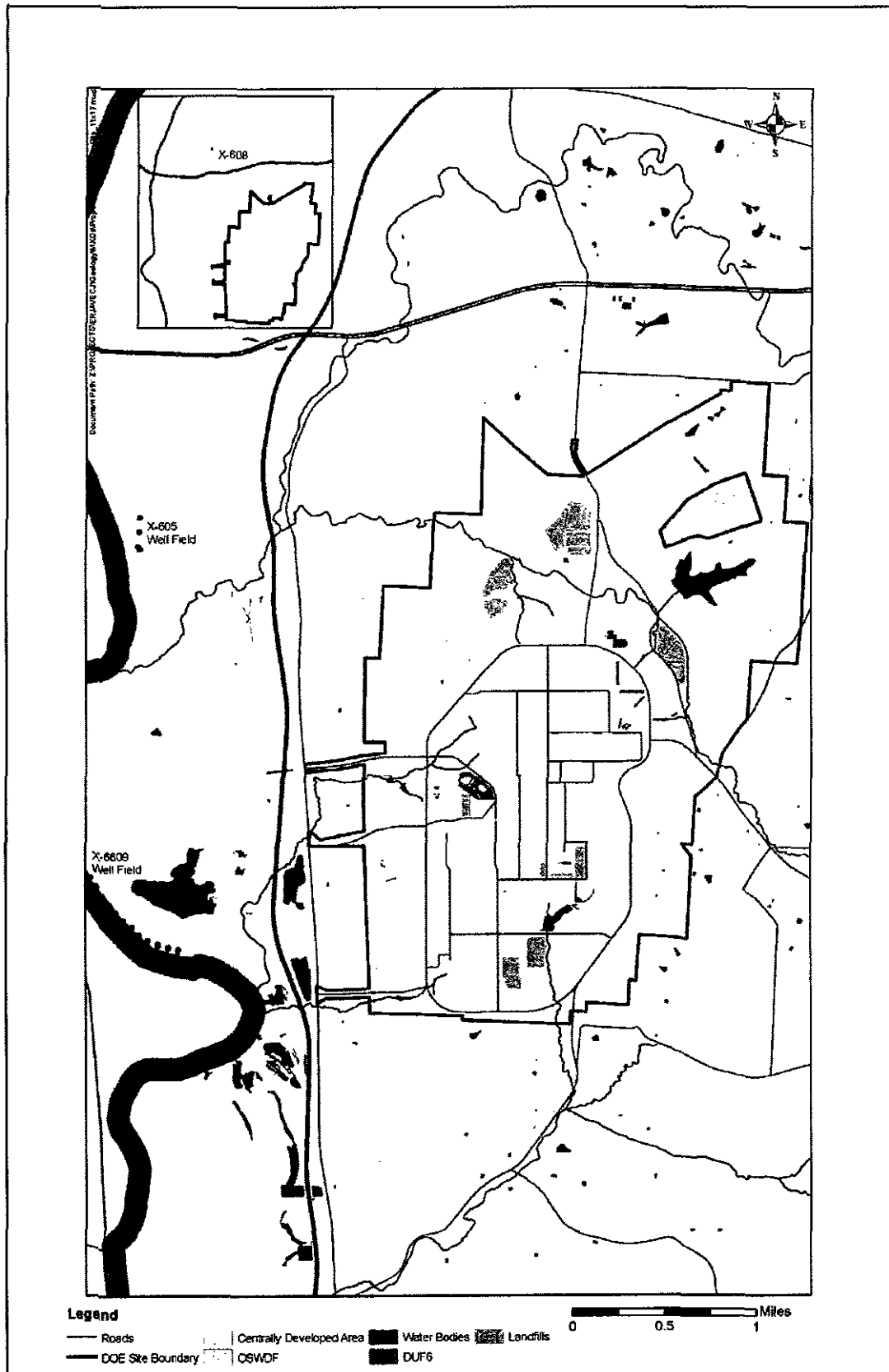


Figure 3. DOE PORTS Area

[illegible]**Total Ohio Power Billing Charge:**

Assumed Charge for the EE/PDR based on forecasted Costs. Current Rate includes a credit for an over recovery that will expire in 2018

Adjusted T costs to reflect new costs with additional Investment	\$ 2,477,341.32
Total Payment per BTRC	\$ 408,682.44
Annual Contribution to other Revenue Requirement	\$ 2,886,023.76
Annual Contribution to State of Ohio	\$ 2,500,000.00
Total Contribution to Customers & State	\$ 286,023.76
Total Cost of Transmission Revenue Requirement	\$ 2,886,023.76
Net Benefit of New Load	

CERTIFICATE OF SERVICE

In accordance with Rule 4901-1-05, Ohio Administrative Code, the PUCO's e-filing system will electronically serve notice of the filing of this document upon the following parties. In addition, I hereby certify that a service copy of the foregoing *Direct Testimony of Andrea E. Moore* was sent by, or on behalf of, the undersigned counsel to the following parties of record this 15th day of May 2018, via electronic transmission.

/s/ Steven T. Nourse

Steven T. Nourse

EMAIL SERVICE LIST

bchisling@stblaw.com;
talexander@calfee.com;
kandrachik@calfee.com;
Daniel.Yaeger@lex.doe.gov;
fdarr@mwncmh.com;
mpritchard@mwncmh.com;
Rishi.Garg@hq.doe.gov;
stnourse@aep.com;

-----thomas.mcnamee@ohioattorneygeneral.gov

This foregoing document was electronically filed with the Public Utilities

Commission of Ohio Docketing Information System on

5/15/2018 4:07:04 PM

in

Case No(s). 15-0892-EL-AEC

Summary: Testimony - Direct Testimony of Andrea E. Moore on Behalf of Ohio Power Company electronically filed by Mr. Steven T Nourse on behalf of Ohio Power Company