

12

LEGAL SERVICES



Allegheny Energy

1310 Fairmont Avenue
P.O. Box 1392
Fairmont, WV 26555-1392
Phone: (304) 366-3000
FAX: (304) 367-3157
gjack@alleghenyenergy.com

Writer's Direct Dial No. (304) 367-3423

FILE

VIA UPS NEXT DAY AIR

May 4, 2001

The Public Utilities Commission
of Ohio
Docketing Division
180 East Broad Street
Columbus, OH 43215

01 MAY - 7 AM 10:34
PUCO

RE: **Monongahela Power Company,
dba Allegheny Power
Electric Transition Plan Filing
Case No. 00-02-EL-ETP**

Dear Docketing Division:

Enclosed please find the ***Application of Monongahela Power Company for Authority to Implement Tax Provisions of Am. Sub. SB 287*** for filing in the above-referenced case.

Sincerely yours,

Gary A. Jack
Senior Attorney

GAJ:tmw

cc: Parties of Record

This is to certify that the images appearing are an
accurate and complete reproduction of a case file
document delivered in the regular course of business
Technician Bmc Date Processed 5/7/01

Allegheny Energy Supply - Allegheny Power - Allegheny Ventures

BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

RECEIVED
01 MAY -7 AM 10:34
PUCO

In the Matter of the Application of)	
Monongahela Power Company)	
for Approval of Transition Plan,)	
Pursuant to §4928.31, Revised Code)	Case No. 00-02-EL-ETP
and for the Opportunity to Receive)	
Transition Revenues as Authorized)	
Under §§4928.31 to 4928.40,)	
Revised Code)	

**APPLICATION OF MONONGAHELA POWER COMPANY
FOR AUTHORITY TO IMPLEMENT
TAX PROVISIONS OF AM. SUB. SB 287**

**TO THE HONORABLE
PUBLIC UTILITIES COMMISSION OF OHIO:**

Now comes Applicant, Monongahela Power Company ("Mon Power" or "Applicant"), and represents unto the Public Utilities Commission of Ohio ("Commission") as follows:

1. Applicant is an Ohio corporation and is engaged in the business of supplying electricity for light, heat and power purposes to consumers within parts of the States of Ohio and West Virginia and is, as to its retail business in the State of Ohio, a public utility and an electric light company as defined in Ohio Revised Code (ORC) Sections 4905.02 and 4905.03 and is, therefore, subject to the jurisdiction of this Commission.
2. The service area included in this application is the entire Ohio area served by Applicant which includes the municipalities of Belpre, Beverly, Dexter City, Lowell,

Lower Salem, Macksburg, Marietta and New Matamoras, most of the unincorporated rural area of Washington County, and small portions of the adjacent unincorporated rural area in Athens, Meigs, Monroe, Morgan and Noble counties in the State of Ohio, comprising approximately 28,000 customers.

3. Mon Power filed its Ohio Transition Plan on January 3, 2000, in order to incorporate the provisions of Amended Substitute SB 3. The Transition Plan was given the designation of Case No. 00-02-EL-ETP. The parties to that proceeding entered into a Stipulation and Recommendation and submitted it to the Commission resolving all issues in that proceeding on June 22, 2000. The Commission approved and adopted that Stipulation, subject to two minor changes that are not relevant to this Application, on October 5, 2000.

4. As part of the Mon Power Transition Plan case, the parties recognized that the tax provisions of SB 3 increased the taxes to the customers of Mon Power. The parties resolved this increased tax issue by agreeing to the following language in Section X of the Stipulation.

Tax Issues

The Parties acknowledge that Monongahela Power and many customers in Ohio are faced with higher taxes on the sale of electricity, including Monongahela Power customers, as a result of SB 3. The Company agrees to proactively assist any of the other parties in this proceeding in seeking legislative changes from the Ohio Legislature so that Monongahela Power and its customers do not pay increased taxes.

The Parties agree that all additional taxes resulting from SB 3 shall be deferred as a regulatory asset by Monongahela Power for up to two years from the date of incurrence, with carrying costs at 9%. The Parties agree that if the Legislature has not lowered said taxes to Monongahela Power customers or otherwise resolved the issue within two years, such difference shall be addressed by the Commission through accounting procedures, refunds or an annual surcharge or credit to customers, or through

other appropriate means, to avoid placing the financial responsibility for the difference upon the electric utility or its shareholders.

5. The Ohio Legislature thereafter did lower said taxes to Mon Power customers (and other Ohio customers) by enacting Am. Sub. SB 287 in December, 2000. Applicant believes the enactment of SB 287, which lowered taxes to Mon Power customers, results in there being no need for Applicant to defer the increased taxes as a regulatory asset for up to two years from the date of May 1, with carrying costs of 9%. Therefore, Applicant proposes to implement the new tax rates, effective with Commission authorization of such new rates, and not to defer the increased taxes except to the limited extent of a limited deferral between May 1, 2001, and the date the Commission authorizes Applicant to implement the new tax rates.

6. Applicant attaches as Exhibit A the new tariff sheets showing implementation of the new tax rates. The work papers are attached as Exhibit B.

7. Mon Power requests implementation of these taxes without proration to minimize deferred recovery of the additional taxes as set forth in the Stipulation and Recommendation in Case No. 00-02-EL-ETP. We believe this is in the best interest of all customers because the 9% carrying costs on the additional deferred balance resulting from proration of this rate change will be avoided.

8. Applicant respectfully requests expedited treatment of this Application so that the appropriate rates can be put into effect as soon as possible and that the requested deferral between May 1 and the Commission authorization be limited to the greatest extent possible.

WHEREFORE, Applicant respectfully requests approval of its compliance tariffs implementing the new tax rates as prescribed by the Ohio Legislature as soon as possible and that such ruling be made on an expedited basis. Applicant does request a limited deferral of the increased taxes for the period May 1 until the date Applicant can implement the new taxes following Commission authorization.

Respectfully submitted,

MONONGAHELA POWER COMPANY

A handwritten signature in black ink, appearing to read 'G. Jack', written over a horizontal line.

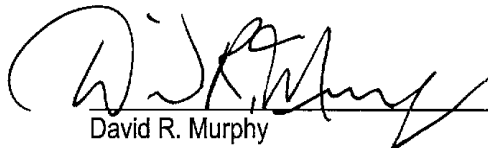
Gary A. Jack, Esq.
Allegheny Power
1310 Fairmont Avenue
Fairmont, W V 26554
(304) 367-3423

VERIFICATION

STATE OF WEST VIRGINIA,

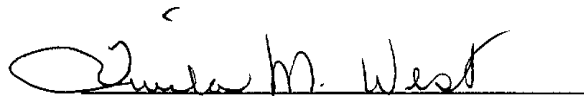
COUNTY OF MARION, TO WIT

David R. Murphy, Manager, Rate Relations, Allegheny Energy, after being duly sworn, says that the facts and allegations set forth in the foregoing Application are true, except insofar as they are stated to be on information, he believes them to be true.

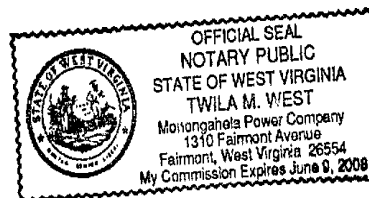

David R. Murphy

Taken, sworn to and subscribed before me this 4th day of

May, 2001.


Notary Public in and for said County

My commission expires June 9, 2008.



MONONGAHELA POWER COMPANY
Fairmont, West Virginia
Doing Business As
ALLEGHENY POWER

EXHIBIT A

First Revision of
Original Sheet No. 23
Canceling
Original Sheet No. 23

P.U.C.O. No. 3

ENERGY TAX RIDER

Beginning with Company's first billing cycle for the month of May 2001, and thereafter there shall be an Energy Excise Tax added to the energy charges for the entire billing period. (T)

The Energy Tax shall be applied at the following rates:

	<u>Rate per kWh</u>
For the first 2,000 kWh	\$0.00465
For the next 2,001 to 15,000 kWh	\$0.00419
For 15,001 and above kWh	\$0.00363

In accordance with Section 5727.81 of the Revised Code, a commercial or industrial purchaser that consumes over 45,000,000 kilowatt-hours over the course of the previous calendar year may elect to self-assess the excise tax. The rate is \$0.00075 per kilowatt-hour on not more than 504,000,000 kilowatt-hours plus four percent of the total price of electricity delivered through a meter. This amount is payable by the customer directly to the treasurer of the state in lieu of the rates shown above.

Filed under authority of Order entered October 5, 2000
The Public Utilities Commission of Ohio, in
Case No. 00-002-EL-ETP

Issued: May 4, 2001

Issued by
Bruce E. Walenczyk
Vice President

Effective: May __, 2001

EXHIBIT B

THE MONONGAHELA POWER COMPANY - OHIO dba ALLEGHENY POWER

TABLE 1					
Rate Schedule	KWH*	Revenue Requirement	Energy Tax Rate	Proposed Revenue	Change
	(a)	(b)**	(c)=(b)/(a)	(d)***	(e)=(d)-(b)
A	243,899,635	\$ 375,605	\$ 0.00154	\$ 1,128,471	\$ 752,866
B	52,229,430	\$ 57,975	\$ 0.00111	\$ 227,680	\$ 169,705
C	151,193,433	\$ 149,682	\$ 0.00099	\$ 590,396	\$ 440,714
CSH	1,554,528	\$ 5,145	\$ 0.00331	\$ 6,069	\$ 924
D	71,622,790	\$ 67,325	\$ 0.00094	\$ 261,093	\$ 193,768
K	99,856,170	\$ 87,873	\$ 0.00088	\$ 362,707	\$ 274,834
P	250,850,450	\$ 215,731	\$ 0.00086	\$ 910,956	\$ 695,225
SLP	1,086,876	\$ 598	\$ 0.00055	\$ 5,054	\$ 4,456
MV	2,182,572	\$ 1,200	\$ 0.00055	\$ 10,149	\$ 8,949
SV	206,700	\$ 114	\$ 0.00055	\$ 961	\$ 847
		\$ 961,248		\$ 3,503,536	\$ 2,542,288

TABLE 2				
Rate Schedule	First 2,000 kWh	Next 13,000 kWh	Over 15,000 kWh	Total KWH
	(a)	(b)	(c)	(d)=(a)+(b)+(c)
A	231,590,944	12,308,691	-	243,899,635
B	27,660,585	17,631,819	6,937,026	52,229,430
C	13,001,554	50,539,101	87,652,778	151,193,433
CSH	153,389	481,785	919,354	1,554,528
D	236,446	1,536,897	69,849,447	71,622,790
K	49,256	320,162	99,486,752	99,856,170
P	79,088	514,072	250,257,290	250,850,450
SLP	1,086,876	-	-	1,086,876
MV	2,182,572	-	-	2,182,572
SV	206,700	-	-	206,700
ORC Tax Rate \$	0.00465	\$ 0.00419	\$ 0.00363	

* Case No. 00-02-EL-ETP test year billing determinants

** By Settlement of the Parties at Case No. 00-02-EL-ETP, Revised Schedule UNB-7

*** Table 2 column (a), (b) and (c) kWh multiplied by Ohio Revised Code Section 5727.81 tier tax rates

EXHIBIT B

**THE MONONGAHELA POWER COMPANY - OHIO
dba ALLEGHENY POWER
Comparison of Present and Proposed Rates**

Rate Schedule A - Residential Service

Monthly KWH	Present Rates*	Proposed Rates	Change \$	%
200	\$ 16.28	\$ 16.90	\$ 0.62	3.8%
400	\$ 28.45	\$ 29.70	\$ 1.24	4.4%
600	\$ 40.63	\$ 42.50	\$ 1.87	4.6%
800	\$ 52.81	\$ 55.30	\$ 2.49	4.7%
1,000	\$ 64.99	\$ 68.10	\$ 3.11	4.8%
1,250	\$ 78.29	\$ 82.18	\$ 3.89	5.0%
1,500	\$ 91.59	\$ 96.25	\$ 4.66	5.1%

* Base rates eff. January 4, 2001. Energy Tax eff. May 1, 2001

CERTIFICATE OF SERVICE

The undersigned hereby certifies that the foregoing ***Application of Monongahela Power Company*** was served on or about the 4th day of May, 2001, via U.S. Mail upon the following:

Michael L. Kurtz, Esq.
for Kroger Company
Boehm, Kurtz & Lowry
2110 CBLD Ctr., 36 E Seventh St.
Cincinnati, OH 45202
Phone: 513-421-2255
Fax: 513-421-2764
E-mail: mkurtzlaw@aol.com

M. Howard Petricoff, Esq.
for Enron Corp.
Vorys, Sater, Seymour & Pease LLP
52 East Gay Street
Columbus, OH 43216-1008
Phone: 614-464-5414
Fax: 614-719-4904
E-mail: mhpetricoff@vssp.com

Janine L. Migden
Reg. Dir. of Govt. Affairs
Enron Corp.
400 Metro Place North
Dublin, OH 43017
Phone: 614-718-6335
Fax: 614-791-6149
E-mail: jmigden@enron.com

Derrick Williamson, Esq.
Kimberly J. Wile, Esq.
Gretchen J. Hummel, Esq.
for Industrial Energy Users-Ohio
McNees, Wallace & Nurick
Fifth Third Center
21 East State Street, Suite 1700
Columbus, OH 43215-4228
Phone: 614-469-8000
Fax: 614-469-4653
E-mail: dwilliam@mwncmh.com
E-mail: kwile@mwncmh.com
E-mail: ghummel@mwncmh.com

John W. Bentine, Esq.
Jeffrey L. Small, Esq.
for Ohio Council of Retail Merchants
Chester, Wilcox & Saxbe LLP
17 So. High Street, Suite 900
Columbus, OH 43215-3413
Phone: 614-221-4000
Fax: 614-221-4012
E-mail: jbentine@cwslaw.com
E-mail: jsmall@cwslaw.com

Sheldon A. Taft, Esq.
Stephen M. Howard, Esq.
for Ohio Manufacturers' Assoc.
Vorys, Sater, Seymour and Pease
52 East Gay Street
Columbus, OH 43215
Phone: 614-464-6308
Fax: 614-464-6350
E-mail: sataft@vssp.com
E-mail: smhoward@vssp.com

Sally W. Bloomfield
Elizabeth Watts
Amy S. Bartemes, Esq.
Bricker & Eckler LLP
100 S. Third Street
Columbus, OH 43215-4291
Phone: 614-227-2368
Fax: 614-227-2370
E-mail: sbloomfield@bricker.com
E-mail: ewatts@bricker.com
E-mail: abartemes@bricker.com

Wanda M. Schiller
Strategic Energy, LLC
Two Gateway Center
Pittsburgh, PA 15222
Phone: 412-394-5618
Fax: 412-394-6576
E-mail: wschiller@sel.com

Jesse A. Dillon, Esq.
PP&L EnergyPlus Co., LLC
Two North Ninth Street
Allentown, PA 18101
Phone: 610-774-5013
Fax: 610-774-6726
E-mail: jadillon@pplweb.com

Craig G. Goodman, Esq.
for National Energy Marketers Assoc.
3333 K. Street, N.W., Suite 425
Washington, DC 20007
Phone: 202-333-3288
Fax: 202-333-3266
E-mail: cgoodman@energymarketers.com

David Rinebolt
for Ohio Partners for Aff. Energy
P.O. Box 1793
Findlay, OH 45839-1793
Phone: 419-425-8860
Fax: 419-425-8862
E-mail: drinebolt@aol.com

Ann M. Hotz
Barry Cohen
Ohio Consumers' Counsel
10 W. Broad St., Suite 1800
Columbus, OH 43215-3485
Phone: 614-466-9573
Fax: 614-466-9475
E-mail: hotz@occ.state.oh.us
E-mail: cohen@occ.state.oh.us

Ellis Jacobs
for Corp. for Ohio Appalachian Dev.
Legal Aid Society of Dayton
333 W. First St., Ste. 500
Dayton, OH 45402
Phone: 937-228-8088
Fax: 937-449-8131
E-mail: ellis@daytonlegalaid.org

Robert P. Mone, Esq.
Scott A. Campbell, Esq.
Thompson Hine & Flory LLP
10 West Broad St., 7th Floor
Columbus, OH 43215
Phone: 614-469-3200
Fax: 614-469-3361
E-mail: monerp@thf.com
E-mail: campbesa@thf.com


David Berger, VP Adm. & Op.
Buckeye Power, Inc.
Ohio Rural Elec. Coop, Inc.
6677 Busch Boulevard
Columbus, OH 43229
Phone: 614-846-5757
Fax: 614-846-7108
E-mail: dberger@buckeyepower.com

David Dulick
Exelon Energy
2600 Monroe Blvd.
Norristown, PA 19403
Phone: 610-676-7364
Fax: 610-676-7266
E-mail: ddulick@exeloncorp.com

Jodi Bair
Ed Hess
Anne Hammerstein
Douglas Maag
Public Utilities Commission of Ohio
180 East Broad Street
Columbus, OH 43215
Phone: 614-644-8599
Fax: 614-644-8764
E-mail: Jodi.Bair@puc.state.oh.us
E-mail: Ed.Hess@puc.state.oh.us
E-mail: Anne.Hammerstein@puc.state.oh.us
E-mail: Douglas.Maag@puc.state.oh.us

Jodi M. Elsass-Locker,
Asst. Attorney General
Ohio Department of Development
77 S. High Street, 29th Floor
Columbus, OH 43215
Phone: 614-644-9605
Fax: 614-728-4920
E-mail: jelsass-locker@odod.state.oh.us

William M. Ondrey Gruber, Esq.
for Ohio Environmental Council
2714 Leighton Road
Shaker Heights, OH 44120
Phone: 216-371-3570
Fax: 801-697-4625
E-mail: GruberWL@aol.com


Gary A. Jack, Esquire