

## BEFORE

## THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Settlement )  
 Agreement between the Staff of the )  
 Public Utilities Commission of Ohio ) Case No. 03-2570-EL-UNC  
 and Columbus Southern Power )  
 Company and Ohio Power Company. )

In the Matter of the Request for a )  
 Commission Investigation into the )  
 Policies and Practices of the Electric )  
 Distribution Utilities of American ) Case No. 05-46-EL-UNC  
 Electric Power Regarding the December )  
 2004 and January 2005 Power Outages. )

ENTRY

The Commission finds:

- (1) On December 31, 2003, Columbus Southern Power Company and Ohio Power Company (jointly AEP-Ohio, companies) and the Commission Staff entered into a Stipulation and Settlement Agreement (stipulation) to address Staff's concerns regarding AEP-Ohio's provision of electric distribution service to certain rural areas, which was filed in Case No. 03-2570-EL-UNC (03-2570). By Finding and Order issued January 21, 2004, the Commission approved the terms and conditions of the stipulation.
- (2) On January 12, 2005, the Office of the Ohio Consumers' Counsel (OCC) filed a motion in Case No. 05-46-EL-UNC (05-46) requesting that the Commission investigate AEP-Ohio's policies and practices related to the December 2004 and January 2005 power outages. In its filing, OCC states that the investigation should be conducted so that customers receive the reliable electric distribution service that is required by law. Furthermore, OCC requests that the Commission hold local public hearings. AEP-Ohio filed a memorandum contra OCC's motion for an investigation on January 28, 2005, and OCC filed a reply to the companies' memorandum contra on February 7, 2005.

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- (3) By Entry issued February 6, 2006, in 03-2570, the Commission found that the companies' performance failed to meet the terms of the stipulation. Further, the Commission directed the Staff to conduct an investigation to, among other things, determine what areas of distribution service quality require improvement in order for the companies to provide reliable distribution service. Subsequently, by Finding and Order issued July 26, 2006, in 03-2570, as a consequence for failing to meet the terms of the stipulation, and in the interest of focusing on improving service going forward, the Commission directed AEP-Ohio to earmark \$10 million to be dedicated toward future measures addressing service and reliability concerns. Furthermore, in the July 26, 2006 order, the Commission stated that it would determine, where and how the \$10 million consequence would be best applied through Commission action at a later time.
- (4) On January 31, 2006, AEP-Ohio filed a self-complaint requesting that the Commission implement a process that would permit the companies to present for approval enhanced distribution service reliability programs and, if the programs are approved, authorization for the companies to recover the cost of the programs in Case No. 06-222-EL-SLF (06-222). Local public hearings were held in 06-222 in seven cities located throughout AEP-Ohio's service area. On April 18, 2007, AEP-Ohio, Staff, OCC, the Ohio Partners for Affordable Energy and Appalachian People's Action Coalition, and the Ohio Manufacturers' Association filed a joint motion to withdraw the self-complaint in 06-222. The parties to the motion requested that the Commission grant the motion to withdraw 06-222, and direct AEP-Ohio to spend the \$10 million earmarked in 03-2570 on additional vegetation management efforts, in a manner consistent with AEP-Ohio's proposed enhanced distribution service reliability plan. By entry issued May 16, 2007, in 06-222, the Commission granted the motion to withdraw the self-complaint and directed AEP-Ohio to expend the \$10 million designated in 03-2570 for an incremental vegetation management plan in accordance with the directive in 03-2570 and the findings in the May 16, 2007 entry in 06-222.
- (5) The Commission's May 16, 2007 entry in 06-222 determined where and how the \$10 million consequence ordered in our July 26, 2006 order in 03-2570 would be applied. In addition, the Commission held local public hearings and directed AEP-

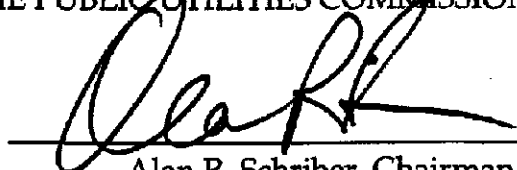
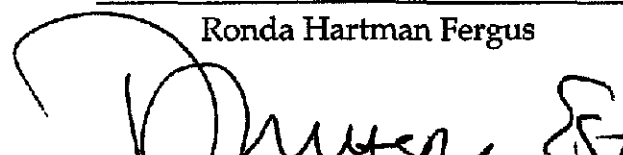
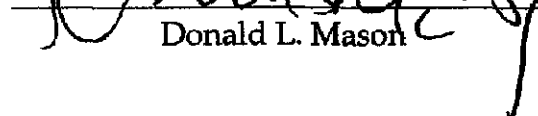
Ohio to spend the earmarked \$10 million on additional vegetation management efforts to enhance the companies' distribution service reliability, thereby addressing the underlying issues in 05-46. Accordingly, since there is no further action necessary in either 03-2570 or 05-46, the Commission finds that 03-2570 and 05-46 should be dismissed.

It is, therefore,

ORDERED, That 03-2570 and 05-46 be dismissed and closed of record. It is, further,

ORDERED, That copies of this entry be served on all interested persons of record in 03-2570 and 05-46.

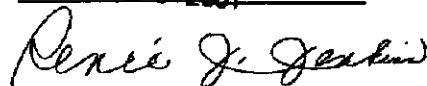
THE PUBLIC UTILITIES COMMISSION OF OHIO

  
Alan R. Schriber, Chairman  
Paul A. Centolella  
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GNS:ct

Entered in the Journal

OCT 10 2007

  
Renee J. Jenkins  
Secretary