

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of)
Columbus Southern Power Company and) Case No. 09-872-EL-FAC
Ohio Power Company for Approval of) Case No. 09-873-EL-FAC
Their Fuel Adjustment Clauses.)

ENTRY

The Commission finds:

- (1) On March 18, 2009, and July 23, 2009, the Commission approved fuel adjustment clauses for Columbus Southern Power Company and Ohio Power Company (jointly, AEP-Ohio or the Companies). *In the Matter of the Application of Columbus Southern Power Company for Approval of an Electric Security Plan; an Amendment to its Corporate Separation Plan; and the Sale or Transfer of Certain Generating Assets; and In the Matter of the Application of Ohio Power Company for Approval of its Electric Security Plan; and an Amendment to its Corporate Separation Plan*, Case Nos. 08-917-EL-SSO and 08-918-EL-SSO (AEP-Ohio ESP cases). The Commission also approved an annual audit of the accounting of the fuel adjustment clause (FAC) costs in the AEP-Ohio ESP cases. The Commission limited its authorization of the fuel adjustment clause provisions to the term of the ESP.
- (2) Consistent with the Commission's ESP order, AEP-Ohio filed its initial quarterly FAC filing on September 29, 2009. On November 18, 2009, the Commission issued RFP No. U09-FPP-2 in order to obtain qualified independent auditing services for the purposes described in the RFP. Potential bidders were directed to submit proposals to the Commission Staff by December 16, 2009. Bidders were directed to demonstrate their understanding of the project and the work required by showing a clear understanding of the tasks to be completed, the experience and qualifications of the personnel who will perform the work, and the anticipated breakdown of costs and timing.
- (3) The proposals received in response to RFP No. U09-FPP-2 have been evaluated and, after consideration of those proposals, the Commission selects Energy Ventures Analysis, Inc. The

Commission finds that Energy Ventures Analysis, Inc. has the necessary experience to complete the required work.

- (4) AEP-Ohio shall enter into a contract with Energy Ventures Analysis, Inc. by January 22, 2010, for the purpose of providing payment for its auditing services. The contract shall incorporate the terms and conditions of the RFP, the auditor's proposal, and relevant Commission entries in these proceedings.
- (5) The auditor shall submit invoices for services completed as required by the contract, consistent with the terms of the RFP, or as agreed by contract with AEP-Ohio. All invoices must be submitted to the Commission's project coordinator for approval and, subject to approval, will be forwarded to AEP-Ohio for payment to the auditor within 30 days of receipt of the invoices by AEP-Ohio.
- (6) Energy Ventures Analysis, Inc. shall complete Audit I of the three audit cycle delineated in the RFP by May 14, 2010. It shall submit a draft audit report to staff by April 30, 2010, and shall file its final audit report by May 14, 2010. Any conclusions, results, or recommendations formulated by Energy Ventures Analysis, Inc. may be examined by any participant to the proceedings for which the audit report was generated.
- (7) Energy Ventures Analysis, Inc. will execute its duties pursuant to the Commission's statutory authority to investigate and obtain records, reports, and other documentation under Sections 4903.02, 4903.03, 4905.06, 4905.15, and 4905.16, Revised Code. Energy Ventures Analysis, Inc. shall be subject to the Commission's statutory duty under Section 4901.16, Revised Code, which states, in relevant part:

Except in his report to the public utilities commission or when called on to testify in any court or proceeding of the public utilities commission, no employee or agent referred to in section 4905.13 of the Revised Code shall divulge any information acquired by him in respect to the transaction, property, or business of any public utility, while acting or claiming to act as such employee or agent. Whoever violates this section

shall be disqualified from acting as agent, or acting in any other capacity under the appointment or employment of the commission.

- (8) Upon request of the auditor or Staff, AEP-Ohio shall provide any and all documents and information requested. AEP-Ohio may conspicuously mark such documents or information "confidential." In no event shall AEP-Ohio refuse or delay providing such information or documents to the auditor or Staff.
- (9) The following process shall apply to the release of any document or information that AEP-Ohio marks as "confidential": Staff or the auditor shall not publicly disclose any document marked "confidential," except upon three days' prior written notice of intent to disclose served upon counsel for AEP-Ohio. Three days after such notice, Staff or the auditor may disclose or otherwise make use of such documents or information for any lawful purpose, unless AEP-Ohio moves the Commission for a protective order pertaining to such information within the three-day notice period. The three-day notice period will be computed according to Rule 4901-1-07, Ohio Administrative Code. Service shall be complete upon mailing or delivery in person.
- (10) The auditor shall perform its duties as an independent contractor. Neither the Commission nor Staff shall be liable for any acts committed by the auditor in the performance of its duties.

It is, therefore,

ORDERED, That Energy Ventures Analysis, Inc. be selected to perform the auditing activities set forth above. It is, further,

ORDERED, That the audit of the Companies be conducted in accordance with the provisions of RFP No. U09-FPP-2 and the findings of this entry. It is, further,

ORDERED, That AEP-Ohio and Energy Ventures Analysis, Inc. shall observe the requirements set forth in this Entry. It is further,

ORDERED, That a copy of this entry be served upon Energy Ventures Analysis, Inc. and all parties of record in this proceeding.

THE PUBLIC UTILITIES COMMISSION OF OHIO



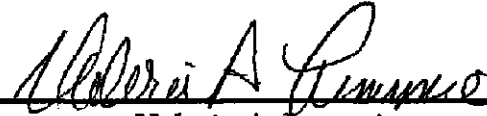
Alan R. Schriber, Chairman



Paul A. Centolella



Ronda Hartman Pergus



Valerie A. Lemmie



Cheryl L. Roberto

RLH/vrm

Entered in the Journal

JAN 07 2010



Renee J. Jenkins
Secretary