

FILE

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

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PUCO

In the Matter of the Application of)
Columbus Southern Power) Case No. 10-155-EL-RDR
Company and Ohio Power)
Company to Establish)
Environmental Investment Carrying)
Cost Riders.)

**MOTION TO INTERVENE
AND
MOTION FOR A PROCEDURAL RULING
BY
THE OFFICE OF THE OHIO CONSUMERS' COUNSEL**

The Office of the Ohio Consumers' Counsel ("OCC"), on behalf of the residential utility consumers, moves the Public Utilities Commission of Ohio ("PUCO" or "Commission") to grant the OCC's intervention in this case where Columbus Southern Power Company and Ohio Power Company (collectively, "AEP" or the "Company") seek to increase rates by establishing riders to charge customers for carrying charges on certain investments.¹ OCC also moves for a procedural ruling that includes provision for protests and a hearing on disputed matters.²

The reasons for granting OCC's motions are further set forth in the attached Memorandum in Support.

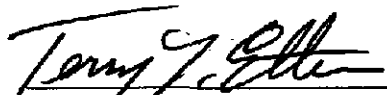
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¹ R.C. Chapter 4911, R.C. 4903.221 and Ohio Adm. Code 4901-1-11.

² Ohio Adm. Code 4901-1-12.

Respectfully submitted,

JANINE L. MIGDEN-OSTRANDER
CONSUMERS' COUNSEL

A handwritten signature in black ink, appearing to read "Terry L. Etter", is written over a horizontal line.

Terry L. Etter, Counsel of Record
Assistant Consumers' Counsel

Office of the Ohio Consumers' Counsel
10 West Broad Street, Suite 1800
Columbus, Ohio 43215-3485
614-466-8574 (Telephone)
etter@occ.state.oh.us

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MEMORANDUM IN SUPPORT

I. INTRODUCTION

On February 8, 2010, AEP filed an application (“Application”) regarding the establishment of carrying cost riders associated with AEP’s environmental investments. AEP attached documents to the Application regarding its proposed carrying cost riders for the two electric distribution utilities. The results from the establishment of the new riders could adversely affect AEP’s approximately 1.2 million residential distribution customers who pay for electric service. The Commission should grant OCC’s Motion to Intervene so that OCC can fully participate in this proceeding and protect the interests of residential customers.

II. INTERVENTION SHOULD BE GRANTED.

OCC moves to intervene in the above-captioned docket under its legislative authority, pursuant to R.C. Chapter 4911, to represent the interests of the more than 1.2 million residential customers of AEP. R.C. 4903.221 provides, in part, that any person “who may be adversely affected” by a PUCO proceeding is entitled to seek intervention in that proceeding. Residential customers would be subject to AEP’s proposed Environmental Investment Carrying Cost Riders (“EICCRs”) if they are approved by the

Commission. The interests of residential electric customers in Ohio are therefore “adversely affected” by these cases. Thus, this element of the intervention standard stated in R.C. 4903.221 is satisfied.

R.C. 4903.221(B) requires the PUCO to consider the following criteria in ruling on motions to intervene:

- (1) The nature and extent of the prospective intervenor’s interest;
- (2) The legal position advanced by the prospective intervenor and its probable relation to the merits of the case;
- (3) Whether the intervention by the prospective intervenor will unduly prolong or delay the proceeding; and
- (4) Whether the prospective intervenor will significantly contribute to the full development and equitable resolution of the factual issues.

First, the nature and extent of OCC’s interest lies in AEP’s proposal to establish new riders (i.e., the EICCRs) that would be paid by residential customers. It is essential that the interest of residential customers be represented inasmuch as the Company’s plans would directly affect the rates paid by residential customers.

Second, OCC’s advocacy for residential consumers will include advancing the position that electric rates should be no more than what is reasonable and permissible under Ohio law for service that is adequate under Ohio law. This advocacy includes advancing the position that the determination of rates should not proceed without the possibility of a hearing. OCC opposes AEP’s approach to this case that would rule out such a hearing.³

³ Application at [4], ¶10 (“Companies do not believe that a hearing in this matter is required”).

Third, OCC's intervention will not unduly prolong or delay the proceeding, but should provide insights that will expedite the Commission's effective treatment of this proceeding. OCC will significantly contribute to the full development and equitable resolution of the issues in this case based on its expertise in regulatory and energy matters.

Fourth, OCC will significantly contribute to the full development and equitable resolution of the factual issues. OCC has a demonstrated history of concern regarding matters stemming from AEP's electric security plan cases (Case Nos. 08-917-EL-SSO and 08-918-EL-SSO, cases in which the OCC actively participated) such as those contained in AEP's Application. The Commission should grant OCC's Motion to Intervene that will permit the full participation of OCC in an evaluation of AEP's proposed riders.

OCC also satisfies the intervention criteria in the Ohio Administrative Code (which are subordinate to the criteria that OCC satisfies in the Ohio Revised Code). To intervene, a party should have a "real and substantial interest" according to Ohio Adm. Code 4901-1-11(A)(2). As the residential utility consumer advocate, OCC has a real and substantial interest in these cases where the generation rates paid by residential customers are under review by the Commission.

In addition, OCC meets the criteria of Ohio Adm. Code 4901-1-11(B)(1)-(4). These criteria mirror the statutory criteria in R.C. 4903.221(B) that OCC has already addressed, and that OCC satisfies.

Ohio Adm. Code 4901-1-11(B)(5) states that the Commission shall consider the "extent to which the person's interest is represented by existing parties." While OCC

does not concede the lawfulness of this criterion, OCC satisfies this criterion because OCC has been uniquely designated as the statutory representative of the interests of Ohio's residential utility consumers.⁴ That interest is different from, and not represented by, any other entity in Ohio.

Moreover, the Supreme Court of Ohio has confirmed OCC's right to intervene in PUCO proceedings, in ruling on an appeal in which OCC claimed the PUCO erred by denying its intervention. The Court found that the PUCO abused its discretion in denying OCC's intervention and that OCC should have been granted intervention.⁵

The OCC meets the criteria set forth in R.C. 4903.221, Ohio Adm. Code 4901-1-11, and the precedent established by the Supreme Court of Ohio for intervention. On behalf of Ohio's residential consumers, the Commission should grant OCC's Motion to Intervene.

III. A PROCEDURAL ORDER SHOULD BE ISSUED.

The PUCO should issue an entry that provides parties with expedited response times (with electronic service required) for the discovery that is OCC's right under law to conduct, an opportunity to state their protests and identify issues, and an opportunity to ultimately address any outstanding dispute in a hearing. In contrast to this normal framework for setting rates, AEP proposes that the PUCO Staff review the Company's calculations and that "an opportunity for the filing of comments and reply comments"

⁴ R.C. Chapter 4911.

⁵ *Ohio Consumers' Counsel v. Public Util. Comm.*, 111 Ohio St.3d 384, 2006-Ohio-5853, ¶18-20 (2006).

should be provided to interested parties.⁶ The Company's procedural proposal is designed to limit the participation of interested parties, and should be rejected.

AEP's procedural proposal does not directly address the matter of discovery. The discovery opportunity required by R.C. 4903.082 (which requires that "intervenors shall be granted ample rights of discovery") should be expeditious so that the Commission may determine rates by the July 2010 time frame discussed by the Company.⁷ Discovery should be conducted with ten-day turn-around. The Commission should require service of all discovery requests and responses by e-mail. Service by e-mail is allowed but not required by Ohio Adm. Code 4901-1-5(C).

Ohio Adm. Code 4901-1-14 authorizes attorney examiners and others to enter procedural rulings such as what OCC requests here. Pursuant to Ohio Adm. Code 4901-1-27(B)(7)(d), examiners are authorized to "assure that the hearing proceeds in an orderly and expeditious manner," and this objective should be followed at this stage of the proceeding with ten-day turn-around and e-mail service for discovery. The PUCO has altered the manner of service for discovery in many previous cases.⁸ The PUCO should do so again in this case where timeliness is important.

AEP proposes an opportunity "for the filing of comments and reply comments."⁹ A schedule should be issued that permits interested parties the opportunity to protest those aspects of the Company's proposal that remain outstanding after completing

⁶ Application at [4], ¶10.

⁷ Id.

⁸ See, e.g., *In re AEP's Proposed IGCC Generating Facility*, Case No. 05-376-EL-UNC, Entry at ¶(10) (May 10, 2005); *In re Prudence Review of DP&L's Billing System Modification Costs*, Case No. 05-792-EL-ATA, Entry at 4-5 (October 4, 2005).

⁹ Application at [4], ¶10.


discovery. A hearing should be provided to assist the Commission in resolving disputed matters. If no such protests arise or if any protests are otherwise resolved before the date set for hearing, the hearing will likely not be necessary. The Commission should not decide this matter, as proposed by AEP, based merely on the Company's Application.

IV. CONCLUSION

The above-captioned case may adversely affect residential customers through the increase in electric rates proposed by AEP. For the reasons stated above, the PUCO should grant OCC's Motion to Intervene on behalf of the approximately 1.2 million residential customers of AEP. The PUCO should also grant OCC's procedural motion, and order that discovery response times be expedited and an opportunity to protest be established regarding AEP's proposed riders. In the event that issues remain outstanding, a hearing should be held before setting new electric rates for AEP's customers.

Respectfully submitted,

JANINE L. MIGDEN-OSTRANDER
CONSUMERS' COUNSEL


Terry L. Etter, Counsel of Record
Assistant Consumers' Counsel

Office of the Ohio Consumers' Counsel
10 West Broad Street, Suite 1800
Columbus, Ohio 43215-3485
614-466-8574 (Telephone)
etter@occ.state.oh.us

CERTIFICATE OF SERVICE

I hereby certify that a copy of the Office of the Ohio Consumers' Counsel's Motion to Intervene was served upon the persons listed below via first class U.S. Mail, postage prepaid, this 23rd day of February 2010.


Terry L. Etter
Assistant Consumers' Counsel

SERVICE LIST

Duane Luckey
Assistant Attorney General
Chief, Public Utilities Section
Attorney General's Office
180 East Broad Street, 6th Floor
Columbus, Ohio 43215

Marvin I. Resnik
Stephen T. Nourse
American Electric Power Service Corp.
1 Riverside Plaza, 29th Floor
Columbus, Ohio 43215