

FILE

BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Commission's Review)
of the Capacity Charges of Ohio Power)
Company and Columbus Southern Power)
Company)

Case No 10-2929-EL UNC

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COLUMBUS SOUTHERN POWER COMPANY'S
AND OHIO POWER COMPANY'S MOTION TO STAY THE REPLY
COMMENT PERIOD AND ESTABLISH A
PROCEDURAL SCHEDULE FOR HEARING
AND EXPEDITED RULING

Ohio Power Company and Columbus Southern Power Company ("AEP Ohio") move the Public Utilities Commission of Ohio (Commission) to stay the filing of the reply comments due in this case on January 24, 2011 and to issue an entry to set up a procedural schedule for an evidentiary hearing. AEP Ohio suggests that the Commission conduct a procedural conference prior to establishing the procedural schedule, in order to allow the parties to discuss the anticipated schedule in more detail and attempt to reach consensus on the procedural schedule for this novel case. AEP Ohio makes this request seeking expedited consideration under O.A.C. 4901-1-12 (C).

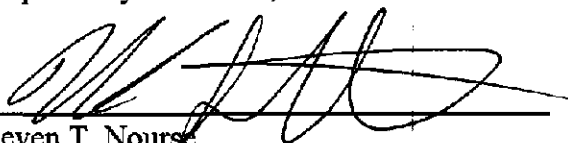
On January 20, 2011, the Federal Energy Regulatory Commission (FERC) rejected AEP Ohio's application to change the basis for compensation for capacity costs to a cost-based mechanism in Docket No. ER11-2183-000. The action by the FERC provides good cause for a stay of the filing of the reply comments due January 24, 2011 and the establishment of an evidentiary hearing process to properly develop a full record

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for Commission consideration of the issues as discussed in the attached memorandum.¹

AEP Ohio respectfully requests the Commission stay the filing of the reply comments in favor of setting up an evidentiary hearing and procedural conference. In the alternative, in recognition of the pending due date, AEP Ohio requests that the Commission delay the filing of the reply comments until January 28, 2011 to give parties an opportunity to comment. Under O.A.C. 4901-1-12 (C) the Commission can make an immediate ruling to grant a request to extend a filing date for any request of five days or less.

Respectfully submitted,



Steven T. Nourse

Matthew J. Satterwhite

American Electric Power Corporation

1 Riverside Plaza, 29th Floor

Columbus, Ohio 43215-2373

Telephone: (614) 716-1608

Facsimile: (614) 716-2950

stnourse@aep.com

mjsatterwhite@aep.com

Counsel for Columbus Southern Power
Company and Ohio Power Company

¹ This request should in no way be viewed as an indication of AEP Ohio's agreement with the FERC Order and in no way waives any right to pursue whatever legal remedies are available to challenge that decision or the underlying issues involved.

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

**In the Matter of the Commission's Review)
of the Capacity Charges of Ohio Power)
Company and Columbus Southern Power)
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Case No 10-2929-EL-UNC

**MEMORANDUM IN SUPPORT OF COLUMBUS SOUTHERN POWER
COMPANY'S AND OHIO POWER COMPANY'S MOTION TO STAY THE
REPLY COMMENT PERIOD AND ESTABLISH A
PROCEDURAL SCHEDULE FOR HEARING
AND EXPEDITED RULING**

By Entry dated December 8, 2010, the Public Utilities Commission of Ohio (Commission) invited comments regarding the review of the capacity charges of Ohio Power Company and Columbus Southern Power Company ("AEP Ohio"). The Commission set January 7, 2011 and January 24, 2011 as the filing dates for initial and reply comments, respectively. Paragraph 3 of the order indicated that the Commission opened the docket in response to AEP Ohio's application to change the basis for compensation for capacity costs to a cost-based mechanism in Federal Energy Regulatory Commission (FERC) Docket No. ER11-1995². The Commission then adopted an interim state compensation mechanism for the Companies using the capacity charges established by the three-year capacity auction conducted by PJM, Inc., during the pendency of the Commission's review.

FERC issued an Order in the ER11-2183-000 FERC Docket today that rejected AEP Ohio's application due to the "existence of a state compensation mechanism." In

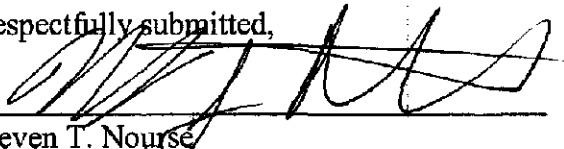
² Ultimately FERC dealt with the application in Docket ER11-2183-000.

light of this development at the federal level there is good cause for the Commission to revisit the current procedural structure in this docket and move forward with an evidentiary hearing process to establish the state compensation mechanism. In the absence of a pending FERC process to establish a just and reasonable mechanism for AEP Ohio to recover its actual costs, the Commission will need to commence an evidentiary hearing process in order to adjudicate a more permanent rate. Without an evidentiary hearing on this matter the Commission will not have the requisite evidentiary record to make its ultimate decision in this case. The evidentiary hearing process will allow interested parties the opportunity to develop the issues and provide the Commission with evidentiary support.

AEP Ohio recognizes the fact that the comments are due in four days, two of those days being weekend days. The Commission does have the ability to grant an extension of a filing date five days or less when expedited treatment is requested as indicated in O.A.C. 4901-1-12 (C). The Commission could grant a short-term stay to provide interested parties an opportunity to respond to AEP Ohio's request to establish an evidentiary hearing to provide the Commission with the record needed to make its decision. AEP Ohio will also attempt to email this document to each party of record to expedite the parties' consideration of the request.

AEP Ohio respectfully requests that the Commission establish an evidentiary hearing in this docket and stay the due date of January 24, 2011 for reply comments.

Respectfully submitted,



Steven T. Nourse

Matthew J. Satterwhite

American Electric Power Corporation

1 Riverside Plaza, 29th Floor

Columbus, Ohio 43215-2373

Telephone: (614) 716-1608

Facsimile: (614) 716-2950

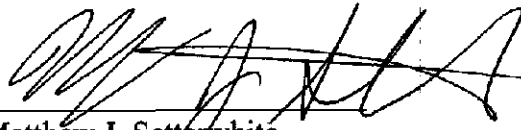
stnourse@aep.com

mjsatterwhite@aep.com

Counsel for Columbus Southern Power
Company and Ohio Power Company

CERTIFICATE OF SERVICE

I certify that Columbus Southern Power Company's and Ohio Power Company's foregoing **Motion and Memorandum in Support to Stay the Reply Comment Period and Establish a Procedural Schedule for Hearing and Expedited Ruling** was served by First-Class U.S. Mail upon counsel for all parties of record identified below this 20th day of January, 2011.


Matthew J. Satterwhite

Thomas W. McNamee
Assistant Attorney General
Public Utilities Section
180 East Broad Street, 6th Floor
Columbus, Ohio 43215-3793

Samuel C. Randazzo
Joseph E. Oliker
McNees Wallace & Nurick LLC
21 East State Street, 17th Floor
Columbus, OH 43215

Jody M. Kyler
Jeffrey L. Small
Assistant Consumers' Counsel
Office of the Ohio Consumers' Counsel
10 West Broad Street, Suite 1800
Columbus, Ohio 43215-3485

David C. Rinebolt
Colleen L. Mooney
Ohio Partners for Affordable Energy
231 West Lima Street
Findlay, Ohio 45839-1793

David F. Boehm
Michael L. Kurtz
Boehm Kurtz & Lowry
36 East Seventh Street, Suite 1510
Cincinnati, Ohio 45202

Lisa McAlister
BRICKER & ECKLER LLP
100 South Third Street
Columbus, OH 43215-4291

Thomas J. O'Brien
BRICKER & ECKLER LLP
100 South Third Street
Columbus, OH 43215-4291

M. Howard Petricoff
Stephen M. Howard
Vorys, Sater, Seymour and Pease LLP
52 East Gay Street
P.O. Box 1008
Columbus, Ohio 43216-1008

Paul F. Wight
John N. Estes III
Skadden, Arps, Slate, Meagher & Flom LLP
1440 New York Ave., N.W.
Washington, DC 20005