

**.BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of)
Columbus Southern Power Company)
for Approval of a Mechanism to Recover)
Costs in Relation to the Department of) Case No. 11-148-EL-RDR
Development's Update to the Percentage)
of Income Payment Plan Plus and)
Deferral of Costs)

In the Matter of the Application of)
Ohio Power Company for Approval)
of a Mechanism to Recover Costs in) Case No. 11-149-EL-RDR
Relation to the Department of)
Development's Update to the Percentage)
of Income Payment Plan Plus and)
Deferral of Costs)

In re the Application of Columbus)
Southern Power Company and Ohio)
Power Company, Individually and, if)
Their Proposed Merger is Approved, as a) Case No. 11-351-EL-AIR
Merged Company (collectively AEP)
Ohio) for an Increase in Electric)
Distribution Rates)

PUCO

2011 JUN 20 PM 4:18

RECEIVED-DOCKETING DIV

**REPLY TO COLUMBUS SOUTHERN POWER COMPANY'S AND OHIO
POWER COMPANY'S MEMORANDUM IN OPPOSITION
TO OHIO CONSUMERS' COUNSEL'S MOTION TO CONSOLIDATE
BY
THE OFFICE OF THE OHIO CONSUMERS' COUNSEL**

I. INTRODUCTION

The Office of the Ohio Consumers' Counsel ("OCC"), on behalf of the approximately 1.3 million residential electric utility customers of Columbus Southern Power Company and Ohio Power Company (together "AEP" or the "Company"), files

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 he Date Processed 6/20/2011

this reply to AEP's Memorandum Contra filed on June 8, 2011. AEP opposed OCC's Motion for Consolidation that OCC filed along with Comments on May 24, 2011.

II. ARGUMENT

A. The Test Year Mechanism Provides AEP with the Necessary Opportunity to Collect PIPP Uncollectible Costs Through Base Rates.

AEP improperly attempts to justify special treatment for PIPP uncollectible costs by emphasizing that the uncollectible costs requested for recovery through its rate cases are not the same as uncollectible costs incurred through the PIPP program.¹ AEP appears to be concerned that the uncollectible costs that AEP is incurring from PIPP customers may be higher than the uncollectible costs that AEP incurs from non-PIPP customers. But the test year mechanism in the rate case would take into consideration the higher amounts of PIPP uncollectible costs and allow AEP an opportunity for collection of costs (if legal standards are met).

Additionally, AEP notes that it has been implementing the new state PIPP Plus Program.² This program began on November 1, 2010. AEP is concerned that consolidation of the PIPP uncollectible costs in the rate case would not allow AEP to take into consideration new PIPP Plus Program costs. AEP notes that it has incurred new costs that are associated with providing service and interacting with a PIPP Plus customer that are not recoverable through the USF.³

The test year mechanism would allow AEP to request collection of costs related to all operational service costs that were incurred during a test year and that are not

¹ AEP Memo Contra at 3.

² AEP Memo Contra at 4.

³ AEP Memo Contra at 4.

otherwise collected through different cost recovery mechanisms. The test year of the current rate case ends May 31, 2011, a full six months after the implementation date of the PIPP Plus Program. For that reason, AEP could request inclusion of uncollectible costs associated with PIPP customers in its test year in its currently pending rate case.

If AEP finds that the amount of uncollectible costs that it incurs through the PIPP Plus Program to be more than that it is collecting through the test year mechanism, AEP can file another rate case. Providing for another proceeding that would include a reconciliation mechanism to collect these uncollectible expenses creates unnecessary costs associated with litigation. PIPP uncollectibles are not different than non-PIPP uncollectible expenses and should therefore not be treated any differently. A separate rider for PIPP uncollectible expenses is not necessary. For this reason, the PIPP uncollectible expenses should be addressed in the currently pending rate case.

AEP also perceives that both OCC and ODOD have misconceptions about AEP's application.⁴ AEP suggests meeting with OCC and ODOD in order to clear up these misconceptions. OCC does not believe that it has misconceptions about AEP's application. But OCC would welcome a meeting with AEP and ODOD nonetheless.

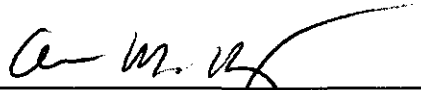
III. CONCLUSION

The Commission should consolidate this application for the collection of PIPP uncollectible costs with AEP's currently pending rate case. Such a consolidation would provide AEP with the opportunity to request recovery of uncollectible costs associated with the PIPP Plus Program. Such a consolidation would also serve judicial efficiency.

⁴ AEP Memo Contra at 4.

Respectfully submitted,

JANINE L. MIGDEN-OSTRANDER
CONSUMERS' COUNSEL

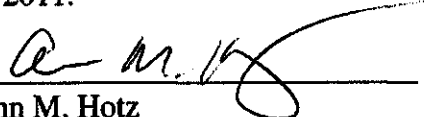


Ann M. Hotz, Counsel of Record
Assistant Consumers' Counsel

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

CERTIFICATE OF SERVICE

I hereby certify that a copy of the forgoing *Reply by the Office of the Ohio Consumers' Counsel* has been served upon the following parties via First-Class U.S. Mail, postage prepaid, on this 20th day of June 2011.


Ann M. Hotz
Assistant Consumers' Counsel

SERVICE LIST

Matthew J. Satterwhite
Steven T. Nourse
American Electric Power Service Corp.
1 Riverside Plaza, 29th Floor
Columbus, OH 43215
mjsatterwhite@aep.com
stnourse@aep.com

*Counsel for Columbus Southern Power
Company and Ohio Power Company*

Barth E. Royer
Bell & Royer Co. LPA
33 South Grant Avenue
Columbus, OH 43215-3927
BarthRoyer@aol.com

*Counsel for Ohio Department of
Development*

William L. Wright, Section Chief
Thomas McNamee
Assistant Attorneys General
Public Utilities Section
180 East Broad Street, 6th Floor
Columbus, OH 43215
william.wright@puc.state.oh.us
thomas.mcnamee@puc.state.oh.us

Colleen L. Mooney
David C. Rinebolt
Ohio Partners for Affordable Energy
231 West Lima Street
Findlay, OH 45839-1793
cmooney2@columbus.rr.com
drinebolt@aol.com

*Counsel for Ohio Partners for Affordable
Energy*