

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of)
Columbus Southern Power Company and)
Ohio Power Company to Update Each) Case No. 11-2473-EL-RDR
Company's Transmission Cost Recovery)
Rider.)

FINDING AND ORDER

The Commission finds:

- (1) Columbus Southern Power Company (CSP) and Ohio Power Company (OP) (jointly, AEP-Ohio or Companies) are public utilities as defined in Section 4905.02, Revised Code, and electric utilities as defined in Section 4928.01(A)(11), and, as such, are subject to the jurisdiction of this Commission.
- (2) On April 15, 2011, AEP-Ohio filed an application to update its transmission cost recovery riders (TCRR) pursuant to Section 4928.05(A)(2), Revised Code, and Chapter 4901:1-36, Ohio Administrative Code (O.A.C.).
- (3) On April 28, 2011, and May 5, 2011, AEP-Ohio filed supplemental information in support of its application. On June 9, 2011, the Companies filed an update to the application to reflect information that was not available at the time the application was filed.
- (4) On May 4, 2011, Industrial Energy Users-Ohio (IEU-Ohio) filed a motion to intervene in this proceeding. In addition, the Office of the Ohio Consumers' Counsel (OCC) filed a motion to intervene on May 25, 2011. No memoranda contra were filed.
- (5) Upon consideration of the motions to intervene, the Commission finds that the motions to intervene filed by IEU-Ohio and OCC are reasonable and should be granted.

- (6) On June 13, 2011, Commission Staff (Staff) filed a letter in this docket in which it recommended that the Commission approve the application, as updated on June 9, 2011, subject to the recommendations made by Staff. In its letter, Staff notes that CSP's proposed rates, as updated, reflect a \$48.6 million increase over revenues that would be collected under current rates for the July 2011 through June 2012 timeframe. Staff also notes that OP's proposed rates, as updated, reflect a \$38 million increase over revenues that would be collected under current rates for the July 2011 through June 2012 timeframe. According to Staff, the proposed rates include adjustments to reflect the prior year under-collection of revenues and a significantly higher Network Integration Transmission Service rate that will take effect on July 1, 2011.

Additionally, Staff states that AEP-Ohio indicated in its testimony in Case No. 11-346-EL-SSO, *et al.*,¹ that it would file, as part of its filing in the present case, proposed TCRR rates for CSP and OP, as well as single company TCRR rates, given the proposed merger of the Companies that is pending in Case No. 10-2376-EL-UNC.² Although AEP-Ohio filed proposed TCRR rates for the merged company in the present case on April 28, 2011, Staff indicates that it did not consider the merged TCRR rates but rather reviewed and evaluated the individual TCRR rates for CSP and OP. Staff recommends that the individual TCRR rates for CSP and OP be maintained at this time and that the merged TCRR rates be considered at a later date, if necessary.

Staff concludes its review by finding that AEP-Ohio has appropriately included in its TCRR only those costs and

¹ *In the Matter of the Application of Columbus Southern Power Company and Ohio Power Company for Authority to Establish a Standard Service Offer Pursuant to Section 4928.143, Revised Code, in the Form of an Electric Security Plan, Case No. 11-346-EL-SSO, et al.*

² *In the Matter of the Application of Ohio Power Company and Columbus Southern Power Company for Authority to Merge and Related Approvals, Case No. 10-2376-EL-UNC.*

credits that are incurred as a result of serving its retail customers in Ohio.

- (7) The Commission finds that the application to update AEP-Ohio's TCRR, as supplemented on April 28, 2011, and May 5, 2011, and updated on June 9, 2011, is consistent with Section 4928.05(A)(2), Revised Code, and Chapter 4901:1-36, O.A.C., does not appear to be unjust or unreasonable, and should be approved, subject to Staff's recommendations. Further, the Commission finds that it is unnecessary to hold a hearing in this matter.

It is, therefore,

ORDERED, That the motions to intervene filed by IEU-Ohio and OCC be granted. It is, further,

ORDERED, That the application filed by AEP-Ohio, as supplemented on April 28, 2011, and May 5, 2011, and updated on June 9, 2011, be approved, subject to Staff's recommendations. It is, further,

ORDERED, That AEP-Ohio file, in final form, four complete copies of tariffs for each company consistent with this finding and order. One copy shall be filed with this case docket, one shall be filed with each company's TRF docket, and the remaining two copies shall be designated for distribution to the Rates and Tariffs Division of the Commission's Utilities Department. It is, further,

ORDERED, That the effective date of the new tariffs shall be a date not earlier than June 29, 2011, and the date upon which four complete printed copies of each company's final tariffs are filed with the Commission. The new tariffs shall be effective for bills rendered on or after such effective date. It is, further,

ORDERED, That AEP-Ohio shall notify all affected customers via a bill message or bill insert within 30 days of the effective date of the tariffs. A copy of the customer notice shall be submitted to the Commission's Service Monitoring and Enforcement Department, Reliability and Service Analysis Division, at least 10 days prior to its distribution to customers. It is, further,

ORDERED, That nothing in this finding and order shall be binding upon this Commission in any future proceeding or investigation involving the justness or reasonableness of any rate, charge, rule, or regulation. It is, further,

ORDERED, That a copy of this finding and order be served upon all parties of record.


THE PUBLIC UTILITIES COMMISSION OF OHIO


Todd A. Snitchler, Chairman


Paul A. Centolella


Steven D. Lesser

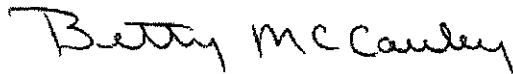

Andre T. Porter


Cheryl L. Roberto

SJP/sc

Entered in the Journal

JUN 22 2011


Betty McCauley

Betty McCauley
Secretary