

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Fuel Adjustment)
Clauses for Columbus Southern Power) Case No. 11-281-EL-FAC
Company and Ohio Power Company and)
Related Matters.)

FINDING AND ORDER

The Commission finds:

- (1) Columbus Southern Power Company (CSP) and Ohio Power Company (OP) (collectively, AEP-Ohio or the Companies) are public utilities as defined in Section 4905.02, Revised Code, and, as such, are subject to the jurisdiction of this Commission.
- (2) By Order issued March 18, 2009, as clarified by the Entry on Rehearing issued July 23, 2009, the Commission approved fuel adjustment clauses (FAC) for CSP and OP in the Companies' Electric Security Plan (ESP) adopted in Case Nos. 09-917-EL-SSO and 09-918-EL-SSO, *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*. In the Order modifying and approving AEP-Ohio's ESP, the Commission also approved an annual audit of the accounting of the FAC costs in the ESP and authorized 2011 rate increases of six percent for CSP and eight percent for OP.
- (3) In a finding and order issued on March 30, 2011, the Commission approved the Companies' proposed second quarter 2011 FAC rates effective for the first billing cycle of April 2011 in Case No. 11-281-EL-FAC (11-281).
- (4) Consistent with the Order and the Entry on Rehearing in the Companies' ESP cases, AEP-Ohio filed its quarterly FAC filing on June 1, 2011, in 11-281 to adjust the FAC rates for the third quarter of 2011. The Companies have filed two sets of schedules to be effective with the first billing cycle of July 2011. The first schedule reflects the percentage increase approved by

the Commission in the ESP cases should the proposed riders in Case Nos. 11-1337-EL-RDR (Environmental) and 11-1361-EL-RDR (Enhanced Service Reliability) also be approved to begin July 1, 2011. The second set of schedules reflects rates should the aforementioned riders not be approved to go into effect for the first billing cycle in July 2011 and reflect no increase for OP and an increase for CSP based on increased fuel costs for the third quarter of 2011. The quarterly filings for CSP and OP include actual fuel data for January through March 2011 and projected information for the third quarter (July, August, and September) of 2011.

- (5) The Commission approved Case No. 11-1361-EL-RDR on June 15, 2011, and we are approving Case No. 11-1337-EL-RDR today.
- (6) The Commission finds that the Companies' application to revise the FAC component of its tariff rates is consistent with the Commission's Order and Entry on Rehearing in the ESP case and does not appear to be unjust, unreasonable, or inconsistent with the Commission's prior orders. Therefore, the Commission finds that the tariff schedules proposed by the Companies based on the Environmental and Enhanced Service Reliability riders being adopted are approved and that it is unnecessary to hold a hearing in this matter. Accordingly, the revised tariffs should be effective with bills rendered beginning with the next billing cycle of 2011.
- (7) Notwithstanding the approval of the proposed tariff filings to establish new rates beginning with bills rendered for the next billing cycle of 2011, which includes the adjusted FAC rates, all fuel adjustment clause costs are subject to an annual audit and reconciliation.

It is, therefore,

ORDERED, That, in accordance with finding 6, the revised tariff sheets filed by CSP and OP on June 1, 2011, be approved and become effective for bills rendered beginning with the next billing cycle of 2011. It is, further,

ORDERED, That CSP and OP are authorized to file, in final form, four complete copies of the tariffs, consistent with this finding and order. CSP and OP shall file one copy in its TRF docket (or make such filing electronically as directed in Case No. 06-900-AU-

WVR) and one copy in this case docket. The remaining two copies shall be designated for distribution to the Rates and Tariffs, Energy and Water Division of the Commission's Utilities Department. It is, further,

ORDERED, That CSP and OP notify all customers of the changes to the tariffs via a bill message or bill insert within 45 days of the effective date of the tariffs. A copy of this 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 each company and all parties of record.

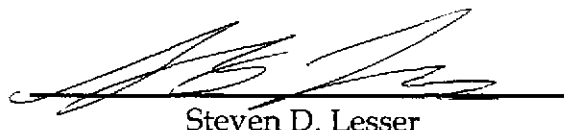
THE PUBLIC UTILITIES COMMISSION OF OHIO



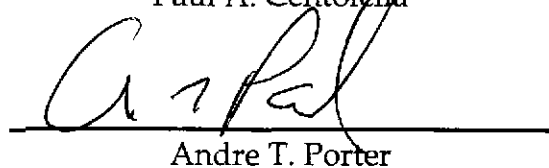
Todd A. Snitchler, Chairman



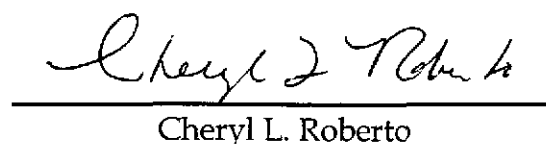
Paul A. Centolella



Steven D. Lesser



Andre T. Porter

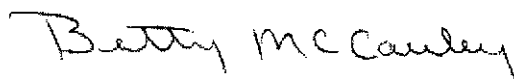


Cheryl L. Roberto

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Betty McCauley
Secretary