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September 15, 2011

The Honorable Greta See
The Honorable Jeffrey Jones
Public Utilities Commission of Ohio
180 E. Broad St., 12th Floor
Columbus, OH 43215

RE: Columbus Southern Power and Ohio Power Companies, Case Nos. 10-2376-EL-UNC, 11-346-EL-SSO, 11-348-EL-SSO, 11-350-EL-AAM, 11-349-EL-AAM, 10-343-EL-ATA, 10-344-EL-ATA, 10-2929-EL-UNC, 11-4920-EL-RDR, & 11-4921-EL-RDR.

Dear Examiners See & Jones:

Enclosed please find a copy of Attachment 1 to the Prefiled Testimony of Robert B. Fortney, Utilities Department, Rates and Tariffs Division in the above referenced cases. The original copy submitted on September 13, 2011 was illegible. Please include this updated copy in the filing.

Sincerely,

Steven L. Beeler
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Attachment A: ESP v. MRO cents per kWh

Aug 26, 2011 document

| Category | Current | 2012 Stipulation Proposed ESP | Proposed Incr 2012 | 2012 Staff Projected MRO | 2013 Stipulation Proposed ESP | Proposed Incr 2013 | 2013 Staff Projected MRO | 2014 Stipulation Proposed ESP | Staff Projected MRO | Proposed Incr 2014 |
|--|---------|-------------------------------|--------------------|--------------------------|-------------------------------|--------------------|--------------------------|-------------------------------|---------------------|--------------------|
| Base Generation | 2.102 | 2.450 | | | 2.570 | | | 2.720 | | |
| Transmission Adjustment | 0.214 | 0.214 | | | 0.214 | | | 0.214 | | |
| Fuel | 3.033 | 3.310 | | | 3.310 | | | 3.310 | | |
| EICC | 0.09 | 0 | | | 0 | | | 0 | | |
| Market Comparable Total Generation | 5.439 | 5.974 | | 5.885 | 6.094 | | 6.138 | 6.244 | 7.359 | |
| Things that are part of the ESP but would not be in an MRO (or are already included in the MRO price #): | | | | | | | | | | |
| Standard Offer Generation Service # | | 2.450 | \$ 151,392,180 | | 2.570 | \$ 52,204,200 | | 2.720 | | \$ 65,255,250 |
| Fuel Adjustment Clause # | | 3.310 | \$ 120,504,695 | | 3.310 | | | 3.310 | | |
| Environmental investment carrying Cost Rider (EICCR)# | | 0 | \$ (39,153,150) | | 0 | | | 0 | | |
| Provider of Last resort (POLR) | | 0 | \$ (133,555,745) | | 0 | | | 0 | | |
| Generation Resource Rider (GRR) Turning Point | | 0.018 | \$ 7,830,630 | | 0.022 | \$ 1,740,140 | | 0.026 | | \$ 1,740,140 |
| Generation NERC Compliance Cost Recovery (NERCR) | | 0 | | | 0 | | | 0 | | |
| Facility Closure Cost Recovery Rider (FCCR) | | 0 | | | 0 | | | 0 | | |
| Carbon Capture & Sequestration Rider (CCSR) | | 0 | | | 0 | | | 0 | | |
| Green Power Portfolio Rider (GPPR) | | 0 | | | 0 | | | 0 | | |
| Pool Termination Modification Provision | | Unknown | | | Unknown | | | Unknown | | |
| Plug-In Vehicle Tariff (PEV) | | 0 | | | 0 | | | 0 | | |
| Sub Total | | 5.778 | \$ 107,018,610 | | 5.902 | \$ 53,944,340 | | 6.056 | | \$ 66,995,390 |
| Plus: Transmission Adj to Compare to MRO # | | 0.214 | | | 0.214 | | | 0.214 | | |
| Total to compare | | 5.992 | | 5.885 | 6.116 | | 6.138 | 6.270 | 7.359 | |

| | | | | | |
|-------------------|--------|-----|--------|-----|--------|
| Current rate* 90% | 54.207 | 80% | 48.184 | 70% | 42.161 |
| Market rate 10% | 5.885 | 20% | 12.276 | 30% | 22.077 |
| | 60.092 | | 60.46 | | 64.238 |
| Comparable MRO | 6.009 | | 6.046 | | 6.424 |

ESP Benefits that may not be part of an MRO:

PIRR from WACC to LTD

Partnership With Ohio Fund: Low Income

2012 \$3 million

2013 \$3 million

2014 \$3 million

*Current rate = 5.439-3.033+3.310+ current POLR of 0.307

6.023

1,000,000 /43503500009 = \$ 0.0000230
.00230 cents

2012 \$ (7,482,602)

2013 \$ 30,452,450

2014 \$ (66,908,383)

\$ (43,938,535)

Ohio Growth Fund: Businesses

2012 \$5 million

2013 \$5 million

2014 \$5 million

kwh 43,503,500,009

ATTACHMENT A