

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

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

In the Matter of the Application of)	
Columbus Southern Power Company and)	
Ohio Power Company for Authority to	)	Case No. 11-346-EL-SSO
Establish a Standard Service Offer	)	Case No. 11-348-EL-SSO
Pursuant to §4928.143, Ohio Rev. Code,)	
in the Form of an Electric Security Plan.)	

In the Matter of the Application of)	
Columbus Southern Power Company and	)	Case No. 11-349-EL-AAM
Ohio Power Company for Approval of	)	Case No. 11-350-EL-AAM
Certain Accounting Authority.)	

In the Matter of the Application of)	
Columbus Southern Power Company to	)	Case No. 10-343-EL-ATA
Amend its Emergency Curtailment)	
Service Riders.)	

In the Matter of the Application of)	
Ohio Power Company to Amend its	)	Case No. 10-344-EL-ATA
Emergency Curtailment Service Riders.)	

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

In the Matter of the Application of)	
Columbus Southern Power Company	)	Case No. 11-4920-EL-RDR
for Approval of a Mechanism to Recover)	
Deferred Fuel Costs Ordered Under)	
Ohio Revised Code 4928.144.)	

In the Matter of the Application of)	
Ohio Power Company for Approval of a)	
Mechanism to Recover Deferred Fuel	)	Case No. 11-4921-EL-RDR
Costs Ordered Under Ohio Revised)	
Code 4928.144.)	

**INDUSTRIAL ENERGY USERS-OHIO'S OBJECTIONS TO
OHIO POWER COMPANY'S COMPLIANCE TARIFFS AND
REQUEST TO SET A RECONCILIATION DATE**

The Industrial Energy Users-Ohio ("IEU-Ohio") hereby objects to the compliance tariffs filed by Ohio Power Company ("OP") on February 28, 2012 as required by the Public Utilities Commission of Ohio's ("Commission") February 23, 2012 Entry on Rehearing. Because OP has failed to comply with the Commission's Entry on Rehearing, the Commission must direct OP to file corrected compliance tariffs and should also order that OP's and Columbus Southern Power Company's ("CSP") rates currently billed are subject to reconciliation with OP's and CSP's ESP I rates, as adjusted for fuel.

The Ohio Revised Code places the responsibility to restore OP's and CSP's prior rates on the Commission. Section 4928.143(C)(2)(b), Revised Code, states:

If the commission disapproves an application under division (C)(1) of this section, the commission shall issue such order as is necessary to continue the provisions, terms, and conditions of the utility's most recent standard service offer, along with any expected increases or decreases in fuel costs from those contained in that offer, until a subsequent offer is authorized pursuant to this section or section 4928.142 of the Revised Code, respectively. (emphasis added).

Because OP's February 28, 2012 compliance tariffs do not comply with the Commission's Entry on Rehearing the Commission must order OP to correct its filing.

I. OP's February 28, 2012 Compliance Tariffs Are Deficient

Instead of filing their ESP I tariffs, adjusted for fuel costs, as the Commission ordered, OP's February 28, 2012 compliance filing redlines and modifies its

December 22, 2011 compliance tariffs submitted as a result of the Commission's initial approval of the Stipulation and Recommendation. Because OP revised its December 22, 2011 tariffs, the February 28, 2012 compliance tariffs are incomplete in some aspects and incorrect in others. The omissions and errors result in rates, terms, and conditions of service that are inconsistent with those approved in OP's and CSP's prior electric security plans ("ESPs").

A. Major Deficiencies

1. OP Filed Blended Tariff Rates Inconsistent with CSP's and OP's Prior ESPs

Neither the fuel adjustment clause ("FAC") nor the transmission cost recovery rider ("TCRR") complies with the Commission's Entry on Rehearing. The Commission's Entry on Rehearing ordered "AEP-Ohio" to file compliance tariffs "to continue the provisions, terms, and conditions of its previous electric security plan, including ... the current uncapped fuel costs."¹ The compliance tariffs filed by OP, however, do not reflect the "provisions, terms, and conditions of [OP's and CSP's] previous electric security plan." Rather than restoring a FAC and a TCRR for OP and CSP individually (as they existed under the ESP I tariffs), the February 28, 2012 compliance filing contains a single blended FAC and a single blended TCRR for the OP and CSP rate zones. Thus, for OP and CSP, the FAC and TCRR reflected in the February 28, 2012 compliance filing do not reflect the "provisions, terms, and conditions of [OP's and CSP's] previous electric security plan."

¹ Entry on Rehearing at 12 (Feb. 23, 2012). The Entry on Rehearing defined AEP-Ohio as a joint reference to both CSP and OP. *Id.* at 1. Additionally the Commission made clear in its December 14, 2011 Opinion and Order that "AEP-Ohio is a notation referring to both CSP and OP" and the Commission "commonly uses the AEP-Ohio notation ... to refer to both CSP and OP." Opinion and Order at 8 (Dec. 14, 2011).

2. OP Improperly Included the PIRR in its Compliance Tariffs and Based those PIRR Rates on Improper Calculations.

The second major flaw of the February 28, 2012 compliance tariffs was OP's inclusion of a tariff for the phase-in recovery rider ("PIRR") for which there is no authorization. OP's and CSP's tariffs under their previous ESPs, did not contain a rider to recover the phase-in deferrals authorized pursuant to their previous ESPs. Moreover the ESP I Opinion and Order² did not provide authorization for the PIRR. The ESP I Order states:

Therefore, we find that the collection of any deferrals, with carrying costs, created by the phase-in that are remaining at the end of the ESP term shall occur from 2012 to 2018 as necessary to recover the actual fuel expenses incurred plus carrying costs.³

Although the Commission's Opinion and Order approving OP's and CSP's prior ESPs authorized the deferrals, the Opinion and Order did not authorize either OP or CSP to begin amortizing the deferrals through customer rates.⁴ Additionally, OP was aware that the ESP I Opinion and Order did not contain the preauthorization to begin amortizing the deferral and filed applications to establish the PIRR for both OP and CSP in September of 2011.⁵ The only authorization for the PIRR was issued along with

² *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*, Case Nos. 08-917-EL-SSO, et al., Opinion and Order (March 18, 2009) (hereinafter "ESP I").

³ ESP I, Opinion and Order at 23 (March 18, 2009).

⁴ *Id.*

⁵ *In the Matter of the Application of Columbus Southern Power Company for Approval of a Mechanism to Recover Deferred Fuel Costs Ordered Under Ohio Revised Code 4928.144*, Case Nos. 11-4920-EL-RDR, et al., Application (Sept. 1, 2011).

approval of the Stipulation, which has since been revoked. Thus, the February 28, 2012 compliance tariffs improperly included the PIRR.⁶

Even if the Commission authorized the recovery rider, the filing, as proposed, violates Commission precedent. The proposed PIRR rates contained in the February 28, 2012 compliance filing reflect OP's expectation that it will be permitted to continue to collect carrying charges based on OP's weighted average cost of capital ("WACC") of 11.26%,⁷ a result contrary to Commission precedent. The Commission has consistently required the authorized carrying costs on a deferral to be limited to the utility's long-term cost of debt once amortization of a deferred asset begins.⁸ Thus, the PIRR reflected in the February 28, 2012 compliance tariffs should not be approved.

Finally, the workpapers provided by OP to parties to support its proposed PIRR shows that OP failed to adjust the balance of the deferral to reflect accumulated deferred income taxes ("ADIT"). Although the Commission authorized OP to book the deferrals on a gross of tax basis for accounting purposes,⁹ the Commission did not address how the deferrals would be recovered. The deferrals associated with the PIRR cause a timing difference between the tax deduction and the book accounting treatment. The timing difference reduces OP's federal income tax liability before OP recognizes the expense and collects it from customers. The Commission should direct

⁶ Authorization of the PIRR was revoked on February 23, 2012 when the Commission rejected the Stipulation in its entirety.

⁷ Compliance Tariff, Cover Letter at 2 (Feb. 28, 2012).

⁸ *In the Matter of the Application of Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company for Approval of a New Rider and Revision of an Existing Rider*, Case No. 10-176-EL-ATA, Opinion and Order at 24 (May 25, 2011); see also IEU-Ohio Ex. 8 at 14-15; IEU-Ohio Initial Brief at 61-64.

⁹ See *ESP I*, Opinion and Order at 24 (March 18, 2009).

that the deferred income taxes be used to reduce the deferred balance. The ADIT would amount to approximately 35% of the regulatory asset balance. In short, the ADIT represents tax savings realized by OP. As a result of these tax savings, OP is not financing 100% of the deferral, but only the deferral amount net of the associated ADIT. Therefore, the amortization of the deferral balance should be reduced by the effects of ADIT, as discussed above.

3. OP Failed to File an Appropriate Application of its Capacity Charges.

The third major deficiency of the February 28, 2012 compliance tariffs is OP's failure to include the appropriate application of capacity charges to reflect a return to the reliability pricing model ("RPM") price. OP claimed in the transmittal letter accompanying the February 28, 2012 compliance filing that it does not intend to comply with the Commission's directive in the February 23, 2012 Entry on Rehearing to demonstrate in its compliance filing the "appropriate application of capacity charges under the approved state compensation mechanism established in the Capacity Charge Case," *i.e.*, returning to charging a capacity price as determined by PJM Interconnection, LLC's RPM.¹⁰ Claiming confusion, OP has chosen to simply ignore this directive.¹¹

Not only is the Commission's Entry on Rehearing clear, OP's claim that the Entry on Rehearing is confusing is inconsistent with representations American Electric Power

¹⁰ Entry on Rehearing at 12 (Feb. 23, 2012); *In the Matter of the Commission Review of the Capacity Charges of Ohio Power Company and Columbus Southern Power Company*, Case No. 10-2929-EL-UNC, Entry at 2 (Dec. 8, 2010).

¹¹ Compliance Tariff, Cover Letter at 3 (Feb. 28, 2012); OP Motion for Relief and Request for Expedited Ruling at 16-19 (Feb. 27, 2012).

Service Corp. ("AEPSC") recently made in a filing to the Federal Energy Regulatory Commission ("FERC"). In that February 29, 2012 filing, AEPSC stated, "[b]y rejecting the Stipulation, the Ohio Commission has reverted to capacity prices established through the RPM auction that were (and still are) dramatically below Ohio Power's capacity costs under any reasonable ratemaking assumptions, thereby obligating Ohio Power to make FRR capacity available to CRES Providers at a substantial subsidy."¹² Although OP has claimed confusion in this proceeding, it is well aware that the Commission has ordered it to return to making capacity available to certified retail electric service ("CRES") providers at the RPM price. Further, OP, by way of its parent company, has asserted that the prevailing price is no longer the \$255/MW-day charge but is rather the RPM price. Thus, the Commission should ensure that OP is no longer assessing the \$255/MW-day charge established in the Stipulation. To this end, the Commission should order OP to remove the Detailed Implementation Plan on file with the Commission, and replace it with appropriate documents that indicate OP will make available to CRES providers capacity at the RPM price.

B. Inconsistent Terms and Conditions of Service

In addition to the major deficiencies IEU-Ohio has identified in the February 28, 2012 compliance filing that result from OP's and CSP's failure to use their rate schedules approved under their prior ESPs as the basis to comply with the February 23, 2012 Entry on Rehearing, IEU-Ohio has identified numerous other inconsistencies with

¹² American Electric Power Service Corporation, Docket No. ER11-2183-001, Motion of American Electric Power Service Corporation for Expedited Rulings at 7 (Feb. 29, 2012) (available at: http://elibrary.ferc.gov/idmws/file_list.asp?accession_num=20120229-5250).

the terms and conditions of service.¹³ For example, CSP's prior GS-2 and GS-3 rate schedules included provisions extending billing demand forgiveness to churches, public and parochial schools, and governmental recreation centers. This provision was effectuated through Supplement No. 18 to CSP's tariff. While the February 28, 2012 compliance filing includes Supplement No. 18 in the CSP portion of the tariff, the reference in the GS-2 and GS-3 rate schedule to extend billing demand forgiveness under Supplement No. 18 to churches, schools and government facilities, has been omitted. Thus, here again, starting with the incorrect tariffs is pointing to a result that would not return customers to the provisions, terms, and conditions of OP's and CSP's previous ESPs.

II. Conclusion

A substantial portion of OP's February 28, 2012 compliance tariffs do not comply with the Commission's Entry on Rehearing. OP has incorrectly presented the Commission with a blended FAC rate, a blended TCRR rate, a PIRR which has not been authorized and which is calculated with new and incorrect methodologies, no documentation regarding the appropriate reversion to the RPM price as the state compensation mechanism, and incorrect terms and conditions of service. Thus, the February 28, 2012 compliance tariffs do not comply with the Entry on Rehearing.

¹³ For instance, in the CSP GS-3 rate schedule, Revised Sheet 323-2, an extra sentence and two paragraphs were added that did not exist in the ESP I tariffs. On this sheet, the last two sentences under Monthly Billing Demand did not exist, nor did second or third paragraphs. CSP's GS-2 rate schedule is also not without errors. On CSP Revised Sheet 321-3, the last two sentences of the first paragraph under Monthly Billing Demand did not exist under CSP's ESP I tariffs, nor did the third paragraph of that section. These are just some of the errors in the February 28, 2012 compliance tariffs and highlight the fact that these compliance tariffs will not return customers to rates charged under the ESP I tariffs. The incorrect February 28, 2012 compliance tariff sheets are included in the Appendix to these Objections along with the proposed redlined tariff sheets that were included with OP's and CSP's ESP II Applications that included the ESP I tariff language.

OP's failure to comply with the Commission's directive has left customers exposed to another round of increased and excessive bills. The Commission has an obligation to return customers to OP's and CSP's prior ESP rates.¹⁴ Because OP has failed to comply with the Entry on Rehearing such that the Commission could approve tariffs to return customers to OP's and CSP's ESP I rates, the Commission must order OP to correct its February 28, 2012 compliance filing. The Commission should also order that OP's and CSP's rates currently billed are subject to reconciliation with OP's and CSP's ESP I rates, as adjusted for fuel.¹⁵ By taking this action, the Commission can ensure that OP's customers will not continue to face the excessive and unreasonable rates established through the Stipulation or the incomplete and unlawful rates proposed in the February 28, 2012 compliance tariffs.

Respectfully Submitted,

/s/ Matthew R. Pritchard

Samuel C. Randazzo (Counsel of Record)

Frank P. Darr

Matthew R. Pritchard

McNEES WALLACE & NURICK LLC

21 East State Street, 17TH Floor

Columbus, OH 43215

Telephone: (614) 469-8000

Telecopier: (614) 469-4653

sam@mwncmh.com

fdarr@mwncmh.com

mpritchard@mwncmh.com

Attorneys for Industrial Energy Users-Ohio

¹⁴ Section 4928.143(C)(2)(b), Revised Code.

¹⁵ Consistent with IEU-Ohio's January 13, 2012 Application for Rehearing at 78-79, the Commission should set OP's rates collected subject to reconciliation with OP's and CSP's ESP I tariffs until such time as the Commission formally approves OP's compliance filing.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing *Industrial Energy Users-Ohio's Objections to Ohio Power Company's Compliance Tariffs and Request to Set a Reconciliation Date* was served upon the following parties of record this 2nd day of March 2012, via electronic transmission, hand-delivery or first class U.S. mail, postage prepaid.

/s/ Matthew R. Pritchard

Matthew R. Pritchard

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

Daniel R. Conway
Porter Wright Morris & Arthur
Huntington Center
41 S. High Street
Columbus, OH 43215
dconway@porterwright.com

**ON BEHALF OF COLUMBUS SOUTHERN
POWER COMPANY AND OHIO POWER
COMPANY**

Dorothy K. Corbett
Amy Spiller
139 East Fourth Street
1303-Main
Cincinnati, OH 45202
Dorothy.Corbett@duke-energy.com
Amy.spiller@duke-energy.com

Philip B. Sineneng
Terrance A. Mebane
THOMPSON HINE LLP
41 S. High St., Suite 1700
Columbus, OH 43215
Philip.Sineneng@ThompsonHine.com
Terrance.Mebane@ThompsonHine.com

**ON BEHALF OF DUKE ENERGY RETAIL SALES,
LLC**

David F. Boehm
Michael L. Kurtz
Boehm, Kurtz & Lowry
36 East Seventh Street Suite 1510
Cincinnati, OH 45202
dboehm@BKLawfirm.com
mkurtz@BKLawfirm.com

ON BEHALF OF THE OHIO ENERGY GROUP

Gregory J. Poulos
EnerNOC, Inc.
101 Federal Street, Suite 1100
Boston, MA 02110
gpoulos@enernoc.com

ON BEHALF OF ENERNOC, INC.

Terry L. Etter
Maureen R. Grady
Office of the Ohio Consumers' Counsel
10 W. Broad Street, 18th Floor
Columbus, OH 43215-3485
etter@occ.state.oh.us
grady@occ.state.oh.us
small@occ.state.oh.us

**ON BEHALF OF THE OFFICE OF THE OHIO
CONSUMERS' COUNSEL**

Richard L. Sites
General Counsel & Senior Director of
Health Policy
Ohio Hospital Association
155 East Broad Street, 15th Floor
Columbus, OH 43215-3620
ricks@ohanet.org

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

OH BEHALF OF OHIO HOSPITAL ASSOCIATION

John W. Bentine
Mark S. Yurick
Zachary D. Kravitz
Chester Willcox & Saxbe, LLP
65 East State Street, Suite 1000
Columbus, OH 43215
jbentine@cwsllaw.com
myurick@cwsllaw.com
zkravitz@cwsllaw.com

ON BEHALF OF THE KROGER CO.

Terrence O'Donnell
Christopher Montgomery
BRICKER & ECKLER LLP
100 South Third Street
Columbus, OH 43215-4291
todonnell@bricker.com
cmontgomery@bricker.com

ON BEHALF OF PAULDING WIND FARM II LLC

Mark A. Hayden
FirstEnergy Service Company
76 South Main Street
Akron, OH 44308
haydenm@firstenergycorp.com

James F. Lang
Laura C. McBride
N. Trevor Alexander
CALFEE, HALTER & GRISWOLD LLP
1400 KeyBank Center
800 Superior Ave.
Cleveland, OH 44114
jlang@calfee.com
lmcbride@calfee.com
talexander@calfee.com

David A. Kutik
Jones Day
North Point
901 Lakeside Avenue
Cleveland, OH 44114
dakutik@jonesday.com

Allison E. Haedt
Jones Day
P.O. Box 165017
Columbus, OH 43216-5017
aehaedt@jonesday.com

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

**ON BEHALF OF FIRSTENERGY SOLUTIONS
CORP.**

Michael R. Smalz
Joseph V. Maskovyak
Ohio Poverty Law Center
555 Buttles Avenue
Columbus, OH 43215
msmalz@ohiopoveritylaw.org
jmaskovyak@ohiopoveritylaw.org

**ON BEHALF OF THE APPALACHIAN PEACE
AND JUSTICE NETWORK**

Lisa G. McAlister
Matthew W. Warnock
Thomas O'Brien
BRICKER & ECKLER LLP
100 South Third Street
Columbus, OH 43215-4291
lmcalister@bricker.com
mwarnock@bricker.com
tobrien@bricker.com

ON BEHALF OF OMA ENERGY GROUP

Jay E. Jadwin
American Electric Power Service
Corporation
1 Riverside Plaza, 29th Floor
Columbus, OH 43215
jejadwin@aep.com

**ON BEHALF OF AEP RETAIL ENERGY
PARTNERS LLC**

M. Howard Petricoff
Stephen M. Howard
Vorys, Sater, Seymour and Pease LLP
52 E. Gay Street
P.O. Box 1008
Columbus, OH 43215-1008
mhpeticoff@vorys.com
smhoward@vorys.com

**ON BEHALF OF PJM POWER PROVIDERS
GROUP AND THE RETAIL ENERGY SUPPLY
ASSOCIATION**

Glen Thomas
1060 First Avenue, Ste. 400
King of Prussia, PA 19406
gthomas@gtpowergroup.com

Laura Chappelle
4218 Jacob Meadows
Okemos, MI 48864
laurac@chappelleconsulting.net

**ON BEHALF OF PJM POWER PROVIDERS
GROUP**

M. Howard Petricoff
Michael Settineri
Vorys, Sater, Seymour and Pease LLP
52 E. Gay Street
P.O. Box 1008
Columbus, OH 43215-1008
mhpeticoff@vorys.com
mjsettineri@vorys.com

William L. Massey
Covington & Burling, LLP
1201 Pennsylvania Ave., NW
Washington, DC 20004
wmassey@cov.com

Joel Malina
Executive Director
COMPLETE Coalition
1317 F Street, NW
Suite 600
Washington, DC 20004
malina@wexlerwalker.com

ON BEHALF OF THE COMPETE COALITION

Henry W. Eckhart
1200 Chambers Road, Suite 106
Columbus, OH 43212
henryeckhart@aol.com

Christopher J. Allwein
Williams, Allwein and Moser, LLC
1373 Grandview Ave., Suite 212
Columbus, OH 43212
callwein@williamsandmoser.com

**ON BEHALF OF THE NATURAL RESOURCES
DEFENSE COUNCIL AND THE SIERRA CLUB**

M. Howard Petricoff
Michael J. Settineri
Stephen M. Howard
Vorys, Sater, Seymour and Pease LLP
52 East Gay Street
P.O. Box 1008
Columbus, OH 43216-1008
mhpeticoff@vorys.com
mjsettineri@vorys.com
smhoward@vorys.com

**ON BEHALF OF CONSTELLATION
NEWENERGY, INC., CONSTELLATION ENERGY
COMMODITIES GROUP, INC., DIRECT ENERGY
SERVICES, LLC**

David I. Fein
Vice President, Energy Policy – Midwest
Constellation Energy Group, Inc.
Cynthia Fonner Brady
Senior Counsel
Constellation Energy Resources LLC
550 West Washington Blvd., Suite 300
Chicago, IL 60661
david.fein@constellation.com
cynthia.brady@constellation.com

**ON BEHALF OF CONSTELLATION
NEWENERGY, INC. AND CONSTELLATION
ENERGY COMMODITIES GROUP, INC.**

Pamela A. Fox
C. Todd Jones,
Christopher L. Miller,
Gregory H. Dunn
Asim Z. Haque
Schottenstein Zox and Dunn Co., LPA
250 West Street
Columbus, OH 43215
pfox@hillardohio.gov
cmiller@szd.com
gdunn@szd.com
ahaque@szd.com

**ON BEHALF OF THE CITY OF HILLIARD, OHIO,
THE CITY OF GROVE CITY, OHIO AND THE
ASSOCIATION OF INDEPENDENT COLLEGES
AND UNIVERSITIES OF OHIO**

Sandy I-ru Grace
Assistant General Counsel
Exelon Business Services Company
101 Constitution Ave., NW
Suite 400 East
Washington, DC 20001
sandy.grace@exeloncorp.com

M. Howard Petricoff
Vorys, Sater, Seymour and Pease LLP
52 East Gay Street
P.O. Box 1008
Columbus, OH 43216-1008
mhpeticoff@vorys.com

David M. Stahl
Eimer Stahl Klevorn & Solberg LLP
224 South Michigan Avenue, Suite 1100
Chicago, IL 60604
dstahl@eimerstahl.com

**ON BEHALF OF EXELON GENERATION
COMPANY, LLC**

Gary A Jeffries
Assistant General Counsel
Dominion Resources Services, Inc.
501 Martindale Street, Suite 400
Pittsburgh, PA 15212-5817
Gary.A.Jeffries@aol.com

ON BEHALF OF DOMINION RETAIL, INC.

Kenneth P. Kreider
David A. Meyer
Keating Muething & Klekamp PLL
One East Fourth Street
Suite 1400
Cincinnati, OH 45202
kpkreider@kmklaw.com
dmeyer@kmklaw.com

Holly Rachel Smith
Holly Rachel Smith, PLLC
Hitt Business Center
3803 Rectortown Road
Marshall, VA 20115
holly@raysmithlaw.com

Steve W. Chriss
Manager, State Rate Proceedings
Wal-Mart Stores, Inc.
Bentonville, AR 72716-0550
Stephen.Chriss@wal-mart.com

**ON BEHALF OF WAL-MART STORES EAST, LP
AND SAM'S EAST, INC.**

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

Tara C. Santarelli
Environmental Law & Policy Center
1207 Grandview Ave., Suite 201
Columbus, OH 43212
tsantarelli@elpc.org

**ON BEHALF OF THE ENVIRONMENTAL LAW &
POLICY CENTER**

Nolan Moser
Trent A. Dougherty
Camille Yancy
Cathryn Loucas
Ohio Environmental Council
1207 Grandview Avenue, Suite 201
Columbus, OH 43212-3449
nolan@theoec.org
trent@theoec.org
camille@theoec.org
cathy@theoec.org.

**ON BEHALF OF THE OHIO ENVIRONMENTAL
COUNCIL**

Douglas G. Bonner
Emma F. Hand
Keith C. Nusbaum
Clinton A. Vince
Daniel D. Barnowski
SNR Denton US LLP
1301 K Street NW
Suite 600, East Tower
Washington, DC 20005
doug.bonner@snrdenton.com
emma.hand@snrdenton.com
keith.nusbaum@snrdenton.com
clinton.vince@snrdenton.com
daniel.barnowski@snrdenton.com

**ON BEHALF OF ORMET PRIMARY ALUMINUM
CORPORATION**

Jay L. Kooper
Katherine Guerry
Hess Corporation
One Hess Plaza
Woodbridge, NJ 07095
jkooper@hess.com
kguerry@hess.com

ON BEHALF OF HESS CORPORATION

Allen Freifeld
Samuel A. Wolfe
Viridity Energy, Inc.
100 West Elm Street, Suite 410
Conshohocken, PA 19428
afreifeld@viridityenergy.com
swolfe@viridityenergy.com

Jacqueline Lake Roberts,
Counsel of Record
101 Federal Street, Suite 1100
Boston, MA 02110
jroberts@enernoc.com

**ON BEHALF OF CPOWER, INC., VIRIDITY
ENERGY, INC., ENERGYCONNECT INC.,
COMVERGE INC., ENERWISE GLOBAL
TECHNOLOGIES, INC., AND ENERGY
CURTAILMENT SPECIALISTS, INC.**

Robert Korandovich
KOREnergy
P.O. Box 148
Sunbury, OH 43074
korenergy@insight.rr.com

ON BEHALF OF KOREENERGY

Benita Kahn
Lija Kaleps-Clark
Vorys Sater, Seymour and Pease LLC
52 East Gay Street, P.O. Box 1008
Columbus, OH 43216-1008
bakahn@vorys.com
lkalepsclark@vorys.com

Mark A. Whitt
Melissa L. Thompson
Whitt Sturtevant LLP
PNC Plaza, Suite 2020
155 East Broad Street
Columbus, OH 43215
whit@whitt-sturtevant.com
thompson@whitt-sturtevant.com

Vincent Parisi
Matthew White
Interstate Gas Supply, Inc.
6100 Emerald Parkway
Dublin, OH 43016
vparisi@igsenergy.com
mswhite@igsenergy.com

**ON BEHALF OF INTERSTATE GAS SUPPLY,
INC.**

William Wright
Werner Margard
Thomas Lindgren
John H. Jones
Assistant Attorneys' General
Public Utilities Section
180 East Broad Street, 6th Floor
Columbus, OH 43215
john.jones@puc.state.oh.us
werner.margard@puc.state.oh.us
thomas.lindgren@puc.state.oh.us
william.wright@puc.state.oh.us

**ON BEHALF OF THE PUBLIC UTILITIES
COMMISSION OF OHIO**

Greta See
Jon Tauber
Attorney Examiner
Public Utilities Commission of Ohio
180 East Broad Street, 12th Floor
Columbus, OH 43215

ATTORNEY EXAMINERS

APPENDIX

Tariff Filed 1/27/11 with ESP Application

COLUMBUS SOUTHERN POWER COMPANY

Exhibit DMR-5
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1st Revised Sheet No. 21-2
Cancels Original Sheet No. 21-2

P.U.C.O. NO. 7

SCHEDULE GS-2 (General Service - Low Load Factor)

Delayed Payment Charge

The above schedule is not if full payment is received by mail, checkless payment plan, electronic payment plan or at an authorized payment agent of the Company within 21 days after the mailing of the bill. On all accounts not so paid, an additional charge of five percent (5%) of the total amount billed will be made. Federal, state, county, township and municipal governments and public school systems not served under special contract are subject to the Public Authority Delayed Payment provision, Supplement No. 21.

Applicable Riders

Monthly Charges computed under this schedule shall be adjusted in accordance with the following applicable riders: Commission-approved riders on Sheet Number 4-1.

Rider	Sheet No.
Universal Service Fund Rider	60-1
Advanced Energy Fund Rider	61-1
KWH Tax Rider	62-1
Provider of Last Resort Charge Rider	69-1
Monongahela Power Litigation Termination Rider	73-1
Power Acquisition Rider	74-1
Transmission Cost Recovery Rider	76-1
Fuel Adjustment Clause Rider	80-1
Energy Efficiency and Peak Demand Reduction Cost Recovery Rider	81-1
Economic Development Cost Recovery Rider	82-1
Enhanced Service Reliability Rider	83-1
gridSMART Rider	84-1
Environmental Investment-Carrying Cost Rider	85-1

Monthly Billing Demand

Energy supplied hereunder will be delivered through not more than one single-phase or one polyphase meter. Billing demand in KW shall be taken each month as the single highest 30-minute integrated peak in kilowatts as registered during the month by a 30-minute integrating demand meter or indicator or, at the Company's option, as the highest registration of a thermal-type demand meter or indicator.

The minimum monthly billing demand established hereunder shall not be less than (a) the minimum billing demand, if any, specified in the service contract or (b) 80% of the customer's highest previously established monthly billing demand during the past 11 months in excess of 100 KW.

The minimum monthly billing demand shall not be less than 25% of the customer's highest previously established monthly billing demand during the past 11 months in excess of 100 KW during the billing months of June through September for customers with more than 50% of their connected load used for space heating purposes.

(Continued on Sheet No. 21-3)

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COLUMBUS SOUTHERN POWER COMPANY

Original Sheet No. 21-3

P.U.C.O. NO. 7

SCHEDULE GS-2 (General Service - Low Load Factor)

Monthly Billing Demand (Cont'd)

~~Churches, public and parochial schools, and county, township, municipal and civic recreation centers are subject to the Optional Church and School Service provision, Supplement No. 18.~~

The Metered Voltage adjustment, as set forth below, shall not apply to the customer's minimum monthly billing demand.

Optional Time-of-Day Provision

Available to customers who operate primarily during the off-peak period (as set forth below) and request the installation of time-of-day metering in order to receive service under this provision. The customer shall be required to pay the necessary additional metering cost.

For purpose of this provision, the monthly billing demand as defined above shall be determined during the on-peak period. The off-peak excess demand shall be the amount by which the demand created during the off-peak period exceeds the monthly billing demand.

The on-peak billing period is defined as 7:00 AM to 9:00 PM local time for all weekdays, Monday through Friday. The off-peak billing period is defined as 9:00 PM to 7:00 AM for all weekdays, all hours of the day on Saturdays and Sundays, and the legal holidays of New Year's Day, Presidents Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

Metered Voltage

The rates set forth in this schedule are based upon the delivery and measurement of energy at the same voltage, thus measurement will be made at or compensated to the delivery voltage. At the sole discretion of the Company, such compensation may be achieved through the use of loss compensating equipment, the use of formulas to calculate losses or the application of multipliers to the metered quantities. In such cases, the metered KWH and KW values will be adjusted for billing purposes. If the Company elects to adjust KWH and KW based on multipliers, the adjustment shall be in accordance with the following:

- (a) Measurement taken at the low-side of a customer-owned transformer will be multiplied by 1.01.
- (b) Measurements taken at the high-side of a Company-owned transformer will be multiplied by 0.98.

Term of Contract

For customers with annual average demand greater than 500 KW, contracts will be required for an initial period of not less than one year and shall remain in effect thereafter until either party shall give at least six months written notice to the other of the intention to discontinue service under the terms of this schedule. For customers with demands less than 500 KW, a written agreement may, at the Company's option, be required.

(Continued on Sheet No. 21-4)

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2/28/12 Compliance Tariff

OHIO POWER COMPANY
Columbus Southern Power Rate Zone

Exhibit B
Page 107 of 188
1st Revised Sheet No. 321-3
Cancels Original Sheet No. 321-3

P.U.C.O. NO. 20

SCHEDULE GS-2 (General Service - Low Load Factor)

Monthly Billing Demand

Energy supplied hereunder will be delivered through not more than one single-phase or one polyphase meter. Billing demand in KW shall be taken each month as the single highest 30-minute integrated peak in kilowatts as registered during the month by a 30-minute integrating demand meter or indicator or, at the Company's option, as the highest registration of a thermal-type demand meter. For accounts over 100 KW, monthly billing demand established hereunder shall not be less than 60% of the greater of (a) the customer's contract capacity in excess of 100 KW, or (b) the customer's highest previously established monthly billing demand during the past 11 months in excess of 100 KW. In no event shall the monthly billing demand be less than (a) minimum billing demand, if any, specified in the service contract, or (b) 5 KW for any account.

If more than 50% of the customer's connected load is for electric space heating purposes, the minimum monthly billing demand for the billing months of June through October will be 25% of the greater of (a) the customer's contract capacity in excess of 100 KW, or (b) the customer's highest previously established monthly billing demand during the past 11 months in excess of 100 KW.

For customers primarily engaged in seasonal agricultural related activities, the minimum monthly billing demand will be 25% of the greater of (a) the customer's contract capacity in excess of 100 KW, or (b) the customer's highest previously established monthly billing demand during the past 11 months in excess of 100 KW.

The Metered Voltage adjustment, as set forth below, shall not apply to the customer's minimum monthly billing demand.

Optional Time-of-Day Provision

Available to customers who operate primarily during the off-peak period (as set forth below) and request the installation of time-of-day metering in order to receive service under this provision. The customer shall be required to pay the necessary additional metering cost.

For the purpose of this provision, the monthly billing demand as defined above shall be determined during the on-peak period. The off-peak excess demand shall be the amount by which the demand created during the off-peak period exceeds the monthly billing demand.

For the purpose of this provision the on-peak billing period is defined as 7 a.m. to 9 p.m. local time for all weekdays, Monday through Friday. The off-peak billing period is defined as 9 p.m. to 7 a.m. for all weekdays, all hours of the day on Saturdays and Sundays, and the legal holidays of New Year's Day, Presidents Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

Metered Voltage

The rates set forth in this schedule are based upon the delivery and measurement of energy at the same voltage, thus measurement will be made at or compensated to the delivery voltage. At the sole discretion of the Company, such compensation may be achieved through the use of loss compensating equipment, the use of formulas to calculate losses or the application of

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COLUMBUS SOUTHERN POWER COMPANY

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1st Revised Sheet No. 23-2
Cancels Original Sheet No. 23-2

P.U.C.O. NO. 7

SCHEDULE GS-3 (General Service - Medium Load Factor)

Delayed Payment Charge

The above schedule is net if full payment is received by mail, checkless payment plan, electronic payment plan or at an authorized payment agent of the Company within 21 days after the mailing of the bill. On all accounts not so paid, an additional charge of five percent (5%) of the total amount billed will be made. Federal, state, county, township and municipal governments and public school systems not served under special contract are subject to the Public Authority Delayed Payment provision, Supplement No. 21.

Applicable Riders

Monthly Charges computed under this schedule shall be adjusted in accordance with the following applicable riders: Commission-approved riders on Sheet Number 4-1

Rider	Sheet No.
Universal Service Fund Rider	80-4
Advanced Energy Fund Rider	81-4
KWh Tax Rider	82-4
Provider of Last Resort Charge Rider	83-4
Monongahela Power Litigation Termination Rider	73-4
Power Acquisition Rider	74-4
Transmission Cost Recovery Rider	75-4
Fuel Adjustment Clause Rider	80-4
Energy Efficiency and Peak Demand Reduction Cost Recovery Rider	81-4
Economic Development Cost Recovery Rider	82-4
Enhanced Service Reliability Rider	83-4
gridSMART Rider	84-4
Environmental Investment Carrying Cost Rider	85-4

Monthly Billing Demand

Energy supplied hereunder will be delivered through not more than one single-phase or one polyphase meter. Billing demand in KW shall be taken each month as the single highest 30-minute integrated peak in kilowatts as registered during the month by a 30-minute integrating demand meter or indicator or, at the Company's option, as the highest registration of a thermal-type demand meter or indicator.

The minimum monthly billing demand established hereunder shall not be less than (a) the minimum billing demand, if any, specified in the service contract or (b) 80% of the customer's highest previously established monthly billing demand during the past 11 months or (c) 50 KW.

(Continued on Sheet No. 23-3)

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COLUMBUS SOUTHERN POWER COMPANY

Original Sheet No. 23-3

P.U.C.O. NO. 7

SCHEDULE GS-3 (General Service - Medium Load Factor)

Monthly Billing Demand (Cont'd)

The minimum monthly billing demand shall not be less than 25% of the customer's highest previously established monthly billing demand during the past 11 months during the billing months of June through September for customers with more than 50% of their connected load used for space heating purposes.

~~Churches, public and parochial schools, and county, township, municipal and civic recreation centers are subject to the Optional Church and School Service provision, Supplement No. 18.~~

The Metered Voltage adjustment, as set forth below, shall not apply to the customer's minimum monthly billing demand.

Optional Time-of-Day Provision

Available to customers who operate primarily during the off-peak period (as set forth below) and request the installation of time-of-day metering in order to receive service under this provision. The customer shall be required to pay the necessary additional metering cost.

For purpose of this provision, the monthly billing demand as defined above shall be determined during the on-peak period. The off-peak excess demand shall be the amount by which the demand created during the off-peak period exceeds the monthly billing demand.

The on-peak billing period is defined as 7:00 AM to 9:00 PM local time for all weekdays, Monday through Friday. The off-peak billing period is defined as 9:00 PM to 7:00 AM for all weekdays, all hours of the day on Saturdays and Sundays, and the legal holidays of New Year's Day, Presidents Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

Metered Voltage

The rates set forth in this schedule are based upon the delivery and measurement of energy at the same voltage, thus measurement will be made at or compensated to the delivery voltage. At the sole discretion of the Company, such compensation may be achieved through the use of loss compensating equipment, the use of formulas to calculate losses or the application of multipliers to the metered quantities. In such cases, the metered KWH and KW values will be adjusted for billing purposes. If the Company elects to adjust KWH and KW based on multipliers, the adjustment shall be in accordance with the following:

- (a) Measurement taken at the low-side of a customer-owned transformer will be multiplied by 1.01.
- (b) Measurements taken at the high-side of a Company-owned transformer will be multiplied by 0.98.

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2/29/12 Compliance Tariff

OHIO POWER COMPANY
Columbus Southern Power Rate Zone

Exhibit B
Page 113 of 166
1st Revised Sheet No. 323-2
Cancels Original Sheet No. 323-2

P.U.C.O. NO. 20

SCHEDULE GS-3 (General Service - Medium Load Factor)

The above schedule is net if full payment is received by mail, checkless payment plan, electronic payment plan or at an authorized payment agent of the Company within 21 days after the mailing of the bill. On all accounts not so paid, an additional charge of five percent (5%) of the total amount billed will be made. Federal, state, county, township and municipal governments and public school systems not served under special contract are subject to the Public Authority Delayed Payment provision, Supplement No. 21.

Applicable Riders

Monthly Charges computed under this schedule shall be adjusted in accordance with the Commission-approved riders on Sheet Number 104-1.

Monthly Billing Demand

Energy supplied hereunder will be delivered through not more than one single-phase or one polyphase meter. Billing demand in KW shall be taken each month as the single highest 30-minute integrated peak in kilowatts as registered during the month by a 30-minute integrating demand meter or indicator or, at the Company's option, as the highest registration of a thermal-type demand meter. For accounts over 100 KW, monthly billing demand established hereunder shall not be less than 60% of the greater of (a) the customer's contract capacity in excess of 100 KW, or (b) the customer's highest previously established monthly billing demand during the past 11 months in excess of 100 KW. In no event shall the monthly billing demand be less than (a) minimum billing demand, if any, specified in the service contract, or (b) 5 KW for any account.

If more than 50% of the customer's connected load is for electric space heating purposes, the minimum monthly billing demand for the billing months of June through October will be 25% of the greater of (a) the customer's contract capacity in excess of 100 KW, or (b) the customer's highest previously established monthly billing demand during the past 11 months in excess of 100 KW.

For customers primarily engaged in seasonal agricultural related activities, the minimum monthly billing demand will be 25% of the greater of (a) the customer's contract capacity in excess of 100 KW, or (b) the customer's highest previously established monthly billing demand during the past 11 months in excess of 100 KW.

The Metered Voltage adjustment, as set forth below, shall not apply to the customer's minimum monthly billing demand.

Optional Time-of-Day Provision

Available to customers who operate primarily during the off-peak period (as set forth below) and request the installation of time-of-day metering in order to receive service under this provision. The customer shall be required to pay the necessary additional metering cost.

For purpose of this provision, the monthly billing demand as defined above shall be determined during the on-peak period. The off-peak excess demand shall be the amount by which the demand created during the off-peak period exceeds the monthly billing demand.

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Summary: Objection to Ohio Power Company's Compliance Tariffs and Request to Set a Reconciliation Date electronically filed by Mr. Matthew R. Pritchard on behalf of Industrial Energy Users-Ohio