

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

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
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 §4928.143, Ohio Revs. Code, in the Form of an Electric Security Plan.	) ) ) ) ) )	Case No. 11-346-EL-SSO Case No. 11-348-EL-SSO
In the Matter of the Application of Columbus Southern Power Company and Ohio Power Company for Approval of Certain Accounting Authority	) ) ) )	Case No. 11-349-EL-AAM Case No. 11-350-EL-AAM
In the Matter of the Application of Columbus Southern Power Company to Amend its Emergency Curtailment Service Riders	) ) ) )	Case No. 10-343-EL-ATA
In the Matter of the Application of Ohio Power Company to Amend its Emergency Curtailment Service Riders	) ) ) )	Case No. 10-344-EL-ATA
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
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 No. 11-4920-EL-RDR
In the Matter of the Application of Ohio Power Company for Approval of a Mechanism to Recover Deferred Fuel Costs Ordered Under Ohio Revised Code 4928.144	) ) ) ) )	Case No. 11-4921-EL-RDR

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**FIRSTENERGY SOLUTIONS CORP.'S OBJECTIONS TO OHIO POWER  
COMPANY'S COMPLIANCE TARIFFS**

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## **I. Introduction**

In its February 23, 2012 Entry on Rehearing (“Rehearing Entry”) the Commission ordered Ohio Power Company (“AEP Ohio”) to file new proposed tariffs “to continue the provisions, terms, and conditions of its previous electric security plan” approved by the Commission in Case Nos. 08-917-EL-SSO and 08-918-EL-SSO (“ESP I”).<sup>1</sup> AEP Ohio’s February 28, 2012 compliance filing fails to comply with the Rehearing Entry. The compliance filing includes a rider – the Phase In Recovery Rider (“PIRR”) – which was not part of ESP I. The compliance filing also fails to appropriately include the Transmission Cost Recovery Rider for IRP-D customers. AEP Ohio should be ordered to file corrected compliance tariffs to correct these errors.

## **II. Discussion**

### **A. No Recovery Mechanism For The PIRR Has Been Authorized.**

AEP Ohio’s compliance tariff claims to be implementing the PIRR “as approved in *ESP I*.”<sup>2</sup> This is misleading, because nothing in the ESP I Order<sup>3</sup> authorized a mechanism for AEP Ohio to recover this deferral. Instead the ESP I Order merely found that any deferrals “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.”<sup>4</sup> There is a significant difference between specifying the time period during which the deferral will be recovered (which the ESP I Order did), and approving a mechanism which specifically states

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<sup>1</sup> Rehearing Entry, p. 12.

<sup>2</sup> Letter from Steven T. Nourse, February 28, 2012, p. 2 (emphasis in original).

<sup>3</sup> *In the Matter of the Application of Columbus Southern Power Company for Approval of an Electric Security Plan*, Case No. 08-917-EL-SSO, Opinion and Order dated March 18, 2009 (hereafter “ESP I Order”).

<sup>4</sup> ESP I Order, p. 23 (emphasis added).

how and when these sums will be recovered (which did not occur as part of the ESP I Order or at any time during ESP I). As no mechanism for the recovery of the PIRR has been approved by the Commission, AEP Ohio's compliance filing must be amended to remove the PIRR.

AEP Ohio's compliance filing regarding the PIRR is also incorrect as a matter of law.

Pursuant to R.C. § 4928.143(C)(2)(b), if the Commission rejects an ESP application:

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.

As shown by this plain statutory language, once the Commission rejected the Stipulation, AEP Ohio reverted as a matter of law to the terms and conditions of ESP I as of December 31, 2011. The terms and conditions in effect on that date did not include the PIRR, which was drafted by AEP Ohio for purposes of its second ESP, not its first. There is no statutory exception authorizing AEP Ohio to implement the PIRR unilaterally. Therefore, as a matter of law, AEP Ohio cannot implement the PIRR unless and until the Commission approves a revised ESP.

**B. AEP Ohio Failed To Include A Transmission Cost Recovery Rider Rate For IRP-D Customers.**

AEP Ohio states in its cover letter submitted on February 28, 2012, that it is continuing the Transmission Cost Recovery Rider ("TCRR") without modification. However, it does not show the TCRR in its compliance tariffs filed on February 28, 2012, suggesting that what is being continued is the TCRR filed on December 22, 2011, following the Commission's December 14, 2011 Order. Thus, what AEP has attempted to put in place is the continuation of the TCRR adopted as part of the Stipulation, which eliminated the IRP-D. As such, the TCRR being continued as Original Sheet No. 475-1 does not include rates for IRP-D customers.

However, the TCRR approved in the ESP I proceeding included rates for IRP-D customers on Original Sheet No. 475-1. In order to comply with the Commission's Rehearing Entry, AEP Ohio must be required to amend Original Sheet No. 475-1 to make it consistent with ESP I terms and conditions and to make the previously available rates for IRP-D available to eligible customers.

### **III. Conclusion**

For the foregoing reasons, AEP Ohio should be directed to file corrected tariffs.

Respectfully submitted,

s/ Mark A. Hayden

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## CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing *FirstEnergy Solutions Corp.'s Objections To Ohio Power Company's Compliance Tariffs* was served this 6th day of March, 2012, via e-mail upon the parties below.

s/ N. Trevor Alexander

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