

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Ohio)
Power Company for Approval of an) Case No. 11-5333-EL-UNC
Amendment to its Corporate Separation)
Plan.)

ENTRY ON REHEARING

The Commission finds:

- (1) Ohio Power Company (OP) is a public utility as defined in Section 4905.02, Revised Code, and, as such, is subject to the jurisdiction of this Commission.
- (2) On January 27, 2011, in Case No. 11-346-EL-SSO, *et al.* (11-346), OP filed an application for a standard service offer pursuant to Section 4928.141, Revised Code.¹ The application was for an electric security plan (ESP) in accordance with Section 4928.143, Revised Code.
- (3) On September 7, 2011, a stipulation and recommendation (ESP stipulation) was filed by OP, Staff, and other parties to resolve the issues raised in 11-346 and several other cases pending before the Commission (consolidated cases).²
- (4) On September 30, 2011, in the above captioned case, OP filed an application for approval to amend its corporate separation plan in accordance with Rule 4901:1-37-06(A),

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 Nos. 11-346-EL-SSO and 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 Nos. 11-349-EL-AAM and 11-350-EL-AAM.

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; *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 Pursuant to Section 4928.144, Revised Code*, 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 Pursuant to Section 4928.144, Revised Code*, Case No. 11-4921-EL-RDR.

Ohio Administrative Code (O.A.C.). According to the application, American Electric Power Company, Inc., which is the parent company of OP, planned to create a new, wholly-owned subsidiary that would be organized for the purposes of planning, constructing, owning, and operating the generating assets of OP. OP stated that the new subsidiary was being planned in order to implement full structural corporate separation, which OP noted would be a result of the Commission adopting the ESP stipulation in the consolidated cases. OP further stated that another result of the Commission adopting the ESP stipulation would be approval of the merger of Columbus Southern Power Company (CSP) into OP, which would resolve Case No. 10-2376-EL-UNC. OP thus sought approval to modify its existing corporate separation plan to reflect the new structure that would result from the proposed merger and corporate separation. Additionally, OP sought approval to transfer certain generating assets and contractual entitlements at net book value and, to the extent necessary, a waiver of Rule 4901:1-37-09(C)(4), O.A.C.

- (5) On December 14, 2011, the Commission issued an opinion and order in the consolidated cases, modifying and adopting the ESP stipulation. Among other things, the Commission approved the merger of CSP into OP. Additionally, the Commission determined that, subject to its approval of the amended corporate separation plan in the present case, OP and CSP should divest their competitive generating assets to a separate competitive retail generation subsidiary.
- (6) On January 23, 2012, in the present case, the Commission issued a finding and order, modifying and approving OP's application to amend its corporate separation plan.
- (7) Pursuant to Section 4903.10, Revised Code, any party who has entered an appearance in a Commission proceeding may apply for rehearing with respect to any matters determined by the Commission, within 30 days of the entry of the order upon the Commission's journal.
- (8) On February 16, 2012, and February 22, 2012, the Office of the Ohio Consumers' Counsel (OCC) and Industrial

Energy Users-Ohio (IEU-Ohio), respectively, filed applications for rehearing in the present case.

- (9) Subsequently, on February 23, 2012, the Commission issued an entry on rehearing in the consolidated cases, granting rehearing in part. Finding that the signatory parties to the ESP stipulation had not met their burden of demonstrating that the stipulation, as a package, benefits ratepayers and the public interest, as required by the Commission's three-part test for the consideration of stipulations, the Commission rejected the ESP stipulation and revoked its approval of the generation asset divestiture.
- (10) On February 27, 2012, OP filed a motion requesting that its application in this case be dismissed, without prejudice, as being moot in light of the Commission's February 23, 2012, entry on rehearing in the consolidated cases. OP notes that its application was premised on the Commission's adoption of the ESP stipulation. As the ESP stipulation was rejected by the Commission in the consolidated cases, and the Commission's approval of the generation asset divestiture revoked, OP states that its application in this docket is now moot and should be dismissed without prejudice to any future request for corporate separation pursuant to Section 4928.17, Revised Code.
- (11) The Commission finds that, given the entry on rehearing issued in the consolidated cases on February 23, 2012, OP's motion is reasonable and should be granted. Accordingly, we find that OP's application in this matter should be dismissed without prejudice. Additionally, we find that, in light of our dismissal of OP's application, the applications for rehearing filed by OCC and IEU-Ohio should be denied as moot.

It is, therefore,

ORDERED, That OP's application be dismissed without prejudice. It is, further,

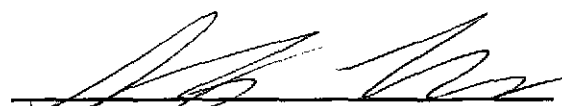
ORDERED, That the applications for rehearing filed by OCC and IEU-Ohio be denied as moot. It is, further,

ORDERED, That a copy of this entry on rehearing be served upon all parties and other interested persons of record in this case.


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

MAR 14 2012



Barcy F. McNeal
Secretary