

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of the Fuel)
Adjustment Clauses for Columbus) Case No. 11-5906-EL-FAC
Southern Power Company and Ohio)
Power Company and Related Matters.)

In the Matter of the Fuel Adjustment)
Clauses for Columbus Southern Power) Case No. 12-3133-EL-FAC
Company and Ohio Power Company.)

In the Matter of the Fuel Adjustment) Case No. 13-572-EL-FAC
Clauses for Ohio Power Company.)

In the Matter of the Fuel Adjustment) Case No. 13-1286-EL-FAC
Clauses for Ohio Power Company.)

In the Matter of the Fuel Adjustment) Case No. 13-1892-EL-FAC
Clauses for Ohio Power Company.)

ENTRY

The Commission finds:

- (1) By opinion and order issued on August 8, 2012, the Commission modified and approved an application for an electric security plan (ESP) filed by Ohio Power Company d/b/a AEP Ohio (AEP Ohio), in *In the Matter of the Application of 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 No. 11-346-EL-SSO, et al. Among other provisions of the ESP, the Commission approved a fuel adjustment clause (FAC) mechanism under which AEP Ohio is intended to recover prudently incurred fuel and fuel-related costs. In addition, a new alternative energy rider was established to enable AEP Ohio to recover alternative energy costs, which were previously recovered through the FAC. Annual audits are to be performed of AEP Ohio's fuel costs, fuel management practices, and alternative energy costs.

- (2) On October 23, 2013, the Commission issued an entry directing Commission Staff (Staff) to issue a request for proposal (RFP) for the audit services necessary to review and report on the services specified in the RFP. Staff subsequently issued RFP No. U13-FPP/AER-1. Prospective bidders were directed by the Commission to submit proposals to Staff by November 19, 2013. Bidders were directed to demonstrate their understanding of the project and the work required by showing a clear understanding of the tasks to be completed, the experience and qualifications of the personnel who will perform the work, and the anticipated breakdown of costs and timing.
- (3) The proposals received in response to RFP No. U13-FPP/AER-1 have been evaluated and, after consideration of those proposals, the Commission selects Energy Ventures Analysis, Inc. (EVA). The Commission finds that EVA has the necessary experience to complete the required work.
- (4) AEP Ohio shall enter into a contract with EVA by January 6, 2014, for the purpose of providing payment for its auditing services. The contract shall incorporate the terms and conditions of the RFP, auditor's proposal, and relevant Commission entries in these cases.
- (5) EVA shall submit its draft audit report to Staff by April 2, 2014, and shall file its final audit report by April 18, 2014. Any conclusions, results, or recommendations formulated by EVA may be examined by any participant to the proceedings for which the audit report was generated.
- (6) EVA will execute its duties pursuant to the Commission's statutory authority to investigate and acquire records, contracts, reports, and other documentation under Sections 4903.02, 4903.03, 4905.06, 4905.15, and 4905.16, Revised Code. EVA is subject to the Commission's statutory duty under Section 4901.16, Revised Code, which provides:

Except in his report to the public utilities commission or when called on to testify in any court or proceeding of the public utilities commission, no employee or agent referred

to in section 4905.13 of the Revised Code shall divulge any information acquired by him in respect to the transaction, property, or business of any public utility, while acting or claiming to act as such employee or agent. Whoever violates this section shall be disqualified from acting as agent, or acting in any other capacity under the appointment or employment of the commission.

- (7) Upon request of EVA or Staff, AEP Ohio shall provide any and all documents or information requested. AEP Ohio may conspicuously mark such documents or information "confidential" if AEP Ohio believes the document should be deemed as such. In no event, however, shall AEP Ohio refuse or delay in providing such documents or information.
- (8) Once disclosure is permitted by Section 4901.16, Revised Code, the following process applies to the release of any document or information marked as confidential. Three days' prior notice of intent to disclose shall be provided to the party claiming confidentiality. Three days after such notice, Staff or EVA may disclose or otherwise make use of such documents or information for any lawful purpose, unless the Commission receives a request for a protective order pertaining to such documents or information within the three-day notice period. The three-day notice period will be computed according to Rule 4901-1-07, Ohio Administrative Code.
- (9) EVA shall perform its audit and investigation as an independent contractor. Any conclusions, results, or recommendations formulated by EVA may be examined by any participant to these proceedings. Further, it shall be understood that the Commission and/or its Staff shall not be liable for any acts committed by EVA or its agents in the preparation and representation of the report.
- (10) Recently, in *In re Ohio Power Company*, Case No. 12-3254-EL-UNC, intervenors in that proceeding raised concerns about the possible double recovery of certain capacity related costs by AEP Ohio. *In re Ohio Power Company*, Case No. 12-3254-

EL-UNC, Opinion and Order (November 13, 2013) at 15, 16. The Commission directs EVA to review and investigate these allegations as part of this audit and to recommend appropriate Commission action based on this review.

It is, therefore,

ORDERED, That Energy Ventures Analysis, Inc. is hereby selected to perform the consulting activities set forth above. It is, further,

ORDERED, That the audit of AEP Ohio be conducted in accordance with the provisions of RFP No. U13-FPP/AER-1 and the findings of this entry. It is, further,

ORDERED, That AEP Ohio and EVA shall observe the requirements set forth in this entry. It is, further,

ORDERED, That a copy of this entry be served upon all parties of record.

THE PUBLIC UTILITIES COMMISSION OF OHIO

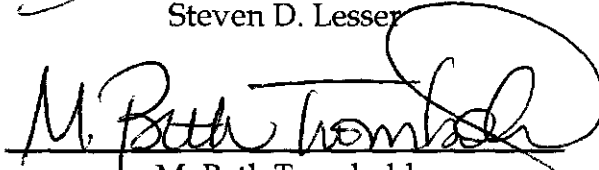


Todd A. Snitchler, Chairman



Steven D. Lesser

Lynn Slaby



M. Beth Trombold

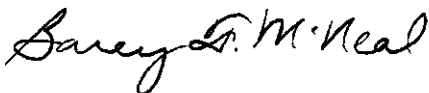


Asim Z. Haque

HW/jd/sc

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DEC 04 2013



Barcy F. McNeal
Secretary