FILL

13

PUCO EXHIBIT FILING

Date of Hearing: 1/27/2014

Case No. 12-3255-EL-RDR

PUCO Case Caption: Ohio Power

List of exhibits being filed:

Company Ex 8-9

OCC Ex ~~40~~ 41

PUCO

2014 FEB 10 PM 3:22

RECEIVED-DOCKETING DIV

This is to certify that the images appearing are an accurate and complete reproduction of a case document delivered in the regular course of business.

Technician Sm Date Processed FEB 10 2014

Reporter's Signature: Debra Hendricks

Date Submitted: 2/10/2014

BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

- - -

In the Matter of the Application of Ohio Power Company to Establish Initial Storm Damage Recovery Rider Rates.	: : : :	Case No. 12-3255-EL-RDR

PROCEEDINGS

before Ms. Sarah J. Parrot, Hearing Examiner, at the Public Utilities Commission of Ohio, 180 East Broad Street, Room 11-A, Columbus, Ohio, called at 9:00 a.m. on Monday, January 27, 2014.

- - -

VOLUME V - PUBLIC

- - -

ARMSTRONG & OKEY, INC.
222 East Town Street, 2nd Floor
Columbus, Ohio 43215
(614) 224-9481 - (800) 223-9481
Fax - (614) 224-5724

- - -

Company Ex 8

P.U.C.O. NO. 20

TERMS AND CONDITIONS OF SERVICE

19. COMPANY'S LIABILITY

The Company will use reasonable diligence in furnishing a regular and uninterrupted supply of energy but does not guarantee uninterrupted service. The Company shall not be liable for damages in case such supply should be interrupted or fail by reason of an act of God, the public enemy, accidents, labor disputes, orders or acts of civil or military authority, breakdowns or injury to the machinery, transmission lines, distribution lines or other facilities of the Company, extraordinary repairs, or any act of the Company, including the interruption of service to any customer, taken to prevent or limit the extent or duration of interruption, instability or disturbance on the electric system of the Company or any electric system interconnected, directly or indirectly, with the Company's system, whenever such act is necessary or indicated in the sole judgment of the Company.

The Company shall not be liable for any loss, injury, or damage resulting from the customer's use of the customer's equipment or occasioned by the energy furnished by the Company beyond the delivery point. Unless otherwise provided in a contract between the Company and customer, the point at which service is delivered by the Company to the customer, to be known as "delivery point", shall be the point at which the customer's facilities are connected to the Company's facilities. The metering device is the property of the Company; however, the meter base and all internal parts inside the meter base are customer owned and are the responsibility of the customer to install and maintain. The Company shall not be liable for any loss, injury, or damage caused by equipment which is not owned, installed and maintained by the Company.

The customer shall provide and maintain suitable protective devices on the customer's equipment to prevent any loss, injury, or damage that might result from single phasing conditions or any other fluctuation or irregularity in the supply of energy. The Company shall not be liable for any loss, injury, or damage resulting from a single phasing condition or any other fluctuation or irregularity in the supply of energy which could have been prevented by the use of such protective devices. The Company shall not be liable for any damages, whether direct or consequential, including, without limitations, loss of profits, loss of revenue, or loss of production capacity occasioned by interruptions, fluctuations or irregularity in the supply of energy.

The Company is not responsible for loss or damage caused by the disconnection or reconnection of its facilities. The Company is not responsible for loss or damages caused by the theft or destruction of Company facilities by a third party.

Except as otherwise provided in this Section, the Company shall be liable to the customer for damage directly resulting from interruptions, irregularities, delays, or failures of electric service, caused by the negligence of the Company or its employees or agents, but any such liability shall not exceed the cost of repairing, or actual cash value, whichever is less, of equipment, appliances, and perishable food stored in a customer's residence damaged as a direct result of such negligence. The customer must notify the Company of any claim based on such negligence within thirty days after the interruption, irregularity, delay or failure begins. The Company shall not be liable for consequential damages of any kind. This limitation shall not relieve the Company from liability which might otherwise be imposed by law with respect to any claims for personal injuries to the customer.

The Company will provide and maintain the necessary line or service connections, transformers (when same are required by conditions of contract between the parties thereto), meters and other apparatus which may be required for the proper measurement of and protection to its service. All such apparatus shall be and remain the property of the Company and the Company shall

be granted ready access to the same, except to read inside meters. Such access to inside meters shall be granted upon reasonable request to residential customers during regular business hours.

Approval of the above schedule language by the Commission does not constitute a determination by the Commission that the limitation of liability imposed by the Company should be upheld in a court of law. Approval by the Commission merely recognizes that since it is a court's responsibility to adjudicate negligence and consequent damage claims, it is also the court's responsibility to determine the validity of the exculpatory clause.

20. RESIDENTIAL SERVICE

The Residential Customer is a customer whose domestic needs for electrical service are limited to their primary single family residence, single occupancy apartment and/or condominium, mobile housing unit, or any other single family residential unit. Individual residences shall be served individually under a residential service schedule. The customer may not take service for two (2) or more separate residences through a single meter under any schedule, irrespective of common ownership of the several residences, except that in the case of an apartment house with a number of individual apartments the landlord shall have the choice of providing separate wiring for each apartment so that the Company may supply each apartment separately under the residential schedule, or of purchasing the entire service through a single meter under the appropriate general service schedule.

Where a single-family house is converted to include separate living quarters or dwelling units for more than one family, or where two (2) or more families occupy a single-family house with separate cooking facilities, the owner may, instead of providing separate wiring for each dwelling unit, take service through a single meter under the residential service schedule. In such case, there will be a single customer charge, but the quantity of kilowatt-hours in each block will be multiplied by the number of dwelling units or families occupying the building.

The residential service schedule shall cease to apply to that portion of a residence which becomes primarily used for business, professional, institutional or gainful purposes. Under these circumstances, customer shall have the choice: (1) of separating the wiring so that the residential portion of the premises is served through a separate meter under the residential service schedule and the other uses as enumerated above are served through a separate meter or meters under the appropriate general service schedule; or (2) of taking the entire service under the appropriate general service schedule. Motors of ten (10) HP or less may be served under the appropriate residential service schedule. Larger motors may be served where, in the Company's sole judgment, the existing facilities of the Company are adequate. The hallways and other common facilities of an apartment and condominium building or apartment and condominium complex are to be billed on the appropriate general service rate.

Detached building or buildings, actually appurtenant to the residence, such as a garage, stable or barn, may be served by an extension of the customer's residence wiring through the residence meter provided no business activities are transacted in the detached buildings.

In the event a detached garage or other facility on a residential customer's property is separately served and metered, such facility shall accordingly be metered and billed according to the appropriate general service rate.

AEP

Company Ex 9

BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Ohio Power Company to Establish Initial Storm Damage Recovery Rider Rates.	))))	Case No. 12-3255-EL-RDR

MEMORANDUM IN RESPONSE TO THE OHIO POWER COMPANY'S MOTION TO RECORD A CARRYING COST SUBMITTED ON BEHALF OF THE STAFF OF THE PUBLIC UTILITIES COMMISSION OF OHIO

On August 22, 2013, Ohio Power Company (Company) moved for permission to record carrying costs at the Weighted Average Cost of Capital (WACC) on approximately $61 million in incremental operational and maintenance (O&M) costs to restore service after major storms in excess of the normal ongoing major storm expense threshold in base rates. In its motion, the Company stated that the initial process was to set up a 60-day comment timetable to allow parties to review the costs incurred. Since the initial filing was on December 21, 2012, initial comments would have been due on or about February 20, 2013. Because of the amount of data to be reviewed, the Commission agreed to delay the due date for comments to May 29, 2013.

On July 19, 2013, the Office of the Ohio Consumers' Counsel (OCC) requested that the Commission establish a procedural schedule to allow additional time for discovery and hearing preparation. On August 6, 2013, the Commission granted OCC's

request, and established November 4, 2013 as the date by which each party is to file a nonbinding list of issue(s) not addressed by AEP Ohio that they may wish to pursue at the evidentiary hearing.

The Company has requested that it be allowed to record a carrying cost at WACC, effective April 1, 2013 on March 31, 2013 balances, due to the delay in the process. Staff agrees that the Company should be allowed to record carrying charges beginning April 1, 2013, on the March 31, 2013 balance of the Commission-authorized amount to be recovered, subject to true-up. Staff does not agree, however, that the charges should be calculated using the WACC. Staff submits that the carrying charges should be calculated using the most recently approved cost of long-term debt. WACC is typically used to determine carrying charges when a request includes capital expenditures. This case, however, includes only O&M expenses, for which carrying charges calculated by using the long-term debt rate is more appropriate.

The Company stated that each month that goes by without carrying charges at the WACC rate costs the Company $558,000, for an accumulated total of just over $5 million by the end of December 2013. Using Staff's recommended long-term cost of debt rate of 5.36%, carrying charges would accrue in the amount of approximately $278,000 per month (based on the Company's requested amount of approximately $61 million), or approximately $2.5 million for the months of April 2013 through December 2013. Staff recommends that the Company's motion be granted, but that carrying costs be calculated using the most recently approved cost of long-term debt, and not the weighted average cost of capital.

Respectfully submitted,

Michael DeWine
Ohio Attorney General

William L. Wright
Section Chief

/s/ Werner L. Margard III

Werner L. Margard III
Ryan P. O'Rourke
Assistant Attorney General
Public Utilities Section
180 East Broad Street, 6th Floor
Columbus, OH 43215-3793
614.466.4397 (telephone)
614.644.8764 (fax)
werner.margard.@puc.state.oh.us
ryan.orourke@puc.state.oh.us

PROOF OF SERVICE

I hereby certify that a true copy of the foregoing Memorandum in Response to The Ohio Power Company's Motion to Record a Carrying Cost, submitted on Behalf of the Staff of the Public Utilities Commission of Ohio, was served via electronic mail, upon the following parties of record, this 6th day of September, 2013.

/s/ Werner L. Margard III

Werner L. Margard III
Ryan P. O'Rourke
Assistant Attorney General

Parties of Record:

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

Counsel for Ohio Power Company

David F. Boehm
Michael L. Kurtz
Jody Kyler Cohn
Boehm, Kurtz & Lowry
36 E.Seventh St., Suite 1510
Cincinnati OH 45202
dboehm@BKLlawfirm.com
mkurtz@BKLlawfirm.com
jkyler@BKLlawfirmcom

Counsel for the Ohio Energy Group

Terry L. Etter
Michael J. Schuler
Office of the Ohio Consumers' Counsel
10 W. Broad St., Suite 1800
Columbus OH 43215
etter@occ.state.oh.us
schuler@occ.state.oh.us

Samuel C. Randazzo
Frank P. Darr
Joseph E. Oliker
Matthew R. Pritchard
McNees Wallace & Nurick LLC
21 East State Street, 17th Floor
Columbus, OH 43215
sam@mwncmh.com
fdarr@mwncmh.com
mpritchard@mwncmh.com
joliker@mwncmh.com

Counsel for Industrial Energy Users-Ohio

Mark S. Yurick
Zachary D. Kravitz
Taft Stettinius & Hollister LLP
65 East State Street, Suite 1000
Columbus, Ohio 43215
myurick@taftlaw.com
zkravitz@taftlaw.com

Counsel for The Kroger Co.

J. Thomas Siwo
Frank L. Merrill
Bricker & Eckler LLP
100 South Third Street
Columbus OH 43215
tsiwo@bricker.com
fmerrill@bricker.com

Counsel for The OMA Energy Group

Sarah Parrott
Jonathan Tauber
Attorney Examiners
Public Utilities Commission of Ohio
180 E. Broad Street, 12th Floor
Columbus, OH 43215-3793
Sarah.Parrot@puc.state.oh.us
jonathan.tauber@puc.state.oh.us

Attorney Examiners

City disputes nearly $1 million food charge following tornado

A contractor charged nearly $45 per meal for city employees working after tornado

By Jason Morton
Staff Writer
Published: Thursday, June 23, 2011 at 3:30 a.m.

Officials meet inside the Incident Command Center at City Hall to plan tornado recovery, May 5, 2011. The city is disputing a bill of $940,260.30 submitted by a contractor who provided food for city employees after the April 27 tornado. City leaders had made a quick decision to hire private contractor Storm Services LLC to feed city employees who were working around the clock in response to the storm.

TUSCALOOSA | The city of Tuscaloosa is disputing a bill of $940,260.30 submitted by a contractor who provided food for city employees after the April 27 tornado.

City leaders had made a quick decision to hire private contractor Storm Services LLC to feed city employees who were working around the clock in response to the storm.

The bill is for the 1,000 meals the contractor served, three times a day for seven days, at a rate of about $44.77 a meal.

Storm Services co-owner Tommy Hopkins was surprised that the city is contesting the amount, and said he'd yet to receive an official letter from City Hall requesting an itemized list of the charges.

Hopkins said he was pressed by city officials to set up what he described as a "restaurant" to be able to serve 1,000 people at any point during a 24-hour day.

"We didn't push (the city of) Tuscaloosa to do anything," Hopkins said. "They had the contract, they signed it. The city of Tuscaloosa hired us to go to work and do a job, and we did it to the best of our ability."

Councilman Lee Garrison, chairman of the council's Finance Committee, questioned the almost $1 million cost.

City Attorney Tim Nunnally said the initial correspondence between the city and Storm Services provided no associated costs with the service, aside from a fee of $15 per meal.

"We got the bill and were shocked at the amount," Nunnally said.

The contract that Storm Services offered to City Hall listed a number of services the company would provide, but there was no itemized price list for each option.

Rather, the contract refers city officials to Mississippi Power, a previous Storm Services customer, for a detailed list of prices that would be representative of the prices Storm Services would charge Tuscaloosa. Storm Services said that was because the emergency conditions in Tuscaloosa did not allow the company to submit a formal bid.

OCC Ex41

City attorneys said that after Mayor Walt Maddox signed the contract with Storm Services on May 1, the company set up the next day in the parking lot of McFarland Plaza adjacent to Red Lobster.

According to the bill, those set-up costs included $49,000 for a dining tent — a pole tent with sidewalls, billable at $7,000 a day — and $16,800 for a catering tent.

The meals were billed at $15 each for a total of $21,000, but an additional 7,000 boxed lunches were also added to the invoice for an extra $105,000.

A total of $12,000 — $6,000 each — was for the "mobilization" and "demobilization" of a caterer, and $240,926 was billed for food, drinks and snacks.

This was the first list of charges the city had seen for these services, officials said.

Nunnally said city attorneys had identified about $556,000 in "legitimate" costs, which he believes is the total the city should pay Storm Services.

However, the city will pay for whatever Hopkins and Storm Services can fully itemize, in part to qualify for reimbursement from the Federal Emergency Management Agency.

Nunnally referenced the Uniform Commercial Code which, among other things, provides protections from price gouging, but declined to say directly that he believed the city was a victim of price gouging.

However, he believes the disaster did provide an opportunity for the city to be exploited.

"The situation we were in was used to our disadvantage," Nunnally said.

That's a claim that Hopkins denies.

"We didn't charge Tuscaloosa any more than we do any other customer," Hopkins said.

Reach Jason Morton at jason.morton@tuscaloosanews.com or 205-722-0200.

Tuscaloosa accepts settlement with contractor that charged city nearly $1M for post-tornado food services

Chris Pow | cpow@al.com By **Chris Pow | cpow@al.com**

Email the author | Follow on Twitter

on May 07, 2013 at 10:13 PM, updated May 07, 2013 at 10:14 PM

TUSCALOOSA, Alabama -- The city of Tuscaloosa has agreed to a settlement with a contractor that originally billed the city more than $940,000 for providing food to emergency workers following the April 27, 2011 tornado.

The Tuscaloosa City Council on Tuesday night agreed to pay Storm Services LLC $105,000 in addition to a payment of $315,000 made to the company in August 2011.

The total of $420,000 is more than $520,000 under the **$940,260 the contractor billed the city** for providing up to 1,000 meals to workers three times a day for seven days beginning May 2, 2011.

City Attorney Tim Nunnally said the city asked Storm Services, which had been working for utility companies in the area, to provide services including dining and washing facilities to city employees and workers in the aftermath of the storm.

The city agreed to pay $15 per meal plus costs, which would be based on the pricing of services provided by the contractor to Mississippi Power, Nunnally said.

The invoice the city received in May 2011 from the contractor came out to a rate of about $44.77 a meal.

City officials disputed the costs after receiving the bill, but paid an initial $315,000 to cover the $15 per meal rate, Nunnally said. The resolution passed by the City Council accepts a settlement that adds $105,000 to that payment.