

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of)
Columbus Southern Power Company and)
Ohio Power Company for Authority to)
Recover Costs Associated with the) Case No. 05-376-EL-UNC
Ultimate Construction and Operation of)
an Integrated Gasification Combined)
Cycle Electric Generation Facility.)

ORDER ON REMAND

The Commission, considering the Joint Stipulation and Recommendation, the evidence of record, the applicable law, and being otherwise fully advised, hereby issues its Opinion and Order.

APPEARANCES:

James R. Bacha, American Electric Power Service Corporation, One Riverside Plaza, 29th Floor, Columbus, Ohio 43215-2373, Porter, Wright, Morris & Arthur, LLP, by Daniel R. Conway and Christen M. Blend, 41 South High Street, Columbus, Ohio 43215, on behalf of Columbus Southern Power Company and Ohio Power Company.

Mike DeWine, Attorney General of the State of Ohio, by Thomas W. McNamee, Assistant Attorney General, 180 East Broad Street, Columbus, Ohio 43215-3793, on behalf of the Staff of the Public Utilities Commission of Ohio.

McNees, Wallace & Nurick, LLC, by Matthew R. Pritchard, Fifth Third Center, 21 East State Street, Suite 1700, Columbus, Ohio 43215-4228, on behalf of the Industrial Energy Users-Ohio.

Bruce J. Weston, Ohio Consumers' Counsel, by Maureen R. Grady, Michael Schuler, and Joseph P. Serio, Assistant Consumers' Counsel, 10 West Broad Street, Suite 1800, Columbus, Ohio 43215-3485, on behalf of the residential utility consumers of Ohio Power Company.

David C. Rinebolt, P.O. Box 1793, Findlay, Ohio 45839-1793, on behalf of Ohio Partners for Affordable Energy.

Boehm, Kurtz & Lowry, by Michael L. Kurtz, 36 East Seventh Street, Suite 1510, Cincinnati, Ohio 45202, on behalf of Ohio Energy Group.

Joseph M. Clark, 21 East State Street, 19th Floor, Columbus, Ohio 43215, on behalf of Direct Energy Services, LLC and Direct Energy Business, LLC.

Carpenter, Lipps & Leland, LLP, by Kimberly W. Bojko and Rebecca L. Hussey, 280 North High Street, Suite 1300, Columbus, Ohio 43215, on behalf of Ohio Manufacturers' Association Energy Group.

OPINION:

I. History of this Proceeding

On March 18, 2005, Columbus Southern Power Co.¹ and Ohio Power Co. (jointly AEP Ohio or the Company) filed an application with the Commission for authority to recover \$23.7 million associated with the cost to design, construct, and operate an integrated gasification combined cycle (IGCC) electric generation facility to be built in Meigs County, Ohio (Great Bend Facility). The Commission issued its Opinion and Order approving AEP Ohio's application to establish a mechanism to recover Phase 1 costs related to the design and construction of the Great Bend Facility on the premise that construction of the IGCC facility was necessary for AEP Ohio to fulfill its obligation as the provider of last resort (POLR). *In re AEP Ohio*, Case No. 05-376-EL-UNC, Opinion and Order (Apr. 10, 2006); Entry on Rehearing (June 28, 2006) (*Great Bend Case*). In the Entry on Rehearing, the Commission clarified the conditions of its approval of AEP Ohio's Great Bend Facility application, stating that: (a) all Phase 1 costs would be subject to audit(s) to determine whether such expenditures were reasonable and prudently incurred to construct the proposed IGCC facility; and (b) if the proposed IGCC facility was not constructed and in operation within five years after the date of the Entry on Rehearing, all Phase 1 charges collected must be refunded to Ohio ratepayers with interest. Furthermore, the Commission clarified, at Finding (40), that:

... the Commission believes that there may be elements of the design and engineering that may be transferable to other projects. Therefore, we find that if AEP Ohio has not commenced a continuous course of construction of the proposed facility within five years of the date of issuance of this Entry on Rehearing, all Phase 1 charges collected for expenditures associated with items that may be utilized in projects at other sites, must be refunded to Ohio ratepayers with interest.

Great Bend Case, Entry on Rehearing (June 28, 2006) at 16.

¹ By Entry issued on March 7, 2012, the Commission approved and confirmed the merger of Columbus Southern Power Company into Ohio Power Company, effective December 31, 2011. *In re Ohio Power Co.*, Case No. 10-2376-EL-UNC.

Industrial Energy Users-Ohio (IEU), FirstEnergy Solutions Corp. (FES), Ohio Energy Group (OEG) and the Office of Ohio Consumers' Counsel (OCC) appealed the *Great Bend Case* approving AEP Ohio's recovery of the Phase 1 design and development costs for the Great Bend Facility to the Ohio Supreme Court (Court).

On March 24, 2006, AEP Ohio filed an application with the Ohio Power Siting Board (Board) for a certificate of environmental compatibility and public need to construct the Great Bend IGCC facility. *In re AEP Ohio*, Case No. 06-30-EL-BGN (*Great Bend Certificate Case*). By Opinion, Order, and Certificate, the Board approved a stipulation filed by AEP Ohio and Board Staff for a certificate to construct the Great Bend IGCC facility, pursuant to R.C. Chapter 4906. The Board certificate to construct the facility was subject to 36 specific conditions, including the following condition:

That the certificate shall become invalid if AEP Ohio has not commenced a continuous course of construction of the proposed facility within five years of the date of journalization of the certificate.

Great Bend Certificate Case, Opinion, Order, and Certificate (Apr. 23, 2007) at 32, 35. Therefore, pursuant to the *Great Bend Certificate Case*, AEP Ohio was required to commence a continuous course of construction on the Great Bend IGCC facility by April 23, 2012. *Great Bend Certificate Case*, Opinion, Order and Certificate (Apr. 23, 2007) at 32, 35.

By decision issued March 13, 2008, the Court affirmed, in part, reversed, in part, and remanded the *Great Bend Case* to the Commission. The Court concluded that the record did not support the Commission's regulation of a generation facility for distribution-ancillary services in support of the Companies' POLR obligation in this matter and remanded the case for further development of the record. *Indus. Energy Users-Ohio v. Pub. Util. Comm.*, 117 Ohio St.3d 486, 2008-Ohio-990, ¶ 31- ¶ 33. The Court further declined to rule upon appellants' request for a refund of costs already collected from AEP Ohio's customers, stating that the matter was being remanded for further development of the record and noting that the Entry on Rehearing included a conditional refund provision that remained in effect. *Indus. Energy Users-Ohio v. Pub. Util. Comm.*, 117 Ohio St.3d 486, 2008-Ohio-990, ¶ 36.

On June 28, 2011, OCC, IEU, OEG, and Ohio Partners for Affordable Energy (OPAE) filed a Joint Motion on Remand requesting that the Commission direct AEP Ohio to refund to customers, with interest, the revenues collected for the design, construction, and operation of the Great Bend IGCC electric generation facility. AEP Ohio filed a reply statement regarding the status of the facility on June 29, 2011.

On July 30, 2012, the Board issued an Entry invalidating AEP Ohio's certificate to construct the Great Bend Facility for failure to engage in a continuous course of construction. *Great Bend Certificate Case*, Entry (Jul. 30, 2012) at 3.

By Entry issued on August 11, 2014, a remand procedural schedule was established. Pursuant to the remand procedural schedule, motions to intervene were due by August 18, 2014, comments to allow parties to update their position on the issues were due by September 5, 2014, and reply comments were due by September 19, 2014; AEP Ohio testimony was due by October 23, 2014, and Staff and intervenor testimony was due by November 6, 2014. The August 11, 2014 Entry also scheduled a procedural conference for November 24, 2014, and scheduled the evidentiary hearing to commence on December 8, 2014.

Ohio Manufacturers' Association Energy Group (OMAEG) filed for and was granted intervention by Entry issued on October 30, 2014. Comments and/or reply comments were timely filed by AEP Ohio, OP&E, IEU, OEG, OCC, and OMAEG.

The evidentiary hearing was called on December 8, 2014, as scheduled, and continued, to allow the parties additional time to negotiate a settlement of the issues on remand. On December 22, 2014, a Joint Stipulation and Recommendation (Stipulation) was filed in the case, purportedly resolving all the issues raised on remand.

II. Procedural Matters

a. Motions to Withdraw

On May 8, 2007, Green Mountain Energy Co. (GMEC) filed a Motion to Withdraw from this matter on the basis that GMEC had been granted Commission approval to abandon its certificate as a competitive retail electric service provider and its certificate cancelled. *In re Green Mountain Energy Co.*, Case No. 06-707-EL-ABN, Finding and Order (Aug. 9, 2006) at 9-10. On October 28, 2014, FES filed a Motion to Withdraw as an Intervenor. On November 24, 2014, American Municipal Power, Inc. f/k/a American Municipal Power-Ohio Inc. (AMP) also filed a Motion to Withdraw from this proceeding. FES and AMP each state that they no longer have a real and substantial interest with respect to the remaining issues on remand in this case. The Commission finds GMEC's, FES' and AMP's request to withdraw from this case to be reasonable and, therefore, their respective motions should be granted.

b. AEP Ohio Motion to Strike

On November 24, 2014, AEP Ohio filed a motion to strike portions of the testimony filed by the OCC witness Scott Norwood on November 6, 2014. On December 1, 2014, OCC filed its memorandum contra the motion to strike. At the hearing, AEP Ohio withdrew its motion to strike portions of OCC witness Norwood's testimony and schedules (Jan. 20, 2015 Tr. at 9). Accordingly, the Commission finds the motion to be moot.

c. Motions for Protective Order

On November 6, 2014, IEU filed the testimony of Kevin M. Murray, including attachments Ex. KMM-1 and Ex. KMM-2 (Confidential IEU Ex. 2B) and a Motion for Protective Order of the unredacted version of Mr. Murray's direct testimony. IEU states that AEP Ohio has designated information within Mr. Murray's testimony as confidential and competitively sensitive, page 8, lines 6 through 10; page 9, lines 5 through 9 and 13 through 17; and page 11, lines 6 through 11 and attached Ex. KMM-2. Therefore, pursuant to a protective agreement between AEP Ohio and IEU, IEU requests that the unredacted testimony remain under seal.

On November 19, 2014, AEP Ohio filed a Motion for Protective Order and on November 26, 2014, General Electric Company, GE Energy (USA), LLC, Bechtel Corporation, and Bechtel Power Corporation (jointly GE/Bechtel) also filed a Motion for Protective Order. In their respective motions, as AEP Ohio counsel confirmed at the hearing, AEP Ohio and GE/Bechtel support IEU's request for protective treatment as to Ex. KMM-2, to IEU Ex. 2B (Jan. 20, 2015 Tr. at 11-12). After reviewing the excerpts at pages 8, 9, and 11 of Mr. Murray's testimony, AEP Ohio and GE/Bechtel concede that the excerpts do not contain confidential information. AEP Ohio and GE/Bechtel ask that the Commission protect from public disclosure Ex. KMM-2, as the exhibit contains confidential, proprietary, trade secret information that GE/Bechtel prepared in connection with the Front End Engineering and Design study for an IGCC facility that Appalachian Power Company, an AEP Ohio affiliate, previously planned to construct in West Virginia.

In light of the concessions of AEP Ohio and GE/Bechtel regarding the excerpts from Mr. Murray's testimony, the Commission denies IEU's motion for protective treatment, except as to Ex. KMM-2 and grants the motions of AEP Ohio and GE/Bechtel. The Commission finds that Ex. KMM-2 to IEU Ex. 2B contains confidential, proprietary, and trade secret information in compliance with the requirements of Ohio Adm.Code 4901-1-24 consistent with R.C. 1333.61(D). Ohio Adm.Code 4901-1-24(F) states that, unless otherwise directed, protective orders

prohibiting public disclosure pursuant to Ohio Adm.Code 4901-1-24(D) shall automatically expire 24 months from the date of this Order. Ohio Adm.Code 4901-1-24(F) further provides that any party wishing to extend a protective order file an appropriate motion at least 45 days in advance of the expiration date and include a detailed discussion of the need for continued protection from disclosure. Until the protective order expires, the Commission's Docketing Division should maintain, under seal, Ex. KMM-2 to IEU Ex. 2A and 2B.

III. Evidentiary Hearing

Pursuant to Entry issued January 6, 2015, the hearing in this matter was reconvened on January 20, 2015, to take testimony on the Stipulation. As previously noted, on December 22, 2014, AEP Ohio, Staff, OCC, IEU, OPAE, OEG, OMAEG, and Direct Energy Services, LLC (Direct) (Signatory Parties) filed a Stipulation to resolve the issues presented on remand. Consistent with the Stipulation, admitted into the record of evidence at the hearing was the testimony of AEP Ohio witnesses Gary O. Spitznogle (Co. Ex. 1), Daniel M. Duellman (Co. Ex. 2), Heather M. Whitney (Co. Ex. 3), and Andrea E. Moore (Co. Ex. 4); IEU witnesses Joseph G. Bowser (IEU Ex. 1) and Kevin M. Murray (IEU Ex. 2A Public, IEU Ex. 2B Confidential); the testimony of OEG witness Lane Kollen (OEG Ex. 1); the testimony of OCC witness Scott Norwood (OCC Ex. 1) and the Stipulation (Joint Ex. 1). AEP Ohio witness Spitznogle also presented testimony in support of the Stipulation. The remaining parties to the remand proceeding have notified the Commission that they oppose the Stipulation.²

In support of the Stipulation, AEP Ohio presented the testimony of Mr. Spitznogle, vice president of regulatory and finance for AEP Ohio. Mr. Spitznogle testified that he was familiar with the Stipulation and participated in the negotiations which ultimately resulted in the Stipulation filed in this remand proceeding. The witness offered that all existing parties were made aware of and offered the opportunity to participate in numerous settlement negotiation meetings. Mr. Spitznogle stated that, among the remaining active parties to this proceeding, no party opposes the Stipulation. Further, the witness avers that the Stipulation benefits ratepayers and is in the public interest in at least three aspects. Mr. Spitznogle explained that, of the approximately \$24 million collected, AEP Ohio's advocated that \$4.7 million be returned to customers whereas intervenors supported the return of substantially more,

² Calpine Corporation, Lima Energy Company, International Brotherhood of Electrical Workers Local #970, United Association of Journeyman and Apprentices of the Plumbing and Pipe Fitting Industry of the United States and Canada Local #168, Parkersburg-Marietta Building and Construction Trades Council AFL-CIO, Baard Generation, LLC, Ironworkers Local No. 787, Constellation Generation Group, LLC, Constellation Energy Commodities Group, Inc. and Constellation NewEnergy, Inc. (jointly Constellation) and GE Energy Division, GE Energy (USA) LLC, (jointly GE), Bechtel Corporation and Bechtel Power Corporation (jointly Bechtel) (collectively GE/Bechtel).

up to and including the full \$24 million, plus interest, be returned to customers. With that in mind, Mr. Spitznogle noted that, pursuant to the Stipulation, AEP Ohio agrees to return a much larger portion of the amounts collected, which, in the witness' opinion, is potentially larger than the refund would have been had the case been fully litigated. Mr. Spitznogle also noted that, with the Stipulation, if approved by the Commission, customers will receive the refund much quicker than if the issues were fully litigated. The witness also noted that the Stipulation provides finality to a set of complex legal issues. Finally, Mr. Spitznogle testified that the Stipulation does not violate any important regulatory principle or practice and resolves the outstanding issues presented in this remand proceeding in a manner that benefits all stakeholders. (Co. Ex. 1 at 1, Jan. 20, 2015 Tr. at 14-20.)

IV. Joint Stipulation and Recommendation

As previously noted, a Stipulation was filed to address the issues raised on remand on December 22, 2014. Following is a summary of the Stipulation and is not intended to replace or supersede the language of the Stipulation.

- (1) The Signatory Parties agree and recommend that the Commission adopt the Stipulation as the basis resolving all issues that remain outstanding in this proceeding. (Joint Ex. 1 at 2.)
- (2) The Signatory Parties agree and stipulate that AEP Ohio will refund to the benefit of customers \$13 million in the first billing month following a final order adopting the Stipulation without material modification. The \$13 million will be returned to customers as follows:
 - a. First, \$6 million will be allocated and returned to all residential customers through bill credits in the manner described and supported by AEP Ohio witness Moore's prefiled testimony - through a one-time bill credit evenly distributed amongst the members of the residential class of AEP Ohio. (Joint Ex. 1 at 2.)
 - b. As a compromise means to resolve this case, the commercial and industrial customers that are members of the following Signatory Parties that are customers of AEP Ohio will receive the following partial repayment of amounts that they previously paid through the Phase 1 IGCC Rider:

- i. OEG \$800,000
- ii. IEU Ohio \$600,000³
- iii. OMAEG \$150,000
- iv. OPAE \$100,000

To reduce the administrative complexity associated with these repayments, AEP Ohio will pay these amounts to the listed Signatory Parties. Each listed Signatory Party will, in turn, distribute the entirety of the funds received to its members that the Signatory Party represents and shall not retain any portion of the funds. Each listed Signatory Party shall notify the Commission of its receipt of the funds within seven days thereof and will distribute the funds to its customer members within 30 days of receipt. Each listed Signatory Party will, by affidavit filed with the Commission within 60 days of the receipt of the funds, affirm that the funds have been distributed to its members.⁴ (Joint Ex. 1 at 2-3.)

- c. The remaining \$5,350,000 of the \$13 million refund will be allocated and returned to all customers through bill credits, in the amounts allocated to each class of customers based on the percentage of the Phase 1 IGCC Rider billed to each class, as described and supported by AEP Ohio witness Moore's prefiled testimony, as follows:

Rate Schedule	Percentage of Refund
Residential (RS)	40.24
GS-1	1.94
GS-2	14.00
GS-3	27.3
GS-4	16.15

³ IEU will distribute the refund to its current members that participated in this proceeding.

⁴ OCC is not participating as a Signatory Party with respect to this provision of the Stipulation.

EHG		0.02
EHS		0.0
SS		0.16
<u>Lighting</u>		<u>0.20</u>
<u>Total</u>		<u>100 %</u>

(Joint Ex. 1 at 3.)

- (3) Significantly Excessive Earnings Test (SEET). The Signatory Parties agree that the \$13 million of settlement payments made as a result of the Stipulation in this case shall include an approximate \$4.7 million previously accrued reserve (including interest) and an approximate \$8.3 million pretax reduction to the earnings to be used in the calculation of the SEET for AEP Ohio for 2014, and that the Commission should find in its order approving the Stipulation that the settlement payments shall be treated in that manner.^{5, 6} (Joint Ex. 1 at 4.)
- (4) Admission of Testimony. The Signatory Parties agree that all prefiled testimony filed in this proceeding on remand should be admitted into the record of this proceeding for purposes of the Commission's consideration and adoption of this Stipulation. (Joint Ex. 1 at 4.)
- (5) The Signatory Parties agree this Stipulation, if adopted by the Commission, will resolve all issues remaining in Case No. 05-376-EL-UNC, including the issues that the Ohio Supreme Court remanded to the Commission for further consideration and the directives and conditions set forth in the Commission's April 10, 2006 Opinion and Order, and June 28, 2006 Entry on Rehearing in this proceeding. (Joint Ex. 1 at 5.)
- (6) The Signatory Parties agree the settlement agreement embodied in this Stipulation was reached after negotiations between and among the Signatory Parties, and it reflects a bargained compromise

⁵ OCC is not participating as a Signatory Party to the Stipulation with respect to the treatment of the refund for purposes of future SEET proceedings.

⁶ OMAEG takes no position on the treatment of the refund as a reduction to AEP Ohio's earnings in the Company's 2014 SEET proceeding and will not litigate the issue or oppose AEP Ohio's treatment of the earnings in this case or the Company's 2014 SEET proceeding.

involving a balancing of competing interests. Although the Stipulation and Recommendation does not necessarily reflect the position that certain Signatory Parties would have taken if all of the issues addressed herein had been fully litigated, the Signatory Parties believe that, as a package, the Stipulation strikes a reasonable balance among the various interests represented by the Signatory Parties, does not violate any important regulatory principle, and is in the public interest. (Joint Ex. 1 at 5.)

V. Commission Review and Consideration of the Stipulation

Ohio Adm.Code 4901-1-30 authorizes parties to Commission proceedings to enter into a stipulation. Although not binding on the Commission, the terms of such an agreement are accorded substantial weight. *Consumers' Counsel v. Pub. Util. Comm.*, 64 Ohio St.3d 123, 125 (1992), citing *Akron v. Pub. Util. Comm.*, 55 Ohio St.2d 155 (1978). This concept is particularly valid where the stipulation is unopposed by any party and resolves all issues presented in the proceeding in which it is offered.

The standard of review for considering the reasonableness of a stipulation has been discussed in a number of prior Commission proceedings. *In re Cincinnati Gas & Electric Co.*, Case No. 91-410-EL-AIR, Order on Remand (Apr. 14, 1994); *In re Western Reserve Telephone Co.*, Case No. 93-230-TP-ALT, Opinion and Order (Mar. 30, 1994); *In re Ohio Edison Co., et al.*, Case No. 91-698-EL-FOR, et al., Opinion and Order (Dec. 30, 1993); *In re Cleveland Elec. Illum. Co.*, Case No. 88-170-EL-AIR, Opinion and Order (Jan. 30, 1989); *In re Restatement of Accounts and Records (Zimmer Plant)*, Case No. 84-1187-EL-UNC, Opinion and Order (Nov. 26, 1985). The ultimate issue for the Commission's consideration is whether the agreement, which embodies considerable time and effort by the signatory parties, is reasonable and should be adopted. In considering the reasonableness of a stipulation, the Commission has used the following criteria:

- (1) Is the settlement a product of serious bargaining among capable, knowledgeable parties?
- (2) Does the settlement, as a package, benefit ratepayers and the public interest?
- (3) Does the settlement package violate any important regulatory principle or practice?

The Ohio Supreme Court has endorsed the Commission's analysis using these criteria to resolve issues in a manner economical to ratepayers and public utilities. *Indus. Energy Consumers of Ohio Power Co. v. Pub. Util. Comm.*, 68 Ohio St.3d 559, 629 N.E.2d 423 (1994), citing *Consumers' Counsel v. Pub. Util. Comm.*, 64 Ohio St.3d 123, 126,

592N.E.2d 1370 (1992). The Court stated in that case that the Commission may place substantial weight on the terms of a stipulation, even though the stipulation does not bind the Commission. *Consumers' Counsel* at 126.

In this case, the Signatory Parties submit that all existing parties to this proceeding were invited to the negotiations which resulted in the Stipulation, and agree that the Stipulation represents a cooperative effort by parties representing a broad range of interest to settle the remaining issues presented in this case. The Signatory Parties also agree that the Stipulation was reached after negotiations between and among the parties and reflects a bargained compromise involving a balancing of competing interest. (Jan. 20, 2015 Tr. at 20; Joint Ex. 1 at 2, 5.)

The Commission finds that the first criterion, that the settlement process involved serious bargaining by knowledgeable, capable parties, is met. We note that Mr. Spitznogle testified that all existing parties to this remand proceeding were invited to participate in the settlement process and, although not all parties to the case are signatories to the Stipulation, no party opposes the Stipulation. Further, the Stipulation appears to be the product of serious bargaining among capable, knowledgeable parties familiar with regulatory proceedings. The Commission notes that counsel for each of the Signatory Parties has been involved in numerous cases before the Commission and the Signatory Parties represent a diverse range of customer interests. Thus, the Commission reasons that the first criterion has been met.

The second criterion, that the settlement, as a package, benefits ratepayers and is in the public interest, is met. The Stipulation appears to be a compromise on the positions advocated by the parties in their respective testimony admitted into the record in this phase of the proceeding. Further, the Commission recognizes, as Mr. Spitznogle testified, that the Stipulation represents the resolution of complex legal issues without extensive litigation and facilitates an expedient refund to customers. For these reasons, the Commission concludes that the Stipulation will benefit ratepayers and is in the public interest.

Further, the witness contends that he is familiar with the three part test used by the Commission and opines the Stipulation does not violate any important regulatory practice or principle. The Commission finds that the Stipulation meets the third criterion because it does not violate any important regulatory principle or practice. The Commission notes that provision 1.b. of the Stipulation includes direct payments to intervenors of funds to be refunded to ratepayers. Because of the unique circumstances of this case, including the hard work of the Signatory Parties in reaching the Stipulation and the lengthy procedural history of this case, the Commission will not disturb this provision and will approve the Stipulation without modification. However, the Signatory Parties to this Stipulation and parties to future stipulations should be

forewarned that such provisions are strongly disfavored by this Commission and are highly likely to be stricken from any future stipulation submitted to the Commission for approval. Nonetheless, we find that the Stipulation filed on December 22, 2014, is reasonable and should be adopted.

FINDINGS OF FACT AND CONCLUSIONS OF LAW:

- (1) AEP-Ohio is a public utility, as defined in R.C. 4905.02, and an electric utility, as defined in R.C. 4928.01(A)(11). As such, AEP Ohio is subject to the jurisdiction of this Commission.
- (2) The hearing in this remand proceeding was called on December 8, 2014, and continued to allow the parties additional time to pursue settlement.
- (3) On December 22, 2014, AEP Ohio, Staff, OCC, IEU, OPAE, OEG, OMAEG, and Direct filed a Stipulation resolving the outstanding issues presented on remand.
- (4) The remaining parties to the remand proceeding, Calpine Corporation, Lima Energy Company, International Brotherhood of Electrical Workers Local #970, United Association of Journeyman and Apprentices of the Plumbing and Pipe Fitting Industry of the United States and Canada Local #168, Parkersburg-Marietta Building and Construction Trades Council AFL-CIO, Beard Generation, LLC, Ironworkers Local No. 787, Constellation Generation Group, LLC, Constellation Energy Commodities Group, Inc. and Constellation NewEnergy, Inc. (jointly Constellation) and GE Energy Division, GE Energy (USA) LLC, (jointly GE), Bechtel Corporation and Bechtel Power Corporation (jointly Bechtel) (collectively GE/Bechtel) did not oppose the Stipulation.
- (5) The hearing reconvened on January 20, 2015. At the January 20, 2015 hearing, testimony supporting the Stipulation was admitted into the record.
- (6) The Stipulation resolves all the remaining issues in this case.
- (7) The Stipulation is unopposed, reasonable and should be adopted in its entirety.

ORDER:

It is, therefore,

ORDERED, That GMEC's, FES' and AMP's respective motions to withdraw from this case be granted. It is, further,


ORDERED, That IEU's motion for protective order is denied, in part, and granted, in part, and AEP Ohio's and GE/Bechtel's motions for protective order are granted as discussed herein for 24 months from the date of this Opinion and Order. It is, further,

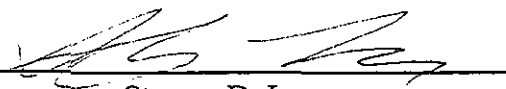
ORDERED, That the Commission's Docketing Division is directed to release the testimony of IEU witness Kevin Murray, IEU Ex. 2A and 2B, into the public record, except attached Ex. KMM-2 which shall be maintained as confidential. It is, further,

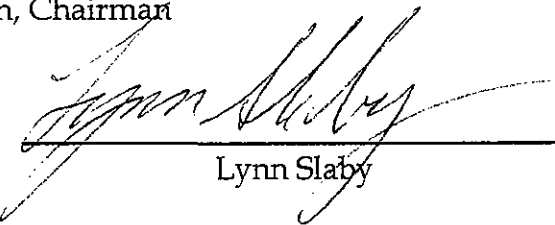
ORDERED, That the Stipulation filed in this matter on December 22, 2014, be adopted in its entirety. It is, further,

ORDERED, That a copy of this Order on Remand be served upon all persons of record in this case.


THE PUBLIC UTILITIES COMMISSION OF OHIO


Thomas W. Johnson, Chairman


Steven D. Lesser

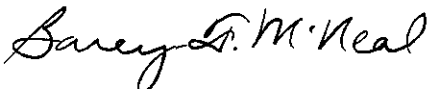

Lynn Slaby


M. Beth Trombold


Asim Z. Haque

GNS/dah

Entered in the Journal **FEB 11 2015**


Barcy F. McNeal
Secretary