

AEP OHIO EX. NO. _____

BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application Seeking)	
Approval of Ohio Power Company's)	
Proposal to Enter into an Affiliate)	
Power Purchase Agreement)	Case No. 14-1693-EL-RDR
for Inclusion in the Power Purchase)	
Agreement Rider)	

In the Matter of the Application of)	
Ohio Power Company for Approval of)	Case No. 14-1694-EL-AAM
Certain Accounting Authority)	

DIRECT TESTIMONY OF
TOBY L. THOMAS
IN SUPPORT OF AEP OHIO'S
AMENDED APPLICATION

Filed: May 15, 2015

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TOBY L. THOMAS

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BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO
DIRECT TESTIMONY OF
TOBY L. THOMAS
ON BEHALF OF
OHIO POWER COMPANY

1 **PERSONAL DATA**

2 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

3 A. My name is Toby L. Thomas, and my business address is 155 West Nationwide
4 Boulevard, Suite 500, Columbus, Ohio 43215.

5 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

6 A. I am employed by the AEP Generation Resources (“AEPGR”) as Vice President –
7 Competitive Generation. I am responsible for the safe, efficient, and environmentally
8 compliant operation of competitive generating assets for American Electric Power
9 Company, Inc. (“AEP”).

10 **Q. PLEASE BRIEFLY DESCRIBE YOUR EDUCATIONAL AND**
11 **PROFESSIONAL BACKGROUND.**

12 A. I hold a Bachelor of Science Degree in Mechanical Engineering from the Rose Hulman
13 Institute of Technology. I joined AEP in 2001 as a project engineer involved in the
14 development and optimization of competitive power generation and industrial steam
15 generation projects across the United States. I have performed various roles of
16 increasing responsibility, and most recently served as the Managing Director –
17 Kentucky Power, Gas Turbine and Wind Generation prior to assuming my current role

1 in 2012. While employed at AEP, I have been involved in asset acquisitions, asset
2 management, and the operation and maintenance of a portion of AEP's generation fleet.

3 **Q. HAVE YOU PREVIOUSLY TESTIFIED IN ANY REGULATORY**
4 **PROCEEDINGS?**

5 A. Yes. I testified before the Kentucky Public Service Commission in Case No. 2011-
6 00401.

7 **PURPOSE OF TESTIMONY**

8 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

9 A. The purpose of my testimony is to describe the AEPGR generating units related to AEP
10 Ohio's request for a Purchase Power Agreement ("PPA") in this proceeding. These
11 units will be referred to as the Affiliated PPA Units. I will describe the characteristics
12 of each generating unit, their economic viability in the deregulated market for
13 electricity, their anticipated compliance with environmental regulations, and the impact
14 of that deregulated market with respect to the financial needs of the generating units.
15 My discussion of the anticipated environmental compliance and financial need of the
16 AEPGR generating units addresses Factors 3 and 1, respectively, described in the
17 testimony of AEP Ohio witness Vegas, which the Commission put forward as
18 necessary for a PPA application.

19 **GENERATING UNITS**

20 **Q. WHICH AEPGR GENERATING UNITS IS AEP OHIO PROPOSING TO**
21 **INCLUDE IN ITS REQUEST FOR A PPA?**

22 A. As indicated by Company witness Vegas, the Affiliated PPA Units are as follows:

- 23
 - Cardinal Plant Unit 1,

- 1 • Conesville Plant Units 4, 5, and 6,
- 2 • Stuart Plant Units 1 through 4, and
- 3 • Zimmer Plant Unit 1.

4 **Q. IS AEPGR THE SOLE OWNER OF ALL THE AFFILIATED PPA UNITS?**

5 A. No. AEPGR owns 100% of Cardinal Unit 1 and Conesville Units 5 and 6. However,
6 Conesville Unit 4, Stuart Units 1 through 4, and Zimmer Unit 1 are all co-owned with
7 other companies.

8 **Q. PLEASE DESCRIBE THE AEPGR GENERATING UNITS THAT ARE**
9 **INCLUDED IN AEP OHIO’S AFFILIATED PPA REQUEST.**

10 A. Each of the nine generating units included in the Affiliated PPA is fired with pulverized
11 coal, where the coal is combusted in a furnace and the resulting heat is used to generate
12 steam to power a turbine. All of the units are equipped with low-nitrogen oxide
13 (“NO_x”) burners (“LNBS”) that minimize the creation of NO_x during the combustion
14 process. Conesville Units 4, 5, and 6 are also equipped with over-fire air systems that
15 further reduce NO_x via controlling the combustion process. All units are also equipped
16 with electrostatic precipitators (“ESPs”), which reduce emission of particulate matter
17 by more than 99%.

18 Located in Brilliant, Ohio (Jefferson County), Cardinal Unit 1 is a nominal 595
19 MW generating unit that was placed into service in 1967. Aside from LNBS, Unit 1 is
20 equipped with selective catalytic reduction (“SCR”) to further reduce emissions of
21 NO_x. The unit is also equipped with a flue gas desulfurization (“FGD”, or a
22 “scrubber”) system to reduce emissions of sulfur dioxide (“SO₂”). FGD systems allow
23 coal-fired generating units to consume relatively lower-cost, higher sulfur coal when

1 compared to units that are not equipped with such systems. AEPGR owns 100% of
2 Cardinal unit 1, and the unit is operated by the Cardinal Operating Company, which
3 also operates Units 2 and 3 at the plant, which are owned by Buckeye Power.

4 Conesville Units 4, 5, and 6 are located in Conesville, Ohio (Coshocton
5 County). Conesville Unit 4 has a nominal rating of 780 MW, and was placed in service
6 in 1973. The generating unit, much like Cardinal Unit 1, is equipped with SCR for NO_x
7 emissions reduction and an FGD system that allows it to consume a blend of high sulfur
8 and low sulfur coals. Conesville Units 5 and 6 are similarly designed generating units,
9 each capable of generating 405 MW, and were placed in service in 1976 and 1978,
10 respectively. These generating units are equipped with FGD systems. AEPGR owns
11 43.5% of Conesville Unit 4, 100% of units 5 and 6, and is responsible for the operation
12 of all three of these generating units.

13 The Stuart power plant is located in Aberdeen, Ohio (Brown County). The
14 Stuart Plant is comprised of four similarly designed generating units, each rated at 585
15 MW, for a total plant capacity of 2,340 MW. Units 1 through 4 were placed in service
16 in 1971, 1970, 1972, and 1974, respectively. These units are equipped with SCR and
17 FGD for reduction of NO_x and SO₂ emissions. AEPGR owns a 26% interest in each of
18 these four generating units, and the plant is operated by Dayton Power & Light.

19 The Zimmer Plant is located in Moscow, Ohio (Clermont County). Unit 1 at the
20 Zimmer Plant, which was placed in service in 1991, is a nominal 1,300 MW generating
21 unit that is equipped with SCR for NO_x reduction as well as FGD for SO₂ reduction.
22 AEPGR owns a 25.4% interest in the Zimmer Plant, which is operated by Dynegy, Inc.

1 **Q. PLEASE DESCRIBE YOUR ROLE WITH REGARD TO THE OPERATION**
2 **OF, AND INVESTMENT IN, THE AFOREMENTIONED GENERATING**
3 **UNITS.**

4 A. For the units above which AEPGR operates (Cardinal Unit 1, Conesville Units 4, 5 and
5 6), I am responsible for the day-to-day operation of those generating units, as well as
6 the long-term planning for those units with regard to capital investments and long-term
7 maintenance initiatives.

8 For the Stuart and Zimmer units, the operator of each of those respective plants
9 is responsible for the day-to-day operations. As the Vice President – Competitive
10 Generation for AEPGR, I am a member of the Engineering and Operating Committee
11 for those generating units. Through my participation in this committee, I am kept
12 informed of the operation of the generating units and I participate in review and
13 approval processes for capital investment and O&M expense budgets. I am involved
14 with major decisions regarding the operation of the generating units, as well as the
15 development of future plans for expenditures. So, while AEPGR is not responsible for
16 the daily operational decisions at those generating units, AEPGR is involved in the
17 decision making process that is used to determine their long-term operation. This
18 allows AEPGR to review operational and investment decisions, and to provide our
19 input to the other co-owners as appropriate.

20 **ENVIRONMENTAL COMPLIANCE FOR THE AFFILIATED PPA UNITS**

21 **Q. WHAT IS YOUR ROLE WITH RESPECT TO THE ENVIRONMENTAL**
22 **COMPLIANCE OF THE AFFILIATED PPA UNITS?**

1 A. As Vice President - Competitive Generation, I am responsible for the prudent
2 allocation of capital and operation and maintenance expenses among AEPGR' s fleet
3 of generating units, including the Affiliated PPA Units, so that the plants can continue
4 to operate as effectively as possible. Aside from day-to-day operations, this also
5 includes scrutinizing future investments that are planned for complying with the
6 existing and anticipated environmental regulations that are described by AEP Ohio
7 witness McManus in this proceeding.

8 **Q. PLEASE DESCRIBE HOW YOU WORK WITH AEPSC TO PLAN FOR THE**
9 **ENVIRONMENTAL COMPLIANCE OF THE PPA UNITS.**

10 A. AEPGR uses the resources available to us from AEPSC, including those of witness
11 McManus' Environmental Services organization. AEPGR relies upon the
12 Environmental Services organization to interpret environmental regulations and
13 rulemakings and provide guidance as to how our generating fleet can meet the intent
14 of each regulation.

15 I then work with my organization to determine the most effective method for
16 each of our generating plants to comply with those regulations.

17 **Q. DO YOU ANTICIPATE THAT THE AFFILIATED PPA UNITS WILL BE**
18 **COMPLIANT WITH THE ENVIRONMENTAL REGULATIONS**
19 **DESCRIBED IN THE TESTIMONY OF AEP OHIO WITNESS MCMANUS**
20 **IN THIS PROCEEDING?**

21 A. Yes. For the regulations described by witness McManus, the Affiliated PPA Units
22 are either already equipped with the environmental controls necessary to comply with

1 those rules, or AEPGR has included budgetary estimates for future reasonably
2 anticipated environmental compliance projects in its financial analyses.

3 **Q. PLEASE BRIEFLY DESCRIBE THE MAJOR ENVIRONMENTAL**
4 **COMPLIANCE PROJECTS THAT ARE PLANNED FOR THE AFFILIATED**
5 **PPA UNITS.**

6 A. The rules discussed in detail by AEP Ohio witness McManus for which AEPGR is
7 currently planning for compliance are the Cross State Air Pollution Rule (“CSAPR”),
8 the Mercury and Air Toxics Standards (“MATS Rule”), the Coal Combustion
9 Residuals Rule (“CCR Rule”), modifications under section 316(b) of the Clean Water
10 Act (the “316(b) Rule”), and changes to the steam generator Effluent Limitation
11 Guidelines (“ELG Rule”).

12 Those Affiliated PPA units that are already equipped with ESP, SCR and
13 FGD systems (Cardinal Unit 1, Conesville Unit 4, Stuart Units 1-4, and Zimmer Unit
14 1) are anticipated to meet the requirements of the MATS Rule without additional
15 significant capital investment. Conesville Unit 6 is in the process of installing, and
16 Unit 5 will install next year, a new technology designed to filter mercury from the
17 flue gas exiting the FGD system on those units. Based on pilot scale testing, it is
18 anticipated that these projects will allow Conesville Units 5 and 6 to comply with the
19 MATS Rule.

20 AEPGR is also planning for compliance with the CCR Rule, which is
21 discussed in detail by AEP Ohio witness McManus. Conesville Units 4-6 and
22 Zimmer Unit 1 are all equipped with dry flyash handling systems and landfills for
23 CCR disposal that are anticipated to meet the requirements of the CCR Rule. Stuart

1 Units 1-4 and Cardinal Unit 1 utilize wet ash handling systems, but budgetary
2 estimates for the conversion to dry ash handling systems have been included in the
3 financial forecast for those units.

4 For those Affiliated PPA Units that are equipped with cooling towers
5 (Conesville 4-6, Stuart Unit 4 and Zimmer Unit 1) there may be a need to modify
6 intake screens as a result of 316(b), but whether or not those screens are required will
7 not be certain until studies described by witness McManus are complete. Additional
8 investment may be needed at Stuart Units 1-3, which are not equipped with cooling
9 towers, although early indications are that the units will likely not need to install
10 cooling towers to comply with the rule.

11 Budgetary estimates for various projects intended to comply with the ELG
12 Rule are also included in AEPGR's financial planning, but the final requirements of
13 that rule will not be known until at least September 2015.

14 **Q. HOW DOES AEPGR PLAN TO COMPLY WITH THE CSAPR?**

15 A. As described by AEP Ohio witness McManus, the CSAPR establishes emission caps
16 for SO₂ and NO_x. All of the Affiliated PPA Units have already been retrofitted with
17 FGD systems for the control of SO₂. Additionally, for the control of NO_x, all of the
18 Affiliated PPA Units have been equipped with LNBs and, with the exception of
19 Conesville Units 5 and 6, SCR technology. These previous capital investments, along
20 with emission allowance purchases if necessary, will allow for compliance with the
21 CSAPR.

1 **ROLE OF THE AFFILIATED PPA UNITS IN AEPGR' S FLEET**

2 **Q. HOW DO THE AFFILIATED PPA UNITS COMPARE TO THE BROADER**
3 **GENERATION MARKET IN WHICH AEPGR PARTICIPATES?**

4 A. These generating units, Cardinal 1, Conesville 4, 5, and 6, Stuart 1, 2, 3, and 4, and
5 Zimmer 1, are all generating units that I would describe as marginal units with respect
6 to their economic viability while operating in a deregulated market. Although these
7 units are not currently planned to be retired in the next few years for economic or
8 environmental reasons, as further explained below the future market-based revenue
9 uncertainty and fixed cost structure make them vulnerable to early retirement. These
10 units are capable of safely and reliably generating electricity, and can be economically
11 viable in a deregulated market if the market price of electricity reaches sufficient levels.

12 **Q. WHAT IS AEPGR' S STRATEGY TO INVEST IN THESE GENERATING**
13 **UNITS?**

14 A. To date, these marginal units have been well maintained and are anticipated to be
15 capable of meeting environmental regulations in the foreseeable future with reasonable
16 amounts of capital investment, but uncertainty of market-based revenue from the PJM
17 capacity and energy markets may not support sufficient economic returns due to the
18 fixed cost structure of solid fuel, base load assets. Therefore, investments in these units
19 are generally made based on a short-term view of what the market will support over the
20 next few years.

21 Because market electricity and capacity prices are currently low, it is difficult to
22 justify significant levels of capital expenditures that could only be recouped over long
23 periods of time, which places generating units at greater risk of being retired due to a

1 lack of needed investment. An extended period of depressed market conditions could
2 also lead to an earlier retirement of these units for economic reasons, or at the very least
3 could lead to a prolonged low level of investment that could degrade the reliability of
4 the units in the long-term.

5 It is also possible that any of the generating units could require a previously
6 unforeseen capital investment for reliability or environmental reasons. However, if
7 current market prices do not support that level of required capital, it could result in the
8 decision to retire a unit rather than invest the capital in a generating unit, if the
9 investment is projected to have a payback period of more than a few years.

10 **Q. WHAT IS YOUR APPROXIMATE PLANNING HORIZON FOR CAPITAL**
11 **INVESTMENTS AS IT EXISTS TODAY?**

12 A. With the current state of the electricity market, my horizon for making investments in
13 the generating units generally goes out approximately three years. Obviously, the
14 farther into the future we look the more uncertainty is introduced, but at least for a three
15 year period we have a price signal in the capacity price that resulted from the most
16 recent PJM Interconnection Reliability Pricing Model auction, where capacity prices
17 are set in future years based on offers into that auction. Also, we have a relatively good
18 picture of what the market will look like three years out in terms of known
19 environmental regulations and likely plant retirements both internal and external to our
20 Company. There can still be a great deal of variability in these signals, particularly the
21 capacity payment amount, but it does provide something to use that far out that is
22 reliable for planning purposes.

1 Beyond a three year timeframe, the uncertainty regarding capacity and energy
2 prices that the market will bear increases significantly, making the case for any longer-
3 term investment that much more difficult.

4 **Q. ARE CURRENT MARKET CONDITIONS THREATENING THE FUTURE**
5 **VIABILITY OF OHIO GENERATION AND IN PARTICULAR THE**
6 **AFFILIATED PPA UNITS?**

7 A. Yes. The Affiliated PPA units are on the economic “bubble”, meaning the market
8 conditions, as described by Company witness Pearce, are not providing the necessary
9 economic signals for incremental investment in these units. The plants have been
10 saddled with increased fixed costs resulting from recent environmental installations.
11 Market volatility and unpredictability only serve to make the situation, faced by these
12 generating units, more tenuous. Because of these factors, any major capital spending
13 that might be required in the future, whether for existing equipment repairs or for new
14 environmental requirements, could lead to premature retirements. As described by
15 Company witness Allen, a shutdown of these plants would cause job loss and
16 economic hardships for thousands of employees and Ohio citizens, and would be a
17 significant blow to the Ohio tax base and other industries that rely on the plants for
18 business. Approval by the Commission of the PPA Rider and the prudence of AEP
19 Ohio’s decision to enter into the life-of-unit PPAs substantially reduces the likelihood
20 that the PPA units will face closure before their useful life has ended.

21 **Q. HOW WOULD A PPA THAT INCLUDED THE AFFILIATED PPA UNITS**
22 **CHANGE AEPGR’ S INVESTMENT STRATEGY FOR THE GENERATING**
23 **UNITS?**

1 A. The revenues that would be received through a PPA would allow the company to take a
2 longer-term view when making investments in these power plants. This, in turn, would
3 lead to a different investment strategy in these units than AEPGR would use if we were
4 to base those decisions solely on short-term market pricing signals.

5 The short-term pricing signals to which I am referring are those reflected in
6 Figure 1 in the testimony of AEP Ohio witness Pearce in this proceeding. As
7 demonstrated in that figure, it is the low level of market revenue for these generating
8 plants in the near term that makes any type of long-term and significant investment
9 very difficult to justify based on the uncertain market revenues that any one of the
10 generating units may earn in any given year during the longer term.

11 **Q. WHY DOES AEPGR SUPPORT OFFERING THESE UNITS TO BE**
12 **INCLUDED IN THE PROPOSED AFFILIATED PPA?**

13 A. As I mentioned previously, these units are marginal with respect to market-based
14 revenue. It is possible, if there are immediate and substantial market shifts in the near
15 term, that these plants could operate profitably over the next few years. However, the
16 current forecast of low revenues in the next few years jeopardizes that long-term
17 viability of the generating units and makes longer-term investments more challenging.
18 This situation makes it more difficult to justify significant investment in these
19 generating units in the near term to secure their supply of generation in the long-term,
20 and will likely contribute to the retirement of these units sooner than if the units
21 operated in an economic environment that exhibited less risk.

22 AEPGR views the PPA as a way to mitigate the risk of these units retiring
23 within the next few years, which will increase the likelihood that they survive to

1 provide the long-term benefits to customers that Company witness Pearce's financial
2 analysis supports. Although there is a potential long-term upside for these units when
3 compared to the currently forecasted market, AEPGR is willing to forego that long-
4 term potential upside for the relatively stable revenues that a PPA would offer over the
5 short and long-term.

6 **Q. DOES AEPGR ANTICIPATE THAT THE AFFILIATED PPA UNITS WILL**
7 **RETIRE IN THE NEAR FUTURE IF THE PPA IS NOT APPROVED?**

8 A. If the units proposed for inclusion in the PPA are not able to justify a level of capital
9 investment and operation and maintenance ("O&M") expense that is commensurate
10 with that included in Company witness Pearce's analysis, it is more likely that they will
11 be retired. While there is no bright line of costs above which the plants continue to
12 operate and below which they will retire, without the long-term stability provided by
13 the Affiliated PPA the ability to make long-term investments decisions is hindered.

14 AEPGR is working diligently to drive down the cost of operating these plants so
15 they can compete in the market. But despite our best efforts to manage the units' costs,
16 external market forces affecting the revenues that the units can earn may alter our
17 decision-making with regard to making prudent investments in these plants. This could
18 certainly lead to what I consider a premature retirement of these generating units, given
19 their physical ability to continue operating with the appropriate level of capital
20 investment and O&M expense.

21 By contrast, it is my opinion that based on current environmental requirements,
22 the prospect of retiring these generating units in the next few years is virtually

1 nonexistent if the Affiliated PPA is approved, as it will allow us to take a longer-term
2 view of the operation of, and level of investment in, these generating units.

3 **Q. HOW IS THE AFFILIATED PPA RELATED TO THE FINANCIAL NEEDS OF**
4 **THE GENERATING UNITS THAT ARE PROPOSED TO BE INCLUDED?**

5 A. The Affiliated PPA costs presented by Company witness Pearce are calculated using a
6 forecast of capital and O&M that was developed for the generating units that are
7 proposed to be included in the Affiliated PPA. These forecasts represent what I believe
8 to be prudent and reasonable investments and expenses that should be made to continue
9 operating the Affiliated PPA Units in a reliable fashion. In the absence of a PPA, it is
10 possible that lower market revenues would require AEPGR to re-prioritize work, and
11 could very likely lead to decreased levels of investment in these generating units. If
12 such a lack of investment were to become a chronically persistent condition, it is
13 possible that the long-term ramifications of these spending decisions could lead to
14 reduced performance and ultimately the premature retirement of these generating units.
15 However, at the same time, an increase in market revenues absent the Affiliated PPA
16 could very well lead to increased amounts of investment if such investments are
17 deemed prudent in the face of changing market conditions.

18 Simply put, current market conditions do not warrant the level of investment in
19 these generating units needed to keep the units running reliably and safely until their
20 planned retirement dates.

21 **Q. IS THE LEVEL OF CAPITAL AND O&M EXPENSE INCLUDED IN WITNESS**
22 **PEARCE'S TESTIMONY A REASONABLE ESTIMATE FOR THE PERIOD**
23 **COVERED?**

1 A. Yes. The forecasted investments and expenses included in witness Pearce's analysis
2 represent our current plan for operating those generating units. This is an expectation
3 based on what we know today and, as is true of good utility practices, these investments
4 will be continuously reviewed to ensure the maximum return on investment. Changes
5 in future regulations, advances in technology, and the condition of plant equipment
6 could impact that plan positively or negatively. The actual level of investment required
7 to continue operations at the generating plants may be higher or lower than the amount
8 included in the plan, but I believe that the amount put forth is a reasonable estimate of
9 what these units require to operate in a safe and reliable fashion over the planned years
10 and the PPA provides the flexibility to manage these necessary investments.

11 **LIFE OF THE AFFILIATED PPA UNITS**

12 **Q. FOR HOW MANY MORE YEARS ARE THE AFFILIATED PPA UNITS**
13 **ANTICIPATED TO OPERATE?**

14 A. Each of the plants in question is capable of continuing to operate beyond 2030, based
15 on current knowledge of physical equipment at each unit and presuming an appropriate
16 level of future capital investment and maintenance expense can be justified
17 economically.

18 I provided the currently planned retirement dates for the Affiliated PPA Units to
19 AEP Ohio witness Vegas, and those years are reflected in Table 2 of his Amended
20 testimony in this proceeding.

21 **Q. IS AEPGR COMMITTING TO RETIRE EACH GENERATING UNIT AT ITS**
22 **CURRENTLY PLANNED RETIREMENT DATE?**

1 A. No. The anticipated retirement date for each unit is based on using reasonable
2 engineering judgment to estimate end-of-life for major pieces of equipment. The
3 planned retirement dates reflect only the physical capability of the units to operate and
4 even then are only estimates that are subject to change.

5 **Q. HOW WOULD THE AFFILIATED PPA AFFECT THE REMAINING LIFE OF**
6 **THESE UNITS?**

7 A. The planned unit retirement dates, which are currently beyond 2030, are not
8 definitively affected by the approval or disapproval of the Affiliated PPA. But as I
9 mentioned, the planned life is based solely on the physical condition of equipment, and
10 does not take into account other factors such as market power prices. Currently, there
11 is a prospect of the units retiring prior to their planned dates due to future market price
12 volatility, but approval of the Affiliated PPA would make it highly likely that the units
13 continue to operate until the currently planned retirement dates, based on what we
14 know today.

15 **Q. IN YOUR PROFESSIONAL OPINION, HAVE THESE POWER PLANTS BEEN**
16 **MAINTAINED IN SUCH A WAY THAT THEY CAN CONTINUE TO**
17 **GENERATE POWER THROUGH 2030 AND BEYOND?**

18 A. Yes. These Affiliated PPA Units have been properly maintained in the past, and with
19 the proper level of capital investment and O&M expense in the future these power
20 plants are capable of operating in compliance with known and reasonably anticipated
21 environmental regulations over the life of the proposed Affiliated PPA, which would
22 support continued operation until the planned retirement date for each unit.

23 **Q. DOES THIS CONCLUDE YOUR PRE-FILED DIRECT TESTIMONY?**

1 A. Yes, it does.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of Ohio Power Company's *Pre-Filed Direct Testimony of Toby L. Thomas* have been served upon the below-named counsel and Attorney Examiners by electronic mail to all Parties this 15th day of May, 2015.

/s/ Steven T. Nourse
Steven T. Nourse

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