

- (6) On April 21, 2006, Industrial Energy Users-Ohio (IEU-Ohio) filed objections to the tariff filing. IEU-Ohio argued that the tariff should be rejected, as the Opinion and Order is both unreasonable and unlawful. IEU-Ohio also stated eight additional grounds for rejection of the tariffs. On May 10, 2006, the Ohio Consumers' Counsel (OCC) filed an application for rehearing and a protest regarding tariff implementation filing. We believe that IEU's general and specific objections and OCC's protest all relate to the underlying Opinion and Order, and not to the tariff. Since this case is in the rehearing stage, these issues may be better addressed in that more appropriate forum. The objections and protest should be denied.
- (7) The Commission finds that the proposed compliance tariff is in compliance with and reflects the Commission's Opinion and Order. Therefore, the proposed tariff should be approved.
- (8) The Commission notes that the rehearing entry in this proceeding is being issued today. All Phase I costs will be the subject of subsequent audit(s) to determine whether such expenditures were reasonably incurred to construct the proposed IGCC facility in Ohio. Although we continue to find that AEP should be permitted to recover the reasonable costs of further developing and detailing the project proposal, 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 I charges collected for expenditures associated with items that may be utilized in projects at other sites, must be refunded to Ohio ratepayers with interest.

It is therefore,

ORDERED, That the proposed tariff revisions of the Applicants are approved. It is, further,

ORDERED, That IEU's and OCC's objections are denied. It is, further,

ORDERED, That actual Phase I costs will be subject to review at a subsequent date. It is, further,

ORDERED, That the Applicants are authorized to file in final form four complete copies of the tariff consistent with this Finding and Order. One copy shall be filed with this case docket, one shall be filed with the Applicant's TRF docket and the remaining two copies shall be designated for distribution to the Rates and Tariffs Division of the Commission's Utilities Department. The Applicant shall also update its tariff previously filed electronically with the Commission's Docketing Division. It is, further,

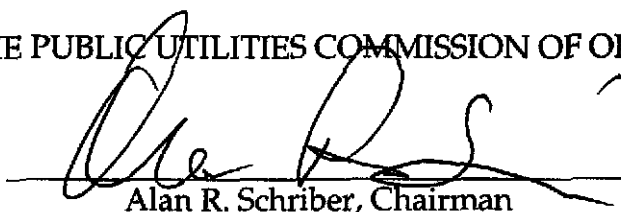
ORDERED, That the effective date of the new tariff shall be for bills rendered on or after July 1, 2006 and be collected over a 12-month period. It is, further,

ORDERED, That the Applicants shall notify all affected customers via a bill message or via a bill insert within 30 days of the effective date of the tariff. It is, further,

ORDERED, That nothing in this Finding and Order shall be binding upon this Commission in any future proceeding or investigation involving the justness or reasonableness of any rate, charge, rule or regulation. It is, further,

ORDERED, That a copy of this Finding and Order is served upon the Applicants and all parties of record.

THE PUBLIC UTILITIES COMMISSION OF OHIO


Alan R. Schriber, Chairman


Ronda Hartman Fergus

Judith A. Jones


Valerie A. Lemmie

Donald L. Mason

SDL/TT:ct

Entered in the Journal

JUN 28 2006



Renee J. Jenkins
Secretary