

- (a) Recommendations which differ from the application may be made by the staff of the public utilities commission or by intervening parties and may be adopted by the commission.
- (b) Any person, firm, corporation, or association may file, pursuant to section 4909.19 of the Revised Code, an objection to such proposed increased rates by alleging that such proposals are unjust and discriminatory or unreasonable.
- (c) A copy of the application is available for inspection at the office of the (company) located at (address, city), Ohio, and at the offices of the Public Utilities Commission, 180 East Broad Street, Columbus, Ohio 43215.
- (d) The percentage increase in operating revenue requested by the utility on a class of service or rate schedules basis.

IEU argues that AEP's proposed notice fails to provide customers with enough information to appreciate the costs, benefits, risks and applicability of the proposed facility on customers. For these reasons, IEU objects to AEP's proposed notice.

- (3) On June 21, 2005, AEP filed a reply to the notice objections. AEP argues that this application is not a traditional rate case proceeding subject to the provisions of Section (B)(7) of Appendix A to Rule 4901-7-01, O.A.C., or Chapter 4909, Revised Code. AEP contends that the purpose of this application is to establish a cost-recovery mechanism for AEP's costs of construction and operation of an integrated gasification combined-cycle generation facility to ensure AEP meets its provider-of-last-resort (POLR) obligations. AEP notes that the companies are required to make a standard service offer available to all customers within the companies' service territory after the end of the market development periods. AEP asserts that the pricing of generation services, including standard service offer, is not subject to the filing requirements of Rule 4901-7-01, O.A.C., nor subject to the rate making provisions of Chapter 4909, Revised Code. AEP states that the proposed notice states the nature of the proceedings, the date, time and location, and notes that all interested persons will be

given an opportunity to be heard. Thus, AEP reasons that the proposed notice meets the requirements set forth in the Attorney Examiner's May 26, 2005 entry and should be approved for publication.

- (4) The Attorney Examiner agrees with AEP that this application is not a traditional ratemaking proceeding to which the standard filing requirements set forth in Rule 4901-701, O.A.C., are applicable. However, AEP's proposed notice should be revised to clarify the purpose of the proceeding which is the consideration of the development of a mechanism for AEP to recover costs associated with the operation and construction of an integrated gasification combined cycle facility to ensure the companies can meet their POLR obligations. The notice should also be revised to inform interested customers how to get additional information about the application. Accordingly, the proposed notice shall be amended to read as follows:

The Public Utilities Commission of Ohio has set for public hearings, Case No. 05-376-EL-UNC, *In the Matter of the Application of Columbus Southern Power Company and Ohio Power Company for Authority to Recover Costs Associated with the Construction and Operation of an Integrated Gasification Combined Cycle Electric Generating Facility*, to consider the development of a mechanism and to review the recovery of costs associated with the construction and ultimate operation of an integrated gasification combined cycle electric generating facility for Columbus Southern Power Company and Ohio Power Company. The purpose of the hearings is to allow interested members of the public the opportunity to voice their opinions about the application. Additional information regarding this application may be obtained by writing to the Commission at 180 East Broad Street, Columbus, Ohio 43215-3793; or calling the Commission's hotline at 1-800-686-7826; via TTY/TDD at 1-800-686-1570 or in Columbus at 466-8180 for the hearing impaired; or by viewing the application on the Commission's website at www.puc.state.oh.us/PUCO/Docketing/index.cfm and inputting the above noted case number. The public hearings are scheduled to be held on the following dates and times:

August 1, 2005 – 6:30 p.m.
Hilliard Municipal Building
City Council Chambers
3800 Municipal Way
Hilliard, OH 43026

August 3, 2005 – 6:30 p.m.
Canton City Hall
Council Chambers, 1st Floor
218 Cleveland Avenue SW
Canton, OH 44702

August 4, 2005 – 6:30 p.m.
Meigs High School
Cafeteria
42091 Pomeroy Pike
Pomeroy, OH 45769

- (5) AEP shall publish the above notice of the local hearings in newspapers of general circulation in all of the affected service territory once a week for two consecutive weeks prior to the scheduled date of the local hearing. The hearing notice should not appear in the legal notices section of the newspaper. AEP shall docket proofs of publication of the hearings.
- (6) The Attorney Examiner notes that The Ohio Energy Group (OEG) filed a motion for intervention which was granted by entry issued on April 19, 2005. On June 16, 2005, OEG amended its request for intervention to correctly reflect the OEG member companies and customers of AEP that are participating in this proceeding.
- (7) On June 27, 2005, Direct Energy Services, LLC (Direct Energy) filed a motion to intervene in this case. Direct Energy states that it is a certified competitive retail electric service (CRES) provider in AEP's service area. As such, Direct Energy states that it has an interest in how this case affects Direct Energy's ability to provide competitive retail electric services.
- (8) Direct Energy's motion to intervene should be granted.

It is, therefore,

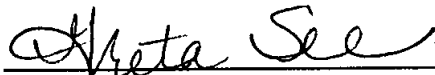
ORDERED, That IEU's request that the notice be revised to comply with the requirements of Rule 4901-7-01, O.A.C., is denied. It is, further,

ORDERED, That the notice be revised as discussed in Finding 4 and published by AEP. It is, further,

ORDERED, That Direct Energy's motion to intervene is granted. It is, further,

ORDERED, That a copy of this entry be served upon all interested persons of record in this case.

THE PUBLIC UTILITIES COMMISSION OF OHIO

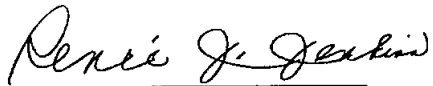


By: Greta See
Attorney Examiner

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Entered in the Journal

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Renee J. Jenkins
Secretary