

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Joint Application for)
Approval of Certain Transactions Between) Case No. 97-748-EL-ATR
Ohio Power Company, Columbus Southern)
Power Company and AEP Communications,)
LLC.)

In the Matter of the Application of AEP)
Communications, LLC to Provide) Case No. 97-842-CT-ACE
Competitive Telecommunications Services.)

ENTRY ON REHEARING

The Commission finds:

- (1) By our Finding and Order of February 12, 1998, AEP Communications, LLC's (AEP's) application for certification as a competitive telecommunications provider was granted in Case No. 97-842-CT-ACE *In the Matter of the Application of AEP Communications, LLC to Provide Competitive Telecommunications Services.*
- (2) The Commission's Finding and Order of February 12, 1998, also established the specific parameters under which the assets transfer proposed under Case No. 97-748-EL-ATR *In the Matter of the Joint Application for Approval of Certain Transactions Between Ohio Power Company, Columbus Southern Power Company and AEP Communications, LLC* would be approved. Some of these conditions included specifying a procedure to be followed on a going forward basis for subsequent transactions between Ohio Power Company and Columbus Southern Power Company (collectively the Utilities), on the one hand, and AEP, on the other hand. As part of the proposed procedure, all transactions with a value of \$250,000 or more must be filed with the Docketing Division and approved by the Commission in advance of the transaction taking place. For future transactions under \$250,000, the joint applicants were required to file a notice letter with the Commission at least 30 days prior to the expected date of the transaction. The Commission shall then have 20 days to decide if it wishes to have the joint applicants submit a formal application under a separate ATR case number and review the transaction in a formal proceeding.

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technician *[Signature]*

- (3) On March 13, 1998, AEPC filed an application for rehearing relative to two issues addressed in the Commission's Finding and Order of February 12, 1998. First, AEPC takes issue with the Commission's restriction that AEP shall not acquire services from AEPC which AEPC does not offer in its tariff. AEPC is concerned that the Commission's language could be literally interpreted to include even non-jurisdictional services. AEPC is also concerned that the Commission's language could have the effect of prohibiting the provision of service via a special contract approved by the Commission. AEPC requests that the Commission clarify its intentions regarding the delineated tariff requirement. Second, AEPC expresses its concern regarding the requirement that it must notify the Commission and, potentially, seek formal approval of all transactions under \$250,000. AEPC contends that such a requirement is unduly burdensome and unreasonable. AEPC requests that the Commission amend this requirement in order to establish a \$100,000 threshold beneath which the Commission's oversight would not apply.
- (4) A memoranda contra was filed in response to AEPC's application for rehearing by the Ohio Consumers' Counsel (OCC). OCC contends that the conditions placed on the approval of the applications were appropriate and should not be modified. OCC argues that the restrictions on providing tariff services to AEP is indeed necessary to ensure that AEPC will not offer any services to its electric utility affiliates that are not offered to third parties.
- (5) Section 4903.10, Revised Code, provides that any party who has entered an appearance in a proceeding may apply for rehearing with respect to any matter determined in the proceeding by filing an application within 30 days of the entry of the order in the Commission's journal. The Commission may grant and hold rehearing on the matters specified in the application if, in its judgment, sufficient reason appears to exist.
- (6) AEPC's application for rehearing has been timely filed as required by Section 4903.10, Revised Code.
- (7) The Commission finds that AEPC's application for rehearing relative to its request for clarification of the Commission's February 12, 1998 Finding and Order should be denied except as clarified herein. The Commission clarifies that the last

sentence of Finding (25) of the February 12, 1998 Finding and Order should reflect that the provision of services by AEPC to AEP shall be subject to tariff. There are two different services at issue. With respect to telecommunications services, such items shall be taken by AEP pursuant to AEPC's tariffs. Before providing telecommunications services pursuant to Commission-approved special contracts, AEPC will have to demonstrate to the Commission's satisfaction why the service should not be subject to tariffs and made generally available and why provision of the service to AEP alone is not unduly preferential.

With regard to non-telecommunication services such as shareholder services, AEPC may contract with AEP for the provision of these services provided that: the service is made available to any unaffiliated provider of functionally similar services; is reduced to writing; includes all of the material terms and conditions; is executed prior to or simultaneously with the transaction; and is filed with the Commission as required.

In regard to AEPC's application for rehearing relative to the issue of establishing a monetary threshold under which no Commission approval would be required, such request is denied. The Commission finds that the established procedure is not unduly burdensome and properly balances the interests of the Commission and AEPC.

It is, therefore,

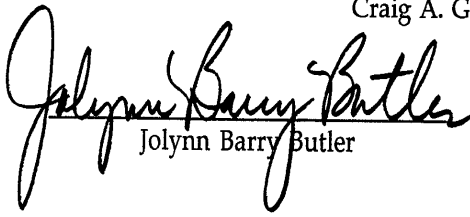
ORDERED, That AEPC's application for rehearing filed on March 13, 1998, is denied as set forth in finding (7). It is, further,

ORDERED, That a copy of this Entry on Rehearing be served upon all parties of record.

THE PUBLIC UTILITIES COMMISSION OF OHIO

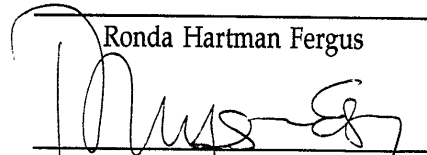


Craig A. Glazer, Chairman

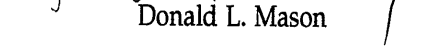


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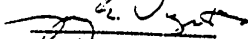
Donald L. Mason

JSA/pdc

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APR 9 1998

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Gary B. Vigorito
Secretary

SERVICE NOTICE

PAGE 1

CASE NUMBER 97-748-EL-ATR
CASE DESCRIPTION OHIO POWER/COLUMBUS SOUTHERN POWER
DOCUMENT SIGNED ON April 9, 1998
DATE OF SERVICE 4/10/98

PERSONS SERVED

PARTIES OF RECORD

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