

PUCO staff recommends against AEP profit-guarantee plan

Utility is seeking profit guarantees at some of its power plants; full PUCO panel still must rule

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Ohio utility regulators should reject a plan from American Electric Power that would [guarantee profit at some power plants](#), according to testimony issued this afternoon by the Public Utilities Commission of Ohio staff.

The report is [similar to one the staff released last month in a FirstEnergy case](#) that deals with similar issues, outlining reasons that the proposals are not in the public interest and suggesting major revisions.

The PUCO's five-member board can accept or reject the staff's recommendations.

"Staff recommends that the commission deny the (AEP proposal) as it is currently proposed," said Hisham Choueiki, a senior energy specialist for the PUCO, in written testimony. "However, it is possible that the (proposal), if properly conceived, may be in the public interest."

AEP's plan covers four coal-fired power plants – W.H. Zimmer, J.M. Stuart, Conesville and Cardinal – and the company's share of Ohio Valley Electric Corp., or OVEC, a business that has two coal-fired power plants.

Columbus-based AEP has said its plan will help to reduce volatility in electricity pricing, and will preserve jobs at power plants that may otherwise close. Critics, including environmentalists and consumer advocates, have called the proposal a "coal bailout."

The staff testimony is often, although not always, a strong signal of how the commission will rule.

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