



## Legislation Details (With Text)

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**Type:** Ordinance      **Status:** Passed

**File created:** 7/23/2013      **In control:** Public Utilities Committee

**On agenda:** 9/23/2013      **Final action:** 9/26/2013

**Title:** To authorize the Director of Public Utilities to amend the existing contract with American Electric Power Service Corporation by modifying the definition of "AEP Operating Companies" and to delete all references to the Ohio Power Company. (0)

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:**

Date	Ver.	Action By	Action	Result
9/26/2013	1	CITY CLERK	Attest	
9/24/2013	1	MAYOR	Signed	
9/23/2013	1	COUNCIL PRESIDENT	Signed	
9/23/2013	1	Columbus City Council	Approved	Pass
9/16/2013	1	Columbus City Council	Read for the First Time	

**BACKGROUND:** This ordinance authorizes the **SECOND AMENDMENT TO THE EEI MASTER POWER PURCHASE AND SALE AGREEMENT** between American Electric Power Service Corporation ("AEPSC") acting as agent for AEP Operating Companies ("Party A") and the City of Columbus, Ohio ("Party B").

American Electric Power is requesting this Amendment to its power supply contract with the City in order to comply with Section 4928.17 of the Ohio Revised Code, which requires corporate separation of electric utilities serving Ohio as the State moves toward competitive retail electric service in the investor-owned utility sector. The Public Utilities Commission of Ohio (PUCO) has approved AEP's separation plan in Case No. 12-1126-EL-UNC, and has authorized its implementation.

The Parties have previously entered into an EEI Master Power Purchase and Sale Agreement ("Master Agreement") dated as of October 19, 2006, and first amended agreement on Ordinance 0041-2012 dated April 2, 2012 amending the existing contract by modifying the definition of "AEP Operating Companies". The Parties desire to further amend the Master Agreement.

Effective upon the date and immediately prior to Ohio Power Company's corporate separation of its generation assets from its transmission and distribution assets, this Amendment will: a) delete the definition of "AEP Operating Companies" in its entirety and replace it with the following: "AEP Operating Companies" means the electric utility subsidiaries of American Electric Power Company, Inc., consisting of Appalachian Power Company, Indiana Michigan Power Company and Kentucky Power Company. "AEP Operating Companies" may include fewer than all of the listed companies or may include AEPSC, where the context requires such interpretation." b) delete all references to the Ohio Power Company.

AEPSC currently anticipates that December 31, 2013 will be the date upon which the Ohio Power Company's corporate separation will be consummated, and AEPSC will promptly notify all Parties once the Ohio Power Company's corporate

separation is consummated. .

**Amount of additional funds to be expended:** \$0

**Contract Compliance Number:** 134922641, expires 03/01/2014.

**FISCAL IMPACT:** This modification will not have any fiscal impact on the existing budget.

To authorize the Director of Public Utilities to amend the existing contract with American Electric Power Service Corporation by modifying the definition of "AEP Operating Companies" and to delete all references to the Ohio Power Company. (0)

**WHEREAS**, Ordinance Number 0837-2006, passed May 22, 2006, waived the provisions of Columbus City Code Article 329.14, to authorize the Director of Public Utilities to negotiate and enter into contract for purchase power; and

**WHEREAS**, Contract DL012676 was established with American Electric Power Service Corporation (AEPSC) based upon the lowest responsive proposal received; and

**WHEREAS**, the Parties have previously entered into a EEI Master Power Purchase and Sale Agreement, dated as of October 19, 2006; and

**WHEREAS**, the Parties entered into a first amendment of the Agreement on February 1, 2012; and

**WHEREAS**, the Parties desire to enter into a second amendment Agreement; and

**WHEREAS**, it has become necessary in the usual daily operation of the Division of Power, of the Department of Public Utilities, in that it is immediately necessary to amend the existing agreement by replacing the definition of "AEP Operating Companies" in its entirety and delete all references to the Ohio Power Company for the preservation of the public health, peace, property, safety and welfare; now, therefore,

**BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBUS:**

**SECTION 1.** That the Director of Public Utilities be and is hereby authorized to amend the existing agreement with American Electric Power Service Corporation to modify the definition of AEP Operating Companies and to delete all references to the Ohio Power Company.

**SECTION 2.** That this Ordinance shall take effect and be in force from and after the earliest period allowed by law.