

FILE

BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Ohio
Power Company and Columbus Southern
Power Company For Authority to Merge
and Related Approvals.

Case No. 10-2376-EL-UNC

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**MOTION FOR LEAVE TO INTERVENE OF
DIRECT ENERGY SERVICES, LLC AND DIRECT ENERGY BUSINESS, LLC**

Pursuant to Section 4903.221, Revised Code and Rule 4901-1-11 of the Ohio Administrative Code, Direct Energy Services, LLC and Direct Energy Business, LLC ("Direct Energy") moves for intervention in the above-styled proceeding as a full party of record. The reasons supporting the intervention are contained in the accompanying Memorandum in Support.

WHEREFORE, Direct Energy respectfully requests that the Commission grant this motion for leave to intervene and that Direct Energy Services, LLC and Direct Energy Business, LLC be made a full party of record.

Respectfully Submitted,



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**MEMORANDUM IN SUPPORT OF
THE MOTION TO INTERVENE OF
DIRECT ENERGY SERVICES, LLC AND DIRECT ENERGY BUSINESS, LLC**

Section 4903.221, Revised Code and Rule 4901-1-11 of the Ohio Administrative Code, establish the standard for intervention in the above-styled proceeding as a full party of record.

Rule 4901-1-11 of the Ohio Administrative Code states in part:

Upon timely motion, any person shall be permitted to intervene in a proceeding upon a showing that:

* * *

(2) The person has a real and substantial interest in the proceeding, and the person is so situated that the disposition of the proceeding may, as a practical matter, impair or impede his or her ability to protect that interest, unless the person's interest is adequately represented by existing parties.

In addition to establishment of a direct interest, the factors that the Public Utilities Commission of Ohio (the "Commission") considers in implementing the above rule are the nature of the intervenor's interest, the extent that interest is represented by existing parties, the intervenor's potential contribution to a just and expeditious resolution of the issues involved, and whether intervention would result in an undue delay of the proceeding. (See also R.C. 4903.221(B) upon which the above rule is authorized). A review of these factors in light of following facts supports granting Direct Energy's intervention.

Direct Energy holds Certificate No.'s 00-019(5) and 00-0005(5) as a competitive retail electric supplier ("CRES") from the Commission to engage in the competitive sale of electric service to retail customers in Ohio. Direct Energy currently provides service to retail electric customers in the Columbus Southern Power and Ohio Power service territories in Ohio.

On October 18, 2010, Ohio Power Company ("Ohio Power") and Columbus Southern Power Company ("Columbus Southern") filed an application seeking Commission authority to

consummate and fully implement a merger of Ohio Power and Columbus Southern Power. The joint applicants indicated that they intended to enter into an agreement and plan of merger which would provide for the merger of Columbus Southern into Ohio Power with Ohio Power being the surviving corporation. Ohio Power, as the surviving corporation, would succeed to and possess and enjoy all of Columbus Southern's rights, privileges, powers and franchises and Ohio Power would become subject to all the restrictions, disabilities, liabilities and duties of Columbus Southern. The joint applicants allege that the merger will produce additional incremental efficiencies that they are not currently able to realize such as eliminating the need to keep two separate sets of records and prepare two separate sets of audited annual financial statements, tax returns, and other financial and regulatory reports. The joint applicants also allege that the additional scale that will result from the merger will provide the merged Company with greater flexibility and, potentially a more efficient basis for meeting the advanced energy portfolio standards in the energy efficiency and peak demand reduction requirements of Ohio law, as well as current and future mandates for environmental controls.

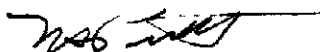
While the joint applicants allege that approval of the merger will not affect Columbus Southern's and Ohio Power's rates, the applicants do indicate it is their intent to blend their retail rates in future proceedings. The Companies are asking for expeditious approval of the merger by the Commission as they will be filing their next Standard Service Offer application soon and also plan to file a general distribution rate case within the next several months.

Direct Energy has business interests in Ohio that will be affected by the outcome of the proceeding. As a competitive retail electric service provider in Ohio, Direct Energy has an interest in the instant proceeding. Direct Energy's interest is not being adequately represented by any other party.

This motion is being filed prior to any deadline yet established. Thus, the intervention is timely and should not unduly delay the instant proceedings. Because of its unique expertise and participation in the competitive retail and wholesale markets in Ohio and across the country, Direct Energy will be able to assist in the development of a full and complete record to assist the Commission in its consideration of the Application.

WHEREFORE, Direct Energy respectfully requests that the Commission grant this motion for leave to intervene and that it be made a full party of record.

Respectfully Submitted,



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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and accurate copy of the foregoing document was served this 28th day of October, 2010 by electronic mail, upon the persons listed below.



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