

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Joint Application of)
Ohio Power Company, Duke Energy)
Ohio, Inc., and The Dayton Power) Case No. 13-2027-EL-ATR
And Light Company For Approval of)
an Agreement Regarding the Transfer)
of Utility Assets.)

FINDING AND ORDER

The Commission finds:

- (1) Ohio Power Company (OP), Duke Energy Ohio, Inc. (Duke), and The Dayton Power and Light Company (DP&L), (collectively, the applicants) are Ohio corporations, and public utilities as defined in R.C. 4905.02, and are subject to the jurisdiction of this Commission.
- (2) On October 3, 2013, as clarified on May 23, 2014, the applicants filed an application, pursuant to R.C. 4905.48, seeking approval of an agreement entitled CCD Transmission Asset Exchange Agreement (agreement) concerning the transfer of ownership shares in certain transmission assets jointly owned by the applicants.
- (3) As explained in the application, the applicants jointly own the following electric generating units: Killen Generating Station, owned by Duke and DP&L, and operated by DP&L; JM Stuart Generating Station, owned by all three companies and operated by DP&L; Zimmer Generating Station, owned by all three companies and operated by Duke; Beckjord Generating Station Unit 6, owned by all three companies and operated by Duke; Miami Fort Generating Station Units 7 and 8, owned by DP&L and Duke, and operated by Duke; and Conesville Generating Station Unit 4, owned by all three companies and operated by OP (all of which are collectively referred to as the generating stations).
- (4) Each of the generating stations referred to in finding (3) is interconnected with transmission facilities that tie into the interconnected transmission grids of the three applicants. The

agreement provides for the exchange of ownership shares of jointly-owned transmission facilities among the applicants, as follows:

- a) OP will relinquish a portion of its rights, title and interest that it presently owns in the 345 kilovolt (kV) Stuart-Greene transmission line and related easements and rights-of-way, and further relinquish a portion of its rights, title and interest in the 345 kV Foster-Pierce transmission line, and associated transmission facilities and related easements and rights-of-way. The interests in the substations at the ends of the above-referenced lines are not being transferred. In return, OP will obtain additional rights, title and interest and become the 100 percent owner of the entire 345 kV Corridor-Kirk transmission line and associated transmission facilities, and related easements and rights-of-way, and will become the 100 percent owner of the Corridor Substation.
- b) Duke will relinquish all rights, title and interest that it presently owns in the Corridor-Kirk transmission line and the Corridor Substation, and related easements and rights-of-way. Duke will obtain additional rights, title and interest in the Foster-Pierce transmission line, and related easements and rights-of-way.

DP&L will relinquish all rights, title and interest that it presently owns in the Corridor-Kirk transmission line and the Corridor Substation, and related easements and rights-of-way. DP&L will obtain additional rights, title and interest in the Stuart-Greene transmission line, and related easements and rights-of-way.

The charts below outline the individual ownership shares of the applicants Petitioners, as they currently exist and as they will exist following this transaction:

CCD Asset Trade			
Current Ownership	Ownership Shares		
Circuit/Section	OP	DP&L	Duke
Corridor-Kirk	60.00%	22.50%	17.50%
Corridor-Kirk(north tap)	33.33%	33.33%	33.33%
Corridor Substation	33.33%	33.33%	33.33%
Foster-Pierce	35.00%	35.00%	30.00%
Stuart-Greene	35.00%	35.00%	30.00%

CCD Asset Trade			
Proposed Ownership	Ownership-Shares		
Circuit/Section	OP	DP&L	Duke
Corridor-Kirk	100.00%	0.00%	0.00%
Corridor-Kirk(north tap)	100.00%	0.00%	0.00%
Corridor Substation	100.00%	0.00%	0.00%
Foster-Pierce	6.06%	35.00%	58.94%
Stuart-Greene	7.72%	62.28%	30.00%

- (4) The applicants explain that the transactions are a reallocation of the ownership interests in existing jointly-owned facilities, which results in a better match ownership for maintenance purposes, as well as for compliance with North America Electric Reliability Corporation responsibilities. In addition, the applicants note that the net book value of the changes are as close to zero as reasonably possible.
- (5) The Commission has reviewed the application and finds that the proposed transactions between the applicants is reasonable and in the public interest. Therefore, the Commission finds that the application should be approved. Within 30 days after the closing date of the transfer, the applicants shall file a letter informing the Commission that the transaction has been completed.

It is, therefore,

ORDERED, That, in accordance with finding (5), the application for approval of the proposed transfer by the applicants be granted. It is, further,

ORDERED, That the proposed transaction be recorded by the applicants in accordance with the Uniform System of Accounts for Electric Companies, which the Commission has prescribed for use by electric companies in Ohio. It is, further,

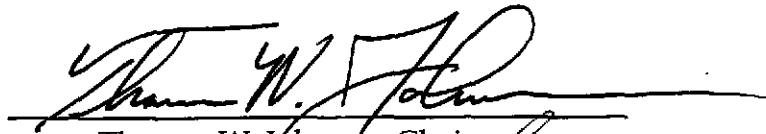
ORDERED, That nothing in this Order shall be binding upon this Commission in any future proceeding or investigation involving the justness or reasonableness of any rate, charge, rule, or regulation. It is, further,

ORDERED, That approval of the application in this case does not constitute state action for the purposes of antitrust law. It is not our intent to insulate the applicants from the provision of any state or federal laws which prohibit the restraint of free trade. It is, further,

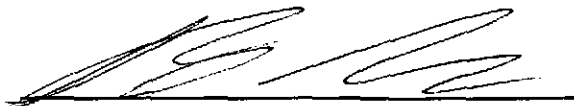
ORDERED, That nothing in this Order shall be construed to imply any guaranty or obligation as to the securities on the part of the state of Ohio. It is, further,

ORDERED, That a copy of this Order be served upon all parties of record.

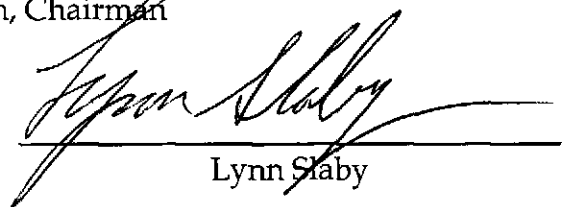
THE PUBLIC UTILITIES COMMISSION OF OHIO



Thomas W. Johnson, Chairman



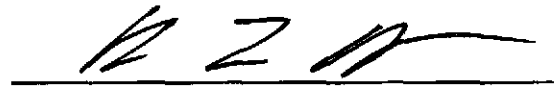
Steven D. Lesser



Lynn Slaby



M. Beth Trombold

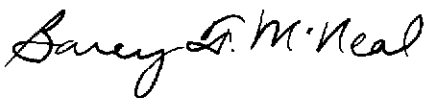


Asim Z. Haque

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JUN 11 2014



Barcy F. McNeal
Secretary