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**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of)
Columbus Southern Power Company for)
Approval of Electric Transition Plan and) Case No. 99-1729-EL-ETP
Application for Receipt of Transition)
Revenues.)

In the Matter of the Application of)
Ohio Power Company for Approval of)
Electric Transition Plan and Application) Case No. 99-1730-EL-ETP
for Receipt of Transition Revenues.)

**OHIO CONSUMERS' COUNSEL OBJECTIONS
TO COLUMBUS SOUTHERN POWER COMPANY'S AND OHIO POWER
COMPANY'S SUPPLEMENTAL DIRECT TESTIMONY**

The Ohio Consumers' Counsel ("OCC") files these objections to Columbus Southern Power Company's and Ohio Power Company's (jointly "AEP" or the Company) supplement to its transition plan, submitted on February 28, 2000. The Public Utilities Commission of Ohio ("Commission") ordered electric utilities to amend their transition plan filings to address modified provisions of the Commission's corporate separation rule Ohio Administrative Code 4901:1-20-16 by Entry on January 20, 2000. In the same Entry the Commission granted intervenors the opportunity to file objections to the Company's amendments.

In its Entry the Commission modified Rule 4901:1-20-16(f), *sua sponte*, to require the Company to ensure effective competition by avoiding anticompetitive subsidies flowing from a noncompetitive retail electric service to a competitive retail electric service or a product or service other than retail electric service. It also modified Rule 4901:1-20-16(h) to require that the Company provide information in their transition

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plans to enable the Commission to determine that it will ensure against unreasonable sales practices, market deficiencies and market power. AEP's additional direct testimony has failed to meet the requirements of the modified rules. Accordingly, OCC submits the following objections to the Company's amendments.

1) OCC objects to the Company's failure to identify those management activities it will implement to ensure that cross-subsidization will not occur through the sharing and transferring of employees and the sharing of office and other facilities. While separate accounting and the cost allocation manual will ensure that transactions occur at fully embedded costs, those procedures cannot monitor for more subtle forms of cross-subsidization. For example, the Company could unnecessarily hold employees within the regulated company in order to make them available for the competitive affiliates on an as-needed basis. Additionally the Company could train employees within the regulated company and transfer them to the competitive affiliate after they are trained.

2) OCC objects to the Company's failure to clarify all regulated utility/affiliate transactions in its cost allocation manual. Such clarification would require the utility to identify the degree to which each such transaction is part of a larger transaction involving other affiliates. Such clarification would identify the dollar amounts involved in the larger transaction on an affiliate by affiliate basis. For example, if a purchasing affiliate purchases 200 vehicles, 100 for the regulated affiliate and 100 for another affiliate, the cost allocation manual would have to identify the entire purchase, and the fact that half went to the regulated affiliate and half to another affiliate. Additionally, the cost

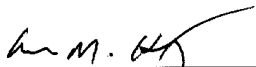
allocation manual would indicate how much the regulated affiliate paid for the vehicles and also how much the other affiliate paid for the vehicles.

3) OCC objects to the Company's ambiguous proposal that the disclaimer will be made more generic so that it can be used outside of Ohio. The Commission cannot determine if the disclaimer will remain effective under the proposed change.

4) OCC objects to the Company's proposal that the disclaimer will be "reasonably conspicuous" rather than appearing on the first page or at the first point the utility name or logo is mentioned. The term "reasonably conspicuous" is too subjective and may result in a disclaimer that is ineffective. The disclaimer should appear on the first page or at the first point the utility name is mentioned.

Respectfully submitted,

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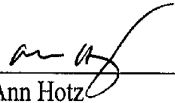


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CERTIFICATE OF SERVICE

I hereby certify that a copy of the Ohio Consumers' Counsel's Ohio Consumers' Counsel Objections To The Columbus Southern Power Company's And The Ohio Power Company's Supplemental Direct Testimony have been served upon all parties listed below this 13th day of March 2000.



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