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**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

**In the Matter of the Application of Ohio Edison)
Company, The Cleveland Electric Illuminating)
Company, and The Toledo Edison Company)
For Approval of a Competitive Bidding Process)
For Standard Service Offer Electric Generation)
Supply, Accounting Modifications Associated)
With Reconciliation Mechanism and Phase In,)
And Tariffs for Generation Service)**

**Case No. 07-796-EL-ATA
Case No. 07-797-EL-AAM**

**Motion to Intervene of
Columbus Southern Power Company
and Ohio Power Company**

Columbus Southern Power Company and Ohio Power Company (collectively, AEP Ohio) respectfully request that the Public Utilities Commission of Ohio (Commission) grant AEP Ohio intervention in the above-captioned proceedings pursuant to §4903.221, Ohio Rev. Code, and §4901-1-11, Ohio Admin. Code. As set forth in the attached memorandum in support, AEP Ohio meets the prerequisites for intervention because (a) AEP Ohio has a real and substantial interest in these proceedings that may be adversely affected; (b) no other party can adequately represent those interests; (c) the granting of this intervention will not unduly prolong or delay the proceedings; and (d) AEP Ohio's participation in these proceedings will significantly contribute to the full development and equitable resolution of the factual issues. Accordingly, AEP Ohio asks the Commission to grant its motion to intervene.

On July 10, 2007, Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company (collectively, FirstEnergy), in accordance with §4928.14, Ohio Rev. Code, and the Commission's regulations for Market-Based Standard Service Offer and

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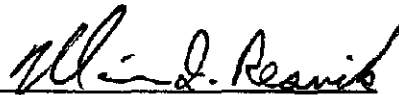
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Competitive Bidding Process for electric distribution utilities (Chapter 4901:1-35, Ohio Admin. Code), filed for approval of a competitive bidding process (CBP) designed to procure supply for the provision of Standard Service Offer electric generation service to retail electric customers who do not purchase electric generation service from a competitive retail electric service provider beginning January 1, 2009. The Application also seeks approval of accounting modifications to implement a proposed reconciliation mechanism and tariffs for generation service.

AEP Ohio supports FirstEnergy's CBP design for use under the current statutory framework for market-based rates for electric generation service. By this intervention, AEP Ohio proposes that the Commission adopt this CBP design for use by Ohio's electric distribution utilities, such as AEP Ohio, who based on current law will be implementing market-based rates at the conclusion of their current rate stabilization plans.

Respectfully submitted,



Marvin I. Resnik, Counsel of Record
Steven T. Nourse
American Electric Power Service Corporation
1 Riverside Plaza, 29th Floor
Columbus, Ohio 43215
Telephone: (614) 716-1606
Telephone: (614) 716-1608
Fax: (614) 716-2950
Email: miresnik@aep.com
Email: stnourse@aep.com

Counsel for Columbus Southern Power Company
and Ohio Power Company

Memorandum In Support of Motion to Intervene

I. Introduction.

As noted in its motion to intervene, AEP Ohio supports FirstEnergy's proposed CBP design. In fact, AEP Ohio believes that CBP should be used by Ohio's electric distribution utilities who will be implementing market-based rates for generation service after the conclusion of their current rate stabilization plans. Therefore, AEP Ohio has an interest in the outcome of these proceedings and there are no other parties to these proceedings which can represent that interest. Columbus Southern Power Company and Ohio Power Company are public utilities and electric light companies as those terms are defined in §§ 4905.02 and 4905.03(A)(4), Ohio Rev. Code, respectively. As such, these companies face the same service obligation requirements as FirstEnergy does. Accordingly, AEP Ohio's motion to intervene should be granted.

II. AEP Ohio Meets the Prerequisites to Intervention.

§4901-1-11, Ohio Admin. Code, provides, in part, that:

- (A) 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.

Division (B)(1)-(5) of that rule and §4903.221(B), Ohio Rev. Code, set forth essentially the same criteria to be considered by the Commission when granting intervention:

- (1) The nature and extent of the prospective intervenor's interest.
- (2) The legal position advanced by the prospective intervenor and its probable relation to the merits of the case.
- (3) Whether the intervention by the prospective intervenor will unduly prolong or delay the proceedings.

- (4) Whether the prospective intervenor will significantly contribute to full development and equitable resolution of the factual issues.
- (5) The extent to which the person's interest is represented by existing parties.

As demonstrated below, AEP Ohio meets all of these criteria.

A. AEP Ohio Has Interests That Are Not Adequately Represented by Other Parties.

As noted in the Application, FirstEnergy is proposing a process to procure generation service for its retail electric customers who do not purchase electric generation service from a competitive retail supplier. AEP Ohio believes that there is significant potential for cost and administrative efficiencies if a CBP such as proposed by FirstEnergy were adopted by the Commission for use by all of Ohio's electric distribution utilities (EDU) as the Competitive Bid Process contemplated by §4928.14, Ohio Rev. Code. AEP Ohio presumes that, at a minimum, the substantive aspects of the CBP adopted by the Commission in this proceeding would be used as a template for other EDUs and that the Commission would not want to start anew when developing a CBP for each EDU. This is especially true given the time constraints involved with resolving these CBP issues. Accordingly, AEP Ohio recommends that the Commission consider a single CBP for use by all EDUs who pursue an auction process in the post-2008 time period, and thus to include AEP Ohio's load in the request for bids. If the Commission deems it necessary and appropriate, AEP Ohio could file its own CBP application to achieve this result.

Adoption of a state-wide CBP would also enable bidders to participate in a single auction process that is consistent throughout the state, rather than having to deal with a variety of processes which could lead to higher bid prices and/or fewer bidders participating in the Ohio market. Further, if all EDUs who pursue an auction process participated in collective auctions cost savings would be realized through the use of a single auction manager and single auction

monitor. Bidders of course still would have the flexibility to bid on specific load tranches of specific EDUs (or on a more granular basis if that is ordered).

AEP Ohio generally supports the CBP design presented by FirstEnergy and, if permitted to intervene, would support the adoption of a single CBP for Ohio's EDUs. AEP Ohio recognizes that even with the adoption of this common CBP, there are EDU-specific issues that, for EDUs other than FirstEnergy, should be considered outside the context of this proceeding. These issues concern non-auction matters such as economic development incentives, moderation of residential rate impacts (including associated accounting mechanisms) and the method for translating bid prices to specific rate schedules. Consideration of these non-auction issues can be resolved through a separate procedural process which would not result in any delay in this proceeding. In this regard, AEP Ohio clarifies that its request for intervention is limited to the general CBP issues and not the accounting issue raised in Case No. 07-797-EL-AAM or the other EDU-specific issues raised in FirstEnergy's application.

B. AEP Ohio's Intervention Will Not Unduly Prolong or Delay the Proceedings and Will Contribute to the Full Development and Equitable Resolution of the Factual Issues.

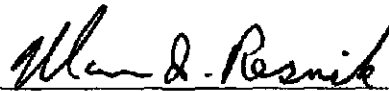
In light of the fact that no pre-hearing conference or procedural schedule has yet been established, other than the Technical Conference scheduled for August 16, 2007, the granting of AEP Ohio's motion will not unduly delay or prolong these proceedings. Moreover, given AEP Ohio's unique interests in these proceedings, its participation would bring to light certain facts and a perspective that may not otherwise be provided. Therefore, granting AEP Ohio's intervention will allow the Commission to make a more informed decision based upon a more complete record. Further, the adoption of a common auction process for Ohio's EDUs provides the Commission, Ohio's EDUs, their customers and other interested stakeholders (many of

whom are represented by parties who already have moved to intervene in this proceeding) with an administratively efficient manner for resolving these issues on a state-wide basis.

III. Conclusion.

AEP Ohio meets the prerequisites for intervention as required by §4903.221, Ohio Rev. Code and §4901-1-11, Ohio Admin. Code. Accordingly, AEP Ohio respectfully asks this Commission to grant its motion to intervene in these proceedings.

Respectfully submitted,



Marvin I. Resnik, Counsel of Record
Steven T. Nourse
American Electric Power Service Corporation
1 Riverside Plaza, 29th Floor
Columbus, Ohio 43215
Telephone: (614) 716-1606
Telephone: (614) 716-1608
Fax: (614) 716-2950
Email: miresnik@aep.com
Email: stnourse@aep.com

Counsel for Columbus Southern Power Company
and Ohio Power Company

CERTIFICATE OF SERVICE

THIS IS TO CERTIFY that a copy of the foregoing Motion to Intervene and related Memorandum in Support of Columbus Southern Power Company and Ohio Power Company was served by regular U.S. Mail, postage prepaid and electronic mail, upon each of the following parties this 16th day of August, 2007.


Marvin I. Resnik

James W. Burk
Mark A. Hayden
FirstEnergy Service Company
76 South Main Street
Akron, OH 44308
burkj@firstenergycorp.com
haydenm@firstenergycorp.com

Rick C. Giannantonio
FirstEnergy Service Company
76 South Main Street
Akron, OH 44308
giannantonior@firstenergy.com

Jeffrey L. Small
Ann M. Hotz
Office of the Ohio Consumer's Counsel
10 West Broad Street, Suite 1800
Columbus, OH 43215-3485
small@occ.state.oh.us
hotz@occ.state.oh.us

David F. Boehm
Michael L. Kurtz
Boehm, Kurtz & Lowry
36 East Seventh Street, Suite 1510
Cincinnati, OH 45202
dboehm@bkllawfirm.com
mkurtz@bkllawfirm.com

Richard Sites
Ohio Hospital Association
155 East Broad Street, 15th Floor
Columbus, OH 43215
ricks@ohanet.org

David C. Rinebolt
Colleen L. Mooney
Ohio Partners for Affordable Energy
231 West Lima Street
P.O. Box 1793
Findlay, OH 45839-1793
drinebolt@aol.com
cmooney2@columbus.rr.com

Samuel C. Randazzo
McNees, Wallace and Nurick
21 East State Street, 17th Floor
Columbus, OH 43215-4228
sam@mwncmh.com

Duane Luckey
Thomas McNamee
Assistant Attorneys General
Public Utilities Section
180 E. Broad St. 12th Floor
Columbus, OH 43215
duane.luckey@puc.state.oh.us
thomas.mcnamee@puc.state.oh.us

M. Howard Petricoff
Stephen M. Howard
Vorys, Sater, Seymour and Pease
52 East Gay Street
P.O. Box 1008
Columbus, Ohio 43216-1008
mhpetricoff@vssp.com
smhoward@vssp.com

Sheilah H. McAdams
Marsh & McAdams
204 West Wayne Street
Maumee, OH 43537
sheilahmca@aol.com

Paul S. Goldberg
Phillip D. Wurster
6800 W. Central Avenue
Toledo, OH 43617-1135
pgoldberg@ci.oregon.oh.us

Peter D. Gwyn
110 W. Second Street
Perrysburg, OH 43551
pgwyn@toledolink.com

Thomas R. Hays
3315 Centennial Road, Suite A-2
Sylvania, OH 43560
hayslaw@buckeye-express.com

Brian J. Ballenger
Ballenger & Moore
3401 Woodville Road., Suite C
Toledo, OH 43619
ballengerlawbjb@sbcglobal.net

James E. Moan
4930 Holland-Sylvania Road
Sylvania, OH 43560
jimmoan@hotmail.com

Paul Skaff
Leatherman, Witzler, Dombey & Hart
353 Elm Street
Perrysburg, OH 43551
paulskaff@justice.com

Leslie A. Kovacik
Kerry Bruce
420 Madison Avenue, Suite 100
Toledo, OH 43604-1219
leslie.kovacik@toledo.oh.gov
kerry.bruce@toledo.oh.gov

Lance M. Keiffer
711 Adams Street, 2nd Floor
Toledo, OH 43624-1680
lkeiffer@co.lucas.oh.us

William M. Ondrey Gruber
2714 Leighton Road
Shaker Heights, OH 44120
gruberwl@aol.com

Glenn S. Krassen
Bricker & Eckler
1375 East Ninth Street, Suite 1500
Cleveland, OH 44115
gkrassen@bricker.com

Richard T. Stuebi
The Cleveland Foundation
1422 Euclid Avenue, Suite 1300
Cleveland, OH 44115
rsteubi@clevefdn.org

Robert N. Fronek
4205 Chester Avenue
Cleveland, OH 44103
rmf270@yahoo.com

Terry S. Harvill
Constellation Energy Resources
111 Market Place
Baltimore, MD 21202
terry.harvill@constellation.com

David I. Fein
Cynthia A. Fonner
Constellation Energy Group, Inc.
550 West Washington Blvd., Suite 300
Chicago, IL 6066
david.fein@constellation.com
cynthia.a.fonner@constellation.com

Divesh Gupta
Constellation Energy Group, Inc.
111 Market Place
Baltimore, MD 21202
divesh.gupta@constellation.com