

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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COMMENTS OF THE OHIO MANUFACTURERS' ASSOCIATION

I. BACKGROUND

On October 18, 2010, Columbus Southern Power Company and Ohio Power Company (collectively "AEP Ohio") filed an application for Commission approval to merge pursuant to an Agreement and Plan of Merger ("Merger Agreement"). On February 9, 2011, the Commission issued an Entry requesting comments that "specifically identify and discuss the issues which the Commission should consider." The Commission requested initial comments by February 25, 2011 and reply comments by March 11, 2011. In accordance with the Commission's request the Ohio Manufacturers' Association provides the following comments.

II. COMMENTS

As the Commission noted in its February 9, 2011 Entry, it must ensure that the merger will promote the public interest and not adversely affect any class of AEP Ohio customer within the Commission's jurisdiction. While AEP Ohio has indicated that the merger will have little to no affect on customers or the control of Columbus Southern Power Company, there are potentially significant impacts on Ohio customers. It is

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simply that the real potential impacts associated with the merger are being addressed in other cases.

As the Commission is aware, AEP Ohio currently has numerous cases before the Commission including an application for approval of an electric security plan ("ESP") and a prefiling notice of an application to increase distribution rates. As a result of the merger, but addressed in those cases, there will be a consolidation of tariffs between the two operating companies. Additionally, AEP Ohio has also indicated that it has provided notice to the other members of its AEP Interconnection Agreement ("AEP Pool") that AEP Ohio wants to terminate the existing agreement on three years notice. Again, the major implications of this change will likely be addressed in the ESP case and not this merger case. Nonetheless, at the very least, as a result of the merger, the AEP Pool membership will be reduced from five to four as a result of AEP Ohio's proposed merger and, thus, the AEP Interconnection Agreement will need to be modified.

Additionally, AEP Ohio has represented that the merger will not have a detrimental impact on customers as to cost of service or in the adequacy and reliability of service. Further, AEP Ohio states that because the operating companies have been managed and operated jointly for years and that the merger will provide additional efficiencies in the form of the reduction of administrative requirements, annual fees paid and regulatory efficiencies. These issues are also likely to be addressed in the ESP and distribution rate cases rather than in this proceeding.

Regardless of which case before the Commission the ramifications of the merger are addressed in, the Commission should ensure that there is not a detrimental impact

on customers as a result of the merger. Parties are in process of reviewing the ESP application and AEP Ohio will file its distribution rate application next week. Consequently, at the present time, there is not enough information available to determine the impact of the merger combined with the other aspects of AEP Ohio's proposals. Accordingly, OMAEG recommends that the Commission continue its investigation into the impacts of AEP Ohio's merger proposal in the context of the ESP case and distribution rate case, among others, and keep this case open as a placeholder until all parties have sufficient information to determine the real impacts of the proposed merger.

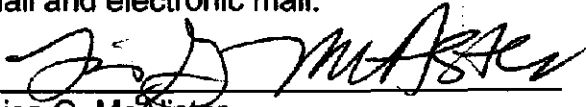
Respectfully submitted on behalf of
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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing Comments of the Ohio Manufacturers' Association was served upon the parties of record listed below this 25th day of February 2011 via first class mail and electronic mail.


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