

FILE

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of)	
Columbus Southern Power Company and)	
Ohio Power Company, Individually and, if)	Case No. 11-351-EL-AIR
Their Proposed Merger is Approved, as a)	Case No. 11-352-EL-AIR
Merged Company (collectively, AEP Ohio))	
for an Increase in Electric Distribution Rates)	

In the Matter of the Application of)	
Columbus Southern Power Company and)	
Ohio Power Company, Individually and, if)	Case No. 11-353-EL-ATA
Their Proposed Merger is Approved, as a)	Case No. 11-354-EL-ATA
Merged Company (collectively AEP Ohio))	
for Tariff Approval)	

In the Matter of the Application of)	
Columbus Southern Power Company and)	
Ohio Power Company, Individually and, if)	Case No. 11-356-EL-AAM
Their Proposed Merger is Approved, as a)	Case No. 11-358-EL-AAM
Merged Company (collectively AEP Ohio))	
for Approval to Change Accounting Methods)	

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Columbus Southern Power Company's and Ohio Power Company's Memorandum in Opposition to the Motion to Intervene of FirstEnergy Solutions Corporation

Under Rule 4901-1-11(A)(2), O.A.C., the Commission will only grant intervention where the movant shows a real and substantial interest in the proceeding. This standard is consistent with Section 4903.221, Revised Code. The motion to intervene submitted by FirstEnergy Solutions Corp. (FES) does not demonstrate any interest, substantial or otherwise, in the scope of this proceeding. FES' only stated interest relates to AEP Ohio's pending ESP Cases (Case Nos. 11-346-EL-SSO and 11-348-EL-SSO) and AEP Ohio's Supplemental Long-Term Forecast Report (Case Nos. 10-501-EL-FOR and 10-502-EL-FOR). AEP Ohio understands that FES is interested in addressing generation-related rate issues and AEP Ohio has not opposed FES' request for

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intervention in either the ESP cases or the Supplemental LTFR filing. But FES has absolutely no interest in this distribution rate case and its motion for intervention should be denied.

As its stated basis for intervention, FES claims that AEP Ohio's "ESP reveals their intention of continuing the objectionable practice of including significant generation-based costs in their distribution rates, in contradiction of Ohio law." FES Memo in Support at 4 (emphasis added). Leaving aside FES' flawed legal assertion (which is a matter that will be addressed in the ESP cases and not in this case), FES' own statement of interest indicates that the issues raised in the ESP case are what it wants to address. In this vein, FES goes on to state (page 4) that it seeks intervention in order to ensure "that the Companies' requested distribution rates do not harm competition in retail electric service in the Companies' service territories. In its struggle to articulate a valid interest in this distribution case, FES stated:

While typically less affected by distribution rates, FES and other CRES providers are affected when significant and inappropriate generation-related costs are passed on to all customers, including shopping customers, under the guise of distribution rates. The Companies' ESP Application reveals that the Companies propose to include significant and future generation-related costs in distribution charges.

FES Memo in Support at 5 (emphasis added). Again, FES relies only upon the ESP application as the source of its concerns and issues – not the application for an increase in these Distribution Rate Cases.

Conspicuously absent from FES' motion is any example or citation to support its claim that AEP Ohio is proposing a generation-related distribution charge in this case. That is because there are none. Notably in this regard, FES filed its motion to intervene

before AEP Ohio even filed its Application in this case and apparently was speculating that AEP Ohio would be proposing generation-related distribution rates in this case.

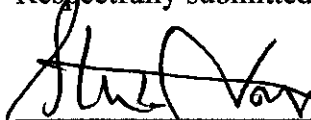
FES speculation was flat wrong and there is no basis in the Companies' Application to conclude that generation-related charges are being proposed in this case. As Paragraph 9 of the Application clarifies, the distribution rates that are being proposed in conjunction with both the ESP Cases and the Distribution Rate Cases are not generation-related at all. Rather, as indicated in Paragraph 9 of the Application, the riders addressed in both cases include the Distribution Investment Rider and the Enhanced Service Reliability Rider, which are strictly related to providing distribution service and have nothing to do with providing generation service. FES has no interest in the adjudication of such distribution rates that relate strictly to the provision of distribution service.

While AEP Ohio does propose non-bypassable charges relating to generation service as part of the ESP Cases, those proposals are not properly characterized as distribution charges merely because they are imposed by the electric distribution utility. It is a "red herring" for FES to rely upon the ESP rate proposals as a basis for intervention in these Distribution Rate Cases. Regardless of whether the generation-related charges could be called "distribution charges," those ESP rate proposals are simply not being proposed here. Rather, the proposals for generation-related non-bypassable charges are advanced only in the ESP Cases and will be decided in the ESP Cases – not as part of these Distribution Rate Cases. Hence, those ESP proposals do not provide an appropriate basis for FES to intervene in these Distribution Rate Cases.

CONCLUSION

FES' requested intervention in the ESP Cases and the Supplemental LTR Cases (unopposed by AEP Ohio) allow FES to fully protect and address its stated interest relating to generation-related rates. All of the distribution rates being proposed in these cases relate to distribution service and none are related to generation service. Accordingly, FES has no interest in these Distribution Rate Cases and its request to intervene should be denied.

Respectfully submitted,



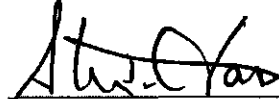
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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing Columbus Southern Power Company's and Ohio Power Company's Memo Contra has been served upon the below-named counsel via First Class mail, postage prepaid, this 4th day of March, 2011.



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