

BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Ohio)
Power Company for Approval of An)
Amendment to Its Corporate Separation) Case No. 11-5333-EL-UNC
Plan.)

COMMENTS
OF
DUKE ENERGY COMMERCIAL ASSET MANAGEMENT, INC.

Comes now Duke Energy Commercial Asset Management, Inc. (DECAM), by and through counsel, and hereby tenders its initial comments to the Application of Ohio Power Company (OPCo) for Approval of an Amendment to its Corporate Separation Plan (Application). Said comments have been organized consistent with the relevant rules promulgated by the Public Utilities Commission of Ohio (Commission) regarding the content of corporate separation plans, as set forth in O.A.C. Rule 4901:1-37-05.

O.A.C. 4901:1-37-05(B)(4)

As a general proposition, Commission rules require that a corporate separation plan function as a stand-alone document such that compliance with the applicable rules is evident from a reading of the plan itself. O.A.C. 4901:1-37-05(B) further details the minimum components of an acceptable plan, including the requirement to identify and describe the financial arrangements between the electric utility and *all* of its affiliates. See, generally, O.A.C. 4901:1-37-05(B)(4)(emphasis added). Insofar as it concerns agreements with affiliates, the proposed, amended corporate separation plan (Plan) attached to OPCo's Application references

only a Money Pool Agreement to which it is a party. But in the Application, OPCo also identifies the contracts that it has in respect of the current purchase of power from affiliates. See Exhibit WAA-1 of the Application. These references suggest that OPCo is a party to more than just the Money Pool Agreement and, if this suggestion is accurate, OPCo should amend the Plan to both identify and describe the additional financial arrangements between it and all affiliates.

O.A.C. 4901:1-37-05(B)(6)

OPCo is further required, under the Commission's rules, to identify all permissible joint advertising, including the use of its name and logo. OPCo states in its Plan that it does not intend to engage in joint marketing with AEP GenCo, the anticipated successor to certain generating assets. But this statement does not identify whether OPCo intends to engage in joint marketing with other affiliates, such as AEP Retail or AEP Energy Partners, and does not make provision for the express use of its name as required under O.A.C. 4901:1-21-05(C)(8)(g). DECAM thus believes that further detail in the Plan is needed to demonstrate compliance with the Commission rules.

O.A.C. 4901:1-37-05(B)(13)

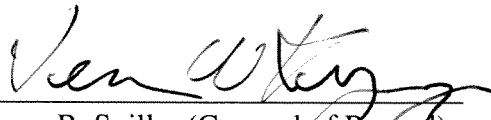
The Commission's rules require that an electric utility include in its corporate separation plan a detailed listing of the electric utility's electric services, as well as transmission and distribution services. In its Plan, OPCo only generally provides that its business – upon separation of the generating assets – will *primarily* consist of OPCo's current transmission and distribution business. But a primary line of business is not the only line of business. Indeed, OPCo references the potential for new generating assets, which it would own.

The lack of clarity regarding the services provided by OPCo is further evident in the Stipulation and Recommendation filed in Case No. 10-2376-EL-UNC, *et al.* Therein, the

applicants in that docket (Columbus Southern Power Company and Ohio Power Company) reference their intent to achieve full legal corporate separation, pursuant to which the transmission and distribution lines of business will remain with the electric distribution utility, *i.e.*, OPCo, and “any GRR assets will remain with the electric distribution utility.” (See Stipulation and Recommendation, at page 11.) The Stipulation and Recommendation, as referenced in the Application, does not provide detail as to how the transfer of assets will be accomplished consistent with the Commission’s rules under O.A.C. 4901:1-37-09. Consequently, DECAM submits that further clarification is needed with respect to the electric services provided by OPCo, the manner in which the transfer of assets will occur, and the financial arrangements for such transfer.

Duke Energy Commercial Asset Management respectfully submits the foregoing comments for consideration by the Commission as it reviews the pending Application.

DUKE ENERGY COMMERCIAL ASSET
MANAGEMENT, INC.

A handwritten signature in black ink, appearing to read "Amy B. Spiller", is written over a horizontal line.

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CERTIFICATE OF SERVICE

I hereby certify that a true and accurate copy of the foregoing was delivered via U.S. mail (postage prepaid), personal, or electronic mail delivery on this the 15th day of December, 2011, to the following:


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This foregoing document was electronically filed with the Public Utilities

Commission of Ohio Docketing Information System on

12/15/2011 4:17:03 PM

in

Case No(s). 11-5333-EL-UNC

Summary: Comments Comments of Duke Energy Commercial Asset Management, Inc.
electronically filed by Carys Cochern on behalf of Kingery, Jeanne W Ms.