

**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of **Ohio** :  
**Power Company** for Approval of Full : Case No. **12-1126-EL-UNC**  
Legal Corporate Separation and :  
Amendment to its Corporate Separation :  
Plan. :

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**COMMENTS  
SUBMITTED ON BEHALF OF THE STAFF OF  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

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As part of Ohio Power Company's (OPCo or Company) corporate separation plan filed with the Commission and discussed in the testimony of Renee Hawkins in its standard service offer (SSO) case, OPCo does not want to transfer \$296 million in pollution control revenue bonds (PCRB) to its affiliate generation company.<sup>1</sup> The Company requests that this debt remain with the electric distribution utility instead of transferring with the generation assets to its affiliate generation company. As a policy matter, Staff believes that the debt associated with generation assets should follow the assets. Also,

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<sup>1</sup> See Ohio Power Company's Application for Approval of Full Legal Corporate Separation and Amendment to its Corporate Separation Plan (March 30, 2012) (Case No. 12-1126-EL-UNC at 5-6) and *In re Application of Columbus Southern Power and Ohio Power Company for Authority to Establish a Standard Service Offer Pursuant to § 4928.143, Ohio Rev. Code, in the Form of an Electric Security Plan*, Case No. 11-346-EL-SSO, *et al.* (Direct Testimony of Renee V. Hawkins in Support of AEP Ohio's Modified Electric Security Plan at 9-10) (March 30, 2012).

the Company has not provided any analysis to quantify the impact to OPCo if the debt is transferred. For these reasons, Staff recommends that the Commission deny this request at this time, and, within six months of completion of corporate separation, should OPCo wish to renew this request, require OPCo to include in its request a quantification of the negative impact of transferring the \$296 million in PCRBS to its affiliate generation company using any financing options available to it.

In addition, the corporate organization chart filed with the application in this case must be updated to reflect the legal entities that are related to American Electric Power Inc. (AEP), as well as all reportable segments related to OPCo. Staff recommends that this be similar to the information AEP provides to the Securities and Exchange Commission in its 10K filings.

Respectfully submitted,

**Michael DeWine**  
Ohio Attorney General

**William L. Wright**  
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/s/ John H. Jones

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## PROOF OF SERVICE

I hereby certify that a true copy of the foregoing **Comments** submitted on behalf of the Staff of the Public Utilities Commission of Ohio, was served via electronic mail upon the following Parties of Record, this 27<sup>th</sup> day of July, 2012.

/s/ John H. Jones

**John H. Jones**  
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Summary: Comments submitted on behalf of the Staff of the Public Utilities Commission of Ohio electronically filed by Kimberly L Keeton on behalf of Public Utilities Commission of Ohio