

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of)	
Columbus Southern Power Company and)	
Ohio Power Company for Authority to)	Case No. 11-346-EL-SSO
Establish a Standard Service Offer)	Case No. 11-348-EL-SSO
Pursuant to §4928.143, Ohio Rev. Code,)	
in the Form of an Electric Security Plan.)	
In the Matter of the Application of)	
Columbus Southern Power Company and)	Case No. 11-349-EL-AAM
Ohio Power Company for Approval of)	Case No. 11-350-EL-AAM
Certain Accounting Authority.)	
In the Matter of the Commission Review)	
Of the Capacity Charges of Ohio Power)	Case No. 10-2929-EL-UNC
Company and Columbus Southern Power)	
Company.)	

**DUKE ENERGY OHIO, INC.'S MEMORANDUM CONTRA
MOTION TO CONSOLIDATE OF OHIO POWER COMPANY**

On September 11, 2012, after prosecuting two separate cases for over 18 months, Ohio Power Company (AEP Ohio) moved to consolidate Case No. 11-346-EL-SSO, *et al.*, (ESP II) with Case No. 10-2929-EL-UNC (Capacity Case). AEP Ohio lately claims that there are benefits resulting from such a consolidation and that the issues are integrally related. AEP Ohio further claims that consolidation of decision making for the two proceedings on rehearing will enable the Public Utilities Commission of Ohio (Commission) to explain its decision on the issues in a more thorough and complete manner. Duke Energy Ohio, Inc. (Duke Energy Ohio) opposes this motion for the reasons set forth below.

First, AEP Ohio states that the issues in both cases are integrally related. Although the matters involved in both cases are related, there is no organic reason why they need to be considered in the same docket. The logic of this point is manifest by the fact that the issues have been adjudicated and the Commission has ruled on each separately. Joining them at this late stage of the proceedings seems illogical.

As has been affirmed by the Commission in its Opinion and Order in the Capacity Case, the questions relevant in that proceeding concern an appropriate pricing mechanism for AEP Ohio's capacity. The Commission stated that the key substantive issues before it were: (1) does the Commission have jurisdiction to establish a state compensation mechanism; (2) should the state compensation mechanism for AEP-Ohio be based on the Company's capacity costs or on another pricing mechanism such as RPM-based auction prices; and (3) what should the resulting compensation be for AEP-Ohio's FRR capacity obligations.¹ The Commission applied Ohio Revised Code Sections 4905.04, 4905.05 and 4905.06 in determining that it had a statutory basis for its jurisdiction to establish a state compensation mechanism. None of the legal or factual issues raised in that proceeding necessarily relate to the AEP ESP II proceeding.

In AEP's ESP II proceeding, AEP Ohio filed an application for approval of an electric security plan and a standard service offer pursuant to Sections 4928.141 and 4928.143 Revised Code. The purpose of the ESP II proceeding was to consider approval of the electric security plan, including such standard service offer. The statutes applicable in the Capacity Case and the statutes applicable in the ESP II case are distinct and separate and enable the Commission to proceed separately, as it has done. Thus,

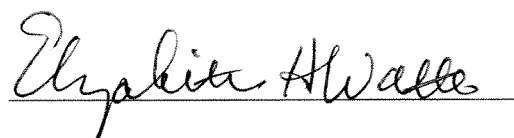
¹ *In the Matter of the Commission Review of the Capacity Charges of Ohio Power Company and Columbus Southern Power Company*, Case No. 10-2929-EL-SSO, Opinion and Order at page 9.

combining them now, subsequent to months of separate treatment and consideration could unfairly conflate the separate analyses and considerations that have been prosecuted separately to date.

From a more practical perspective, the parties in each docket are not the same and the witnesses and the substance of each witness' testimony are not the same. Combining these two cases raises the likelihood of creating greater confusion rather than less.

Finally, AEP Ohio's claim that consolidation will enable the Commission to explain its decision on the issues in a thorough and complete manner seems to suggest that it has not otherwise had that advantage in these proceedings. Nothing in the record supports such a claim and the Commission's Opinions in each case do not suggest that there is any undue confusion between the two dockets. Thus, for these reasons, Duke Energy Ohio does not agree that this is the time to consolidate two separate cases that have no demonstrated need to be consolidated. Duke Energy Ohio respectfully requests that the dockets remain separate.

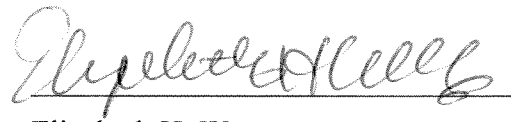
Respectfully submitted,

A handwritten signature in cursive script, reading "Elizabeth H. Watts", written over a horizontal line.

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing Duke Energy Ohio's Memorandum Contra Motion to Consolidate of Ohio Power Company has been served, via electronic service, to the parties of Record in Case No. 10-2929-EL-UNC and 11-346-EL-SSO *et al.* this 18th day of September, 2012.



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Summary: Memorandum Duke Energy Ohio, Inc.'s Memorandum Contra Motion to Consolidate of Ohio Power Company electronically filed by Carys Cochern on behalf of Watts, Elizabeth H. Ms.