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Via E-File

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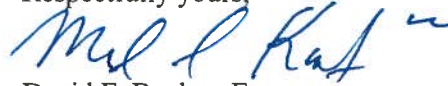
**In re: 11-346-EL-SSO, 11-348-EL-SSO
11-349-EL-AAM, 11-350-EL-AAM**

Dear Sir/Madam:

Please find attached the OHIO ENERGY GROUP's MEMORANDUM CONTRA CORRESPONDENCE OF OHIO POWER COMPANY for filing in the above-referenced matters.

Copies have been served on all parties on the attached certificate of service. Please place this document of file.

Respectfully yours,



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MLKkew
Encl.

Cc: ALJ Greta See, Esq. (via electronic mail)
ALJ Jonathan Tauber, Esq. (via electronic mail)
Certificate of Service

**BEFORE THE
PUBLIC UTILITIES COMMISSION OF OHIO**

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

**OHIO ENERGY GROUP'S
MEMORANDUM CONTRA CORRESPONDENCE OF OHIO POWER COMPANY**

Pursuant to Ohio Adm. Code §4901-1-12, the Ohio Energy Group (“OEG”) files this Memorandum Contra the correspondence filed by Ohio Power Company (“AEP Ohio”) on October 31, 2012 in this proceeding. In its correspondence to the Public Utilities Commission of Ohio (“Commission”), AEP Ohio argues that OEG’s Initial Comments to the October 25, 2012 CBP Stakeholder Workshop (“Comments”) should be ignored or stricken *sua sponte* as being procedurally deficient or otherwise inappropriate. As an initial matter, AEP Ohio’s correspondence is effectively a motion to strike, which is itself procedurally deficient.¹ Notwithstanding this, for the reasons discussed below, AEP Ohio’s arguments should be rejected.

¹ See Ohio Adm. Code §4901-1-12(A)(“All motions, unless made at a public hearing or transcribed prehearing conference, or unless otherwise ordered for good cause shown, shall be in writing *and shall be accompanied by a memorandum in support.*” Emphasis added).

AEP Ohio is patently incorrect in its assertion that, in the Comments, OEG “raises two points that it already raised on rehearing.”² Though the second argument in OEG’s Comments appeared in its application for rehearing in this proceeding, OEG’s first argument, that the Commission should establish the starting price for the descending clock energy-only auctions for each AEP Ohio rate zone at the forecasted FAC rate that customers would otherwise pay, was not addressed at all in OEG’s application for rehearing. Instead, this is a new argument raised solely to assist in the development of the competitive bidding process (“CBP”) initiated by the Commission’s August 8, 2012 Order (“Order”). In making this argument, OEG does not request rehearing of any portion of the Commission’s Order, but instead seeks to move forward with the Commission’s determination in that Order. Therefore, AEP Ohio’s assertion is inaccurate.

Further, the Commission is the entity invested with ratemaking authority over public utilities under Ohio law.³ The Commission cannot delegate this ratemaking function to AEP Ohio or to a collection of stakeholders. Although AEP Ohio may take parties’ concerns regarding the ratemaking elements of its CBP into account in developing its December 31, 2012 CBP filing, the Commission has the ultimate authority with regard to AEP Ohio’s rates. Accordingly, parties should be entitled to submit any such concerns related to AEP Ohio’s CBP directly to the Commission.

AEP Ohio states that “[o]nce the stakeholder process has run its course and the Company files its CBP (December 31, 2012), the Commission will establish a process for parties to address any concerns that may exist at that time.”⁴ As AEP Ohio’s statement indicates, parties will likely have an opportunity to submit their concerns on the CBP within the next few months, after AEP Ohio makes its CBP filing. Consequently, it would be impractical for the Commission to strike OEG’s Comments from the record

² AEP Ohio Correspondence at 1.

³ See e.g. R.C. 4905.04, 4905.05, 4905.06, and 4928.143.

⁴ AEP Ohio Correspondence at 2.

in this proceeding when those same comments are likely to be filed again in response to AEP Ohio's December CBP filing. Rather than completely striking OEG's Comments from the record in this proceeding, the Commission can merely postpone addressing those Comments until it makes determinations regarding AEP Ohio's December CBP filing.

Moreover, in arguing that the stakeholder process should run its course before parties can raise their concerns regarding the CBP to the Commission, AEP Ohio assumes that its CBP stakeholder process will be unbiased. But this is not the case. AEP Ohio and its paid consultant, NERA, control the stakeholder process and AEP Ohio has a financial stake in the outcome of this process. Specifically, AEP Ohio stands to unduly gain by winning auction tranches and then selling the same energy to the same customers, but at a higher price. Given AEP Ohio's financial stake in the outcome of the CBP process, parties should not be prohibited from raising concerns with the Commission itself during the process. The Commission can then determine the appropriate time to address those concerns.

For these reasons, the Commission should not strike OEG's Comments from the record in this proceeding.

Respectfully Submitted,



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November 5, 2012

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CERTIFICATE OF SERVICE

I hereby certify that true copy of the foregoing was served by electronic mail (when available) or ordinary mail, unless otherwise noted, this 5th day of November, 2012 the following:



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Summary: Memorandum Ohio Energy Group (OEG) Memorandum Contra Correspondence of Ohio Power Company electronically filed by Mr. Michael L. Kurtz on behalf of Ohio Energy Group