

**BEFORE THE
PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of)
Ohio Power Company to Establish a)
Competitive Bidding Process for)
Procurement of Energy to Support Its)
Standard Service Offer.)

Case No. 12-3254-EL-UNC

**FIRSTENERGY SOLUTIONS CORP.'S RESPONSE
TO AEP OHIO'S MOTION TO STRIKE**

Ohio Power Company's ("AEP Ohio") Motion to Strike one of FirstEnergy Solutions Corp.'s ("FES") Reply Comments confirms that FES' request for clarification in that comment was warranted. FES' comment evidently hit a major AEP Ohio nerve. However, it was intended to only raise to the Commission's attention that the parties' comments on AEP Ohio's Application and Supplement in this proceeding – as well as the Supplement itself – reflect uncertainty about what exactly AEP Ohio is intending to do through the Supplement. FES expressly noted in its Initial Comments that the procedural schedule in this matter did not provide the parties with significant time to assess the Supplement, nor did it provide time for discovery on AEP Ohio's Supplement proposal. Therefore, FES reserved its right to provide further comments. As this "comment" process is not defined by statute or rule, and given the limited opportunity for investigation, FES' Reply Comments should be considered in their entirety and AEP Ohio's Motion to Strike should be denied.

It is more troubling, however, that what FES intended as only a suggestion of potential smoke, AEP Ohio has revealed to be a full-fledged fire. AEP Ohio's Motion to Strike and proposed "Sur-reply" confirm that AEP Ohio intended to, not surprisingly, use the Supplement to get around the Commission's orders in its ESP proceeding (Case No. 11-346-EL-SSO *et al.*,

“the ESP Proceeding”) and preclude its customers from receiving the benefits of a competitive price through the CBP process (also not surprisingly). There are no sandbags. FES (and others) raised concerns about how the auction results would be passed on to customers through an Application for Rehearing in the ESP Proceeding and the Commission expressly addressed those concerns. The Commission ordered that the auction rates be passed on to customers through the entire auction process:¹

We find that AEP-Ohio’s request to continue to freeze base generation rates **through the auction process** is inappropriate and should be rejected. The entire crux of the Opinion and Order was the value in providing customers with the opportunity to take advantage of market-based prices and the importance of establishing a competitive electric marketplace. **AEP-Ohio’s proposal is completely inconsistent with the Commission’s mission and would preclude AEP-Ohio customers from realizing any potential savings that may result from its expanded energy auctions. This is precisely the reason why the Commission expanded and accelerated the CBP in the first place.** Further, we find AEP-Ohio’s fear of adverse financial impacts is unfounded²

AEP Ohio’s proposed “Sur-reply” totally and disingenuously misrepresents the Commission’s orders to suggest that the Commission’s all-compassing language was limited to the first five months of 2015. The Commission’s decision on this point has been made. If AEP Ohio wishes to challenge the Commission’s decision, it can file an appeal in the ESP Proceeding. But AEP Ohio cannot try to push through a rate structure rejected by the Commission in the ESP Proceeding by filing a “Supplement” application in this docket.

While FES greatly appreciates AEP Ohio’s concern for FES’ business interests, FES is more concerned about ensuring that AEP Ohio’s customers actually receive the benefits of competition through the auction process. As FES suggested in its Reply Comments, the

¹ ESP Proceeding, Entry on Rehearing, Jan. 30, 2013, at p. 36.

² *Id.* at pp. 36-37 (emphasis added).

Commission should clarify that its orders in the ESP Proceeding require AEP Ohio to blend the frozen base generation rates with the auction prices so that customers can “realiz[e] any potential savings that may result.”³

Respectfully submitted,

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³ *Id.* at p. 36.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing *FirstEnergy Solutions Corp.'s Response to AEP Ohio's Motion to Strike* was served this 25th day of March, 2013, via e-mail upon the parties below.

/s/ James F. Lang
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Summary: Response to AEP Ohio's Motion to Strike electronically filed by Mr. James F Lang on behalf of FirstEnergy Solutions Corp.