

**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

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

**INITIAL COMMENTS OF DIRECT ENERGY SERVICES, LLC  
AND DIRECT ENERGY BUSINESS, LLC (“DIRECT ENERGY”)**

On October 4, 2013, Ohio Power Company (“AEP-Ohio”) filed an Application to Amend its Corporate Separation Plan to permit AEP-Ohio to retain its partial ownership of generating resources owned by Ohio Valley Electric Corporation (“OVEC”). AEP-Ohio states it could not obtain approval from the other joint owners of OVEC to permit transfer of its ownership portion to AEP Generation Resources, Inc. (“GenCo”). Application at 2, 4. Additionally, AEP-Ohio asserts there are no rate issues to resolve in this proceeding inasmuch as: (1) any rate issues during the current electric security plan (“ESP”) were resolved in AEP’s most recent ESP or are pending in docket 12-3254-EL-UNC and (2) after this ESP period AEP-Ohio intends to liquidate its portion of the power (including capacity, energy, and ancillary service components) from the OVEC plant in the PJM market. Application at 4-5.

Direct Energy appreciates AEP-Ohio’s application and thoughtful solution to the problem identified in its Application. Direct Energy urges the Commission to ensure that the power (capacity, energy, and ancillary service components) from the OVEC assets in the next ESP and beyond is sold into the PJM market. While AEP-Ohio “intends” to make such a proposal in its next ESP, the Commission should direct AEP-Ohio in this case that it’s next ESP proposal (and beyond) must include provisions that require AEP-Ohio to sell the power from OVEC into the

PJM market. Additionally, the Commission should make it clear that AEP-Ohio must receive Commission approval to deviate from selling the OVEC power into PJM.

These reasonable conditions on approval of the Application would provide assurances that the OVEC power will be sold at a market price and that customers get the benefit of a market based price for the power. Additionally, such a decision would send an important market signal to competitive retail electric supply (“CRES”) providers and the market generally of the Commission’s intent to continue its good work towards default prices being set through competitive market mechanisms.

Respectfully Submitted,

/s/ Joseph M. Clark

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## **CERTIFICATE OF SERVICE**

The undersigned hereby certifies that a true and accurate copy of the foregoing Initial Comments of Direct Energy Services, LLC and Direct Energy Business, LLC was served this 28<sup>th</sup> day of October, 2013 by electronic mail delivery upon the persons listed below.

/s/ Joseph M. Clark

Joseph M. Clark

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Summary: Comments of Direct Energy Services, LLC and Direct Energy Business, LLC electronically filed by JOSEPH CLARK on behalf of Direct Energy Services, LLC and Direct Energy Business, LLC