BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

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In the Matter of the Application of Ohio Edison Company, The Cleveland Illuminating Company, and the Toledo Edison company for Authority to Provide for a Standard Service Offer Pursuant to R.C. 4928.143 in the Form of an Electric Security Plan

Case No. 14-1297-EL-SSO

MOTION TO INTERVENE

BY

DUKE ENERGY OHIO, INC.

Now comes Duke Energy Ohio, Inc., (Duke Energy Ohio or the Company) and moves to intervene as a full party of record in the above-captioned proceedings pursuant to R.C. 4903.221 and O.A.C. 4901-1-11. The basis for Duke Energy Ohio's motion is set forth in the attached memorandum in support, which is incorporated herein by reference.

Respectfully submitted,

DUKE ENERGY OHIO, INC.

in Amy B. Spiller (0047277)

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MEMORANDUM IN SUPPORT

I. Introduction

R.C. 4928.141 requires each electric utility, such as Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company (FirstEnergy), to provide a standard service offer (SSO) "of all competitive retail electric services necessary to maintain essential electric service to consumers, including a firm supply of electric generation service." FirstEnergy currently provides that SSO in the form of an electric security plan (ESP), approved under R.C. 4928.143, that will terminate on May 31, 2016.¹ On August 4, 2014, FirstEnergy filed its application for a new ESP, to become effective on June 1, 2016.² Duke Energy Ohio – an electric utility with interests in the competitive and wholesale markets – will be affected by FirstEnergy's proposed ESP and thus seeks intervention pursuant to R.C. 4903.221.

II. Legal Standard

R.C. 4903.221(B) sets forth the criteria that the Public Utilities Commission of Ohio (Commission) is required to consider in ruling on applications to intervene. These criteria include:

- (1) The nature and extent of the prospective intervenor's interest.
- (2) The legal position advanced by the prospective intervenor and its probable relation to the merits of the case.
- (3) Whether the intervention by the prospective intervenor will unduly prolong or delay the proceedings.

¹ In the Matter of the Application of Ohio Edison Company, The Cleveland Electric Illuminating Company and The Toledo Edison Company for Authority to Provide for a Standard Service Offer Pursuant to R.C. § 4928.143 in the Form of an Electric Security Plan, Case No. 12-1230-EL-SSO, Opinion and Order (July 18, 2012).

² In the Matter of the Application of Ohio Edison Company, The Cleveland Electric Illuminating Company and The Toledo Edison Company for Authority to Provide for a Standard Service Offer Pursuant to R.C. 4928.143 in the Form of an Electric Security Plan, Case No. 14-1297-EL-SSO, Application (August 4, 2014) (FirstEnergy ESP IV Application).

(4) Whether the prospective intervenor will significantly contribute to full development and equitable resolution of the factual issues.³

The Commission has provided additional detail on the intervention requirements through the promulgation of O.A.C. 4901-1-11. Specifically, that rule requires that the Commission allow intervention by a person who has a "real and substantial interest in the proceeding" and who "is so situated that the disposition of the proceeding may...impair or impede [their] ability to protect that interest, unless the person's interest is adequately represented by existing parties."⁴ Consistent with the statutory provisions, the rule also lists several factors for the Commission to consider in determining whether a potential intervenor meets that standard:

- (1) The nature and extent of the prospective intervenor's interest.
- The legal position advanced by the prospective intervenor and its (2)probable relation to the merits of the case.
- (3) Whether the intervention by the prospective intervenor will unduly prolong or delay the proceedings.
- (4) Whether the prospective intervenor will significantly contribute to full development and equitable resolution of the factual issues.
- The extent to which the person's interest is represented by existing (5) parties.⁵

As discussed below, Duke Energy Ohio satisfies these criteria and its intervention in

these proceedings is therefore warranted.

III. Duke Energy Ohio Should be Granted Intervention in These Proceedings.

As part of its fourth ESP, FirstEnergy is proposing a competitive process of purposes of procuring all of the supply needed to serve its SSO load.⁶ FirstEnergy has further proposed bid documents for such a competitive process that are similar the bid documents currently used by

³ R.C. 4903.221.

⁴ O.A.C. 4901-1-11(A). ⁵ O.A.C. 4901-1-11(B).

⁶ FirstEnergy ESP IV Application, at pp. 6-8.

Duke Energy Ohio.⁷ Duke Energy Ohio is a prospective participant in the competitive procurement process proposed by FirstEnergy. As such, Duke Energy Ohio has a real and substantial interest in these proceedings and its intervention is warranted so that Duke Energy Ohio may protect the same.⁸ Intervention is further appropriate as Duke Energy Ohio has conducted several competitive procurements and can thus effectively aid in the development of such procurements for FirstEnergy.⁹

Duke Energy Ohio's intervention is also warranted given the proposals advanced by FirstEnergy in respect of the Ohio Valley Electric Corporation (OVEC). Duke Energy Ohio has an interest in OVEC and should be permitted to intervene in order to protect that interest.¹⁰ That is, Duke Energy Ohio's intervention would enable it to protect its considerable investment in this facility, and in the partnership going forward. Moreover, the Company is so situated that the disposition of these proceedings may, as a practical matter, impair or impede its ability to protect that interest.

Duke Energy Ohio has a real and substantial interest in these proceedings that is directly related to the merits of the case. No existing party represents Duke Energy Ohio's interests. Further, Duke Energy Ohio's participation will contribute to the development of the issues and

⁷ Id, Supporting Testimony of FirstEnergy witness Miller.

⁸ See generally, In the Matter of the Application of Duke Energy Ohio, Inc., for Authority to Establish a Standard Service Offer Pursuant to R.C. 4928.143, Revised Code, in the Form of an Electric Security Plan, Accounting Modifications and Tariffs for Generation Service, Case No. 11-3549-EL-SSO, et al., Entry (July 8, 2011)(After having supported its motion to intervene with the contention that it is a potential bidder in Duke Energy Ohio's proposed competitive auction, AEP Ohio granted intervention in Duke Energy Ohio's SSO proceeding) and In the Matter of the Application of The Dayton Power and Light Company to Establish a Standard Service Offer in the Form of an Electric Security Plan, Case No. 12-426-EL-SSO, et al., Opinion and Order, at pg. 5 (September 4, 2013)(same).

⁹ See, e.g., In the Matter of the Application of Duke Energy Ohio, Inc., for Authority to Establish a Standard Service Offer Pursuant to R.C. 4928.143, Revised Code, in the Form of an Electric Security Plan, Accounting Modifications and Tariffs for Generation Service, Case No. 11-3549-EL-SSO, et al., Entry (July 8, 2011)(Arguing that it is a participant in numerous state auctions and can aid in the development of a competitive procurement process, AEP Ohio granted intervention in Duke Energy Ohio's SSO proceeding).
¹⁰ Id. (AEP Ohio granted intervention, citing its status as a co-owner of generating assets as justifying such

¹⁰ <u>Id</u>. (AEP Ohio granted intervention, citing its status as a co-owner of generating assets as justifying such intervention). See also, In the Matter of the Application of The Dayton Power and Light Company to Establish a Standard Service Offer in the Form of an Electric Security Plan, Case No. 12-426-EL-SSO, et al., Opinion and Order, at pg. 5 (September 4, 2013)(same).

an equitable resolution. The Commission established October 1, 2014, as the deadline for intervention of interested parties in this proceeding. Duke Energy Ohio's intervention is thus timely and will not unduly prolong or delay this proceeding. Further, its interests are not represented by existing parties.

Given Duke Energy Ohio's own experience with an SSO in the form of an ESP, Duke Energy Ohio would also respectfully suggest that its intervention will significantly contribute to the full development and equitable resolution of the factual issues, based on its experience in the marketplace and understanding of competitive needs in general.

Duke Energy Ohio therefore respectfully requests that the Commission grant its motion to intervene and that it be made a full party of record. Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that a true and accurate copy of the foregoing was delivered by U.S. mail (postage prepaid), personal, or electronic mail, on this $\underline{1^{\text{SL}}}$ day of October, 2014, to the following parties.

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