

FILE

BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

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In the Matter of the Review of Chapters)
4901:5-17, 4901:5-19, 4901:5-21, 4901:5-23,) Case No. 06-1201-AU-ORD
4901:5-25, 4901:5-29, 4901:5-33, 4901:5-35, and)
4901:5-37 of the Ohio Administrative Code.)

REPLY COMMENTS OF
COLUMBUS SOUTHERN POWER COMPANY
AND OHIO POWER COMPANY

INTRODUCTION

In response to the Commission's invitation, initial comments were filed on December 15, 2006. Reply comments are due on January 16, 2007. Columbus Southern Power Company and Ohio Power Company ("AEP Companies") will not comprehensively address initial comments of other parties, including both matters with which they agree or disagree; matters left unaddressed should not be construed as a change of position. Instead, the AEP Companies submit brief and targeted reply comments below in response to certain initial comments.

OCC'S PROPOSAL TO AUTOMATICALLY RECEIVE INFORMATION SUBMITTED TO THE COMMISSION SHOULD BE REJECTED

OCC recommends that virtually all reports and submittals made by energy suppliers to the Commission should automatically and simultaneously be given to the OCC. This proposal should be rejected as unnecessary and inappropriate. OCC argues (at p.4) that its concern is based on "a potential for controversy and/or abuses in the allocation of scarce energy supplies." But unlike the Commission, the OCC has no independent regulatory authority or jurisdiction in addressing energy emergencies. Regardless of its concerns or opinion, there simply is no direct

role, statutory or otherwise, for OCC to play in addressing an energy emergency. The last thing the Commission should want in the context of an energy emergency is to set up a duplicative, inefficient process. Including OCC on filings and submittals will extend response times and could restrict the free flow of information to the Staff and the Commission.

As a practical matter, OCC being "in the loop" on all of the information could also end up causing OCC to unnecessarily insert itself into matters beyond its direct interests and could cause OCC to submit a host of questions and inquiries to utilities and other energy suppliers; this additional layer of reporting and information exchange would tend to occupy limited resources and detract energy suppliers from coordinating energy emergency efforts with the Commission. Another significant problem with OCC's proposal is that most of the information being submitted by energy suppliers would be confidential and proprietary; given that OCC has not always been willing (or able) to protect such information, that concern would adversely impact information flow where OCC is required to be copied on all information exchanged during a crisis. In short, OCC's proposal would add an inefficient, unnecessary and unfounded level of complexity to the Commission's proper statutory role in addressing energy emergencies and could inhibit the free flow of information during a crisis.

As a related matter, OCC contends that it should be part of the fuel advisory committee. This proposal should also be rejected, largely for the same reasons that OCC should not automatically be given all information exchanged during an emergency. OCC has no authority or direct role in handling an energy emergency; as the law provides, it is a matter between energy suppliers and the Commission/Governor. OCC's participation would be inefficient, at best, and could cause confusion and further complicate an already difficult situation without a good reason for doing so.

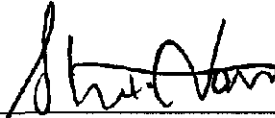
OCC'S PROPOSAL TO SIMULATE AN EMERGENCY SHOULD BE REJECTED

OCC's comments suggest (at 10) that "the Commission should undertake an emergency simulation in order to test the emergency preparedness of the Commission and energy suppliers affected by the rules." Although this proposal may be well-intended, it is not likely to be useful and will unnecessarily expend limited resources of both the Commission and energy suppliers. Consistent with the statute, the Commission's role in managing an energy emergency is based on the free flow of information and flexibility in responding to particular market conditions and emergency conditions. Thus, a simulation is not likely to assist the Commission in handling a real crisis at a later time (which will have different characteristics than the simulated crisis and different information will be available for the Commission to consider). Moreover, there is not sufficient time to do this exercise before the rule amendments need to be finalized and any useful results could only be reserved for future rule amendments. Although any benefits of a mock emergency are tenuous, it is clear that a simulation would take considerable time and would impose a significant cost on energy suppliers. And it is doubtful that OCC would advocate that its clients foot the bill for this exercise.

CONCLUSION

For the foregoing reasons, the AEP Companies recommend the rule changes advocated in its initial comments be adopted by the Commission.

Respectfully submitted,

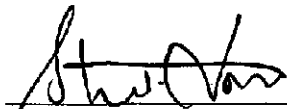


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CERTIFICATE OF SERVICE

I hereby certify that a copy of the Reply Comments of Columbus Southern Power Company and Ohio Power Company was served by U.S. Mail upon all parties of record this 16th day of January, 2007.



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