

FILE

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Complaint of)
FAIRFIELD MEDICAL CENTER,)
)
Complainant,)
)
v.)
)
OHIO POWER COMPANY,)
)
Respondent.)

Case No. 07-671-EL-CSS

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**INDUSTRIAL ENERGY USERS-OHIO'S
REPLY TO MEMORANDUM CONTRA OF OHIO POWER COMPANY**

On June 4, 2007, Fairfield Medical Center ("Fairfield Medical") filed a complaint against Ohio Power Company ("OPCo") regarding OPCo's request to impose a recurring fee for Fairfield Medical's continued use of an automatic switchover device to an auxiliary service line. On June 25, 2007, Industrial Energy Users-Ohio ("IEU-Ohio") moved to intervene in this case; OPCo filed a Memorandum Contra to IEU-Ohio's Motion to Intervene on July 10, 2007.

OPCo argues that IEU-Ohio should be denied intervention inasmuch as IEU-Ohio's only interest in this case is the potential precedent the case may set. OPCo asserts that IEU-Ohio can monitor any public hearings and file *amicus* briefs in the proceeding.

Contrary to OPCo's claims, IEU-Ohio's interest in this proceeding involves more than any precedent that the case may set. As IEU-Ohio asserted in its Motion to Intervene, the offense which gave rise to this complaint is not an isolated offense and

not limited to the service that OPCo provides to Fairfield Medical. IEU-Ohio members have been subjected to the same demands by OPCo or its Ohio operating company affiliates (collectively referred to as "American Electric Power" or "AEP") as those which Fairfield Medical describes in its complaint. From recent news articles, it also appears that the various offices of the State of Ohio have also been subjected to AEP demands for additional charges as a condition for obtaining reliable service.¹ IEU-Ohio has brought to the Public Utilities Commission of Ohio's ("Commission") attention the broader scope of the problem described in the complaint and urges the Commission to not look at this complaint as involving a single customer, but rather as an opportunity to efficiently resolve a recurring problem for other customers throughout the Ohio service territories of the AEP operating companies.

There is no good reason why customers should be required to pursue customer-specific complaints to obtain relief from a practice that is being followed uniformly by the Ohio AEP operating companies without tariff authorization and in circumstances that indicate that: (1) the incremental revenue being demanded for alternate physical connections will subject customers to duplicate charges for the same service; and, (2) AEP's demand that customers pay extra charges violates the distribution rate freeze that is currently in effect.² Additionally, the facts in this case will show that AEP is advising affected customers that AEP's demand for extra compensation is the result of the Commission's directives or Ohio's enactment of electric restructuring legislation.

¹ Gongwer News Service, Ohio Report, Report No. 139, Volume 76 (July 13, 2007) (Attachment A).

² *In the Matter of the Application of Columbus Southern Power Company and Ohio Power Company for Approval of a Post-Market Development Period Rate Stabilization Plan*, Case No. 04-169-EL-UNC, Opinion and Order at 22-23 (January 26, 2005).

Permitting AEP to compartmentalize the effects of its widespread unauthorized and unreasonable practice by granting AEP's motion to constrain the scope of intervention in this complaint case will assist AEP's widespread efforts to impose additional charges on customers forced to choose between unreliable service and higher rates. Either IEU-Ohio's intervention request should be granted based on IEU-Ohio's demonstration of its right to intervene or because IEU-Ohio's intervention in this proceeding is otherwise based on the sound exercise of the Commission's discretion. Further, granting IEU-Ohio's Motion to Intervene would be consistent with recent precedent whereby the Commission recognized the significant interests of parties other than the complainant and respondent when the case, like this one, involves legal issues that affect service to members of organizations such as IEU-Ohio.³

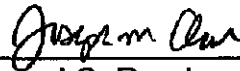
IEU-Ohio also urges the Commission to keep in mind the interests affected by this proceeding as it specifies the notice that must be published in the event that it finds that Fairfield Medical has stated reasonable grounds for the complaint. The issues raised by Fairfield Medical have legal significance and policy implications. The Commission should not use the motion of OPCo to close itself off from the comments, recommendations, or arguments that interested parties throughout Ohio may wish to bring to the Commission's attention.

For the aforementioned reasons, IEU-Ohio has a real and substantial interest in the issues and matters involved in the above-captioned proceeding that will only be protected by its participation in this proceeding. IEU-Ohio's involvement will not unduly delay or prolong the proceeding and will significantly contribute to the full development

³ *In the Matter of Complaint of Ohio Power Company v. Consolidated Electric Cooperative, Inc.*, PUCO Case No. 06-890-EL-CSS, Entry at 2 (January 24, 2007).

and equitable resolution of the factual and other issues in the proceeding. Therefore, IEU-Ohio requests that the Commission grant its Motion to Intervene.

Respectfully submitted,



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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing *Industrial Energy Users-Ohio's Reply to Memorandum Contra of Ohio Power Company* was served upon the following parties of record this 17th day of July 2007, via electronic transmission, hand-delivery or first class mail, postage prepaid.



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ON BEHALF OF FAIRFIELD MEDICAL CENTER

for the land in their deeds, but must still to obtain permits from ODNR's Office of Coastal Management before commencing construction, the new policy states.

POWER OUTAGE AT DEPARTMENT OF HEALTH PROMPTS STATE TO COMPLAIN TO PUCO OVER UTILITY'S CUSTOMER SERVICE RESPONSE

The Public Utility Commission of Ohio is used to fielding electric service complaints from consumers, but few like the call Chairman Alan Schriber got from a state cabinet official on Friday.

Fed up with what the agency viewed as slipshod service response to a power outage that essentially closed down the Department of Health for two days, Administrative Services Director Hugh Quill phoned the PUCO chief to complain about American Electric Power of Ohio, DAS spokesman Ron Sylvester said.

The company's response further outraged Director Quill, Mr. Sylvester said.

Within a short time after the director's call to the PUCO, two high-ranking AEP officials met with Mr. Quill, he said. "They tried to strong-arm us and sell us a \$30,000 premium service so this wouldn't happen again in the future. Does that sound like customer service?"

The dustup started over a power outage that began Wednesday evening at the ODH headquarters building at 246 N. High St. in Columbus. AEP spokeswoman Vikki Michalski said the problem was caused by a fault in an underground cable.

The company restored power to the building at 2:09 a.m. Friday, she said. "We got a crew right on it. Crews worked continuously until we got the power restored early this morning."

By the time DAS, which owns and manages the building, had powered up its own part of the system later in the day, ODH employees had already been told to stay home and a second day of work - and taxpayer funding for upwards of 1,000 state employees over that period - was lost, Mr. Sylvester said.

Mr. Quill viewed the utility's initial response to the state's concerns as "unacceptable" - especially considering the problem was not weather-related. Until the director personally called a top executive at the company late in the week, Mr. Sylvester added, "It was obvious they didn't have their A-team in the game."

"This is downtown Columbus, not Baghdad," Mr. Sylvester said. "It's just pathetic customer service."

The DAS director's ire escalated Friday when ongoing concerns about AEP's service - Mr. Sylvester described the company's fix as a temporary "jumper cable" - prompted his call to the PUCO chairman.

Mr. Schriber said it's the first time he could recall receiving a utility complaint directly from a state cabinet official.

"It's not unusual for me to get calls from lots of people, but usually it's a business if it's super-critical," he said. "I don't think I've had a call from an agency."

The PUCO chairman called AEP, and the company's Director of Regulatory Services Selwyn Dias and Vice President of Distribution Services Gene Jensen met shortly thereafter with Director Quill.

Mr. Schriber downplayed the agency's complaints over the meeting that transpired, saying the suggested service was a backup system. He noted the state used to have the service for the ODH building but dropped it a year or so ago.

"Nothing was extorted as far as I can tell," Mr. Schriber said. "It's simply a figure that would be paid if you

wanted a backup."

Ms. Michalski confirmed the proposal entailed a backup, or Alternate Feed Service. She said she could not comment directly to the DAS complaints over the proposal and related issues.

Mr. Sylvester said the agency gave AEP plenty of time to do its job before taking its concerns to the PUCO. He disagreed with the company's contention that their part of the job was finished early Friday morning, saying AEP reneged on an agreement to keep a crew on site until the state powered up its equipment.

"At 5 a.m. this morning there was one AEP employee on site. Apparently their A-team had left," he said. "They got the jumper cable hooked up and took off."

Ms. Michalski said crews bypassed the faulty line with an "alternate feed" and continued to examine the one-mile long problematic power line. "We still have people working on it and they will continue to work on that until they have the fault repaired," she said Friday afternoon.

The state also experienced a power outage at a nearby building at 35 E. Chestnut St. this week, and the 246 building had an outage two weeks ago, according to DAS. During the latter incident, which occurred during the middle of the workday, people in wheelchairs had to be carried out of the building, Mr. Sylvester said.

Mr. Sylvester questioned whether AEP would provide the same level of service if it lost power at its own high-rise building in Columbus. And DAS remains concerned whether the temporary solution will hold up once employees return to work in full force on Monday, he said.

"We're four blocks away from their national headquarters here. It's a bright and sunny day. Let's get the power back on."

AEP's customer service was the subject of a critical PUCO staff report last year that found customer outage complaints had jumped 10-fold since 2001. The company complained about the tenor of the report and said staff failed to recognize some mitigating circumstances that played into some of the failures. (See Gongwer Ohio Report, April 18, 2006)

The PUCO subsequently ordered the company to spend an additional \$10 million to address service and reliability concerns and barred AEP from recovering those funds from ratepayers.

FROM RUSSIA WITH ... JOBS? LT. GOV. WRAPS UP FOREIGN STEEL TRIP; GOVERNOR IN BOSTON TO TALK POLITICS

Lt. Gov. Lee Fisher returns Saturday from a steel-related economic development trip to Russia about which the Ohio Department of Development declined to provide details, citing a confidentiality agreement with his hosts.

The trip to the Magnitogorsk Iron and Steel Works was the first such foreign venture for Mr. Fisher since he took office Jan. 8.

He is scheduled to lead a trade mission to Japan beginning Sept. 7, but that will involve at least 40 people, with the majority from business and regional economic development organizations.

Three individuals accompanied Mr. Fisher on the Russia trip: Steve Schoeny, director of the department's economic development division, and two State Highway Patrol troopers.

"That's his standard security detail as an elected official," said Kimber Perfect, department spokeswoman.