FILE

BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Commission's Review of Chapters 4901:1-9, 4901:1-10, 4901:1-21, 4901:1-22, 4901:1-23, 4901:1-24, and 4901:1-25 of the Ohio Administrative Code.	**Case No. 06-653-EL-ORD**

REPLY COMMENTS OF OHIO EDISON COMPANY, THE CLEVELAND ELECTRIC ILLUMINATING COMPANY, AND THE TOLEDO EDISON COMPANY

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I. INTRODUCTION

Come Now Ohio Edison Company, The Cleveland Electric Illuminating Company, The Toledo Edison Company and American Transmission Systems, Incorporated ("Companies"), by counsel, and, in compliance with the August 19, 2008 Attorney Examiner Entry, which extended the time for filing reply comments from August 22, 2008 to August 29, 2008, respectfully submit their reply comments to the comments of other parties regarding the Commission Staff's proposed changes to Commission rules. The Companies appreciate the opportunity to submit these reply comments.

The overarching goal of any change to existing rules, particularly the ESSS rules contained in 4901:1-10, should be to maintain and improve the reliability of the electric service received by customers. Facilitating electric distribution utilities ("EDU") to make needed improvements to their energy delivery systems, such as adding new poles, wires, transformers, reclosers, and capacitors; improve their outage restoration techniques and practices to reduce and shorten outages; and complete needed line extension projects in a timely fashion all will contribute toward maintaining and improving customer service.

Rule changes that will truly permit EDUs to focus on these matters should be presented to the Commission for consideration.

Rule changes that serve to undermine such efforts and distract EDUs from putting "poles and wires in the ground", have the effect of hampering maintenance efforts and delaying or eliminating activities that would improve electric service for most customers. This type of rule change may in effect cause customer service to deteriorate - - all in the name of improving reported reliability performance standard numbers. This approach can clearly be seen in the proposals of OCEA.

The theme of OCEA is not more poles, wires, transformers, substations, and vegetation management. But rather, more rules, reporting requirements, Commission hearings, testimony, violations, fines, penalties, and sanctions. And OCEA's urging that this approach be followed all in the name of "transparency" doesn't make it any more persuasive – particularly when no linkage has been shown to exist between such "transparency" and actually maintaining and improving service to customers. In any event regarding transparency, most if not all of the information reported by the Companies is filed with the Commission or otherwise available.

The current system may not be perfect. There is always room for improvement. But as documented by OCEA throughout its comments, the Commission and its Staff have taken actions to address situations where reliability targets were not being met or where the existing rules were not being consistently followed. It's true that every consumer across the state may not have had a chance to present testimony in a formal hearing on how many times an EDU should inspect a substation in a given year. But it is also true that it is the Staff and the Commission that represent the public interest, including that consumer's voice along with all the millions of others, in establishing rules. The "public interest" is not just the interest of the signatories of the OCEA

comments, but all stakeholders. The EDUs don't always agree with Staff's conclusions or methods, but the system has proven workable and reliability in the Companies' service territories has improved. The Companies also believe OCEA's attacks on the Staff's abilities and efforts are unwarranted. For example, the suggestion that Staff lacks insight and perspective related to enforcement processes does little more than to insult Staff for no apparent reason. OCEA Comments, p. 18. Keep in mind, despite all of the doom and gloom complained about in comments, the Companies reliability is in the first and second quartile amongst other electric utilities across the nation as measured by Edison Electric Institute.

Increasing significantly the administrative burden on EDUs through adding more rules, reporting requirements, Commission hearings, testimony, violations, fines, penalties, and sanctions will not improve customer service. Increasing data identification and reporting requirements doesn't "ensure reliability" as suggested by OCEA. OCEA Comments, p. 16. In fact, just the opposite may will occur. Now instead of building new lines and installing replacement facilities, additional time must be spent by field personnel making sure they collect all the new data points, and record them in the correct format, and on the required day, and input the data into the appropriate program to be properly reported. Is data collection and reporting important – yes, both for the EDU and the Commission Staff. Do the EDUs already maintain and report highly-detailed information – yes they do and the Companies are not recommending that they be relieved of their existing tasks. What the Companies are recommending is balance between spending time and resources taking actions that actually improve reliability, and the addition of more rules, reporting requirements, Commission hearings, testimony, data requests, etc. Because if field personnel are required to undertake more of the latter, then time spent on the former declines. Where should resources be devoted: putting poles and wires in the ground in the service territory or testifying in Columbus.

Other OCEA comments that tend to show their naïveté include: that because major events are excluded from reliability performance target numbers, the EDUs will "ignore the reliability impacts suffered during storms." OCEA Comments, p. 22. Basically, OCEA is suggesting that EDUs will not try very hard during major storms in hopes it will qualify as a major storm and be excluded. Such a proposition is without basis and is an insult to the lineman and other personnel who are actually out in the field doing the hard and sometimes dangerous work to restore power during major storms. OCEA then goes on to suggest that outage data has been inappropriately excluded. OCEA Comments, p. 23. Again no basis is even suggested that this has ever occurred. Finally, OCEA states that "electric utilities should do everything possible to reduce the occurrence of outages and to reduce the amount of time that consumers are without service when they do occur." OCEA Comments, p. 27. No consumers, large or small, would be willing to pay for perfect electric service, and perfect electric service doesn't exist. The EDUs work very hard and spend hundreds of millions of dollars every year to maintain and improve their energy delivery systems. Ironically, significantly adding to the administrative burden placed on the EDUs, as proposed by OCEA, actually may negatively impact reliability.

Two final points before moving to the Companies' reply comments associated with specific rules. First, a rule violation does not necessarily mean that reliability has suffered, which is implied throughout OCEA's comments. For example, if the requirement was to inspect substations by the end of a calendar month, and the required inspection occurred on the first day of the following month instead of the last day of the previous month, that is a rule violation for which OCEA urges formal hearings and the imposition of fines, penalties, and sanctions. And now the field employee may have to travel to Columbus to testify in a formal hearing, as well as spend time preparing testimony, on this issue. They don't inspect any substations while they are in Columbus.

Second, not meeting unrealistically low reliability performance target numbers reported to the Commission doesn't necessarily mean reliability has declined. The Companies have witnessed a phenomenon on their systems that as a result of reliability improvements, what used to be major storms (and therefore excluded for reliability performance target purposes) have been reduced to minor storms. This means that fewer customers experience outages and the outages experienced are shorter in duration. But because the event used to be a major storm and excluded, but now is a minor storm and included in the reliability performance target numbers, the number got worse, but reliability and customer service actually improved. The Companies request that the Commission keep these types of dynamics in mind when determining the need for new burdensome reporting and hearing requirements.

II. REPLY COMMENTS TO INTERVERNOR INITIAL COMMENTS

Rules 4901:1-9-01 to -09, "Electric Companies"

1. Rule 4901:1-9-06

Columbus Southern Power Company and Ohio Power Company ("AEP") state that the term "document regeneration" can be interpreted to include generating and retaining records electronically. The Companies agree that it would be helpful for the Commission to clarify that the standard practice of generating and retaining records electronically is permissible.

2. Rule 4901:1-9-07

The Companies disagree with Ohio Hospital Association's ("OHA") proposal to broaden this rule to include back-up feeds connected to hospitals. As OHA indicates, hospitals are already required to "have sophisticated emergency systems" and emergency

generators which are expected to operate at the time of need. The Companies cannot and should not be required in these regulations to provide back-up feeds to supplement on-site generation. To require utilities to provide yet another back-up system is unwarranted and will have the effect of increasing costs for all electric utility customers. Moreover, providing back-up feeds to hospitals further extends potential liability to the utilities in the event the back-up feeds are not available when needed. The Companies believe that inasmuch as critical power requirements are governed under other regulations, back-up feeds should not be part of this rulemaking proposal.

3. Rule 4901:1-9-07(A)(4)

OCEA's recommendation to change the definition of the term "line extension" is overly broad and may have the effect of requiring all customers to pay for system improvements driven solely by a small number of new customers. The Companies request that the Commission reject OCEA's proposal and retain the current definition of the term "line extension".

4. Rule 4901:1-9-07(C)(3)

OCEA recommends amending the tariff requirement for line extensions to add the following language: "as part of a distribution rate case or electric security plan case". The Companies request the Commission to reject OCEA's amendment which would only lead to confusion as to the procedure for filing a line extension tariff outside a distribution rate case or an electric security plan. Clearly, the Companies want to retain the existing ability under the law to make a tariff filing related to a line extension tariff outside of a distribution rate case or electric security plan case.

5. Rule 4901:1-9-07(D)(2)

Ohio Home Builders Association ("OHBA") proposes that the 45 day timeframe to provide a binding estimate should be reduced to 20 days because of typical residential construction project schedules. However, it is difficult to believe that the period from first planning a residential construction project to the time the line extension installation is required is less than 45 days. The Companies maintain that 45 days is a reasonable time period that balances a customer's need for a firm estimate and the adequate assurances the Companies must obtain in order to provide a customer a binding estimate. The Companies request that OHBA's recommendation be rejected.

6. Rule 4901:1-9-07(D)(4)

Ohio Farm Bureau Federation ("OFBF") has proposed that this rule permit customers to bid out line extension work to the lowest third party bidder. As articulated in the Companies initial comments, the Companies adamantly oppose this proposal. The Companies' construction and material standards are critical to their ability to provide a safe and reliable system. The concept of allowing customers (or the customer's engineer and/or contractor), to design and/or construct distribution facilities, based on a least-cost

bid basis, erodes the integrity of the distribution system by introducing non-standard materials and construction methods, that are not in accordance with the Companies' design guidance. The Companies' design guidance minimizes the potential of new construction problems, like flicker and low voltages that a third party would have no need to consider, and ensures that new facilities are designed in a manner that integrates both existing and planned operational characteristics of the area. In addition, the Companies employ highly trained professional engineers and line workers with accountability to design and build distribution systems that will stand the test of time and weather. Under the OFBF proposal the Companies' will have little if any assurance that line extensions built by third parties through a low bid process will maintain similar standards. The Companies request that OFBF's recommendation be rejected.

7. Rule 4901:1-9-07 (E) and (F)

Industrial Energy Users- Ohio ("IEU-Ohio") and the OCEA request that the Commission take a more restrained approach with respect to line extensions. The Companies agree. The Companies first introduced such a restrained approach in their distribution rate case, Case No. 07-551-EL-AIR. Specifically, the Companies proposed, beginning January 1, 2009, for both the residential and the non-residential schedules, line extension charges consisting only of an up-front charge and eliminating the ongoing monthly payment. Additionally, for the non-residential program, the Companies proposed adding a new up-front payment amount for transmission class customers. The Companies believe full up-front recovery of distribution company costs (related to equipment and service provided by the distribution company) for customers taking transmission-level service is necessary because if the Companies were to charge only a portion of the total cost (or none at all), the Companies would have to include the

remaining costs for recovery in a subsequent distribution rate case. These customers would be required to pay 100% of the estimated total cost of the line extension project up-front.

IEU-Ohio notes that enabling new businesses to have free line extensions, while existing businesses were required to pay all or a portion of their line extension costs would create a competitive disadvantage for existing businesses. The Companies agree. Staff's proposed rules fail to recognize the statutory basis for the Companies' proposed up-front line extension charges. Pursuant to statute, since line extensions constitute new distribution facilities, customers may be required to pay all or some of the reasonable, incremental cost associated with installation.

> The schedule also shall include an obligation to build distribution facilities when necessary to provide adequate distribution service, provided that a customer requesting that service may be required to pay all or part of the reasonable incremental cost of the new facilities, in accordance with rules, policy, precedents, or orders of the commission. (R.C. 4928.35(C) and R.C. 4928.15(A)) *emphasis added*

The General Assembly provided, in two different places of Title 49, that electric utilities could recover from customers "the reasonable incremental cost of new facilities" necessary to provide adequate distribution service. The only reasonable explanation for the line extension language in RC 4928.15(A) and RC 4928.35(C) is that the General Assembly wanted to ensure that the Companies could recover their line extension costs so that they could continue to build distribution facilities and thus fulfill their obligation to provide adequate service.

Further, nothing in Am. Sub. S.B. 221 (R.C. 4928.151) disputes, or is in conflict with, such sharing of costs with customers via up front charges. In fact, S.B. 221 supports such an arrangement.

> The rules shall address the just and reasonable allocation to and utility recovery from the requesting customer or other customers of the utility of all costs of any such line extension... (R.C. 4928.151) *emphasis added*

The legislature obviously contemplated and provided for payment of all or some of the reasonable, incremental cost associated with installation of line extensions such as that proposed by the Companies.

The basis for the *amount* of the Companies proposed up front line extension charges is the Commission's Opinion and Order approving the Companies' Stipulation and Recommendation on line extension charges – Case Nos. 01-2708-EL-COI and 01-3019-EL-UNC ("Stipulation"). In that proceeding Staff observed, pursuant to statute, that since line extensions constitute new distribution facilities, customers may be required to pay all or some of the reasonable, incremental cost associated with installation. The Companies' proposed up-front line extension charges support the policy of recovering reasonable incremental costs associated with installation.

Furthermore, the charges proposed by the Companies ensure that the Companies adequately recover their incremental line extension costs so that they can continue to build distribution facilities and thus fulfill their obligations to provide adequate service while providing for an equitable sharing of those costs among all customers requesting service from the new facilities. Without implementation of the proposed charges, the Companies will not adequately recover the costs associated with line extensions until the next base rate proceeding.

Staff was very clear in its endorsement of the Companies proposal to continue collecting up-front line extension charges in the distribution rate case.

> ... [it] seems clear ... that the companies have the right to apply to the Commission for a cost recovery mechanism for new line extensions ... I agree with the companies that an up-front payment is a reasonable partial recovery mechanism. The "cost causers" in each case shoulder "some" of the costs caused. (Staff Exh. 18, at 10-11)

IEU-Ohio states that for customers served at the transmission level the rules provide for customer contributions towards the cost of line extensions. The Companies agree. However, in the case of customers served at the transmission level, a partial contribution is not sufficient. The Companies believe full up-front recovery of distribution company costs (related to equipment and service provided by the distribution company) for customers taking transmission-level service is necessary because if the Companies were to charge only a portion of the total cost (or none at all), the Companies would have to include the remaining costs for recovery in a subsequent distribution rate case. Such a process would create an unnecessary and unwarranted subsidy from certain customers to other customers because transmission class customers causing these specific costs may not be subject to the resulting distribution rates. In other words, the customer requiring the addition of facilities that benefit that specific customer may not pay the associated costs. Rather, all other customers in that instance would pay for the addition when rates from the subsequent rate case become effective while utility shareholders bear that cost until such rates become effective.

As stated above, line extension charges proposed by the Companies ensure that the Companies adequately recover their incremental line extension costs while providing for an equitable sharing of those costs among all customers requesting service from the

new facilities. Without implementation of the proposed charges, the Companies may not adequately recover the costs associated with line extensions until, possibly, their next base rate proceeding. Any proposed language that would require utilities to cover the cost of all line extensions that do not exceed a certain amount (Staff proposed $5,000; OCEA proposed $3,000) will require all customers to pay for a benefit enjoyed by a limited number of customers (a benefit that customers in the past paid for themselves).

8. Rule 4901:1-9-07 (G)

OFBF proposes that customers be given a lifetime to seek a refund of a portion of the CIAC as long as they are the original customer and own the home. Such a time period is simply unreasonable and administratively not practical. Moreover, it leads the Companies to amend their original position of facilitating such deposits for a 24 month period. The Companies cannot reasonably be expected to serve as agent to assist the original customer who requested a line extension seek recoupment from any and all subsequent customers. If any party wishes to ensure that all future customers that benefit from a line extension refund the original customer for the life of such customer, such party may administer a separate program whereby all customers are encouraged to contact the administering party if they believe they may be entitled to a proportionate line extension refund. The administrative party may then contact the subsequent party for payment and pass such payment onto the original party. The Companies are not equipped for this administrative burden and the time and cost of attempting to implement such a system would more than outweigh any theoretical benefit. The Companies request that OFBF's recommendation be rejected.

Rules 4901:1-10-01 to -33, "Electric Service and Safety Standards"

1. Rule 4901:1-10-01

OCEA has proposed the new definition "residential electric service". The Companies do not feel there is a need to define "residential electric service" in the rules. The OCEA does not provide a valid reason to add this definition, except to refer to tariff language as "arbitrary", which is far from accurate. A pitfall of defining such phrase is inherent in OCEA's proposed language, which offers a simplistic, overly broad definition consisting of "any location where the electricity is being used primarily for domestic purposes". Moreover, the OCEA's proposed definition would change the existing application of residential and general service criteria. For example, master metered accounts or institutional facilities considered general service for many decades would no longer be considered general service. Also, farms that are currently considered residential would be forced to take service under general service tariffs if the OCEA's proposal is accepted. If a definition for residential electric service were to be added to the rules, at the very least, requirements such as separate, permanent, functional kitchen and bathroom facilities and central heating equipment must be included, as well as the absence of any commercial or industrial activity. For these reasons the proposal by the OCEA should be rejected.

2. 4901:1-10-01(F)

OHA and Greater Cincinnati Health Council ("GCHC") propose that the definition of "critical customer" be modified to include hospitals and certain other health care facilities. However, the purpose of the "critical customer" designation is to alert utility dispatchers during an outage of certain customers that may have inadequate back-

up life support facilities. Clearly hospitals and other health care facilities would not fall in this category given the regulations in which these facilities must comply. The Companies request that OHA and GCHC's recommendation be rejected.

OCEA recommends that the definition of "critical customer" include a requirement to provide prior notice of planned outages and priority restoration during sustained outages. The Companies already notify all customers of record of planned outages regardless of critical customer status. The critical care customer outage status is noted on dispatcher consoles allowing them to include this information in their prioritization of work. The Companies see no reason to modify the definitions as proposed by OCEA. The Companies request that OCEA's recommendation be rejected.

3. Rule 4901:1-10-01(P), (R)

The Companies adamantly oppose The Council of Smaller Enterprises ("COSE") recommendation, first to broaden the definition of "governmental aggregator", and second to add the defined term "nongovernmental aggregation program". COSE's stated intent is to include all Ohio non profit membership corporations and their subsidiaries. However, COSE's proposed change exceeds the rulemaking process and would effectively transform the legislative intent of Am. Sub. S.B. 221. The concept of government aggregation and the provisions set forth in Am.Sub S.B. 221 were carefully crafted amid much concern and strongly held positions pertaining to the role of governmental aggregation in Ohio. A balance was ultimately achieved with respect to governmental aggregation and is clearly set forth in the statute. Parties cannot now be heard to unbalance and undo the hard work of the legislative body. As is always the case, the Commission's rules must closely reflect the express language of the statute

and may not vary from or go beyond the Ohio legislature's intent as delineated in the words used in Am. Sub. S.B. 221. COSE's recommendation to supplement the statute through the rulemaking process is improper and should be rejected.

In addition, COSE's recommendation to expand the definition of "mercantile customer" to "group of mercantile customers" again represents an improper attempt to accomplish through this rulemaking, language that was not accepted in the legislative process. COSE's recommendation should not be accepted.

4. 4901:1-10-01(Q)

GCHC proposes to change the major event calculation from 5 to 3 years which would in effect compromise the IEEE 1366 methodolgy. The Companies position is that 1366 needs to be adopted in whole as written. Adopting hybrid versions of IEEE 1366 may invalidate the original method. This method using 5 years of data was a consensus standard developed over many years by industry experts to replace the inadequate and differing storm definitions that were used across the industry. It is important that the professional analysis not now be discarded and replaced with GCHC's random unsubstantiated number.

The Companies agree with GCHC that transmission outage information should be included in the outage calculations as customers are unaware of the source of power outages.

The Companies disagree with OCEA's recommendation to use a 10% major storm definition as it would represent a step backwards in methodology as compared to the 2.5 beta method used in IEEE 1366.

5. 4901:1-10-01(Y)

AEP and OCEA proposed that partial power constitutes a sustained outage; the Companies disagree that all partial power cases constitute outages. Treatment of partial power conditions to single customers as an outage would require quantification of the outage source as either customer or company based upon different historical demarcations of ownership (point-of-service). The Companies do consider partial power as an outage when it affects multiple customers as a result of failure of company-owned equipment. The Companies request that AEP and OCEA's recommendation be rejected.

6. 4901:1-10-01(Z)

AEP proposes to add the new definition "transmission facilities". The Companies oppose this addition. Defining transmission facilities would complicate application of the ESSS rules. Any definition of transmission facilities could change existing classifications for distribution / transmission lines as reported to the commission in the ESSS filing. This would also have an impact on which maintenance standards would be applied to those facilities, more specifically; this will result in changed maintenance standards prior to a thorough evaluation of the maintenance needs. The Companies request that AEP's recommendation be rejected.

7. 4901:1-10-04(B)

OHA's comments regarding circuit voltage performance appear to be aimed at an unstated problem with no proposed solution. As such the Companies recommend that such comments be disregarded.

8. 4901:1-10-04(B)(1)

GCHC has proposed that a single set of standard voltage performance criteria be set and be standard for all utilities statewide. The current and proposed rules allow each

electric utility to specify which voltage ranges are listed in their tariffs due to the diversity of the numerous service voltages available at secondary and primary levels. A single uniform standard for service voltages other than secondary voltages under 600 volts (i.e., 120/240, 208Y/120, 480Y/277 volts) would be unreasonable. The Companies request that GCHC's recommendation be rejected.

9. 4901:1-10-04(B)(4)

GCHC's proposes that a common standard be developed and applied for "delivered service voltage", and the weekly performance against the standard be posted on a publicly accessible website. The Companies believe that such a practice would be overly burdensome to electric utilities. It would be unrealistic to develop and administer such a system to capture voltage for each and every customer. This proposal should be rejected.

10. 4901:1-10-05

OCEA has proposed that a customer receive a follow up letter via next day delivery when such customer provides a meter reading through the Companies' IVR system. OCEA's proposal is costly and unnecessary. The Companies already have in place a sufficient automated process whereby customer's who provide a meter reading through the IVR system receive a confirmation number. OCEA's proposal should be rejected.

11. 4901:1-10-05

OCEA recommends that when there is a landlord/tenant relationship and neither the electric utility nor the customer has access to the meter, the utility shall send a notice by mail to both the landlord (if address available) and the tenant that access to perform an actual meter read is necessary. The Companies are permitted to estimate a certain

number of meter reads during the course of a year. If the Companies are regularly denied access, the Companies will notify the customer of record. Generally, the Companies are not permitted to provide account data to a third party pertaining to any customer account. Therefore, the Companies request that the Commission reject OCEA's recommendation.

12. 4901:1-10-05(I)

OCEA proposes that the Commission require actual meter readings each billing cycle, or alternatively, if the electric utility is unable to obtain an actual read because of access issues, the customer should have the option to call-in the meter read. The Companies oppose OCEA's additional language. Although the Companies are required to attempt to obtain actual meter readings, it is not an instance of noncompliance if the Companies do not in fact obtain actual meter readings. In fact, 4901:1-10-05(H)(1) requires that a utility obtain actual readings at least once each calendar year. OCEA's recommend change would result in the Companies being exposed to countless disputes on whether the Companies' in fact attempted to read the customers meter. It is very important that the current language maintain its flexibility and not be amended. The Companies request that OCEA's recommended change be rejected

OCEA also proposes that an actual meter read be required if a meter has not been read within seven days immediately preceding initiation and/or termination of service. OCEA has provided no empirical evidence that customers are dissatisfied with the Companies current process which has proven to be effective. OCEA's proposal will increase costs for all customers and absent evidence that customers will receive a real benefit OCEA's proposal should be rejected as it would be unnecessary, unfounded and costly.

13. 4901:1-10-07(A)(1)

OCEA proposes to lower the reporting threshold from 2500 customers to 1000. The Companies request that the Commission reject this recommendation, as such a reporting threshold would be overly burdensome on the utility and Staff and could impede restoration activities. The existing rules require the notification when the 2500 customer threshold is reached by "area" not on a "circuit" basis. The Companies recommend retaining the current language.

14. 4901:1-10-07(A)(3)

The Companies oppose the OHA recommendation to revise the outage notification rules from 4 hours to 15 minutes as such increased volume would be overly burdensome on the utility and Staff. This proposal would require the Companies and Staff to continuously select, process, and route the requested data. The Companies are not aware that short-term outages greater than 15 minutes are a predictor of long-term outages greater than 4 hours.

15. Rule 4901:1-10-07 (B)

The Companies oppose the proposal by GCHC that data be reported to and posted on a public website with 24 hours of the occurrence as the Companies have automated telephone-based systems and customer service representatives that are available to provide information regarding outages, including providing interpretation of outage and facility codes as necessary to help the customer understand the situation.

16. Rule 4901:1-10-08(A)

The Companies believe one point of contact is an essential element to emergency operations and as such opposes the recommendation by the OCEA to notify multiple parties of each outage.

17. Rule 4901:1-10-08(B)(17)

The Companies believe AEP's changes to (B)(17), (G)(3)(b), and (K) must be implemented in their entirety or rejected. A piecemeal application may be contradictory and confusing.

18. Rule 4901:1-10-08(G)

The Companies adamantly oppose OCEA recommendation to obtain copies of all reports related to the emergency plan. The Companies commend the Commission's success in maintaining the confidentiality of critical infrastructure information contained in the emergency plans and elsewhere. The OCEA should rely upon the oversight of the Commission staff since these plans contain critical and confidential infrastructure information. The Companies request that OCEA's recommendation be rejected.

19. Rule 4901:1-10-08(I):

The Companies oppose maintaining contact information for persons providing care for critical customers proposed by OCEA as they may change on a frequent basis. Requiring the Companies to maintain these records would be overly burdensome. The Companies request that OCEA's recommendation be rejected.

20. Rule 4901:1-10-08(I)(1)

The Companies oppose the recommendation by OCEA for quarterly updates of its critical customer list as such maintenance would be overly burdensome to both the customer and the Companies. Customers would be required to submit doctor substantiation of their condition three additional times per year under this proposal. It should be noted that the existing annual update requirement does not preclude the addition of customers to the critical customer list at any point in time throughout the year upon providing doctor substantiation of their need. The Companies request that OCEA's recommendation be rejected.

21. Rule 4901:1-10-08(J)

The Companies oppose OHA and GCHC's recommendation that utilities should participate in periodic community-wide emergency response exercises due to the burdensome nature of including individual customer segments in an emergency exercise and believe this is covered by local communications protocol within the State's emergency management organization. The Companies request that OHA and GCGC's recommendation be rejected.

22. Rule 4901:1-10-08(K)

The Companies oppose the proposal by GCHC and OHA to add a requirement to conduct annual emergency exercises. The Companies also oppose GCHC's proposal to limit the Staff's proposed waiver of such exercises. The Companies regularly implement their emergency plan as a result of actual storm events that normally occur throughout the year. Therefore, a requirement to conduct annual emergency exercises would be redundant and such proposal should be rejected.

23. Rule 4901:1-10-08(L)

Due to the number of hospitals and health care facilities included in the Companies' service territory and the wide-spread outages experienced during many storm events it would be overly burdensome for the Companies to interface with each hospital and health care facility as proposed by GCHC. The Companies believe multiple points of contact could interrupt the communication flow and cause confusion. The Companies currently provide local points of contact to emergency management agencies which provides a similar level of response and should be sufficient. The Companies request that the Commission reject GCHC's recommendation.

24. 4901:1-10-09(B)

Staff has recognized that changing circumstances warrants a slight increase to the Average Speed of Answer from sixty to ninety seconds. OCEA objects to Staff's change claiming that the mere thirty second increase is excessive. OCEA's claim is exaggerated and unsubstantiated. The Companies request that the Commission accept Staff's proposed change.

OCEA also proposes deleting "automated system" from this section of the rule when defining "answer". However, OCEA's recommendation ignores the fact that the automated system is an integral part of the Companies' ability to provide quick, cost effective and accurate information to its many customers. In fact, the Companies automated outage reporting systems allows customers to quickly and effectively report outages without waiting. In addition, self service options are available for customers who prefer to routinely check their account balance and pay their bill without speaking to a representative. Customer volume for self service continues to rise each month as this

option is providing value for customer time. The Companies oppose deleting "automated system" when defining "answer."

OCEA suggests adding a requirement that a customer be provided the option to leave contact information for a customer call back within one business day if a live attendant is not available to take the call within the average sixty-second answer time. Although, the Companies utilize a "virtual hold" to callback customers during certain peak call volume times in lieu of them waiting on the phone on hold, the Companies oppose OCEA's proposed language and recommendation to make this type of system required. The Companies may not be able to offer this feature at all times and request that the Commission reject OCEA's proposal.

OCEA proposes electric utilities shall provide bilingual call center assistance to customers based on the primary non-English languages used within its service territory and to meet other special needs. OCEA does not explain or provide an example of "other special needs". The Companies are unclear as to what the proposal is attempting to cover and request that the Commission reject OCEA's recommendation.

25. 4901:1-10-09(C)

OCEA has proposed that electric utilities that fail to meet any minimum service level for any month must submit a letter to the commission within seven days after such failure. OCEA's comments and proposed language is one of a series of attempts whereby OCEA is attempting to discredit the hard work performed by Commission Staff and transfer day-to-day duties and authority from Commission Staff to the Commission itself. The Companies believe that Commission Staff recognizes that circumstances may arise in one month which leads a company to not meet its minimum service level, but that

multiple months may signal a problem. Moreover, the traditional approach of notifying Commission Staff in writing is sufficient. The Companies request that the Commission reject OCEA's recommendation. Moreover, the Companies request that the Commission reject each of OCEA's requests that would require company information that is currently provided to Staff to be filed with the Commission.

OCEA has proposed to add language that would require a number of mandates pertaining to the customer satisfaction surveys that have just been proposed. OCEA's recommendations are premature and should be rejected.

26. Rule 4901:1-10-10

The Companies feel OCEA's proposal for extensive revisions to rules 10 and 11 to mimic the regulations adopted in Pennsylvania and Michigan are inappropriate and unfounded and therefore should be rejected. The Companies recognize the considerable effort invested by Staff and other Ohio Companies over the past 10 years in the development of the reliability rules. The OCEA proposal does not reflect this level of maturity and contains a number of conflicting recommendations. For example:

> On page 50 of the OCEA's filed comments, OCEA recommends the Commission set targets for reliability standards instead of negotiating these targets. Yet on page 55 the OCEA commends the staff for requiring the electric utilities to fully support its own performance standards.
>
> On page 54 OCEA states that customer perception surveys should not be utilized in the development of reliability standards yet the OCEA continues to reinforce the concept of reliability surveys in their proposed rule change 4901:1-10-10(B)(4)(b) (page 54) and 4901:1-10-9(D) (page 48).

27. Rule 4901:1-10-10

The annual report prepared by the Companies, detailing reliability performance, worst performing circuits, and action plans is the result of many hours invested on both

the Companies' part in the preparation of the document and on the commission's part in their review of the document. The OHA proposal to prepare information on a more timely basis fails to recognize the magnitude of this effort. For these reasons this proposal by OHA should be rejected.

28. Rule 4901:1-10-10 (B)(2)

The Companies oppose both a state-wide standard and company-specific minimum standards be established as proposed by GCHC. A bifurcated set of standards leads to confusing goals and objectives for the Companies and the consumers. Furthermore, the implication that the Companies establish their own reliability standards is inaccurate. The rules prescribe a process through which the reliability standards are proposed, reviewed, and approved by the commission. For these reasons this proposal by GCHC should be rejected.

29. Rule 4901:1-10-10 (B)(4)(b)

The Companies agree with AEP's recommendations for the clarification that costs of mandated surveys should be allowable and recoverable expenses in rates. In addition, the Companies support the proposal for Staff to provide timely and meaningful input into the survey process and thus support AEP's recommended rule changes for rule 4901:1-10-10 (B)(4)(b) should be accepted.

30. Rule 4901:1-10-10 (B)(4)(C)

GCHC has proposed that transmission outage and major events data be included in reliability calculations. Such information is already included in the Commission Staff's proposed rules (4901:1-10-10(C)(1)) and thus no change is warranted. The Companies request that GCHC's recommendation be rejected.

31. Rule 4901:1-10-10 (C)

The Companies disagree that rules should be established forcing the Companies to post annual performance information on public websites. The Companies' annual report is provided to the Commission in a unique format prescribed by the Commission for analysis by its software. This process would not lend itself to posting on public websites. Therefore, this proposal by GCHC should be rejected.

32. Rule 4901:1-10-10 (E)

DP&L's proposal to change the time period of failure to meet performance standards specified in the commissions proposed rule from 2 years to 3 years constituting a violation of this rule should be rejected for reasons provided by the Companies in its comments filed on August 12, 2008.

The multitude of service interruption standards that OCEA has proposed are unfounded. OCEA provides no analysis of the data on which these standards are based. For the Companies to properly comment on the OCEA proposal it would need to review OCEA's work papers and data sources as they relate to the Ohio utilities. For these reasons OCEA's proposal should be rejected.

33. Rule 4901:1-10-11(C)(2)

The Companies disagree with AEP's proposal to base worst performing circuit lists on a different time frame than the system reliability indices being reported in Rule 4901:1-10-10. The current technologies allow for the reporting of worst performing circuit listing and the development of action plans in the three months between January 1st and March 31st. The Companies, again, request that the current time period based on the calendar year be retained.

34. Rule 4901:1-10-11(C)(3)

The Companies object to reporting and making publicly available the number of hospitals and medical facilities on a per circuit basis as proposed by OHA and GCHC. Customer characterization at this level is currently not maintained and poses problems as there is not a quantifiable standard for the determination of which medical facilities would be reportable.

In addition, the Companies object to listing critical customer information on Rule 4901:1-10-11 reports or public websites as proposed by GCHC. This may expose private customer information to third parties therefore violating privacy rules. The Companies' annual reports for Rules 4901:1-10-10 and 4901:1-10-11 are provided to the Commission. It is the Commission's responsibility to analyze and make public the information as appropriate.

35. Rule 4901:1-10-11(C)(3)(k):

The Companies oppose the recommendation from OFBF to inform county, township, and municipal leaders of action plans for worst performing circuits. The reporting requirement duplicates work already being done in conjunction with the Commission's reporting requirements. In addition, the Companies oppose the OFBF recommendation to provide a rate adjustment for customers whose circuit performance does not improve within the time limit specified in the action plan. Such action would create a situation of single-issue rate making outside the scope of a distribution rate case under Rule 4901-7-01, and even worse, suggests that different rate schedules would be required for any number of circuits throughout the electric utility's service territory.

Furthermore, this recommendation lacks the specificity required for approval and should be rejected by the Commission.

36. 4901:1-10-12

The Companies object to OCEA's proposed rule of crediting a customer $25 per day as a penalty for the utility not meeting requirements or standards which are not defined in other parts of the rules (e.g., the proposed customer service standard has requirements not reflected in rule 4901:1-10-09).

The Companies also oppose the OCEA proposal to require a payment to customers for sustained outages due to lack of maintenance. Maintenance periodicity and compliance is governed by Rule 4901:1-10-27. For sustained outages there would be a significant burden of proof placed on the utility to demonstrate outages were not caused by lack of maintenance.

The Companies further oppose the concept of customers receiving a financial credit for experiencing more than three (3) momentary outages within a month as a result of inadequate vegetation management by the electric utility. First, vegetation management is governed under Rule 4901:1-10-27 and performance to customers is measured under Rule 4901:1-10-11. Additionally the Companies do not always know the cause of most momentary outages and even the current monitoring systems cannot pin-point momentary outages quickly enough to provide resolution in the time necessary to meet compliance. The Companies are limited by the current technologies deployed and investment required for compliance.

Furthermore, applying penalties to the electric utilities in the overly broad instances noted by OCEA flies in the face of the overall purpose and intent of these rules.

The rules provide a means to monitor, audit and improve the maintenance standards and connection procedures of each electric utility in the state. Penalizing the electric utilities for the issues cited by OCEA renders these rules moot.

37. 4901:1-10-12

OCEA recommends that the Customer Right and Obligations be provided annually to existing customers. All new customers are provided a copy of the Customer Right and Obligations brochure. The Companies see no need to provide a copy on an annual basis to existing customers. The brochure is available to any customer who calls for it and can also be made available on each EDU's website. The Companies request that the Commission reject OCEA's proposal.

38. 4901:1-10-12(A)

OCEA has proposed that the Customer Rights and Obligation brochure include the PUCO complaint procedure. The Companies believe OCEA's recommendation is unnecessary and should be rejected. The Companies inform customers of the complaint procedure. It is important that the Customer Rights and Obligation brochure serve as quick reference guide that outlines customer rights and obligations and provides direction on how to obtain additional information.

39. 4901:1-10-12(B)(3)(b)

OCEA recommends including financial assistance referral and medical certification information in the Customer Rights and Obligation brochure. However, OCEA's proposal is not necessary. This type of information extends beyond customer rights and obligations and pertains more to special programs available to certain customers that are in need. Such customers may be provided this information as a bill

insert or by contacting the call center. The Companies request that OCEA's recommendation be rejected.

40. 4901:1-10-13

OCEA recommends that all employees should be wearing a badge and garments that display their relationship with that utility. The Companies believe that a company badge is sufficient and request the Commission to reject OCEA's proposed requirement that employees be required to wear company-issued clothing.

41. 4901:1-10-20(A)

OCEA recommends that the anti-theft and anti-tampering plans of the utility be provided to the Ohio State Legal Services Association and OCC in addition to the PUCO service monitoring and enforcement department. The Companies oppose OCEA's proposal. In the event the Companies file charges against a customer for theft or tampering, such information would be public information. Only the PUCO has the authority to regulate public utilities in the State of Ohio. Moreover, such a proposal whereby the Companies are assisting customers obtain counsel in matters involving theft or tampering would present a conflict of interest.

42. 4901:1-10-22(B)

OCEA is recommending electric utilities offer alternative bill formats upon request to include large print, Braille, and alternative languages. The Companies bill format is standardized for cost efficiency. The Companies request that the Commission reject OCEA's proposal. In the event the Commission approves OCEA's proposal the Companies will need a cost recovery mechanism to implement customized bills.

43. 4901:1-10-22(B)

OCEA further supports the 28-32 day billing period. As the Companies have previously stated, the vast majority of customer bills fall within the range of 28 – 32 days. However, due to timing of holidays, weekends, and because of severe weather events, billing periods occasionally fall outside the 28 – 32 day time frame. To compel electric utilities to conform in *all* cases to a 28 – 32 day billing period will result in more estimated customer bills, the incurrence of more overtime costs and will serve to drive up the cost of electric service. Therefore this proposal should be rejected.

44. 4901:1-10-22(E)

OCEA opposes the $2.00 authorized agent charge. OCEA feels no fee should be charged to the customer. There are a variety of ways in which customers may make payments without incurring a fee. The Companies see no sense in eliminating numerous payment agents merely because they require a $2.00 processing charge (which is less than many ATM fees to withdraw cash from a financial institution). The Companies request the Commission to reject OCEA's proposal.

45. 4901:1-10-22(I)

OCEA proposes that electric utilities permit customers to adjust their billing due date by 21 days. The Companies oppose OCEA's recommendation for this additional requirement and request the Commission to reject it. This proposal will increase the electric utilities carrying costs and will potentially increase uncollectible expense thus driving up the cost of electric service.

46. 4901:1-10-24(A)

OCEA proposes that customers be provided a copy of the Customer Rights and Responsibilities annually – not just upon request. The Companies believe an annual circulation is unnecessary and will ultimately drive up the cost of electric service to all customers. The Customer Rights and Responsibilities brochure is available to any customer who calls for it and can also be made available on each EDU's website. The Companies request that the Commission reject OCEA's request.

47. 4901:1-10-24(C)

OCEA requests that a requirement be added to provide informational and educational materials to customers in non-English form. The Companies receive very few requests for foreign language brochures. The cost of providing foreign language brochures will ultimately drive up the cost of electric service to all customers.

48. 4901:1-10-24(D)

OCEA states that electric utilities should be prohibited from routinely requesting a customer social security number unless there is a bona-fide need due to the national issue of identity theft. The Companies do have a bona-fide need to confirm the customer's identity and at times to verify credit.

49. 4901:1-10-24(E)

OCEA opposes electronic authorization for customer consent to release information. The Companies request that the Commission reject OCEA's recommendation. Currently, the Companies offer the electronic option to better assist customers obtain and return the applicable information. Customers should not be denied the option.

50. Rule 4901:1-10-26

COSE has proposed adding energy efficiency reporting requirements. However, given the fact that such reporting requirements are currently being addressed in docket (08-888), it is unnecessary and not appropriate to handle such requirements here. For this reason, this proposal by COSE should be rejected.

51. Rule 4901:1-10-26

The Companies reject the extensive "OCEA" proposed revisions of Rule 4901:1-10-26 that essentially cuts and pastes regulations adopted in Pennsylvania (PA Rules Chapter 57.195) without so much as a citation. These recommendations are inappropriate and unfounded as OCEA fails to point out how such sweeping changes would result in improved reliability and operations in Ohio. The OCEA simply copied the Pennsylvania rules with minor editorial revisions. The Companies recognize the considerable effort invested by Staff and other Ohio Companies over the past 10 years in the development of this rule and do not see an Ohio benefit by blindly replacing it with PA rules disguised as OCEA recommendations. Moreover, OCEA makes a number of recommendations which are already set forth in other rules. For example:

> On page 83 of OCEA's filed comments, OCEA recommends six copies of the report be filed with the Commission and one copy filed with the OCC. The Rule 4901:1-10-26 report is publicly filed with the Commission and available on the Commission website to the OCEA. Making and delivering a printed copy especially for the OCEA would be wasteful and inefficient.

On page 84 of OCEA's initial comments, it states that the Companies should supply a description of each major event. However, this information is already part of Rule 4901:1-10-10, and therefore adding such description requirement to this rule would be duplicative and unnecessary.

On page 85 of OCEA's initial comments, it states that the Companies should list the major remedial efforts taken to date and planned for circuits that have been on the worst performing 8% of circuits list for a year or more. However, this information is already part of Rule 4901:1-10-11, and therefore adding such requirement to this rule would be duplicative and unnecessary.

For the reasons stated above, OCEA's proposal should be rejected.

52. Rule 4901:1-10-26(B)(1)(e)

The Companies agree with and accept Duke, AEP, and DP&L's comments to this rule that reporting of such transmission information is duplicative, since transmission information is already provided to the regional transmission operator (MISO). In much the same fashion as the Companies objected to multiple points of reporting of outage information, preferring a single point of contact for such information outside the Company, the Companies object to this proposal which would introduce reporting transmission information to the Commission.

53. Rule 4901:1-10-27

Again, Companies urge the Commission to reject the extensive "OCEA" revisions of Rule 4901:1-10-27 that simply cuts and pastes, not Pennsylvania regulations this time,

but the regulations adopted in New Jersey (§14:5-8). These recommendations are inappropriate and unfounded as OCEA fails to point out how such sweeping changes will result in improved reliability and operations in Ohio. The OCEA simply copied the New Jersey rules with minor editorial revisions, again without citation. The Companies believe the Commission must recognize the considerable effort invested by its Staff and the Ohio Companies over the past 10 years in the development of these rules, and reject OCEA's proposal.

OCEA's proposed addition of Rule 4901:1-10-27 (G)(1) (H)(B) states "if a transmission line is upgraded or newly constructed after December 18, 2006, the width of the clearing under the transmission line shall meet the minimum requirements of the National Electric Safety Code (C-2 2002)", however, the proposed Rule 4901:1-10-06 requires compliance with the 2007 National Electric Safety Code. Furthermore, the relevance of the December 18, 2006 date has no apparent meaning other than this date was used in the New Jersey regulations. For the reasons stated above, OCEA's proposal should be rejected.

54. Rule 4901:1-10-28 (A)(1)

OCEA propose to allow third party ownership of generating facilities to qualify for treatment under net metering rules. The Companies request that the Commission reject OCEA's proposition. If accepted, it would constitute a retail sale of electricity within the certified territory of the utility, which has the exclusive right to serve load centers in its territory.

55. Rule 4901:1-10-28 (A)(1)(a)(i)

The Companies oppose OCEA's proposal to add "cogeneration technology" to the list of qualifying generating facilities. Ohio Revised Code Section 4928.01(A)(31)(a)

lists which generating facilities qualify as generating facilities under net metering contracts or tariffs, which does not include "cogeneration technology", as follows: "Uses as its fuel either solar, wind, biomass, landfill gas, or hydropower, or uses a microturbine or a fuel cell;". Acceptance of OCEA's proposal would exceed Commission authority pursuant to Ohio Revised Code, and therefore must be rejected.

56. 4901:1-10-28(A)(2)

Ohio Advanced Energy's ("OAE") proposal to allow demand credits to carry-forward to subsequent billing months should be rejected. The Ohio Revised Code precludes any change in rate structure, such as any change to a minimum demand provision, by applying net metering rules. This is stated under Section 4928.67 (A)(1), which includes the following: "The contract or tariff shall be identical in rate structure, all retail rate components, and any monthly charges to the contract or tariff to which the same customer would be assigned if that customer were not a customer generator.".

57. 4901:1-10-28 (B)(6)(b)

OCEA proposes to make available a capacity payment to generation resources committed as a capacity resource in an RTO operating a capacity market such as PJM. The Companies oppose OCEA's proposal as the ORC does not provide for such credits. Section 4928.67 (A)(1) states the following: "That contract or tariff shall be identical in rate structure, all retail rate components, and any monthly charges to the contract or tariff to which the same customer would be assigned if that customer were not a customer-generator.". Furthermore, the Ohio Supreme Court in FirstEnergy Corp. v. The Public Utilities Commission of Ohio [(2002), 95 Ohio St. 3d 401; 768 N.E. 2d 648] found it inappropriate to credit for any charges other than the electric generation charge. For these reasons, OCEA's proposal should be rejected.

58. 4901:1-10-28(A)(6)(c)

The Companies oppose OAE's proposal to change the language "only the excess generation component" to include "all riders applicable to the generation component". While the excess generation component may be located in a rider, the application of all riders related to generation is not appropriate. For example, there may be riders related to generation that are for the purpose of gradualism of rate impacts, which clearly would not be appropriate to compensate net metering customers for excess electricity.

The Companies do not agree with Dayton Power and Light's proposal to allow credit refunds to customers upon customer request. Such refunds constitute a FERC jurisdictional sale of power to the electric distribution utility. This position is supported by Ohio Revised Code Section 4928.01(A)(31)(d) which states the following as part of the definition of a net metering system: "Is intended primarily to offset part or all of the customer-generator's requirements for electricity." Refunds in lieu of credits should not be permitted for these reasons. The Companies propose that any credit balances existing at the end of each twelve billing periods be reset to zero.

The Company opposes OCEA's proposal to add "all generation riders and surcharges" to the existing language "only the excess generation component". While the excess generation component may be located in a rider, the application of all riders related to generation is not appropriate. For example, there may be riders related to generation that are for the purpose of gradualism of rate impacts, which clearly would not be appropriate to compensate net metering customers for excess electricity.

OCEA also proposes to add language to this rule enabling a net metering customer to "request an additional credit for improving distribution line losses and for the ability to black bus start generating capacity". The ORC does not support such credits.

Section 4928.67 (A)(1) states the following: "That contract or tariff shall be identical in rate structure, all retail rate components, and any monthly charges to the contract or tariff to which the same customer would be assigned if that customer were not a customer-generator.". Furthermore, the Ohio Supreme Court in FirstEnergy Corp. v. The Public Utilities Commission of Ohio [(2002), 95 Ohio St. 3d 401; 768 N.E. 2d 648] found it inappropriate to credit for any charges other than the electric generation charge. For these reasons, OCEA's proposal should be rejected.

59. 4901:1-10-28 (B)(6)(d)

The Companies oppose OCEA's proposal to add language specifying which customers shall pay for subsidies to hospitals taking advantage of net metering benefits. Any decision regarding which customer segment should subsidize charges of another customer segment should be determined as part of a PUCO rate proceeding, not as part of an OAC rule. For these reasons OCEA's proposal should be rejected.

60. 4901:1-10-32 (renamed to 4901:1-10-10 (A)(1))

NOPEC believes that not only should the EDU be responsible for the delivery of typical individual customer data such as rate code, billing addresses and usage, that the EDU should also aggregate this data "as a whole". However, NOPEC does not propose how or to what extent the EDU is required to aggregate the load "as a whole". For example, does the EDU aggregate the load based on rate code, based on zip code or some other unknown criteria. Moreover, NOPEC does not recognize the fact that the EDUs are not in the aggregation business, nor do the EDUs have the necessary tools to perform these functions. Further, the Companies do not provide these "aggregation" services to other CRES suppliers. The Companies expect that those that have entered the business of aggregating and serving load must take the responsibility for this information and must

possess the tools and know how to handle that load and should not rely on the Companies to provide these services. If NOPEC's changes were to be accepted, then the Companies must be permitted to recover costs, directly from Government Aggregators, those costs associated for purchasing computer hardware, software and employee expenses to deliver aggregation services above those costs to be collected as allowed by the Companies' Supplier Tariffs. Further, adequate time must be provided to accomplish these tasks. But again, the Companies do not want to be in this business and the Commission rules should not attempt to force the Companies to do so.

61. 4901:1-10-33(H)

OCEA requests that payments be applied in a manner that is most advantageous in avoiding disconnection of service for nonpayment. However, OCEA fails to recognize that the Companies have financial obligations and need to be paid in full on a timely manner. The Companies request that OCEA's recommendation be rejected.

Rules 4901:1-22-01 to -04, "Interconnection Service"

OCEA proposes a number of changes under this chapter regarding limitations on the amount of time for the electric utility to provide target dates for processing applications, cost estimates and timetables of system upgrades. Work by the electric utility necessary to process applications, assess system impacts, research and evaluate customer equipment, design and estimate costs for system upgrades and coordinate with customers and manufacturers often varies from application to application due to circuit and system characteristics, customer equipment, the customer's electrical requirements and configurations, etc.. The electric utility requires enough time, based on each specific application, to perform these tasks properly in order to maintain and ensure the safety and

reliability of the electric utility's distribution system. To place definitive time requirements on the electric utility without regard to such variables would be misguided and detrimental to the interconnection process, therefore, OCEA's proposals regarding timing limitations under this chapter, although well-intentioned, should be rejected.

1. 4901:1-22-01(D)

The Companies' request that the Commission reject the proposal by OCEA on the basis that an additional tariff is not needed. The argument supplied by the OCEA does not provide clear and convincing evidence that a problem exists and therefore revised language is not needed.

2. 4901:1-22-04(A)(1)

The companies oppose the proposal by OCEA as not necessary. The OCEA provide no evidence or support to suggest that the electric utilities have violated this proposal in the past or that customers would benefit from this in the future. The Companies' believe that the proposed rule needs time to be adopted and tested before penalties should be imposed. OCEA's proposal should be rejected.

3. 4901:1-22-04(B)(3)(b)

The Companies' request the Commission to reject this proposal by OCEA on the basis that the thirty-day time-frame is not reasonable. A thirty working day timeframe may be sufficient for many but not all applications. Reasonable allowance must be given to the Companies' when an over abundance of applications exceeds company resources.

4. 4901:1-22-04 (B)(5)(c)

OCEA's proposal to require electric utilities to provide a copy of every notification made to an applicant under Section 4901:1-22-04 (B)(5)(a) to the Commission on a monthly basis would be administratively burdensome and is

unnecessary. Moreover, applications may contain privileged business information that the parties have indicated and critical infrastructure information about the Companies' that may not be shared in a public format. There are other means already available to the Commission to monitor compliance with the application rule by the electric utilities without requiring the addition of such an unnecessary, burdensome and bureaucratic process that would add unnecessary costs to ratepayers, therefore OCEA's proposal should be rejected.

5. 4901:1-22-04(F)(1)

The Companies' oppose the proposal by OCEA on the basis that once all the required information is supplied the Companies' need a reasonable amount of time to evaluate and process the application. The proposal by OCEA does not allow for the exchange of information required by the utility and the applicant to arrive at the most reliable, least cost engineering solution to problems encountered in the proposal. The Companies request that the Commission reject OCEA's proposal.

6. 4901:1-22-04(F)(2)

The proposal by OCEA to engage in a construction contract within 14 days is strongly opposed by the Companies'. Interconnection construction requirements can be very complex requiring careful consideration and may require the engagement of third party engineering and construction firms. It would be entirely unrealistic to establish such a short timeframe to these activities.

III. CONCLUSION

The Companies thank the Commission for the opportunity to present reply comments and respectfully request the Commission to incorporate the Companies'

recommendations as set forth above in the rules adopted in this proceeding. The Companies urge the Commission to use well-reasoned judgment when considering the many proposals by multiple parties to impose undue burdens on the Companies without a recognizable benefit that more than offsets such burdens, keeping in mind the negative impact on customer service that may result.

Respectfully submitted,

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that the preceding pleading was served this 29th day of August, 2008 upon the parties of record at the addresses listed below via. U.S. mail postage paid.

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