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January 14, 2009

VIA FACSIMILE AND FEDERAL EXPRESS

Public Utilities Commission of Ohio
Docketing Division
180 East Broad Street
Columbus, OH 43215-3793

Re: Case Nos. 08-917-EL-SSO and 08-918-EL-SSO

Dear Sir or Madam:

Enclosed for filing please find an original and 20 copies of The Commercial Group's Reply Brief in the above-referenced cases.

Also enclosed are two extra copies of the document to be date-stamped and returned to me in the enclosed, self-addressed, Federal Express envelope. Please do not hesitate to contact me at the number above if you have any questions.

Thank you for your assistance in this matter.

Sincerely,


Douglas M. Mancino

Enclosures

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BEFORE**THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of the)
Columbus Southern Power Company for)
Approval of its Electric Security Plan; an) Case No. 08-917-EL-SSO
Amendment to its Corporate Separation Plan;)
And the Sale or Transfer of Certain Generating)
Assets)

In the Matter of the Application of Ohio Power)
Company for Approval of its Electric Security) Case No. 08-918-EL-SSO
Plan; and an Amendment to its Corporate)
Separation Plan)

REPLY BRIEF OF THE COMMERCIAL GROUP

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Counsel for Wal-Mart Stores East, LP,
Sam's East, Inc., and Macy's Inc.

Dated: January 14, 2009

BEFORE**THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of the)	
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In the Matter of the Application of Ohio Power)	
Company for Approval of its Electric Security)	Case No. 08-918-EL-SSO
Plan; and an Amendment to its Corporate)	
Separation Plan)	

REPLY BRIEF OF THE COMMERCIAL GROUP

COMES NOW, Wal-Mart Stores East, LP, Sam's East, Inc., and Macy's, Inc.

(collectively, the "Commercial Group"), by and through counsel, files this Reply Brief in the above-captioned proceeding. As discussed below, the Commercial Group respectfully requests that the Public Utility Commission of Ohio ("Commission") deny the application for an electric security plan, as filed, and modify the plan as discussed in its Initial Post-Hearing Brief and herein.

I. INTRODUCTION

As discussed in the Commercial Group's *Initial Post-Hearing Brief*, on July 31, 2008, Columbus Southern Power Company's ("CSP") and ("Ohio Power Company") (collectively, "American Electric Power" or "AEP") filed an electric security plan ("ESP") application with the Commission for review and approval pursuant to Amended Substitute Senate Bill 221 ("SB 221"). Under SB 221, an electric distribution utility can establish an SSO by applying to implement a market rate offer ("MRO") pursuant to Revised Code Section 4928.142, or an ESP

pursuant to Revised Code Section 4928.143. In its application, AEP proposed an ESP which addressed a large range of issues that proposed substantial revisions to the terms and conditions of its service. In reviewing AEP's application, SB 221 places the burden on the electric distribution utility to demonstrate that, in the aggregate, its proposed ESP is superior to an MRO that satisfies the provisions of Section 4928.143 of the Revised Code. Based on the record in this proceeding, and as discussed in the various intervenors' initial briefs, AEP has failed to demonstrate that its proposed ESP satisfies the requirements of SB 221. Accordingly, the Commercial Group continues to request that the Commission deny AEP's proposed ESP as filed. Additionally, with respect to AEP's proposed energy efficiency and peak demand reduction programs, the Commercial Group requests that the Commission find that AEP's proposal fails to further the goals of SB 221, as demonstrated in the record and as further discussed herein.

II. AEP'S ENERGY EFFICIENCY AND PEAK DEMAND REDUCTION PROPOSALS FAIL TO FURTHER THE GOALS OF SB 221

As stated in the Commercial Group's Initial Post-Hearing Brief, AEP has failed to demonstrate that its proposed energy efficiency and peak demand reduction proposals satisfy the goals and requirements of SB 221. Throughout the record and in its initial post-hearing brief, AEP continues to argue that retail customers should be precluded from directly participating in demand response programs offered by the PJM Interconnection, LLC ("PJM"), and that customers should be required to directly participate in AEP's programs. Although AEP recognizes that PJM's demand response programs provides "direct competition" to its energy efficiency and peak demand reduction proposal,¹ AEP continues to fail to recognize that the policy goals of SB 221 encourage such innovation and competition.

¹ See AEP's Initial Post-Hearing Brief at p. 125.

Specifically, as provided in Section 4928.02 of the Revised Code, the policy goals of the state of Ohio include encouraging innovation and market access for cost-effective supply and demand-side retail electric service including, but not limited to, demand-side management. Allowing customers to directly participate in PJM's demand response programs moves towards achieving the policy goals of SB 221, and will provide an overall benefit to all customers in Ohio, by providing additional opportunities and options for customers to participate in demand response programs.² As demonstrated in the record in this proceeding, AEP has not demonstrated that its programs are more cost effective or beneficial to consumers than the PJM demand response programs.³

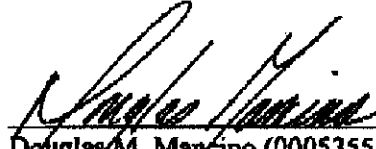
Approving AEP's request to prohibit retail customers from having the ability to directly participate in PJM's demand response programs would frustrate the policy and goals of SB 221. Accordingly, as demonstrated in the record for the reasons stated in the Commercial Groups' Initial Post-Hearing Brief and the reasons stated by numerous other intervenors in this proceeding including Integrys Energy Services, Inc., Constellation NewEnergy, Inc. and Constellation Energy Commodities Group, Inc. and the Industrial Energy Users-Ohio, the Commercial Group respectfully requests that the Commission deny AEP's request to modify its tariff to specifically preclude customers from directly participating in PJM's demand response resources. AEP has failed to satisfy its burden of proof to demonstrate that its proposal meets the requirements of SB 221.

² See the Post Hearing Brief of the Industrial Energy Users-Ohio at pp. 29 - 30.

III. CONCLUSION

WHEREFORE, for the foregoing reasons, the Commercial Group respectfully requests that the Commission deny AEP's application as filed and modify AEP's electric security plan as discussed in its Initial Post-Hearing Brief and herein.

Respectfully submitted,



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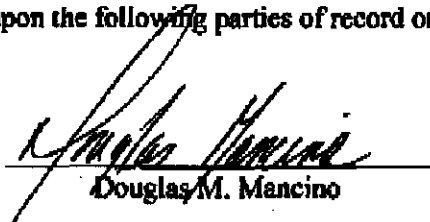
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Dated: January 14, 2009

² See the Commercial Group's Initial Post-Hearing Brief at pp. 7 – 9, Integrys Energy Services, Inc.'s Brief Opposing the Companies' Proposal to Ban PJM Demand Response Participation at pp. 16 – 24, and the Initial Brief of Constellation NewEnergy, Inc. and Constellation Energy Commodities Group, Inc. at pp. 20 – 22.

CERTIFICATE OF SERVICE

I hereby certify that I caused a copy of the "Reply Brief of The Commercial Group" to be served either via first class mail or electronic mail upon the following parties of record on the 14th day of January, 2009.


Douglas M. Mancino

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