

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of)	
Columbus Southern Power Company For)	
Approval of its Electric Security Plan)	Case No. 08-917-EL-SSO
Including Related Accounting Authority; an)	
Amendment to its Corporate Separation)	
Plan; and the Sale or Transfer of Certain)	
Generating Assets)	
and)	
In the Matter of the Application of Ohio)	
Power Company for Approval of its Electric)	
Security Plan Including Related Accounting)	
Authority; and an Amendment to its)	Case No. 08-918-EL-SSO
Corporate Separation Plan)	

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**INTEGRYS ENERGY SERVICES, INC.'S
MOTION FOR ORDER REQUIRING AEP TO CEASE AND DESIST AND REQUEST
FOR EXPEDITED RULING**

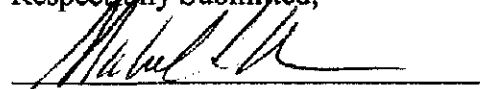
Pursuant to Rule 4901-1-12(C) of the Ohio Administrative Code, Integrys Energy Services, Inc. ("Integrys") respectfully moves this Commission to order the Columbus Southern Power Company ("CSP") and the Ohio Power Company ("OPC") (collectively "AEP") to cease enforcing its unilateral and unauthorized ban against its retail customers enrolling in the PJM Interconnection Interruptible Load for Reliability Program ("ILR") and to timely process the ILR registrations for the AEP PJM Zone. Although the Commission has not ruled on AEP's proposal to ban PJM demand response participation, AEP is notifying ILR applicants that the Commission has addressed the issue and is unilaterally refusing to process applications for any of its standard service customers to enroll in the ILR program. AEP simply does not have any authority to prohibit its customers from participating in the ILR Program. Indeed, its tariff today is the same tariff in place during last year's registration period, and pursuant to which AEP customers enrolled in the ILR Program. Accordingly, Integrys respectfully requests that the Commission

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order AEP to cease enforcing any purported ban against processing requests from its customers to enroll in the ILR program.

Given the urgency of this issue and the millions in dollars at stake for the customers that have submitted registrations to participate in the ILR Program, Integrys seeks an expedited ruling pursuant to Rule 4901-1-12(C) of the Ohio Administrative Code. In the alternative, Integrys asks that a ruling be issued immediately pursuant to Rule 4901-1-12(F) of the Ohio Administrative Code as this ruling will not affect the substantial rights of any party, including AEP, simply maintaining the status quo pending a final Commission decision on AEP's proposal to ban PJM demand response participation. Counsel for Integrys certifies that counsel for AEP was contacted regarding its request for an expedited ruling and that counsel for AEP objected to the request. A Memorandum in Support of this Motion and Request for Expedited Ruling is attached hereto.

Respectfully Submitted,



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MEMORANDUM IN SUPPORT

For the past several years, retail customers in the PJM service territory have been able to enroll in demand response programs, whereby the retail customer agrees to curtail its energy use when such is needed for system reliability. In exchange, the customers who enroll in the programs receive payments from PJM. For the current planning year, June 2008 to May 2009, Ohio retail customers have enrolled hundreds of megawatts of load into the ILR Program to assist with PJM's grid reliability needs. For this availability for the upcoming planning period, Ohio customers will receive millions in dollars in payments from PJM – dollars that struggling manufacturers critically need to survive during this economic crisis. Integrys Energy Services is a registered curtailment service provider ("CSP") at PJM. As a registered CSP, Integrys receives the curtailment notices from PJM and then coordinates with customers to shed the load required at the proper time. Integrys is financially responsible to PJM if the customers it has enrolled for curtailment purposes do not fulfill the curtailment order, and therefore, is at risk for non-compliance.

Earlier this month, Integrys filed enrollments for several large Ohio end users in the ILR Program for the upcoming planning year, June 1, 2009 to May 31, 2010. Late Monday, Integrys was informed by an AEP representative, in unequivocal terms, that AEP will not process applications for enrollment into the ILR Programs. In fact, AEP has already denied numerous applications claiming that the Commission has addressed the PJM participation issue and that an order will be issued shortly, and certainly more will follow based on the same rationale by AEP. Following is the standard language being used by AEP in its denial notifications and redacted copies are attached as Exhibit A (see comment section of attached PJM screen prints):

In accordance with the Columbus Southern Power (CSP) tariff, the applicant receives its requirements service at average embedded costs and does not take title to any capacity or energy. The applicant is only obligated and entitled to purchase capacity and energy that it uses to meet its specific load, and is not authorized to resell the capacity or energy. The relationship between CSP and the applicant is governed by tariffs in effect and approved by the Public Utilities Commission of Ohio. The question of whether CSP customers can participate in PJM DR programs was addressed in Case No. 08-917-EL-UNC. An order in that case is expected shortly.

Given these circumstances, AEP does not accept that the applicant is eligible to participate in PJM's Emergency Program.

Clearly, AEP lacks authority to block participation, and admits, as it should, that the Commission has not issued an order in this case. AEP's refusal to process ILR applications means that both Ohio retail customers currently enrolled in the PJM ILR program and new customers to that program will not be able to participate for the 2009 – 2010 PJM planning year, and would therefore be denied the payments from PJM.

AEP's actions are based on its proposal to ban PJM demand response participation, included as part of their Electric Security Plan filing in the above styled docket. AEP inserted the proposed ban in new tariff language, arguing that participation in demand response programs constitutes a resale of energy. Integrys and other parties strongly opposed AEP's proposed ban on PJM demand response participation and its positions on the current tariff language, submitting extensive briefs on the issue. Unfortunately, even though the Commission has yet to rule on the issue, AEP has now taken matters into its own hands and seeks to preempt the Commission's decision. AEP's actions prior to the Commission's decision in the above-proceedings creates a *fait accompli* in which even if the Commission denies AEP the right to ban participation of its customers in the PJM ILR program, the ban will exist by virtue of the customers not receiving timely utility certification. AEP is acting without Commission authority and in violation of its tariff, this action by AEP is prejudicial, unreasonable, and unlawful.

AEP has no basis for acting to ban PJM program participation. It is important to note that the tariff provisions in place today with regard to this issue are the same as were in place during last year's registration period – and, last year all customers were enrolled in the ILR Program. Based on arguments in briefs, in response to this motion AEP may argue that it is relying on its current tariff language, which for OPC states:

Resale of energy will be permitted only by legitimate electric public utilities subject to the jurisdiction of the Public Utilities Commission of Ohio and only by written consent of the Company. In addition, resale of energy will be permitted for electric service and related billing as they apply to the resale or redistribution of electrical service from a landlord to a tenant where the landlord is not operating as a public utility, and the landlord owns the property upon which such resale or redistribution takes place.¹

However, this language does not reference PJM demand response participation. This is why AEP proposed new tariff language expressly banning demand response program participation. Moreover, as noted above, AEP has in prior years not been able to prevent its customers from participating in PJM demand response programs. Given that course of past conduct and the proposed tariff language awaiting Commission determination, AEP cannot now rely on its existing tariff language to block enrollment in the ILR Program. AEP's actions are not based on the existing tariff language, but rather are being taken as if the proposed tariff language banning PJM demand response participation were in place.

AEP's actions warrant an immediate order from the Commission directing AEP to process all ILR Program enrollments in good faith. It is imperative that the Commission immediately issue this order given the looming PJM registration deadline and the millions of dollars in PJM payments at stake for Ohio businesses that need that revenue. Accordingly, Integrys respectfully requests that the Commission exercise its authority under Section 4905.06,

¹ See generally Exhibits DMR-9 (p. 9 of 285) and DMR-10 (p. 21 of 295), Companies Ex. 1, Roush Dir. Test.

Revised Code and issue an expedited ruling on this motion ordering AEP to cease enforcing any purported ban against participation in the ILR Program and ordering AEP to timely process PJM ILR registrations. The ruling may be issued pursuant to Rule 4906-1-12(C) of the Ohio Administrative Code, or in the alternative, immediately pursuant to Rule 4906-1-12(F) as this ruling will not affect the substantial rights of any party including AEP, simply maintaining the status quo pending the Commissions' final decision on AEP's proposed ban on PJM demand response participation.

Respectfully Submitted,



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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Document was served upon the following parties by E-mail or First-Class U.S. Mail this 25th day of February, 2009.



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EXHIBIT “A”

Address: https://esuite.pjm.com/mul

eSUITE

- > CAM
- > eData (new)
- > EES
- > eFTR
- > eIKT
- > eLTR
- > eRPM
- > eSchedules
- > eSuite Messages
- > Load Response
- > MISRS
- > OASIS
- > eSUITE Tools
- > eDART
- > eGADS
- > eFuel
- > Energy Procedures
- > RPLACR

Home Customer Management View Reports New Registration New Compliance Data Logout Upload Email

Email Management

Load Response Registration

Registration ID:

Curtailment Service Provider: Integrys Energy Services, Inc. (Retail)

Submitted Dates: 02/13/2009

Denied by EDC

Planning Period: 2008-2010

Terminate Date: 08/01/2010

Apr 01 - Integrys Energy Services, Inc. (Retail)

https://esuite.pjm.com/html

Status History

User's Name	Status Change	Timestamp	Comments
	Denied by EDC	02/25/2009 11:42:21 EST	In accordance with the Columbus Southern Power (CSP) tariff, the applicant receives its requirements service at average embedded costs and does not bid into any capacity or energy. The applicant is only obligated and entitled to purchase capacity and energy that it uses to meet its specific load, and is not authorized to resell the capacity or energy. The relationship between CSP and the applicant is governed by tariffs in effect and approved by the Public Utilities Commission of Ohio. The question of whether CSP customers can participate in PJM DR programs was addressed in Case No. 08-517-EL-UNC. An order in that case is expected shortly.
ApriCTL	Updated by CSP	02/17/2009 11:05:51 EST	Given these circumstances, AEP does not accept that the applicant is eligible to participate in PJM's Emergency Program.
ApriCTL	Pending EDC/ASE	02/13/2009 04:35:44 EST	

Status History

User's Name	Status Change	Timestamp	Comments
	Denied by ECOLSE	02/25/2009 11:58:15 EST	In accordance with the Ohio Power Company (OPC) tariff, the applicant receives its requirements service at average embedded costs and does not take title to any capacity or energy. The applicant is only obligated and entitled to purchase capacity and energy that it uses to meet its specific load, and is not authorized to exceed the capacity or energy. The relationship between OPC and the applicant is governed by tariffs in effect and approved by the Public Utilities Commission of Ohio. The question of whether OPC customers can participate in PJM DR programs was addressed in Case No. 08-818-EL-UNC. An order in that case is expected shortly.
April 17	Updated by CSP	02/17/2009 11:07:28 EST	Given these circumstances, AEP does not accept that the applicant is eligible to participate in PJM's Emergency Program.
April 17	Pending ECOLSE	02/13/2009 01:25:24 EST	

Address: https://esuite.pjm.com/ra/

esuite

- > CAM
- > eData (new)
- > EES
- > eFTR
- > eMKT
- > eMTR
- > eRPM
- > eSchedules
- > eSuite Messages
- > Load Response
- > MSTRG
- > OASIS
- > eSuite Tools
- > eDART
- > eGADS
- > eFuel
- > Emergency Procedures
- > RPM-ACR

Home Customer Management View Reports New Registration New Compliance Data E-mail Management Logout Upload E-mail

Load Response Registration

Registration ID:

Curtailment Service Provider: Integrity Energy Services, Inc. (Retail)

Submitted Date: 02/13/2009

Registration Status:

Effective Date:

Denied by EDC/LE

Planning Period:

2009-2010

Terminate Date:

09/01/2010

ApwRTL - Integrity Energy Services, Inc. (Retail)

Status History

User's Name	Status Change	Timestamp	Comments
ApriMTL	Denied by EDCLSE	02/26/2009 11:05:04 EST	In accordance with the Ohio Power Company (OPC) tariff, the applicant receives its requirements services at average embedded costs and does not take title to any capacity or energy. The applicant is only obligated and entitled to purchase capacity and energy that it uses to meet its specific load, and is not authorized to resell the capacity or energy. The relationship between OPC and the applicant is governed by tariffs in effect and approved by the Public Utilities Commission of Ohio. The question of whether OPC customers can participate in PJM DR programs was addressed in Case No. 08-918-BL, UNC. An order in that case is expected shortly.
ApriMTL	Updated by CSP	02/17/2009 11:06:18 EST	Given these circumstances, ACP does not except that the applicant is eligible to participate in PJM's Emergency Program.
ApriMTL	Pending EDCLSE	02/19/2009 07:20:17 EST	