BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO) Case No. 08-1094-EL-SSO))

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REPLY BRIEF OF CONSTELLATION NEWENERGY, INC.

In the Matter of the Application of The

Dayton Power & Light Company For

Approval of its Electric Security Plan

Constellation NewEnergy, Inc.("CNE") is a competitive retail electric supply provider ("CRES") certificated to conduct retail sales of electricity in Ohio. CNE has conducted retail sales of electricity in Ohio since 2001 and continues to do so to this day. CNE has been an active participant in all of the rule making procedures to implement Senate Bill 221 as well as the electric security plan proceedings including the matter at bar. CNE strongly believes that the best way to achieve the State's Energy Policy Goals established in Section 4928.02, Revised Code is provide customers with the maximum number of options to procure energy and to remove rate designs or overt subsidies which form barriers to a retail customers being able to select the most efficient source and supply of electricity.

On February 23, 2009 CNE signed the Stipulation in the matter at bar. It did so because it believes that taken as a whole the Stipulation is in the best interest of the public. The Stipulation is a consensus document reached as the result of a series of negotiated compromises by all the signatory parties. The fact that the Stipulation is a compromise and not an expression of policy by the Signatory Parties is embodied in Paragraph 35 of the Stipulation. Paragraph 35 contains the standard language for Commission stipulations noting that stipulations cannot be used to establish precedent

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and that when a party signs a stipulation it is understood that the signatory party is not approving of each and every provision contained in the stipulation. This concept is specifically expressed in Paragraph 35 of the Stipulation in the matter at bar which states in part:

> This Stipulation is a consensus among the Signatory Parties of an overall approach to rates. It is submitted for the purposes of this case along and <u>should not be understood</u> to reflect the positions that an individual Signatory Party may take as to any individual provision of the Stipulation <u>standing alone</u>, nor the position a Signatory Parity may have taken if all of the issues in this proceeding had been litigated." (emphasis added)

On page 12 of its Initial Brief the Applicant, The Dayton Power & Light Company ("DP&L"), states that "Representatives of all of DP&L's customer groups (residential, low-income, commercial and industrial) and CRES providers have signed the Stipulation, demonstrating the reasonableness of the RSC." (emphasis added) Given the language of paragraph 35, it was entirely inappropriate for DP&L to conclude that any signatory party specifically supports the Rate Stabilization Charge let alone any other single provision standing alone. CNE has consistently argued before this Commission against the imposition of non bypassable generation-related charges since they act as barrier to the development of retail competition. CNE's support for the Stipulation and signature on the Stipulation cannot and should not be interpreted as support for the imposition of non bypassable rate stabilization charges. CNE remains a signatory party and does support Commission adoption of the Stipulation as written, but it is not an accurate statement to state that it supports the Rate Stabilization Charge provision of the Stipulation. Respectfully Submitted,

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CONSTELLATION NEWENERGY, INC.

With

By:

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and accurate copy of the foregoing document was served this 13th day of April, 2009 by regular U.S. mail, postage prepaid, or by electronic mail, upon the persons listed below.

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