

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application)	
of Columbus Southern Power)	Case No. 09- 1094-EL-FAC
Company and Ohio Power Company)	
to Recover Commission-Authorized)	
Deferrals Through Each Company's)	
Fuel Adjustment Clause.)	

**MOTION FOR LEAVE TO FILE SURREPLY INSTANTER TO AEP'S REPLY
TO OCC AND OEG'S OBJECTIONS
BY
THE OFFICE OF THE OHIO CONSUMERS' COUNSEL AND
THE OHIO ENERGY GROUP**

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January 8, 2010

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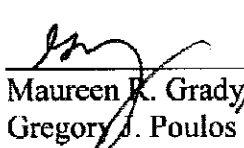
The Office of the Ohio Consumers' Counsel ("OCC") and the Ohio Energy Group ("OEG") move the Commission, consistent with Ohio Admin. Code 4901-1-31, to allow the contemporaneous filing of a surreply. The surreply is in response to the reply that Columbus Southern Power Company and Ohio Power Company ("Companies" or "AEP") filed in response to the OCC and OEG Objections. Ohio Admin. Code 4901-1-31 allows for the filing of memorandum upon a motion of any party, or sua sponte, at any time during a proceeding. Moreover, permitting a surreply is consistent with how the Commission has permitted basic local exchange service application filings to be handled, with the application, followed by objections, memorandum contra, and replies to memorandum contra¹.

¹ See e.g. *In the Matter of the Application of AT&T Ohio for Approval of an Alternative Form of Regulation of Basic Local Exchange and Other Tier 1 Services Pursuant to Chapter 4901:1-4, Ohio Administrative Code*, Case No. 06-1013-TP-BLS Entry at 4 (Sept. 1, 2006); affirmed, *In the Matter of the Application of AT&T Ohio for Approval of an Alternative Form of Regulation of Basic Local Exchange and Other Tier 1 Services Pursuant to Chapter 4901:1-4, Ohio Administrative Code*, Case No. 06-1013-TP-BLS Entry at 5 (Sept. 21, 2006).

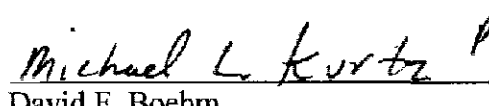
In order to assist the Commission in rendering a decision based on all the pertinent facts, and given that the Commission has not determined that it will hold a hearing in this matter, OCC and OEG move to file a surreply. The surreply will enable OCC and OEG to fully respond to issues raised in AEP's reply comments. The surreply is especially important here because of the issues at hand—AEP is seeking to increase rates to customers by \$66 million. The application should be fully explored and subject to challenge. The Commission should provide all interested parties with the full opportunity to advise the PUCO of their concerns with the application. Allowing the surreply to AEP's reply will facilitate such an opportunity.

Respectfully submitted,

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 Per Auth. 69.P.
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MEMORANDUM IN SUPPORT

Initially, on December 16, 2009, OCC and OEG filed objections to the Companies' application in this proceeding, along with a reply to their Memo Contra IEU-Ohio's motion for a hearing. The OCC/OEG objections focused on protecting customers from being charged \$66 million for nine months of market delta revenues assumed by AEP to have been created under the Ormet contract. In its objections OCC and OEG offered the Commission a reasonable alternative to the Companies' proposal. That alternative is that the maximum collection from customers for the nine months of delta revenues related to Ormet should be no more than \$2.7 million in delta revenue and carrying costs. OCC and OEG's recommendations were explained in detail and depicted on OCC/OEG Schedule 1.

On December 23, 2009, the Companies responded to OCC's objections by filing a "reply."² To date, the Commission has not ruled upon IEU-Ohio's motion for a hearing, nor has the commission taken any action upon the application. Nor has the Commission established a procedural schedule setting forth timelines for responsive pleadings.

² AEP provided no citation to support its right to reply to OCC/OEG objections.


The Companies recently filed their application in this docket seeking to collect \$62.9 million (100%) of the market delta revenues and carrying costs thereon of \$3.2 million from its customers, by way of fuel adjustment clause pass-through.³ Whether the application establishes a fuel adjustment clause or establishes an economic development recovery rider, under either form it amounts to a rate increase. AEP thus, has the burden of proving that the rate increase it proposes is just and reasonable. Other interested parties, including OCC and OEG, have moved to intervene and have filed objections to the application. IEU-Ohio has also moved for a hearing on the application. The Commission must now determine whether AEP's proposal may be unjust and unreasonable, and then must act based on its conclusions.

The stakes are great in this proceeding. AEP has asked for a \$66 million rate increase at a time when customers can ill afford to pay more. The Commission should have all pertinent information before it to assist it in its review of the application. OCC and OEG, as parties representing the customers who may be forced to pay increased rates, should have a full opportunity to present their view of the utility's application. Due to the reply of AEP, there is more to be said than what was in the initial comments of OCC and OEG. The Commission should permit OCC and OEG to submit a surreply to AEP's reply.

³ *In the Matter of the Application of Columbus Southern Power Company and Ohio Power Company to Recover Commission-Authorized Deferrals Through Each Company's Fuel Adjustment Clause*, PUCO Case No. 09-1094-EL-FAC, Application (Nov. 13, 2009).

Respectfully submitted,

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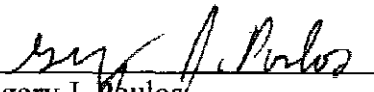
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The Ohio Energy Group

CERTIFICATE OF SERVICE

I hereby certify that a copy of this Motion for Leave to File Surreply Instantly To AEP'S Reply to OCC and OEG's Objections was served on the persons stated below via first class U.S. Mail, postage prepaid, this 8th day of January, 2010.


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