

BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Commission Review of)
the Capacity Charges of Ohio Power) Case No. 10-2929-EL-UNC
Company and Columbus Southern Power)
Company)

**REPLY COMMENTS OF
CONSTELLATION ENERGY COMMODITIES GROUP, INC.
AND CONSTELLATION NEWENERGY, INC.**

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These reply comments are provided pursuant to the Public Utilities Commission of Ohio's ("PUCO") December 8, 2010 order in Case No. 10-2929-EL-UNC inviting comments from interested persons concerning American Electric Power Service Corporation's proposed capacity charges to Ohio's Competitive Retail Electric Service ("CRES") providers on behalf of Columbus Southern Power Company ("CSPCo") and Ohio Power Company ("OPCo") (CSP and OPCo are herein collectively referred to as the "AEP Ohio" or "AEP").

AEP alone continues to attempt to justify its scheme. On January 7, 2011, Constellation Energy Commodities Group, Inc. and Constellation NewEnergy, Inc. provided initial comments in this Docket, urging the Commission to reject AEP's proposal. Additional comments, universally opposing AEP's proposal, were filed by a number of parties, including Direct Energy, FirstEnergy Solutions, Industrial Energy Users-Ohio, Ohio Consumers Counsel, Ohio Energy Group, Ohio Manufacturers Association, Ohio Hospital Association, and Ohio Partners For Affordable Energy. On January 21, 2011, the Federal Energy Regulatory Commission rejected AEP's attempt to bypass the PUCO, and to alter AEP's capacity cost compensation mechanism in FERC Docket No. ER11-2183-000. The result of the FERC order is that the question of the appropriate capacity compensation mechanism remains squarely in the hands of this Commission.

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AEP must itself seek a change to the current capacity construct, if it so desires, and retain the burden to support its proposal. On January 25, 2011, AEP filed an Electric Security Plan (“ESP”) for both of its Ohio distribution utilities in PUCO Case Nos. 11-346-EL-SSO and 11-348-EL-SSO. As part of its ESP Plans, AEP seeks to alter the amount of capacity charges to CRES Providers that exists in the previously approved ESP cases. The recently filed ESP cases are the appropriate forum for AEP to justify any proposal to alter the existing capacity compensation mechanism, for stakeholders to test those claims, and for the PUCO to review and rule on the request.

WHEREFORE, Constellation respectfully requests that the Commission, having received the comments and reply comments requested in the December 8, 2010 Entry, deem its review complete. Further, in light of the ESP proceeding, the Commission should find moot AEP’s request for additional hearings and close this proceeding.

Respectfully submitted,



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*On behalf of
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and Constellation NewEnergy, Inc.,*

Dated: February 7, 2011

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and accurate copy of the foregoing documents was served this 7th day of February, 2011 by electronic mail, upon the persons listed below.



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