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BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO
2011 APR 25 PM 2:47

In the Matter of the Application of)
Ohio Power Company for Approval of the)
Shutdown of Unit 5 of the Philip Sporn)
Generating Station and to Establish a)
Plant Shutdown Rider.)

Case No. 10-1454-EL-SSO
ALBRO

REPLY COMMENTS OF OHIO PARTNERS FOR AFFORDABLE ENERGY

Ohio Partners for Affordable Energy (OPAE) hereby submits its Reply Comments regarding the Application filed in the above-referenced docket.

OPAE generally agrees with the Comments filed by Industrial Energy Users-Ohio ("IEU-OH"), the Ohio Energy Group ("OEG") and the Office of the Ohio Consumers' Council ("OCC"). OPAE also agrees with the argument made by OCC in its Supplemental Comments filed yesterday.

OPAE disagrees with the recommendation of OCC that this Case should be consolidated with Case No. 11-345-EL-SSO, *et.al.* ("AEP ESP"). The status of Unit 5 of the Sporn Generating Station is irrelevant to determining an appropriate Standard Service Offer given that the Company will no longer use the Sporn asset to provide generation service. The issue of cost recovery should be settled in this docket. As OEG notes, this is a critical issue and the decision in this matter will determine whether customers are forced to oppose a number of similar applications as old Ohio coal-fired power plants are retired. Most, despite having been fully depreciated, have benefitted from capital investments post-SB 3. To the extent the Commission permits recovery of investments occurring after generation became unregulated and competitive the floodgates will in fact open. OEG Comments at 3.

recovery. Both argue that costs should be allocated based on demand rather than energy. Both are incorrect. Generation in wholesale markets, with which both entities are familiar, is priced on a per kilowatt hour basis. Cost recovery under a deregulated scheme such as that in Ohio should follow the market. Costs should at a minimum, be allocated among customer classes based on usage. The Commission is free to determine how to allocate responsibility on an intra-class basis.

Walmart and OEG also opine that any rider approved to recover the requested costs be bypassable for shopping customers. OPAE disagrees. The costs associated with the closure of Sporn Unit 5 are costs incurred in the past, when there was no shopping within AEP's Ohio service territories. There still is little or no shopping on the Ohio Power Company (OPCo) service territory. To the extent ratepayers must compensate OPCo, shoppers and non-shoppers alike are responsible for these legacy costs and recovery should not be bypassable.

OPAE also disagrees with the OPCo proposal, supported by Walmart, to spread recovery over three years. OPCo customers are already facing huge fuel cost deferrals. Adding additional deferrals and interest charges to the ratepayer bill service no useful purpose except to guarantee OPCo substantial profits beyond the recovery of any approved deferrals. The deferral should be amortized over a single year or the Commission should deny recovery of carrying charges and amortize recovery over whatever period it sees fit.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Comments was served electronically and by regular U.S. Mail upon the following parties identified below in this case on this 22nd day of April 2011.



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