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**Via Telefax Transmission and
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August 15, 2011

Public Utilities Commission of Ohio
PUCO Docketing
180 E. Broad Street, 10th Floor
Columbus, Ohio 43215

PUCO

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In re: Case No. 11-4304-EL-UNC

Dear Sir/Madam:

Please find enclosed an original and twenty (20) copies each of **THE REPLY COMMENTS OF THE OHIO ENERGY GROUP** fax-filed today in the above-referenced matter.

Please place this document of file.

Respectfully yours,



David F. Boehm, Esq.

Michael L. Kurtz, Esq.

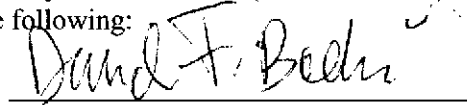
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CERTIFICATE OF SERVICE

I hereby certify that true copy of the foregoing was served by electronic mail (when available) or ordinary mail, unless otherwise noted, this 15th day of August, 2011 to the following:



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In The Matter Of The Staff Proposal For An Economic Development Tariff : Case No. 11-4304-EL-UNC
:

The Ohio Energy Group¹ (OEG) filed Comments to the Staff's proposed Economic Development Program (EDP) tariff. OEG files the following in response to the Public Utility Commission of Ohio's (Commission) invitation to provide replies to the Comments of others.

GENERAL

OEG's initial comments consisted, in fact, of both comments and questions as it is our impression that the current draft leaves much to be clarified. Not surprisingly the comments of others did not answer any of those questions and it is our expectation that this will be done by the Staff. Until

¹ OEG is a non-profit entity organized to represent the interests of large industrial customers in electric and gas regulatory proceedings before the Public Utility Commission of Ohio. OEG's members consist of: Air Products & Chemicals, Inc., AK Steel Corporation, Aleris International, Inc., Alcoa Inc., Amsted Rail Company, Inc., ArcelorMittal USA, BP-Husky Refining, LLC, Cargill, Incorporated, Charter Steel, Chrysler LLC, E.I. DuPont de Nemours & Company, Ford Motor Company, GE Aviation, General Motors LLC, Johns Manville (Berkshire Hathaway), Linde, LLC, Materion Brush, Inc., North Star BlueScope Steel, LLC, Praxair, Inc., The Procter & Gamble Co., RG Steel, The Timken Company, Warren Steel Holdings, LLC and Worthington Industries, Inc.

these questions are answered, much remains open and our questions exceed our comments and our Reply Comments are few.

1. OEG observed that others also note that the discounts proposed by the tariff should be calculated from the market rate for power and not from the utilities SSO unless the SSO's were lower. This would ensure that the rate resulting from the application and its discount to the qualifying customer would be as low as possible. The concept is explained in some detail in the Comments of First Energy Solutions. It serves also to clarify OEG's comment that the competitive bidding process should allow the incumbent utility a "*right of first refusal*". That right should attach only to the incumbent-regulated utility and would involve serving the load from its native generating assets where the SSO is the same or lower than the best competitive bid. In other words, the rate to be discounted would be the lower of cost or market.
2. We agree that the definition of mercantile class is too broad and should only include manufacturing customers.

The OEG respectfully submits the above Reply Comments for your consideration. We thank the Commission for this opportunity to address this important issue.

Respectfully submitted,



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August 15, 2011

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