

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Long Term)	
Forecast Report of Ohio Power)	Case No. 10-501-EL-FOR
And Related matters)	

In the Matter of the Long Term)	
Forecast Report of Columbus)	Case No. 10-502-EL-FOR
Southern Power Company and)	
Related matters)	

**Initial Comments of
Interstate Gas Supply, Inc. d/b/a IGS Energy**

Now comes Interstate Gas Supply, Inc. doing business as IGS Energy (IGS Energy). and pursuant to the Commission's Entry of September 5, 2012 in the above styled proceedings, presents its comments concerning the requirements for non-bypassable funding under Section 4928.143, Revised Code in general, and specifically non-bypassable funding for the AEP Ohio turning point project.

IGS Energy is a certificated competitive retail electric service provider serving primarily residential customers in the AEP Ohio service area. It also participated in the AEP Ohio ESP II proceeding (Case No. 11-346-EL-SSO) where it opposed non bypassable funding for the Turning Point Project.

In the interests of administrative efficiency, IGS Energy hereby joins in the Comments of the Retail Energy Supply Association. In addition, IGS wishes to make two other observations. First, in 2011 IGS Energy sold its surplus Ohio sited S-RECs for approximately \$275 per REC (MWh). The going rate today for 2012 S-RECs range from

\$105 to \$135 per S-REC. There are publically available broker websites in which the Commission can follow the prices¹. The S-REC market in Ohio is competitive and functioning well. The same may not be true if the Commission authorizes the Turning Point to be subsidized via a rate payer guarantee.

IGS Energy would also like to point out that if Turning Point RECs must be funded by non shopping customers, while CRES must supply the remaining RECs for shopping customers, the billing and collection for energy will become even more complex. REC and REC costs will have to be blended. This will be particular problem in the AEP Ohio service area since AEP Ohio does not have a functioning purchase of receivables program. That means that when customers figure out their invoices they will be paying for some renewable energy credits in their AEP Ohio bill, and the rest in their CRES bill.

In conclusion, the Commission should support the use of market principles for pricing renewable energy credits as well as the functioning Ohio renewable energy market by denying non-bypassable funding for the Turning Point Project. Further, it should make shopping for energy easy by having consolidated billing with the purchase of receivables.

Respectfully submitted,



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¹ Two Ohio REC websites which quote S-REC prices are FLETTEExchange.com and S-RECTrade.com

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Initial Comments of Interstate Gas Supply, Inc. d/b/a IGS Energy was served this 3rd day of October, 2012 via email on the parties listed below.



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Summary: Comments Initial Comments electronically filed by M HOWARD PETRICOFF on behalf of Interstate Gas Supply, Inc. d/b/a IGS Energy