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January 16, 2007

Ms. Renee J. Jenkins
Director, Administration Department
Secretary to the Commission
Docketing Division
The Public Utilities Commission of Ohio
180 East Broad Street
Columbus, OH 43215

PUCO

RE: PUCO Case No. 06-1201-AU-ORD

In the Matter of the Review of Chapters 4901:5-17, 4901:5-19, 4901:5-21, 4901:5-23, 4901:5-25, 4901:5-29, 4901:5-33, 4901:5-35, and 4901:5-37 of the Ohio Administrative Code

Reply Comments of Ohio Edison Company, The Cleveland Electric Illuminating Company and the Toledo Edison Company

Dear Ms. Jenkins:

Enclosed for filing please find the original and twelve (12) copies of *Reply Comments regarding* the above-referenced case which was fax-filed today. Please file the attached. File-stamp the <u>two</u> extra copies and return them to the undersigned in the enclosed envelope.

Thank you for your assistance in this matter. Please contact me if you have any questions concerning this matter.

Very truly yours,

James W. Burk

JWB:ls Enclosures 12 By Federal Express

This is to certify that the images appearing are an accurate and complete repredection of a case file document delivered in the regular course of business.

Technician Date Processed / 17-8

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Review of Chapters)
4901:5-17, 4901:5-19, 4901:5-21, 4901:5-23,)
4901:5-25, 4901:5-29, 4901:5-33, 4901:5-35,)
and 4901:5-37 of the Ohio Administrative Code)

Reply Comments of Ohio Edison Company, The Cleveland Electric Illuminating Company and The Toledo Edison Company

Come Now Ohio Edison Company, The Cleveland Electric Illuminating Company, The Toledo Edison Company ("Companies"), by counsel, and in accordance with the Commission's Entries issued on October 11, 2006 and November 14, 2006 hereby submit their reply comments to the proposed rules filed in this docket.

The Companies agree with the comments of Duke Ohio and AEP, among others, that the Commission's energy emergency rules must recognize that emergency processes already exist at both PJM and MISO, and that the Commission's rules should not conflict with those of the RTO's or create ambiguity when ambiguity is least desirable, i.e., during an energy emergency. The Companies also agree with the comments of Duke Ohio and others that it is not practical for electric power producers or coal producers to monitor the consumption of consumers during a time of energy emergency to track whether the usage is for a priority use. This requirement should be removed from the proposed rules.

The Commission should not promulgate rules that will create a Hobson's choice for an electric utility or electric power producer of choosing which rule to follow in the

event of a conflict between the rules of the Commission and an RTO. But in the event this undesirable outcome occurs, the Companies agree with DPL that electric utilities should be permitted to recover in rates any costs or penalties that arise from following the PUCO rules and thereby not those of the RTO. On a similar note, as recommended by DPL, the Companies believe that the rules should expressly permit recovery of costs and penalties arising from complying with the rule requirement to not run pollution control equipment.

The Companies believe that one of the underlying purposes of R.C. 4935.03, and the rules promulgated thereunder, is to have one agency as the point of coordination and contact for all energy providers, as well as the Governor's office, during an energy The OCC's suggestion that it be copied on all of the reports and emergency. information provided to the Commission would undermine this fundamental purpose. The fact residential usage is a priority use and that OCC is a residential advocate in proceedings before the Commission does not form a legitimate basis for the information to be provided to OCC. If this were the case, all persons directly or indirectly associated with any priority use should also be provided the information, which is certainly not contemplated by the statute and would hamper the efforts of the Governor and Commission to manage the energy emergency. If OCC receives calls during an energy emergency, those calls should be directed to the Commission to better assure a consistent response will be given to consumers. The Companies believe OCC's request to include in the rules provisions that OCC be copied on this information should be denied.

The Companies believe, as suggested by OCC, that the Commission should have up to date contact information and that parties should understand what information is to be reported. With regard to the former, it is not necessary to have a simulated energy emergency to obtain updated contact information, and as to the latter, in large part, this rulemaking proceeding will determine what information must be provided. The Companies do not believe the Commission should include a requirement in the rules for a simulated energy emergency.

While it is common to have the ability to waive the application of a rule in a particular instance, the Companies agree with others that changes to these rules must follow the standard administrative rulemaking process if they are to be changed.

The Companies thank the Commission for the opportunity to submit comments in this proceeding and urge the Commission to consider the foregoing reply comments in their formulation of new energy emergency rules.

Respectfully submitted,

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Certificate of Service

I hereby certify that a copy of the foregoing Reply Comments were served on all persons that filed initial comments with the Commission in this proceeding as set forth on the attached list by U.S. Mail, First Class, postage prepaid, this 16th day of January 2007.

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