

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Adoption of Rules for)	
Alternative and Renewable Energy)	Case No. 08-888-EL-ORD
Technologies and Resources, and)	
Emissions Control Reporting Requirements)	
and Amendment of Chapters 4901:5-1,)	
4901:5-3, 4901:5-5 and 4901:5-7 of the)	
Ohio Administrative Code, pursuant to)	
Chapter 4928, Revised Code, To Implement)	
Senate Bill No. 221.)	

**RULEMAKING REPLY COMMENTS OF
INTERSTATE GAS SUPPLY, INC.**

Interstate Gas Supply, Inc. (IGS) is an Ohio based, privately held certified natural gas company (CRNG). IGS has been in business in Ohio since 1989 selling natural gas commodity to residential, commercial and industrial customers throughout the State. Although IGS is not a certified retail electric supplier (CRES), it is an Ohio business and is in the process of building a commercial office building in Dublin, Ohio. As such, IGS has been monitoring this proceeding as well as followed various aspects of the electric proceedings that lead to Senate Bill 221.

IGS believes that competitive markets generally provide significant benefits to consumers. Regarding natural gas, for example, competition has lead to increased exploration of natural gas in Ohio, throughout the United States and internationally, has increased resolve around developing new techniques for extraction as well as finding new solutions, like increasing liquefied natural gas processing resources. Further, in Ohio,

competition has put natural gas Choice into the hands of millions of Ohio's residential consumers. Businesses like IGS, rely on the existence of open competitive markets to provide their products and services to consumers in Ohio. Consumers rely on competition to obtain daily goods and services, as well as innovation and development. The more market based options available to consumers and business with respect to energy efficiency programs, alternative generation, advanced energy, and other sustainable energy initiatives, the greater the likelihood consumers and businesses are to embrace such initiatives.

Before the Commission in this Docket are a series of Administrative Rules that, once finalized, will direct some of the behavior of both Electric companies and Electric Service Companies as those behaviors relate to energy efficiency, peak day reduction, advance energy sources and renewable energy. Although private businesses and consumers could have a role in these initiatives, as drafted such role would be indirect at best. Initiatives that a private business or individual consumer may consider would have to be done through the electric company on which grid the company or consumer resides, and only if the electric company decides that the project fits into its energy efficiency, peak day reduction or alternative energy program portfolio.

It seems that the greater the opportunities are for private businesses and residential consumers to engage in the process and incorporate alternative energy or energy efficient solutions into the mix, the greater the reduction in energy use and the greater the likelihood individuals and businesses will look toward alternative energy sources in Ohio. This would seem to further the purpose and goals of advanced energy

and energy efficiency as part of the solution for meeting Ohio's energy needs, today and into the future.

Allowing residential consumers and businesses to shop their energy efficiency and/or advanced energy initiatives throughout the state with all utilities, not just the incumbent utility should be part of the solution. In so doing, consumers, both residential and commercial, will have a greater opportunity to find and match their energy initiative with a utility's needs. Having the widest possible market to match consumers' initiatives with the utility's needs is the best possible solution. By limiting the consumer or business to their incumbent utility, the incumbent utility dictates what level of energy efficiency, advance energy and renewable energy programs a consumer will ultimately embrace.

IGS suggests adding the underlined language as follows:

4901:1-39-06 Commitment for integration by mercantile and residential customers

- (A) A mercantile or residential customer may enter into a special arrangement with an electric utility (either the incumbent electric utility or any other Ohio electric utility), pursuant to division (A)(2)(d) of section 4928.66 of the Revised Code, or an electric services company, to commit the customer's demand reduction, demand response, or energy efficiency programs for integration with the electric utility's demand reduction, demand response, and energy efficiency programs. Such arrangement shall:
- (1) Address coordination requirements between the electric utility and the mercantile or residential customer * * *

IGS would also suggest adding "or residential" in the first and fifth lines of subsection (B) of this section, between each instance of "mercantile" and "customer", as well as in (B)(7), second line.

4901:1-40-04 Qualified resources
* * *

- (C) The following new or existing mercantile or residential customer-sited resources may be qualified resources for meeting electric utilities' or electric services company annual renewable energy resource benchmarks or advanced energy resource benchmarks, as applicable, provided that it does not constitute double-counting, for any other regulatory requirement and that the mercantile or residential customer has committed the resource for integration into the electric utility's demand-response, energy efficiency, or peak demand reduction programs pursuant to rule 4901:1-39-06 of the Administrative Code. Customer cited resources may be counted toward any Ohio utility or electric service company's renewable energy resource benchmarks, so long as such resources are not double-counted.

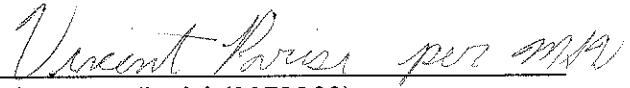
IGS would also suggest adding "or residential" between each instance of "mercantile" and "customer" in the following places:

- first line of subsection (C)(1);
- second line of (C)(1)(a);
- first line of (C)(1)(b);
- first line of subsection (C)(2);
- first line of (C)(2)(b);
- first line of (C)(2)(c);
- end of the first line of (C)(2)(d);
- first line of (C)(2)(e).

Conclusion

IGS proposes that the Commission consider including in these rules a provision that would allow a residential or commercial consumer to shop their energy efficiency, advanced energy or renewal energy initiative with any and all of the Ohio electric utilities, so that the consumer can best match their desires with the utility's needs. As currently drafted, it does not appear that a consumer would have this opportunity.

Respectfully submitted,

Handwritten signature of Vincent A. Parisi in cursive script.

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ND: 4845-0129-5363, v. 2

This foregoing document was electronically filed with the Public Utilities

Commission of Ohio Docketing Information System on

9/26/2008 4:43:44 PM

in

Case No(s). 08-0888-EL-ORD

Summary: Comments electronically filed by Mr. Matt S White on behalf of Interstate Gas Supply, Inc.