

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of Columbus)	
Southern Power Company for Approval)	
of its Program Portfolio Plan and Request)	Case No. 09-1089-EL-POR
for Expedited Consideration.)	

In the Matter of the Application of Ohio)	
Power Company for Approval of its)	
Program Portfolio Plan and Request for)	Case No. 09-1090-EL-POR
Expedited Consideration.)	

**IEU-OHIO'S MEMORANDUM CONTRA COLUMBUS SOUTHERN POWER
COMPANY'S AND OHIO POWER COMPANY'S REQUEST FOR
EXPEDITED CONSIDERATION**

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November 23, 2009

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On November 12, 2009, Columbus Southern Power Company (“CSP”) and Ohio Power Company (“OP”) (collectively, “AEP” or “Companies”) filed an application (“Application”) for approval of energy efficiency and peak demand reduction portfolio plans to comply with the requirements of Amended Substitute Senate Bill 221 (“SB 221”). The Application includes a request for expedited consideration by the Commission. Contemporaneously, a Stipulation and Recommendation (“Stipulation”) between the Companies and the Office of the Ohio Consumers’ Counsel (“OCC”), the Ohio Environmental Council (“OEC”), Sierra Club, the Natural Resources Defense Council (“NRDC”), the Ohio Poverty Law Center (“OPLC”) (the first group of parties listed are collectively referred to as the Ohio Consumer and Environmental Advocates or the “OCEA Parties”), Ohio Energy Group, Ohio Hospital Association (“OHA”), the Ohio Manufacturers’ Association (“OMA”), and Ohio Partners for Affordable Energy (“OPAE”) was filed supporting the portfolio plan and request for expedited treatment.

While they are signatory parties, neither OPAE nor OPLC take a stand for or against Sections VII and VIII of the Stipulation, which contribute to the Stipulation's price tag for customers by including allowances for "shared savings" and "incentives." In other areas of the Stipulation, the actual position of some of the signatory parties is made ambiguous by the written form of their "compromise." For example, in Section VI of the Stipulation (which is connected to the Companies' waiver requests pending in Case Nos. 09-578-EL-EEC and 09-579-EL-EEC), some of the signatory parties make it clear that their withdrawal of opposition to the waiver requests does not mean that they support the waiver requests. And as some of the signatory parties have recently confirmed through their conduct in Commission Case Nos. 09-580-EL-EEC, 09-581-EL-EEC and 09-582-EL-EEC, silence on one day may not be indicative of the position the signatory parties might take after the Commission relies upon such silence for purposes of approving an application.¹

The direct testimony of Jon F. Williams ("Williams Testimony") and David M. Roush ("Roush Testimony") was also submitted by the Companies in conjunction with the Application. For the reasons stated herein, the Industrial Energy Users-Ohio ("IEU-Ohio") opposes the Companies' and any signatory party's request for expedited consideration of the Stipulation by the Commission. The Companies' Application, if

¹ The Stipulation contains other indications that it may be more of an agreement to disagree than a document that recommends a resolution of all the issues. For example, Section V.3 of the Stipulation states:

The Companies agree to file in November 2009 a solar photovoltaic and small wind REC purchase program for residential and non-residential customers with existing renewable energy resource facilities effective for 2010-2011, subject to Commission approval of design and cost recovery and agree to discuss the key features of their proposed RET program with Commission Staff, OPAE and the OCEA Parties prior to filing. **The Signatory Parties reserve their right to oppose any aspect of the Companies' proposal if it does not reflect their positions. (emphasis added).**

approved by the Commission, would result in significant rate increases to residential, commercial and industrial customers. These total bill increases range up to projected increases of as much 3.4% for commercial and industrial customers of CSP and as much as 4.0% for commercial and industrial customers of OP.² If approved, these increases would be on top of the CSP and OP rate increases for 2010 of up to 6% and 7% respectively that CSP and OP are expected to file as a result of the Companies' electric security plans approved by the Commission.³ The proposed increases come at a time when Ohio customers continue to struggle as a result of current economic conditions. The proposed increases are not based on actual costs incurred and benefits achieved, but largely on estimates and assumptions about how things might work out. The amount of the proposed increases has been amplified by liberal allowances (again based on estimates) for the Companies' administrative costs.

The rules issued by the Commission regarding the implementation of the energy efficiency requirements by Ohio electric distribution utilities ("EDUs") provide that upon the filing of the initial portfolio plan by an Ohio EDU, any person may file objections to the plan within sixty days, including suggested modifications to the EDU's proposed portfolio plan.⁴ IEU-Ohio will be filing objections to the Companies' plan, including

² See Stipulation and Recommendation at Attachment A, *In the Matter of the Application of Columbus Southern Power Company for Approval of its Program Portfolio Plan and Request for Expedited Consideration*, Case No. 09-1089-EL-POR (November 12, 2009).

³ *In the Matter of the Application of Columbus Southern Power Company for Approval of an Electric Security Plan, an Amendment to its Corporate Separation Plan and the Sale or Transfer of Certain Generating Assets and In the Matter of the Application of Ohio Power Company for Approval of its Electric Security Plan; and an Amendment to its Corporate Separation Plan*, Case Nos. 08-917-EL-SSO and 08-918-EL-SSO, Opinion and Order (March 18, 2009).

⁴ *In the Matter of the Adoption of Rules for Alternative and Renewable Energy Technology, Resources, and Climate Regulations, and Review of Chapters 4901:5-1, 4901:5-3, 4901:5-5, 4901:5-7 of the Ohio Administrative Code, Pursuant to Amended Substitute Senate Bill No. 221*, Case No. 08-888-EL-ORD, Entry on Rehearing (October 15, 2009).

suggested modifications in accordance with the Commission's rules. As the Application was submitted on November 12, 2009, comments are due on January 11, 2010 in accordance with the Commission's rules and unless otherwise ordered by the Commission.

The Companies did not request a waiver of the Commission's rule that provides parties with sixty days to file objections to an EDU's portfolio plan. However, the parties to the Stipulation have requested that the energy efficiency and peak demand rider rates be placed into effect with the first billing cycle of January 2010.⁵ This would require the Commission to issue an order before the deadline for objections to the portfolio plan provided for under the Commission's rules. IEU-Ohio therefore objects to the request for expedited consideration. As recently demonstrated by the experience in Case Nos. 09-580-EL-EEC, 09-581-EL-EEC and 09-582-EL-EEC, haste may well produce waste.

Respectfully submitted,

/s/ Joseph M. Clark

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⁵ Williams Testimony at 28.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing *IEU-Ohio's Memorandum Contra Columbus Southern Power Company's and Ohio Power Company's Request for Expedited Consideration* was served upon the following parties of record this 23rd day of November 2009, via first class mail, postage prepaid.

/s/ Joseph M. Clark
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Summary: Memorandum Contra Columbus Southern Power Company's and Ohio Power Company's Request for Expedited Consideration electronically filed by Ms. Vicki L. Leach-Payne on behalf of Industrial Energy Users-Ohio and Clark, Joseph M. Mr.