

FILE

**BEFORE THE
PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of)
Columbus Southern Power Company and)
Ohio Power Company to Adjust Their)
Economic Development Cost Recovery Rider)
Pursuant to §4901:1-38-05(A)(5), Ohio Admin.)
Code.)

Case No. 10-154-EL-RDR

4
RECEIVED-DOCKETING DIV.
2010 MAR -8 PM 3:30
PUCO

**COLUMBUS SOUTHERN POWER COMPANY'S
AND OHIO POWER COMPANY'S
RESPONSE TO INDUSTRIAL ENERGY USERS-OHIO'S
COMMENTS**

On February 8, 2010, Columbus Southern Power Company (CSP) and Ohio Power Company (OPCO), collectively, "the Companies," filed an application in this docket to adjust their respective Economic Development Cost Recovery Riders (EDR). The application, if granted, would reduce CSP's EDR by 0.00246% and increase OPCO's EDR by 0.03602%. Along with the application, the Companies provided detailed schedules supporting the requested adjustments.

Section 4901:1-38-08 (C), Ohio Admin. Code, provides that motions to intervene and comments/objections regarding an application to update and reconcile a rider such as the Companies EDRs can be provided within twenty days of the filing of the application. On March 1, 2010 Industrial Energy Users-Ohio (IEU) timely moved to intervene and filed comments regarding the Companies' application. No other motions to intervene or comments have been filed and the time for doing so now has expired.

The Companies do not oppose IEU's motion to intervene. They do, however, oppose the four arguments contained in IEU's comments. These are that: 1) the Commission lacks jurisdiction over the subject matter of the EDR, 2) even if the

This is to certify that the images appearing are an
accurate and complete reproduction of a case file
document delivered in the regular course of business
Technician _____ Date Processed **MAR 08 2010**

Commission has jurisdiction it cannot approve the application unless the Companies accept their Electric Security Plans (ESP) and CSP withdraws its appeal of the Commission's ESP orders; 3) the EDR should not be an exception to the ESP rate caps; and 4) the carrying cost rate built into the EDR should be lower than the weighted average cost of long-term debt.¹ The latter two arguments were rejected by the Commission in its January 7, 2010 Finding and Order in Case No. 09-1095-EL-RDR, the docket in which the Companies' current EDR rate levels were authorized.² See ¶¶ 26, 27 regarding the EDR's status *vis a vis* the ESP caps and ¶¶ 24 and 25 regarding the carrying cost rate. IEU has not presented any new arguments concerning these issues that would warrant any conclusions other than the conclusions already reached by the Commission.

IEU's two other issues were not raised by IEU when the EDR was initially established in the Companies' Electric Security Plan (ESP) proceeding or in Case No. 09-1095-EL-RDR when the current EDR rate levels were to established. IEU should be deemed to have waived these two objections by not raising them in these prior proceedings. In any event, even if IEU had not waived its right to raise these two issues at this time, it is clear that the Commission now must reject them.

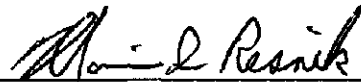
On March 5, 2010, the Commission filed its Merit Brief in Supreme Court Case No. 09-222. Among the various arguments to which the Commission responded in its Brief, the Commission addressed IEU's loss of jurisdiction argument (Brief, pp. 5,6) and IEU's argument that the Companies must accept the ESP (Brief, pp. 17-19).

¹ IEU has sought rehearing in Case No. 09-1095-EL-RDR on all four of these issues. By Entry on Rehearing dated March 3, 2010, the Commission granted rehearing to further consider the issues raised by IEU, as well as an issue raised by the Companies.

² *In the Matter of the Application of Columbus Southern Power Company and Ohio Power Company to Adjust Their Economic Development Cost Recovery Rider Rates*, Case No. 09-1095-EL-RDR, Finding and Order, January 7, 2010.

In addition, the Companies addressed all four of IEU's issues in their Memorandum Contra IEU's rehearing application in Case No. 09-1095-EL-RDR. (See, Memorandum Contra, February 16, 2010). Based on the Companies' arguments, which are incorporated herein, as well as the Commission's arguments in its March 5, 2010 Merit Brief to the Supreme Court of Ohio and in its January 7, 2010 Finding and Order in Case No. 09-1095-EL-RDR, the Commission should find IEU's comments to be without merit. The Commission, therefore, should approve the Companies' application in time for implementation by March 30, 2010, the start of the first billing cycle of April 2010.

Respectfully submitted,



Marvin I. Resnik (Counsel of Record)
Steven T. Nourse
American Electric Power Service Corporation
1 Riverside Plaza, 29th Floor
Columbus, Ohio 43215
Telephone: (614) 716-1606
Fax: (614) 716-2950
Email: stnourse@aep.com
miresnik@aep.com

Counsel for Columbus Southern Power
Company and the Ohio Power Company

CERTIFICATE OF SERVICE

I hereby certify that a copy of Columbus Southern Power Company's and Ohio Power Company's Response to Industrial Energy Users-Ohio's Comments was served by U.S. Mail upon counsel for all parties of record this 8th day of March, 2010.



Marvin I. Resnik

Samuel C. Randazzo
Lisa G. McAlister
Joseph M. Clark
McNees Wallace & Nurick LLC
21 East State Street, 17th Floor
Columbus, Ohio 43215