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PUCO

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May 27, 2010

Dr. Alan Schriber, Ph.D.
Chairman
Public Utilities Commission of Ohio
180 East Broad Street, 12th Floor
Columbus, Ohio 43215

RE: Ohio Power Company's Application to modify its Emergency Curtailment Service offers, PUCO Case No. 10-344-EL-ATA.

Dear Chairman Schriber:

I am the Energy Manager of Airgas Merchant Gases which has plants in a number of states, including plants in Canton and Dayton Ohio. For our process, electricity is a significant cost which alone exceeds 70% of our total manufacturing cost and is therefore critical to our competitiveness and longevity. Since electricity is such a large cost factor for Airgas Merchant Gases, we are required to constantly seek both efficiency and cost improvements to remain competitive. Last year, at the Canton plant alone, we reduced our electricity per unit of production by 1.5%. During this same period our cost per kWh increased nearly 8% with additional increases to come in 2010 and 2011.

Given the significance of electricity cost to our viability, programs such as the PJM Load Response program offer us the ability to reduce our cost while helping to meet overall system reliability and least cost planning. For this reason, we have been monitoring and, where necessary, engaged to oppose Ohio Power Company's ("OPs") efforts to erect and maintain barriers to customers' participation in demand response programs administered by PJM Interconnection, L.L.C. ("PJM"). As you know, OP is an electric distribution utility owned and managed by American Electric Power ("AEP-Ohio"). On a variety of fronts, AEP-Ohio has been coordinating efforts to erect and maintain these barriers.

The immediate purpose of this letter is to seek the Public Utilities Commission of Ohio's ("PUCO's") assistance. It is important that the PUCO is mindful of the need to make demand response programs available from PJM and those offered by OP useful to ultimate customers. It is also critically important that the PUCO works proactively to ensure that incumbent distribution utilities are not blocking timely progress in this area. In this context, I believe that OP's application filed in this case on March 19, 2010, will, if approved, significantly disadvantage customers such as Airgas, as well as Ohio's economy.

As I understand OP's application, OP is asking the PUCO to limit customers to one of two options that each have significant strings attached. The aspect of the proposal that would have it apply beginning with the 2010 - 2011 PJM planning year (which begins on June 1, 2010)

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seems to be designed by AEP-Ohio to deter customers from enrolling in the PJM programs or to create risks for customers considering such enrollment. And, the strings that OP wants the PUCO to attach to customer participation in PJM programs seem designed to deprive customers of choices and to work against the innovation that comes from the interaction of competing programs and suppliers. In your March 18, 2009 concurring opinion in OP's electric security plan case, you and Commissioner Centolella emphasized the PUCO's support of demand response initiatives and you encouraged AEP-Ohio to work with PJM and interested stakeholders to "...ensure predictable consumer demand response is recognized as a reduction in capacity that it must carry under PJM market rules." The results of the PUCO's support of demand response initiatives and your formal encouragement of AEP-Ohio to work with stakeholders are, however, not evident from the proposal which has been filed in this proceeding.

While the PUCO is considering OP's application in this proceeding, I urge you to do two things. First, I ask the PUCO to issue a clear statement that there are no current restrictions on enrolling in PJM demand response programs by customers receiving standard tariff service and that any such enrollments shall not be retroactively affected by any action the Commission may take in this proceeding. And second, I ask that the Commission actively manage an informal process structured to satisfy the objectives previously expressed by you and Commissioner Centolella. Unlike other Ohio electric distribution utilities, OP appears to want to make this work harder, more time consuming and more expensive than it should be.

Please feel free to contact me at 610-597-2465 if I can provide you with additional information. I thank you, in advance, for your attention and consideration.

Respectfully yours,



Ken Lyons

cc: Commissioner Valerie A. Lemmie
Commissioner Paul A. Centolella
Commissioner Cheryl Roberto
Commissioner Steven D. Lesser
Beth Trombold, PUCO Legislative Liaison
Governor Ted Strickland
Senator Bill Harris, Senate President
Senator Stephen Slesnick
Representative Armond Budish, Speaker of the Ohio House of Representatives
Representative Todd Snitchler