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PUCO

June 2, 2010

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

> RE: Columbus Southern Power Company's Application to modify its Emergency Curtailment Service offers, PUCO Case No. 10-343-EL-ATA.

Dear Chairman Schriber:

I am the Global Director of Energy Management of a paper mill located in Chillicothe, Ohio. We currently employ approximately 1400 people at our plant. For a number of years now, we have been monitoring and, where necessary, engaged to oppose Columbus Southern Power Company's ("CSPs") efforts to erect and maintain barriers to customers' participation in demand response programs administered by PJM Interconnection, L.L.C. ("PJM"). As you know, CSP 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 CSP 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 CSP's application filed in this case on March 19, 2010, will, if approved, disadvantage customers and Ohio's economy.

As I understand CSP's application, CSP 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) 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 CSP 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 CSP'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 CSP'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, CSP 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 (717)225-2887 if I can provide you with additional information. I thank you, in advance, for your attention and consideration.

Respectfully yours

James F. Loder

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 John Carey

Representative Armond Budish, Speaker of the Ohio House of Representatives

Representative Raymond Pryor