

**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of	)	
Ohio Power Company for Approval	)	Case No. 09-1873-EL-ACP
of its Renewable Energy Credit	)	
Purchase Offer Program.	)	

In the Matter of the Application of	)	
Columbus Southern Power Company	)	Case No. 09-1874-EL-ACP
for Approval of its Renewable Energy	)	
Credit Purchase Offer Program.	)	

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**REPLY COMMENTS OF INDUSTRIAL ENERGY USERS-OHIO**

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**October 15, 2010**

**Attorneys for Industrial Energy Users-Ohio**

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**A. INTRODUCTION**

On November 30, 2009, Columbus Southern Power ("CSP") and Ohio Power Company ("OP") (collectively, American Electric Power-Ohio or "AEP-Ohio") filed the instant Application for approval of a Renewable Energy Credit ("REC") Purchase Program (hereinafter "Program") by the Public Utilities Commission of Ohio ("Commission"). AEP-Ohio filed the Application pursuant to a Stipulation and Recommendation ("EE/PDR Stipulation") submitted in AEP-Ohio's energy efficiency / peak demand reduction ("EE/PDR") portfolio plan proceeding.<sup>1</sup> On September 24, 2010, the Attorney Examiner granted the Motions to Intervene of Industrial Energy Users-Ohio ("IEU-Ohio") and the Office of the Ohio Consumers' Counsel ("OCC") and also established a procedural schedule permitting initial and reply comments on the Application. On October 4, 2010, the Attorney Examiner granted a Motion to extend the

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<sup>1</sup> *In the Matter of the Application of Columbus Southern Power Company for Approval of its Program Portfolio Plan and Request for Expedited Consideration*, PUCO Case Nos. 09-1089-EL-POR, *et al.*, Stipulation and Recommendation at 5-6 (November 12, 2009). The Stipulation, as modified and approved by the Commission, only requires AEP-Ohio to propose the Program and in no way pre-determines approval of the Program. *Id.* at 5.

initial comment period to October 8, 2010 and similarly extended the reply comment period to October 15, 2010. Pursuant to the October 4, 2010 Entry, IEU-Ohio filed its Initial Comments on October 8, 2010. Additionally, a Stipulation and Recommendation (“Stipulation”) was filed in these cases on October 8, 2010 between AEP-Ohio and Commission Staff (“Staff”). IEU-Ohio hereby submits its Reply Comments for the Commission’s consideration.

## **B. REPLY COMMENTS**

The Commission should not approve the Program proposed by AEP-Ohio or the Stipulation entered into between AEP-Ohio and Staff.<sup>2</sup> Nor should the Commission adopt the recommendations contained in OCC’s Initial Comments. The problems identified by IEU-Ohio in its Initial Comments are not remedied by the terms of the Stipulation or by adopting the recommendations in OCC’s Initial Comments.

As demonstrated in the Initial Comments of IEU-Ohio, the Program needlessly piles on costs recovered through the fuel adjustment clause (“FAC”) without any demonstration of cost-effectiveness<sup>3</sup> and will therefore increase (in the case of OP) or delay full amortization (in the case of CSP) of the deferrals recoverable from customers under AEP-Ohio’s approved Electric Security Plan (“ESP”).<sup>4</sup> Further, the Program fails to ensure customers will actually receive the benefits for pre-paying for Program RECs.<sup>5</sup> The Commission should reject the Program for the reasons described in IEU-Ohio’s Initial Comments and direct AEP-Ohio to address the Program as part of the holistic

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<sup>2</sup> Consistent with IEU-Ohio’s Initial Comments, IEU-Ohio’s Reply Comments should be construed to oppose both the Application as well as the Stipulation inasmuch as the Stipulation does not remedy the defects in the Program identified by IEU-Ohio.

<sup>3</sup> IEU-Ohio Initial Comments at 3.

<sup>4</sup> *Id.* at 3-4.

<sup>5</sup> *Id.* at 4-5.

review of AEP-Ohio's compliance with the alternative energy mandates required as part of the EE/PDR Stipulation.<sup>6</sup>

### **C. CONCLUSION**

For the reasons stated herein, IEU-Ohio requests the Commission deny the Application and direct the Parties to discuss this Program in the context of AEP-Ohio's next SSO filing.

Respectfully submitted,

/s/ Joseph M. Clark

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<sup>6</sup> *Id.* at 5-6. In fact, an initial meeting to discuss AEP-Ohio's alternative energy mandate compliance plans as part of the next standard service offer ("SSO") filing is scheduled for today, October 15, 2010, at the Commission's offices.

## **CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing *Reply Comments of Industrial Energy Users-Ohio* was served upon the following parties of record this 15<sup>th</sup> day of October 2010 via electronic transmission, hand delivery, or first class mail, postage prepaid.

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Summary: Comments Reply Comments of Industrial Energy Users-Ohio electronically filed by  
Mr. Joe Clark on behalf of INDUSTRIAL ENERGY USERS OF OHIO