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In the Matter of the Commission's Review of)
Chapter 4901:1-22, Ohio Administrative Code,) Case No. 12-2051-EL-ORD
Regarding Interconnection Services.)

REPLY COMMENTS OF FOSDICK & HILMER, INC.

Pursuant to the Commission's entry of January 16, 2013, Fosdick & Hilmer respectfully submit their reply comments to several comments filed by other parties.

COMMENTS

Question 10-b:

1. Several EDU commenters suggest distribution service equipment is designed for peak utilization and interruptible rates are not appropriate. Under the existing operating paradigms this is true. However if interruptible service was introduced all customer classes could benefit.

Customers with the ability to manage their demand and accept interruptible service would benefit by having access to an additional tool to manage their demand during planned activities, potentially reducing their overall energy costs.

Customers with firm distribution service will benefit because the customers with interruptible service increase the overall utilization of the installed capacity. The additional revenue collected from interruptible customers utilizing the excess capacity during off peak periods can be applied to lowering the cost of service for firm service customers.

2. The First Energy companies suggest that EDUs would have no practical remedy if an interruptible customer refused to interrupt when called upon resulting in extended service interruptions for other customers. We believe this is not an issue because under this condition the EDU would have the right to disconnect the interruptible customer for failure to comply with their energy service contract.
3. The First Energy companies suggest expensive and complicated systems will have to be developed to monitor customer generator loading on interruptible distribution circuits. We believe Ohio's investment in smart grid technology has already made much of the required information available to the EDUs. This is an innovative and unforeseen way for Ohio to benefit from the smart grid investment.

Question 10-c:

1. The First Energy companies suggest non-peak loads will not be known for all circuits making it extremely difficult to estimate loading for maintenance periods. We believe Ohio's investment in smart grid technology has already made much of the required information available to the EDUs. This is an innovative and unforeseen way for Ohio to benefit from the smart grid investment.

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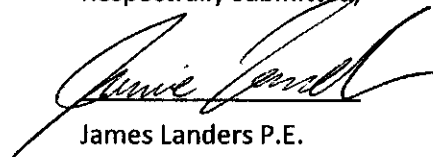
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2. DP&L suggests there is no need to develop rates for planned usage during non-peak periods. However we believe there are no additional capital investments required by an EDU to provide off peak service and rates should reflect the benefits of fuller utilization of existing assets.

Question 10-e:

1. We agree with DP&L and AEP that distribution services receive little to no benefit from a diversity of distributed generating units. We also agree with DP&L and AEP that transmission and generation services do receive benefits from diverse distributed generating units.
2. The First Energy companies suggest benefits are unclear and may in fact increase costs. We believe any diversity benefits attributed to a distributed generator should be proportional to the reliability and availability of the distributed asset. If a distributed generator cannot demonstrate a minimum level of reliability that generator should not be included in the calculation of benefits.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "James Landers", is written over a horizontal line.

James Landers P.E.
Fosdick & Hilmer Inc.
309 Vine Street, Suite 50
Cincinnati, Ohio 45202