

BOEHM, KURTZ & LOWRY

ATTORNEYS AT LAW
36 EAST SEVENTH STREET
SUITE 1510
CINCINNATI, OHIO 45202
TELEPHONE (513) 421-2255
TELECOPIER (513) 421-2764

Via E-FILE

April 5, 2013

Public Utilities Commission of Ohio
PUCO Docketing
180 E. Broad Street, 10th Floor
Columbus, Ohio 43215

In re: Case No. 12-3151-EL-COI

Dear Sir/Madam:

Please find attached the REPLY COMMENTS OF THE OHIO ENERGY GROUP e-filed today in the above-referenced matter.

Copies have been served on all parties on the attached certificate of service. Please place this document of file.

Respectfully yours,



David F. Boehm, Esq.
Michael L. Kurtz, Esq.
Jody Kyler Cohn, Esq.
BOEHM, KURTZ & LOWRY

JMKkew
Encl.

Cc: Certificate of Service

In the Matter Of the Commission's Investigation of :
Ohio's Retail Electric Service Market : **Case No. 12-3151-EL-COI**
:

benefits associated with retail competition while also providing retail customers with a “safe harbor” from the risks associated with a completely unregulated market. Accordingly, the Commission should continue the current default service model.

Regarding the second question, the Commission should reject outright the suggestions by EnerNOC, Inc. (“EnerNOC”) and the Office of the Ohio Consumers’ Counsel (“OCC”) that third party providers of demand response may not have adequate market access because of the interruptible rates currently offered by Ohio utilities.² That Ohio utilities may offer interruptible rates above current PJM capacity rates does not prohibit third party demand response providers from offering competitive terms to potential customers. And customers are not restricted from choosing to contract with a third party demand response provider instead of participating in a utility’s interruptible program. Further, EnerNOC and OCC fail to account for the fact that utility interruptible programs may include more restrictive terms for customers than those found in third party provider contracts.³ These commenters also ignore the fact that interruptible customers must accept a lower quality of service than other SSO customers in order to participate in a utility’s interruptible program.

Moreover, EnerNOC and OCC’s concerns about subsidization ignore the significant value of utility interruptible programs to non-interruptible customers. OCC itself has acknowledged that interruptible programs can provide economic and reliability benefits to all customers by lowering generation prices and helping to avoid a capacity shortfall.⁴ In addition, interruptible programs can provide benefits to non-interruptible customers by reducing the costs associated with the energy efficiency and peak demand reduction benchmarks set forth in R.C. 4928.66. And interruptible programs can provide economic development benefits to the state, facilitating Ohio’s effectiveness in the global economy consistent with the dictates of R.C. 4928.02(N).

² Comments of EnerNOC, Inc. at 1-4; OCC Comments at 20-21.

³ For example, Ohio Power Company (“AEP Ohio”) interruptible customers must be able to reduce or “interrupt” their usage to a predetermined firm level with only 10 minutes notice during emergencies. And AEP-Ohio can interrupt customers participating in the program on any economic (non-emergency) basis for any reason. This increased flexibility to AEP Ohio increases reliability on the AEP-Ohio system.

⁴ In The Matter Of The Application Of The Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company For Authority To Establish A Standard Service Offer Pursuant To R.C. § 4928.143 In The Form Of An Electric Security Plan, Case No. 12-1230-EL-SSO, Tr. Vol. III (June 6, 2012) at 99:17-21 and 100:1-9.

The Commission has repeatedly recognized the value of utility interruptible programs to all customers.⁵

OEG urges the Commission to continue to do so when developing the retail electric service market in Ohio.

Respectfully submitted,



David F. Boehm, Esq.

Michael L. Kurtz, Esq.

Jody Kyler Cohn, Esq.

BOEHM, KURTZ & LOWRY

36 East Seventh Street, Suite 1510

Cincinnati, Ohio 45202

Ph: (513) 421-2255 Fax: (513) 421-2764

E-Mail: dboehm@BKLawfirm.com

mkurtz@BKLawfirm.com

jkylercohn@BKLawfirm.com

April 5, 2013

COUNSEL FOR THE OHIO ENERGY GROUP

⁵ Opinion & Order, Case No. 11-346-EL-SSO (Aug. 8, 2012) at 26 (“In light of the fact that customers receiving interruptible service must be prepared to curtail their electric usage on short notice, we believe Staff’s proposal to lower the credit amount to \$3.34/kW-month understates the value interruptible service provides both AEP-Ohio and its customers. In addition, the IRP-D credit is beneficial in that it provides flexible options for energy intensive customers to choose their quality of service, and is also consistent with state policy under Section 4928.02(N), Revised Code, as it furthers Ohio’s effectiveness in the global economy. In addition, since AEP-Ohio may utilize interruptible service as an additional demand response resource to meet its capacity obligations, we direct AEP-Ohio to bid its additional capacity resources into PJM’s base residual auctions held during the ESP.”); Opinion & Order, Case No. 12-1230-EL-SSO (July 18, 2012) at 37 (“The Commission agrees with FirstEnergy and Nucor that OCC/CP have failed to support their recommendations that the costs related to Riders ELR and OLR should not be collected from all customers, and no reason is apparent in light of the fact that all customer classes benefit from the rates related to ELR and OLR.”)

CERTIFICATE OF SERVICE

I hereby certify that true copy of the foregoing was served by electronic mail (when available) or ordinary mail, unless otherwise noted, this 5th day of April, 2013 to the following:



David F. Boehm, Esq.
Michael L. Kurtz, Esq.
Jody Kyler Cohn, Esq.

*MCBRIDE, LAURA C. MS.
ULMER & BERNE LLP
SKYLIGHT OFFICE TOWER
1660 WEST 2ND STREET, SUITE 1100
CLEVELAND OH 44113

*BINGHAM, DEB J. MS.
OFFICE OF THE OHIO CONSUMERS' COUNSEL
10 W. BROAD ST., 18TH FL.
COLUMBUS OH 43215

GRADY, MAUREEN
OFFICE OF CONSUMERS' COUNSEL
10 W. BROAD STREET SUITE 1800
COLUMBUS OH 43215-3485

*DOUGHERTY, TRENT A MR.
OHIO ENVIRONMENTAL COUNCIL
1207 GRANDVIEW AVE. SUITE 201
COLUMBUS OH 43212

*HAYS, THOMAS R. MR.
7107 CANNONS PARK ROAD
TOLEDO OH 43617

*ORAHOD, TERESA
BRICKER & ECKLER LLP
100 SOUTH THIRD STREET
COLUMBUS OH 43215-4291

*POULOS, GREGORY J. MR.
ENERNOC, INC.
471 EAST BROAD STREET SUITE 1520
NEW ALBANY OH 43215

*DARR, FRANK P MR.
MCNEES, WALLACE & NURICK LLC
21 E. STATE STREET
17TH FLOOR
COLUMBUS OH 43215

*PETRICOFF, M HOWARD
VORYS SATER SEYMOUR AND PEASE LLP
52 E. GAY STREET P.O. BOX 1008
COLUMBUS OH 43216-1008

*HOWARD, STEPHEN M MR.
VORYS, SATER, SEYMOUR AND PEASE LLP
52 E. GAY STREET
COLUMBUS OH 43215

*ALLWEIN, CHRISTOPHER J MR.
WILLIAMS, ALLWEIN & MOSER LLC
1373 GRANDVIEW AVE SUITE 212
COLUMBUS OH 43212

*WILLIAMS, TODD M MR.
WILLIAMS ALLWEIN & MOSER, LLC
TWO MARITIME PLAZA, 3RD FLOOR
TOLEDO OH 43604

*MOONEY, COLLEEN L
OPAE
231 WEST LIMA STREET
FINDLAY OH 45840

*MILLER, VESTA R
PUBLIC UTILITIES COMMISSION OF OHIO
180 EAST BROAD STREET
COLUMBUS OH 43215

*KELLIE, JESSICA E MRS.
DAYTON POWER AND LIGHT
1065 WOODMAN DRIVE
DAYTON OH 45432

*SIWO, J. THOMAS
BRICKER & ECKLER LLP
100 SOUTH THIRD STREET
COLUMBUS OH 43215

*MCDANIEL, NICHOLAS A. MR.
ENVIRONMENTAL LAW AND POLICY CENTER
1207 GRANDVIEW AVENUE STE. 201
COLUMBUS OH 43212

*KOOPER, JAY L MR.
HESS CORPORATION
ONE HESS PLAZA
WOODBIDGE NJ 07095

*NOURSE, STEVEN T MR.
AMERICAN ELECTRIC POWER SERVICE
CORPORATION
1 RIVERSIDE PLAZA, 29TH FLOOR
COLUMBUS OH 43215

*RANDAZZO, SAMUEL C. MR.
MCNEES WALLACE & NURICK LLC
21 E. STATE STREET, 17TH FLOOR
COLUMBUS OH 43215

TODD WILLIAMS
WILLIAMS, ALLWEIN AND MOSER. LLC
TWO MARITIME PLAZA
3RD FLOOR
TOLEDO OH 43604

CYNTHIA FONNER BRADY
P.O. BOX 1125
CHICAGO IL 60690-1125

SAMUEL C RANDAZZO
MCNEES WALLACE & NURICK LLC FIFTH THIRD
CENTER 21 EAST STATE ST 17TH FLOOR
COLUMBUS OH 43215

*WATTS, ELIZABETH H MS.
DUKE ENERGY OHIO, INC.
155 EAST BROAD STREET SUITE 2100
COLUMBUS, OH 43215

*KUHNELL, DIANNE
DUKE ENERGY BUSINESS SERVICES
139 E. FOURTH STREET EA025 P.O. BOX 960
CINCINNATI OH 45201

*COFFEY, SANDRA
PUBLIC UTILITIES COMMISSION OF OHIO
180 E. BROAD ST.
COLUMBUS OH 43215

*SINGLETON, TAMERA J MS.
FIRSTENERGY
76 S MAIN ST
AKRON OH 44308

*BROOKS, MARK MR.
UTILITY WORKERS UNION
OF AMERICA
521 CENTRAL AVENUE
NASHVILLE TN 37211

*SMALZ, MICHAEL R. MR.
OHIO POVERTY LAW CENTER
555 BUTTLES AVENUE
COLUMBUS OH 43215

*COCHERN, CARYS
DUKE ENERGY
155 EAST BROAD ST
21ST FLOOR
COLUMBUS OH 43215

SANDY I. GRACE, ATTY
101 CONSTITUTION AVE N.W. SUITE 400 EAST
WASHINGTON DC 20001

RINEBOLT DAVID C
231 WEST LIMA ST.
PO BOX 1793
FINDLAY OH 45839-1793

GLENN S KRASSEN
BRICKER & ECKLER LLP
1001 LAKESIDE AVE E SUITE 1350
CLEVELAND OH 44114-1142

*DOUGHERTY, TRENT A MR.
OHIO ENVIRONMENTAL COUNCIL
1207 GRANDVIEW AVE. SUITE 201
COLUMBUS OH 43212

RETAIL ENERGY SUPPLY ASSOCIATION (RESA)
STEPHEN HOWARD
52 E. GAY ST.
COLUMBUS OH 43215

OHIO POVERTY LAW CENTER
MICHAEL SMALZ
555 BUTTLES AVENUE
COLUMBUS OH 43215

SAMUEL C RANDAZZO
MCNEES WALLACE & NURICK LLC
FIFTH THIRD CENTER
21 EAST STATE ST 17TH FLOOR
COLUMBUS OH 43215

SIWO, J. THOMAS ATTORNEY AT LAW
BRICKER & ECKLER LLP
100 SOUTH THIRD STREET
COLUMBUS OH 43215-4291

HOWARD, STEPHEN M.
VORYS, SATER, SEYMOUR AND PEASE LLP
52 EAST GAY STREET, P O BOX 1008
COLUMBUS OH 43216-1008

THE SIERRA CLUB
131 N HIGH ST STE 605
COLUMBUS OH 43215-3026

CONSUMERS' COUNSEL, OFFICE OF
10 WEST BROAD STREET SUITE 1800
COLUMBUS OH 43215

MOONEY , COLLEEN L ATTORNEY
231 WEST LIMA STREET
FINDLAY OHIO 45840

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Summary: Comments Reply Comments of the Ohio Energy Group (OEG) electronically filed by Mr. David F. Boehm on behalf of Ohio Energy Group