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VIA E-FILE

June 30, 2015

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

In Re: Case Nos. 13-2385-EL-SSO, 13-2386-EL-AAM, and 89-6007-EL-TRF

Dear Attorney Examiners See and Parrot:

On June 26, 2015, AEP Ohio submitted three different tariff sheets for its interruptible service rider (Rider IRP) representing three potential options for the Commission. Option 1 is the Company's preferred approach. The Ohio Energy Group agrees with the Company and urges the Public Utilities Commission of Ohio ("Commission") to adopt Option 1.

The first option would release AEP Ohio from the obligation to serve as a Curtailment Service Provider ("CSP") for Rider IRP customers. Instead, those customers would use third-party CSPs and would pass all revenues they ultimately receive from PJM for their interruptible load (except for economic demand response revenues) back to AEP Ohio to be used to offset the Company's EE/PDR Rider costs. The second option would establish AEP Ohio as the CSP for some demand response products (full, annual emergency or pre-emergency demand response), but would preclude Rider IRP customers from offering economic demand response products into the PJM market. The third option would establish AEP Ohio as the CSP for more limited demand response products (capacity only, annual emergency or pre-emergency demand response) and Rider IRP customers who wished to offer economic demand response products into the PJM market would use third-party CSPs, however this option would reduce the potential level of PJM revenues used to offset Rider EE/PDR costs.

Of the three Rider IRP options, OEG submits that the first option – releasing AEP Ohio from the obligation to serve as a CSP - represents the best course of action for the Commission. Not only is that option the easiest to administer, but it also avoids potential harm to Rider IRP customers and to other AEP Ohio customers that could result from adopting either the second or third options. The second option would harm Rider IRP customers by precluding them from offering their interruptible load into economic demand response programs. The third option would harm non-IRP customers by reducing the total level of PJM revenues that could be used to offset the Company's Rider EE/PDR costs.

While the Commission's preference may be for AEP Ohio to serve as the CSP for Rider IRP customers, releasing the Company from that obligation benefits all parties. It relieves AEP Ohio of administrative burden and risk associated with serving as a CSP, allows Rider IRP customers to bid their interruptible load into all eligible PJM demand response programs, and provides financial benefit to non-IRP customers by ensuring that the maximum amount of PJM revenues are used to reduce the costs of Rider EE/PDR.

There may be some merit to retaining AEP Ohio as the CSP for Rider IRP customers for jurisdictional purposes in the event that federal courts ultimately determine that PJM cannot allow demand response to bid in as supply in capacity auctions, and that demand response programs are entirely within in the province of state utility commissions. But the Commission has already required AEP Ohio to establish a new placeholder pilot demand response rider in the event that such an outcome occurs. Hence, in the meantime, the reasonable approach is to adopt AEP Ohio's proposed first option.

Respectfully yours,



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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 30th day of June, 2015 to the following:



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Summary: Correspondence OEG letter to Attorney Examiners Greta See and Sarah Parrot electronically filed by Mr. Michael L. Kurtz on behalf of Ohio Energy Group