

BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Amendment of Chapter :  
4901:1-11 of the Ohio Administrative Code : Case No. 96-749-EL-ORD  
and Efforts to Reduce Reporting Requirements :

REPLY COMMENTS OF COLUMBUS SOUTHERN POWER COMPANY  
AND OHIO POWER COMPANY

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September 13, 1996

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Columbus Southern Power Company and Ohio Power Company offer these reply comments to selected comments by Monongahela Power Company, Industrial Energy Users-Ohio, Centerior Energy Corporation and Cincinnati Gas & Electric Company.

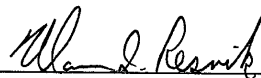
Monongahela Power would determine a utility's efficiency based on its fuel costs compared with an average fuel cost for Ohio utilities, rather than measure efficiency by a utility's percentage change in fuel costs. Monongahela Power's reasoning is that, under the Staff's proposal, companies that have already implemented cost savings would be penalized. The AEP Companies agree that that is a flaw in the Staff's proposal. However, a simple comparison of a company's fuel cost to an Ohio average could penalize a company for existing long-term coal contracts, required coal quality specifications, modes of transportation, plant heat ratios, special contract sales and nonjurisdictional sales. Even if all of these factors have been reviewed by the Commission, and found to be reasonable, a company might unfairly suffer ongoing financial losses associated with those past decisions. Monongahela Power Company's recommendation should be rejected.

The IEU-OH recommends the Commission do away with the EFC altogether by shifting fuel costs back into base rates, so that changes in fuel costs would be reflected in rates through

the filing of a rate case. Fluctuations in the coal market could require frequent rate filings for all the Ohio electric companies. That would increase the regulatory cost associated with electricity and place a significant burden on the Commission's Staff.

Finally, the AEP Companies' initial comments recommended to the Commission an option to provide the monthly data in the current magnetic tape format in lieu of a new data format, in order to avoid costly program modifications. However, if the Commission requires a new data format, the AEP Companies would prefer, as do Centerior and CG&E, that the information be provided to the Staff on disk in a standard format (e.g., Lotus 1-2-3). This would reduce the cost of mailing tapes to and from the Staff, as well as reduce expense associated with damaged tapes (P.C. disks weigh less and are a fraction of the cost of a magnetic tape to replace).

Respectfully submitted,

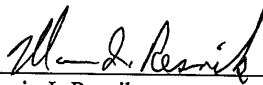


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**CERTIFICATE OF SERVICE**

I hereby certify that a copy of these Reply Comments has been served by first-class U.S. mail, postage prepaid, this 13th day of September, 1996, upon all parties who filed initial comments in this proceeding.

  
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Marvin I. Resnik