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May 19, 2006

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PUCO

Via Hand Delivery

Ms. Renee Jenkins
Docketing Division
Public Utilities Commission of Ohio
13th Floor
180 East Broad Street
Columbus, OH 43215-3793

Re: *In the Matter of the Application of Columbus Southern Power Company and Ohio Power Company for Authority to Recover Costs Associated with the Construction and Ultimate Operation of an Integrated Gasification Combined Cycle Electric Generating Facility, Case No. 05-376-EL-UNC.*

Dear Ms. Jenkins:

Please find enclosed the original and eighteen (18) copies of Direct Energy Services' Response to Columbus Southern Power Company's and Ohio Power Company's Request for Clarification in the above-captioned case. Please file the original and fifteen (15) copies, and date stamp and return the additional three copies.

Very truly yours,

BAILEY CAVALIERI LLC

Dane Stinson

Enclosures

cc: Counsel of Record

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Technician Date Processed 5.19.06

BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Applications of Columbus)	
Southern Power Company and Ohio Power)	
Company for the Authority to Recover Costs)	Case No. 05-376-EL-UNC
Associated with the Construction and Ultimate)	
Operation of an Integrated Gasification Combined)	
Cycle Electric Generating Facility.)	

***DIRECT ENERGY SERVICES'
RESPONSE TO COLUMBUS SOUTHERN POWER COMPANY'S AND OHIO
POWER COMPANY'S REQUEST FOR CLARIFICATION***

On May 10, 2006, Columbus Southern Power Company and Ohio Power Company (collectively, "the Companies"), in lieu of an application for rehearing, filed a "request for clarification" of the April 10, 2006, Opinion and Order ("Order") issued in this matter by the Public Utilities Commission of Ohio ("Commission"). The Companies request that the order be clarified in four respects:

1. that the further hearings to be held in this matter will be conducted on an expedited basis and be limited to discussion of those items specifically delineated in the Commission's Order;
2. that monies, including carrying charges, spent after the conclusion of Phase I activities be recoverable in the event the Companies do not construct the IGCC facility;
3. that, in subsequent proceedings, the Commission will not reconsider whether the Companies may recover the reasonable costs of the IGCC facility through the three-phase recovery plan, but will consider whether the Companies should move forward with the plant, considering only the issue delineated in the PUCO's Order; and
4. that if the Commission subsequently determines that ancillary services are competitive, such a subsequent Commission determination will not affect guaranteed cost recovery of the IGCC facility.

Direct Energy Services ("Direct Energy") respectfully requests that the Commission deny the Companies' requests. In their first and third requests, the

Companies seek to preemptively limit the scope of the subsequent proceedings to be held in this matter, both through discovery and issues to be considered at hearing. The Companies' request is unreasonable considering the broad array of issues to be considered subsequently. Instead of preemptively limiting the scope of the future proceeding, the Commission must use its procedural authority to consider the Companies' request after the Companies submit the information requested in the Order and, then, only when, or if, the need arises in the context of the future proceedings.

The Companies' second and fourth requests are unlawful as the Commission lacks authority to ensure the recovery of the post-Phase I costs which the Companies request, or to exempt the IGCC facility from a future determination that ancillary services are competitive.¹

WHEREFORE, Direct Energy respectfully requests that the Commission deny the Companies' requests for clarification.

Respectfully submitted,



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¹ Of course, the Companies' requests are rendered moot if the Commission finds, as Direct Energy requests in its Application for Rehearing filed May 10, 2006, that the Companies' guaranteed recovery of the costs to construct and operate the IGCC facility is unlawful.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true copy of Direct Energy Services' Response to Columbus Southern Power Company's and Ohio Power Company's Request for Clarification was served by electronic mail this 19th day of May, 2006, upon the following.



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