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BEFORE THE
PUBLIC UTILITIES COMMISSION OF OHIO

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RECEIVED-DOCKETING DIV.

Application Not for An Increase in Rates)
Pursuant to Section 4909.18, Revised)
Code, of Columbus Southern Power)
Company to Establish New Voluntary)
Experimental Rate Schedule)
Classifications for Residential and Small)
General Service Time of Day Rates and)
Residential Experimental Direct Load)
Control Rider)

Case No. 10-424-EL-ATA

APPLICATION

Columbus Southern Power Company (CSP or the "Company") submits this application to establish new experimental rate schedule classifications for residential and small general service time-of-day rates and an experimental direct load control rider for residential customers. In support of its application, CSP states the following:

1. Columbus Southern Power Company (CSP) is an electric light company, as that term is defined in §§4905.03 and 4928.01 (A) (7), Ohio Rev. Code.
2. In CSP's Electric Security Plan (ESP) proceeding (Case No. 08-917-EL-SSO) it proposed gridSMARTsm Phase I, a smart grid deployment proposal within CSP's service territory involving three primary components: Advanced Meter Infrastructure (AMI), Home Area Network (HAN) and Distribution Automation (DA). In the ESP proceeding, the Commission authorized CSP to establish a gridSMART Rider, subject to annual reconciliation. (ESP Opinion and Order, March 18, 2009, p. 38).

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3. As explained in CSP's pending application in Case No. 10-164-EL-RDR to update its gridSMART rider, CSP enhanced its gridSMART Phase I proposal as a result of the grant process under the American Recovery and Reinvestment Act of 2009 (ARRA) to include components in addition to the AMI, HAN and DA features previously included. Specifically, the enhanced gridSMART Phase I initiative now includes additional project components for Realtime Pricing, Community Energy Storage, Smart Appliances, Cyber Security Operation Center and Plug-in Electric Vehicles.
4. The Commission found in the March 18, 2009 Opinion and Order in Case No. 08-917-EL-SSO (at 37) that "The Commission strongly supports the implementation of AMI and DA, with HAN, as we believe these advanced technologies are the foundation for AEP Ohio providing its customers the ability to better manage their energy usage and reduce their energy costs." Likewise, the Concurring Opinion of Chairman Schriber and Commissioner Centolella indicated that the Commission's approval of gridSMART Phase I advanced the State policies to encourage time-differentiated pricing and would enable customers to better control their electric bills through a common platform for implementing, among other things, time-differentiated pricing.
5. As CSP indicated in its testimony filed in Case No. 08-917-EL-SSO, CSP believes the timing of introducing such options is important especially in

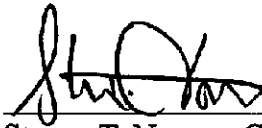
avoiding premature introduction in advance of the enhanced functional capabilities associated with gridSMART Phase I. CSP is currently testing the interoperability of specific system and in-home technologies prior to installing the equipment in the field and/or customer premises. Accordingly, CSP is seeking approval of the proposed tariffs in order to synchronize the introduction and availability of these options, along with the associated customer education efforts and customer service representative training, with the completion of the gridSMART upgrades to be completed by the end of June, 2010.

6. CSP is proposing adoption of Schedule GS-1—TOD and RS – TOD2 to explore straightforward time-differentiated rates for residential and small general service customers. These rate schedules would differentiate the generation charge for low cost (off peak) and high cost (peak) periods. The high cost period is 1PM to 7PM from June 1 to September 30. This is a voluntary, opt-in rate schedule. Additional details proposed for these new schedules are attached in Exhibits A and B to this application.
7. CSP is also proposing a residential Direct Load Control Rider to explore direct load control capabilities associated with gridSMART Phase I. Under this rider, customers would receive billing credits by authorizing the Company to control central electric cooling units. This is a voluntary, opt-in rate schedule. Additional details proposed for this new schedule are attached in Exhibit C to this application.

8. CSP considers all three of these proposed experimental projects will introduce customers to time-differentiated rates and direct load control. Each of these proposals is a first step and not the ending point. Based on information and feedback gained from these experiments, CSP plans to continue working with stakeholders to develop appropriate retail programs that complement and utilize the capabilities of gridSMART Phase I.
9. Because the authority to make this filing results from the Commission's orders in CSP's ESP proceeding, and approval of these new voluntary, opt-in schedules is not an application for increase in rates, CSP does not believe that a hearing in this matter is required or needed. CSP requests that the Commission approve the tariffs as soon as possible in order to enable the Company to implement the tariffs for Summer 2010.

WHEREFORE, CSP respectfully requests that the proposed Schedules and Rider be deemed just and reasonable and approved.

Respectfully submitted,



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EXHIBIT A

P.U.C.O. NO. 7

SCHEDULE RS – TOD2
 (Experimental Residential Time-of-Day Service)

Availability of Service

Available to individual residential customers on a voluntary, experimental basis for residential electric service through one single-phase, multi-register meter capable of measuring electrical energy consumption during variable pricing periods. Availability is restricted to customers served by the circuits designated for the Company's gridSMARTSM pilot program. This tariff will be in effect for a minimum of one (1) year.

This schedule is not available to customers currently taking service under Schedule R-R-1.

Monthly Rate (Schedule Code 040)

	Generation	Distribution	Total
Customer Charge (\$)	--	4.52	4.52
Energy Charge (¢ per KWH):			
Low Cost Hours (P1)	0.50000	2.58097	3.36203
High Cost Hours (P2)	22.76048	2.58097	25.62251

Billing Hours

<u>Months</u>	<u>Low Cost Hours (P1)</u>	<u>High Cost Hours (P2)</u>
Approximate Percent (%) of Annual Hours	94%	6%
October 1 to May 31	All Hours	None
June 1 to September 30	Midnight to 1 PM, 7 PM to Midnight	1 PM to 7 PM

NOTE: All kWh consumed during weekends (all hours of the day on Saturdays and Sundays) and the legal holidays of Independence Day and Labor Day are billed at the low cost (P1) level.

Minimum Charge

The minimum monthly charge for service shall be the Customer Charge

Payment

Bills are due and payable in full by mail, checkless payment plan, electronic payment plan or at an authorized payment agent of the Company within 15 days after the mailing of the bill.

(Continued on Sheet No. 15-2)

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 Joseph Hamrock, President
 AEP Ohio

P.U.C.O. NO. 7

SCHEDULE RS – TOD2
(Experimental Residential Time-of-Day Service)Applicable Riders

Monthly Charges computed under this schedule shall be adjusted in accordance with the following applicable riders:

Rider	Sheet No.
Universal Service Fund Rider	60-1
Advanced Energy Fund Rider	61-1
KWH Tax Rider	62-1
Provider of Last Resort Charge Rider	69-1
Monongahela Power Litigation Termination Rider	73-1
Transmission Cost Recovery Rider	75-1
Fuel Adjustment Clause Rider	80-1
Energy Efficiency and Peak Demand Reduction Cost Recovery Rider	81-1
Economic Development Cost Recovery Rider	82-1
Enhanced Service Reliability Rider	83-1
gridSMART SM Rider	84-1

Term of Contract

Annual. Customers selecting this schedule must take service under this schedule for a minimum of one (1) year. A written agreement may, at the Company's option, be required.

Special Terms and Conditions

This schedule is subject to the Company's Terms and Conditions of Service.

This schedule is intended for single phase service. Where the residential customer requests three-phase service, this schedule will apply if the residential customer pays to the Company the difference between constructing single-phase service and three-phase service.

Customers with cogeneration and/or small power production facilities shall take service under Schedule COGEN/SPP, Schedule NEMS, or by special agreement with the Company.

The Company shall collect data during the course of this experiment. Customer-specific information will be held as confidential and data presented in any analysis will protect the identity of the individual customer.

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EXHIBIT B

P.U.C.O. NO. 7

SCHEDULE GS1 – TOD
(Experimental Small General Service Time-of-Day)

Availability of Service

Available on a voluntary, experimental basis for general service to customers with maximum demands less than 10 kW through one single-phase, multi-register meter capable of measuring electrical energy consumption during variable pricing periods. Availability is restricted to customers served by the circuits designated for the Company's gridSMARTSM program. This tariff will be in effect for a minimum of one (1) year.

Monthly Rate (Schedule Code: 284)

	Generation	Distribution	Total
Customer Charge (\$)	--	6.47	6.47
Energy Charge (¢ per KWH):			
Low Cost Hours (P1)	3.50000	1.47707	4.97707
High Cost Hours (P2)	32.44250	1.47707	33.91957

Billing Hours

<u>Months</u>	<u>Low Cost Hours (P1)</u>	<u>High Cost Hours (P2)</u>
Approximate Percent (%) of Annual Hours	94%	6%
October 1 to May 31	All Hours	None
June 1 to September 30	Midnight to 1 PM, 7 PM to Midnight	1 PM to 7 PM

NOTE: All kWh consumed during weekends (all hours of the day on Saturdays and Sundays) and the legal holidays of Independence Day and Labor Day are billed at the low cost (P1) level.

Minimum Charge

The minimum monthly charge shall be the Customer Charge.

Delayed Payment Charge

The above schedule is net if full payment is received by mail, checkless payment plan, electronic payment plan or at an authorized payment agent of the Company within 21 days after the mailing of the bill. On all accounts not so paid, an additional charge of five percent (5%) of the total amount billed will be made. Federal, state, county, township and municipal governments and public school systems not served under special contract are subject to the Public Authority Payment provision, Supplement No. 21.

(Continued on Sheet No. 20-6)

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P.U.C.O. NO. 7

SCHEDULE GS1 – TOD
(Experimental Small General Service Time-of-Day)Applicable Riders

Monthly Charges computed under this schedule shall be adjusted in accordance with the following applicable riders:

Rider	Sheet No.
Universal Service Fund Rider	60-1
Advanced Energy Fund Rider	61-1
KWH Tax Rider	62-1
Provider of Last Resort Charge Rider	69-1
Monongahela Power Litigation Termination Rider	73-1
Transmission Cost Recovery Rider	75-1
Fuel Adjustment Clause Rider	80-1
Energy Efficiency and Peak Demand Reduction Cost Recovery Rider	81-1
Economic Development Cost Recovery Rider	82-1
Enhanced Service Reliability Rider	83-1
gridSMART SM Rider	84-1

Term of Contract

Annual. Customers selecting this schedule must take service under this schedule for a minimum of one (1) year. A written agreement may, at the Company's option, be required.

Special Terms and Conditions

This schedule is subject to the Company's Terms and Conditions of Service.

Customers with cogeneration and/or small power production facilities shall take service under Schedule COGEN/SPP, Schedule NEMS, or by special agreement with the Company.

The Company shall collect data during the course of this experiment. Customer-specific information will be held as confidential and data presented in any analysis will protect the identity of the individual customer.

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EXHIBIT C

P.U.C.O. NO. 7

Rider DLC
(Experimental Direct Load Control Rider)Availability of Service

Available to individual residential customers on a voluntary, experimental basis for residential electric service. Availability is restricted to customers served by the circuits designated for the Company's gridSMARTSM program. Customers taking service under Schedule CPP are not eligible for this rider. This rider will be in effect for a minimum of one (1) year.

For non-owner occupied multi-family dwellings, the Company may require permission from the owner to install auxiliary communicating equipment. Customers will not be eligible for this rider if the owner does not allow installation of auxiliary communicating equipment.

Service under this rider is limited based upon the availability of smart thermostat devices. The company plans to have 190 smart thermostat devices available in calendar year 2010 and an additional 7,000 smart thermostat devices available in calendar year 2011. At the Company's option, this rider may be made available to additional customers. Upon request by the Company and approval by the Commission in a future filing, additional customers may be responsible for the Commission-approved cost of the smart thermostat device.

Program Description

To participate, customers must allow the Company, or its authorized agents, to install a smart thermostat device and, if necessary, auxiliary communicating devices to control the customer's central electric cooling unit(s). All such devices shall be installed at a time that is consistent with the orderly and efficient deployment of this program.

The Company will utilize the smart thermostat device to reduce customer's energy use during load management events. The smart thermostat device may employ either a temperature setback or cycling methodology.

Under a temperature setback methodology, the Company may increase the preset temperature on the customer's thermostat by no more than four (4) degrees during load management events.

Under a cycling methodology, the Company may cycle off the central electric cooling unit(s) generally for up to one-half of every hour of a load management event.

Company planned load management events shall not exceed five (5) hours per day. Such non-emergency load management events shall not exceed 15 events and shall occur only during the months of May through September between Noon and 8 pm.

For emergency purposes, load management events shall not exceed 10 events per PJM planning year (June through May) and not last longer than six (6) hours duration. Emergencies shall be determined by PJM as defined in PJM Manual 13 - Emergency Operations. Emergency load management events can only occur between Noon and 8 pm on weekdays during May through September and 2 pm to 10 pm on weekdays during October through April.

(Continued on Sheet No. 16-2)

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Rider DLC
(Experimental Direct Load Control Rider)Rate Credit

Customers taking service under Schedules R-R, RLM, RS-ES, RS-TOD, and RS-TOD2 shall receive the following monthly billing credits in June through October for each central electric cooling unit controlled during the calendar months of May through September:

- \$8.00 for any calendar month where the customer does not override an event signal
- \$4.00 for any calendar month where the customer overrides one (1) event signal
- \$0.00 for any calendar month where the customer overrides more than one (1) event signal

Residential customers taking service under Schedule R-R-1 shall receive the following monthly billing credits in June through October for each central electric cooling unit controlled during the calendar months of May through September:

- \$3.00 for any calendar month where the customer does not override an event signal
- \$1.50 for any calendar month where the customer overrides one (1) event signal
- \$0.00 for any calendar month where the customer overrides more than one (1) event signal

Such credits shall not reduce the customer's bill below the minimum charge as specified in the schedule under which the customer takes service.

Equipment

The Company will furnish and install, in the customer's presence, a smart thermostat device and, if necessary, an auxiliary communicating device inside the customer's residence. All equipment will be owned and maintained by the Company until such time as the experimental direct load control program is discontinued or the customer requests to be removed from the program after completing the initial mandatory period of one (1) cooling season (May through September). At that time, ownership of the smart thermostat will transfer to the customer and the auxiliary communicating device will be picked up or returned to the Company at the Company's expense in good working order. The customer is not required to pay a deposit for this equipment; however, failure to return the auxiliary communicating device in good working order may result in additional charges in the amount of the current prevailing cost of the auxiliary equipment.

Should the customer lose or damage the smart thermostat device or auxiliary communicating equipment, the customer will be responsible for the cost of repairing or replacing the device(s). If the device(s) malfunctions through no fault of the customer, the Company will replace or repair the device(s) at its expense.

Contract

Participating customers must agree to participate for an initial period of one (1) cooling season (May through September) and thereafter may discontinue participation by contacting the Company.

(Continued on Sheet No. 16-3)

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Rider DLC
(Experimental Direct Load Control Rider)Special Terms and Conditions

This Rider is subject to the Company's Terms and Conditions of Service and all provisions of the schedule under which the Customer takes service, including all payment provisions.

The Company shall not be required to install load management equipment if the installation can not be justified for reasons such as: technological limitations, safety concerns, or abnormal utilization of equipment, including vacation or other limited occupancy residences.

The Company and its authorized agents shall be permitted access to the customer's premises during normal business hours to install, inspect, test, or maintain the load management device(s). The Company shall also be allowed access to the customer's premise to repair or remove faulty load management device(s).

The Company shall collect data during the course of this experiment. Customer-specific information will be held as confidential and data presented in any analysis will protect the identity of the individual customer.

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