

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of)
Columbus Southern Power Company for) Case No. 09-1089-EL-POR
Approval of its Program Portfolio Plan and)
Request for Expedited Consideration.)

In the Matter of the Application of)
Ohio Power Company for Approval of its) Case No. 09-1090-EL-POR
Program Portfolio Plan and Request for)
Expedited Consideration.)

FINDING AND ORDER

The Commission finds:

- (1) Columbus Southern Power Company (CSP) and Ohio Power Company (OP) (collectively, AEP-Ohio or Companies) are public utilities as defined in Sections 4905.02, and 4905.03, Revised Code, and, as such, are subject to the jurisdiction of this Commission.
- (2) On May 1, 2008, the governor of the state of Ohio signed into law Amended Substitute Senate Bill No. 221, amending various provisions of Chapter 4928 of the Revised Code. The amended provisions include Section 4928.66(A)(1), Revised Code, which requires that beginning in 2009 electric utilities implement energy efficiency programs that achieve energy savings of at least three-tenths of one percent of the total annual average, normalized kilowatt-hour sales and increase each year thereafter to achieve a cumulative, annual energy savings of 22 percent by the end of 2025. Section 4928.66(A)(1), Revised Code, also requires, beginning in 2009, the electric utilities to implement peak demand reduction programs designed to achieve a one percent reduction in peak demand and an additional reduction of .75 of one percent, each year thereafter through 2018.

- (3) In the Companies' electric security plan cases (ESP cases), the Commission established the energy efficiency and peak demand reduction (EE/PDR) riders and set the riders at zero.¹
- (4) On November 12, 2009, CSP, in Case No. 09-1089-EL-POR (09-1089) and OP, in Case No. 09-1090-EL-POR (09-1090), filed applications for approval of the Companies' energy efficiency and peak demand reduction program portfolio plans for 2010 through 2012, pursuant to Rule 4901:1-39-04, Ohio Administrative Code (O.A.C.). In their applications, the Companies request approval to commence recovery of deferred program costs incurred prior to the Commission's decision in the ESP cases. As filed by the Companies, the initial EE/PDR Riders were to commence with the first billing cycle in January 2010. AEP-Ohio also requests approval to recover, in the EE/PDR Riders, projected program costs through June 30, 2010, net lost distribution revenues, and shared savings. The EE/PDR Riders are subject to an annual true-up and reconciliation. Along with the application, AEP-Ohio also filed a Stipulation and Recommendation (Stipulation), signed by various consumer stakeholders, including the Office of the Ohio Consumers' Counsel, which addresses all of the issues raised in the application.
- (5) The Stipulation was opposed by the Industrial Energy Users-Ohio. A hearing was held and testimony and exhibits admitted into evidence.
- (6) On May 13, 2010, the Commission concluded that, with certain modifications, the Stipulation was reasonable and directed AEP-Ohio to file tariffs consistent with the Order.
- (7) On May 21, 2010, the Companies filed revised tariffs in 09-1089 and 09-1090.
- (8) The Commission has reviewed the Companies' applications to adjust their EE/PDR Riders. The Commission finds that the tariff sheets comply with the requirements of Rule 4901:1-39-04, O.A.C, and the Order and do not appear to be unjust and

¹ *In re AEP-Ohio ESP cases*, Case Nos. 08-917-EL-SSO and 08-918-EL-SSO, Opinion and Order at 41-47 (March 18, 2009); Entry on Rehearing at 27-28, 31 (July 23, 2009) (First ESP EOR); and Second Entry on Rehearing (November 4, 2009) (Second ESP EOR).

unreasonable. Therefore, we find that the application to amend the Companies' tariffs should be approved.

It is, therefore,

ORDERED, That the Companies' application to adjust their EE/PDR Riders be approved. It is, further,

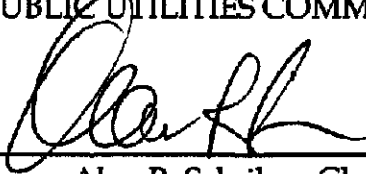
ORDERED, That the Companies are authorized to file, in final form, four complete copies of the tariffs, consistent with this finding and order. The Companies shall file one copy in their respective TRF docket (or may make such filing electronically as directed in Case No. 06-900-AU-WVR) and one copy in this case docket. The remaining two copies shall be designated for distribution to the Rates and Tariffs, Energy and Water Division of the Commission's Utilities Department. It is, further,

ORDERED, That the EE/PDR Riders be effective, on a bills rendered basis, commencing with the Companies' June 2010 billing cycle. It is, further,

ORDERED, That nothing in this finding and order shall be binding upon this Commission in any future proceeding or investigation involving the justness or reasonableness of any rate, charge, rule, or regulation. It is, further,

ORDERED, That a copy of this Finding and Order be served upon the companies and all parties of record.

THE PUBLIC UTILITIES COMMISSION OF OHIO



Alan R. Schriber, Chairman

Paul A. Centolella



Steven D. Lesser

Valerie A. Lemmie



Cheryl L. Roberto

GNS/vrm

Entered in the Journal

MAY 26 2010



Renee J. Jenkins
Secretary