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BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Columbus)
Southern Power Company to Update its) Case No. 11-1353-EL-RDR
gridSMART Rider.)

OHIO PARTNERS FOR AFFORDABLE ENERGY'S
COMMENTS ON THE APPLICATION

Ohio Partners for Affordable Energy ("OPAE") hereby comments on the above-captioned application of Columbus Southern Power Company ("CSP") to continue its current charge for its gridSMART program even though the current charge has resulted in an over-recovery of \$6,181,337 to date. Application at 2. The current rider charge, which became effective September 2010, is a reduction from the initial rider rate, because projected spending did not meet projections.

The Commission first approved recovery of gridSMART costs over three years in Case No. 08-917-EL-SSO. CSP over-recovered in 2009, the first year of the program. AEP stated that it did not spend the money collected from ratepayers because the United States Department of Energy ("DOE") would not count expenditures made 90 days prior to award notification. In Case No. 10-164-EL-RDR, CSP proposed that the first year revenue recovery not be trued up as required in the SSO case and that the Commission ignore the over-recovery in the first year of the program. CSP also proposed to continue the same recovery in the second year of the program without any adjustment for the over-recovery in the first year. In the first year, 2009, CSP collected over \$7.5 million from ratepayers that it did not spend on gridSMART. Case No. 10-164-EL-RDR, Application Attachment B.

The current rider application states that 2010 project spending was also less than expected due to the length of time required to execute an agreement with DOE. For the first five months of 2010, CSP slowed the pace of the project in order not to

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exceed DOE reimbursement cap limitations. The current application states that spending ramped up throughout the remainder of 2010, but did not catch up to projections for the calendar year. The delay in project implementation resulted in an over-recovery of \$6,181,337 to date under the current rider. The application also states that projected spending for 2011 has been adjusted upwards to reflect escalating deployment on the project. CSP states that as spending catches up to initial projections, the 2010 over-recovery will "decrease." However, CSP does not state that the 2010 over-recovery will be eliminated. While CSP is not seeking to increase the charge, CSP is also not seeking to decrease the charge even though the level of the rider has resulted in a substantial over-recovery, which is not expected to be eliminated at a certain point in time.

The Commission should deny the application to keep the current charge and should decrease the rider so that it represents actual 2010 spending and the necessary refund of the over-recovery to ratepayers. The Commission should not consider continuing the present charge until the over-recovery has been refunded and the charge represents actual current spending levels. Ratepayers should not be required to provide CSP with an interest-free loan.

In conclusion, the Commission should deny this application to keep the current charge and require that CSP decrease the current charge to refund the over-recovery to ratepayers and to reflect the actual 2010 level of spending. There is no support for CSP's assertion that its spending will "catch up." Its track record in 2009 and 2010 certainly does not support the likelihood of a catch-up or the need for recovery of the level of expenditures originally approved in the SSO case. It is not reasonable to charge ratepayers for expenditures that are not being made. The Commission should reduce the rider taking into account the significant over-recoveries and the actual level of current expenditures.

Respectfully submitted,



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CERTIFICATE OF SERVICE

I hereby certify that a copy of the Comments was served by regular U.S. Mail upon the following parties identified below in this case on this 20th day of May 2011.


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