

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of)
Columbus Southern Power Company to)
Establish a New Experimental Real-Time) Case No. 11-1355-EL-ATA
Pricing Schedule for Residential Customers)
Participating in the gridSMART Program.)

FINDING AND ORDER

The Commission finds:

- (1) On March 18, 2009, the Commission issued its opinion and order in Columbus Southern Power Company's (CSP or the company) and Ohio Power Company's (jointly, AEP-Ohio) electric security plan (ESP) cases (ESP Order).¹ By entries on rehearing issued July 23, 2009 (First ESP EOR), and November 4, 2009 (Second ESP EOR), the Commission affirmed and clarified certain issues raised in AEP-Ohio's ESP Order. In the ESP Order, the Commission approved CSP's application to initiate Phase I of its gridSMART project and directed CSP to pursue funding for the project from the American Recovery and Reinvestment Act (ARRA) of 2009. The Commission encouraged CSP's expedient implementation of the pilot program, with three primary components: advanced meter infrastructure (AMI), Distribution Automation (DA) and Home Area Network (HAN) technologies, to serve as the foundation for CSP providing its customers with the ability to better manage their energy consumption and reduce their energy costs as well as decrease the scope and duration of electric outages.
- (2) Further, in *In the Matter of the Application of Columbus Southern Power Company to Establish New 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-UNC, the Commission encouraged CSP to develop a dynamic pricing option for residential and commercial customers in the gridSMART Phase I project area.

¹ *In re AEP-Ohio ESP cases*, Case Nos. 08-917-EL-SSO and 08-918-EL-SSO, Opinion and Order (March 18, 2009).

- (3) On March 18, 2011, CSP filed in Case No. 11-1355-EL-ATA (11-1355, tariff case) a tariff amendment application to offer a voluntary, experimental real-time pricing option for residential customers.
- (4) In conjunction with the requested tariff case, on March 18, 2011, the company also filed a proposed bill format application in Case No. 11-1354-EL-UNC (bill format). In the bill format application, CSP proposed to revise the bill format to include an explanation of the customer's "SMART" choice rate, compared to the standard service offer rate, and a calculation of the customer's savings. This bill format application took effect on May 2, 2011.
- (5) On March 29, 2011, Ohio Partners for Affordable Energy (OPAE) filed a motion to intervene in the tariff case. In the motion, OPAE asserts that its primary interest in this case is to protect the interests of low and moderate income Ohioians and OPAE members whose provision of electric service will be affected by these proceedings. OPAE maintains, therefore, that it has a substantial interest in this case and that the disposition of the case may impair or impede its ability to protect that interest. The Commission finds that OPAE has demonstrated a real and substantial interest in the tariff case, and, therefore, OPAE's motion for intervention should be granted.
- (6) In the tariff case, CSP requests authority to offer individual residential customers within the Phase I gridSMART project area an experimental real-time pricing (Schedule RS-RTP) service. CSP proposes that the customer must be enrolled in RS-RTP service for a minimum of one year. Customers enrolled in the Percentage of Income Payment Plan Plus (PIPP-Plus) program or taking service under Schedule R-R-1 are not eligible to participate in the RS-RTP service. The company may require residential customers who do not own the property to acquire permission from the owner to install the necessary equipment. Because RS-RTP residential service requires a smart demand response control device, the availability of the service is limited. CSP states that the company plans to have no more than 1,000 smart demand response control devices by the end of calendar year 2011. Smart demand response control devices allow customers to automatically adjust their energy

usage in response to real-time prices based on customer established preferences.

Under the terms of the proposed RS-RTP service, residential customers will receive one rate during the summer months, June 1 through September 30, and a two-step declining block rate during the winter months, October 1 through May 31. The variable energy charge is a per kilowatt hour (kWh) charge for both summer and winter periods comprised of a generation rate and a distribution rate. The summer rate generation² portion of the equation is set forth below and the distribution portion is 2.98899. The initial block of the winter rate represents the first 800 kWh of usage and the second block represents all usage over 800 kWh. The generation rate for both winter blocks is the same and is set forth below.³ The distribution rate for the first block is 2.98899 cents per kWh and the distribution rate for the second block is 0.57028 cents per kWh. The company maintains that the generation variable energy charge will never fall below 0¢ per kWh. CSP will hold the customer harmless from charges for service on the experimental RS-RTP schedule in excess of the energy charges the customer would have incurred under the otherwise applicable service schedule at the end of the initial one year of RS-RTP service.

- (7) The Commission finds that the proposed tariffs are not for an increase in rates pursuant to Section 4909.18, Revised Code, and that the proposed RS-RTP tariffs are experimental service offerings. For these reasons, we find that a hearing is not necessary. Therefore, the Commission finds CSP's tariff application to be reasonable and the application should be approved.

It is, therefore,

ORDERED, That OPAC's motion to intervene in the tariff case be granted. It is, further,

² The summer generation charge is represented by the formula 100 percent X RTP (Auction Clearing Real-Time Price) X Scalar (Scalar equals \$44.25 per MWh/Average Location Marginal Price of energy as provided by the PJM Market for the previous three calendar months).

³ The winter generation rate is represented by the formula 85.5 percent X RTP X Scalar.

ORDERED, That CSP's proposed tariffs be approved consistent with this finding and order. It is, further,

ORDERED, That CSP be authorized to file, in final form, four complete copies of its tariff, consistent with this finding and order. CSP shall file one copy in its TRF docket (or 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 effective date of the new tariffs shall be a date not earlier than the date of this finding and order and the date upon which four complete copies are filed with the Commission. 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 CSP and its counsel and all other persons of record in these proceedings.

THE PUBLIC UTILITIES COMMISSION OF OHIO



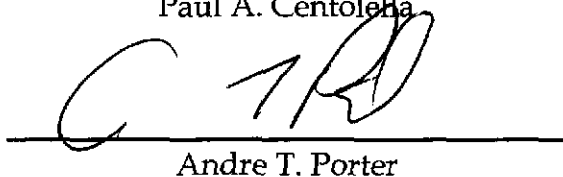
Todd A. Snitchler, Chairman



Paul A. Centoloha



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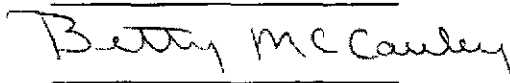


Cheryl L. Roberto

JRJ/vrm

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Betty McCauley
Secretary