

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Joint Application for)	
Approval of a Special Arrangement)	
with a Mercantile Customer between)	
The Toledo Edison Company and:)	
 The Calphalon Corporation)	Case No. 09-1303-EL-EEC
)	
Walgreens)	Case No. 09-1321-EL-EEC
)	
Johnson Controls Power Solutions)	Case No. 09-1326-EL-EEC

FINDING AND ORDER

The Commission finds:

- (1) Section 4928.66, Revised Code, requires electric utilities to meet certain annual energy efficiency and peak demand reduction (EEDR) benchmarks specified in the statute. Further, the statute enables mercantile customers to commit their peak demand reduction, demand response, and energy efficiency programs for integration with an electric utility's programs in order for the electric utility to meet the statutory benchmarks.
- (2) Section 4928.01(A)(19), Revised Code, defines a mercantile customer as a commercial or industrial customer that consumes more than 700,000 kilowatt hours of electricity per year or that is part of a national account involving multiple facilities in one or more states.
- (3) The Toledo Edison Company (TE) is a public utility as defined in Section 4905.02, Revised Code, and, as such, is subject to the jurisdiction of this Commission. TE recovers its costs of complying with the energy efficiency and demand reduction requirements imposed by Section 4928.66, Revised Code, from its customers through its Rider DSE2.
- (4) Rule 4901:1-39-05(G), Ohio Administrative Code (O.A.C.), provides for the filing of an application by a mercantile customer, either individually or jointly with an electric utility, to commit the customer's demand reduction, demand response, and energy efficiency programs for integration with an electric utility's programs in order to meet the utility's statutory requirements.

- (5) Each of the captioned energy efficiency credit (EEC) applications were filed by TE with a mercantile customer, pursuant to Rule 4901:1-39-05(G), O.A.C., to commit the customer's lighting replacement program and/or compressed air improvements for integration with TE's programs to meet the utility's energy efficiency and peak demand reduction benchmarks. In each case, a staff report was filed recommending approval of the application and an exemption for a certain time period from the DSE2 rider, as follows:

Case No.	Mercantile Customer	Exemption
09-1303	The Calphalon Corporation	Through 2017
09-1321	Walgreens	Through December 31, 2015
09-1326	Johnson Controls Power Solutions	Through 2012

- (6) In each case, the Commission's Staff has reviewed the application and additional supporting documentation provided by TE including purchase orders and receipts, third-party engineering studies, and photographs of new equipment. Staff has verified that the customer meets the definition of a mercantile customer and that the documentation of the methodology used to calculate energy savings conforms to the general principals of the International Performance Measurement Verification Protocol used by TE. The customer has committed the energy projects for the life of the project. The projects provide for lighting system replacements and/or compressed air improvements to reduce electric energy consumption. The projects either provide for early retirement of fully functioning equipment or achieve reductions in energy use and peak demand that exceed the reductions that would have occurred had the customer used standard new equipment or practices where practicable.
- (7) Upon review of the applications and supporting documentation, and Staff's recommendations, the Commission finds that the requirements related to each of these applications have been met. The Commission further finds that the requests for mercantile commitment pursuant to Rule 4901:1-39-05, O.A.C., and for mercantile customer EEDR rider exemptions pursuant to Rule 4901:1-39-08, O.A.C., do not appear to be unjust or unreasonable. Thus, a hearing on these matters is

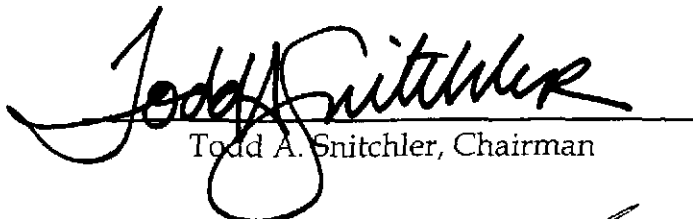
unnecessary. Accordingly, we find that these applications should be approved. As a result of such approval, we find that TE should adjust its baselines, pursuant to Section 4928.66(A)(2)(c), Revised Code, and Rule 4901:1-39-05, O.A.C. However, we note that although these projects are approved, they are subject to evaluation, measurement, and verification in the portfolio status report proceeding initiated by the filing of TE's portfolio status report on March 15 of each year, as set forth in Rule 4901:1-39-05(C), O.A.C. The Commission also notes that every arrangement approved by this Commission remains under our supervision and regulation, and is subject to change, alteration, or modification by the Commission.

It is, therefore,

ORDERED, That each of the above-captioned applications be approved and that the record of these cases be closed. It is, further,

ORDERED, That a copy of this finding and order be served upon all parties of record.

THE PUBLIC UTILITIES COMMISSION OF OHIO



Todd A. Snitchler, Chairman



Paul A. Centolella



Steven D. Lesser



Andre T. Porter

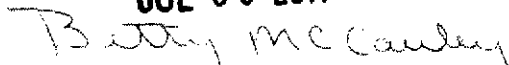


Cheryl L. Roberto

MLW/sc

Entered in the Journal

JUL 06 2011



Betty McCauley
Secretary


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CONCURRING OPINION OF COMMISSIONER PAUL A. CENTOLELLA

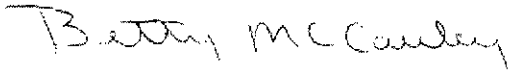
These cases present comparable circumstances to those in Case No. 09-595-EL-EEC, *In the Matter of the Application of Progressive Insurance Company and The Cleveland Electric Illuminating Company for Approval a Special Arrangement with a Mercantile Customer*. For the reasons stated in my Concurring Opinion in Case No. 09-595-EL-EEC, I would approve the proposed agreements subject to reexamination based on the total exemptions granted for this utility using a benchmark comparison approach and potential modification of such exemptions.


Paul A. Centolella, Commissioner

PAC/sc

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Betty McCauley
Secretary