

Staff Review and Recommendations for

Case No. 09-1226-EL-EEC

Joint Application for a Special Arrangement between Johnny Appleseed Broadcasting and Ohio Edison Company A Special Arrangement with a Mercantile Customer

Summary of Filing

On December 8, 2009, Ohio Edison Company (Company) filed a joint application with Johnny Appleseed Broadcasting (Customer). The special arrangement includes a provision that will exempt Customer from paying costs included in the Company's Rider DSE2. Applicants jointly request authority from the Commission to exempt Customer from paying the charges set forth in the DSE2 Rider, to become effective during the Customer's first billing cycle after the issuance of the Commission's Opinion and Order approving the project for inclusion in the Company's EEDR compliance plan. ORC 4928.66 requires certain energy efficiency and demand reduction benchmarks with which the Electric distribution company's must comply. This statute also allows an EDU to include certain mercantile customer-sited energy efficiency and peak demand reduction programs (Energy Projects) to be included in their compliance measures.

Specifically, the Applicants request that the Commission:

- (a) Approve the Agreement;
- (b) Approve the Energy Projects as qualifying for inclusion in the Company's EEDR compliance plan;
- (c) Authorize the Company to exempt Customer from paying the charges included in the Company's Rider DSE2, effective for the Customer's first billing cycle after the date on which the Commission issues its Opinion and Order in this matter approving the Energy Projects for inclusion in the Company's EEDR compliance plan and Continuing for as long as Customer meets the requirements set forth in Rider DSE2; and,
- (d) Any other relief that the Commission deems appropriate.

Staff's Review

Staff reviewed this application and further supporting documentation provided by Ohio Edison Company, including calculations showing metered usage of energy consumption both pre-installation and post-installation of the customer's equipment in transition to a digital television signal.

Pursuant to Division (A)(2)(d) of section 4928.66 of the Revised Code, the filing must:

- (a) Address coordination requirements between the electric utility and the mercantile customer, including specific communication procedures.
- (b) Grant permission to the electric utility and staff to measure and verify energy savings and/or peak-demand reductions resulting from customer-sited projects and resources.
- (c) Identify all consequences of noncompliance by the customer with the terms of the commitment.
- (d) Include a copy of the formal declaration or agreement that commits the mercantile customer's programs for integration, including any requirement that the electric utility will treat the customer's information as confidential and will not disclose such information except under an appropriate protective agreement or a protective order issued by the commission.
- (e) Include a description of methodologies, protocols, and practices used or proposed to be used in measuring and verifying program results, and identify and explain all deviations from any program measurement and verification guidelines that may be published by the commission.

The Customer uses more than 700,000 kWh annually and/or otherwise meets the requirements of a mercantile customer. The Customer has provided documentation providing evidence that the methodology used to calculate energy savings conforms to the general principals of the International Performance Measurement Verification Protocol (IPMVP). Within the Mercantile Customer Project Commitment agreement, the customer committed the Energy Projects for the life of the project. In committing this Energy Project, the customer provided:

- Annual Energy Baseline Consumption data
- An accounting of incremental energy saved
- A description of projects implemented and measures taken
- A description of methodologies, protocols and practices used to measure and verify the energy savings
- An accounting of expenditures to demonstrate the cost effectiveness of the project
- Supporting documents to verify the timeline and in service dates of the project

The Customer has implemented the Energy Project. The Energy Project consists of installing new equipment to transition from broadcasting an analog television signal to broadcasting a digital television signal. Johnny Appleseed Broadcasting installed this equipment prior to the federally mandated conversion to a digital broadcasting signal. In addition, the Customer provided verification that the equipment selected exceeds the energy efficiency requirements of the standard digital broadcasting equipment.

Staff Recommendation

Based upon its review, the Staff believes that the Energy Project meets the requirements for inclusion in the Company's EEDR compliance plan. With the savings achieved, Johnny Appleseed Broadcasting will be exempt from the DSE2 Rider through 2022.

This joint application does not appear to be unreasonable, was properly filed in conformance with the applicable rules, and Staff recommends approval of this mercantile exemption from the DSE2 Rider as requested.

Additionally, Staff recommends any portion of the DSE2 Rider assessed to the Customer during the recommended exemption period be refunded to the Customer. Further, Staff notes that, pursuant to the second entry on rehearing issued on May 25, 2011, in Case No. 10-834-EL-POR, this rider exemption will be subject to review and potential adjustment every two years to ensure that the exemption accurately reflects the EEDR savings.

Prepared by: R. Wolfe
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Summary: Staff Review and Recommendation electronically filed by Mr. Robert Wolfe on behalf of PUCO Staff