

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of )  
Columbus Southern Power Company to )  
Establish New Experimental Rate )  
Schedule Classifications for Residential ) Case No. 10-424-EL-ATA  
and Small General Service Time of Day )  
Rates and Residential Experimental )  
Direct Load Control Rider. )

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).<sup>1</sup> 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 directed CSP to pursue funding for its gridSMART project from the American Recovery and Reinvestment Act of 2009 and encouraged CSP's expedient implementation of a pilot program, Phase 1 gridSMART, with three primary components: advanced meter infrastructure (AMI), Distribution Automation (DA) and Home Area Network (HAN) technologies. The Commission reasoned that properly designed AMI and DA would 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) On April 1, 2010, CSP filed an application in Case No. 10-424-EL-ATA, to offer an experimental direct load control (DLC) smart thermostat to residential customers to reduce their energy usage during load management events. The Commission approved CSP's application for Rider DLC on December 1, 2010.

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

- (3) As currently approved, Rider DLC only provides a credit for customers who have agreed to install a smart thermostat and load control device for the control of central electric cooling units. CSP will furnish and install the smart thermostat device in the home of customer's electing Rider DLC. Further, a Rider DLC customer agrees to have their central air conditioner thermostat set to a higher indoor temperature, by four degrees, or to have their central air conditioner cycled off, for up to one-half hour each hour, during certain events. Company triggered non-load management events are limited to 15 per year, with a maximum duration of five hours per event, during the months of May through September. In addition, emergency load management events, as called by PJM Interconnection, LLC (PJM), the regional transmission operator, will not exceed 10 events per year, occurring between noon and 8:00 p.m. weekdays, May through September and 2:00 p.m. to 10:00 p.m. weekdays, October through April. In total, a customer in PJM's and CSP's programs may have 25 load management events per year; however, CSP asserts that it is unlikely that a customer will experience 25 events. Customers who elect DLC service will receive various monthly credits depending on the customer's tariff service and the number of times the customer overrides a load management event. A customer who enrolls in DLC service is required to remain on the rider for at least one cooling season, May through September.
- (4) On May 18, 2011, CSP filed an application to amend its Rider DLC. In the application, CSP proposes to revise Rider DLC to permit Rider DLC customers to also include the control of their electric water heaters, pool pumps and hot tubs to provide customers with additional credit opportunities. In addition to the central electric cooling unit, the load control device will switch off the electric water heater, pool pump, and/or hot tub during a load management event. As proposed, Rider DLC customers that agree to the control of their electric water heating units and hot tubs must agree to participate for a minimum of one year and would be subject to 15 additional non-emergency load management events during the months of October through April between 5:00 a.m. and 11:00 p.m.
- (5) One of the primary reasons the Commission endorsed the implementation of smart grid technologies is to provide customers with the ability to better control their energy usage

to reduce their energy costs. The proposed Rider DLC tariff amendment offers CSP customers additional opportunities to take advantage of smart grid technology to better control energy usage and reduce energy costs.

The Commission finds that the proposed tariff amendment is not for an increase in rates pursuant to Section 4909.18, Revised Code. Further, the Commission finds that the proposed Rider DLC tariff amendment does not appear to be unjust or unreasonable. As such, the Commission finds that a hearing is not necessary and the proposed tariff amendment should be approved.

It is, therefore,

ORDERED, That CSP's proposed Rider DLC tariff amendments, filed on May 18, 2011, 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,

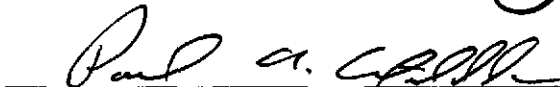
ORDERED, That the effective date of the new tariffs shall be a date not earlier than the date of this Finding and Order and the date upon which four complete copies are filed with the Commission. It is, further,

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 all persons of record in this case.


THE PUBLIC UTILITIES COMMISSION OF OHIO

  
Todd A. Snitchler, Chairman

  
Paul A. Centolella


  
Steven D. Lesser

  
Andre T. Porter

  
Cheryl L. Roberto

GNS/vrm

Entered in the Journal  
**AUG 31 2011**

  
Betty McCauley  
Secretary