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#### Via E-FILE

November 2, 2012

Public Utilities Commission of Ohio PUCO Docketing 180 E. Broad Street, 10th Floor Columbus, Ohio 43215

In re: Case No. 12-665-EL-UNC

Dear Sir/Madam:

Please find attached the COMMENTS OF THE OHIO ENERGY GROUP e-filed today in the above-referenced matter.

Copies have been served on all parties on the attached certificate of service. Please place this document of file.

Respectfully yours

David F. Boehm, Esq. Michael L. Kurtz, Esq. Jody M. Kyler, Esq.

**BOEHM, KURTZ & LOWRY** 

JMKkew Encl.

Cc: Certificate of Service

# BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

In The Matter Of The Annual Verification of the Energy Efficiency and Peak Demand Reductions Achieved by the Electric Distribution Utilities Pursuant to Section 4928.66, Revised Code.

Case No. 12-665-EL-UNC

## COMMENTS OF THE THE OHIO ENERGY GROUP

The Ohio Energy Group ("OEG") submits these Comments in response to the Report of the Ohio Independent Evaluation ("Evergreen Report") filed August 29, 2012 in this proceeding. On pages 23-24 of Vol. I of the Evergreen Report, the auditor recommends that the savings from the facilities upgrade of one AEP Ohio mercantile customer, designated Customer #2 (Ford, an OEG member), should be recalculated using a replacement baseline rather than a retrofit baseline. But as the attached letter from Customer #2 confirms, the customer's existing machine line at the time of the facilities upgrade at issue was not obsolete. Because Customer #2's equipment was replaced prior to the end of its useful life, the appropriate standard for calculating the savings resulting from Customer #2's facilities upgrade is the retrofit or "as found" standard. Further, applying the "as found" standard to projects such as the one at issue will help to avoid discouraging other large customers from undertaking energy efficiency projects. Confusion regarding which savings standard will be applied to given energy efficiency project has discouraged OEG members from undertaking such projects in the past.

Respectfully submitted,

David F. Boehm, Esq. Michael L. Kurtz, Esq.

Jody M. Kyler, Esq.

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Ford Motor Company

November 2, 2012

To Whom It May Concern:

In response to the August 29, 2012 Ohio Statewide Evaluator's (SWE) report, Ford submits this letter in support of AEP Ohio's 2009 energy rebate to support facility and tooling upgrades to Ford's Lima, Ohio facility. Ford believes that all kilowatt hours associated with its upgrades should be counted toward AEP Ohio's electricity benchmark requirements.

It is my understanding that, in its report, the SWE recommended disallowing savings from Ford's facilities upgrade based upon a lack of information regarding the project and an assumption that the existing Ford equipment was obsolete.

The SWE is incorrect in its assertion that the existing machining line at the time of the facilities upgrade was obsolete. In addition, the upgrades were indeed state of the art. Ford questions whether an outside 3<sup>rd</sup> party, such as the SWE, can truly judge whether Fordowned equipment is obsolete or not. Further, hiring a second evaluator to check the work of AEP Ohio's evaluator seems to be duplicative and may not be a valuable use of resources.

Ford agrees with the conclusions of AEP Ohio and its evaluator, Navigant, that the conclusions reached by the SWE are incorrect and should be disregarded. AEP Ohio's evaluator has the correct understanding of the facts surrounding this project. Ford and Navigant spent months poring through significant quantities of information to arrive at a fair assessment of the energy benefits of Ford's project, not to mention the benefits to the community Ford's project entailed. Accordingly, Ford believes that Navigant's savings numbers are the numbers that should be used in evaluating Ford's project. Ford likewise supports Navigant's rebuttal letter filed in this docket by AEP Ohio.

If I can be of any assistance in resolving this matter in favor of Ford and AEP Ohio, please let me know. Thank you for your assistance in this regard.

Sincerely.

Jeffrey D. White Energy Efficiency Manager 330 Town Center Dr. Suite 1100

ex ( ) Who

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### **CERTIFICATE OF SERVICE**

I hereby certify that true copy of the foregoing was served by electronic mail (when available) or ordinary mail, unless otherwise noted, this  $2^{nd}$  day of November, 2012 to the following:

David F. Boehm, Esq. Michael L. Kurtz, Esq. Jody M. Kyler, Esq.

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**Commission of Ohio Docketing Information System on** 

11/2/2012 12:58:48 PM

in

Case No(s). 12-0665-EL-UNC

Summary: Comments Comments of the Ohio Energy Group(OEG) electronically filed by Mr. David F. Boehm on behalf of Ohio Energy Group