

Legal Department

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American Electric Power 1 Riverside Plaza Columbus, OH 43215-2373 AEP.com

## July 21, 2010

Hon. Greta See, Attorney Examiner Public Utilities Commission of Ohio 180 East Broad Street Columbus Ohio 43215-3793

Re: In the Matter of the Application of Columbus Southern Power Company to Update its gridSMART Rider, Case No. 10-164-EL-RDR

## Steven T. Nourse

Senior Counsel --Regulatory Services (614) 716-1608 (P) (614) 716-2014 (F) stnourse@aep.com

Dear Ms. See:

On February 11, 2010 Columbus Southern Power Company (CSP) filed its application to initiate this proceeding. Pursuant to your scheduling order, interested parties filed comments on April 30, 2010 and reply comments on May 10, 2010. The Staff of the Public Utilities Commission of Ohio (Staff) filed in this docket a document entitled "Comments and Recommendations" on April 30, 2010. CSP has met with the Staff and other interested parties to discuss all of the comments that were filed in this docket.

As a result of those discussions and in response to the Staff's Comments and Recommendations, CSP would like to update its position as originally reflected in the application as follows:

- 1.) Capital investment in Advanced Metering Infrastructure (AMI) due to timing of unvouchered liabilities from December 2009, \$8,789,680 will be excluded from the 2009 recovery. (Staff Comments and Recommendations at p. 11)
- 2.) O&M internal labor expense of the \$602,605.45 total internal labor included in the application, \$435,877.45 should be excluded so that a total of \$166,728 labor costs remain. (Staff Comments and Recommendations at p. 11)
- 3.) Consistent with the Companies' updated position in Case Nos. 10-155-EL-RDR and 10-163-EL-RDR (reflecting Staff's carrying charge recommendations), the Companies agree to revise the as-filed carrying cost to use the same weighted average cost of capital, debt/equity ratio, depreciation factor and FIT factor, property taxes and A&G factor approved in the ESP – except that the property tax component should be adjusted to reflect that the gridSMART facilities are not exempt from personal property taxes. (Staff Comments and Recommendations at p. 12-14)

This is to certify th	at the images appearing are an
accurate and complete	Febroauction of a case file
document delivered in	the regular course of business.
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- 4.) Based on the ARRA stimulus funding of \$75 million and the additional nonaffiliated in kind contributions of \$10.85 million, the Commission should approve CSP's continued implementation of the enhanced gridSMART initiative described in the application. Recovery of CSP's enhanced gridSMART implementation costs will continue to be subject to cost recovery review in future gridSMART rider proceedings. The 2009 costs reviewed in this proceeding are appropriate for recovery.
- 5.) CSP agrees to establish a gridSMART working group open to participation by interested stakeholders, including Staff, the Ohio Consumers Counsel and other interested parties. The gridSMART working group would meet quarterly and discuss ongoing matters involving customer education programs, implementation milestones, metrics for evaluation of various aspects of the initiative, updated projections of operational cost savings, cost recovery issues and other such matters of interest. The primary goals of the working group would be to allow for input by stakeholders and provide updates on CSP's implementation progress and plans. Except for the discussion of cost recovery issues that is ongoing in nature, the focus of the working group's efforts would be on post-2012 plans for expanding beyond phase 1 of the gridSMART initiative for both CSP and Ohio Power Company.
- 6.) Regarding the customer-interfacing functionalities of the gridSMART initiative, CSP agrees through the end of 2011: (a) not to utilize prepaid metering; (b) not to require mandatory time-of-use rates (*e.g.*, an opt-out program would be permissible); and (c) the Company will not seek a waiver from Rule 4901:1-18-05(A), OAC, regarding personal or written notice, prior to utilizing any remote disconnection capabilities for non-payment (but once properly noticed, the Companies may still utilize remote disconnect functionality). In this context, the Commission should confirm that no rule waiver is needed to utilize remote disconnect capabilities when disconnecting service at the customer's request.
- 7.) The proposed rider, as set forth in the application and updated in this letter, should be adopted.

Exhibit A updates the information presented with the application in this case in support of the proposed gridSMART rider and provides a new corresponding FAC rider, assuming that the Commission adopts CSP's updated position in time to implement new rates effective August 2010. Exhibit B provides FAC information assuming that the Commission adopts CSP's updated position in time to implement new rates effective September 2010. While CSP fully supports an expedited decision

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in this case that adopts the Company's updated position, as reflected in the application and the above updates, CSP reserves the right to seek rehearing on any aspect of the Commission's decision that varies from the updated position.

Very truly yours,

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Steven T. Nourse

cc: Counsel of Record

## gridSMART Exhibit A

2009 Columbus Southern Power Company gridSMART Rider True-Up

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2009 OverfUnder) Recovery         2006 Einented Samoning         2006 Actual Spanning         Canving Chang         Revone Requirement           084         5 value Lie         5 value Spanning         346.013         346.013         5 value View         5	CSP - gridSMART				2009 Actual		2009 Actual	
41         5         4,57 / 34,613         5         4,67 / 3         5         3,45 / 13           61-1         5         265,00 5         5         42,63 / 66         5         23,37 3         5         14,17 / 13           61-1         5         265,00 5         5         46,60 6         5         24,86 / 66         5         24,87 / 66         5         24,87 / 66         5         24,87 / 66         5         24,87 / 66         5         14,17 / 66         5         14,17 / 66         5         24,87 / 66         5 <th>2009 Over/(Under) Recovery</th> <th>2009 E</th> <th>estimated Spending</th> <th>2009 Actual Spending</th> <th>Carrying Charge*</th> <th>Rev</th> <th>enue Requirement</th> <th></th>	2009 Over/(Under) Recovery	2009 E	estimated Spending	2009 Actual Spending	Carrying Charge*	Rev	enue Requirement	
atile 1: Year Life       5       2600,653       5       14,050       5       24,033       5       14,670       5       244,790       5       144,670       5       144,760       5       144,760       5       244,660       5       244,660       5       244,66	O&M	\$	4,597,804			67	345,613	
al 0. Year Life       5       2.61, 0.05       640 403       5       643, 31       5       11, 100       5       64, 175         al 0. Year Life       5       2.62, 0.05       646 41       5       11, 100       5       11, 100         Bio - 0. Year Life       5       2.02, 0.05       646 41       5       11, 100       5       11, 100         Bio - 0. Year Life       5       2.02, 0.05       646 41       7       5       140, 300         Di - 0. Year Life       2.010 Ealimated       Adjusted 2.010       2.010 guidSMATT       5       6, 440, 300         Di Crossental Investment       2       3.024, 700       9       7, 100, 600       7       7, 100, 600       7       7, 100, 600       7       10, 600       11	Capital - 5 Year Life Capital - 7 Year Life	69 69	655,000 26,204,563	14,		69 b3	23,373 14,670	
Auto:         S. 2.621,700         S. 1610.02         113.002         S. 113.002 <td>Capital - 15 Year Life</td> <td>69</td> <td>446,925</td> <td></td> <td></td> <td>63</td> <td>•</td> <td></td>	Capital - 15 Year Life	69	446,925			63	•	
Attendency         5         -         5         64,641         3         11,100         5         11,010         11,010 <th< td=""><td>Capital - 30 Year Life</td><td>69 ·</td><td>2,621,700</td><td>-</td><td></td><td><del>69</del> (</td><td>69,331</td><td></td></th<>	Capital - 30 Year Life	69 ·	2,621,700	-		<del>69</del> (	69,331	
ICcential         3         29,263,188         5         17,193,300         5         113,182         5         143,182           2- ortidSMART         2006 Anctual Revenue Requirement         5         7,393,013         5         7,393,013           2- ortidSMART         2010 Estimated         Adjusted 2010         Carrying         2,010 gridSMART         5         7,393,013           1         0.1ncremental investment         5         8,041,004         Carrying         2,010 gridSMART           A         3         3,024,750         5         8,041,004         7,393,013         2,010 gridSMART           A         3         3,024,750         5         8,041,004         5         3,010 gridSMART           A         3         3,024,750         5         8,041,004         5         3,010 gridSMART           A         3         3,024,750         5         2,010 gridSMART         5         3,010 gridSMART           A         3         3,024,750         5         2,010 gridSMART         5         3,010 gridSMART           A         4         5         3,024,150         5         3,010 gridSMART         5         3,010 gridSMART           A         5         3,024,150 <t< td=""><td>Capital - 35 Year Life Capital - 40 Year Life</td><td>69 <del>(</del>4</td><td></td><td>æ</td><td></td><td>₩</td><td>11,808</td><td></td></t<>	Capital - 35 Year Life Capital - 40 Year Life	69 <del>(</del> 4		æ		₩	11,808	
2-article         2009 Artial Reveue Requirement         5         464.755           2-artide         2009 Artial Reveue Requirement         5         644.755           2-artide         2009 Artial Reveue Requirement         5         644.755           2-artide         2009 Artial Reveue Requirement         5         644.755           2-artide         2009 Cartification         2         2           4         2004 Cartification         2         2           4         2004 Cartification         2         2           4         2         3         2         2         2           4         2         3         2         2         2         2           4         2         3         2         2         3         2         3           4         3         3         2         3	Total Capital	ж Ч	29,928,188			\$	119,182	
Z010 Estimated         Adjusted 2010         Carrying         Carrying         2010 gridSMART           Spending         gridSMART Spending         Rate         2010 gridSMART         Rate         2010 gridSMART           \$         3,024,750         \$         6,841,004         \$         \$         6,841,004         \$         \$         6,841,004         \$         \$         6,841,004         \$         \$         6,841,004         \$         \$         6,841,004         \$         \$         6,841,004         \$         \$         6,841,004         \$         \$         6,841,004         \$         \$         6,841,004         \$         \$         6,841,004         \$         \$         5,525         \$         2,406,669         \$         2,533,135         \$         2,6525         \$         2,406,669         \$         \$         3,765,101         \$         \$         5,525,525         \$         2,404,669         \$         \$         3,765,105         \$         2,65,255         \$         2,404,669         \$         \$         \$         3,65,255         \$         2,404,669         \$         \$         3,65,255         \$         2,66,106         \$         \$         4,417,806         \$         \$         \$	Total				2009 Actual Revenue Requirement 2009 gridSMART Rider Collections 2008 Over/(under) Recovery		464.795 8.400.840 7.936.045	
ZUTU Letimated         Aquitated         Aduitated	TO ANOTHER OF	ć			S G			
3.024.750       5       6.841.064       5       6.841.064       5       6.841.064         a1 - 5 Year Life       5       5.660.350       5       7.223.146       5       5.404.695         a1 - 5 Year Life       5       5       5.660.350       5       7.223.146       5       2.404.695         a1 - 15 Year Life       5       5       2.234.625       5       2.681.550       11.62.745       5       2404.695         a1 - 50 Year Life       5       2.234.625       5       2.681.550       11.62.745       5       2404.695         a1 - 50 Year Life       5       2.234.625       5       2.681.550       11.62.745       5       2404.695         a1 - 50 Year Life       5       2.5331.260       2010 Revenue Requirement       5       9.912.327         a1 - 50 Year Life       5       25.331.260       2010 Revenue Requirement       5       9.912.327         Capital       5       21.706       2010 Revenue Requirement       5       9.912.327         Capital       5       2010 Revenue Requirement       5       9.912.327         Capital       5       2010 Revenue Requirement       5       9.912.327         Capital       7       2000 Capital	<u>2010 Incremental Investment</u>		010 Estimated Spending	Adjusted 2010 gridSMART Spending	5 *		010 grdSMAKI enue Requirement	
5       5,680,350       5       17,623,225       32,02%       5       36,556         5       5,680,350       5       17,623,225       27,29%       5       36,569         5       3,786,900       5       17,623,225       2,681,550       16,57%       5       2,404,689         5       3,786,900       5       1,701,875       5       2,681,550       16,57%       5       2,404,689         5       3,786,900       5       4,798,339       16,27%       5       376,910         5       3       11,701,875       5       2000 Revenue Requirement       5       9,912,327         5       11,701,875       5       2003 Capital Carrying Coets       5       4,417,806         6       7,006       7,006       5       7,006,046       7,736         7       2,010 Revenue Requirement       5       9,912,327         8       11,701,875       25,331,260       2010 Revenue Requirement       5       6,364,068         7       2,010 Revenue Requirement       5       2,036,046       7,396       9,912,327         8       2,010 Revenue Requirement       5       2,010 Revenue Revenues       5       6,326,891,559         8 </td <td>O&amp;M</td> <td>ø</td> <td>3,024,750</td> <td></td> <td></td> <td>69</td> <td>6,841,064</td> <td></td>	O&M	ø	3,024,750			69	6,841,064	
5       5,680,350       5       17,623,225       27,29%       5       2,404,669         5       2,234,625       5       2,681,550       16,88%       5       2,404,669         5       3,766,900       5       7,789,339       15,71%       5       2,503,138         5       3,766,900       5       2,681,550       2,010       Revenue Requirement       5       2,404,669         5       3,76,910       5       2,5331,260       2010       Revenue Requirement       5       3,76,910         5       11,701,875       5       2,5331,260       2010       Revenue Requirement       5       4,417,806         6       2010       Carrying Costs       5       2,634,086       5       7,936,046         7       2       2010       Revenue Requirement       5       7,936,046       5         7       2       2010       Revenue Requirement       5       7,936,046       5         7       2       2       2       2       2       2       3       2       3       2       3       3       3       3       3       3       3       3       3       3       3       3       3 <td< td=""><td>Ceptital - 5 Year Life</td><td>ta ta</td><td></td><td>57</td><td>ř</td><td></td><td>36,526</td><td>(a)</td></td<>	Ceptital - 5 Year Life	ta ta		57	ř		36,526	(a)
\$       2,234,625       \$       2,681,550       18,86%       \$       2,53,138         \$       3,786,900       \$       4,788,339       15,71%       \$       25,313         \$       3,786,900       \$       4,788,339       16,27%       \$       25,313         \$       11,701,875       \$       26,331,260       2010 Revenue Requirement       \$       9,912,327         \$       11,701,875       \$       25,331,260       2010 Revenue Requirement       \$       9,912,327         \$       11,701,875       \$       25,331,260       2010 Revenue Requirement       \$       9,912,327         \$       11,701,875       \$       26,331,260       2010 Revenue Requirement       \$       9,912,327         \$       11,701,875       \$       26,331,260       2010 Revenue Requirement       \$       9,912,327         \$       11,701,875       \$       26,331,360       2010 Revenue Requirement       \$       9,912,327         \$       1,014er       Recovery (From Above)       \$       7,936,046       \$       7,936,046         \$       1,018       Revenue Requirement       \$       \$       1,016       \$       7,936,046         \$       1,17,160	Capital - 7 Year Life	6	5,680,350	69	N		2,404,689	(e)
5       3,786,900       \$       4,798,339       15,71%       \$       376,910         5       5       5       4,798,339       16,27%       \$       9,912,327         5       14,96%       5       26,331,260       2010 Revenue Requirement       \$       9,912,327         5       11,701,875       \$       25,331,260       2010 Revenue Requirement       \$       9,912,327         6       2009 Capital Carrying Costs       \$       2,417,806       \$       7,936,046         7       2010 Revenue Requirement       \$       205,041       \$       7,936,046         7       104al 2010 Revenue Requirement       \$       326,881,569       \$       25,381,569         8       2010 gridSMART Rider       \$       325,881,569       \$       250,09%         7       2010 gridSMART Rider       \$       325,881,569       \$       256,00%         8       2010 gridSMART Rider       \$       \$       325,881,569       \$       256,00%         8       2010 gridSMART Rider       \$       \$       256,00%       \$       \$       256,00%         8       2010 gridSMART Rider       \$       \$       \$       \$       256,00%         <	Capital - 15 Year Life	67	2,234,625	\$	<del></del>		253,138	8
\$       -       \$       -       15.27% \$       \$         3       11,701,875       \$       2009 Capitat Carrying Costs       \$       14.36% \$       \$         5       11,701,875       \$       2009 Capitat Carrying Costs       \$       \$       \$       \$         6       11,701,875       \$       25,331,260       2010 Revenue Requirement       \$       <	Capital - 30 Year Life	67	3,786,900	\$	<del>, -</del>		376,910	<b>a</b>
3         -         3         -         14.36%         5           5         11,701.875         5         25,331.260         2010 Revenue Requirement         5           7         2009 Capitat Carrying Costs         5         2009 Capitat Carrying Costs         5           7         701.875         5         2009 Capitat Carrying Costs         5           7         701.0147         Recovery (From Above)         5           7         701al 2010 Revenue Requirement         5           8         Distribution Revenues         5         32           8         Distribution Revenues         5         32           7         2010 gridSMART Rider         5         32           7         2010 gridSMART Rider         5         32           7         2010 gridSMART Rider         5         32	Capital - 35 Year Life	69	ı	, \$	£		ı	
\$       11,701,875       \$       25,331,260       2010 Revenue Requirement       \$         2009 Capitat Carrying Costs       \$       \$       \$       \$         2010 Cert/Under) Recovery (From Above)       \$       \$       \$         2010 Gistribution Revenues       \$       \$       \$       \$         2010 gridSMART Rider       \$       \$       \$       \$       \$         2010 gridSMART Rider       \$<	Capital - 40 Year Life	e9	4	۰ ج	Ť	- 1	1	
m Above) \$	Totał Capital	\$	11,701,875		2010 Revenue Requirement	⇔	9,912,327	
rom Above) <b>\$</b> irrement <b>\$</b> is <b>3</b> 2 ler					2009 Capital Carrying Costs	<del>67</del>	4,417,806	æ
irement <b>5</b> 32 ler					Over/(Under) Recovery (From Abo	•	7,936,045	
33 Jet 23					Total 2010 Revenue Requirement	\$	6,394,088	
ler					Base Distribution Revenues	**	325,881,559	
ler					2010 gridSMART Rider		1.96209%	
					Current gridSMART Rider		2.55030%	
					Change in gridSMART Rider		-0.58821%	

\* The actual 2009 carrying charges were based on the actual 2009 monthly long-term debt rate and actual depreciation expense.

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(a) Annual carrying charge rate times adjusted 2010 spending times one-half year

(b) Annual carrying charge rate times 2009 actual spending

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Line		Voltage Loss					
<u>No.</u>		Factors	Residentia	<u>GS-1</u>	<u>GS-2</u>	<u>GS-3</u>	<u>GS-4/JRP-D</u>
1	2009 Revenues Non-FAC		531.278.381	\$34,265,272	\$144.312,956	\$341.199.675	\$58,108.094
ź	FAC		226,219,544	\$34,200,272 \$11,130,384	\$53,499,313	\$211,431,528	\$74,939,120
3	Total		757.497.925	45.395.657	197,612,269	552,631,403	133,047,214
			101,481,925	40,000,007	191,012,209	002,001,400	133,041,214
4	2010 Allowable % Increase		6%	6%	6%	6%	<b>6%</b>
5	2010 Target Revenues		802,947,800	48,119,396	209,681,005	585,789,287	141,030,047
	Less:						
6	Non-FAG		531,278,381	34,265,272	144,312,956	341,199,875	58,108,094
	2010 Increases Under Cap						
7	Environmental		2,864,041	288,082	1,397,872	2,789,820	488,528
8	ESRP Rider		359,588	15,486	46,234	105,275	8,181
9	gridSMART <sup>IM</sup>		(514,330)	(22,150)	(66, 131)	(150,578)	(11,701)
10	Subtotal		533,987,680	34,546,690	145,690,931	343,944,392	58,593,102
11	2010 FAC Target		268,960,120	13,572,706	63.990.074	241.844.895	82,436,945
12	Fuel Recovered (Jan-July)		160.780.017	8,149,775	37,619,916	140,749,219	48,473,775
13	Revised FAC Target		108,180,103	5,422,931	26,370,158	101,095,676	33,963,170
	kWh by Voltage (August-Dr	9C)					
14	Secondary	-,	3,036,473,117	149,179,738	727,030,182	1,952,874,832	
15	Primary				25,913,945	1,070,590,785	
16	Sub/Tran						1,105,270,702
	Loss Adjusted kWh						
17	Secondary	1.0578	3,211,981,263	157,802,327	769,052,527	2,065,750,997	0
18	Primary	1.0233	0	0	26,517,740	1,095,535,550	0
19	Sub/Tran	1.0039	0	0	0	0	1,109,581,258
20	Total		3,211,981,263	157,802,327	795,570,267	3,161,286,547	1,109,581,258
21	FAC Rate @ Generation		0.033680179	0.034365339	0.033146234	0.031979283	0.030608997
	FAC Rate @ Meter						
22	Secondary	1.0578	0.0356269	0.0363517	0.0350621	0.0338277	0.0323782
23	Primary	1.0233			0.0339185	0.0327244	0.0313222
24	Sub/Tran	1.0039					0.0307284
	<b>Revenue Verification</b>						
25	Secondary		108,180,124	5,422,937	25,491,205	66,061,264	0
26	Primary		0	0	B78,962	35,034,441	0
27	Sub/Tran		0	O	0	0	33,963,200
28	Total		106,180,124	5,422,937	26,370,167	101,095,705	33,963,200
29	Difference		21	6	9	29	30

\* Same as GS-4

\*\* Composite of GS-2, GS-3 & GS-4

Line 1 - 2009 Non-FAC Revenue

Line 2 - 2009 FAC Revenue

Line 3 - Line 1 Plus Line 2

Line 4 - Allowable 2010 ESP rate increase

Line 5 - Line 6 Times Line 4

Line 6 - Line 1

Line 7 - Environmental Revenue Requirement

Line 8 - ESRP Rider Line 9 - gridSMART™ Rider

Line 10 - Sum of Lines 6,7,8 & 9

Line 11 - Line 5 Minus Line 10

Une 12 - Fuel Recovered from January through July 2010

Line 13 - Line 11 Minus Line 12

Line 17 through Line 19 - Lines 14 through 16 Times Voltage Loss Factors Line 20 - Sum of Lines 17 through 19 Line 21 - Line 13 Divided by Line 20 Lines 22 through Line 24 - Line 21 Times Voltage Loss Factors Line 25 - Line 22 times Line 14 Line 26 - Line 23 Times Line 15 Line 27 - Line 24 Times Line 16 Line 28 - Sum of Lines 25 through 27 Line 29- Line 13 Minus Line 28

Line 14 through Line 16 - kWh by class per ESP rate Schedules

Line		Voltage Loss						<b>_</b>	
No.	2000 D	Factors	<u>Joint S.T.</u>	<u>Joint S.T.</u>	<u>AL</u>	<u>SL</u>	<u>SBS</u>	Shocoine	<u>Total</u>
1	2009 Revenues Non-FAC		\$33,453,486	\$110.622	\$8.694.139	\$3,711,923		53 883 200	\$1,159,017,948
2	FAC		\$62,301,979	\$57,528	\$1,794,969	\$1,273,644		\$0,003,200	\$642,648,009
3	Total		95,755,465	168,149	10,489,108	4,985,567	0	3,683,200	1,801,665,957
4					6%	6%	6%	-,, 6%	6%
·	2010 Allowable % Increase		6%	6%	070				
5	2010 Target Revenues		101.500,793	178,238	11,118,454	5,284,701	0	4,116,192	1,909,765,915
	Less:								
6	Non-FAC 2010 Increases Under Cap		33,453,486	110,622	8,694,139	3,71 <b>1,923</b>	0	3,883,200	1,159,017,948
7	Environmental		218.861	1.097	26.514	7,937	0	0	\$8,082,752
8	ESRP Rider		5,098	27	8,733	3,707		3,984	\$556,313
9	aridSMART <sup>im</sup>		(7,292)	(39)	(12,491)	(5,302)		(5,698)	
10	Subtotal		33,670,153	111,707	8,716,895	3,718,265	0 0	3,881,486	1,167,100,700
11	2010 FAC Target		67,830,640	66,531	2,401,559	1.565,436		234,706	\$742,904,612
12			34,782,484	34,566	1,436,356	937,754		234,100	\$432,963,862
13	Fuel Recovered (Jan-July) Revised FAC Target		33,048,156	31,965	965,203	628,682			\$309,706,044
			,010,.00	- ,,,,,,,	,				•••••
	kWh by Voltage (August-De	c)							
14	Secondary				21,911,562	16,064,821			
15	Primary								
16	Sub/Tran		930,000,000	868,928					
	Loss Adjusted kWh								
17	Secondary	1.0578	0	0	23,178,050	16,993,368			
18	Primary	1.0233	0	0	0	0			
19	Sub/Tran	1.0039	933,627,000	872,317	0	0			
20	Total		933,627,000	872,317	23,178,050	16,993,368	0		
21	FAC Rate @ Generation		0.0353976	0.03664429	0.041642989	0.036995729			
	FAC Rate @ Meter								
22	Secondary	1.0578	0.0323782	0.0323782 *	0.04405	0.0391341	0.0341626 **		
23	Primary	1.0233	0.0313222	0.0313222			0.0327526 **		
24	Sub/Tran	1.0039	0.0307284	0.0307284			0.0307284 **		
	<b>Revenue Verification</b>								
25	Secondary		0	0	965, <b>204</b>	628,682	0		
26	Primary		0	0	0	0	0		
27	Sub/Tren		28,577,412	26,701	0	0	0		
28	Total		28,577,412	26,701	965,204	628,682	0		
29	Difference		(4,470.744)	(5,264)	1	(0)	0		
	* Same as GS-4 ** Composite of GS-2, GS-3 &	GS-4							
Líne 1	- 2009 Non-FAC Revenue				Line 14 through	Line 18 - kWh bu	dass per ESP rate	Schedules	
	- 2009 FAC Revenue						I through 16 Times		ctore
	- Line 1 Plus Line 2					f Lines 17 through			
	- Allowable 2010 ESP rate incre	366		•		3 Divided by Line			
	- Line 6 Times Line 4						i Times Voltage Los	a Factors	
	- Line 1				Line 25 · Line 2		•		
·· -									

Line 6 - Line 1 Line 7 - Environmental Revenue Requirement Line 8 - ESRP Rider Line 9 - gridSMART<sup>TM</sup> Rider Line 10 - Sum of Lines 6,7,8 & 9 Line 11 - Line 5 Minus Line 10 Line 12 - Fuel Recovered from January through Ja Line 13 - Line 11 Minus Line 12

Line 25 - Line 23 Times Line 15 Line 27 - Line 24 Times Line 16 Line 28 - Sum of Lines 25 through 27 Line 29- Line 13 Minus Line 28

## gridSMART Exhibit B

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No.         Factors         Residential         GS-1         GS-2         GS-3           2009 Revenues         531,278,381         534,265,272         \$144,312,958         \$341,199,           1         Non-FAC         531,278,381         534,265,272         \$144,312,958         \$341,199,           2         FAC         226,219,544         \$11,130,384         \$53,499,313         \$211,431,           3         Total         757,497,925         45,395,657         197,812,269         552,631,           4         2010 Allowable % Increase         6%         6%         6%         6%           5         2010 Target Revenues         802,947,800         48,119,396         209,681,005         585,789,           6         Non-FAC         531,278,381         34,265,272         144,312,956         341,199,           2010 Increases Under Cap         7         Environmental         2,124,126         246,595         1,175,719         2,371,           8         ESRP Rider         274,796         12,233         36,383         82,           9         gridSMART <sup>III</sup> (393,050)         (17,497)         (52,040)         (118,           10         Subtotal         533,284,253         34,506,603         1	528         574,939,120           403         133,047,214           6%         6%           287         141,030,047           875         58,108,094           079         423,625           872         6,549           534)         (9,367)
1         Non-FAC         531,278,381         534,265,272         \$144,312,956         \$341,199, \$53,499,313           2         FAC         226,219,544         \$11,130,384         \$53,499,313         \$211,431, \$211,431,           3         Total         757,497,925         45,395,657         197,812,269         552,631,           4         2010 Allowable % Increase         6%         6%         6%           5         2010 Target Revenues         802,947,800         48,119,396         209,681,005         585,789,           6         Non-FAC         531,278,381         34,265,272         144,312,955         341,199,           2010 Increases Under Cap         7         Environmental         2,124,126         246,595         1,175,719         2,371,           8         ESRP Rrider         274,796         12,233         36,383         82,           9         gridSMART <sup>IM</sup> (393,050)         (17,497)         (52,040)         (118,           10         Subtotal         533,284,253         34,506,603         145,473,018         343,535,           11         2010 FAC Target         269,663,547         13,612,793         64,207,967         242,253,           12         Fuel Recovered (Jan-Aug)         186,5	528         574,939,120           403         133,047,214           6%         6%           287         141,030,047           875         58,108,094           079         423,625           872         6,549           534)         (9,367)
2         FAC         226,219,544         511,130,384         \$53,499,313         \$211,431, 3           3         Total         757,497,925         45,395,657         197,812,269         552,631,           4         2010 Allowable % Increase         6%         6%         6%           5         2010 Target Revenues         802,947,800         43,119,396         209,681,005         585,789,           6         Non-FAC         531,278,381         34,265,272         144,312,955         341,199,           2010 Increases Under Cap         7         Environmental         2,124,126         246,595         1,175,719         2,371,           8         ESRP Ruder         274,796         12,233         36,383         82,           9         gridSMART <sup>IM</sup> (393,050)         (17,497)         (52,040)         (118,           10         Subtotal         533,284,253         34,506,603         145,473,018         343,535,           11         2010 FAC Target         269,663,547         13,612,793         64,207,967         242,253,           12         Fuel Recovered (Jan-Aug)         166,521,600         9,375,383         43,806,974         163,277,           13         Revised FAC Target         269,663,547	528         574,939,120           403         133,047,214           6%         6%           287         141,030,047           875         58,108,094           079         423,625           872         6,549           534)         (9,367)
3         Total         757,497,925         45,395,657         197,812,259         552,631,           4         2010 Allowable % Increase         6%         6%         6%         6%           5         2010 Target Revenues         802,947,800         48,119,396         209,681,005         585,789,           6         Non-FAC         531,278,381         34,265,272         144,312,955         341,199,           2010 Increases Under Cap         7         Environmental         2,124,126         246,595         1,175,719         2,371,           8         ESRP Ruder         274,796         12,233         36,383         82,           9         gridSMART <sup>IM</sup> (52,050)         (17,497)         (52,040)         (118,           10         Subtotal         533,284,253         34,506,603         145,473,018         343,535,           11         2010 FAC Target         269,663,547         13,612,793         64,207,987         242,253,           12         Fuel Recovered (Jan-Aug)         186,521,600         9,375,383         43,806,974         163,277,           13         Revised FAC Target         83,141,947         4,237,410         20,401,013         78,976,           14         Secondary         2	403         133,047,214           6%         6%           287         141,030,047           875         58,108,094           079         423,625           872         6,549           534)         (9,367)
5         2010 Target Revenues         802,947,800         48,119,396         209,681,005         585,789,           6         Non-FAC         531,278,381         34,265,272         144,312,955         341,199,           2010 Increases Under Cap         7         Environmental         2.124,126         246,595         1,175,719         2,371,           8         ESRP Rider         274,796         12,233         36,383         82,           9         gridSMART <sup>am</sup> (393,050)         (17,497)         (52,040)         (118,           10         Sublotal         533,284,253         34,506,603         145,473,018         343,535,           11         2010 FAC Target         269,663,547         13,612,793         64,207,967         242,253,           12         Fuel Recovered (Jan-Aug)         186,521,600         9,375,383         43,806,974         163,277,           13         Revised FAC Target         83,141,947         4,237,410         20,401,013         78,976,           14         Secondary         2,331,593,112         117,127,732         563,824,686         1,530,903,           15         Primary         2,331,593,112         117,127,135         583,650,	287         141,030,047           875         58,108,094           079         423,625           872         6,549           534)         (9,367)
Less:         531,278,381         34,265,272         144,312,955         341,199, 341,199, 2010 Increases Under Cap           7         Environmental         2,124,126         246,595         1,175,719         2,371, 8           8         ESRP Ruder         274,796         12,233         36,383         82, 9           9         gridSMART <sup>IM</sup> (393,050)         (17,497)         (52,040)         (118, 343,535, 10           10         Sublotal         533,284,253         34,506,603         145,473,018         343,535, 343,506,974         163,277, 13,512,793         64,207,987         242,253, 242,253, 12         Fuel Recovered (Jan-Aug)         186,521,600         9,375,383         43,806,974         163,277, 13         Revised FAC Target         83,141,947         4,237,410         20,401,013         78,976, 78,976,           14         Secondary         2,331,593,112         117,127,732         563,824,686         1,530,903, 15         71,7175         836,560,	875 58,108,094 079 423,625 872 6,549 534) (9,367)
6         Non-FAC         531,278,381         34,265,272         144,312,955         341,199, 2010 Increases Under Cap           7         Environmental         2.124,126         246,595         1,175,719         2,371, 86,383         82, 92,371, 86,383         36,383         82, 92,371, 92,371, 92,371, 92,371, 92,371, 92,331,593,500         11,7497, 12,233         36,383         82, 92,331,593,500         11,7497, 12,233         36,383         82, 92,371,313         84,207,967         242,253, 145,473,018         343,535, 343,506,603         145,473,018         343,535, 343,506,603         145,473,018         343,535, 343,506,974         163,277, 138,277,13         64,207,967         242,253, 242,253, 343,141,947         4,237,410         20,401,013         78,976, 78,9	079 423,625 872 8,549 534) (9,367)
2010 Increases Under Cap           7         Environmental         2.124,126         246,595         1,175,719         2,371,           8         ESRP Rider         274,796         12,233         36,383         82,           9         gridSMART <sup>Im</sup> (393,050)         (17,497)         (52,040)         (118,           10         Sublotal         533,284,253         34,506,603         145,473,018         343,535,           11         2010 FAC Target         269,663,547         13,612,793         64,207,987         242,253,           12         Fuel Recovered (Jan-Aug)         186,521,600         9,375,383         43,806,974         163,277,           13         Revised FAC Target         83,141,947         4,237,410         20,401,013         78,976,           14         Secondary         2,331,593,112         117,127,732         563,824,686         1,530,903,           15         Primary         21,271,175         836,560,         1,530,903,         15	079 423,625 872 8,549 534) (9,367)
7         Environmental         2.124,126         246,595         1,175,719         2,371,           8         ESRP Rider         274,796         12,233         36,383         82,           9         gridSMART <sup>an</sup> (393,050)         (17,497)         (52,040)         (118,           10         Sublotal         533,284,253         34,506,603         145,473,018         343,535,           11         2010 FAC Target         269,663,547         13,612,793         64,207,987         242,253,           12         Fuel Recovered (Jan-Aug)         186,521,600         9,375,383         43,806,974         163,277,           13         Revised FAC Target         83,141,947         4,237,410         20,401,013         78,976,           14         Secondary         2,331,593,112         117,127,732         563,824,686         1,530,903,           15         Primary         21,271,175         836,560,         1,530,903,         15	872 8,549 534) (9,367)
8         ESRP Rider         274,796         12,233         36,383         82,           9         gridSMART <sup>IM</sup> (393,050)         (17,497)         (52,040)         (118,           10         Sublotal         533,284,253         34,506,603         145,473,018         343,535,           11         2010 FAC Target         269,663,547         13,612,793         64,207,987         242,253,           12         Fuel Recovered (Jan-Aug)         186,521,600         9,375,383         43,806,974         163,277,           13         Revised FAC Target         83,141,947         4,237,410         20,401,013         78,976,           kWh by Voltage (September-Dec)         14         Secondary         2,331,693,112         117,127,732         563,824,686         1,530,903,           15         Primary         21,271,175         836,560,         21,271,175         836,560,	872 8,549 534) (9,367)
9         gridSMART <sup>m.</sup> (393,050)         (17,497)         (52,040)         (118, 343,535, 343,506,603           10         Sublotal         533,284,253         34,506,603         145,473,018         343,535, 343,506,603           11         2010 FAC Target         269,663,547         13,612,793         64,207,987         242,253, 242,253, 12           12         Fuel Recovered (Jan-Aug)         186,521,600         9,375,383         43,806,974         163,277, 13           13         Revised FAC Target         83,141,947         4,237,410         20,401,013         78,976,           14         Secondary         2,331,593,112         117,127,732         563,824,686         1,530,903, 15         Primary	534) (9,367)
10         Sublotal         533,284,253         34,506,603         145,473,018         343,535,           11         2010 FAC Target         269,663,547         13,612,793         64,207,987         242,253,           12         Fuel Recovered (Jan-Aug)         186,521,600         9,375,383         43,806,974         163,277,           13         Revised FAC Target         83,141,947         4,237,410         20,401,013         78,976,           kWh by Voltage (September-Dec)         14         Secondary         2,331,593,112         117,127,732         563,824,686         1,530,903,           15         Primary         21,271,175         836,560,         20,401,013         78,96,500,000,000,000,000,000,000,000,000,00	
12         Fuel Recovered (Jan-Aug)         186,521,600         9,375,383         43,806,974         163,277,           13         Revised FAC Target         83,141,947         4,237,410         20,401,013         78,976,           kWh by Volfage (September-Dec)           14         Secondary         2,331,593,112         117,127,732         563,824,686         1,530,903,           15         Primary         21,271,175         836,560.	292 58,528,901
12         Fuel Recovered (Jan-Aug)         186,521,600         9,375,383         43,806,974         163,277,           13         Revised FAC Target         83,141,947         4,237,410         20,401,013         78,976,           kWh by Volfage (September-Dec)           14         Secondary         2,331,593,112         117,127,732         563,824,686         1,530,903,           15         Primary         21,271,175         836,560.	
13         Revised FAC Target         83,141,947         4,237,410         20,401,013         78,976,           kWh by Voltage (September-Dec)	
kWh by Volfage (September-Dec) 14 Secondary 2,331,593,112 117,127,732 563,824,686 1,530,903, 15 Primary 21,271,175 836,560,	• • •
14         Secondary         2,331,593,112         117,127,732         563,824,686         1,530,903,           15         Primary         21,271,175         836,560,	503 27,157,977
15 Primary 21,271,175 836,560.	
16 Sub/Tran	
	884,865,419
Loss Adjusted kWh	
17 Secondary 1.0578 2,466,359,194 123,897,715 596,413,753 1,619,389.	259 0
18 Primary 1.0233 0 0 21,766,793 856,052,	
19 Sub/Tran 1.0039 0 0 D	0 888,316,394
20 Total 2,466,359,194 123,897,715 618,180,546 2,475,442,	045 888,316,394
21 FAC Rate @ Generation 0.033710397 0.034200869 0.033001706 0.03	904 0.030572414
FAC Rate @ Meter	
22 Secondary 1.0578 0.0356559 0.0361777 0.0349092 0.0337	481 0.0323395
23 Primary 1.0233 0.0337706 0.032	474 0.0312848
24 Sub/Tran 1.0039	0.0306916
Revenue Verification	
25 Secondary 83,142,046 4,237,412 19,662,669 51,665,	
26 Primary 0 0 718,340 27,311,	070 0
27 Sub/Tran. 0 0 0	
28 Total 83,142,046 4,237,412 20,401,009 78,976.	539 0 0 27,157,935
29 Difference 99 2 (4)	539 0 0 27,157,935 609 27,157,935

\* Same as GS-4

" Composite of GS-2, GS-3 & GS-4

Line 1 - 2009 Non-FAC Revenue

Line 2 - 2009 FAC Revenue

Line 3 - Line 1 Plus Line 2

Line 4 - Allowable 2010 ESP rate increase

Line 5 - Line 6 Times Line 4

Line 6 - Line 1

Line 7 - Environmental Revenue Requirement

Line 7 - Environmental Revenue Requirement Line 8 - ESRP Rider Line 9 - gridSMART<sup>TM</sup> Rider Line 10 - Sum of Lines 6,7,8 & 9 Line 11 - Line 5 Minus Line 10 Line 12 - Fuel Recovered from January through July 2010

Line 13 - Line 11 Minus Line 12

Line 14 through Line 16 - kWh by class per ESP rate Schedules Line 17 through Line 19 - Lines 14 through 16 Times Vollage Loss Factors Line 20 - Sum of Lines 17 through 19 Line 21 - Line 13 Divided by Line 20 Lines 22 through Line 24 - Line 21 Times Voltage Loss Factors Line 25 - Line 22 times Line 14 Line 26 - Line 23 Times Line 15 Line 27 - Line 24 Times Line 16 Line 28 - Sum of Lines 25 through 27 Line 29- Line 13 Minus Line 28

Line		Voltage Loss						<b>.</b>	<b>-</b> 4 - 1
No.		Factors	<u>Joint S.T.</u>	Joint S.T.	AL	<u>SL</u>	<u>SBŞ</u>	Shooping	<u>Totai</u>
	2009 Revenues		£00 480 400	6140.000	\$8.694.139	\$3,711,923		\$3,883,200	\$1,159,017,948
1	Non-FAC		\$33,453,486	\$110,622	\$6,694,139 \$1,794,969	\$1,273,644		33,603,200 \$0	\$642.648.009
2	FAC		\$62,301,979	\$57,528	10,489,108	4,985,587	0	3,883,200	1,801,665,957
3	Total		95,755,465	168,149	10,409,100	4,965,567	v	0,000,200	1,001,003,351
4	2010 Allowable % Increase		6%	6%	6%	6%	6%	6%	6%
5	2010 Target Revenues		101,500,793	178,238	11,118,454	5,284,701	٥	4,116,192	1,909,765,915
	Less		00 450 400	446 895	9 604 130	0 744 000	Q	3,883,200	1,159,017,948
6	Non-FAC 2010 Increases Under Cap		33,453,486	110,622	8,694,139	3,711,923	Ŭ	3,003,200	1,138,017,840
7	Environmental		189,498	837	22,758	7,005	0	0	\$6,561,242
8	ESRP Rider		4,105	21	6,908	3,183	•	3,262	\$430,312
9	gridSMART <sup>tm</sup>		(5,872)	(30)	(9,881)	(4,552)		(4,666)	• · · · • · · · ·
9 10	Subtotat		33,641,217	(50) 111,450	8,713,924	3,717,559	0 0	3,881,796	1,165,679,190
nv.	Sabietai		00,041,211	111,400	0,1 10,024	3,717,002	•••	0,007,700	
11	2010 FAC Target		67,859,576	66,788	2,404,530	1,567,142		234,396	\$744,371,900
12	Fuel Recovered (Jan-Aug)		34,782,484	34,566	1,639,386	1,041,372			\$495,822,426
13	Revised FAC Target		33,077,092	32,222	765,144	525,770			\$248,315,078
	tatih hu Maliana /Cantambas								
	kWh by Voltage (September Secondary	-Dec)			17.408.647	13,443,480			
14 15	Primary				17,400,047	10,440,400			
15	Sub/Tran		744,000,000	612,285					
10	guby many		144,000,000	012,205					
	Loss Adjusted kWh								
17	Secondary	1.0578	0	0	18,414,867	14,220,513			
18	Primary	1.0233	0	0	Ô	0			
19	Sub/Tran	1.0039	746,901,600	614,673	0	0	_		
20	Total		746,901,600	614,673	18,414,867	14,220,513	0		
21	FAC Rate @ Generation		0.044285742	0.05242207	0.041550356	0.036972649			
	FAC Rate @ Meter								
22	Secondary	1.0578	0.0323395 *	0.0323395 *	0.043952	0.0391097	0.0340606 **		
23	Primary	1.0233	0.0312848	0.0312646			0.0326753 **		
24	Sub/Tran	1.0039	0.0306916	0.0306916			0.0306916 **		
	Revenue Verification								
25	Secondary		0	0	765,145	525.770	0		
26	Primary		Ő	ů 0	0	0	ō		
27	Sub/Tran		22.834.550	18,792	ů	ő	ō		
28	Total		22,834,550	18,792	765,145	525,770	õ		
29	Difference		(10,242,542)	(13,430)	1	(0)	Õ		
								-	
	* Same as GS-4								
	** Composite of GS-2, GS-3 &	k GS-4							
Line 1	- 2009 Non-FAC Revenue				Line 14 through	Line 16 - kWh by	class per ESP rate	Schedules	
	- 2009 FAC Revenue						through 16 Times		ctors

Line 2 - 2009 FAC Revenue Line 3 - Line 1 Plus Line 2 Line 4 - Allowable 2010 ESP rate increase

Line 5 - Line 6 Times Line 4

Line 6 - Line 1

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Line 7 - Environmental Revenue Requirement

Line 7 - Environmental Revenue Requirement Line 8 - ESRP Rider Line 9 - gridSMART <sup>™</sup> Rider Line 10 - Sum of Lines 6,7,8 & 9 Line 11 - Line 5 Minus Line 10 Line 12 - Fuel Recovered from January through Ju Line 13 - Line 11 Minus Line 12

pe Loss Factors Line 20 - Sum of Lines 17 through 19 Line 21 - Line 13 Divided by Line 20 Lines 22 through Line 24 - Line 21 Times Voltage Loss Factors Line 25 - Line 22 times Line 14 Line 26 - Line 23 Times Line 15 Line 27 - Line 24 Times Line 16 Line 28 - Sum of Lines 25 through 27 Line 29- Line 13 Minus Line 28