

NC 6

**BEFORE THE  
PUBLIC UTILITIES COMMISSION OF OHIO**

**In the Matter of the Application )  
of Columbus Southern Power ) Case No. 11-1353-EL-RDR  
Company to Update its )  
gridSMART® Rider )**

**APPLICATION**

1. Columbus Southern Power Company (CSP) is an electric light company as that term is defined in §§4905.03 and 4928.01 (A) (7), Ohio Rev. Code.
2. In CSP's 2008 Electric Security Plan (ESP) proceeding (Case No. 08-917-EL-SSO) it proposed gridSMART® Phase I, a smart grid deployment proposal within CSP's service territory involving three primary components: Advanced Meter Infrastructure (AMI), Home Area Network (HAN) and Distribution Automation (DA). The Commission authorized CSP to establish a gridSMART Rider, subject to annual reconciliation. (ESP Opinion and Order, March 18, 2009, p. 38).<sup>1</sup>
3. CSP filed its initial application to update its gridSMART® rider in Case No. 10-164-EL-RDR on February 11, 2010, which was further updated by a July 21, 2010 amendment filed by CSP. As part of the initial update, CSP explained that, as directed by the Commission in the ESP cases, it pursued, and was awarded, funding through the American Reinvestment Recovery Act (ARRA) from the United States Department of Energy (USDOE), which further required enhancement of the gridSMART plan
- 2011 MAR 18 PM 3:36  
RECEIVED-BOOKETING DIV  
HUCO

<sup>1</sup> The history of the gridSMART rider approval process is included in CSP's original Application to Update its gridSMART rider, filed in Case No. 10-164-EL-RDR on February 11, 2010, and a subsequent amendment filed by CSP on July 21, 2011.

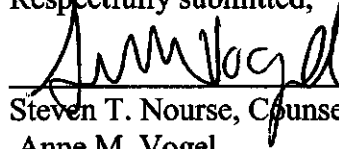
presented to the Commission in the ESP cases to include real-time pricing, community energy storage, smart appliances, cyber security operation center, and plug-in electric vehicle components.

4. On August 11, 2010, the Commission issued its Finding and Order approving the gridSMART rider as a fixed monthly, per-bill charge. Accordingly, CSP's gridSMART rider, reflected its tariff at Revised Sheet 84-1 and 84-1D, became effective with the first billing cycle of September, 2010.
5. In accordance with the Commission's orders, CSP hereby provides the 2010 Columbus Southern Power Company gridSMART Rider True-Up, reflecting actual project spending and recovery in 2010, and projected spending and revenue requirements through 2011. See True-Up schedule attached as Exhibit A. By way of explanation of the True-Up schedule, 2010 project spending was less than expected due to the length of time required to execute the agreement with the Department of Energy (DOE). While AEP Ohio was the first within the Demonstration Grant group to finalize a contract with DOE, this was not completed until May 25, 2010. For the first five months of 2010, CSP slowed the pace of the project to ensure that it did not exceed DOE reimbursement cap limitations. Project deployment and spending ramped up throughout the remainder of the year, but did not catch up to projections for the calendar year.
6. As the True-Up schedule shows, the delay in project implementation resulted in an over recovery of \$6,181,337, to date. Projected 2011 gridSMART spending has been adjusted upwards, reflecting the escalating deployment on

the project. CSP also anticipates that it will complete delivery of all equipment for Phase 1 of the project by December 31, 2011.

7. As spending "catches up" to initial projections, the 2010 over recovery will decrease. However, because of the current over recovery amount, CSP is not seeking any increase in the previously approved monthly rates charged to residential and non-residential customers. Attached as Exhibit B are CSP's 3<sup>rd</sup> Revised Sheets 84-1 and 84-1D, reflecting no change in the current charge.
8. Because the authority to make this filing results from the Commission's orders in the Company's ESP proceeding, the Company does not believe that a hearing in this matter is necessary.
9. The Company's gridSMART rider has been previously approved as just and reasonable and is authorized as part of its ESP. Therefore, the Company requests that the Commission approve this application such that the Revised tariff sheet can be effective on or before the first billing cycle of July, 2011.

Respectfully submitted,



Steven T. Nourse, Counsel of Record

Anne M. Vogel

American Electric Power Corporation

1 Riverside Plaza, 29<sup>th</sup> Floor

Columbus, Ohio 43215-2373

Telephone: (614) 716-1608

Facsimile: (614) 716-2950

[stnourse@aep.com](mailto:stnourse@aep.com)

[amvogel@aep.com](mailto:amvogel@aep.com)

Counsel for Columbus Southern Power  
Company

## 2010 Columbus Southern Power Company gridSMART Rider True-Up

<u>2010 Over/(Under) Recovery</u>			2010 Adjusted Estimated Spending	2010 Actual Spending	2010 Actual Carrying Charge	2010 Actual Revenue Requirement
O&M			\$ 6,841,064	\$ 3,643,588		\$ 3,643,588
Capital - 5 Year Life						
Capital - 7 Year Life			228,146	4,104,834	895,445	895,445
Capital - 15 Year Life			17,623,225	(4,650,144)	3,969,841	3,969,841
Capital - 30 Year Life			2,681,550	323,875	9,277	9,277
Capital - 35 Year Life			4,798,339	7,921,602	1,126,455	1,126,455
Capital - 40 Year Life			-	177,140	58,725	58,725
Total Capital			\$ 25,331,260	\$ 8,531,419	\$ 6,134,666	\$ 6,134,666
Total						
				2010 Actual Revenue Requirement		\$ 9,778,254
				2010 gridSMART Rider Collections		\$ 8,037,928
				2010 Over/(under) Recovery		\$ (1,740,326)

CSP - gridSMART2011 Incremental Investment

	2011 Estimated Spending	Adjusted 2011 gridSMART Spending	Carrying Charge Rate	2011 gridSMART Revenue Requirement
O&M	\$ 2,224,750	\$ 5,422,226		\$ 5,422,226
Capital - 5 Year Life			32.02%	\$ (620,658) (a)
Capital - 7 Year Life		(3,876,688)	27.29%	\$ 3,098,823 (a)
Capital - 15 Year Life	436,950	22,710,319	18.88%	\$ 433,513 (a)
Capital - 30 Year Life	2,234,625	4,592,300	15.71%	\$ (222,451) (a)
Capital - 35 Year Life	291,300	(2,831,963)	15.27%	\$ -
Capital - 40 Year Life	-	-	14.96%	\$ -
Total Capital	\$ 2,962,875	\$ 20,593,988		\$ 8,111,454
		2010 Capital Carrying Costs		\$ 1,738,607 (b)
		Over/(Under) Recovery (From Above)		\$ (1,740,326)
		Total 2011 Revenue Requirement		\$ 11,590,386
		Residential Base Distribution		\$ 7,541,629
		Non-Res Base Distribution		\$ 4,048,757
		Residential Customers	667,020	11.31
		Non-Residential Customers	82,236	49.23
		Residential Customers	Monthly Rate	\$ 0.94
		Non-Residential Customers	Monthly Rate	\$ 4.10
		Residential Customers	Monthly Rate	\$ 0.52 (d)
		Non-Residential Customers	Monthly Rate	\$ 2.27 (d)

(a) Annual carrying charge rate times adjusted 2011 spending times one-half year

(b) Annual carrying charge rate times 2010 actual spending

(c) gridSMART Over/Under Recovery to date \$6,181,337 (2010 Overrecovery \$7,936,045 plus 2011 Under Recovery of \$(1,754,252))

(d) Rate limited to Current Rate due to overall overrecovery balance. As Spending catches up, Over recovery will reduce

## P.U.C.O. NO. 7

## gridSMART RIDER

Effective with the first billing cycle of September, 2010 \_\_\_\_\_, all customer bills subject to the provisions of this Rider, including any bills rendered under special contract, shall be adjusted by the monthly gridSMART charge. This Rider shall be adjusted periodically to recover amounts authorized by the Commission.

Residential Customers \$0.52/month

Non-Residential Customers \$2.27/month

Filed pursuant to Order dated August 11, 2010 \_\_\_\_\_ in Case No. 40-0164 EL-RDR \_\_\_\_\_

Issued: August 27, 2010 \_\_\_\_\_

Effective: 1<sup>st</sup> Cycle September 2010 \_\_\_\_\_

Issued by  
Joseph Hamrock, President  
AEP Ohio

P.U.C.O. NO. 7

OAD – gridSMART RIDER  
(Open Access Distribution – gridSMART Rider)

Effective with the first billing cycle of September, 2010 \_\_\_\_\_, all customer bills subject to the provisions of this Rider, including any bills rendered under special contract, shall be adjusted by the monthly gridSMART charge. This Rider shall be adjusted periodically to recover amounts authorized by the Commission.

Residential Customers	\$0.52/month
Non-Residential Customers	\$2.27/month

Filed pursuant to Order dated August 25, 2010 \_\_\_\_\_ in Case No. 10-164-EL-RDR \_\_\_\_\_

Issued: August 27, 2010 \_\_\_\_\_

Effective: Cycle 1 September 2010 \_\_\_\_\_

Issued by  
Joseph Hamrock, President  
AEP Ohio