

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

Joint Applications for Integration of)	
Mercantile Customer Energy Efficiency)	
or Peak-Demand Reduction Programs)	
Filed by Ohio Power Company and:)	
)	
RR Donnelley-Sons Company)	Case No. 10-1501-EL-EEC
)	
City of Canton)	Case No. 10-1502-EL-EEC
)	
Harrison Community Hospital)	Case No. 10-1503-EL-EEC

FINDING AND ORDER

The Commission finds:

- (1) Section 4928.66, Revised Code, requires electric utilities to meet certain annual energy efficiency and peak demand reduction (EEDR) benchmarks specified in the statute. Further, the statute enables mercantile customers to commit their peak demand reduction, demand response, and energy efficiency programs for integration with an electric utility's programs in order for the electric utility to meet the statutory benchmarks.
- (2) Section 4928.01(A)(19), Revised Code, defines a mercantile customer as a commercial or industrial customer that consumes more than 700,000 kilowatt hours of electricity per year or that is part of a national account involving multiple facilities in one or more states.
- (3) Ohio Power Company (OP) is a public utility as defined in Section 4905.02, Revised Code, and, as such, is subject to the jurisdiction of this Commission. OP recovers its costs of complying with the energy efficiency and demand reduction requirements imposed by Section 4928.66, Revised Code, from its customers through its Rider EE/PDR.
- (4) Rule 4901:1-39-05(G), Ohio Administrative Code (O.A.C.), provides for the filing of an application by a mercantile customer, either individually or jointly with an electric utility, to commit the customer's demand reduction, demand response, and energy efficiency programs for integration with

an electric utility's programs in order to meet the utility's statutory requirements.

- (5) Each of the captioned energy efficiency credit (EEC) applications were filed by OP with a mercantile customer, pursuant to Rule 4901:1-39-05(G), O.A.C., to commit the customer's lighting replacement program for integration with OP's programs to meet the utility's energy efficiency and peak demand reduction benchmarks. In each case, a staff report was filed recommending approval of the application and either an incentive payment or an optional exemption for a number of months from the EE/PDR rider, as follows:

Case No.	Mercantile Customer	Incentive Payment	Optional Exemption
10-1501	RR Donnelley-Sons Company	\$137,472.30	101 months
10-1502	City of Canton	\$1,575.26	-----
10-1503	Harrison Community Hospital	\$1,117.26	16 months

- (6) In each case, the Commission's Staff has reviewed the application, the AEP-Ohio Self-Direct Program application, and additional supporting documentation, including engineering studies and estimates, and receipts. Staff has verified that the customer meets the definition of a mercantile customer and that the documentation of the methodology used to calculate energy savings conforms to the general principals of the International Performance Measurement Verification Protocol used by OP. The customer has attested to the validity of the information and its intention to participate in OP's program. The project either provides for early retirement of fully functioning equipment or achieves reductions in energy use and peak demand that exceed the reductions that would have occurred had the customer used standard new equipment or practices where practicable.
- (7) Upon review of the applications and supporting documentation, and Staff's recommendations, the Commission finds that the requirements related to each of these applications have been met. The Commission further finds that the requests for mercantile commitment pursuant to Rule 4901:1-39-05, O.A.C., and for mercantile customer EEDR rider exemptions

pursuant to Rule 4901:1-39-08, O.A.C., do not appear to be unjust or unreasonable. Thus, a hearing on these matters is unnecessary. Accordingly, we find that these applications should be approved. As a result of such approval, we find that OP should adjust its baselines, pursuant to Section 4928.66(A)(2)(c), Revised Code, and Rule 4901:1-39-05, O.A.C. However, we note that although these projects are approved, they are subject to evaluation, measurement, and verification in the portfolio status report proceeding initiated by the filing of OP's portfolio status report on March 15 of each year, as set forth in Rule 4901:1-39-05(C), O.A.C. The Commission also notes that every arrangement approved by this Commission remains under our supervision and regulation, and is subject to change, alteration, or modification by the Commission.

It is, therefore,


ORDERED, That each of the captioned applications be approved and that the record of these cases be closed. It is, further,

ORDERED, That a copy of this finding and order be served upon all parties of record.

THE PUBLIC UTILITIES COMMISSION OF OHIO


Todd A. Snitchler, Chairman


Paul A. Centolella



Steven D. Lesser


Andre T. Porter


Cheryl L. Roberto

MLW/sc

Entered in the **JUN 29 2011**


Betty McCauley
Secretary

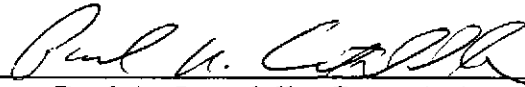
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CONCURRING OPINION OF COMMISSIONER PAUL A. CENTOLELLA

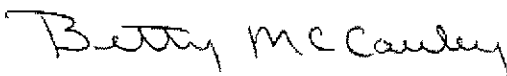
Cases No. 10-1501-EL-EEC and 10-1503-EL-EEC present comparable circumstances to those in Case No. 09-1509-EL-EEC, *In the Matter of the Application of National Church Residences of Findlay and Ohio Power Company for Approval a Special Arrangement with a Mercantile Customer*. For the reasons stated in my Concurring Opinion in Case No. 09-1509-EL-EEC, I would approve the proposed agreements subject to reexamination based on the total exemptions implemented using Ohio Power's benchmark comparison approach, should either Applicant, RR Donnelley-Sons Company or Harrison Community Hospital, select the Optional Exemption authorized in this Finding and Order.



Paul A. Centolella, Commissioner

Entered in the Journal

JUN 29 2011



Betty McCauley
Secretary