

**BEFORE THE
PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of Ohio)	
Edison Company and McMaster-Carr)	
Supply Company for Approval of a)	Case No. 10-2045-EL-EEC
Special Arrangement Agreement With)	
a Mercantile Customer)	

NOTICE OF AMENDMENT TO APPLICATION TO REQUEST CASH REBATE

Ohio Edison Company ("Ohio Edison"), hereby gives notice of the filing of an amended Application for Approval of a Special Arrangement Agreement With a Mercantile Customer ("Amended Application"). The Amended Application seeks to commit the energy savings realized by the energy efficiency project of Ohio Edison's mercantile customer, McMaster-Carr Supply Company ("McMaster-Carr"). Ohio Edison filed its original Application in this matter on August 23, 2010. The original Application requested that McMaster-Carr be exempted from Ohio Edison's energy efficiency cost recovery rider in exchange for McMaster-Carr's commitment of its energy savings to Ohio Edison. The Commission has not yet acted on the Application.

Subsequently, McMaster-Carr has determined that it prefers a cash rebate instead of a rider exemption. Accordingly, it is filing its Amended Application on the application form approved by the Commission for use in the Mercantile Application Pilot Program established in Case No. 10-834-EL-EEC. Applications submitted on this form which request a cash rebate are subject to a 60-day automatic approval process under the Pilot Program. Ohio Edison is refiling the Amended Application in the same docket as the original Application. The only difference between the original Application and the Amended Application is McMaster-Carr's request for a cash rebate instead of a rider exemption. Accordingly, Ohio Edison hereby gives notice of the

filing of its Amended Application, which will be automatically approved within 60 days unless suspended by the Commission or an attorney examiner.

Respectfully submitted,

/s/ Kevin P. Shannon

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ATTORNEYS FOR OHIO EDISON COMPANY

EXHIBIT A



Public Utilities Commission

Application to Commit Energy Efficiency/Peak Demand Reduction Programs (Mercantile Customers Only)

Case No.: 10-2045 -EL-EEC

Rule 4901:1-39-05(F), Ohio Administrative Code (O.A.C.), permits a mercantile customer to file, either individually or jointly with an electric utility, an application to commit the customer's existing demand reduction, demand response, and energy efficiency programs for integration with the electric utility's programs. The following application form is to be used by mercantile customers, either individually or jointly with their electric utility, to apply for commitment of such programs implemented during the prior three calendar years.

Completed applications requesting the cash rebate reasonable arrangement option (Option 1) in lieu of an exemption from the rider will be automatically approved on the sixty-first calendar day after filing, unless the Commission, or an attorney examiner, suspends or denies the application prior to that time. Completed applications requesting the exemption from the electric utilities' energy efficiency rider option (Option 2) will not qualify for the 60-day automatic approval.

Complete a separate application for each customer program. Projects undertaken by a customer as a single program at a single location or at various locations within the same service territory should be submitted together as a single program filing, when possible. Check all boxes that are applicable to your program. For each box checked, be sure to complete all subparts of the question, and provide all requested additional information. Submittal of incomplete applications may result in a suspension of the automatic approval process or denial of the application.

If you consider some of the items requested in the application to be confidential or trade secret information, please file a copy of the application under seal, along with a motion for protective order pertaining to the material you believe to be confidential. Please also file a copy of the application in the public docket, with the information you believe to be confidential redacted.

Section 1: Company Information

Name: McMaster-Carr Supply Co.

Principal address: 200 Aurora Industrial Pkwy Aurora, Ohio 44202

Address of facility for which this energy efficiency program applies:

Same

Name and telephone number for responses to questions:

Mike Rausch # 330-995-9555

Electricity use by our company (at least one must apply to your company – check the box or boxes that apply):

- ☒ We use more than seven hundred thousand kilowatt hours per year at our facility. (Please attach documentation.)
- ☐ We are part of a national account involving multiple facilities in one or more states. (Please attach documentation.)

Section 2: Application Information

A) We are filing this application (choose which applies):

- ☐ Individually, on our own.
- ☒ Jointly with our electric utility.

B) Our electric utility is: Ohio Edison Co.

C) We are offering to commit (choose which applies):

- ☐ Energy savings from our energy efficiency program. (Complete Sections 3, 5, 6, and 7.)
- ☐ Demand reduction from our demand response/demand reduction program. (Complete Sections 4, 5, 6, and 7.)
- ☒ Both the energy savings and the demand reduction from our energy efficiency program. (Complete all sections of the Application.)

Bin Row Light Sensor Installation

Section 3: Energy Efficiency Programs

A) Our energy efficiency program involves (choose whichever applies):

☒ Early replacement of fully functioning equipment with new equipment. (Provide the date on which you replaced your fully functioning equipment, and the date on which you would have replaced your equipment if you had not replaced it early. Please include a brief explanation for how you determined this future replacement date (or, if not known, please explain why this is not known)). Please refer to Exhibit 1

☐ Installation of new equipment to replace equipment that needed to be replaced. We installed our new equipment on the following date(s):

☐ Installation of new equipment for new construction or facility expansion. We installed our new equipment on the following date(s):

B) Energy savings achieved/to be achieved by your energy efficiency program:

- a) If you checked the box indicating that your project involves the early replacement of fully functioning equipment replaced with new equipment, then calculate the annual savings [(kWh used by the original equipment) - (kWh used by new equipment) = (kWh per year saved)]. Please attach your calculations and record the results below:

Annual savings: 326,870 kWh Please refer to Exhibit 2

- b) If you checked the box indicating that you installed new equipment to replace equipment that needed to be replaced, then calculate the annual savings [(kWh used by less efficient new equipment) - (kWh used by the higher efficiency new equipment) = (kWh per year saved)]. Please attach your calculations and record the results below:

Annual savings: _____ kWh

Please describe the less efficient new equipment that you rejected in favor of the more efficient new equipment.

Bin Row Light Sensor Installation

- c) If you checked the box indicating that your project involves equipment for new construction or facility expansion, then calculate the annual savings [(kWh used by less efficient new equipment) - (kWh used by higher efficiency new equipment) = (kWh per year saved)]. Please attach your calculations and record the results below:

Annual savings: _____kWh

Please describe the less efficient new equipment that you rejected in favor of the more efficient new equipment.

Section 4: Demand Reduction/Demand Response Programs

- A) Our program involves (choose which applies):

- ☒ Coincident peak-demand savings from our energy efficiency program.
- ☒ Actual peak-demand reduction. (Attach a description and documentation of the peak-demand reduction.) Please refer to Exhibit 1
- ☐ Potential peak-demand reduction (choose which applies):

➤ Choose one or more of the following that applies:

- ☐ Our peak-demand reduction program meets the requirements to be counted as a capacity resource under a tariff of a regional transmission organization (RTO) approved by the Federal Energy Regulatory Commission.
- ☐ Our peak-demand reduction program meets the requirements to be counted as a capacity resource under a program that is equivalent to an RTO program, which has been approved by the Public Utilities Commission of Ohio.

- B) What is the date your peak demand reduction program was initiated? Please refer to Exhibit 2

Bin Row Light Sensor Installation

C) What is the peak demand reduction achieved or capable of being achieved (show calculations through which this was determined):

87 kW Please refer to Exhibit 2

**Section 5: Request for Cash Rebate Reasonable
Arrangement (Option 1) or Exemption from Rider (Option 2)**

Under this section, check the box that applies and fill in all blanks relating to that choice.

Note: If Option 2 is selected, the application will not qualify for the 60-day automatic approval. All applications, however, will be considered on a timely basis by the Commission.

A) We are applying for:

☒ Option 1: A cash rebate reasonable arrangement.

OR

Option 2: An exemption from the cost recovery mechanism implemented by the electric utility.

B) The value of the option that we are seeking is:

Option 1: A cash rebate reasonable arrangement, which is the lesser of (show both amounts):

☒ A cash rebate of \$ **16,375** (Attach documentation showing the methodology used to determine the cash rebate value and calculations showing how this payment amount was determined.)

OR

☐ A cash rebate valued at no more than 50% of the total project cost, which is equal to \$ **21,917**
(Attach documentation and calculations showing how this payment amount was determined.)

Option 2: An exemption from payment of the electric utility's energy efficiency/peak demand reduction rider.

☐ An exemption from payment of the electric utility's energy efficiency/peak demand reduction rider for

Bin Row Light Sensor Installation

Please refer to Exhibit 2 months (not to exceed 24 months). (Attach calculations showing how this time period was determined.)

OR

Ongoing exemption from payment of the electric utility's energy efficiency/peak demand reduction rider for an initial period of 24 months because this program is part of an ongoing efficiency program that is practiced by our organization. (Attach documentation that establishes your organization's ongoing efficiency program. In order to continue the exemption beyond the initial 24 month period your organization will need to provide a future application establishing additional energy savings and the continuance of the organization's energy efficiency program.)

Section 6: Cost Effectiveness

The program is cost effective because it has a benefit/cost ratio greater than 1 using the (choose which applies):

- ☐ Total Resource Cost (TRC) Test. The calculated TRC value is: _____
(Continue to Subsection 1, then skip Subsection 2)
- ☒ Utility Cost Test (UCT) . The calculated UCT value is: 6.4
(Skip to Subsection 2.)

Subsection 1: TRC Test Used (please fill in all blanks).

The TRC value of the program is calculated by dividing the value of our avoided supply costs (capacity and energy) by the sum of our program costs and our electric utility's administrative costs to implement the program.

Our avoided supply costs were _____.

Our program costs were _____.

The utility's administrative costs were _____.

Bin Row Light Sensor Installation

Subsection 2: UCT Used (please fill in all blanks).

We calculated the UCT value of our program by dividing the value of our avoided supply costs (capacity and energy) by the costs to our electric utility (including administrative costs and incentives paid or rider exemption costs) to obtain our commitment.

Our avoided supply costs were 100,767

The utility's administrative costs were 3,546

The utility's incentive costs/rebate costs were 12,281

Section 7: Additional Information

Please attach the following supporting documentation to this application:

- Narrative description of your program including, but not limited to, make, model, and year of any installed and replaced equipment.
- A copy of the formal declaration or agreement that commits your program to the electric utility, including:
 - 6) any confidentiality requirements associated with the agreement;
 - 7) a description of any consequences of noncompliance with the terms of the commitment;
 - 8) a description of coordination requirements between you and the electric utility with regard to peak demand reduction;
 - 9) permission by you to the electric utility and Commission staff and consultants to measure and verify energy savings and/or peak-demand reductions resulting from your program; and,
 - 10) a commitment by you to provide an annual report on your energy savings and electric utility peak-demand reductions achieved.
- A description of all methodologies, protocols, and practices used or proposed to be used in measuring and verifying program results. Additionally, identify and explain all deviations from any program measurement and verification guidelines that may be published by the Commission.



**Public Utilities
Commission**

**Application to Commit
Energy Efficiency/Peak Demand
Reduction Programs
(Mercantile Customers Only)**

Case No.: 10-2045 -EL-EEC

State of Ohio :

Stephen Lloyd, Affiant, being duly sworn according to law, deposes and says that:

1. I am the duly authorized representative of:

McMaster-Carr Supply Company

[insert customer or EDU company name and any applicable name(s) doing business as]

2. I have personally examined all the information contained in the foregoing application, including any exhibits and attachments. Based upon my examination and inquiry of those persons immediately responsible for obtaining the information contained in the application, I believe that the information is true, accurate and complete.
3. I am aware of fines and penalties which may be imposed under Ohio Revised Code Sections 2921.11, 2921.31, 4903.02, 4903.03, and 4903.99 for submitting false information.

Stephen Lloyd Vice-President
Signature of Affiant & Title

Sworn and subscribed before me this 18 day of April, 2011 Month/Year

Renee J. Wroblewski
Signature of official administering oath

Print Name and Title

My commission expires on _____

RENEE J. WROBLEWSKI
Notary Public, State of Ohio
My Commission Expires 10/24/2012
Recorded in Geauga County

Revised March 28, 2011

Customer Legal Entity Name: McMaster Carr Supply Company

Site Address: McMaster Carr

Principal Address: 200 Aurora Industrial Pkwy

Project No.	Project Name	Narrative description of your program including, but not limited to, make, model, and year of any installed and replaced equipment:	Description of methodologies, protocols and practices used in measuring and verifying project results	What date would you have replaced your equipment if you had not replaced it early? Also, please explain briefly how you determined this future replacement date.		Please describe the less efficient new equipment that you rejected in favor of the more efficient new equipment.

1	Bin Row Light Sensor Installation	Install motion sensors in bin portion of warehouse to turn off lights when not needed. Each row of material is normally full, but many areas are accessed infrequently. This project would install motion sensors to keep approximately 1/2 of the lights off when not needed. Each row is independently controlled.	Calculations based on number of lamps to be out and estimated duration of time off. Incentive was calculated by taking the 655 sensors installed and multiplying it by \$25 per sensor. 655 sensors * \$25 = \$16,375	N/A		N/A
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Docket No. 10-2045
Site: 200 Aurora Industrial Pkwy

Customer Legal Entity Name: McMaster Carr Supply Company
 Site Address: McMaster Carr
 Principal Address: 200 Aurora Industrial Pkwy

2010	1,439,280	1,439,280	1,713,313
2009	1,460,720	1,460,720	1,450,000
2008	1,866,000	1,866,000	1,866,000
Average	1,450,000	1,450,000	1,587,017

[illegible]

Notes

(1) Customer's usage is adjusted to account for the effects of the energy efficiency programs included in this application. When applicable, such adjustments are prorated to the in-service date to account for partial year savings.

Page 2 of 3

Exhibit 3 Utility Cost Test

UCT = Utility Avoided Costs / Utility Costs

Project	Total Annual Savings, MWh (A)	Utility Avoided Cost \$/MWh (B)	Utility Avoided Cost \$ (C)	Utility Cost \$ (D)	Cash Rebate \$ (E)	Administrator Variable Fee \$ (F)	Total Utility Cost \$ (G)	UCT (H)
1	327	\$ 308	\$ 100,767	\$ 3,546	\$12,281	\$	\$ 15,827	6.4
Total	327	\$ 308	100,767	3,546	\$12,281	\$0	15,827	6.4

Notes

- (A) From Exhibit 2, = kWh saved / 1000
 (B) This value represents avoided energy costs (wholesale energy prices) from the Department of Energy, Energy Information Administration's 2009 Annual Energy Outlook (AEO) low oil prices case. The AEO represents a national average energy price, so for a better representation of the energy price that Ohio customers would see, a Cinergy Hub equivalent price was derived by applying a ratio based on three years of historic national average and Cinergy Hub prices. This value is consistent with avoided cost assumptions used in EE&PDR Program Portfolio and Initial Benchmark Report, filed Dec 15, 2009 (See Section 8.1, paragraph a).

(C) = (A) * (B)

- (D) Represents the utility's costs incurred for self-directed mercantile applications for applications filed and applications in progress. Includes incremental costs of legal fees, fixed administrative expenses, etc.

- (E) This is the amount of the cash rebate paid to the customer for this project.

- (F) Based on approximate Administrator's variable compensation for purposes of calculating the UCT, actual compensation may be less.

(G) = (D) + (E) + (F)

(H) = (C) / (G)

McMaster Carr Supply Company ~ McMaster Carr
 Docket No. 10-2045

Site: 200 Aurora Industrial Pkwy

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Case No(s). 10-2045-EL-EEC

Summary: Notice of Amendment to Application to Request Cash Rebate electronically filed by Mr. Kevin P. Shannon on behalf of Ohio Edison Company