

**BEFORE THE
PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of Ohio) Case No. 11-5818-EL-POR
Edison Company Pursuant to Rule 4901:1-39-)
05(C)(2)(c), Ohio Administrative Code, to)
Reallocate Funds Between Energy Efficiency)
and Conservation Programs)
)

APPLICATION OF OHIO EDISON COMPANY, PURSUANT TO RULE 4901:1-39-05(C)(2)(c), OHIO ADMINISTRATIVE CODE, TO REALLOCATE FUNDS BETWEEN ENERGY EFFICIENCY AND CONSERVATION PROGRAMS

Pursuant to Rule 4901:1-39-05(C)(2)(c), Ohio Administrative Code (“O.A.C”) Applicant Ohio Edison Company (“Ohio Edison”) hereby submits its application for approval to reallocate funds between energy efficiency and conservation programs for the large commercial and industrial (“C&I”) customers or mercantile customer class (“Mercantile Customer Class”). In support of its Application, Ohio Edison states as follows:

1. Ohio Edison is an electric distribution utility as defined in Section 4928.01(A), Revised Code.
2. Section 4928.66, Revised Code requires Ohio Edison to implement energy efficiency and peak demand reduction programs that achieve prescribed energy savings and peak demand reductions.
3. On December 15, 2009, as amended on December 16, 2009, Ohio Edison filed an application for approval of its energy efficiency and peak demand reduction (“EE/PDR”) program portfolio (“Plan”) and the associated cost-recovery mechanism, the demand side

management and energy efficiency rider (“Rider DSE”) and Ohio Edison’s initial benchmark report.¹

4. On March 23, 2011, the Commission approved this Plan with minor modifications, Rider DSE and the initial benchmark report.

5. For the Mercantile Customer Class, Ohio Edison’s approved Plan includes an Equipment Rebate program, providing rebates for high efficiency electric equipment (including commercial lighting) and building-shell related measures; an Equipment (Industrial Motors) program, encouraging customers to upgrade existing motors and to install variable speed drives; an Audit and Equipment program, providing incentives for implementation of energy saving measures identified in a comprehensive facility energy audit; and an Interruptible Demand Reduction Program, curtailing load from large businesses and industrial customers (collectively, the “Programs”).

6. Rule 4901:1-39-05(C)(2)(c), O.A.C. provides: “[a]n electric utility may seek written staff approval to reallocate funds between programs serving the same customer class at any time, provided that the reallocation supports the goals of its approved program portfolio plan and is limited to no more than twenty-five per cent of the funds available for programs serving that customer class. In addition, an electric utility may change its program mix or budget allocations at any time, as long as it provides notice to all parties in the proceeding in which the program portfolio plan was approved.”

¹ *In the Matter of the Application of Ohio Edison Company For Approval of Its Energy Efficiency and Peak Demand Reduction Program Portfolio Plans for 2010 through 2012 and Associated Cost Recovery Mechanisms*, Case No. 09-1948-EL-POR; *In the Matter of the Application of Ohio Edison Company For Approval of Its Initial Benchmark Reports*, Case No. 09-1943-EL-EEC; *In the Matter of the Energy Efficiency and Peak Demand Reduction Program Portfolio of Ohio Edison Company*, Case No. 09-580-EL-POR.

7. On August 26, 2011, Ohio Edison sought written Staff approval to reallocate \$4,636,000 of funds from the Interruptible Demand Reduction Program to the C&I Equipment Program (Commercial Lighting) serving the Mercantile Customer Class, which was less than 25% of the Mercantile Customer Class budget approved in the above-captioned cases.

8. On August 29, 2011, Staff approved Ohio Edison's request.

9. Since launching the C&I Equipment Program (Commercial Lighting) in March 2011 and receiving the approval to reallocate funds on August, 29, 2011, incoming applications continue to exceed the C&I Equipment Program's (Commercial Lighting) budget. Ohio Edison projects customer demand for this program to continue and anticipates that the initial reallocation of \$4,636,000 of funds may be exhausted, requiring another reallocation of funds.

10. Therefore, pursuant to Rule 4901:1-39-05(C)(2)(c), O.A.C., and because this funding reallocation request is in addition to the request approved by Staff on August 29, 2011, Ohio Edison is seeking Commission approval to reallocate an additional \$3,200,000 of funds from the Interruptible Demand Reduction Program to the C&I Equipment Program (Commercial Lighting) serving the Mercantile Customer Class. This reallocation supports the goals of Ohio Edison's Plan and represents approximately 17% of the \$18,547,231 Mercantile Customer Class budget approved by the Commission in the above captioned cases. Attachment A describes the budget reallocations.

11. The reallocation is reasonable and better positions Ohio Edison to achieve its 2012 energy efficiency and peak demand reduction targets in a cost effective manner. Ohio Edison's C&I Equipment (Commercial Lighting) program has proven extremely popular with customers. Further, Ohio Edison projects that the costs to implement its Interruptible Demand

Reduction Program in 2011 and 2012 will fall below the budget approved on August 29, 2011, thus allowing these funds to be shifted without an adverse effect on the latter program.

12. This request does not increase the budget for the Mercantile Customer Class or the total budget of Ohio Edison's Plan, and thus, does not increase the rate impacts anticipated in the approved Plan.

13. The reallocation of these program funds within the Ohio Edison Mercantile Customer Class was discussed during the collaborative meeting held on November 15, 2011 and no party voiced opposition to the proposal.

WHEREFORE, Ohio Edison request that the Commission issue a Finding and Order approving the reallocation of funds described herein.

Respectfully submitted,

/s/ Carrie M. Dunn

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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing *Application* was filed this 23rd day of November, 2011, with the Public Utilities Commission of Ohio. Notice of this filing will be sent via e-mail to subscribers by operation of the Commission's electronic filing system. Copies have also been sent to the attached distribution list.

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Attachment A

Ohio Edison Proposed Budget Reallocation

Mercantile Customer Class	Approved in Filing, PUCO Table 6A	As Modified Aug 29, 2011	Proposed	Impact
Interruptible Demand Reduction	\$9,342,723	\$4,706,723	\$1,506,723	(\$3,200,000)
Mercantile-Self Directed	\$1,065,000	\$1,065,000	\$1,065,000	\$0
C/I Audits & Equipment Program	\$187,170	\$187,170	\$187,170	\$0
C/I Equipment Program (Commercial Lighting)	\$7,627,444	\$12,263,444	\$15,463,444	\$3,200,000
C/I Equipment Program (Industrial Motors)	\$137,725	\$137,725	\$137,725	\$0
EE Program and Demand Response Subtotal	\$18,360,061	\$18,360,061	\$18,360,061	\$0
Mercantile Class Common Costs	Approved in Filing, PUCO Table 6A	As Modified Aug 29, 2011	Proposed	Impact
Mercantile-Self Directed	\$10,857	\$10,857	\$10,857	\$0
Mercantile-Utility (Large C&I)	\$176,313	\$176,313	\$176,313	\$0
Common Cost Subtotal	\$187,170	\$187,170	\$187,170	\$0
<i>Total Class Budget</i>	<i>\$18,547,231</i>	<i>\$18,547,231</i>	<i>\$18,547,231</i>	<i>\$0</i>

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Summary: Application Pursuant to Rule 4901:1-39-05(C)(2)(c), Ohio Administrative Code, to Reallocate Funds Between Energy Efficiency and Conservation Programs

electronically filed by Ms. Carrie M Dunn on behalf of Ohio Edison Company