

## PUCO EXHIBIT FILING

Date of Hearing: 6/7/12Case No. 11-346-EL-SSO, etalPUCO Case Caption: Volume ~~XV~~Columbus Southern PowerOhio Power Company

PUCO

2012 JUN 15 PM 2:59

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List of exhibits being filed:

AEP Ex. 146IEU Exs. 130 and 131DEG Ex. 103, 104, 105 and 106.

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Reporter's Signature: Maria Di Paolo Jones

Date Submitted: \_\_\_\_\_

BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

- - -

In the Matter of the :  
Application of Columbus :  
Southern Power Company :  
and Ohio Power Company :  
for Authority to Establish:  
a Standard Service Offer : Case No. 11-346-EL-SSO  
Pursuant to §4928.143, : Case No. 11-348-EL-SSO  
Ohio Rev. Code, in the :  
Form of an Electric :  
Security Plan. :

In the Matter of the :  
Application of Columbus :  
Southern Power Company : Case No. 11-349-EL-AAM  
and Ohio Power Company : Case No. 11-350-EL-AAM  
for Approval of Certain :  
Accounting Authority. :

- - -

PROCEEDINGS

before Ms. Greta See and Mr. Jonathan Tauber,  
Attorney Examiners, and Commissioner Andre Porter, at  
the Public Utilities Commission of Ohio, 180 East  
Broad Street, Room 11-A, Columbus, Ohio, called at  
8:30 a.m. on Thursday, June 7, 2012.

- - -

VOLUME XV

- - -

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- - -

# AEP Ohio Supplemental Rule 10 Information

CSP CAIDI

# Increase in Weather Events

- AEP Ohio saw a significant increase in weather related events which did not fall into the IEEE 1366 category for exclusion.
- The increase in weather related events for 2011, is a main part of the cause of increased CAIDI for CSP.
- The reason CAIDI increases during weather related events is due to the volume of outages occurring at the same time, which increases the time it takes to restore all outages.

# NOAA\* Ohio Severe Weather Event Data

## Summary

<b>YEAR</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
<b>TOTAL</b>	1050	768	437	886	736	891
<b>Tornado</b>	34	45	16	12	12	36
<b>Wind</b>	694	589	235	530	453	463

37% increase in TOTAL Events from 2010 to 2011  
42% increase in events for 2011 compared to the average  
of 2006-2009 (years used in standard development)

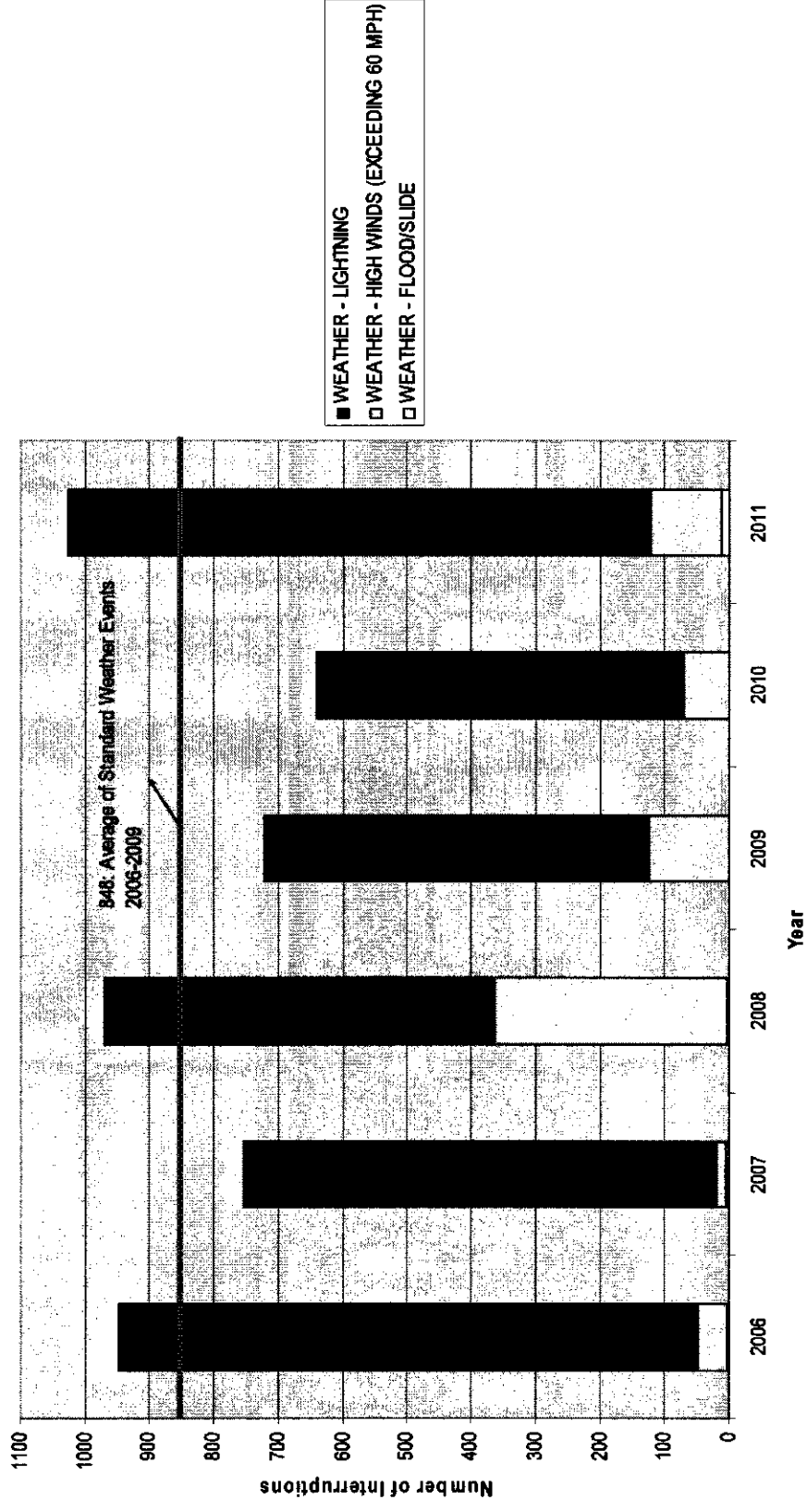
\*NOAA- National Oceanic and Atmospheric Administration

# Weather

- Looking at the Categories of weather related outages: Wind, Flooding/Slide, and Lightning, AEP had a total of 1,026 outages for 2011.
- The average for these categories for years 2006-2009, which the standard was developed on, was an average of 848 outages.
- This is a 178 outage difference between 2011 and the standard, or a 21% increase over the standard average.

# Weather Number of Interruptions

## Weather Events



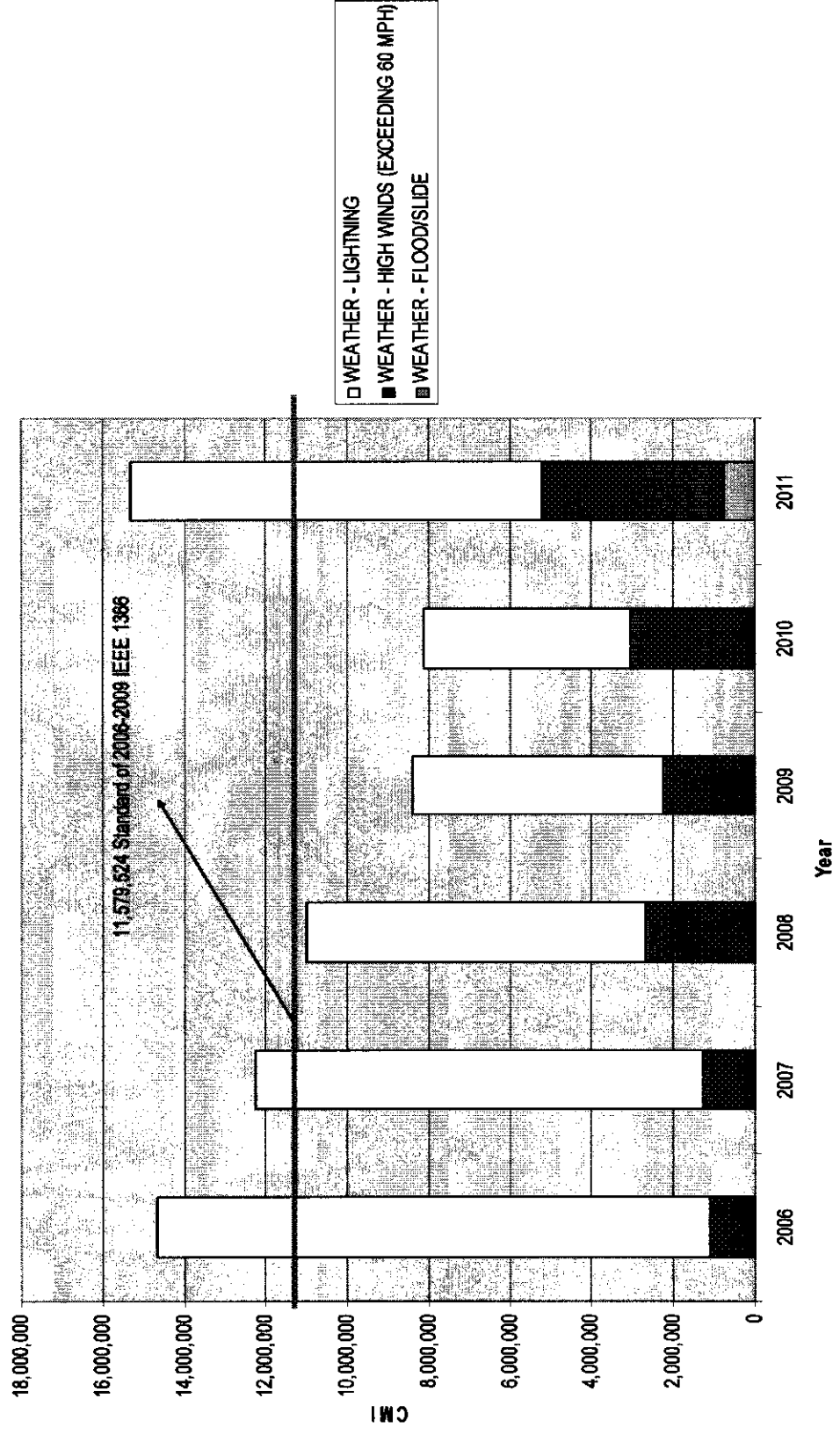
# Weather

- For Customer Minutes of Interruption (CMI) for weather related outages: Wind, Flood/Slide, and Lightning, the CMI for 2011 was 15,299,968.
- The CMI for 2006-2009, which the standard was developed upon, was 11,579,524.
- This is an increase in 3,720,444 CMI, or an increase of 32% above the standard average.



# Weather CMI

## Weather Events CMI



# Weather

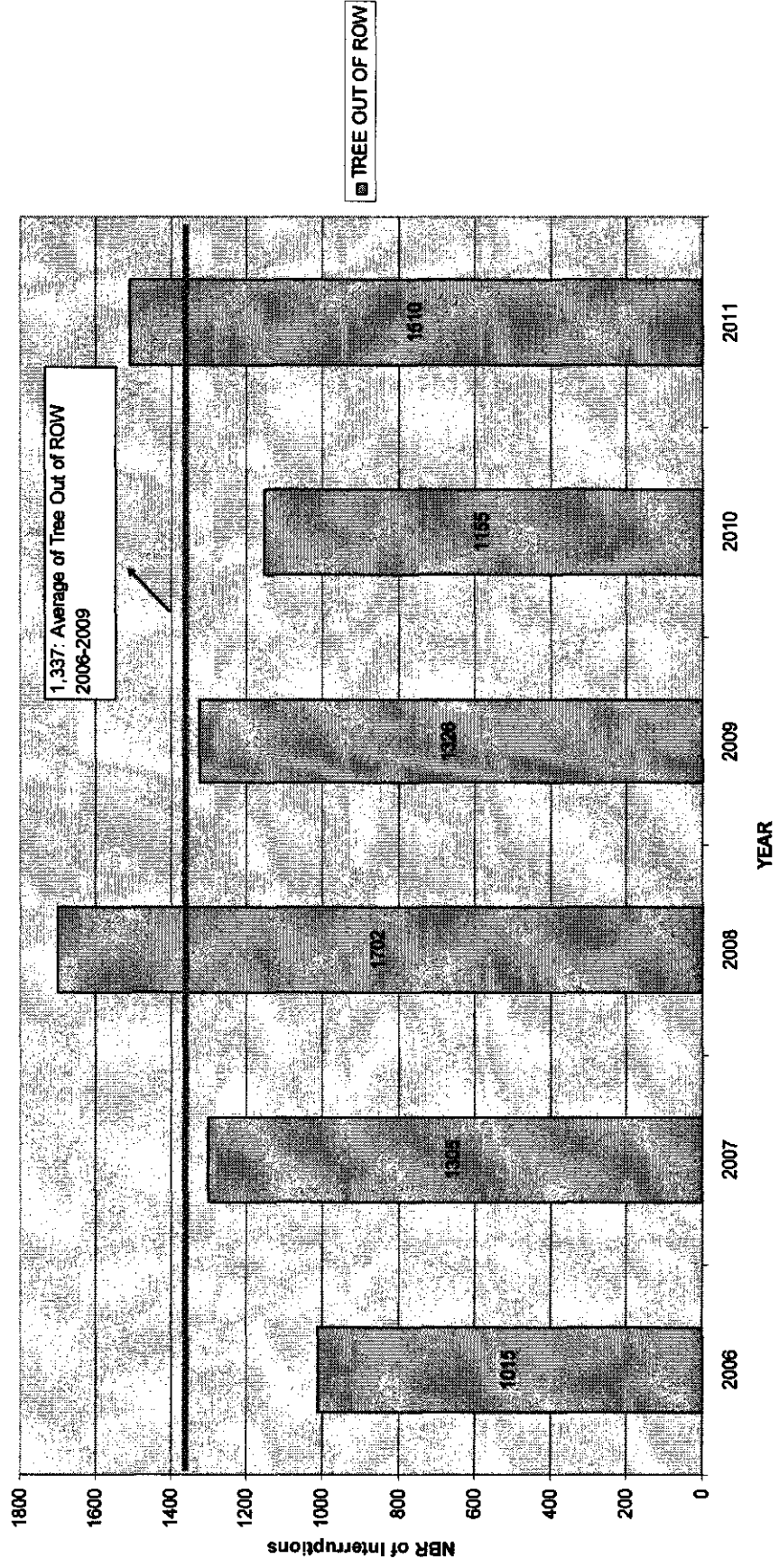
To look at the total CSP overall effect of Weather (Lightning, Flood/slide, and High Winds), if you replace the 2011 Weather values (Cust. Affected & CMI) with that of the 2006-2009 standard values for those same categories, there is a decrease in CAIDI minutes of 4.35, from 139.42 to 135.07.

# TREES OUT ROW

- For 2011, AEP Ohio saw a total of 1,510 Tree Out ROW Interruptions.
- The standard was based on an average of 1,337 outages (2006-2009 IEEE 1336).
- This is 173 more outages than what the standard was based on, or about 13% higher than the standard average.

# Number of Interruptions

TREE OUT OF ROW

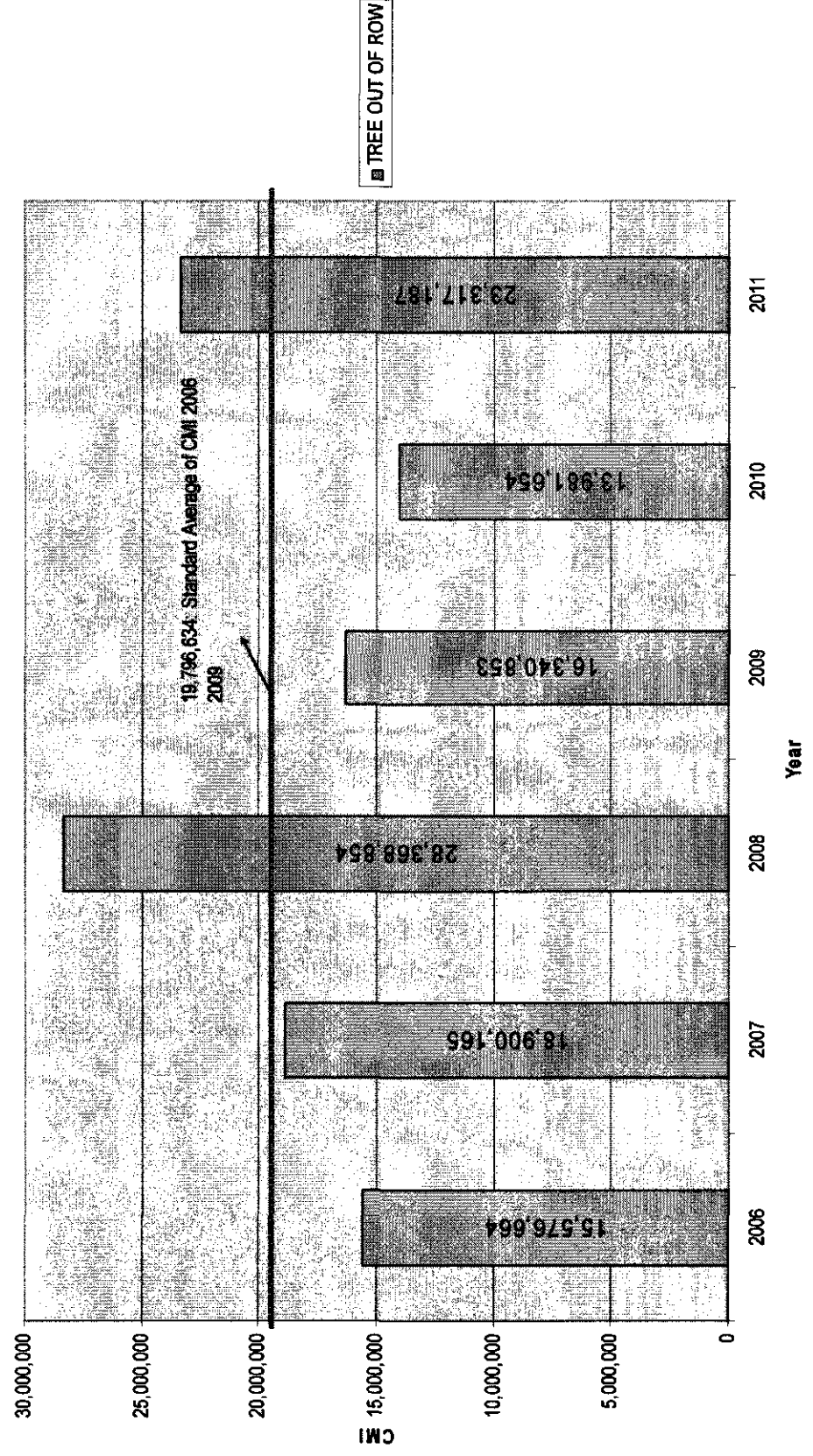


# TREES OUT ROW cont'd

- Customer Minutes of Interruption for Trees Out ROW in 2011 was 23,317,187.
- The average the standard was based on was 19,796,634 CMI.
- This is an increase of 3,520,553 customer minutes of interruption, or a 17.8% increase over the standard.

# CMI TREES OUT ROW

TREE OUT OF ROW



# TREES OUT ROW cont'd

To look at the total CSP overall effect of Trees out of ROW, if you replace the 2011 Tree out of ROW values (Cust. Affected & CMI) with that of the 2006-2009 standard values for that same category, there is a decrease in CAIDI minutes of 3.25, from 139.42 to 136.17.

# Summary CSP CAIDI

- Weather related events contributed to an additional 4.35 CSP CAIDI minutes.
- Trees Outside ROW contributed to an additional 3.25 CSP CAIDI minutes.
- Total increase based on standard development 7.60 CSP CAIDI minutes for these two categories.
- Final 2011 CSP CAIDI 139.42, standard is 136.00 minutes, miss of 3.42 minutes.





**Public Utilities  
Commission**

John R. Kasich, Governor  
Todd A. Snitchler, Chairman

IEU-Ohio Ex. 130

Commissioners

Cheryl Roberto  
Steven D. Lesser  
Andre T. Porter  
Lynn Slaby

May 15, 2012

The below-signed Secretary or Acting Secretary duly appointed and qualified official of the **Public Utilities Commission of Ohio**, in whose custody the books, papers, records, documents and files of said Commission are kept: certifies that the attached is a full, true, correct and complete copy of:

**STIPULATION AND RECOMMENDATION (PART 1 OF 2) ELECTRONICALLY  
FILED BY ANNE M VOGEL ON BEHALF OF AMERICAN ELECTRIC POWER  
COMPANY, INC.**

**Case Nos: 11-5568-EL-POR and 11-5569-EL-POR**

**Dated: 11/29/2011**

**IN TESTIMONY WHEREOF**, I have hereunto set my hand and affixed the  
official seal of the **PUBLIC UTILITIES COMMISSION OF OHIO**,

This 15<sup>th</sup> day of May, 2012

\_\_\_\_\_  
Barcy F. McNeal, Secretary  
Public Utilities Commission of Ohio

Betty McCauley  
Betty McCauley, Acting Secretary  
Tanowa M. Troupe, Acting Secretary  
Public Utilities Commission of Ohio

**BEFORE THE  
PUBLIC UTILITIES COMMISSION OF OHIO**

<b>In the Matter of the Application of</b>	)	
<b>Columbus Southern Power Company</b>	)	<b>Case No. 11-5568-EL-POR</b>
<b>for Approval of its Program Portfolio</b>	)	
<b>Plan and Request for Expedited</b>	)	
<b>Consideration</b>	)	
	)	
<b>In the Matter of the Application of</b>	)	
<b>Ohio Power Company for Approval</b>	)	<b>Case No. 11-5569-EL-POR</b>
<b>of its Program Portfolio Plan and</b>	)	
<b>Request for Expedited Consideration</b>	)	

**STIPULATION AND RECOMMENDATION**

**I. Introduction**

Rule 4901-1-30, Ohio Administrative Code (OAC) provides that any two or more parties to a proceeding may enter into a written stipulation covering the issues presented in such a proceeding. This document sets forth the understanding and agreement of the parties who have signed below (Signatory Parties) and jointly recommend that the Public Utilities Commission of Ohio (Commission) approve and adopt this Stipulation and Recommendation (Stipulation) without modification, in order to resolve all of the issues raised in this proceeding through the application filed by Columbus Southern Power Company (CSP) and Ohio Power Company (OP) (collectively "AEP Ohio" or the "Companies").<sup>1</sup>

This Stipulation is a product of lengthy, serious, arm's-length bargaining among the Signatory Parties and other parties who chose not to sign the Stipulation (all of whom are capable, knowledgeable parties), which negotiations were undertaken by the Signatory Parties to

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<sup>1</sup> CSP and OP filed an application with the Commission seeking approval to merge CSP into OP in Case No. 10-2376-EL-UNC. The Companies anticipate the merger will be approved and consummated before the 2012-2014 Program Portfolio Plan goes into effect on January 1, 2012. Accordingly, the Companies are referred to herein as "AEP Ohio" and treated as a single utility for purposes of the Plan.

settle this proceeding. AEP Ohio invited all members of its Collaborative<sup>2</sup> to provide input to the development of the proposed 2012-2014 EE/PDR Program Portfolio Plan in a series of seven Collaborative meetings beginning in February 2011. All Collaborative members were invited to discuss and negotiate this Stipulation and it was openly negotiated among those stakeholders who responded and chose to participate. This Stipulation is supported by adequate data and information; as a package, the Stipulation benefits customers and the public interest; promotes cost-effective energy efficiency and peak demand reductions; and represents a just and reasonable resolution of all issues in this proceeding; violates no regulatory principle or practice; and complies with and promotes the policies and requirements of Chapter 4928, Revised Code. This Stipulation represents an accommodation of the diverse interests represented by the Signatory Parties and, though not binding, is entitled to careful consideration by the Commission. For purposes of resolving the issues raised by these proceedings, the Signatory Parties stipulate, agree and recommend as set forth below.

## **II. Signatory Parties**

This Stipulation is entered into by and among the Commission Staff, Office of the Ohio Consumers' Counsel (OCC), Ohio Environmental Council (OEC), Sierra Club, Natural Resources Defense Council (NRDC), Environmental Law and Policy Center<sup>3</sup> (ELPC), Ohio Energy Group (OEG), Ohio Hospital Association (OHA), the Ohio Manufacturers' Association (OMA), the Ohio Partners for Affordable Energy (OPAE), Ohio Farm Bureau Federation

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<sup>2</sup> The members of the Collaborative are identified in the Companies' Plan, Volume 1, filed in this docket as Exhibit A to the Application.

<sup>3</sup> ELPC does not support the Plan's net-to-gross ratio of 1.0, and believes that the net to gross ratio of 1.0 should only be used as a placeholder until the Commission establishes the appropriate net-to-gross ratio in Case Number 09-512-GE-UNC. ELPC, however, supports the Stipulation in this case.

(OFBF), the Appalachian Peace and Justice Network (APJN), the Kroger Co., and the Companies. As further addressed in Section XI below, all of the Signatory Parties agree to fully support adoption of the Stipulation without modification in this proceeding. The Signatory Parties jointly recommend that they each be granted intervention in this proceeding.

### **III. Recitals**

WHEREAS, in 2008, the Ohio General Assembly passed Substitute Senate Bill 221 ("SB 221"), which includes new Section 4928.66, Revised Code, establishing energy efficiency and peak demand reduction (EE/PDR) benchmarks;

WHEREAS, the Commission approved a non-bypassable EE/PDR Rider as part of its decision in the Companies' Electric Security Plan cases, Case Nos. 08-917-EL-SSO and 08-918-EL-SSO;

WHEREAS, the Commission subsequently adopted rules (including OAC Chapter 4901:1-39) in Case No. 08-888-EL-ORD concerning the EE/PDR benchmarks;

WHEREAS, AEP Ohio has filed an Application to initiate this proceeding to address their 2012-2014 EE/PDR Action Plan;

WHEREAS, AEP Ohio's Application in this matter includes plans and programs designed to achieve AEP Ohio's EE/PDR benchmarks as calculated under Section 4928.66, Revised Code and the Commission's orders and rules;

WHEREAS, it is in the best interest of both the Companies and its customers to obtain approval of AEP Ohio's EE/PDR Action Plan and collect EE/PDR benchmark compliance costs as allowed under Ohio law that AEP Ohio will incur to comply with the EE/PDR mandates of SB 221; and

WHEREAS, the terms and conditions of this Stipulation satisfy the policies of the State of Ohio as set forth in Section 4928.02, Revised Code.

#### **IV. 2012-2014 EE/PDR Action Plan Approval**

1. The Signatory Parties recommend that the Commission act in an expedited manner and adopt the Stipulation so that the three-year EE/PDR Action Plan filed in this case, as supplemented and clarified by the terms of this Stipulation, including the recommended EE/PDR Rider rates, is effective as of January 1, 2012. The Signatory Parties recommend that the EE/PDR Action Plan should be accepted and approved as supplemented and clarified by the terms of this Stipulation (the three-year EE/PDR Action Plan agreed to herein is referred to as the “Plan”).
2. AEP Ohio will provide to the Collaborative a written report on program costs, including EE/PDR impacts and progress toward goals, customer incentives and administrative costs, on a quarterly basis.
3. AEP Ohio will provide to the Collaborative a written annual report on shared savings and fixed distribution cost impacts, if applicable, from EE/PDR programs implementation.
4. Contracted interruptible load associated with the Companies’ existing tariff programs for interruptible service (IRP-D) will count toward the PDR benchmarks.
5. AEP Ohio will provide a written, semi-annual report to the Collaborative on program participation by segment as outlined in the Plan, Volume 1, Section 2.3 (Market Segmentation), along with plans to improve those segments with low participation.
6. The Plan is designed to meet or exceed AEP Ohio’s EE/PDR Benchmarks for 2012-2014, as reflected in the Plan. The calculations<sup>4</sup> to determine the three-year average baseline with adjustments are appropriate and the Signatory Parties recommend that the Commission in

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<sup>4</sup> See Table 1, “SB 221 Savings Requirements (at Meter) – 2012 to 2014” on page 2, Volume 1 of the Plan.

adopting this Stipulation accept the calculations as an initial benchmark report under adopted Rule 4901:1-39-05(A) and ultimately for energy efficiency and peak demand reduction compliance purposes. The baselines reflected above are not normalized but do reflect the economic development adjustments approved by the Commission in the Companies' ESP cases, Case Nos. 08-917-EL-SSO and 08-918-EL-SSO.

#### **V. Approval of Shared Savings for Measurable Programs**

1. There will be a shared savings mechanism that provides an after-tax net benefit of 87% to AEP Ohio's Customers and 13% to AEP Ohio, based on the Utility Cost Test (UCT)<sup>5</sup> inclusive of all costs at the Portfolio level, when it exceeds the energy efficiency benchmark compliance requirement by 15%. The percentage of net benefits awarded to AEP Ohio shall be as follows:

Achievement of Annual Target	Shared Savings Percentage
Less than 100 %	0 %
100 % to 105 %	5 %
Greater than 105 % to 110 %	7.5 %
Greater than 110 % to 115 %	10 %
Greater than 115%	13%

<sup>5</sup> Net benefits are calculated at the Portfolio level for all measurable programs within the Portfolio using the Utility Cost Test (UCT), as defined in the Companies' filed Plan, Volume I, which states as follows: "[the] UTC measures the net benefits of a EE/PDR program as a resource option based on the costs and benefits incurred by the utility (including incentive costs) and excluding any net costs incurred by the customer participating in the efficiency program. The benefits are the avoided supply costs of energy and demand, the reduction in transmission, distribution, generation and capacity valued at marginal costs for the periods when there is a load reduction. The costs are the program costs incurred by the utility, the incentives paid to the customers, and the increased supply costs for the periods in which load is increased."

There will be a cap on shared savings of \$20 million per year after tax, which means AEP Ohio would receive the lesser of the calculated shared savings above or \$20 million after tax in each of the three Plan years.<sup>6</sup>

2. The Total Resource Cost (TRC)<sup>7</sup> test will be used to qualify the Portfolio for cost recovery.
3. AEP Ohio will only be eligible for shared savings if it exceeds the benchmarks of Sections 4928.66 (A)(1)(a) and (A)(1)(b), Revised Code, for a particular calendar year. AEP Ohio would remain eligible to receive shared savings if the Commission amends the compliance requirement for that year under Section 4928.66(A)(2)(b), Revised Code, and AEP Ohio meets or exceeds the amended requirement. If the Commission amends the compliance requirement for a particular year, AEP Ohio agrees that in the following year its compliance will be the cumulative energy savings benchmark for that year plus the energy savings not attained towards the benchmark in the earlier year. These restrictions are collectively referred to as "compliance" for purposes of triggering incentive eligibility such that AEP Ohio will only be eligible for shared savings if it exceeds the cumulative energy savings benchmark for that year and the energy savings not attained in the earlier year.
4. For utility shared savings purposes, total annualized<sup>8</sup> savings against the benchmark requirements will be used in the shared savings calculation.

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<sup>6</sup> Sierra Club and Ohio Environmental Counsel take no position on the \$20 million cap on shared savings, and OEG takes no position on the shared savings in this case.

<sup>7</sup> The TRC is defined in the Companies' filed plan, Volume I, which states as follows: "[the] TRC is a test that measures the total net resource expenditures of an EE/PDR program from the point of view of the utility and its ratepayers. Resource costs include changes in supply and participant costs. An EE/PDR program, which passes the TRC test (i.e., a ratio greater than 1.0) is viewed as beneficial to the utility and its customers because the savings in electric costs outweigh the EE/PDR costs incurred by the utility and its customers."

<sup>8</sup> "Annualized" reporting standard as used in this paragraph differs from a part year reporting convention by assuming measures installed in the program year are installed the first day of the program year for the purpose of meeting benchmarks for that program year.

## **VI. Shared Savings Qualifications**

1. The Companies will not receive any shared savings for the Self Direct program which counts retrospective savings by mercantile customers. Further, the Companies will not receive a reduction in shared savings for the Community Assistance Program which is the only program that is not required to be cost effective. In addition, the Companies will not receive any shared savings for internal Transmission and Distribution line loss reduction as a result of investments to improve the efficiency of its facilities.
2. AEP Ohio may only count savings for shared savings one time (meaning there is no double counting of shared savings) and in the year in which the savings were generated. In a year in which previous years' over-compliance is used to comply with the benchmarks, shared savings shall be based only on impacts generated in the current year.
3. AEP Ohio may only count savings for compliance one time (meaning there is no double counting for compliance) during the Plan timeframe of 2012-2014, but reserves the option of either counting any portion of over-compliance in the year of compliance or banking any portion for use in connection with a subsequent year. To reduce the cost of compliance for future Plans, any over-compliance achieved may be carried over to the next Plan.

## **VII. Approval of Initial EE/PDR Rider Rates and Operation of the Rider**

1. AEP Ohio's initial EE/PDR Rider rates should be established as reflected in Attachment A effective on the first billing cycle of January 2012.
2. The EE/PDR Rider should be trued up annually to reflect actual program costs and shared savings in accordance with Ohio Admin. Code 4901:1-39-07(B). The Companies request and the Signatory Parties support a waiver to file the annual Portfolio Status Reports on May



15 instead of March 15 each year to provide sufficient time for adequate evaluation, verification and measurement of Plan results.

3. The annual true-up of the EE/PDR Rider will be effective in the first billing cycle of August of 2013, 2014, with the final true-up in May of 2015. The timing of the true-up is recommended to follow the requested date change of the annual compliance filing, May 15, in support of program achievement and Commission compliance approval each year. The Signatory parties recommend the Commission modify its prior order such that in May of 2012, AEP Ohio will file the final true-up to its 2009-2011 Plan adjusting the rider as necessary for any over or under-recovery.
4. The shared savings calculations will be based on the same data as approved by the Commission in AEP Ohio's annual Portfolio Status Report filings.
5. AEP Ohio will not collect carrying charges in connection with operation of the EE/PDR Rider.
6. In approving the Stipulation, the Commission is granting AEP Ohio appropriate accounting authority related to the EE/PDR, as described above, to record a regulatory asset for any under-recovery or a regulatory liability for any over-recovery of EE/PDR program costs and shared savings. This shall be trued up annually as set forth in paragraph VII.

#### **VIII. Rate Design and Cost Allocation Methodology**

1. Program costs will be assigned for collection purposes to the respective rate classes whose customers are eligible for the program. For example, program costs for customers in a non-residential customer class will not be collected from residential customers and residential program costs will not be collected from non-residential customers.<sup>9</sup>

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<sup>9</sup> Residential customers will not pay, for example, for the programs described in paragraphs 3, 4, 5, 6, 7, 8, and 9 contained in the Stipulation Section X, Miscellaneous Terms and Commitments.

2. The Companies will adhere to the same percentage spreads (based on current distribution revenue) among the non-residential tariff classes that were used in the 2009-2011 approved Stipulation to allocate program costs and shared savings. The rate impacts using this methodology are contained in Attachment A to this Stipulation.
3. AEP Ohio may limit program funding to individual GS 4/IRP customers or any other non-residential customers to protect against a disproportionately large share of total program funding being concentrated with a few customers. Methods could include a program percentage cap or declining incentive tiers for large projects or any other reasonable mechanism as determined by AEP Ohio.
4. The costs associated with the Plan should be collected through the EE/PDR Rider by spreading the three-year portfolio plan costs over 2012, 2013 and 2014 (36 months). The initial rider includes an estimate of program costs of the three-year Plan and shared savings. In subsequent years, the EE/PDR rider would be reconciled to actual costs and those changes would be reflected in the annual true-up filing.
5. The EE/PDR Rider will continue in effect at the same rate then existing after December 31, 2014, subject to final true-up and subsequent implementation of an approved new rate based on a new approved Plan.
6. Any 2009-2011 Plan program costs incurred after December 31, 2011 to close out the 2009-2011 Plan and within the approved 2009-2011 Plan budget will be collected by the Companies and any 2012-2014 Plan costs incurred prior to the approval of this Plan by the Commission will be collected by the Companies.

#### **IX. Mercantile customer commitment of previously-installed EE/PDR resources**

1. Customer savings from previously installed EE/PDR resources approved by the Commission for being committed to the Companies are not counted in net benefits to determine shared savings.
2. If a mercantile customer unilaterally files with the Commission to commit resources, the Signatory Parties reserve any rights to take whatever position they deem appropriate in response to that filing and the outcome will be subject to Commission decision.

#### **X. Miscellaneous Terms and Commitments**

1. The Signatory Parties recommend that the Commission approve a waiver of the part year reporting convention requirement and allow the Companies to use the annualized reporting convention for purposes of Benchmark Compliance each year. If the waiver is granted by the Commission, the Companies agree to reduce the Self Direct incentive payment from 100% of the Prescriptive or Custom incentive in the proposed Plan, back to the current, 2009-2011 Plan percentage of 75%.
2. The Signatory Parties accept AEP Ohio's calculation of its avoided costs as provided to the Signatory Parties subject to a protective agreement in a document titled "AEP Ohio Avoided Costs -- Used for 2012-2014 EE/PDR Plan Calculation of Cost Effectiveness and Net Benefits," with the understanding that such calculations will be used for the years 2012-2031<sup>10</sup> for determining program cost effectiveness and shared savings.
3. AEP Ohio shall work with the OMA to communicate energy efficiency programs to manufacturers in the Companies' service territories. To assist in the development of comprehensive communication tools and strategies to promote AEP Ohio's EE/PDR

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<sup>10</sup> "AEP Ohio Avoided Costs -- Used for 2012-2014 EE/PDR Plan Calculation of Cost Effectiveness and Net Benefits."

Programs with its members and assist in their participation, AEP Ohio shall provide the OMA \$100,000 per 12-month period beginning on the effective date of this filing. To the extent OMA is able to assist the Companies in educating its members on the Companies' programs and gain participation of OMA's members, it is expected that this funding will offset the Companies' promotional costs. The OMA will work with AEP-Ohio to verify energy savings totaling 2% or more of combined retail annual energy sales averaged over the OMA members' 2009-2011 baseline.

4. The Companies and OMA will partner on the development and roll out of the Continuous Improvement Program.
5. The Companies will reserve from the Plan's pilot program fund \$1,000,000 over the 2012-2014 period for energy efficiency audits (ASHRAE Level I and Level II) available for the non-residential customer class and from that amount will reserve \$200,000 for an OHA-administered hospital specific energy efficiency audit program to be developed jointly by the OHA and the Companies.
6. As part of the Energy Efficiency Financing and Funding Pilot Program, the Companies will work with interested Collaborative members to investigate the development of a revolving loan fund to provide capital for energy efficiency projects in the Business Sector. The creation of this fund is contingent on finding willing and able partners that are qualified to provide significant leverage and attractive financing, among other criteria. Energy Efficiency Loan criteria will be developed with Collaborative and PUCO Staff input. The Companies commit to seed up to \$1,000,000 initially, and depending on the success of the fund in encouraging energy efficiency projects, will consider adding funding if available.

7. The Companies shall provide \$75,000 per year for 2012, 2013 and 2014 to the OHA to be used to assist hospitals served by the Companies to promote, identify and implement qualifying energy efficiency projects and also to assist hospitals in applying for financial incentives under the Companies' EE/PDR programs. An additional \$25,000 will be provided each year but only if the hospitals in the Companies' service territory submit projects with verified energy savings totaling 2% or more of their combined retail annual energy sales averaged over the hospitals' 2009-2011 baseline.
8. The Companies will provide \$10,000 per year from its Education and Training budget for hospital specific energy efficiency training administered by the OHA to support and enhance hospital participation. To the extent OHA is able to assist the Companies in educating its members on the Companies' programs and gain participation of OHA's members, it is expected that this funding will offset the Companies' promotional costs.
9. The Companies and OHA will partner on the development and roll out of the Energy Star Portfolio Manager Pilot Program initiative.
10. The Companies will continue to work with Columbia Gas of Ohio (COH) to further develop energy efficiency and peak demand response (EE/PDR) joint delivery programs. These programs were established as a result of cooperative efforts between the utilities in helping them address objectives in accordance to PUCO Dockets 09-1089-EL-POR, 09-1090-EL-POR and 08-833-GA-UNC.
11. The Companies will work with service organizations currently involved in creating special EE/PDR education/outreach programs with the Companies and if already established, COH. These organizations are in the Companies' Collaborative and include, but are not limited to,

the Ohio Manufacturers Association (OMA), Ohio Hospitals Association (OHA) and the Ohio Farm Bureau Federation (OFBF).

Program efforts will focus on the development of comprehensive communication tools and strategies to promote electric and joint electric and natural gas EE/PDR opportunities; helping consumers, including residential consumers, with unique requirements to employ new strategies and technologies to control their energy costs and other ideas. To the extent that the respective service organization is able to assist the Companies and COH in educating its members on program offerings, funding used will offset the Companies' promotional costs and can be credited to address its EE/PDR efforts.

12. The Companies will open dialogue with Vectren Energy Delivery of Ohio (VEDO) and Dominion – East Ohio Gas (D-EOG) to establish similar EE/PDR program collaboration opportunities in communities where common utility service areas are established.
13. The Companies will open dialogue with the Ohio Energy Resources Division of the Ohio Department of Development to discuss where Ohio Advanced Energy Fund program offerings could be used by eligible energy consumers to finance/enhance their participation in the Companies' EE/PDR efforts.
14. The Companies will open dialogue with the Ohio Air Quality Development Authority to discuss where program offerings could be used by eligible energy consumers to finance/enhance their participation in Companies' EE/PDR efforts.
15. AEP Ohio commits to sourcing the Community Assistance Program in the EE/PDR Plan to OPAE for 3 years conditional upon OPAE meeting AEP Ohio established performance targets each year of the Plan. A written report on OPAE's progress towards meeting the

targets will be made available to the Collaborative. AEP Ohio, at its sole discretion, may cancel OPAA's contract after giving a six month notice.

#### **XL Procedural Matters**

1. Except for enforcement purposes, neither this Stipulation nor the information and data contained herein or attached hereto shall be cited as a precedent in any future proceeding for or against any Signatory Party, or the Commission itself, if the Commission approves the Stipulation. Nor shall the acceptance of any provision as part of the settlement agreement be cited by any party or the Commission in any forum so as to imply or state that any signatory party agrees with any specific provision of the settlement. More specifically, no specific element or item contained in or supporting this Stipulation shall be construed or applied to attribute the results set forth in this Stipulation as the results that any Signatory Party might support or seek, but for this Stipulation in these proceedings or in any other proceeding. This Stipulation contains a combination of outcomes that reflects an overall compromise involving a balance of competing positions, and it does not necessarily reflect the position that one or more of the Signatory Parties would have taken for the purposes of resolving contested issues through litigation. The Signatory Parties believe that this Stipulation, taken as a whole, represents a reasonable compromise of varying interests.
2. Except for purposes of enforcement or to establish that the terms of the Stipulation are lawful, this Stipulation, along with any supporting materials or information and any testimony or exhibits filed in the above-captioned docket, shall not be used in any future proceedings by the Signatory Parties without the consent of the other Signatory Parties.

3. The Signatory Parties will support the Stipulation if the Stipulation is contested, and no Signatory Party will oppose an application for rehearing designed to defend the terms of this Stipulation.
4. This Stipulation is conditioned upon adoption of the Stipulation by the Commission in its entirety and without material modification. If the Commission rejects or materially modifies all or any part of this Stipulation, any Signatory Party shall have the right within thirty (30) days of issuance of the Commission's order to apply for rehearing. The Signatory Parties agree that they will not oppose or argue against any other Party's application for rehearing that seeks to uphold the original unmodified Stipulation. If the Commission does not adopt the Stipulation without material modification<sup>11</sup> upon any rehearing ruling, then within thirty (30) days of such Commission rehearing ruling any Signatory Party may terminate and withdraw from the Stipulation by filing a notice with the Commission. If the Commission does not act upon the application(s) for rehearing in support of the Stipulation within forty-five (45) days of the filing of the application(s) for rehearing, then any Signatory Party may terminate and withdraw from the Stipulation by filing a notice with the Commission. Upon the filing of either of these notices, the Stipulation shall immediately become null and void. No Signatory Party shall file a notice of termination and withdrawal without first negotiating in good faith with the other Signatory Parties to achieve an outcome that substantially satisfies the intent of the Stipulation. If a new agreement is reached, the Signatory Parties will file the new agreement for Commission review and approval. If the discussions to achieve an outcome that substantially satisfies the intent of the Stipulation are unsuccessful,

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<sup>11</sup> Any Signatory Party has the right, in its sole discretion, to determine what constitutes a "material" change for the purposes of that Party withdrawing from the Stipulation.



the Commission will convene an evidentiary hearing to afford the Signatory Parties the opportunity to present evidence through witnesses, to cross-examine witnesses, to present rebuttal testimony, and to brief all issues that the Commission shall decide based upon the record and briefs as if this Stipulation had never been executed. If the discussions to achieve an outcome that substantially satisfies the intent of the Stipulation are successful, some, or all, of the Signatory Parties shall submit the amended Stipulation to the Commission for approval after a hearing if necessary.

5. Unless the Signatory Party exercises its right to terminate its Signatory Party status or withdraw as described above, each Signatory Party agrees to and will support the reasonableness of this Stipulation before the Commission, and to cause its counsel to do the same, and in any appeal from the Commission's adoption and/or enforcement of this Stipulation (if the Signatory Party, in its sole discretion, participates in such an appeal). The Signatory Parties also urge the Commission to accept and approve the terms hereof as promptly as possible.

IN WITNESS WHEREOF, this Stipulation and Recommendation has been signed  
by the authorized agents of the undersigned Parties as of this 29<sup>th</sup> day of November, 2011.

<u>/s/ Thomas McNamee (per telephone authority, by AMV)</u> <b>Thomas McNamee</b> <b>On Behalf of the Staff of the Public Utilities Commission of Ohio</b>	<u>/s/ Anne M. Vogel</u> <b>Anne M. Vogel</b> <b>Steven T. Nourse</b> <b>On Behalf of Columbus Southern Power Company and Ohio Power Company</b>
<u>/s/ Kyle L. Kern (per email authority, by AMV)</u> <b>Kyle L. Kern</b> <b>On Behalf of the Office of the Ohio Consumers' Counsel</b>	<u>/s/ Colleen Mooney (per email authority, by AMV)</u> <b>Colleen Mooney</b> <b>On Behalf of Ohio Partners for Affordable Energy</b>

<u>/s/ Michael R. Smalz (per email authority, by AMV)</u> <b>Michael R. Smalz</b> <b>Joseph V. Maskovyak</b> <b>On Behalf of the Appalachian Peace and Justice Network</b>	<u>/s/ Michael L. Kurtz (per email authority, by AMV)</u> <b>Michael L. Kurtz</b> <b>On Behalf of the Ohio Energy Group</b>
<u>/s/ Lisa G. McAlister (per email authority, by AMV)</u> <b>Lisa G. McAlister</b> <b>On Behalf of the Ohio Manufacturers Association</b>	<u>/s/ Chad Endsley (per email authority, by AMV)</u> <b>Chad Endsley</b> <b>On Behalf of Ohio Farm Bureau</b>
<u>/s/ Thomas J. O'Brien (per email authority, by AMV)</u> <b>Thomas J. O'Brien</b> <b>Richard Sites</b> <b>On Behalf of the Ohio Hospital Association</b>	<u>/s/ Henry W. Eckhart (per email authority, by AMV)</u> <b>Henry W. Eckhart</b> <b>On Behalf of the Sierra Club</b>
<u>/s/ Cathryn N. Loucas (per email authority, by AMV)</u> <b>Cathryn N. Loucas</b> <b>On Behalf of Ohio Environmental Counsel</b>	<u>/s/ Christopher J. Allwein (per email authority, by AMV)</u> <b>Christopher J. Allwein</b> <b>On Behalf of Natural Resources Defense Council</b>
<u>/s/ Tara Santenelli (per email authority, by AMV)</u> <b>Tara Santenelli</b> <b>On Behalf of the Environmental Law and Policy Center</b>	<u>/s/ Mark S. Yurick (per email authority, by AMV)</u> <b>Mark S. Yurick</b> <b>On Behalf of The Kroger Co.</b>

The following parties in these proceedings  
take no position with regard to the  
Stipulation:

/s/ Emma Hand (per email authority, by  
AMV)

**Emma Hand**

**On Behalf of Ormet Primary Aluminum  
Corporation**

/s/ Matthew Pritchard (per email authority,  
by AMV)

**Matthew Pritchard**

**On Behalf of Industrial Energy Users –  
Ohio**

## PROOF OF SERVICE

I certify that Columbus Southern Power Company's and Ohio Power Company's Stipulation and Recommendation was served by electronic mail upon counsel for all parties of record identified below this 29<sup>th</sup> day of November, 2011.

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ON BEHALF OF THE OHIO FARM  
BUREAU FEDERATION

**This foregoing document was electronically filed with the Public Utilities**

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**in**

**Case No(s). 11-5568-EL-POR, 11-5569-EL-POR**

**Summary: Stipulation and Recommendation (Part 1 of 2) electronically filed by Anne M Vogel  
on behalf of American Electric Power Company, Inc.**



**Public Utilities  
Commission**

John R. Kasich, Governor  
Todd A. Snitchler, Chairman

IEU-Ohio Ex. 131

Commissioners

Cheryl Roberto  
Steven D. Lesser  
Andre T. Porter  
Lynn Slaby

May 15, 2012

The below-signed Secretary or Acting Secretary duly appointed and qualified official of the **Public Utilities Commission of Ohio**, in whose custody the books, papers, records, documents and files of said Commission are kept; certifies that the attached is a full, true, correct and complete copy of:

**EXHIBIT A-- APPLICATION AND REQUEST FOR EXPEDITED CONSIDERATION  
CONTINUED (PART 2 OF 3) ELECTRONICALLY FILED BY ANNE M VOGEL ON  
BEHALF OF AMERICAN ELECTRIC POWER COMPANY, INC. (PAGE 106 OF 171)**

**Case Nos: 11-5568-EL-POR and 11-5569-EL-POR**

**Dated: 11/29/2011**

**IN TESTIMONY WHEREOF**, I have hereunto set my hand and affixed the  
official seal of the **PUBLIC UTILITIES COMMISSION OF OHIO**,

This 15<sup>th</sup> day of May, 2012

\_\_\_\_\_  
Barcy F. McNeal, Secretary  
Public Utilities Commission of Ohio

Betty McCauley  
Betty McCauley, Acting Secretary  
Tanowa M. Troupe, Acting Secretary  
Public Utilities Commission of Ohio

## 4.2.6 Demand Response (ongoing program)

The demand response program is available to non-residential customers only and is used to supplement the peak demand reductions achieved from EE/PDR programs in order to ensure the peak demand reduction benchmark requirements of SB 221 are met. The program includes monitoring, participation and compliance with the current Commercial and Industrial Interruptible Rates offered in the AEP Ohio service territory. In addition, PJM Demand Response Program participation can be utilized, provided mercantile customers commit that resource to AEP Ohio. Program funding is primarily limited to gaining customer commitments for the supplemental peak demand reduction needed by AEP Ohio that could include special arrangements, a standard offer or a bid process.

### Participation

The following participation levels have been used for planning purposes. However, AEP Ohio may adjust qualifying energy efficiency measures and anticipated participation levels as necessary in accordance with current market conditions, EM&V results, and program implementation experience.

Incremental Annual Participants				
Measure	2012	2013	2014	Total 2012 – 2014
Facility	7	5	3	15

### Budget

The following budget has been used for planning purposes. However, AEP Ohio may adjust program budgets as necessary in accordance with current market conditions, EM&V results, and program implementation experience. The cost per MW are based on the projected pricing from PJM for each year.

Incremental Annual Budget				
	2012	2013	2014	Total 2012 – 2014
Administrative	\$200,000	\$200,000	\$200,000	\$600,000
Incentive	\$307,500	\$362,500	\$1,500,000	\$2,170,000
<b>Total</b>	<b>\$507,500</b>	<b>\$562,500</b>	<b>\$1,700,000</b>	<b>\$2,770,000</b>

Incremental Annual				
	2012	2013	2014	Total 2012 – 2014
Participant Costs	\$0	\$0	\$0	\$0



## **Chapter 4928: COMPETITIVE RETAIL ELECTRIC SERVICE**

### **4928.01 Competitive retail electric service definitions.**

OEG 103

(A) As used in this chapter:

(1) "Ancillary service" means any function necessary to the provision of electric transmission or distribution service to a retail customer and includes, but is not limited to, scheduling, system control, and dispatch services; reactive supply from generation resources and voltage control service; reactive supply from transmission resources service; regulation service; frequency response service; energy imbalance service; operating reserve-spinning reserve service; operating reserve-supplemental reserve service; load following; back-up supply service; real-power loss replacement service; dynamic scheduling; system black start capability; and network stability service.

(2) "Billing and collection agent" means a fully independent agent, not affiliated with or otherwise controlled by an electric utility, electric services company, electric cooperative, or governmental aggregator subject to certification under section 4928.08 of the Revised Code, to the extent that the agent is under contract with such utility, company, cooperative, or aggregator solely to provide billing and collection for retail electric service on behalf of the utility company, cooperative, or aggregator.

(3) "Certified territory" means the certified territory established for an electric supplier under sections 4933.81 to 4933.90 of the Revised Code.

(4) "Competitive retail electric service" means a component of retail electric service that is competitive as provided under division (B) of this section.

(5) "Electric cooperative" means a not-for-profit electric light company that both is or has been financed in whole or in part under the "Rural Electrification Act of 1936," 49 Stat. 1363, 7 U.S.C. 901, and owns or operates facilities in this state to generate, transmit, or distribute electricity, or a not-for-profit successor of such company.

(6) "Electric distribution utility" means an electric utility that supplies at least retail electric distribution service.

(7) "Electric light company" has the same meaning as in section 4905.03 of the Revised Code and includes an electric services company, but excludes any self-generator to the extent that it consumes electricity it so produces, sells that electricity for resale, or obtains electricity from a generating facility it hosts on its premises.

(8) "Electric load center" has the same meaning as in section 4933.81 of the Revised Code.

(9) "Electric services company" means an electric light company that is engaged on a for-profit or not-for-profit basis in the business of supplying or arranging for the supply of only a competitive retail electric service in this state. "Electric services company" includes a power marketer, power broker, aggregator, or independent power producer but excludes an electric cooperative, municipal electric utility, governmental aggregator, or billing and collection agent.

(10) "Electric supplier" has the same meaning as in section 4933.81 of the Revised Code.

(11) "Electric utility" means an electric light company that has a certified territory and is engaged on a for-profit basis either in the business of supplying a noncompetitive retail electric service in this state

or in the businesses of supplying both a noncompetitive and a competitive retail electric service in this state. "Electric utility" excludes a municipal electric utility or a billing and collection agent.

(12) "Firm electric service" means electric service other than nonfirm electric service.

(13) "Governmental aggregator" means a legislative authority of a municipal corporation, a board of township trustees, or a board of county commissioners acting as an aggregator for the provision of a competitive retail electric service under authority conferred under section 4928.20 of the Revised Code.

(14) A person acts "knowingly," regardless of the person's purpose, when the person is aware that the person's conduct will probably cause a certain result or will probably be of a certain nature. A person has knowledge of circumstances when the person is aware that such circumstances probably exist.

(15) "Level of funding for low-income customer energy efficiency programs provided through electric utility rates" means the level of funds specifically included in an electric utility's rates on October 5, 1999, pursuant to an order of the public utilities commission issued under Chapter 4905. or 4909. of the Revised Code and in effect on October 4, 1999, for the purpose of improving the energy efficiency of housing for the utility's low-income customers. The term excludes the level of any such funds committed to a specific nonprofit organization or organizations pursuant to a stipulation or contract.

(16) "Low-income customer assistance programs" means the percentage of income payment plan program, the home energy assistance program, the home weatherization assistance program, and the targeted energy efficiency and weatherization program.

(17) "Market development period" for an electric utility means the period of time beginning on the starting date of competitive retail electric service and ending on the applicable date for that utility as specified in section 4928.40 of the Revised Code, irrespective of whether the utility applies to receive transition revenues under this chapter.

(18) "Market power" means the ability to impose on customers a sustained price for a product or service above the price that would prevail in a competitive market.

(19) "Mercantile customer" means a commercial or industrial customer if the electricity consumed is for nonresidential use and the customer consumes more than seven hundred thousand kilowatt hours per year or is part of a national account involving multiple facilities in one or more states.

(20) "Municipal electric utility" means a municipal corporation that owns or operates facilities to generate, transmit, or distribute electricity.

(21) "Noncompetitive retail electric service" means a component of retail electric service that is noncompetitive as provided under division (B) of this section.

(22) "Nonfirm electric service" means electric service provided pursuant to a schedule filed under section 4905.30 of the Revised Code or pursuant to an arrangement under section 4905.31 of the Revised Code, which schedule or arrangement includes conditions that may require the customer to curtail or interrupt electric usage during nonemergency circumstances upon notification by an electric utility.

(23) "Percentage of income payment plan arrears" means funds eligible for collection through the percentage of income payment plan rider, but uncollected as of July 1, 2000.

(24) "Person" has the same meaning as in section 1.59 of the Revised Code.

### **4905.261 Telephone call center for consumer complaints.**

The public utilities commission shall operate a telephone call center for consumer complaints, to receive complaints by any person, firm, or corporation against any public utility. The commission shall expeditiously provide the consumers' counsel with all information concerning residential consumer complaints received by the commission in the operation of the telephone call center and with any materials produced in the operation of the telephone call center by the commission concerning residential consumer complaints. If technology is reasonably available, the commission shall provide the consumers' counsel with real-time access to the commission's residential consumer complaint information.

Effective Date: 09-29-2005

### **4905.27 Standard units.**

The public utilities commission shall ascertain and prescribe suitable and convenient standard commercial units of the product or service of any public utility when the character of its product or service is such that it can be determined. Such units shall be the lawful units for the purposes of Chapters 4901., 4903., 4905., 4907., 4909., 4921., 4923., and 4925. of the Revised Code.

Effective Date: 10-01-1953

### **4905.28 Standards of measurement.**

The public utilities commission may ascertain and fix adequate and serviceable standards for the measurement of quality, pressure, initial voltage, or other conditions pertaining to the supply or quality of the product furnished or adequacy of service rendered by any public utility and may prescribe reasonable regulations for examination, testing, and measurement of such product or service. It may establish reasonable rules, regulations, specifications, and standards to secure the accuracy of all meters and appliances for measurements.

Effective Date: 10-26-1953

### **4905.29 Examinations and tests.**

The public utilities commission may provide instruments for, and carry on, the examination and testing of all appliances used for the measurement of any product or service of a public utility or for the examination and testing of any devices or appliances of such public utility used for testing for accuracy any appliance used for the measurement of any product or service of such public utility. Any consumer or user may have any such appliance tested upon payment of the fees fixed by the commission. The commission may establish reasonable fees to be paid for testing such appliances on the request of the consumers or users. The fees shall be paid by the consumer or user at the time the request is made, but shall be paid by the public utility and repaid to the consumer or user if the appliance is found commercially defective or incorrect, to the disadvantage of the consumer or user.

Effective Date: 10-01-1953

### **4905.30 Printed schedules of rates must be filed.**

(A) A public utility shall print and file with the public utilities commission schedules showing all rates, joint rates, rentals, tolls, classifications, and charges for service of every kind furnished by it, and all

rules and regulations affecting them. The schedules shall be plainly printed and kept open to public inspection. The commission may prescribe the form of every such schedule, and may prescribe, by order, changes in the form of such schedules. The commission may establish and modify rules and regulations for keeping such schedules open to public inspection. A copy of the schedules, or so much thereof as the commission deems necessary for the use and information of the public, shall be printed in plain type and kept on file or posted in such places and in such manner as the commission orders.

(B) Division (A) of this section applies to a telephone company only regarding rates, joint rates, tolls, classifications, charges, rules, and regulations established pursuant to sections 4905.71, 4927.12, 4927.13, 4927.14, 4927.15, 4927.18, and 4931.47 of the Revised Code.

Amended by 128th General Assembly File No. 43, SB 162, § 1, eff. 9/13/2010.

Effective Date: 10-01-1953

### **4905.301 [Repealed].**

Effective Date: 01-01-2001

### **4905.302 Purchased gas adjustment clause.**

(A)(1) For the purpose of this section, the term "purchased gas adjustment clause" means:

(a) A provision in a schedule of a gas company or natural gas company that requires or allows the company to, without adherence to section 4909.18 or 4909.19 of the Revised Code, adjust the rates that it charges to its customers in accordance with any fluctuation in the cost to the company of obtaining the gas that it sells, that has occurred since the time any order has been issued by the public utilities commission establishing rates for the company pertaining to those customers;

(b) A provision in an ordinance adopted pursuant to section 743.26 or 4909.34 of the Revised Code or Section 4 of Article XVIII, Ohio Constitution, with respect to which a gas company or natural gas company is required or allowed to adjust the rates it charges under such an ordinance in accordance with any fluctuation in the cost to the company of obtaining the gas that it sells, that has occurred since the time of the adoption of the ordinance.

(2) For the purpose of this section, the term "special purchase" means any purchase of interstate natural gas, any purchase of liquefied natural gas, and any purchase of synthetic natural gas from any source developed after the effective date of this section, April 27, 1976, provided that this purchase be of less than one hundred twenty days duration and the price for this purchase is not regulated by the federal power commission. For the purpose of this division, the expansion or enlargement of a synthetic natural gas plant existing at such date shall be considered a source so developed.

(3) For the purpose of this section, the term "residential customer" means urban, suburban, and rural patrons of gas companies and natural gas companies insofar as their needs for gas are limited to their residence. Such term includes those patrons whose rates have been set under an ordinance adopted pursuant to sections 743.26 and 4909.34 of the Revised Code or Section 4 of Article XVIII, Ohio Constitution.

(B) A purchased gas adjustment clause may not allow, and no such clause may be interpreted to allow, a gas company or natural gas company that has obtained an order from the public utilities commission permitting the company to curtail the service of any customer or class of customers other than residential customers, such order being based on the company's inability to secure a sufficient quantity

### **4905.304 Examining coal research and development costs incurred by gas or natural gas company.**

Once in every six months, the public utilities commission shall examine Ohio coal research and development costs incurred by a gas or natural gas company. The commission shall adopt a rule that:

- (A) Requires periodic reports, audits, and hearings and establishes investigative procedures for the purposes of this section;
- (B) Allows recovery on a uniform basis per unit of sale of the Ohio coal research and development costs incurred by a gas or natural gas company;
- (C) Requires the reporting of such data by gas and natural gas companies as the commission considers necessary for the purposes of this section.

Effective Date: 04-05-1986

### **4905.31 Reasonable arrangements allowed - variable rate.**

Chapters 4901., 4903., 4905., 4907., 4909., 4921., 4923., 4927., 4928., and 4929. of the Revised Code do not prohibit a public utility from filing a schedule or establishing or entering into any reasonable arrangement with another public utility or with one or more of its customers, consumers, or employees, and do not prohibit a mercantile customer of an electric distribution utility as those terms are defined in section 4928.01 of the Revised Code or a group of those customers from establishing a reasonable arrangement with that utility or another public utility electric light company, providing for any of the following:

- (A) The division or distribution of its surplus profits;
- (B) A sliding scale of charges, including variations in rates based upon stipulated variations in cost as provided in the schedule or arrangement.
- (C) A minimum charge for service to be rendered unless such minimum charge is made or prohibited by the terms of the franchise, grant, or ordinance under which such public utility is operated;
- (D) A classification of service based upon the quantity used, the time when used, the purpose for which used, the duration of use, and any other reasonable consideration;
- (E) Any other financial device that may be practicable or advantageous to the parties interested. In the case of a schedule or arrangement concerning a public utility electric light company, such other financial device may include a device to recover costs incurred in conjunction with any economic development and job retention program of the utility within its certified territory, including recovery of revenue foregone as a result of any such program; any development and implementation of peak demand reduction and energy efficiency programs under section 4928.66 of the Revised Code; any acquisition and deployment of advanced metering, including the costs of any meters prematurely retired as a result of the advanced metering implementation; and compliance with any government mandate. No such schedule or arrangement is lawful unless it is filed with and approved by the commission pursuant to an application that is submitted by the public utility or the mercantile customer or group of mercantile customers of an electric distribution utility and is posted on the commission's docketing information system and is accessible through the internet. Every such public utility is required to conform its schedules of rates, tolls, and charges to such arrangement, sliding

scale, classification, or other device, and where variable rates are provided for in any such schedule or arrangement, the cost data or factors upon which such rates are based and fixed shall be filed with the commission in such form and at such times as the commission directs. Every such schedule or reasonable arrangement shall be under the supervision and regulation of the commission, and is subject to change, alteration, or modification by the commission.

Effective Date: 10-29-1993; 2008 SB221 07-31-2008

### **4905.32 Schedule rate collected.**

No public utility shall charge, demand, exact, receive, or collect a different rate, rental, toll, or charge for any service rendered, or to be rendered, than that applicable to such service as specified in its schedule filed with the public utilities commission which is in effect at the time. No public utility shall refund or remit directly or indirectly, any rate, rental, toll, or charge so specified, or any part thereof, or extend to any person, firm, or corporation, any rule, regulation, privilege, or facility except such as are specified in such schedule and regularly and uniformly extended to all persons, firms, and corporations under like circumstances for like, or substantially similar, service.

Effective Date: 10-01-1953

### **4905.33 Rebates, special rates, and free service prohibited.**

(A) No public utility shall directly or indirectly, or by any special rate, rebate, drawback, or other device or method, charge, demand, collect, or receive from any person, firm, or corporation a greater or lesser compensation for any services rendered, or to be rendered, except as provided in Chapters 4901., 4903., 4905., 4907., 4909., 4921., and 4923. of the Revised Code, than it charges, demands, collects, or receives from any other person, firm, or corporation for doing a like and contemporaneous service under substantially the same circumstances and conditions.

(B) No public utility shall furnish free service or service for less than actual cost for the purpose of destroying competition.

Effective Date: 01-01-2001

### **4905.34 Free service or reduced rates.**

Except as provided in sections 4905.33 and 4905.35 and Chapter 4928. of the Revised Code, Chapters 4901., 4903., 4905., 4907., 4909., 4921., 4923., and 4927. of the Revised Code do not prevent any public utility or railroad from granting any of its property for any public purpose, or granting reduced rates or free service of any kind to the United States, to the state or any political subdivision of the state, for charitable purposes, for fairs or expositions, to a law enforcement officer residing in free housing provided pursuant to section 3735.43 of the Revised Code, or to any officer or employee of such public utility or railroad or the officer's or employee's family. All contracts and agreements made or entered into by such public utility or railroad for such use, reduced rates, or free service are valid and enforceable at law. As used in this section, "employee" includes furloughed, pensioned, and superannuated employees.

Amended by 128th General Assembly File No. 43, SB 162, § 1, eff. 9/13/2010.

Effective Date: 01-01-2001

OHIO POWER COMPANY  
Ohio Power Rate Zone

1<sup>st</sup> Revised Sheet No. 224-1  
Cancels Original Sheet No. 224-1

P.U.C.O. NO. 20

**SCHEDULE GS-4**  
(General Service - Large)

Availability of Service

Available for general service customers. The customer shall contract for a sufficient capacity to meet normal maximum requirements, but in no case shall the capacity contracted for be less than 8,000 KW.

Customers with multiple plants served under Schedule I.P., P.U.C.O. No. 14, 5th Revised Sheet No. 18, on April 10, 1981, at a subtransmission or transmission delivery voltage pursuant to the provision then in the tariff which provided that contracts will be made for minimum capacities of 20,000 KVA in the aggregate for all plants, but not less than 3,000 KVA at any one plant, may continue to be served hereunder at the rate for the appropriate delivery voltage. Additional or substitute plants may not be served under that provision.

Monthly Rate

Schedule Codes		Generation	Distribution
322	<b>Primary Voltage:</b>		
	Demand Charge (\$ per KW)	9.80	3.76
	Off-Peak Excess Demand Charge (\$ per KW)	5.84	3.76
	Energy Charge (¢ per KWH)	0.00913	--
	Customer Charge (\$)	--	95.47
323	<b>Subtransmission Voltage:</b>		
	Demand Charge (\$ per KW)	9.55	--
	Off-Peak Excess Demand Charge (\$ per KW)	2.10	--
	Energy Charge (¢ per KWH)	0.05159	--
	Customer Charge (\$)	--	512.00
324	<b>Transmission Voltage:</b>		
	Demand Charge (\$ per KW)	9.38	--
	Off-Peak Excess Demand Charge (\$ per KW)	1.06	--
	Energy Charge (¢ per KWH)	0.04747	--
	Customer Charge (\$)	--	512.00

The distribution Reactive Demand Charge for each KVAR of reactive demand, leading or lagging, in excess of 50% of the KW metered demand is \$0.48 per KVAR.

Minimum Charge

The minimum monthly charge under this schedule shall be the sum of the customer charge, the product of the demand charge and the monthly billing demand, and all applicable riders.

Filed pursuant to Order dated March 7, 2012 in Case No. 11-346-EL-SSO et al.

Issued: February 28, 2012

Issued by  
Joseph Hamrock, President  
AEP Ohio

Effective: March 9, 2012

OHIO POWER COMPANY  
Ohio Power Rate Zone4<sup>th</sup>-2nd Revised Sheet No. 224-1  
Cancels Original 1st Revised Sheet No. 224-1

P.U.C.O. NO. 20

**SCHEDULE GS-4**  
(General Service - Large)Availability of Service

Available for general service customers. The customer shall contract for a sufficient capacity to meet normal maximum requirements, but in no case shall the capacity contracted for be less than 8,000 KW.

Customers with multiple plants served under Schedule I.P., P.U.C.O. No. 14, 5th Revised Sheet No. 18, on April 10, 1981, at a subtransmission or transmission delivery voltage pursuant to the provision then in the tariff which provided that contracts will be made for minimum capacities of 20,000 KVA in the aggregate for all plants, but not less than 3,000 KVA at any one plant, may continue to be served hereunder at the rate for the appropriate delivery voltage. Additional or substitute plants may not be served under that provision.

Monthly Rate

Schedule Codes		Generation	Distribution
322	<b>Primary Voltage:</b>		
	Demand Charge (\$ per KW)	9.80 10.44	3.76
	Off-Peak Excess Demand Charge (\$ per KW)	5.84 6.22	3.76
	Energy Charge (¢ per KWH)	0.00913 0.00973	—
	Customer Charge (\$)	—	95.47
323	<b>Subtransmission Voltage:</b>		
	Demand Charge (\$ per KW)	9.55 10.18	—
	Off-Peak Excess Demand Charge (\$ per KW)	2.40 2.24	—
	Energy Charge (¢ per KWH)	0.05159 0.05497	—
	Customer Charge (\$)	—	512.00
324	<b>Transmission Voltage:</b>		
	Demand Charge (\$ per KW)	9.38 10.00	—
	Off-Peak Excess Demand Charge (\$ per KW)	4.06 1.13	—
	Energy Charge (¢ per KWH)	0.04747 0.05058	—
	Customer Charge (\$)	—	512.00

The distribution Reactive Demand Charge for each KVAR of reactive demand, leading or lagging, in excess of 50% of the KW metered demand is \$0.48 per KVAR.

Minimum Charge

Filed pursuant to Order dated March 7, 2012 \_\_\_\_\_ in Case No. 11-346-EL-SSO et al.

Issued: February 28, 2012 \_\_\_\_\_

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Issued by  
Joseph Hamrock, President  
AEP Ohio



that is located at a dam on a river, or on any water discharged to a river, that is within or bordering this state or within or bordering an adjoining state and meets all of the following standards:

(a) The facility provides for river flows that are not detrimental for fish, wildlife, and water quality, including seasonal flow fluctuations as defined by the applicable licensing agency for the facility.

(b) The facility demonstrates that it complies with the water quality standards of this state, which compliance may consist of certification under Section 401 of the "Clean Water Act of 1977," 91 Stat. 1598, 1599, 33 U.S.C. 1341, and demonstrates that it has not contributed to a finding by this state that the river has impaired water quality under Section 303(d) of the "Clean Water Act of 1977," 114 Stat. 870, 33 U.S.C. 1313.

(c) The facility complies with mandatory prescriptions regarding fish passage as required by the federal energy regulatory commission license issued for the project, regarding fish protection for riverine, anadromous, and catadromous fish.

(d) The facility complies with the recommendations of the Ohio environmental protection agency and with the terms of its federal energy regulatory commission license regarding watershed protection, mitigation, or enhancement, to the extent of each agency's respective jurisdiction over the facility.

(e) The facility complies with provisions of the "Endangered Species Act of 1973," 87 Stat. 884, 16 U.S.C. 1531 to 1544, as amended.

(f) The facility does not harm cultural resources of the area. This can be shown through compliance with the terms of its federal energy regulatory commission license or, if the facility is not regulated by that commission, through development of a plan approved by the Ohio historic preservation office, to the extent it has jurisdiction over the facility.

(g) The facility complies with the terms of its federal energy regulatory commission license or exemption that are related to recreational access, accommodation, and facilities or, if the facility is not regulated by that commission, the facility complies with similar requirements as are recommended by resource agencies, to the extent they have jurisdiction over the facility; and the facility provides access to water to the public without fee or charge.

(h) The facility is not recommended for removal by any federal agency or agency of any state, to the extent the particular agency has jurisdiction over the facility.

(B) For the purposes of this chapter, a retail electric service component shall be deemed a competitive retail electric service if the service component is competitive pursuant to a declaration by a provision of the Revised Code or pursuant to an order of the public utilities commission authorized under division (A) of section 4928.04 of the Revised Code. Otherwise, the service component shall be deemed a noncompetitive retail electric service.

Amended by 128th General Assembly File No. 47, SB 181, § 1, eff. 9/13/2010.

Amended by 128th General Assembly File No. 48, SB 232, § 1, eff. 6/17/2010.

Amended by 128th General Assembly File No. 9, HB 1, § 101.01, eff. 10/16/2009.

Effective Date: 10-05-1999; 01-04-2007; 2008 SB221 07-31-2008

## **4928.02 State policy.**

It is the policy of this state to do the following throughout this state :

OEG 105

- (A) Ensure the availability to consumers of adequate, reliable, safe, efficient, nondiscriminatory, and reasonably priced retail electric service;
- (B) Ensure the availability of unbundled and comparable retail electric service that provides consumers with the supplier, price, terms, conditions, and quality options they elect to meet their respective needs;
- (C) Ensure diversity of electricity supplies and suppliers, by giving consumers effective choices over the selection of those supplies and suppliers and by encouraging the development of distributed and small generation facilities;
- (D) Encourage innovation and market access for cost-effective supply- and demand-side retail electric service including, but not limited to, demand-side management, time-differentiated pricing, and implementation of advanced metering infrastructure;
- (E) Encourage cost-effective and efficient access to information regarding the operation of the transmission and distribution systems of electric utilities in order to promote both effective customer choice of retail electric service and the development of performance standards and targets for service quality for all consumers, including annual achievement reports written in plain language;
- (F) Ensure that an electric utility's transmission and distribution systems are available to a customer-generator or owner of distributed generation, so that the customer-generator or owner can market and deliver the electricity it produces;
- (G) Recognize the continuing emergence of competitive electricity markets through the development and implementation of flexible regulatory treatment;
- (H) Ensure effective competition in the provision of retail electric service by avoiding anticompetitive subsidies flowing from a noncompetitive retail electric service to a competitive retail electric service or to a product or service other than retail electric service, and vice versa, including by prohibiting the recovery of any generation-related costs through distribution or transmission rates;
- (I) Ensure retail electric service consumers protection against unreasonable sales practices, market deficiencies, and market power;
- (J) Provide coherent, transparent means of giving appropriate incentives to technologies that can adapt successfully to potential environmental mandates;
- (K) Encourage implementation of distributed generation across customer classes through regular review and updating of administrative rules governing critical issues such as, but not limited to, interconnection standards, standby charges, and net metering;
- (L) Protect at-risk populations, including, but not limited to, when considering the implementation of any new advanced energy or renewable energy resource;
- (M) Encourage the education of small business owners in this state regarding the use of, and encourage the use of, energy efficiency programs and alternative energy resources in their businesses;
- (N) Facilitate the state's effectiveness in the global economy. In carrying out this policy, the commission shall consider rules as they apply to the costs of electric distribution infrastructure, including, but not limited to, line extensions, for the purpose of development in this state.

Effective Date: 10-05-1999; 2008 SB221 07-31-2008

**RIDER RTP**  
**Experimental Real Time Pricing Rider**

**AVAILABILITY:**

This Rider is not available to customers during the period the customer takes electric generation service from a certified supplier. This Rider is not available to customers during the period the customer is taking service under Rider ELR or Rider CPP.

The Experimental Real Time Pricing Rider (RTP) shall be applied in lieu of the Generation Service Rider (GEN) to customers participating in this voluntary experimental program.

**PROGRAM DESCRIPTION:**

The RTP Program is voluntary and will be offered on an experimental basis through May 31, 2014, unless earlier terminated by the Company. Its purpose is to test customer response to hourly price signals quoted by PJM Interconnection, L.L.C. ("PJM") or any other applicable independent system operator to supply electricity. Participation in the RTP Program offers customers the opportunity to manage their electric costs by either shifting load from higher price to lower price periods or by adding new load during lower price periods.

**RATE:**

In addition to any other charges under all other rate schedules applicable to customer's service, exclusive of Rider GEN, customers taking service under this Rider shall also pay the charges set forth below:

**Charges:**

Program Administrative Charge:	\$150.00 per month
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**RTP Billing:**

Customers taking service under this Rider will be billed based on the following calculation:

**RTP Bill      =      Program Charge + RTP Energy Charge + RTP Fixed Charge + All Applicable Riders**

**RIDER RTP**  
**Experimental Real Time Pricing Rider**

**RTP Energy Charge:**

The RTP Energy Charge (RTPEC) is equal to the customers hourly energy usage applied to the hourly energy price quotes made publicly available by PJM, as defined in the LMP<sub>t</sub> definition below.

The RTPEC is calculated as follows:

$$RTPEC = \sum_{t=1}^n (kWh_t \times LMP_t)$$

Where:

**kWh<sub>t</sub>** = Customer's kilowatt-hour usage in hour t  
**t** = An hour in the billing period  
**n** = Total number of hours in the billing period  
**LMP<sub>t</sub>** = the "Day-Ahead" Locational Marginal Price, or "LMP" in hour t as defined and specified by PJM at the appropriate pricing node, as this node may be changed or superseded from time to time by PJM. In the event there is an error in the LMP reported by PJM, the Company shall apply such prices as corrected by PJM in monthly billings.

The Company shall not be responsible for failure of the customer to receive and act upon market based quotes. The customer is responsible for its access to the Internet for access to PJM pricing.

**RTP Fixed Charges:**

The following RTP Fixed Charges will apply, by rate schedule, for all kWhs per kWh:

	<u>Summer</u>	<u>Winter</u>
GS	1.8322¢	1.4659¢
GP	1.5721¢	1.2362¢
GSU	1.3787¢	1.0667¢
GT	1.3528¢	1.0416¢

For billing purposes, the winter rates shall be applicable beginning with service rendered September 1 through service rendered for May 31. The summer rates shall apply in all other billing periods.

**RIDER RTP**  
**Experimental Real Time Pricing Rider**

**METERING:**

The customer must arrange for interval metering consistent with the Company's Miscellaneous Charges, Tariff Sheet 75.

**TERMS AND CONDITIONS:**

Failure by the customer to timely pay all amounts due within thirty (30) days of when due may be cause for removal from service under this Rider, at the option of the Company.

A customer may terminate service under this Rider effective with the next scheduled meter reading following at least 12 days notice to the Company by the customer. Customers who withdraw or are removed from the RTP Program may not return to the RTP Program.

**RIDER CPP**  
**Experimental Critical Peak Pricing Rider**

**AVAILABILITY:**

This Rider is not available to customers during the period the customer takes electric generation service from a certified supplier. This Rider is not available to customers during the period the customer is taking service under Rider ELR, Rider OLR or Rider RTP.

The Experimental Critical Peak Pricing Rider (CPP) shall be applied in lieu of the Generation Service Rider (GEN) to customers participating in this voluntary experimental program.

The CPP Charge shall reflect time-of-day pricing, for all kWh per kWh, for both Summer and Winter seasons, as shown below:

**RATE:**

In addition to any other charges under all other rate schedules applicable to customer's service, exclusive of Rider GEN, customers taking service under this Rider shall also pay the charges set forth below:

**Charges:**

Program Administrative Charge: \$37.50 per month

**Capacity Charges**

	<u>Summer</u>			<u>Winter</u>		
	<u>Midday Peak</u>	<u>Shoulder Peak</u>	<u>Off-Peak</u>	<u>Midday Peak</u>	<u>Shoulder Peak</u>	<u>Off-Peak</u>
GS	0.2047¢	0.2047¢	0.2047¢	0.2047¢	0.2047¢	0.2047¢
GP	0.1597¢	0.1597¢	0.1597¢	0.1597¢	0.1597¢	0.1597¢
GSU	0.1347¢	0.1347¢	0.1347¢	0.1347¢	0.1347¢	0.1347¢
GT	0.1146¢	0.1146¢	0.1146¢	0.1146¢	0.1146¢	0.1146¢

**Energy Charges**

	<u>Summer</u>			<u>Winter</u>		
	<u>Midday Peak</u>	<u>Shoulder Peak</u>	<u>Off-Peak</u>	<u>Midday Peak</u>	<u>Shoulder Peak</u>	<u>Off-Peak</u>
GS	6.9628¢	6.9628¢	4.1534¢	6.2538¢	7.1498¢	4.0296¢
GP	6.7212¢	6.7212¢	4.0093¢	6.0367¢	6.9016¢	3.8897¢
GSU	6.5321¢	6.5321¢	3.8965¢	5.8669¢	6.7075¢	3.7803¢
GT	6.5256¢	6.5256¢	3.8926¢	5.8610¢	6.7008¢	3.7765¢

Midday-peak time shall be noon to 6 p.m. EST, Monday through Friday, excluding holidays.

Shoulder-peak time shall be 6 a.m. to noon and 6 p.m. to 10 p.m. EST, Monday through Friday, excluding holidays.

Holidays are defined as New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day. Off-Peak shall be all other hours.

**RIDER CPP**  
**Experimental Critical Peak Pricing Rider**

For billing purposes, the winter rates shall be applicable beginning with service rendered September 1 through service rendered for May 31. The summer rates shall apply in all other billing periods.

- \* With day-ahead notification by the Company, the applicable Midday-Peak CPP Charge shall change to 32.6333¢ per kWh for up to 10 days for a period of 6 hours each day, noon to 6 p.m. EST, during the summer as determined by the Company ("Critical Peak Pricing Hours").

**METERING:**

The customer must arrange for interval metering consistent with the Company's Miscellaneous Charges, Tariff Sheet 75.

**NOTIFICATION:**

Customers served under this Rider shall be provided notification of Critical Peak Pricing Hours by the Company. Customers shall be provided clock times of the beginning and ending of Critical Peak Pricing Hours. Receipt of notifications of Critical Peak Pricing Hours shall be the sole responsibility of the customer.

Notification of Critical Peak Pricing Hours consists of an electronic message issued by the Company to a device or devices such as telephone, facsimile, pager or email, selected and provided by the customer and approved by the Company. Two-way information capability shall be incorporated by the Company and the customer in order to provide confirmation of receipt of notification messages. Operation, maintenance and functionality of such communication devices selected by the customer shall be the sole responsibility of the customer.

**TERM:**

This Rider shall expire with service rendered through May 31, 2014, unless earlier terminated by the Company.

A customer may terminate its participation in this Rider, effective with the next scheduled meter reading following at least 12 days notice to the Company by the customer. Customers who withdraw from participation in this Rider may not return to this Rider at any time.

**RIDER GEN**  
**Generation Service Rider**

**APPLICABILITY:**

For customers taking the Standard Service Offer electric generation service ("SSO Generation Service") from the Company, the following Standard Service Offer Generation Charges (SSOGC) by rate schedule, will apply, effective for service rendered beginning June 1, 2011, for all kWhs per kWh, unless otherwise noted:

Capacity costs resulting from annual PJM auctions (including the PJM-administered Fixed Resource Requirement auctions conducted in March 2010) will be calculated by Company and by tariff schedule based on the average of coincident peaks, including distribution losses, for the months of June through September of the year prior to the year in which the auction occurred. The calculated wholesale capacity costs are used to develop capacity charges.

These calculated wholesale capacity costs will be converted to an energy basis and will then be subtracted from the SSO CBP results to develop the non-capacity related energy charges.

**RATE:**

<u>Capacity Charges</u>	<u>Summer</u>	<u>Winter</u>
RS	0.1805¢	0.1805¢
GS	0.2047¢	0.2047¢
GP	0.1597¢	0.1597¢
GSU	0.1347¢	0.1347¢
GT	0.1146¢	0.1146¢
STL	0.0000¢	0.0000¢
TRF	0.1405¢	0.1405¢
POL	0.0000¢	0.0000¢

<u>Energy Charges</u>	<u>Summer</u>	<u>Winter</u>
RS	6.1991¢	5.3210¢
GS	6.1991¢	5.3210¢
GP	5.9840¢	5.1363¢
GSU	5.8156¢	4.9918¢
GT	5.8098¢	4.9868¢
STL	6.1991¢	5.3210¢
TRF	6.1991¢	5.3210¢
POL	6.1991¢	5.3210¢



**RIDER GEN**  
**Generation Service Rider**

**TIME-OF-DAY OPTION:**

For customers with the appropriate qualifying time-of-day metering and who elect to be served under the Time-Of-Day Option, the charge by rate schedule will be as shown below, for all kWhs, per kWh:

<u>Capacity Charges</u>	<u>Summer</u>			<u>Winter</u>		
	<u>Midday Peak</u>	<u>Shoulder Peak</u>	<u>Off-Peak</u>	<u>Midday Peak</u>	<u>Shoulder Peak</u>	<u>Off-Peak</u>
GS	0.2047¢	0.2047¢	0.2047¢	0.2047¢	0.2047¢	0.2047¢
GP	0.1597¢	0.1597¢	0.1597¢	0.1597¢	0.1597¢	0.1597¢
GSU	0.1347¢	0.1347¢	0.1347¢	0.1347¢	0.1347¢	0.1347¢
GT	0.1146¢	0.1146¢	0.1146¢	0.1146¢	0.1146¢	0.1146¢

<u>Energy Charges</u>	<u>Summer</u>			<u>Winter</u>		
	<u>Midday Peak</u>	<u>Shoulder Peak</u>	<u>Off-Peak</u>	<u>Midday Peak</u>	<u>Shoulder Peak</u>	<u>Off-Peak</u>
GS	10.9117¢	6.9628¢	4.1534¢	6.2538¢	7.1498¢	4.0296¢
GP	10.5330¢	6.7212¢	4.0093¢	6.0367¢	6.9016¢	3.8897¢
GSU	10.2366¢	6.5321¢	3.8965¢	5.8669¢	6.7075¢	3.7803¢
GT	10.2264¢	6.5256¢	3.8926¢	5.8610¢	6.7008¢	3.7765¢

Midday-peak time shall be noon to 6 p.m. EST, Monday through Friday, excluding holidays.

Shoulder-peak time shall be 6 a.m. to noon and 6 p.m. to 10 p.m. EST, Monday through Friday, excluding holidays.

Holidays are defined as New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day. Off-Peak shall be all other hours.

A customer may terminate its participation in this time-of-day option at any time effective with the next scheduled meter reading. A qualifying customer may return to the time-of-day option at any time after a hiatus from the time-of-day option of at least one (1) year.

**METERING:**

The customer must arrange for time-of-day metering consistent with the Company's Miscellaneous Charges, Tariff Sheet 75.