BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Following Joint Applications for Integration of Mercantile Customer Energy Efficiency or Peak-Demand Reduction Programs Between the Dayton Power and Light Company and	)	
Airgas Inc.	)	Case No. 09-702-EL-AEC
Airgas Inc.	)	Case No. 09-1700-EL-EEC
AGC Automotive America	)	Case No. 10-3038-EL-EEC
The Scotts Company, LLC	)	Case No. 10-3119-EL-EEC
Airgas Merchant Gases, Inc.	)	Case No. 10-3129-EL-EEC

FINDING AND ORDER

The Commission finds:

(1) Section 4928.66, Revised Code, imposes certain annual energy efficiency and peak demand reduction requirements upon Ohio's electric distribution utilities, beginning in calendar year 2009; but the statute also enables mercantile customers to commit their peak demand reduction, demand response, and energy efficiency programs for integration with an electric utility's programs in order to meet the statutory requirements.

(2) Section 4928.01(A)(19), Revised Code, defines a mercantile customer as a commercial or industrial customer that consumes more than 700,000 kilowatt hours of electricity per year or that is part of a national account involving multiple facilities in one or more states.

(3) Dayton Power and Light Company (DP&L) is a public utility as defined in Section 4905.02, Revised Code, and, as such, is subject to the jurisdiction of this Commission. DP&L recovers its costs of complying with the energy efficiency and demand reduction requirements imposed by Section 4928.66, Revised Code, from its customers through its Rider EE/PDR.

(4) Rule 4901:1-39-05(G), Ohio Administrative Code (O.A.C.), provides for the filing of an application by a mercantile customer, either individually or jointly with an electric utility, to commit the customer's demand reduction, demand response, and energy efficiency programs for integration with an electric utility's programs in order to meet the utility's statutory requirements.

(5) Each of the captioned energy efficiency credit (EEC) applications were filed by DP&L and the captioned mercantile customer, pursuant to Rule 4901:1-39-05(G), O.A.C., to commit the customer's programs for integration with DP&L's programs to meet the utility's energy efficiency and peak demand reduction benchmarks. In each case, a staff report was filed recommending approval of the application and an incentive payment or EE/PDR rider exemption for peak demand reduction commitments in the 2009 and 2010 reporting years through participation in the PJM demand response program. In each of these cases, Staff recommends the award of cash rebates, as follows:

Case No.	Customer	Incentive Payment
09-702 & 09-1700	Airgas, Inc.	$46,500
10-3038	AGC Automotive America	$62,500
10-3119	The Scotts Company, LLC	$20,000
10-3129	Airgas Merchant Gases, LLC	$48,500

(6) In each case, the Commission's staff has reviewed the application and additional supporting documentation, including engineering studies and estimates, and receipts. Staff has verified that the customer meets the definition of a mercantile customer, and has provided documentation that the methodology used to calculate energy savings conforms to the general principals of the International Performance Measurement Verification Protocol used by DP&L. Staff found

that all of the retail customers participate in the PJM demand response program through a Curtailment Service Provider, and that the customers commit these peak demand resources to count towards fulfilling DP&L's peak demand reduction benchmarks for the years of 2009 or 2010, depending on the application year. Staff reports that in these applications, DP&L will pay $5 per kw to attract capacity resources to fulfill its annual requirements, which were needed to fulfill DP&L's PDR requirements for the years 2009 and 2010. Staff notes that in 2011, DP&L instituted an annual auction to purchase sufficient demand response capacity to fulfill its annual requirements, which Staff believes is a more economically efficient method than paying an administratively-determined price to acquire these resources. However, as these applications were filed prior to DP&L's implementation of the auction method, Staff recommends that the above-captioned applications be approved.

(7) *Upon review of the applications, supporting documentation,* and Staff's recommendations, the Commission finds that the requirements related to each of these applications have been met. The Commission finds that the requests for mercantile commitment pursuant to Rule 4901:1-39-05, O.A.C., do not appear to be unjust or unreasonable. Thus, a hearing on these matters is unnecessary. Accordingly, we find that these applications should be approved, and DP&L should refund to the customer any assessed charges under Rider DSE2 during the exemption period approved by this order. As a result of such approval, we find that DP&L should adjust its baselines, pursuant to Section 4928.66(A)(2)(c), Revised Code, and Rule 4901:1-39-05, O.A.C. However, we note that although these projects are approved, they are subject to evaluation, measurement, and verification in the portfolio status report proceeding initiated by the filing of DP&L's portfolio status report, as set forth in Rule 4901:1-39-05(C), O.A.C. The Commission also notes that every arrangement approved by this Commission remains under our supervision and regulation, and is subject to change, alteration, or modification by the Commission.

It is, therefore,

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

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

THE PUBLIC UTILITIES COMMISSION OF OHIO

Todd A. Snitchler, Chairman

Steven D. Lesser

Andre T. Porter

Lynn Slaby

RMB/vrm

Entered in the Journal

FEB 20 2013

Barcy F. McNeal

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Secretary