

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

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In the Matter of Linde Energy Services Inc.)
 Annual Alternative Energy Portfolio Status Report)
 and Plan for Compliance with Future Annual) Case No. 13-0540
 Advanced and Renewable Energy Benchmarks)

I. INTRODUCTION

Linde Energy Services Inc. (LESI) is a Competitive Retail Electric Service (CRES) Provider, as defined in Ohio Revised Code §4928.01 (A)(4), and an electric service company as defined within O.R.C. §4928.01(A)(9). LESI is a wholly owned subsidiary of Linde LLC, and is a non-regulated member of the American Electric Power, Inc. system. LESI currently provides electric supply to industrial customers within the state of Ohio.

LESI hereby submits its first Annual Alternative Energy Status Report for the period of January 1, 2012 through December 31, 2012, as required by Ohio Administrative Code Rule 4901:1-40-05 for all electric service companies. As required by the Rule, this Status Report identifies LESI's 2012 energy baseline; demonstrates its compliance with its 2012 renewable and solar energy benchmarks, and outlines its future alternative energy compliance strategy.

II. COMPLIANCE WITH 2012 BENCHMARKS

Under Ohio Rev. Code §4928.64 (B)(2) and Ohio Admin. Code § 4901:1-40-03(A)(2), for the year 2012, electric service companies must demonstrate that 1.44% of the retail electricity they sold was derived from non solar renewable energy resources. Of the 1.44%, half must have been generated by facilities located in Ohio. In addition, electric service companies must demonstrate that 0.06% of the retail electricity they sold was derived from solar energy resources. At least half of this 0.06% requirement must have been generated by facilities located within

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Ohio. These benchmarks are determined by first calculating a baseline number of kilowatt hours and then applying the benchmark percentages to that baseline.

A. Initial Baseline Calculation

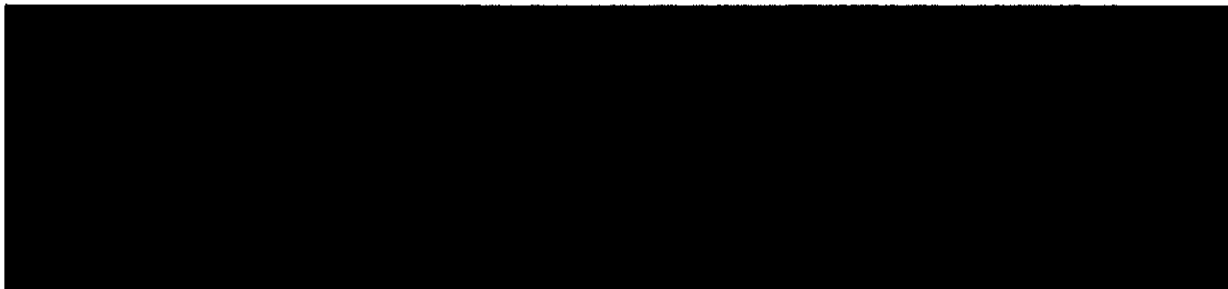
Ordinarily, an electric service company's baseline is to be computed by averaging the number of kilowatt-hours sold during the three preceding calendar years. LESI however, had no electric sales in Ohio during the years 2009, 2010, 2011. In such a case, Ohio Admin. Code §4901:1-40-03 (B)(2)(b) provides:

For an electric service company with no retail electric sales in the state during the preceding three calendar years, its initial baseline shall consist of a reasonable projection of its retail electric sales in the state for a full calendar years.

LESI began serving customers in April 2012, and therefore does not have a reasonable projection for the full calendar year, but rather submits that its obligation is equal to its actual metered load for 2012, or 3,407 MWH.

B. 2012 Renewable and Solar Energy Benchmarks

Using 3,407 MWH as its 2012 baseline, LESI's calculation of its benchmarks for electricity generated from renewable and solar energy resources for the 2012 is as follows:



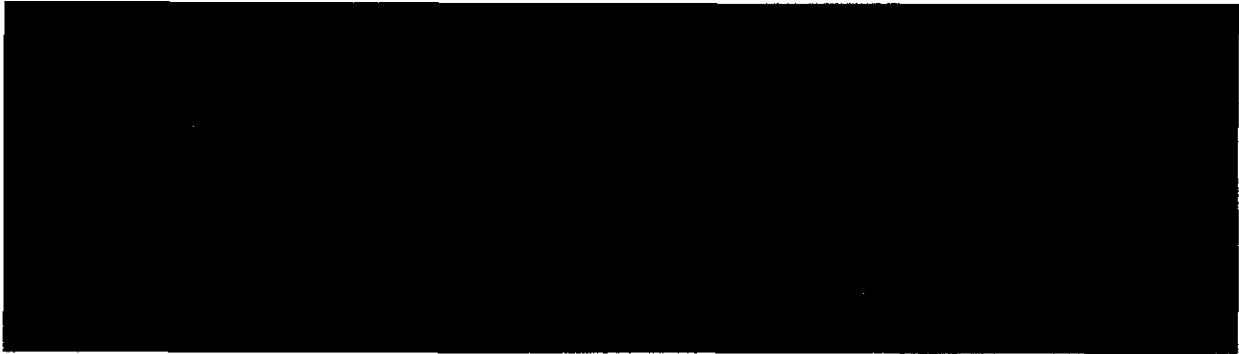
C. Compliance with 2012 Renewable Energy Benchmarks

Pursuant to Ohio Rev. Code §4928.65, electric service companies may meet their renewable energy benchmarks through the use of renewable energy credits (RECs).

1. **Non-Solar, In-State:** Through the use of brokers, LESI has purchased sufficient RECs to satisfy the non-solar in-state requirement for 2012.

2. **Non-Solar, Out of State:** Through the use of brokers, LESI purchased sufficient RECs to satisfy its non-solar, out of state requirement for 2012.
3. **Solar, In-State:** Through the use of brokers, LESI purchased sufficient RECs to satisfy the solar, in state requirements for 2012.
4. **Solar, Out of State:** Through the use of brokers, LESI purchased sufficient RECs to satisfy the solar, out of state requirement using Solar, In State RECs for 2012.

A summary of LESI's compliance efforts in 2012 is as follows:



D. LESI's Compliance Strategy

LESI's renewable energy compliance strategy for 2012 was to purchase RECs through market brokers. As LESI's compliance obligation increase for 2013- its first full year of operation- LESI will continue to utilize the broker market to satisfy its compliance obligation.

III. PLAN FOR COMPLIANCE WITH FUTURE ANNUAL ADVANCED ENERGY AND RENEWABLE ENERGY BENCHMARKS

Ohio Administrative Code Rule 4901:1-40-03(C) requires all Ohio electric services companies to file an annual "plan for compliance with future annual advanced- and renewable-energy benchmarks, including solar, utilizing at least a ten-year planning horizon." This plan must contain at least the following four items:

1. Baseline for current and future calendar years.
2. Supply portfolio projection, including both generation fleet and power purchases
3. A description of the methodology used by the company to evaluate its compliance options

4. A discussion of any perceived impediments to achieving compliance with required benchmarks, as well as suggestions for addressing any such impediments.

O.A.C. 4901:1-40-03(C)(1)-(4).

LESI began serving customers in the second quarter of 2012, and continues to grow and establish new customers. Below are current and forecasted sales volumes, along with corresponding REC requirements for the years 2012-2022.

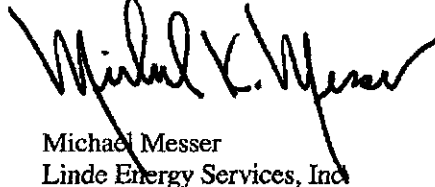


As a CRES provider, LESI does not own any electric generation facilities. LESI will continue to supply power to its customers by purchasing power through the wholesale electricity market. LESI will continue to meet its alternative energy benchmarks through the purchasing of RECs and solar RECs, through the use of market brokers and producer contacts. Apart from generalized supply and pricing constraints, LESI does not anticipate significant impediments in acquiring the RECs required to meet its alternative energy benchmarks for future years.

IV. CONCLUSION

Based on the foregoing, LESI respectfully requests that the Commission find that LESI has complied with the applicable renewable energy benchmarks for 2012.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Michael K. Messer". The signature is fluid and cursive, with the first name "Michael" being the most prominent part.

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