

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of The)
Toledo Edison Company and The Electro)
Prime Group, LLC. for Integration of) Case No. 12-42-EL-EEC
Mercantile Customer Energy Efficiency or)
Peak-Demand Reduction Programs.)

FINDING AND ORDER

The Commission finds:

- (1) R.C. 4928.66 imposes certain energy efficiency and peak demand reduction (EEDR) requirements upon Ohio's electric distribution utilities, but allows mercantile customers to commit their EEDR programs for integration with an electric utility's programs in order to meet the statutory requirements. R.C. 4928.01(A)(19) defines a mercantile customer as a commercial or industrial customer that consumes more than 700,000 kWh of electricity per year, or that is part of a national account involving multiple facilities in one or more states.
- (2) The Toledo Edison Company (TE or utility) is a public utility as defined in R.C. 4905.02 and, as such, is subject to the jurisdiction of this Commission. TE recovers its costs of complying with the EEDR requirements imposed by R.C. 4928.66 from its customers through its Rider DSE2 (EEDR rider).
- (3) Ohio Adm.Code 4901:1-39-05(G) permits a mercantile customer to file, either individually or jointly with an electric utility, an energy efficiency commitment (EEC) application to commit the customer's EEDR programs for integration with the electric utility's programs, pursuant to R.C. 4928.66, in order to meet the utility's statutory requirements.
- (4) On September 15, 2010, the Commission issued an entry in Case No. 10-834-EL-EEC, *In re Mercantile Customer Pilot Program*, instituting a pilot program (EEC Pilot) to expedite the approval process for EEC applications filed by mercantile customers under Ohio Adm.Code 4901:1-39-05(G). The EEC Pilot developed a standardized application template that is deemed to be approved 60 days after filing, unless suspended

or otherwise ordered by the Commission or an attorney examiner. In subsequent entries in Case No. 10-834-EL-EEC, the Commission adopted certain modifications to the template, and expanded the automatic approval process to include applications requesting a cash rebate or commitment payment, or an exemption, subject to periodic review, from the electric utility's EEDR rider. On July 17, 2013, the Commission issued an order in Case No. 10-834-EL-EEC to permanently adopt the EEC Pilot.

- (5) On March 19, 2012, TE and The Electro Prime Group, LLC. (Electro Prime or customer) filed this application pursuant to Ohio Adm.Code 4901:1-39-05(G), and subject to the EEC Pilot's 60-day automatic approval process. The application covers EEDR projects involving the installation of set back devices to reduce energy consumption for heating and cooling at the customer's Lint Avenue facility in Toledo, Ohio, and the installation of variable frequency drives at Electro Prime's coatings division plant in Rossford, Ohio. The original application requests an exemption from the TE's EEDR rider based upon annual savings projected to be 66,788 kWh at the Toledo facility, and 168,630 kWh at the Rossford plant, with a peak-demand reduction of 19 kW.
- (6) On May 16, 2012, the attorney examiner issued an entry suspending the 60-day automatic approval process for this application to allow Staff time for further review.
- (7) On August 30, 2012, TE and Electro Prime filed an amended exhibit to support its calculations of a 67-month rider exemption period for the Toledo facility projects, and a 70-month rider exemption period for the Rossford plant projects.
- (8) On November 21, 2013, Staff filed a report of its review recommending approval of this application as amended, and the granting an exemption period of 137 months for Electro Prime's payment of TE's EEDR rider. Staff has reviewed the application and all supporting documentation, 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 the utility. The customer has attested to the

validity of the information, and its intention to participate in the utility's program. The projects either provide for early retirement of fully functioning equipment, or achieve reductions in energy use and peak demand that exceed the reductions that would have occurred had the customer used standard new equipment or practices where practicable.

- (9) On December 16, 2013, Staff filed an amended report to clarify that the calculation of the rider exemption period to be granted under this application should be awarded in the form of two separate rider exemptions: (1) a 67-month rider exemption period for the Toledo facility, and (2) a 70-month rider exemption period for the Rossford plant. Staff also recommends that TE file a historical mercantile rider exemption annual report to verify that the Customer's energy savings mirror those of the approved rider exemptions.
- (10) Upon review of the application, as amended, and supporting documentation, and Staff's recommendations as amended, the Commission finds that the requirements related to this application have been met. The Commission finds that the request for mercantile commitment, pursuant to Ohio Adm.Code 4901:1-39-05, does not appear to be unjust or unreasonable. Thus, a hearing of this matter is unnecessary. Accordingly, we find that this application should be approved, and the utility should refund to the customer any assessed charges under its EEDR Rider during the exemption periods approved by this order. As a result of such approval, we find that the utility should adjust its baselines, pursuant to R.C. 4928.66(A)(2)(c), and Ohio Adm.Code 4901:1-39-05. 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 the utility's portfolio status report on March 15 of each year, as set forth in Ohio Adm.Code 4901:1-39-05(C). Specifically, TE should annually file a historical mercantile rider exemption report to verify that the Customer's energy savings mirror those of the approved rider exemptions. Further, every arrangement approved by this Commission remains under our supervision and regulation, and is subject to change, alteration, or modification by the Commission.

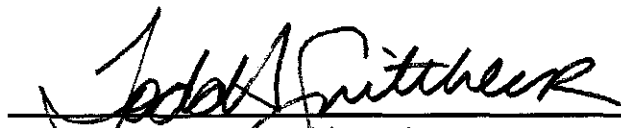
It is, therefore,

ORDERED, That this application, as amended, be approved. It is, further,


ORDERED, That TE should exempt Electro Prime from payment of the utility's EEDR Rider during the exemption periods set forth above, and refund to the customer any assessed charges under its EEDR Rider during the exemption periods approved by this order. It is, further,

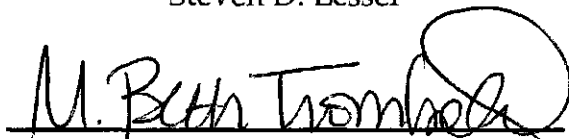
ORDERED, That a copy of this finding and order be served upon all parties of record.


THE PUBLIC UTILITIES COMMISSION OF OHIO


Todd A. Snitchler, Chairman


Steven D. Lesser


Lynn Slaby

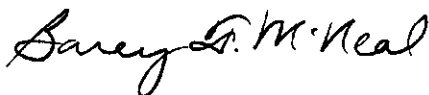

M. Beth Trombold


Asim Z. Haque

RMB/vrm

Entered in the Journal

DEC 18 2013



Barcy F. McNeal
Secretary