

**In the Matter of the Application for Integration of
Mercantile Customer Energy
Efficiency or Peak-Demand Reduction
Programs between Ohio Edison and
Jay Plastic's Division – Jay Industries, Inc.**

Case No. 13-2440-EL-EEC

Staff Response to Applicant's Statement

Staff further clarifies the example provided in the Staff Report filed on December 1, 2014. The section referenced in the Applicant's statement reads:

"For example, using the electrical energy savings claimed in the application, the payment is calculated by multiplying 2,471,040 kWh by \$0.005 for an annual payment of \$12,355.20. The payment, presuming consistent kWh savings from year to year, would be paid annually for 5 years resulting in a total payment of \$61,776.00, and the average savings over the five year period remain committed to Ohio Edison for the life of the CHP system."

Staff notes, as stated in its report that this calculation of the customer's rebate incentive, 2,471,040 kWh, was provided only as an example. This value was used by Staff in its example of proposed electrical energy production because it was the value that was provided by the Applicant on page 4 of the Application, filed on December 27, 2013, and again on page 1 of the Amended Application Attachment 3, filed on January 3, 2014.

Staff's recommendation is that the customer incentive be calculated by using actual, verified electrical energy savings. Therefore, Staff recommends that the number of net kWh actually produced by the applicant's CHP system on an annual basis should be multiplied by \$0.005 to determine the rebate incentive each year for a period of 5 years.

Filed by: Robert Wolfe
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Summary: Staff Report Filed electronically filed by Mr. Robert Wolfe on behalf of PUCO Staff