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**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

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In the Matter of the Application of Ohio )  
Edison Company, The Cleveland Electric )  
Illuminating Company and The Toledo )  
Edison Company for Authority to )  
Establish a Standard Service Offer )  
Pursuant to R.C. 4928.143 in the Form of )  
an Electric Security Plan. )

Case No. 08-935-EL-SSO

PUCO

In the Matter of the Application of Ohio )  
Edison Company, The Cleveland Electric )  
Illuminating Company and The Toledo )  
Edison Company for Approval of a )  
Market Rate Offer to Conduct a )  
Competitive Bidding Process for Standard )  
Service Offer Electric Generation Supply, )  
Accounting Modifications Associated )  
with Reconciliation Mechanism, and )  
Tariffs for Generation Service. )

Case No. 08-936-EL-SSO

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**JOINT MOTION FOR LOCAL PUBLIC HEARINGS  
BY  
THE OFFICE OF THE OHIO CONSUMERS' COUNSEL,  
NORTHWEST OHIO AGGREGATION COALITION, OHIO PARTNERS FOR  
AFFORDABLE ENERGY AND THE OHIO ENVIRONMENTAL COUNCIL**

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The Office of the Ohio Consumers' Counsel ("OCC"), Northwest Ohio  
Aggregation Coalition ("NOAC"), Ohio Partners for Affordable Energy ("OPAE") and  
the Ohio Environmental Council ("OEG"), (collectively "Movant") on behalf of the  
approximately 1.9 million residential utility consumers of Ohio Edison Company, the  
Cleveland Electric Illuminating Company, and the Toledo Edison Company (collectively,  
"FirstEnergy" or the "Companies"), move for at least six local public hearings to provide  
FirstEnergy's customers an opportunity to testify in the 08-936 case captioned above to

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be held as part of the local public hearings that the PUCO indicate and will be held (but not yet designated) in its recent procedural Entry in the 08-935 case.<sup>1</sup> Hearings should be scheduled after 5:00 p.m. for Toledo and Defiance; Cleveland; as well as Akron, Mansfield and Youngstown before the hearings currently scheduled in Columbus for October 2008.<sup>2</sup>

The reasons for granting Movant's Motion are further set forth in the attached Memorandum in Support.

Respectfully submitted,

JANINE L. MIGDEN-OSTRANDER  
CONSUMERS' COUNSEL



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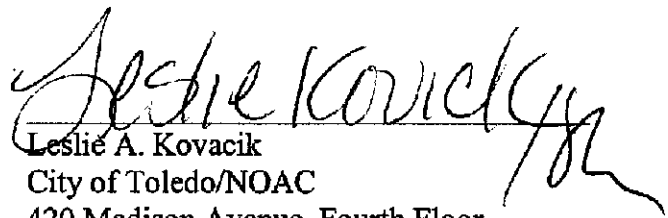
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<sup>1</sup> *In re FirstEnergy ESO Plan*, Entry at 3, ¶(5) (August 5, 2008).

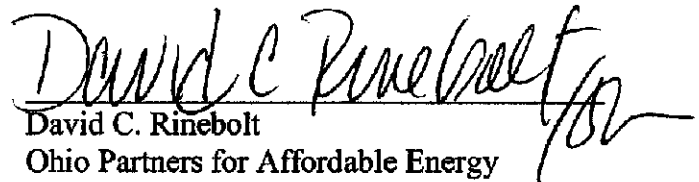
<sup>2</sup> *Id.* at 2, ¶(4)(f).



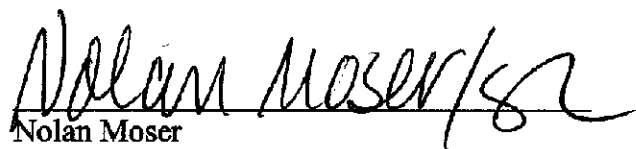
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**MEMORANDUM IN SUPPORT**

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**I. INTRODUCTION**

On July 31, 2008, Ohio Edison Company, the Cleveland Electric Illuminating Company, and the Toledo Edison Company, (collectively, "FirstEnergy" or the "Companies") filed their applications in Case Nos. 08-935-EL-SSO and 08-936-EL-SSO. In Case No. 08-935-EL-SSO, the Companies are seeking the approval of their proposed Electric Security Plans ("ESP Case"). In Case No. 08-936-EL-SSO, the Companies are seeking approval of a Market Rate Offer ("MRO Case") to conduct a competitive bidding process for standard service offer electric generation supply, accounting modifications associated with a reconciliation mechanism, and tariffs for generation service. Each of

the applications affects FirstEnergy's electric service customers in Ohio, including approximately 1.9 million residential customers.

If granted by the PUCO, these Applications will result in a significant increase in the rates paid by FirstEnergy's residential customers. The Movant requests that the Public Utilities Commission of Ohio ("PUCO" or "Commission") schedule joint public hearings on these matters.

## **II. ARGUMENT**

### **A. Transparency And Ohio Statutes Encourage Public Participation.**

Because the Applications significantly impact customer rates, the Movant appreciates the PUCO's intent to schedule local hearings. Local public hearings are necessary to provide FirstEnergy's customers a chance to participate in the state's regulatory process for (without limitation) establishing electric rates, deploying renewable energy, and ensuring service quality. Customers should be permitted to participate in the MRO Case as well as the ESP Case.

In August 2007, the Administration announced seven Principles that would guide the development of energy policies, in particular with regard to electricity and electric rates.<sup>3</sup> One of the Principles announced by Governor Strickland was transparency:

The electricity market must feature accountability and transparency. Quite simply, customers should be able to understand what they pay for and what they get.<sup>4</sup>

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<sup>3</sup> T. Strickland, *Energy, Jobs, and Progress Proposal*, (2007), <http://www.governor.ohio.gov/News/PressReleases/2007/August2007/News82907/tabid/750/Default.aspx>

<sup>4</sup> Id.

A good way to ensure that residential customers “understand what they pay for and what they get” is to allow them the opportunity to participate in the process. Local public hearings will provide this opportunity for customers.

In the Principles it was noted how important it is to include consumers in the process:

Consumers deserve equal footing with utilities. Electricity is vital in the lives of every Ohioan and every Ohio company. Therefore, the needs and preferences of our utilities cannot be the PUCO’s sole concern.<sup>5</sup>

Toward implementing this principle of transparency, the Commission should allow residential consumers a convenient and important way to learn more about the MRO as well as the ESP Application, and to express their opinions directly to the Commission as part of the overall record in both the MRO and the ESP Case. The Commission should schedule joint local public hearings.

In addition to the announced Principles guiding Ohio’s overall approach to ensuring affordable and stable electric rates, existing general statutory language is consistent with public participation. R.C. 4901.12 states that all proceedings and records of the Commission are public records. The plain language of this statute conveys that public scrutiny and involvement in Commission hearings and decisions are encouraged.

In addition, R.C. 4903.13 states the imperative that “[a]ll hearings shall be open to the public.” In this case, local hearings will help ensure that the hearing process is “open to the public.” These proceedings, in order to truly be open to the public, should include local public hearings as part of the evidentiary record, thereby providing residential

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<sup>5</sup> Id.

consumers who might be unable to reasonably attend hearings in Columbus an opportunity to participate in the hearing process.

**B. The PUCO's Past Scheduling of Local Public Hearings for Electric Transition Plans and Rate Stabilization Plans Supports the Use of Local Public Hearings in These Cases.**

In the electric transition plan cases in 2000, the PUCO scheduled and held several local public hearings in order to provide the opportunity for public comment:

Pursuant to recently adopted rules, the Commission has scheduled public hearings on each of the utilities' transition plan applications. The Commission also wishes to hold local public hearings in each of the utilities' service territories to provide the public the opportunity to comment on the transition plans for the utilities' provision of retail electric service in Ohio.<sup>6</sup>

Thus, the Commission gave the public an opportunity to comment on each company's plan. The Movant urges the Commission to provide the same opportunity to Ohio consumers in the MRO Case as well as the ESP Case.

Later, several local public hearings were scheduled in the rate stabilization plan cases that preceded the end of the market development period. Again, the Commission scheduled the local public hearings to provide the public an opportunity to comment:

The Commission believes that . . . a hearing on the application is warranted to provide affected parties an opportunity to express their views on the applications.<sup>7</sup>

In both the transitional period after the passage of Ohio's electric restructuring legislation in 1999, and later in advance of the end of the transition periods, the PUCO found it advisable to allow consumers who would be affected by changes in the electric rates to comment on the applications at several local public hearings. Ohio is entering another

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<sup>6</sup> *In re FirstEnergy ETP Case*, Case No. 99-1313-EL-ETP, et al., Entry at 2 (May 2, 2000).

<sup>7</sup> *In re FirstEnergy RSP Case*, Case No. 03-2144-EL-ATA, et al., Entry at 3 (October 28, 2003).

transitional period with electric service and prices. Administration principles and Commission procedural all support the Movant's request for local public hearings in all cases that involve setting standard service offer rates.

**C. Movant Recommends that the PUCO Hold Local Hearings in at Least Six Locations and Publish Notice in Advance that Includes a Summary of Major Issues.**

It has been the Commission's practice to schedule public hearings in close proximity of the Company's customers.<sup>8</sup> The Movant has reviewed FirstEnergy's customer base, both in terms of population density and geographic location, as indicated in FirstEnergy's past filings with the PUCO. As a result, the Movant requests that the Commission schedule at least six local public hearings as follows:

- 1) Regarding the Applications of Cleveland Electric Illuminating and its approximately 700,000 residential customers, a local public hearing should be held in Cleveland.
- 2) Regarding the Applications of the Toledo Edison Company and its approximately 290,000 residential customers, local public hearings should be held in Toledo and Defiance.
- 3) Regarding the Applications of Ohio Edison Company and its approximately 980,000 residential customers, local public hearings should be held in Akron, Mansfield, and Youngstown.

The hearings should be conducted after 5:00 p.m. and before the hearings currently scheduled in Columbus for October 2008. The locations listed above constitute population centers throughout FirstEnergy's customer service area. Due to its size and location, these public hearings are appropriate to provide FirstEnergy's customers an opportunity to be heard.

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<sup>8</sup> See, e.g., *In re Ohio American Water Company Application to Increase its Rates*, Case No. 06-433-WS-AIR, Entry at 1-2 (November 14, 2006). The attorney examiner found it appropriate to add an additional local public hearing in response to an OCC motion for an additional local public hearing because of the number of customers that would have to travel more than 100 miles to testify at one of the other local public hearings.



The notice to customers should include a listing of major issues, as in various other cases before the Commission. The major issues affecting residential customers in these cases are numerous:

- What is a fair case process and timeline that should be used for the parties and the public to participate in the development of the electric utility's rate plan?
- Based on Ohio's new electric policy law, should electric rates charged to FirstEnergy's customers be increased or decreased?
- How do the rates proposed by the electric utility compare to other rates in the broader market for electricity?
- Before the PUCO accepts any proposal for customers to be required to pay for electric rate discounts that are provided to businesses in order to promote economic development, what eligibility criteria should be used to ensure that discounts are in the public interest and what standards should be used to measure whether the economic development benefits are achieved?
- What will be the process for determining whether an electric utility's profits are significantly in excess of the profits of comparable companies?
- Are improvements needed in the quality of the electric utility's service to customers?
- What assurances should be provided to utility customers that rate increases designed to pay for system upgrades will result in improvements in the reliability of electric service and what should the consequences be if the electric utility fails to improve its service?
- What new or advanced technologies should be implemented for meters and other portions of the electric system to help consumers manage their usage and assist the utility in identifying reliability concerns?
- How will the utility meet the requirement in the new state law to use renewable energy?
- What energy efficiency programs should be implemented by the electric utility and how should those programs be made available for customers?

Further, in order to provide sufficient notice to the public, the PUCO should provide the public with at least 30 days notice prior to the public hearings in newspapers of general circulation at the locations selected for the hearings. Such notice would allow FirstEnergy's customers to adapt their schedules and plan their travel to the hearings.

Without such sufficient notice, the effectiveness of the public hearings will be diminished.

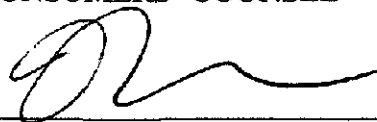
### III. CONCLUSION

The Commission should hold local public hearings regarding the Application in the MRO Case as well as the ESP Case, and such local public hearings should be held jointly. Six separate locations are proposed by the Movant for such hearings based on the location of population centers and the geographic extent of the area served by the FirstEnergy Companies. Because FirstEnergy's service territories are spread out across a large geographic area, scheduling at least six sites for the local public hearings provides FirstEnergy's customers an opportunity to participate in these cases that may significantly affect their rates and service.

The Movant's Motion for Local Public Hearings should be granted.

Respectfully submitted,

JANINE L. MIGDEN-OSTRANDER  
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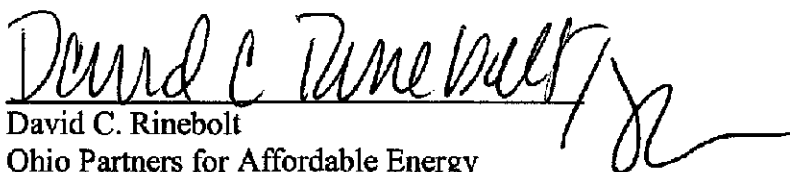
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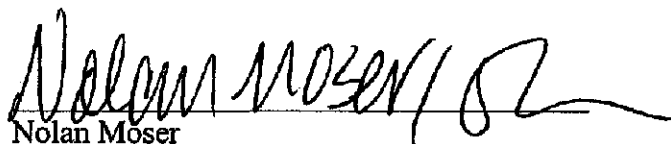
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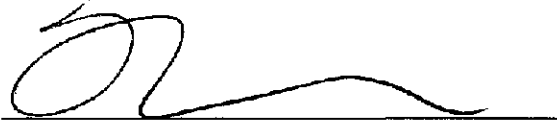
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## **CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing Motion for Local Public Hearings was served via electronic transmission to the persons listed below, on this 25th day of August, 2008.



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