

FILE

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

THE OHIO MANUFACTURERS ASSOCIATION (the "OMA")
FIRST SET OF INTERROGATORIES AND REQUEST FOR
PRODUCTION OF DOCUMENTS TO THE FIRST ENERGY COMPANIES
(September 19, 2008)

Pursuant to Rules 4901-1-16, 4901-1-19 and 4901-1-20 of the Ohio Administrative Code, and the Entry issued in this proceeding on August 5, 2008 the OMA directs the following interrogatories and requests for production of document to The Cleveland Electric Illuminating Company, Ohio Edison Company, and The Toledo Edison Company (collectively, the "FirstEnergy Companies"). The FirstEnergy Companies are requested to respond to the interrogatories, in writing and under oath, within ten (10) days of the date of service. The responses to these interrogatories and document requests shall be deemed continuing so as to require supplemental responses.

DEFINITIONS AND INSTRUCTIONS

The document requests are governed by the following definitions and instructions:

1. "Persons" - Means natural persons, corporations, firms, companies, partnerships, unincorporated associations, governmental or public agencies, joint ventures and all other entities.

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2. "Documents" - Shall mean any and all kinds of written or graphic matter, of any kind or description, however created, produced or reproduced, whether sent or received, or whether originals, copies and drafts of both sides thereof, including, but not limited to, letters, papers, books, correspondence, bulletins, circulars, instructions, telegrams, cables, telex messages, facsimiles, memoranda, notes, notations, work papers, transcripts, minutes, reports, recordings of notes or meetings, conferences, interviews of telephone or other conversations, affidavits, statements, summaries, opinions, reports, studies, analyses, evaluations, work sheets, contracts, agreements, journals, statistical records, desk calendars, appointment books, diaries, lists, tabulations, advertisements, sketches, drawings, blueprints, catalogs, audio or video records, photographs, computer printouts, e-mail transmissions, data processing input and output, deeds, microfilm, all other records kept by electronic, photographic or electrical means, and things similar to any of the foregoing however denominated.

3. "Relating to" - Means consisting or evidencing and directly or indirectly mentioning, describing, referring to, pertaining to, being connected with, or reflecting upon the stated subject matter.

4. The words "any" and "all" shall be considered to include each and every item referenced.

5. The singular of any word shall include the plural and the plural of any word shall include the singular.

6. The word "expert" as used herein includes any person who will be offering expert testimony on behalf of the FirstEnergy Companies.

Instructions

In responding to these document requests, you are required to furnish all information that is available to you, or subject to your reasonable inquiry, including the information in the possession of you, your attorneys, or other persons directly, or indirectly employed by, or connected with, you or your attorneys, and anyone else otherwise subject to your control. In answering each interrogatory and document request:

A. Identify by title, heading or caption, date, sender, recipient, location and custodian, each document relied upon or which forms a basis for the answer given or which corroborates the answer given or the subject of what is given in answer to these discovery requests.

B. State whether the information furnished is within the personal knowledge of the person answering and, if not, the name, if known, of each person to whom the information is a matter of personal knowledge.

C. Identify each person who assisted or participated in preparing and/or supplying any of the information given in answer to or relied upon in preparing answers to these discovery requests.

D. Where a discovery request calls for an answer in multiple parts, each part should be separated in the answer so that the answer is clearly understandable.

E. Where the name or identity of a person is requested, state the full name, business address, and any telephone numbers of each person.

F. If any of your answers exceed the answer space given, please attach a continuing sheet or sheets indicating the number(s) of the discovery request you are answering in your answers.

G. If you object to the production of any document called for in these document requests, for each document state the following: (1) the reasons for the objection and any facts supporting the

objection; (2) give a description of each document including, without limitation, the date, sender, recipient(s), persons to whom copies have been furnished, job titles of each of the persons, subject matter of the document, number of pages of the document, the paragraphs of the request to which a document is responsive and the identity of the person in whose custody the document is presently located.

H. If any document is withheld under claim of privilege or work product, furnish a list identifying each document for which the privilege or work product is claimed, together with the following information for each such document: date, sender, recipient(s), persons to whom copies were furnished, job titles of each of those persons, subject matter of the document, number of pages of the document, the basis on which the privileges or work product is claimed, the paragraph(s) of these requests to which the document responds, the person in whose custody the document is presently located, and whether any matter that is not privileged or is not work product is discussed or mentioned in each document.

I. If any document requested was, but is no longer in the possession or subject to the control of the FirstEnergy Companies, or is no longer in existence, state whether it: (1) is missing or lost; (2) has been destroyed; (3) has been transferred voluntarily or involuntarily to others and state the identity of the persons to whom it has been transferred; (4) has otherwise been disposed of, or in each instance explain the circumstances surrounding such disposition, state the date or approximate date thereof and the identity of the persons with knowledge of such circumstances; (5) identify the documents that are missing, lost, destroyed, transferred or otherwise disposed of, by author, date, subject matter, addressee(s), and the number of pages.

J. If you do not clearly understand, or have any questions about, these definitions or

instructions, please contact counsel for the OMA promptly for clarification.

INTERROGATORIES

OMA 1. State the name, position and title of each person providing answers to these interrogatories and document requests, and identify each interrogatory or document request to which the individual is providing a response.

Response:

Respondent:

OMA 2. In footnote 1 on page 2 of the application the Companies request that the proposal be considered as if filed pursuant to any other statutory authority beyond R.C. § 4928.142). Is it the Companies' position that the authority of the Commission to act on the proposed application is not limited to R.C. § 4928.142?

Response:

Respondent:

OMA 3. On page 4 of the application the Companies represent that Am. Sub SB 221 confers the legal authority on the Commission to “approve these kinds of arrangements if the ESP, considered as a whole, is deemed more favorable to customers than the result that would be expected under the more narrowly focused MRO.” The Companies also acknowledge its plan does the following: “1) it provides price stability over the plan period; 2) it settles pricing and service arrangements for *the totality of electric service, not just generation*; and, 3) *it provides substantial flexibility for the Commission* to manage overall price trends over the plan period.” Is it the Companies’ position that in acting on a plan addressing *the totality of electric service*, the Commission lacks the flexible authority to modify or alter any of the plan’s provisions so as to make the plan – in the Commission’s judgment -- “more” favorable to consumers than the result that would be expected under the Companies proposed MRO? Please explain.

Response:

Respondent:

OMA 4. If the Commission deems that changes to the ESP are required, is it the position of the Companies that any such changes can not be unilaterally ordered by the Commission, but must be consented to, or approved by the Companies”? Please explain.

Response:

Respondent:

OMA 5. The plan itself speaks in terms of “average” percentage increases in a “total” customer rates on page 5 of the application. Please provide the total dollar increases for the total electric service covered by the plan, for which the Companies seek authorization in this proceeding (including deferrals and carrying costs), for each of the three companies and each of the jurisdictional tariff rate classes.

Response:

Respondent:

OMA 6. As “price stability and predictability” are cornerstones in the Companies’ plan, what is the greatest percentage increase that may be expected by a General Service Primary or Secondary Tariff Class customer for total electric service under the plan in each of the plan’s years?

Response:

Respondent:

OMA 7. Is it the Companies' position that the Commission lacks the authority to "cap" the magnitude of the authorized increases imposed upon any given tariffed customer class or customers within each class?

Response:

Respondent:

OMA 8. The FirstEnergy Companies propose a "rider" to adjust base generation charges to account for increases in fuel transportation surcharges imposed by shippers in excess of a baseline level of \$30 million in 2009, \$20 million in 2010, and \$10 million in 2011. Does this include transportation surcharges of western coal shippers in which FirstEnergy affiliates have ownership interests as suggested in footnote 12 on page 15 of the application?

Response:

Respondent:

OMA 9. What is the cost based justification for including in the Companies' base generation charge a flat 1.0¢ per kWh "default service" charge, and explain the rationale upon which the

distribution companies are committing to obtain generation resources to “*supply the entire retail load of customers in their service territories,*” as stated on page 14 of the application.

Response:

Respondent:

OMA 10. On page 13 of the application relating to the *non by-passable* deferred generation cost rider to be paid by *existing and future customers receiving service from the companies’ rate schedules*, may such a rider be by-passed by customers receiving service under so-called “reasonable arrangements,” “special contracts,” or unique arrangements? Please explain.

Response:

Respondent:

OMA 11. Is the additional 1,000 MW of capacity the Companies will “require” their FES affiliate to commit to through December 31, 2011, as discussed on page 17 of the application, capacity dedicated to these companies, or simply available to “the region”? Please explain if this increment of capacity was not previously planned or committed to by FES in advance of the

development of this ESP.

Response:

Respondent:

OMA 12. As stated on page 20 of the application the Companies commit to forego seeking additional distribution base rate increases before January 1, 2014 but reserve the right to implement changes in rate design that are revenue neutral. Do such unspecified future changes in rate design: (1) Promote rate “stability and predictability” for individual customers that are subject to such changes; and, (2) Can such changes result in further rate increases for some tariffed customers?

Response:

Respondent:

OMA 13. With reference to the Companies’ referenced commitments to provide “*up to*” dollar amounts for programs such as energy efficiency/demand-side management improvements (\$5 million each year), economic development and job retention activities (\$5 million each year), so that such “commitments” can be placed in “proper perspective,” (1) Was FirstEnergy’s CEO’s 2007

salary, perks, bonuses, above-market interest on pay set asides, stock options and stock awards \$12.3 million, as reported on AOL money and finance, June 27, 2008?; and, (2) What was FirstEnergy's then CEO's like annual compensation in 1999, the year SB #3 was enacted?

Response:

Respondent:

OMA 14. Over the same 1999 - 2007 time period, (1) What was the percentage increase in total revenues per kWh paid by FirstEnergy's Ohio jurisdictional retail tariff customers; and, (2) What was the percentage increases in the common dividend paid to FirstEnergy's shareholders, if any, over the same period?

Response:

Respondent:

OMA 15. Is it the position of the Companies that, under their plan, they can follow the example of the New York Stock Exchange Board of Directors in providing its CEO hundreds of millions of dollars in awards, so as to comply with the "excessive" earnings test of Am. Sub SB 221?

Response:

Respondent:

OMA 16. In the Companies' application they are requesting express authorization in this proceeding (and without further review by the Commission) to increase current customers' rates and simply to "defer" the "collection" of a portion of those increases, along with charging customers "interest" during the period of such deferral. What is the total dollar amount of all the deferrals (including interest) proposed by the Companies in this case?

Response:

Respondent:

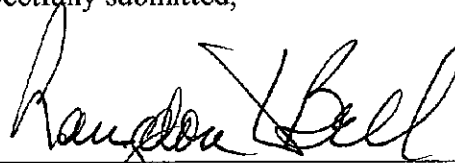
OMA 17. In addition to the immediate distribution and generation rate increases proposed to be effected by the Companies, the Companies are proposing a series of new and expanded "riders" by which the companies may automatically increase future revenues derived from their Ohio retail jurisdictional customers. What is the total dollar amount of the probable increases in revenues represented by these riders over the alleged freezing of "base" rate through the year 2013 for each

of the companies, OE, TE, and CEI?

Response:

Respondent:

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Langdon D. Bell". The signature is written in a cursive, flowing style with some loops and flourishes. It is positioned above a horizontal line.

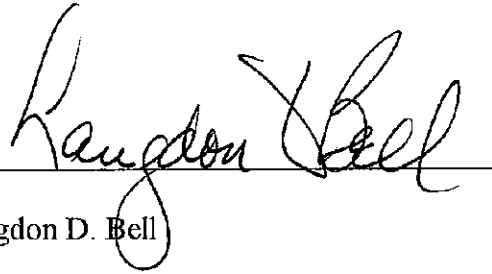
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CERTIFICATE OF SERVICE

I, Langdon D. Bell, do hereby certify that a copy of the foregoing OMA First Set of Interrogatories and Request for Production of Documents to the FirstEnergy Companies (September 19, 2008), was served by electronic mail this 19th day of September 2008, upon the following.



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