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Via E-FILE

September 29, 2008

Public Utilities Commission of Ohio
PUCO Docketing
180 E. Broad Street, 10th Floor
Columbus, Ohio 43215

In re: Case No. 08-935-EL-SSO

Dear Sir/Madam:

Please find attached the DIRECT TESTIMONY AND EXHIBITS OF STEPHEN J. BARON on the subject of alternative ESP plan, rate mitigation plan, and interruptible provisions filed ON BEHALF OF THE OHIO ENERGY GROUP ("OEG").

Copies have been served on all parties on the attached certificate of service. Please place this document of file.

Respectfully yours,

Michael L. Kurtz

David F. Boehm, Esq.
Michael L. Kurtz, Esq.
BOEHM, KURTZ & LOWRY

MLKkew
Encl.
Cc: Certificate of Service
Chairman Alan R. Schriber
Ronda Hartman Fergus
Valerie A. Lemmie
Paul A. Centolella
Cheryl Roberto
Gregory Price, Hearing Examiner
Christine Pirik, Hearing Examiner
Steve Lesser, Esq.

BEFORE THE

PUBLIC UTILITY COMMISSION OF OHIO

IN RE:	**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**

DIRECT TESTIMONY

OF

STEPHEN J. BARON

ON BEHALF OF

THE OHIO ENERGY GROUP

J. KENNEDY AND ASSOCIATES, INC.
ROSWELL, GEORGIA

September 2008

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TABLE OF CONTENTS

I. QUALIFICATIONS AND SUMMARY

Q. Please state your name and business address.

A. My name is Stephen J. Baron. My business address is J. Kennedy and Associates, Inc. ("Kennedy and Associates"), 570 Colonial Park Drive, Suite 305, Roswell, Georgia 30075.

Q. What is your occupation and by who are you employed?

A. I am the President and a Principal of Kennedy and Associates, a firm of utility rate, planning, and economic consultants in Atlanta, Georgia.

Q. Please describe briefly the nature of the consulting services provided by Kennedy and Associates.

A. Kennedy and Associates provides consulting services in the electric and gas utility industries. Our clients include state agencies and industrial electricity consumers. The firm provides expertise in system planning, load forecasting, financial analysis, cost-of-service, and rate design. Current clients include the Georgia and Louisiana Public Service Commissions, and industrial consumer groups throughout the United States. My educational background and professional experience are summarized on Baron Exhibit __ (SJB-1).

Q. On whose behalf are you testifying in this proceeding?

A. I am testifying on behalf of The Ohio Energy Group ("OEG"), a group of large industrial customers of The Toledo Edison Company ("TE"), Ohio Edison Company ("OE") and The Cleveland Electric Illuminating Company ("CEI"), hereinafter referred to as "the Companies". The members of OEG who take service from the Companies are: Air Products & Chemicals, Inc., AK Steel Corporation, Alcoa Inc., ArcelorMittal, BP-Husky Refining, Inc., Brush Wellman Inc., Chrysler LLC., E.I. DuPont de Nemours & Co., Ford Motor Company, Johns Manville (Berkshire Hathaway), North Star BlueScope Steel, LLC, PPG Industries, Inc., Republic Engineered Products, Inc., Sunoco Toledo Refinery, Severstal Warren, Inc. (formerly WCI Steel, Inc.,) Worthington Industries and Linde, Inc.

Q. Have you previously presented testimony in any of the Companies' cases in Ohio?

A. Yes. I have previously testified in Case Nos. 88-171 and 88-170. I have also testified in Case Nos. 99-1212, 99-1213, and 99-1214, the 2000 proceedings in which the Companies' rates were unbundled and the Companies were restructured to implement retail competition. I also have testified in Case Nos. 07-551, 07-552, 07-553 and 07-554, and have filed testimony in Case Nos. 08-124 and 08-125. Finally, I have testified in the Companies' MRO proceeding, Case No. 08-936-EL-SSO.

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A. I am addressing a number of issues raised by the Companies' proposed ESP associated with its requested rates and riders. First, I will be addressing the Companies' proposed Long Term and Short Term ESP SSO procurements. I will address the impact of the Companies' discuss the Companies' proposed contracts for generation supply from FES and discuss an alternative procurement strategy using an active portfolio approach.[1]

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Q. Would you please summarize your testimony?

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1. As discussed by OEG witness Lane Kollen, the Companies' proposed Long Term ESP generation rate is not reasonable. As an alternative, OEG recommends that the Companies issue requests for proposals for all facets of wholesale generation supply sufficient to meet their POLR requirements. The ultimate goal should be a least cost portfolio of wholesale generating resources to supply those consumers who do not shop. The shopping risk, or POLR responsibility, should be retained by the Companies.

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reflect the difference between the revenues produced by the current effective generation rates and the cost of actual purchases from the MISO day-ahead market.

3. The Companies' proposed rate increases in 2009 under the ESP do not consider the state policy to facilitate Ohio's competitiveness in the global economy. In particular, The Companies' ESP rate proposals fail to adequately mitigate the increases to large industrial customers. In some cases, the Companies are proposing industrial customer increases in 2009 (versus 2008) of more than 33%, while proposing rate reductions to the commercial customer class. No matter how wholesale power for non-shoppers is procured, the increases for each Company should be modified using the following three principles:

- **Residential rates should reflect the increases suggested by the Companies (if the filed ESP rates are adopted) and not be charged any costs associated with rate mitigation under this plan. If alternative wholesale generation rates are approved, then residential rates should be adjusted accordingly to recover the residential class share of costs, without any additional mitigation charges produced under this plan.**

- **No rate schedule should receive an increase greater than "2 Times" the average increase.**

- **No rate schedule should receive a rate decrease if other schedules get an increase.**

This rate mitigation plan moderates the full effect of wholesale price increases by increasing the non-bypassable EDR charge to non-residential customers. This plan is revenue neutral to the utilities and promotes economic development and job retention.

4. The Companies have incorporated a 1 cent per kWh charge in the base generation rates of each Company to provide compensation to the Companies due to their obligations to provide POLR service to customer, who may switch to an alternative supplier during the term of the ESP. This charge is non-bypassable and is included in the ESP generation rates (via Rider GEN) and separately charged to shopping customers via Rider MDS. This charge should be waived for ESP customers who either: a) agree to forego their right to shop during the three year term of the ESP; or b) agree to not take service under the ESP and, in the event of a return to POLR service, agree to waive their right to take service under the ESP and accept market based rates.

5. The Companies have proposed an Economic Load Response ("ELR") rider that offers existing interruptible and special contract interruptible customers an option to receive additional interruptible credits if these customers agree to an unlimited number of economic interruptions. OEG recommends that the proposed ELR rider be modified as follows:

a.. Economic interruptions will be invoked when the day-ahead LMP exceeds 125% of the ESP generation rate for three consecutive hours

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6. The Companies are proposing a Capacity Cost Adjustment Rider ("CCA") to recover the costs of additional required reserves during the months of May through September, in the event that the FES capacity available to the Companies is insufficient to provide such reserves. It is inappropriate to charge this capacity rider to interruptible load. The requirement to obtain sufficient annual planning reserves is an obligation of the Companies, based on their firm load, not interruptible load.

CERTIFICATE OF SERVICE

I hereby certify that true copy of the foregoing was served by electronic mail (when available) or ordinary mail, unless otherwise noted, this 29th day of September, 2008 to the following:

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6. The Companies are proposing a Capacity Cost Adjustment Rider ("CCA") to recover the costs of additional required reserves during the months of May through September, in the event that the FES capacity available to the Companies is insufficient to provide such reserves. It is inappropriate to charge this capacity rider to interruptible load. The requirement to obtain sufficient annual planning reserves is an obligation of the Companies, based on their firm load, not interruptible load.

II. LONG TERM AND SHORT TERM ESP PROCUREMENTS

Q. OEG witness Kollen has raised concerns regarding the reasonableness of the Companies' proposed Long Term ESP procurement rates in his testimony. Do you have any recommendations for an alternative approach that could be used by the Companies to procure POLR supplies under the Long Term ESP?

A. Yes. In my testimony in Case No. 08-936-EL-SSO, which concerned the Companies' MRO procurement, I recommended that an active portfolio approach be used to obtain the necessary wholesale generation supplies for the distribution Companies' non-shopping customers. A similar procurement approach should be implemented to obtain generation supply for the ESP as well.

Q. Would you describe approach that you recommend to obtain POLR generation service for the Companies?

A. The Companies should issue requests for proposals for all facets of wholesale generation supply sufficient to meet its POLR requirements. The ultimate goal should be a least cost portfolio of wholesale generating resources to supply those consumers who do not shop. The retail shopping risk, or POLR responsibility, should be retained by the Companies. The Companies should be fully compensated for this risk by rates set by this Commission. The POLR risk should not be outsourced to the wholesale generation suppliers.

Q. Why are you proposing an ESP procurement process that places the POLR risk on Toledo Edison, Ohio Edison and CEI, instead of FES or other wholesale suppliers?

A. A procurement process wherein the Companies obtain, via a competitive sealed bid RFP process, blocks of wholesale power, rather than full requirements service, places the risk of POLR supply on the Companies. As a result, the cost of wholesale generation should be significantly reduced. The supplier risks inherent in a full requirements POLR service solicitation were quantified by the Companies' witness Scott Jones in this case. Dr. Jones explained how third parties who bid on supplying non-shopping load must factor in many different types of retail risk. According to Dr. Jones, when utilities out-source the responsibility and risk of POLR supply to third parties, the result is a retail mark-up over the wholesale generation price of between 17% - 40%. Keep in mind that this retail mark-up is over and above the already high FERC regulated wholesale market generation prices established through the MISO or PJM locational marginal price (LMP) process.

Table 1 summarizes the "margins," in excess of the wholesale cost of generation that Dr. Jones has estimated for the years 2009 through 2011 under a competitive full requirements solicitation.

Table 1
Estimated Procurement Margins in Excess of FERC Regulated Wholesale Market Price*

	2009	2010	2011	Total
Direct	$ 4,422,960,216	$ 4,220,202,509	$ 4,391,580,987	$ 13,034,743,712
Retail Margin above Market	$ 751,974,961	$ 1,455,254,033	$ 1,751,336,935	**$ 3,958,565,929**
Total Cost to Retail Customers	$ 5,174,935,177	$ 5,675,456,542	$ 6,142,917,922	$ 16,993,309,641

* Source: Direct Testimony of Scott Jones, Exhibits 8, 9 and 10

As can be seen from Dr. Jones' analysis, the estimated retail "margins" that customers would have to pay over and above the market based wholesale generation cost are nearly <u>$4 billion</u> during the three year period This is equivalent to a margin of $22.86 per mWh. This is a very substantial payment that may be reduced if the Companies procure wholesale blocks of power, use the MISO market for load following and absorb the POLR risk themselves.

Q. Should the Companies be permitted to recover all of their competitively bid generation supply costs under your proposal?

A. Yes, to the extent that such costs were prudently incurred. The Companies should conduct a competitive procurement using an RFP process for wholesale blocks of power and other necessary generation services to meet POLR load. Based on a reasonable mix of fixed block wholesale contracts and spot purchase and sales contracts (to deal with load following, sales forecast variation, shopping migration, etc.) the Companies would effectively absorb the risks cited by Dr. Jones. The reasonable costs associated with these purchases to meet customer load should be recovered from customers who take POLR service, subject to Commission approval. Under this procurement approach, the Commission would have oversight on the level and recovery of the implicit "risk premiums" being charged to customers. The Commission would therefore have the ability to keep the retail risk premium below the $4 billion amount estimated by Dr. Jones (an average of $1.33 billion per year).

Q. Have you reviewed the Companies proposal to implement a Short Term ESP, in the event that the Commission has not made a determination on the ESP proposal in time to implement it by January 1, 2009?

A. Yes. The Short Term ESP, which must be approved by the Commission by November 14, 2008 or it is automatically withdrawn, is an offer by the Companies to the Commission for a temporary SSO Pricing plan that will be in effect for the period January 1, 2009 through April 30, 2009. If the Commission approves the Short Term ESP, according to the Companies application, "the Commission will have established known rates that will be in effect on January 1, 2009, in the event that there is no approved ESP acceptable to the Companies within the 150 day period provided pursuant to Am. Sub. S. B.221."

The rates and terms of the Short Term ESP are the same as those of the longer term ESP except that the average base generation rate is 7.75 cents/kWh (6.75 cents/kWh current charge, 1.0 cents/kWh deferred).[2]

Q. **How does this proposed average base generation rate of 7.75 cents/kWh compare to the proposed longer term ESP average generation rate for 2009?**

A. The longer term ESP proposal requests a 7.50 cent/kWh average generation rate for 2009. The Short Term ESP generation rate is thus 3.3% greater than the Long Term ESP proposed base generation rate for 2009.

Q. **Do you have any concerns with the Companies' proposed Short Term ESP proposal?**

A. Yes. For the reasons discussed in Mr. Kollen's testimony regarding the proposed Long Term ESP generation rates, I believe that the Short Term ESP proposal is not reasonable and should be modified.

Q. **How should the Companies' Short Term ESP pricing proposal be modified?**

A. OEG recommends that the Companies purchase energy for non-shopping customers via the MISO day-ahead market. The Companies' existing generation rates should

[2] Certain provisions of the longer term ESP do not apply related to Green Resources and the Economic Development Rider.

be continued, subject to an adjustment to reflect the difference between the revenues produced by the currently effective generation rates and the cost of actual purchases from the MISO day-ahead market. In addition, the RTC should be eliminated from current rates as it expires.[3]

Q. What mechanism should be established to implement this proposed Short Term ESP?

A. The most appropriate mechanism would be to implement a purchased power recovery rider that would compute the difference between the costs each month associated with power purchases and the revenues produced via the existing generation rates. The Companies should be permitted to recover all of their costs associated with obtaining the POLR supply that are not recovered via the existing generation rates or other riders (such as the transmission cost recovery rider). This would include ancillary services, capacity costs, congestion charges and any other costs incurred, in excess of the revenues produced by the existing generation rates (less RTC as it naturally expires) and the existing transmission charges.

Q. Have you made any analysis of the estimated cost of acquiring energy on the MISO day-ahead market for 2009?

A. Yes, I have summarized my analysis in Table 2, which follows. Based on the July 15, 2008 analysis of PJM West and Cinergy Hub forward prices presented by Mr.

[3] The RTC will terminate at the end of 2008 for OE and TE customers.

Graves, the expected price for energy and capacity for the four months ending April 2009 would be 7.249 cents/kWh. Using an updated analysis of the same PJM West and Cinergy Hub forward prices as of September 19, 2008, the expected price for energy and capacity for the four months ending April 2009 would be 6.185 cents/kWh. The difference between the 6.185 cent/kWh rate and the Companies' proposed Short Term ESP generation rate of 7.75 cents/kWh is $294 million for the four month period January to April 2009.

Table 2
Average of Cinergy Hub and PJM West Forward Prices

Month	July 15, 2008	Sept. 19, 2008
Jan-09	366,491,657	301,744,112
Feb-09	322,780,327	265,802,942
Mar-09	279,537,902	239,778,174
Apr-09	282,923,809	244,497,973
Jan-Apr Avg.	1,251,733,695	1,051,823,202
Capacity Cost Rate ($/mW/day)	69.17	69.17
Peak Load + Reserves	13,327	13,327
Capacity Cost (@ 120 Days)	$110,619,431	$110,619,431
Total Cost	$1,362,353,125	$1,162,442,633
MWH Sales	18,794,716	18,794,716
$/mWh	$72.49	$61.85

Q. Should the Companies, or their agent, employ hedging to provide more stable prices during this four month period?

A. My recommendation would be to permit the Companies, via their agent, to engage in hedging, if that is determined to be cost effective.

Q. Are you recommending that the Companies participate directly in the MISO day-ahead market?

A. Not necessarily. The Companies can either elect to participate directly in the MISO market or issue an RFP to obtain this product from a third party. The Companies should also evaluate the costs and benefits of purchasing financial hedges.

III. OEG PROPOSED RATE MITIGATION PLAN

Q. Would you address the Companies' proposals to mitigate rate increases under their respective ESP's?

A. As discussed by various Companies' witnesses (e.g., David Blank, Gregg Hussing) in their testimony, the Companies have proposed a number of so-called "rate mitigation" riders that are designed to facilitate a reasonable transition from the current RSP rates to the proposed rates that would otherwise prevail under their respective ESP's. For example, Mr. Hussing testifies at page 5, line 9 of his testimony that:

> **The transition from historic rate levels and structures to proposed rates must be accomplished through a reasoned and gradual approach in order to accomplish the objective of mitigating customer impacts. Incorporating the concept of gradualism is a useful tool in managing overall customer impacts resulting from rate design objectives.**

Q. Do you agree with Mr. Hussing's stated rate mitigation objectives in this case?

A. While I agree with the Companies' stated objectives, a review of the proposed rate increases under the ESP's shows that the utilities have not come close to incorporating gradualism into their rate proposals and have failed to adequately mitigate the increases to large industrial customers.

Q. What increases are the Companies proposing for 2009 under their respective ESP's?

A. Table 3 below summarizes the percentage rate increases by rate class for each Company in 2009, compared to 2008 rate levels. Rate GT is the transmission voltage rate used to serve large industrial customers. As can be seen, for some rate schedules (for example, Ohio Edison rate GT, Cleveland Electric Illuminating rate GT and Toledo Edison rate GT), the proposed ESP increases are many multiples of the average retail increases for those Companies. In the case of Toledo Edison, the Company is proposing to increase the GT industrial rate by 33.8%, compared to an average retail increase of 6.96%. At the same time, Toledo Edison is proposing significant rate reductions for the commercial customer classes. The GT industrial rate increase is nearly 5 times as large as the average increase. This cannot possibly be consistent with the concept of gradualism supported by Mr. Hussing.

Table 3 Companies' Proposed Rate Increases			
	2009 / 2008 Percentage Increases		
RATE CODE	OE	CE	TE
RS	2.38%	6.17%	5.73%
GS	2.53%	4.77%	-6.92%
GP	5.33%	2.23%	-10.27%
GSU	8.69%	1.74%	-14.88%
GT	19.63%	13.50%	33.83%
POL	2.46%	26.29%	16.17%
STL	11.53%	17.20%	1.92%
TRF	12.38%	21.33%	-25.66%
CONTRACTS		-6.92%	
TOTAL COMPANY	5.23%	4.62%	6.96%

Q. Do the increases shown in Table 3 reflect all of the Companies' proposed mitigation assistance?

A. Yes. These include the full extent of the Companies' limited attempts at mitigation. It should be obvious that these rate mitigation proposals are simply insufficient to accomplish any reasonable gradualism objective, contrary to the stated objectives of the Companies that I quoted earlier.

Q. Are the increases proposed in the ESP's consistent with Ohio state policy, as required in Ohio Revised Code §4928.02 and SB 221?

A. No, not in my opinion. ORC §4928.02(A) and (N) provide clear guidance to the Commission in evaluating the Companies' ESP. These policy objectives are:

(A) Ensure the availability to consumers of adequate, reliable, safe, efficient, nondiscriminatory, and reasonably priced retail electric service;

(N) Facilitate the state's effectiveness in the global economy.

Increases for the Companies' largest industrial manufacturing firms in the range of 25% to 34%, compared to retail average increases in the 5% range, do not comport with Ohio state policy requiring reasonably priced electric service and clearly do not "facilitate the state's effectiveness in the global economy." A more substantial and reasonable mitigation plan is required.

While reasonably priced electric power will not save Ohio's manufacturing sector by itself, it will help. From January 2000 to the first quarter of 2008, Ohio's goods-producing industries (manufacturing, construction, natural resources, and mining) lost 23.3% of their employment. In the last eight months this rate of decline has accelerated. From January 2008 to August 2008, Ohio's unemployment rate increased by 34.5% (from 5.5% to 7.4%). This is 115,888 additional unemployed workers. Heavy manufacturing is concentrated in the Companies' service territories. According to the Ohio Department of Development, in 2007, Ohio had 201 large manufacturing plants. Of this total, 161 are located in counties served by the Companies.

Q. Can the Commission improve the rate mitigation plan proposed by the Companies to accomplish the statutory objectives?

A. Yes. The Commission can improve the proposed rate mitigation plan to more reasonably apply the concepts of gradualism to the ESP rates in order to promote state policies, especially economic development. In a number of prior cases, the PUCO has adopted the regulatory concept of gradualism in approving increases to rate classes.

Q. Has OEG developed an alternative rate allocation methodology that promotes the policy objectives of the state ?

A. Yes. OEG recommends that the approved ESP revenue increases for non-shopping customers be allocated to retail rate schedules using the following three principles:

1. **Residential rates should reflect the increases suggested by the Companies (if the filed ESP rates are adopted) and not be charged any costs associated with rate mitigation under this plan. If alternative wholesale generation rates are approved, then residential rates should be adjusted accordingly to recover the residential class share of costs, without any additional mitigation charges produced under this plan.**

2. **No rate schedule should receive an increase greater than "2 Times" the retail average increase.**

3. **No rate schedule should receive a rate decrease if other schedules get an increase.**

These three principles should be adopted by the Commission no matter how wholesale generation supply is obtained for non-shopping load. These three principles can and should be applied even if the wholesale supply proposal from FES is rejected.

Baron Exhibit_(SJB-2) presents the results of the OEG Rate Mitigation Plan as applied to the FES offer. This Table is for illustrative purposes only, as I believe the FES generation supply proposal is not reasonable and should be rejected. Table 4 summarizes the 2009 (versus 2008) increases for each rate schedule under the FES offer.

Table 4
OEG Mitigated Proposed Rate Increases

	2009 / 2008 Percentage Increases		
RATE CODE	OE	CE	TE
RS	2.38%	6.17%	5.73%
GS	5.31%	4.61%	4.74%
GP	8.16%	2.09%	0.96%
GSU	10.47%	1.60%	0.00%
GT	10.47%	9.24%	13.93%
POL	5.23%	9.24%	13.93%
STL	10.47%	9.24%	13.77%
TRF	10.47%	9.24%	0.00%
CONTRACTS		0.00%	
TOTAL COMPANY	5.23%	4.62%	6.66%

Q. Would you describe the methodology used to mitigate the increases for each of the Companies' rate schedules?

A. Yes. First, as stated above, OEG is not proposing any changes for residential rate schedules.[4] The OEG mitigation analysis begins by first determining the maximum increase for each non-residential rate schedule, based on the "2 Times" the average retail increase criterion. The next step is to reallocate the revenue deficiency produced by the "2 Times" limitation to all *non-residential* rate schedules. Finally, rate schedules that continue to show a rate decrease are adjusted such that there is a "0" increase for that rate, with the resulting excess revenues used to reduce the increases for all non-residential rates.

Q. Have you made any special adjustments for the CEI Contract rate class?

A. No. At this point, I have treated this rate class similarly to all other CEI non-residential classes. To the extent that all, or a portion or the revenue adjustment shown for this rate class in my analysis are precluded by the terms of the contract, my recommendation is to allocate the shortfall to all non-residential classes in the manner that I have followed in my analysis.

Q. Do you have a recommendation to specifically implement the OEG Economic Development Plan?

[4] Of course, to the extent that the Commission authorizes a lower overall ESP increase, residential rates would be adjusted to reflect these changes.

A. Yes. The mitigation should be accomplished via the charges and credits in the Companies' proposed *Economic* Development Rider ("EDR"). As stated in the Direct Testimony of Companies' witness Hussing at page 8, line 17, "[T]he purpose of the Economic Development Rider is to promote gradualism and mitigate overall bill impacts to customers through a series of credits and charges." I agree fully with Mr. Hussing's testimony wherein he states: "...it is better to proactively address disproportionate rate impacts typically felt by those customers previously served on tariffs below average rates in order to promote economic stability."[5] The OEG Mitigation Plan is consistent with this objective and OEG recommends that each Company's EDR be modified to incorporate the provisions of the OEG plan. In addition to the fact that the rationale for the OEG Rate Mitigation plan is to facilitate Ohio state policy, amounts charged to each rate schedule via the EDR should be non-bypassable, which will facilitate the implementation of the mitigation plan and ensure that any revenue shortfalls are fully recovered by the Companies.

Q. What effect will these proposed changes to the non-bypasable EDR rider have on shopping and POLR risk to the utilities?

A. OEG's plan moderates the full effect of wholesale cost increases to the industrial class by increasing the non-bypassable EDR charge on non-residential customers. Industrial customers will have an incentive to remain on standard offer service. This will reduce POLR risks to the utilities. This will benefit all non-shopping customers

[5] Hussing Direct at page 9, line 2.

customers by minimizing the retail risk premium that must be added to the wholesale generation price. By reducing the utilities' POLR risk, OEG's proposal will tend to drive down the $4 billion retail risk premium Company witness Dr. Jones has forecasted.

I believe this plan promotes the overall economic interests of Ohio. The Commission has a choice: numerous high cost shopping options, or low rates.

Q. Will the OEG Rate Mitigation Plan produce State-wide economic benefits by lowering the industrial power rate?

A. Yes. The primary effect of the OEG rate mitigation plan is a reduction in what otherwise would be very large electric rate increases to Ohio manufacturing facilities. Such increases will adversely affect the economic viability of these customers and potentially lead to increases in the decline of the Ohio manufacturing base, and employment. When an auto manufacturing or steel plant closes, those jobs are likely gone forever. The market share that was served by the closed auto or steel plant is then absorbed by a manufacturer in another state or another country. Unlike commercial customers, industrial customers in Ohio face national and international competition. Therefore, growing and maintaining industrial operations through reasonable electric rates is consistent with SB 221's policy goal to *"facilitate the state's effectiveness in the global economy."*

IV. MINIMUM DEFAULT SERVICE CHARGE

Q. Have you reviewed the Companies' proposal to incorporate a 1 cent per kWh non-bypassable minimum default charge in their generation rates?

A. Yes. As described by Companies' witness Kevin Warvell on page 8 of his Direct Testimony, the Companies have incorporated a 1 cent per kWh charge in the base generation rates of each Company to provide compensation to the Companies due to their obligations to provide POLR service to customers, who may switch to an alternative supplier during the term of the ESP. In particular, if the Companies procure generation for ESP load and a portion of this load elects to shop during the ESP (presumably due to lower market prices), the Companies would face excess capacity for which they would receive insufficient revenues. Alternatively, if more customers take POLR service than expected due to higher market prices, the Companies would be required to make market purchases at higher prices. To mitigate this market risk, according to Mr. Warvell, the Companies must purchase hedges.

Q. How is this cost being recovered under the Companies' ESP?

A. This charge is non-bypassable and is included in the ESP generation rates (via Rider GEN) and separately charged to shopping customers via Rider MDS.

Q. **Do you oppose the inclusion of this charge in the ESP generation rate?**

A. No. However, as I will discuss, it should be waived for ESP customers who either:

> **a) Agree to forego their right to shop during the three year term of the ESP**
>
> **<u>OR</u>**
>
> **b) Agree to <u>not</u> take service under the ESP and, in the event of a return to POLR service, agree to waive their right to take service under the ESP and accept market based rates.**

Q. **Would you please explain your proposed modification to the Companies' minimum default service charge?**

A. The MDS charge is essentially designed to compensate the Companies for the volumetric risk incurred to provide POLR service that is subject to shopping migration (either to or from an alternative supplier). POLR suppliers face this risk for the reasons cited by Mr. Warvell and I do not dispute his testimony on this issue. However, to the extent that the ESP can be modified to eliminate this risk for some ESP customers, these customers should not be charged the costs associated with volumetric risk.

Q. **Would you explain your specific proposal?**

A. Yes. According to Mr. Warvell's testimony, the Companies have determined that 1 cent per kWh of the overall generation rate is associated with compensating the distribution utilities for shopping risk. If a customer, by election, agrees to either remain an ESP customer for the entire three year plan term, or agrees to not take the ESP POLR generation rate during the three year plan because the customer elects to shop, and further agrees to take market priced service in the event of a return to POLR service, the Companies would not incur any of the risks identified by Mr. Warvell in support of the 1 cent per kWh minimum default service charge. Therefore, these customers should not be charged the 1 cent rate. For customers agreeing to remain ESP customers for the entire three year ESP term, the generation rate (Rider GEN) should be reduced by 1 cent per kWh. For customers that shop and agree not to take the ESP POLR rate if they return to POLR service during the three year period, the Companies' proposed Rider MDS should be waived.

Q. Would your recommendation regarding the applicability of POLR charges to shopping and non-shopping customers apply only in the event that the Commission adopts the Companies' proposed ESP plan?

A. No. As a matter of principle, the recommendation that I am making regarding the application of POLR charges to ESP customers who elect to waive their option to shop during the term of the ESP or agree to shop and only return to POLR service at market prices would apply, regardless of the final structure of the Commission approved ESP plan for the Companies.

V. ECONOMIC LOAD RESPONSE RIDER

Q. Would you please briefly describe the Economic Load Response rider ("ELR")?

A. The ELR rider offers existing interruptible and special contract interruptible customers an option to receive additional interruptible credits if these customers agree to an unlimited number of economic interruptions. These economic interruptions would be triggered when the market price of power exceeds the ESP generation rate. At this point, customers would be permitted to buy-through the interruption at market prices. Effectively, if a customer elects the ELR rider, the customer would pay market based rates when market prices exceed the ESP generation rate and the ESP generation rate otherwise.

Q. Do you believe that the terms of the ELR rider are reasonable?

A. No. While OEG supports the ELR rider and its goals of rate mitigation, the terms of the rider are not reasonable and would likely result in customers foregoing the rider, thus causing potential benefits to these customers and to the Companies' firm customers from being achieved. In the Companies' July 2007 Application to Establish a Competitive Bidding Process ("CBP", Case No. 07-796-EL-ATA), the Companies proposed a similar ELR rider, yet one with more reasonable terms.

Q. Would you describe the terms of the Companies 2007 CBP Economic Load Response Program ("LRP")?

A. The optional LRP proposal in the 2007 CBP case was similar to the ELR rider provisions in this case except for two very important differences. First, economic interruptions would only be called in the event that the day-ahead locational marginal price ("LMP") exceeded 125% of the competitive bid price This is in contrast to the Companies' ELR proposal in this case that initiates an economic interruption in the event that the day-ahead LMP exceeds the ESP generation rate (GEN rider and GPI rider).

The second very important difference between the 2007 proposal and the current ESP ELR rider is that the 2007 proposal limited the number of economic interruptions to 1000 hours annually. The current ELR proposal has no limitation on the maximum annual hours of economic interruption. For large industrial manufacturing customers, this 1000 hour limitation, while significant, is a risk that can be assessed by the customer. The ESP ELR proposal, with no limitation (effectively 8,760 hours limitation), is highly risky for customers, which creates a significant barrier to participation.

Q. Do you have a recommendation to modify the ESP ELR rider?

A. Yes. OEG recommends that the two terms that I just discussed from the 2007 CBP case be adopted for the ELR. These two modifications to the ELR are:

1. Economic interruptions will be invoked when the day-ahead LMP exceeds 125% of the ESP generation rate for three consecutive hours

2. Economic interruptions are limited to 1,000 hours annually.

Q. Do you have any concerns about the proposed basic $1.95 per kW month interruptible credit to reflect the value of avoided capacity?

A. Yes. In the Direct Testimony of Companies' witness Scott Jones at page 13, line 9, he testifies that the appropriate capacity cost for the Companies is $2.20 per kW month. This cost, when adjusted by a 13.5% factor (as used by Dr. Jones in his Exhibit 4) equates to a $2.50 per kW month interruptible credit. The Companies should be required to justify why a $1.95 credit is just and reasonable in light of Dr. Jones' testimony.

Q. Do you have any comments on the Companies' proposed methodology to determine the amount of interruptible load each month that will receive an interruptible credit?

A. Yes. The Companies have proposed to calculate the monthly interruptible credit on the basis of Realizable Curtailable Load ("RCL"), which is determined annually by the difference between a customer's firm load and its average hourly demand ("AHD") during the hours of noon to 6:00 pm during the months of June through August. Effectively, the RCL on which customers will receive interruptible credits is limited to a customer's <u>average</u> on-peak load (less firm load), rather than a customer's on-peak load (less firm load). Notwithstanding this calculation, customers are required to curtail down to their firm load during any hour required by the Companies', if they request either an emergency or economic interruption. To the extent that a customer has a peak load in the on-peak period that may substantially exceed the customer's AHD (average on-peak load), the Companies are not providing compensation for this interruptible load.

Q. **Do you agree with this method of calculating the RCL?**

A. No. The RCL should be computed based on the difference between a customer's on-peak load (used for billing purposes) and its firm load. From a planning standpoint, a utility would be required to provide capacity sufficient to meet its firm load requirements. To the extent that an interruptible customer has an on-peak load that is subject to curtailment down to a firm load level, the customer should receive credit for the full amount of its load that is subject to curtailment.

Q. **Are there any additional issues that you would like to address regarding the Companies' ESP riders?**

A. Yes. The Companies are proposing a Capacity Cost Adjustment Rider ("CCA") to recover the costs of additional required reserves during the months of May through September, in the event that the FES capacity available to the Companies is insufficient to provide such reserves. The costs associated with such purchases are to be recovered from POLR customers via a bypassable charge.

Q. Do you oppose the Companies proposed Capacity Cost Adjustment Rider?

A. Yes, in part. Though I do not oppose the proposed rider as it would apply to firm POLR load, it is inappropriate to charge this capacity rider to interruptible load. The requirement to obtain sufficient annual planning reserves is an obligation of the Companies, based on their firm load, not interruptible load. As a result, it would be inappropriate to apply this charge to interruptible load, for which the Companies do not need to obtain planning reserves. In particular, pursuant to the FERC's Order on the MISO Resource Adequacy Proposal (Order in FERC Docket No. ER08-394-000, issued March 26, 2008), planning reserve requirements for MISO members will be based on Load Serving Entity peak loads, excluding "Load Modifying Resources." Interruptible load represents one of the designated Load Modifying Resources. The Companies will not be required to obtain planning reserves for interruptible load, and therefore should not charge the CCA rider to interruptible customers.

Q. Does that complete your Direct Testimony?

A. Yes.

BEFORE THE

PUBLIC UTILITY COMMISSION OF OIHO

IN RE:	**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**

EXHIBITS

OF

STEPHEN J. BARON

ON BEHALF OF

THE OHIO ENERGY GROUP

J. KENNEDY AND ASSOCIATES, INC.
ROSWELL, GEORGIA

BEFORE THE

PUBLIC UTILITY COMMISSION OF OHIO

IN RE:	**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**

EXHIBIT__(SJB-1)

OF

STEPHEN J. BARON

ON BEHALF OF

THE OHIO ENERGY GROUP

J. KENNEDY AND ASSOCIATES, INC.
ROSWELL, GEORGIA

Professional Qualifications

Of

Stephen J. Baron

Mr. Baron graduated from the University of Florida in 1972 with a B.A. degree with high honors in Political Science and significant coursework in Mathematics and Computer Science. In 1974, he received a Master of Arts Degree in Economics, also from the University of Florida. His areas of specialization were econometrics, statistics, and public utility economics. His thesis concerned the development of an econometric model to forecast electricity sales in the State of Florida, for which he received a grant from the Public Utility Research Center of the University of Florida. In addition, he has advanced study and coursework in time series analysis and dynamic model building.

Mr. Baron has more than thirty years of experience in the electric utility industry in the areas of cost and rate analysis, forecasting, planning, and economic analysis.

Following the completion of my graduate work in economics, he joined the staff of the Florida Public Service Commission in August of 1974 as a Rate Economist. His responsibilities included the analysis of rate cases for electric, telephone, and gas utilities, as well as the preparation of cross-examination material and the preparation of staff recommendations.

In December 1975, he joined the Utility Rate Consulting Division of Ebasco Services, Inc.

as an Associate Consultant. In the seven years he worked for Ebasco, he received successive promotions, ultimately to the position of Vice President of Energy Management Services of Ebasco Business Consulting Company. His responsibilities included the management of a staff of consultants engaged in providing services in the areas of econometric modeling, load and energy forecasting, production cost modeling, planning, cost-of-service analysis, cogeneration, and load management.

He joined the public accounting firm of Coopers & Lybrand in 1982 as a Manager of the Atlanta Office of the Utility Regulatory and Advisory Services Group. In this capacity he was responsible for the operation and management of the Atlanta office. His duties included the technical and administrative supervision of the staff, budgeting, recruiting, and marketing as well as project management on client engagements. At Coopers & Lybrand, he specialized in utility cost analysis, forecasting, load analysis, economic analysis, and planning.

In January 1984, he joined the consulting firm of Kennedy and Associates as a Vice President and Principal. Mr. Baron became President of the firm in January 1991.

During the course of my career, he has provided consulting services to more than thirty utility, industrial, and Public Service Commission clients, including three international utility clients.

He has presented numerous papers and published an article entitled "How to Rate Load Management Programs" in the March 1979 edition of "Electrical World." His article on "Standby Electric Rates" was published in the November 8, 1984 issue of "Public Utilities Fortnightly." In February of 1984, he completed a detailed analysis entitled "Load Data Transfer Techniques" on behalf of the Electric Power Research Institute, which published the study.

Mr. Baron has presented testimony as an expert witness in Arizona, Arkansas, Colorado, Connecticut, Florida, Georgia, Indiana, Kentucky, Louisiana, Maine, Michigan, Minnesota, Maryland, Missouri, New Jersey, New Mexico, New York, North Carolina, Ohio, Pennsylvania, Texas, Virginia, West Virginia, Wisconsin, Wyoming, the Federal Energy Regulatory Commission and in United States Bankruptcy Court. A list of his specific regulatory appearances follows.

Expert Testimony Appearances
of
Stephen J. Baron
As of September 2008

Date	Case	Jurisdict.	Party	Utility	Subject
4/81	203(B)	KY	Louisville Gas & Electric Co.	Louisville Gas & Electric Co.	Cost-of-service.
4/81	ER-81-42	MO	Kansas City Power & Light Co.	Kansas City Power & Light Co.	Forecasting.
6/81	U-1933	AZ	Arizona Corporation Commission	Tucson Electric Co.	Forecasting planning.
2/84	8924	KY	Airco Carbide	Louisville Gas & Electric Co.	Revenue requirements, cost-of-service, forecasting, weather normalization.
3/84	84-038-U	AR	Arkansas Electric Energy Consumers	Arkansas Power & Light Co.	Excess capacity, cost-of-service, rate design.
5/84	830470-EI	FL	Florida Industrial Power Users' Group	Florida Power Corp.	Allocation of fixed costs, load and capacity balance, and reserve margin. Diversification of utility.
10/84	84-199-U	AR	Arkansas Electric Energy Consumers	Arkansas Power and Light Co.	Cost allocation and rate design.
11/84	R-842651	PA	Lehigh Valley Power Committee	Pennsylvania Power & Light Co.	Interruptible rates, excess capacity, and phase-in.
1/85	85-65	ME	Airco Industrial Gases	Central Maine Power Co.	Interruptible rate design.
2/85	I-840381	PA	Philadelphia Area Industrial Energy Users' Group	Philadelphia Electric Co.	Load and energy forecast.
3/85	9243	KY	Alcan Aluminum Corp., et al.	Louisville Gas & Electric Co.	Economics of completing fossil generating unit.
3/85	3498-U	GA	Attorney General	Georgia Power Co.	Load and energy forecasting, generation planning economics.
3/85	R-842632	PA	West Penn Power Industrial Intervenors	West Penn Power Co.	Generation planning economics, prudence of a pumped storage hydro unit.
5/85	84-249	AR	Arkansas Electric Energy Consumers	Arkansas Power & Light Co.	Cost-of-service, rate design return multipliers.
5/85		City of Santa	Chamber of Commerce	Santa Clara Municipal	Cost-of-service, rate design.

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Date	Case	Jurisdict.	Party	Utility	Subject
6/85	84-768-E-42T	Clara WV	West Virginia Industrial Intervenors	Monongahela Power Co.	Generation planning economics, prudence of a pumped storage hydro unit.
6/85	E-7 Sub 391	NC	Carolina Industrials (CIGFUR III)	Duke Power Co.	Cost-of-service, rate design, interruptible rate design.
7/85	29046	NY	Industrial Energy Users Association	Orange and Rockland Utilities	Cost-of-service, rate design.
10/85	85-043-U	AR	Arkansas Gas Consumers	Arkla, Inc.	Regulatory policy, gas cost-of-service, rate design.
10/85	85-63	ME	Airco Industrial Gases	Central Maine Power Co.	Feasibility of interruptible rates, avoided cost.
2/85	ER-8507698	NJ	Air Products and Chemicals	Jersey Central Power & Light Co.	Rate design.
3/85	R-850220	PA	West Penn Power Industrial Intervenors	West Penn Power Co.	Optimal reserve, prudence, off-system sales guarantee plan.
2/86	R-850220	PA	West Penn Power Industrial Intervenors	West Penn Power Co.	Optimal reserve margins, prudence, off-system sales guarantee plan.
3/86	85-299U	AR	Arkansas Electric Energy Consumers	Arkansas Power & Light Co.	Cost-of-service, rate design, revenue distribution.
3/86	85-726-EL-AIR	OH	Industrial Electric Consumers Group	Ohio Power Co.	Cost-of-service, rate design, interruptible rates.
5/86	86-081-E-GI	WV	West Virginia Energy Users Group	Monongahela Power Co.	Generation planning economics, prudence of a pumped storage hydro unit.
8/86	E-7 Sub 408	NC	Carolina Industrial Energy Consumers	Duke Power Co.	Cost-of-service, rate design, interruptible rates.
10/86	U-17378	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Excess capacity, economic analysis of purchased power.
12/86	38063	IN	Industrial Energy Consumers	Indiana & Michigan Power Co.	Interruptible rates.

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Date	Case	Jurisdict.	Party	Utility	Subject
3/87	EL-86-53-001 EL-86-57-001	Federal Energy Regulatory Commission (FERC)	Louisiana Public Service Commission Staff	Gulf States Utilities, Southern Co.	Cost/benefit analysis of unit power sales contract.
4/87	U-17282	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Load forecasting and imprudence damages, River Bend Nuclear unit.
5/87	87-023-E-C	WV	Airco Industrial Gases	Monongahela Power Co.	Interruptible rates.
5/87	87-072-E-G1	WV	West Virginia Energy Users' Group	Monongahela Power Co.	Analyze Mon Power's fuel filing and examine the reasonableness of MP's claims.
5/87	86-524-E-SC	WV	West Virginia Energy Users' Group	Monongahela Power Co.	Economic dispatching of pumped storage hydro unit.
5/87	9781	KY	Kentucky Industrial Energy Consumers	Louisville Gas & Electric Co.	Analysis of impact of 1986 Tax Reform Act.
6/87	3673-U	GA	Georgia Public Service Commission	Georgia Power Co.	Economic prudence, evaluation of Vogtle nuclear unit - load forecasting, planning.
6/87	U-17282	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Phase-in plan for River Bend Nuclear unit.
7/87	85-10-22	CT	Connecticut Industrial Energy Consumers	Connecticut Light & Power Co.	Methodology for refunding rate moderation fund.
8/87	3673-U	GA	Georgia Public Service Commission	Georgia Power Co.	Test year sales and revenue forecast.
9/87	R-850220	PA	West Penn Power Industrial Intervenors	West Penn Power Co.	Excess capacity, reliability of generating system.
10/87	R-870651	PA	Duquesne Industrial Intervenors	Duquesne Light Co.	Interruptible rate, cost-of-service, revenue allocation, rate design.
10/87	I-860025	PA	Pennsylvania Industrial Intervenors	--	Proposed rules for cogeneration, avoided cost, rate recovery.

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Date	Case	Jurisdict.	Party	Utility	Subject
10/87	E-015/ GR-87-223	MN	Taconite Intervenors	Minnesota Power & Light Co.	Excess capacity, power and cost-of-service, rate design.
10/87	8702-EI	FL	Occidental Chemical Corp.	Florida Power Corp.	Revenue forecasting, weather normalization.
12/87	87-07-01	CT	Connecticut Industrial Energy Consumers	Connecticut Light Power Co.	Excess capacity, nuclear plant phase-in.
3/88	10064	KY	Kentucky Industrial Energy Consumers	Louisville Gas & Electric Co.	Revenue forecast, weather normalization rate treatment of cancelled plant.
3/88	87-183-TF	AR	Arkansas Electric Consumers	Arkansas Power & Light Co.	Standby/backup electric rates.
5/88	870171C001	PA	GPU Industrial Intervenors	Metropolitan Edison Co.	Cogeneration deferral mechanism, modification of energy cost recovery (ECR).
6/88	870172C005	PA	GPU Industrial Intervenors	Pennsylvania Electric Co.	Cogeneration deferral mechanism, modification of energy cost recovery (ECR).
7/88	88-171-EL-AIR 88-170-EL-AIR Interim Rate Case	OH	Industrial Energy Consumers	Cleveland Electric/ Toledo Edison	Financial analysis/need for interim rate relief.
7/88	Appeal of PSC	19th Judicial Docket U-17282	Louisiana Public Service Commission Circuit Court of Louisiana	Gulf States Utilities	Load forecasting, imprudence damages.
11/88	R-880989	PA	United States Steel	Carnegie Gas	Gas cost-of-service, rate design.
11/88	88-171-EL-AIR 88-170-EL-AIR	OH	Industrial Energy Consumers	Cleveland Electric/ Toledo Edison. General Rate Case.	Weather normalization of peak loads, excess capacity, regulatory policy.
3/89	870216/283 284/286	PA	Armco Advanced Materials Corp., Allegheny Ludlum Corp.	West Penn Power Co.	Calculated avoided capacity, recovery of capacity payments.

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Date	Case	Jurisdict.	Party	Utility	Subject
8/89	8555	TX	Occidental Chemical Corp.	Houston Lighting & Power Co.	Cost-of-service, rate design.
8/89	3840-U	GA	Georgia Public Service Commission	Georgia Power Co.	Revenue forecasting, weather normalization.
9/89	2087	NM	Attorney General of New Mexico	Public Service Co. of New Mexico	Prudence - Palo Verde Nuclear Units 1, 2 and 3, load fore-casting.
10/89	2262	NM	New Mexico Industrial Energy Consumers	Public Service Co. of New Mexico	Fuel adjustment clause, off-system sales, cost-of-service, rate design, marginal cost.
11/89	38728	IN	Industrial Consumers for Fair Utility Rates	Indiana Michigan Power Co.	Excess capacity, capacity equalization, jurisdictional cost allocation, rate design, interruptible rates.
1/90	U-17282	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Jurisdictional cost allocation, O&M expense analysis.
5/90	890366	PA	GPU Industrial Intervenors	Metropolitan Edison Co.	Non-utility generator cost recovery.
6/90	R-901609	PA	Armco Advanced Materials Corp., Allegheny Ludlum Corp.	West Penn Power Co.	Allocation of QF demand charges in the fuel cost, cost-of-service, rate design.
9/90	8278	MD	Maryland Industrial Group	Baltimore Gas & Electric Co.	Cost-of-service, rate design, revenue allocation.
12/90	U-9346 Rebuttal	MI	Association of Businesses Advocating Tariff Equity	Consumers Power Co.	Demand-side management, environmental externalities.
12/90	U-17282 Phase IV	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Revenue requirements, jurisdictional allocation.
12/90	90-205	ME	Airco Industrial Gases	Central Maine Power Co.	Investigation into interruptible service and rates.
1/91	90-12-03 Interim	CT	Connecticut Industrial Energy Consumers	Connecticut Light & Power Co.	Interim rate relief, financial analysis, class revenue allocation.

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Date	Case	Jurisdict.	Party	Utility	Subject
5/91	90-12-03 Phase II	CT	Connecticut Industrial Energy Consumers	Connecticut Light & Power Co.	Revenue requirements, cost-of-service, rate design, demand-side management.
8/91	E-7, SUB SUB 487	NC	North Carolina Industrial Energy Consumers	Duke Power Co.	Revenue requirements, cost allocation, rate design, demand-side management.
8/91	8341 Phase I	MD	Westvaco Corp.	Potomac Edison Co.	Cost allocation, rate design, 1990 Clean Air Act Amendments.
8/91	91-372 EL-UNC	OH	Armco Steel Co., L.P.	Cincinnati Gas & Electric Co.	Economic analysis of cogeneration, avoid cost rate.
9/91	P-910511 P-910512	PA	Allegheny Ludlum Corp., Armco Advanced Materials Co., The West Penn Power Industrial Users' Group	West Penn Power Co.	Economic analysis of proposed CWIP Rider for 1990 Clean Air Act Amendments expenditures.
9/91	91-231 -E-NC	WV	West Virginia Energy Users' Group	Monongahela Power Co.	Economic analysis of proposed CWIP Rider for 1990 Clean Air Act Amendments expenditures.
10/91	8341 - Phase II	MD	Westvaco Corp.	Potomac Edison Co.	Economic analysis of proposed CWIP Rider for 1990 Clean Air Act Amendments expenditures.
10/91	U-17282	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Results of comprehensive management audit.
Note: No testimony was prefiled on this.					
11/91	U-17949 Subdocket A	LA	Louisiana Public Service Commission Staff	South Central Bell Telephone Co. and proposed merger with Southern Bell Telephone Co.	Analysis of South Central Bell's restructuring and
12/91	91-410-EL-AIR	OH	Armco Steel Co., Air Products & Chemicals, Inc.	Cincinnati Gas & Electric Co.	Rate design, interruptible rates.
12/91	P-880286	PA	Armco Advanced Materials Corp., Allegheny Ludlum Corp.	West Penn Power Co.	Evaluation of appropriate avoided capacity costs - QF projects.

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Date	Case	Jurisdict.	Party	Utility	Subject
1/92	C-913424	PA	Duquesne Interruptible Complainants	Duquesne Light Co.	Industrial interruptible rate.
6/92	92-02-19	CT	Connecticut Industrial Energy Consumers	Yankee Gas Co.	Rate design.
8/92	2437	NM	New Mexico Industrial Intervenors	Public Service Co. of New Mexico	Cost-of-service.
8/92	R-00922314	PA	GPU Industrial Intervenors	Metropolitan Edison Co.	Cost-of-service, rate design, energy cost rate.
9/92	39314	ID	Industrial Consumers for Fair Utility Rates	Indiana Michigan Power Co.	Cost-of-service, rate design, energy cost rate, rate treatment.
10/92	M-00920312 C-007	PA	The GPU Industrial Intervenors	Pennsylvania Electric Co.	Cost-of-service, rate design, energy cost rate, rate treatment.
12/92	U-17949	LA	Louisiana Public Service Commission Staff	South Central Bell Co.	Management audit.
12/92	R-00922378	PA	Armco Advanced Materials Co. The WPP Industrial Intervenors	West Penn Power Co.	Cost-of-service, rate design, energy cost rate, SO_2 allowance rate treatment.
1/93	8487	MD	The Maryland Industrial Group	Baltimore Gas & Electric Co.	Electric cost-of-service and rate design, gas rate design (flexible rates).
2/93	E002/GR-92-1185	MN	North Star Steel Co. Praxair, Inc.	Northern States Power Co.	Interruptible rates.
4/93	EC92 21000 ER92-806-000 (Rebuttal)	Federal Energy Regulatory Commission	Louisiana Public Service Commission Staff	Gulf States Utilities/Entergy agreement.	Merger of GSU into Entergy System; impact on system
7/93	93-0114-E-C	WV	Airco Gases	Monongahela Power Co.	Interruptible rates.
8/93	930759-EG	FL	Florida Industrial Power Users' Group	Generic - Electric Utilities	Cost recovery and allocation of DSM costs.
9/93	M-009 30406	PA	Lehigh Valley Power Committee	Pennsylvania Power & Light Co.	Ratemaking treatment of off-system sales revenues.

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Date	Case	Jurisdict.	Party	Utility	Subject
11/93	346	KY	Kentucky Industrial Utility Customers	Generic - Gas Utilities	Allocation of gas pipeline transition costs - FERC Order 636.
12/93	U-17735	LA	Louisiana Public Service Commission Staff	Cajun Electric Power Cooperative	Nuclear plant prudence, forecasting, excess capacity.
4/94	E-015/ GR-94-001	MN	Large Power Intervenors	Minnesota Power Co.	Cost allocation, rate design, rate phase-in plan.
5/94	U-20178	LA	Louisiana Public Service Commission	Louisiana Power & Light Co.	Analysis of least cost integrated resource plan and demand-side management program.
7/94	R-00942986	PA	Armco, Inc.; West Penn Power Industrial Intervenors	West Penn Power Co.	Cost-of-service, allocation of rate increase, rate design, emission allowance sales, and operations and maintenance expense.
7/94	94-0035-E-42T	WV	West Virginia Energy Users Group	Monongahela Power Co.	Cost-of-service, allocation of rate increase, and rate design.
8/94	EC94 13-000	Federal Energy Regulatory Commission	Louisiana Public Service Commission	Gulf States Utilities/Entergy	Analysis of extended reserve shutdown units and violation of system agreement by Entergy.
9/94	R-00943 081 R-00943 081C0001	PA	Lehigh Valley Power Committee	Pennsylvania Public Utility Commission	Analysis of interruptible rate terms and conditions, availability.
9/94	U-17735	LA	Louisiana Public Service Commission	Cajun Electric Power Cooperative	Evaluation of appropriate avoided cost rate.
9/94	U-19904	LA	Louisiana Public Service Commission	Gulf States Utilities	Revenue requirements.
10/94	5258-U	GA	Georgia Public Service Commission	Southern Bell Telephone & Telegraph Co.	Proposals to address competition in telecommunication markets.
11/94	EC94-7-000 ER94-898-000	FERC	Louisiana Public Service Commission	El Paso Electric and Central and Southwest	Merger economics, transmission equalization hold harmless proposals.
2/95	941-430EG	CO	CF&I Steel, L.P.	Public Service Company of Colorado	Interruptible rates, cost-of-service.

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Date	Case	Jurisdict.	Party	Utility	Subject
4/95	R-00943271	PA	PP&L Industrial Customer Alliance	Pennsylvania Power & Light Co.	Cost-of-service, allocation of rate increase, rate design, interruptible rates.
6/95	C-00913424 C-00946104	PA	Duquesne Interruptible Complainants	Duquesne Light Co.	Interruptible rates.
8/95	ER95-112 -000	FERC	Louisiana Public Service Commission	Entergy Services, Inc.	Open Access Transmission Tariffs - Wholesale.
10/95	U-21485	LA	Louisiana Public Service Commission	Gulf States Utilities Company	Nuclear decommissioning, revenue requirements, capital structure.
10/95	ER95-1042 -000	FERC	Louisiana Public Service Commission	System Energy Resources, Inc.	Nuclear decommissioning, revenue requirements.
10/95	U-21485	LA	Louisiana Public Service Commission	Gulf States Utilities Co.	Nuclear decommissioning and cost of debt capital, capital structure.
11/95	I-940032	PA	Industrial Energy Consumers of Pennsylvania	State-wide - all utilities	Retail competition issues.
7/96	U-21496	LA	Louisiana Public Service Commission	Central Louisiana Electric Co.	Revenue requirement analysis.
7/96	8725	MD	Maryland Industrial Group	Baltimore Gas & Elec. Co., Potomac Elec. Power Co., Constellation Energy Co.	Ratemaking issues associated with a Merger.
8/96	U-17735	LA	Louisiana Public Service Commission	Cajun Electric Power Cooperative	Revenue requirements.
9/96	U-22092	LA	Louisiana Public Service Commission	Entergy Gulf States, Inc.	Decommissioning, weather normalization, capital structure.
2/97	R-973877	PA	Philadelphia Area Industrial Energy Users Group	PECO Energy Co.	Competitive restructuring policy issues, stranded cost, transition charges.
6/97	Civil Action No. 94-11474	US Bank-ruptcy Court Middle District of Louisiana	Louisiana Public Service Commission	Cajun Electric Power Cooperative	Confirmation of reorganization plan; analysis of rate paths produced by competing plans.

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Date	Case	Jurisdict.	Party	Utility	Subject
6/97	R-973953	PA	Philadelphia Area Industrial Energy Users Group	PECO Energy Co.	Retail competition issues, rate unbundling, stranded cost analysis.
6/97	8738	MD	Maryland Industrial Group	Generic	Retail competition issues
7/97	R-973954	PA	PP&L Industrial Customer Alliance	Pennsylvania Power & Light Co.	Retail competition issues, rate unbundling, stranded cost analysis.
10/97	97-204	KY	Alcan Aluminum Corp. Southwire Co.	Big River Electric Corp.	Analysis of cost of service issues - Big Rivers Restructuring Plan
10/97	R-974008	PA	Metropolitan Edison Industrial Users	Metropolitan Edison Co.	Retail competition issues, rate unbundling, stranded cost analysis.
10/97	R-974009	PA	Pennsylvania Electric Industrial Customer	Pennsylvania Electric Co.	Retail competition issues, rate unbundling, stranded cost analysis.
11/97	U-22491	LA	Louisiana Public Service Commission	Entergy Gulf States, Inc.	Decommissioning, weather normalization, capital structure.
11/97	P-971265	PA	Philadelphia Area Industrial Energy Users Group	Enron Energy Services Power, Inc./ PECO Energy	Analysis of Retail Restructuring Proposal.
12/97	R-973981	PA	West Penn Power Industrial Intervenors	West Penn Power Co.	Retail competition issues, rate unbundling, stranded cost analysis.
12/97	R-974104	PA	Duquesne Industrial Intervenors	Duquesne Light Co.	Retail competition issues, rate unbundling, stranded cost analysis.
3/98	U-22092 (Allocated Stranded Cost Issues)	LA	Louisiana Public Service Commission	Gulf States Utilities Co.	Retail competition, stranded cost quantification.
3/98	U-22092		Louisiana Public Service Commission	Gulf States Utilities, Inc.	Stranded cost quantification, restructuring issues.
9/98	U-17735		Louisiana Public Service Commission	Cajun Electric Power Cooperative, Inc.	Revenue requirements analysis, weather normalization.
12/98	8794	MD	Maryland Industrial Group and	Baltimore Gas and Electric Co.	Electric utility restructuring, stranded cost recovery, rate

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Date	Case	Jurisdict.	Party	Utility	Subject
			Millennium Inorganic Chemicals Inc.		unbundling.
12/98	U-23358	LA	Louisiana Public Service Commission	Entergy Gulf States, Inc.	Nuclear decommissioning, weather normalization, Entergy System Agreement.
5/99 (Cross-Answering Testimony)	EC-98-40-000	FERC	Louisiana Public Service Commission	American Electric Power Co. & Central South West Corp.	Merger issues related to market power mitigation proposals.
5/99 (Response Testimony)	98-426	KY	Kentucky Industrial Utility Customers, Inc.	Louisville Gas & Electric Co.	Performance based regulation, settlement proposal issues, cross-subsidies between electric gas services.
6/99	98-0452	WV	West Virginia Energy Users Group	Appalachian Power, Monongahela Power, & Potomac Edison Companies	Electric utility restructuring, stranded cost recovery, rate unbundling.
7/99	99-03-35	CT	Connecticut Industrial Energy Consumers	United Illuminating Company	Electric utility restructuring, stranded cost recovery, rate unbundling.
7/99	Adversary Proceeding No. 98-1065	U.S. Bankruptcy Court	Louisiana Public Service Commission	Cajun Electric Power Cooperative	Motion to dissolve preliminary injunction.
7/99	99-03-06	CT	Connecticut Industrial Energy Consumers	Connecticut Light & Power Co.	Electric utility restructuring, stranded cost recovery, rate unbundling.
10/99	U-24182	LA	Louisiana Public Service Commission	Entergy Gulf States, Inc.	Nuclear decommissioning, weather normalization, Entergy System Agreement.
12/99	U-17735	LA	Louisiana Public Service Commission	Cajun Electric Power Cooperative, Inc.	Analysis of Proposed Contract Rates, Market Rates.
03/00	U-17735	LA	Louisiana Public Service Commission	Cajun Electric Power Cooperative, Inc.	Evaluation of Cooperative Power Contract Elections
03/00	99-1658-EL-ETP	OH	AK Steel Corporation	Cincinnati Gas & Electric Co.	Electric utility restructuring, stranded cost recovery, rate Unbundling.

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Date	Case	Jurisdict.	Party	Utility	Subject
08/00	98-0452 E-GI	WVA	West Virginia Energy Users Group	Appalachian Power Co. American Electric Co.	Electric utility restructuring rate unbundling.
08/00	00-1050 E-T 00-1051-E-T	WVA	West Virginia Energy Users Group	Mon Power Co. Potomac Edison Co.	Electric utility restructuring rate unbundling.
10/00	SOAH 473-00-1020 PUC 2234	TX	The Dallas-Fort Worth Hospital Council and The Coalition of Independent Colleges And Universities	TXU, Inc.	Electric utility restructuring rate unbundling.
12/00	U-24993	LA	Louisiana Public Service Commission	Entergy Gulf States, Inc.	Nuclear decommissioning, revenue requirements.
12/00	EL00-66-000 & ER00-2854 EL95-33-002	LA	Louisiana Public Service Commission	Entergy Services Inc.	Inter-Company System Agreement: Modifications for retail competition, interruptible load.
04/01	U-21453, U-20925, U-22092 (Subdocket B) Addressing Contested Issues	LA	Louisiana Public Service Commission	Entergy Gulf States, Inc.	Jurisdictional Business Separation - Texas Restructuring Plan
10/01	14000-U	GA	Georgia Public Service Commission Adversary Staff	Georgia Power Co.	Test year revenue forecast.
11/01	U-25687	LA	Louisiana Public Service Commission	Entergy Gulf States, Inc.	Nuclear decommissioning requirements transmission revenues.
11/01	U-25965	LA	Louisiana Public Service Commission	Generic	Independent Transmission Company ("Transco"). RTO rate design.
03/02	001148-EI	FL	South Florida Hospital and Healthcare Assoc.	Florida Power & Light Company	Retail cost of service, rate design, resource planning and demand side management.
06/02	U-25965	LA	Louisiana Public Service Commission	Entergy Gulf States Entergy Louisiana	RTO issues
07/02	U-21453	LA	Louisiana Public Service Commission	SWEPCO, AEP	Jurisdictional Business Sep. - Texas Restructuring Plan.

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Date	Case	Jurisdict.	Party	Utility	Subject
08/02	U-25888	LA	Louisiana Public Service Commission	Entergy Louisiana, Inc. Entergy Gulf States, Inc.	Modifications to the Inter-Company System Agreement, Production Cost Equalization.
08/02	EL01-88-000	FERC	Louisiana Public Service Commission	Entergy Services Inc. and the Entergy Operating Companies	Modifications to the Inter-Company System Agreement, Production Cost Equalization.
11/02	02S-315EG	CO	CF&I Steel & Climax Molybdenum Co.	Public Service Co. of Colorado	Fuel Adjustment Clause
01/03	U-17735	LA	Louisiana Public Service Commission	Louisiana Coops	Contract Issues
02/03	02S-594E	CO	Cripple Creek and Victor Gold Mining Co.	Aquila, Inc.	Revenue requirements, purchased power.
04/03	U-26527	LA	Louisiana Public Service Commission	Entergy Gulf States, Inc.	Weather normalization, power purchase expenses, System Agreement expenses.
11/03	ER03-753-000	FERC	Louisiana Public Service Commission Staff	Entergy Services, Inc. and the Entergy Operating Companies	Proposed modifications to System Agreement Tariff MSS-4.
11/03	ER03-583-000 ER03-583-001 ER03-583-002 ER03-681-000, ER03-681-001 ER03-682-000, ER03-682-001 ER03-682-002	FERC	Louisiana Public Service Commission	Entergy Services, Inc., the Entergy Operating Companies, EWO Marketing, L.P, and Entergy Power, Inc.	Evaluation of Wholesale Purchased Power Contracts.
12/03	U-27136	LA	Louisiana Public Service Commission	Entergy Louisiana, Inc.	Evaluation of Wholesale Purchased Power Contracts.
01/04	E-01345-03-0437	AZ	Kroger Company	Arizona Public Service Co.	Revenue allocation rate design.
02/04	00032071	PA	Duquesne Industrial Intervenors	Duquesne Light Company	Provider of last resort issues.
03/04	03A-436E	CO	CF&I Steel, LP and Climax Molybdenum	Public Service Company of Colorado	Purchased Power Adjustment Clause.

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Date	Case	Jurisdict.	Party	Utility	Subject
04/04	2003-00433 2003-00434	KY	Kentucky Industrial Utility Customers, Inc.	Louisville Gas & Electric Co. Kentucky Utilities Co.	Cost of Service Rate Design
0-6/04	03S-539E	CO	Cripple Creek, Victor Gold Mining Co., Goodrich Corp., Holcim (U.S.,), Inc., and The Trane Co.	Aquila, Inc.	Cost of Service, Rate Design Interruptible Rates
06/04	R-00049255	PA	PP&L Industrial Customer Alliance PPLICA	PPL Electric Utilities Corp.	Cost of service, rate design, tariff issues and transmission service charge.
10/04	04S-164E	CO	CF&I Steel Company, Climax Mines	Public Service Company of Colorado	Cost of service, rate design, Interruptible Rates.
03/05	Case No. 2004-00426 Case No. 2004-00421	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Louisville Gas & Electric Co.	Environmental cost recovery.
06/05	050045-EI	FL	South Florida Hospital and Healthcare Assoc.	Florida Power & Light Company	Retail cost of service, rate design
07/05	U-28155	LA	Louisiana Public Service Commission Staff	Entergy Louisiana, Inc. Entergy Gulf States, Inc.	Independent Coordinator of Transmission – Cost/Benefit
09/05	Case Nos. 05-0402-E-CN 05-0750-E-PC	WVA	West Virginia Energy Users Group	Mon Power Co. Potomac Edison Co.	Environmental cost recovery, Securitization, Financing Order
01/06	2005-00341	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Power Company	Cost of service, rate design, transmission expenses, Congestion Cost Recovery Mechanism
03/06	U-22092	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Separation of EGSI into Texas and Louisiana Companies.
04/06	U-25116	LA	Louisiana Public Service Commission Staff	Entergy Louisiana, Inc.	Transmission Prudence Investigation
06/06	R-00061346 C0001-0005	PA	Duquesne Industrial Intervenors & IECPA	Duquesne Light Co.	Cost of Service, Rate Design, Transmission Service Charge, Tariff Issues
06/06	R-00061366 R-00061367 P-00062213 P-00062214		Met-Ed Industrial Energy Users Group and Penelec Industrial Customer Alliance	Metropolitan Edison Co. Pennsylvania Electric Co.	Generation Rate Cap, Transmission Service Charge, Cost of Service, Rate Design, Tariff Issues
07/06	U-22092 Sub-J	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Separation of EGSI into Texas and Louisiana Companies.

Expert Testimony Appearances
of
Stephen J. Baron
As of September 2008

Date	Case	Jurisdict.	Party	Utility	Subject
07/06	Case No. 2006-00130 Case No. 2006-00129	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Louisville Gas & Electric Co.	Environmental cost recovery.
08/06	Case No. PUE-2006-00065	VA	Old Dominion Committee For Fair Utility Rates	Appalachian Power Co.	Cost Allocation, Allocation of Revenue Incr, Off-System Sales margin rate treatment
11/06	Doc. No. 97-01-15RE02	CT	Connecticut Industrial Energy Consumers	Connecticut Light & Power United Illuminating	Rate unbundling issues.
01/07	Case No. 06-0960-E-42T	WV	West Virginia Energy Users Group	Mon Power Co. Potomac Edison Co.	Retail Cost of Service Revenue apportionment
03/07	U-29764	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc. Entergy Louisiana, LLC	Implementation of FERC Decision Jurisdictional & Rate Class Allocation
05/07	Case No. 07-63-EL-UNC	OH	Ohio Energy Group	Ohio Power, Columbus Southern Power	Environmental Surcharge Rate Design
05/07	R-00049255 Remand	PA	PP&L Industrial Customer Alliance PPLICA	PPL Electric Utilities Corp.	Cost of service, rate design, tariff issues and transmission service charge.
06/07	R-00072155	PA	PP&L Industrial Customer Alliance PPLICA	PPL Electric Utilities Corp.	Cost of service, rate design, tariff issues.
07/07	Doc. No. 07F-037E	CO	Gateway Canyons LLC	Grand Valley Power Coop.	Distribution Line Cost Allocation
09/07	Doc. No. 05-UR-103	WI	Wisconsin Industrial Energy Group, Inc.	Wisconsin Electric Power Co.	Cost of Service, rate design, tariff issues, Interruptible rates.
11/07	ER07-682-000	FERC	Louisiana Public Service Commission Staff	Entergy Services, Inc. and the Entergy Operating Companies	Proposed modifications to System Agreement Schedule MSS-3. Cost functionalization issues.
1/08	Doc. No. 20000-277-ER-07	WY	Cimarex Energy Company	Rocky Mountain Power (PacifiCorp)	Vintage Pricing, Marginal Cost Pricing Projected Test Year
1/08	Case No. 07-551	OH	Ohio Energy Group	Ohio Edison, Toledo Edison Cleveland Electric Illuminating	Class Cost of Service, Rate Restructuring, Apportionment of Revenue Increase to Rate Schedules
2/08	ER07-956	FERC	Louisiana Public Service Commission Staff	Entergy Services, Inc. and the Entergy Operating Companies	Entergy's Compliance Filing System Agreement Bandwidth Calculations.
2/08	Doc No. P-00072342	PA	West Penn Power Industrial Intervenors	West Penn Power Co.	Default Service Plan issues.

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Expert Testimony Appearances
of
Stephen J. Baron
As of September 2008

Date	Case	Jurisdict.	Party	Utility	Subject
3/08	Doc No. E-01933A-05-0650	AZ	Kroger Company	Tucson Electric Power Co.	Cost of Service, Rate Design
05/08	08-0278 E-GI	WVA	West Virginia Energy Users Group	Appalachian Power Co. American Electric Co.	Expanded Net Energy Cost "ENEC" Analysis.
6/08	Case No. 08-124-EL-ATA	OH	Ohio Energy Group	Ohio Edison, Toledo Edison Cleveland Electric Illuminating	Recovery of Deferred Fuel Cost
7/08	Docket No. 07-035-93	UT	Kroger Company	Rocky Mountain Power Co.	Cost of Service, Rate Design
08/08	Doc. No. 6690-UR-119	WI	Wisconsin Industrial Energy Group, Inc.	Wisconsin Power and Light Co.	Cost of Service, rate design, tariff issues, interruptible rates.

BEFORE THE

PUBLIC UTILITY COMMISSION OF OIHO

IN RE:	**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))))))**

EXHIBIT__(SJB-2)

OF

STEPHEN J. BARON

ON BEHALF OF

THE OHIO ENERGY GROUP

J. KENNEDY AND ASSOCIATES, INC.
ROSWELL, GEORGIA

Bergh Exhibit__(SJB-2)
Schedule A
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OEG RATE MITIGATION PLAN
CASE NO. 08-935-EL-SSO
OHIO EDISON COMPANY
ANNUALIZED RATE IMPACTS AT 2009 VS 2008 RATES

					PROPOSED ANNUALIZED						
LINE NO.	RATE CODE	CLASS / DESCRIPTION	CUSTOMER BILLS	kWh SALES	CURRENT AVERAGE RATES - 2008	REVENUE 2008	PROPOSED RATES - 2009	REVENUE - 2009	2009 / 2008 % INCREASE	% OF TOTAL REVENUE - 2009	Initial Revenue Increase
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				(KWH)			($)	($)		(%)	($)
1	RS	RESIDENTIAL SERVICE	11,103,837	9,225,981,526	$0.11001	$1,050,600,740	$0.11660	$1,075,555,635	2.38%	41.19%	$24,955,109
2	GS	GENERAL SERVICE - SECONDARY	1,293,920	7,001,208,369	$0.10599	$742,018,527	$0.10867	$760,803,300	2.53%	29.12%	$18,784,770
3	GP	GENERAL SERVICE - PRIMARY	13,744	3,215,753,687	$0.08540	$274,019,320	$0.08988	$288,255,535	5.33%	11.07%	$14,236,207
4	GSU	GENERAL SERVICE - SUBTRANSMISSION	1,214	980,594,000	$0.07282	$71,049,020	$0.07902	$77,763,143	8.80%	2.98%	$6,214,123
5	GT	GENERAL SERVICE - TRANSMISSION	2,599	5,402,403,701	$0.06091	$324,456,983	$0.07180	$388,161,341	19.63%	14.86%	$63,704,378
6	POL	PRIVATE OUTDOOR LIGHTING SERVICE	38,009	37,048,799	$0.18278	$6,801,109	$0.18727	$7,050,254	2.40%	0.27%	$169,081
7	STL	STREET LIGHTING SERVICE	16,903	120,154,164	$0.08624	$10,379,268	$0.09815	$12,130,890	11.83%	0.46%	$1,254,088
8	TRF	TRAFFIC LIGHTING SERVICE	40,957	22,398,480	$0.05762	$1,204,000	$0.06487	$1,485,162	12.39%	0.06%	$180,259
9		TOTAL COMPANY	12,574,228	25,018,207,030	$0.09471	$2,480,850,569	$0.10434	$2,612,508,090	5.2%	100%	$129,900,029

NOTE:
Street lighting contains ESIP.

Baron Exhibit__(SJB-2)
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OEG RATE MITIGATION PLAN
CASE NO. 08-935-EL-SSO
OHIO EDISON COMPANY
ANNUALIZED RATE IMPACTS AT 2009 VS 2008 RATES

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	"CAPPED" INCREASE @ 200% OF AVERAGE (L) ($)		REVENUE IN EXCESS OF CAP (M) ($)	RECOVERY OF REVENUE SHORTFALL (N) ($)		MITIGATED REVENUE INCREASE 1 (O) ($)		MITIGATED REVENUE INCREASE 2 (P) ($)	MITIGATED 2009 / 2008 % INCREASE (Q) (%)
1	RS	RESIDENTIAL SERVICE	$109,965,008	$	-			$24,895,100		$24,895,109	2.29%
2	GS	GENERAL SERVICE - SECONDARY	$77,054,832	$	-	$20,057,948	$	38,822,427	$	39,070,067	8.01%
3	GP	GENERAL SERVICE - PRIMARY	$21,738,872	$	-	$7,010,272	$	22,894,778	$	22,466,852	8.16%
4	GSU	GENERAL SERVICE - SUBTRANSMISSION	$7,487,018	$	-	$2,040,102	$	6,383,335	$	7,487,010	10.47%
5	GT	GENERAL SERVICE - TRANSMISSION	$33,888,985	$	28,749,933	$0	$	33,965,000	$	33,455,565	10.47%
6	POL	PRIVATE OUTDOOR LIGHTING SERVICE	$720,140	$	-	$106,887	$	384,782	$	330,040	6.23%
7	STL	STREET LIGHTING SERVICE	$1,130,000	$	146,142	$0	$	1,138,606	$	1,130,850	10.47%
8	TRF	TRAFFIC LIGHTING SERVICE	$135,516	$	24,743	$0	$	135,516	$	135,610	10.47%
9		TOTAL COMPANY		$	29,880,758	$ 29,800,700		$129,808,028		$129,808,028	5.29%

NOTE:
Street lighting contains ESIP.

Baron Exhibit __ (S.B.-2)
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OEG RATE MITIGATION PLAN
CASE No. 08-936-EL-SSO
THE CLEVELAND ELECTRIC ILLUMINATING COMPANY
ANNUALIZED RATE IMPACTS AT 2009 VS [illegible] RATES
WORK PAPER REFERENCE NO(S): SCHEDULES 3A-C, 5A-T

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	CUSTOMER BILLS (C)	KWH SALES (D) (KWH)	CURRENT AVERAGE RATES - 2008 (E)	REVENUE 2008 (F)	PROPOSED RATES - 2009 (G)	REVENUE - 2009 (H)	2008 / 2009 % INCREASE (I)	% OF TOTAL REVENUE - 2009 (J) (%)	Initial Revenue Increase (K)
1	RS	RESIDENTIAL SERVICE	8,190,801	5,665,870,815	$0.11473	$642,050,654	$0.12181	$690,610,180	6.17%	38.89%	$39,083,126
2	GS	GENERAL SERVICE - SECONDARY	851,004	7,098,003,831	$0.11016	$815,097,460	$0.11663	$862,704,082	4.77%	42.90%	$38,537,255
3	GP	GENERAL SERVICE - PRIMARY	589	308,001,024	$0.09019	$30,372,861	$0.09310	$33,048,030	9.23%	1.54%	$974,090
4	GSU	GENERAL SERVICE - SUBTRANSMISSION	7,252	3,184,131,256	$0.06304	$262,611,784	$0.06449	$267,070,079	1.74%	13.33%	[illegible]
5	GT	GENERAL SERVICE - TRANSMISSION	128	724,086,757	$0.05019	$48,180,241	$0.07679	$51,033,030	13.90%	2.50%	$1,180,084
6	POL	PRIVATE OUTDOOR LIGHTING SERVICE	38,424	64,292,928	$0.16178	$10,451,384	$0.20491	$13,174,005	25.29%	0.08%	$2,745,861
7	STL	STREET LIGHTING SERVICE	123,003	127,090,343	$0.14080	$17,993,022	$0.16401	$21,085,401	17.20%	1.08%	$3,090,378
8	TRF	TRAFFIC LIGHTING SERVICE	48,042	20,837,218	$0.04807	$1,460,084	$0.05050	$1,085,071	21.93%	0.08%	$202,397
9	CONTRACTS	CEI CONTRACTS	211	3,368,865,850	$0.04303	$101,900,031	$0.01890	$94,080,442	-0.92%	4.88%	-$7,833,809
10	TOTAL COMPANY		9,313,[illegible]	19,783,[illegible]	$0.[illegible]	$1,[illegible]	$0.[illegible]	$2,010,044,097	4.82%	100%	[illegible]

NOTE:
Annualized Distribution rates in 2008, with rates effective May 2009.

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CEG RATE MITIGATION PLAN
CASE NO. 08-935-EL-SSO
THE CLEVELAND ELECTRIC ILLUMINATING COMPANY
ANNUALIZED RATE IMPACTS AT 2009 VS 2008 RATES
WORK PAPER REFERENCE NO(S): SCHEDULES 3A-D, 8A-T

LINE NO.	RATE CODE (A)	CLASS / DESCRIPTION (B)	"CAPPED" INCREASE @ 200% OF AVERAGE (L) ($)	REVENUE IN EXCESS OF CAP (M) ($)	RECOVERY OF REVENUE SHORTFALL (N) ($)	MITIGATED REVENUE INCREASE 1 (O) ($)	MITIGATED REVENUE INCREASE 2 (P) ($)	REMOVING RATE DECREASE (Q) ($)	MITIGATED REVENUE INCREASE 3 (R) ($)	MITIGATED 2009 / 2008 % INCREASE (S) (%)
1	RS	RESIDENTIAL SERVICE	$38,414,803 $	-		$38,603,138	$38,603,138		$38,603,138	6.17%
2	GS	GENERAL SERVICE - SECONDARY	$79,200,240 $	-	$1,840,414 $	42,188,008 $	42,488,268	$0 $	17,847,819	4.41%
3	GP	GENERAL SERVICE - PRIMARY	$2,707,409 $	-	$137,447 $	888,408 $	888,408	$0 $	651,877	2.09%
4	GSU	GENERAL SERVICE - SUBTRANSMISSION	$24,258,311 $	-	$1,143,654 $	5,711,141 $	5,711,141	$0 $	4,208,083	1.98%
5	GT	GENERAL SERVICE - TRANSMISSION	$4,231,888 $	1,948,911	$0 $	4,231,888 $	4,231,888	$0 $	4,231,883	8.24%
6	POL	PRIVATE OUTDOOR LIGHTING SERVICE	$983,849 $	1,778,712	$0 $	983,849 $	983,849	$0 $	983,849	8.24%
7	STL	STREET LIGHTING SERVICE	$1,082,705 $	1,432,071	$0 $	1,082,705 $	1,082,705	$0 $	1,082,705	8.24%
8	TRF	TRAFFIC LIGHTING SERVICE	$128,379 $	109,211	$0 $	128,379 $	128,379	$0 $	128,379	8.24%
9	CONTRACTS	CEI CONTRACTS	$9,984,816 $	-	$404,082 $	(8,819,317) $	(8,819,317)	$8,819,317 $	-	0.00%
10		TOTAL COMPANY	$	5,268,808 $	3,529,000 $	89,023,804 $	89,023,804 $	8,819,317 $	89,023,804	4.52%

NOTE:
Annualized Distribution rates in 2009, with rates effective May 2009.

OEG RATE MITIGATION PLAN
CASE NO. 08-935-EL-SSO
THE TOLEDO EDISON COMPANY
ANNUALIZED RATE IMPACTS AT 2009 VS 2008 RATES
WORK PAPER REFERENCE NO(S): SCHEDULES [illegible]

LINE No.	RATE CODE	CLASS / DESCRIPTION	CUSTOMER BILLS	kWh SALES	CURRENT AVERAGE RATES - 2008	REVENUE 2008	PROPOSED RATES - 2009	REVENUE - 2009	2008 / 2009 % INCREASE	% OF TOTAL REVENUE - 2009	Total Revenue Increase
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				(kWh)			($)	($)		(%)	($)
1	RS	RESIDENTIAL SERVICE	5,332,528	2,401,190,208	$0.11682	$280,080,704	$0.12361	$300,707,712	5.75%	30.00%	$16,617,090
2	GS	GENERAL SERVICE - SECONDARY	453,340	2,248,181,011	$0.12439	$279,579,142	$0.11578	$260,056,157	-6.98%	25.88%	-$19,523,088
3	GP	GENERAL SERVICE - PRIMARY	4,071	1,138,189,892	$0.09817	$112,730,306	$0.08898	$101,134,232	-10.27%	10.09%	-$11,591,170
4	GSU	GENERAL SERVICE - SUBTRANSMISSION	83	103,271,038	$0.08730	$9,014,782	$0.07489	$7,672,928	-14.88%	0.76%	-$1,341,838
5	GT	GENERAL SERVICE - TRANSMISSION	679	4,032,903,033	$0.06172	$250,113,335	$0.08022	$330,004,525	33.83%	31.62%	$90,091,200
6	POL	PRIVATE OUTDOOR LIGHTING SERVICE	10,370	11,318,042	$0.16217	$1,835,222	$0.18830	$2,131,089	16.17%	0.21%	$290,877
7	STL	STREET LIGHTING SERVICE	44,200	49,882,042	$0.14127	$7,082,145	$0.14306	$7,187,852	1.49%	0.72%	$105,707
8	TRF	TRAFFIC LIGHTING SERVICE	5,054	7,042,000	$0.11247	$882,072	$0.08301	$655,720	-30.66%	0.07%	-$226,349
9		TOTAL COMPANY	5,850,329	10,000,470,082	$0.08913	$940,113,777	$0.09787	$1,009,550,112	0.00%	100%	$69,437,335

Baron Exhibit _(SJB-2)
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OEG RATE MITIGATION PLAN
CASE NO. 08-935-EL-SSO
THE TOLEDO EDISON COMPANY
ANNUALIZED RATE IMPACTS AT 2009 VS 2008 RATES
WORK PAPER REFERENCE NO(S): SCHEDULE 2a-C, 5a-7

LINE NO.	RATE CODE	CLASS / DESCRIPTION	"CAPPED" INCREASE @ 200% OF AVERAGE	REVENUE IN EXCESS OF CAP	RECOVERY OF REVENUE SHORTFALL	MITIGATED REVENUE INCREASE 1	MITIGATED REVENUE INCREASE 2	REMOVING RATE DECREASE	MITIGATED REVENUE INCREASE 3	MITIGATED 2009 / 2008 % INCREASE
	[A]	[B]	[L]	[M]	[N]	[O]	[P]	[Q]	[R]	[S]
			($)	($)	($)	($)	($)	($)	($)	(%)
1	RS	RESIDENTIAL SERVICE	$40,402,920 $	-		$10,817,000	$10,817,000		$10,817,000	8.73%
2	GS	GENERAL SERVICE - SECONDARY	$30,910,566 $	-	$28,878,028 $	13,334,043 $	13,307,827	$0 $	13,231,808	4.74%
3	GP	GENERAL SERVICE - PRIMARY	$16,701,273 $	-	$12,766,830 $	1,207,489 $	1,234,489	$0 $	1,087,687	2.86%
4	GSU	GENERAL SERVICE - SUBTRANSMISSION	$1,250,030 $	-	$870,066 $	(371,772) $	(370,401)	$370,401 $	-	0.00%
5	GT	GENERAL SERVICE - TRANSMISSION	$80,002,627 $	47,080,073	$0 $	33,302,627 $	33,302,627	$0 $	33,302,627	19.88%
6	POL	PRIVATE OUTDOOR LIGHTING SERVICE	$298,001 $	41,079	$0 $	259,601 $	259,601	$0 $	259,001	13.96%
7	STL	STREET LIGHTING SERVICE	$863,344 $	-	$610,614 $	1,049,601 $	853,904	$0 $	679,040	13.77%
8	TRF	TRAFFIC LIGHTING SERVICE	$122,661 $	-	$62,102 $	(143,441) $	(143,331)	$143,331 $	-	0.00%
9	TOTAL COMPANY			$ 47,029,048 $	47,029,048 $	59,497,308 $	59,497,330 $	513,012 $	59,497,336	8.90%