

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Ohio)
Edison Company, The Cleveland Electric)
Illuminating Company, and The Toledo)
Edison Company for Authority to Establish) Case No. 08-935-EL-SSO
a Standard Service Offer Pursuant to)
Section 4928.143, Revised Code, in the)
Form of an Electric Security Plan.)

ENTRY

The Commission finds:

- (1) On July 31, 2008, Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company (collectively, the Companies or FirstEnergy) filed an application for a standard service offer pursuant to Section 4928.141, Revised Code. The application was for an electric security plan in accordance with Section 4928.143, Revised Code.
- (2) On December 19, 2008, the Commission issued an opinion and order that approved the Companies' proposed electric security plan with certain modifications.
- (3) On December 22, 2008, the Companies filed a notice that they were exercising their right pursuant to Section 4928.143(C)(2)(a), Revised Code, to withdraw and thereby terminate their application for an electric security plan. Also on December 22, 2008, the Companies filed proposed tariff sheets.
- (4) By finding and order issued January 7, 2009, the Commission determined that, pursuant to Section 4928.143(C)(2)(b), Revised Code, until a subsequent standard service offer is authorized by the Commission in accordance with Section 4928.142 or Section 4928.143, Revised Code, the Companies' standard service offer in effect on December 31, 2008, shall continue. The Commission ordered the Companies to file final revised tariffs consistent with the January 7, 2009, finding and order by January 12, 2009.

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- (5) On January 9, 2009, the Companies filed a motion requesting, *inter alia*, that the portion of the January 7, 2009, finding and order, which requires the Companies to file tariffs on January 12, 2009, be stayed.
- (6) By entry issued January 9, 2009, the attorney examiner granted the Companies' motion to extend the January 12, 2009, filing date for the tariffs to allow the Commission time to address the issues raised in the Companies' January 9, 2009, motion.
- (7) On January 14, 2009, the Commission issued a finding and order in *FirstEnergy's Rider FUEL Cases*, Case Nos. 09-21-EL-ATA, 09-22-EL-AEM, and 09-23-EL-AAM, granting the Companies' proposal to implement Rider FUEL, on a temporary basis, to the extent that the rider includes the actual purchased power costs. Rider FUEL, according to the Companies' application in those cases, would apply a retail surcharge on all standard service offer retail electric customers for the difference in all costs incurred by the Companies to purchase power for customers receiving generation service and the unbundled generation revenue received for each of the Companies and customer classes as set out in the Companies current rate plan. On the same date, the Commission issued an entry in the case at hand directing the Companies to file revised tariffs consistent with the January 7, 2009, finding and order.
- (8) The Commission takes note of the fact that, despite efforts taken to improve the state and national economy, problems continue to exist. These problems have affected businesses across the state, resulting in job losses and family and personal hardship. The Commission believes that it, and all regulated public utilities in the state, have the responsibility to support and contribute to efforts to improve the state's economy. With regard to the electric industry, stable rates will assist businesses to control their costs of doing business in Ohio and will provide predictability for their future economic planning. The Commission is concerned that the absence of an electric security plan in the FirstEnergy service territory may deny stable rates to these businesses and this is a problem that needs to be resolved as quickly as possible.
- (9) As noted above, on December 19, 2008, the Commission issued an opinion and order that approved the FirstEnergy Companies' proposed electric security plan with certain

modifications. Despite our intent to fashion a plan that we believed should have been acceptable to all parties, FirstEnergy exercised their statutory right to withdraw and thereby terminate their application for an electric security plan. In the meantime, the Companies have established rates only for January through March 2009. Sometime in the next few weeks, FirstEnergy will have to begin a process to establish rates for a period beyond March 31, 2009. Establishing rates for successive short periods of time will do nothing to assist business in the state, which puts more jobs at risk, creating more personal hardships for Ohioans.

- (10) As indicated previously, we believe that this issue needs to be resolved as quickly as possible. While nothing prevents the Companies from filing another proposed electric security plan, it will be less time consuming to work with the record in this proceeding given that many diverse customer groups and interested parties participated in this case. We are sure that each of these knowledgeable parties recognizes the advantages of having a FirstEnergy electric security plan in place.
- (11) Therefore, we direct Staff initially to develop a proposal to establish an electric security plan for FirstEnergy and circulate it among the parties to the case as quickly as possible. The Commission requests that FirstEnergy and other parties seriously consider Staff's proposal to determine if an agreement can be reached in this case regarding an electric security plan. Additionally, within the context of Staff's proposal, we request that FirstEnergy reconsider its withdrawal of its application in this proceeding.
- (12) Accordingly, Staff shall conduct a conference with the parties to discuss Staff's proposal and the possibility of an agreement on Thursday, February 5, 2009, at 10:00 a.m., at the Commission offices.
- (13) While we realize that this is an aggressive schedule, and that many of the involved parties are participating in a number of other proceedings at the Commission, we believe that the businesses and residential customers of FirstEnergy may certainly benefit if time is taken now to determine if the issue can be resolved expeditiously.

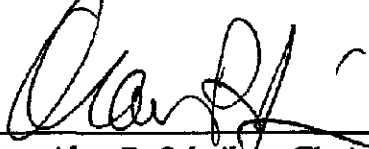
It is, therefore,

ORDERED, That the Commission Staff develop a proposal to establish an electric security plan for the Companies and circulate it among the parties to this case. It is, further,

ORDERED, That a conference is scheduled for Thursday, February 5, 2009, at 10:00 a.m., to discuss Staff's proposal in this case. It is, further,

ORDERED, That a copy of this entry be served upon all parties of record.

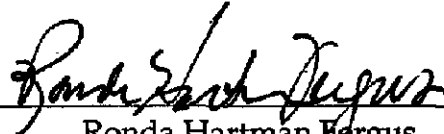
THE PUBLIC UTILITIES COMMISSION OF OHIO



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