

BOEHM, KURTZ & LOWRY

ATTORNEYS AT LAW
36 EAST SEVENTH STREET
SUITE 1510
CINCINNATI, OHIO 45202
TELEPHONE (513) 421-2255
TELECOPIER (513) 421-2764

Via Telefax Transmission and
Overnight Mail

February 23, 2009

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 SUPPLEMENTAL TESTIMONY OF STEPHEN J. BARON ON BEHALF OF THE OHIO ENERGY GROUP fax-filed today in the above-referenced matter. The and original and twenty (20) copies will follow by overnight mail.

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

Respectfully yours,



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.

This is to certify that the images appearing are an accurate and complete reproduction of a case file document delivered in the regular course of business.
Technician TM Date Processed 2/24/2009

RECEIVED DOCKETING DIV
2009 FEB 24 AM 10 01
PUCO

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 23rd day of January, 2009 the following:

CITY OF AKRON
166 S. HIGH ST, ROOM 200
AKRON OH 44308

CLEVELAND ELECTRIC ILLUMINATING CO
HARVEY L. WAGNER
76 S. MAIN STREET

HAYDEN, MARK A MR.
FIRSTENERGY CORP
76 SOUTH MAIN STREET

OHIO EDISON COMPANY
HARVEY WAGNER, VP AND CON
76 S. MAIN STREET
AKRON OH 44308

BURK, JAMES ATTORNEY-AT-LAW
FIRSTENERGY SERVICE COMPANY
76 SOUTH MAIN STREET
AKRON OH 44308

*PETRICOFF, HOWARD
VORYS, SATER, SEYMOUR AND PEASE LLP

52 E. GAY STREET
COLUMBUS OH 43215

*CAMPBELL, ANDREW J.
JONES DAY
325 JOHN H MCCONNELL BLVD
SUITE 600
COLUMBUS OH 43215-2673

MUNTEAN, DAVID A
161 SOUTH HIGH STREET SUITE 202
AKRON OH 44308

SCHMIDT, KEVIN
33 NORTH HIGH STREET
COLUMBUS OH 43215

YURICK, MARK S. ATTORNEY
CHESTER WILLCOX & SAXBE LLP
65 EAST STATE ST SUITE 1000
COLUMBUS OH 43215-4213

KUTIK, DAVID
JONES, DAY, REAVIS & POGUE
NORTH POINT 901 LAKESIDE AVENUE
CLEVELAND OH 44114

VOLLMAN, SEAN W.
161 S. HIGH STREET, SUITE 202
AKRON OH 44308

*MANCINO, DOUGLAS M. MR.
MCDERMOTT WILL & EMERY LLP
2049 CENTURY PARK EAST, SUITE 3800

KRASSEN, GLENN ATTORNEY AT LAW

BRICKER & ECKLER LLP
1375 EAST NINTH STREET SUITE 1500
CLEVELAND OH 44114-1718

ROTHAL, MAX DIRECTOR OF LAW
161 SOUTH HIGH STREET
SUITE 202
AKRON OH 44308

BENTINE, JOHN
CHESTER, WILLCOX & SAXBE LLP
65 E. STATE STREET SUITE 1000
COLUMBUS OH 43215-4259

BEELER, STEVEN L ASSISTANT DIRECTOR OF LAW
CITY OF CLEVELAND DEPARTMENT OF LAW
601 LAKESIDE AVENUE ROOM 106
CLEVELAND OH 44114

DUNN, GREGORY H
SCHOTTENSTEIN ZOX & DUNN CO LPA
250 WEST STREET
COLUMBUS OH 43215

PORTER, ANDRE T
SCHOTTENSTEIN ZOX & DUNN CO LPA
250 WEST STREET
COLUMBUS OH 43215

FONNER, CYNTHIA A
CONSTELLATION ENERGY GROUP, INC.

550 W. WASHINGTON ST. SUITE 300
CHICAGO IL 60661

*HOWARD, STEPHEN M
VORYS, SATER SEYMOUR
AND PEASE LLP
52 EAST GAY STREET P. O. BOX 1008
COLUMBUS OH 43216-1008

*BREITSCHWERDT, E. BRETT MR.
BRICKER & ECKLER LLP
100 SOUTH THIRD STREET
COLUMBUS OH 43215

BELL, LANGDON D
BELL & ROYER CO., LPA
33 SOUTH GRANT AVENUE
COLUMBUS OH 43215

TRIOZZI, ROBERT J
CLEVELAND CITY HALL
601-LAKESIDE AVE, ROOM 206
CLEVELAND OH 44114-1077

*RANDAZZO, SAMUEL C.
MCNEES WALLACE & NUICK
21 EAST STATE ST, 17TH FLOOR
COLUMBUS OH 43215

MORGAN STANLEY CAPITAL
GROUP, INC
1585 BROADWAY 4TH FLOOR
NEW YORK NY 10036

LAVANGA, MICHAEL K
BRICKFIELD, BURCHETTE, RITTS & STONE, P.C.
1025 THOMAS JEFFERSON STREET N.W.
8TH FLOOR WEST TOWER
WASHINGTON DC 20007

LAWRENCE, GREGORY K
MCDERMOTT WILL & EMERY LLP
28 STATE STREET
BOSTON MA 02109

*RINEBOLT, DAVID C MR.
OHIO PARTNERS FOR AFFORDABLE ENERGY
231 W LIMA ST PO BOX 1793
FINDLAY OH 45839-1793

WELDELE, ERIC D
TUCKER ELLIS & WEST LLP
1225 HUNTINGTON CENTER
41 SOUTH HIGH STREET
COLUMBUS OH 43215

*WHITT, MARK A
JONES DAY
P.O. BOX 165017
325 JOHN H MCCONNELL BLVD, SUITE 600
COLUMBUS OH 43216-5017

MCALISTER, LISA
MCNEES, WALLACE & NURIK
21 EAST STATE STREET, 17TH FLOOR
COLUMBUS OH 43215-4228

*SITES, RICHARD ATTORNEY AT LAW
OHIO HOSPITAL ASSOCIATION
155 EAST BROAD STREET 15TH FLOOR
COLUMBUS OH 43215-3620

NEILSEN, DANIEL J ATTORNEY AT LAW
MCNEES WALLACE & NURICK LLC
FIFTH THIRD CENTER, 17TH FL. 21 EAST STATE STREET
COLUMBUS OH 43215

AMERICAN WIND ENERGY ASSOC.
1101 14TH STREET NW
12TH FLOOR
WASHINGTON DC 20005

CITIZEN POWER
DAVID HUGHES, EX. DIR.
2121 MURRAY AVENUE THIRD FLOOR
PITTSBURGH PA 15217

CITY OF CLEVELAND
1300 LAKESIDE AVENUE
CLEVELAND OH 44114

CITY OF MAUMEE
SHEILAH MCADAMS
400 CONANT STREET
MAUMEE OH 43537

CITY OF NORTHWOOD
BRIAN BALLENGER
6000 WALES ROAD
NORTHWOOD OH 43619

CITY OF OREGON
PAUL GOLDBERG
5330 SEAMAN RD
OREGON OH 43616

CITY OF TOLEDO
SUITE 2250 ONE GOVERNMENT CENTER
TOLEDO OH 43604

CONSTELLATION ENERGY COMMODITIES
GROUP, INC.
M. HOWARD PETRICOFF, ATTORNEY
VORYS, SATER, SEYMOUR, PEASE, LLP 52 E.
GAY ST., P.O. BOX 1008
COLUMBUS OH 43216-1008

CONSTELLATION NEWENERGY, INC.
DAVID I. FEIN
SUITE 300
550 W. WASHINGTON BLVD.
CHICAGO IL 60661

BLOOMFIELD, SALLY ATTORNEY AT LAW
BRICKER & ECKLER LLP
100 SOUTH THIRD STREET
COLUMBUS OH 43215-4291

ROBINSON, THEODORE S
CITIZEN POWER
2121 MURRAY AVENUE
PITTSBURGH PA 15217

MILLER, CHRISTOPHER L.
SCHOTTENSTEIN ZOX & DUNN CO., LPA
250 WEST STREET
COLUMBUS 43215

MCADAMS, SHEILAH
CITY OF MAUMEE
204 W. WAYNE STREET
MAUMEE OH 43537

BALLENGER, BRIAN J. LAW DIRECTOR
BALLENGER & MOORE CO., L.P.A.
3401 WOODVILLE ROAD SUITE C
TOLEDO OH 43619

CITY OF SYLVANIA
JAMES E. MOAN
4930 HOLLAND-SYLVANIA ROAD
SYLVANIA OH 43560

PETRICOFF, M.
VORYS, SATER, SEYMOUR & PEASE
52 EAST GAY STREET P.O. BOX 1008
COLUMBUS OH 43216-1008

COUNCIL OF SMALLER ENTERPRISES
STEVE MILLARD
100 PUBLIC SQUARE SUITE 201
CLEVELAND OH 44113

DIRECT ENERGY SERVICES, LLC
ERIC STEPHENS
5400 FRANTZ ROAD SUITE 250
DUBLIN OH 43016

DOMINION RETAIL, INC.
GARY A. JEFFRIES
501 MARTINDALE STREET SUITE 400
PITTSBURGH PA 15212-5817

FPL ENERGY POWER
MARKETING INC
700 UNIVERSE BOULEVARD CTR/JB
JUNO BEACH FL 33408

GEXA ENERGY HOLDINGS LLC
F MITCHELL DUTTON
700 UNIVERSE BOULEVARD CTR/JB
JUNO BEACH FL 33408

INDUSTRIAL ENERGY USERS OF OHIO
SAMUEL C. RANDAZZO, GENERAL COUNSEL

MCNEES WALLACE & NURICK LLC
21 E. STATE STREET, 17TH FLOOR
COLUMBUS OH 43215

INTEGRYS ENERGY SERVICES INC
BOBBY SINGH
300 WEST WILSON BRIDGE ROAD SUITE 350
WORTHINGTON OH 43085

KROGER COMPANY, THE
MR. DENIS GEORGE
1014 VINE STREET-G07
CINCINNATI OH 45202-1100

LAKE TOWNSHIP
THOMAS HAYS, SOLICITOR
3315 CENTENNIAL RD., SUITEA-2
SYLVANIA OH 43560

*PETRICOFF, HOWARD
VORYS, SATER, SEYMOUR AND PEASE LLP
52 E. GAY STREET
COLUMBUS OH 43215

ROYER, BARTH E
BELL & ROYER CO LPA
33 SOUTH GRANT AVENUE
COLUMBUS OH 43215-3927

DUTTON, F MITCHELL
700 UNIVERSE BOULEVARD
CTR/JB
JUNO BEACH FL 33408

CLARK , JOSEPH M ATTORNEY AT LAW
MCNEES WALLACE & NURICK LLC
21 EAST STATE STREET, 17TH FL.
COLUMBUS OH 43215-4228

WHITE , MATTHEW S. ATTORNEY AT LAW
CHESTER WILCOX & SAXBE LLP
65 EAST STATE STREET
SUITE 1000
COLUMBUS OH 43215

LUCAS COUNTY COMMISSIONERS
LANCE KEIFFER
2ND FLOOR 711 ADAMS
TOLEDO OH 43624

MATERIAL SCIENCE CORPORATION
CRAIG I SMITH
2824 COVENTRY ROAD
CLEVELAND OH 44120

ECKHART, HENRY
ATTORNEY AT LAW
50 WEST BROAD STREET SUITE 2117
COLUMBUS OH 43215-3301

NATIONAL ENERGY MARKETERS ASSOC
CRAIG G. GOODMAN, ESQ.
3333 K STREET N.W. SUITE 110
WASHINGTON DC 20007

NATURAL RESOURCES DEFENSE COUNCIL
101 N WACKER DR SUITE 609
CHICAGO IL 60606

NORTHEAST OHIO PUBLIC ENERGY COUNCIL
GLEN S. KRASSEN, ATTORNEY
ONE CLEVELAND CENTER SUITE 1500 1375 E
NINTH STREET
CLEVELAND OH 44114

NUCOR STEEL MARION, INC
912 CHENEY AVENUE
MARION OH 43302

STONE, GARRETT A ATTORNEY AT LAW
BRICKFIELD, BURCHETTE, RITTS & STONE, P.C.
1025 THOMAS JEFFERSON STREET N.W.
8TH FLOOR, WEST TOWER
WASHINGTON DC 20007

OHIO ADVANCED ENERGY
SALLY BLOOMFIELD ATTORNEY
100 SOUTH THIRD ST
COLUMBUS OH 43215-4291

BLOOMFIELD, SALLY ATTORNEY AT LAW
BRICKER & ECKLER LLP
100 SOUTH THIRD STREET
COLUMBUS OH 43215-4291

OHIO CONSUMERS COUNSEL
JEFFREY SMALL
10 WEST BROAD STREET, SUITE 1800
COLUMBUS OH 43215-3485

SMALL, JEFFREY
OHIO CONSUMERS' COUNSEL
10 WEST BROAD STREET SUITE 1800
COLUMBUS OH 43215-3485

OHIO FARM BUREAU FEDERATION, INC.
DALE ARNOLD
DIRECTOR ENERGY SERVICES P.O. BOX
182383
COLUMBUS OH 43218

GEARHARDT, LARRY R.
OHIO FARM BUREAU FEDARATION
280 N. HIGH STREET P.O. BOX 182383
COLUMBUS OH 43218-2383

OHIO HOSPITAL ASSOCIATION
RICHARD L. SITES
155 E. BROAD STREET 15TH FLOOR
COLUMBUS OH 43215-3620

OHIO MANUFACTURERS ASSN
33 N. HIGH ST
COLUMBUS OH 43215

OHIO PARTNERS FOR AFFORDABLE ENERGY
RINEBOLT DAVID C
231 WEST LIMA ST. PO BOX 1793
FINDLAY OH 45839-1793

RINEBOLT, DAVID C.
OHIO PARTNERS FOR AFFORDABLE ENERGY
231 W LIMA STREET
FINDLAY OH 45839-1793

OHIO SCHOOLS COUNCIL
6133 ROCKSIDE ROAD SUITE 10
INDEPENDENCE OH 44131

OMNISOURCE CORPORATION
DAMON E XENOPOULOS
1025 THOMAS JEFFERSON STREET NW 8TH
FLOOR WEST TOWER
WASHINGTON DC 20007

SIERRA CLUB OHIO CHAPTER
BRANDI WHETSTONE
131 N HIGH ST., STE. 605
COLUMBUS OH 43215

VILLAGE OF HOLLAND
PAUL SKAFF, ASSISTANT VI
353 ELM STREET
PERRYSBURG OH 43551

WIND ON THE WIRES
1619 DAYTON AVENUE SUITE 203
SAINT PAUL MN 55104

NUCOR STEEL MARION, INC
912 CHENEY AVENUE
MARION OH 43302

ED HESS, ESQ.
PUBLIC UTILITIES COMMISSION OF OHIO
180 E. BROAD STREET
COLUMBUS, OHIO 43215

RICK CAHAAN
PUBLIC UTILITIES COMMISSION OF OHIO
180 E. BROAD STREET
COLUMBUS, OHIO 43215

TOM MCNAMEE, ESQ.
PUBLIC UTILITIES COMMISSION OF OHIO
180 E. BROAD STREET
COLUMBUS, OHIO 43215

BOB FORTNEY
PUBLIC UTILITIES COMMISSION OF OHIO
180 E. BROAD STREET
COLUMBUS, OHIO 43215

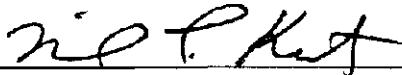
KRASSEN, GLENN ATTORNEY AT LAW
BRICKER & ECKLER LLP
1375 EAST NINTH STREET SUITE 1500
CLEVELAND OH 44114-1718

MOHLER, SHAUN C
BRICKFIELD BURCHETTE RITTS & STONE P C
1025 THOMAS JEFFERSON STREET NW
8TH FLOOR WEST TOWER
WASHINGTON DC 20007

ECKHART, HENRY
ATTORNEY AT LAW
50 WEST BROAD STREET SUITE 2117
COLUMBUS OH 43215-3301

BLOOMFIELD, SALLY ATTORNEY AT LAW
BRICKER & ECKLER LLP
100 SOUTH THIRD STREET
COLUMBUS OH 43215-4291

STONE, GARRETT A ATTORNEY AT LAW
BRICKFIELD, BURCHETTE, RITTS & STONE, P.C.
1025 THOMAS JEFFERSON STREET N.W.
8TH FLOOR, WEST TOWER
WASHINGTON DC 20007


David F. Boehm, Esq.
Michael L. Kurtz, Esq.

**BEFORE THE
PUBLIC UTILITY COMMISSION OF OHIO**

IN RE: IN THE MATTER OF THE APPLICATION)	
OF OHIO EDISON COMPANY, THE)	
CLEVELAND ELECTRIC ILLUMINATING)	CASE NO. 08-935-EL-SSO
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)	

SUPPLEMENTAL TESTIMONY

OF

STEPHEN J. BARON

**ON BEHALF OF
THE OHIO ENERGY GROUP**

**J. KENNEDY AND ASSOCIATES, INC.
ROSWELL, GEORGIA**

February 2009

**BEFORE THE
PUBLIC UTILITY COMMISSION OF OHIO**

**IN RE: IN THE MATTER OF THE APPLICATION)
OF OHIO EDISON COMPANY, THE)
CLEVELAND ELECTRIC ILLUMINATING) CASE NO. 08-935-EL-SSO
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)**

1 **Q. Please state your name and business address.**

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

5
6 **Q. Have you previously submitted testimony in this proceeding?**

7
8 **A. Yes. I submitted Direct Testimony.**

9
10 **Q. On whose behalf are you testifying in this proceeding?**

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

11
12 **Q. What is the purpose of your testimony?**

13
14 A. I am responding to certain issues raised in the Company's Amended Application,
15 Section I, Interim Provisions related to subsection (v.), "Interruptible Buy Through
16 arrangements for the period prior to June 1, 2009" and subsection (vi.), "Additional
17 arrangements for the period April 1, 2009 through May 31, 2009." Specifically, I
18 am providing testimony explaining why these provisions are reasonable and should
19 be adopted by the Commission. As I will discuss, these Interim Provisions are
20 beneficial to the State of Ohio, the State's manufacturing industry and to other
21 customers of the Companies.

1
2 **Q. Would you briefly summarize the interim provisions that are the focus of your**
3 **Supplemental Testimony?**

4
5 **A. Section I, subsection (v.) of the Stipulation provides an opportunity for industrial**
6 customers who were served on interruptible contracts as of February 2008 to return
7 to interruptible service for the two month period April 1, 2009 through May 31,
8 2009. These customers, whose contracts expired during 2008, are currently firm
9 customers. The Stipulation also establishes temporary protocols that govern
10 interruptible customer buy-through of power in the event of economic interruptions
11 called by the Companies. These economic buy through protocols are applicable to
12 those industrial customers who were previously served on interruptible contracts as
13 of February 2008 as well as to industrial customers who continue taking service on
14 existing interruptible tariffs. Finally the Stipulation provides a \$10 per kW monthly
15 interruptible credit for those customers who were formerly served on interruptible
16 contracts as of February 2008.

17
18 This \$10 per kW credit, which is consistent with the interruptible credit that will be
19 applicable beginning June 1, 2009, is designed to compensate interruptible
20 customers for reliability-based emergency interruptions and also to provide an
21 economic development function, as explained in the Companies' original ESP filing

1 in this case. Customers are subject to emergency, reliability-based, interruptions at
2 any time and also are subject to economic interruptions in the event that the MISO
3 day-ahead hourly market price (LMP) exceeds 150% of the generation price paid by
4 the Companies pursuant to the December 2008 RFP results, as set forth in
5 Attachment B of the Stipulation. If a customer elects to buy-through the
6 interruption, the customer pays 110% of the MISO day ahead price.

7
8 **Q. Would you describe subsection (vi.) of Section I?**

9
10 **A.** This section of the Stipulation provides for a fixed generation price for domestic
11 automaker facilities during the two month period covered by the Interim Provisions
12 (April 1, 2009 through May 31, 2009). This subsection is designed to provide
13 economic development incentives for Northern Ohio domestic automakers, a group
14 of large manufacturers who are facing unprecedented economic hardship. These
15 manufacturers employ thousands of Northern Ohio residents. The obvious benefit
16 of this generation price provision is to provide economic assistance to these
17 customers and hopefully preserve jobs in the region.

18
19 **Q. Do you believe that these provisions are in the Public Interest and should be**
20 **adopted by the Commission?**
21

1 A. Yes. There are a number of reasons for my recommendation and conclusion on this
2 issue. First, as the Commission and the parties to this proceeding well know,
3 manufacturers in Northern Ohio are being particularly and adversely affected by the
4 significant economic downturn in the United States. Gross domestic product
5 ("GDP") declined by 3.8% on an annual basis in the fourth quarter of 2008 and is
6 expected to be negative through at least the first half of 2009. In a February 20,
7 2009 article on Bloomberg.com, former Federal Reserve Chairman Paul Volcker, an
8 advisor to the Obama administration was quoted as follows:

9 **"We're in the middle of a kind of massive economic crisis," Volcker,**
10 **who heads President Barack Obama's Economic Recovery Advisory**
11 **Board, said today at a Columbia University conference in New York.**
12 **"We're going to hear the reverberations about this for a long time."**
13

14 The article went on to say that "[T]he U.S. economy will contract 2 percent this
15 year, making it the deepest annual slump since 1946, according to a Bloomberg
16 News survey of economists taken this month." I don't believe that anyone would
17 dispute that Northern Ohio manufacturers are among the hardest hit sectors of the
18 U.S. economy.

19
20 Q. How do the interim provisions in subsection (v.) benefit Northern Ohio
21 manufacturers?
22

1 A. Many of these customers, who are also members of OEG, previously took service
2 under special contracts that included interruptible rates, and have done so for
3 many years. These customers have faced substantial increases beginning in
4 January 2009, as their special contracts have expired and they transferred to firm
5 tariffs. At the same time as these same customers were facing historic economic
6 dislocations, they also experienced very significant electric power cost increases.
7 The interruptible rate provisions that will become effective upon approval of the
8 interim provisions would mitigate the substantial economic impacts these Ohio
9 manufacturing customers are facing.

10
11 **Q. Which types of manufacturing customers will benefit from these interim**
12 **provisions associated with interruptible terms and rates?**

13
14 A. Customers taking service under the Companies interruptible rate provisions, who
15 would be subject to the changes discussed in Section I of the Companies'
16 Amended Application, include a large number of steel companies and industrial
17 gas suppliers. The steel companies, in particular, provide thousands of jobs to
18 Northern Ohio residents. The income generated by these employees supports
19 thousands of other jobs in commercial and service industries in Ohio.

1 The interruptible rate provisions included in Section I provide interruptible credits
2 and improved terms and conditions that increase the ability of these large
3 manufacturing customers to respond to the requirements of interruptible service.
4

5 **Q. Do the provisions of Section I provide benefits to all of the Companies'**
6 **customers?**
7

8 **A. Yes, I believe that they do. First, to the extent that these provisions mitigate job**
9 **losses in the region, the entire economy of Ohio receives economic benefits.**
10 **These benefits are in the form of higher regional income and employment.**
11

12 Focusing specifically on electric rates, the presence of interruptible load in the
13 mix of POLR load that is included in the Companies' Request For Proposal or
14 Auction provides benefits via expected lower bid costs by suppliers. Suppliers are
15 knowledgeable regarding the mix of firm and interruptible load in the POLR
16 obligation on which they are bidding and can incorporate that knowledge into
17 their overall uniform dollar/mWh bid price. Finally, the economic interruption
18 provisions have the effect of mitigating the cost of power to firm customers in the
19 event that interruptible customers elect to buy through economic interruptions and
20 pay 110% of the MISO day ahead market price in lieu of the CBP generation rate.
21 These revenues are included in the Fuel reconciliation procedure.

1

2 **Q. Does that complete your Supplemental Testimony?**

3

4 **A. Yes.**