

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Energy Efficiency and)
Peak Demand Reduction Program) Case No. 09-580-EL-EEC
Portfolio of Ohio Edison Company.)

In the Matter of the Energy Efficiency and)
Peak Demand Reduction Program) Case No. 09-581-EL-EEC
Portfolio of The Cleveland Electric)
Illuminating Company.)

In the Matter of the Energy Efficiency and)
Peak Demand Reduction Program) Case No. 09-582-EL-EEC
Portfolio of The Toledo Edison Company.)

ENTRY ON REHEARING

The Commission finds:

- (1) Ohio Edison Company, The Cleveland Electric Illuminating Company, The Toledo Edison Company (FirstEnergy or the Companies) are public utilities as defined in Section 4905.02, Revised Code, and, as such, are subject to the jurisdiction of this Commission.
- (2) On July 9, 2009, FirstEnergy filed an application in these cases for approval of two energy savings and peak demand reduction programs, the High Efficiency Light Bulb Program (CFL Program) and the Online Home Energy Education Tool Program, as part of their compliance with the 2009 energy efficiency and peak demand reduction benchmarks established in Section 4928.66, Revised Code. FirstEnergy also requested approval for recovery of the full costs associated with the implementation of these two programs from customers through their Rider DSE (Demand Side Management and Energy Efficiency). On September 16, 2009, FirstEnergy filed a letter representing that it had reached a consensus with all interested parties regarding modifications to its proposed program.
- (3) On September 23, 2009, the Commission issued its Finding and Order, noting that the programs initially were proposed without key stakeholder support and before completion of FirstEnergy's market study as provided in its electric security plan stipulation.

However, given the stakeholders' agreement to the application as modified, the Commission approved the programs for 2009 only.

- (4) Section 4903.10, Revised Code, states that any party to a Commission proceeding may apply for rehearing with respect to any matters determined by the Commission within 30 days of the entry of the order upon the Commission's journal.
- (5) On October 8, 2009, the office of the Ohio Consumers' Counsel (OCC) filed an application for rehearing, alleging that the Finding and Order was unreasonable and unlawful. OCC urged that the Finding and Order should be modified to allow an open, transparent process where questions raised by the Governor, members of the Ohio General Assembly, and FirstEnergy customers related to program details and costs can be addressed by OCC, the Commission Staff and others as part of the Commission's stated intention to address some of the details, including charges to customers, related to the CFL Program.
- (6) On October 19, 2009, FirstEnergy filed a memorandum contra OCC's application for rehearing. FirstEnergy asserts that OCC's request for additional "process" fails to state any grounds upon which the Commission's order is unreasonable or unlawful. FirstEnergy points out that the CFL Program is necessary to achieve its state-mandated benchmarks. FirstEnergy further argues that it followed an open, transparent, collaborative process in developing the CFL Program with input from all interested stakeholders, including OCC. According to FirstEnergy, OCC was fully aware of the CFL Program's design and cost recovery as a result of its consent to the ESP Stipulation and its participation in the collaborative.
- (7) By entry issued October 15, 2009, the Commission scheduled oral arguments for October 28, 2009, to provide the Commission with a better understanding of, and the opportunity to ask questions regarding, the issues in the cases. The oral arguments were held as scheduled and the Companies and the intervenors were each given an opportunity to make presentations regarding their positions on the issues in the cases. At the oral argument, the attorney for the Companies referenced an alternative voluntary CFL Program for the Commission to consider.

- (8) On October 27, 2009, in Case Nos. 09-1004, 1005, and 1006-EL-EEC, FirstEnergy filed an application requesting that the Commission issue an order amending the Companies energy efficiency benchmarks for 2009. FirstEnergy contends that, because of regulatory reasons beyond the Companies' reasonable control, the Companies anticipate that they will not achieve the statutory 0.3 percent benchmark for 2009. FirstEnergy requests that the Commission amend each of the Companies' 2009 energy efficiency benchmarks under Section 4928.66(A)(1)(a), Revised Code, by reducing them to zero or, alternatively, to the level of energy savings ultimately approved by the Commission when it addresses the Companies' pending energy efficiency applications.
- (9) The Commission directs the Companies to provide additional details regarding a proposed alternative CFL Program. The Companies should describe the specific means by which it is proposing to distribute different quantities of CFLs; how it is proposing to inform customers regarding the benefits and appropriate use of CFLs; any steps they would take to avoid or reduce public misunderstanding; and how an alternative program will promote the installation and use of CFLs distributed to customers. The Commission suggests that FirstEnergy promptly resume discussions with its energy efficiency collaborative to determine whether it is possible to achieve agreement among stakeholders regarding best practices. The Commission encourages the Companies and collaborative to focus on how to best achieve actual energy savings through effective CFL program design and any other alternative programs that the Companies would like the Commission to consider. FirstEnergy shall file a revised CFL Program by November 30, 2009. Each intervening party shall have seven days to file a response to FirstEnergy's revised CFL Program. The Commission will presume that the intervening parties are in agreement with the Companies' proposal if no response is filed.
- (10) The Commission grants rehearing for purposes of further consideration of the matters discussed herein.

It is, therefore,

ORDERED, That FirstEnergy file a revised CFL Program with the Commission by November 30, 2009. It is, further,

ORDERED, That each intervening party shall have seven days to file a response to FirstEnergy's revised CFL Program. It is, further,

ORDERED, That rehearing be granted for further consideration of the matters discussed herein. It is, further,

ORDERED, That a copy of this Entry on Rehearing be served upon all parties of record.

THE PUBLIC UTILITIES COMMISSION OF OHIO

Alan R. Schriber, Chairman

Paul A. Centolella

Ronda Hartman Fergus

Valerie A. Lemmie

Cheryl L. Roberto

GAP:ct

Entered in the Journal

NOV 04 2008

Renee J. Jenkins
Renee J. Jenkins
Secretary