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BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of the Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company for Approval Of Their Energy Efficiency and Peak Demand Reduction Program Portfolio Plans for 2010 through 2012 and Associated Cost Recovery Mechanism.	Case Nos. 09-1947-EL-POR 09-1948-EL-POR 09-1949-EL-POR
In the Matter of the Application of the Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company for Approval Of Their Initial Benchmark Reports.	Case Nos. 09-1942-EL-EEC 09-1943-EL-EEC 09-1944-EL-EEC
In the Matter of the Energy Efficiency and Peak Demand Reduction Program Portfolio of Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company.	Case Nos. 09-580-EL-EEC 09-581-EL-EEC 09-582-EL-EEC

OBJECTIONS BY MATERIAL SCIENCES CORPORATION

Material Sciences Corporation ("MSC")[1] objects to the Companies'[2] Energy Efficiency and Peak Demand Reduction[3] Portfolio Plans[4] for 2010 through 2012, associated cost recovery mechanism, and initial benchmark reports as unreasonable or unlawful in the following respects[5]:

[1] MSC files herewith a Motion to Intervene.

[2] FirstEnergy Corp. ("FirstEnergy") Ohio EDUs Ohio Edison, The Cleveland Electric Illuminating Company, ("CEI") and The Toledo Edison Company ("TE") collectively referred to as the "Companies."

[3] "EE" refers to Energy Efficiency; "PDR" refers to Peak Demand Reduction; while "EE&PDR" collectively refer to Energy Efficiency and Peak Demand Reduction.

[4] The Companies separately filed plans have "virtually identical" program designs. See Application, dated December 15, 2009, pg. 3, FN 3.

[5] OAC 4901:1-39-04 (D), effective December 10, 2009, provides that objections should specify the basis, and propose additions, alternatives, or modifications to the objected to plan. *In Re Adoption of Rules, Case No. 08-888-EL-ORD, Opinion and Order, dated April 15, 2009,* unaffected by *Entry on Rehearing, dated June 17, 2009.* Also, see *Entry, dated January 14, 2010* at par. 4c.

1. The Companies, and specifically TE, fail to prove[6] that the PDR plans to provide interruptible service to the Mercantile Utility (Large Enterprise)[7] customer segment under a Request for Proposal process[8] consistently apply state policies set forth in RC 4928.02 under subpart (A) to ensure reasonably priced retail electric service; subpart (B) to ensure price, terms, conditions, and quality options that consumers may elect to meet their needs; subpart (D) to encourage market access to cost-effective supply; and subpart (N) to facilitate Ohio's effectiveness in the global economy.

2. The Companies, and specifically TE, fail to describe as required by OAC 4901:1-39-04 (C) (5) (a) through (l)[9] their PDR plans for providing the Mercantile Utility (Large Enterprise)[10] customer segment with interruptible power service after May 31, 2011 through a RFP process. The Companies fail to describe or fully describe for the RFP process (i) the objectives and program metrics, (ii) target market, including participation requirements, (iii) program approach, rationale and description, (iv) implementation strategy, including expected changes that may occur in different program years, (v)

[6] Rules adopted by the Commission under OAC 4901:1-39-04 (E) emphasize the burden of proof rests with the Companies to prove consistency between the proposed portfolio plan and state policy under RC 4928.02. *In Re Adoption of Rules, Case No. 08-888-EL-ORD, Opinion and Order, dated April 15, 2009.* The subsequent *Entry on Rehearing, dated June 17, 2009*, left unaffected Subpart (E).

[7] Mercantile Utility (Large Enterprise) segment includes MSC as a TE customer receiving GT service, see TE EE&RFP plan, dated December 15, 2009, at pg. 74-75, 138-140.

[8] "RFP" also refers to Request for Proposal.

[9] The Companies only provided required information for the current ELR and OLR interruptible riders that end on May 31, 2011. Refer to TE PDR plan at pg. 74-75 providing details of current ELR and OLR rider interruptible service without reference to the RFP process except in the implementation segment. Also, contrast with information provided for Mercantile Self-Direct Programs of the TE PDR plan at pgs. 63-66.

[10] See FN 7.

program issues and risks, and risk management strategy, (vi) ramp-up strategy, (vii) marketing strategy, (viii) market transformation strategy, (ix) eligible measures and incentive strategies, (x) non-energy benefits, and (xi) other appropriate information.[11]

3. The Companies, and specifically TE, fail to continue after May 31, 2011 the current Economic Load Response ("ELR") and Optional Load Response ("OLR") riders for interruptible service to the Mercantile Utility (Large Enterprise) segment even though consistent with state policies under RC 4928.02, subpart (A) to ensure reasonably priced retail electric service; subpart (B) to ensure price, terms, conditions, and quality options that consumers may elect to meet their needs; subpart (D) to encourage market access to cost-effective supply; and subpart (N) to facilitate Ohio's effectiveness in the global economy.

4. The Companies, and specifically TE, discontinue rider ELR and OLR interruptible services after May 31, 2011 to the Mercantile Utility (Large Utility) segment despite the risks of lower than expected participation using an untested RFP process,[12] and on-going litigation risks[13] that may result in not using the RFP process during 2011, or, ever depending on the ultimate outcome of that litigation, thereby denying interruptible service to this large energy using segment.

[11] See FN 10.
[12] TE EE&PDR plan, dated December 15, 2009, refers to market risks at pg. 90-91.
[13] TE EE&PDR plan, dated December 15, 2009, refers to on-going litigation risks at pg. 25, 74-75.

5. The Companies, and more specifically TE, use of rider ELR and OLR interruptible services after May 31, 2011 through December 31, 2012 in its EE/PDR portfolio results in a total portfolio with a TRC above 1, but unlike the RFP process, complies with state policy under RC 4928.02 while avoiding the untested RSP process with severe enough litigation risks to delay or prevent its implementation after May 31, 20111.

6. The Companies, and more specifically TE, fail to recognize that the non-energy benefits of continuing rider EL and OLR interruptible service after May 31, 2011 through December 31, 201 to the Mercantile Utility (Large Utility) segment includes compliance with RC 4928.02 state policy, such that, under OAC 4901:1-39-04 (B), those riders need not be cost-effective because of such substantially provided non-energy benefits.[14]

Respectfully Submitted,

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[14] During 2009, 44 large customers committed to curtailments of 147 MW. Five TE customers curtailed 81.9 MW of that total. See TE Initial Benchmark Report, dated December 15, 2009, at pg. 25, Table 11, filed in Docket Nos. 09-1949-EL-POR, 09-1944-EL-EEC, and 09-582-EL-EEC

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and accurate copy of the foregoing Objections was served this 16th day of February 2010 by electronic mail upon the persons listed below.

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