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<b>To:</b>	PUCO - DOCKETING ATTN: Anne	<b>Fax:</b>	614-466-0313
<b>From:</b>	David F. Boehm, Esq. Michael L. Kurtz, Esq. Kurt J. Boehm, Esq. BOEHM, KURTZ & LOWRY	<b>Date:</b>	March 29, 2010
<b>Re:</b>	<p>In the Matter of the Application of 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 Mechanisms            Case Nos. 09-1947-EL-POR            09-1948-EL-POR            09-1949-EL-POR</p> <p>In the Matter of the Application of 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-BL-EEC</p> <p>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</p>	<b>Pages</b>	12

Attached please find the INITIAL BRIEF THE OHIO ENERGY GROUP to be deemed filed today in the above referenced matter. The original and 20 copies will follow by overnight mail.

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**Via Telefax Transmission**

March 29, 2010

Public Utilities Commission of Ohio  
PUCO Docketing  
180 E. Broad Street, 10th Floor  
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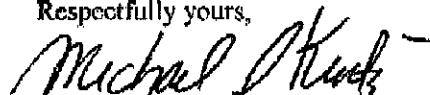
In re: Case Nos. 09-1947-EL-POR, 09-1948-EL-POR and 09-1949-EL-POR  
Case Nos. 09-1942-EL-EEC, 09-1943-EL-EEC and 09-1944-EL-EEC  
Case Nos. 09-580-EL-EEC, 09-581-EL-EEC and 09-582-EL-EEC

Dear Sir/Madam:

Please find enclosed an original and twenty (20) copies of INITIAL BRIEF OF THE OHIO ENERGY GROUP filed in the above-referenced matter.

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**

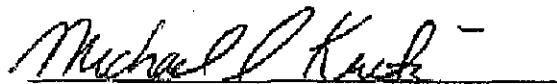
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Encl.

Cc: Certificate of Service

### 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 29<sup>th</sup> day of March, 2010 the following:



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**BEFORE THE  
PUBLIC UTILITY COMMISSION OF OHIO**

In the Matter of the Application of 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 Mechanisms	:	Case Nos.	09-1947-EL-POR 09-1948-EL-POR 09-1949-EL-POR
In the Matter of the Application of 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

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**INITIAL BRIEF OF  
THE OHIO ENERGY GROUP**

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Because of the Application and Stipulation filed in Case No. 10-0388-EL-SSO which proposes to resolve many issues, including the continuation of the current interruptible rate program for an additional three years during the term of the new ESP, the issues which the Ohio Energy Group ("OEG")<sup>1</sup> seeks to have addressed in this case have been reduced to one. How should the EE/PDR program costs for the Large Commercial and Industrial customers served under Rates GP, GSU and GT be allocated among those business customers? We believe that these program costs should be allocated directly to the Rate Schedule that receives the program benefit, just like the Companies propose to do with the residential customers on Rate RS and the small commercial customers on Rate GS.

The Companies have divided their non-governmental EE/PDR programs into three groups.

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<sup>1</sup> The members of OEG who take service from the FirstEnergy Utilities are: Air Products and Chemicals, Inc., AK Steel Corporation, Aleris International, Inc., Alcoa Inc., ArcelorMittal USA, BP-Husky Refining, LLC., Brush Wellman, Inc., Charter Steel, Chrysler LLC, Ford Motor Company, General Motors LLC, John Manville (Berkshire Hathaway), Linde, Inc., North Star BlueScope Steel, LLC, PPG Industries, Inc. Praxair Inc., Sunoco, Inc., (R&M), Worthington Industries,

First, Residential programs such as direct load control, appliance turn-in, energy efficient products, efficient new homes and CFLs. The Companies propose that the costs of these Residential programs be directly assigned to Rate RS.

Second, Small Enterprise programs such as new construction program and small enterprise audits and equipment program. The Companies propose that the costs of these Small Enterprise programs be directly assigned to the small commercial customers on Rate GS.

Third, Large Commercial and Industrial programs such as lighting, industrial motors, efficient new construction and technical assessment umbrella program. However, unlike the direct assignment to the class that receives the benefit of the EE/PDR program as is being done with Rates RS and GS, the Companies propose a different cost allocation method for the Large Commercial and Industrial Customers. Here, the Companies propose to group together all of the Large Commercial and Industrial EE/PDR program costs and allocate those costs to Rates GP, GSU and GT on the basis on energy (kwh) usage. This is demonstrated on Exhibits SEO-C1, C2, and C3 (attached). The implicit assumption in this cost allocation proposal is that the large business customers will use the EE/PDR program in proportion to their energy usage. There is no study or credible evidence to support this implicit assumption, and experience shows it to be inaccurate.

Rate GT is comprised of only dozens of very large industrial manufacturers including steel companies, auto manufacturers, and petroleum refiners. A single very large industrial customer can use as much as 1,000,000,000/kwh annually. The amount of Rate GT load comprised of lighting or motors which may benefit from the EE/PDR programs is tiny. Yet under the Companies' proposal these Rate GT customers will be allocated large amounts of the EE/PDR costs because of their significant energy usage. On the other hand, Rate GP is comprised of thousands of medium sized businesses where lighting or motors could represent a significant percentage of their load. These medium sized businesses could very well benefit from the EE/PDR programs and the Companies proposed energy allocation under assigns cost responsibility to them.



The solution is simple. Directly assign EE/PDR costs to Rates GP, GSU and GT, just as is proposed for Rates RS and GS. This will ensure that the class that will benefit will pay their appropriate share, no more and no less.

Once the EE/PDR costs are directly assigned to Rates GP, GSU and GT, then the rate design proposed by the Companies to recover the costs is reasonable. Under this proposal the Companies are held revenue neutral.

OEG takes no position on the reasonableness of any of the costs, incentives or lost revenues at issue here. Our only concern is that whatever EE/PDR costs are approved, that they be properly allocated among the large business customers served under Rates GP, GSU and GT through a direct assignment method.

Respectfully submitted,



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**COUNSEL FOR THE OHIO ENERGY GROUP**

March 29, 2010

**EXHIBIT SEO-C2**  
**The Cleveland Electric Manufacturing Company**  
**Supporting Calculations of Proposed CE DSE2 Rate**

**Summary of Costs from Plan (A)**

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
	Residential 12 Year	Residential Low-Income 12 Year	Small Enterprise 12 Year	Medium Enterprise 12 Year	Large Enterprise 12 Year	Governmental 12 Year	GOV	GOV
(1) Program Year 2010 Portfolio Budget (Receipt B and C)	\$24,393,622	\$9,814,287	\$8,651,885	\$367,000	\$6,518,135	\$2,283,179	\$0	\$0
(2) Less Program Year 2010 DSE 1 Portfolio Budget	\$0	\$0	\$0	\$0	(\$3,048,728)	\$0	\$0	\$0
(3) Program Year 2010 DSE 2 Portfolio Budget	\$24,393,622	\$9,814,287	\$8,651,885	\$367,000	\$3,469,407	\$2,283,179	\$0	\$0
(4) Program Year 2010 Common Costs	\$24,393,622	\$9,814,287	\$8,651,885	\$367,000	\$3,469,407	\$2,283,179	\$0	\$0
(5) Total Costs	\$24,393,622	\$9,814,287	\$8,651,885	\$367,000	\$3,469,407	\$2,283,179	\$0	\$0

(6) Total 3 Year RS Program Costs	\$34,007,389
(7) MWs (2 years)	17,291,593
(8) Leverage Program Coefficient 2010	\$19,135,437

Calculation of January 4, 2010 Rate

	RS	GS	GP	GSH	GT	STL	TRF	POL	TOTAL
(9) Program Year 2010 DSE 2 Portfolio Budget	\$10,126,487	\$3,651,885	\$300,906	\$2,368,815	\$1,229,687	\$2,182,801	\$100,677	\$0	\$26,178,937
(10) Adjustments per Exhibit SEO-C2	\$0	\$0	\$0	\$0	\$0	(\$1,427,420)	\$0	\$0	(\$1,427,420)
(11) Program Year 2010 Common Costs	\$283,182	\$202,365	\$15,283	\$18,783	\$62,263	\$54,170	\$8,782	\$0	\$753,728
(12) Variable Distribution Revenue Not Collected	\$1,300,660	\$288,570	\$2,451	\$10,618	\$3	\$24,978	\$2,447	\$0	\$1,627,728
(13) Shared Savings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(14) Amount to be Recovered before Commercial Activity Tax	\$11,720,339	\$9,440,800	\$318,590	\$2,424,214	\$1,291,943	\$314,167	\$112,918	\$0	\$26,192,958
(15) Commercial Activity Tax	\$30,552	\$24,610	\$630	\$8,345	\$3,363	\$2,122	\$294	\$0	\$69,173
(16) Total Amount to be Recovered	\$11,750,891	\$9,465,410	\$319,220	\$2,440,558	\$1,295,317	\$316,289	\$113,210	\$0	\$26,262,131
(17) 2010 MWs	6,827,441	6,801,014	472,030	3,617,574	1,920,783	136,743	26,106	66,115	48,677,817
(18) Rate (\$ / kWh)	\$1.7208	\$1.3922	\$0.677	\$0.678	\$0.671	\$0.683	\$0.428	\$0.0100	

Total Costs for (E) and (F) are allocated by MWs from Long Term Forecast Report.

Common Costs for (G) are allocated by MWs from Long Term Forecast Report. DSE2 Portfolio Budget costs are directly assigned by BSV to rate schedule.

**NOTES**

- (1) Source: CE EEPDR Plan - PUOD Table 3 (Residential and Residential Low Income 2010-2012, Others 2010)
- (2) The ELP / DAR Program Year 2010 costs from the Portfolio Budget to be recovered in DSE1
- (3) Calculation: (1) - (2)
- (4) Source: CE EEPDR Plan - Table BC
- (5) Calculation: (3) + (4)
- (6) Acquisition: (B1) + (C1)
- (7) MWs from 2010-2012. Source: 08-504-EL-FOR Long Term Forecast Report
- (8) Calculation: [(B6) / (B7)] \* (B17)
- (9) Line (1) allocated to rate schedule as discussed in testimony
- (10) See Exhibit SEO-E1.
- (11) Line (2) allocated to rate schedule as discussed in testimony
- (12) Variable Distribution Revenue Not Collected = (Expected Savings from Program) x (Energy Change or Capacity Change from the Distribution Tariffs + Distribution Service Improvement Rider ( Rider DSI))
- (13) Shared Savings, if they actually occur, will be reconciled at year end
- (14) Calculation: (8) + (10) + (11) + (12) + (13)
- (15) Commercial Activity Tax rate for 2010 is 0.26%. Calculation: (14) \* 0.0026
- (16) Calculation: (14) + (15)
- (17) MWs from 2010. Source: 08-504-EL-FOR Long Term Forecast Report
- (18) Calculation: [(16) \* 100] / [(17) \* 1000]

**Exhibit SED-C1**  
**Ohio Edison Company**  
**Supporting Calculations of Proposed OE DSE2 Rate**

**Summary of Costs from Plan**

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
Program Year 2010 Portfolio Budget (Exhibit B and C)	Residential 10 Year	Commercial 10 Year	Small Enterprise	Medium S&B (Excl)	Medium Large (Excl)	Gas (Excl)	T&D
11 Program Year 2010 Portfolio Budget (Exhibit B and C)	\$57,371,827	\$9,981,038	\$3,147,874	\$471,000	\$4,228,478	\$1,530,110	\$0
12 Line Program Year 2010 DSE 1 Portfolio Budget	\$57,371,827	\$0	\$0	\$0	(\$1,291,320)	\$0	\$0
13 Program Year 2010 DSE 2 Portfolio Budget	\$57,371,827	\$9,981,038	\$3,147,874	\$471,000	\$4,228,478	\$1,530,110	\$0
14 Program Year 2010 Common Costs	\$481,715	Included in (B)	\$223,198	\$10,657	\$176,313	\$61,820	\$0
15 Total Costs	\$57,853,542	\$9,981,038	\$3,371,072	\$481,657	\$4,404,791	\$1,591,930	\$0

Calculation of January 1, 2010 Rate

	88	89	90	91	92	93	94	95	96	97	98	99	00	01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	00	01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	00	01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	00	01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	00	01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	00	01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	00	01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	00	01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	00	01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	00	01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	00	01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	00	01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	00	01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	00	01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	00	01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	00	01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	00	01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	5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Total Costs for (E) and (F) are allocated by MWs from Long Term Forecast Report

\* Common Costs for (G) are allocated by MWs from Long Term Forecast Report. DSE2 Portfolio Budget costs are directly assigned by S&B to rate schedule

**NOTES**

- (1) Source: OE EE/POR Plan - PUCC Table 3 (Residential and Residential Low Income 2010-2012, Ohio 2010)
- (2) The EE/POR Plan 2010 costs from the Portfolio Budget to be recovered in DSE2
- (3) Calculation: (1) - (2)
- (4) Source: OE EE/POR Plan - Table 6C
- (5) Calculation: (3) + (4)
- (6) Calculation: (5) + (C1)
- (7) MWs from 2010-2012. Source: 09-504-EL-FOR Long Term Forecast Report
- (8) Calculation: (6) / (7) \* (B17)
- (9) Line (1) allocated to rate schedule as discussed in testimony
- (10) See Exhibit SED-E1.
- (11) Line (2) allocated to rate schedule as discussed in testimony
- (12) Variable Distribution Revenue Not Collected = (Expected Savings from Program) \* (Energy Charge or Capacity Charge from the Distribution Tariff + Distribution Service Improvement Rider (Rider DSR))
- (13) Shared Savings, if they actually occur, will be reconciled at year end
- (14) Calculation: (8) + (10) + (11) + (12) + (13)
- (15) Commercial Activity Tax rate for 2010 is 0.26%. Calculation: (14) \* 0.0026
- (16) Calculation: (14) + (15)
- (17) MWs from 2010. Source: 09-504-EL-FOR Long Term Forecast Report
- (18) Calculation: (16) \* 100 / (17) \* 1000

**Exhibit SEO-C3**  
**The Toledo Edison Company**  
**Supporting Calculations of Proposed TE DSE2 Rate**

**Summary of Costs from Plan**

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
	For Non-Residential Customers (2010 Year)	Residential Customers (2010 Year)	Small Commercial Enterprise (2010 Year)	Medium Commercial Enterprise (2010 Year)	Large Commercial Enterprise (2010 Year)	Governmental (2010 Year)	T&D (2010 Year)	TOTAL
(1) Program Year 2010 Portfolio Budget (except B and C)	\$10,128,125	\$3,352,887	\$1,572,118	\$120,000	\$7,614,790	\$508,308	\$0	\$22,176,028
(2) Less Program Year 2010 DSE 1 Portfolio Budget	\$0	\$0	\$0	\$0	(\$3,501,921)	\$0	\$0	\$0
(3) Program Year 2010 DSE 2 Portfolio Budget	\$10,128,125	\$3,352,887	\$1,572,118	\$120,000	\$11,116,711	\$508,308	\$0	\$22,176,028
(4) Program Year 2010 Common Costs	\$124,292	\$124,292	\$124,292	\$124,292	\$124,292	\$124,292	\$124,292	\$840,176
(5) Total Costs	\$10,252,417	\$3,477,179	\$1,696,410	\$244,292	\$11,241,003	\$632,600	\$124,292	\$23,016,204
(6) Total 3 Year PS Program Costs	\$13,480,813							
(7) MWs (3 years)	7,740 MWs							
(8) Levelized Program Cost for 2010	\$4,418,833							
Calculation of January 1, 2010 Rate								
(9) Program Year 2010 DSE 2 Portfolio Budget	\$4,418,833	\$1,572,118	\$327,754	\$20,173	\$1,274,942	\$598,791	\$47,795	\$8,280,206
(10) Adjustments per Exhibit SEO-B3	\$0	\$0	\$0	\$0	\$0	(\$395,009)	\$0	(\$395,009)
(11) Program Year 2010 Common Costs	\$124,292	\$124,292	\$124,292	\$124,292	\$124,292	\$124,292	\$124,292	\$840,176
(12) Variable Distribution Revenue Not Collected	\$500,818	\$51,872	\$2,458	\$68	\$521	\$8,721	\$3,350	\$587,746
(13) Shared Savings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(14) Amount to be Recovered before Commercial Activity Tax	\$5,143,613	\$1,698,532	\$330,604	\$33,024	\$1,399,140	\$624,566	\$53,180	\$9,828,654
(15) Commercial Activity Tax	\$513,408	\$4,422	\$940	\$86	\$3,652	\$548	\$144	\$523,277
(16) Total Amount to be Recovered	\$5,657,021	\$1,702,954	\$331,544	\$33,111	\$1,398,772	\$625,014	\$53,324	\$10,351,931
(17) 2010 MWs	2,637,255	2,191,378	1,025,981	\$4,428	3,991,213	48,982	6,547	15,295
(18) Rate (\$/kWh)	0.2102	0.0778	0.0322	0.0075	0.0351	0.0127	0.0081	0.0008

**NOTES:**

- (1) Source: TE EEPOR Plan - RUCO Table 3 (Residential and Residential Low Income 2010-2012, Other 2010)
- (2) The EUR JOLR Program Year 2010 costs from the Portfolio Budget to be recovered in DSE1
- (3) Calculation: (1) - (2)
- (4) Source: TE EEPOR Plan - Table BC
- (5) Calculation: (3) + (4)
- (6) Calculation: (5) + (C1)
- (7) MWs from 2010-2012. Source: 09-504-EL-FOR Long Term Forecast Report
- (8) Calculation: (6) / (7) \* (B17)
- (9) Line (1) allocated to rate schedule as discussed in testimony
- (10) See Exhibit SEO-E1
- (11) Line (2) allocated to rate schedule as discussed in testimony
- (12) Variable Distribution Revenue Not Collected = (Expected Savings from Program) x (Energy Charge or Capacity Charge from the Distribution Tariffs + Distribution Service Improvement Rider (Rider DSI))
- (13) Shared Savings. If they actually occur, will be reconciled at year end
- (14) Calculation: (9) + (10) + (11) + (12) + (13)
- (15) Commercial Activity Tax rate for 2010 is 0.26%. Calculation: (14) \* 0.0026
- (16) Calculation: (14) + (15)
- (17) MWs from 2010. Source: 09-504-EL-FOR Long Term Forecast Report
- (18) Calculation: (16) / (17) \* 1000

\* Common Costs for (5) are allocated by MWs from Long Term Forecast Report. DSE2 Portfolio Budget costs are directly assigned by B3V to rate schedule.

Total Costs for (E) and (F) are allocated by MWs from Long Term Forecast Report.

-20%

-2%

-75%

-80%

-10%