FILE

11

BOEHM, KURTZ & LOWRY

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

TELECOPIER (513) 421-2764

RECEIVED-DOCKETING DIV
2010 MAR 30 AM 10: 31
PUCO

Via Telefax Transmission

March 29, 2010

Public Utilities Commission of Ohio
PUCO Docketing
180 E. Broad Street, 10th Floor
Columbus, Ohio 43215

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,

Michael L. Kurtz

David F. Boehm, Esq.
Michael L. Kurtz, Esq.
BOEHM, KURTZ & LOWRY

MLKkew
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 29th day of March, 2010 the following:

Michael L. Kurtz

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

*BINGHAM, DEB J. MS.
OFFICE OF THE OHIO CONSUMERS' COUNSEL
10 W. BROAD ST., 18TH FL.
COLUMBUS OH 43215

*REISINGER, WILL MR.
OHIO ENVIRONMENTAL COUNCIL
1207 GRANDVIEW AVENUE
COLUMBUS OH 43212

*KOLICH, KATHY J MS.
FIRSTENERGY CORP
76 SOUTH MAIN STREET
AKRON OH 44308

RINEBOLT, DAVID
LAW DIRECTOR
231 WEST LIMA STREET P.O. BOX 1793
FINDLAY OH 45839-1793

O'BRIEN, THOMAS ATTORNEY-AT-LAW
BRICKER & ECKLER LLP
100 SOUTH THIRD STREET
COLUMBUS OH 43215

*MALLARNEE, PATTI
THE OFFICE OF THE OHIO CONSUMERS SEL
10 W. BROAD ST. SUITE 1800
COLUMBUS OH 43215

*ORAHOOD, TERESA
BRICKER & ECKLER LLP
100 SOUTH THIRD STREET
COLUMBUS OH 43215-4291

WARNOCK, MATTHEW W ATTORNEY
BRICKER & ECKLER LLP
100 S THIRD STREET
COLUMBUS OH 43215

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

*CLARK, JOE MR.
MCNEES WALLACE & NURICK LLC
21 EAST STATE STREET, 17TH FLOOR
COLUMBUS OH 43215

*ROBERTS, JACQUELINE LAKE MS.
ENERNOC, INC.
13212 HAVES CORNER ROAD SW
PATASKALA OH 43062

*LANG, JAMES F MR.
CALFEE HALTER & GRISWOLD LLP
1400 KEYBANK CENTER 800 SUPERIOR AVE.
CLEVELAND OH 44114

STONE, GARRETT A ATTORNEY
BRICKFIELD BURCHETTE RITTS & STONE PC
1025 THOMAS JEFFERSON STREET NW 8TH FLOOR WEST TOWER
WASHINGTON DC 20007-5201

*HEINTZ, MICHAEL E MR.
ENVIRONMENTAL LAW & POLICY CENTER
1207 GRANDVIEW AVE.
SUITE 201
COLUMBUS OH 43212

CITY OF CLEVELAND
601 LAKESIDE AVENUE ROOM 106
CLEVELAND OH 44114

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

ENERNOC, INC.
JACQUELINE LAKE ROBERTS
191 FEDERAL STREET SUITE 1100
BOSTON MA 02210

ENVIRONMENTAL LAW & POLICY CENTER
1207 GRANDVIEW AVE. SUITE 2021
COLUMBUS OH 43212

INDUSTRIAL ENERGY USERS OF OHIO
SAMUEL C. RANDAZZO, GENER
21 E. STATE STREET, 17TH FLOOR
COLUMBUS OH 43215

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

NATURAL RESOURCES DEFENSE COUNCIL
COUNSEL
50 W BROAD STREET SUITE 2117
COLUMBUS OH 43215

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

NUCOR STEEL MARION, INC
912 CHENEY AVENUE
MARION OH 43302

LAVANGA, MICHAEL K ATTORNEY
BRICKFILED BURCHETTE RITTS & STONE PC
1025 THOMAS JEFFERSON STREET NW
8TH FLOOR WEST TOWER
WASHINGTON DC 20007-5201

OHIO CONSUMERS' COUNSEL
10 W. BROAD STREET SUITE 1800
COLUMBUS OH 43215-3485

ALLWEIN, CHRISTOPHER J
OHIO CONSUMERS COUNSEL
10 WEST BROAD STREET, SUITE 1800
COLUMBUS OH 43215-3485

OHIO ENVIRONMENTAL COUNCIL
1207 GRANDVIEW AVE. SUITE 201
COLUMBUS OH 43212-3449

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

KORKOSZ, ARTHUR
FIRST ENERGY, SENIOR ATTORNEY
76 SOUTH MAIN STREET LEGAL DEPT.,
18TH FLOOR
AKRON OH 44308-1890

KOLICH, KATHY ATTORNEY AT LAW
FIRSTENERGY CORP
76 SOUTH MAIN STREET
AKRON OH 44308

MEISSNER, JOSEPH
DIRECTOR OF URBAN DEVELOPMENT
ATTORNEY AT LAW
1223 WEST SIXTH STREET
CLEVELAND OH 44113

GRUBER, WILLIAM
ATTORNEY AT LAW
2714 LEIGHTON ROAD
SHAKER HEIGHTS OH 44120

ALEXANDER, N TREVOR
CALFEE HALTER & GRISWOLD LLP
1100 FIFTH THIRD CENTER
21 EAST STATE STREET
COLUMBUS OH 43215-4243

*REESE, RICHARD ATTORNEY AT LAW
10 WEST BROAD STREET SUITE 1800
COLUMBUS OH 43215-3485

POULOS, GREGORY J ATTORNEY
OHIO CONSUMERS' COUNSEL
10 WEST BROAD ST. SUITE 1800
COLUMBUS OH 43215-3485

ALEXANDER, N TREVOR
CALFEE HALTER & GRISWOLD LLP
1100 FIFTH THIRD CENTER
21 EAST STATE STREET
COLUMBUS OH 43215-4243

*DUFFER, JENNIFER MRS.
ARMSTRONG & OKEY, INC.
222 EAST TOWN STREET 2ND FLOOR
COLUMBUS OH 43215

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

MOONEY, COLLEEN L. ATTORNEY AT LAW
OHIO PARTNERS FOR AFFORDABLE ENERGY
1431 MULFORD RD
COLUMBUS OH 43212

*LANG, JAMES F MR.
CALFEE HALTER & GRISWOLD LLP
1400 KEYBANK CENTER 800 SUPERIOR AVE.
CLEVELAND OH 44114

CITIZENS COALITION
JOSEPH MEISSNER
1223 WEST SIXTH STREET
CLEVELAND OH 44113

VINCEL, MATTHEW D
THE LEGAL AID SOCIETY OF CLEVELAND
1223 WEST 6TH STREET
CLEVELAND OH 44113

CLEVELAND HOUSING NETWORK
2999 PAYNE AVENUE
CLEVELAND OH 44114

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

CONSUMERS FOR FAIR UTILITIES RATES
TIM WALTERS
4115 BRIDGE AVENUE
CLEVELAND OH 44113

EMPOWERMENT CENTER OF GREATER CLEVELAND
3030 EUCLID AVENUE UNIT 100
CLEVELAND OH 44115

INDUSTRIAL ENERGY USERS OF OHIO
SAMUEL C. RANDAZZO, GENER
21 E. STATE STREET, 17TH FLOOR
COLUMBUS OH 43215

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

NATURAL RESOURCES DEFENSE COUNCIL
(RETURNED MAIL)
XXXXXXXXXXXXXXXXXXXXXXX
2 N RIVERSIDE PLAZA # 2250
CHICAGO IL 60606-2600

ECKHART, HENRY W.
50 WEST BROAD STREET #2117
COLUMBUS OH 43215

REV. MIKE FRANK, CO-CHAIR
NEIGHBORHOOD ENVIRONMENTAL COALITION
5920 ENGLE AVE.
CLEVELAND OH 44127

MEISSNER, JOSEPH
DIRECTOR OF URBAN DEVELOPMENT
ATTORNEY AT LAW 1223 WEST SIXTH STREET
CLEVELAND OH 44113

RINEBOLT, DAVID C
OHIO PARTNERS FOR AFFORDABLE ENERGY
231 WEST LIMA ST P O BOX 1793
FINDLAY OH 45839-1793

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

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

UNITED CLEVELANDERS AGAINST POVERT
TIM WALTERS
MAY DUGAN CENTER 4115 BRIDGE AVENUE
CLEVELAND OH 44113

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-BL-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

INITIAL BRIEF OF
THE OHIO ENERGY GROUP

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")[1] 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.

[1] 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, Johns 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,

Michael L. Kurtz

David F. Boehm, Esq.
Michael L. Kurtz, Esq.
BOEHM, KURTZ & LOWRY
36 East Seventh Street, Suite 1510
Cincinnati, Ohio 45202
Ph: 513.421.2255 Fax: 513.421.2764
E-Mail: dboehm@BKLlawfirm.com
mkurtz@BKLlawfirm.com

COUNSEL FOR THE OHIO ENERGY GROUP

March 29, 2010

Exhibit SEO-C2
The Cleveland Electric Illuminating Company
Supporting Calculations of Proposed CE DSE2 Rate

Summary of Costs from Plan

	(A)	(B) Residential *(3 Year)	(C) Residential Low-Income *(3 Year)	(D) Small Enterprise	(E) Mercantile Self-Direct	(F) Mercantile-Utility (Large Enterprise)	(G) Governmental	(H) T&D
(1)	Program Year 2010 Portfolio Budget (Except B and C)	$24,393,622	$6,614,267	$8,951,865	$367,000	$6,519,135	$2,263,179	$0
(2)	Less Program Year 2010 DSE 1 Portfolio Budget	$0	$0	$0	$0	($3,048,728)	$0	$0
(3)	Program Year 2010 DSE 2 Portfolio Budget	$24,393,622	$6,614,267	$8,951,865	$367,000	$3,470,407	$2,263,179	$0
(4)	Program Year 2010 Common Costs	$293,192	Included In (B)	$202,365	$7,886	$186,384	$63,901	$0
(5)	Total Costs	$24,686,814	$6,614,267	$9,154,230	$374,886	$3,656,791	$2,327,080	$0

$4,031,676.75

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

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

(6)	Total 3 Year RS Program Costs	$31,007,889
(7)	MWhs (3 years)	17,231,551
(8)	Levelized Program Costs for 2010	[illegible]

Calculation of January 1, 2010 Rate

~6% ~60% ~32% ~85% ~15%

		RS	GS	GP	GSU	GT	STL	TRF	POL	TOTAL
(9)	Program Year 2010 DSE 2 Portfolio Budget	$10,126,487	$8,951,865	$300,906	$2,306,815	$1,229,687	$2,162,501	$100,677	$0	$25,178,937
(10)	Adjustments per Exhibit SEO-E2	$0	$0	$0	$0	$0	($1,427,420)	$0	$0	($1,427,420)
(11)	Program Year 2010 Common Costs	$293,192	$202,365	$15,233	$116,783	$62,253	$84,110	$9,792	$0	$753,728
(12)	Variable Distribution Revenue Not Collected	$1,300,660	$286,570	$2,451	$10,616	$3	$24,976	$2,447	$0	$1,627,723
(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	$2,434,214	$1,291,943	$814,167	$112,916	$0	$26,132,968
(15)	Commercial Activity Tax	$30,552	$24,610	$830	$6,345	$3,368	$2,122	$294	$0	$68,123
(16)	Total Amount to be Recovered	$11,750,891	$9,465,410	$319,420	$2,440,559	$1,296,311	$816,289	$113,210	$0	$26,201,091
(17)	2010 MWhs	5,627,441	6,801,014	472,030	3,617,574	1,930,793	138,743	25,106	65,115	18,677,817
(18)	Rate (¢/kWh)	[illegible]	[illegible]	0.0677	0.0675	[illegible]	[illegible]	[illegible]	0.0000	

NOTES

(1) Source: CE EE/PDR Plan - PUCO Table 3 (Residential and Residential Low Income 2010-2012, Others 2010)
(2) The ELR / OLR Program Year 2010 costs from the Portfolio Budget to be recovered in DSE1
(3) Calculation: (1) - (2)
(4) Source: CE EE/PDR Plan - Table 6C
(5) Calculation: (3) + (4)
(6) Calculation: (B1) + (C1)
(7) MWhs from 2010-2012. Source: 09-504-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 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) MWhs from 2010. Source: 09-504-EL-FOR Long Term Forecast Report
(18) Calculation: [(16) * 100] / [(17) * 1000]

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

Summary of Costs from Plan

	(A)	(B) Residential *(3 Year)	(C) Residential Low-Income *(3 Year)	(D) Small Enterprise	(E) Mercantile Self-Direct	(F) Mercantile-Utility (Large Enterprise)	(G) Governmental	(H) T&D
(1)	Program Year 2010 Portfolio Budget (Except B and C)	$37,371,827	$9,881,039	$8,147,074	$471,000	$4,326,475	$1,530,110	$0
(2)	Less Program Year 2010 DSE 1 Portfolio Budget	$0	$0	$0	$0	($1,291,320)	$0	$0
(3)	Program Year 2010 DSE 2 Portfolio Budget	$37,371,827	$9,881,039	$8,147,074	$471,000	$3,035,154	$1,530,110	$0
(4)	Program Year 2010 Common Costs	$481,715	Included in (B)	$223,166	$10,857	$176,313	$51,620	$0
(5)	Total Costs	$37,853,543	$9,881,039	$8,370,240	$481,857	$3,211,467	$1,581,730	$0

$3,693,324.41

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

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

(6)	Total 3 Year RS Program Costs	$47,252,866
(7)	MWhs (3 years)	29,060,354
(8)	[illegible]	[illegible]

Calculation of January 1, 2010 Rate

~32% ~11% ~57% ~86% ~14%

		RS	GS	GP	GSU	GT	STL	TRF	POL	TOTAL
(9)	Program Year 2010 DSE 2 Portfolio Budget	$15,400,447	$8,147,074	$1,133,706	$360,982	$1,991,466	$1,449,668	$80,443	$0	$28,563,786
(10)	Adjustments per Exhibit SEO-E1	$0	$0	$0	$0	$0	($955,694)	$0	$0	($955,694)
(11)	Program Year 2010 Common Costs	$481,715	$223,166	$60,621	$20,338	$106,311	$44,504	$7,115	$0	$943,671
(12)	Variable Distribution Revenue Not Collected	$1,962,493	$204,204	$13,516	$1,799	$1,883	$1,502	$2,506	$0	$2,187,903
(13)	Shared Savings	$0	$0	$0	$0	$0	$0	$0	$0	$0
(14)	Amount to be Recovered before Commercial Activity Tax	$17,844,655	$8,574,444	$1,207,743	$403,120	$2,099,660	$539,980	$90,064	$0	$30,759,666
(15)	Commercial Activity Tax	$46,517	$22,352	$3,148	$1,051	$5,473	$1,408	$235	$0	$80,184
(16)	Total Amount to be Recovered	$17,891,172	$8,596,796	$1,210,892	$404,170	$2,105,133	$541,388	$90,299	$0	$30,839,850
(17)	2010 MWhs	9,471,223	6,864,588	2,608,419	876,254	4,580,290	121,801	19,442	38,348	24,576,165
(18)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

NOTES

(1) Source: OE EE/PDR Plan - PUCO Table 3 (Residential and Residential Low Income 2010-2012, Others 2010)
(2) The ELR / OLR Program Year 2010 costs from the Portfolio Budget to be recovered in DSE1
(3) Calculation: (1) - (2)
(4) Source: OE EE/PDR Plan - Table 6C
(5) Calculation: (3) + (4)
(6) Calculation: (B1) + (C1)
(7) MWhs from 2010-2012. Source: 09-504-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 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) MWhs 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) Residential (3 Year)	(C) Residential Low-Income (3 Year)	(D) Small Enterprise	(E) Mercantile Self-Direct	(F) Mercantile-Utility (Large Enterprise)	(G) Governmental	(H) T&D
(1)	Program Year 2010 Portfolio Budget (Except B and C)	$10,128,125	$3,352,687	$1,572,118	$120,000	$7,014,790	$636,586	$0
(2)	Less Program Year 2010 DSE 1 Portfolio Budget	$0	$0	$0	$0	($5,501,921)	$0	$0
(3)	Program Year 2010 DSE 2 Portfolio Budget	$10,128,125	$3,352,687	$1,572,118	$120,000	$1,512,869	$636,586	$0
(4)	Program Year 2010 Common Costs	$124,262	Included in (B)	$72,447	$2,839	$147,875	$40,178	$0
(5)	Total Costs	$10,252,388	$3,352,687	$1,644,565	$122,839	$1,660,744	$676,764	$0

$1,783,583.47

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

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

(6)	Total 3 Year RS Program Costs	$13,480,813
(7)	MWhs (3 years)	7,740,858
(8)	[illegible]	[illegible]

Calculation of January 1, 2010 Rate

~20% ~2% ~78% ~90% ~10%

		RS	GS	GP	GSU	GT	STL	TRF	POL	TOTAL
(9)	Program Year 2010 DSE 2 Portfolio Budget	$4,418,633	$1,572,118	$327,754	$30,173	$1,274,942	$588,791	$47,795	$0	$8,260,206
(10)	Adjustments per Exhibit SEO-E3	$0	$0	$0	$0	$0	($386,000)	$0	$0	($386,000)
(11)	Program Year 2010 Common Costs	$124,262	$72,447	$30,252	$2,788	$117,677	$36,143	$4,035	$0	$387,602
(12)	Variable Distribution Revenue Not Collected	$600,618	$51,972	$2,498	$66	$521	$8,721	$3,350	$0	$667,746
(13)	Shared Savings	$0	$0	$0	$0	$0	$0	$0	$0	$0
(14)	Amount to be Recovered before Commercial Activity Tax	$5,143,513	$1,696,537	$360,504	$33,024	$1,393,140	$247,656	$55,180	$0	$8,929,554
(15)	Commercial Activity Tax	$13,408	$4,422	$940	$86	$3,632	$646	$144	$0	$23,277
(16)	Total Amount to be Recovered	$5,156,921	$1,700,960	$361,443	$33,111	$1,396,772	$248,301	$55,323	$0	$8,952,832
(17)	2010 MWhs	2,537,236	2,191,378	1,025,961	94,429	3,991,313	49,692	5,547	16,335	9,911,891
(18)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

NOTES

(1) Source: TE EE/PDR Plan - PUCO Table 3 (Residential and Residential Low Income 2010-2012, Others 2010)
(2) The ELR / OLR Program Year 2010 costs from the Portfolio Budget to be recovered in DSE1
(3) Calculation: (1) - (2)
(4) Source: TE EE/PDR Plan - Table 6C
(5) Calculation: (3) + (4)
(6) Calculation: (B1) + (C1)
(7) MWhs from 2010-2012. Source: 09-504-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 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) MWhs from 2010. Source: 09-504-EL-FOR Long Term Forecast Report
(18) Calculation: [(16) * 100] / [(17) * 1000]