

FILE

BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO

RECEIVED-DOCKETING DIV  
2010 APR -2 PM 4:01  
PUCO

In the Matter of the Application of Ohio )  
Edison Company, The Cleveland Electric )  
Illuminating Company and The Toledo ) Case No. 10-176-EL-ATA  
Edison Company for Approval of a )  
New Rider and Revision of an Existing )  
Rider )

---

OHIO EDISON COMPANY, THE CLEVELAND ELECTRIC ILLUMINATING  
COMPANY AND THE TOLEDO EDISON COMPANY APPLICATION FOR  
REHEARING

---

Come now Ohio Edison Company, The Cleveland Electric Illuminating  
Company, and The Toledo Edison Company (hereinafter collectively referred to as the  
"Companies"), and, pursuant to R.C. 4903.10 and O.A.C. 4901-1-35, hereby respectfully  
submit their Application for Rehearing of the Commission's March 3, 2010 Finding and  
Order ("Order") issued in this proceeding, because said Order is unreasonable and  
unlawful in the following respects:

A. The Commission erred in the use of the language in paragraph 11 of the  
Order authorizing new deferrals by the Companies in that such authorizing language  
needs to be in terms of the deferral of an incurred cost.

B. The Order is in error regarding the reference to bill impacts in  
paragraph 10, in that such bill impacts should apply only during the winter billing  
periods, consistent with the historic application of similar discounts.

For these reasons, which are set forth in greater detail in the Companies' Memorandum in  
Support, which is attached hereto and incorporated herein by reference, the Companies

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   JN   Date Processed   4/2/10

respectfully request that the Commission grant the Companies' request for rehearing and issue an Entry on Rehearing consistent with this filing.

Respectfully submitted,

A handwritten signature in black ink that reads "James W. Burk". The signature is written in a cursive style with a large, stylized "J" and "B".

---

James W. Burk, Counsel of Record  
FIRSTENERGY SERVICE COMPANY  
76 South Main Street  
Akron, OH 44308  
Phone: (330) 384-5861  
Fax: (330) 384-3875  
[burkj@firstenergycorp.com](mailto:burkj@firstenergycorp.com)  
On behalf of Ohio Edison Company,  
Cleveland Electric Illuminating Company,  
and The Toledo Edison Company

**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of Ohio	)	
Edison Company, The Cleveland Electric	)	
Illuminating Company and The Toledo	)	Case No. 10-176-EL-ATA
Edison Company for Approval of a	)	
New Rider and Revision of an Existing	)	
Rider	)	

---

**MEMORANDUM IN SUPPORT OF APPLICATION FOR REHEARING**

---

**I. Introduction**

The Commission issued its Order on March 3, 2010 directing the Companies to file tariffs for the all electric customers that would provide bill impacts commensurate with the charges being incurred by those customers on December 31, 2008. The Companies were to make such tariff filing on or before March 17, 2010. On March 17, 2010 the Companies filed tariffs to implement the billing impacts as ordered by the Commission. The Companies now seek rehearing of the Order to gain clarification on two issues presented by the Order.

**II. The Language in the Order Regarding Deferrals is Insufficient**

The language in the Order at paragraph 11 related to the Commission's authorization to defer certain costs may be considered insufficient to permit the Companies to make the authorized deferrals. Under GAAP accounting rules, the

Companies are not permitted to defer differences in revenue (as the Order states). The Companies are only permitted to defer the costs that are associated with the difference in revenue between what was charged previously versus what will be charged under the new tariffs reflecting the new credits. The new language needed, in terms of a modification to the existing language of the last sentence of paragraph 11 of the Order is as follows, with the modified language in bold:

to modify its accounting procedures to defer **incurred purchased power costs equal to** the difference between the rates and charges to be charged to the all-electric residential customers as the result of the commission's order in this proceeding and the rates and charges that would otherwise be charged to those customers.

This language modification will allow the Companies to fulfill the intent of the Commission's Order.

### **III. The Bill Impacts Only Affect the Winter Billing Periods**

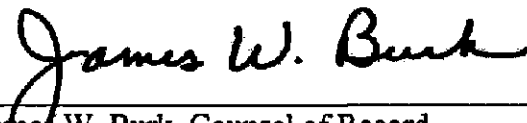
The other clarification sought by the Companies as part of this rehearing is to add the word "winter" to the last sentence of paragraph 10 of the Order. This slight change will bring greater clarity to the Order which specifies the fact that only winter billing period rates are impacted by this Order. The discounts for all electric customers have always only applied to winter billing periods. The new language needed, in terms of a modification to the existing language of the last sentence of paragraph 10 of the Order is as follows, with the modified language in bold:

Accordingly, we direct FirstEnergy to file tariffs for the all-electric residential subscribers that will provide **winter** bill impacts commensurate with FirstEnergy's December 31, 2008, charges for those customers.

#### **IV. Conclusion**

The Companies request that the Commission act expeditiously to approve these clarifications to the Order, particularly because without the change in the deferral language the Company will not be able to set up deferrals, which the Order intended to authorize.

Respectfully submitted,

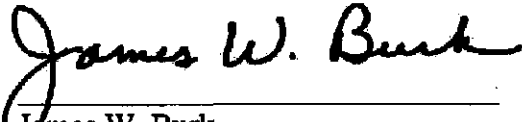
A handwritten signature in black ink that reads "James W. Burk". The signature is written in a cursive style with a large, looping "J" and a trailing flourish.

---

James W. Burk, Counsel of Record  
FIRSTENERGY SERVICE COMPANY  
76 South Main Street  
Akron, OH 44308  
Phone: (330) 384-5861  
Fax: (330) 384-3875  
[burkj@firstenergycorp.com](mailto:burkj@firstenergycorp.com)  
On behalf of Ohio Edison Company,  
Cleveland Electric Illuminating Company,  
and The Toledo Edison Company

### Certificate of Service

It is hereby certify that a copy of the foregoing Application for Rehearing has been served on all parties of record by U.S. Mail, postage prepaid, this 2<sup>nd</sup> day of April, 2010.

  
James W. Burk

*Richard Cordray*  
*Duane W. Luckey*  
*Thomas McNamee*  
*William L. Wright*  
Asst. Attorneys General  
Public Utilities Section  
180 E. Broad St., 6th Fl.  
Columbus, OH 43215  
E-mail: [duane.luckey@puc.state.oh.us](mailto:duane.luckey@puc.state.oh.us)  
[thomas.mcnamee@puc.state.oh.us](mailto:thomas.mcnamee@puc.state.oh.us)  
[william.wright@puc.state.oh.us](mailto:william.wright@puc.state.oh.us)

*Samuel C. Randazzo*  
*Lisa G. McAlister*  
*Daniel J. Neilsen*  
*Joseph M. Clark*  
McNees Wallace & Nurick LLC  
21 East State St., 17<sup>th</sup> Floor  
Columbus, OH 43215  
E:mail: [sam@mwncmh.com](mailto:sam@mwncmh.com)  
[lmcalister@mwncmh.com](mailto:lmcalister@mwncmh.com)  
[jclark@mwncmh.com](mailto:jclark@mwncmh.com)

*Thomas J. O'Brien*  
Bricker & Eckler LLP  
100 S. Third St.  
Columbus, OH 43215  
E-mail: [tobrien@bricker.com](mailto:tobrien@bricker.com)

*Richard L. Sites*  
155 E. Broad Street, 15<sup>th</sup> Floor  
Columbus, OH 43215-3620  
Phone: (614) 221-7614  
Email: [ricks@ohanet.org](mailto:ricks@ohanet.org)

*Jeffrey L. Small*  
Ohio Consumers' Counsel  
10 West Broad Street  
18th Floor  
Columbus, OH 43215-3485  
[small@occ.state.oh.us](mailto:small@occ.state.oh.us)