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Citizens for Keeping the All-Electric Promise

\*\*\* Press Release \*\*\*

***Comparison Rate Chart of FirstEnergy, the PUCO Staff, and OCC's Proposed Solutions to the All-Electric Rate Issue***

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FirstEnergy, the PUCO Staff, and the OCC have presented their proposed long term solutions for the All Electric Rate Issue at the recent Evidentiary Hearing. It is important for customers to understand how the proposed solutions will impact their bills. Therefore, CKAP is releasing the attached Rate Impact Comparison Chart which compares the three proposals to each other, to the all electric customer's bills today, and to what customers were paying during the 2010 Winter Rate Shock period.

When the various rates are compared together, many concerns become apparent. For instance, both the FirstEnergy and PUCO Staff proposals advocate complete elimination of the RGC credit portion (more than half) of the discount by the fifth year. This would cause CEI customer ***bills to increase an average of 63% higher than they are today, and Ohio Edison customer bills to increase an average of 33% higher than they are today.*** Furthermore, the average CEI customer's bill would ***be just 23% less than the Rate Shock Bill level of 2010, and the average Ohio Edison customer's bill would be just 5% less than the Rate Shock Bills of 2010.*** The PUCO Commission ordered the PUCO Staff and FirstEnergy to produce a viable long term solution to the problem. However, if customer bills return to near 2010 Rate Shock levels, these proposals are simply forcing the 300,000 all electric customers back into the economic emergency they endured during the winter of 2010.

After the fifth year, the PUCO Staff proposal states that the EDR and RDC credits would continue on a going forward basis, but without guarantee. The FirstEnergy proposal also does not guarantee the continuation of the EDR and RDC portions of the discount, and states multiple times in their proposal that it is their intention for all electric customers to be "transitioned toward standard residential rates." ***If the EDR and RDC credits are completely eliminated, this would cause CEI customers bills to increase an average of 125% higher than they are today, and Ohio Edison customer bills to increase an average of 85% higher than they are today.***

When the all electric rate economic emergency first occurred in winter 2010, the PUCO Staff testified that they did not understand what the real bill impacts would be. With the attached Comparison Rate Chart, the bill impacts are clearly stated and the negative impacts of these increases to the all electric customer are well identified.

Under the new leadership of Chairman Todd Snitchler, the PUCO Commission has the chance to do the right thing and implement a fair, long-term solution for all electric customers. ***CKAP supports the solution proposed by the OCC*** and hopes the PUCO Commission will see the merits of the OCC's solution as well.

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## **Illuminating Company Winter Rates**

[illegible]

## Ohio Edison Winter Rates

[illegible]

# **Explanation and Sources of Data Used to Produce Rate Chart (All located in the PUCO Docket for Case # 10-176)**

**Note:** All Proposed Rate Columns assume no change to Std. Rates from 2011 level. If Std. Rates increase, so will Proposed Rate Columns.

2008 Std. Rates taken from OCC Yankel Direct Testimony Exhibit A.Y-3 p. 2 for CEI, Exhibit A.Y-6 p. 1 for OE.

2010 Std. Rates computed from the per kWh rates on the PUCO Docket FE Ridman Direct Testimony Exhibit WFR-2 p. 1 for CEI and p. 2 for OE.  
CEI Std. Rates from 2010 decreased an average of 2.71% compared to CEI Std. Rates from 2008 (\$8142 / \$8340).  
OE Std. Rates from 2010 decreased an average of 3% compared to OE Std. Rates from 2008 (\$8408 / \$8183).

2011 Std. Rates taken from the PUCO Fortney Direct Testimony p. 8 for CEI and p. 10 for OE.  
CEI Std. Rates from 2011 decreased an average of 17% compared to CEI Std. Rates from 2010 (\$8183 / \$7860).  
OE Std. Rates from 2011 decreased an average of 4% compared to OE Std. Rates from 2010 (\$8183 / \$7860).

AE Rate Shock Winter Bills 2010 are the bill amounts in effect from Sept. 2008 through Feb 2010. It is computed from the 2010 Std. Rates Column as Std. Rate minus combined EDR and RDC credits on all kWh over 500 at a rate of 3.6 cents for CEI and 3.67 cents for OE.

CEI Rate Shock Winter Bills represent an average increase of 101% compared to AE Bills Today which are set back to Dec. 2008 levels (\$8973 / \$3475).  
OE Rate Shock Winter Bills 2010 represent an average increase of 40% compared to AE Bills Today which are set back to Dec. 2008 levels (\$8972 / \$4262).  
CEI Rate Shock Winter Bills were an average of 17% higher than OE Rate Shock Bills (\$8973 / \$5972).

AE Bills Today taken from FE Ridman Direct Testimony Exhibit WFR-7 p. 1 for CEI and p. 5 for OE. Rates are set back to Dec. 2008 levels.  
OE AE Bills Today are an average of 23% higher than CEI AE Bills Today (\$4262 / \$3475).

FE Proposed Rates Year 1 (Winter 2011/2012) taken from FE Ridman Direct Testimony Exhibit WFR-7 p. 1 for CEI and p. 5 for OE.  
For CEI this represents an average increase of 11.9% over AE Bills Today (\$3879 / \$3475).  
For OE this represents an average increase of 11% over AE Bills Today (\$4729 / \$4262).

FE Proposed Rates Year 6 (Winter 2015/2016) computed from 2011 Std. Rates Column as Std. Rate minus combined EDR and RDC credits on all kWh over 500 at a rate of 3.6 cents for CEI and 3.67 cents for OE. (Based on Ridman Testimony p. 41 stating RGC phaseout completed within 3 years, leaving only EDR and RDC).  
For CEI this represents an average increase of 62.8% over AE Bills Today (\$5657 / \$3475). *The avg. CEI bill would only be 23% less than CEI Rate Shock 2010 Bills (\$5657 / \$5982).*  
For OE this represents an average increase of 33% over AE Bills Today (\$5668 / \$4262). *The avg. OE bill would only be 8% less than OE Rate Shock 2010 Bills (\$5668 / \$5982).*

FE Proposed Rates Year 6+ UNKNOWN since no long term proposal included in FE Ridman Direct Testimony. Years 6+ could remain the same as Year 5 or could increase to 2011 Std. Rate level if the EDR and RDC credits are eliminated as part of the AE customer's transition "toward standard residential rates" as stated multiple times in Ridman's testimony, including pages (16, 17, 31, 35, and 41).

For CEI, if EDR and RDC are eliminated, this represents an average increase of 128% over AE Bills Today (\$7826 / \$3475). *Bills 12% higher than 2010 Rate Shock Bills (\$7826 / \$5972).*  
For OE, if EDR and RDC are eliminated, this represents an average increase of 63% over AE Bills Today (\$7880 / \$4262). *Bills 32% higher than 2010 Rate Shock Bills (\$7880 / \$5972).*

PUCO Proposed Rates Year 1 (Winter 2011/2012) taken from PUCO Fortney Direct Testimony p. 8 for CEI and p. 10 for OE.  
For both CEI and OE, this represents a 0% increase over AE Bills Today as PUCO recommends Year 1 Frozen Rates.

PUCO Proposed Rates Year 6 (Winter 2015/2016) taken from PUCO Fortney Direct Testimony p. 8 for CEI and p. 10 for OE. (Same as FE Year 5 since both FE and PUCO propose NO RGC)  
For CEI this represents an average increase of 62.8% over AE Bills Today (\$5657 / \$3475). *The avg. CEI bill would only be 23% less than CEI Rate Shock 2010 Bills (\$5657 / \$5982).*  
For OE this represents an average increase of 33% over AE Bills Today (\$5668 / \$4262). *The avg. OE bill would only be 8% less than OE Rate Shock 2010 Bills (\$5668 / \$5982).*

PUCO Proposed Rates Year 6+ taken from PUCO Fortney Direct Testimony p. 8 for CEI and p. 10 for OE. Testimony states "Going Forward All-electric customers receive RDC and EDR credits, but no RGC credit." This implies intention is to keep RDC and EDR credits in place, but not guaranteed.  
For CEI this represents an average increase of 62.8% over AE Bills Today (\$5657 / \$3475), same as PUCO Year 5 and Going Forward.  
For OE this represents an average increase of 33% over AE Bills Today (\$5668 / \$4262), same as PUCO Year 5 and Going Forward.

OCC Proposed Rates Year 1 (Winter 2011/2012) computed from OCC Yankel Direct Testimony "Initial RGCs" listed on p. 4. Testimony lists 1312 cents as the RGC for CEI and 1,268 for OE for all kWh used over 1,000. Year 1 rates computed as 2011 Std. Rate minus (computed RGC) and combined EDR and RDC credits on all kWh over 500 at a rate of 3.6 cents for CEI and 3.67 cents for OE.  
For CEI this represents an average increase of 42.8% over AE Bills Today (\$4891 / \$3475).  
For OE this represents an average increase of 17.3% over AE Bills Today (\$4897 / \$4262).

OCC Proposed Rates Year 5 and Year 6+ are the same as for Year 1. This is because the initial RGCs would not change unless the Std. Rates change. Testimony proposes that the RGC could fluctuate up or down, but will always be maintained at such an amount as would yield a 35% discount off Std. Rates (+/- 5%) as computed at the 3500 kWh level.  
For CEI this represents an average increase of 42.8% over AE Bills Today (\$4891 / \$3475).  
For OE this represents an average increase of 17.3% over AE Bills Today (\$4897 / \$4262).