

November 16, 2011

Mr. Greg Scheck
Public Utilities Commission of Ohio
180 E. Broad St.
Columbus, OH 43215

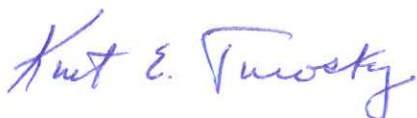
Re: Case Nos. 09-1947-EL-POR; 09-1942-EL-EEC; 09-580-EL-EEC

Pursuant to O.A.C. 4901:1-39-05(C)(2)(c), The Illuminating Company ("CEI" or "Company") is seeking written Staff approval to reallocate \$5,150,000 of funds between programs serving the Mercantile customer class. The reallocation supports the goals of its approved 2010 – 2012 program portfolio plan and is less than 25% of the \$20,740,115 Mercantile class budget approved by the Commission in cases 09-1947-EL-POR, 09-1942-EL-EEC, and 09-580-EL-EEC. This request does not expand the total budget for this customer class, nor that of the Company's approved portfolio plan.

Specifically, this reallocation seeks to shift \$5,150,000 within the Mercantile customer class from its *Interruptible Demand Reduction Program* to its *C/I Equipment (Commercial Lighting)*, *C/I Equipment (Industrial Motors)*, and *C/I Audits & Equipment Programs*. These program adjustments are reasonable and better position the Company to achieve its 2011-2012 energy efficiency and peak demand reduction targets in a cost effective manner. The Company's *C/I Equipment (Commercial Lighting)* program has proven extremely popular with customers. Since launching this program in March 2011, incoming applications have almost exceeded the program's 3 year budget. The Company projects customer demand for this program to continue and anticipates that these additional funds may be exhausted during the portfolio plan period. Further, the Company projects that the costs to implement its *Interruptible Demand Reduction Program* in 2011 and 2012 will fall below the originally approved budget, thus allowing these funds to be shifted without a significant (if any) adverse effect on the latter program.

In light of these facts, the Company respectfully requests Staff's written approval to reallocate funds as described herein and as shown in Attachment A.

Respectfully,



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cc: All Parties of Record in Above Referenced Cases and FirstEnergy Energy Efficiency Collaborative Members

Attachment A:

The Illuminating Company Proposed Budget Reallocation

Mercantile Customer Class	As Approved in Filing, PUCO Table 6A	Proposed	Impact
Interruptible Demand Reduction	\$11,539,779	\$6,389,779	(\$5,150,000)
Mercantile-Self Directed	\$834,000	\$834,000	\$0
C/I Audits & Equipment Program	\$90,602	\$590,602	\$500,000
C/I Equipment Program (Commercial Lighting)	\$7,987,811	\$12,137,811	\$4,150,000
C/I Equipment Program (Industrial Motors)	\$93,653	\$593,653	\$500,000
EE Program and Demand Response Subtotal	\$20,545,845	\$20,545,845	\$0

Mercantile Class Common Costs	As Approved in Filing, PUCO Table 6B	Proposed	Impact
Mercantile-Self Directed	\$7,886	\$7,886	\$0
Mercantile-Utility (Large C&I)	\$186,384	\$186,384	\$0
Common Cost Subtotal	\$194,270	\$194,270	\$0
<i>Total Class Budget</i>	<i>\$20,740,115</i>	<i>\$20,740,115</i>	<i>\$0</i>
<i>25% of Class Budget</i>	<i>\$5,185,029</i>		

This foregoing document was electronically filed with the Public Utilities

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Case No(s). 09-1947-EL-POR, 09-1948-EL-POR, 09-1949-EL-POR, 09-1942-EL-EEC, 09-1943-EL-EEC,

Summary: Request for a shift of budget dollars not to exceed 25% within CEI's Mercantile Customer Class (LC&I) electronically filed by Ms. Kathy J Kolich on behalf of Ohio Edison Company and The Cleveland Electric Illuminating Company and The Toledo Edison Company