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12-919-EL-CSS

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March 12, 2012

Public Utilities Commission of Ohio  
PUCO Docketing  
180 East Broad Street, 11<sup>th</sup> Floor  
Columbus, Ohio 43215

**Greetings:**

Counsel for Material Sciences Corporation provides the original and ten copies of a complaint for filing.

Please contact me if any questions.

Regards



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BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Complaint of Material  
Sciences Corporation

Case No. 12-919 EL-CSS

COMPLAINANT

V.

The Toledo Edison Company,

RESPONDENT

**COMPLAINT**

Now comes Material Sciences Corporation ("MSC"), pursuant to Ohio Revised Code ("RC") sections 4905.26 and RC 4928.16, as to its complaint against The Toledo Edison Company for violating statutory and regulatory duties related to retail electric services provided to the MSC Walbridge Facilities, and states as follows in support of its request for relief:

**PARTIES**

1. MSC, a corporation incorporated in the State of Delaware, manufactures at facilities in Elk Grove Village, Illinois, Walbridge, Ohio, Eisenach, Germany, and in joint manufacturing ventures in Malaysia, South America, and Korea. In Ohio, MSC operates the Walbridge Coatings facilities, located in Wood County, at 30610 E. Broadway Street, Walbridge, Ohio (hereinafter "MSC Walbridge Facilities"), with 100 highly paid, trained and qualified management, technical, and production workers; along with being a significant purchaser of goods from Ohio businesses, and a substantial payer of state and local taxes, with that facility receiving retail electric service from The Toledo Edison Company.

2. The MSC Walbridge Facilities engage primarily in electrogalvanizing or zinc-nickel (“ZnNi”) plating of steel coils, laminating of steel coils, and painting of steel coils. The electroplating process requires high electric demand usage to produce Electrogalvanized Zinc (“EG”) steel, and products from EG steel, such as laminated steel used extensively in automotive for noise dampening. MSC competes with other producers of EG and ZnNi products, since steel mills operate electrogalvanizing lines, by being a lean manufacturer and controlling costs for market growth and adding workforce.

3. The Toledo Edison Company (“Toledo Edison” or “TE”), organized and existing under the laws of Ohio, operates under the jurisdiction of the Public Utilities Commission of Ohio (“Commission” or “PUCO”), as a public utility, an electric light company, an electric distribution utility, an electric supplier, and an electric utility, supplying retail electric service to the MSC Walbridge Facilities. TE, an affiliate of Ohio Edison Company, The Cleveland Electric Illuminating Company, and FirstEnergy Solutions, is a wholly owned subsidiary of FirstEnergy Corporation.<sup>1</sup>

#### **COMMON FACTS RELEVANT TO ALL CAIMS FOR RELIEF**

4. The MSC Walbridge Facilities receive firm and non-firm retail electric service from Toledo Edison as a mercantile, non-shopping, customer, as one of the 20 largest electric consumers on the TE system,<sup>2</sup> under an Electric Security Plan (herein “ESP 2”) approved by The Public Utilities Commission of Ohio (“Commission” or “PUCO”), under RC 4928.14, RC 4928.141,

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<sup>1</sup> The term public utility is defined by RC 4905.02; electric light company defined by RC 4905.03 (A) (3); electric distribution utility defined by RC 4928.01 A (6); electric supplier defined by RC 4928.01 (A) (10); and electric utility defined by RC 4928.01 (A) (11).

<sup>2</sup> The terms firm and non-firm retail electric service are defined by RC 4928.01 (A) (12) and (22), and the term mercantile customer is defined by RC 4928.01 (A) (19).

and RC 4928.143, in Case No. 10-388-EL-SSO, in the Opinion and Order, dated August 25, 2010, and subsequent rehearing decisions, In the Matter of the Application of Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company for authority to Establish a Standard Service Offer Pursuant to Section 4928.143, Revised Code, in the Form of an Electric Security Plan.

5. Retail electric service to the MSC Walbridge Facilities from Toledo Edison under ESP 2, at approved rate schedules, riders, terms and conditions (herein “ESP 2 Rates”), began June 1, 2011 and continue through May 31, 2014. (herein the “ESP 2 Term”)

6. The MSC Walbridge Facilities previously received, as a mercantile, non-shopping, customer firm and non-firm retail electric service from Toledo Edison through an Electric Security Plan approved, under RC 4928.14, RC 4928.141, and RC 4928.143, by the Commission in Case No. 08-935-EL-SSO, by a Second Finding and Order, dated March 4, 2009, and Second Opinion, dated March 25, 2009, In the Matter of the Application of Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company for authority to Establish a Standard Service Offer Pursuant to Section 4928.143, Revised Code, in the Form of an Electric Security Plan. (herein “ESP 1”).

7. TE provided retail electric service to the MSC Walbridge Facilities under ESP 1, at approved rate schedules, riders, terms and conditions ( herein “ESP 1 Rates”), and following a two month interim period, for a term June 1, 2009 through May 31, 2011 (herein the “ESP 1 Term”).

8. ESP 1 and ESP 2 service used similar load response and economic development riders, referred to as the Economic Load Response Program Rider, Sheet 101 (herein “ELR Rider”), and the Economic Development Rider, Sheet 116 (herein “EDR Rider”), (collectively referred to as the “ELR and EDR Riders”), available to TE’s qualifying customers. TE administers and bills those riders at kVa usage.

9. The ELR Rider under ESP 2, differs from the ELR Rider under the ESP 1, in part, by increasing the Program Credit (“PC”) from \$1.955/kW/month to \$5.00/kW/month; inserting a monthly minimum bill of at least 2 cents per kWh, and requiring a 36 month termination notice to eliminate terminations during the ESP 2 Term. The EDR Rider under ESP 2 decreases the Interruptible Credit Provision from \$8.050 per kW to \$5.00 per kW. (ELR Rider, Program Credit (“PC”), pg. 2; Minimum Bill, pg. 3; Term, pg. 5) (EDR Rider, pg. 1, Interruptible Credit Provision)

10. MSC Walbridge Facilities qualifies for ESP 2 service beginning June 1, 2011 under the ELR Rider, by receiving service under an interruptible contract with TE as of February 1, 2008 that expired or terminated; demonstrating the capability to reduce its load to the contact Firm Load within two hours of notice received; executing a standard Program contract; receiving its generation from Toledo Edison; not participating in other load curtailment or demand response programs; and committing its demand response capability towards TE compliance with its peak demand reduction benchmarks required by RC 4928.66, with that capability incremental to the interruptible load on the Company’s system that existed in 2008. (ELR Rider, Applicability, pg. 1)

11. TE's standard Program contract entered into by MSC Walbridge Facilities under the ELR Rider sets the Firm Load, and commits its demand response capability to TE for meeting its peak demand reduction benchmarks of RC 4928.66. ( ELR Rider, Other Provisions (B), pg. 3). MSC may reduce its Firm Load with TE's approval, while TE may reduce that load, in its sole discretion, if MSC cannot demonstrate a capability to reach that firm load level. ( ELR Rider, Other Provisions (A), pg. 3).

12. The ELR Rider for ESP 2 service provides monthly credits to the MSC Walbridge Facilities through a Program Credit ("PC"), calculated as  $PC = CL \times (\$5.00) / \text{kW/month}$ , with that credit applying to all qualified customers. The CL differs among customers depending on their historic peak kVa demand levels.

13. The CL, after subtracting the contract Firm Load, equals the monthly highest thirty (30) minute integrated kW load for the MSC Walbridge Facilities and other customers occurring during the non-holiday week day peak hours. However, the CL "[cannot] be in excess of a contract amount determined based upon the customers 12 month history as of February 1, 2008." (ELR Rider, Program Credit, pg. 2).

14. Also, under the EDR Rider, an Interruptible Credit Provision, at  $(\$5.00) / \text{kW}$  per unit of the Curtailable Load, set by the PC of the ELR Rider, applies during the ESP 2 to the MSC Walbridge Facilities, and other customers, having received TE service under PUCO-approved interruptible contracts as of February 1, 2008, and now receiving service under GP, GSU, or GT rate schedules and the ELR Rider. There is no credit provided to customers while receiving

generation services from certified suppliers. (EDR Rider, Applicability and Interruptible Credit Provision (B), pg. 1-2)

15. The Curtailable Load, as determined based on the customers 12 month history as of February 1, 2008, applies to both the Program Credit under the ELR Rider, and Interruptible Credit under the EDR Rider, to the MSC Walbridge Facilities. MSC received the same monthly total per kW credits, and total monthly dollar credits, for TE services under those riders during the ESP 1 or ESP 2.

16. TE service during the ESP 1 Term at ESP 1 Rates to the MSC Walbridge Facilities, over 12 months, June 2010 to May 2011, and six months, June 2010 to November 2010 (herein “June-November 2010”), prior to its termination, were at average monthly cents per kWh, and at total monthly costs, needed by MSC for its Walbridge Facilities to compete in the fiercely competitive U.S. and global markets based on lean manufacturing and controlling costs.

17. The MSC Walbridge Facilities expected to remain competitive in the U.S. and global markets by receiving ESP 2 service at ESP 2 Rates during the ESP 2 Term, including credits under the EDR and ELR Riders, at approximately the average cents per kWh charges incurred for ESP 1 retail electric service under ESP 1 Rates.

18. MSC experienced rate shock, when ESP 2 Rates for ESP 2 service began on June 1, 2011, since monthly bills for TE service to the MSC Walbridge Facilities increased by an average of 19.40%, on a cents per kWh basis, for the months June 1, 2011 through November 2011 (herein

“June-November 2011”) under ESP 2 Rates, compared to the same monthly periods during 2010 under ESP 1 Rates for ESP 1 service. TE acknowledged to MSC in October 2011 that ESP 2 Rates increased over ESP 1 Rates by approximately 15% for service to the MSC Walbridge Facilities with its usage pattern. MSC protested payments of these increased charges under ESP 2 Rates since ESP 2 service began on June 1, 2011.

### **COUNT ONE**

#### **Declaratory Relief**

Declare that ESP 2 Rates, on average, nearly 20% higher to the MSC Walbridge Facilities violates RC 4905.22; RC 4928.02 (A); and RC 4928.02 (N)

19. MSC incorporates the preceding paragraphs 1 through 18 as if entirely written herein.

20. A 20% average increase in rates, or a 15% increase as TE acknowledges, for ESP 2 service reveals actual bill impacts of ESP 2 Rates on the MSC Walbridge Facilities, as one of TE’s largest consumers, engaging in electric demand intensive electrogalvanizing or zinc-nickel (“ZnNi”) plating of steel coils.

21. ESP 2 Rates charging nearly 20% more than at ESP 1 Rates deprive MSC the rate certainty and rate stability expected from ESP 2 for retail electric service at reasonable rates to effectively compete against other competitors with electrogalvanizing lines, on the basis of MSC having manufacturing cost advantages achieved by lean manufacturing and stringent cost controls.



22. Toledo Edison, by providing ESP 2 service at ESP 2 Rates, on average, nearly 20% higher to the MSC Walbridge Facilities violates RC 4905.22 by being unjust, unreasonable, and unlawful rates and charges; violates state policy under RC 4928.02 (A) by not being reasonably priced retail electric services; and violates state policy under RC 4928.02 (N), by not facilitating the state's effectiveness in the global economy in charging MSC for service at substantially higher rates and charges than for ESP 1 service.

## **COUNT TWO**

### **Declaratory Relief**

Declare that TE use of a Controllable Load, based on MSC Walbridge Facilities 12 month history as of February 1, 2008, that results in billing at full ESP 2 Rates, without the ELR and EDR Riders' credits, increased kVa usage during 2011 at the facilities, violates RC 4905.22, RC 4928.02 (A), and RC 4928.02 (N).

23. MSC incorporates the preceding paragraphs 1 through 22 as if entirely written herein.

24. Toledo Edison's use of a Controllable Load based on MSC Walbridge Facilities 12 month history as of February 1, 2008, to derive, using the \$10/kVa total credits under the ELR and EDR Riders, the monthly total dollars of credits to offset monthly billings under ESP 2 Rates, results in ESP 2 Rates fully billing, without those credits, the 16% increase in kVa usage during 2011. The ELR and EDR credits apply to only 70% of the total interruptible load, leaving 30% of the interruptible load without credits for billing at full ESP 2 Rates.

25. TE uses the Controllable Load, based on the 12 month history as of February 1, 2008, to administer the credits of the ELR and EDR Riders, but interrupts upon notice given the entire interruptible load (Total Load minus Firm Load) of the MSC Walbridge Facilities, including the 16% increase in kVa usage, from operating the 72 inch processing lines using EG technology, billed at full ESP 2 Rates.

26. Toledo Edison use of a Controllable Load, based on MSC Walbridge Facilities 12 month history as of February 1, 2008, that bills usage increases at full ESP 2 Rates, without applying the ELR and EDR Riders' credits, violates RC 4905.22 by charging unjust, unreasonable, and unlawful rates and charges; violates state policy under RC 4928.02 (A) by not providing for reasonably priced retail electric service; and violates state policy under RC 4928.02 (N), by not facilitating the state's effectiveness in the global economy by charging MSC for ESP 2 service at substantially higher rates and charges than for ESP 1 service.

### **CLAIMS FOR RELIEF**

WHEREFORE, MSC requests the following relief from the Commission.

1. For COUNT ONE, declare that a nearly 20% increase in costs, on a cents per kWh basis, under ESP 2 Rates violates RC 4905.22 by charging unjust, unreasonable, and unlawful rates and charges; violates state policy under RC 4928.02 (A) by not providing reasonably priced retail electric service; and violates state policy under RC 4928.02 (N), by not facilitating the state's effectiveness in the global economy by charging MSC for ESP 2 service at substantially higher rates and charges than for ESP 1 service.

2. For COUNT TWO, declare that Toledo Edison use of a Controllable Load that bills usage increases at full ESP 2 Rates, without applying the ELR and EDR Riders' credits, violates RC 4905.22 by charging unjust, unreasonable, and unlawful rates and charges; violates state policy under RC 4928.02 (A) by not providing reasonably priced retail electric service; and violates state policy under RC 4928.02 (N), by not facilitating the state's effectiveness in the global economy by charging MSC for ESP 2 service at substantially higher rates and charges than for ESP 1 service.

3. Further, under COUNTS ONE AND TWO, order that TE use the actual monthly peak demand described in the ELR Rider, Program Credit ("PC") as the Controllable Load for service to the MSC Walbridge Facilities by striking from that rider language requiring use of the 12 month history as of February 1, 2008; or, alternatively, leave the PC unchanged and approve for the MSC Walbridge Facilities a unique arrangement or other reasonable arrangement under RC 405.31 to implement a CL using actual monthly peak demand; while MSC reserves and preserves all rights, expressed or implied, to participate under the interruptible and economic development programs of the ELR and EDR Riders during the ESP 2 Term, and thereafter under successor interruptible and economic development programs as may be implemented for TE's service by TE, affiliates of FirstEnergy, or other entities.

4. Order any other relief that the Commission deems appropriate, just and reasonable in law and equity.

5. Find that reasonable grounds exist to set this mater for hearing, direct Toledo Edison to answer this Complaint, and establish a hearing date in this matter.

Respectively submitted



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Counsel for Material Sciences Corporation

#### Certificate of Service

I hereby certify that a true copy of the foregoing complaint by Material Sciences Corporation was served upon James Burke, Senior Attorney, First Energy Service Company, 76 South Main Street, Akron, Ohio 44308, by first class mail this 12 day of March, 2012.



Craig I. Smith

**RIDER ELR**  
**Economic Load Response Program Rider**

**APPLICABILITY:**

This Economic Load Response Program Rider ("Program") is available to customers taking service from the Company at primary voltages or higher voltages provided that all of the following seven conditions are met at the time of initiation of service to the customer under this Rider and on a continuing basis thereafter: (i) the customer took service under the Company's interruptible tariffs set forth below as of February 1, 2008 or the customer took service under an interruptible contract with the Company as of February 1, 2008 that subsequently expired or was terminated; (ii) the customer can successfully demonstrate to the Company that it can reduce its instantaneous measured load to a pre-established contract Firm Load (as defined under Other Provisions, paragraph A., below) within two hours of notification provided by the Company without the need of a generator (A customer may intend to use a generator to reduce its usage to below its Firm Load, but if the generator does not operate, the customer must still reduce its usage to or below its Firm Load. Failure of a customer to reduce its usage to or below its Firm Load shall result in the consequences listed in the Emergency Curtailment Event Section herein.); (iii) the customer executes the Company's standard Program contract; (iv) the customer is taking generation service from the Company; (v) the customer is not participating in any other load curtailment or demand response program, including without limitation a demand response program offered by PJM Interconnection, L.L.C. ("PJM") or any other independent system operator; (vi) the customer commits its demand response capability to Company for integration into Company's R.C. § 4928.66 compliance programs; and, (vii) the Commission finds that the demand response capabilities of customers electing service under this rider shall count towards the Company's compliance with the peak demand reduction benchmarks set forth in R.C. § 4928.66 as applied by the Commission's applicable rules and regulations and shall be considered incremental to interruptible load on the Company's system that existed in 2008. Nothing herein shall preclude a customer from requesting and receiving an exemption from any mechanism designed to recover the cost of energy efficiency and peak demand reduction programs to the extent the exemption is requested to reasonably encourage the commitment of customer-sited capabilities to the Company.

Interruptible Power Rate "PV-46"

Original Sheet No. 63

**RATES:**

In addition to any other charges under any other rate schedules applicable to customer's service, customers participating in the Program shall also pay the charges and receive the credit set forth below:

**Charges:**

Program Administrative Charge: \$150.00 per month

EBT Charge:

During an Economic Buy Through Option Event (as defined under Other Provisions, paragraph E., below), the portion of the customer's actual measured load that exceeds its pre-established contract Firm Load for any and all hours during such event shall be assessed an EBT Charge, which is calculated for each hour of the event as follows:

$$\text{EBT Charge} = (\text{AL} \times \text{MPD}) \times (1 + \text{LAF}) \times ([1/(1 - \text{CAT})])$$

**RIDER ELR**  
**Economic Load Response Program Rider**

Where:

**AL** = the customer's actual hourly load during an Economic Buy Through Option Event that exceeds the customer's pre-established contract Firm Load.

**MPD** = the market price differential, which shall be calculated by subtracting the applicable charges set forth in the Generation Service Rider (GEN) from the PJM LMP for the period in which the Economic Buy Through Option Event occurred for each hour that results in a MPD greater than zero.

PJM LMP is the final Day Ahead Locational Marginal Price as defined and specified by PJM at the appropriate pricing node during the applicable hour(s).

**CAT** = the Commercial Activity Tax rate as established in Section 5751.03 of the Ohio Revised Code.

**LAF** = Loss Adjustment Factor  
 3.0% for primary voltages  
 0.1% for subtransmission voltages  
 0.0% for transmission voltages

ECE Charge:

During an Emergency Curtailment Event (as defined under Other Provisions, paragraph D., below), the portion of the customer's actual measured load that exceeds its pre-established contract Firm Load for any and all hours during such event shall be assessed an ECE Charge which is calculated for each hour of the event as follows. Revenue collected by the Company as a result of any ECE Charge less amounts associated with the CAT (as defined above) shall be credited towards costs to be collected through the DSE1 charge of Rider DSE:

**ECE Charge** =  $(AL \times PJM \text{ LMP} \times 300\%) \times (1 + LAF) \times ([1/(1-CAT)])$

**Program Credit ("PC"):**

Customers taking service under this Rider shall receive a monthly Program Credit which shall be calculated as follows:

**PC** = **CL x (\$5.00) /kW/month**

Where:

CL is the Curtailable Load, which shall be calculated by the Company for each customer by subtracting the customer's contract Firm Load from its monthly highest thirty (30) minute integrated kW load occurring during the non-holiday weekday hours of 11 a.m. to 5 p.m. Eastern Standard Time (equivalent to noon to 6 p.m. EDT). In no circumstance can the CL be negative nor can the CL be in excess of a contract amount determined based upon the customers 12 month history as of February 1, 2008. Holidays are defined as New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

**RIDER ELR**  
**Economic Load Response Program Rider**

**Minimum Bill:**

The application of the Program Credit shall not produce a total monthly bill for any customer, after including the effects of all rate schedules and riders, that results in an average price per kWh less than two (2) cents per kWh.

**OTHER PROVISIONS:**

A. Firm Load

For purposes of this rider, "Firm Load" shall be that portion of a customer's electric load that is not subject to curtailment. A customer may request a reduction to its contract Firm Load no more than once in any twelve month period. The Firm Load may be reduced to the extent that such reduction is consistent with other terms and conditions set forth in this Rider. Any such change in Firm Load shall be applied beginning with the customer's January bill immediately following the year in which the change has been approved by the Company, provided that advance written request is provided to the Company no less than thirty (30) days prior to the effective billing month of the change. The Company may increase the Firm Load at any time if the Company, at its sole discretion, determines the Firm Load is at a level that the customer fails to demonstrate that they can reach. The Company shall promptly notify the customer of any such change.

B. Load Response Program Contract

Customers taking service under this optional Rider shall execute the Company's standard Program contract which, among other things, will establish the Customer's Firm Load and commit the Customer's demand response capability to Company for purposes of Company's compliance with the peak demand reduction benchmarks set forth in R.C. § 4928.66 as applied by the Commission's applicable rules and regulations.

C. Metering

The customer must arrange for interval metering consistent with the Company's Miscellaneous Charges, Tariff Sheet 75.

D. Emergency Curtailment Event

Upon no less than two hour advance notification provided by the Company, a customer taking service under this rider must curtail all load above its Firm Load during an Emergency Curtailment Event consistent with the Company's instructions. For purposes of this rider, an Emergency Curtailment Event shall be one in which the Company, a regional transmission organization and/or a transmission operator determines, in its respective sole discretion, that an emergency situation exists that may jeopardize the integrity of either the distribution or transmission system in the area. If the Emergency Curtailment Event is requested solely by the regional transmission organization, the maximum duration that load must be curtailed will be 6 hours and shall be limited to ten events per planning year as defined by PJM. Any interruptions requested by the regional transmission organization will only occur between 12:00 PM (Noon) to 8:00 PM (Eastern Prevailing Time) for the months of May through September and 2:00 PM to 10:00 PM for the months of October through April, on weekdays other than PJM Holidays.

**RIDER ELR**  
**Economic Load Response Program Rider**

During the entire period of an Emergency Curtailment Event, the customer's actual measured load must remain at or below its Firm Load with such load being measured every clock half hour. A customer's actual measured load shall be determined using the greater of the customer's highest lagging kVA or highest kW during the Emergency Curtailment Event.

If at any time during the Emergency Curtailment Event a customer's actual measured load exceeds its contract Firm Load, the Company may disconnect the customer from the transmission system for the duration of the Emergency Curtailment Event, at the customer's expense. The Company shall not be liable for any direct or indirect costs, losses, expenses, or other damages, special or otherwise, including, without limitation, lost profits that arise from such disconnection.

If at any time during the Emergency Curtailment Event a customer's actual measured load exceeds 110% of its Firm Load, the customer shall be subject to all four (4) of the following: (i) forfeit its Program Credit for the month in which the Emergency Curtailment Event occurred; (ii) pay the ECE Charge set forth in the Rates section of this Rider; (iii) pay the sum of all Program Credits received by the customer under the Program during the immediately preceding twelve billing months which shall include credits from this Rider and the Economic Development Rider; and (iv) the Company's right, at its sole discretion, to remove the customer from the Program for a minimum of 12 months.

If at any time during the Emergency Curtailment Event a customer's actual measured load is greater than 100% and less than or equal to 110% of its Firm Load during the Emergency Curtailment Event, the customer shall forfeit its Program Credit for the month in which the Emergency Curtailment Event occurred and shall pay the ECE Charge set forth in the Rates section of this Rider.

In a calendar year when an Emergency Curtailment Event has not been requested of customers on this Rider between June 1 and August 15, the Company shall simultaneously interrupt all customers on this Rider by September 30 in order to meet the Company's PJM test obligations for Load Management Resources. The duration of this test will be one hour. The Company will schedule the test and Customers shall receive advance notification of the test. All provisions of this Rider shall apply to this test.

In the event of any conflict between the terms and conditions set forth in this Rider and other service reliability requirements and/or obligations of the Company, the latter shall prevail.

**E. Economic Buy Through Option Event**

Upon no less than a 90 minute advance notification provided to the customer, the Company shall call an Economic Buy Through Option Event ("EBT") when a "Market Premium Condition" exists. A Market Premium Condition is defined as a point in time that the PJM LMP exceeds the product of 1.5 times the wholesale price resulting from the Company's competitive bid process held for generation service commencing on June 1, 2011 and updated anytime there is a price change in generation service. The number of hours of EBT cannot exceed 10% of the hours in any twelve month period beginning in June of each calendar year.



**RIDER ELR**  
**Economic Load Response Program Rider**

**F. Notification**

Customers served under this Rider shall be provided notification of Economic Buy Through Option Events and Emergency Curtailment Events by the Company. Customers shall be provided clock times of the beginning and ending of these events, except the Emergency Curtailment Event notification may be stated such that customers must curtail their actual measured load to its Firm Load in two hours from the time the notification is issued. Receipt of notifications set out in this paragraph shall be the sole responsibility of the customer.

Notification of an Economic Buy Through Option Event and Emergency Curtailment Event consists of an electronic message issued by the Company to a device or devices such as telephone, facsimile, pager or email, selected and provided by the customer and approved by the Company. Two-way information capability shall be incorporated by the Company and the customer in order to provide confirmation of receipt of notification messages. Operation, maintenance and functionality of such communication devices selected by the customer shall be the sole responsibility of the customer.

**G. Term**

This rider shall become effective for service rendered beginning June 1, 2011, and shall expire with service rendered through May 31, 2014.

A customer may terminate its participation in the Program upon no less than thirty six (36) months advance written notice to the Company. Except as otherwise provided in this Rider, a qualifying customer may return to the Program after a hiatus from the Program of at least one (1) year on the first day of the customer's billing cycle upon at least thirty days prior written notice of the customer's intent to return.

**H. Conditions**

Payment by the customer of all charges herein is a condition of service under this Economic Load Response Program Rider.

**RIDER EDR**  
**Economic Development Rider**

**a. Residential Non-Standard Credit Provision**

**APPLICABILITY:**

Applicable to residential customers taking service under the Company's rate schedule RS to which the Company's Residential Distribution Credit Rider (RDC) applies. This Residential Non-Standard Credit Provision is not applied to customers during the period the customer takes electric generation service from a certified supplier.

**RATE:**

The following Residential Non-Standard credits are effective for service rendered beginning September 1, 2009, for all kWhs per kWh in excess of 500 kWhs per month which are consumed by the customer during the winter billing periods as defined in the Electric Service Regulations:

**Customer rate schedule as of December 31, 2008**

Residential Rate "R-02" (Add-On Heat Pump)-Original Sheet No. 11	(1.9000)¢
Residential Rate "R-06" (Space Heating and Water Heating)-Original Sheet No. 13	(1.9000)¢
Residential Rate "R-06a" (Space Heating and Water Heating)-Original Sheet No. 14	(1.9000)¢
Residential Rate "R-04" (Water Heating)-Original Sheet No. 15	(0.5000)¢
Residential Rate "R-04a" (Water Heating)-Original Sheet No. 16	(0.5000)¢
Residential Rate "R-07" (Space Heating)-Original Sheet No. 17	(1.9000)¢
Residential Rate "R-07a" (Space Heating)-Original Sheet No. 18	(1.9000)¢
Residential Rate "R-09" (Apartment Rate)-Original Sheet No. 19	(1.9000)¢
Residential Rate "R-09a" (Apartment Rate)-Original Sheet No. 20	(1.9000)¢

**b. Interruptible Credit Provision**

**APPLICABILITY:**

Applicable to all customers who took service under PUCO-approved contracts containing interruptible provisions as of February 1, 2008 and continue to take service based upon the Company's rate schedules GP, GSU, or GT in conjunction with the Company's Economic Load Response Program Rider (ELR). This Interruptible Credit Provision is not applied to customers during the period the customer takes electric generation service from a certified supplier.

**RATE:**

The following interruptible credits will apply, by rate schedule, effective for service rendered beginning June 1, 2011 by unit of Curtailable Load, as defined in Rider ELR:

GP (per kW)	\$ (5.000)
GSU (per kW)	\$ (5.000)
GT (per kW)	\$ (5.000)

**RIDER EDR**  
**Economic Development Rider**

**c. Non Residential Credit Provision**

**APPLICABILITY:**

Applicable to any customer taking General Service - Transmission (GT), Street Lighting (STL), Traffic Lighting (TRF), and Private Outdoor Lighting (POL) service under the Company's rate schedules. This Non-Residential Credit Provision is not applied during the period a customer takes electric generation service from a certified supplier.

**RATE:**

The following credits will apply, by rate schedule, effective for service rendered beginning June 1, 2011, for all kWhs, per kWh:

GT	(0.0000)¢
STL	(1.6827)¢
TRF	(1.1562)¢
POL	(0.0000)¢

**d. General Service - Transmission (Rate GT) Provision**

**APPLICABILITY:**

Applicable to any customer taking service under the Company's General Service – Transmission (Rate GT). This provision is not avoidable for customers who take electric generation service from a certified supplier.

**RATE:**

The following charge will apply, effective for service rendered beginning June 1, 2009:

GT (per kVA of billing demand)	\$ 8.000
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The following credit will apply, effective for service rendered beginning January 1, 2012:

GT (all kWhs, per kWh)	(1.9210)¢
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**ADDITIONAL PROVISION:**

The charges provided for by Section (d) of this Rider shall be applied to the greater of (i) the measured monthly on-peak demand, or (ii) 25% of the measured monthly off-peak demand. Monthly on-peak demand is defined as the highest thirty (30) minute integrated kVA between the hours of 6:00 a.m. to 10:00 p.m. EST (equivalent to 7:00 a.m. to 11:00 p.m. EDT), Monday through Friday, excluding holidays. Holidays are defined as New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day. Monthly off-peak demand is defined as the highest thirty (30) minute integrated kVA for all other hours. This provision of Rider EDR is reconciled within this subpart (d) quarterly and is revenue neutral to the Companies.

**RIDER EDR**  
**Economic Development Rider**

**e. Standard Charge Provision**

**APPLICABILITY:**

Applicable to any customer that takes electric service under the Company's rate schedules. This Standard Charge Provision is not avoidable for customers who take electric generation service from a certified supplier.

**PURPOSE:**

The charges provided for by Section (e) of this Rider recover the difference in revenues resulting from the application of rates in the otherwise applicable rate schedule, and the application of credits in sections (a), (b), (c), and (f), of this Rider.

**RATE:**

The following charges will apply, by rate schedule for all kWhs per kWh:

GS	0.0556¢
GP	0.2420¢

**f. School Credit Provision**

**APPLICABILITY:**

Applicable to any public school district building that either: 1) was served under the Company's Energy for Education II program on December 31, 2008, or 2) is a new public school district building in a school district served under the Company's Energy for Education II program on December 31, 2008 of which fifty-percent (50%) or more of the total square footage of such building is used for classroom-related purposes including any such building that is a mobile unit or temporary structure. This School Credit Provision is not applied to customers during the period the customer takes electric generation service from a certified supplier.

**RATE:**

All applicable charges specified in Company's Generation Service Rider (GEN) for General Service - Secondary ("Rate GS"), General Service Primary ("GP"), or General Service - Subtransmission ("GSU") rates, shall be reduced by 8.693 percent.

**RIDER EDR**  
**Economic Development Rider**

**g. Infrastructure Improvement Provision**

**APPLICABILITY:**

Applicable to any customer that takes electric service under the Company's rate schedules with the exception of Street Lighting (STL), Traffic Lighting (TRF), and Private Outdoor Lighting (POL). This Infrastructure Improvement Provision is not avoidable for customers who take electric generation service from a certified supplier. Charges will be allocated in the same manner as the revenue was allocated in the Company's last distribution rate case, with the exception that no charges are allocated to the Street Lighting (STL), Traffic Lighting (TRF) and Private Outdoor Lighting (POL) schedules.

**PURPOSE:**

The charges provided for by Section (g) of this Rider recover costs associated with certain economic expansion and new employment in Ohio.

**RATE:**

The following charges will apply, by rate schedule for all kWhs per kWh:

RS	0.0367¢
GS	0.0248¢
GP	0.0100¢
GSU	0.0038¢
GT	0.0012¢

**h. Automaker Credit Provision**

**APPLICABILITY:**

Applicable to domestic automaker facilities with more than 45 million kilowatt-hours of consumption for the 12 monthly billing periods ended December 31, 2009 at a single site. This Automaker Credit Provision is available for customers who take electric generation service from a certified supplier.

**RATE:**

All credits included in Section (h) of this Rider are applied only to usage that exceeds the average of the customer's twelve (12) billing periods ended December 31, 2009 ("Baseline Usage").

First 20 percent of kWh's over Baseline Usage, per kWh	(1.0000)¢
All kWh's exceeding 20% over Baseline Usage, per kWh	(1.2000)¢

**RIDER EDR**  
**Economic Development Rider**

**i. Automaker Charge Provision**

**APPLICABILITY:**

Applicable to any customer that takes electric service under the Company's rate schedules with the exception of General Service - Transmission (GT), Street Lighting (STL), Traffic Lighting (TRF), and Private Outdoor Lighting (POL). This Automaker Charge Provision is not avoidable for customers who take electric generation service from a certified supplier.

**PURPOSE:**

The charges provided for by Section (i) of this Rider recover costs associated with implementation of the Automaker Credit Provision.

**RATE:**

The following charge will apply effective for service rendered beginning January 1, 2012, for all kWhs per kWh:

Automaker Charge

0.0040¢

**RIDER UPDATES:**

The charges contained in this Rider shall be updated and reconciled on a quarterly basis. No later than December 1st, March 1st, June 1st and September 1st of each year, the Company will file with the PUCO a request for approval of the Rider charges which, unless otherwise ordered by the PUCO, shall become effective on a service rendered basis on January 1st, April 1st, July 1st and October 1st of each year, beginning October 1, 2011. After May 31, 2014, all provisions of this Rider, except for the Infrastructure Improvement Provision - Section (g), shall be used for reconciliation purposes only.