

Todd M. Williams
Christopher J. Allwein
Nolan Moser
Keith Wilkowski
Of Counsel

Williams Allwein & Moser, LLC

Attorneys at Law
1373 Grandview Ave., Suite 212
Columbus, Ohio 43212
Ph. (614) 429-3092 Fx. (614) 670-8896

June 3, 2012

Ms. Betty McCauley, Secretary
Public Utilities Commission of Ohio
Docketing Division, 11th Floor
180 E. Broad Street
Columbus, OH 43215-3793

RE: PUCO Case No. 12-1230-EL-SSO (FirstEnergy Standard Service Offer).

Dear Ms. McCauley,

On May 21, 2012, the direct testimony of Chris Neme was filed in the above-listed Public Utilities Commission of Ohio ("PUCO" or "Commission") case. Attached is the Mr. Neme's amended testimony which addresses errata from the original testimony and includes exhibits as referred to in the original testimony.

Thank you for your attention to this matter. Please contact me at (614) 429-3092 if you have any questions about this filing.

Thank you,



Christopher J. Allwein

Attorney for the Sierra Club

ENCLOSURES

Cc: Case Parties
Attorney Examiner Gregory Price
Attorney Examiner Mandy Willey

CORRECTIONS
to the
May 21st, 2012 Testimony of Chris Neme
on behalf of
SIERRA CLUB

- P. 3, line 14: The clause “will likely have cost their customers hundreds of millions of dollars” should be modified to read as follows: “will cost their customers as much as several hundred million dollars.”

- P.5, line 2: Replace the word “it” with the word “they.”
- P.5, FN 3: Add “See Exhibit CN-2” to the end of the footnote.
- P.5, FN4: Add “See Exhibit CN-3” to the end of the footnote.
- P.5, FN5: Add “See Exhibit CN-3” to the end of the footnote.
- P.6, line 2: Replace “2012” with “2011.”
- P.6, line 16: Insert the word “potentially” between “the” and “much” so that the line reads: “...the potentially much more substantial benefits...”

- P.6, FN7: Add “See Exhibit CN-4” to the end of the footnote.
- P.9, FN10: Add “See Exhibit CN-5” to the end of the footnote.
- P.10, line 24: Insert the word “a” before the word “hedge.”
- P.12, line 12: Replace the word “was” with the word “were.”
- P.13, line 4: Insert the word “potentially” between the word “is” and the phrase “by far.”

- P.14, line 10: Insert the phrase “PJM’s VRRC suggests” before the phrase “market clearing price.”

- P. 15, line 6: Insert the word “hundred” between the words “several” and “million.”
- P. 15, line 13: Insert the word “hundred” between the words “several” and “million.”
- P. 16, line 3: Insert “As measured under the Total Resource Cost test, or other appropriate test” in a footnote after the word “consumers.”

Attachment CN-2

Witness: Ridmann

Case No. 12-1230-EL-SSO

Ohio Edison Company, The Cleveland Electric Illuminating Company and The Toledo Edison Company for Authority to Establish a Standard Service Offer Pursuant to R.C. § 4928.143 in the Form of an Electric Security Plan

RESPONSES TO REQUEST

SC Set 1 –

INT-6

The Stipulation states that “The Companies have identified up to 65 MW of energy efficiency resources that can potentially be bid into the PJM BRA auction on May 7, 2012” and that “The actual number of megawatts of energy efficiency resources that will be bid into the PJM BRA auction is dependent upon the level of customer agreement, which will be pursued and identified following signing of the stipulation.

- a. Please explain in detail how the estimate of 65 MW was developed.
Please include: (1) all calculations that First Energy performed (or commissioned) of peak demand savings that could potentially be bid into the PJM BRA – whether lighting or otherwise; and (2) an explanation for all savings it decided to include in its 65MW estimate as well as an explanation for all savings it decided not to include in its 65 MW estimate.
- b. What portion of the measures expected to produce the 65 MW has already been installed? What portion has not yet been installed, but are forecast to be installed:
(1) between May 1, 2012 and December 31, 2012; (2) between January 1, 2013 and December 31, 2013; (3) between January 1 2014 and December 31, 2014; (4) between January 1, 2015 and May 31, 2015.
- c. For measures that have not yet been installed, has First Energy considered simply requiring that customers sign over “ownership” of the peak demand savings as a condition for receiving a rebate, technical support and/or other efficiency program services? If so, please explain the Company analysis and conclusions regarding that approach.

Response:

- a. (1) The 65MW was based on unverified savings estimates associated with Residential and C/I lighting installations completed since June 1, 2011. Calculations were performed consistent with the draft Ohio Technical Reference Manual (TRM) for Ohio Senate Bill 221 Energy Efficiency and Conservation Program, as submitted to the PUCO August 6, 2010 accounting for Joint Utility Comments in that docket. (2) See response to Request SC Set 1-INT-1.g.
- b. The 65 MW reflects C/I lighting installations through April 5, and Residential CFL lighting reflects CFL distributions as of April 5. 100% of the C/I load has been installed. The Residential CFL load reflects an installation rate supported by EM&V. The Companies did not project installations beyond that period.

c. The Companies had considered this and continue to consider ways to address the ownership issue without creating barriers to customer participation and undermining the primary object of the EEPDR Plan which is to meet SB221 goals, The Companies are exploring providing C/I Customers the option to retain or assign to the Companies the ownership rights of the EE Resources for potential bidding into the PJM market as part of future program offerings.

Attachment CN-3

Witness: Ridmann

Case No. 12-1230-EL-SSO

Ohio Edison Company, The Cleveland Electric Illuminating Company and The Toledo Edison Company for Authority to Establish a Standard Service Offer Pursuant to R.C. § 4928.143 in the Form of an Electric Security Plan

RESPONSES TO REQUEST

1. Please explain in detail and itemize your assumptions, purposes, and reasoning behind the April 6, 2012, Initial Energy Efficiency (EE) Measurement & Verification Plan (M&V) submission to PJM, including:

g. Which EE measures and/or programs that have produced savings since June 1, 2011 and/or are expected to produce savings between now and May 2015 were not addressed by First Energy's EM&V plan? Why were these measures and/or programs not addressed?

Response:

g) The M&V Plan did not include other measures or programs currently offered under the Companies' approved portfolio plan, including programs such as Mercantile Customer Program, Appliance Recycling, Energy Efficient Appliances, New Construction/Home Audit Rebates, and C/I Motors and Drives. These other measures and/or programs were not included due to the limited magnitude of energy efficiency savings produced by those projects since June 2011, the lack of ownership authority to offer the resources into the PJM BRA, incremental EM&V costs, increased EM&V performance risks related to the projects and risks related to forecasting future installations through May 31, 2012. Savings associated with programs beyond 2012 were not included due to the above noted considerations and risks, and additional uncertainty related to regulatory approvals beyond the Companies' existing EE/PDR Portfolio Plans.

Attachment CN-4

Witness: Ridmann

Case No. 12-1230-EL-SSO

Ohio Edison Company, The Cleveland Electric Illuminating Company and The Toledo Edison Company for Authority to Establish a Standard Service Offer Pursuant to R.C. § 4928.143 in the Form of an Electric Security Plan

RESPONSES TO REQUEST

SC Set 2 –

INT-13

Regarding the 2011 performance of energy efficiency and peak demand reduction programs of First Energy's Ohio subsidiaries, please provide the following:

- a. FirstEnergy's best estimate of the volume of both the energy savings (MWh) and peak demand savings (MW) that were achieved. Please provide the estimate disaggregated by program and by subsidiary company – i.e. separately, by program, for Ohio Edison, Cleveland Electric Illuminating and Toledo Edison;
- b. Please provide FirstEnergy's best estimate of the portion of the annual savings – both MWh and MW – that were recorded after June 1, 2011 (i.e. between June 1st and December 31st, 2011);

Response:

- b. Estimates of cumulative gross savings, as reported in the answer to item a, installed or captured between June 1 and December 31 are as follows:

Program	CEI	OE	TE
Home Energy Analyzer	10%	12%	15%
Appliance Turn-In	90%	90%	90%
Energy Efficient Products	90%	90%	91%
Comprehensive Residential Retrofit	85%	91%	91%
CFL	56%	58%	79%
Community Connections	30%	30%	30%
SCI Equipment (Lighting)	92%	94%	93%
LCI Equipment (Lighting)	99%	99%	95%
Motors	100%	38%	N/A

Attachment CN-5

Witness: Ridmann

Case No. 12-1230-EL-SSO

Ohio Edison Company, The Cleveland Electric Illuminating Company and The Toledo Edison Company for Authority to Establish a Standard Service Offer Pursuant to R.C. § 4928.143 in the Form of an Electric Security Plan
RESPONSES TO REQUEST

**SC Set 2 –
INT-13**

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b. Please provide FirstEnergy's best estimate of the portion of the annual savings – both MWh and MW – that were recorded after June 1, 2011 (i.e. between June 1st and December 31st, 2011);

c. State the portion of each program's annual and monthly savings, as applicable, for each of the FirstEnergy EDUs, attributable to mercantile customers;

d. Of the savings attributable to mercantile customers, what is amount or percentage of efficiency measures and retrofits completed after June 1, 2011 (as opposed to work completed prior to June 1, 2011);

e. Identify the portion of the Companies' 2001 annual and monthly savings attributable to Transmission and Distribution system improvements.

Response:

Objection. This request seeks information that is beyond the scope of this proceeding. Subject to and without waiving the objection:

a. Please refer to Appendix A of the Companies' 2011 Energy Efficiency and Peak Demand Reduction Portfolio Status Report to the Commission as filed in dockets 12-1533-EL-EEC, 12-1534-EL-EEC, and 12-1535-EL-EEC on May 15, 2012

b. Estimates of cumulative gross savings, as reported in the answer to item a, installed or captured between June 1 and December 31 are as follows:

Program	CEI	OE	TE
Home Energy Analyzer	10%	12%	15%
Appliance Turn-In	90%	90%	90%
Energy Efficient Products	90%	90%	91%
Comprehensive Residential Retrofit	85%	91%	91%
CFL	56%	58%	79%
Community Connections	30%	30%	30%
SCI Equipment (Lighting)	92%	94%	93%
LCI Equipment (Lighting)	99%	99%	95%
Motors	100%	38%	N/A

c. Savings attributed to Mercantile Customers are filed annually. Please refer to Appendix A of the Companies' 2011 Energy Efficiency and Peak Demand Reduction Portfolio Status Report to the Commission as filed in dockets 12-1533- EL-EEC, 12-1534-EL-EEC, and 12-1535-EL-EEC on May 15, 2012

d. Of the savings attributed to customers applying under the FirstEnergy Mercantile Customer Program, 2% of the savings were completed after June 1, 2011.

e. The Companies' assume the question is referring to 2011. Please refer to Appendix A of the Companies' 2011 Energy Efficiency and Peak Demand Reduction Portfolio Status Report to the Commission as filed in dockets 12-1533-EL-EEC, 12-1534- EL-EEC, and 12-1535-EL-EEC on May 15, 2012

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Case No(s). 12-1230-EL-SSO

Summary: Correspondence errata sheet and exhibits pertaining to the testimony of Sierra Club witness Chris Neme electronically filed by Mr. Christopher J Allwein on behalf of The Sierra Club