

**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 Edison Company for) Case No 12-1230-EL-SSO
Authority to Provide for a Standard Service Offer)
Pursuant to R.C. § 4928.143 in the Form of an Electric)
Security Plan.)

**CORRECTIONS TO TESTIMONY
OF
VINCENT PARISI
ON BEHALF OF INTERSTATE GAS SUPPLY, INC.**

The answer commencing on Line 15 of Page 19 in the prefiled testimony of Interstate Gas Supply, Inc. witness Vincent Parisi filed herein on May 21, 2012 should be corrected as shown in the following redline:

- 14 **Q. Does FirstEnergy have an uncollectible expense rider?**
- 15 A. FirstEnergy has a distribution uncollectible expense rider applicable to all customers, but
16 does not have and a generation-related uncollectible expense rider applicable to SSO
17 customers. However, this was precisely This is similar to the situation for Duke Energy
18 Ohio prior to its latest ESP proceeding. Duke Energy Ohio also a non-bypassable
19 distribution uncollectible expense rider, but was proposing to establish a bypassable
20 generation uncollectible expense rider as a part of its ESP. However, the Commission-
21 approved stipulation that resolved that case provided that the generation uncollectible

22 expense rider should be expanded to cover both SSO and shopping customers'
23 uncollectible expense, so I see no barrier to establishing a non-bypassable generation-
24 related uncollectible expense rider in this case. ~~In addition, I would point out that it is~~
25 ~~somewhat anomalous to purport to segregate uncollectible expense between distribution~~
26 ~~service and generation service. Uncollectible expense is a function of the fact the electric~~
27 ~~utility issues bills for service and is not really tied to the nature of the service.~~ Thus, I
28 recommend that the Commission authorize FirstEnergy to establish a non-bypassable
29 generation-related uncollectible expense rider and require FirstEnergy to purchase the
30 receivables of CRES providers at no discount. This would mirror the result in the Duke
31 Energy Ohio ESP.

As corrected, the answer reads as follows:

14 **Q. Does FirstEnergy have an uncollectible expense rider?**

15 A. FirstEnergy has a distribution uncollectible expense rider applicable to all customers and
16 a generation-related uncollectible expense rider applicable to SSO customers. This is
17 similar to the situation for Duke Energy Ohio prior to its latest ESP proceeding. Duke
18 Energy Ohio also had a non-bypassable distribution uncollectible expense rider, but was
19 proposing to establish a bypassable generation uncollectible expense rider as a part of its
20 ESP. However, the Commission-approved stipulation that resolved that case provided
21 that the generation uncollectible expense rider should be expanded to cover both SSO and
22 shopping customers' uncollectible expense, so I see no barrier to establishing a non-
23 bypassable generation-related uncollectible expense rider in this case. Thus, I
24 recommend that the Commission authorize FirstEnergy to establish a non-bypassable

25 generation-related uncollectible expense rider and require FirstEnergy to purchase the
26 receivables of CRES providers at no discount. This would mirror the result in the Duke
27 Energy Ohio ESP.

In addition, attached is a copy of Attachment D of the stipulation approved by the Commission in the previous FirstEnergy ESP case, Case No. 10-388-EL-SSO, which is referred to in Pages 15 and 16 of the prefiled testimony. This document should be appended to the testimony as Exhibit 6.

EXHIBIT 6

Attachment D

The following terms and conditions set forth below are related to governmental aggregation and were proposed and approved as part of the Companies' current ESP in Case No. 10-388-EL-SSO. The terms and conditions will remain in effect for the duration of ESP 3, which is through May 31, 2016.

Governmental Aggregation.

This Attachment D applies to the situation where the Commission has ordered a phase-in, pursuant to its authority in R.C. § 4928.144, of the generation prices arising out of the auction provided for in Section A.1 of this Stipulation and a governmental aggregation group, with agreement from its Governmental Aggregation Generation Supplier ("GAGS"), elects to phase-in such generation costs.

1. For every kWh of energy that a GAGS delivers to a governmental aggregation customer, such customer will be entitled to receive a phase-in credit ("GAGS Phase-In Generation Credit") in an amount equal to the \$/kWh phase-in credit for the Company's(ies') SSO customers approved by the Commission for the period of this ESP.
2. For every kWh of energy that a GAGS delivers to a governmental aggregation customer, the GAGS will be granted the right to receive a receivable amount from the Companies equal to the GAGS Phase-In Generation Credit, plus carrying charges at the rate of 0.7066 percent per month ("GAGS Receivables").

3. Pursuant to R.C. § 4928.144, the Commission shall provide for the creation of regulatory assets for the Companies by authorizing the deferral of incurred generation costs equal to the amount not collected due to a phase-in, plus carrying charges at the rate of 0.7066 percent per month.

4. The Companies are authorized by the Commission to create regulatory assets and to charge, collect and receive from customers of the Companies the accrued GAGS Receivables that are to be paid to the GAGS subject to the provisions of R.C. § 4928.20(I). The Companies shall recover the accrued deferred cost amounts associated with such regulatory assets, including carrying charges at the rate of .7066 percent per month, through a Commission approved cost recovery rider. The cost recovery rider shall be non-bypassable for customers of the Companies subject to and consistent with the provisions of R.C. § 4928.20(I) and R.C. § 4928.144 and shall be reconciled on a quarterly basis.

5. Payment to the GAGS of amounts actually received by the Company(ies) shall occur under the same process as with other CRES provider payments received directly from customers. Uncollectible GAGS Receivables arising out of supplying generation and transmission to a governmental aggregation group electing to phase-in prices as approved by the Commission and as

described above shall be included in the cost recovery rider referenced in paragraph 4 above.

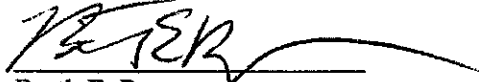
6. The Company(ies) must use commercially reasonable efforts to promptly enter into an agreement with the GAGS which will provide the GAGS with assurance of full recovery of all costs related to the GAGS' recovery of its GAGS Receivables.

7. Any payments to be made by the Companies to the GAGS contemplated hereunder shall be made not later than 3 days after receipt by the Companies of payment from the Companies' customers.

8. The GAGS' right to receive the GAGS Receivables and the Companies' right to defer and collect such amounts is authorized by the Commission by its approval of this Stipulation.

CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing has been served upon the following parties by electronic mail this 4th day of June 2012.


Barth E. Royer

Arthur E. Korkosz
James W. Burk
FirstEnergy Service Company
76 South Main Street
Akron, Ohio 44308
korkosza@firstenergycorp.com
burkj@firstenergycorp.com

James F. Lang
Laura C. McBride
Calfee, Halter & Griswold LLP
1400 KeyBank Center
800 Superior Ave
Cleveland, OH 44114
jlang@calfee.com
lmcbride@calfee.com

David A. Kutik
Jones Day
901 Lakeside Avenue
Cleveland, Ohio 44114
dakutik@jonesday.com

Larry S. Sauer
Terry L. Etter
Melissa R. Yost
Office of the Ohio Consumers' Counsel
10 West Broad Street, Suite 1800
Columbus, Ohio 43215-3485
sauer@occ.state.oh.us
etter@occ.state.oh.us
yost@occ.state.oh.us

Samuel Randazzo
McNees Wallace & Nurick LLC
Fifth Third Center
21 East State Street, 17th Floor
Columbus, OH 43215-4228
sam@mwnm.com

David F. Boehm, Esq.
Michael L. Kurtz, Esq.
BOEHM, KURTZ & LOWRY
36 East Seventh Street
Suite 1510
Cincinnati, OH 45202
dboehm@bklawfirm.com
mkurtz@bklawfirm.com

Joseph M. Clark
6641 North High Street, Suite 200
Worthington, Ohio 43085
jmclark@vectren.com

Duane W. Luckey
Thomas McNamee
William L. Wright
Attorney General's Office
Public Utilities Section
180 East Broad Street, 9th Floor
Columbus, Ohio 43215
thomas.mcnamee@puc.state.oh.us
duane.luckey@puc.state.oh.us
william.wright@puc.state.oh.us

Thomas J. O'Brien
Matthew W. Warnock
Lisa McAlister
Bricker & Eckler LLP
100 South Third Street
Columbus, OH 43215-4291
tobrien@bricker.com
mwamock@bricker.com
lmcaster@bricker.com

Matthew J. Satterwhite
Steven T. Nourse
American Electric Power Service Corporation
1 Riverside Plaza, 29th Floor
Columbus, OH 43215
mjsatterwhite@aep.com
stnourse@aep.com

Christopher J. Allwein
Williams, Allwein and Moser, LLC
1373 Grandview Ave., Suite 212
Columbus, OH 43212
callwein@wamenergylaw.com

M. Howard Petricoff
Lija Kaleps-Clark
Vorys, Sater, Seymour and Pease LLP
52 E. Gay Street
Columbus, Ohio 43215
mhpetricoff@vorys.com
lkalepsclark@vorys.com

Cynthia Fonner Brady
David Fein
550 W. Washington Street, Suite 300
Chicago, IL 60661
cynthia.a.fonner@Constellation.com
david.fein@constellation.com

Morgan Parke
FirstEnergy Solutions
76 South Main Street
Akron, Ohio 44308
parkem@firstenergycorp.com

Joseph P. Meissner, Esq.
The Legal Aid Society of Cleveland
1223 W. 6th Street
Cleveland, Ohio 44113
jpmeissner@lasclev.org

Trent A. Dougherty
1207 Grandview Ave. Suite 201
Columbus, Ohio 43115
trent@theoec.org

Robert Kelter
35 East Wacker Drive #1600
Chicago, Illinois 60601
rkelter@elpc.org

Colleen L. Mooney
Ohio Partners for Affordable Energy
231 West Lima Street
P.O. Box 1793
Findlay, OH 45839-1793
cmoonev2@columbus.rr.com

Glenn S. Krassen
BRICKER & ECKLER LLP
1375 East Ninth Street
Suite 1500
Cleveland, Ohio 44114
gkrassen@bricker.com

Stephen Bennett
Exelon Generation Company, LLC
300 Exelon Way
Kennett Square, PA 19348
stephen.bennett@exeloncorp.com

Sandy I-ru Grace
Exelon Business Services Company
101 Constitution Avenue N.W.,
Suite 400 East
Washington, DC 20001
sandy.grace@exeloncorp.com

Christopher L. Miller
Gregory H. Dunn
Asim Z. Haque
Ice Miller
250 West Broad Street
Columbus, Ohio 43215
christopher.miller@icemiller.com
gregory.dunn@icemiller.com
asim.haque@icemiller.com

Leslie A. Kovacik
City of Toledo
420 Madison Ave. Suite 100
Toledo, Ohio 43604
leslie.kovacik@toledo.oh.gov

Thomas R. Hays
Lucas County Prosecutors Office
700 Adams St., Suite 251
Toledo, Ohio 43604
trhays@gmail.com

Judi L. Sobecki
Randall V. Griffin
Dayton Power & Light Company
1065 Woodman Drive
Dayton, Ohio 45432
judi.sobecki@DPLINC.com
randall.griffin@DPLINC.com

Mark S. Yurick
Taft Stettinius & Hollister LLP
65 East State Street
Suite 1000
Columbus, Ohio 43215
myurick@taftlaw.com

Michael K. Lavanga
Brickfield, Burchette, Ritts & Stone, P.C.
1025 Thomas Jefferson Street, N.W.
8th Floor, West Tower
Washington, D.C. 20007
mkl@bbrslaw.com

Amy B. Spiller
Dorothy K. Corbett
Duke Energy Retail Services
139 East Fourth Street
1303-Main
Cincinnati, OH 45202
amy.spiller@duke-energy.com
dorothy.corbett@duke-energy.com

Craig L. Smith
15700 Van Aken Blvd., #26
Shaker Heights, Ohio 44120
wttpmlc@aol.com

Jeanne W. Kingery
Duke Energy Commercial Asset Mgmt.
139 East Fourth Street
1303-Main
Cincinnati, OH 45202
jeanne.kingery@duke-energy.com