

FILE

Ohio

**Public Utilities
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May 30, 2013

Docketing Division
Public Utilities Commission of Ohio
180 East Broad Street
Columbus, Ohio 43215

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PUCO

RE: *In the Matter of the Review of the Generation Service Rider Contained in Tariffs of Ohio Edison Company,
The Cleveland Electric Illuminating Company and The Toledo Edison Company*

Enclosed please find the Staff's Comments regarding First Energy's application to implement the
Generation Service Rider in Case No. 13-811-EL-RDR

Respectfully submitted,



William Ross Willis
Chief, Rates Division
Public Utilities Commission of Ohio
Enclosure
cc. Parties of Record

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**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Review of the)	
Generation Service Rider Contained in)	
The Tariffs of Ohio Edison Company,)	Case No. 13-811-EL-RDR
The Cleveland Electric Illuminating)	
Company and The Toledo Edison)	
Company)	

**COMMENTS
OF THE STAFF OF
THE PUBLIC UTILITIES COMMISSION OF OHIO**

Date submitted: May 30, 2013

Generation Service Rider Tariff Audit Submitted by Ohio Edison Company
Case No. 13-811-EL-RDR

Background

Pursuant to the July 18, 2012 Opinion and Order in Case No. 12-1230-EL-SSO, Ohio Edison Company, The Cleveland Electric Illuminating Company and The Toledo Edison Company ("Companies") filed their application for the review of the Companies' Generation Service Rider ("Rider GEN"). Pursuant to the schedule agreed to with the Commission Staff ("Staff"), the application for review of Rider GEN is to be filed in May of each year. The Companies submit Rider GEN and the associated work papers for the year beginning June 1, 2013.

On March 23, 2010, the Companies filed an application for an Standard Service Offer (SSO) in accordance with Sections 4928.141 and 4928.143, Ohio Revised Code, in Case No. 10-388-EL-SSO.

The March 23, 2010 stipulation, the May 13, 2010 supplemental stipulation, and the July 22, 2010 second supplemental stipulation established the following criteria for Rider Gen:

- For the period beginning June 1, 2011 and ending May 31, 2014 a provision that retail generation rates will be determined pursuant to the results of a descending-clock format competitive bid process, including any costs associated with administering the procurement process, adjustments for losses and seasonality, and costs associated with any necessary contingency process.
- That the pricing resulting from the outcome of the competitive bidding process shall be recovered through Rider GEN.
- Additionally, the stipulation specified that the capacity costs that result from the PJM capacity auctions will be used to develop capacity costs for Rider GEN.
- Furthermore, that the time differentiated pricing concepts as proposed by the Companies and approved by the Commission in Case No. 09-541-EL-ATA shall continue in effect through the term of the ESP. Included in these time differentiated pricing concepts approved by the Commission is the Time-of-Day option under Rider GEN.

Application

The application requests that the commission approve the Companies' proposed Rider Gen. In response to and compliance with the Orders of August 25, 2010 and July 18, 2012, in Case Nos. 10-388-EL-SSO and 12-1230-EL-SSO, respectively, the Companies filed tariff pages to reflect the changes to Rider Gen. The attachments were provided as part of the audit application for the Rider Gen. The Rider Gen rates will go into effect June 1, 2013.

Recommendation

Staff has performed an audit of the tariff pages presented by Ohio Edison Company, The Cleveland Electric Illuminating Company and The Toledo Edison Company, in compliance with Commission Opinion and Orders of August 25, 2010 and July 18, 2012, in Case Nos. 10-388-EL-SSO and 12-1230-EL-SSO. Staff finds the submitted tariff pages and subsequent tariff rates for the Rider Gen to be prudent and reasonable. Staff recommends the approval of this application.