

**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

**In the Matter of the Review of Ohio  
Adm. Code Chapter 4901:1-36, Electric  
Transmission Cost Recovery Riders.**

**Case No. 13-953-EL-ORD**

**In the Matter of the Review of Ohio  
Adm. Code Chapter 4901:1-37,  
Corporate Separation for Electric  
Utilities and Affiliates.**

**Case No. 13-954-EL-ORD**

**In the Matter of the Review of Ohio  
Adm. Code Chapter 4901:1-38,  
Reasonable Arrangements for Electric  
Utility Customers.**

**Case No. 13-955-EL-ORD**

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**COMMENTS OF OHIO EDISON COMPANY,  
THE CLEVELAND ELECTRIC ILLUMINATING COMPANY, AND  
THE TOLEDO EDISON COMPANY**

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## **I. INTRODUCTION**

Pursuant to the Commission's Entry of December 18, 2013, Ohio Edison Company ("Ohio Edison"), The Cleveland Electric Illuminating Company ("CEI"), and The Toledo Edison Company ("Toledo Edison") (collectively, the "Companies"), respectfully submit their comments to address review of the rules contained in Chapters 4901:1-36, 4901:1-37 and 4901:1-38 of the Ohio Administrative Code ("O.A.C."). The Companies respectfully request the Commission consider their comments and appropriately modify and/or add the proposed rules.<sup>1</sup>

## **II. COMMENTS**

### **A. O.A.C. 4901:1-36 Transmission Cost Recovery Rider**

#### **1. O.A.C. 4901:1-36-03(D) Application.**

The Companies propose a slight modification to this provision to match the language of existing rule O.A.C. 4901:1-36-05, in order to specifically provide for a Commission Order to adjust the timing of the effective date of an application, as follows:

**(D) Unless otherwise ordered by the commission,** ~~Each~~ annual application to update the transmission cost recovery rider should be made not less than seventy-five days prior to the proposed effective date of the updated rider.

#### **2. O.A.C. 4901:1-36-04 Limitations.**

Consistent with O.R.C. 4928.05(A)(2), the Companies propose clarifying language to more accurately describe the current environment of transmission and

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<sup>1</sup> The Companies' decision not to include a comment at this time may not be interpreted as the Companies' waiver of its right to file a reply to other parties' comments in this proceeding.

transmission-related cost categorization with respect to which costs may be avoidable by customers who choose alternative generation suppliers, as follows:

- (B) Market-based ~~The transmission costs recovery rider~~ shall be avoidable by all customers who choose alternative generation suppliers and the electric utility no longer bears the responsibility of providing generation and market-based transmission service to the customers. A non-bypassable cost recovery rider may be established to recover from all customers non-market based costs, fees, or charges imposed on or charged to the electric utility by FERC, a regional transmission organization, an independent transmission operator, or similar organization approved by FERC.

**B. O.A.C. 4901:1-37 Corporate Separation**

The Companies have no comments at this time regarding these rules, but reserve the right to file reply comments.

**C. O.A.C. 4901:1-38 Arrangements**

The Companies have long supported competitive markets for electricity generation and propose a provision allowing Reasonable Arrangement customers to obtain generation supply from competitive retail electric service providers. Allowing Reasonable Arrangement customers to shop for generation will create the opportunity to both support the competitive market in Ohio, and to reduce the “delta revenue” burden placed on other customers by, in effect, shifting a portion of the "delta revenue" to the competitive market. The Companies propose a new section as follows:

A customer approved for an arrangement under this chapter shall be permitted to select a certified retail electric service provider to supply its generation service.

The Companies also propose a corresponding revision to the definition of “delta revenue” in section 4901:1-38-01 as follows:

- (C) “Delta revenue” means the deviation resulting from the difference ~~in rate levels~~ between the otherwise applicable ~~rate schedule~~ charges for electric

service and the result of any reasonable arrangement approved by the commission.

Additional changes to this chapter may be needed to fully integrate the proposed new provision.

### **III. CONCLUSION**

The Companies again appreciate the opportunity to comment on the proposed rules. The Companies urge the Commission to adopt the recommendations of the Companies set forth in these comments.

/s/ James W. Burk

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**CERTIFICATE OF SERVICE**

I certify that a copy of the foregoing has been filed with the Commission's Docket Information System and is available for all interested parties.

/s/ Robert M. Endris

Robert M. Endris

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Summary: Comments Initial Comments of Ohio Edison, The Cleveland Electric Illuminating Company, and The Toledo Edison Company electronically filed by Mr. Robert M. Endris on behalf of Burk, James W. Mr.