

**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

**REPLY 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 reply comments to address comments filed by other parties regarding 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 initial and reply comments and appropriately modify and/or add the proposed rules.¹

II. COMMENTS

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

1. O.A.C. 4901:1-36-06 Additional Information.

The Companies oppose the recommendation by the Office of Consumers Counsel ("OCC") that utilities be required to file the proposed additional quarterly information in "the public docket" for several reasons. (OCC Comments p.3). First, the Companies note that the additional quarterly submittals that Staff proposes do not result in changes or updates to tariffs. In other words, there is no action requested or contemplated to be taken in connection with the proposed quarterly submittals. Accordingly, there is no need for a public docket to be established under which the proposed submittals might be filed.

¹ The Companies' decision not to include a reply to comments of other parties may not be interpreted as agreement with positions taken by other parties in this proceeding.

Second, some of the information to be submitted quarterly is confidential in nature. Creating three additional public dockets each year for each utility in order for the Commission to receive confidentially-filed documents would place an unnecessary administrative burden on utilities and the Commission when there is no action to be taken that affects the rates customers pay for the transmission component of electric service.

Third, the information Staff proposes to be submitted quarterly already is required to be filed annually in a public docket at the time the rider is reconciled and the tariff updated. Thus, all of the same information is available each year in a public docket wherein interested parties may intervene and participate as appropriate. No changes to the rules are necessary to allow interested parties to be “availed of the information that affects the rates that customers pay for electric service” at such time as the rates are, in fact, established.

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

The Companies consider the comments of Direct Energy Services, LLC and Direct Energy Business, LLC (collectively “Direct Energy”), and Dayton Power and Light Company (“DPL”) regarding the transmission cost recovery rider to be fundamentally in line with the Companies’ own recommendation. (Direct Energy Initial Comments p.3, DPL Initial Comments p.2) The Companies therefore urge the Commission to adopt the rule language proposed by the Companies in their Initial Comments.

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

Rules 4901:1-37-04 and 4901:1-37-08

In its Initial Comments, Direct Energy recommends that the Commission amend Rules 4901:1-37-04 and 4901:1-37-08 to require electric distribution utilities (“EDUs”) to provide updates to the log required by 4901:1-37-04(E)(2) and to the Cost Allocation Manual (“CAM”) required by Rule 4901:1-37-08. Direct Energy also requests that the Commission require EDUs to add to the list of transferred employees’ previous and new job descriptions contained in the CAM as required by Rule 4901:1-37-08(D)(6) and the role those employees may have played in an electric security plan (“ESP”) or market rate offer (“MRO”). Direct Energy also requests that the EDUs include that information in any pending ESP, MRO or tariff filing. Direct Energy fails to provide any substantial explanation for this recommendation, stating only that “[t]he employee’s knowledge of this filing could be a competitive advantage over other CRES providers who had no advance knowledge of the filing and its details.”²

As an initial matter, Rule 4901:1-37-04(E)(2) does not require that the EDUs maintain any regular log. Rather, Subsections (E)(1) and (2) merely provide “in a declared emergency situation, an electric utility may take actions necessary to ensure public safety and system reliability” and “[t]he electric utility shall maintain a log of all such actions that do not comply with this chapter, and such log shall be subject to review by the commission and its staff.” The rule contemplates a rare event – a declared emergency situation – making a log of this type an unusual event. Moreover, this log has nothing to do with an ESP, MRO, or tariff filing. Direct Energy’s recommendation to require the updating of this log and the filing of the log with an ESP, MRO and tariff

² Direct Energy Initial Comments at 4-5.

filing is unsupported and unnecessary. The Commission should reject this recommendation.

Second, the Commission should reject Direct Energy's recommendation to update the CAM. Rule 4901:1-37-08(H) requires an EDU to "provide the director of the utilities department (or their designee) with a summary of any changes in the CAM at least every twelve months. " This summary of changes will include any update to the list of employees required under Rule 4901:1-37-08(D)(6). Therefore, Direct Energy's request to have this information updated is unnecessary as it is already contained in the Rule.

Last, the Commission should reject Direct Energy's recommendation to require the CAM updates in an ESP, MRO or tariff filing. Direct Energy has not indicated how this information is relevant to an ESP, MRO or tariff filing or how the information could be utilized for any purpose during those proceedings. In addition, because EDUs make tariff filings periodically, this proposed requirement would be unduly burdensome to administer. It is Staff's responsibility to review the CAM and its updates, not an individual CRES supplier, and an ESP is not the forum to address whatever issues may arise. For all of those reasons, the Commission should reject Direct Energy's recommendations.

III. CONCLUSION

The Companies again appreciate the opportunity to provide reply comments on the proposed rules. The Companies urge the Commission to adopt the recommendations of the Companies set forth in the Initial and Reply 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

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