

FILE

Staff Comments in Case No. 09-1820-EL-ATA regarding CEI's proposed Critical Peak Pricing Rider for Residential Customers

On January 17, 2014, the Cleveland Electric Illuminating Company filed their proposed Critical Peak Pricing Rider to be offered to residential customers in their Ohio Smart Grid Modernization pilot area. The Company has agreed to offer this pilot time-of-use rate in conjunction with a critical peak price to up to 250 residential customers who opt-in to do so on a first-come, first-served basis. The time-of-use rate with the critical peak price would only apply for the summer months of June through August of 2014.

The PJM defined summer on and off-peak time periods are the same periods the Company will be using in this pilot except for the month of September. The month of September will be included in the winter seasonal period. The summer on-peak period is defined as 7 a.m. to 11 p.m. EDT, Monday through Friday, excluding holidays and when a critical peak period will be in effect. The Critical Peak Period will be from 1 p.m. to 7 p.m. EDT for up to fifteen possible (15) Critical Peak Period events for the summer of 2014 as determined by the Company.

The Staff recognizes that the prices for the various periods in the Company's proposed experimental Critical Peak Pricing Rider are not filed yet because the Generation Service Rider (GEN) has not been determined from the most recent generation auction. The Staff recommends that the Company use some proxy prices derived from the most recent generation auction to be able to market this service to customers. The Staff recommends that customers who elect to sign up for this service be notified by their preference of either email, voice mail, or text message the previous day for an upcoming critical peak event. Staff recommends that customers who are already on the Peak Time Rebate pricing program may elect to switch to this time-of-use rate or they may stay on the Peak Time Rebate; however, they should not be allowed to switch mid-stream in the summer period.

The Staff recommends that the Commission approve this tariff as filed for marketing purposes reserving the right to modify any of the prices that will be filed later after Staff's review and any recommendations.

Greg Scheck

February 19, 2014

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