

Ohio

**Public Utilities
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May 20, 2014

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

RE: *In the Matter of the Review of the Experimental Real Time Pricing Rider and Experimental Critical Peak Pricing 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 Experimental Real Time Pricing Rider and Experimental Critical Peak Pricing Rider in Case No. 13-2174-EL-RDR

Respectfully submitted,



Wm. 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)	
Experimental Real Time Pricing Rider)	
and Experimental Critical Peak Pricing)	
Rider Contained in the tariffs of The)	Case No. 13-2174-EL-RDR
Cleveland Electric Illuminating Company)	
Ohio Edison Company, and The Toledo)	
Edison Company)	

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

Date submitted: May 20, 2014

**Experimental Real Time Pricing Rider,
and Experimental Critical Peak Pricing Rider
and Tariff Audit
Submitted by,
The Cleveland Electric Illuminating Company,
Ohio Edison Company and
The Toledo Edison Company**

Case No. 13-2174-EL-RDR

Introduction

Pursuant to the July 18, 2012 Opinion and Order in Case No. 12-1230-EL-SSO, The Cleveland Electric Illuminating Company (CEI), Ohio Edison Company (OE), and The Toledo Edison Company (TE) (Companies) filed their application for the review of the Companies' Experimental Real Time Pricing Rider (Rider RTP) and Experimental Critical Peak Pricing Rider (CPP). According to the schedule agreed to with the Commission Staff (Staff), the application for review of Riders RTP and CPP are to be filed in May of each year. The Companies submitted Riders RTP and CPP and the associated work papers for the year beginning June 1, 2014.

Background

On March 21, 2009, in Case No. 08-935-EL-SSO (ESP 1), the Commission approved a Stipulation and Recommendation to establish an electric security plan. At that time the Company agreed to develop and seek approval from the Commission for tariffs to include critical peak, time-of-day and real time pricing provisions. On June 29, 2009, in Case No. 09-541-EL-ATA the Companies filed an application for approval of new tariffs which represented the three service options as required by the ESP. On March 23, 2010, the Companies filed an application for a Standard Service Offer (SSO) in accordance with Sections 4928.141 and 4928.143, Ohio Revised Code, in Case No. 10-388-EL-SSO (ESP 2). On April 13, 2012, the Companies filed a second application for a SSO in accordance with Sections 4928.141 and 4928.143, Ohio Revised Code, in Case No. 12-1230-EL-SSO (ESP 3). The stipulations in these cases established the criteria for the RTP and CPP Riders:

- For the period beginning June 1, 2013 and ending May 31, 2016 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.

- Additionally, the stipulations specified that the capacity costs that result from the PJM capacity auctions will be used.
- Furthermore, that 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.
- Real Time Pricing Rider is offered on an experimental basis. It provides customers the opportunity to manage electric cost by shifting load to lower price periods.
- Critical Peak Pricing Rider is offered on an experimental basis. It provides critical peak pricing hours, and customers the opportunity to manage electric costs by shifting their load from the higher price periods to lower price periods.

Application

The Company filed an application on May 1, 2014 to request the Commission approve the Companies proposed RTP and CPP Riders. Through the course of the investigation, the Company discovered a minor error in the filing and filed an amended application on May 16, 2014. 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 RTP and CPP Riders. The work papers were provided as part of the audit application. RTP and CPP Riders rates will go into effect June 1, 2014.

Recommendation

The Staff has determined that the Company's calculation of the RTP and CPP Riders revenue requirement, as reflected in the amended filing, is supported by adequate data and is properly allocated to the various customer classes. Staff recommends the proposed rates of be approved.