Company Exhibit_____

BEFORE THE
PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Ohio Edison Company, The Cleveland Electric Illuminating Company and The Toledo Edison Company for Authority to Provide for a Standard Service Offer Pursuant to R.C. 4928.143 in the Form of an Electric Security Plan	)))))))	Case No. 14-1297-EL-SSO

DIRECT TESTIMONY OF

MEGHAN C. JURICA

ON BEHALF OF

OHIO EDISON COMPANY
THE CLEVELAND ELECTRIC ILLUMINATING COMPANY
THE TOLEDO EDISON COMPANY

AUGUST 4, 2014

INTRODUCTION

Q. PLEASE STATE YOUR NAME, POSITION, AND BUSINESS ADDRESS.

A. My name is Meghan C. Jurica. I am employed by FirstEnergy Service Company as a Lead in the Rates and Regulatory Affairs Department and my business address is 76 S. Main St. Akron, Ohio 44308.

Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND PROFESSIONAL EXPERIENCE.

A. I graduated from the University of Mount Union (formerly, Mount Union College) where I received a Bachelor of Science degree in Mathematics. I have been employed by FirstEnergy Service Company since May 2007. During my first two years, I worked in the Retail Tariff Analysis and Forecasting group. There, I was involved in retail revenue forecasting and supported various budgetary work for all of FirstEnergy Corp.'s operating companies. In May 2009, I moved to the Rates Support group in the Rates and Regulatory Affairs Department, and was named to my current position of Lead in April 2014.

Q. WHAT ARE YOUR CURRENT JOB DUTIES AND AREAS OF RESPONSIBILITY?

A. In my current position, I continue to support the development of the rate design for Ohio Edison Company ("Ohio Edison"), The Cleveland Electric Illuminating Company ("CEI"), and The Toledo Edison Company ("Toledo Edison") (collectively, the "Companies"). In addition, among other things, I am responsible for performing cost-of-service studies, analyzing financial data for the FirstEnergy Corp. operating companies for various

projects, preparing federal and state regulatory filings and associated rate case materials, and coordinating interaction with commission staff.

Q. HAVE YOU EVER PREVIOUSLY TESTIFIED BEFORE A REGULATORY COMMISSION?

A. Yes. I have testified on behalf of Jersey Central Power & Light Company, sponsoring the cost-of-service study in the base rate case proceeding in New Jersey Board of Public Utilities Docket No. ER12111052. I have also submitted testimony on behalf of Monongahela Power Company and The Potomac Edison Company, sponsoring the class cost-of-service study in the base rate case proceeding in Public Service Commission of West Virginia Docket No. 14-0702-E-42T.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?

A. I address and support the design of certain riders and associated tariff sheets that will be modified as part of the Companies' fourth electric security plan entitled Powering Ohio's Progress (also referred to as "ESP IV"), specifically: Generation Service Rider ("Rider GEN") and Alternative Energy Resource Rider ("Rider AER").

GENERATION SERVICE RIDER

Q. PLEASE BRIEFLY DESCRIBE RIDER GEN.

A. Primarily, Rider GEN recovers the resultant costs from the outcome of the competitive bidding process ("CBP") to supply Standard Service Offer ("SSO") load. The Companies do not own any generating assets; rather, generation service for SSO customers is provided by third-party suppliers through the CBP. For rate design purposes, there are two types of charges included in Rider GEN: capacity charges and energy charges. The capacity

charges per kWh are developed based on the results of PJM's Reliability Pricing Model ("RPM") auctions conducted for that PJM delivery year, which are then allocated to each company and rate schedule based on the average of their most recent historical June through September coincident peak demands. The energy charges, which are developed based on the difference between the SSO average weighted price resulting from the competitive bid process and the capacity price for that delivery year per kWh, are adjusted by distribution losses and seasonality factors to achieve retail charges. Rider GEN charges are bypassable and updated on an annual basis to become effective June 1 of each year.

Q. PLEASE DESCRIBE THE PROPOSED MODIFICATIONS TO THE RIDER GEN TARIFF IN ESP IV.

A. The Companies propose to eliminate the time-of-day provision of Rider GEN. Additionally, the Companies propose to remove references to the Fixed Resource Requirement auctions conducted in 2010 given that the results of these auctions no longer have an impact on the Rider GEN pricing. Moreover, the Companies propose to modify the tariff language regarding administrative changes to represent more accurately and clearly the historical Rider GEN calculation methodology approved by the Commission in Case Nos. 13-811-EL-RDR and 14-543-EL-RDR. Excluding the elimination of the time-of-day provision, none of the proposed changes to the language in the Rider GEN tariff, which is attached to the Application as Attachment 5, modify the existing rate design or rate calculations.

Q. WHY DO THE COMPANIES PROPOSE TO ELIMINATE THE TIME-OF-DAY PROVISION IN RIDER GEN?

A. The Companies believe that dynamic pricing options, including time-differentiated pricing, are better left to the development and implementation of competitive retail electric service ("CRES") providers. To be sure, the Commission in the past has supported having utilities offer time-differentiated pricing to demonstrate the possibilities with regard to this option in a relatively new market. Yet, the continued increasing numbers of shopping customers suggest that having the Companies provide this option is not necessary to facilitate market growth and development. Further, by offering a time-differentiated pricing option – in addition to the default standard service offer in Rider GEN – the Companies are in effect competing with CRES providers and thus could potentially be seen as impeding further market development. Notably, all of the Companies' other non-shopping customers are responsible for recovery of any difference created between generation revenues and expenses associated with implementation of the time-of-day provision. Thus, eliminating the time-differentiated price option will benefit these non-shopping customers.

Q. IS THERE ADDITIONAL JUSTIFICATION FOR ELIMINATING THE TIME-OF-DAY PROVISION IN RIDER GEN?

A. Yes**.** Only two customers have taken advantage of this provision in Rider GEN since its inception. This further supports the conclusion that either: (a) the Companies' non-shopping customers are not interested in this option; or (b) customers have found more attractive options with CRES providers.

ALTERNATE ENERGY RESOURCE RIDER

Q. PLEASE BRIEFLY DESCRIBE RIDER AER.

A. Rider AER is the bypassable rate mechanism designed to recover costs associated with procuring Renewable Energy Credits ("RECs") to fulfill the Companies' renewable energy resource requirements. These costs include the costs of the RECs themselves as well as to administer such procurements and costs associated with the audit of this Rider, among other things. As part of the stipulation approved in the Companies' ESP III, the recovery of these costs was levelized through May 31, 2016. Rider AER includes estimated carrying charges for recovery and is reconciled on a quarterly basis.

Q. DO THE COMPANIES PROPOSE TO MODIFY THE RATE DESIGN OF RIDER AER FOR ESP IV?

A. Yes. The term of levelized recovery of costs under Rider AER will end on May 31, 2016. The Companies now request approval to modify the Rider AER rate design effective June 1, 2016 to recover estimated costs within the quarter that they are expected to be incurred, with any actual over or under recovery included in the rider for the subsequent filings. The Companies also seek approval to eliminate the loss differentiation of Rider AER. The loss differentiation allocates each operating company's overall quarterly rate to the various individual rate schedules using each class' distribution loss factor in relation to the overall distribution loss factor for the operating company. As a result of this change, each operating company will have a single Rider AER charge that is applied to each kWh consumed for all non-shopping customers of that company. The proposed changes to the

language in the Rider AER tariff, which is attached to the Application as Attachment 5, reflect the discussed modifications to rate design.

Q. WHY DO THE COMPANIES PROPOSE TO MODIFY RIDER AER?

A. Both proposed modifications are being made in accordance with specific recommendations made by Goldenberg Schneider in the Financial Audit Report filed on August 15, 2012 in Case No. 11-5201-EL-RDR. These two recommendations could not be implemented at the time the Financial Audit Report was filed since the Companies were bound by a separate regulatory commitment in Case No. 12-1230-EL-SSO. Further, recovering estimated costs on a quarterly basis more closely aligns the timeframe the costs are incurred with the receipt of revenue. This should reduce the level of carrying charges calculated based on such timing differences.

CONCLUSION

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes. I reserve the right to supplement my testimony.

Summary: Testimony (Direct) of Meghan C. Jurica electronically filed by Ms. Tamera J Singleton on behalf of Ohio Edison Company and The Cleveland Electric Illuminating Company and The Toledo Edison Company