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

MARYBETH SMIALEK

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 Marybeth Smialek. I am Manager – Customer Service Systems and Power Billing for FirstEnergy Service Company. My business address is 76 South Main Street, Akron, Ohio 44308.

Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND PROFESSIONAL QUALIFICATIONS.

A. I received a Bachelor of Science degree in Business Administration from Edinboro University and a Master's degree in Business Administration from The Behrend College at The Pennsylvania State University, Erie.

I have 30 years of experience in the electric utility industry. I began my career with Pennsylvania Electric Company ("Penelec") (now one of FirstEnergy Corp.'s operating companies) in 1984 as a customer assistance representative. From 1995 to 2001, I was an energy service consultant. Following the merger of FirstEnergy Corp. and GPU, Inc. (Penelec's former parent company) in 2001, I was named Metropolitan Edison Company's area manager for the City of York, Pennsylvania.

In 2008, I became Manager, Compliance and Human Services at FirstEnergy Service Company. In that position, I was responsible for managing and resolving customer complaints received through regulatory agencies as well as directing the company's low income customer assistance and energy efficiency programs. I was named to my current position in 2013.

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

A. My current position is Manager, Customer Service Systems and Power Billing and my responsibilities include relationship management with competitive retail electric service ("CRES") providers. This entails: (1) processing customer enrollments and drops; (2) responding to CRES inquiries: (3) complaint resolution; (4) development and execution of regulatory programs; and (5) CRES-related reporting. I manage the processing and billing of FirstEnergy Corp.'s operating companies' largest power accounts including customers of Ohio Edison Company ("Ohio Edison"), The Cleveland Electric Illuminating Company ("CEI") and The Toledo Edison Company ("Toledo Edison") (collectively, "the Companies"). I also have responsibility for some internal controls and validation of revenue from kWh sales for compliance with Sarbanes Oxley.

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

A. The purpose of my testimony in this proceeding is to identify and provide support for certain retail market related initiatives the Companies are proposing in their fourth electric security plan entitled Powering Ohio's Progress (also referred to as "ESP IV"). I also address certain proposed changes to the Companies' electric service regulations and Supplier Tariff related to CRES.

RETAIL MARKET INVESTIGATION ("RMI")

Q. PLEASE DESCRIBE THE RMI PROCESS.

A. In December 2012, the Commission began an investigation into the health, strength, and vitality of Ohio's CRES market. From approximately December 2012 until January 2014, the Commission held a series of workshops and meetings led by Commission Staff members to discuss issues related to the CRES market, CRES providers, electric distribution utilities ("EDUs"), and customers. I regularly participated in the extensive discussions that occurred as a part of the workshops and subgroup meetings.

As a result of that investigation, the Commission ordered the Companies, along with the other EDUs, to undertake a number of activities to further develop the CRES market. (I will discuss three specific activities below.) In addition, the Commission ordered a continuing Market Development Working Group ("MDWG") to discuss further improvements to the CRES market. The Companies continue to participate in those discussions.

Q. PLEASE DESCRIBE THE ASPECTS OF THE COMMISSION'S RMI ORDER THAT YOU ADDRESS IN YOUR TESTIMONY.

A. My testimony addresses the Companies' proposals related to the Commission's RMI Order relating to: (1) establishing a supplier web portal; (2) implementing changes to the Companies' bills related to CRES provider logos; and (3) revising the price to compare language appearing on the bill.

SUPPLIER WEB PORTAL

Q. PLEASE DESCRIBE THE SUPPLIER WEB PORTAL BEING PROPOSED BY THE COMPANIES.

A. Through the RMI, a desire was expressed for the Companies to develop and implement a web-based system to provide customer information to CRES providers. In the March 26, 2014 RMI Order, the Commission also directed Staff and the EDUs to continue to work together regarding the development of a website registration system that would ensure customer protections on a utility-by-utility basis. Accordingly, in response, the Companies in this proceeding propose a supplier web portal that will be a secure, web-based system available to CRES providers. The supplier web portal will provide defined customer information. This supplier web portal is also intended to advance the state policy to further effective competition in the CRES market and to satisfy the Commission's directive in the RMI.

Q. WHAT TYPES OF INFORMATION WILL BE AVAILABLE ON THE PROPOSED SUPPLIER WEB PORTAL?

A. The following types of information will be available on the supplier web portal:

- 20 digit EDI enrollment number;
- Account number;
- Meter number;
- Customer name;
- Customer address, including Zip Code;
- Billing address, including Zip Code;

- Email address (if available);
- Meter reading cycle dates;
- Meter type;
- Interval meter indicator;
- Rate code indicator;
- Load profile segment indicator;
- Peak Load Contribution ("PLC") and Network Service Peak Load ("NSPL") Values;
- 12 months of consumption data (in kWh) by billing period;
- 12 months of demand data (in kW);
- 12 months of interval data (if applicable);
- SSO customer indicator;
- Budget billing plan indicator;
- Future PLC and NSPL values;
- Smart meter indicator;
- Interval data for interval metered customers;
- Net metering indicator; and
- Service voltage.

Q. HOW WILL THE COMPANIES' PROPOSED SUPPLIER WEB PORTAL BE DIFFERENT FROM THE CURRENT WEB-BASED SYSTEM?

A. Currently, CRES providers have access to customer eligibility lists via a website, which are updated on a quarterly basis. These lists do not provide Electronic Data Interchange

("EDI") enrollment information. While the customer eligibility lists will continue to be available to CRES providers to use as a marketing tool, the proposed supplier web portal will enhance the process by making available "real-time" information to CRES providers. In addition, the proposed supplier web portal will include EDI enrollment information for customers who have authorized the release of this information. A CRES provider having a customer's authorization and account number will be able to access a secure website and immediately obtain a customer's current usage data and EDI enrollment information. This proposed enhancement will allow for quicker and easier access to customer information that is necessary to complete enrollment by the CRES provider.

Q. WHAT CUSTOMER PROTECTIONS WILL BE INCORPORATED INTO THE SUPPLIER WEB PORTAL?

A. Supplier web portal access will be only granted to those certified CRES providers that complete and submit authorization forms electronically to the Companies. Once submitted and reviewed, the CRES provider will be granted password-protected access to the supplier web portal. Even with this access, customer account and EDI enrollment information will not be released until the CRES provider verifies and submits customer authorization for release of information in accordance with Rule 4901:1-10-24, Ohio Administrative Code. The authorization forms will be retained for three years.

Q. HOW WILL THE COMPANIES RECOVER THE COSTS FOR THE DEVELOPMENT AND IMPLEMENTATION OF THE PROPOSED SUPPLIER WEB PORTAL?

A. The Companies propose to recover costs through the proposed Government Directives Recovery Rider ("Rider GDR") as discussed in the testimonies of Company witnesses McMillen and Mikkelsen.

Q. WHAT IS THE EXPECTED TIMING FOR IMPLEMENTATION OF THE PROPOSED SUPPLIER WEB PORTAL?

A. Subject to Commission approval of ESP IV, the Companies propose to implement the supplier web portal, and have it available for use by CRES providers no later than June 1, 2016 – the commencement date of proposed ESP IV.

INCLUSION OF CRES PROVIDER LOGOS ON EDU CONSOLIDATED BILLS

Q. WERE THE COMPANIES ORDERED TO PROVIDE CRES PROVIDERS WITH THE OPTION OF INCLUDING THEIR LOGOS ON EDU CONSOLIDATED BILLS?

A. Yes. EDUs are now required to provide CRES providers with the option of including their logos on utility consolidated bills. The Commission articulated this requirement in the March 26, 2014 RMI Order.

Q. WHERE WILL THE CRES PROVIDER LOGO APPEAR ON THE EDU CONSOLIDATED BILL?

A. Per the March 26, 2014 RMI Order, the placement of a CRES provider's logo on the bill will be in the area where supply charges are displayed. At the option of the CRES provider,

the name of the CRES provider may be displayed in lieu of a logo. Attached as Attachment MBS-1 is a mock-up of a proposed bill format to implement this requirement of the Commission's RMI Order.

Q. HOW WILL THE COMPANIES IMPLEMENT THIS PART OF THE RMI ORDER?

A. All CRES providers registered in the Companies' service territory will be requested to provide an electronic file of their logo to the Companies by a specified date. The logos that are received by the specified date will be uploaded to the Companies' bill print system. Thereafter, CRES provider logos received by the Companies will be uploaded to the Companies' bill print system on a monthly basis. Therefore, if a CRES provider missed the initial deadline, its logo will be uploaded into the bill print system upon receipt as part of the monthly update process. New CRES providers will be able to submit their logo as part of the registration process, which will be uploaded on a monthly basis. The process on how to submit the logos will be provided on the Companies' supplier website as well.

Q. HOW WILL THE COMPANIES RECOVER THE COSTS ASSOCIATED WITH CRES PROVIDER LOGOS?

A. In the RMI Order, the Commission authorized EDUs to defer these costs for recovery in the next distribution case. As discussed by Company witness Mikkelsen, the Companies will, per Commission directive, defer these costs for future recovery but are seeking to recover these costs in proposed Rider GDR rather than in a future distribution case.

Q. WHEN DO THE COMPANIES PROPOSE TO IMPLEMENT CRES PROVIDER LOGOS?

A. In the March 26, 2014 RMI Order, the Commission required the Companies to file an application to change their bill format by November 26, 2014. In this proceeding, the Companies request approval of the bill format, attached as Attachment MBS-1, and propose an implementation date for the CRES provider logos of no later than June 30, 2015.

Q. ARE THERE OTHER CHANGES ARISING FROM THE COMMISSION'S RMI ORDER?

A. Yes. The Companies are proposing to modify the existing price-to-compare language for residential customer bills in their bill format to conform to the language required for price-to-compare by the Commission's March 26 Order in the RMI. The Companies seek approval of the bill format, attached as Attachment MBS-1, for implementation no later than June 30, 2015.

<u>ELECTRIC SERVICE REGULATIONS</u>

Q. WHAT CHANGES ARE THE COMPANIES PROPOSING TO THEIR ELECTRIC SERVICE REGULATIONS RELATED TO CRES?

A. Attachment 3 to the Application is a red-lined version of the electric service regulations contained in the Companies' tariffs. I will address changes proposed for Section XIII – Return to Standard Offer Supply and Section XIV – Certified Suppliers – Billing and Payment.

The Companies are proposing changes to those provisions to enhance the retail market and to reflect better the Companies' current practices. These changes include removing: (1) existing language referring to minimum stays; (2) minimum notice requirements for returning to the Companies' standard service offer; and (3) references to time requirements for selecting a new CRES provider. The Companies also propose to provide a reference to the Companies' website for information related to partial payment priority.

Q. WHY ARE THE COMPANIES REMOVING THE MINIMUM STAY AND NOTICE REQUIREMENTS FROM THE ELECTRIC SERVICE REGULATIONS?

A. Removing the minimum stay and time requirements should help prevent and remove any perceived barriers to a customers' selection of a CRES provider due to those requirements. This should further enhance the competitive retail electric market in the Companies' service territories.

<u>SUPPLIER TARIFF</u>

Q. WHAT CHANGES ARE THE COMPANIES PROPOSING TO THEIR SUPPLIER TARIFF?

A. Attachment 5 to the Application contains a red-lined version of the Companies' supplier tariff. Company witness Stein will discuss the changes in the supplier tariff related to wholesale activities. The Companies are also proposing changes in the Supplier tariff that relate to the retail market. These changes generally include:

- updating the list of items included on the Customer Information List currently in the tariff;

- removing references to the Companies' Electric Service Regulations regarding minimum stay or minimum notice requirements (consistent with the proposed changes to these sections previously discussed in my testimony);
- adding a reference to the Companies' website for information related to partial payment priority; and
- as it relates to CRES provider logos, adding a section requiring CRES providers to comply with the applicable process and procedures provided on the Companies' website. This change was required by the Commission's March 26 Order in the RMI proceeding, and is consistent with my earlier testimony regarding the provision of a CRES provider logo on the Companies' bills.

<u>CONCLUSION</u>

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

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

T17

ToledoEdison
A FirstEnergy Company

Bill Based On: Actual Meter Reading

July 25, 2014

Account Number: 111 111 111 111

Amount Due: $xxx.xx

Due Date: August 08, 2014

Billing Period: **Jun 21 to Jul 22, 2014 for 32 days**
Bill For: JOHN Q CUSTOMER
999 LAKEFRONT ROAD BLDG 2 APT 1
ANYTOWN OH 99999

To report an emergency or an outage, call 24 hours a day 1-888-544-4877. For Customer Service, call 1-800-447-3333. For Payment Options, call 1-800-995-0095. Pay your bill online at www.firstenergycorp.com

Bill issued by: Toledo Edison, PO Box 3638, Akron OH 44309-3638

Messages

To avoid a 1.50% Late Payment Charge being added to your bill, please pay the Amount Due by the Due Date.

Your current **PRICE TO COMPARE** for generation and transmission from Ohio Edison is listed below. In order for you to save money off of your utility's supply charges, a supplier must offer you a price lower than Ohio Edison's price of X.XX cents per kWh for the same usage that appears on this bill. To review available competitive supplier offers, visit the Public Utilities Commission of Ohio's "Energy Choice Ohio" website at www.energychoice.ohio.gov

Residential Service - 1111111 – x.xx cents per KWH

Your next meter reading is scheduled to occur on or about Aug 21, 2014.

For your safety and the safety of our crews, when using a generator follow the manufacturer's installation and operation instructions. Never connect a generator directly to your electrical system without an isolation device installed by an electrician. Otherwise, a fire could start or an employee restoring your power could be seriously injured. We suggest plugging lights/appliances in the outlets on the generator unit.

Tree branches and shrubs – and insects that nest in vegetation – can make it difficult and, at times, unsafe for our employees to read your meter. Please be sure your meter is easily accessible by clearing the path to it and the area around it.

For a brochure describing your customer fights and obligations, please call our Customer Service phone number.

Additional messages, if any, can be found on back.

Account Summary

	Amount Due
Previous Balance	x.xx
Payments/Adjustments	x.xx
Balance at Billing on Jul 25, 2014	**xx**
Toledo Edison	x.xx
Direct Energy Business LLC - Consumption	x.xx
Total Current Charges	**x.xx**
Amount Due by Aug 08, 2014	**$ x.xx**

Usage Information for Meter Number 66666666

Jul 22, 2014 KWH Reading (Actual)	x,xxx
Jun 21, 2014 KWH Reading (Actual)	x,xxx
KWH used	xx

Charges From Toledo Edison

Customer Number: 0888888888 5000000000
Rate: Residential Service TE-RSD

Customer Charge	x.xx
Distribution Related Component	x.xx
Cost Recovery Charges	x.xx
Current Consumption Bill Charges	**x.xx**

Charges From Direct Energy Business LLC

Direct Energy
1001 Liberty Center, Pittsburgh, PA 15222-0000
Customer Service:1-888-925-9115

Account Number: 3333333 Rate: GEN-FXXX

Billing Period: Jun 21, 2014 to Jul 22, 2014

Energy Charge-852kwh@x.xxxx Per Kwh	x.xx
Total Direct Energy Business LLC Charges	**x.xx**

Detail Payment and Adjustment Information

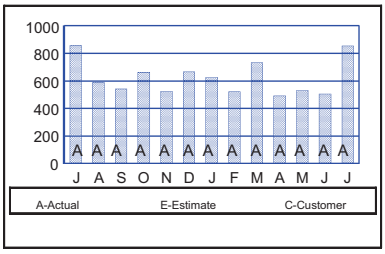
07/10/14	Payment	-xx.xx

Account Balances by Company

	Previous Balance	Payments/ Adjustments	Current Charges	Amount Due
Toledo Edison	x.xx	x.xx	x.xx	x.xx
Direct Energy Business LLC	x.xx	x.xx	x.xx	x.xx
Total	**x.xx**	**x.xx**	**x.xx**	**x.xx**

Usage History

Jul	13	857	Jan	14	626
Aug	13	588	Feb	14	522
Sep	13	541	Mar	14	733
Oct	13	663	Apr	14	491
Nov	13	525	May	14	533
Dec	13	667	Jun	14	505
			Jul	14	852



Comparisons	Last Year	This Year
Average Daily Use (KWH)	27	27
Average Daily Temperature	75	71
Days in Billing Period	32	32
Last 12 Months Use (KWH)		7,246
Average Monthly Use (KWH)		604

Return this part with a check or money order payable to Toledo Edison

ToledoEdison
A FirstEnergy Company

76 South Main Street
Akron, OH 44308-1890

Account Number: 111 111 111 111

Amount Paid	
Amount Due	**$xxx.xx**
Due Date	**Aug 08, 2014**

JOHN Q CUSTOMER
999 LAKEFRONT ROAD BLD 2 APT 1
ANYTOWN, OH 99999

TOLEDO EDISON
PO BOX 3638
AKRON OH 44309-3638

0711111111111100000000000000000000000000000000

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Case No(s). 14-1297-EL-SSO

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