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October 22, 2014

Gregory A. Price
Mandy W. Chiles
Attorney Examiners
Public Utilities Commission of Ohio
180 East Broad Street, 12th Floor
Columbus, OH 43215

Re: Intervention Request of the Independent Market Monitor for PJM
Interconnection LLC
FirstEnergy ESP IV, Case No. 14-1297-EL-SSO

Dear Examiners Price and Chiles:

On October 1, 2014, the Independent Market Monitor ("IMM") for PJM Interconnection LLC ("PJM") filed a motion to intervene in the electric security plan proceeding jointly filed by Ohio Edison Company, The Cleveland Electric Illuminating Company and The Toledo Edison Company (collectively "FirstEnergy"). The IMM explained its concern that subsidies should not be permitted to interfere with the PJM markets' design and competitiveness.

FirstEnergy filed a memorandum contra the intervention of the IMM on the ground that its application does not involve the PJM markets and thus the IMM's interest is not relevant to the case at hand. FirstEnergy also argued that, because the IMM has access to confidential information and parties may have disputes about access to that confidential information, the IMM should not be permitted to intervene.

The PJM Power Providers Group ("P3") and the Electric Power Supply Association ("EPSA") support the intervention request of the IMM. P3 and EPSA share the concern that the proposed Retail Rate Stability Rider (Rider RRS), which imposes on captive customers the financial responsibility to pay all the costs and a return for wholesale generation in exchange for the "possible" earnings beyond the costs and returns, is a subsidy that will distort

VORYS

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Gregory A. Price
Mandy W. Chiles
October 22, 2014
Page 2

not only the wholesale but the retail power market in Ohio¹. The IMM provides a unique perspective on the important concepts associated with this aspect of FirstEnergy's proposal. In particular, the IMM would have insight on whether the units covered by the full cost guarantee provided by Rider RRS affect the bid price of the Rider RRS-backed units when bid into the market.

Additionally, the Public Utilities Commission of Ohio should allow the intervention of the IMM so that the Commission can fully understand the important federal regulatory concepts which the IMM enforces and so that the Commission can receive that information directly from the IMM.

The argument that the IMM should be excluded because it has confidential information has no merit. The Commission and the Federal Courts have ample and adequate means of protecting information which cannot be disclosed for reasons of law enforcement or privacy protection.

The viewpoint of the IMM is unique and no other party or intervenor can adequately present the IMM's interests. Further, there is no suggestion that IMM's intervention in this proceeding will cause undue delay or undue prejudice to any party. Intervention ought to be liberally allowed so that the positions of all parties with a real and substantial interest in the proceedings can be considered. See *Ohio Consumers' Counsel v. Pub. Util. Comm.*, 111 Ohio St. 3d 384, 2006-Ohio-5853.

Sincerely,



M. Howard Petricoff
Counsel for P3/EP SA

MHP/glp

cc: Parties of Record

¹ See Application page 9

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Summary: Correspondence regarding Intervention Request of the Independent Market Monitor for PJM Interconnection LLC electronically filed by M HOWARD PETRICOFF on behalf of The PJM Power Providers Group and The Electric Power Supply Association