



# Public Utilities Commission

John R. Kasich, Governor  
Andre T. Porter, Chairman

## Commissioners

Asim Z. Haque  
Lynn Slaby  
M. Beth Trombold  
Thomas W. Johnson

November 24, 2015

Mr. Kurt E. Turosky  
Director, Energy Efficiency Compliance & Reporting  
FirstEnergy Corp.  
76 South Main Street  
Akron, OH 44308

Dear Mr. Kurt Turosky:

Thank you for contacting the Public Utilities Commission of Ohio (PUCO or Commission) and allowing me to address your concerns regarding Case Nos. 12-2190-EL-POR and 12-2191-EL-POR, particularly your November 17, 2015 request to reallocate dollars within Ohio Edison Company and The Cleveland Electric Illuminating Company's (the Companies) approved portfolio budgets. Specifically, the Companies are requesting to reallocate \$1,600,000 from the *Energy Efficient Products Program* to the *Low Income Program* in the Ohio Edison service territory and \$2,400,000 from the *Energy Efficient Products Program* to the *Low Income Program* in The Cleveland Electric Illuminating Company's service territory.

According to the Companies, these reallocations are necessary due to higher than expected participation levels within the *Low Income Program* in the Ohio Edison Company and The Cleveland Electric Illuminating Company. With this budget reallocation, the Companies will not exceed their total three year, \$15,000,000, *Low Income Program* budget since the participation level in the Toledo Edison service territory is below the forecasted amount. The Companies project that the funds remaining in the *Energy Efficient Products Programs* will be adequate to cover the forecasted costs through the remaining program period. The \$1,600,000 and \$2,400,000 reallocation represents less than 25% of the total budgeted funds for this customer class. On November 13, 2015, the Companies presented this request to reallocate funds to the members of the residential customer energy efficiency collaborative and no member objected.

Pursuant to Ohio Adm.Code 4901:1-39-05(C)(2)(c), the Companies may seek written staff approval to reallocate funds between programs serving the same customer class, provided that the reallocation supports the goals of their approved program portfolio plan and is limited to no more than 25% of the funds available for programs serving that customer class. Based on this authority and the factors presented to Staff by the Companies, Staff herein approves the reallocation of \$1,600,000 from the *Energy Efficient Products Program* to the *Low Income Program* in the Ohio Edison service territory and \$2,400,000 from the *Energy Efficient Products Program* to the *Low Income Program* in The Cleveland Electric Illuminating Company's service territory. Should

you have any additional questions related to Case Nos. 12-2190-EL-POR or 12-2191-EL-POR, please do not hesitate to contact me or other PUCO staff.

Respectfully,

A handwritten signature in black ink that reads "Robert Wolfe". The signature is written in a cursive style with a large, stylized 'R' and 'W'.

Robert Wolfe  
Utility Specialist  
Public Utilities Commission of Ohio  
180 E. Broad Street  
Columbus, OH 43215

Attachment: The Companies' November 17, 2015 Request

November 17, 2015

Mr. Robert Wolfe  
Public Utilities Commission of Ohio  
180 E. Broad St.  
Columbus, OH 43215

Re: Case Nos. 12-2190-EL-POR, and 12-2191-EL-POR

Pursuant to O.A.C. 4901:1-39-05(C)(2)(c), Ohio Edison Company ("OE") and The Cleveland Electric Illuminating Company ("CEI" or collectively "Companies") request written Staff approval to reallocate \$1,600,000 and \$2,400,000 of funds respectively for OE and CEI between programs serving the Residential customer class. This request is necessary to administer the implementation of the Companies' existing EEPDR portfolios and does not expand the total budget for this customer class, nor that of the Companies approved Portfolio Plans.

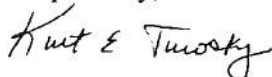
Specifically, this request seeks administrative approval to shift funds within the Residential customer class from the *Energy Efficient Products Program* to the *Low Income Program* within the respective Portfolio Plans. The Companies are requesting approval to reallocate funds to the *Low Income Programs* due to greater than expected program participation and number of installed measures compared to that forecasted in the original plan. Based on completed projects to date and historic activity levels, the 2013-2016 budgets for the *Low Income Programs* at OE and CEI are forecast to be exhausted. Refer to the table labeled "Ohio Edison Budget Information" and "The Cleveland Electric Illuminating Company Budget Information" in Attachment A for more details.

The additional funds are required to continue the *Low Income Program* operations through May 31, 2016, as detailed on in the Companies Amended Plan filing. Further, the Companies project that the funds remaining in its *Energy Efficient Products Program*, post transfer, will be adequate to cover forecasted program cost through the end of the plan period, or December 31, 2016. Thus, the reallocation will enable the shifted funds to be better utilized within each Company's overall portfolio. Lastly, the Companies will not exceed the \$5 million annual funding level or the \$15 million total funding level for the period June 1, 2013 – May 31, 2016 for the Low Income Program in aggregate over CEI, OE, and Toledo Edison as approved by the Commission in the Companies' ESP 3 proceeding (Case No. 12-1230-EL-SSO).

The reallocation supports the goals of the Companies' approved Amended Program Portfolio Plans and is less than 25% of the Residential (including Low-Income) class budget of \$64,107,772 for OE and \$39,516,955 for CEI as approved by the Commission in cases 12-2190-EL-POR, and 12-2191-EL-POR.

In light of these facts, the Company respectfully requests Staff's written approval to reallocate funds as described herein and as shown in the table labeled "Ohio Edison Proposed Budget Reallocation" and "The Cleveland Electric Illuminating Company Budget Reallocation" in Attachment A.

Respectfully,



Kurt E. Turosky  
Director, Energy Efficiency Compliance & Reporting  
FirstEnergy Corp.  
76 South Main Street  
Akron, OH 44308

cc: Parties of Record in Above Referenced Cases and FirstEnergy Energy Efficiency Collaborative Members



## Attachment A

### Ohio Edison Proposed Budget Reallocation

| Ohio Edison<br>Residential Portfolio (including Low-Income) |   |                      |                |
|---|---|----------------------|----------------|
|   | <i>Total Budget<br/>(2013-2016) As Approved<br/>in Filing</i> | <i>Proposed</i>      | <i>Impact</i>  |
| <i>Peak Demand Reduction Programs</i>                       |   |                      |                |
| Direct Load Control Program                                 | \$ 4,751,635  | \$ 4,751,635         | \$ -           |
| <b>Peak Demand Reduction Program Subtotal</b>               | <b>\$ 4,751,635</b>   | <b>\$ 4,751,635</b>  | <b>\$ -</b>    |
| <i>Energy Efficiency Programs</i>                           |   |                      |                |
| Appliance Turn-In Program                                   | \$ 7,046,377  | \$ 7,046,377         | \$ -           |
| Energy Efficient Products Program                           | \$ 17,032,472   | \$ 15,432,472        | \$ (1,600,000) |
| Home Performance Program                                    | \$ 28,778,723   | \$ 28,778,723        | \$ -           |
| Low-Income Program  | \$ 6,498,565  | \$ 8,098,565         | \$ 1,600,000   |
| <b>EE Program Subtotal</b>                                  | <b>\$ 59,356,137</b>  | <b>\$ 59,356,137</b> | <b>\$ -</b>    |
| <b>Totals</b>   | <b>\$ 64,107,772</b>  | <b>\$ 64,107,772</b> | <b>\$ -</b>    |

**Total Class Budget      \$ 64,107,772**

**25% of Class Budget      \$ 16,026,943**

### The Cleveland Electric Illuminating Company Proposed Budget Reallocation

| The Cleveland Electric Illuminating Company<br>Residential Portfolio (including Low-Income) |   |                      |                |
|---|---|----------------------|----------------|
|   | <i>Total Budget<br/>(2013-2016) As Approved in<br/>Filing</i> | <i>Proposed</i>      | <i>Impact</i>  |
| <i>Peak Demand Reduction Programs</i>   |   |                      |                |
| Direct Load Control Program   | \$ 3,110,977  | \$ 3,110,977         | \$ -           |
| <b>Peak Demand Reduction Program Subtotal</b>   | <b>\$ 3,110,977</b>   | <b>\$ 3,110,977</b>  | <b>\$ -</b>    |
| <i>Energy Efficiency Programs</i>   |   |                      |                |
| Appliance Turn-In Program   | \$ 4,804,732  | \$ 4,804,732         | \$ -           |
| Energy Efficient Products Program   | \$ 10,066,974   | \$ 7,666,974         | \$ (2,400,000) |
| Home Performance Program  | \$ 15,324,280   | \$ 15,324,280        | \$ -           |
| Low-Income Program  | \$ 6,209,991  | \$ 8,609,991         | \$ 2,400,000   |
| <b>EE Program Subtotal</b>  | <b>\$ 36,405,978</b>  | <b>\$ 36,405,978</b> | <b>\$ -</b>    |
| <b>Totals</b>   | <b>\$ 39,516,955</b>  | <b>\$ 39,516,955</b> | <b>\$ -</b>    |

**Total Class Budget      \$ 39,516,955**

**25% of Class Budget      \$ 9,879,239**

**This foregoing document was electronically filed with the Public Utilities**

**Commission of Ohio Docketing Information System on**

**11/24/2015 11:55:47 AM**

**in**

**Case No(s). 12-2190-EL-POR, 12-2191-EL-POR**

Summary: Response Staff's Response to the request for reallocation of funds within the portfolio budget electronically filed by Mr. Robert Wolfe on behalf of PUCO Staff