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VOLUME 1

Case No. 08-936 -EL-SSO

BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE APPLICATION

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

FOR APPROVAL OF A MARKET RATE OFFER TO CONDUCT
A COMPETITIVE BIDDING PROCESS FOR STANDARD
SERVICE OFFER ELECTRIC GENERATION SUPPLY,
ACCOUNTING MODIFICATIONS ASSOCIATED WITH
RECONCILIATION MECHANISM, AND TARIFFS FOR
GENERATION SERVICE

VOLUME 1

Market Rate Offer Application

Exhibits

Filing Date: July 31, 2008

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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 Approval of a Market Rate Offer to Conduct)
A Competitive Bidding Process)
for Standard Service Offer Electric Generation)
Supply, Accounting Modifications Associated)
With Reconciliation Mechanism,)
and Tariffs for Generation Service)

Case No. 08- _____ -EL-SSO

Application

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The Cleveland Electric Illuminating Company,
and The Toledo Edison Company

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Application

Pursuant to Sections 4928.141 and 4928.142, Ohio Revised Code, and Chapter 4901:1-35, Ohio Administrative Code, Ohio Edison Company ("Ohio Edison"), The Cleveland Electric Illuminating Company ("CEI") and The Toledo Edison Company ("Toledo Edison") (collectively, the "Companies"), hereby request the Commission to determine that the Market Rate Offer ("MRO") to conduct competitive bidding processes ("CBP") designed to procure supply for the provision of Standard Service Offer electric generation service ("SSO Generation Service") to the Companies' retail electric customers ("SSO Customers") who do not purchase electric generation service from a competitive retail electric supplier beginning January 1, 2009 meets the statutory criteria of R.C. 4928.142(A)(1) and 4928.142(B).¹ The Application also seeks approval of accounting modifications to implement the proposed reconciliation mechanism and

¹ The Companies also have filed an Electric Security Plan ("ESP") application. The Companies have proposed, as part of their ESP, a short term ESP for the period of January 1, 2009 through April 30, 2009, to allow extra time for the Commission to render a final decision on a longer term ESP and, in the event the longer term ESP is not implemented, to conduct the CBP as part of the MRO process in a more measured fashion.

tariffs for generation service.² Supporting testimony is being filed concurrently with this Application.³ The Commission is required to determine this MRO application meets the statutory criteria of R.C. 4928.142(A)(1) and 4928.142(B) no later than ninety days from the filing date hereof, as set forth in R.C. 4928.142(B).

I. Introduction

Background and General Description of Application

1. Since the beginning of 2006, the Companies have been operating under the provisions of the Commission approved Rate Stabilization Plan ("RSP") and Rate Certainty Plan ("RCP"), and they will continue to do so until the end of 2008. The plans provided many important customer benefits and served well as a transitional step to market-based generation pricing in Ohio. On July 31, 2008, R.C. 4928.142 became effective, which contemplates and authorizes the filing of a Market Rate Offer whereby retail generation pricing will be based upon the results of a competitive bidding process. With this application, the Companies request the Commission to determine that the proposed Market Rate Offer ("MRO") meets the requirements of R.C. 4928.142(A)(1) and (B).⁴ The Commission is required to make this determination no later than ninety days from the filing date hereof, as set forth in R.C. 4928.142(B). If the statutory criteria contained in R.C. 4928.142(B) are met, then the Companies would not be permitted to

² Although filed as "SSO" pursuant to R.C. 4928.142 and to the proposed Rules, the Companies request that the proposal be considered as if filed pursuant to any other statutory authority and case designations as may be applicable to the scope of the proposals made herein.

³ The Companies filing in Case No. 07-796-EL-ATA should be deemed withdrawn, and a Motion to that effect has been filed in that proceeding this date.

⁴ Notice of this filing, as well as the separate Application filed this day pursuant to R.C. 4928.143, is being provided to the parties in the Companies' Rate Stabilization Plan and Rate Certainty Plan proceedings, as well as its recent base distribution rate case and its competitive bid proceeding. Accompanying that notice are complete copies of both of those filings, provided in electronic form on two compact discs to assist the recipients in their expeditious review.

initiate their competitive bid until 150 days after the filing of this Application, meaning December 29, 2008 is the earliest date the bid could be conducted. This situation has forced the Companies to include a very aggressive proposed CBP Timeline, attached as Exhibit H, because retail rates based on results from the CBP must go into effect on January 1, 2009, as the Companies have no wholesale power arrangements beyond December 31, 2008.⁵ The Companies have proposed, as part of their ESP, a short-term ESP that contains an SSO pricing proposal for the period of January 1, 2009 through April 30, 2009, to allow extra time for the Commission to render a final decision on a longer term ESP and, in the event no longer term ESP is implemented, to conduct the CBP as part of the MRO process in a more measured fashion. Under the short-term ESP as proposed, new retail rates reflecting the result of the CBP would go into effect on May 1, 2009. If the short-term ESP is approved by the Commission, then a new, more moderate CBP timeline would be used, which is attached to this Application as Exhibit I.

2. The Companies propose as part of their MRO a CBP process to implement SSO Generation Service, which is discussed in detail below. This process will result in a standard service offer for generation services derived from competitive solicitations. This approach was designed to mitigate certain factors that would otherwise cause bidders to increase their bid prices. The proposal has aspects of energy efficiency as it contains meaningful seasonality factors.

3. The initial solicitation will take place so as to allow new generation pricing resulting from the competitive bid process to be implemented on January 1, 2009. The

⁵ If this timeline is not achieved, then the Companies will be forced to buy power from MISO administered markets until the bid occurs and retail rates based on the outcome of the bid can be placed into effect. Under the filed-rate doctrine customers will be obligated to pay whatever it costs to acquire the power.

proposed timeline for the initial CBP, attached as Exhibit B to the Application, is designed to achieve this result. The dates and timing set forth in the timeline are dependent upon the nature and timing of the Commission's rulings in this proceeding and the Companies' ESP proceeding.

4. The initial competitive solicitation is designed to procure 1/3 of the total SSO Load⁶ of all three Companies for the period from January 1, 2009 through May 31, 2010; 1/3 of the total SSO Load for all three Companies for the period from the January 1, 2009 through May 31, 2011; and 1/3 of the total SSO Load for all three Companies for the period from the January 1, 2009 through May 31, 2012.

5. After the initial solicitation, commencing in 2009 and during each calendar year thereafter, the Companies will hold two competitive solicitations, one in October and one in the subsequent January. One-third of the power requirements of all three Companies' POLR load for a three year period will be bid out as part of each of the two competitive solicitations. Such an approach is utilized in order to help smooth out potentially volatile market prices. The results of these solicitations will be blended to formulate the generation price paid by SSO Customers. Therefore, the Companies seek the Commission's determination that this MRO including the competitive bidding process as proposed herein meets the requirements of R.C. 4928.142(A)(1) and (B). This proposal is similar in structure and content to the Companies' proposal in Case No. 07-796-EL-ATA, which should aid in the Commission's consideration of the matter.

⁶ SSO Load is defined in the Rules for Competitive Bidding Process as the Companies' aggregate requirements associated with SSO Customers, and will include distribution losses. SSO Load will exclude the requirements of wholesale customers and the requirements of customers served by CRES suppliers. SSO Load includes the requirements of any customers of the Companies under Special Contracts approved under R.C. 4905.31 or entered into under R.C. 4905.34 and includes existing contracts and any contracts that are entered into after the filing date of this Application.

6. The proposal utilizes a "slice of system" approach, i.e., bidders will bid on tranches of total SSO Customer load. SSO Customer load represents the load that bidders will submit bids to serve as a part of the competitive solicitation. The winning bid price will reflect the blending of the pricing from the applicable solicitations. Once a winning bid price from all the applicable competitive solicitations is known, rate-specific generation prices will be derived through the application of distribution line loss (voltage adjustment) factors and seasonality factors and grossing up for applicable taxes (see Exhibit C to this Application).

7. A reconciliation mechanism will be used to adjust generation pricing to SSO customers to ensure that billed amounts do not exceed the costs the Companies incur and to ensure that the Companies collect sufficient amounts to pay SSO Suppliers in full for SSO Generation Service, and to otherwise keep the Companies whole. The reconciliation mechanism ensures neutral financial outcome for the Companies related to the provision of SSO Generation Service. This mechanism is explained further in Exhibit C.

8. The generation rate design and tariffs are based solely on per kWh charges, which is a departure from existing generation tariffs that include demand charges and a declining block structure. The rate design proposed in this Application will better align the way the Companies acquire power with how retail customers are charged for it. Also, the Companies have incorporated a number of terms and conditions for the purpose of obtaining lower bid prices from suppliers and therefore lower prices for consumers.

9. Certain of these terms and conditions mitigate bidders' risks, thereby reducing any commensurate risk premium that otherwise may be included in their bid price. An

example is that payments to suppliers will reflect the seasonality of the wholesale power market, thereby better matching suppliers' revenues with their expenses. In addition, suppliers will always be paid the winning bid price adjusted by the proposed seasonal factors multiplied by the MWhs they provide. The suppliers do not bear the risk of not being paid by customers, i.e., suppliers have no uncollectible risk. These costs will be recovered by the Companies through the reconciliation mechanism. The Companies believe that such efforts will result in greater participation by bidders and lower bid prices, which benefits all customers.

10. Conservation components are also included in the Companies' proposal. Seasonal pricing will apply to all residential and general service tariffs and will send more appropriate price signals to customers, thereby encouraging customers to reduce usage during higher priced summer periods. In addition, the proposed rate design changes remove disincentives for energy efficiency measures through elimination of declining block rates.

11. The Companies' MRO proposal meets the requirements of R.C. 4928.141 and 4928.142 to result in generation service to customers based upon the outcome of a competitive bidding process. The development of the MRO and the details of the CBP proposal are described below.

Satisfaction of General Electric Utility Requirements

RTO Membership

12. The Companies' transmission affiliate, American Transmission Systems, Incorporated ("ATSI"), is a member of the Midwest Independent Transmission System Operator ("MISO"), which is a regional transmission organization ("RTO") that has been approved by the Federal Energy Regulatory Commission. On December 20, 2001, FERC issued an Order Granting RTO Status to the Midwest ISO, 97 FERC 61,326 (2001). ATSI initially joined the Midwest ISO under the Grid America umbrella in October of 2003. Following the termination of GridAmerica, ATSI signed the Transmission Owners Agreement in its own right on effective November 1, 2005. Midwest ISO, 113 FERC 61,096 (2005). Footnote 7 to the Order clarifies that September 1, 2003 was the date when ATSI transferred functional control of their transmission facilities to the Midwest ISO.

RTO Market Monitor Function

13. MISO has a market monitor function and the ability to take actions to identify and mitigate market power or the electric distribution utility's market conduct. In the 2001 Order cited above, FERC found that the Midwest ISO's proposed market monitoring function met the requirements of FERC Order No.2000. More recently, FERC found that Module D of the Midwest ISO Transmission and Energy Market Tariff dealing with the market monitoring function complied with the Commission's Policy Statement on Market Monitoring Units. 119 FERC 61,196 (2007).

Availability of Pricing Information

14. A published source of information is available publicly or through subscription that identifies pricing information for traded electricity on- and off-peak energy products that are contracts for delivery beginning at least two years from the

date of the publication and is updated on a regular basis. For example, the Intercontinental Exchange ("ICE") produces daily price sheets that provide the required information. NYMEX, ICAP, and PLATTS are also sources of this information. NYMEX is publicly available and PLATTS, ICAP, and ICE are subscription based. While not required by R.C. 4928.142, the combination of the foregoing sources meets the requirements of the proposed rule at 4901:1-35 Appendix A (A)(3) to the extent that such rules are not inconsistent with the statutory requirements.

II. The Companies' Competitive Bidding Process ("CBP") Plan

Complete CBP Plan Description

Development of CBP Proposal

15. The Companies currently procure their full requirements power to supply SSO Generation Service to SSO Customers ("SSO Supply") through a wholesale power purchase agreement approved by the Federal Energy Regulatory Commission ("FERC") (ER06-117-000). This FERC-approved power purchase agreement will terminate in accordance with its terms as of December 31, 2008.

16. In this Application, the Companies propose a Market Rate Offer which will enable the Companies to procure the necessary SSO Supply upon expiration of their current FERC-approved power purchase agreement, and, thus, to provide for the uninterrupted provision of SSO Generation Service for all SSO Customers beginning January 1, 2009. Given the statutory timeframe, the CBP timeline is necessarily aggressive and requires a Commission determination by a certain date.

17. SSO Generation Service will be provided to all SSO Customers, which includes all retail customers served under special contracts approved under R.C.

4905.31 and contracts entered into under R.C. 4905.34, both existing contracts and those that may exist in the future.

18. The CBP proposal of the MRO, reflects insight from the Companies own prior experiences with competitive power procurement processes, and also publicly-available information regarding competitive power supply procurement processes conducted in other states.

19. The Companies and their regulated affiliates have experience with competitive processes for procurement of their power supply. Based on this experience and research, the Companies have concluded that implementing a CBP that effectively "smoothes out" the volatility of the wholesale market improves the CBP process. The CBP proposed by the Companies incorporates features to achieve this result. By procuring SSO Supply initially using staggered delivery periods and subsequently a CBP consisting of multiple solicitations, the Companies will procure an SSO Supply portfolio that incorporates benefits from suppliers' varying approaches to managing their supply sources and to timing and maintaining diversity in their purchases. Hence, the Companies' ultimate SSO Supply portfolio will balance out wholesale market price fluctuations and provide SSO Customers with a more stable price for a specified period of time as compared to bidding out the entire load at the same time for the same supply period.

20. Additionally, the Companies have included in their Application, detailed methodologies ("Rate Conversion Process") by which the rates for SSO Generation Service ("Standard Service Offer Generation Charges") would be set, including sample retail tariffs for SSO Generation Service. The rate design presented in the Companies' proposed Standard Service Offer Generation Charge tariffs as part of this Application

better reflects the manner in which the Companies will incur the cost of generation to serve customers. One of the rate design changes is the elimination of demand charges, which reflects the fact that the Companies' power supply expenses will be incurred strictly on a per megawatt hour basis. Another change, consistent with public policy, is the elimination of declining block rates. Compliance tariffs for the Companies' SSO Generation Service, applying the methodologies proposed in this Application to the final prices achieved by the CBP, will be filed with the Commission immediately after the close of the initial CBP. In subsequent years, compliance tariffs will be filed within 30 days of the final CBP for the designated 12-month period but at least 15 days prior to the first day of the designated 12-month period. In Schedule 1, included in the testimony of Company Witness Norris, the Companies have included rate impacts reflecting changes from 2008 rate levels based upon illustrative prices⁷, since actual pricing arising from the CBP cannot be known at the time of filing this Application.

21. The Companies reserve the right to supplement or modify their filing prior to Commission approval of the MRO to reflect discussions with interested parties or the Commission Staff, as directed by the Commission, or as otherwise required to better assure a successful CBP, including modifications made due to differences between the proposed Commission rules and the final Commission rules. Any such supplements or modifications will be filed with the Commission. The Companies also request that the Commission grant any waivers from Commission rules as are necessary to implement the MRO as proposed, or to implement any Order or Entry issued by the Commission in this proceeding.

⁷ The illustrative generation prices are based upon the conclusions of Drs. Jones and Graves in the Companies' ESP case regarding expected market prices.

22. In accordance with the 90 day approval timeframe required by R.C. 4928.142(B), the Companies hereby propose the following procedural schedule:

- | | | |
|-----|--------------------------|---|
| (a) | July 31 | Application, Schedules and Company Direct Testimony filed |
| (b) | August 12 | Companies hold a technical conference in Columbus to discuss filing |
| (c) | August 29 | Staff and intervener testimony |
| (d) | September 5 | Company rebuttal testimony |
| (d) | September 9 | Hearing |
| (e) | September 25 | Initial Briefs |
| (f) | October 6 | Reply Briefs |
| (g) | No later than October 29 | Commission decision |

While this procedural schedule may appear aggressive, it is designed with the following in mind: first, the proposed CBP is similar to those that have been previously approved by the Commission and that was filed in July 2007 in Case No. 07-796-EL-ATA; second, R.C. 4928.142 imposes a 90 day review deadline; and finally many of the issues that were discretionary in past auctions are now provided by statute, which should limit the amount of discovery and needed time for review. Given the foregoing, the proposed procedural schedule is reasonable.

Description of CBP Proposal

23. The CBP proposal is described below as well as in more detail in the attached exhibits including the Master SSO Supply Agreement, the Auction Rules, and Communication Protocols, as well as in the testimonies of Mr. Kevin Warvell, Mr. James

Reitzes of The Brattle Group, and Mr. Kevin Norris, all of which are being filed at the time of this Application.

24. The total amount of SSO Supply being procured would be divided into equal-sized portions ("tranches"). A tranche is a fixed percentage share of the Companies' SSO hourly load. The total number of tranches will be determined so that an SSO Supplier's load obligation for one tranche at the time of the coincident Companies' peak will be expected to be about 100 MW. Multiple bidders will bid through a descending clock format to provide SSO Supply. The CBP Manager will establish the starting price for the solicitation in a manner so as to foster bidder participation in the bidding process. In each round of bidding, bidders will submit bids for the number of tranches that they wish to serve at the price "offered" during that round. As the rounds progress, the prices offered "tick" down. Bidding concludes when the number of bids for the tranches is equal to the total number of tranches being offered. Hence, the price at which the tranches are being offered during the final round will be the price paid to each of the winning bidders for SSO Supply (the "clearing price").

25. The product is designed to be a "full requirements" SSO Supply, which includes all energy and capacity, resource adequacy requirements (capacity associated with planning reserve requirement), transmission service and transmission ancillaries, provided for a specified term by the winning bidders.

26. Each winning bidder (thereafter, an "SSO Supplier") will be required to execute an agreement for the provision of the product to a specified number of tranches, which agreement will set forth uniform terms for each SSO Supplier (the "Master SSO Supply Agreement"). For the initial bid scheduled for December 29, 2008, winning bidders in the auction will immediately execute the Master SSO Supply

Agreement following the close of the solicitation once the specific pricing information and load obligations have been inserted. For subsequent solicitations, winning bidders will be required to execute the Master SSO Supply Agreement within three business days of the close of a solicitation. The Master SSO Supply Agreement is attached hereto as Exhibit F.

27. An independent, third party competitive bidding process manager (the "CBP Manager") will be retained for each solicitation. The CBP Manager will be responsible for ensuring that the competitive bidding process is designed to ensure an open, fair, and transparent competitive solicitation consistent with S.B. 221, that there is a clear product definition, and standardized bid evaluation criteria. In order to achieve this outcome, the CBP Manager will design the solicitation, which solicitation will involve, among other things, publicizing the competitive bidding process to prospective bidders, conducting information sessions for prospective bidders, responding to bidder questions, and providing relevant data to bidders. Through the communications described above, the CBP Manager will also ensure a clear product definition. The CBP Manager will establish the starting price for the solicitation so as to foster bidder participation, administer the bidding process itself, and communicate with the Commission regarding the progress of the competitive bidding process and the competitive bidding process results.

28. The initial CBP will be conducted to procure SSO Supply for staggered delivery periods, with each period beginning on January 1, 2009 but ending at different points in time.⁸ At their conclusion, each of the delivery periods align the SSO Supply

⁸ In that the statutory timeline to implement an MRO in 2008 for SSO Generation Service to commence on January 1, 2009 is – to say the least – tight and given that SB 221 does not require a Commission Order

periods with the Midwest Independent System Operator ("MISO") planning year, which begins on June 1st of each year and ends on May 31st of the succeeding year. Exhibit B sets out the CBP solicitation schedule. Aligning the SSO Supply period with the MISO planning year will assist SSO Suppliers in controlling their MISO costs and associated risks, thus resulting in lower Standard Service Offer Generation Charges for SSO Customers. Additionally, the total SSO Supply needed for each delivery period will be procured in multiple solicitations conducted over the course of a 12-month period in order to smooth out potential wholesale market price fluctuations.

29. The initial bid will take place so as to allow new generation pricing resulting from the competitive bid processes to be implemented on January 1, 2009. The timeline for the initial bidding process is attached as Exhibit J to the Application. The dates and timing set forth in the timeline are dependent upon the Commission's rulings, and the timing of such rulings. As part of the CBP and each specific solicitation, if the indicative offers received through the bidder registration and application process, or during the first round of bidding, do not yield sufficient bids to serve tranches offered, the next step in the process would be for the CBP Manager to reevaluate the starting price and immediately communicate with potential bidders any adjustments to the starting price as part of the effort to foster sufficient bidder participation. Such adjustment to the starting price may be made prior to the commencement of the solicitation or after the first round of the solicitation as part of the ongoing competitive solicitation.

in an ESP case until 150 days after filing (December 28th), the Companies proposed as part of their ESP application a short-term SSO pricing mechanism that would serve to bridge the time period between January 1, 2009 and the date that the retail rates resulting from a more measured MRO competitive bidding process could be implemented, in the event the longer term ESP is not implemented.

30. The initial competitive solicitation is designed to procure 1/3 of the total SSO load of all three Companies for the period from January 1, 2009 through May 31, 2010; 1/3 of the total SSO load for all three Companies for the period from January 1, 2009 through May 31, 2011; and 1/3 of the total SSO load for all three Companies for the period from January 1, 2009 through May 31, 2012.

31. After the initial bid, the Companies will hold two competitive solicitations, one in October and one in the subsequent January. One-third of the power requirements of all three Companies' POLR load for a three year period will be bid out as part of each of the two competitive solicitations. Such an approach is utilized in order to smooth out potentially volatile market prices. The results of these solicitations will be blended to formulate the generation price paid by SSO Customers.

32. Upon the conclusion of each solicitation, the CBP Manager will submit a report to the Commission which will include data necessary to enable the Commission to determine whether the three statutory criteria delineated in R.C. 4928.142(C) have been met, along with recommendations regarding the least cost winning bidder(s). The Commission will select the least cost winning bidder(s), and such selected bid or bids, as prescribed as retail rates by the Commission, shall be the Companies standard service offer unless the Commission, before the third calendar day following the competitive solicitation, determines that one or more of the three statutory criteria delineated in R.C. 4928.142(C) were not met.

33. For the benefit of SSO Suppliers, the Master SSO Supply Agreement will set forth seasonal factors by which the clearing price will be multiplied over the term of the Master SSO Supply Agreement, in order to more closely match the SSO Suppliers' payments to their seasonal costs and to more closely align the Companies' expenses

and revenues. The seasonal factors will be known to the bidders prior to the solicitations and will remain constant during the term of a specific Master SSO Supply Agreement.

34. Once all solicitations have concluded for a particular product, with such products being differentiated by the length of time the power must be provided or resulting from a separate solicitation occurring during the same calendar year, the Companies will blend each of the clearing prices to arrive at a single price (the "Blended CBP Price"). After adjusting the Blended CBP Prices for distribution line losses, applying a seasonal factor and grossing up for applicable taxes, the Companies will develop a Standard Service Offer Generation Charge for each rate class. Table 1 below includes a list of the rate classes.

Table 1. Rate Classes

Voltage Classes	Voltage Schedules
Secondary	RS - Secondary Service, less than or equal to 600 volts
	GS - Secondary Service, less than or equal to 600 volts
	STL - Street Lighting Service
	TRF -Traffic Lighting Schedule
	POL - Private Outdoor Lighting Service
Primary	GP - Primary Service, all other available voltages

Sub-Transmission	<p>GSU - Sub-Transmission service, 23,000 volts three wire and 34,500 volts three wire (for Ohio Edison and Toledo Edison)</p> <p>GSU - Sub-Transmission service, 11,000 volts three wire and 36,000 volts three wire (for CEI)</p>
Transmission	GT - Transmission Service – Greater than or equal to 69,000 volts

The foregoing voltage classes and voltage schedules includes all existing and future special contract customers and load approved under R.C. 4905.31 and all existing and future contract customers and load approved under R.C. 4905.34.

35. Consistent with R.C. 4928.142(A), affiliates of the Companies may participate as bidders in the solicitations and win the right to provide SSO Supply.

36. The Companies will make available a competitive bidding process website to keep interested parties informed of developments and notices related to the competitive bidding process. The website will permit potential bidders and other stakeholders alike to find information about the competitive bidding process. The website will provide all documents necessary for potential bidders to participate in the process, including the CBP rules, the application forms, standard forms for credit instruments, and standard contracts. The website will also have a data room populated with the data series that bidders need to prepare their bids. Questions and answers from potential bidders will be posted in a "Frequently Asked Questions" page. Materials from information sessions, including presentations that provide detailed information regarding the competitive bidding process, will be posted to the website. Information generally

consistent with proposed rule OAC 4901:1-35-03 Appendix A Section (B)(5) will be set forth on this website.

37. Costs for the CBP Manager for conducting the competitive bidding process will primarily be recovered through a tranche fee paid by winning bidders. Any difference between the fees collected and the actual costs incurred will be included in a reconciliation mechanism described below (the "Reconciliation Mechanism").

38. Bidders in the solicitations would provide SSO Supply for tranches comprised of all SSO Customer voltage classes for all of the Companies. Attached as Exhibit A, are the proposed CBP rules for the proposed slice of system competitive bidding process.

39. After the initial solicitation, two solicitations will be conducted over the course of a 12-month period to procure one-third of the total SSO Supply for a 36-month period. Exhibit B is a proposed schedule for solicitations.

40. To determine the Standard Service Offer Generation Charge for each rate class, the Blended CBP Price will be adjusted by the applicable distribution line loss factor (voltage adjustment). The rate so calculated will be adjusted by the rate class seasonal factor, and the result grossed up for applicable taxes to determine the individual Standard Service Offer Generation Charge for each rate class. Attached Exhibit C illustrates the methodology the Companies will use to arrive at the Standard Service Offer Generation Charge for each rate class.

III. Rate Design

General Principles

41. The Companies' current generation tariffs and rates reflect the concepts prevalent in the industry, and the Companies' circumstances, prior to the introduction of

competitive generation and the restructuring of the Ohio electric industry, which went into effect in 2001. Such tariffs do not reflect the current structure of the electric industry in Ohio and need to be revised to conform to the changes that resulted from restructuring.

42. The Companies state that as of July 31, 2008 the Companies do not directly own, in whole or in part, operating electric generating facilities that had been used and useful in the state of Ohio.

43. All Standard Service Offer Generation Charges will be seasonal. The seasonal factors will be fixed but based on the seasonality characteristics observable in historical Locational Marginal Prices.

44. To ensure that SSO Supply costs are fully recovered and so that the customers pay and Companies recover no more or less than the costs to procure power and implement the program, the Companies are proposing a quarterly reconciliation adjustment, which will adjust the retail price to account for differences between SSO Generation Service revenues and SSO Supply costs (i.e., amounts paid to the SSO Suppliers plus the Companies' additional costs incurred in the provision of SSO Generation Service) during the prior quarter.

45. As stated above, in order to match the SSO Supply terms with MISO planning years, the different delivery periods for which SSO Supply is being procured initially are designed ultimately to correspond with MISO planning years which run from June 1st to May 31st of the subsequent year.

Special Rates

46. With respect to CEI's special contract customers remaining after December 31, 2008, the load associated with these special contracts would be included in the SSO

Load, and the Companies propose to recover the difference in the total bill these contract customers would pay under the otherwise applicable tariff and the total bill these contract customers pay under the contract provisions, through a non-bypassable charge paid by all other CEI customers. Additionally, any economic development schedule, energy efficiency schedule, governmental special contracts, or unique arrangement (special contracts) approved by the Public Utilities Commission of Ohio with an effective date of January 1, 2009 or later that create a difference in the total bill these contract customers would pay under the otherwise applicable tariff, and the total bill these contract customers pay under the contract provisions shall be recovered through a non-bypassable charge paid by the customers of all the Companies. The non-bypassable charges described in this paragraph shall be included in the Cost Recovery True-up Rider (Rider CRT), as set forth in Exhibit C.

Reconciliation Mechanism

47. The Companies propose a quarterly reconciliation to recover, among other things, the difference between amounts paid to suppliers and amounts actually billed to customers (the "Reconciliation Charge"). Reconciliation Charges will be calculated for each calendar quarter and included in charges to SSO Customers approximately 60 days following the conclusion of the reconciliation period.

48. There will be a single Reconciliation Mechanism. See Rate Conversion Process and Reconciliation Mechanisms, Exhibit C. All of the Companies' SSO Customers, except for CEI's special contract customers whose contracts specify a fixed price and were in effect on December 31, 2008, will pay the Reconciliation Charges. See Proposed Tariffs, Exhibit D.

49. Additionally, the Companies propose to recover through the Reconciliation Mechanism certain categories of incremental expenses associated with the implementation of the proposed CBP: (1) competitive bidding process expenses permitted by R.C. 4928.142(C) not recovered through the tranche fees paid by SSO Suppliers including, without limitation and as more specifically delineated in the Reconciliation Mechanism, fees and expenses associated with the independent third party and any consultant hired by the Commission, (2) a working capital component consisting of the interest on the difference between the cash outlay for purchased power for January 2009 and the cash received from customers for service rendered in January 2009, (3) actual uncollectible expense amounts related to the provision of SSOG service, and (4) the revenue difference for special contracts described in paragraph 46 above.

50. The Reconciliation Mechanism is intended to allow the Companies to be made whole and to ensure that SSO Customers do not pay more than the expenses incurred through the CBP alternatives and the costs described above.

Avoidable Charges

51. The avoidable charge for each rate class will be equal to the customer's Standard Service Offer Generation Charge.

Additional Riders

52. RTC – SB 221 allows for the continuation of transition cost recovery as provided for in the utility's then current rate plan. Consistent with that, Rider RTC was developed and is necessary to charge the RTC component for CEI customers only through December 31, 2010 in accordance with the Companies' Rate Certainty Plan (RCP). The RCP contemplated this outcome and tariffs are necessary to effect the

application of these charges. The charges shown on the filed Rider RTC will be for the period beginning January 1, 2009 and will be updated, as mentioned on the rider, sometime around May 1, 2009 to account for the reductions called for in the RCP.

53. GRC - Rider GRC, applicable only to certain customer facilities under a special contract pursuant to R.C. 4905.31 entered into prior to January 1, 2001, is necessary to bill these contract customers at current contract levels for specific tariff charges referenced in the contracts. The rider essentially preserves components in the Companies' existing tariffs that are used only to bill a handful of customers under their existing special contracts. No additional charges or costs will result from implementation of this rider.

54. DIS - Rider DIS is only applicable to CEI customers from January 1, 2009 through April 30, 2009. The rider is necessary to provide for application of distribution charges to CEI for the designated period, since distribution rates for CEI customers do not change under Case No. 07-551-EL-AIR until May 1, 2009. This rider does not impact generation charges.

55. DTC - Rider DTC is necessary to recover certain incremental transmission and ancillary service-related costs deferred pursuant to the Commission's Finding and Order in Case No. 04-1931-EL-AAM , with recovery of such deferrals authorized in Case No. 04-1932-EL-ATA. Recovery of such deferrals, which began January 1, 2006, will continue, commencing January 1, 2009, and ending December 31, 2010, pursuant to the Rider.

Tariff Filings

56. The Companies have filed tariffs with this Application that incorporate the rate design methodologies described herein, and will update the tariffs to include actual

pricing amounts in those tariff sheets to reflect the Standard Service Offer Generation Charges resulting from the CBP process, expressed in cents/kWh, based on the results of the initial solicitation conducted following implementation of this Application. Forms of such tariffs in some cases exclusive of pricing are attached hereto as Exhibit D.

57. Beginning in 2010, and on May 1st of each subsequent year, the Companies will file tariffs that incorporate the revised Standard Service Offer Generation Charges, expressed in cents/kWh, based on the results of the solicitations conducted during October and January per Exhibit B blended with the previous solicitations from which Master SSO Supply Agreements remain in effect.

58. SSO Customers will be billed on a service rendered basis beginning on January 1, 2009.

IV. Master SSO Supply Agreement Terms

59. Each winning bidder will be required to execute the Master SSO Supply Agreement immediately upon the conclusion of the initial solicitation, and within three business days following the close of subsequent competitive solicitations. The Companies have attached to this Application, a form of the Master SSO Supply Agreement for a competitive bidding process (Exhibit F). Furthermore, for the initial solicitation, the same version of the Master SSO Supply Agreement will be used except the different SSO Supply period will be delineated. None of the purchases by the Companies under the Master SSO Agreement shall constitute planned system purchases, as that term is used in existing documents outside of the CBP process. In the paragraphs below, the Companies describe some of the more significant uniform provisions.

60. Pursuant to the Master SSO Supply Agreement, every SSO Supplier must be a MISO load serving entity.

61. The Master SSO Supply Agreement will obligate every SSO Supplier to join the MISO Planning Reserve Sharing Group and to abide by the resource adequacy requirements of that group, thus ensuring that there is sufficient generating capacity to reliably serve future load and comply with applicable capacity requirements and reliability standards.

V. Components of the CBP Proposal

62. With this Application, the Companies' have included CBP rules together with bidder registration and credit forms (Exhibit A), Proposed Competitive Bidding Process Schedule (Exhibit B), Rate Conversion Process and Reconciliation Mechanism (Exhibit C), Proposed Tariffs (Exhibit D), Competitive Bidding Process Documents (Exhibit E), a form of the Master SSO Supply Agreement (Exhibit F), Communications Protocols (Exhibit G), a proposed Contingency Plan (Exhibit H) and a Competitive Bidding Process Timetable (Exhibit I).

63. The Master SSO Supply Agreement will go into effect after the Commission selects the least cost bidder(s) and they do not determine before the third calendar day following the conclusion of the competitive solicitation that one or more of the three statutory criteria delineated in R.C. 4928.142(C) was not met, i.e., essentially taking no action after the selection of the least cost bidder(s). Similarly, the approved tariffs will go into effect on January 1, 2009 and will reflect the Companies' ultimate costs of procuring SSO Supply, including the results of the competitive bidding processes and all adjustments and costs discussed herein.

64. The CBP rules establish the process under which the CBP Manager will conduct the competitive bidding process. In addition to certain topics covered by the Master SSO Supply Agreement, the CBP rules focus upon the process in place prior to the competitive bidding processes, including, but not limited to, information provided to bidders and the application and bidder credit process, the specific rules regarding the bidding format, indicative offers, rounds of bidding, calculation of next round prices, and conclusion of bidding. The CBP rules also address confidentiality requirements and contain an extensive glossary of terms.

65. The Rate Conversion Process, Reconciliation Mechanism and Proposed Tariffs work together (a) to translate the clearing prices into Standard Service Offer Generation Charges and then (b) to ensure that the Standard Service Offer Generation Charges initially implemented are reconciled to balance all costs incurred by the Companies in the provision of SSO Generation Service.

66. The Reconciliation Mechanism is designed to ensure that amounts billed to SSO Customers provide sufficient funds for the Companies to pay the clearing price to SSO Suppliers and keep the Companies whole. Included with the Application are proposed riders to be included as part of the Companies' Standard Service Offer Generation Charge tariffs, which implement the proposed Rate Conversion Process and Reconciliation Mechanisms described above and in Exhibits C and D.

67. The Companies have also included, as part of this Application, Communications Protocols. This document describes the information made available during and by the CBP and, on the basis of the Commission's determination regarding the confidentiality of different types of information resulting from the CBP, sets forth which information is confidential. This document also describes the undertakings, with

respect to the confidential information generated by the CBP, the CBP Manager, the Companies, Commission Staff, the Commission's Advisor (if one assists the Commission), the Commission, and the bidders participating in the CBP.

VI. Contingency Plans

68. The Companies have developed plans for the following contingencies:

- (a) one or more winning bidders repudiate the Master SSO Supply Agreement prior to the beginning of the delivery period; or
- (b) one or more SSO Suppliers default during the delivery period.

69. Other contingencies that may arise outside of the bidding process are discussed elsewhere in this Application.

70. If a winning bidder(s) repudiates the Master SSO Supply Agreement prior to the start of the SSO Supply period, then, at the Companies' option, the defaulted tranches may be included in the next solicitation for that product, offered to the other SSO Suppliers, bid out as quickly as commercially possible or procured in MISO-administered markets.

71. If an SSO Supplier defaults prior to or during the SSO Supply period, then, at the Companies' option, the defaulted tranches may be offered to the other SSO Suppliers, bid out as quickly as commercially possible or procured in MISO-administered markets.

72. Replacement power procured by the Companies arising due to any or all of the foregoing contingencies that is not procured in the next solicitation, bought in response to an offer to another SSO supplier or bid out as quickly as possible on a commercial basis will be obtained in MISO-administered markets at prevailing FirstEnergy zonal spot market prices, and, unless instructed otherwise by the

Commission in a timely fashion, the Companies will not enter into discretionary hedging transactions to attempt to manage the associated price or volume risks to serve these tranches. All costs, including, without limitation, energy and capacity costs and transmission and ancillary costs, incurred by the Companies in implementing this Contingency Plan will be assessed first against the defaulting SSO Supplier's credit security, to the extent available. If the credit instrument is insufficient to cover such costs or recovery is unreasonably delayed, the Companies shall be permitted to recover the costs through the Reconciliation Mechanism, or if such alternative is not available, then such costs shall be collected either directly through the implementation of a tariff or rider for such purpose, as permitted by R.C. 4928.142(C) or otherwise.

VII. Requests Contained in Proposed Commission Rules

Financial Projections

73. There will be no financial impact on distribution rates arising from this Application. Winning bidders will be responsible for providing all transmission and ancillary services as part of their bid, so there will be no amount included in the Companies' transmission rider, except in the case of the implementation of the contingency plan where the Companies acquire power to serve SSO Load. Generation charges will be a pass through for the Companies.

Rate Impacts

74. Rate impacts arising from this Application cannot be known at the time of filing because such impacts will be derived from the results of a competitive bid process that has not yet occurred. In an effort to comply with the Commission's proposed rules,

illustrative transmission and generation charges⁹ were used to compare rate levels in 2008 with those that may possibly be in place following the implementation of the results of the competitive bid process.

Provisions for an Open, Fair, and Transparent Competitive Solicitation of Generation Services

75. As set forth in paragraphs herein, as well as in Testimonies and Exhibits, the MRO Application provides for an open, fair, and transparent competitive solicitation of the generation services necessary to serve the SSO load that is the subject of the CBP.

Customer Load Descriptions

76. The Application contains detailed descriptions of the customer load(s) to be served by the winning bidder(s), and any known factors that may affect customer loads. The following are included in the Application:

There are no load subdivisions for bidding purposes as the proposal is to conduct the bid on a slice of system basis.

Rate class descriptions are included in Exhibit A.

Customer load profiles that include historical hourly load data for each load and rate class for at least the two most recent years are included in the information in the Companies' website-based data room.

Applicable tariffs are attached as Exhibit D.

Information regarding historical shopping behavior is available on the Commission's website and will also be made available as part of the Companies' website-based data room.

⁹ The illustrative generation prices are based upon the conclusions of Drs. Jones and Graves in the Companies' ESP case regarding expected market prices.

77. Any requirements for meeting renewable energy resource requirements will be achieved through a separate request for proposal during 2009 so that all such requirements are met by the end of 2009. The renewable energy resources will be in the form of renewable energy credits, and the cost will be passed on to customers through the reconciliation mechanism proposed in this Application. [Plans for meeting targets pertaining to load reductions, and energy efficiency will be pursued and achieved through programs separate from this Application. No specific requirements related to advanced energy or advanced energy technologies are applicable during the time period contemplated by the initial subscription under this Application.

Description of Services to be Provided

78. The CBP includes detailed descriptions of the generation and related services that are to be provided by the winning bidders. None of the following list will be provided by the Companies except under extreme Contingency Plan scenarios. All of the following generation/RTO/transmission services will be included by the winning bidders in the form and amount required to adequately serve SSO Supply, specific to each winning bidder relative to the number of tranches they are obligated to serve, and all in accordance with all tariffs, requirements, rules, and orders of FERC, RTO, NERC, and any other applicable entity with proper authority:

- a. Capacity services,
- b. Energy services
- c. Transmission services
- d. Ancillary services
- e. Resource adequacy services (also referred to as designated network resources and planning reserve requirement)

- f. The term during which generation and related services are to be provided.
This term is specifically set forth elsewhere in the Application.

Drafts of Forms, Contracts, and Other Documents.

79. Bidder registration forms and application forms and the Master SSO Supply Agreement are attached as Exhibits E and F, respectively.

Evaluation of Bids

80. Bid evaluation criteria is contained in the CBP Manager's testimony.

Conversion of Bid Results into Rates

81. A detailed explanation of the conversion of the bid results to retail rates is attached as Exhibit C.

Statement regarding Ownership of Generation Facilities

82. The Companies do not, as of July 31, 2008, directly own, in whole or in part, operating electric generating facilities that had been used and useful in the state of Ohio.

Provision for Consultant Funding.

83. The Companies agree to provide funding of a consultant that may be selected by the Commission on the design of the competitive bidding process, and the cost of such consultant shall be recovered through the Reconciliation Mechanism as discussed above, as permitted by R.C. 4928.142(C).

Portfolio Approach to SSO Generation Supply

84. As permitted by the Commission's rules, the Companies have elected to use a portfolio approach to procure SSO generation supply. In particular, as noted in

paragraphs 14 and 15, the Companies have proposed staggered procurements and time periods, as contemplated by the rules.

Advancement of State Policy as Enumerated in R.C. 4928.02

85. The plan described in the Companies' Application consistent with the policy of this state as delineated in R.C. 4928.02(A)–(N) by providing for a bid process that is designed to result in stable pricing through the use of staggered bids and multiple supply periods, and including provisions that should result in lower prices for customers than those that would otherwise be expected. The Application does not attempt to prohibit switching to alternative generation suppliers or limit a customer's access to such suppliers. Customers may switch to alternative generation suppliers at any time in accordance with switching rules. The proposed CBP encourages energy efficiency through elimination of declining block rates for retail generation services. Through adherence to the auction rules and communication protocols, no cross subsidization will occur. The proposed CBP has safeguards built into the process and is designed to encourage bidders to participate, and MISO also has authority to monitor to market and address market power issues.¹⁰

Corporate Separation Plan

86. The Companies have complied with their corporation separation plan as set out in their transition plan cases. FirstEnergy has separated its organization into three independent business entities: a competitive services unit, a corporate support unit and a utility services unit. The competitive services unit now owns all FirstEnergy generating assets. The corporate support services unit retains corporate related functions such as accounting, treasury, legal, human resources and industrial relations,

¹⁰ Because certain of the provisions listed in R.C. 4928.02 simply do not apply to a competitive bid process to procure generation, so it may be that certain provisions are not specifically addressed.

communications, real estate and other shared functions. Finally, the utility services unit, containing the Companies, maintains physical and operational control of the distribution assets. FirstEnergy's transmission assets are owned by American Transmission Systems Inc. Additionally, the Companies have in place a Commission-approved Code of Conduct and a Cost Allocation Manual as a means to ensure regulatory compliance and eliminate the sharing of information and resources between the regulated transmission and distribution units and the competitive services unit. The Companies are now strictly distribution companies owning no generation assets. The waivers granted by the Commission related to generation assets that have been divested are no longer being relied upon. The Corporate Separation Plan is in Compliance with R.C. section 4928.17 and O.A.C. Chapter 4901:1-37. There are no anticipated amendments to the Companies' corporation separation plan at this time.

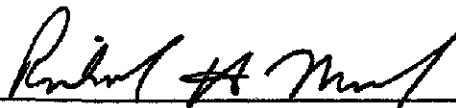
Relationship to Aggregation Programs

87. Because the proposed MRO contains no phase-in or stand by charge, R.C. 4928.20(I) and (J) do not apply.


VIII. CONCLUSION

88. As discussed above, in the event the ESP is not approved and implemented, the Companies urge the Commission to issue its Opinion and Order that determines the MRO as filed by the Companies including the competitive bidding process described herein, meets the requirements of R.C. 4928.142(A)(1) and (B), and all required waivers from Commission rules necessary to implement the MRO are granted, and for all other necessary and proper relief, so that pricing for SSO Generation Service may be implemented by January 1, 2009.

Ohio Edison Company
The Cleveland Electric Illuminating Company
The Toledo Edison Company

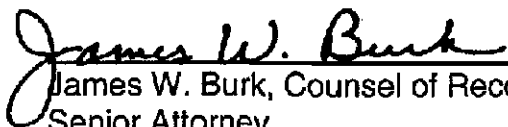
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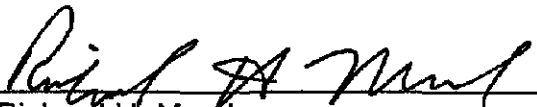
haydenm@firstenergycorp.com

On behalf of Ohio Edison Company,
The Cleveland Electric Illuminating Company,
and The Toledo Edison Company

VERIFICATION

STATE OF OHIO)
) ss.
COUNTY OF SUMMIT)

The undersigned, being first duty sworn, state that they have the authority to verify the foregoing Application of Ohio Edison Company, The Cleveland Electric Illuminating Company and The Toledo Edison Company (collectively, the "Companies") for approval of a market rate offer to implement a competitive bidding process for Standard Offer Service electric generation supply. Also, they state that they have read said Application and are familiar with the contents in support; and that all of the statements contained in said filing made on behalf of the Companies are true and correct to the best of their knowledge and belief.


Richard H. Marsh
Senior Vice President & CFO

Ohio Edison Company
The Cleveland Electric Illuminating Co.
The Toledo Edison Company


Edward J. Udovich
Assistant Corporate Secretary

Ohio Edison Company
The Cleveland Electric Illuminating Co.
The Toledo Edison Company

Sworn to and subscribed before me, a notary public, in and for said County and State, this 31st day of July, 2008.


Notary Public

Kathleen Anne Grant
Notary Public, State of Ohio
Resident of Summit County
My Commission Expires Nov. 8, 2009.

Index of Exhibits

Exhibit Number	Title
A	Competitive Bidding Process Rules
B	Competitive Bidding Process Schedule
C	Rate Conversion Process and Reconciliation Mechanism
D	Proposed Tariffs
E	Competitive Bidding Process Documents
F	Master SSO Supply Agreement
G	Communication Protocols
H	Competitive Bidding Process Timetable
I.	Alternative Competitive Bidding Process Timetable

Exhibit 2

RULES FOR COMPETITIVE BIDDING PROCESS

August 1, 2008

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I. INTRODUCTION

I. A. Overview

The Competitive Bidding Process ("CBP") consists of one or more solicitations, by which The Cleveland Electric Illuminating Company, The Toledo Edison Company and Ohio Edison Company (hereafter referred to as "the FirstEnergy Ohio Utilities") procure supply for the provision of Standard Service Offer ("SSO") for all of their retail customers that take retail generation service from the FirstEnergy Ohio Utilities. This CBP was established through an application to the Public Utilities Commission of Ohio ("PUCO" or "Commission") under R.C. 4928.141 and R.C. 4928.142 and all applicable administrative rules.

This CBP refers to one or more Solicitations in a given twelve-month period. In 2008, one Solicitation will be held to allow new generation pricing resulting from the CBP to be implemented by January 1, 2009. Beginning with the 2010 CBP, in order to smooth out potentially volatile market prices, two Solicitations will be held for each CBP. The Solicitations held for supply starting in a given year are collectively referred to as that year's CBP. For example, the 2009 CBP refers to the solicitation for supply starting on January 1, 2009, which will take place in December 2008. This Solicitation will procure one third of the supply requirements of the FirstEnergy Ohio Utilities' SSO load for the period from January 1, 2009 through May 31, 2010, one-third for the period January 1, 2009 through May 31, 2011, and one-third for the period January 1, 2009 through May 31, 2012. In subsequent CBPs, there will be two Solicitations and each will procure approximately one sixth of the FirstEnergy Ohio Utilities' retail load for a term of three years. Each year the two Solicitations together will procure approximately one third of the FirstEnergy Ohio Utilities' SSO load for a rolling three-year period.

The one Solicitation that the FirstEnergy Ohio Utilities will conduct in 2008 to procure full requirements service for their Standard Service Offer Load ("SSO Load") for the period beginning January 1, 2009 and ending no later than May 31, 2012 will be under the terms described below. *SSO Load* will be the FirstEnergy Ohio Utilities' aggregate requirements and will include distribution losses. For purposes of these Rules for the Competitive Bidding Process ("*CBP Rules*"), an *SSO Customer* is a retail customer taking Standard Service Offer.

Competitive Retail Electric Service suppliers ("*CRES suppliers*") are certified by the PUCO and serve shopping customers. SSO Load will exclude the requirements of wholesale customers and the requirements of customers served by CRES suppliers. SSO Load will include the requirements of any customers of the FirstEnergy Ohio Utilities served under Special Contracts, which is any contract under terms and conditions different than the applicable tariff rate ("*SC customers*"). Each of the FirstEnergy Ohio Utilities may, during the term of the supply period, enter into additional Special Contracts. Information concerning the dates special contracts begin and expire will be provided to suppliers, as detailed in section II.

A. Each customer (who is not a wholesale customer and is not a CRES customer) becomes an SSO Customer on January 1, 2009 and is served collectively by all winning bidders. A shopping customer may become an SSO Customer on any meter reading date in accordance with standard switching requirements, including required prior notice. An SC customer may remain an SSO Customer when its special contract expires if the SC customer does not elect at that time to be served by a CRES supplier. The FirstEnergy Ohio Utilities will utilize a descending clock procurement format (described below in section III. A) to solicit bids.

The CBP is designed to procure full requirements service for SSO customers of the FirstEnergy Ohio Utilities. *Full requirements service* includes energy, capacity, all ancillary services, firm transmission services, current MISO resource adequacy requirements, and other services necessary to serve the load of retail customers of the FirstEnergy Ohio Utilities. Full requirements service is defined more precisely in the Master Standard Service Offer Supply Agreement ("SSO Master Agreement").

In the Solicitation of the 2009 CBP, bidders bid to provide full requirements service for at least one supply period. Bidders will be able to bid on up to three (3) different supply periods, namely supply periods of 17 months, 29 months, and 41 months. Each supply period begins on January 1, 2009 and ends on May 31 of 2010, 2011 or 2012. A *product* is the SSO Load of the FirstEnergy Ohio Utilities for a specific supply period; e.g., the SSO Load for the period January 1, 2009 to May 31, 2010 is the 17-month product, and the SSO Load for the period January 1, 2009 to May 31, 2011 is the 29-month product. SSO Load will be divided into *tranches*, with each tranche representing approximately 100 MW of peak demand, as defined more precisely below.

Each Solicitation held under a CBP will use a descending clock format, and will proceed in a series of rounds. During the bidding phase of each round, each bidder must indicate how many tranches of each available product the bidder wishes to serve at the prices announced at the start of the round by the CBP Manager. A *bid* is the number of tranches of each product that a bidder wants to serve at the announced prices. If the number of tranches bid by all bidders on any product is greater than the number of tranches needed for that product, the CBP Manager reduces the price for that product by a decrement in the next round. A *decrement* may be a given percentage of the previous price. The CBP Manager then announces these new prices before bidding in the next round opens. Generally, bidding continues, and the prices tick down, until the total number of tranches offered for all products falls to the point where it equals the number of tranches needed. The prices at which there is just sufficient supply are the *clearing prices*. The winner or winners are those still holding tranches when bidding ends and are the least cost bidder or bidders. All winners for a given product receive the same clearing price for that product. The clearing prices are expressed in \$/MWh rounded off to the nearest cent.

Pursuant to R.C. 4928.142(C), upon the completion of the competitive solicitation, the Commission shall select the least-cost bid winner or winners of that process, and such selected bid or bids shall be the utility's standard service offer unless the Commission, by order issued before the third calendar day following the conclusion of the competitive bidding process determines that one or more of the following criteria were not met: (1) each portion of the bidding process was oversubscribed, such that the amount of supply bid upon was greater than the amount of the load bid out; (2) there were four or more bidders; and (3) at least twenty five per cent of the load is bid upon by one or more persons other than the electric distribution utility.

SSO Customers will pay rates that are derived from the clearing prices. The payment to SSO Suppliers for a given product in a Solicitation will be a seasonal function of the clearing price for that product in that Solicitation. The summer payment, received from June 1 through August 31, will be higher than the clearing price. The winter payment, received for the remaining months, will be lower than the clearing price. Preliminary seasonal factors by which

the clearing prices will be multiplied to obtain the summer and winter payments are provided in section I. B.

For the initial solicitation planned for December 2008, SSO Suppliers will immediately execute the SSO Master Agreement following the close of the solicitation, once the specific pricing information and load obligations have been filled in upon completion of the bid. For subsequent solicitations, winning bidders will be required to execute the SSO Master Agreement within three business days of the close of a solicitation.

SSO Service will be the electric service provided by winning bidders to those customers who are not wholesale customers and who are not shopping and served by a CRES supplier. SSO Load will be the load associated with these customers. SSO Load will be served collectively by all winning bidders. A shopping customer may start to take SSO Service and become an SSO Customer on any meter reading date in accordance with standard switching requirements, including required prior notice. An SC customer may remain an SSO Customer when its special contract expires if the SC customer does not elect at that time to be served by a CRES supplier.

Table 1 below provides the rate schedules of SSO Customers:

Table 1. Rate Schedules

Rate Schedules of SSO Customers

RS - Secondary Service, less than or equal to 600 volts

GS - Secondary Service, less than or equal to 600 volts

STL- Street Lighting Service

TRF – Traffic Lighting Schedule

POL _ Private Outdoor Lighting Service

GP - Primary Service, all other available voltages

GSU - Sub-Transmission service, 23,000 volts three wire and 34,500 volts three wire (for OE and TE); 11,000 volts three wire and 36,000 volts three wire (for CE)

GT - Transmission Service – Greater than or equal to 69,000 volts

SC Customers also receives SSO Service and are part of SSO Load as a retail customer of the FirstEnergy Ohio Utilities.

The FirstEnergy Ohio Utilities will, on an hourly basis, divide the total load of the FirstEnergy Ohio Utilities into SSO Load, CRES load by CRES supplier, and wholesale load by wholesale customer. All hourly loads will be determined in the first instance from either interval metering (applicable generally to larger customers) or load profiling. SSO Load will be determined for the FirstEnergy Ohio Utilities in the aggregate. Hourly loads will be adjusted by distribution loss factors to determine estimated hourly loads including distribution losses. Hourly loads adjusted by distribution loss factors will be further adjusted on an hourly basis so that the sum of all hourly loads equals the hourly total load for which the FirstEnergy Ohio Utilities, wholesale customers, and CRES suppliers are in the aggregate responsible to MISO. The methodology used for determining SSO Load as well as the distribution loss factors that will be applied, have been approved by the PUCO as part of the FirstEnergy Ohio Utilities' CRES tariffs. Transmission loss factors on MISO-controlled facilities will not affect hourly load as MISO charges for transmission losses are included on a marginal loss basis in the calculation of the LMP.

For purposes of the CBP, SSO Load is divided into units called tranches, each representing the same percentage of SSO Load. The *MW-measure* of each tranche provides, for reference purposes only, a figure in megawatts corresponding to a certain percentage of the peak load share. The *size* of a tranche for each class provides the percentage of SSO Load that a tranche represents. The *peak load share* is the hourly load coincident with the FirstEnergy balancing authority peak load, measured at the customer meter and including losses, of a recent twelve-month period, for all customers of the FirstEnergy Ohio Utilities. As shown in the table below, the peak load share of the most recent twelve months was approximately 11,500 MW, so that there are 115 tranches total and each tranche represents 0.87% of peak load.

Table 2. Illustrative Number of Tranches and Size of Tranches

	Peak Load Share (MW)	Number of Tranches	Size of Tranche (%)	MW-measure of Tranche
SSO Load	11,500	115	0.87%	100

As mentioned above, each product is the SSO Load for a given supply period. There are three (3) products in total for the 2009 CBP: a 17-month product, a 29-month product, and a

41-month product. Illustrative numbers of tranches in the Solicitation of the 2009 CBP for each product are provided in the table below.

Table 3. Illustrative Number of Tranches for the Solicitation in the 2009 CBP

Solicitation	Peak Load Share (MW)	Product	Supply Period	Number of Tranches	Size (%)	MW-Measure
		17-month	1/1/09-5/31/10	38	0.87	100
December 2008	11,500	29-month	1/1/09-5/31/11	39	0.87	100
		41-month	1/1/09-5/31/12	38	0.87	100

In subsequent CBPs, there will be a single supply period of three (3) years. Thus, there will be one product. Illustrative numbers of tranches for each Solicitation of the 2010 CBP are provided in the tables below.

Table 4. Illustrative Number of Tranches for Each Solicitation in the 2010 CBP

Solicitation	Peak Load Share (MW)	Product	Supply Period	Number of Tranches	Size (%)	MW-Measure
October 2009	1,900	3-year	6/1/2010-5/31/13	19	0.87	100
January 2010	1,900	3-year	6/1/2010-5/31/13	19	0.87	100

These values are provided for reference purposes only and may be updated no later¹ than eight (8) days² before suppliers must first apply to participate in the CBP. The CBP Manager may further update MW-measures and, if an update is available, it will be provided no later than eight (8) days before suppliers must submit to the second part of the application process (as further explained below).

¹ All references to the schedule are for the first Solicitation only. Future solicitations may take place over a longer timeframe.

² Unless otherwise specified, "days" refer to business days.

The FirstEnergy Ohio Utilities do not represent that each tranche will have the loads shown above or any particular MW value. The actual SSO Load will depend upon many factors including customer migration to CRES suppliers, changing load profiles, and weather conditions. Suppliers are responsible for evaluating the uncertainties associated with SSO Load.

I. B. Payment to SSO Suppliers and Rates

Information regarding definitions and payment bases are given in these CBP Rules solely for the convenience of bidders and are not to be relied upon by the bidders. The SSO Master Agreement, as approved by the Commission, provides the official definitions and payment terms.

An SSO Supplier provides full requirements service for the percentage of SSO Load corresponding to the number of tranches won by the supplier. Full requirements service means that the SSO Supplier is responsible for fulfilling all requirements including energy, current MISO resource adequacy requirements, ancillary services and transmission, and any other service as may be required by MISO to serve the customers. The FirstEnergy Ohio Utilities provide distribution services, but suppliers will be responsible for Network Integrated Transmission Services ("NITS") and all associated ancillary services.

An SSO Supplier for a given product receives the clearing price for that product times a *seasonal factor* (a *summer factor* in the summer or a *winter factor* in the winter, as described below) for every MWh of load served. The summer factor will ensure that SSO Suppliers are paid more than the clearing price for sales in the summer months, while the winter factor will mean that SSO Suppliers are paid less than the clearing price for sales in the winter months. Table 5 provides the provisional seasonal factors. These seasonal factors will be in effect on January 1, 2009. The seasonal factors may be different for future CBPs.

Table 5. Provisional Summer Factor and Winter Factor

Summer Factor (June 1-August 31)	Winter Factor (January 1 – May 31 and September 1 – December 31)
1.1180	0.9581

The provisional seasonal factors shown above are multiplied by the clearing prices to obtain the summer and winter payments. The final seasonal factors will be announced to suppliers prior to the CBP and will be constant during the duration of each SSO Master Agreement.

Example 1. Supplier Payments³

The summer factor is 1.1180 and the winter factor is 0.9581.

A bidder in the Solicitation wins three (3) 17-month tranches at a price of \$60.00/MWh. The size of each tranche is 0.87% of the SSO Load. Thus, the bidder will serve approximately 2.61 % of the total load between January 1, 2009 and May 31, 2010. The bidder receives \$67.08 ($\60.00×1.1180) for each MWh of load served in the summer months and \$57.49 ($\60.00×0.9581) for each MWh of load served in the winter months.

The commodity portion of the rates of SSO Customers will be a function of the tranche-weighted average of the clearing prices obtained for the various contract terms procured through the CBP. For example, in January 2009, SSO Load will be served from SSO Master Agreements for each of three (3) overlapping terms, namely: from January 1, 2009 to May 31, 2010; from January 1, 2009 to May 31, 2011; and from January 1, 2009 to May 31, 2012. Each term will have been procured through the December 2008 Solicitation. The tranche-weighted average of these prices will be seasonally adjusted. Any cost associated with procuring supply from renewable energy sources, as required by R.C. 4928.64, will also

³ This and all other examples in these CBP Rules are for illustrative purposes only.

be blended with the clearing prices. The seasonal factors will be made available to suppliers in advance of the CBP.

I. C. Review of Results

Upon the conclusion of each solicitation, the CBP Manager will present a report to the PUCO identifying the least cost bid winner or winners for each product, as well as a statement whether the three statutory criteria set forth in R.C. 4928.142(C) were met: (1) each portion of the bidding process was oversubscribed, such that the amount of supply bid upon was greater than the amount of the load bid out; (2) there were four or more bidders; (3) at least twenty five per cent of the load is bid upon by one or more persons other than the electric distribution utility.

The Commission shall select the least-cost bid winner or winners of that process, and such selected bid or bids shall be the utility's standard service offer unless the Commission, by order issued before the third calendar day following the conclusion of the competitive bidding process determines that one or more of the three statutory criteria set forth in R.C. 4928.142(C) and identified above were not met. For the initial solicitation planned for December 2008, each winner and the FirstEnergy Ohio Utilities will immediately execute the SSO Master Agreement following the close of the solicitation, once the specific pricing information and load obligations have been filled in upon completion of the bid.

The PUCO may release information regarding the CBP, including the clearing prices and the names of the winners. All the costs associated with the CBP will be collected through a Bid Participation Fee to be submitted at the beginning of the application process, and a Tranche Fee charged to winning bidders, as further explained below.

II. BEFORE BIDDING

II. A. Information Provided to Bidders

The FirstEnergy Ohio Utilities will make certain economic data available to suppliers in advance of qualification. The economic data will be posted on the CBP web site (www.firstenergy-auction.com).

The FirstEnergy Ohio Utilities will provide economic data for a historical three-year period or for the longest historical period for which data are available. The FirstEnergy Ohio Utilities will provide hourly load data for total retail load, and SSO Load (the load of customers who are not served by a CRES supplier). The FirstEnergy Ohio Utilities will provide switching statistics as provided by the PUCO, historical load profiles, and historical shopping credits. The FirstEnergy Ohio Utilities will provide expiration dates of special contracts, and will provide a load profile or hourly loads for such special contracts as available.

II. B. Qualification Process

No later than eight (8) days before suppliers must first apply to participate in the CBP, the CBP Manager will provide the number of tranches needed for each product in each Solicitation, as well as the size and MW-measure of tranches in the CBP. The number of tranches needed for a product is called a *tranche target*. The MW-measure of each tranche may be updated before each Solicitation, in which case such update will be provided no later than four (4) days prior to when suppliers must submit to the second part of the application process (as further explained below).

Before suppliers must first apply to participate in a Solicitation, the CBP Manager will announce a minimum starting price and a maximum starting price. The *minimum and maximum starting prices* establish the range of possible round 1 prices for the products in the Solicitation. The *round 1 prices* are the prices at which bids are submitted in the first round. The CBP Manager may reevaluate the starting price after round 1 in an effort to increase bidder participation as a part of the ongoing competitive solicitation. The round 1 price for a given product may be different from the round 1 price of another product. The CBP Manager will establish the minimum and maximum starting prices. The CBP Manager will choose round 1 prices for each product and will inform bidders no later than three (3) days before bidding starts. The round 1 price for a product will be between the minimum and maximum starting prices.

The application process is in two (2) parts. Interested parties may first submit a *Part 1 Application. Prospective bidders*—namely, entities that submit a Part 1 Application—will be required to:

- Agree to comply with all rules of the CBP;
- Agree that if they become winners, they will immediately execute the SSO Master Agreement subject to the Commission's determination that all three statutory criteria set forth in R.C. 4928.142(C) were met;
- Agree that if they become winners, they will join the MISO Planning Reserve Sharing Group;
- Show either that they are MISO Market Participants, or that there exist no impediments to them becoming MISO Market Participants by the start of the supply period;
- Agree that if they become winners, they will demonstrate compliance with the creditworthiness requirements set forth in the SSO Master Agreement;
- Certify that if they qualify to participate, they will not disclose information regarding the list of qualified bidders;
- Certify that they will destroy documents with this information provided by the CBP Manager within five (5) days of the the conclusion of the competitive solicitation, as explained further in this document in section V, "Association and Confidential Information Rules";
- Certify that if they qualify to participate, they will not substitute another entity in their place, transfer their rights to another entity, or otherwise assign their status as qualified bidders to another entity.

There are no state licensing requirements as SSO Suppliers will be deemed certified suppliers by the Commission. Prospective bidders will be asked to submit financial information so that the FirstEnergy Ohio Utilities can conduct an assessment of their creditworthiness. Such creditworthiness requirements will take into consideration all load serving obligations held by the prospective bidder. In future CBPs, such obligations will include the prospective bidder's obligations from load won in past Solicitations.

Applications must be submitted no later than noon⁴ on the *Part 1 Application Date*, which will be no earlier than eight (8) days after the maximum and minimum starting prices have been announced. Prospective bidders will be notified whether they succeeded in qualifying to participate no later than three (3) days after the Part 1 Application Date. ORC 4928.142(A)(1)(E) provides that no generation supplier shall be prohibited from participating in the bidding process. A prospective bidder that has qualified becomes a *qualified bidder*. In future CBPs, if a supplier becomes a qualified bidder for a Solicitation, the supplier will be able to take part in an abbreviated qualification process for future Solicitations in the same CBP. The CBP Manager will send simultaneously to each qualified bidder a list of all qualified

⁴ Unless otherwise specified, times are those prevailing in the Eastern Time Zone on the respective date.

bidders. The CBP Manager will send a list of qualified bidders to other parties as necessary to oversee the proper conduct of the CBP. These other parties include representatives from the FirstEnergy Ohio Utilities, PUCO Staff, and any advisor that PUCO Staff may have retained for this purpose. These parties will have undertaken to maintain the confidentiality of the list of qualified bidders. Prospective bidders, in their Part 1 Applications, will also have undertaken to maintain the confidentiality of the list of qualified bidders.

With their Part 1 Applications, all prospective bidders will be required to pay a *Bid Participation Fee* that will contribute to covering the administration costs of the CBP. The Bid Participation Fee will be paid with each Part 1 Application, even if a supplier takes part in an abbreviated qualification process after having been previously qualified as a bidder in a given CBP. If a prospective bidder is successful in its Part 1 and Part 2 Applications, and goes on to win tranches in a Solicitation, this Bid Participation Fee will be deducted from the *Tranche Fee* that is paid by all winners. The amount of the Bid Participation Fee will be announced at the same time as the tranche targets, no later than eight (8) days prior to the Part 1 Application for the first Solicitation of the CBP. The amount of the Tranche Fee will be announced no later than three (3) days prior to the first Solicitation in the CBP.

Qualified bidders must successfully submit to a *Part 2 Application* process to bid in a Solicitation. Only qualified bidders may submit a Part 2 Application.

Part 2 Applications must be submitted no later than noon on the *Part 2 Application Date*. No later than three (3) days before the Part 2 Application Date, the CBP Manager may provide an update to the MW-measure of each tranche if available. Qualified bidders will be notified whether they succeeded in the Part 2 Application process no later than three (3) days after the Part 2 Application Date. In the Part 2 Application, each qualified bidder will make a number of certifications regarding associations, to ensure that they are bidding independently of other qualified bidders and to ensure the confidentiality of information regarding the CBP. A qualified bidder is *associated with* another qualified bidder if the two bidders have ties that could allow them to act in concert or that could prevent them from competing actively against each other. The competitiveness of each Solicitation and the ability of the CBP to deliver competitive prices may be harmed by the coordinated or collusive behavior that associations facilitate. As the CBP Manager relies on a number of factors, including the number of

independent competitors, using inaccurate information in such decisions due to insufficient disclosure of associations in the Part 2 Application can create adverse impacts. The *solicitation volume* is the sum of the tranche targets for all products in a Solicitation. Associations may be considered in setting the solicitation volume, but each separate entity will be considered a bidder. See "Association and Confidential Information Rules" in section V of this document for more precise criteria.

Sanctions can be imposed on a bidder for failing to disclose information relevant to determining associations, for coordinating with another bidder, or for failing to abide by any of the certifications that it will have made in its Part 1 and Part 2 Applications. Such sanctions can include, but are not limited to, loss of all rights to provide supply for the FirstEnergy Ohio Utilities to serve any load won by such bidder, forfeiture of financial guarantees and other fees posted or paid, prosecution under applicable state and federal laws, debarment from participation in future CBPs, and other sanctions that the PUCO may consider appropriate. For any failure to disclose information or any violation of the certifications, the CBP Manager will make a recommendation on a possible sanction.

With its Part 2 Application, a qualified bidder will be required to submit an indicative offer and to post pre-bid security sufficient for this indicative offer. The *indicative offer* specifies two (2) numbers of tranches. The first number represents the amount that the qualified bidder is willing to serve at the maximum starting price in aggregate for all products in the Solicitation and the second number represents the amount that the qualified bidder is willing to serve at the minimum starting price in aggregate for all products in the Solicitation. A qualified bidder will also be required to provide its preliminary interest in each product. The number of tranches indicated as preliminary interest on any one product at a given price cannot exceed the qualified bidder's indicative offer at that price. However, the sum of the qualified bidder's preliminary interest across all products at a given price *can* exceed the number of tranches that the qualified bidder submitted as an indicative offer at that price.

Indicative offers are important in two (2) respects. First, the CBP Manager may use the indicative offers to inform the setting of round 1 prices. Second, the number of tranches indicated by the qualified bidder at the maximum starting price determines the qualified bidder's *initial eligibility*. A bidder will never be able to bid in the Solicitation on a number of

tranches greater than the bidder's initial eligibility. Thus, the qualified bidder is encouraged to state the maximum possible number of tranches that it would be ready, willing, and able to serve. Information that a qualified bidder provides regarding its interest in any particular product has no effect on initial eligibility or subsequent bidding.

Example 2. Preliminary Interest.

At the maximum starting price, the qualified bidder may indicate a preliminary interest in as many tranches as the tranche target for each product, namely 10 tranches for the 17-month product, 10 tranches for the 29-month product and 9 tranches for the 41-month product.

At the maximum starting price, the qualified bidder actually submits, as its preliminary interest in each product:

- 9 tranches for the 17-month product;
- 7 tranches for the 29-month product; and
- 7 tranches for the 41-month product.

This means that of the 23 tranches of SSO load that the qualified bidder is willing to serve, the qualified bidder is willing to serve at most 9 of them for the 17-month product, 7 for the 29-month product, and 7 for the 41-month product.

The sum of the bidder's preliminary interests in each product at the maximum starting price is 23 ($9 + 7 + 7$), which exceeds the amount of the indicative offer at the maximum starting price (18). This is acceptable.

Each qualified bidder must post pre-bid security sufficient for its indicative offer at the maximum starting price. Each qualified bidder must post a letter of credit in an amount no less than \$500,000 per tranche of a bidder's indicative offer at the maximum starting price. Letters of credit must be in a form acceptable to the FirstEnergy Ohio Utilities. Sample letters of credit that are in a form acceptable to the FirstEnergy Ohio Utilities will be posted to the CBP web site. Depending upon the creditworthiness assessment made at the time of the Part 1 Application, a qualified bidder may be required to provide additional pre-bid security in the form of a letter of intent to provide a guaranty and/or a letter of reference. Any such additional

pre-bid security must be submitted in a form acceptable to the FirstEnergy Ohio Utilities. Samples for the letter of intent to provide a guaranty and for the letter of reference will also be posted to the CBP web site.

Example 3. Pre-Bid Security.

A qualified bidder submits an indicative offer of 20 tranches at the maximum starting price. The qualified bidder must submit a letter of credit of \$500,000 per tranche of this indicative offer. The qualified bidder thus posts a letter of credit of \$10M (20 x \$500,000).

Depending on whether the qualified bidder is relying on its own financial standing or on that of a guarantor, and depending on the results of the creditworthiness assessment at the time of the Part 1 Application, the bidder may be required additionally to submit a letter of intent to provide a guaranty from its guarantor or to provide a letter of reference from its bank. Any such additional requirements would be communicated to the bidder at the time of qualification.

For a Part 2 Application to be accepted, it must be complete, including its indicative offer, letter of credit, and additional security (if necessary). The letter of credit and additional security must be provided in a form considered acceptable to the FirstEnergy Ohio Utilities and must be sufficient to cover the indicative offer at the maximum starting price. After its Part 2 Application is accepted, a qualified bidder becomes a *registered bidder*. The CBP Manager will send simultaneously to each registered bidder, and to those other parties as necessary to oversee the proper conduct of the CBP, a list of registered bidders and the total initial eligibility. The list of registered bidders and the total initial eligibility will not be released publicly. Qualified bidders, in their Part 2 Applications, will have undertaken to maintain the confidentiality of the list of registered bidders and the total initial eligibility, and to destroy documents with this information provided by the CBP Manager within five (5) days of the conclusion of the competitive solicitation, as explained further in this document in section V.

Letters of credit and additional security (if required) will remain in full force until the fifth calendar day after the conclusion of the competitive solicitation. After the above, a bidder's financial guarantees will be marked cancelled and returned:

- As soon as practicable if the bidder has won no tranches;

- After the bidder has signed the SSO Master Agreement and has complied with all creditworthiness requirements of the SSO Master Agreement for the tranches that it has won.

The FirstEnergy Ohio Utilities can collect the financial guarantees of bidders that win tranches but that fail to sign the SSO Master Agreement or fail to comply with the creditworthiness requirements immediately following the close of the solicitation. If the results are rejected, each bidder's financial guarantees will be marked cancelled and returned as soon as practicable.

II. C. Round 1 Prices

No more than three (3) days before bidding starts, the CBP Manager informs all registered bidders of the round 1 prices. The round 1 price for a product will be no higher than the maximum starting price and no lower than the minimum starting price. The CBP Manager will set the round 1 prices.

II. D. Extraordinary Events

The CBP Manager, in consultation with the FirstEnergy Ohio Utilities, may determine that, due to extraordinary events, the maximum starting price and the minimum starting price require revision. In this event, the schedule may also be revised. If the indicative offers have already been received, the CBP Manager would request that the registered bidders (or the qualified bidders if registration had not been completed) revise their indicative offers on the basis of the revised maximum starting price and the revised minimum starting price.

For such a revision to be necessary, an extraordinary event must occur between the time at which the maximum starting price and the minimum starting price are announced (no later than eight (8) days before suppliers must first apply to participate in a Solicitation) and the day on which bidding starts. An extraordinary event must be agreed to by the FirstEnergy Ohio Utilities and the CBP Manager. Such events could include, for instance, the advent of war, the disruption of a major supply source for potentially extended periods, or other similar events that could significantly impact the cost of supply.

If an extraordinary event occurs during that time, the CBP Manager will, in consultation with the FirstEnergy Ohio Utilities, determine a revised maximum starting price and a revised

minimum starting price. New indicative offers will be required from bidders. The determination of new maximum and minimum starting prices, the submission of new indicative offers, and if necessary the announcement of new starting prices, will be carried out so as to afford bidders sufficient time. If an extraordinary event occurs during that time that causes a possible change in the schedule, the CBP Manager will, in consultation with the FirstEnergy Ohio Utilities, determine a revised schedule.

The CBP Manager, in consultation with the FirstEnergy Ohio Utilities, may determine that, due to extraordinary events, the winter and summer factors require revision. In this event, the schedule may also be revised. For a revision of the summer and winter factors to be necessary, an extraordinary event must occur before the first Solicitation of the CBP starts. If the indicative offers have already been received, the CBP Manager would provide the opportunity for new indicative offers to be submitted on the basis of this revision. The CBP Manager will provide bidders sufficient time to revise their indicative offers.

III. BIDDING RULES

Bidders must have been successful in the Part 1 Application process and the Part 2 Application process, as explained in section II. B of the present CBP Rules. Bidders participating in a given Solicitation are registered to bid on all products in that Solicitation. There are three (3) products in the one Solicitation for the 2009 CBP: 17-month, 29-month, and 41-month.

After presenting an overview of the format and an overview of the bidding day, the following sections will explain the bidding and other procedures in detail.

III. A. Overview of the Format

Each Solicitation is conducted using a simultaneous, multiple round, descending clock format. This format's features can be explained by simply "unpacking" this terminology.

The bidding is simultaneous because tranches for all the products in a given Solicitation are put on offer at the same time. Bidding proceeds in rounds. In a round, the CBP Manager announces a price for each product. Bidders bid by providing the number of tranches that they are willing to serve for each of these products at the prices announced by the CBP Manager. If

the number of tranches bid is greater than the number of tranches needed for a product, the price for that product is reduced for the next round. In the next round, bidders are given an opportunity to bid again.

The format is characterized as a descending clock because prices “tick down” as rounds progress, starting high and being reduced gradually until the supply bid is just sufficient to meet the load to be procured. Prices that tick down in a round decrease by a decrement, which may be a given percentage of the previous going price. The bidders holding the final bids when bidding closes are the winners.

Example 4. Prices Tick Down When There Is Excess Supply.

Suppose there are 16 bidders in the December 2008 Solicitation. The tranche targets are listed in the table below.

	<i>Price \$/MWh</i>	<i>Number of tranches bid</i>	<i>Tranche target</i>	<i>Excess supply</i>
ROUND 1				
17-month	95.00	24	10	14
29-month	85.00	18	10	8
41-month	80.00	9	9	0

The CBP Manager reduces the price of a product if the number of tranches bid is greater than the number of tranches desired.

In round 1, all bidders combined stand ready to supply 24 tranches of the 17-month product at a price of \$95.00/MWh. The number of tranches bid (24) exceeds the number of tranches desired (10) by 14 tranches. The price for the 17-month product will tick down.

The CBP Manager will lower the price in round 2 for every product except the 41-month product, since for every product except the 41-month product the number of tranches bid exceeds the number of tranches needed.

In round 2 below, prices have fallen from round 1 for all but the 41-month product. Bidders submit new bids at these prices.

	<i>Price \$/MWh</i>	<i>Number of tranches bid</i>	<i>Tranche targets</i>	<i>Excess supply</i>
ROUND 2				
17-month	90.25	17	10	7
29-month	80.75	15	10	5
41-month	80.00	10	9	1

Bidding is held simultaneously for all products. A bidder qualified and registered for bidding can switch tranches from one product to any other product. Four additional aspects of the bidding process should be briefly highlighted at the outset. These are as follows:

1. Winners for each product are not determined until the bidding has closed for all products. When the number of tranches bid in a round for a product does not exceed the number of tranches desired, the price for that product will not tick down for the next round. However, as bidding progresses and the prices for the other products tick down, some bidders may re-assign tranches and increase the number of tranches bid on that product, which may cause the price for the product to tick down again in future rounds. Hence, the winners cannot be determined for any one product until bidding stops for all products. It is only at the end of bidding that suppliers reveal themselves to be winners by not withdrawing from bidding.
2. Every bid is a binding obligation to provide the supply for a product at the price at which the bid was made. By placing its bid, the bidder is declaring that it stands ready, willing and able to supply the load represented by the tranches that it bid, at the going prices of each of the products. If a bidder placed a bid on a product in the preceding round and the price of the product's tranches did not tick down for the current round, the bidder cannot reduce the number of tranches bid for that product in the current round, either through a withdrawal or a switch.
3. Bidders can never, from one round to the next, increase the total number of tranches they bid on all products. Once a bidder bids a total number of tranches in the first round, the bidder will never be able to bid more than that total in subsequent rounds. Once a tranche is withdrawn, it can never be bid again.
4. All bidders that win tranches for a particular product and are authorized as suppliers receive the same price for that product.

III. B. Overview of the Round Phases and Bidding Day

Bidding proceeds in rounds. Each *round* is divided into three (3) phases: a bidding phase, a calculating phase, and a reporting phase.

In the *bidding phase* of the round, bidders place their bids stating the number of tranches they want to supply for each product. To be valid, a bid must be submitted and verified by the bidder during the bidding phase, and processed. The time-stamp of a bid is the time at which the bid is processed.

In the *calculating phase* of the round, the CBP Manager tabulates the results of that round's bidding phase and calculates the prices for the next round. During this phase, bidders cannot submit bids and bidders do not yet have access to the results from that round's bidding phase.

In the *reporting phase* of the round, the CBP Manager informs the bidders of the results of that round's bidding phase. All round results are confidential. All bidders are informed of the prices for the next round's bidding phase and are provided with a range of total excess supply (i.e., excess supply for all products combined). Each bidder also privately receives the results of its own bid from that round, indicating to each bidder its obligation at this point in the bidding. A bidder receives no information regarding any other bidder's bid. A bidder with no remaining obligation loses its access to round results.

III. C. Round 1

III. C. 1. Definition of a Bid and Bidding Phase

The CBP Manager informs registered bidders of the round 1 prices for each product no later than three (3) days prior to the start of bidding. These starting prices are the prices in force, or the going prices, in round 1. In general, the *going prices* in a round are the prices at which the CBP Manager solicits bids in that round.

A bidder selects how many tranches it wants to serve for each product at the round 1 prices. Specifically, for Solicitations in the 2009 CBP, a bidder will submit a *bid* that indicates:

- A number of tranches of SSO Load for a 17-month supply period;
- A number of tranches of SSO Load for a 29-month supply period; and
- A number of tranches of SSO Load for a 41-month supply period.

The number of tranches that a bidder chooses for one product may or may not be the same as the number of tranches that the bidder chooses for another product. A number of tranches is an integer (0, 1, 2,...). A number of 0 (zero) for one product means that at the round 1 price for the product the bidder does not want to supply any of that product. A registered bidder who, in round 1, bids 0 on all products withdraws from bidding. The bidder will not be able to bid in round 2 or in any future round.

Example 5. A Round 1 Bid.

Bidder A specifies the number of tranches for each product in the Solicitation, as illustrated below.		
	<i>Price (\$/MWh)</i>	<i>Number of tranches bid</i>
ROUND 1		
17-month	95.00	8
29-month	85.00	6
41-month	80.00	2
Then (8, 6, 2) is a round 1 bid and it indicates that the bidder stands ready to supply 8 tranches of the 17-month product, 6 tranches of the 29-month product, and 2 tranches of the 41-month product at the round 1 prices.		

A bid submitted in round 1 must satisfy two (2) conditions; the first condition relates to the total number of tranches bid, while the second relates to the number of tranches bid for any one product.

The first condition is that the total number of tranches that a bidder bids for all products cannot exceed the bidder's initial eligibility. A qualified bidder's round 1 *eligibility* is that bidder's initial eligibility. In its Part 2 Application, a bidder provides an indicative offer at the

maximum starting price. The number of tranches in this indicative offer is the bidder's initial eligibility. The total number of tranches that a bidder bids for all products cannot exceed the bidder's initial eligibility.

The second condition is that the number of tranches that a bidder bids for a given product cannot exceed the tranche target for that product. The tranche target is the number of tranches needed for that product in a given Solicitation.

Example 6. Constraints on the First Round Bid.

Also suppose Bidder A submitted an indicative offer of 20 tranches at the maximum starting price. Bidder A's initial eligibility is 20 tranches.

Bidder A's bid in round 1 is (8, 6, 2). This bid satisfies all requirements:

- In total, Bidder A is bidding on 16 tranches, which does not exceed Bidder A's initial eligibility of 20 tranches.
- For each product, Bidder A is bidding on a number of tranches that does not exceed that product's tranche target. For example, Bidder A is bidding 8 tranches for the 17-month product, which does not exceed the tranche target of 10.

III. C. 2. Calculating Phase, Reporting Phase

The calculating phase of round 1 immediately follows the bidding phase. In the ordinary course of events, the CBP Manager reviews the results and sets the prices that will be in force in round 2 for all products. Round 1 moves to the reporting phase and the CBP Manager reports to bidders the results of bidding in round 1 as well as the round 2 prices for all products. The CBP Manager provides to bidders an indication of total excess supply in round 1. The *excess supply for a product* is the greater of (1) the total number of tranches bid for the product minus the tranche target for that product, or (2) zero. The *total excess supply* is the sum, over all products, of the excess supplies of the individual products, plus free eligibility, which is defined below in section III. E. A bidder is never provided any information regarding any other individual bidder's bids.

III. D. Bidding in Round 2

III. D. 1. Definition of a Bid and Bidding Phase

A bidder selects how many tranches to bid for each product at the round 2 prices.

A bid submitted in round 2 (and all subsequent rounds) must satisfy two (2) conditions.

The first condition is that the total number of tranches that a bidder bids for all products cannot exceed the bidder's eligibility. A bidder's *eligibility* in round 2 is the bidder's total number of tranches bid in round 1. This implies that, as stated in the introduction to the bidding format, a bidder cannot increase its total number of tranches bid at the round 2 prices from its total number of tranches bid in round 1. However, a bidder may increase its number of tranches bid for one or more products if the bidder is simultaneously decreasing its number of tranches bid for other products.

The second condition is that the number of tranches that a bidder bids for a given product cannot exceed the tranche target for that product. The tranche target is the number of tranches needed for that product in a given Solicitation.

Fully specifying a bid in round 2 (and in subsequent rounds) may require a bidder to provide *exit prices* (defined below). Exit prices can be required when a bidder is reducing its total number of tranches bid. Fully specifying a bid in round 2 may require a bidder to provide *switching priorities* (defined below). Switching priorities are required when a bidder is switching and increasing the total number of tranches bid on two or more products.

III. D. 2. Bidding, Withdrawals and Switches

A bidder can always select in round 2 the same number of tranches for each product as in round 1. Alternatively, a bidder can request a withdrawal or a switch.

When a bidder reduces the total number of tranches bid, the bidder is requesting a *withdrawal* from at least one product.

A bidder can only request a withdrawal from a product when the price for that product has ticked down from the previous round (in round 2, when the price has ticked down from round 1 to round 2). If the price for a product has not ticked down, then the bidder's offer in

round 1 at that price is binding and cannot be reduced. As explained below, a bidder can always bid more tranches for a product whose price has not changed from round 1 by reducing the number of tranches from one or more other products whose price(s) have ticked down and switching the tranches to the product whose price has not ticked down.

A bidder that withdraws tranches from a product must name an exit price. An *exit price* is a best and last offer on tranches that are being withdrawn. A bidder names an exit price when it is willing to bid a tranche at the previous going price but is unwilling to bid this tranche at the current going price. A bidder that withdraws several tranches previously bid at the round 1 price for a given product must specify the same exit price for all tranches from that product. An exit price must be less than or equal to the last going price at which the tranches were freely bid (in round 2, this is the price in round 1) and must be higher than the product's current going price (in round 2, this is the round 2 price, a price at which the bidder is no longer willing to bid the tranches being withdrawn). A bidder that withdraws tranches from more than one product can specify a different exit price for each product.

A bidder that withdraws tranches from a product loses some or all of its eligibility, and forfeits the right to bid these tranches on any product in any future round of bidding. A bidder who requests a withdrawal may see its request refused, as explained further below.

An exit price enables the CBP Manager to determine which bidder would have remained ready to serve a product had the price ticked down continuously rather than in uneven, discrete decrements. The CBP Manager relies on exit prices when the number of tranches bid on a product at the round 2 going price falls short of that product's tranche target due to reductions from withdrawals, or due to reductions from withdrawals and switches. The CBP Manager will then refuse some or all requests for withdrawals, as needed to fill the tranche target of the product. The tranches with lower exit prices are retained first, and they are retained at the exit price that the bidder has named. The eligibility represented by the withdrawn tranches is lost even if the withdrawn tranches from the product are retained. Any withdrawn tranches that are retained in a round will be released (and the request to withdraw will be accepted at that later point) if new tranches for the product are bid at the going price and can serve to fill the tranche target for that product.

If two or more bidders are tied at an exit price, and if the CBP Manager must retain some but not all the tranches from these two or more tied bidders to fill the tranche target of a product, then the CBP Manager, for each tranche to be retained, will choose at random the bidder whose tranche is retained. For the first tranche needed at the tied exit price, the probability that a bidder is chosen is the number of tranches that the bidder has bid at the exit price divided by the total number of tranches bid at the exit price. If a second tranche is needed at the exit price, the CBP Manager again will choose the bidder whose tranche will be retained at random. The probability that any one bidder is chosen is the number of tranches that the bidder has bid at the exit price and that have not yet been retained divided by the total number of tranches bid at the exit price and that have not yet been retained. The CBP Manager repeats this procedure until the tranche target for the product is filled.

Example 7. Withdrawals.

	ROUND 1		ROUND 2
	Price (\$/MWh)	Bid (tranches)	Price (\$/MWh)
17-month	75.00	8	71.25
29-month	75.00	6	75.00
41-month	75.00	3	73.67
<p>Bidder A cannot bid fewer tranches for the 29-month product in round 2 because the price for this product has not fallen from round 1.</p> <p>Bidder A reduces the number of tranches bid for the 17-month product from 8 to 7. The bidder enters an exit price of \$74.75/mwh, which is between \$71.25/MWh and \$75.00/MWh. (The exit price could have been equal to \$75.00 but not equal to \$71.25/MWh.)</p>			

A bidder *switches* when a bidder is simultaneously decreasing the number of tranches bid for one or more products, and increasing the number of tranches for one or more other products while leaving the total number of tranches bid unchanged.

Example 8. Switching.

The following are the round 1 and round 2 prices and the bids for Bidder A			
	<i>17-month</i>	<i>29-month</i>	<i>41-month</i>
ROUND 1			
Price (\$/MWh)	75.00	75.00	75.00
Bid (tranches)	6	5	3
ROUND 2			
Price (\$/MWh)	75.00	74.05	73.00
Bid (tranches)	8	5	1
<p>In round 2, Bidder A is increasing by 2 the number of tranches bid on the 17-month product. Also, Bidder A is reducing by 2 the number of tranches bid on the 41-month product. Since the total number of tranches bid is the same (14), the bidder is switching. Bidder A can reduce the number of tranches bid on the 41-month product since its price has decreased in round 2. Bidder A can bid for more tranches of the 17-month product. If the price of a product does not change, a bidder cannot bid <i>fewer</i> tranches but can bid <i>more</i> tranches for that product.</p>			

As is the case when the bidder is reducing the number of tranches bid on a product because the bidder is withdrawing tranches, the bidder can reduce the number of tranches bid on a product through a switch only if the price for that product has ticked down from the previous round (in round 2, when the price has ticked down from round 1). If a bidder is reducing the number of tranches bid through a switch for a product whose price has ticked down, the bidder can increase the number of tranches bid on any other product, including a product whose price has not ticked down.

A bidder may determine that it wishes to both withdraw and switch tranches from products. If a bidder is both switching and withdrawing, a bidder can reduce tranches from a particular product only if the going price for that product has decreased from the previous round (in round 2, the price has ticked down from round 1).

If a bidder increases the number of tranches bid on more than one product, the bidder must assign a unique *switching priority* to each of the products for which the bidder is increasing the number of tranches bid. A switching priority of "1" is the highest priority and it is assigned to only one product; the next highest priority is "2" and it is assigned to a different and unique product, etc. A switching priority indicates that, if the request for the switch is partially but not completely accepted, the bidder prefers that the tranches of that product (with priority 1) be increased first.

Example 9. Switching Priorities.

Bidder B submits the following bid in round 2 after this history in round 1:			
Product	17-month	29-month	41-month
ROUND 1			
Price (\$/MWh)	75.00	75.00	75.00
Bid (tranches)	7	4	2
ROUND 2			
Price (\$/MWh)	75.00	74.05	73.00
Bid (tranches)	8	2	3
<p>In round 2, Bidder B is increasing the number of tranches bid on the 17-month product and the 41-month product while reducing the number of tranches bid on the 29-month product. Since the total number of tranches bid is the same (13) in both rounds, the bidder is switching. Bidder B gives the switching priority to the increase on the 41-month product.</p> <p>If the CBP Manager will allow one of Bidder B's reductions but needs to deny the other, then the increase for the 41-month product will be allowed and the increase for the 17-month product will not be allowed. The denied switch (a 29-month tranche) will be retained at a price of \$75/MWh, which is the last price at which the tranche was freely bid.</p>			

The CBP Manager will use the switching priorities provided by a bidder only when, to keep the tranche target for a product filled, the CBP Manager must retain all tranches that were

withdrawn out of that product (if any) and must deny some, but not all, reductions from that product that come from a single bidder's switch. (Please see section III. D. 3 for a description of how generally the CBP Manager fills the tranche target for a product.) Whenever possible, the CBP Manager will fill the needed number of tranches for that product by denying the lowest priority (1 is the highest priority) switch first, and then successively denying higher priority switches until the tranche target is met. The *denied switches* are retained at the price at which they were last freely bid (in round 2, this is the round 1 going price).

A bidder that is both switching and withdrawing can reduce the number of tranches bid for more than one product and increase the number of tranches bid for at least one product. In that case, the bidder will be asked to specify which tranches are being withdrawn and which tranches are being switched. The tranche or tranches that the bidder specifies to be withdrawn are the tranche(s) for which the bidder will name an exit price. The bidder may also be required to specify switching priorities if the bidder is increasing the number of tranches bid on more than one product.

Example 8. Switching and Withdrawing.

Bidder C submits the following bid in round 2 after this history in round 1:			
	<i>17-month</i>	<i>29-month</i>	<i>41-month</i>
ROUND 1			
Price (\$/MWh)	75.00	75.00	75.00
Bid (Tranches)	8	8	1
ROUND 2			
Price (\$/MWh)	74.10	72.78	75.00
Bid (Tranches)	7	6	2
<p>Bidder C bids a total of 17 tranches in round 1 and 16 tranches in round 2. Bidder C is withdrawing 1 tranche and will name an exit price for that tranche.</p> <p>Since Bidder C reduces the number of tranches bid for both the 17-month product and the 29-month product, Bidder C's intentions are not clear unless the CBP Manager asks Bidder C for additional information. Indeed, it could be that Bidder C is withdrawing from the 17-month product and switching the remaining tranches. Or it could be that Bidder C is withdrawing 1 tranche from the 29-month product and switching the remaining tranches.</p> <p>Bidder C is asked to select whether it is withdrawing a tranche from the 17-month product or the 29-month product. Bidder C selects that it is withdrawing a tranche from the 17-month product, and is asked to name an exit price for this tranche.</p>			

III. D. 3. Calculating and Reporting Phases in Round 2

The calculating phase starts immediately after the bidding phase. Once the CBP Manager has tabulated and reviewed the results, the reporting phase begins. The CBP Manager informs all bidders of the round 3 price for each product. The CBP Manager provides to all bidders a range for the total excess supply in round 2. The exact ranges of total excess supply that will be provided as bidding progresses will be specified in detail in advance of the CBP.

All bidders are provided with information regarding the going prices for all products and the total excess supply.

In addition to what the CBP Manager tells all bidders about the range of total excess supply and the going prices for the next bidding phase, the CBP Manager also provides a round report privately to each bidder, including the bidder's eligibility for the next round (round 3). A bidder's *eligibility* for round 3 is the bidder's eligibility in round 2, minus the number of tranches that the bidder withdrew for all products in round 2. The CBP Manager also reports privately to each bidder on the bidder's own bid.

When a bidder bids in round 2 the same number of tranches on each product as in round 1, the CBP Manager reports the bid made in round 2.

A bidder may request withdrawals or switches. If all requests are accepted, the CBP Manager reports the bid made in round 2. However, the CBP Manager may disallow reductions that a bidder wants to make from a product. The CBP Manager retains withdrawn tranches if, by accepting all withdrawals and switches, the tranche target for that product would no longer be filled. Similarly, the CBP Manager denies switches if, after retaining all withdrawn tranches from that product, accepting all switches would prevent the tranche target for that product from being filled. In sum, to fill the tranche target of a product, the CBP Manager: 1) first takes tranches that are bid at the round 2 price for that product; 2) then retains tranches that bidders want to withdraw from that product; and 3) finally denies switches that bidders have requested from that product, as necessary.

If the bidder requested to withdraw tranches from a product and some or all of these tranches are retained, the CBP Manager informs the bidder of the number of withdrawn tranches that are being retained and the price at which these tranches are retained. The CBP Manager will report that the request to withdraw is partially or completely granted when there have been a sufficient number of new tranches bid at the going price to replace some or all of the withdrawals that had been retained to fill the tranche target. The price at which the withdrawn tranches are retained is the exit price. The CBP Manager will continue to report that some or all of these tranches are being retained in subsequent rounds as long as they are needed to fill the product's tranche target. While eligibility to bid these tranches is lost for the remainder of the rounds, these tranches still remain as binding offers by the bidder until the

request to withdraw is granted (which may or may not occur). If these tranches are retained until the end of bidding, the bidder wins the tranches.

If a bidder requested a switch, and if some or all of these are denied, the CBP Manager informs the bidder of the number of tranches for which the switch is denied. The tranches that the bidder intended to reduce from a product will be retained at the last price at which the tranches were freely bid. In round 2, this price is the round 1 price.

If there are several bidders who requested switches, and some, but not all switches must be denied, for each tranche of the target that must be filled by denying a reduction from a switch, the CBP Manager chooses at random the bidder whose switch is denied. For the first switch that must be denied, the probability that the CBP Manager chooses a tranche bid by a bidder requesting a switch is the number of tranches by which the bidder's bid on the product is reduced by the switch and that could be denied, divided by the total number of tranches by which the number of tranches bid on the product is reduced by switches from all bidders and that could be denied. If a second switch must be denied, the CBP Manager again chooses at random the bidder whose switch will be denied. The probability that the CBP Manager chooses a tranche bid by a bidder requesting a switch is the number of tranches by which the bidder's bid on the product is reduced by the switch and that could have but have not yet been denied, divided by the total number of tranches by which the number of tranches bid on the product is reduced by all switches from bidders and that could have been but have not yet been denied. The CBP Manager repeats this procedure until the tranche target for the product is filled. The CBP Manager continues to report that some or all of these switches are being denied in subsequent rounds as long as they are still needed to fill the product's tranche target. If additional tranches are bid on this product in a later round by any bidder, resulting in an excess number of tranches for that round, then the denied switches may then be freed up (see *free eligibility* below).

Example 11. Denied Switches.

Bidders A, B and C are the only bidders bidding for tranches of the 17-month product, the 29-month product, and the 41-month product for which the total of the tranche targets is 29. Their bids in rounds 1 and 2 are given below:

	<i>17-month</i>	<i>29-month</i>	<i>41-month</i>
Tranche Target	10	10	9
ROUND 1			
Price (\$/MWh)	75.00	75.22	75.00
Bidder A Bid (tranches)	6	1	0
Bidder B Bid (tranches)	3	2	4
Bidder C Bid (tranches)	2	3	0
ROUND 2			
Price (\$/MWh)	74.72	75.01	75.00
Bidder A Bid (tranches)	5	2	0
Bidder B Bid (tranches)	1	3	5
Bidder C Bid (tranches)	2	3	0

Bidder A switches, increasing the number of tranches bid on the 29-month product to 2 and reducing the number of tranches bid on the 17-month product. Bidder B is also switching. Bidder C's bid remains the same. In total, 3 fewer tranches are bid on the 17-month product. The number of tranches bid on the 29-month product and the 41-month product are both increased. Bidder B gives the 29-month product the switching priority.

No other bidders bid on tranches for the 17-month product in round 2. In round 1, the 17-month product's tranche target is more than filled with 11 tranches bid at the round 1 price. In round 2, the 8 tranches bid at the round 2 price are insufficient to fill the tranche target of 10.

Example 11, Denied Switches, (continued)

Two of the three reductions from the 17-month product must be denied. For the first tranche that must be filled by denying a switch, the probability that each bidder is chosen is 1/3 for Bidder A and 2/3 for Bidder B. Bidder B is chosen at random. The CBP Manager repeats the procedure for the second tranche that must be filled by denying a switch. The probability that each bidder is chosen is 1/2 for Bidder A and 1/2 for Bidder B. Bidder A is chosen at random. This means that the CBP Manager denies Bidder A its intended switch and that Bidder B is allowed to switch 1 of the 2 tranches requested. Adding the 2 denied switches to the 8 tranches bid at the round 2 price fills the 17-month product's tranche target of 10.

	<i>17-month</i>	<i>29-month</i>	<i>41-month</i>
Round 1 Price (\$/MWh)	75.00	75.22	75.00
Round 2 Price (\$/MWh)	74.72	75.01	75.00
Report to Bidder A	5 @ 74.72 1 denied switch @ \$75.00	1 @ 75.01	0
Report to Bidder B	1 @ 74.72 1 denied switch @ \$75.00	3 @ 75.01	4 @ 75.00
Report to Bidder C	2 @ 74.72	3 @ 75.01	0

The CBP Manager reports to Bidder A that its switch was denied. The CBP Manager also reports to Bidder A that it has 5 17-month tranches bid at the round 2 price of \$74.72/MWh and 1 denied switch, a 17-month tranche at the round 1 price of \$75.00/MWh. The CBP Manager reports to Bidder B that Bidder B has 1 tranche of the 17-month product bid at the round 2 price of 74.72 \$/MWh and 1 denied switch, a 17-month tranche at the round 1 price of 75.00 \$/MWh. The CBP Manager reports to Bidder B that Bidder B has four (4) 41-month tranches bid at 75.00 \$/MWh. The CBP Manager also reports to Bidder C that Bidder C has 2 tranches of the 17-month product bid at the round 2 price and 3 tranches of the 29-month product bid at the round 2 price.

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III. E. Round 3 and All Subsequent Rounds

Round 3 and all subsequent rounds generally proceed as does round 2. In the bidding phase of a round, a bidder bids by stating the number of tranches it is willing to serve of each product at the going prices for the round. At all times, the total number of tranches bid by a bidder for all the products cannot exceed the bidder's *eligibility*. The bidder's eligibility for a round is its eligibility for the previous round, minus the number of tranches that the bidder withdrew in the previous round. At all times, the total number of tranches that a bidder bids for a product cannot exceed the product's tranche target.

A bidder can request to withdraw or switch tranches from a product, provided that the bidder reduces its number of tranches bid only from products for which the price has ticked down. To fully specify a bid, the bidder may be required to provide exit prices and/or switching priorities. In the reporting phase of the round, the CBP Manager reports a range of total excess supply and the going prices for the next bidding phase. The CBP Manager also provides a round report privately to each bidder.

Starting in round 3 and for all subsequent rounds, a bidder may face the following new situations and be subject to the following additional rules:

- A bidder's denied switches may be outbid and become free eligibility.
- A bidder's retained tranche from a withdrawal may be released.
- A bidder with retained tranches on a product from a denied switch who bids new tranches for this same product at the going price for the current round will be deemed to have bid all tranches (including retained tranches from the denied switch) at the going price.

Each of these circumstances or rules is explained in more detail below.

If a bidder has one or more tranches retained from a denied switch in a round, these tranches may be *outbid* in a subsequent round. This means that a tranche from a denied switch is being replaced in filling the tranche target for the product by a tranche that has been newly bid at the going price by another bidder. This occurs because the CBP Manager takes bids in increasing order of price to fill the tranche target, first taking tranches bid at the going price,

then withdrawn tranches, and finally denied switches. New tranches bid at the going price first replace the highest-priced tranches, which are the denied switches. If switches from more than one bidder are retained, and if not all denied switches are outbid, the CBP Manager chooses at random, for each denied switch that will be outbid, the bidder whose switch will be outbid. For the first denied switch that is outbid, the probability that the CBP Manager chooses a bidder's denied switch is the bidder's number of denied switches divided by the total number of denied switches for that product. If a second denied switch must be outbid, the CBP Manager again will choose at random the bidder whose denied switch will be outbid. The probability that the CBP Manager chooses a bidder's denied switch is the bidder's number of denied switches that have not yet been outbid divided by the total number of denied switches that have not yet been outbid. The CBP Manager repeats this procedure until the required number of denied switches has been outbid.

A tranche from a denied switch for a product that is outbid becomes *free eligibility* in the next round. A tranche of free eligibility must be bid on a product in the round in which it becomes available or the eligibility for that tranche will be lost. A tranche of free eligibility can be bid on any product. If it is not bid it will be considered to be withdrawn; when a tranche of free eligibility is withdrawn, the bidder does not name an exit price and the tranche will not be retained.

If a bidder has one or more tranches retained from a requested withdrawal, these tranches may be released and the withdrawal granted as new tranches bid at the going price replace the tranches retained from withdrawals in filling the tranche target. As new tranches are bid at the going price these tranches outbid denied switches (if any) and then replace withdrawn tranches, starting with tranches withdrawn at the highest exit price. During the reporting phase, the CBP Manager reports privately to a bidder if a tranche—that had been withdrawn from a product and that had been retained—is now being released and thereby irrevocably removed from further bidding.

If withdrawn tranches from more than one bidder had been retained at the same exit price, and if not all retained tranches at that exit price are being released, the CBP Manager chooses at random the bidder or bidders whose tranches are released and thereby irrevocably removed from further bidding. For the first retained tranche that should be released, the

probability that a bidder is chosen is the bidder's number of retained tranches for the product at the tied exit price divided by the total number of retained tranches at that exit price for that product. If a second retained tranche needs to be released, the CBP Manager again will choose at random the bidder whose retained tranche will be released, and the probability that any one bidder is chosen is the bidder's number of retained tranches at the tied exit price that have not yet been released divided by the total number of retained tranches at the tied exit price that have not yet been released. The CBP Manager repeats this procedure until the required number of tranches has been released.

If a bidder has retained tranches on a product from a denied switch and if this bidder bids new tranches for this same product at the going price, the bidder will be deemed to have bid all tranches at the going price for that product. That is, tranches from the denied switch become tranches that are bid at the price for the current round. The CBP Manager, in filling the tranche target for the product, will take first tranches bid at the going price; in these tranches at the going price, the CBP Manager will include any denied switches that have become tranches bid at the current round price (because the bidder has bid new tranches for this same product at the current round price, and is thus indicating a willingness to serve this product at the going price).

Example 12. Anti-Stalling.

Bidder A's bids in rounds 6 and 7 are given below (Bidder A does not bid for any other products):

	<i>17-month</i>	<i>29-month</i>
Price Round 6 (\$/MWh)	67.50	68.00
Bidder A Bid (tranches)	4	0
Price Round 7 (\$/MWh)	66.34	66.98
Bidder A Bid (tranches)	0	4

In round 7, Bidder A requests to switch 4 tranches. The CBP Manager denies part of the switch. Bidder A, in the reporting phase of round 7, is informed that its bid consists of 2 tranches of the 29 month product at \$66.98/MWh and 2 denied switches of the 17-month product at \$67.50/MWh (the price at which the tranches of the 17-month product were last freely bid).

	<i>17-month</i>	<i>29-month</i>
Report to Bidder A	2 denied switches @ \$67.50	2 @ \$66.98

In round 8, Bidder A reduces its number of tranches bid on the 29-month product by 1 and increases its number of tranches bid on the 17-month product. At the round 8 prices, Bidder A bids 1 tranche of the 29-month product and 1 tranche of the 17-month product at the going price. The denied switches are kept on the 17-month product and cannot be freely bid.

	<i>17-month</i>	<i>29-month</i>
Price Round 8 (\$/MWh)	66.34	66.81
Bidder A Bid (tranches)	1	1
Denied Switches	2 denied switches @ \$67.50	

Bidder A has bid a new tranche of the 17-month product at the round 8 price while having switches denied on the same product at a higher price. Bidder A is then deemed to have bid all 3 the 17-month tranches at the round 8 price of \$66.34, as shown below. All 3 tranches of the 17-month product become tranches bid at the round 8 price.

	<i>17-month</i>	<i>29-month</i>
Price Round 8 (\$/MWh)	66.34	66.81
Report to Bidder A	3 @ \$66.34	1

III. F. Reporting General Bidding Results

During the reporting phase, the CBP Manager reports a range of total excess supply and the going prices for the next bidding phase to all bidders with positive eligibility or with retained withdrawals, to a list of representatives from the FirstEnergy Ohio Utilities, and to the PUCO Staff. The PUCO Staff also has access to information contained in all submitted bids. These bidding results are confidential. The bidders, the FirstEnergy Ohio Utilities, the CBP Manager, and the PUCO Staff will hold any results to which they have access to be confidential. Before becoming registered bidders, the bidders will agree to keep all results confidential, except for any aspects of the results that the Commission releases as part of its decision of whether to approve the results, or that the Commission explicitly authorizes can be released. Bidders will also agree to destroy documents with information related to the CBP provided by the CBP Manager within five (5) days of the Commission's determination that all three statutory criteria set forth in R.C. 4928.142(C) were met. A bidder loses its access to bidding results no earlier than the round after the bidder has been first informed that it has zero eligibility and no retained withdrawals, and in any event no later than eight rounds after first being so informed.

The total excess supply is the sum of the excess supplies for each of the individual products, plus all tranches of free eligibility, when applicable. The CBP Manager reports a range of total excess supply. The size of the excess supply range reported to bidders may be fixed for the auction, or it may vary based on the amount of excess supply. When the total excess supply has reached zero, bidding has closed.

The CBP Manager will announce the ranges of total excess supply that will be used when the CBP Manager announces the number of tranches to be procured for each product. The CBP Manager will inform the registered bidders of any changes to these ranges of total excess supply no later than six (6) days prior to the start of bidding. Table 6 below provides illustrative ranges of total excess supply.

Table 6. Illustrative Total Excess Supply Ranges

Ranges for Excess Supply	
Total excess supply falls to 20 tranches or fewer: a single range remains (the last range)	0-20
Total excess supply is between 21 and 50 tranches: ranges count 10 integers	21-30
	31-40
	41-50
Total excess supply is 51 tranches or more: ranges count 5 integers	51-55
	56-60
	61-65 (etc.)

The CBP Manager also reports the going prices for the products for the next bidding phase.

III. G. Price Decrements

The price for a product only ticks down if the number of tranches bid for the product exceeds the tranche target for that product. The amount by which a price ticks down is called a decrement.

The decrement will be larger at the start of the bidding than in later rounds. Early in the bidding the decrement will not exceed 5% of the previous round price. In no event will the price decrement be less than 0.25% of the previous going price. The price decrement for each product will be chosen at the Auction Manager's discretion. Prices are measured in \$/MWh and will be rounded off to the nearest cent.

III. H. Pauses

The progress of the rounds can be paused or modified either by the bidders or by the CBP Manager. Any one bidder can modify the progress of the rounds by requesting an extension during a bidding phase or a recess during a calculating phase or a reporting phase

(subject to the conditions below). The CBP Manager can also call a time-out at any time during a round.

III. H. 1. Pauses Called by Bidders

When a bidder requests an *extension* during the bidding phase of a round, such a request extends the bidding phase of the round for all bidders. Typically, an extension will be 15 minutes, but the CBP Manager may set a longer or shorter length for an extension. Bidders will be advised of the length of an extension at any point during bidding. An extension allows a bidder additional time to consider its bid for the current round or allows a bidder to deal with technical difficulties in submitting bids. The bidding phase of a round can be extended only once. Each bidder is allowed two (2) extensions over the course of all rounds. A bidder with positive eligibility is automatically deemed to have requested an extension if the bidder has not submitted a bid during the bidding phase of a round and if the bidder has not already used its allowable extensions. Extensions from all bidders are granted but all extensions run concurrently. All bidders that have requested an extension during the bidding phase of a round will see their available number of extensions reduced and the extension will last only 15 minutes (or the time for an extension set by the CBP Manager). The CBP Manager reports to all bidders at the end of the planned bidding phase that the bidding phase has been extended.

A *recess* may only be requested during: 1) the calculating phase; or 2) during the reporting phase, before the earlier of: a) the scheduled last half of the reporting phase of a round starts; or b) the last five (5) minutes of the reporting phase of a round. (That is, if the reporting phase of a round is scheduled to be 8 minutes, then the recess must be requested before the last 5 minutes of the reporting phase; if the reporting phase of a round is scheduled to be 14 minutes, then the recess must be requested before the last 7 minutes of the reporting phase.) A recess may only be requested by a bidder after round 10. The CBP Manager retains the discretion to set the length of a recess but the CBP Manager will not set the recess time to be less than 15 minutes. The CBP Manager will advise all bidders of the length of a recess at any point during bidding.

As soon as is feasible after the time at which a recess can be requested has passed, the CBP Manager reports to all bidders that a recess has been called. Each bidder is allowed to

request at most one recess over the course of all rounds. All recess requests are granted, but all requested recesses run concurrently. All bidders making a request in a given calculating or reporting phase will be deemed to have used a recess request. All bidders that have requested a recess will see their available number of recesses reduced by one.

Example 9. Recesses.

In round 5, bidders are not able to request a recess since round 11 has not yet been reached.

In round 12, bidders can request a recess since round 11 has been reached.

III. H. 2. Pauses Called by the CBP Manager

The CBP Manager can call a time-out at any time during a round. A typical time-out would be expected to last no longer than an extension in most circumstances but could be for a longer period in case of a cutback to the solicitation volume that may require bidders time to consider or in case of an extraordinary event that requires consultation of the CBP Manager and the PUCO Staff. Whenever a time-out is called, the CBP Manager reports to all bidders with remaining obligations (i.e., with positive eligibility and/or retained withdrawals) how long the time-out is expected to last.

During the calculating phase of round 1, the CBP Manager may call a time-out to evaluate whether the solicitation volume should be adjusted. The CBP Manager has the discretion to call additional time-outs during the course of bidding. Such discretion could be used, for example, in case of an extraordinary event. The CBP Manager expects to exercise this discretion only rarely.

III. I. Failure to Submit a Bid

A bidder with positive eligibility must submit a bid in every round. This is true even when the bidder's bid does not change. This is also true when a bidder is bidding only on products whose prices have not ticked down.

If a bidder with positive eligibility does not submit a bid during the bidding phase of a round, the bidder is granted an extension whenever possible. If the bidder has previously used up all of its extensions, or if the bidder does not submit a bid during the extension to the bidding phase, then the bidder has failed to submit a bid. When a bidder with positive eligibility has failed to submit a bid in a round, the bidder is assigned a *default bid*. A default bid for a bidder is the minimum number of tranches that the bidder could have bid on each product, as explained below.

The default bid for a bidder in round 1 is zero (0) tranches on each and every product.

The default bid for a bidder in round 2 and all subsequent rounds is described in detail as follows.

If the bidder had some tranches of free eligibility, these tranches are deemed to be withdrawn and are irrevocably removed.

If, in the previous round, a bidder did not bid any tranches on a product at the going price and, in the reporting phase of that round, the CBP Manager reported that the bidder did not have any retained withdrawals or denied switches for that product, then the bidder is assigned zero tranches for that product.

If, as of the reporting phase in the previous round, a bidder had some tranches on a particular product at the going price for the previous round, and if the product's price ticked down from the previous round to the current round, then the bidder is deemed to have withdrawn all tranches at the highest exit price, namely the price from the previous round. The bidder loses the eligibility associated with these tranches. All tranches with a lower exit price named by bidders that have submitted a bid in the current round are retained first. All tranches with the same exit price named by bidders that have submitted a bid in the current round are retained next. If all the withdrawn tranches by the bidder and by other bidders that were assigned a default bid are needed to fill the tranche target, these tranches are retained. If some but not all of the tranches submitted by the bidder and other bidders that were assigned a default bid are needed, tranches are chosen at random to fill the tranche target, in a procedure analogous to that used for bidders that submitted a bid, as described in section III. D. 2.

If, as of the reporting phase in the previous round, a bidder had some tranches on a particular product at the going price for that round, and/or retained withdrawals, and/or denied switches; if the product's price did not tick down from the previous round to the current round; and if there is excess supply for the product in the current round, so that the price will tick down in the next round, then:

- all withdrawals that were previously retained are released and the bidder has no remaining obligation from those tranches;
- all switches that had previously been denied are outbid and the bidder is assigned free eligibility for those tranches;
- all tranches previously bid at the going price are bid again on the product at the going price. If the bidder does not bid in the next round these tranches will be withdrawn and assigned the highest exit price.

If, as of the reporting phase in the previous round, a bidder had some tranches on a particular product bid at the going price, and/or retained withdrawals, and/or denied switches; if the product's price did not tick down from that round to the current round; and if there is no excess supply for the product in the current round so that the price will not tick down in the next round, then:

- any tranches bid at the going price continue to be bid at the going price;
- if any new tranches were bid on the product at the going price in the current round, the denied switches (if any) of bidders that have been assigned default bids are outbid first, before the denied switches of bidders that have submitted a bid in the current round are outbid. If more than one bidder has been assigned a default bid, and if some but not all denied switches from such bidders are outbid, then for each denied switch that must be outbid, the CBP Manager chooses at random among the default bidders the bidder whose switch is outbid, in a procedure analogous to that used for bidders that submitted a bid, as described in section III. E;
- if any new tranches were bid on the product at the going price in the current round, and if all denied switches from default bidders and from bidders that

submitted a bid are outbid, retained withdrawals are released, starting with the highest named exit price. For a given exit price, tranches from bidders that have been assigned default bids (if any) are released first, before the retained withdrawals of bidders that have submitted a bid in the current round. If more than one bidder has been assigned a default bid, and if some but not all of the retained withdrawals from such bidders must be released at a given exit price, then for each retained withdrawal that must be released, the CBP Manager chooses at random among the default bidders the bidder whose withdrawn tranche is released, in a procedure analogous to that used for bidders that submitted a bid, as described in section III. E.

The bidder can lose its ability to bid for all future rounds by failing to bid during the bidding phase of a round or during its extension. It is the responsibility of the bidder to ensure that bids are submitted on time.

Example 14. Default Bid.

Bidder A submits the following bid in round 5:			
	<i>17-month</i>	<i>29-month</i>	<i>41-month</i>
ROUND 5 (Bid)			
Round 5 Price	85.25	80.71	81.00
Bid (Tranches)	2	4	0
The CBP Manager reports to Bidder A that its bid in round 5 is accepted as it was submitted. The CBP Manager announces the new prices for each product for round 6. Bidder A submits the following bid in round 6.			
	<i>17-month</i>	<i>29-month</i>	<i>41-month</i>
ROUND 6 (Bid)			
Round 6 Price	84.25	79.71	80.00
Bid (Tranches)	0	4	2
This bid represents a switch, whereby Bidder A has increased the number of tranches on the 41-month product while decreasing the number of tranches on the 17-month product. Other bidders reduce their number of tranches bid on the 17-month product in the same round. To fill the tranche target of this product, the CBP Manager denies Bidder A's requested switches. These tranches will be retained at the last price at which they were freely bid.			
The CBP Manager thus reports the following:			
	<i>17-month</i>	<i>29-month</i>	<i>41-month</i>
ROUND 6 (Report)			
Round 7 Price	84.25	79.21	79.56
Report to Bidder A	2 denied switches @		
(Tranches)	\$85.25	4	0

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Example 14, Default Bid, (continued)

In round 7, the minimum number of tranches that Bidder A can bid on the 41-month product is zero, because Bidder A did not bid any tranches on this product in round 6. The minimum number of tranches that Bidder A can bid on the 29-month product is zero, since the price for the 29-month product has ticked down from \$79.71/MWh to \$79.21/MWh. The minimum number of tranches that Bidder A can bid on the 17-month product is 2, since the price for the 17-month product has not ticked down but Bidder A has two denied switches on the 17-month product.

In round 7, Bidder A fails to submit a bid in the bidding phase of the round. Bidder A is automatically granted an extension but does not submit a bid during the extension either. Bidder A will be assigned the following bid, which is its default bid. Bidder A is the only bidder that is assigned a default bid.

	<i>17-month</i>	<i>29-month</i>	<i>41-month</i>
ROUND 7 (Default Bid)			
Price (\$/MWh)	84.25	79.21	79.56
Default Bid for	2 denied switches @	0	0
Bidder A (Tranches)	\$85.25		

None of Bidder A's withdrawn tranches are retained; tranches from other bidders that actually submitted bids are sufficient to fill the tranche target for the 29-month product. During round 7, three new tranches are bid on the 17-month product by other bidders. Both of Bidder A's tranches become outbid denied switches and are free eligibility. Bidder A's eligibility for round 8 is 2. Should Bidder A again fail to bid in round 8, this free eligibility will be lost. Bidder A would be assigned eligibility of zero for round 9 and would lose the ability to submit any further bids.

III. J. End of Bidding

Bidding ends at the same time for all products, in the reporting phase before the first round in which total excess supply is zero. At that point, all prices have stopped ticking down any further and no bidder could change its bid.

At the end of the bidding, tranches are allocated to the winners and all the winners for a product receive the same price (the clearing price) for that product. As long as the tranche target is filled in any round prior to the final round, the tranche target for a product will be filled when bidding ends. For all products where the tranche target is filled when bidding ends, the clearing price is the lowest price bid that still allows supply just sufficient to fill the tranche target. The price for each product is determined more precisely as explained below.

The clearing price for a product depends on how the tranche target for the product was filled in the final round. When the tranche target of a product is filled when bidding ends, the clearing price is determined as follows.

If, to fill the tranche target for a product in the final round, only tranches bid at the price from the final round are used, the winners are those that submitted bids at the price from the final round. The clearing price given to all winners is the going price from the final round.

If, to fill the tranche target for a product in the final round, withdrawn tranches must be retained, but no switches were denied, then the winners are the bidders that submitted bids at the going price from the final round and the bidders that submitted the lowest of the exit prices. If, to fill the last tranches of the tranche target of a product in the final round, the CBP Manager must use some but not all the tranches from two or more bidders tied at the same exit price, then the CBP Manager, for each tranche, will choose at random the bidder whose tranche is retained, as described in section III. D. 3. The clearing price given to all winners is the last exit price that was accepted to fill the tranche target.

If, to fill the tranche target for a product in the final round the CBP Manager must deny requests to switch, then the winners are the bidders that submitted bids at the going price from the final round, the bidders that withdrew tranches (if any), and the bidders whose requests to switch (by reducing the number of tranches of that product) were denied. The clearing price received by all winners is the price at which the denied switches were last freely bid.

Example 15. End of Bidding.

The tranche target for the 17-month product is 10 tranches.

In round 74, 11 tranches for the 17-month product are bid at a price of \$40.00/MWh. In round 75, 7 tranches for the 17-month are bid at a price of \$39.90/MWh.

Bidder A bids 4 tranches for the 17-month product in round 74 and 2 tranches in round 75. Bidder A enters an exit price equal to the last round going price of \$40.00/MWh for the 2 tranches it is withdrawing.

Bidder B bids 3 tranches for the 17-month product in round 74 and 1 tranche in round 75. Bidder B enters an exit price of \$39.95/MWh for the 2 tranches it is withdrawing.

No other bidder changes its number of tranches bid on the 17-month product. Collectively, all other bidders bid 5 tranches for the 17-month product in both rounds 74 and 75. The total excess supply in round 75 is zero and bidding ends in round 75. Eight tranches for the 17-month product are allocated to the bidders that bid at the going price of \$39.90/MWh. Two additional tranches are allocated to Bidder B since it submitted a lower exit price. Finally, Bidder A wins 1 additional tranche so that the tranche target is filled. All winning bidders will receive a price of \$40.00/MWh, which is the lowest price at which the tranche target is filled.

The tranche target for a product will be filled when bidding ends as long as the tranche target was filled in any round prior to the final round. Once the tranche target for a product is filled in a round, the CBP Manager ensures that the tranche target remains filled by retaining withdrawals and denying switches if necessary. However, if in the final round the tranche target for a product is not filled, the winners (if any) are those that submitted bids at the round 1 price, which is the clearing price. The tranches from the product that are not filled would be served pursuant to the FirstEnergy Ohio Utilities' contingency plan.

IV. AFTER BIDDING ENDS

Upon the conclusion of the solicitation, the CBP Manager will present a report to the PUCO. The PUCO shall select the least-cost bid winner or winners of that process, and such selected bid or bids shall be the utility's standard service offer unless the Commission, by order issued before the third calendar day following the conclusion of the competitive solicitation determines that one or more of the three statutory criteria set forth in R.C. 4928.142(C) and identified above were not met. The CBP Manager will notify each winner of the tranches it has won and will notify each winner of the associated clearing prices unless the PUCO makes a determination that one or more of the three statutory criteria set forth in R.C. 4928.142(C) were not met. The CBP Manager will notify the FirstEnergy Ohio Utilities of the following: the identities of the winners, the number of tranches won by each winner of each product, and the associated clearing prices. The names of the winners and the clearing prices remain confidential until publicly released by the PUCO.

The winning SSO Suppliers and the FirstEnergy Ohio Utilities will immediately execute the Master SSO Supply Agreement following the close of the solicitation once the specific pricing information and load obligations have been inserted upon completion of the bid. Each winner must demonstrate compliance with the creditworthiness requirements set forth in the SSO Master Agreement and submit the executed SSO Master Agreement(s) to the Commission for information. A winner's financial guarantee posted with its Part 2 Application may be forfeited if the winner does not immediately execute the SSO Master Agreement, if the winner fails to demonstrate compliance with the creditworthiness requirements set forth in the SSO Master Agreement, or if the winner fails to agree to any of the terms of the SSO Master Agreement. If the FirstEnergy Ohio Utilities exercise their right to collect on the financial guarantees, then any contractual rights or other entitlements of the winners will immediately terminate without further notice by the FirstEnergy Ohio Utilities. In addition, winners will be liable for damages incurred by the FirstEnergy Ohio Utilities, which will be determined in accordance with the terms of the SSO Master Agreement as though the winner were a defaulting party to the SSO Master Agreement.

The Commission may release information regarding the CBP, including winning bidders and clearing prices. All the costs associated with the CBP will be collected through a

Bid Participation Fee to be submitted at the beginning of the application process, and a Tranche Fee charged to winning bidders.

V. ASSOCIATION AND CONFIDENTIAL INFORMATION RULES

The Association and Confidential Information rules are described below.

V. A. Process for Reporting Associations, Identifying Concerns and Remedies

A prospective bidder applying to qualify to bid will be required to disclose in its Part 1 Application any bidding agreement or arrangement in which it may have entered. A prospective bidder will be required to certify in its Part 1 Application that, should it qualify to participate, it will not disclose information regarding the list of qualified bidders. A prospective bidder will also be required to certify that it accepts the terms of all SSO Master Agreements and, should it be a winner, it will immediately sign the applicable SSO Master Agreement(s) and comply with all creditworthiness requirements. With its Part 1 Application, each prospective bidder will be required to pay a Bid Participation Fee that will contribute to covering the administration costs of the CBP.

Once entities are qualified to bid, each bidder qualified will be asked in its Part 2 Application to make a number of certifications, each detailed below, and each bidder may be required to provide additional information to the CBP Manager if a certification cannot be made. Each qualified bidder will be asked to certify that it will undertake to appropriately restrict its disclosure of Confidential Information relative to its bidding strategy and Confidential Information regarding the CBP (both of which are defined in section V. B). A qualified bidder will also be asked to certify that it has not come and will not come to any agreement with another qualified bidder with respect to bidding in the CBP, except as disclosed and approved by the CBP Manager in its Part 1 Application.

Before obtaining final documentation necessary to participate in a given Solicitation, registered bidders will be required to certify that they will continue to maintain the confidentiality of any information that they will have acquired through their participation in the CBP.

V. B. Definitions of Confidential Information

Confidential Information relative to bidding strategy means information relating to a bidder's bid in a Solicitation of the CBP, whether in writing or verbally, which if it were to be made public would likely have an effect on any of the bids that another bidder would be willing to submit. Confidential Information relative to bidding strategy includes (but is not limited to): a bidder's strategy; a bidder's indicative offer; the bidder's preference to bid for one product rather than another; the quantities that a bidder wishes to serve; the bidder's estimation of the value of a tranche; the bidder's estimation of the risks associated with serving the load for the CBP; and a bidder's contractual arrangements for purchasing power to serve such load were the bidder to be a winner in the CBP.

Confidential Information regarding the CBP means information that is not released publicly by the PUCO or the CBP Manager and that a bidder acquires as a result of participating in the CBP, whether in writing or verbally, which if it were to be made public could impair the integrity of current or future Solicitations, impair the ability of the FirstEnergy Ohio Utilities to hold future Solicitations, harm consumers, or injure bidders or applicants. Confidential Information regarding the CBP includes (but is not limited to): the list of qualified bidders, the list of registered bidders, the initial eligibility, the status of a bidder's participation, and all non-public reports of results and announcements made by the CBP Manager to all or any one bidder, in this or any prior Solicitation of the CBP.

V. C. Certifications and Disclosures to Be Made

In certifications 1 through 14 below, "prospective bidder" refers to an entity submitting a Part 1 Application, "qualified bidder" refers to a bidder qualified to participate through a successful Part 1 Application, and "registered bidder" refers to a bidder registered to participate through a successful Part 2 Application.

A prospective bidder will be required in its Part 1 Application to disclose any bidding agreement or any other arrangement in which the prospective bidder may have entered and that is related to its participation in the CBP. A prospective bidder that has entered into such an agreement or arrangement must name the entities with which the prospective bidder has entered into a bidding agreement, or a joint venture for the purpose of participating in the CBP, or a

bidding consortium, or any other arrangement pertaining to participating in the CBP. A *bidding consortium* is a group of separate businesses or business people joining together to submit joint bids in the CBP.

In addition, a prospective bidder will be required to make the following certifications. Certification 1 will apply from the time that the Part 1 Application has been submitted. Certification 2, 3, and 4 will apply from the time that the Part 1 Application has been submitted until the SSO Master Agreements are signed or until the results are rejected.

1. A prospective bidder must certify that if it becomes a qualified bidder, the prospective bidder will not disclose information regarding the list of qualified bidders, including the number of qualified bidders, the identity of any or all qualified bidders, or the fact that an entity has not been qualified for further participation. The prospective bidder must certify that it will destroy any document distributed by the CBP Manager that lists the qualified bidders within five (5) days of the conclusion of the solicitation if the Commission at that time has determined that one or more of the three statutory criteria set forth in R.C. 4928.142(C) were not met.
2. A prospective bidder must certify that if it becomes a qualified bidder, it will not substitute another entity in its place, transfer its rights to another entity, or otherwise assign its status as a qualified bidder to another entity. The prospective bidder must further certify that it understands that any such substitution, transfer, or assignment is null and void, and will result in its exclusion from further participation in a given Solicitation.
3. A prospective bidder must certify that it agrees that the submission of any bid on a product creates a binding and irrevocable offer to provide service under the terms set forth in the applicable SSO Master Agreement for that product.
4. A prospective bidder must certify that a binding and enforceable contract to provide service with respect to the number of tranches for which the prospective bidder is a winner will arise under the applicable SSO Master Agreement(s), and that the

prospective bidder will immediately execute all applicable SSO Master Agreement(s) and comply with the creditworthiness requirements contained therein.

Certification 5 will be required of each qualified bidder in its Part 2 Application and will apply from the time of qualification until the date the SSO Master Agreements are signed or until the results are rejected. Certifications 6 through 10 will be required of each qualified bidder in its Part 2 Application and will apply from the time of qualification until three days after the conclusion of the competitive solicitation. Each qualified bidder must consult the list of all qualified bidders for a given Solicitation and attest to the following:

5. A qualified bidder must certify that, other than qualified bidders that were explicitly named in its Part 1 Application as entities with which the bidder has entered into a bidding agreement, or a joint venture for the purpose of participating in the CBP, or a bidding consortium, or any other arrangement pertaining to participating in the CBP, the bidder has not entered into any agreement with any other qualified bidder regarding bidding in the CBP, including, but not limited to, the amount to bid at certain prices, the product(s) on which bids are placed, when or at what prices bids are withdrawn or switched, and/or the amount of exit prices as defined in section III. D. 2.

An **Advisor** is a person or persons who will be advising or assisting the qualified bidder with respect to bidding strategy, estimation of the value of any tranche, or estimation of the risks associated with any tranche.

6. A qualified bidder must certify either: (i) that it has not retained an Advisor; or (ii) if it has retained an Advisor, that such Advisor is explicitly named in the Part 2 Application, and that such Advisor will: (a) not discuss Confidential Information relative to the qualified bidder's bidding strategy or Confidential Information regarding the CBP provided by the qualified bidder except with such qualified bidder; (b) not use Confidential Information relative to the qualified bidder's bidding strategy or Confidential Information regarding the CBP provided by the qualified bidder for any purpose other than to provide advice to the qualified bidder; (c) be bound by all certifications made by the qualified bidder in its Part 1

Application and in its Part 2 Application; (d) not provide any similar advice or assistance to any other qualified bidder.

A qualified bidder who has an Advisor must name the Advisor in its Part 2 Application. A qualified bidder who is unable to make certification 7 must identify all reasons for such inability. If the Advisor is providing similar advice or assistance to any other qualified bidder(s), or if the Advisor has access to Confidential Information relative to any other qualified bidder's bidding strategy, or if the Advisor has access to Confidential Information regarding the CBP other than as provided by the qualified bidder, the qualified bidder must describe any and all protections (such as confidentiality agreements) that have been put in place to ensure that the Advisor does not serve as a conduit of information between bidders, or as a coordinator of the bidding strategies of multiple bidders.

7. A qualified bidder must certify that the qualified bidder is not a purchasing party in any contract for any product, or any component of such product, related to the CBP, and (i) that would require the disclosure of any Confidential Information relative to bidding strategy or Confidential Information regarding the CBP to a counterparty under such a contract or to any other entity; or (ii) that would provide instructions, direct financial incentives, or other inducements for the qualified bidder to act in a way determined by a counterparty under such contract or in concert with any other bidder participating in the CBP. Notwithstanding the above, prior to each Solicitation, a qualified bidder may, during negotiations with an entity other than a qualified bidder regarding contractual arrangements for the qualified bidder to purchase all components to satisfy any product, or any component of such product, related to the CBP in the event that the bidder becomes a winning bidder, discuss with a prospective counterparty to such contract the nature of the product or components that the qualified bidder would purchase, the volume of any such product or components, and the prices of such product(s) or components.

A qualified bidder unable to make certification 8 must disclose the contractual arrangements that prevent the qualified bidder from making the certification.

8. A qualified bidder must certify that it does not have any knowledge of Confidential Information relative to the bidding strategy of any other qualified bidder.

A bidder unable to make certification 9 must name the other qualified bidder and the nature of the Confidential Information.

9. A qualified bidder must certify that it will not disclose Confidential Information relative to its own bidding strategy except to entities that were explicitly named in its Part 1 Application as entities with whom the bidder has entered into a bidding agreement, or a joint venture for the purpose of participating in the CBP, or a bidding consortium, or any other arrangement pertaining to participating in the CBP, to bidders with which it is associated as disclosed through certification 5, to its Advisor, and to its financial institution.

A qualified bidder unable to make certification 10 must identify all reasons and must identify the entities to which an information disclosure has or will be made.

In its Part 2 Application, a qualified bidder makes certifications 10 through 12 which will apply from the time of the Part 2 Application.

10. A qualified bidder must certify that, other than entities affiliated with the qualified bidder; other than entities with which the bidder has entered a bidding agreement, or a joint venture for purpose of participating in the CBP, or a bidding consortium, or any other arrangement pertaining to participating in the CBPs named in the Part 1 Application; and other than bidders with which the qualified bidder is associated as disclosed through certification 5; no entity has agreed to defray any of its costs in participating in the Solicitation, including the cost of preparing bids, the cost of any financial guarantees, the cost to be paid in the event such qualified bidder becomes a winning bidder, or any other participation cost or fee.

A qualified bidder unable to make certification 11 must identify the entity that has agreed to defray some or all of the qualified bidder's cost of participating in the Solicitation, and the nature of the participation costs that the entity has agreed to defray.

11. A qualified bidder must certify that if it becomes a registered bidder, the qualified bidder will not, at any time, disclose information regarding the total initial eligibility or the list of registered bidders, including the number of registered bidders, the identity of any or all registered bidders, or the fact that an entity has not been registered for further participation in the Solicitation.

This certification 12 provides an exception with respect to: i) entities explicitly named in the Part 1 Application as entities with which the qualified bidder has entered into a bidding agreement, or a joint venture for the purpose of participating the CBP, or a bidding consortium, or any other arrangement pertaining to participating in the CBP; or ii) its Advisor.

A qualified bidder unable to make certification 12 must identify all reasons and must identify the entities to which an information disclosure has been or will be made.

12. A qualified bidder must certify that it will not, at any time, disclose any Confidential Information regarding the CBP other than to: i) entities explicitly named in the Part 1 Application as entities with which the qualified bidder has entered into a bidding agreement, or a joint venture for the purpose of participating in the CBP, or a bidding consortium, or any other arrangement pertaining to participating in the CBP; or ii) its Advisor; or iii) bidders with which it is associated as disclosed through certification 5.

A prospective bidder unable to make certification 13 must identify all reasons and must identify the entities to which an information disclosure has been or will be made.

In its Part 2 Application, a qualified bidder makes certification 14 which will apply from the time of the Part 2 Application until the date the SSO Master Agreements are signed or until the results are rejected.

13. A qualified bidder must also certify that if it becomes a registered bidder, it will not substitute another entity in its place, transfer its rights to another entity, or otherwise assign its status as a registered bidder to another entity. A qualified bidder must further certify that it understands that any such substitution, transfer, or assignment

is null and void, and will result in its exclusion from participation in a given Solicitation.

Following a successful Part 2 Application, the registered bidder will be required to certify that it will continue to abide by its prior commitment to maintain the confidentiality of information regarding the CBP. The registered bidder will be required to do so before obtaining manuals and procedures essential to submit bids. The registered bidder also certifies that it will destroy all documents provided by the CBP Manager that contain confidential information within five (5) days of the close of the bidding.

14. A registered bidder certifies that it continues to abide by its prior confidentiality certifications. The registered bidder will not disclose any Confidential Information regarding the CBP other than to: i) entities explicitly named in the Part 1 Application as entities with which the qualified bidder has entered into a bidding agreement, or a joint venture for the purpose of participating the CBP, or a bidding consortium, or any other arrangement pertaining to participating in the CBP; or ii) its Advisor. Further, the registered bidder certifies that it will destroy all documents written or electronic provided by the CBP Manager that contain confidential information regarding the CBP within five (5) days of the close of the bidding.

The PUCO will publicly release the clearing prices and the names of the winners from a given CBP. The PUCO may choose to release additional information. After each Solicitation, a winner may itself release information regarding the number of tranches it has won and the products that the winner will be serving, and a losing bidder may itself release information only regarding the fact that it participated in a Solicitation. The winners and losing bidders otherwise continue to be bound by their certifications as described previously. In particular, no winner or losing bidder can itself reveal clearing prices of any Solicitation prior to these being publicly released by the PUCO.

V. D. Actions to Be Taken if Certifications Cannot Be Made

If a bidder cannot make all the above certifications, the CBP Manager will decide within five (5) days on a course of action on a case-by-case basis. To decide on this course of

action, the CBP Manager may make additional inquiries to understand the reason for the inability of the bidder to make the certification.

If qualified bidders do not comply with additional information requests by the CBP Manager regarding certifications required in the Part 2 Application this may be sufficient grounds for the CBP Manager to reject the application.

Sanctions can be imposed on a qualified bidder for failing to properly disclose information relevant to determining associations, for coordinating with another bidder without disclosing this fact, for releasing Confidential Information or disclosing information during the CBP (aside from only the specific exceptions provided above with respect to entities explicitly named in the Part 1 Application as entities that are part of a bidding agreement or other arrangement, to an Advisor; or bidders with which it is associated), and in general for failing to abide by any of the certifications that the bidder will have made in its Part 1 or Part 2 Application. Such sanctions can include, but are not limited to, any one or more of the following: the loss of all rights to provide tranches won by such bidder; the forfeiture of letters of credit and other fees posted or paid; liquidated damages of \$100,000; action (including prosecution) under applicable state and/or federal laws; attorneys' fees and court costs incurred in any litigation that arises out of the bidder's improper disclosure; debarment from participation in future CBPs; and/or other sanctions that may be appropriate.

Should such an event occur, the CBP Manager will make a recommendation regarding a sanction.

VI. APPENDIX A: GLOSSARY OF TERMS

Advisor

An Advisor is a person or persons who will be advising or assisting the bidder with respect to bidding, estimation of the value of any tranche, or estimation of the risks associated with providing supply for any tranche.

Bid

A bid is the number of tranches of each product that the bidder wants to serve at the prices announced by the CBP Manager.

Bid Participation Fee

The Bid Participation Fee is a fee that is required from all prospective bidders with their Part 1 Applications. The Bid Participation Fee, together with the Tranche Fee, will be used to cover the administration costs of the CBP. The amount of the Bid Participation Fee is announced when the tranche targets are announced, no later than eight (8) days prior to the Part 1 Application Date for the first Solicitation of the CBP.

Bidding Consortium

A bidding consortium is a group of separate businesses or business people joining together to submit joint bids in the CBP. A bidding consortium is also a set of FirstEnergy Ohio Utilities joining together to supply load for products in the CBP with each providing different expertise or components.

Bidding Phase

In the bidding phase of the round, bidders place their bids stating the number of tranches they want to supply for each product.

Calculating Phase

In the calculating phase of the round, the CBP Manager tabulates the results of that round's bidding phase and calculates the prices for the next round.

Clearing Price

A clearing price is the price for a product at which there is just sufficient supply. All winners for a given product receive the same clearing price for that product. The clearing prices are expressed in \$/MWh rounded off to the nearest cent.

Confidential Information regarding the CBP

Information that is not released publicly by the PUCO or the CBP Manager and that a bidder acquires as a result of participating in the CBP, whether in writing or verbally, which if it were to be made public could impair the integrity of current or future Solicitations, impair the ability of the FirstEnergy Ohio Utilities to hold future Solicitations, harm consumers, or injure bidders or applicants. Confidential Information regarding the CBP includes (but is not limited to): the list of qualified bidders, the list of registered bidders, the initial eligibility, the status of a bidder's participation, and all non-public reports of results and announcements made by the CBP Manager to all or any one bidder, in this or any prior Solicitation of the CBP.

CRES Supplier

CRES supplier means Competitive Retail Electric Service supplier.

Decrement

A decrement is a given percentage of the previous going price.

Default Bid

A default bid is the minimum number of tranches that the bidder can bid on each product.

Denied switches

Denied switches are those tranches of a product that a bidder has requested to switch, and for which the request to switch has been denied by the CBP Manager in order to keep the tranche target for that product filled.

Eligibility

A bidder's eligibility in round 1 is the bidder's initial eligibility (see Initial Eligibility). A bidder's eligibility in round 2 is the bidder's total number of tranches bid in round 1. For all

subsequent rounds, the bidder's eligibility for a round is its eligibility for the previous round, minus the number of tranches that the bidder withdrew from all products in the previous round.

Excess Supply (for a product)

The excess supply for a product is the greater of (1) the total number of tranches bid for the product minus the tranche target for that product, or (2) zero.

Exit Price

An exit price is a best and last offer on tranches that are being withdrawn.

Extension

An extension typically extends the bidding phase for a round by 15 minutes, but the CBP Manager may set a longer or shorter length for an extension. The bidding phase of a round can be extended only once. Each bidder is allowed two (2) extensions over the course of all rounds. A bidder with positive eligibility is automatically deemed to have requested an extension if the bidder has not submitted a bid during the bidding phase of a round and if the bidder has not already used its allowable extensions.

Free Eligibility

A tranche from a denied switch for a product that is outbid becomes free eligibility in the next round. A tranche of free eligibility must be bid on a product in the round in which it becomes available or the eligibility for that tranche will be lost. A tranche of free eligibility can be bid on any product.

Full Requirements Service

Full requirements service includes energy and capacity, specified ancillary and transmission services, then-current MISO resource adequacy requirements and other services necessary to serve the load of retail customers of the FirstEnergy Ohio Utilities. Full requirements service is defined more precisely in each of the SSO Master Agreements.

Going Prices

The going prices in a round are the prices at which the CBP Manager solicits bids in that round.

Indicative Offer

The indicative offer, submitted with the Part 2 Application, specifies two numbers of tranches. The first number represents the number of tranches that the qualified bidder is willing to supply at the maximum starting price and the second number represents the number of tranches that the qualified bidder is willing to supply at the minimum starting price.

Initial Eligibility

The number of tranches indicated by the qualified bidder at the maximum starting price determines the qualified bidder's initial eligibility. A bidder will never be able to bid on a number of tranches greater than the bidder's initial eligibility.

Master Standard Service Offer Supply Agreement

The SSO Suppliers will be required to immediately execute the relevant Master Standard Service Offer Supply Agreements ("SSO Master Agreements") upon the close of bidding.

Maximum Starting Price

When the CBP Manager announces the number of tranches and MW-measures of each tranche, the CBP Manager at that time will also announce a maximum starting price and a minimum starting price. The maximum starting price is the maximum price that can be set in round 1 for each product. Each qualified bidder will, in its Part 2 Application, submit an indicative offer at the maximum starting price.

Minimum Starting Price

When the CBP Manager announces the number of tranches, and MW-measures of each tranche, the CBP Manager at that time will also announce a maximum starting price and a minimum starting price. The minimum starting price is the minimum price that can be set in round 1 for each product. Each qualified bidder will, in its Part 2 Application, submit an indicative offer at the minimum starting price.

MW-measure

The MW-measure of each tranche provides, for reference purposes only, a figure in megawatts corresponding to a certain percentage of the peak load share.

Outbid

When a denied switch from a previous round is being replaced by a tranche that is newly bid on that product in the current round, the denied switch that is replaced is said to be outbid. Tranches that are outbid become free eligibility in the next round.

Part 1 Application

The Part 1 Application is the first of the two parts of the application process for the Solicitation. In the Part 1 Application, prospective bidders are required to indicate their interest in participating in the Solicitation and provide identifying information and to pay a Bid Participation Fee. Prospective bidders are also required to accept the terms of the CBP Rules and the applicable SSO Master Agreements, to provide financial information for an assessment of their creditworthiness, and to certify that they have no impediments to meet the requirements or authorizations required by the SSO Master Agreements, including meeting the creditworthiness requirements set forth in the Agreements and becoming Market Participants in MISO by the start of the supply period if they are not already market participants in MISO in good standing.

Part 2 Application

The Part 2 Application is the second of the two parts of the single application process for the Solicitation. Qualified bidders must successfully submit to a Part 2 Application process to participate in the bidding. In the Part 2 Application, qualified bidders will make a number of certifications regarding associations, to ensure that they are bidding independently of other qualified bidders, and to ensure the confidentiality of information regarding the CBP.

Part 1 Application Date

Applications must be submitted no later than noon on the Part 1 Application Date, which is no later than eight (8) days after the minimum and maximum starting prices, and tranche targets are announced.

Part 2 Application Date

Part 2 Applications must be submitted no later than noon on the Part 2 Application Date.

Peak Load Share

The peak load share is the hourly load coincident with the FirstEnergy balancing authority peak load, measured at the customer meter and including losses, of a recent twelve-month period, for all customers of the FirstEnergy Ohio Utilities.

Pre-Bid Security

Each qualified bidder must post pre-bid security sufficient for its indicative offer at the maximum starting price. Each qualified bidder must post a letter of credit in an amount no less than \$500,000 per tranche of a bidder's indicative offer at the maximum starting price. Letters of credit must be in a form acceptable to the FirstEnergy Ohio Utilities. Sample letters of credit that are in a form acceptable to the FirstEnergy Ohio Utilities will be posted to the CBP web site. Depending upon the creditworthiness assessment made at the time of the Part 1 Application, a qualified bidder may be required to provide additional pre-bid security in the form of a letter of intent to provide a guaranty and/or a letter of reference. Any such additional pre-bid security must be submitted in a form acceptable to the FirstEnergy Ohio Utilities. Samples for the letter of intent to provide a guaranty and for the letter of reference will also be posted to the CBP web site.

Product

A product is the SSO Load of the FirstEnergy Ohio Utilities for a specific supply period. The 2009 CBP will have three (3) products: 17-month (1/1/09-5/31/10), 29-month (1/1/09-5/31/11), and 41-month (1/1/09-5/31/12). Subsequent CBPs will contain one product, the SSO Load for a 3-year period (6/1/10-5/31/13, 6/1/11-5/31/14, etc.).

Prospective Bidder

A prospective bidder is an entity that has submitted a Part 1 Application.

Qualified Bidder

After its Part 1 Application is accepted, an entity becomes a qualified bidder.

Recess

A recess may only be requested during: 1) the calculating phase; or 2) during the reporting phase, before the earlier of: a) the scheduled last half of the reporting phase of a round starts; or b) the last five (5) minutes of the reporting phase of a round. A recess may only be requested by a bidder after round 10. The CBP Manager retains the discretion to set the length of a recess but the CBP Manager will not set the recess time to be less than 15 minutes. The CBP Manager will advise all bidders of the length of a recess at any point during bidding.

Registered bidder

After its Part 2 Application is accepted, a qualified bidder becomes a registered bidder.

Reporting phase

In the reporting phase of the round, the CBP Manager informs the bidders of the results of that round's bidding phase.

Round

Bidding proceeds in rounds. Each round has a bidding phase, a calculating phase, and a reporting phase.

Round 1 prices

The minimum and maximum starting prices establish the range of possible round 1 prices for the products. The CBP Manager, in consultation and the FirstEnergy Ohio Utilities, will choose round 1 prices for each product, and will inform registered bidders no more than three (3) days before bidding starts.

Size of a Tranche

The size of a tranche for each class provides the percentage of the load for that class that a tranche represents.

Solicitation Volume

The solicitation volume is the sum of the tranche targets for all products in a Solicitation.

SSO Master Agreement

See Master Standard Service Offer Supply Agreement.

SSO Customer

An SSO Customer is a retail customer taking Standard Service Offer.

SSO Load

SSO Load will be the FirstEnergy Ohio Utilities' aggregate requirements associated with SSO Customers, and will include distribution losses. SSO Load will exclude the requirements of wholesale customers and the requirements of customers served by CRES suppliers. SSO Load will include the requirements of any customers of the FirstEnergy Ohio Utilities under Special Contracts ("SC customers"), which means taking retail generation service from the FirstEnergy Ohio Utilities under terms and conditions different than the otherwise applicable tariff.

SSO Service

SSO Service will be the electric service provided by winning bidders to all retail customers who are not wholesale customers and those customers who are not shopping and are not served by a CRES supplier.

SSO Supplier

An SSO Supplier provides full requirements service for the percentage of SSO Load corresponding to the number of tranches won by the Supplier in the Solicitation for the relevant product(s).

Summer factor

A summer factor is a seasonal payment factor by which the clearing prices are multiplied to obtain the summer payments for service provided during the period June 1 through August 31. The payments to suppliers of a product are a seasonal function of the clearing price for that product. The summer payments, made to suppliers for service provided from June 1 through August 31, are generally higher than the clearing price.

Switch

A bidder switches when a bidder is simultaneously decreasing the number of tranches bid for one or more products, and increasing the number of tranches for one or more other products while leaving the total number of tranches bid unchanged.

Switching priority

A switching priority is a unique rank assigned to each of the products for which the bidder is increasing the number of tranches bid. A switching priority of "1" is the highest priority and it is assigned to only one product; the next highest priority is "2" and it is assigned to a different and unique product, etc. A switching priority indicates that, if the request for the switch is partially but not completely accepted, the bidder prefers that the tranches of that product (with priority 1) be increased first.

Time-out

A time-out is a pause called by the CBP Manager and a time-out can be called at any time during a round. A typical time-out would be expected to last no longer than an extension in most circumstances but could be for a longer period in case of a volume adjustment that may require bidders time to consider or in case of an extraordinary event that requires consultation of the CBP Manager and the PUCO Staff.

Total Excess Supply

The total excess supply is the sum, over all products, of the excess supplies for the individual products, plus all tranches of free eligibility.

Tranche

For purposes of the CBP, SSO Load is divided into units called tranches, each tranche representing the same percentage of SSO Load.

Tranche Fee

The Tranche Fee is a fee required of winning bidders for each tranche that is won. This fee, together with the Bid Participation Fee, will be set to recover all the costs associated with

the CBP. The CBP Manager will announce the fee per winning tranche no later than three (3) days prior to the start of bidding in the first Solicitation. The Bid Participation Fee will be deducted from any applicable Tranche Fees.

Tranche target

The tranche target for a product is the number of tranches needed for a product in a given Solicitation.

Winter Factor

A winter factor is a seasonal payment factor by which the clearing prices are multiplied to obtain the winter payments for service provided during the periods January 1 – May 31 and September 1 – December 31. The payments to suppliers of a product are a seasonal function of the clearing price for that product. The winter payments, made to suppliers for service provided from January 1 – May 31 and September 1 – December 31, are generally lower than the clearing price.

Withdrawal

A bidder requests a withdrawal from at least one product when the bidder is reducing the total number of tranches bid.

Solicitation Schedule: Slice of System

		PY 08/09	PY 09/10	PY 10/11	PY 11/12	PY 12/13						
RFP Date	Tranches Procured	Delivery Periods										
	38	Jan 09	May-09	Jan 10	June-10	Jan-11	June-11	Jan 12	June-12	Jan 13	June-13	
December-08	39	29 month Jan 2009 thru May 2011 (39)										
October-09	19	3 year June 2010 thru May 2013 (19)										
January-10	19	3 years June 2011 thru May 2014 (19)										
October-10	19	3 years June 2011 thru May 2014 (19)										
January-11	20	3 years June 2011 thru May 2014 (20)										
October-11	19	3 years June 2012 thru May 2015 (19)										
January-12	19	3 years June 2012 thru May 2015 (19)										

Slice of System Competitive Bid Process
Rate Conversion and Reconciliation Mechanism

Introduction

This document provides a description of the manner in which the Blended Competitive Bid Price is converted into a retail rate ("rate conversion process") and the methodology for determining a Reconciliation Mechanism. The methodologies described are applicable to each of the three Ohio operating companies, Ohio Edison ("OE"), Toledo Edison ("TE") and Cleveland Electric Illuminating ("CEI"). OE, TE and CEI will implement retail tariffs, developed through the rate conversion process that will recover the Standard Service Offer (SSO) Revenue Requirements. SSO Revenue Requirements are equal to the payments to SSO suppliers for purchased power plus the Companies' costs for providing SSO Generation Service and any applicable interest associated with the reconciliation rider described below.

A reconciliation rider ("Rider CRT") will be implemented to ensure that the Companies recover the full amount of the SSO Revenue Requirements. Under the terms of the reconciliation rider, revenues received by OE, TE and CEI to cover SSO Revenue Requirements will be reconciled to recover or refund the difference, including appropriate interest, between the Companies' SSO Revenue Requirements and revenues received from SSO customers during each reconciliation period.¹

Tariffs associated with the Slice of System Competitive Bid Process rate conversion process and Reconciliation Mechanisms are contained in Exhibit D.

Rate Conversion Process - General

The rate conversion process is used to convert the Blended Competitive Bid Price to a retail rate, which will be referred to as the Standard Service Offer Generation Charge ("SSOGC"). The solicitations in the Competitive Bid Process for generation supply will result in three² different clearing prices. The clearing prices will be averaged using the number of tranches purchased at each price as weights to obtain the Blended Competitive Bid Price. The SSOGC for each rate class (SSO Rate Class Charge) will be determined by dividing the Blended Competitive Bid Price by 1 minus the appropriate distribution loss factor, in percentage of power supply. The rate class specific result will then be adjusted to incorporate the Seasonal Application Factor (SAF) and the Commercial Activity Tax (CAT) to arrive at the SSOGC.

The SAF for all rate classes for summer and winter are 1.1180 and .9581, respectively.

¹ After the initial reconciliation period (which will be January 2009 only), the reconciliation periods will be February-April, May-July, August-October, and November-January, with effective dates for the updated Rider CRT of April 1, July 1, October 1, and January 1, respectively

² After the initial solicitation in 2008, there will be only 2 different clearing prices. (See Exhibit B to Application)

Slice of System Competitive Bid Process
Rate Conversion and Reconciliation Mechanism

Rate Conversion Process - Formula:

Below are Rate Conversion Process Formulas used to develop the SSOGC:

$SSOGC_i = \{[AP / (1 - DL_i)] \times SAF\} \times [1 / (1 - CAT)]$, rounded to the fifth decimal place.

SSOGC _i	=	Standard Service Offer Generation Charge for Rate Class i
AP	=	Blended Competitive Bid Price
DL _i	=	Distribution Losses for Rate Class i, in percentage of power supply
SAF	=	Seasonal Application Factor
CAT	=	Commercial Activity Tax, in percentage, for Rate Class i

Rate Conversion - Calculation Examples

RS, GS, STL, TRF, POL Rate Classes

Assume:

Blended Competitive Bid price	\$60.00 / MWh
Distribution loss percentage	6.28%
CAT rate	0.260%
Winter seasonal application factor	0.9596

then,

$[60.00 / (1 - .0628)] = \64.02	Adjusted Competitive Bid Price
times 0.9596	Incorporate SAF
times $(1 / (1 - .00260))$	Incorporate CAT
\$61.59 per mWh or 6.159¢ per kWh	Standard Service Offer Generation Charge (SSOGC)

The Distribution Losses (DL) in percentage is the only difference in the calculations for each Rate Class. The winter SSOGC for the rate classes shown below are calculated using the assumptions with the appropriate DL:

	<u>DL</u>	<u>SSOGC</u>
RS, GS, STL, TRF, POL	6.28%	6.159¢
GP	2.91%	5.946¢
GSU	0.10%	5.778¢
GT	0.00%	5.773¢

Slice of System Competitive Bid Process
Rate Conversion and Reconciliation Mechanism

Cost Recovery True-Up Reconciliation Mechanism ("Rider CRT")

The Companies, in aggregate, will recover from customers the total amount of SSO Supply costs which will be referred to as Standard Service Offer (SSO) Revenue Requirements. The SSO Revenue Requirements are equal to payments to SSO Suppliers for purchased power plus the Companies' costs for providing SSO Generation Service ("program costs") plus applicable interest. Costs for providing SSO Generation Service will include: (1) competitive bidding process expenses not recovered through the tranche fees paid by SSO Suppliers, (2) a working capital component consisting of the interest on the difference between the cash outlay for purchased power for January 2009 and the cash received from customers for service rendered in January 2009, and (3) actual uncollectible expense amounts related to SSOG service, (4) the revenue variance ("delta revenue")³, and (5) any costs incurred in the form of fines, penalties, or damages arising from or associated with the use of a descending clock auction or request for proposal format to fulfill the statutory requirement of acquiring power through a competitive bidding process and/or the power purchased there under. In addition to these enumerated items, at such time that the Companies determine the costs related to alternative energy resources described in Section 4928.64 (B), such cost shall also be included in the costs for providing SSO Generation Service.

Full recovery of the total Standard Service Offer (SSO) Revenue Requirements will be ensured through the application of two separate Rider CRT charges (CRT1 and CRT2). CRT1 will reconcile aggregate SSO Revenue Requirements⁴ for the three Companies with the associated SSOGC Revenues⁵. CRT2 will recover the revenue variance associated with CEI special contract customers remaining after December 31, 2008 ("CEI Extended Contracts"). Reconciliation of SSO Revenue Requirements to revenues for CEI Extended Contracts is an inherent part of the revenue variance calculation. The CRT1 and CRT2-related reconciliations will be done every three months⁶ and the over/under recovery will be collected or refunded, beginning two months later, through Rider CRT.

The reconciliation of CRT1 charges will be done every three months; however, the first reconciliation will only be based upon January 2009 data. The reconciliation amount will be billed to SSO customers via the CRT1 charge on Rider CRT beginning the second month after

³ Revenue variance or "delta revenue" is the difference in revenue from the application of rates in the otherwise applicable rate schedule and the application of the terms of any economic development schedule, energy efficiency schedule, reasonable arrangement, governmental special contract, or unique arrangement (special contracts).

⁴ Excludes payments to suppliers allocated to CEI special contract customers remaining after December 31, 2008.

⁵ For CRT1 reconciliation, associated SSOGC Revenues (Standard Service Offer Generation Service Revenues) include revenues from the SSOGC for all customers receiving power under the Standard Service Offer (excluding CEI special contract customers remaining after December 31, 2008) as well as the revenues resulting from the CRT1 charge on Rider CRT, both adjusted to exclude the applicable Commercial Activity Tax (CAT).

⁶ After the initial reconciliation period (which will be January 2009 only), the reconciliation periods will be February-April, May-July, August-October, and November-January, with effective dates for the updated Rider CRT April 1, July 1, October 1, and January 1, respectively.

**Slice of System Competitive Bid Process
Rate Conversion and Reconciliation Mechanism**

the end of the reconciliation period. For CRT1, the difference between SSO Revenue Requirements and the SSO Revenues received, plus interest calculated at the embedded cost of debt, is not determinable for a given reconciliation period until the subsequent month, therefore Rider CRT will be on a two month lag. As a result, the CRT1 charges will be zero for the period January 1, 2009 through March 31, 2009 and begin April 1, 2009. See Exhibit C, Table 1, pages 1 and 2 for an explanation and example CRT1 calculations described above.

The CRT2 charges will be calculated every three months based upon the forecasted revenue variance for CEI special contract customers remaining after December 31, 2008. Since the charge is based upon forecasted data, a component will be added to the charge to reconcile the actual revenue variance and the forecasted revenue variance. Similar to the CRT1 reconciliation, the first reconciliation for CRT2 will only be based on January 2009 and will be applied to bills beginning April 1, 2009. See Exhibit C, Table 1, pages 3 and 4 for an explanation and example CRT2 calculations described above.

TABLE 1
Page 1 of 4

Rider CRT Reconciliation (CRT1 Change)
Illustrative Example

SALES & REVENUE DATA		(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
		Jan-08	Feb-08	Mar-08	Effective Apr 1	Apr-08	May-08	Jun-08	Reconciliation 2 Feb - Apr Effective Jul 1
1	Forecasted Mwh Sales (OE, CEI, & TE) Excl CEI Extended Contracts	4,500,000	4,900,000	5,200,000		5,100,000	4,900,000	4,600,000	
2									
3	Mwh Sales at Customer Meter								
4	Actual Mwh Sales (OE, CEI, & TE) Excl CEI Extended Contracts	4,536,000	4,939,000	5,242,000		5,141,000	4,636,000	4,185,000	
5	Actual CEI Extended Contract Mwh Sales	189,000	206,000	218,000		214,000	189,000	175,000	
6	Actual Mwh Sales (OE, CEI, & TE) Incl CEI Extended Contracts	4,725,000	5,145,000	5,460,000		5,355,000	4,825,000	4,370,000	
7									
8	Mwh Sales at Power Supply								
9	Actual Mwh Sales (OE, CEI, & TE) Excl CEI Extended Contracts	4,735,584	5,136,316	5,472,648		5,367,204	4,735,584	4,379,580	
10	Actual CEI Extended Contract Mwh Sales	194,266	211,738	224,073		219,982	194,266	179,976	
11	Actual Mwh Sales (OE, CEI, & TE) Incl CEI Extended Contracts	4,929,850	5,348,055	5,696,721		5,587,186	4,929,850	4,559,556	
12									
13	SSO&C Revenue Requirements								
14	Total Payment to Suppliers from Invoice	\$386,007,219	\$420,318,719	\$449,053,292		\$437,475,101	\$386,007,219	\$357,005,366	
15	Payment to Suppliers Excl CEI Extended Contracts	\$370,796,227	\$403,738,543	\$428,506,338		\$420,252,073	\$370,796,227	\$342,921,114	
16	Program Costs	\$10,000	\$10,000	\$10,000		\$10,000	\$10,000	\$10,000	
17	Applicable Interest	\$0	(\$8,153)	(\$39,216)		(\$96,033)	(\$168,609)	(\$250,403)	
18	Commercial Activity Tax	\$668,609	\$1,052,501	\$1,117,154		\$1,095,780	\$967,049	\$884,598	
19	SSO&C Revenue Requirements Excl CEI Extended Contracts	\$371,772,837	\$404,808,198	\$429,674,709		\$421,453,888	\$371,941,865	\$344,076,115	
20									
21	SSO&C Revenues	\$371,000,000	\$400,000,000	\$430,000,000		\$419,000,000	\$374,000,000	\$340,000,000	
22	SSO&C Revenue Excl CEI Extended Contracts and CRT2 Revenue	\$364,600	\$1,040,000	\$1,118,000		\$1,088,400	\$972,400	\$884,000	
23	CAT	\$370,035,400	\$398,960,000	\$428,882,000		\$417,910,600	\$373,027,600	\$339,116,000	
24	Revenue Excl CAT								
25	Monthly Over/(Under) Recovery	(\$1,737,437)	(\$5,848,198)	(\$792,709)		(\$3,543,266)	\$1,086,715	(\$4,660,115)	
26	Cumulative Over/(Under) Recovery Balance	(\$1,737,437)	(\$7,585,634)	(\$8,378,343)		(\$11,921,629)	(\$10,835,915)	(\$15,796,029)	
27	Balance Subject to Interest	(\$888,718)	(\$4,667,699)	(\$5,021,205)		(\$10,249,019)	(\$11,547,361)	(\$13,565,375)	
28	Interest Rate	0.70833%	0.70833%	0.70833%		0.70833%	0.70833%	0.70833%	
29	Monthly Interest	(\$6,153)	(\$33,063)	(\$36,817)		(\$72,576)	(\$81,794)	(\$96,095)	
30	Cumulative Interest	(\$6,153)	(\$39,216)	(\$96,033)		(\$168,609)	(\$250,403)	(\$346,408)	
31	CRT1 Reconciliation Amount	(\$1,743,590)	(\$7,624,850)	(\$8,474,376)		(\$12,090,238)	(\$11,086,318)	(\$16,142,529)	
32	CRT1								
33									
34									
35									
36									
37									
38									

Commercial Activity Tax Rate

0.28%

Notes:

- Line 9 = Line 7 + Line 8
- Line 12 = Line 7 plus line losses
- Line 13 = Line 8 plus line losses
- Line 14 = Line 12 + Line 13
- Line 18 = Line 17 x (Line 12 / Line 14)
- Line 20 = Previous month's line 35
- Line 21 = (Line 18 + Line 19 - Line 20) x (Line 38 / (1 - Line 39))
- Line 22 = Line 18 + Line 19 - Line 20 + Line 21
- Line 25 = From Report of Electric Sales (ROES)
- Line 26 = Line 25 x Line 38
- Line 27 = Line 25 - Line 26
- Line 29 = Line 27 + Line 22
- Line 32 = (.5 x Line 29) + Line 38 from previous month
- Line 33 = Embedded cost of long-term debt
- Line 34 = Line 32 x Line 33
- Line 36 = Line 30 + Line 35
- Line 37 = -1000 x Line 36 / (Line 4 summed for the appropriate month) / (1 - Line 39).

Reconciliation 1 = (\$1,743,590 sum line 4 for Apr through Jun) / (1-Line 39)

Rider CRT Reconciliation (CRT1 Charge)

[illegible]

Line 7 + Line 8	
Line 9 =	
Line 12 =	Line 7 plus line losses
Line 13 =	Line 8 plus line losses
Line 14 =	Line 12 + Line 13
Line 18 =	Line 17 x (Line 12 / Line 14)
Line 20 =	Previous month's line 35
Line 21 =	(Line 18 + Line 19 - Line 20) x Line 38 / (1 - Line 38))
Line 22 =	Line 18 + Line 19 - Line 20 + Line 21
Line 23 =	From Report of Electric Sales (ROES)
Line 25 =	Line 25 x Line 39
Line 27 =	Line 25 - Line 26
Line 28 =	Line 27 - Line 22
Line 32 =	(5 x Line 29) + Line 36 from previous month
Line 33 =	Embedded cost of long-term debt
Line 34 =	Line 32 x Line 33
Line 36 =	Line 30 + Line 35
Line 37 =	-1000 x Line 36 / (Line 4 summed for the appropriate month) / (1 - Line 38).
Example:	Reconciliation 1 = (\$1,743,590/ sum line 4 for Apr through Jun) / (1-Line 38)

TABLE 1
Page 3 of 4

Rider CRT Reconciliation (CRT2 Charge)
Illustrative Example

	(A) Jan-09	(B) Feb-09	(C) Mar-09	(D) Q1	(E) Apr-09	(F) May-09	(G) Jun-09	(H) Q2
2009 Forecasted Costs								
Forecasted Revenue Variance for CEI Extended Contracts	\$6,500,000	\$6,500,000	\$6,500,000	\$19,500,000	\$6,500,000	\$6,500,000	\$6,500,000	\$19,500,000
Forecasted CEI Mwh Sales Excluding CEI Extended Contracts	1,390,000	1,514,000	1,606,000	4,510,000	1,575,000	1,390,000	1,421,000	4,386,000
\$/Kwh CEI Extended Contract Revenue Variance				\$0.004324				\$0.004446
Reconciliation Component								
Over/(Under) Collection				\$0				\$311,576
Forecasted CEI Mwh Sales Excluding CEI Extended Contracts True-up Factor				4,510,000				4,386,000
CAT Gross-up				\$0.000000				\$0.000071
CAT Rate								
CRT2 (\$/Kwh)				0.26%				0.26%
				\$0.004335				\$0.0044
SALES & REVENUE DATA								
Forecasted CEI Mwh Sales CEI Extended Contracts	1,390,000	1,514,000	1,606,000		1,575,000	1,390,000	1,421,000	
Actual CEI Mwh Sales Excluding CEI Extended Contracts	1,459,500	1,588,700	1,686,300		1,653,750	1,459,500	1,349,950	
CRT2 -- \$/Kwh Recoverable Cost	\$0.004335	\$0.004335	\$0.004335	\$0.004335	\$0.004386	\$0.004386	\$0.004386	
CRT2 Revenue	\$6,326,927	\$6,891,343	\$7,310,104	\$7,310,104	\$7,253,893	\$6,401,849	\$5,921,326	
CAT Rate	0.26%	0.26%	0.26%	0.26%	0.26%	0.26%	0.26%	
CAT	\$18,450	\$17,917	\$19,006	\$19,006	\$18,060	\$16,645	\$15,395	
CRT2 Revenue Variance Recovery	\$6,310,477	\$6,873,426	\$7,291,098	\$7,291,098	\$7,235,833	\$6,385,204	\$5,905,931	
Actual Recoverable Costs Excluding Applicable Interest	\$6,000,000	\$6,000,000	\$6,000,000		\$6,500,000	\$6,500,000	\$6,500,000	
Applicable Interest	\$0	\$1,100	\$6,404		\$19,438	\$39,832	\$62,778	
Actual Recoverable Costs Including Applicable Interest	\$6,000,000	\$5,998,900	\$5,993,596		\$6,480,562	\$6,460,168	\$6,437,222	
Monthly Over/(Under) Recovery	\$310,477	\$874,525	\$1,297,501		\$754,472	(\$74,864)	(\$531,291)	
Cumulative Over/(Under) Recovery Balance	\$310,477	\$1,185,002	\$2,482,503		\$3,236,975	\$3,162,011	\$2,630,720	
Balance Subject to Interest	\$155,238	\$748,839	\$1,840,157		\$2,879,178	\$3,239,326	\$2,959,143	
Interest Rate	0.70833%	0.70833%	0.70833%		0.70833%	0.70833%	0.70833%	
Monthly Interest	\$1,100	\$5,304	\$13,034		\$20,394	\$22,945	\$20,961	
Cumulative Interest	\$1,100	\$6,404	\$19,438		\$39,832	\$62,778	\$83,738	
Cumulative Over/(Under) Recovery Bal Incl Interest	\$311,576	\$1,191,408	\$2,501,942		\$3,276,808	\$3,224,789	\$2,714,458	

Notes:

- Line 4 = (Line 2 / Line 3) / 1000
- Line 6 = Line 31 from first month of quarter
- Line 8 = (Line 6 / Line 7) / 1000
- Line 11 = (Line 4 - Line 8) / (1 - Line 10)
- Line 15 = From Report of Electric Sales (ROES)
- Line 16 = Line 11 from appropriate column
- Line 17 = Line 15 x Line 16 x 1000 (From ROES also)
- Line 19 = Line 17 x Line 18
- Line 20 = Line 17 - Line 19
- Line 22 = From delta revenue calculation
- Line 23 = Previous month's line 30
- Line 24 = Line 22 + Line 23
- Line 26 = Line 20 - Line 24
- Line 27 = (.5 x Line 26) + Line 31 from previous month
- Line 28 = Embedded cost of long-term debt
- Line 29 = Line 27 x Line 28
- Line 31 = Line 27 + Line 30

TABLE 1
Page 4 of 4

Rider CRT Reconciliation (CRT2 Charge)
Illustrative Example

	(J)	(J)	(K)	(L)	(M)	(N)	(O)
	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Q4
2009 Forecasted Costs							
Forecasted Revenue Variances for CEI Extended Contracts	\$6,500,000	\$6,500,000	\$6,500,000	\$6,500,000	\$6,500,000	\$6,500,000	\$19,500,000
Forecasted CEI Mwh Sales Excluding CEI Extended Contracts	1,380,000	1,514,000	1,575,000	1,483,000	1,483,000	1,359,000	4,325,000
\$/kwh CEI Extended Contract Revenue Variance				\$0.004354			\$0.004509
Reconciliation Component							
Over/(Under) Collection							
Forecasted CEI Mwh Sales Excluding CEI Extended Contracts							
True-up Factor							
CAT Gross-up							
CAT Rate							
CRT2 (\$/kwh)							0.26%
							\$0.0042
SALES & REVENUE DATA							
Forecasted CEI Mwh Sales CEI Extended Contracts	1,380,000	1,514,000	1,575,000	1,483,000	1,483,000	1,359,000	17,700,000
Actual CEI Mwh Sales Excluding CEI Extended Contracts	1,350,500	1,498,300	1,496,250	1,408,850	1,408,850	1,291,050	17,592,500
CRT2 - \$/kwh Recoverable Cost	\$0.003631	\$0.003631	\$0.003631	\$0.004243	\$0.004243	\$0.004243	\$0.004243
CRT2 Revenue	\$4,795,394	\$5,223,185	\$5,433,630	\$5,978,344	\$5,978,344	\$5,478,469	\$72,992,808
CAT Rate	0.26%	0.26%	0.26%	0.26%	0.26%	0.26%	0.26%
CAT	\$12,468	\$13,580	\$14,127	\$15,544	\$15,544	\$14,244	\$189,781
CRT2 Revenue Variance Recovery	\$4,782,926	\$5,209,604	\$5,419,503	\$5,962,801	\$5,962,801	\$5,464,225	\$72,803,027
Actual Recoverable Costs Excluding Applicable Interest	\$6,400,000	\$6,400,000	\$6,400,000	\$1,200,000	\$1,200,000	\$1,200,000	\$90,300,000
Applicable Interest	\$93,738	\$97,535	\$102,129	\$99,773	\$111,512	\$157,818	\$782,058
Actual Recoverable Costs Including Applicable Interest	\$6,316,262	\$6,302,465	\$6,297,871	\$1,100,227	\$1,088,488	\$1,042,182	\$59,517,942
Monthly Over/(Under) Recovery	(\$1,533,336)	(\$1,092,861)	(\$878,369)	\$4,862,574	\$4,874,312	\$4,422,044	\$13,285,085
Cumulative Over/(Under) Recovery Balance	\$1,097,384	\$4,524	(\$873,845)	\$3,988,729	\$8,863,041	\$13,285,085	
Balance Subject to Interest	\$1,947,790	\$648,489	(\$332,532)	\$1,657,215	\$6,537,397	\$11,231,881	
Interest Rate	0.70833%	0.70833%	0.70833%	0.70833%	0.70833%	0.70833%	
Monthly Interest	\$13,797	\$4,593	(\$2,355)	\$11,739	\$46,307	\$79,559	\$237,378
Cumulative Interest	\$97,535	\$102,129	\$99,773	\$111,512	\$157,818	\$237,378	
Cumulative Over/(Under) Recovery Bal Incl Interest	\$1,947,790	\$106,652	(\$774,072)	\$4,100,241	\$9,020,860	\$13,522,462	

- Notes:
- Line 4 = (Line 2 / Line 3) / 1000
 - Line 6 = Line 31 from first month of quarter
 - Line 8 = (Line 6 / Line 7) / 1000
 - Line 11 = (Line 4 - Line 8) / (1 - Line 10)
 - Line 15 = From Report of Electric Sales (ROES)
 - Line 16 = Line 11 from appropriate column
 - Line 17 = Line 15 x Line 16 x 1000 (From ROES also)
 - Line 19 = Line 17 x Line 18
 - Line 20 = Line 17 - Line 19
 - Line 22 = From delta revenue calculation
 - Line 23 = Previous month's line 30
 - Line 24 = Line 22 + Line 23
 - Line 26 = Line 20 - Line 24
 - Line 27 = (5 x Line 26) + Line 31 from previous month
 - Line 28 = Embedded cost of long-term debt
 - Line 28 = Line 27 x Line 28
 - Line 31 = Line 27 + Line 30

Ohio Edison Company
Akron, Ohio

P.U.C.O. No. 11

Original Sheet 83

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RIDER CRT
Cost Recovery True-Up Rider

APPLICABILITY:

Applicable to any customer who receives electric service under the Company's Rate Schedules, there shall be a Cost Recovery True-Up Rider (CRT) charge for all kWhs, per kWh that will be updated quarterly.

RATE:

CRT1 charge

x.xxxx¢

RIDER UPDATES:

The CRT Charges, designed to recover certain categories of incremental expenses associated with the implementation of the Competitive Bid Process (CBP), shall be filed with the Public Utilities Commission of Ohio by March 1st, 2009 and each June 1st, September 1st, December 1st and March 1st of each year thereafter. This charge shall become effective for service on and after April 1, 2009 and service on and after every July 1st, October 1st, January 1st and April 1st thereafter, unless otherwise ordered by the Commission.

Filed pursuant to Order dated _____, in Case No. 08-XXX-EL-SSO, before

The Public Utilities Commission of Ohio

Issued by: Anthony J. Alexander, President

Effective: January 1, 2009

The Cleveland Electric Illuminating Company
Cleveland, Ohio

P.U.C.O. No. 13

Original Sheet 83

Page 1 of 1

RIDER CRT
Cost Recovery True-Up Rider

APPLICABILITY:

Applicable to any customer who receives electric service under the Company's Rate Schedules, there shall be a Cost Recovery True-Up Rider (CRT) charge for all kWhs, per kWh that will be updated quarterly.

RATE:

CRT1 charge
CRT2 charge

x.xxxx¢
x.xxxx¢

RIDER UPDATES:

The CRT Charges, designed to recover certain categories of incremental expenses associated with the implementation of the Competitive Bid Process (CBP), shall be filed with the Public Utilities Commission of Ohio by March 1st, 2009 and each June 1st, September 1st, December 1st and March 1st of each year thereafter. This charge shall become effective for service on and after April 1, 2009 and service on and after every July 1st, October 1st, January 1st and April 1st thereafter, unless otherwise ordered by the Commission.

Filed pursuant to Order dated _____, in Case No. 08-XXX-EL-SSO, before

The Public Utilities Commission of Ohio

Issued by: Anthony J. Alexander, President

Effective: January 1, 2009

The Toledo Edison Company
Toledo, Ohio

P.U.C.O. No. 8

Original Sheet 83

Page 1 of 1

RIDER CRT
Cost Recovery True-Up Rider

APPLICABILITY:

Applicable to any customer who receives electric service under the Company's Rate Schedules, there shall be a Cost Recovery True-Up Rider (CRT) charge for all kWhs, per kWh that will be updated quarterly.

RATE:

CRT1 charge

x.xxxx¢

RIDER UPDATES:

The CRT Charges, designed to recover certain categories of incremental expenses associated with the implementation of the Competitive Bid Process (CBP), shall be filed with the Public Utilities Commission of Ohio by March 1st, 2009 and each June 1st, September 1st, December 1st and March 1st of each year thereafter. This charge shall become effective for service on and after April 1, 2009 and service on and after every July 1st, October 1st, January 1st and April 1st thereafter, unless otherwise ordered by the Commission.

Filed pursuant to Order dated _____, in Case No. 08-XXX-EL-SSO, before

The Public Utilities Commission of Ohio

Issued by: Anthony J. Alexander, President

Effective: January 1, 2009

The Cleveland Electric Illuminating Company
Cleveland, Ohio

P.U.C.O. No. 13

Original Sheet 84

Page 1 of 77

RIDER DIS
Distribution Service Rider**APPLICABILITY:**

This Distribution Service Rider (DIS) is applicable for service rendered beginning January 1, 2009 and continuing through April 30, 2009 only.

Applicable to any customer who on December 31, 2008, took service from the Company under any of the following rate schedules, or any customer whose service is initiated between January 1, 2009 and April 30, 2009. The prices and provisions included in this rider are applicable only to the extent they are needed to calculate the charges for distribution service. Any provisions related to other charges and riders have expired and are replaced elsewhere in this tariff. Upon the expiration of this rider on April 30, 2009, charges for distribution service shall be applied per the Customer's otherwise applicable rate schedule. This Rider is not avoidable for customers who shop with a certified supplier.

RATES:**RESIDENTIAL SCHEDULE**

Applicable to residential installations in a single family house, a single suite in a multiple family house, or a single suite in a multiple apartment, a manufactured housing unit or any other residential unit, and not more than four such installations on the same Premises when combined as provided herein.

MONTHLY RATES:

Monthly charges per customer for all customers served under this schedule shall include Distribution Charges, Rate Stabilization Charges, Regulatory Transition Charges, and Generation Charges, as shown below. Customers served under this schedule who receive Generation Services from a Certified Supplier will qualify for a Shopping Credit as shown below to reduce the sum of other applicable charges.

Distribution Charges:

Customer Charge

\$4.75

Energy Charge

First 500 kWh, per kWh

Next 500 kWh, per kWh

All excess kWh, per kWh

SUMMER**WINTER**

4.134¢

3.395¢

3.921¢

3.182¢

3.921¢

1.547¢

RIDER DIS
Distribution Service Rider

RESIDENTIAL SCHEDULE

OPTIONAL LOAD MANAGEMENT RATE

This load management option is in the process of elimination and is withdrawn except for the customers receiving service hereunder at premises served as of January 1, 2007.

Where a residential customer elects to control load manually, or through the use of a load control device, or requests a load meter, the rates specified above shall be modified as follows:

- a. A Time-of-Day option is available under which the load will be metered by a Time-of-Day load meter and the billing load shall be determined monthly and shall be the larger of the 30-minute on-peak registered load or one-fourth of the 30-minute off-peak registered load as indicated by a kilowatt demand meter but not less than 5.0 kW. On-peak time shall be 8:00 a.m. to 8:00 p.m. weekdays with the exception of Holidays.
- b. A Non-Time-of-Day option is also available under which all load will be measured by a Non-Time-of-Day load meter, irrespective of the time at which the highest billing load occurs. The billing load shall be determined monthly and shall be the highest 30-minute load registered in the month as indicated by a kilowatt demand meter but not less than 5.0 kW.
- c. For the purposes of both options a and b above, the monthly meter charge identified below will apply. In addition, the initial 125 kWh per kW of billing load will be billed per the above table of Residential Schedule Rates. All kWh used in excess of 125 kWh per kW of billing load will be billed at the following:

Distribution Charges:

Energy Charge	
For all kWh, per kWh	0.615¢
Meter Charge Time-of-Day	\$6.50
Meter Charge Non-Time-of-Day	\$3.20

- d. Upon receiving service under this optional rate, a customer shall be ineligible to receive service under any other provision of the residential schedule for a continuous twelve-month period. After discontinuation of service under this optional rate, the Customer shall be ineligible to receive service under this optional rate for a twelve-month period from the time service was discontinued.
- e. Multi-metered accounts are precluded from receiving service under the Optional Load Management Rate.

RIDER DIS
Distribution Service Rider

APPLICABLE RIDERS:

The Rates and charges specified above shall be modified in accordance with the provisions of the following applicable Riders:

RESIDENTIAL TRANSMISSION AND ANCILLARY SERVICE	Rider No. 19	Sheet No. 96
RETURNING CUSTOMER GENERATION SERVICE	Rider No. 25	Sheet No. 102
SHOPPING CREDIT RIDER	Rider No. 24	Sheet No. 101
SHOPPING CREDIT ADDER	Rider No. 26	Sheet No. 103
TRANSITION RATE CREDIT	Rider No. 12	Sheet No. 89
UNIVERSAL SERVICE	Rider No. 14	Sheet No. 90
TEMPORARY RIDER FOR EEF	Rider No. 15	Sheet No. 91
NET ENERGY METERING	Rider No. 17	Sheet No. 93
GREEN RESOURCE RIDER	Rider No. 27	Sheet No. 104
FUEL COST RECOVERY RIDER	Rider No. 30	Sheet No. 107

SPECIAL RULES:

1. MULTIPLE INSTALLATIONS ON ONE METER

Four or less residential installations on the same Premises may be combined on one meter and billed under this schedule with the number of kWh in the rate blocks of the Rate each multiplied by the number of residential installations.

2. UNAVAILABLE TO CERTAIN INSTALLATIONS

This schedule shall not be applicable to the following installations which shall be billed under other schedules of the Company:

- a. Any combination on one meter of more than four residential installations on the same Premises.
- b. Any combination on one meter of residential and commercial installations on the same Premises.
- c. Pumps, elevators, X-ray machines, welding machines and other equipment where the use of electricity is intermittent or the load is of fluctuating character and where a special service connection is required.
- d. Any service which constitutes an additional service installation.

3. PERCENTAGE OF INCOME PAYMENT PLAN (PIPP)

Monthly bills to PIPP Customers for electric service, exclusive of all Riders, except for Nos. 19, 24 and 26, shall be reduced by 6.241%.

The Cleveland Electric Illuminating Company
Cleveland, Ohio

P.U.C.O. No. 13

Original Sheet 84

Page 4 of 77

RIDER DIS
Distribution Service Rider**RESIDENTIAL ADD-ON HEAT PUMP SCHEDULE**

This rate sheet is in the process of elimination and is withdrawn except for the customers receiving service hereunder at premises served as of January 1, 2007.

Applicable to residential installations in a single family house, a single suite in a multiple family house, or a single suite in a multiple apartment, a manufactured housing unit or any other residential unit, where each residential dwelling unit is individually-metered.

This rate does not apply to commercial or industrial service. If a residential unit is used for both residential and commercial purposes, the appropriate commercial or industrial rate shall apply unless the wiring is so arranged that the residential usage can be metered separately. The hallways and other common facilities of an apartment building or apartment complex are to be billed under the appropriate commercial or industrial rate.

MONTHLY RATES:

Monthly charges per customer for all customers served under this schedule shall include Distribution Charges, Rate Stabilization Charges, Regulatory Transition Charges, and Generation Charges, as shown below. Customers served under this schedule who receive Generation Services from a Certified Supplier will qualify for a Shopping Credit as shown below to reduce the sum of other applicable charges.

Distribution Charges:

Energy Charge

For all kWh, per kWh

SUMMER

3.447¢

WINTER

1.184¢

APPLICABLE RIDERS:

The Rates and charges specified above shall be modified in accordance with the provisions of the following applicable Riders:

RESIDENTIAL TRANSMISSION AND ANCILLARY SERVICE	Rider No. 19	Sheet No. 96
RETURNING CUSTOMER GENERATION SERVICE RIDER	Rider No. 25	Sheet No. 102
SHOPPING CREDIT RIDER	Rider No. 24	Sheet No. 101
SHOPPING CREDIT ADDER	Rider No. 26	Sheet No. 103
TRANSITION RATE CREDIT	Rider No. 12	Sheet No. 89
UNIVERSAL SERVICE	Rider No. 14	Sheet No. 90
TEMPORARY RIDER FOR EEF	Rider No. 15	Sheet No. 91
GREEN RESOURCE RIDER	Rider No. 27	Sheet No. 104
FUEL COST RECOVERY RIDER	Rider No. 30	Sheet No. 107

Filed pursuant to Order dated _____, in Case No. 08-XXX-EL-SSO, before

The Public Utilities Commission of Ohio

Issued by: Anthony J. Alexander, President

Effective: January 1, 2009

RIDER DIS
Distribution Service Rider

RESIDENTIAL ADD-ON HEAT PUMP SCHEDULE:

SPECIAL RULES:

1. UNAVAILABLE TO CERTAIN INSTALLATIONS

This schedule shall not be applicable to the following installations which shall be billed under other schedules of the Company:

- a. Any combination on one meter of more than four residential installations on the same Premises.
- b. Pumps, elevators, x-ray machines, welding machines and other equipment where the use of electricity is intermittent or the load is of fluctuating character and where a special service connection is required.
- c. Any combination on one meter of residential and commercial installations on the same Premises.
- d. Any service which constitutes an additional service installation.

2. SEPARATELY METERED

- a. The Customer shall furnish a separate Company approved circuit (or equivalent) to which a qualifying add-on heat pump shall be permanently connected. This circuit shall be so designed and constructed that no other electrical devices shall be connected thereto. The circuit shall be wired so that an approved meter socket is installed in an outdoor accessible location just ahead of the separate disconnect switch installed for the add-on heat pump.
- b. Installation of the add-on heat pump and separate circuit as described above shall be done by a contractor of the Customer's choice from those approved for said installation by the Company.
- c. Application for this service must be approved by the Company.
- d. The Add-On Heat Pump Schedule applies only to those add-on heat pump installations which are separately metered from any other load. This rate shall apply to any add-on heat pump installation in an existing residential unit or to new residential installations where the add-on heat pump meets or exceeds a ten (10) SEER and any other conservation standard specified by the Company.
- e. Multi-metered accounts are precluded from the Residential Add-On Heat Pump Schedule. The separately metered Residential Add-On Heat Pump Schedule shall be in those instances where the add-on heat pump is the primary source of cooling with supplemental heating and where the device has a seasonal energy efficiency ratio (SEER) of at least 10.

3. PRECLUDES LOAD MANAGEMENT OPTION

The appropriate rates specified in the Applicable Residential Rate Schedule shall be used to bill the non-add-on heat pump kWhs. No service shall be under both the Residential Add-On Heat Pump Schedule and the Optional Load Management Rate of the Residential Schedule concurrently. Choosing the Residential Add-On Heat Pump Schedule shall preclude a customer from being on the Load Management Rate. Multi-metered accounts are also precluded from the Residential Add-On Heat Pump Schedule.

4. PERCENTAGE OF INCOME PAYMENT PLAN (PIPP)

Monthly bills to PIPP Customers for electric service, exclusive of all Riders, except for Nos. 19, 24 and 26, shall be reduced by 6.241%.

Filed pursuant to Order dated _____, in Case No. 08-XXX-EL-SSO, before

The Public Utilities Commission of Ohio

RIDER DIS
Distribution Service Rider**RESIDENTIAL WATER HEATING SCHEDULE**

This rate sheet is in the process of elimination and is withdrawn except for the customers receiving service hereunder at premises served as of January 1, 2007.

Applicable on an optional basis to residential installation in a single family house utilizing electricity as the primary source of energy for water heating, and applies also to a single suite in a multiple family house, or a single suite in a multiple apartment, a manufactured housing unit or any other residential unit, and not more than four such installations on the same Premises when combined as provided herein.

This rate does not apply to commercial or industrial service. If a residential unit is used for both residential and commercial purposes, the appropriate commercial or industrial rate shall apply unless the wiring is so arranged that the residential usage can be metered separately. The hallways and other common facilities of an apartment building or apartment complex are to be billed under the appropriate commercial or industrial rate.

To be approved by the Company, an electric water heater installed after October 1, 1983 shall have a minimum insulation of R-10, or a thermal insulation jacket that, in combination with the water heater's insulation, meets or exceeds such minimum insulation of R-10.

MONTHLY RATES:

Monthly charges per customer for all customers served under this schedule shall include Distribution Charges, Rate Stabilization Charges, Regulatory Transition Charges, and Generation Charges, as shown below. Customers served under this schedule who receive Generation Services from a Certified Supplier will qualify for a Shopping Credit as shown below to reduce the sum of other applicable charges.

Distribution Charges:**Customer Charge****\$4.75****Energy Charge**

First 500 kWh, per kWh

SUMMER**WINTER**

3.641¢

2.990¢

Next 500 kWh, per kWh

2.728¢

2.047¢

All excess kWh, per kWh

2.728¢

0.867¢

OPTIONAL LOAD MANAGEMENT RATE:

Where a residential customer elects to control his load manually, or through the use of a load control device, or requests a load meter, the rates specified above shall be modified as follows:

- a. A Time-of-Day option is available under which the load will be metered by a Time-of-Day load meter and the billing load shall be determined monthly and shall be the larger of the 30-minute on-peak registered load or one-fourth of the 30-minute off-peak registered load as indicated by a kilowatt demand meter but not less than 5.0 kW. On-peak time shall be 8:00 a.m. to 8:00 p.m. weekdays with the exception of Holidays.
- b. A Non-Time-of-Day option is also available under which all load will be measured by a Non-Time-of-Day load meter, irrespective of the time at which the highest billing load occurs. The billing load shall be determined monthly and shall be the highest 30-minute load registered in the month as indicated by a kilowatt demand meter but not less than 5.0 kW.

RIDER DIS
Distribution Service Rider

RESIDENTIAL WATER HEATING SCHEDULE

OPTIONAL LOAD MANAGEMENT RATE: (Cont'd)

- c. For the purposes of both options a and b above, the monthly meter charge identified below will apply. In addition, the initial 125 kWh per kW of billing load will be billed per the above table of Residential Water Heating Schedule Rates. All use in excess of 125 kWh per kW of billing load will be billed at the following.

Distribution Charges:

Energy Charge

For all kWh, per kWh

0.541¢

Meter Charge Time-of-Day

\$6.50

Meter Charge Non-Time-of-Day

\$3.20

- d. Upon receiving service under this optional rate, a customer shall be ineligible to receive service under any other provision of the residential schedule for a continuous twelve-month period. After discontinuation of service under this optional rate, the Customer shall be ineligible to receive service under this optional rate for a twelve-month period from the time service was discontinued.
- e. Multi-metered accounts are precluded from receiving service under the Optional Load Management Rate.

APPLICABLE RIDERS:

The Rates and charges specified above shall be modified in accordance with the provisions of the following applicable Riders:

RESIDENTIAL TRANSMISSION AND ANCILLARY SERVICE	Rider No. 19	Sheet No. 96
RETURNING CUSTOMER GENERATION SERVICE RIDER	Rider No. 25	Sheet No. 102
SHOPPING CREDIT RIDER	Rider No. 24	Sheet No. 101
SHOPPING CREDIT ADDER	Rider No. 26	Sheet No. 103
TRANSITION RATE CREDIT	Rider No. 12	Sheet No. 89
UNIVERSAL SERVICE	Rider No. 14	Sheet No. 90
TEMPORARY RIDER FOR EEF	Rider No. 15	Sheet No. 91
NET ENERGY METERING	Rider No. 17	Sheet No. 93
GREEN RESOURCE RIDER	Rider No. 27	Sheet No. 104
FUEL COST RECOVERY RIDER	Rider No. 30	Sheet No. 107

RIDER DIS
Distribution Service Rider

RESIDENTIAL WATER HEATING SCHEDULE

SPECIAL RULES:

1. MULTIPLE INSTALLATIONS ON ONE METER

Four or less residential installations on the same Premises may be combined on one meter and billed under this schedule with the number of kWh in the rate blocks of the Rate each multiplied by the number of residential installations.

2. UNAVAILABLE TO CERTAIN INSTALLATIONS

This schedule shall not be applicable to the following installations which shall be billed under other schedules of the Company:

- a. Any combination on one meter of more than four residential installations on the same Premises.
- b. Any combination on one meter of residential and commercial installations on the same Premises.
- c. Pumps, elevators, X-ray machines, welding machines and other equipment where the use of electricity is intermittent or the load is of fluctuating character and where a special service connection is required.
- d. Any service which constitutes an additional service installation.

3. PERCENTAGE OF INCOME PAYMENT PLAN (PIPP)

Monthly bills to PIPP Customers for electric service, exclusive of all Riders, except for Nos. 19, 24 and 26, shall be reduced by 6.241%.

RIDER DIS
Distribution Service Rider

RESIDENTIAL SPACE HEATING SCHEDULE:

This rate sheet is in the process of elimination and is withdrawn except for the customers receiving service hereunder at premises served as of January 1, 2007.

Applicable on an optional basis to residential installation in a single family house utilizing a permanently installed electric space heating system as a substantial source of space heating requirements and applying also to a single suite in a multiple family house, or a single suite in a multiple apartment, a manufactured housing unit or any other residential unit, and not more than four such installations on the same Premises when combined as provided herein. Not less than 75 percent of the customer's connected load must be within the dwelling unit.

This rate does not apply to commercial or industrial service. If a residential unit is used for both residential and commercial purposes, the appropriate commercial or industrial rate shall apply unless the wiring is so arranged that the residential usage can be metered separately. The hallways and other common facilities of an apartment building or apartment complex are to be billed under the appropriate commercial or industrial rate.

A new space heating installation, to be approved by the Company, must be in an individually-metered residential dwelling unit in either a single family house, a single suite in a multiple family house, a single suite in a multiple apartment, a manufactured housing unit or any other residential unit, and must meet or exceed special insulation and other energy conservation standards specified by the Company on Sheet 16.

MONTHLY RATES:

Monthly charges per customer for all customers served under this schedule shall include Distribution Charges, Rate Stabilization Charges, Regulatory Transition Charges, and Generation Charges, as shown below. Customers served under this schedule who receive Generation Services from a Certified Supplier will qualify for a Shopping Credit as shown below to reduce the sum of other applicable charges.

Distribution Charges:

Customer Charge

\$4.53

Energy Charge

First 500 kWh, per kWh

Next 500 kWh, per kWh

All excess kWh, per kWh

SUMMER

WINTER

3.518¢

2.889¢

3.337¢

1.742¢

3.337¢

0.838¢

OPTIONAL LOAD MANAGEMENT RATE:

Where a residential customer elects to control his load manually, or through the use of a load control device, or requests a load meter, the rates specified in Section 1 above shall be modified as follows:

- a. A Time-of-Day option is available under which the load will be metered by a Time-of-Day load meter and the billing load shall be determined monthly and shall be the larger of the 30-minute on-peak registered load or one-fourth of the 30-minute off-peak registered load as indicated by a kilowatt demand meter but not less than 5.0 kW. On-peak time shall be 8:00 a.m. to 8:00 p.m. weekdays with the exception of Holidays.

RIDER DIS
Distribution Service Rider

RESIDENTIAL SPACE HEATING SCHEDULE:

OPTIONAL LOAD MANAGEMENT RATE: (Cont'd)

- b. A Non-Time-of-Day option is also available under which all load will be measured by a Non-Time-of-Day load meter, irrespective of the time at which the highest billing load occurs. The billing load shall be determined monthly and shall be the highest 30-minute load registered in the month as indicated by a kilowatt demand meter but not less than 5.0 kW.
- c. For the purposes of both options a and b above, the monthly meter charge identified below will apply. In addition, the initial 125 kWh per kW of billing load will be billed per the above table of Residential Space Heating Schedule Rates. All kWh used in excess of 125 kWh per kW of billing load will be billed at the following

Distribution Charges:

Energy Charge

For all kWh, per kWh

0.523¢

Meter Charge Time-of-Day

\$6.19

Meter Charge Non-Time-of-Day

\$3.05

- d. Upon receiving service under this optional rate, a customer shall be ineligible to receive service under any other provision of the residential schedule for a continuous twelve-month period. After discontinuation of service under this optional rate, the Customer shall be ineligible to receive service under this optional rate for a twelve-month period from the time service was discontinued.
- e. Multi-metered accounts are precluded from receiving service under the Optional Load Management Rate.

APPLICABLE RIDERS:

The Rates and charges specified above shall be modified in accordance with the provisions of the following applicable Riders:

RESIDENTIAL TRANSMISSION AND ANCILLARY SERVICE	Rider No. 19	Sheet No. 96
RETURNING CUSTOMER GENERATION SERVICE RIDER	Rider No. 25	Sheet No. 102
SHOPPING CREDIT RIDER	Rider No. 24	Sheet No. 101
SHOPPING CREDIT ADDER	Rider No. 26	Sheet No. 103
TRANSITION RATE CREDIT	Rider No. 12	Sheet No. 89
UNIVERSAL SERVICE	Rider No. 14	Sheet No. 90
TEMPORARY RIDER FOR EEF	Rider No. 15	Sheet No. 91
STATE AND LOCAL TAX RIDER	Rider No. 16	Sheet No. 92
NET ENERGY METERING	Rider No. 17	Sheet No. 93
GREEN RESOURCE RIDER	Rider No. 27	Sheet No. 104
FUEL COST RECOVERY RIDER	Rider No. 30	Sheet No. 107

RIDER DIS
Distribution Service Rider

RESIDENTIAL SPACE HEATING SCHEDULE:

SPECIAL RULES:

1. MULTIPLE INSTALLATIONS ON ONE METER

Four or less residential installations on the same Premises may be combined on one meter and billed under this schedule with the number of kWh in the rate blocks of the Rate each multiplied by the number of residential installations.

2. UNAVAILABLE TO CERTAIN INSTALLATIONS

This schedule shall not be applicable to the following installations which shall be billed under other schedules of the Company:

- a. Any combination on one meter of more than four residential installations on the same Premises subject, however, to the provisions of this schedule.
- b. Any combination on one meter of residential and commercial installations on the same Premises.
- c. Pumps, elevators, X-ray machines, welding machines and other equipment where the use of electricity is intermittent or the load is of fluctuating character and where a special service connection is required.
- d. Any service which constitutes an additional service installation.

3. PERCENTAGE OF INCOME PAYMENT PLAN (PIPP)

Monthly bills to PIPP Customers for electric service, exclusive of all Riders, except for Nos. 19, 24 and 26, shall be reduced by 6.241%.

RIDER DIS
Distribution Service Rider

RESIDENTIAL WATER HEATING AND SPACE HEATING SCHEDULE

This rate sheet is in the process of elimination and is withdrawn except for the customers receiving service hereunder at premises served as of January 1, 2007.

Applicable on an optional basis to residential installation in a single family house utilizing electricity as the primary source of energy for water heating and utilizing a permanently installed electric space heating system as a substantial source of the space heating requirements and applying also to a single suite in a multiple family house, or a single suite in a multiple apartment, a manufactured housing unit or any other residential unit, and not more than four such installations on the same Premises when combined as provided herein. Not less than 75 percent of the customer's connected load must be within the dwelling unit.

This rate does not apply to commercial or industrial service. If a residential unit is used for both residential and commercial purposes, the appropriate commercial or industrial rate shall apply unless the wiring is so arranged that the residential usage can be metered separately. The hallways and other common facilities of an apartment building or apartment complex are to be billed under the appropriate commercial or industrial rate.

To be approved by the Company, an electric water heater installed after October 1, 1983 shall have a minimum insulation of R-10, or a thermal insulation jacket that, in combination with the water heater's insulation, meets or exceeds such minimum insulation of R-10.

A new space heating installation, to be approved by the Company, must be in an individually-metered residential dwelling unit in either a single family house, a single suite in a multiple family house, a single suite in a multiple apartment, a manufactured housing unit or any other residential unit, and must meet or exceed special insulation and other energy conservation standards specified by the Company on Sheet No. 16.

MONTHLY RATES:

Monthly charges per customer for all customers served under this schedule shall include Distribution Charges, Rate Stabilization Charges, Regulatory Transition Charges, and Generation Charges as shown below. Customers served under this schedule who receive Generation Services from a Certified Supplier will qualify for a Shopping Credit as shown below to reduce the sum of other applicable charges.

Distribution Charges:

Customer Charge

\$4.53

Energy Charge

First 500 kWh, per kWh

SUMMER

WINTER

Next 100 kWh, per kWh

5.011¢

4.113¢

Next 400 kWh, per kWh

3.755¢

2.817¢

All excess kWh, per kWh

3.755¢

2.481¢

3.755¢

1.193¢

RIDER DIS
Distribution Service Rider

RESIDENTIAL WATER HEATING AND SPACE HEATING SCHEDULE

OPTIONAL LOAD MANAGEMENT RATE:

Where a residential customer elects to control his load manually, or through the use of a load control device, or requests a load meter, the rates above shall be modified as follows:

- a. A Time-of-Day option is available under which the load will be metered by a Time-of-Day load meter and the billing load shall be determined monthly and shall be the larger of the 30-minute on-peak registered load or one-fourth of the 30-minute off-peak registered load as indicated by a kilowatt demand meter but not less than 5.0 kW. On-peak time shall be 8:00 a.m. to 8:00 p.m. weekdays with the exception of Holidays.
- b. A Non-Time-of-Day option is also available under which all load will be measured by a Non-Time-of-Day load meter, irrespective of the time at which the highest billing load occurs. The billing load shall be determined monthly and shall be the highest 30-minute load registered in the month as indicated by a kilowatt demand meter but not less than 5.0 kW.
- c. For the purposes of both options a and b above, the monthly meter charge identified below will apply. In addition, the initial 125 kWh per kW of billing load will be billed per the above table of Residential Water Heating and Space Heating Schedule Rates. All use in excess of 125 kWh per kW of billing load will be billed at the following:

Distribution Charges:

Energy Charge

For all kWh, per kWh

0.746¢

Meter Charge Time-of-Day

\$6.19

Meter Charge Non-Time-of-Day

\$3.05

- d. Upon receiving service under this optional rate, a customer shall be ineligible to receive service under any other provision of the residential schedule for a continuous twelve-month period. After discontinuation of service under this optional rate, the Customer shall be ineligible to receive service under this optional rate for a twelve-month period from the time service was discontinued.
- e. Multi-metered accounts are precluded from receiving service under the Optional Load Management Rate.

RIDER DIS
Distribution Service Rider

RESIDENTIAL WATER HEATING AND SPACE HEATING SCHEDULE

APPLICABLE RIDERS:

The Rates and charges specified above shall be modified in accordance with the provisions of the following applicable Riders:

RESIDENTIAL TRANSMISSION AND ANCILLARY SERVICE	Rider No. 19	Sheet No. 96
RETURNING CUSTOMER GENERATION SERVICE RIDER	Rider No. 25	Sheet No. 102
SHOPPING CREDIT RIDER	Rider No. 24	Sheet No. 101
SHOPPING CREDIT ADDER	Rider No. 26	Sheet No. 103
TRANSITION RATE CREDIT	Rider No. 12	Sheet No. 89
UNIVERSAL SERVICE	Rider No. 14	Sheet No. 90
TEMPORARY RIDER FOR EEF	Rider No. 15	Sheet No. 91
STATE AND LOCAL TAX RIDER	Rider No. 16	Sheet No. 92
NET ENERGY METERING	Rider No. 17	Sheet No. 93
GREEN RESOURCE RIDER	Rider No. 27	Sheet No. 104
FUEL COST RECOVERY RIDER	Rider No. 30	Sheet No. 107

SPECIAL RULES:

1. MULTIPLE INSTALLATIONS ON ONE METER

Four or less residential installations on the same Premises may be combined on one meter and billed under this schedule with the number of kWh in the rate blocks of the Rate each multiplied by the number of residential installations.

2. UNAVAILABLE TO CERTAIN INSTALLATIONS

This schedule shall not be applicable to the following installations which shall be billed under other schedules of the Company:

- a. Any combination on one meter of more than four residential installations on the same Premises.
- b. Any combination on one meter of residential and commercial installations on the same Premises.
- c. Pumps, elevators, X-ray machines, welding machines and other equipment where the use of electricity is intermittent or the load is of fluctuating character and where a special service connection is required.
- d. Any service which constitutes an additional service installation.

3. PERCENTAGE OF INCOME PAYMENT PLAN (PIPP)

Monthly bills to PIPP Customers for electric service, exclusive of all Riders, except for Nos. 19, 24 and 26, shall be reduced by 6.241%.

RIDER DIS
Distribution Service Rider

OPTIONAL ELECTRICALLY HEATED RESIDENTIAL APARTMENT SCHEDULE

APPLICABILITY:

This rate is available to any Full Service customer on an optional basis to single occupancy apartments utilizing a permanently installed electric space heating system as a total source of the space heating requirements. Not less than 75% of the customer's connected load must be within the dwelling unit. The apartment complex must consist of not less than four apartments per lot of which at least 50% of the apartments in each building must be rental. Insulation and equipment efficiency criteria as found on Sheet 16 must also be satisfied. A Full Service customer is one that receives all retail electric services from the Company.

This rate does not apply to commercial or industrial service. If a residential unit is used for both residential and commercial purposes, the appropriate commercial schedule shall apply unless the wiring is so arranged that the residential usage can be metered separately. The hallways and other common facilities of an apartment building or apartment complex are to be billed under the appropriate commercial schedule.

MONTHLY RATES:

Monthly charges per customer for all customers served under this schedule shall include Distribution Charges, Rate Stabilization Charges, Regulatory Transition Charges, and Generation Charges, as shown below. Customers who receive Generation Services from a Certified Supplier may not be served under this schedule; therefore no Shopping Credit applies to this schedule.

1. ALL ELECTRIC APARTMENT RATE INCLUDING WATER HEATING

Distribution Charges:

Customer Charge \$4.53

	<u>SUMMER</u>	<u>WINTER</u>
Energy Charge		
First 300 kWh, per kWh	4.229¢	3.472¢
Next 300 kWh, per kWh	3.168¢	2.376¢
Next 1,400 kWh, per kWh	3.167¢	0.829¢
Next 300 kWh, per kWh	4.036¢	0.828¢
All excess kWh, per kWh	4.036¢	3.473¢

2. ALL-ELECTRIC APARTMENT RATE EXCLUDING WATER HEATING

Distribution Charges:

Customer Charge \$4.53

	<u>SUMMER</u>	<u>WINTER</u>
Energy Charge		
First 300 kWh, per kWh	3.818¢	3.135¢
Next 300 kWh, per kWh	3.631¢	0.747¢
Next 1,400 kWh, per kWh	3.725¢	0.749¢
All excess kWh, per kWh	3.725¢	0.749¢

Filed pursuant to Order dated _____, in Case No. 08-XXX-EL-SSO, before

The Public Utilities Commission of Ohio

Issued by: Anthony J. Alexander, President

Effective: January 1, 2009

The Cleveland Electric Illuminating Company
Cleveland, Ohio

P.U.C.O. No. 13

Original Sheet 84

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RIDER DIS
Distribution Service Rider

OPTIONAL ELECTRICALLY HEATED RESIDENTIAL APARTMENT SCHEDULE

APPLICABLE RIDERS:

The Rates and charges specified above shall be modified in accordance with the provisions of the following applicable Riders:

RESIDENTIAL TRANSMISSION AND ANCILLARY SERVICE	Rider No. 19	Sheet No. 96
TRANSITION RATE CREDIT	Rider No. 12	Sheet No. 89
UNIVERSAL SERVICE	Rider No. 14	Sheet No. 90
TEMPORARY RIDER FOR EEF	Rider No. 15	Sheet No. 91
STATE AND LOCAL TAX RIDER	Rider No. 16	Sheet No. 92
NET ENERGY METERING	Rider No. 17	Sheet No. 93
GREEN RESOURCE RIDER	Rider No. 27	Sheet No. 104
FUEL COST RECOVERY RIDER	Rider No. 30	Sheet No. 107

SPECIAL RULES:

1. To qualify for this rate, the apartment complex must utilize heat pumps, or if heating systems other than heat pumps are utilized, any air conditioning must have a minimum SEER of 10.
2. Each apartment unit shall be individually metered.
3. UNAVAILABLE TO CERTAIN INSTALLATIONS

This schedule shall not be applicable to the following installations which shall be billed under other schedules of the Company:

- a. Pumps, elevators, X-ray machines, welding machines and other equipment where the use of electricity is intermittent or the load is of a fluctuating character and where a special service connection is required.
- b. Any service which constitutes an additional service installation.

4. PERCENTAGE OF INCOME PAYMENT PLAN (PIPP)

Monthly bills to PIPP Customers for electric service, exclusive of all Riders, except for Rider No. 19, shall be reduced by 6.241%.

5. Service under this rate is supplied in accordance with the rules and regulations of the Company and is subject to the jurisdiction of the Public Utilities Commission of Ohio.
6. Continued applicability of this rate to a customer is contingent upon their participation in a positive load control program involving the installation of load controls on electric water heating and central air conditioning should the Company so request.

Filed pursuant to Order dated _____, in Case No. 08-XXX-EL-SSO, before

The Public Utilities Commission of Ohio

Issued by: Anthony J. Alexander, President

Effective: January 1, 2009

RIDER DIS
Distribution Service Rider

GENERAL SERVICE SCHEDULE

Applicable to any commercial or industrial customer or other general use having a demand of less than 30 kW during the current month and preceding eleven months.

MONTHLY RATES:

Monthly charges per customer for all customers served under this schedule shall include Distribution Charges, Rate Stabilization Charges, Regulatory Transition Charges, and Generation Charges, as shown below. Customers served under this schedule who receive Generation Services from a Certified Supplier will qualify for a Shopping Credit as shown below to reduce the sum of other applicable charges.

Distribution Charges:

Customer Charge

\$2.75

Energy Charge

SUMMER

WINTER

First 500 kWh, per kWh

3.719¢

3.370¢

Next 4,500 kWh, per kWh

3.511¢

3.166¢

Next 5,000 kWh, per kWh

2.895¢

2.620¢

All excess kWh, per kWh

2.080¢

1.820¢

RECTIFIER CAPACITY CHARGE

(Applicable only for DIRECT CURRENT SERVICE, Rider No. 6.)

\$4.75 per kW of installed rectifier capacity.

APPLICABLE RIDERS:

Rates and charges specified above shall be modified in accordance with provisions of the following applicable Riders in the order shown.

COMMERCIAL TRANSMISSION AND ANCILLARY SERVICE	Rider No. 20	Sheet No. 97
RETURNING CUSTOMER GENERATION SERVICE RIDER	Rider No. 25	Sheet No. 102
SHOPPING CREDIT RIDER	Rider No. 24	Sheet No. 101
SHOPPING CREDIT ADDER	Rider No. 26	Sheet No. 103
ELECTRIC FUEL COMPONENT	Rider No. 1	Sheet No. 79
DIRECT CURRENT SERVICE	Rider No. 6	Sheet No. 84
UNIVERSAL SERVICE	Rider No. 14	Sheet No. 90
TEMPORARY RIDER FOR EEF	Rider No. 15	Sheet No. 91
NET ENERGY METERING	Rider No. 17	Sheet No. 93
STATE KWH TAX SELF-ASSESSOR CREDIT	Rider No. 18	Sheet No. 94
GREEN RESOURCE RIDER	Rider No. 27	Sheet No. 104
FUEL COST RECOVERY RIDER	Rider No. 30	Sheet No. 107

RIDER DIS
Distribution Service Rider

GENERAL SERVICE SCHEDULE

SPECIAL RULES:

1. COMBINED BILLING

- a. This Schedule is applicable to any combination on one meter of more than four residential installations on the same premises, or any combination on one meter of residential and commercial installations on the same premises.
- b. Where two or more separate installations of different classes of service on the same premises are supplied separately with service connections within ten feet of each other, the meter registrations shall be combined for billing purposes, unless the customer shall make written request for separate billing.

2. SCHEDULE TRANSFERS

- a. If in any month the demand of one installation or the undiversified total demand of several installations eligible for Combined Billing equals or exceeds 30 kW, the service for that month and for subsequent months shall be billed under the Small General Service Schedule as long as such schedule is applicable.
- b. Demand meters will be installed when, in the judgment of the Company based on tests or other data, the billing demand may exceed 30 kW.

RIDER DIS
Distribution Service Rider

ELECTRIC SPACE CONDITIONING SCHEDULE

This Rate Sheet is in the process of elimination and is withdrawn except for the present customers receiving service hereunder at premises served as of June 9, 2004.

Available on an optional basis to a Full Service customer for installations where (a) electricity is the sole source of energy except for unavoidable, specialized or incidental requirements for space heating and air conditioning requirements, (b) the Customer's wiring permits separate metering of space heating and air conditioning utilizations, and (c) the space heating equipment is permanently installed and where all electrical requirements are supplied by the Company at a single point of delivery. Not available to residential applications in a single family home. A Full Service customer is one that receives all retail electric services from the Company.

MONTHLY RATES:

Monthly charges per customer for all customers served under this schedule shall include Distribution Charges, Rate Stabilization Charges, Regulatory Transition Charges, and Generation Charges, as shown below. Customers who receive Generation Services from a Certified Supplier may not be served under this schedule; therefore no Shopping Credit applies to this schedule.

Distribution Charge:

	<u>SUMMER</u>	<u>WINTER</u>
Energy Charge For all kWh, per kWh	1.629¢	0.355¢

APPLICABLE RIDERS:

The Rates and charges specified above shall be modified in accordance with the provisions of the following applicable Riders:

COMMERCIAL TRANSMISSION AND ANCILLARY SERVICE	Rider No. 20	Sheet No. 97
ELECTRIC FUEL COMPONENT	Rider No. 1	Sheet No. 79
UNIVERSAL SERVICE	Rider No. 14	Sheet No. 90
TEMPORARY RIDER FOR EEF	Rider No. 15	Sheet No. 91
NET ENERGY METERING	Rider No. 17	Sheet No. 93
STATE KWH TAX SELF-ASSESSOR CREDIT	Rider No. 18	Sheet No. 94
GREEN RESOURCE RIDER	Rider No. 27	Sheet No. 104
FUEL COST RECOVERY RIDER	Rider No. 30	Sheet No. 107

RIDER DIS
Distribution Service Rider

ELECTRIC SPACE CONDITIONING SCHEDULE

SPECIAL RULES:

1. The Consumer shall furnish a separate circuit (or equivalent) to which approved space heating and air conditioning equipment shall be permanently connected. Such circuit shall be so designed and constructed that no other electrical devices shall be connected thereto, except as described in Special Rule 2.
2. Electric water heaters may be connected to the space conditioning circuit. Such water heaters shall be of the automatic storage type with thermostatically controlled, noninductive heating elements. Water heating may be on a controlled basis at the option of the Company. Approved water heaters in individual suites may be permanently connected either to the suite wiring or to the space conditioning circuit.
3. Air conditioning equipment separate from the space heating equipment shall have an electrical capacity not greater than that of the space heating equipment.
4. Building additions or separate buildings which would qualify for service under this schedule if separately supplied may be combined for billing purposes with other buildings of the same Consumer if all such buildings are located on one Premises and are supplied by the Company at a single point of delivery. Space conditioning and water heating requirements of this installation shall be separately metered and billed in accordance with Rate provision 1. of this schedule. All other electrical requirements of such buildings to be combined for billing purposes shall be treated in accordance with Rate provision 2. of this schedule.
5. Customers with the remainder of their electrical usage billed under the Industrial Schedule or the Large General Service Schedule may, during the summer billing months, have their total usage billed under the Industrial Schedule or the Large General Service Schedule. The Customer is responsible for any additional meter costs necessary to perform such billing.

RIDER DIS
Distribution Service Rider

SMALL GENERAL SERVICE SCHEDULE

Applicable to any commercial or industrial Customer having a demand equal to or in excess of 30 kW during the current month or any of the preceding eleven months.

MONTHLY RATES:

Monthly charges per customer for all customers served under this schedule shall include Reactive Demand Charges, Distribution Charges, Rate Stabilization Charges, Regulatory Transition Charges, and Generation Charges, as shown below. Customers served under this schedule who receive Generation Services from a Certified Supplier will qualify for a Shopping Credit as shown below to reduce the sum of other applicable charges.

Reactive Demand Charge:
For Each rkVA of Reactive Billing Demand, per rkVA \$0.48

Distribution Charge:
Customer Charge \$33.34

	<u>SUMMER</u>	<u>WINTER</u>
Kilowatt Demand Charge		
First 50 kW, per kW	\$6.087	\$5.599
All excess kW, per kW	\$5.480	\$5.038

APPLICABLE RIDERS:

Rates and charges specified above shall be modified in accordance with provisions of the following applicable Riders in the order shown.

COMMERCIAL TRANSMISSION AND ANCILLARY SERVICE	Rider No. 20	Sheet No. 97
RETURNING CUSTOMER GENERATION SERVICE	Rider No. 25	Sheet No. 102
SHOPPING CREDIT RIDER	Rider No. 24	Sheet No. 101
SHOPPING CREDIT ADDER	Rider No. 26	Sheet No. 103
ELECTRIC FUEL COMPONENT	Rider No. 1	Sheet No. 79
PRIMARY METERING DISCOUNT	Rider No. 2	Sheet No. 80
SUPPLY VOLTAGE DISCOUNT	Rider No. 3	Sheet No. 81
DIRECT CURRENT SERVICE	Rider No. 6	Sheet No. 84
OFF-PEAK DEMAND FORGIVENESS	Rider No. 7	Sheet No. 85
UNIVERSAL SERVICE	Rider No. 14	Sheet No. 90
TEMPORARY RIDER FOR EEF	Rider No. 15	Sheet No. 91
NET ENERGY METERING	Rider No. 17	Sheet No. 93
STATE KWH TAX SELF-ASSESSOR CREDIT	Rider No. 18	Sheet No. 94
GREEN RESOURCE RIDER	Rider No. 27	Sheet No. 104
FUEL COST RECOVERY RIDER	Rider No. 30	Sheet No. 107

RIDER DIS
Distribution Service Rider

SMALL GENERAL SERVICE SCHEDULE

SPECIAL RULES:

1. COMBINED BILLING

Where two or more Separate Installations of different Classes of Service on the same Premises are supplied separately with service connections within 10 feet of each other, the meter registrations shall be combined for billing purposes, unless the Consumer shall make written request for separate billing.

2. SCHEDULE TRANSFERS

If for a period of twelve consecutive months, the demand of one installation or the undiversified total demand of several installations eligible for Combined Billing in each such month is less than 30 kW, subsequent service and billing shall be under the terms of the General Service Schedule as long as such schedule is applicable.

3. REACTIVE BILLING DEMAND

- a. For all single-phase installations and for those three-phase installations where the Kilowatt Demand on any Class of Service is less than 65 kW, the reactive billing demand shall be zero.
- b. If the Kilowatt Demand is 65 kW or higher for three-phase installations, the reactive billing demand shall be determined by multiplying the monthly Kilowatt Demand by the ratio of the monthly lagging reactive kilovoltampere hours to the monthly kilowatthours and subtracting 30 from the resultant product.

4. SERVICE INTERRUPTION

Upon written notice and proof within ten days of any service interruption continuing longer than twenty-four hours, the Company will make a pro rata reduction in the Kilowatt Demand rate. Otherwise the Company will not be responsible for service interruptions.

RIDER DIS
Distribution Service Rider

MEDIUM GENERAL SERVICE SCHEDULE

Applicable to any commercial or industrial Customer who will guarantee a monthly demand of at least one hundred fifty (150) kilowatts.

MONTHLY RATES:

Monthly charges per customer for all customers served under this schedule shall include Reactive Demand Charges, Distribution Charges, Rate Stabilization Charges, Regulatory Transition Charges, and Generation Charges, as shown below. Customers served under this schedule who receive Generation Services from a Certified Supplier will qualify for a Shopping Credit as shown below to reduce the sum of other applicable charges.

Reactive Demand Charge:

For Each rkVA of Reactive Billing Demand, per rkVA \$0.480

Distribution Charge:

Customer Charge \$95.25

	<u>SUMMER</u>	<u>WINTER</u>
First 200 kW, per kW	\$5.921	\$5.455
All excess kW, per kW	\$5.224	\$4.789

APPLICABLE RIDERS:

Rates and charges specified above shall be modified in accordance with provisions of the following applicable Riders in the order shown.

INDUSTRIAL TRANSMISSION AND ANCILLARY SERVICE	Rider No. 21	Sheet No. 98
RETURNING CUSTOMER GENERATION SERVICE RIDER	Rider No. 25	Sheet No. 102
SHOPPING CREDIT RIDER	Rider No. 24	Sheet No. 101
SHOPPING CREDIT ADDER	Rider No. 26	Sheet No. 103
ELECTRIC FUEL COMPONENT	Rider No. 1	Sheet No. 79
PRIMARY METERING DISCOUNT	Rider No. 2	Sheet No. 80
SUPPLY VOLTAGE DISCOUNT	Rider No. 3	Sheet No. 81
DIRECT CURRENT SERVICE	Rider No. 6	Sheet No. 84
OFF-PEAK DEMAND FORGIVENESS	Rider No. 7	Sheet No. 85
UNIVERSAL SERVICE	Rider No. 14	Sheet No. 90
TEMPORARY RIDER FOR EEF	Rider No. 15	Sheet No. 91
NET ENERGY METERING	Rider No. 17	Sheet No. 93
STATE KWH TAX SELF-ASSESSOR CREDIT	Rider No. 18	Sheet No. 94
GREEN RESOURCE RIDER	Rider No. 27	Sheet No. 104
FUEL COST RECOVERY RIDER	Rider No. 30	Sheet No. 107

Filed pursuant to Order dated _____, in Case No. 08-XXX-EL-SSO, before

The Public Utilities Commission of Ohio

Issued by: Anthony J. Alexander, President

Effective: January 1, 2009

RIDER DIS
Distribution Service Rider

MEDIUM GENERAL SERVICE SCHEDULE

SPECIAL RULES:

1. COMBINED BILLING

Where two or more Separate Installations of different Classes of Service on the same Premises are supplied separately with service connections within 10 feet of each other, the meter registrations shall be combined for billing purposes, unless the Consumer shall make written request for separate billing.

2. SCHEDULE TRANSFERS

If for a period of twelve consecutive months, the demand of one installation or the undiversified total demand of several installations eligible for Combined Billing in each such month is less than 150 kW, subsequent service and billing shall be under the terms of the Small General Service Schedule as long as such schedule is applicable.

3. REACTIVE BILLING DEMAND

- a. For all single-phase installations and for those three-phase installations where the Kilowatt Demand on any Class of Service is less than 65 kW, the reactive billing demand shall be zero.
- b. If the Kilowatt Demand is 65 kW or higher for three-phase installations, the reactive billing demand shall be determined by multiplying the monthly Kilowatt Demand by the ratio of the monthly lagging reactive kilovoltampere hours to the monthly kilowatthours and subtracting 30 from the resultant product.

4. TERMS OF SERVICE & CONTRACT

Electric service hereunder will be furnished in accordance with a written contract which by its term shall be in full force and effect for a minimum period of one year and shall continue in force thereafter from year to year unless either party shall give to the other not less than 60 days notice in writing prior to the expiration date of any said yearly periods that the contract shall be terminated at the expiration date of said yearly period.

RIDER DIS
Distribution Service Rider

ALL ELECTRIC LARGE GENERAL SERVICE SCHEDULE

This rate sheet is in the process of elimination and is withdrawn except for the customers receiving service hereunder at premises served as of January 1, 2007.

Available on an optional basis to commercial and industrial Customers for all-electric installations having demand equal to or in excess of 20 kW where electricity is the sole source of energy except for unavoidable, specialized or incidental requirements and where, as determined by the Company, the kilowatthours required for permanently installed space heating and cooling and water heating represent at least one-half of the total annual base load energy requirements or the equivalent of 1,200 hours use of the base load per year.

RATE:

Monthly charges per customer for all customers served under this schedule shall include Reactive Demand Charges, Distribution Charges, Rate Stabilization Charges, Regulatory Transition Charges, and Generation Charges, as shown below. Customers served under this schedule who receive Generation Services from a Certified Supplier will qualify for a Shopping Credit as shown below to reduce the sum of other applicable charges.

Reactive Demand Charge:

For Each rkVA of Reactive Billing Demand, per rkVA \$0.48

Distribution Charges:

	<u>SUMMER</u>	<u>WINTER</u>
First 50 kWd, per Kw	\$4.993	\$4.993
For All Additional kWd, per kW	\$4.559	\$4.559

APPLICABLE RIDERS:

Rates and charges specified above shall be modified in accordance with provisions of the following applicable Riders in the order shown.

COMMERCIAL TRANSMISSION AND ANCILLARY SERVICE	Rider No. 20	Sheet No. 97
RETURNING CUSTOMER GENERATION SERVICE RIDER	Rider No. 25	Sheet No. 102
SHOPPING CREDIT RIDER	Rider No. 24	Sheet No. 101
SHOPPING CREDIT ADDER	Rider No. 26	Sheet No. 103
ELECTRIC FUEL COMPONENT	Rider No. 1	Sheet No. 79
PRIMARY METERING DISCOUNT	Rider No. 2	Sheet No. 80
SUPPLY VOLTAGE DISCOUNT	Rider No. 3	Sheet No. 81
CUSTOMER'S SUBSTATION DISCOUNT	Rider No. 4	Sheet No. 82
OFF-PEAK DEMAND FORGIVENESS	Rider No. 7	Sheet No. 85
UNIVERSAL SERVICE	Rider No. 14	Sheet No. 90
TEMPORARY RIDER FOR EEF	Rider No. 15	Sheet No. 91
NET ENERGY METERING	Rider No. 17	Sheet No. 93
STATE KWH TAX SELF-ASSESSOR CREDIT	Rider No. 18	Sheet No. 94
GREEN RESOURCE RIDER	Rider No. 27	Sheet No. 104
FUEL COST RECOVERY RIDER	Rider No. 30	Sheet No. 107

Filed pursuant to Order dated _____, in Case No. 08-XXX-EL-SSO, before

The Public Utilities Commission of Ohio

Issued by: Anthony J. Alexander, President

Effective: January 1, 2009

RIDER DIS
Distribution Service Rider

ALL ELECTRIC LARGE GENERAL SERVICE SCHEDULE

SPECIAL RULES:

1. COMBINED BILLING

- a. Where two or more Separate Installations of different Classes of Service on the same Premises are supplied separately with service connections within 10 feet of each other, the meter registrations shall be combined for billing purposes, unless the Consumer shall make written request for separate billing.
- b. Building additions or separate buildings which would qualify for service under this schedule if separately supplied may be combined for billing purposes with other buildings of the same Consumer if all such buildings are located on one Premises and are supplied by the Company at a single point of delivery. The Kilowatt Demand and reactive demand of the combined loads and the kilowatthours of the combined loads excluding those of the all-electric installation shall be billed at the rates of the Small General Service Schedule, Medium General Service Schedule or Large General Service Schedule. The kilowatthours of the all-electric installation shall be billed at the rates of this schedule at the rate blocks applicable to energy use additional to an amount equal to the energy consumed for that month and billed on the Small General Service Schedule, Medium General Service Schedule or Large General Service Schedule. The Maximum Charge provision shall be applicable only to the total combined bill hereunder.

2. SCHEDULE TRANSFERS

If for a period of twelve consecutive months, the demand of one installation or the undiversified demand of several installations eligible for Combined Billing in each such month is less than 20 kW, subsequent service and billing shall be under the terms of the General Service Schedule as long as such schedule is applicable.

3. REACTIVE BILLING DEMAND

- a. For all single-phase installations and for those three-phase installations where the Kilowatt Demand on any Class of Service is less than 65 kW, the reactive billing demand shall be zero.
- b. If the Kilowatt Demand is 65 kW or higher for three-phase installations, the reactive billing demand shall be determined by multiplying the monthly Kilowatt Demand by the ratio of the monthly lagging reactive kilovoltampere hours to the monthly kilowatthours and subtracting 30 from the resultant product.

RIDER DIS
Distribution Service Rider

ALL ELECTRIC LARGE GENERAL SERVICE SCHEDULE

SPECIAL RULES: (Cont'd)

4. SERVICE INTERRUPTION

Upon written notice and proof within ten days of any service interruption continuing longer than twenty-four hours, the Company will make a pro rata reduction in the Kilowatt Demand rate. Otherwise, the Company will not be responsible for service interruptions.

5. BASE LOAD

Base load shall mean the average monthly Kilowatt Demand of the Customer exclusive of space heating and cooling, water heating and industrial process heating.

6. MISCELLANEOUS

In the event a building's tenant is supplied heating or cooling through a central building application, the individual tenants shall be precluded from the All-Electric Large Schedule.

RIDER DIS
Distribution Service Rider

LARGE GENERAL SERVICE SCHEDULE

Applicable to any Customer having a demand of more than 650 kW.

RATES:

Monthly charges per customer for all customers served under this schedule shall include Reactive Demand Charges, Distribution Charges, Rate Stabilization Charges, Regulatory Transition Charges, and Generation Charges, as shown below. Customers served under this schedule who receive Generation Services from a Certified Supplier will qualify for a Shopping Credit as shown below to reduce the sum of other applicable charges.

Reactive Demand Charge:

For Each rkVA of Reactive Billing Demand, per rkVA \$0.480

Distribution Charges:

Customer Charge \$238.13

Demand Charge

First 500 kW, per kW \$4.602

Next 500 kW, per kW \$4.259

All excess kW, per kW \$3.575

APPLICABLE RIDERS:

The Rates and charges specified above shall be modified in accordance with the provisions of the following applicable Riders:

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ELECTRIC FUEL COMPONENT	Rider No. 1	Sheet No. 79
PRIMARY METERING DISCOUNT	Rider No. 2	Sheet No. 80
SUPPLY VOLTAGE DISCOUNT	Rider No. 3	Sheet No. 81
CUSTOMERS SUBSTATION DISCOUNT	Rider No. 4	Sheet No. 82
DIRECT CURRENT SERVICE	Rider No. 6	Sheet No. 84
OFF-PEAK DEMAND FORGIVENESS	Rider No. 7	Sheet No. 85
UNIVERSAL SERVICE	Rider No. 14	Sheet No. 90
TEMPORARY RIDER FOR EEF	Rider No. 15	Sheet No. 91
NET ENERGY METERING	Rider No. 17	Sheet No. 93
STATE KWH TAX SELF-ASSESSOR CREDIT	Rider No. 18	Sheet No. 94
GREEN RESOURCE RIDER	Rider No. 27	Sheet No. 104
FUEL COST RECOVERY RIDER	Rider No. 30	Sheet No. 107

RIDER DIS
Distribution Service Rider

LARGE GENERAL SERVICE SCHEDULE

SPECIAL RULES:

1. SUBMETERING OR REDISTRIBUTION PROHIBITED

This schedule is applicable only where all of the electricity supplied is used solely by the Consumer for his own individual use, except as provided by Special Rule 5.

2. SCHEDULE TRANSFERS

- a. If in each month the kilowatt use is less than 650 kW for a period of twelve consecutive months, subsequent service and billing shall be under the terms of the Medium General Service Schedule as long as such schedule is applicable.

3. REACTIVE BILLING DEMAND

- a. The Company shall each month determine the net leading or lagging reactive kilovolt ampere demand registered during the same 30-minute period as the maximum Kilowatt Demand.
- b. If the rkVA demand so determined is lagging, the reactive billing demand shall be the rkVA which are in excess of 10 percent of the Kilowatt Demand billed.
- c. If the rkVA demand so determined is leading, the reactive billing demand shall be the rkVA which are in excess of 40 percent of the Kilowatt Demand billed.

RIDER DIS
Distribution Service Rider

LARGE GENERAL SERVICE SCHEDULE

SPECIAL RULES: (Cont'd)

4. SERVICE INTERRUPTION

Upon written notice and proof within ten days of any service interruption continuing longer than twenty-four hours, the Company will make a pro rata reduction in the Kilowatt Demand rate. Otherwise the Company will not be responsible for service interruptions.

5. BUILDINGS USED PRIMARILY FOR OFFICE PURPOSES

Either submetering or redistribution, as defined by the definitions of Section IX of the General Rules and Regulations, shall be permitted for buildings used primarily for office purposes upon the Customer executing a written application agreeing that service hereunder (1) shall be for five years, and for successive periods of two years each, unless written notice of termination is given one year before expiration of the five-year period, or any two-year renewal period; (2) shall be supplied solely by the Company during the initial and renewal periods; and (3) shall not be submetered to its tenants at charges greater than that which the tenant would pay to the Company on the otherwise applicable rate schedules.

Noncompliance with the terms and conditions of Special Rule 5 will result in the Customer not being eligible to receive service under the Large General Service Schedule.

6. TERMS OF SERVICE AND CONTRACT

Electric service hereunder will be furnished in accordance with a written contract which by its term shall be in full force and effect for a minimum period of one year and shall continue in force thereafter from year to year unless either party shall give to the other not less than 60 days notice in writing prior to the expiration date of any said yearly periods that the contract shall be terminated at the expiration date of said yearly period.

The customer shall contract for capacity equal to the estimated maximum demand of his load. The Company will supply capacity in excess of that contracted for when such capacity is available, but reserves the right to refuse to supply such additional capacity when in the judgment of the Company to do so would jeopardize the quality or continuity of service to other customers.

RIDER DIS
Distribution Service Rider

SMALL SCHOOL SCHEDULE

Applicable to any not-for-profit educational entity on the lines of the Company for service to school buildings being used for primary and secondary education, and having a demand equal to or in excess of 30 kW during the current month or any of the preceding eleven months. Service under this rate is to be used in connection with classroom and related requirements. Facilities such as parking garages, administrative buildings, maintenance buildings, etc., are to be billed on any Company schedule that the customer selects and for which the facility qualifies.

RATE:

Monthly charges per customer for all customers served under this schedule shall include Reactive Demand Charges, Distribution Charges, Rate Stabilization Charges, Regulatory Transition Charges, and Generation Charges, as shown below. Customers served under this schedule who receive Generation Services from a Certified Supplier will qualify for a Shopping Credit as shown below to reduce the sum of other applicable charges.

Reactive Demand Charge:

For Each rkVA of Reactive Billing Demand, per rkVA \$0.48

Distribution Charge:

Customer Charge:

Single Phase Service \$9.00
Three Phase Service \$15.00

Kilowatt Demand Billing Charge:

	<u>SUMMER</u>	<u>WINTER</u>
First 50 kWd, per kW	\$7.720	\$7.178
For All Additional kWd, per kW	\$7.099	\$6.546

APPLICABLE RIDERS:

Rates and charges specified above shall be modified in accordance with provisions of the following applicable Riders in the order shown.

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ELECTRIC FUEL COMPONENT	Rider No. 1	Sheet No. 79
OFF-PEAK DEMAND FORGIVENESS	Rider No. 7	Sheet No. 85
UNIVERSAL SERVICE	Rider No. 14	Sheet No. 90
TEMPORARY RIDER FOR EEF	Rider No. 15	Sheet No. 91
NET ENERGY METERING	Rider No. 17	Sheet No. 93
STATE KWH TAX SELF-ASSESSOR CREDIT	Rider No. 18	Sheet No. 94
GREEN RESOURCE RIDER	Rider No. 27	Sheet No. 104
FUEL COST RECOVERY RIDER	Rider No. 30	Sheet No. 107

RIDER DIS
Distribution Service Rider

SMALL SCHOOL SCHEDULE

APPLICABILITY:

If it is determined that a facility no longer qualifies for service under this schedule, billing under the tariff will cease upon sixty (60) days prior written notice by the Company to the Customer.

REACTIVE BILLING DEMAND:

- a. If the Kilowatt Demand on any Class of Service is less than 65 kW for three-phase installations or 75 kW for single-phase installations, the reactive billing demand shall be zero.
- b. If the Kilowatt Demand is 65 kW or higher for three-phase installations or 75 kW or higher for single-phase installations, the reactive billing demand shall be determined by multiplying the monthly Kilowatt Demand by the ratio of the monthly lagging reactive kilovoltampere hours to the monthly kilowatthours and subtracting 30 from the resultant product.

SERVICE INTERRUPTION:

Upon written notice and proof within ten (10) days of any service interruption continuing longer than twenty-four (24) hours, the Company will make a pro rata reduction in the Kilowatt Demand rate.

RIDER DIS
Distribution Service Rider

LARGE SCHOOL SCHEDULE

Applicable to any not-for-profit educational entity on the lines of the Company for service to school buildings being used for primary and secondary education who will guarantee a Monthly Billing Demand of at least one hundred fifty (150) kWd. Service under this rate is to be used in connection with classroom and related requirements. Facilities such as parking garages, administrative buildings, maintenance buildings etc., are to be billed on any Company schedule that the customer selects and for which the facility qualifies.

RATE:

Monthly charges per customer for all customers served under this schedule shall include Reactive Demand Charges, Distribution Charges, Rate Stabilization Charges, Regulatory Transition Charges, and Generation Charges, as shown below. Customers served under this schedule who receive Generation Services from a Certified Supplier will qualify for a Shopping Credit as shown below to reduce the sum of other applicable charges.

Reactive Demand Charge:

For Each rkVA of Reactive Billing Demand, per rkVA \$0.48

Distribution Charge:

Customer Charge: \$175.00

Kilowatt Demand Billing Charge:

	<u>SUMMER</u>	<u>WINTER</u>
First 200 kWd, per kW	\$9.509	\$8.722
For All Additional kWd, per Kw	\$9.022	\$8.186

APPLICABLE RIDERS:

Rates and charges specified above shall be modified in accordance with provisions of the following applicable Riders in the order shown.

COMMERCIAL TRANSMISSION AND ANCILLARY SERVICE	Rider No. 20	Sheet No. 97
RETURNING CUSTOMER GENERATION SERVICE RIDER	Rider No. 25	Sheet No. 102
SHOPPING CREDIT RIDER	Rider No. 24	Sheet No. 101
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SUPPLY VOLTAGE DISCOUNT	Rider No. 3	Sheet No. 81
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UNIVERSAL SERVICE	Rider No. 14	Sheet No. 90
TEMPORARY RIDER FOR EEF	Sheet No. 15	Sheet No. 91
NET ENERGY METERING	Sheet No. 17	Sheet No. 93
STATE KWH TAX SELF-ASSESSOR CREDIT	Rider No. 18	Sheet No. 94
GREEN RESOURCE RIDER	Rider No. 27	Sheet No. 104
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RIDER DIS
Distribution Service Rider

LARGE SCHOOL SCHEDULE

DETERMINATION OF MONTHLY BILLING DEMAND:

The Monthly Demand thus established shall be the Kilowatt Metered Demand for that month, but not be less than 150 kilowatts.

APPLICABILITY:

If it is determined that a facility no longer qualifies for service under this schedule, billing under the tariff will cease upon sixty (60) days prior written notice by the Company to the Customer.

REACTIVE BILLING DEMAND:

- a. If the Kilowatt Demand on any Class of Service is less than 65 kW for three-phase installations or 75 kW for single-phase installations, the reactive billing demand shall be zero.
- b. If the Kilowatt Demand is 65 kW or higher for three-phase installations or 75 kW or higher for single-phase installations, the reactive billing demand shall be determined by multiplying the monthly Kilowatt Demand by the ratio of the monthly lagging reactive kilovoltampere hours to the monthly kilowatthours and subtracting 30 from the resultant product.

SERVICE INTERRUPTION:

Upon written notice and proof within ten (10) days of any service interruption continuing longer than twenty-four (24) hours, the Company will make a pro rata reduction in the Kilowatt Demand rate.

RIDER DIS
Distribution Service Rider

LOW LOAD FACTOR SCHEDULE

Applicable to any Customer having a load exceeding 8.3 kVA connected, where the use of electricity is intermittent or the load is of fluctuating character as in the case of fire pumps, elevators, hoists, bridges, welding machines, X-ray machines and other equipment of similar characteristics and where a larger service connection than would be indicated by 30-minute demand measurements is required. This schedule is not available to Customers eligible for the Partial Service Schedule.

RATE:

Monthly charges per customer for all customers served under this schedule shall include Distribution Charges, Rate Stabilization Charges, Regulatory Transition Charges, and Generation Charges, as shown below. Customers served under this schedule who receive Generation Services from a Certified Supplier will qualify for a Shopping Credit as shown below to reduce the sum of other applicable charges.

Distribution Charges:

	<u>SUMMER</u>	<u>WINTER</u>
Kilowatt Demand Billing Charge:		
First 50 kW of Rated Demand	\$8.188	\$7.400
For all excess over 50 kW of Rated Demand	\$7.478	\$6.743

APPLICABLE RIDERS:

Rates and charges specified above shall be modified in accordance with provisions of the following applicable Riders in the order shown.

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RETURNING CUSTOMER GENERATION SERVICE RIDER	Rider No. 25	Sheet No. 102
SHOPPING CREDIT RIDER	Rider No. 24	Sheet No. 101
SHOPPING CREDIT ADDER	Rider No. 26	Sheet No. 103
ELECTRIC FUEL COMPONENT	Rider No. 1	Sheet No. 79
PRIMARY METERING DISCOUNT	Rider No. 2	Sheet No. 80
UNIVERSAL SERVICE	Rider No. 14	Sheet No. 90
TEMPORARY RIDER FOR EEF	Rider No. 15	Sheet No. 91
NET ENERGY METERING	Rider No. 17	Sheet No. 93
STATE KWH TAX SELF-ASSESSOR CREDIT	Rider No. 18	Sheet No. 94
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RIDER DIS
Distribution Service Rider

LOW LOAD FACTOR SCHEDULE

SPECIAL RULES:

1. RATED DEMAND

- a. The kW Rated Demand shall be taken as 60 percent of the rated kVA capacity of all apparatus connected as indicated by nameplate rating or by test at the option of the Company.
- b. Except where the Company has determined the actual load connected for all billing purposes, the Rated Demand shall be that shown on the Customer's application for service and billing shall commence when the Company's service facilities are installed.
- c. If the Rated Demand is less than 5 kW, the service rendered shall be billed under the applicable schedule of the Company.

2. SEPARATE INSTALLATION

The Customer shall reimburse the Company for the costs incurred based on estimates of costs prepared by the Company, whenever service under this schedule require a different Class of Service or special facility from that currently being provided the Customer.

3. COMBINED BILLING PROHIBITED

In no case shall any meter registrations under this schedule be combined with the meter registrations under any other schedule for billing purposes.

RIDER DIS
Distribution Service Rider

OPTIONAL ELECTRIC PROCESS HEATING AND ELECTRIC BOILER
LOAD MANAGEMENT SCHEDULE

This Rate Sheet is in the process of elimination and is withdrawn except for the present customers receiving service hereunder at premises served as of June 9, 2004.

Available on an optional basis to any Full Service customer for Process Heating or Electric Boiler installations of 20 kW or greater where the Customer's wiring permits separate metering of the Electric Process Heating and/or Electric Boiler and ancillary equipment's load. All other requirements of the Customer will be billed under the rate appropriate for that service. This schedule will not be available to residential applications in single family homes. A Full Service customer is one that receives all retail electric services from the Company.

MONTHLY RATE:

Monthly charges per customer for all customers served under this schedule shall include Distribution Charges, Rate Stabilization Charges, Regulatory Transition Charges, and Generation Charges, as shown below. Customers who receive Generation Services from a Certified Supplier may not be served under this schedule; therefore no Shopping Credit applies to this schedule.

Applicable only to separately metered Electric Process Heating or Electric Boiler Installations

Distribution Charges:

	<u>SUMMER</u>	<u>WINTER</u>
Energy Charge:		
First 140 kWh per kW of Monthly Billing Demand	1.329¢	1.184¢
For all kWh, per kWh	0.433¢	0.433¢

APPLICABLE RIDERS:

Rates and charges specified above shall be modified in accordance with provisions of the following applicable Riders in the order shown.

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ELECTRIC FUEL COMPONENT	Rider No. 1	Sheet No. 79
PRIMARY METERING DISCOUNT	Rider No. 2	Sheet No. 80
OFF-PEAK DEMAND FORGIVENESS	Rider No. 7	Sheet No. 85
UNIVERSAL SERVICE	Rider No. 14	Sheet No. 90
TEMPORARY RIDER FOR EEF	Rider No. 15	Sheet No. 91
STATE AND LOCAL TAX RIDER	Rider No. 16	Sheet No. 92
NET ENERGY METERING	Rider No. 17	Sheet No. 93
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BILLING DEMAND:

The billing demand shall be the separately metered demand actually registered, subject to the provisions of Rider No. 7, if appropriate.

Filed pursuant to Order dated _____, in Case No. 08-XXX-EL-SSO, before

The Public Utilities Commission of Ohio

Issued by: Anthony J. Alexander, President

Effective: January 1, 2009

RIDER DIS
Distribution Service Rider

OPTIONAL ELECTRIC PROCESS HEATING AND ELECTRIC BOILER
LOAD MANAGEMENT SCHEDULE

SPECIAL RULES:

1. The Customer shall furnish a separate circuit (or equivalent) to which the approved Process Heating and/or Electric Boiler and ancillary equipment shall be permanently connected. Such circuit shall be of a design and construction that no other electrical devices can be connected thereto.
2. All electrical requirements will be supplied at a single point of delivery.
3. Ancillary equipment load will not exceed twenty (20) percent of the total connected kW load of the equipment served under this schedule.
4. This schedule is applicable for Customers with existing idle facilities (unused for the past six months or longer) or for Customers desiring to add new facilities (purchased or otherwise acquired within the past six months or less).
5. To receive service under this schedule, the Customer must execute a written application agreeing that service hereunder (1) shall be for five years, and for successive periods of two years each, unless written notice of termination is given one year before expiration of the five-year period, or any two-year renewal period; and (2) such service shall be supplied solely by the Company during the initial and renewal periods.

Filed pursuant to Order dated _____, in Case No. 08-XXX-EL-SSO, before

The Public Utilities Commission of Ohio

Issued by: Anthony J. Alexander, President

Effective: January 1, 2009

RIDER DIS
Distribution Service Rider

OUTDOOR NIGHT LIGHTING SCHEDULE

APPLICABILITY

Available to any Customer on the lines of the Company applying for outdoor night lighting service only, for race tracks and athletic fields of all kinds who shall contract for a definite quantity of electrical capacity in kilowatts, subject to the specific conditions set forth herein.

MONTHLY RATE:

Monthly charges per customer for all customers served under this schedule shall include Distribution Charges, Rate Stabilization Charges, Regulatory Transition Charges, and Generation Charges, as shown below. Customers served under this schedule who receive Generation Services from a Certified Supplier will qualify for a Shopping Credit as shown below to reduce the sum of other applicable charges.

Distribution Charge:

Customer Charge	\$14.30
Energy Charge	
For all kWh, per kWh	2.749¢

APPLICABLE RIDERS:

Rates and charges specified above shall be modified in accordance with provisions of the following applicable Riders in the order shown.

COMMERCIAL TRANSMISSION AND ANCILLARY SERVICE	Rider No. 20	Sheet No. 97
RETURNING CUSTOMER GENERATION SERVICE RIDER	Rider No. 25	Sheet No. 102
SHOPPING CREDIT RIDER	Rider No. 24	Sheet No. 101
SHOPPING CREDIT ADDER	Rider No. 26	Sheet No. 103
UNIVERSAL SERVICE	Rider No. 14	Sheet No. 90
TEMPORARY RIDER FOR EEF	Rider No. 15	Sheet No. 91
STATE AND LOCAL TAX RIDER	Rider No. 16	Sheet No. 92
FUEL COST RECOVERY RIDER	Rider No. 30	Sheet No. 107

RIDER DIS
Distribution Service Rider

OUTDOOR NIGHT LIGHTING SCHEDULE

TERMS AND CONDITIONS:

1. Service under this rate is supplied in accordance with the General Rules and Regulations of The Cleveland Electric Illuminating Company, as found in PUCO No. 13, Electric Service, as may be changed from time to time with approval of the PUCO
2. Service shall be supplied only where sufficient capacity is available without added Company expense and only between the hours of 6:00 p.m. to 6:00 a.m. except that the time restriction shall be waived on Saturdays, Sundays and Holidays. However, if the Customer desires to use the service during hours other than above, a charge of 16.0 cents per kWh applies plus the applicable riders.
3. The Company shall provide service at primary voltages (approximately 4,000 volts or higher) except in small installations where the Company may elect to provide service at secondary voltages.
4. When in the opinion of the Company it is necessary to provide three-phase service, the Customer shall use extraordinary care in so designing its circuits that the loads on the individual phases shall be practically balanced at all times.
5. The Company shall own, operate and maintain all pole lines and all other equipment on private right-of-way, including transformation. The Customer is responsible for any equipment on the secondary side of the transformer.
6. The term of contract shall be for a period of not less than five years and for successive periods of two years unless written notice of termination is given one year before expiration of the five-year period or any two-year renewal period.

RIDER DIS
Distribution Service Rider

OUTDOOR LIGHTING SCHEDULE

Applicable to any Customer for the installation of unmetered outdoor lighting for private property.

MONTHLY RATES:

Monthly charges per customer for all customers served under this schedule shall include Distribution Charges and Generation Charges, as shown below. Customers served under this schedule who receive Generation Services from a Certified Supplier will qualify for a Shopping Credit as shown below to reduce the sum of other applicable charges.

1. WOOD POLE – OVERHEAD SERVICE

Company Owned Wood Pole Lighting installations served by overhead conductors.

<u>Area Lighting</u>		
	<u>Cents per kWh per lamp</u>	
	<u>kWh Per Lamp</u>	<u>Distribution Charge</u>
175 watt Mercury	70	13.077¢
400 "	160	9.418¢
*1,000 "	370	6.557¢
100 watt H.P. Sodium	45	30.442¢
150 "	65	24.862¢
250 "	115	14.204¢
400 "	175	11.975¢

*These rates are not available for new installations

<u>Flood Lighting</u>		
	<u>Cents per kWh per lamp</u>	
	<u>kWh Per Lamp</u>	<u>Distribution Charge</u>
400 watt Mercury	160	11.624¢
1,000 "	370	7.034¢
250 watt H.P. Sodium	115	16.565¢
400 "	175	12.819¢

RIDER DIS
Distribution Service Rider

OUTDOOR LIGHTING SCHEDULE

2. ORNAMENTAL POLES – UNDERGROUND SERVICE

a. Lighting Installations with Ornamental Poles and Standard Roadway Luminaires*

<u>Area Lighting - Single</u>		
	<u>Cents per kWh per lamp</u>	
	<u>kWh Per Lamp</u>	<u>Distribution Charge</u>
150 watt H.P. Sodium	65	36.328¢
250 "	115	22.002¢
400 "	175	15.307¢

<u>Area Lighting - Twin</u>		
	<u>Cents per kWh per lamp</u>	
	<u>kWh Per Lamp</u>	<u>Distribution Charge</u>
250 watt H.P. Sodium	115	33.273¢

* Steel Galvanized Pole, unpainted, 8 ft. bracket and Oval Luminaire installed at nominal 30 ft. height.

b. Lighting Installations with Ornamental Poles and Architectural Style Luminaires**

<u>Area Lighting - Single</u>		
	<u>Cents per kWh per lamp</u>	
	<u>kWh Per Lamp</u>	<u>Distribution Charge</u>
150 watt H.P. Sodium	65	35.536¢
250 "	115	21.554¢

<u>Area Lighting - Twin</u>		
	<u>Cents per kWh per lamp</u>	
	<u>kWh Per Lamp</u>	<u>Distribution Charge</u>
150 watt H.P. Sodium	65	53.423¢
250 "	115	32.560¢

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The Public Utilities Commission of Ohio

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RIDER DIS
Distribution Service Rider

OUTDOOR LIGHTING SCHEDULE

**** Non-Metallic Painted Pole, 1 ft. bracket and Architectural Roadway Luminaires installed at nominal 30 ft. height.**

3. ORNAMENTAL POSTS – UNDERGROUND SERVICE

a. Lighting Installations with Colonial Style Post-Top Luminaires***

<u>Area Lighting –</u>		
	<u>Cents per kWh per lamp</u>	
	<u>kWh</u> <u>Per Lamp</u>	<u>Distribution</u> <u>Charge</u>
175 watt Mercury	79	14.730¢
100 watt H.P. Sodium	45	34.043¢

***** Plain round post, black finish, and Colonial Post-Top Luminaire installed at nominal 15 ft. height.**

b. Lighting Installations with Architectural Style Post-Top Luminaires*

<u>Area Lighting –</u>		
	<u>Cents per kWh per lamp</u>	
	<u>kWh</u> <u>Per Lamp</u>	<u>Distribution</u> <u>Charge</u>
100 watt H.P. Sodium	45	47.046¢
150 "	65	33.044¢

Plain round post, black finish, and Architectural Post-Top Luminaire installed at nominal 15 ft. height.

4. UNDERGROUND FACILITIES**

	<u>Dollars per</u> <u>20 Cable Feet</u>
Direct Buried Cable	\$0.49

**** Excluding the first 200 ft. trench distance, furnished by the Company, from an existing or planned Company 120 volt distribution facility. The duct shall be owned, maintained and replaced by the Customer.**

RIDER DIS
Distribution Service Rider

OUTDOOR LIGHTING SCHEDULE

5. APPLICABLE RIDERS

The Rates and charges specified above shall be modified in accordance with the provisions of the following applicable Riders:

RETURNING CUSTOMER GENERATION SERVICE RIDER	Rider No. 25	Sheet No. 102
SHOPPING CREDIT RIDER	Rider No. 24	Sheet No. 101
SHOPPING CREDIT ADDER	Rider No. 26	Sheet No. 103
UNIVERSAL SERVICE	Rider No. 14	Sheet No. 90
STATE AND LOCAL TAX RIDER	Rider No. 16	Sheet No. 92
FUEL COST RECOVERY RIDER	Rider No. 30	Sheet No. 107

SPECIAL RULES:

1. FACILITY LOCATIONS

- a. Ornamental Poles and Posts shall be located only where there is a year round firm pavement access for Company maintenance vehicles.

2. FACILITIES PROVIDED

- a. For wood pole, overhead wire installations, the Company will furnish, install and maintain the lamps, luminaires, brackets and photoelectric controls on an approved existing pole or where necessary will furnish one new pole. Approval of poles for the installations shall be at the sole discretion of the Company. The Company will furnish one section of secondary wire from an existing Company 120 volt distribution facility for each light served. Installations shall be governed by Company Distribution Construction Standards.
- b. For ornamental pole or post underground cable installations, the Company will furnish, install and maintain the lamps, luminaries, photoelectric controls and pole or post.
- c. For ornamental pole or post installations, the Company will furnish suitable underground cable up to 200 ft. trench distance from an existing or planned Company 120 volt distribution facility. The Company shall determine Cable size. Upon termination of an outdoor lighting contract, the Company reserves the right to disconnect and abandon underground cable in place.
- d. Additional facilities, not provided for herein, installed by the Company at the request of the Customer and/or any extensions of the Company's distribution facilities required to serve only the Outdoor Lighting Service requested by the Customer, shall be and remain the property of the Company and shall be paid for by the Customer on the basis of estimates of cost prepared by the Company.
- e. The Company will supply electric service to operate the lamps. Lamps will be operated by photoelectric control, with hours of operation aggregating approximately 4,000 hours per year, from dusk to dawn.

Filed pursuant to Order dated _____, in Case No. 08-XXX-EL-SSO, before

The Public Utilities Commission of Ohio

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RIDER DIS
Distribution Service Rider

OUTDOOR LIGHTING SCHEDULE

SPECIAL RULES: (Conf'd)

- f. Service and necessary maintenance will be performed only during the regularly scheduled working hours of the Company. Burned out lamps will be replaced upon notification of the outage by the Customer to the Company. No reduction in billing shall be allowed for lamp outages.

3. CUSTOMER'S RESPONSIBILITIES

- a. Trenching, backfilling, cable ducts, restoration of pavement and landscaping shall be the responsibility of the Customer. Ducts are required under pavements.
- b. The Customer shall assume all risks of loss or damage to his equipment and property installed in connection with the lighting system. The Company, without requesting authorization at the time, may correct any hazardous condition affecting the safety of the public of which it has notice, and the Consumer shall pay any expense incurred by the Company for repairs to equipment owned by the Customer.
- c. To receive service under this schedule, the Customer must execute a written application agreeing that service hereunder (1) shall be for five years, and for successive periods of two years each, unless written notice of termination is given one year before expiration of the five-year period, or any two-year renewal period; and (2) such service shall be supplied solely by the Company during the initial and renewal periods.

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Cleveland, Ohio

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RIDER DIS
Distribution Service Rider

STREET LIGHTING SCHEDULE

Applicable to any municipality or governmental authority for the lighting of its streets, roadways, avenues, alleys, sidewalks, parks and other public grounds where the lighting equipment, in the opinion of the Company, can be maintained using Company vehicles.

MONTHLY RATES:

Monthly charges per customer for all customers served under this schedule shall include Distribution Charges and Generation Charges, as shown below. Customers served under this schedule who receive Generation Services from a Certified Supplier will qualify for a Shopping Credit as shown below to reduce the sum of other applicable charges.

I. GROSS RATE

a. Company-Owned, Overhead-Fed Wood Pole Lighting Installations

			<u>Distribution Charges</u> <u>¢/kWhr per Lamp</u>
<u>Nominal</u> <u>Lumens</u>	<u>Lamp</u> <u>Watts</u>	<u>kWh</u> <u>Per Lamp</u>	
Mercury Vapor			
8,600	175	79	10.504¢
12,100	250	111	8.895¢
22,500	400	174	7.344¢
*63,000	1,000	417	6.325¢
High Pressure Sodium			
9,500	100	45	25.657¢
16,000	150	65	18.913¢
27,500	250	116	12.769¢
50,000	400	183	9.303¢
Incandescent*			
2,500		79	11.390¢
4,000		120	9.598¢
6,500		164	8.518¢
10,000		254	6.717¢

*These rates are not available for new installations

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RIDER DIS
Distribution Service Rider

STREET LIGHTING SCHEDULE

MONTHLY RATES: (Cont'd)

I. GROSS RATE (Cont'd)

b. Lighting Installations with Standard Ornamental Poles and Luminaires*

Distribution Charges ¢/kWhr per Lamp for Various Plans								
Nominal Lumens	Lamp Watts	kWh Per Lamp	I	II	III	IV	V	VI
Mercury Vapor								
8,600	175	79	8.137¢	24.998¢	4.099¢	--	10.314¢	27.225¢
12,100	250	111	7.228¢	19.192¢	3.840¢	4.985¢	--	20.795¢
22,500	400	174	6.212¢	14.097¢	3.729¢	4.424¢	7.235¢	15.126¢
42,000	700	295	--	--	3.997¢	4.824¢	--	--
*** 63,000	1,000	417	--	9.555¢	3.920¢	--	6.325¢	10.049¢
High-Pressure Sodium								
5,800	70	31	--	--	5.390¢	--	--	--
9,500	100	45	21.234¢	49.234¢	4.746¢	12.857¢	24.634¢	55.034¢
16,000	150	65	16.036¢	36.513¢	4.252¢	10.128¢	18.698¢	39.344¢
**** 16,000	150	146	--	--	5.034¢	--	--	--
22,000	200	95	--	--	3.937¢	--	--	--
27,500	250	116	11.157¢	22.614¢	3.830¢	7.157¢	12.657¢	24.106¢
37,000	310	144	--	--	3.703¢	--	--	--
50,000	400	183	8.308¢	14.997¢	3.592¢	4.789¢	8.882¢	16.548¢
140,000	1,000	418	--	--	3.407¢	--	--	--
Incandescent**								
2,500		79	--	--	--	--	--	--
4,000		120	7.982¢	--	--	--	--	--
6,000		164	7.341¢	--	4.768¢	--	--	--
10,000		254	6.473¢	--	--	--	--	--
330		121	--	--	4.373¢	--	--	--

NA = Not Available.

* Steel Galvanized Pole, unpainted, single bracket up to 12 ft. in length and Oval Luminaire installed at nominal 30 ft. height.

** These rates are not available for new installations.

*** These rates are not available for new installations except the rate under Plan III.

**** Fixture operating in a continuous-burn mode.

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RIDER DIS
Distribution Service Rider

STREET LIGHTING SCHEDULE

MONTHLY RATES: (Cont'd)

I. GROSS RATE (Cont'd)

c. Special Plan VI Installations

			<u>Distribution Charges</u> <u>¢/kWhr per Lamp or Installation</u>		
<u>Nominal</u> <u>Lumens</u>	<u>Lamp</u> <u>Watts</u>	<u>kWh</u> <u>Per Lamp</u>	<u>Standard</u> <u>Post*</u>	<u>30 ft.</u> <u>Concrete</u> <u>Pole**</u>	<u>Steel Pole</u> <u>2 Brackets</u> <u>and 2 Lamps</u>
Mercury Vapor					
8,600	175	79	16.681¢	--	--
22,500	400	174	--	15.212¢	--
22,500	400	348	--	--	10.585¢
High-Pressure Sodium					
9,500	100	45	36.946¢	--	--
27,500	250	232	--	--	18.110¢

d. Underpass Lighting Installations

		<u>Distribution Charges</u>			
<u>Nominal Lumens</u>	<u>Lamp Watts</u>	<u>kWh per Lamp</u>		<u>¢/kWhr Per Lamp (Plan VII)</u>	
		<u>Controlled</u>	<u>Continuous</u>	<u>Controlled</u>	<u>Continuous</u>
Mercury Vapor					
8,600	175	79	158	4.074¢	2.232¢
12,100	250	111	222	3.849¢	2.120¢
High-Pressure Sodium					
9,500	100	45	90	4.746¢	2.568¢

NA = Not Available.

* Plain Round Post and Standard Luminaire installed at nominal height of 15 ft. to 20 ft.

** These rates not available for new installations.

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STREET LIGHTING SCHEDULE

MONTHLY RATES: (Cont'd)

1. GROSS RATE (Cont'd)

c. Special Underground Installations

<u>Distribution Charges</u>			
<u>Lumens</u>	<u>Lamp Watts</u>	<u>kWh Per Lamp</u>	<u>¢/kWhr per Lamp Special Plan</u>
<u>Incandescent**</u>			
2,500	215	79	8.631¢

NA = Not Available.

* Plain Round Post and Standard Luminaire installed at nominal height of 15 ft. to 20 ft.

** These rates not available for new installations.

f. Special Architectural Installations

<u>Distribution Charges</u>				
<u>Nominal Lumens</u>	<u>Lamp Watts</u>	<u>kWh Per Lamp</u>	<u>Pole with Single Luminaire ¢/kWhr Per Lamp Plan VI*</u>	<u>Pole with Twin Luminaire ¢/kWhr Per Lamp Plan VI</u>
9,500	100	45	54.079¢	80.612¢
16,000	150	65	38.513¢	57.282¢
27,500	250	116	23.640¢	35.088¢
50,000	400	183	16.193¢	23.947¢
<u>Nominal Lumens</u>	<u>Lamp Watts</u>	<u>kWh Per Lamp</u>	<u>Luminaire Only ¢/kWhr Per Lamp Plan V</u>	<u>Pole or Support Bracket with Luminaire ¢/kWhr Per Lamp Plan VI*</u>
9,500	100	45	41.079¢	50.590¢
16,000	150	65	29.313¢	35.898¢

* Galvanized, unpainted steel pole with up to a 2 ft. length bracket or painted non-metallic pole with up to an 8 ft. length bracket and architectural roadway luminaire installed at nominal 30 ft. height.

** Plain round post and architectural post-top luminaire installed at nominal 15 ft. to 20 ft. height or ornamental side mounting bracket and architectural post-top luminaire installed on a pole at nominal 15 ft. height.

*** The duct shall be owned, maintained and replaced by the municipality.

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RIDER DIS
Distribution Service Rider

STREET LIGHTING SCHEDULE

MONTHLY RATES: (Cont'd)

1. GROSS RATE (Cont'd)

- g. Underground Facilities***
Dollars Per 20 Cable Feet

<u>Distribution Charges:</u>	<u>Plan A</u>	<u>Plan B</u>	<u>Plan C</u>
Direct Buried Cable	--	\$0.03	\$0.49
Cable Wire (only) in Duct	--	\$0.01	\$0.17

- * Galvanized, unpainted steel pole with up to a 2 ft. length bracket or painted non-metallic pole with up to an 8 ft. length bracket and architectural roadway luminaire installed at nominal 30 ft. height.
** Plain round post and architectural post-top luminaire installed at nominal 15 ft. to 20 ft. height or ornamental side mounting bracket and architectural post-top luminaire installed on a pole at nominal 15 ft. height.
*** The duct shall be owned, maintained and replaced by the municipality.

2. APPLICABLE RIDERS

The Rates and charges specified above shall be modified in accordance with the provisions of the following applicable Riders:

RETURNING CUSTOMER GENERATION SERVICE RIDER	Rider No. 25	Sheet No. 102
SHOPPING CREDIT RIDER	Rider No. 24	Sheet No. 101
SHOPPING CREDIT ADDER	Rider No. 26	Sheet No. 103
UNIVERSAL SERVICE	Rider No. 14	Sheet No. 90
STATE KWH TAX SELF-ASSESSOR CREDIT	Rider No. 18	Sheet No. 94
FUEL COST RECOVERY RIDER	Rider No. 30	Sheet No. 107

The kWh to which the applicable riders are applied shall be the total of the average monthly kilowatthours as shown in Section 1 for each lamp.

SPECIAL RULES:

1. COMPANY RESPONSIBILITIES

- a. In locating where facilities can be served using normal Company practices and equipment, the Company will install, maintain and replace the various components of the street lighting systems in accordance with the standard responsibility plans selected by the Customer. The Municipal Street Lighting Listing on file at the Company's business offices identifies the applicable responsibility plan and type of construction for each existing lamp. Ordinary maintenance and lamp replacement will be performed during normal weekday working hours.
- b. For Company owned wood pole installations, the Company will install the lighting equipment and bracket on an approved existing pole or, where necessary, will furnish one pole for mounting the lighting equipment and one section of secondary wire.
- c. Additional facilities, not provided for herein, installed by the Company at the request of the Customer, shall be and remain the property of the Company and shall be paid for by the Customer on the basis of estimates of cost prepared by the Company. Extensions of existing Distribution facilities which are required only to serve a street lighting system shall be paid for by the Customer.

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RIDER DIS
Distribution Service Rider

STREET LIGHTING SCHEDULE

1. COMPANY RESPONSIBILITIES (Cont'd)

- d. Lamps will be operated by photoelectric control or by time clocks, with hours of operation from dusk to dawn.
- e. Service and necessary maintenance will be performed only during the regular working hours of the Company. Burned out lamps will be replaced upon notification of the outage to the Company.

2. CUSTOMER RESPONSIBILITIES

- a. The Customer will furnish, install and maintain the various components of the street lighting systems in accordance with the standard responsibility plans selected by the Customer.
- b. The Customer shall reimburse the Company for any work performed by the Company which normally is part of the Customer's responsibilities.

3. CHANGES IN NUMBER, SIZE, TYPE, PLAN OR LOCATION

- a. All such requests shall be made in writing by the Customer's authorized representative.
- b. For street lighting Plans involving Company maintenance and replacement, the Company shall not be required to assume such obligations where any part of the Customer's system does not meet the Company's minimum installation, equipment and/or operating specifications and standards.
- c. Customer requests for the following work shall be subject to one-time nonrefundable charges:

<u>Type of Service</u>	<u>Charge</u>
(1) For replacement of an existing lamp with one of a comparable or smaller size at the same location	\$35 per lamp
(2) For installing a shield on a luminaire	\$40 per luminaire
(3) For removal and relocation of pole, lamp, luminaire and bracket	\$240 per pole
(4) For removal and relocation of lamp, luminaire and bracket	\$118 per lamp, luminaire and bracket bracket
(5) For removal of an existing	Unamortized installed lamp, luminaire and bracket cost and removal cost less salvage
(6) For disconnecting lamps for periods of less than one (1) year**	\$7.00 per disconnecting point, and \$7.00 per reconnecting point, plus credit* in base rates of .75 cents/ rated watts for each lamp disconnected

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RIDER DIS
Distribution Service Rider

STREET LIGHTING SCHEDULE

SPECIAL RULES: (Cont'd)

3. CHANGES IN NUMBER, SIZE, TYPE, PLAN OR LOCATION (Cont'd)

- * Credits for lamps disconnected for less than one month shall be prorated based on the number of days that the lamp was disconnected.
- ** After one year from the notice of disconnection, the lamps will be reconnected and billed at the appropriate charge or removed and billed in accordance with (5) above.
 - d. Customer requests for replacement of mercury vapor lighting systems with high-pressure sodium or other lighting systems will be subject to charges resulting from the unamortized installed cost and removal cost less the salvage value of the mercury vapor lighting system equipment.
 - e. Billing for new lamps installed shall be rendered beginning with the first full calendar month after installation. Lamps permanently disconnected or removed shall be billed for the full calendar month.

4. FORCE MAJEURE

In addition to the provisions contained in Section IV of the Company's Standard Rules and Regulations, the Company shall not be required to furnish lighting service, or otherwise perform as contemplated under this Schedule, if prevented from so doing at any time by state, federal or local governmental authorities, or other public authority, or by acts of violence, strikes, invasions, acts of public enemy, acts of God or other causes beyond the control of the Company.

5. TERMINATION FOR NONPAYMENT

If the Customer fails to pay for street lighting service within ninety days after the billing date, the Company may discontinue all or a part of the Customer's street lighting service until all monies due to the Company have been paid.

RIDER DIS
Distribution Service Rider

TRAFFIC CONTROL LIGHTING SCHEDULE

Applicable to any municipality, governmental authority, school district or other Customer, upon application and acceptance by the Company, for the sole purpose of providing electric service to traffic control devices and/or other special devices used for traffic control or public safety located on public or private property.

MONTHLY RATES:

1. GROSS RATE

Distribution Charge

For each service connection per month 55.189¢

Plus

Energy Charge

For each watt of billing demand per month 0.102¢

2. APPLICABLE RIDERS

The Rates and charges specified above shall be modified in accordance with the provisions of the following applicable Riders:

COMMERCIAL TRANSMISSION AND ANCILLARY SERVICE	Rider No. 20	Sheet No. 97
RETURNING CUSTOMER GENERATION SERVICE RIDER	Rider No. 25	Sheet No. 102
SHOPPING CREDIT RIDER	Rider No. 24	Sheet No. 101
SHOPPING CREDIT ADDER	Rider No. 26	Sheet No. 103
UNIVERSAL SERVICE	Rider No. 14	Sheet No. 90
TEMPORARY RIDER FOR EEF	Rider No. 15	Sheet No. 91
STATE AND LOCAL TAX RIDER	Rider No. 16	Sheet No. 92
FUEL COST RECOVERY RIDER	Rider No. 30	Sheet No. 107

SPECIAL RULES:

1. A service connection shall be defined as that point at which the devices of the Customer connect to the facilities of the Company.
2. Billing Demand shall be the sum of:
 - a. Rated wattage for all devices operating 365 hours or more per month, which is considered full-time use, plus
 - b. 0.7 times the rated wattage for all devices operating less than 365 hours per month or on a flashing basis, which is considered half-time use.

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RIDER DIS
Distribution Service Rider

TRAFFIC CONTROL LIGHTING SCHEDULE

SPECIAL RULES: (Cont'd)

3. Rated wattage for traffic control devices shall be one-half the sum of the red (stop) and green (go) bulb wattages.
4. Rated wattage for all other special devices shall be the maximum load during the operating period as determined by the Company.
5. Warning sirens up to 400 watts and call box lights shall be billed as traffic control devices.
6. Billing of new devices installed and/or changes in rated wattage of existing devices shall be rendered beginning with the first full calendar month after installation. Devices disconnected shall be billed for the full calendar month in which the disconnection is made.
7. The billing kilowatthours for calculating the Shopping Credit on a cents per kWh basis, shall be the sum of
 - a. 0.730 times the billing demand for all full-time use devices (see Special Rule 2a), plus
 - b. 0.365 times the billing demand for all half-time use devices (see Special Rule 2b).
8. In addition to the provisions contained in Section 7 of the Company's General Rules and Regulations, the Company shall not be required to furnish service, or otherwise perform as contemplated under this Schedule, if prevented from so doing at any time by state, federal or local governmental authorities, or other public authority, or by acts of violence, strikes, invasions, acts of public enemy, acts of God or other causes beyond the control of the Company.
9. If the Customer fails to pay for service within ninety days after the billing date, the Company may discontinue all or a part of the Customer's service under this Schedule until all monies due to the Company have been paid

Filed pursuant to Order dated _____, in Case No. 08-XXX-EL-SSO, before

The Public Utilities Commission of Ohio

Issued by: Anthony J. Alexander, President

Effective: January 1, 2009

RIDER DIS
Distribution Service Rider

EMERGENCY SCHEDULE

Applicable to emergency breakdown or reserve service to another source of supply. This schedule is available only for Full Service customers receiving service under these provisions as of February 1, 1989. A Full Service customer is one that receives all retail electric services from the Company.

MONTHLY RATE:

Monthly charges per customer for all customers served under this schedule shall include Distribution Charges, Rate Stabilization Charges, Regulatory Transition Charges and Generation Charges as shown below. Customers who receive Generation Services from a Certified Supplier may not be served under this schedule: therefore no Shopping Credit applies to this schedule.

Distribution Charge:

For each kWh (3.830)c

APPLICABLE RIDERS:

The Rates and charges specified above shall be modified in accordance with the provisions of the following applicable Riders:

COMMERCIAL TRANSMISSION AND ANCILLARY SERVICE	Rider No. 20	Sheet No. 97
UNIVERSAL SERVICE CHARGE	Rider No. 14	Sheet No. 90
TEMPORARY RIDER FOR BEF	Rider No. 15	Sheet No. 91
GREEN RESOURCE RIDER	Rider No. 27	Sheet No. 104
FUEL COST RECOVERY RIDER	Rider No. 30	Sheet No. 107

SPECIAL RULES:

1. CONTRACT DEMAND

- a. The Kilowatt Demand shall not at any time exceed the demand contracted for by the Consumer.
- b. The Consumer shall furnish and install at his own expense an automatic circuit interrupting device of such make and kind as approved by the Company, which shall be under the control of the Company and shall be adjusted to open the circuit when load exceeds the Kilowatt Demand contracted for.

2. CONTRACT TERM

The term of service shall be one year from connection of service and shall continue for yearly periods thereafter, unless terminated by written notice not less than ten days prior to the expiration of any period.

3. SERVICE FACILITIES

The Consumer shall pay, without refund, for the service connection and all installation expenses from the lines of the Company to his point of connection and for any increase in the lines of the Company made necessary to serve his demand.

Filed pursuant to Order dated _____, in Case No. 08-XXX-EL-SSO, before

The Public Utilities Commission of Ohio

RIDER DIS
Distribution Service Rider

PARTIAL SERVICE SCHEDULE

Applicable to any Customer with non-synchronous or synchronous, which does not qualify for The Net Energy Metering Rider, electric generation equipment having been established as a Qualifying Facility, or who requires partial service from the Company as back-up, or as a partial electric requirement to another electric source.

MONTHLY RATES:

1. CAPACITY RESERVATION CHARGE

Per kW of Capacity Reservation
per Billing Period
per Voltage Classification

	Transmission 132 kV and Above	Subtransmission 33 kV and 11 kV	Distribution 4 kV and 13.2 kV
<u>Transmission & Distribution Charge:</u>	All kW, per kW \$1.58	All kW, per kW \$2.51	All kW, per kW \$3.42

2. DEMAND CHARGE

Whenever the Customer utilizes Supplemental, Back-Up or Maintenance power, the demand will be charged as indicated below:

a. Supplemental Demand

The Demand Charge found in the appropriate applicable Rate Schedule shall be used to calculate the monthly billing charge for Supplemental power.

b. Back-Up Demand

The Customer shall have the option of either Method A or Method B, below, as the method under which Back-Up Demand shall be calculated. Sixty days prior to the initial one-year contract period, and at least 60 days prior to each succeeding annual period, the Customer shall specify the method chosen. That method shall apply for the full contract period.

Method A

The Demand Charge found in the appropriate, applicable Rate Schedule shall be used to calculate the billing period charge for Back-Up Demand.

The Capacity Reservation charge for the billing period shall be reduced to the extent that Back-Up Demand, under Method A, is used during the billing period.

RIDER DIS
Distribution Service Rider

PARTIAL SERVICE SCHEDULE

Method B

The billing period Demand Charge for Back-Up Power shall be determined by use of daily demand, and will use the appropriate following rate based on service voltage level classification:

<u>Transmission</u>	<u>Subtransmission</u>	<u>Distribution</u>
132 kV and Above	33 kV and 11 kV	4 kV and 13.2 kV
\$ 0.82	\$ 0.87	\$ 0.92
per kW per day	per kW per day	per kW per day

The above charges consist of ancillary service charges from the applicable Rate Schedule and generation charges.

Determination of the daily Demand Charge shall be the maximum daily Back-Up Demand times the appropriate above daily rate. The billing period charge for Back-Up Demand shall be the sum of the billing period's daily Demand Charges.

Method B is applicable no more than fifteen days a year. If in any billing period the use of Backup Power exceeds fifteen days, the Customer will be billed under Method A for the billing period. The fifteen days in that billing period would not count toward the annual limitation.

When the customer has a meter which has the capability of measuring on and off peak kW demands, the kW demand applied to the Method B Backup Demand charge shall be the highest on-peak kW demand recorded during the billing period or the sum of the highest on-peak kW demand plus 25 percent of the difference between the highest off-peak and the highest on-peak kW demand recorded during the billing period, whichever is greater. The resultant kW demand will be applied on a daily basis.

c. Maintenance Demand

Fifty percent of the demand charge found in the appropriate applicable Rate Schedule shall be used and prorated based on the number of days that Maintenance power was used during the billing period.

3. ENERGY CHARGE

The charge for energy provided by the Company for Supplemental, Back-Up (Method A) and Maintenance power shall be that found in the appropriate applicable Rate Schedule.

The Energy Charge for Back-Up Power (Method B) shall be 0.49¢ per kWh. This cost recovery will be split between RTC and RSC in proportion to RTC and RSC charges in the applicable Rate Schedule.

4. REACTIVE DEMAND CHARGE

For each rkva of reactive billing demand \$.20

Filed pursuant to Order dated _____, in Case No. 08-XXX-EL-SSO, before

The Public Utilities Commission of Ohio

Issued by: Anthony J. Alexander, President

Effective: January 1, 2009

RIDER DIS
Distribution Service Rider

PARTIAL SERVICE SCHEDULE

5. EMERGENCY POWER

Emergency Power Service can only be obtained from the Company. The following charges apply under this schedule:

Demand Charge per kW per billing period	\$ 29.90
Energy Charge per kWh per billing period	\$ 0.147

The Demand Charge will consist of transmission, distribution and generation charges in the same proportion as the Capacity Reservation Charge. The Energy Charge will consist of the RTC and RSC charges from the appropriate applicable Rate Schedule and generation charges. Rider No. 7 shall not apply to the Emergency power charge.

CUSTOMER CHARGE:

The Customer Charge shall be \$ 95.50 per month.

BACK-UP POWER MAXIMUM CHARGE:

The maximum billing period charge for Back-Up power shall be those charges for service which would be billed under the appropriate, applicable Rate Schedule.

If Back-Up power is used during the billing period, the billing period charge for Capacity Reservation shall be reduced to the extent that Back-Up Demand is used.

RIDERS:

Except as otherwise noted, the Rates and charges specified above shall be modified in accordance with the otherwise Applicable Tariff Riders, except for the Net Energy Metering Rider, in effect plus a fuel charge of 1.3605¢ per kWh. The fuel charge is cost recovery split between RTC and RSC in proportion to RTC and RSC charges in the applicable Rate Schedule.

If the total applicable RTC and RSC charges under Method B were to be less than 1.8505¢ per kWh (the sum of the energy charge for Backup Power plus the fuel charge), the excess would be generation charges.

RIDER DIS
Distribution Service Rider

PARTIAL SERVICE SCHEDULE

DETERMINATION OF PARTIAL SERVICE:

Partial Service Capacity shall be established by the Customer and the Company prior to receiving service under this schedule.

The Customer may request a time dependent Partial Service Capacity level, subject to Company acceptance. The Customer must submit a supply profile for each capacity source sixty (60) days prior to the contract period. The Company has thirty (30) days within which to make any reasonable modifications.

In the event the Customer's alternate supply exceeds the presubmitted supply profile, the Partial Service Capacity will be re-established at the new supply level for that and comparable time periods, and shall be in effect for the remainder of the contract period, unless otherwise altered hereunder.

In the event the Customer installs additional generating equipment, or the metered Back-Up, Maintenance or Emergency demand in any billing period exceeds the Partial Service Capacity, the Partial Service Capacity shall be re-established at the new level and remain in force for the remainder of the contract period, unless otherwise altered hereunder.

DETERMINATION OF CAPACITY RESERVATION:

The Capacity Reservation demand shall be specified 60 days in advance of the initial contract period by the Customer and shall be equal to the amount of Customer owned generation or capacity from another electric source for which the Customer desires Back-Up capacity.

In the event the Customer requires Emergency power to be supplied by the Company, the Capacity Reservation deemed contracted for thereafter shall be increased by an amount equal to the net demonstrated usage determined by the amount of Emergency power supplied.

The Capacity Reservation shall be in force for the remainder of the contract period, unless otherwise altered hereunder.

CONTRACT PROVISIONS:

The contract period is defined as a one-year period and service under this schedule shall be for a one-year term and selfrenewing for annual periods thereafter. Unless otherwise authorized by the Company, the Customer may cancel service being provided hereunder upon written notice to the Company, received at least sixty (60) days prior to the end of any contract period.

The Capacity Reservation or Partial Service Capacity may be adjusted during any annual term, upon written request by the Customer, subject to the approval of the Company.

RIDER DIS
Distribution Service Rider

PARTIAL SERVICE SCHEDULE

MAINTENANCE POWER SCHEDULE:

Maintenance power shall be supplied under the applicable Rate Schedule, as determined by the Company using the requested level of maintenance demand, and such power shall be provided only on a prescheduled basis. At no time shall the requested maintenance demand be more than the Partial Service Capacity.

Maintenance power will be available for up to four weeks per calendar year per generating unit. Of these twenty-eight (28) days, the Customer will be permitted up to two consecutive days of Maintenance power, only during off-peak periods, during each of the summer billing periods. A maintenance day shall constitute any 24 consecutive hour period in which Maintenance power is scheduled. Sixty (60) days prior to the initial one-year contract period, and at least 60 days prior to each succeeding annual period, a maintenance schedule shall be presented to the Company by the Customer. Customers with multiple generating units shall present a maintenance schedule for each unit, and shall specify the level of maintenance demand for each unit. The Company reserves the right to modify the maintenance schedule. Any modifications by the Company must be made with reason within 30 days after the annual maintenance schedule is presented by the Customer.

The Customer may request an adjustment in a schedule maintenance outage up to three weeks prior to previously scheduled dates. Adjusted dates must be within one week of the previously scheduled dates and shall result in a scheduled outage of the same seasonal and daily characteristics, time and duration as the previously scheduled maintenance outage. Company approval, or disapproval with reason, for such adjustment shall be given within one week of such request.

The Company may cancel a scheduled maintenance outage with reason at any time with seven (7) days notice prior to the beginning of a scheduled maintenance outage if conditions on the Company's system warrant such a cancellation. Such notification of cancellation shall state the reasons for such cancellation. Summer Maintenance power can be cancelled by the Company within two days of such dates with reason. Scheduled maintenance outage(s) cancelled by the Company shall be rescheduled subject to the mutual agreement of the Customer and the Company.

RIDER DIS
Distribution Service Rider

PARTIAL SERVICE SCHEDULE

TERMS AND CONDITIONS:

1. A Time-of-Day demand meter and a watthour meter, equipped with a detent to prevent reverse rotation, shall be used to measure the energy being supplied by the Company to the Customer. A Time-of-Day demand meter and a watthour meter, equipped with a detent to prevent reverse rotation, shall be installed to measure the energy provided to the Customer from sources other than the Company. The Customer's monthly electric bill shall be calculated by using measurements obtained from these meters.
2. Supplemental power will be calculated by measuring the total capacity and energy that is provided to the Customer by the Company less any Back-Up, Emergency or Maintenance power provided to the Customer by the Company. Supplemental power shall be supplied to any Customer under the Company's appropriate, applicable Rate Schedule in effect at the time of service. The level of firm power requested by the Customer shall determine the appropriate, applicable Rate Schedule.
3. The Customer shall be provided Back-Up power during periods of unscheduled outages, but such power shall not exceed the level of the Customer's Partial Service Capacity. Should recorded demand exceed the level of the Capacity Reservation, the additional demand shall be charged at the Emergency Services Demand and Energy Charge. Back-Up power shall be supplied under the Company's appropriate, applicable Rate Schedule in effect at the time of providing service. The level of Capacity Reservation power requested by the Customer shall determine the appropriate, Applicable Rate Schedule. At no time shall the level of Back-Up power be used to establish demand levels for Supplemental power.
4. Maintenance power shall be supplied to a Partial Service Customer under the appropriate, applicable Rate Schedule in effect at the time of providing service, as determined by the Customer's requested level of Maintenance Demand, and shall be provided on a scheduled basis. At no time will the level of Maintenance power be used to establish demand levels for Supplemental power.
5. Emergency power shall be supplied, subject to availability, and when there will be no detriment to system service reliability, to a Customer who does not contract with the Company for Capacity Reservation, or for any level of demand that exceeds such Capacity Reservation. At no time will the level of Emergency power be used to establish levels for Supplemental power.

GENERAL RULES:

1. All Customers shall comply with applicable national, state and local codes, standards and regulations.
2. All Customers shall comply with the provisions of this schedule, as well as the Company's General Rules and Regulations. The Company reserves the right to refuse or to terminate service under this schedule upon finding that the alternative energy supply will not be installed or is not operating in compliance with this schedule.

RIDER DIS
Distribution Service Rider

PARTIAL SERVICE SCHEDULE

GENERAL RULES:(Cont'd)

3. The Customer agrees to be legally responsible for any damage to the Company's facilities resulting from the alternate electrical source or operation of the Customer's generating equipment. The Customer also agrees to indemnify the Company and save it harmless from all damages, costs, claims, and expenses to the Company, its employees, successors and assigns, or to any third party arising out of, or related to, the operation of the Customer's generator and equipment associated with the connection of the said equipment to the Company's system, except where such damages, costs, claims and expenses have been occasioned by the sole negligence of the Company, its agents or employees. The Company may require proof of adequate insurance or bond.

SPECIAL RULES:

1. The Customer's generating equipment must produce a 60 hertz sine wave output, with distortion at a level which is within applicable industry standards, at a voltage compatible with the Company's service voltage at the Customer's service location.
2. The Customer shall provide the proper electrical devices to disconnect without intentional time delay its generating equipment from the Company's system in the event of a supply outage or a supply circuit failure. A manual disconnection device, capable of being padlocked by the Company, must be provided. The Company shall have access to such equipment at all times and be the sole judge of whether any safety or operating hazards exist.
3. The Customer shall provide the Company with manufacturer's literature describing the electrical characteristics and operation of the proposed generator and associated equipment. The Company shall have the right to refuse connection of any device which it finds incompatible with its electric system.
4. The Customer shall pay all Interconnection costs.
5. The Customer shall perform and bear all costs associated with maintenance work required for its interconnection equipment.
6. Sixty (60) days prior to making any changes or modifications to its equipment which materially impacts operation, the Customer shall notify the Company in writing.
7. At the time that a Customer permanently ceases operation, all equipment which was necessary to permit interconnected operations shall be promptly removed. All costs incurred with the removal shall be borne by the Customer.
8. Any metering costs associated with the Partial Service operation will be borne by the Customer.

RIDER DIS
Distribution Service Rider

PARTIAL SERVICE SCHEDULE

SPECIAL RULES: (Cont'd)

9. The Company may enter into Individualized agreements with Customers which may deviate from this schedule. Such agreements shall address those significant characteristics of service and cost which would influence a need for individualized agreement such as, but not limited to, the following:
 - a. The ability of the Partial Service Customer to accept interruptible service under back-up conditions,
 - b. Whether the arrangement allows for long-term utility planning of least cost capacity availability,
 - c. Whether there is sufficient local facility capacity to serve the load,
 - d. Whether there is sufficient substation capacity to serve the load,
 - e. Whether there is sufficient transmission and generating capacity to serve the load.
10. The Company will allow up to a four (4) hour grace period for the Customer to bring its alternative supply back on line in the event of a Company-caused outage of the alternative supply. Upon written notice and proof within ten (10) days by the Customer that a Company service interruption caused such outage, the Company will supply partial service to the Customer through the Supplemental service provisions. This service will continue until restoration of the alternative supply is established but not for longer than four (4) hours after re-establishment of Company service.

DEFINITIONS:

"Qualifying Facility" (QF) means a cogeneration facility or a small power production facility which is a Qualifying Facility under Subpart 5 of FERC 18 Code of Federal Regulations Part 292.

"Sale" means the sale of electric energy or capacity or both by the Company to a Customer under the Partial Service Schedule.

"Interconnection costs" means the reasonable costs incurred by the Company directly related to the installation and maintenance of the physical facilities necessary to permit interconnected operations with a Customer under the Partial Service Schedule to the extent such costs are in excess of the corresponding costs which the Company would have incurred if it had not engaged in interconnection operations, but instead generated an equivalent amount of electric energy itself or purchased an equivalent amount of electric energy or capacity from other sources. Interconnection costs include, but are not limited to, the cost of connection, switching, metering, transmission, distribution, safety provisions and administrative costs. Interconnection costs do not include any costs included in the calculation of avoided costs.

"Supplemental power" means electric energy or capacity or both supplied by the Company regularly used by a Partial Service Customer, in addition to that which the Customer acquires from alternate sources or generates itself.

RIDER DIS
Distribution Service Rider

PARTIAL SERVICE SCHEDULE

DEFINITIONS: (Cont'd)

"Back-Up power" means electric energy or capacity supplied by the Company, to replace energy ordinarily obtained by the Customer from other sources or produced by the Customer's generating facility, during an unscheduled outage.

"Maintenance power" means electric energy or capacity supplied by the Company during scheduled outages of the Customer's generating equipment or alternate electric supply.

"Emergency power" means Company supplied electric energy or capacity to a Customer served under the Partial Service Schedule who does not purchase Capacity Reservation power in an amount sufficient to meet its needs during the period of an unscheduled outage.

"Excitation power" means Company supplied electric energy or capacity required by the Customer served under the Partial Service Schedule to energize generation equipment, transformers, and other Customer equipment.

"Capacity Reservation" means the level of demand the Customer contracts for on a monthly basis from the Company and shall be that amount up to or equal to the amount of Customer owned generation or capacity from another electric source.

"Partial Service Capacity" means that capacity expected to be achieved by the alternate source of electrical supply as determined by, but not limited to, such indicators as nameplate rating of equipment, alternate power supply agreements, transformer or line limitations, or net demonstrated capability.

"Billing Period" or "billing period" means the monthly period over which the Company normally applies its rates and tariffs.

"Rate Schedule" means the firm power rate schedules contained in the Company's tariffs.

RIDER DIS
Distribution Service Rider

COGENERATORS AND SMALL POWER PRODUCTION FACILITIES

This schedule is applicable to the purchase of power from cogeneration and small power production facilities which are eligible to qualify under Section 210 of the Public Utilities Regulatory Policies Act of 1978, having design capacity of 100 kilowatts or less.

All other electric service which cogenerators or small power producers may require from the Company, such as supplementary, back-up, interruptible or maintenance power shall be furnished under the Company's filed rate schedules in effect for such service.

MONTHLY RATES:

For Purchases of Energy from OF's

1. Provided a Time-of-Day watt-hour meter is used to measure the energy supplied from a Qualifying Facility to the Company, the Company shall purchase the energy supplied on Monday through Friday at the following rates per kWh:

<u>Eastern Standard Time</u>	<u>Summer</u> <u>Cents per kWh</u>	<u>Winter</u> <u>Cents per kWh</u>	<u>Daylight Savings Time</u>
8 a.m. to 8 p.m.	1.6	1.7	9 a.m. to 9 p.m.
8 p.m. to 8 a.m.	1.2	1.4	9 p.m. to 9 a.m.

Energy supplied on Saturday and Sunday from a Qualifying Facility shall be purchased by the Company at a rate of 1.4 cents per kWh in the summer and 1.2 cents per kWh in the winter.

2. Provided a standard watthour meter is used to measure the energy supplied from a Qualifying Facility to the Company, the Company shall purchase the energy supplied at a rate of 1.35 cents per kWh in the summer and 1.51 cents per kWh in the winter.
3. The Winter Rates specified above shall be applicable in eight consecutive monthly billing periods beginning with the October bills each year. The Summer Rates shall apply in all other billing periods.

RIDER DIS
Distribution Service Rider

COGENERATORS AND SMALL POWER PRODUCTION FACILITIES

For Sales of Energy from the Company

4. The Company will provide Transmission and Ancillary Services to a Qualifying Facility under its FERC Open Access Transmission Tariff.
5. The following additional monthly charges shall apply to cover the cost of special metering facilities for measuring the amount of energy supplied from a Qualifying Facility to the Company as follows:

	<u>Single Phase</u>	<u>Polyphase</u>
Time-of-Day Meter		
For Service of 30 kW or Less	\$14.05	\$19.35
For Service Greater Than 30 kW	26.67	29.99
Standard Watthour Meter		
For Service of 30 kW or Less	\$ 8.67	\$14.05
For Service Greater Than 30 kW	21.38	24.70

These costs reflect metering at 240 volts or less. Charges for metering at higher voltages shall be based upon actual costs.

GENERAL RULES:

1. All Qualifying Facility installations shall comply with applicable national, state and local codes, standards and regulations.
2. All Qualifying Facilities shall comply with Company Rules and Regulations listed in this schedule, as well as the Company's Standard Rules and Regulations on file with the Commission. Furthermore, installations shall be made accessible to authorized Company personnel at the time of installation as well as

for periodic inspections thereafter. The Company reserves the right to refuse or to terminate service under this tariff to a Qualifying Facility if the Company finds that the alternate energy device will not be installed or is not operating in compliance with these rules.
3. The Qualifying Facility agrees to be liable for any damage to the Company's facilities resulting from the operation of the generating equipment. The Qualifying Facility also agrees to indemnify the Company and save it harmless from all damages, costs, claims and expenses to the Company, its employees, successors and assigns, or to any third party arising out of or related to the operation, failure or malfunction of the Customer's generator and equipment associated with the connection of the said generator to the Company's system.

RIDER DIS
Distribution Service Rider

COGENERATORS AND SMALL POWER PRODUCTION FACILITIES

SPECIAL RULES:

1. The Qualifying Facility's generating system must produce a 60 hertz sine wave output, with distortion at a level which will not interfere with Company service and which is within applicable industry standards, at a voltage compatible with the Company's service voltage at the Qualifying Facility's service location.
2. The maximum capacity of a Qualifying Facility shall be limited to 100 kW.
3. The Qualifying Facility shall provide the proper electrical devices to disconnect without intentional time delay its generating equipment from the Company's system in the event of a supply outage or a supply circuit failure. A manual disconnecting device, capable of being padlocked by the Company, must be provided. The Company shall have access to such equipment at all times and be the sole judge of whether any safety or operating hazards exist.
4. The Qualifying Facility will provide the Company with manufacturer's literature describing the electrical characteristics and operation of the proposed generator and associated equipment. The Company shall have the right to refuse connection of any device which it finds incompatible with its electric system.
5. A standard meter, equipped with a detent to prevent reverse rotation, shall be used to measure the energy being supplied by the Company to the Qualifying Facility. A standard watthour meter or time-of-day watthour meter, also equipped with a detent, will measure the energy flow from the Qualifying Facility to the Company's system. The measurements obtained from these meters will form the basis for the rates provided for above.
6. The Qualifying Facility shall pay the costs of connection, switching, transmission, distribution, safety provisions and administrative costs incurred by the electric utility directly related to the installation and maintenance of the physical facilities necessary to permit interconnected operations with a Qualifying Facility, to the extent such costs are in excess of the corresponding costs which the Company would have incurred if it had not engaged in interconnected operations.
7. The Qualifying Facility shall perform and bear all costs associated with maintenance work which would be required for its equipment.
8. Prior to making any changes or modification to its equipment or operation, the Qualifying Facility shall notify the Company in writing.
9. At the time that a Qualifying Facility permanently ceases operation, all equipment associated with the operation of the facility, particularly that involved in the connection with the Company's system, shall be promptly removed. All costs incurred with removal shall be borne by the Qualifying Facility.
10. The Qualifying Facility shall make application to the Company for service under this tariff.

RIDER DIS
Distribution Service Rider

GENERAL COMMERCIAL SCHEDULE

Applicable to any Full Service commercial or industrial Customer having a demand of less than 30 kW during the current month and preceding eleven months. A Full Service customer is one that receives all retail electric service from the Company

This schedule is only available to customers on an existing special contract approved by the PUCO or an application for approval of a special contract is pending before the PUCO prior to April 18, 1996.

MONTHLY RATES:

Monthly charges per customer for all customers served under this schedule shall include Distribution Charges, Rate Stabilization Charges, Regulatory Transition Charges and Generation Charges as shown below. Customers who receive Generation Services from a Certified Supplier may not be served under this schedule: therefore no Shopping Credit applies to this schedule.

Distribution Charges:

	<u>SUMMER</u>	<u>WINTER</u>
Energy Charge		
First 500 kWh, per kWh	3.948¢	3.530¢
Next 7,000 kWh, per kWh	3.723¢	3.314¢
All excess kWh, per kWh	2.193¢	1.875¢

3. APPLICABLE RIDERS

The Rates and charges specified above shall be modified in accordance with the provisions of the following applicable Riders:

COMMERCIAL TRANSMISSION AND ANCILLARY SERVICE	Rider No. 20	Sheet No. 97
ELECTRIC FUEL COMPONENT	Rider No. 1	Sheet No. 79
DIRECT CURRENT SERVICE	Rider No. 6	Sheet No. 84
UNIVERSAL SERVICE CHARGE	Rider No. 14	Sheet No. 90
TEMPORARY RIDER FOR EEF	Rider No. 15	Sheet No. 91
STATE AND LOCAL TAX RIDER	Rider No. 16	Sheet No. 92
NET ENERGY METERING	Rider No. 17	Sheet No. 93
GREEN RESOURCE RIDER	Rider No. 27	Sheet No. 104
FUEL COST RECOVERY RIDER	Rider No. 30	Sheet No. 107

RIDER DIS
Distribution Service Rider

GENERAL COMMERCIAL SCHEDULE

SPECIAL RULES:

1. COMBINED BILLING

a. This schedule is applicable to any combination on one meter of more than four residential installations on the same Premises, or any combination on one meter of residential and commercial installations on the same Premises.

b. Where two or more Separate Installations of different Classes of Service on the same Premises are supplied separately with service connections within 10 feet of each other, the meter registrations shall be combined for billing purposes, unless the Consumer shall make written request for separate billing.

2. SCHEDULE TRANSFERS

- a. If in any month the demand of one installation or the undiversified total demand of several installations eligible for Combined Billing equals or exceeds 30 kW, the service for that month and for subsequent months shall be billed under the Large Commercial Schedule as long as such schedule is applicable.
- b. Demand meters will be installed when, in the judgment of the Company based on tests or other data, the billing demand may exceed 30 kW.

RIDER DIS
Distribution Service Rider

LARGE COMMERCIAL SCHEDULE

Applicable to any commercial or industrial Full Service Customer having a demand equal to or in excess of 30 kW during the current month or any of the preceding eleven months. A Full Service customer is one that receives all retail electric service from the Company.

This schedule is only available to customers on an existing special contract approved by the PUCO or an application for approval of a special contract is pending before the PUCO prior to April 18, 1996.

RATE:

Monthly charges per customer for all customers served under this schedule shall include Reactive Demand Charges, Distribution Charges, Rate Stabilization Charges, Regulatory Transition Charges and Generation Charges as shown below. Customers who receive Generation Services from a Certified Supplier may not be served under this schedule; therefore no Shopping Credit applies to this schedule.

Reactive Demand Charge:

For Each rkVA of Reactive Billing Demand, per rkVA \$0.48

Distribution Charges:

SUMMER **WINTER**

Kilowatt Demand Billing Charge:

For the first 50 kWd	\$3.744	\$3.384
For all excess over 50 kWd	\$3.417	\$3.082

APPLICABLE RIDERS:

Rates and charges specified above shall be modified in accordance with provisions of the following applicable Riders in the order shown.

COMMERCIAL TRANSMISSION AND ANCILLARY SERVICE	Rider No. 20	Sheet No. 97
ELECTRIC FUEL COMPONENT	Rider No. 1	Sheet No. 79
PRIMARY METERING DISCOUNT	Rider No. 2	Sheet No. 80
SUPPLY VOLTAGE DISCOUNT	Rider No. 3	Sheet No. 81
DIRECT CURRENT SERVICE	Rider No. 6	Sheet No. 84
OFF PEAK DEMAND FORGIVENESS	Rider No. 7	Sheet No. 85
UNIVERSAL SERVICE	Rider No. 14	Sheet No. 90
TEMPORARY RIDER FOR EEF	Rider No. 15	Sheet No. 91
NET ENERGY METERING	Rider No. 17	Sheet No. 93
STATE KWH TAX SELF-ASSESSOR CREDIT	Rider No. 18	Sheet No. 94
GREEN RESOURCE RIDER	Rider No. 27	Sheet No. 104
FUEL COST RECOVERY RIDER	Rider No. 30	Sheet No. 107

RIDER DIS
Distribution Service Rider

LARGE COMMERCIAL SCHEDULE

SPECIAL RULES:

1. COMBINED BILLING

Where two or more Separate Installations of different Classes of Service on the same Premises are supplied separately with service connections within 10 feet of each other, the meter registrations shall be combined for billing purposes, unless the Consumer shall make written request for separate billing.

2. SCHEDULE TRANSFERS

If for a period of twelve consecutive months, the demand of one installation or the undiversified total demand of several installations eligible for Combined Billing in each such month is less than 30 kW, subsequent service and billing shall be under the terms of the General Commercial Schedule as long as such schedule is applicable.

3. REACTIVE BILLING DEMAND

- a. For all single-phase installations and for those three phase installations where the Kilowatt Demand on any Class of Service is less than 65 kW, the reactive billing demand shall be zero.
- b. If the Kilowatt Demand is 65 kW or higher for three-phase installations, the reactive billing demand shall be determined by multiplying the monthly Kilowatt Demand by the ratio of the monthly lagging reactive kilovoltampere hours to the monthly kilowatthours and subtracting 30 from the resultant product.

4. SERVICE INTERRUPTION

Upon written notice and proof within ten days of any service interruption continuing longer than twenty-four hours, the Company will make a pro rata reduction in the Kilowatt Demand rate. Otherwise the Company will not be responsible for service interruptions.

RIDER DIS
Distribution Service Rider

INDUSTRIAL SCHEDULE

Applicable to any Full Service Customer having a demand of less than 10,000 kW and of more than 500,000 kWh per month or any of the preceding eleven months. A Full Service customer is one that receives all retail electric services from the Company.

This schedule is only available to customers on an existing special contract approved by the PUCO or an application for approval of a special contract is pending before the PUCO prior to April 18, 1996.

RATE:

Monthly charges per customer for all customers served under this schedule shall include Reactive Demand Charges, Distribution Charges, Rate Stabilization Charges, Regulatory Transition Charges and Generation Charges as shown below. Customers who receive Generation Services from a Certified Supplier may not be served under this schedule: therefore no Shopping Credit applies to this schedule.

Reactive Demand Charge:

For Each rkVA of Reactive Billing Demand, per rkVA \$0.48

Distribution Charge:

	<u>SUMMER</u>	<u>WINTER</u>
First 50 kWd, per kW	\$3.081	\$2.784
For All Additional kWd, per kW	\$2.813	\$2.537

APPLICABLE RIDERS:

Rates and charges specified above shall be modified in accordance with provisions of the following applicable Riders in the order shown.

INDUSTRIAL TRANSMISSION AND ANCILLARY SERVICE	Rider No. 21	Sheet No. 98
ELECTRIC FUEL COMPONENT	Rider No. 1	Sheet No. 79
PRIMARY METERING DISCOUNT	Rider No. 2	Sheet No. 80
SUPPLY VOLTAGE DISCOUNT	Rider No. 3	Sheet No. 81
CUSTOMER'S SUBSTATION DISCOUNT	Rider No. 4	Sheet No. 82
OFF-PEAK DEMAND FORGIVENESS	Rider No. 7	Sheet No. 85
UNIVERSAL SERVICE	Rider No. 14	Sheet No. 90
TEMPORARY RIDER FOR EEF	Rider No. 15	Sheet No. 91
NET ENERGY METERING	Rider No. 17	Sheet No. 93
STATE KWH TAX SELF-ASSESSOR CREDIT	Rider No. 18	Sheet No. 94
GREEN RESOURCE RIDER	Rider No. 27	Sheet No. 104
FUEL COST RECOVERY RIDER	Rider No. 30	Sheet No. 107

RIDER DIS
Distribution Service Rider

INDUSTRIAL SCHEDULE

SPECIAL RULES:

1. SUBMETERING OR REDISTRIBUTION PROHIBITED

This schedule is applicable only where all of the electricity supplied is used solely by the Consumer for his own individual use, except as provided by Special Rule 5.

2. SCHEDULE TRANSFERS

- a. If in each month the kilowatthour use is less than 500,000 kWh for a period of twelve consecutive months, subsequent service and billing shall be under the terms of the Large Commercial Schedule as long as such schedule is applicable.
- b. If in any month the maximum 30-minute kW demand exceeds 10,000 kW, the Customer shall contract for service under another schedule beginning with the next succeeding month.

3. REACTIVE BILLING DEMAND

The reactive billing demand shall be determined by multiplying the monthly Kilowatt Demand by the ratio of the monthly lagging reactive kilovolt ampere-hours to the monthly kilowatthours and subtracting 30 from the resultant product.

4. SERVICE INTERRUPTION

Upon written notice and proof within ten days of any service interruption continuing longer than twenty-four hours, the Company will make a pro rata reduction in the Kilowatt Demand rate. Otherwise the Company will not be responsible for service interruptions.

5. BUILDINGS USED PRIMARILY FOR OFFICE PURPOSES

Either submetering or redistribution, as defined by the definitions of Section IX of the General Rules and Regulations, shall be permitted for buildings used primarily for office purposes upon the Customer executing a written application agreeing that service hereunder (1) shall be for five years, and for successive periods of two years each, unless written notice of termination is given one year before expiration of the five-year period, or any two-year renewal period; (2) shall be supplied solely by the Company during the initial and renewal periods; and (3) shall not be submetered to its tenants at charges greater than that which the tenant would pay to the Company on the otherwise applicable rate schedules.

Noncompliance with the terms and conditions of Special Rule 5 will result in the Customer not being eligible to receive service under the Industrial Schedule.

RIDER DIS
Distribution Service Rider

LARGE INDUSTRIAL SCHEDULE

Applicable to any Full Service Customer who shall contract for a demand equal to or in excess of 5,000 kilowatts for a period of not less than five years. A Full Service customer is one that receives all retail services from the Company.

This schedule is only available to customers on an existing special contract approved by the PUCO or an application for approval of a special contract is pending before the PUCO prior to April 18, 1996.

RATE:

Monthly charges per customer for all customers served under this schedule shall include Reactive Demand Charges, Distribution Charges, Rate Stabilization Charges, Regulatory Transition Charges and Generation Charges as shown below. Customers who receive Generation Services from a Certified Supplier may not be served under this schedule: therefore no Shopping Credit applies to this schedule.

Reactive Demand Charge:

For Each rkVA of Reactive Billing Demand, per rkVA \$0.48

Distribution Charges:

SUMMER WINTER

Kilowatt Demand Billing Charge:

First 5,000 kWd, per kW \$ 2.302 \$2.094

For All Additional kWd, per kW \$ 2.131 \$1.937

METERING AND SUPPLY:

The Rates of this schedule are for primary-metered electricity at all primary supply voltages other than 132 kV and for secondary-metered electricity on installations supplied at 132 kV. If electricity is supplied at any voltage other than 132 kV and is metered on the secondary side of the transformer bank, the monthly meter registrations will be increased 1%. The Company reserves the right to specify the supply voltage and the Company shall determine whether electricity shall be metered primary or secondary.

RIDER DIS
Distribution Service Rider

LARGE INDUSTRIAL SCHEDULE

APPLICABLE RIDERS:

Rates and charges specified above shall be modified in accordance with provisions of the following applicable Riders in the order shown.

INDUSTRIAL TRANSMISSION AND ANCILLARY SERVICE	Rider No. 21	Sheet No. 98
ELECTRIC FUEL COMPONENT	Rider No. 1	Sheet No. 79
PRIMARY METERING DISCOUNT	Rider No. 2	Sheet No. 80
SUPPLY VOLTAGE DISCOUNT	Rider No. 3	Sheet No. 81
CUSTOMER'S SUBSTATION DISCOUNT	Rider No. 4	Sheet No. 82
OFF-PEAK DEMAND FORGIVENESS	Rider No. 7	Sheet No. 85
UNIVERSAL SERVICE	Rider No. 14	Sheet No. 90
TEMPORARY RIDER FOR EEF	Rider No. 15	Sheet No. 91
NET ENERGY METERING	Rider No. 17	Sheet No. 93
STATE KWH TAX SELF-ASSESSOR CREDIT	Rider No. 18	Sheet No. 94
GREEN RESOURCE RIDER	Rider No. 27	Sheet No. 104
FUEL COST RECOVERY RIDER	Rider No. 30	Sheet No. 107

SPECIAL RULES:

1. CONTRACT DEMAND

The Contract Demand under this schedule shall be the Kilowatt Demand for which the Customer initially contracts, which shall not be for less than 5,000 kW. The Contract Demand shall be adjusted whenever monthly Kilowatt Demand billings exceed such contracted demand in any three months of a twelve consecutive month period. In such event, the Company shall adjust the Contract Demand to equal the average of the three highest monthly Kilowatt Demand billings incurred during any twelve consecutive months of the preceding months of the contract term (not exceeding 59 months of such contract term).

2. RESALE OR REDISTRIBUTION PROHIBITED

This schedule is applicable only where all of the electricity supplied is used solely by the Consumer for his own individual use.

3. REACTIVE BILLING DEMAND

- The Company shall each month determine the net leading or lagging reactive kilovoltampere demand registered during the same 30-minute period as the maximum Kilowatt Demand.
- If the rkVA demand so determined is lagging, the reactive billing demand shall be the rkVA which are in excess of 10 percent of the Kilowatt Demand billed.
- If the rkVA demand so determined is leading, the reactive billing demand shall be the rkVA which are in excess of 40 percent of the Kilowatt Demand billed.

4. SERVICE INTERRUPTION

Upon written notice and proof within ten days of any service interruption continuing longer than twenty-four hours, the Company will make a pro rata reduction in the billing demand and the minimum charges. The Company will not be otherwise responsible for service interruptions.

Filed pursuant to Order dated _____, in Case No. 08-XXX-EL-SSO, before

The Public Utilities Commission of Ohio

RIDER DIS
Distribution Service Rider

Rider No. 2—PRIMARY METERING DISCOUNT

If the electricity is metered on the primary side of the transformer, a discount of 2 percent of the primary meter registration in each of the Company's electric schedules in which this Rider is applicable will be allowed for electricity so metered.

Rider No. 3—SUPPLY VOLTAGE DISCOUNT

A discount on the monthly Kilowatt Demand charges in each of the Company's electric schedules in which this Rider is applicable will be allowed when the supply is entirely from 132 kV Overhead Circuits or 33 kV Overhead Circuits (for the purpose of this Rider 33 kV Overhead shall include 13.8 kV Overhead transmission circuits fed directly from a power plant bus):

<u>Class of Supply</u>	<u>Discount per kW of Demand Billed per Month</u>
132 kV Overhead	\$1.80
33 kV Overhead	\$0.10

Rider No. 4 - CONSUMER'S SUBSTATION DISCOUNT

If the Consumer elects to furnish and maintain or lease or otherwise contract for all transforming, switching and other equipment required on the Consumer's Premises, a discount of 30 cents per kW of demand billed will be allowed on the monthly Kilowatt Demand charges in each of the Company's electric schedules in which this Rider is applicable.

Rider No. 7—OFF-PEAK DEMAND FORGIVENESS

This Rider is applicable to Full Service Customers with service provided for the purpose of religious worship or to any Full Service Customer having a kW Demand Billing equal to or more than 100 kW (or 20 kW or greater on the Optional Electric Process Heating and Electric Boiler Load Management Schedule) in the current month or any of the preceding eleven months, provided that such Customers either elect to pay a \$4.30 per month per meter charge associated with the metering equipment necessary to effectively implement that off-peak option, or has metering equipment to determine off-peak demand measurement. (When minimum/maximum charges are calculated, the \$4.30 charge will be added to that calculation.) In such event, the monthly billing kilowatt demand shall be the highest on-peak kW demand recorded during the billing period, or the sum of the highest on-peak kW demand plus 25 percent of the difference between the highest off-peak and highest on-peak kW demand recorded during the billing period, whichever is greater.

A Full Service customer is one that receives all electric services, including Generation Services, from the Company. On - peak shall be defined as 8:00 a.m. - 8:00 p.m. weekdays, except Holidays. Unless otherwise specified, off peak will be Saturdays, Sundays, and those time periods not defined as on peak. Other days and time periods may be considered off -peak at the option of the Company.

RIDER DIS
Distribution Service Rider

RIDER 16 - STATE AND LOCAL TAX RIDER

Municipal Distribution Tax

Applicability:

The Municipal Distribution Tax applies to all customers within the service territory in accordance with Sec. 718.01(f) of the Revised Code. Beginning with bills rendered with usage occurring only on or after January 1, 2003, in addition to charges provided for in the Company tariffs, a Municipal Distribution Tax will be included in the customer bill based on the Municipal Distribution Tax Rate applied to the Distribution revenue that is to be collected.

Changes:

Beginning in January 2003, the Company will annually submit a revised Municipal Distribution Tax Rate based on estimated tax liability and estimated Distribution revenues. In addition, beginning in January 2004, the Company will include a reconciliation that addresses the variances between actual municipal tax obligations and actual recovery.

Municipal Distribution Tax Rate:

1.871%

RIDER GEN
Generation Service Rider

APPLICABILITY:

For customers taking the Standard Service Offer electric generation service ("SSO Generation Service") from the Company, the following Standard Service Offer Generation Charges (SSOGC) by rate schedule, will apply, effective for service rendered beginning January 1, 2009, for all kWhs per kWh:

<u>RATE:</u>	<u>Summer</u>	<u>Winter</u>
RS	x.xxxx¢	x.xxxx¢
GS	x.xxxx¢	x.xxxx¢
GP	x.xxxx¢	x.xxxx¢
GSU	x.xxxx¢	x.xxxx¢
GT	x.xxxx¢	x.xxxx¢
STL	x.xxxx¢	x.xxxx¢
TRF	x.xxxx¢	x.xxxx¢
POL	x.xxxx¢	x.xxxx¢

The Toledo Edison Company
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RIDER GEN
Generation Service Rider**APPLICABILITY:**

For customers taking the Standard Service Offer electric generation service ("SSO Generation Service") from the Company, the following Standard Service Offer Generation Charges (SSOGC) by rate schedule, will apply, effective for service rendered beginning January 1, 2009, for all kWhs per kWh:

<u>RATE:</u>	<u>Summer</u>	<u>Winter</u>
RS	x.xxxx¢	x.xxxx¢
GS	x.xxxx¢	x.xxxx¢
GP	x.xxxx¢	x.xxxx¢
GSU	x.xxxx¢	x.xxxx¢
GT	x.xxxx¢	x.xxxx¢
STL	x.xxxx¢	x.xxxx¢
TRF	x.xxxx¢	x.xxxx¢
POL	x.xxxx¢	x.xxxx¢

Filed pursuant to Order dated _____, in Case No. 08-XXX-EL-SSO, before

The Public Utilities Commission of Ohio

Issued by: Anthony J. Alexander, President

Effective: January 1, 2009