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**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

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In the Matter of the Commission's
Review of Chapters 4901:1-17 and
4901:1-18 and Rules 4901:1-5-07,
4901:1-10-22, 4901:1-13-11, 4901:1-15-
17, 4901:1-21-14, and 4901:1-29-12 of
the Ohio Administrative Code.

Case No. 08-723-EL-ORD

**OHIO EDISON COMPANY,
THE CLEVELAND ELECTRIC ILLUMINATING COMPANY, AND
THE TOLEDO EDISON COMPANY MEMORANDUM CONTRA TO
APPLICATIONS FOR REHEARING OF THE CONSUMERS GROUP AND
COLUMBIA GAS OF OHIO, INC.**

I. INTRODUCTION

Pursuant to Rule 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 file their Memorandum Contra to Applications for Rehearing of the Consumers Group¹ and Columbia Gas of Ohio, Inc. ("Columbia Gas"), in the above-captioned case. As explained in detail in the attached Memorandum in Support, the Applications for Rehearing of the Consumers Group and Columbia Gas seek rule changes that would impose unjust and unreasonable burdens on the Companies and should be rejected by the Commission, consistent with the Commission's Finding and Order in this matter.

For these reasons, the Companies respectfully request that the Commission deny the Applications for Rehearing of the Consumers Group and Columbia Gas.

¹ The "Consumers Groups" include the Office of the Ohio Consumers' Counsel, the Appalachian People's Action Coalition, Cleveland Housing Network, Empowerment Center of Greater Cleveland, the Neighborhood Environmental Coalition, Consumers for Fair Utility Rates, United Clevelanders Against Poverty, Supports to Encourage Low-Income Families, Cleveland Tenants' Organization, Communities United For Action, May Dugan Center, Pro Seniors, Inc., Harcatus Tri-County Community Action Organization, the Ohio Farm Bureau Federation, and the Edgemont Neighborhood Coalition.

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II. ARGUMENT

A. Application for Rehearing of 4901:1-18-05(B)(2) Extended Payment Plans.

The Consumers Group¹ criticizes the Commission's approval of a modified one-sixth plan arguing that the Commission should require utilities to offer both the one-sixth plan and the modified one-sixth plan. The Consumers Group also contends that customers should be able to negotiate the upfront payment for the modified one-sixth plan. The Consumers Group states "The Commission failed to consider that unaffordable payment plans can result in further collection difficulties for customers, additional collection management costs for utilities, and increased debt expense for all ratepayers." The Consumers Groups' arguments and finding against the Commission are incorrect. The Commission did fully consider the modified one-sixth plan. In fact the Commission specifically articulates its attempt to balance and mitigate collection difficulties for customers, additional collection management costs for utilities and increased debt expense for ratepayers, stating:

The Commission believes that Staff's intent, in proposing the modified one-sixth payment plan, is to permit customers to have seven months, rather than six, to bring their utility account current, by first making a good faith down payment and then making timely payments for the next six months.

The Consumers Group fails to recognize that the purpose of "modifying" the one-sixth plan was to improve the existing plan and not to create another payment plan

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bearing the same name. The Commission's modification to the one-sixth plan was reasonable and the Consumers Groups' proposed revisions were rightly rejected.

B. Applications for Rehearing of 4901:1-18-07(A) Reconnection of service.

The Consumers Group and Columbia Gas each oppose the Commission's adoption of revised language governing the reconnection of service that has been disconnected for greater than ten business days. While it is clear that the Consumers Group opposes the change because it was not aware of problems with the existing rule. It is not clear why Columbia Gas opposes the change. In fact, Columbia Gas states that it "agrees with the Commission's intent in providing for different reconnection timelines depending on the length of time (greater than 10 business days, vs. 10 business days or less) that a customer has been disconnected." The Commission's adoption of the revised rule was reasonable and provided a balanced approach. Furthermore, the Commission supported its decision citing the reply comment of AEP and FirstEnergy which confirmed that when a customer prolongs reconnection a utility's workload may be exponentially increased and such customers should be placed in the company's queue for reconnection of service. Finding and Order at 44, citing AEP Reply at 14 and FirstEnergy Reply at 18-19.

Columbia Gas states that "[t]he New Rule does not, however, maintain a clear distinction between customers who have been disconnected for more than ten days and those who have not." It appears that Columbia Gas may merely need clarification as to which customers have been disconnected for more than ten days. The Companies are fully aware of which of their customer have been disconnected for more than ten days and appreciate the balance and flexibility provided in the revised rule.

III. CONCLUSION

For the foregoing reasons, the Companies respectfully request the Commission to deny the Applications for Rehearing of the Consumers Group and Columbia Gas.

Respectfully submitted

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CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company Memorandum Contra to Applications for Rehearing of the Consumers Group and Columbia Gas of Ohio, Inc. was served by first-class mail, postage prepaid, to the following parties of record this 26th day of January, 2009:

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