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March 4, 2009

VIA FACSIMILE AND FEDERAL EXPRESS

Public Utilities Commission of Ohio Docketing Division 180 East Broad Street Columbus, OH 43215-3793

Re:

Case Nos. 08-935-EL-SSO, 09-021-EL-ATA, 09-022-EL-AEM &

09-023-EL-AAM

Dear Sir or Madam:

Enclosed for filing please find an original and 20 copies of Comments of Morgan Stanley Capital Group Inc. in Support of Stipulation and Supplemental Stipulation in the above-referenced cases.

Also enclosed is one extra copy of the document to be dated-stamped and returned to me in the enclosed, self-addressed Federal Express envelope. Please do not hesitate to contact me at the number above if you have any questions.

Thank you for your assistance in this matter.

Sincerely,

Douglas M. Mandaw / Douglas M. Mancino Gregory K. Lawrence

GKL/maj

Enclosures

#### **BEFORE**

### THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company for Authority to Establish a Standard Service Offer Pursuant to R.C. § 4928.143 in the Form of an Electric Security Plan	) ) ) ) )	Case No. 08-935-EL-SSO
In the Matter of the Application of Ohio Edison Company, The Cleveland Electric Illuminating Company and The Toledo Edison Company for Approval of Rider FUEL and Related Accounting Authority	) ) ) )	Case No. 09-021-EL-ATA Case No. 09-022-EL-AEM Case No. 09-023-EL-AAM

# COMMENTS OF MORGAN STANLEY CAPITAL GROUP INC. IN SUPPORT OF STIPULATION AND SUPPLEMENTAL STIPULATION

Morgan Stanley Capital Group Inc. ("MSCG") supports the stipulations. While MSCG is not requesting any changes to the stipulations, we believe that the end result would be materially improved by including position limits for winning suppliers, often referred to as "load caps", to the extent allowed by Ohio law. MSCG looks forward to discussing this issue in future collaborative processes as anticipated in the stipulation. Load caps are beneficial to consumers because they encourage greater market participation and competitive bidding, and thus can reduce final costs for consumers. Likewise, load caps can help diversify First Energy's credit exposure to multiple suppliers for power procurement. Indeed, in a recent filing before the Pennsylvania Public Utility Commission, First Energy agreed with such an assessment stating that load caps are in the public's interest because they promote diversity of suppliers.<sup>1</sup>

Joint Petition of Metropolitan Edison Company and Pennsylvania Electric Company for Approval of their Default Service Programs. Before the Pennsylvania Public Utility Commission, February 20, 2009 at P 61 (stating, "[t]he Companies believe their proposed Programs are in the public's interest, insofar as the Programs have many beneficial features including the fact that they: Promote diversity of suppliers through the use of load limits...).

WHEREFORE, Morgan Stanley Capital Group Inc. respectfully submits its comments in support of the stipulations.

Respectfully submitted,

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## **CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing Comments of Morgan Stanley Capital Group Inc. In Support of Stipulation and Supplemental Stipulation was served upon the parties of record this 4th day of March, 2009, via electronic email.

Gregory K. Lawrence

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