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PUCO

January 21, 2010

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Public Utilities Commission of Ohio
PUCO Docketing
180 East Broad Street, 10th Floor
Columbus, OH 43215

Cuyahoga County
& ADMINISTRATIVE OFFICES
1223 West Sixth Street
Cleveland, OH 44113
Phone: 216.687.1900
Toll-Free: 888.817.3777
Fax: 216.687.0779

Re: Case Nos. 09-1820-EL-ATA, 09-1821-EL-GRD, 09-1822-EL-EEC, 09-1823-EL-AAM *In the Matter of the Application of Ohio Edison Company, The Cleveland Electric Illuminating Company and The Toledo Edison Company for Approval of Ohio Site Deployment of the Smart Grid Modernization Initiative and Timely Recovery of Associated Costs*

Ashtabula County
121 East Walnut Street
Jefferson, OH 44047
Phone: 440.576.8120
Toll-Free: 866.873.9665
Fax: 440.576.3021

Dear Sir/Madam:

Please find enclosed an original and 21 copies of the Citizens Coalition's Letter with Reply Comments to be filed in the above-referenced case. We have enclosed a self-addressed, postage-paid envelope. Please send a time-stamped copy back to us.

Lake & Geauga Counties
8 North State Street
Suite 300
Painesville, OH 44077
Phone: 440.352.6200
Toll-Free: 888.808.2800
Fax: 440.352.0015

A copy of this was also sent via facsimile to PUCO Docketing. Copies have been served on all parties.

Lorain County
538 West Broad Street
Suite 300
Elyria, OH 44035
Phone: 440.323.8240
Toll-Free: 800.444.7348
Fax: 440.323.8526

Thank you for your assistance.

Respectfully yours,

Matthew D. Vincel
Attorney at Law

www.lasclev.org

Enc.

cc: Parties of Record

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The
Legal Aid Society
of Cleveland
Since 1905

Chief of Docketing
The Public Utilities Commission of Ohio
180 East Broad Street
Columbus, Ohio 43215-3793

January 21, 2010

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SUBJECT:

| | | |
|--|---|-------------------------|
| In the Matter of the Application of Ohio |) | |
| Edison Company, The Cleveland Electric |) | Case No. 09-1820-EL-ATA |
| Illuminating Company and The Toledo Edison |) | Case No. 09-1821-EL-GRD |
| Company for Approval of Ohio Site |) | Case No. 09-1822-EL-EEC |
| Deployment of the Smart Grid |) | Case No. 09-1823-EL-AAM |
| Modernization Initiative and Timely |) | |
| Recovery of Associated Costs |) | |

To the PUCO, Commissioners, Attorney Examiner, and Staff,
And to all Parties involved in these cases. 9655238

This counsel of Attorney Joseph Meissner represents the Citizens Coalition. Yesterday, January 20, 2010, was the date set in the PUCO Entry, dated December 30, 2009, for the filing of Reply Comments related to the Application on November 18, 2009, filed by FirstEnergy on its Smart Grid Modernization Initiative as well as the recovery of various costs and any possible associated lost distribution revenues.

It was the intention of the Citizens Coalition through its counsel to file Reply Comments on January 20, 2010. Unfortunately, counsel Joseph Meissner who was necessary for filing the Comments had a major flooding problem in the house yesterday morning, complicated by his falling down a flight of wet stairs. It was thus impossible to complete the Reply Comments and file these timely, just as it was impossible because of a medical situation to file the Initial Comments last week.

www.lasclev.org

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 **LSC**

In the alternative, again, Counsel for the Citizens Coalition is filing this Letter with the Commission about the main concerns and questions of the Citizens Coalition related to FirstEnergy's Smart Grid Application and cost recovery issues as well as the various Initial Comments filed by parties to this proceeding.. The Coalition would request that the PUCO consider this Letter with its Reply Comments in its decision, to the extent this is permissible, by law, regulations, and precedent.

1. Importance of this Proceeding related to Smart Grid: As stated in the letter of January 14, 2009, The Citizens Coalition views this proceeding as extremely important, both to the customers and to the companies, for the progress of the Ohio Electric Industry in serving the needs of the customers. These sentiments are echoed by all the parties who did file Initial Comments. We urge the PUCO to give this issue the necessary attention that it deserves.

2. Comparison of Smart Grid Costs and Benefits: Before any action is taken by FirstEnergy to use taxpayer and customer funds, a thorough cost-benefit analysis and study is needed. Such a study would investigate all the costs that a Smart Grid system would entail compared to the financial benefits for the customers, especially whether Smart Grid will lower our excessively high electric rates. Furthermore, this study would investigate when the costs would be incurred and when the economic benefits would take place. The Citizens Coalition understands that the outlay for Smart Grid could be in the billions with much of this upfront. On the other hand, the Citizens Coalition understands that any economic benefits could be years away, even decades into the future. This hardly seems like a program that should be adopted at this present time, given all of our economic burdens and recession.

3. The Cost of the meters alone for CEI customers could run into the Billions of dollars:
The Citizens Coalition understands that the initial \$114 million that will be spent on the FirstEnergy Application is only a small beginning sum for this whole Smart Grid Project. Each meter has a cost of over \$900 according to FirstEnergy. Even if this amount were cut in half (as various parties suggested in their Initial Comments), considering the number of customers of CEI, the total cost for meters alone would be well over a billion dollars and probably several billion dollars.

If this is true, the PUCO should insure that this Project will really benefit customers. This has not been demonstrated by anyone yet, including FE and its operating companies.

4. Need for a Full-scale Proceeding including Adequate Time for Citizen Involvement:

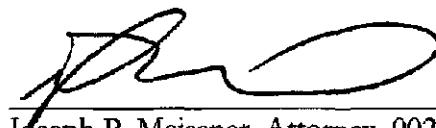
Given the amount of money that FirstEnergy is seeking to recover from its already overburdened customers and given the amounts of money that Smart Grid may eventually cost, it would seem proper and wise to have a full-scale PUCO proceeding with adequate time provided to all so that all can participate in the proceeding, provide their views and testimony, and present their arguments. This has not been done yet. The Citizens Coalition would urge the PUCO—especially after the various comments and questions raised by all the Initial Comments—to schedule such a proceeding and provide adequate notice to the public.

Finally, in our Initial letter dated January 14, 2010, the Citizens Coalition did raise Ten Concerns. We urge the PUCO to consider these and use these in any PUCO decision.

We ask the Commission and other parties to consider the concerns and questions raised in the Initial Letter from the Citizens Coalition as well as the Issues and Concerns expressed in this Reply Letter.

Thank you for your time and attention.

Respectfully submitted:



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cc: All parties