

**BEFORE  
THE PUBLIC UTILITY 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 Their Energy Efficiency and Demand Reduction Program Portfolio Plans for 2010 and Associated Cost Recovery Mechanisms.	) ) ) ) ) )	Case No. 09-1947-EL-POR Case No. 09-1948-EL-POR Case No. 09-1949-EL-POR
In the Matter of the Application of Ohio Edison Company, The Cleveland Electric Illuminating Company and The Toledo Edison Company for Approval of Their Initial Benchmark Reports.	) ) ) )	Case No. 09-1942-EL-EEC Case No. 09-1943-EL-EEC Case No. 09-1944-EL-EEC
In the Matter of the Energy Efficiency and Peak Demand Reduction Program Portfolio of Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company.	) ) ) ) )	Case No. 09-580-EL-EEC Case No. 09-581-EL-EEC Case No. 09-582-EL-EEC

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**THE JOINT OBJECTIONS OF  
THE OHIO MANUFACTURERS' ASSOCIATION AND  
THE OHIO HOSPITAL ASSOCIATION**

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Pursuant to the Legal Director's Entry dated January 14, 2010, and Ohio Admin. Code Section 4901:1-39-07(B), the Ohio Manufacturers' Association ("OMA") and the Ohio Hospital Association ("OHA") submit their objections to Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company (collectively "FirstEnergy") energy efficiency and peak demand reduction program portfolio for 2010 through 2012, including its initial benchmark report.

**BACKGROUND**

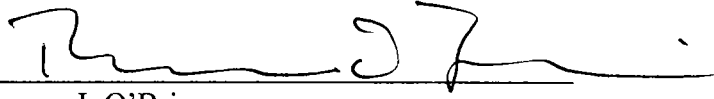
On December 15, 2009, FirstEnergy filed its first application for approval of its Energy Efficiency and Peak Demand Reduction Program Portfolios ("Application" and "EE/PDR

Plan”). Paragraph 23 of its Application (at p. 9) indicates that FirstEnergy is requesting to modify its Rider DSE 2 to include the recovery of shared savings that result from its EE/PDR Plan. The details of FirstEnergy’s proposal are more fully explained in the testimony of FirstEnergy witness Mr. Ouellette. According to the testimony of Mr. Ouellette, FirstEnergy will include a shared savings component in Rider DSE provided one or more of the Companies achieve more reductions than are mandated by Ohio Revised Code (“R.C.”) Section 4928.66 in any given year. According to Mr. Ouellette, the shared savings component will provide FirstEnergy with 15% of the net benefit as calculated by the company utility cost test, net of taxes, for generating savings in excess of the particular company’s required benchmarks. Application, Exhibit 3, pp. 9-10.

### **OBJECTIONS**

The OMA and OHA object to FirstEnergy’s inclusion of a sharing mechanism in their proposed Plan. While it is true that the Ohio Administrative Code Rule 4901:1-39-07(A) does specify that an electric utility may submit a request for recovery of shared savings as part of its filing of a proposed program portfolio plan, the rule provides no guidance as to the appropriateness of shared savings recovery. Unless there is a clear, unambiguous benefit to FirstEnergy’s customers from any such shared savings mechanism, the value of any annual overage should belong entirely to the customers that paid the cost of achieving that annual overage. In any event, it would be unfair to FirstEnergy’s ratepayers to increase the cost of compliance with R.C. Section 4928.66 without a very clear showing that FirstEnergy’s execution of its Plan Portfolio somehow led to a reduction in cost in the future years that would justify a current increase in the cost of FirstEnergy’s compliance with the law.

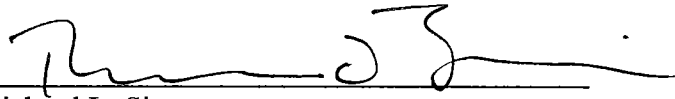
Respectfully submitted on behalf of  
THE OHIO MANUFACTURERS' ASSOCIATION



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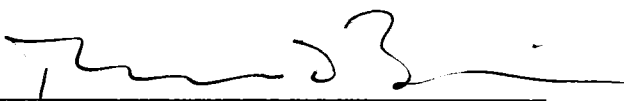


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**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that a copy of the foregoing Objections was served upon the parties of record listed below this 16<sup>th</sup> day of January 2010 *via* electronic mail.

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

**Commission of Ohio Docketing Information System on**

**2/16/2010 4:21:54 PM**

**in**

**Case No(s). 09-1947-EL-POR**

Summary: Objection of The Ohio Manufacturers' Association and The Ohio Hospital Association electronically filed by Teresa Orahod on behalf of Ohio Manufacturers' Association and Ohio Hospital Association