

**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       | ) | Case Nos. 09-1947-EL-POR |
| Edison Company For Approval of Their       | ) | 09-1948-EL-POR           |
| Energy Efficiency and Peak Demand          | ) | 09-1949-EL-POR           |
| Reduction Program Portfolio Plans for 2010 | ) |                          |
| through 2012 and Associated Cost Recovery  | ) |                          |
| Mechanisms.                                | ) |                          |
|  | ) |                          |
| In the Matter of the Application of Ohio   | ) | Case Nos. 09-1942-EL-EEC |
| Edison Company, The Cleveland Electric     | ) | 09-1943-EL-EEC           |
| Illuminating Company, and The Toledo       | ) | 09-1944-EL-EEC           |
| Edison Company For Approval of Their       | ) |                          |
| Initial Benchmark Reports.                 | ) |                          |
|  | ) |                          |
| In the Matter of the Energy Efficiency and | ) | Case Nos. 09-580-EL-EEC  |
| Peak Demand Reduction Program Portfolio of | ) | 09-581-EL-EEC            |
| Ohio Edison Company, The Cleveland         | ) | 09-582-EL-EEC            |
| Electric Illuminating Company, and The     | ) |                          |
| Toledo Edison Company                      | ) |                          |

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REBUTTAL TESTIMONY OF

GREGORY M. TOTH

ON BEHALF OF

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

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1

2 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS?**

3 A. My name is Gregory M. Toth. My business address is FirstEnergy Corp.  
4 (“FirstEnergy”), 76 S. Main St., Akron, Ohio 44308.

5 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

6 A. I am employed by FirstEnergy Service Company as Consumer Products Lead.

7 **Q. ON WHOSE BEHALF ARE YOU TESTIFYING IN THIS PROCEEDING?**

8 A. I am testifying on behalf of Ohio Edison Company (“OE”), The Toledo Edison  
9 Company (“TE”) and The Cleveland Electric Illuminating Company (“CEI”)  
10 (collectively, “Companies”). Unless otherwise stated, my testimony equally  
11 applies to all three Companies.

12 **Q. PLEASE SUMMARIZE YOUR EDUCATIONAL AND PROFESSIONAL**  
13 **BACKGROUND.**

14 A. I received a Bachelor of Science degree from the University of Findlay in  
15 Psychology, and I joined FirstEnergy Service Company in 2002.

16 I am the chairman of the Residential and Low Income Subcommittee of  
17 the Companies’ Collaborative for energy efficiency and demand side management  
18 (the “Residential Subcommittee”).

19 **Q. WHAT ARE YOUR RESPONSIBILITIES AS CONSUMER PRODUCTS**  
20 **LEAD IN THE CUSTOMER SERVICE AND ENERGY EFFICIENCY**  
21 **GROUP?**

22 A. As Consumer Products Lead, I am responsible for the creation, execution, and  
23 management of FirstEnergy’s strategy for consumer products services, energy

1 efficiency, residential programs and customer satisfaction for customers across  
2 Ohio, Pennsylvania and New Jersey. This includes new business development,  
3 partner relations, communications, advertising, and promotional initiatives.

4 **Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?**

5 A. The purpose of my rebuttal testimony in this proceeding is to respond to  
6 statements made by Daniel J. Sawmiller on behalf of The Ohio Consumers'  
7 Counsel ("OCC") concerning sunk costs related to the Compact Fluorescent  
8 Lighting ("CFL") program approved by the Commission on September 23, 2009,  
9 which I will refer to as the "Approved CFL Program."

10 **Q. DOES MR. SAWMILLER CHALLENGE THE SUNK COSTS OF THE**  
11 **APPROVED CFL PROGRAM THAT ARE INCLUDED IN THE**  
12 **PORTFOLIO PLAN?**

13 A. He challenges three line items of these costs. First, he criticizes four months of  
14 charges totaling approximately \$120,000 that the Companies incurred from  
15 December 2009 through March 2010 to store the CFL bulbs in warehouses.  
16 Second, he criticizes the amount the Companies spent on marketing and  
17 advertising costs for the Approved CFL Program, which he describes as "a mere  
18 \$427,000 of the \$1.8 million costs allocated for marketing." Third, he objects to  
19 "management costs" as unjustified, but does not identify the amount of these  
20 costs.

21 I will discuss each of Mr. Sawmiller's recommendations and the reasons  
22 why they should be rejected in more detail below. In order to do that, I need to  
23 provide a timeline.

1 **Q. WHAT IS THE TIMELINE?**

2 A. On July 9, 2009, the Companies filed an application with the Commission  
3 requesting approval of a program that would provide for direct distribution – via  
4 several distribution channels – of 3.75 million CFL bulbs to customers in 2009.  
5 Because the Companies intended to apply the energy savings from this program  
6 toward satisfying their 2009 energy efficiency benchmarks, the Companies  
7 requested that the application be approved no later than thirty days from the date  
8 of filing.

9 On September 16, 2009, the Companies submitted a letter to the  
10 Commission stating that the CFL program had been refined as a result of several  
11 factors, including discussions with Staff and several intervenors in the  
12 Collaborative and the decreasing amount of time remaining in 2009 to realize the  
13 benefits of the program. One refinement was to push the CFL bulbs out to  
14 customers before the end of 2009 using direct distribution (door-to-door and  
15 postal) to customers. On September 23, 2009, the Commission approved the  
16 program, as refined, and agreed that the costs of the program were not  
17 unreasonable. The Company then purchased 3.75 million CFL bulbs and  
18 immediately began to ramp up staging and delivery processes so that the energy  
19 saving benefits of the Approved CFL Program would be obtained in 2009.

20 On Oct. 7, 2009, the Commission asked FirstEnergy to postpone  
21 deployment of the Approved CFL Program. On Oct. 8, 2009, OCC filed an  
22 application for rehearing. For the next ten days while discussions concerning the  
23 program were on-going, the Companies continued to pre-stage CFL materials at

1 the warehouses so that deliveries could be commenced immediately upon receipt  
2 of notice from the Commission to resume the program. On October 18, 2009, the  
3 Companies ceased staging operations and began preparing their CFL inventory  
4 for storage pending redesign of the program.

5 On November 4, 2009, the Commission granted rehearing of its  
6 September 23, 2009 Order and directed the Companies to redesign the program  
7 by November 30, 2009. The Companies requested an extension on November 24,  
8 2009, which was granted until December 15, 2009, to allow the Companies to file  
9 their redesigned program with their Energy Efficiency & Peak Demand Reduction  
10 Program Portfolio (the "Plans"). On December 15, 2009, the Companies filed the  
11 redesigned CFL program (the "Redesigned CFL Program"), as Appendix E to the  
12 Plans.

13 **Q. WHAT WERE THE PROJECTED COSTS OF THE APPROVED CFL**  
14 **PROGRAM?**

15 A. The Companies projected that the cost of the Approved CFL Program would be  
16 \$13.1 million.

17 **Q. WHAT IS THE TOTAL COST INCURRED OF THE APPROVED CFL**  
18 **PROGRAM?**

19 A. From program inception, \$9,113,856 has been spent on the development of the  
20 Approved CFL Program.

21 **Q. DOES MR. SAWMILLER OBJECT TO THE COMPANIES' RECOVERY**  
22 **OF ALL COSTS OF THE APPROVED CFL PROGRAM?**

1 A. No. There were substantial costs that the Companies incurred that no party has  
2 questioned. The costs incurred for the Approved CFL Program include, among  
3 other things, the following: purchase of the CFL bulbs, manufacturing of the bags  
4 and boxes required for shipment and delivery, welcome letter and usage  
5 instructions, preparation work for delivery, warehousing, advertising and  
6 marketing, postage, labeling, measurement and verification, and community  
7 outreach. Mr. Sawmiller questions only a portion of these costs.

8 **Q. ARE ALL OF THESE COSTS INCLUDED IN THE PORTFOLIO PLAN?**

9 A. Only in part. Upon termination of the Approved CFL Program, the Companies  
10 negotiated substantial reductions from vendors and reduced or eliminated costs to  
11 the extent possible. In addition, the Companies worked exhaustively to roll as  
12 much of these costs as possible into the Redesigned CFL Program. For example,  
13 the largest cost element was the cost of the CFL bulbs themselves, and the CFL  
14 bulbs will be used in the Redesigned CFL Program. However, certain costs were  
15 “sunk,” meaning that they were reasonably incurred to implement the Approved  
16 CFL Program, but do not directly contribute to the Redesigned CFL Program.  
17 Even with these sunk costs included, the cost included in the Plans for the  
18 Approved CFL Program *and* the Redesigned CFL Program is \$13.1 million.

19 **Q. IS MR. SAWMILLER CORRECT THAT FIRSTENERGY’S**  
20 **WAREHOUSING COSTS FROM DECEMBER 2009 THROUGH MARCH**  
21 **2010 WERE AVOIDABLE?**

22 A. No. The actual warehousing cost during the period in question is \$120,000, or  
23 approximately \$30,000 per month. The original estimate was \$60,000 per month,

1 but FirstEnergy's CFL vendor was successful in reducing the price by  
2 reorganizing the material in storage and negotiating with the warehouse facility.  
3 Under the Redesigned CFL Program, the Companies anticipate that they will need  
4 to warehouse the CFL bulbs for up to 24 months. As redesigned, it would be  
5 impossible to distribute all the 3.75 million CFL bulbs from the warehouses  
6 before the end of March 2010. Thus, this \$120,000 cost is a necessary element of  
7 the Redesigned CFL Program.

8 **Q. HOW DO YOU YOUR RESPOND TO MR. SAWMILLER'S STATEMENT**  
9 **THAT THESE WAREHOUSING COSTS WERE CAUSED BY**  
10 **FIRSTENERGY'S DECISION TO LAUNCH THE REDESIGNED CFL**  
11 **PROGRAM AS PART OF THE COMPANIES' PLANS?**

12 A. Mr. Sawmiller's statement is based on the mistaken assumption that the  
13 Companies could have and should have launched the Redesigned CFL Program  
14 immediately after the Residential Subcommittee reached consensus on its general  
15 terms. The Companies believed in November, and continue to believe today, that  
16 launching the Redesigned CFL Program as one component of the Plans will result  
17 in greater acceptance by customers. Indeed, this was discussed with participants  
18 in the Residential Subcommittee meetings held during the redesign in November,  
19 2009. There was general agreement, although not universal agreement, that the  
20 Companies should not rush to implement the new program without Commission  
21 approval but should, instead, launch the Redesigned CFL Program as one  
22 component of Commission-approved Energy Efficiency & Peak Demand  
23 Reduction Program Portfolios.

1 **Q. HOW DO YOU RESPOND TO MR. SAWMILLER’S STATEMENT THAT**  
2 **THE COMPANIES SHOULD BE PRECLUDED FROM COLLECTING**  
3 **THE SUNK MARKETING COSTS OF THE APPROVED CFL**  
4 **PROGRAM?**

5 A. Mr. Sawmiller appears to argue that the Companies should have spent all of the  
6 \$1.8 million budgeted for marketing and advertising, instead of a “mere”  
7 \$427,000. In fact, the budget for these services in the original plan was \$1.9  
8 million, and the Companies were on track to spend that amount based on their roll  
9 out introduction campaign and support campaigns planned after launch. At the  
10 time the program was terminated, the Companies had committed to over \$900,000  
11 in advertising and marketing for the launch itself. The “mere” \$427,000  
12 referenced by Mr. Sawmiller is an estimate, at one point in time, of advertising  
13 and marketing costs that could not be negotiated down or transferred to the  
14 Redesigned CFL Program. We managed to reduce these sunk costs to \$405,140.

15 The \$405,140 in costs represents expenses for marketing and advertising  
16 the program to customers, which includes, among other items, artwork design and  
17 layout, development costs, and advertising buys for print and radio media, much  
18 of which were specific to the Approved CFL Program. Cost detail is summarized,  
19 with supporting documents, and attached as Exhibit GMT-1.

20 **Q. HOW DO YOU RESPOND TO MR. SAWMILLER’S POSITION THAT**  
21 **THE COMPANIES SHOULD NOT RECOVER THEIR MANAGEMENT**  
22 **COSTS?**

1 A. It is unclear what Mr. Sawmiller is referencing. One line item of costs provided  
2 to the Residential Subcommittee participants is \$225,000 for the services of  
3 fifteen management employees from the Companies' CFL vendor: ten  
4 supervisors, three managers and two operations managers. This invoiced amount  
5 breaks out into three categories of costs, as estimated by the vendor:

6 • \$40,750 for rescheduling the distribution formula on five occasions during the  
7 redesign due to delaying start dates, which compressed actual delivery days  
8 lower to meet the scheduled deadline. This is a very complex activity  
9 involving proprietary scheduling software utilized by the vendor, and the  
10 vendor's ability to perform these distribution formulas is a key reason why it  
11 was retained.

12 • \$31,250 for project management costs beginning September 23, 2009, which  
13 includes supervision of warehousing and safe storage of materials, plus the  
14 management of the reorganization of materials to lower storage cost by half.

15 • \$153,000 for development and operational planning required before launch,  
16 including procurement of materials, staffing, facilities, professional services,  
17 trucks, uniforms, logistics, measurement and verification and safety. The  
18 vendor started providing these services in May, 2009, as to the development  
19 of the CFL program filed with the Commission on July 9, 2009, and continued  
20 to provide services through the design and implementation of the Approved  
21 CFL Program.

22 **Q. HAD THE PROGRAM NOT BEEN APPROVED BY THE COMMISSION,**  
23 **WOULD THE COMPANIES HAVE BEEN OBLIGATED TO PAY THE**

1           **VENDOR FOR SERVICES PROVIDED BETWEEN MAY AND**  
2           **SEPTEMBER, 2009?**

3    A.    No. The vendor assumed the risk of not recovering any costs should the program  
4           not be approved.

5    **Q.    ARE THERE ADDITIONAL EXAMPLES OF THE SERVICES**  
6           **PROVIDED BY THE VENDOR’S MANAGEMENT EMPLOYEES?**

7           The CFL vendor leadership team and other senior staff at the vendor were far  
8           more involved than anticipated in the communication between the Companies and  
9           the vendor staff, the coordination of services, rescheduling of staff, logistical  
10           considerations and negotiations, and communication with suppliers. Management  
11           services also included evaluation and analysis of the work that went into  
12           preparing documents for the Redesigned CFL Program, specifically the  
13           quantification of services reconciliation.

14           Moreover, the CFL vendor’s call center was expected to receive possibly 100  
15           to 200 calls per day for the original CFL plan. Due to the publicity surrounding  
16           the Approved CFL Program, the vendor received thousands of calls, and many of  
17           them were not inquiries as expected but calls from concerned utility customers.  
18           The impact was threefold: management had to hire more staff immediately and  
19           train them on the specifics of the project. More impactful, however, was working  
20           with the staff to teach them how to effectively handle these unexpected  
21           confrontational calls, and management was required to speak to many of these  
22           callers who demanded their call be escalated. In addition, the phone system was  
23           not set up for this type of volume and the strategy for forwarding calls had not

1 contemplated these volumes. As a result, management had to bring in the phone  
2 vendor, define the vendor's new requirements, add voice mail boxes for the  
3 volume and then train additional core staff on how to assist these callers.

4 **Q. IS THERE ANOTHER POSSIBLE LINE ITEM THAT MR. SAWMILLER**  
5 **IS CHALLENGING UNDER THE HEADING OF MANAGEMENT**  
6 **COSTS?**

7 A. He may also be referencing the Companies' costs for the personnel services of the  
8 CFL vendor who provided services beginning September 23, 2009, which totaled  
9 \$630,000. The Companies believe this cost was reasonable, given the demands  
10 placed upon the vendor by the ramp-up, suspension, and de-staging required  
11 following the Commission's approval of the Approved CFL Program on  
12 September 23, 2009.

13 **Q. WHAT WORK WAS PERFORMED BY THE CFL VENDOR'S**  
14 **PERSONNEL?**

15 A. The CFL vendor hired approximately 100 employees to support the CFL program.  
16 The work performed falls into three segments. First was the ramping up of the  
17 Approved CFL Program prior to the planned launch date of October 10, 2009,  
18 which included receiving the CFL bulbs at the warehouses, pre-packaging the  
19 materials for distribution to homes, preparation work and setup for the scheduled  
20 beginning of delivery to homes. This also included community outreach and  
21 notification to public officials of delivery personnel being in the area, set up and  
22 testing of the GPS delivery tracking system and quality control measures, final  
23 staff training including safety procedures and customer interaction protocols, and

1 area delivery trucks being loaded and presorted for each neighborhood. Between  
2 October 10, 2009 and October 18, 2009, while the Approved CFL Program was  
3 suspended on a day-to-day basis, the vendor's employees actually accelerated pre-  
4 staging of additional material for delivery because of the anticipated shorter  
5 delivery window. This included continuing to receive delivery of CFL bulbs at  
6 the warehouses.

7 Upon receiving the hold order on October 18, 2009, the vendor's  
8 employees un-staged 100% of the prepackaged materials and began securing the  
9 items for storage. This was required by the warehouse facilities because the  
10 materials occupied extensive floor space and were not suitable for pallet storage.  
11 The employees repackaged the materials so they would be suitable for use in  
12 sending to retail outlets and community agencies consistent with the Redesigned  
13 CFL Program, as well as maintaining the direct shipping setup for future use.  
14 They secured the inventory, took full counts of all materials and condensed the  
15 volume of product, which lowered our storage requirements and reduced  
16 warehousing cost. For all the handling, packaging, re-packaging, and un-  
17 packaging required for the 3.75 million CFL bulbs, the Companies paid on a unit  
18 basis of only \$0.16 per bulb.

19 **Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?**

20 **A.** Yes, it does.

**Reduced Advertising And Marketing Expenses, Ads, Print**

|  |                   |
|--|-------------------|
| Artists, Inc. (Art work and design)    | 1,616.00          |
| IMR, Inc. (advertising)                | 279,115.00        |
| Robert Calmer (Layout and design)      | 855.00            |
| Bob Gold Advertising (Creative design) | 1,952.31          |
| Commercial Recording Studios, Inc.     | 1,186.00          |
| Commercial Recording Studios, Inc.     | 216.00            |
| Robert Calmer (Layout and design)      | 200.00            |
| 3-Panel Brochure from PD Invoice       | <u>120,000.00</u> |
|  | \$405,140.00      |



**ARTISTS**  
INCORPORATED

3850 Granger Rd.  
Akron, Ohio 44333  
330-666-5754

Invoice #: 00010451

Date: 9/30/09

Customer P.O. 55103151

FirstEnergy Corporation  
Attn.: Jeff Renbarger  
76 South Main Street  
Akron, Ohio 44308

Layout Energy Efficient Light Bulb storyboard

Terms: Net 30

|              |            |
|--------------|------------|
| Sub Total:   | \$1,616.00 |
| Sales Tax:   | \$0.00     |
| Balance Due: | \$1,616.00 |



| Market   | Total TRP's | Total Spots        | Gross Cost           | OP Co.                          | Budget Mix % | Stations:  |
|--|-------------|--------------------|----------------------|---------------------------------|--------------|--|
| Cleveland  | 1017.6      | 856                | \$84,660<br>\$84,660 | 50% Ill. Co.<br>50% Ohio Edison | 66.8%        | WMJI; WGAR; WTAM-AM; WMMS; WZAK; WNCX<br>WDOK; WQAL; WFHM; WKNR-AM |
| Akron<br><small>(Cleveland spots not included)</small> | 387.6       | 300                | \$31,258             | 100% Ohio Edison                | 13.7%        | WNIR; WAKR-AM; WONE; WKDD; WQMX                                    |
| Toledo   | 840.0       | 476                | \$44,939             | 100% Ohio Edison                | 19.7%        | WKKO; WOT; WKS; WSPD-AM; WRVF                                      |
| Youngstown   | 821.6       | 356                | \$22,139             | 100% Ohio Edison                | 9.7%         | WYFM; WQXK; WHOT; WBBG; WKBN-AM;<br>WMXY; WNCD                     |
|  |             | <b>Total Cost:</b> | <b>\$227,655.00</b>  |                                 |              |  |
| <b>Schedule Dates:</b>                                 |             |                    |                      |                                 |              |  |
| Weeks of 10/5, 10/12, 10/19 and 10/26                  |             |                    |                      |                                 |              |  |
| <b>Spot Length: :30 second spots</b>                   |             |                    |                      |                                 |              |  |
| <b>Total Number of Spots: 1988</b>                     |             |                    |                      |                                 |              |  |

I M R, Inc.

5466 Portchester Drive  
Hudson, OH 44236

Phone: 888-812-7423

# Invoice

| DATE      | INVOICE # |
|-----------|-----------|
| 9/29/2009 | 2032      |

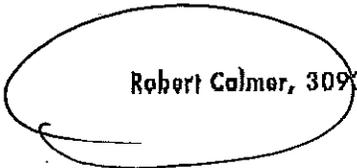
| BILL TO  |
|--|
| First Energy<br>PO No. 55102502<br>Attn. Jeff Renbarger<br>76 South Main Street<br>Akron, OH 44308 |

| TERMS                           |
|---------------------------------|
| PO No. 55102502<br>Due on recpt |

| DESCRIPTION   | AMOUNT              |
|---|---------------------|
| "BIG IDEA" CFL GIVE-AWAY PROMOTION - NEWSPAPER CAMPAIGN                           |                     |
| 620127 - 504003 - 502822 PRINT - Magazine & Newspaper Advertising (CEI)           | 119,389.10          |
| 620127 - 504003 - 502820 PRINT - Magazine and Newspaper advertising (Ohio Edison) | 305,574.10          |
| 620127 - 504003 - 502821 PRINT - Magazine & Newspaper advertising (Toledo Edison) | 62,926.80           |
| 620130 - 504003 - 504003 (Agency Support - Media Placement and Buying Services)   | 22,902.12           |
| <b>Total</b>  | <b>\$510,792.12</b> |

| Op Co | IO # | Publication                          | Total NET Cost*     |
|-------|------|--------------------------------------|---------------------|
| IL+OE | 4601 | Cleveland Plain Dealer               | \$177,601.35        |
| IL    | 4602 | Ashtabula Star Beacon                | \$10,622.15         |
| IL    | 4603 | Lake County News Herald              | \$19,966.25         |
| OE    | 4604 | Akron Beacon Journal                 | \$38,954.00         |
| OE    | 4605 | Elyria Chronicle Telegram            | \$9,439.55          |
| OE    | 4606 | Medina County Gazette                | \$7,381.00          |
| OE    | 4607 | Lorain Morning Journal               | \$14,265.40         |
| OE    | 4608 | Ravenna Record Courier               | \$6,554.65          |
| OE    | 4609 | Norwalk Reflector/Sandusky Register  | \$16,270.00         |
| OE    | 4610 | Massillon Independent                | \$6,204.65          |
| OE    | 4611 | The Youngstown Vindicator-4Col       | \$13,895.70         |
| OE    | 4612 | Warren Tribune Chronicle             | \$15,856.30         |
| OE    | 4613 | Bellevue Gazette                     | \$6,337.20          |
| OE    | 4614 | Lisbon Morning Journal               | \$9,916.80          |
| OE    | 4615 | The Alliance Review                  | \$5,541.75          |
| OE    | 4616 | The Salem News                       | \$8,113.80          |
| OE    | 4617 | Ashland Times Gazette                | \$5,091.00          |
| OE    | 4618 | Mansfield News                       | \$31,394.45         |
| OE    |      | The Marion Star                      |                     |
| OE    |      | Port Clinton News Herald             |                     |
| TE    |      | Fremont News Messenger (20% of Cost) |                     |
| OE    | 4619 | Springfield News                     | \$16,646.50         |
| OE    | 4620 | London Madison Press                 | \$4,693.25          |
| OE    | 4621 | Delaware Gazette                     | \$6,496.30          |
| TE    | 4622 | Toledo Blade                         | \$34,777.85         |
| TE    | 4623 | Bowling Green Sentinel Tribune       | \$5,409.20          |
| TE    | 4624 | Bryan Times                          | \$4,926.60          |
| TE    | 4625 | Defiance Crescent News               | \$6,469.80          |
| TE    | 4626 | Northwest Signal & Courier           | \$5,064.50          |
|       |      | <b>Total:</b>                        | <b>\$487,890.00</b> |

OK Jeff Renbarger No. 4770 P. 2



Robert Calmer, 3093 Hood Road, Medina, OH 44256 C.330.608.5452

# STATEMENT OF SERVICES RENDERED

### ACCOUNT NAME AND ADDRESS

FirstEnergy Corporation  
Jeff Renbarger  
Advertising Director  
76 S. Main Street Floor 17  
Akron, OH 44308-1812  
330.761.4364

Fax 80241138  
Doc# 1902137102

### BILLING DATE

9/28/09

| CLIENT / JOB DESCRIPTION  | DATE    | HOURS       | X RATE         | TOTAL           |
|---|---------|-------------|----------------|-----------------|
| FirstEnergy OHIO operators  |         |             |                |                 |
| Big Idea free CFL light bulb ad, design, photo retouching                           | 9/25/09 | 7.00        | x 75.00        | \$525.00        |
| Royalty free photo purchase from veer   |         |             |                | \$330.00        |
|  |         |             |                |                 |
| <b>TOTALS</b>   |         | <b>7.00</b> | <b>x 75.00</b> | <b>\$855.00</b> |

PAYMENT DUE UPON RECEIPT  
OURM@MAIL@EARTHINK.NET

Robert Calmer, 3093 Hood Road, Medina, OH 44256 C.330.608.5452



OK  
Jeff Renbarger

Fax 8024139

Doc# 1902137104

INVOICE NO. 09093  
P.O. 55101343

TO: Mr. Jeff Renbarger  
FirstEnergy  
76 S. Main St.  
Akron, OH 44308

Date: September 30, 2009  
Terms: Net Due On Receipt

Description: FE 0909 Amount

P.O. 55101343

Talent Costs

Radio: Use

FE 9289 "Big Idea" 30 sec.

Cycle: 10/05/09-01/04/10

James P. Kisicki, Announcer

Gregory M. Violand, Announcer

Christopher P. Mezzolesta, Announcer

John Buok Jr., Announcer (3 tags)

Tom L. Cervino, Announcer

1,824.59

Talent Management

RE: P.O. 55101343

Includes: client contact,

Highland contact, bill checking

and invoicing

127.72

Total Due: \$1,952.31

Please make check payable to:  
Bob Gold Advertising  
1608 Hampton Knoll Drive  
Akron, OH 44313

1608 Hampton Knoll Drive

Akron, Ohio 44313

Phone & Fax: 330.923.8800

Email: bebus@aol.com

004/005

AP\_HOT\_LINE

02/11/2010 10:08 FAX 81458444142

# HIGHLAND

TALENT-PAYMENTS INC

PO NUMBER: 2E 9289  
 JOB CODE: PR 9289  
 CURRENCY: U.S.  
 INVOICE TYPE: STANDARD IV  
 INVOICE DATE: 09/30/2009  
 INVOICE: 485915

ADVERTISER: FIRST ENERGY  
 NO: 2E 9289  
 TITLE: "BIG IDEA"  
 LEN: :30

Session 1 V/O DATE: 09/28/09  
 STUDIO: COMMERCIAL RECORDING  
 CITY/ST: INDEPENDENCE, OH  
 Session 2 DATE:  
 STUDIO:  
 CITY/ST:  
 Session 3 DATE:  
 STUDIO:  
 CITY/ST:

AGENCY: BOB GOLD ADVERTISING  
 CODE:  
 PRODUCER: JERHARBERG  
 LIMON: ASTRA  
 MEDIA: RADIO COMMERCIAL  
 PRODUCT: FIRST ENERGY

PERFORMER: JAMES A. KENNEDY  
 GARY W. VIOLEND  
 CHELSEA P. METCALISTA  
 JOHN RICE JR  
 JI TRUS  
 TONY L. CERVINO

PERIOD: 06/27/11  
 06/27/11  
 06/27/11  
 06/27/11  
 06/27/11

PREV: 214.54  
 214.54  
 214.54  
 214.54  
 214.54

264.69  
 214.54

214.54

NET REG'L CODE

| SPOT | PERFORMER NAME        | START DATE | END DATE | LEN | SEC | SPOTS | PREV   | NET    |
|------|-----------------------|------------|----------|-----|-----|-------|--------|--------|
| 1    | JAMES A. KENNEDY      | 06/27/11   | 06/27/11 | :30 | 05  | 1     | 214.54 | 214.54 |
| 2    | GARY W. VIOLEND       | 06/27/11   | 06/27/11 | :30 | 05  | 1     | 214.54 | 214.54 |
| 3    | CHELSEA P. METCALISTA | 06/27/11   | 06/27/11 | :30 | 05  | 1     | 214.54 | 214.54 |
| 4    | JOHN RICE JR          | 06/27/11   | 06/27/11 | :30 | 05  | 1     | 214.54 | 459.22 |
| 5    | JI TRUS               | 06/27/11   | 06/27/11 | :30 | 05  | 1     | 214.54 | 214.54 |
| 6    | TONY L. CERVINO       | 06/27/11   | 06/27/11 | :30 | 05  | 1     | 214.54 | 214.54 |

CONTROL #: 22563

UNION PENSION & HEALTH  
 Parson Wagner: 1,317.38  
 Parson Aemt: 204.18

STUDIO CODE:

INVOICE TO: BOB GOLD ADVERTISING  
 TERMS: 7 Days Net

INVOICE TOTAL (\$US): 1,521.59

ORIGINAL INVOICE

TOTAL GROSS TALENT PAYMENTS: 1,317.38  
 PAYROLL TAXES & UNION: 507.21

OK Jeff Rembarger tax over 111 doc# 1902137106

**COMMERCIAL**  
**RECORDING STUDIOS, INC.**  
 6005 West Creek Road | Independence, Ohio 44131  
 216.642.1880 Fax: 216.642.0815 Web: comrec.com

Invoice-

Invoice # 78854

FirstEnergy  
 Attn: Jeff Rembarger  
 Communications Services  
 76 S. Main St., 18th Floor  
 Akron, OH 44308

Date: 9/29/2009  
 Client:  
 P.O.:  
 Job:  
 Prod:  
 Terms: Net 30

| JOB DATES  | QTY | DESCRIPTION  | AMOUNT |
|------------|-----|--|--------|
| 09/27/2009 | 3.5 | PRODUCE 1 RADIO SPOT WITH TWO ADDITIONAL TAG VARIATIONS "BIG IDEA"<br>4 LOCAL TALENT plus CHRIS MEZZOLESTA |        |
|            | 0.5 | Hours Digital Time-Fairlight   | 735.00 |
|            |     | TALENT'S STUDIO - MONO   | 155.00 |
|            |     | Session Backup   | 50.00  |
|            |     | Server Master  | 16.00  |
|            |     | Musio: KPM 697-1 - up to 3 states  | 230.00 |

Total: \$1,188.00

Thank you for your business!

ok  
Jeff Rembarger

Tax# 0001111  
Doc# 1902137107

**COMMERCIAL**  
**RECORDING STUDIOS, INC.**  
6001 West Creek Road | Independence, Ohio 44131  
216.442.1000 Fax: 216.442.0675 [www.comrec.com](http://www.comrec.com)

Invoice-

Invoice #

78968

FirstEnergy  
Attn: Jeff Rembarger  
Communications Services  
76 S. Main St., 10th Floor  
Akron, OH 44308

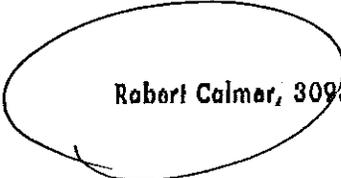
Date: 10/1/2009  
Client: [REDACTED]  
P.O.: [REDACTED]  
Job: [REDACTED]  
Prod: [REDACTED]  
Terms: NET 30

| JOB DATES | QTY | DESCRIPTION                                       | AMOUNT |
|-----------|-----|---|--------|
| 9/30/2009 | 27  | "BIG IDEA" RADIO DELIVERY<br>Internet Send-1 spot | 216.00 |

Total: \$216.00

Thank you for you business!

OK Jeff Renbarger



Robert Calmer, 3093 Hood Road, Medina, OH 44256 C.330.608.5452

### STATEMENT OF SERVICES RENDERED

ACCOUNT NAME AND ADDRESS

FirstEnergy Corporation  
Jeff Renbarger  
Advertising Director  
76 S. Main Street Floor 17  
Akron, OH 44308-1812  
330.761.4364

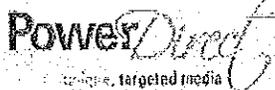
DUING DATE

9/29/09

| CLIENT / JOB DESCRIPTION  | DATE    | HOURS        | X RATE        | TOTAL        |
|---|---------|--------------|---------------|--------------|
| FirstEnergy OHIO operators  |         |              |               |              |
| Big Idea free CFL light bulb ad, resizing   | 9/29/09 | 2.66         | x 75.00       | \$200.00     |
|  |         |              |               |              |
| <b>TOTALS</b>   |         | <b>HOURS</b> | <b>X RATE</b> | <b>TOTAL</b> |
|   |         | 2.66         | x 75.00       | \$200.00     |

PAYMENT DUE UPON RECEIPT  
OURMCMAIL@EARTHINK.NET

Robert Calmer, 3093 Hood Road, Medina, OH 44256 C.330.608.5452



| Invoice   |            |
|-----------|------------|
| Date:     | Invoice #: |
| 9/17/2009 | 1153DH1    |

Bill TO:  
 First Energy  
 Gregory M. Tott  
 78 South Main Street  
 Akron, Ohio 44308

REMIT PAYMENT TO:  
 POWERDIRECT MARKETING  
 Attn: Accounting Dept.  
 4700 Von Karman Ave., Ste 100  
 Newport Beach, CA 92660  
 Tax ID Number: 30-0038796

| Customer ID  | P.O. No. |
|--------------|----------|
| First Energy |          |

| Description  | Qty Total            | Rate        | Amount Due            |
|--|----------------------|-------------|-----------------------|
| <b>Door to Door Delivery</b>   |                      |             |                       |
| <b>Manufacturing of bag</b>  |                      |             |                       |
| Recycled Kraft Paper Bag, Twisted Paper Handles, 8" X 4,75" X 10,5"                                | 1,500,000            | 0.30        | \$450,000.00          |
| <b>Collateral in bag</b>   |                      |             |                       |
| 3 paneled brochure, 8.5" x 11" folds to approx 3.75" x 8.5" 60# Glossy full bleeds (with versions) | 1,500,000            | 0.08        | \$120,000.00          |
| 2-CFLs 23W / 100W Energy Star Approved(B.Star and TCPI)  | 1,500,000            | 3.00        | \$4,725,000.00        |
| <b>Distribution</b>  |                      |             |                       |
| Solo Delivery personnel services   | 1,500,000            | 0.42        | \$630,000.00          |
| Preparing/inserting bag contents   | 1,500,000            | 0.19        | \$285,000.00          |
| Management/Supervision personnel services  | 1,500,000            | 0.15        | \$225,000.00          |
| Warehousing facilities and services  | 1,500,000            | 0.05        | \$75,000.00           |
| <b>Total Delivery cost</b>   | <b>Per unit cost</b> | <b>4.19</b> | <b>\$6,510,000.00</b> |
| <b>Postal Delivery</b>   |                      |             |                       |
| <b>Description</b>   |                      |             |                       |
| Manufacturing of box   | 375,000              | 0.50        | \$187,500.00          |
| <b>Collateral in box</b>   |                      |             |                       |
| 3 paneled brochure, 8.5" x 11" folds to approx 3.75" x 8.5" 60# Glossy full bleeds (with versions) | 375,000              | 0.08        | \$30,000.00           |
| 2-CFLs 23W / 100W Energy Star Approved(B. Star and TCPI)   | 375,000              | 3.00        | \$1,181,250.00        |
| <b>Preparation/mailhouse box</b>   |                      |             |                       |
| Label manufacture and affix  | 375,000              | 0.10        | \$37,500.00           |
| Inserting box contents   | 375,000              | 0.19        | \$71,250.00           |
| Projected Postage  | 375,000              | 1.27        | \$476,250.00          |
| <b>Total Postal Delivery cost</b>  | <b>Per unit cost</b> | <b>5.14</b> | <b>\$1,883,750.00</b> |
| Sales Tax for Bulbs  | 1,875,000            | 0.00        | \$0.00                |
| <b>Total Due</b>   |                      |             | <b>\$8,493,750.00</b> |

Terms:  
 50% Down payment at time of order  
 20% on 9/30/2009, 20% on 10/12/2009, Remaining 10% upon completion

ACH Payments  
 Bank Name: First Bank  
 ABA# 1222391931 Acc# 9403264619  
 BENEFICIARY: First Bank / FFC Power Direct Marketing  
 Attn: Tiffany Keene / Marcy Bailey ABL Group  
 Questions? Please call Elmeeta Naki at 949-263-4800  
[elmeeta@powerdirect.net](mailto:elmeeta@powerdirect.net)  
 Fax: 949-263-3468

Wire Payment Acc# 9403264619  
 Bank Name: First Bank  
 ABA# 081009428  
 BENEFICIARY: First Bank /  
 FFC Power Direct Marketing  
 Attn: Tiffany Keene / Marcy Bailey ABL Group

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

**Commission of Ohio Docketing Information System on**

**3/3/2010 10:02:52 PM**

**in**

**Case No(s). 09-0580-EL-EEC, 09-0581-EL-EEC, 09-0582-EL-EEC, 09-1942-EL-EEC, 09-1943-EL-EEC,**

Summary: Testimony (Rebuttal) of Gregory M. Toth electronically filed by Mr. James F Lang on behalf of Ohio Edison Company and The Cleveland Electric Illuminating Company and The Toledo Edison Company