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 Approval of Their Energy Efficiency and Peak Demand Reduction Program Portfolio Plans for 2010 through 2012 and Associated Cost Recovery Mechanisms.	)	Case Nos. 09-1947-EL-POR 09-1948-EL-POR 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 Nos. 09-1942-EL-EEC 09-1943-EL-EEC 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 Nos. 09-580-EL-EEC 09-581-EL-EEC 09-582-EL-EEC

POST-HEARING BRIEF OF OHIO EDISON COMPANY, THE CLEVELAND ELECTRIC ILLUMINATING COMPANY, AND THE TOLEDO EDISON COMPANY IN SUPPORT OF THEIR ENERGY EFFICIENCY AND PEAK DEMAND REDUCTION PROGRAM PORTFOLIO PLANS FOR 2010 THROUGH 2012 AND INITIAL BENCHMARK REPORTS

Kathy J. Kolich, Counsel of Record
Arthur E. Korkosz
Ebony L. Miller
FIRSTENERGY SERVICE COMPANY
76 South Main Street
Akron, OH 44308
T: (330) 384-4580
F: (330) 384-3875
kjkolich@firstenergycorp.com
korkosza@firstenergycorp.com
elmiller@firstenergycorp.com

James F. Lang
Laura C. McBride
N. Trevor Alexander
Kevin P. Shannon
CALFEE, HALTER & GRISWOLD LLP
1400 KeyBank Center
800 Superior Ave.
Cleveland, OH 44114
(216) 622-8200
(216) 241-0816 (fax)
jlang@calfee.com
lmcbride@calfee.com
talexander@calfee.com
kshannon@calfee.com

ATTORNEYS FOR APPLICANTS, OHIO EDISON COMPANY, THE CLEVELAND ELECTRIC ILLUMINATING COMPANY, AND THE TOLEDO EDISON COMPANY

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INTRODUCTION

The Energy Efficiency and Peak Demand Reduction Portfolio Plans for the Years 2010 through 2012 (the "Plans") filed with the Commission on December 15, 2009 by Ohio Edison Company ("Ohio Edison"), The Cleveland Electric Illuminating Company ("CEI"), and The Toledo Edison Company ("Toledo Edison") (collectively, the "Companies") satisfy all requirements for such plans as set forth in Section 4928.66 of the Ohio Revised Code and the Commission's rules as set forth in Section 4901:1-39-01 *et seq.* of the Ohio Administrative Code ("Rules").[1] The Plans are designed to meet or exceed the statutory benchmarks for both energy efficiency and peak demand reduction. They include a range of energy efficiency and peak demand reduction ("EE&PDR") programs intended to encourage innovation and market access for cost-effective EE&PDR for all customer sectors. The Plans also include a cost recovery mechanism, subject to annual reconciliation, that serves the dual function of recovering all program costs and lost distribution revenues and also properly incenting the Companies through

[1] The Plans are Company Exhibits 6 (Ohio Edison), 7 (CEI) and 8 (Toledo Edison). As a part of this Application, the Companies have provided their Initial Benchmark Report as required by Rule 4901:1-39-05(A) through the Direct Testimony of Katherine M. Kettlewell ("Kettlewell Testimony"), which was summarized in Section 1.1 and Company Tables 1-4 of the Plans. Benchmarks for CEI that were presented in Tables 2 and 4 in the CEI Plan were corrected during the evidentiary hearing to be consistent with the Kettlewell Testimony and the benchmarks used to develop the Plans. *See* Company Exhibit 9. The Companies' energy efficiency savings and peak demand reduction benchmarks were calculated in accordance with the requirements of R.C. § 4928.66 and appropriately adjusted for weather and the results of mercantile customer self-directed projects. *See* Company Exhibit 2, Kettlewell Testimony, pp. 6-14 and Exhibits KMK-1, KMK-2 and KMK-3. These benchmarks were updated by the Companies in their EE&PDR Portfolio Status Report filed March 8, 2010, in Case Nos. 10-227-EL-EEC, 10-228-EL-EEC and 10-229-EL-EEC. To the extent necessary, the Companies also request Commission approval of the Initial Benchmark Report pursuant to Rule 4901:1-39-06.

a shared savings mechanism to achieve net benefits over and above those required by statute. The Commission should approve the Companies' Plans as filed.[2]

Section 4928.66 of the Ohio Revised Code requires an electric distribution utility ("EDU"), starting in 2009, to "implement energy efficiency programs that achieve energy savings equivalent to at least three-tenths of one percent of the total annual average, and normalized kilowatt-hour sales of the [EDU] during the preceding three calendar years to customers in this state. The savings requirement, using such a three-year average, shall increase to an additional five-tenths of one per cent in 2010, seven-tenths of one per cent in 2011, [and] eight-tenths of one per cent in 2012, ..." Thus, for years 2010, 2011 and 2012, the cumulative energy efficiency benchmarks are 0.8%, 1.5% and 2.3%, respectively.[3] In addition, Section 4928.66 requires an EDU, starting in 2009, to "implement peak demand reduction programs designed to achieve a one per cent reduction in peak demand in 2009 and an additional seventy-five hundredths of one per cent reduction each year through 2018." Thus, the cumulative peak demand reduction benchmarks for 2010, 2011 and 2012 are 1.75%, 2.5% and 3.25%, respectively.[4] Provided the Commission approves the Fast Track Programs (as described below) for implementation beginning no later than April 1, 2010, and the remaining programs for implementation beginning no later than July 1, 2010, or, alternatively, the Commission modifies

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[2] The Companies and most of the parties submitted a joint motion for accelerated approval of several programs, including the Companies' appliance recycling program. *See* Joint Motion For Approval Of Fast Track Programs And An Expedited Ruling filed Feb. 23, 2010 in Case Nos. 09-1947-EL-EEC *et al.* ("Joint Motion"). In that Joint Motion, the Companies agreed under certain conditions to modify the rebate levels for that program. Regardless of whether the Commission grants the Joint Motion, the Companies agree to modify this program as described in the Joint Motion and, accordingly, ask the Commission to substitute the rebate levels and other terms set forth in said Joint Motion as necessary in the Plans.

[3] *See* Plans, Company Table 1. Each Plan includes tables specific to each Company, and, in Appendix C-3, PUCO Tables 1 through 7. Rather than list each Company's tables individually, this Brief will refer to them generically as "Company" tables. Corrections to certain tables were admitted into evidence as Company Exhibit 9. Hearing Transcript, Vol. II ("Tr. Vol. __"), p. 273.

[4] *Id.*

its position on pro rated savings calculations, the Plans are designed to enable the Companies to achieve or exceed these cumulative benchmarks.

The Plans also satisfy all provisions of the Commission's Rules for EE&PDR portfolio plans. The Plans are cost-effective on a portfolio basis, with the results of the Total Resource Cost ("TRC") test ranging from 1.17 for Toledo Edison, to 1.24 for CEI and 1.38 for Ohio Edison.[5] The Plans include all descriptions and detail required by Rule 4901:1-39-04(C), including a description of all existing and proposed programs that will encourage and assist customers to make energy efficient changes in their homes and businesses.[6] In addition, the Plans describe the Companies' planning, reporting and tracking systems,[7] management and implementation strategies,[8] and evaluation, measurement and verification ("EM&V") activities.[9] Once approved by the Commission and implemented by the Companies, the suite of EE&PDR programs described in the Plans are designed to generate total benefits, discounted over their lifetime, of $720.8 million.[10] Importantly, there is widespread agreement among the parties that the Companies' proposed suite of programs will benefit customers and should be approved.

The costs related to each of the Plans will be recovered through the Companies' Demand Side Management and Energy Efficiency Rider ("Rider DSE"), which was approved by the Commission in Case No. 08-935-EL-SSO (the "ESP Case"). Appendix F to each of the Plans contains an amended Rider DSE reflecting rates, by rate schedule, to be in effect through December 2010. The DSE2 charge of Rider DSE was designed to recover all costs incurred by

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5 *See* Plans, Section 8.0 and PUCO Table 1.

6 *Id.*, Sections 2.0 and 3.0.

7 *Id.*, Section 4.0.

8 *Id.*, Section 5.0.

9 *Id.*, Section 6.0.

10 *Id.*, Section 1.1 and PUCO Table 1.

the Companies for the design, approval and implementation of the EE&PDR programs, including demand-response programs, energy efficiency programs, peak demand reduction programs (other than those recovered through other cost recovery mechanisms) and self-directed demand-response, energy efficiency or other customer-sited programs.[11] As authorized by Rule 4901:1-39-07(A), the DSE2 charge will include recovery of lost distribution revenues and, if earned, shared savings.[12] The impact of a January 1, 2010 DSE2 charge on customer bills is expected to be an increase of approximately 1.6% for residential customers, with smaller increases on average for commercial and industrial customers.[13]

Of the twenty-three intervening parties, only the Ohio Consumers' Counsel ("OCC"), the Environmental Law and Policy Center ("ELPC"), the Natural Resources Defense Council ("NRDC"), Nucor Steel Marion ("Nucor") and the Commission Staff presented testimony. Objections to the Plans submitted through intervenor and Staff testimony[14] generally focus not on the design of the EE&PDR programs, but on TRC calculations, cost recovery and allocation. These few intervenors did suggest what they describe as improvements to the Plans, but the suggestions typically lacked details and TRC justification. Indeed, the witnesses supported adoption of certain programs despite the Companies' determination that the TRC for several

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[11] *See* Company Exhibit 3, Direct Testimony of Steven E. Ouellette ("Ouellette Testimony"), p. 7.

[12] *Id.*, pp. 7, 9-10.

[13] *Id.*, Exhibits SEO-D1, SEO-D2 and SEO-D3.

[14] As stated by the hearing examiners at the start of the first day of hearings, only testimony submitted into evidence at hearing constitutes the record of this proceeding. Although a number of intervenors filed objections in this proceeding on February 17, 2010, those filings are not evidence of record and provide no basis for the Commission to reject the Plans. *See In re Cincinnati Gas & Elec. Co.*, PUCO Case Nos. 03-2079-EL-AAM, 03-2080-EL-ATA, 03-2081-EL-AAM, 03-93-EL-ATA, 2007 WL 3197045, at *12 (Order on Remand Oct. 24, 2007), *aff'd*, *Ohio Consumers' Counsel v. Pub. Util. Comm.*, 121 Ohio St. 3d 362 (2009).

programs was less than one.[15] For these, and all other programs, the Plans include a description of "non-energy" benefits as additional justification for their adoption.[16]

In sum, none of the criticisms made by intervenors or Staff create a reasonable basis for the Commission to alter the Plans or to deny their approval. The Companies' Plans meet the requirements of R.C. § 4928.66 and the Commission Rules and are the only comprehensive plans supported by the evidentiary record. Therefore, the Commission should issue an order approving the Plans as described herein and authorizing the Companies to implement their Plans and Rider DSE, as amended in Appendix F of the Plans, beginning no later than July 1, 2010.[17]

ARGUMENT

I. The Companies' Plans Comply with R.C. § 4928.66 and the Commission's Rules.

Each Company's Plan must be designed to achieve its respective benchmarks for energy efficiency and peak demand reduction set forth in R.C. § 4928.66. Each Plan also must satisfy the Commission's requirements for portfolio plans set forth in Rule 4901:1-39-04, including the requirement that a portfolio plan be cost-effective on a portfolio basis. The Plans proposed by the Companies meet these requirements. Indeed, no intervenor has argued that they do not. The Companies designed the suite of EE&PDR programs outlined in the Plans with three primary goals: (1) complying with statutory requirements; (2) providing at least one program for each of the major customer sectors; and (3) providing the greatest impact on a kWh reduction per dollar

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[15] *See* Testimony of Gregory Scheck ("Scheck Testimony"), pp. 1-4 (supporting C&I Lighting Program); Direct Testimony of Geoffrey C. Crandall ("Crandall Testimony"), pp. 19-20 (ditto); Direct Testimony of Dylan Sullivan ("Sullivan Testimony"), pp. 16-17 (ditto); Direct Testimony of Dr. Dennis W. Goins ("Goins Testimony"), pp. 14-21 (supporting interruptible demand reduction program).

[16] Plans, § 9.0.

[17] Inasmuch as the deadline for the accelerated approval of the Fast Track Programs described in the Joint Motion has passed, the Companies urge the Commission to accelerate the approval of the Plan as a whole, so as to increase the potential for the Companies to meet their 2010 statutory benchmarks.

spent basis.[18] The evidence of record demonstrates that the Plans accomplish these goals. Therefore, except for the Companies' appliance recycling program, which should be approved with the modifications set forth in the Joint Motion, the Commission should approve the Plans as filed.

A. The Plans Are Designed to Achieve the Statutory Benchmarks for 2010 Through 2012.

The Companies' Plans were developed by experts in EE&PDR program design, Black & Veatch, in collaboration with the Companies' in-house experts.[19] Black & Veatch assessed the market potential of various programs, including an analysis of penetration estimates for each potential measure developed in large part from residential, commercial and industrial survey results.[20] Black & Veatch prescreened over 110 EE&PDR measures, along with additional energy efficiency measures based on stakeholder input, and ultimately included 93 measures at various levels of participation.[21] Black & Veatch also took into account data received from members of the collaborative formed by the ESP Case Stipulation ("Collaborative"), as well as commitments from program administrators.[22] Based upon a detailed assessment of program costs and benefits – individually and in terms of overall impact, Black & Veatch selected the suite of programs for implementation.[23] Each Plan provides details of all EE&PDR measures and programs, and each provides significant opportunities for energy and cost savings for all

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[18] Plans, § 1.1; *see* Company Exhibit 1, Direct Testimony of John E. Paganie ("Paganie Testimony"), p. 6.

[19] Company Exhibit 4, Direct Testimony of George L. Fitzpatrick ("Fitzpatrick Testimony"), pp. 2-3, 7.

[20] *Id.*, p. 13. The Market Potential Study is Appendix D to the Plans.

[21] Fitzpatrick Testimony, p. 16. *See also* Plans, § 1.2.

[22] Fitzpatrick Testimony, p. 17. *See also* Plans, § 1.2.

[23] Fitzpatrick Testimony, pp. 14-16. *See also* Plans, §§ 3.1.1 and 3.1.2.

customers.[24] No party challenged these details, except when arguing that the projected benefits of certain programs may be understated.[25]

The Plans are designed to produce cumulative energy savings in 2010, 2011 and 2012 that meet or exceed the cumulative savings required by statute of 0.8%, 1.5% and 2.3%, respectively.[26] The Plans also are designed to produce cumulative peak demand reductions in 2010, 2011 and 2012 that meet or exceed the cumulative reductions required by statute of 1.75%, 2.5% and 3.25%, respectively.[27] Indeed, there is a level of flexibility in the Plans so that, as conditions and market demands warrant, the Companies may modify or add programs as needed or may seek Staff approval to reallocate funds.[28] Thus, the Plans satisfy statutory requirements.

In estimating the results of the Plans, the Companies' pro-rated the savings estimates in the year in which a program is launched based on the actual number of months the program is expected to be in effect.[29] The Companies use of pro-rata savings rather than annualized savings is based on the Commission's statement in its June 17, 2009 Entry on Rehearing issued in Case No. 08-888-EL-ORD that, "[w]hen measures are implemented during a year, only the savings from the time of implementation until the end of the year count for purposes of meeting the

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[24] *Id.*, pp. 17-18.

[25] *See supra* fn. 15.

[26] R.C. § 4928.66(A)(1)(a); *See* Fitzpatrick Testimony, pp. 5, 8-9, and Exhibit GLF-2. *See also* Plans, Company Table 4 and PUCO Table 2.

[27] R.C. § 4928.66(A)(1)(b); *See* Fitzpatrick Testimony, pp. 5, 8-9, and Exhibit GLF-2. *See also* Plans, Company Table 4 and PUCO Table 2.

[28] Fitzpatrick Testimony, pp. 22, 24. *See* Plans § 4.1.1; Rule 4901:1-39-05(C)(2)(c) ("An electric utility may seek written staff approval to reallocate funds between programs serving the same customer class at any time, provided that the reallocation supports the goals of its approved program portfolio plan and is limited to no more than twenty-five per cent of the funds available for programs serving that customer class. In addition, an electric utility may change its program mix or budget allocations at any time, as long as it provides notice to all parties in the proceeding in which the program portfolio plan was approved.").

[29] Fitzpatrick Testimony, p. 9.

benchmark."[30] However, the Companies request that the Commission allow the use of annualized savings as it would reduce by approximately $51 million the Plans' cost to customers.[31] Calculating savings on an annualized basis is a cost-effective approach to accounting for long-term savings.[32]

1. Energy efficiency benchmarks

Based on certain assumptions, the Plans are designed to produce verifiable results that will achieve or exceed the energy efficiency benchmarks for 2010 through 2012.[33] The Companies believe the overall program design reflected in the Plans balances near-term energy savings opportunities among all rate classes with longer-term programs that will create jobs and build capacity for delivering even greater energy savings in the future.[34] In the near-term, the Plans are designed to achieve the statutory energy efficiency benchmarks using a suite of programs targeted at multiple customer sectors: residential, low-income residential, small enterprise, mercantile-utility (large enterprise), and governmental.[35] Mercantile customer self-direct projects approved by the Commission pursuant to R.C. § 4928.66(A)(2)(c) and Rule 4901:1-39-05(G) are a key component of the Companies' compliance strategy in 2010 as other programs ramp up, but are anticipated to make up a substantially smaller percentage of energy

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[30] *In the Matter of the Adoption of Rules for Alternative and Renewable Energy Technology, Resources, and Climate Regulations, and Review of Chapters 4901:5-1, 4901:5-3, 4901:5-5, and 4901:5-7 of the Ohio Administrative Code, Pursuant to Amended Substitute Senate Bill No. 221*, Case No. 08-888-EL-ORD, Entry on Rehearing at p. 9 (June 17, 2009).

[31] Paganie Testimony, p. 13; Fitzpatrick Testimony, pp. 11-12; Plans § 1.1. *See* Tr. Vol. II, pp. 258-59 (comparing Ohio to Pennsylvania, which allows annualized benefits).

[32] Tr. Vol. II, p. 259. The Companies would, of course, track lost distribution revenue from the date of installation and not on an annualized basis.

[33] Fitzpatrick Testimony, pp. 8-9.

[34] Plans, § 1.1.

[35] Plans, § 1.3 and PUCO Table 1. *See* Plans, Company Table 13.

savings in subsequent years.[36] The Companies also anticipate that transmission and distribution ("T&D") infrastructure improvements that reduce line losses during the Plan period will contribute significantly to energy efficiency savings.[37] The energy efficiency savings generated by all of the programs included in the Plans are designed to achieve or exceed the energy efficiency benchmarks during the Plan period.[38]

The Plans assume that the Commission will approve the Companies' Application following one of two time lines: (1) approval of all programs as filed prior to April 1, 2010; or (2) approval of designated Fast Track Programs for launch no later than April 1, 2010, and approval of all remaining programs for launch no later than July 1, 2010.[39] The Fast Track Programs are the Appliance Turn-In Program, CFL (and CFL Low Income) Program, C/I Equipment Program (Lighting), and C/I Equipment Program (Industrial Motors).[40] On February 23, 2010, the Companies and supporting parties submitted the Joint Motion requesting expedited approval of the Fast Track Programs, as modified in that motion, by no later than mid-March, 2010. If Commission approval is delayed beyond the dates specified, or the Commission maintains its current position on pro rated savings calculations, it is unlikely the Companies will be able to achieve the 2010 benchmarks.[41]

In Case No. 09-1004-EL-EEC *et al.*, the Commission amended to zero the Companies' 2009 statutory benchmarks for energy efficiency, and stated further that its "approval of

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[36] Plans, § 3.3.2 and Company Table 16. *See also* OEC Exhibit 1 (Company data response showing percentage of overall energy efficiency savings estimated from mercantile self-direct program in 2010, 2011 and 2012).

[37] Plans, § 3.6 and PUCO Table 2. *See* R.C. § 4928.66(A)(2)(d) ("Programs implemented by a utility may include . . . transmission and distribution infrastructure improvements that reduce line losses.").

[38] Plans, PUCO Table 2; Fitzpatrick Testimony, pp. 5, 8-9 and Exhibit GLF-2.

[39] Fitzpatrick Testimony, pp. 9-11; Paganie Testimony, pp. 13-14.

[40] Fitzpatrick Testimony, p. 9.

[41] Fitzpatrick Testimony, pp. 10-11; Paganie Testimony, p. 13.

FirstEnergy's application [for amendment] is contingent upon FirstEnergy meeting revised benchmarks in a period not longer than three years." [42] The Commission indicated that it would "determine the level of FirstEnergy's amended benchmarks for 2010, 2011 and 2012 when [it] consider[ed] FirstEnergy's comprehensive energy efficiency program portfolio in Case No. 09-1947-EL-POR, *et al.*, to ensure that the amended benchmark for each year is reasonably achievable in the context of the proposed program portfolio."[43] However, since the time this Order was issued, the Commission approved six mercantile customer self-directed project applications,[44] which resulted in actual energy savings during 2009 of 22,614 MWh.[45] The Companies also have 40 applications pending with the Commission that, if granted, would result in energy efficiency savings for 2009 well in excess of the 2009 benchmarks without amendment.[46] Regardless, because the Plans are designed to achieve or exceed the *cumulative* benchmarks for 2010, 2011 and 2012,[47] no revisions to the energy efficiency benchmarks set forth in the Plans are necessary.

2. Peak demand reduction benchmarks

Based on the same assumptions discussed above, the Plans are designed to produce verifiable results that will achieve or exceed the peak demand reduction benchmarks for 2010

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[42] *In the Matter of the Application of Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company to Amend Their Energy Efficiency Benchmarks*, Case Nos. 09-1004-EL-EEC, 09-1005-EL-EEC, 09-1006-EL-EEC, Finding and Order at ¶ 10 (Jan. 7, 2010).

[43] *Id.*

[44] *See* Feb. 11, 2010 Finding and Orders issued in Case Nos. 09-0595-EL-EEC, 09-1100-EL-EEC, 09-1101-EL-EEC, 09-1102-EL-EEC; 09-1200-EL-EEC, 09-1201-EL-EEC.

[45] *See* Energy Efficiency & Peak Demand Reduction Program Portfolio Status Report ("2009 Status Report") at pp. 2-3 and Exhibit 1, filed March 8, 2010, in Case Nos. 10-227-EL-EEC, 10-228-EL-EEC and 10-229-EL-EEC.

[46] *See id.*, p. 3 and Exhibit 1.

[47] *See* Plans, PUCO Table 2. *See also* Tr. Vol. I, p. 30.

through 2012.[48] The Companies have met their 2009 peak demand reduction benchmarks.[49] As shown on PUCO Table 2, programs across all customer sectors will contribute to peak demand reductions, including the C/I Interruptible Demand Reduction Program, the C/I Equipment Program (Lighting), the Mercantile Customer Self-Direct Program and, for residential customers, the CFL Program, Direct Load Control Program, Appliance Turn-In Program and Energy Efficient Products Program.[50]

The Companies have the capability to reduce peak demand through the C/I Interruptible Demand Reduction Program ("IDR Program"). The Companies currently obtain this capability through Rider ELR.[51] The Companies register their ELR interruptible capability as a capacity resource with the Midwest Independent Transmission System Operator, LLC ("MISO") through Module E of the MISO Open Access Transmission Tariff.[52] As the Commission previously has found, the Companies' ELR and OLR tariffs meet the requirements for a peak demand response program under Rule 4901:1-39-05(E), because they provide the Companies with the capability to reduce peak demand and they are recognized as a capacity resource by MISO.[53] The Companies

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[48] Fitzpatrick Testimony, pp. 8-9.

[49] 2009 Status Report, p. 4. *See also 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 Nos. 09-535-EL-EEC, 09-536-EL-EEC and 09-537-EL-EEC, Finding and Order at ¶ 11 (Mar. 10, 2010) ("FirstEnergy's ELR and OLR tariffs meet the requirements for a peak demand response program").

[50] Plans, PUCO Table 2 and PUCO Tables 7A-7E.

[51] *See* Plans, § 3.4; Company Exhibit 11, Rebuttal Testimony of Katherine M. Kettlewell ("Kettlewell Rebuttal"), p. 3. Rider OLR also has the potential to provide this capability, but no customers currently take service under Rider OLR. *See* Tr. Vol. IV, pp. 522-24.

[52] Kettlewell Rebuttal, p. 3.

[53] *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 Nos. 09-535-EL-EEC, 09-536-EL-EEC and 09-537-EL-EEC, Finding and Order at ¶ 11 (Mar. 10, 2010).

plan to use the valuation of this interruptible capability as registered through Module E for compliance with their peak demand reduction benchmarks.[54]

Because Rider ELR will expire by its own terms on May 31, 2011, the Companies have requested Commission approval in Case No. 09-906-EL-SSO, *et al.* (the "MRO Case"), to obtain interruptible capability starting in 2011 through a request-for-proposal process.[55] Separately, as part of the Electric Security Plan filing in Case No. 10-388-EL-SSO (the "ESP II Case"), the Companies have requested that Rider ELR and Rider OLR continue to be available to customers through May 31, 2014, and be used to provide interruptible capability as a peak demand response program under Rule 4901:1-39-05(E).[56] Thus, how the IDR Program will obtain interruptible capability will be determined by the Commission in the MRO Case or ESP II Case.[57] Regardless of how that capability is obtained, the compliance value for purposes of calculating peak demand reductions under Rule 4901:1-39-05(E) starting in 2011 will be the value of demand resources that clear in the applicable PJM Interconnection RPM auction.[58] The Companies intend to update this aspect of the Plans in their March 15, 2011 portfolio status report.[59]

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[54] Nucor's witness suggested that the Companies should use the calculation of curtailable load in Rider ELR to value interruptible capability for benchmark compliance purposes. Goins Testimony, pp. 22-24. However, the Companies do not believe this calculation is consistent with Rule 4901:1-39-05(E)(2) and would overstate operational capability. Kettlewell Rebuttal, pp. 4-5. The Companies are not opposed to using this methodology should the Commission order it. *Id.*

[55] See Plans, § 3.4; Tr. Vol. I, pp. 105-06; Tr. Vol. IV, p. 534.

[56] *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. 10-388-EL-SSO, Stipulation and Recommendation at ¶ D.2. and Attachment B (Mar. 23, 2010).

[57] *See* Tr. Vol. IV, p. 535.

[58] Kettlewell Rebuttal, p. 5; Tr. Vol. IV, p. 529.

[59] Tr. Vol. I, pp. 106-07.

B. The Plans Are Cost Effective on a Portfolio Basis

The Plans satisfy the Commission's Rule[60] that they be cost-effective on a portfolio basis as demonstrated through application of the TRC test.[61] The details of how the TRC test was performed by Black & Veatch on a portfolio-wide basis and individually for each program is provided in Section 8.0 of the Plans. The results are provided in PUCO Tables 7A through 7G. The portfolio-wide TRC for Ohio Edison is 1.38, for CEI is 1.24 and for Toledo Edison is 1.17.[62]

The calculations performed by Black & Veatch indicate that not all individual programs are cost effective under the TRC test for one or more years of the Plan period.[63] This includes the C/I Equipment Program (Commercial Lighting), although several intervenors argued that the TRC for this program was understated because of how it accounted for labor costs.[64] Mr. Fitzpatrick of Black & Veatch explained at hearing how his TRC calculation for retrofitting a lighting fixture from a T-12 fixture to a T-8 fixture made reasonable cost assumptions.[65] He noted, however, that there are alternate ways of performing the analysis which would increase the TRC.[66] Regardless, all witnesses who offered an opinion agreed that this lighting program was beneficial and should be included in the Plans.

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[60] *See* Rule 4901:1-39-04(B).

[61] Fitzpatrick Testimony, p. 13.

[62] Fitzpatrick Testimony, Exhibit GLF-1.

[63] While not each individual program achieved a TRC result of greater than 1.0, Section 9.0 in each of the Plans includes a description of "non-energy" benefits which further justifies the inclusion of these individual programs as part of the Plans. No party challenged the existence of any of these non-energy benefits.

[64] Scheck Testimony, pp. 1-4; Crandall Testimony, pp. 19-20; Sullivan Testimony, pp. 16-17.

[65] Tr. Vol. II, pp. 229-32, 262.

[66] *Id.*, p. 262.

Nucor also questioned the TRC calculation for the IDR Program and argued both that using a TRC was inappropriate and that the TRC should result in a benefit-cost ratio above 1.0.[67] Regardless of the relative merits of Nucor's arguments,[68] the record shows that the IDR Program provides substantial non-energy benefits in the form of economic development and increased reliability.[69] As with the C/I lighting retrofit program, no party has objected to the inclusion of the IDR Program in the Plans.

Lastly, PUCO Tables 7A and 7B show that some residential programs have a TRC of less than 1.0. One of the key features of the Plans is that they provide a diverse cross-section of alternatives and reasonable mix of programs that will benefit customers of all rate classes.[70] As instructed by the Commission's Rules, portfolio design should take into account not just relative cost effectiveness but also the potential for broad participation with the targeted customer class and non-energy benefits.[71] As Mr. Fitzpatrick testified, these programs were included in the Plans because they are considered valuable components of a comprehensive portfolio, especially when the non-energy benefits are also factored in.[72]

The Plans are consistent with the Commission's Rules regarding cost effectiveness and should be approved.

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[67] Goins Testimony, pp. 14-21.

[68] The Companies see some merit in Dr. Goins' recommendation that a TRC test should not be applied to Riders ELR and OLR because the Commission already has approved these rates as just and reasonable. *See* Goins Testimony, p. 9.

[69] *See* Goins Testimony, p. 16.

[70] Fitzpatrick Testimony, p. 20.

[71] Rule 4901:1-39-03(B). *See* Plans, Section 9.0, for an extensive discussion of the broad participation and non-energy benefits factors.

[72] Fitzpatrick Testimony, pp. 16-17.

C. The Plans Include All Components Required by Rule

In addition to the Rule requirements discussed above, Rule 4901:1-39-04(C) identifies five categories of information to be included in an EDU's portfolio plan filing. The Companies' Plans satisfy each of these requirements.

First, the Plans include an executive summary and an assessment of potential. The executive summary is found in Section 1.0 of the Plans. As noted above, the Market Potential Study is attached as Appendix D to the Plans.[73]

Second, the Plans describe stakeholder participation in program planning development efforts.[74] Both Mr. Paganie and Mr. Fitzpatrick explained how stakeholders participating in the Collaborative influenced the development of EE&PDR programs.[75] Mr. Paganie also testified how the redesign of the residential CFL program was done through the collaborative process.[76] The Companies intend to continue Collaborative meetings following approval of the Plans, and have asked members to identify any items they would like to discuss at future meetings.[77]

Third, the Plans describe attempts to align and coordinate programs with other public utilities' programs.[78] The Companies have coordinated with other utilities in the development of a Technical Resource Manual, and have discussed various aspects of EE&PDR programs with utilities that have implemented similar programs.[79] The Companies also discussed a joint home

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[73] *See* Paganie Testimony, p. 9.

[74] Plans, §§ 1.2, 3.1.5.

[75] Paganie Testimony, pp. 7-8; Fitzpatrick Testimony, pp. 6-7, 17.

[76] Tr. Vol. I, pp. 34-35, 40-45.

[77] Tr. Vol. I, pp. 51-52.

[78] Plans, § 3.1.6.

[79] *Id.*

performance program, but the program design was not finalized and no cost analysis had been performed at the time the Plans were filed, so this program was not included in the Plans.[80]

Fourth, Sections 2.0 and 3.0 of the Plans describe the Companies' EE&PDR programs in place in 2009, and include a recommendation as to continuation of those programs. The results from these previous program activities are provided in Section 3.1.3 of the Plans. The Companies recommend that the Community Connections, Online Energy Efficient Products Catalog Program, IDR Program (as approved by the Commission in either the MRO or ESP II Case), and Direct Load Control Program continue and are, thus, included as part of the suite of programs included in the Plans. However, as also indicated in the Plans, the Companies are replacing the Home Performance with ENERGY STAR® program with the Comprehensive Residential Retrofit Program.[81]

Fifth, Sections 2.0 and 3.0 of the Plans describe all proposed programs. These programs also are summarized by Mr. Fitzpatrick.[82] In addition, the Plans describe the Companies' planning, reporting and tracking systems,[83] management and implementation strategies,[84] and EM&V activities.[85] The Plans also describe how each of the program design criteria in Rule 4901:1-39-03(B) is satisfied.[86] All requirements of Rule 4901:1-39-04(C)(5) are addressed in these sections of the Plans.

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[80] *Id.*; Sawmiller Testimony, pp. 10-11; Tr. Vol. II, pp. 320-22.

[81] Plans, Section 3.1.3.

[82] Fitzpatrick Testimony, pp. 17-21.

[83] Plans, Section 4.0.

[84] *Id.*, Section 5.0.

[85] *Id.*, Section 6.0.

[86] *Id.*, Section 9.0.

Because the Plans satisfy all requirements of R.C. § 4928.66 and Commission Rules, they should be approved by the Commission so as to allow implementation on or before July 1, 2010.

II. The Proposed Cost Recovery Mechanism Is Reasonable and Should Be Approved.

In the ESP Case the Commission approved the Companies' Rider DSE to recover costs associated with demand side management and costs associated with compliance with R.C. § 4928.66.[87] Rider DSE has two charges. The DSE1 charge recovers costs related to the credits paid to interruptible customers under Rider ELR and Rider OLR.[88] The DSE2 charge currently is designed to recover all costs incurred by the Companies for the design, approval and implementation of programs for compliance with benchmarks established in R.C. § 4928.66 (including customer incentives or rebates paid, consultant and other professional fees, third-party program manager fees and EM&V service fees), applicable carrying costs, administrative costs to conduct the programs, and lost distribution revenues resulting from the implementation of such EE&PDR programs (the "EE&PDR Costs").[89] With the amendments discussed below, the proposed cost-recovery mechanism is consistent with Rule 4901:1-39-07 and should be approved.

A. EE&PDR Cost Recovery Through the DSE2 Charge Is Reasonable.

Upon Commission approval, the Companies will begin recovering their EE&PDR Costs through the DSE2 charge included in amended Rider DSE, which is attached to Mr. Ouellette's testimony as Exhibits SEO-B1, SEO-B2 and SEO-B3 and to the Plans as Appendix F. Costs

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[87] Ouellette Testimony, p. 4.

[88] *Id.*, pp. 4, 6. The Companies are not proposing any change to the DSE1 charge except to reconcile it annually with the DSE2 charge. Thus, the rate filed on December 1, 2009 for DSE1 in Case Nos. 08-935-EL-SSO, 09-21-EL-ATA, 09-22-EL-AEM, 09-23-EL-AAM and 89-6006-EL-TRF would be applicable through all of 2010 and would be reconciled and filed on December 1, 2010 to be effective on January 1, 2011.

[89] *See* Ouellette Testimony, p. 7 and Exhibits SEO-A1, SEO-A2 and SEO-A3; Plans, § 7.1.

recovered through the DSE2 charge are expressed as a price per kWh and billed on that basis.[90] Because projected program costs for residential customers are expected to decline over the three-year Plan period, these costs were levelized so as to not unduly burden residential customers in 2010.[91] Thus, the first update of the charges for the RS Rate Schedule in DSE2 will collect the Program Costs[92] in the 2010 rate as levelized over 2010, 2011, and 2012, and all other components of the RS 2010 rate will be equal to the expected 2010 annual costs.[93] The first update of the charges for all other Rate Schedules in DSE2 will collect costs eligible for recovery incurred from September 1, 2009 through November 30, 2009, as well as projected costs for the period December 1, 2009 through December 31, 2010.[94] Thereafter, the DSE2 charge will be updated at least annually[95] to recover the Companies' projected EE&PDR Costs, as levelized over the remainder of the planning period for the RS Rate Schedule, or for the next annual period for all other Rate Schedules, adjusted for any over- or under-collection during the preceding recovery period.[96]

The source of the costs to be recovered through the DSE2 charge are the Program Year 2010 Portfolio Budget, less the ELR/OLR program costs recovered through the DSE1 charge, plus the Program Year 2010 Common Costs, all as developed by Black & Veatch and

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[90] Ouellette Testimony, p. 4; Plans, Appendix F, at 2nd Revised Page 1 of 2.

[91] Ouellette Testimony, p. 6.

[92] As defined in the amended DSE Rider, "Program Costs" includes all EE&PDR Costs except administrative costs, shared savings and uncollected distribution revenues. *See* Plans, Appendix F, at 2nd Revised Page 1 of 2.

[93] Ouellette Testimony, p. 5; Plans, Appendix F, at 1st Revised Page 2 of 2.

[94] *Id.*

[95] Currently the DSE2 charge is reconciled semi-annually. The Companies have reserved the right to file for a change in the Rider on a more frequent basis. Ouellette Testimony, p. 6.

[96] Ouellette Testimony, p. 5; Plans, Appendix F, at 2nd Revised Page 1 of 2.

summarized on PUCO Table 3 of the Plans.[97] These costs include actual expenditures in 2009 and projected expenditures in 2010, 2011 and 2012.[98] The costs are tracked by six customer sectors: Residential, Low-Income Residential, Small Enterprise, Mercantile Self-Direct, Mercantile-Utility (Large Enterprise), and Governmental sectors, and directly allocated to the appropriate rate schedule as explained in Mr. Ouellette's testimony.[99] This continues the parties' agreement in the ESP Case that allocation of costs would be on a rate schedule basis.[100]

The only program costs questioned by any of the parties in this proceeding are the actual costs incurred by the Companies as part of the CFL program approved by the Commission on September 23, 2009, in Case No. 09-580-EL-EEC, *et al.* (the "Approved CFL Program"). That program was designed to rapidly distribute CFL bulbs to residential and small-business customers in the fourth quarter of 2009 so that the benefits of the program could count toward the Companies' 2009 EE&PDR benchmarks.[101] The Companies agreed that the total cost of the program to distribute 3,750,000 CFL bulbs would be \$3.50 per bulb or \$13,125,000, which the Commission found in its September 23, 2009 Finding and Order was not unreasonable.[102]

Between September 23, 2009 and the Commission's Entry on Rehearing issued November 4, 2009, which directed the Companies to redesign the Approved CFL Program in

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[97] Ouellette Testimony, pp. 7-9 and Exhibits SEO-C1, SEO-C2 and SEO-C3.

[98] Ouellette Testimony, pp. 7-8.

[99] *Id.*, pp. 8-9 and Exhibits SEO-C1, SEO-C2 and SEO-C3. T&D improvement costs are not included in the Plans for recovery through Rider DSE, but may be addressed in future proceedings. *See* Plans, § 1.3 and PUCO Table 1. Thus, Rule 4901:1-39-07(A)(1), which limits cost recovery of T&D improvement projects to the portion of those investments that are attributable to and undertaken primarily for energy efficiency or demand reduction purposes, is not applicable.

[100] ESP Stipulation, § E.2. Note that the parties also agreed in this section that the interruptible credit in Rider ELR should be recovered from all customers, as currently is done through the DSE1 charge.

[101] *See* Letter from Applicants to PUCO Staff dated September 16, 2009, docketed in Case Nos. 09-580-EL-EEC, *et al.* ("September 16, 2009 Letter"); Company Exhibit 12, Rebuttal Testimony of Gregory M. Toth ("Toth Rebuttal"), p. 3.

[102] Toth Rebuttal, pp. 3-4; September 16, 2009 Letter, p. 1; September 23, 2009 Finding and Order, ¶ 6.

cooperation with the Collaborative, the Companies incurred costs of $9,113,856 to implement the Approved CFL Program.[103] As part of the redesign, the Companies negotiated substantial reductions from vendors to reduce or eliminate costs to the extent possible, and also worked exhaustively to roll as many of these costs into the redesigned CFL program ("Revised CFL Program") included in the Plans.[104] Because of these efforts, the total cost included in the Plans for the Approved CFL Program *and* the Revised CFL Program is $13,163,448 – only $3.51 per CFL bulb.[105]

Because the costs of the Approved CFL Program were incurred pursuant to a valid Commission order, they are deemed reasonable and are recoverable from customers even though the Commission later granted rehearing of that order.[106] Further, Company witness Toth explained at length in his testimony that the few line items of costs challenged by OCC's witness were reasonable at the time incurred.[107] For example, because the Revised CFL Program included in the Plans is a two-year program and will require storage of the CFL bulbs for an extended period, OCC's questioning of warehouse costs incurred between December 2009 and March 2010 is nonsensical.[108] OCC's argument that the Companies should have spent more of their original advertising budget prior to termination of the Approved CFL Program is similarly

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[103] Toth Rebuttal, pp. 4-5.

[104] *Id.*, p. 5. Details of the Revised CFL Program are attached to the Plans as Appendix E.

[105] Toth Rebuttal, p. 5; Plans, Appendix E, pp. 4-5. Total costs for each Company of the CFL Program are found in Tables 6A and 6B - $6,551,656 for Ohio Edison, $4,645,308 for CEI, and $1,966,484 for Toledo Edison.

[106] *See* R.C. § 4903.10(B) ("An order made after such rehearing, abrogating or modifying the original order, shall have the same effect as an original order, but shall not affect any right or the enforcement of any right arising from or by virtue of the original order prior to the receipt of notice by the affected party of the filing of the application for rehearing.").

[107] Toth Rebuttal, pp. 7-11.

[108] *Id.*, pp. 5-6; Tr. Vol. II, pp. 341-48.

lacking in common sense.[109] Lastly, OCC's complaint that extensive detail supporting personnel costs was lacking in the Plans was remedied by Mr. Toth's rebuttal testimony.[110] Thus, the record supports not only the reasonableness of the costs incurred for the Approved CFL Program, but also the costs projected to be incurred for the Revised CFL Program that is included in the Plans.

B. Recovery of Uncollected Distribution Revenues Through the DSE2 Charge Is Reasonable.

Rider DSE is designed to include recovery of uncollected distribution revenues as permitted by Rule 4901:1-39-07(A). The parties to the ESP Case agreed, and the Commission ordered, that the Companies' Rider DSE would recover their costs of EE&PDR programs, including, among other things, "recovery of lost distribution revenues as permitted by Commission rules, resulting from implementation of such programs."[111] The parties' agreement specified how lost distribution revenues would be recovered:

> [l]ost distribution revenues associated with the energy efficiency programs, including demand response programs shall be recovered . . . for a period not to exceed the earlier of the Companies' effective date of the Companies next base distribution case, or six years from the effective date of this Stipulated ESP. Lost distribution revenues recovered will be distribution lost revenues for new (not existing) programs started after January 1, 2009.

Rider DSE will continue to provide for recovery of lost distribution revenues as agreed to by all parties to the ESP Case.[112]

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[109] Toth Rebuttal, p. 7; Tr. Vol. II, pp. 348-49.

[110] *Id.*, pp. 8-11.

[111] ESP Stipulation, ¶ E.2. *In the Matter of Ohio Edison Company, The Cleveland Electric Illuminating Company and The Toledo Edison Company for Authority to Establish a Standard Service Offer Pursuant to Section 4928.143, Revised Code, in the Form of an Electric Security Plan*, Case No. 08-935-EL-SSO, *et al.*, Second Opinion and Order, pp. 14, 23 (Mar. 25, 2009).

[112] The Stipulation filed on March 23, 2010, in the ESP II Case similarly provides that "the Companies shall be entitled to receive lost distribution revenue for all energy efficiency and peak demand reduction programs approved by the Commission." ESP II Case, Stipulation and Recommendation at ¶ E.3.

As described in Mr. Ouellette's testimony, lost distribution revenues are included in the calculation of the DSE2 charge.[113] This is appropriate because the impact of the EE&PDR programs was not taken into account in the Companies' last base distribution rate case, Case No. 07-551-EL-ATA, *et al.* The amount of lost revenues is determined by multiplying the expected program savings by the energy charge or capacity charge from the distribution tariffs and the Rider DSI charge.[114] As with all other projected costs, recovery is subject to audit and reconciliation annually.

C. The Proposed Shared Savings Incentive Is Reasonable.

Rider DSE as amended also is designed to include recovery of shared savings to the extent earned in future years, as permitted by Rule 4901:1-39-07(A). Shared savings are earned on a Company-specific basis (results are not aggregated across the Companies) when a Company achieves more reductions than are mandated by R.C. § 4928.66 in any given year.[115] The amount of shared savings is determined by calculating the net benefits gained using the Utility Cost Test, net of taxes, for generating savings in excess of a Company's benchmarks.[116] These net benefits are then "shared" so that the Company earning these benefits obtains 15% thereof.[117] The advantage of using the Utility Cost Test over the Total Resource Cost test is that the former includes only those costs and benefits that inure to ratepayers.[118] In addition, using the Utility Cost Test encourages the Companies to make sure incentive payments are not higher than they

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113 *See* Ouellette Testimony, p. 8. Mr. Ouellette refers to lost distribution revenues as "variable distribution revenues not otherwise collected."

114 Ouellette Testimony, Exhibits SEO-C1, SEO-C2 and SEO-C3, note 12.

115 Ouellette Testimony, p. 10. *See* Tr. Vol. I, p. 169.

116 Ouellette Testimony, p. 10.

117 *Id.*; Tr. Vol. I, pp. 160-62.

118 *See Id.* and compare to Rule 4901:1-39-01(Y).

need to be to stimulate program participation. Shared savings are an incentive for the Companies to exceed the benchmarks set by statute to the extent net benefits can be gained, thereby providing additional benefits to customers over and above the baseline established by statute.[119]

The Companies determined that sharing in fifteen percent of the net benefits was reasonable by reviewing AEP's and Duke Energy's proposed shared savings programs and conducting an internal review of what percentage would likely incent the Companies to overshoot their benchmarks.[120] Black & Veatch also reviewed the shared savings proposal and determined that it was reasonable.[121]

No intervenor witness proposed an alternative to the suggested 15% shared savings level.[122] Instead, several intervenor witnesses questioned the inclusion in the shared savings calculation of savings derived from T&D infrastructure improvements and the Mercantile Customer Self-Directed Program.[123] As a preliminary matter, shared savings is intended to incent the Companies to exceed their statutory benchmarks. When determining whether the Companies achieved these benchmarks, R.C. 4928.66 allows the Companies to include the results from both approved mercantile customer projects and approved T&D infrastructure improvements. Therefore, it is appropriate to include the results from these types of projects for purposes of determining whether the Companies exceeded their statutory benchmarks. It should also be noted that except for one limited potential scenario, savings from these programs will not

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[119] Tr. Vol. I, p. 159.

[120] Tr. Vol. I, p. 161-62.

[121] Tr. Vol. I, p. 162; Tr. Vol. II, p. 266 (Mr. Fitzpatrick testifying "the 15 percent was a reasonable number"). *See also* Tr. Vol. III, pp. 423, 435 (Dr. Goins stating that amount of shared savings is policy determination and that he has no specific recommendation for what would be an appropriate level of shared savings).

[122] *See* Tr. Vol. II, pp. 278-79 (NRDC witness Sullivan stating that 15% is reasonable but that he doesn't take a position); Tr. Vol. II, p. 337-38 (OCC witness Sawmiller stating that 15% is reasonable if his recommendations are adopted); Tr. Vol. III, p. 423 (Nucor witness Goins stating, "These are policy decisions.").

[123] Sullivan Testimony, pp. 4-7; Sawmiller Testimony, pp. 8-9.

factor into the net benefit calculation. Self-directed mercantile customer projects are not part of the net benefits calculation.[124] And, while it is theoretically possible that savings from T&D projects could be included to the extent they result in line loss savings *and* produce a positive net benefit, as Mr. Ouellette testified, the expense of these projects makes this highly unlikely.[125] Thus, while the energy savings from these programs (and all other programs) are used to determine whether any of the Companies has exceeded its benchmarks, savings from mercantile customer projects and T&D projects are not expected to be used in the calculation of shared savings earned by the Companies.

The shared savings component of Rider DSE is a reasonable mechanism for incenting the Companies to achieve energy efficiency benefits for customers over and above the minimum requirements established by law. Thus, the Commission should approve the DSE Rider as amended.

III. The Initial Benchmark Report Should Be Approved.

Pursuant to Rule 4901:1-39-05(A), the Companies filed their Initial Benchmark Report in Section 1.1 and Company Tables 1-4 of the Plans. The Companies' EE&PDR baselines and benchmarks were calculated in accordance with the requirements of R.C. § 4928.66 and appropriately adjusted for weather and the results of mercantile customer self-directed projects.[126] The resulting EE&PDR targets are set forth in Ms. Kettlewell's testimony and Company Tables 2 and 4.[127] No party has objected to the Companies' Initial Benchmark Report.

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[124] Tr. Vol. I, pp. 173-74.

[125] Tr. Vol. I, pp. 172-73.

[126] Kettlewell Testimony, pp. 6-12.

[127] *See also* Company Exhibit 9 for corrections to CEI Tables 2 and 4.

These benchmarks will be adjusted, as necessary, in the Companies' annual filings with the Commission. Indeed, the Companies recently updated these benchmarks in their EE&PDR Portfolio Status Report filed March 8, 2010, in Case Nos. 10-227-EL-EEC, 10-228-EL-EEC and 10-229-EL-EEC. The Commission should find that the Companies have complied with the requirements for an initial benchmark report and approve their respective reports.

CONCLUSION

For the reasons set forth above, the Companies respectfully ask that the Commission issue an order approving their filed Plans as amended in the Joint Motion and their Initial Benchmark Reports as described herein.

Respectfully submitted,

Kathy J. Kolich

Kathy J. Kolich, Counsel of Record
Arthur E. Korkosz
Ebony L. Miller
FIRSTENERGY SERVICE COMPANY
76 South Main Street
Akron, OH 44308
T: (330) 384-4580
F: (330) 384-3875
kjkolich@firstenergycorp.com
korkosza@firstenergycorp.com
elmiller@firstenergycorp.com

James F. Lang
Laura C. McBride
N. Trevor Alexander
Kevin P. Shannon
CALFEE, HALTER & GRISWOLD LLP
1400 KeyBank Center
800 Superior Ave.
Cleveland, OH 44114
T: (216) 622-8200
F: (216) 241-0816
jlang@calfee.com
lmcbride@calfee.com
talexander@calfee.com
kshannon@calfee.com

ATTORNEYS FOR APPLICANTS, OHIO EDISON COMPANY, THE CLEVELAND ELECTRIC ILLUMINATING COMPANY, AND THE TOLEDO EDISON COMPANY

CERTIFICATE OF SERVICE

I hereby certify that this **Post-Hearing Brief** was filed electronically this 29th day of March, 2010, with the Public Utilities Commission of Ohio Docketing Information System. Notice of this filing will be sent via e-mail to the attached list.

Kathy J. Kolich

Kathy J. Kolich, Esquire

Craig I. Smith
Attorney at Law
2824 Coventry Road
Cleveland, OH 44120
wis29@yahoo.com

Jeffrey L. Small (Counsel of Record)
Gregory J. Poulos
Christopher J. Allwein
Office of the Ohio Consumers' Counsel
10 West Broad Street, Suite 1800
Columbus, OH 43215-3485
small@occ.state.oh.us
poulos@occ.state.oh.us
allwein@occ.state.oh.us

Samuel Randazzo (Counsel of Record)
Lisa G. McAlister
Joseph M. Clark
MCNEES WALLACE & NURICK LLC
Fifth Third Center
21 East State Street, 17th Floor
Columbus, OH 43215-4228
sam@mwncmh.com
lmcalister@mwncmh.com
jclark@mwncmh.com

David F. Boehm, Esq.
Michael L. Kurtz, Esq.
BOEHM, KURTZ & LOWRY
36 East Seventh Street
Suite 1510
Cincinnati, OH 45202
dboehm@bkllawfirm.com
mkurtz@bkllawfirm.com

Duane Luckey
Attorney General's Office
Public Utilities Section
180 East Broad Street, 9th Floor
Columbus, OH 43215
duane.luckey@puc.state.oh.us

Thomas Lindgren
Attorney General's Office
Public Utilities Section
180 East Broad Street, 6h Floor
Columbus, OH 43215
thomas.lindgren@puc.state.oh.us

David C. Rinebolt
Colleen L. Mooney
Ohio Partners for Affordable Energy
231 West Lima Street
P.O. Box 1793
Findlay, OH 45839-1793
drinebolt@aol.com
cmooney2@columbus.rr.com

Glenn S. Krassen
BRICKER & ECKLER LLP
1375 East Ninth Street
Suite 1500
Cleveland, OH 44114
GKrassen@Bricker.com

Matthew W. Warnock
BRICKER & ECKLER LLP
100 South Third Street
Columbus, OH 43215
MWarnock@Bricker.com

Thomas J. O'Brien
BRICKER & ECKLER LLP
100 South Third Street
Columbus, OH 43215-4291
tobrien@bricker.com

Richard L. Sites
General Counsel & Sr. Director of Health Policy
OHIO HOSPITAL ASSOCIATION
155 East Broad Street, 15th Floor
Columbus, OH 43215-3620
ricks@ohanet.org

Nolan Moser
Will Reisinger
Trent. A. Dougherty
The Ohio Environmental Council
1207 Grandview Avenue, Suite 201
Columbus, OH 4321
nmoser@theOEC.org
will@the OEC.org
trent@the OEC.org

Joseph P. Meissner, Esq.
Matthew D. Vincel, Esq.
The Legal Aid Society of Cleveland
1223 W. 6th Street
Cleveland, OH 44113
jpmeissn@lasclev.org
mvincel@lasclev.org

Michael E Heintz
Environmental Law & Policy Center
1207 Grandview Avenue, Suite 201
Columbus, OH 43204
mheintz@elpc.org

Jacqueline Lake Roberts
101 Federal Street
Suite 1100
Boston, MA 02110
jroberts@enernoc.com

Michael K. Lavanga
mkl@bbrslaw.com
Counsel of Record
Garrett A. Stone
gas@bbrslaw.com
Brickfield, Burchette, Ritts & Stone, P.C.
1025 Thomas Jefferson Street, N.W.
8th Floor, West Tower
Washington, DC 20007

Henry W. Eckhart
50 West Broad Street, #2117
Columbus, OH 43215
henryeckhart @aol.com

Theodore J. Robinson
2121 Murray Avenue
Pittsburgh, PA 15217
robinson@citizenpower.com

Christopher L. Miller
Andre T. Porter
Gregory H. Dunn
Schottenstein Zox & Dunn Co. LPA
250 West Broad Street
Columbus, OH 43215
cmiller@szd.com
aporter@szd.com
gdunn@szd.com

Robert J. Triozzi
Director of Law, City of Cleveland, Ohio
Steven Beeler
Assistant Director of Law, City of
Cleveland, Ohio
Cleveland City Hall
601 Lakeside Avenue, Room 106
Cleveland, OH 44114
RTriozzi@city.cleveland.oh.us
SBeeler@city.cleveland.oh.us

Eric D. Weldele
Attorney for the Ohio Hospital Association
Tucker Ellis & West LLP
1225 Huntington Center
41 South High Street
Columbus, OH 43215-6197
eric.weldele@tuckerellis.com