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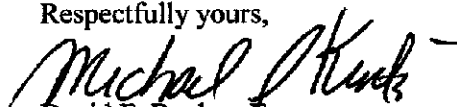
**In re: Case Nos. 09-1947-EL-POR, 09-1948-EL-POR and 09-1949-EL-POR
Case Nos. 09-1942-EL-EEC, 09-1943-EL-EEC and 09-1944-EL-EEC
Case Nos. 09-580-EL-EEC, 09-581-EL-EEC and 09-582-EL-EEC**

Dear Sir/Madam:

Please find enclosed an original and twenty (20) copies of INITIAL BRIEF OF THE OHIO ENERGY GROUP filed in the above-referenced matter.

Copies have been served on all parties on the attached certificate of service. Please place this document of file.

Respectfully yours,



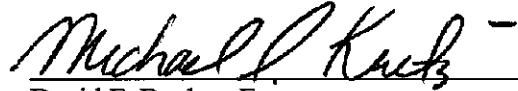
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CERTIFICATE OF SERVICE

I hereby certify that true copy of the foregoing was served by electronic mail (when available) or ordinary mail, unless otherwise noted, this 29th day of March, 2010 the following:



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**BEFORE THE
PUBLIC UTILITY COMMISSION OF OHIO**

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

**INITIAL BRIEF OF
THE OHIO ENERGY GROUP**

Because of the Application and Stipulation filed in Case No. 10-0388-EL-SSO which proposes to resolve many issues, including the continuation of the current interruptible rate program for an additional three years during the term of the new ESP, the issues which the Ohio Energy Group (“OEG”)¹ seeks to have addressed in this case have been reduced to one. How should the EE/PDR program costs for the Large Commercial and Industrial customers served under Rates GP, GSU and GT be allocated among those business customers? We believe that these program costs should be allocated directly to the Rate Schedule that receives the program benefit, just like the Companies propose to do with the residential customers on Rate RS and the small commercial customers on Rate GS.

The Companies have divided their non-governmental EE/PDR programs into three groups.

¹ The members of OEG who take service from the FirstEnergy Utilities are: Air Products and Chemicals, Inc., AK Steel Corporation, Aleris International, Inc., Alcoa Inc., ArcelorMittal USA, BP-Husky Refining, LLC., Brush Wellman, Inc., Charter Steel, Chrysler LLC, Ford Motor Company, General Motors LLC, Johns Manville (Berkshire Hathaway), Linde, Inc., North Star BlueScope Steel, LLC, PPG Industries, Inc. Praxair Inc., Sunoco, Inc., (R&M), Worthington Industries,

First, Residential programs such as direct load control, appliance turn-in, energy efficient products, efficient new homes and CFLs. The Companies propose that the costs of these Residential programs be directly assigned to Rate RS.

Second, Small Enterprise programs such as new construction program and small enterprise audits and equipment program. The Companies propose that the costs of these Small Enterprise programs be directly assigned to the small commercial customers on Rate GS.

Third, Large Commercial and Industrial programs such as lighting, industrial motors, efficient new construction and technical assessment umbrella program. However, unlike the direct assignment to the class that receives the benefit of the EE/PDR program as is being done with Rates RS and GS, the Companies propose a different cost allocation method for the Large Commercial and Industrial Customers. Here, the Companies propose to group together all of the Large Commercial and Industrial EE/PDR program costs and allocate those costs to Rates GP, GSU and GT on the basis on energy (kwh) usage. This is demonstrated on Exhibits SEO-C1, C2, and C3 (attached). The implicit assumption in this cost allocation proposal is that the large business customers will use the EE/PDR program in proportion to their energy usage. There is no study or credible evidence to support this implicit assumption, and experience shows it to be inaccurate.

Rate GT is comprised of only dozens of very large industrial manufacturers including steel companies, auto manufacturers, and petroleum refiners. A single very large industrial customer can use as much as 1,000,000,000/kwh annually. The amount of Rate GT load comprised of lighting or motors which may benefit from the EE/PDR programs is tiny. Yet under the Companies' proposal these Rate GT customers will be allocated large amounts of the EE/PDR costs because of their significant energy usage. On the other hand, Rate GP is comprised of thousands of medium sized businesses where lighting or motors could represent a significant percentage of their load. These medium sized businesses could very well benefit from the EE/PDR programs and the Companies proposed energy allocation under assigns cost responsibility to them.

The solution is simple. Directly assign EE/PDR costs to Rates GP, GSU and GT, just as is proposed for Rates RS and GS. This will ensure that the class that will benefit will pay their appropriate share, no more and no less.

Once the EE/PDR costs are directly assigned to Rates GP, GSU and GT, then the rate design proposed by the Companies to recover the costs is reasonable. Under this proposal the Companies are held revenue neutral.

OEG takes no position on the reasonableness of any of the costs, incentives or lost revenues at issue here. Our only concern is that whatever EE/PDR costs are approved, that they be properly allocated among the large business customers served under Rates GP, GSU and GT through a direct assignment method.

Respectfully submitted,



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March 29, 2010

Exhibit SE02-C2
The Cleveland Electric Illuminating Company
Supporting Calculators of Proposed CE DSE2 Rate

Summary of Costs from Plan (A)

	(B) Residential (10 Year)	(C) Residential Low-Income (10 Year)	(D) Small Enterprise	(E) Residential Self-Direct	(F) Residential-Utility (Large Enterprise)	(G) Residential Governmental	(H) WAD
(1) Program Year 2010 Portfolio Budget (Exhibit B and C)	\$24,393,922	\$8,614,287	\$8,961,895	\$387,000	\$8,619,136	\$2,263,179	\$0
(2) Less Program Year 2010 DSE 1 Portfolio Budget	\$0	\$0	\$0	\$0	(\$3,048,729)	\$0	\$0
(3) Program Year 2010 DSE 2 Portfolio Budget	\$24,393,922	\$8,614,287	\$8,961,895	\$387,000	\$3,470,407	\$2,263,179	\$0
(4) Program Year 2010 Common Costs	\$203,192	Included in (B)	\$202,366	\$7,899	\$186,394	\$93,901	\$0
(5) Total Costs	\$24,698,814	\$8,614,287	\$9,164,261	\$374,899	\$3,656,791	\$2,357,080	\$0

(6) Total 3 Year RS Program Costs	\$31,007,889
(7) MWs (3 years)	17,231,561
(8) Common Costs for (E) and (F) are allocated by MWs from Long Term Forecast Report	\$4,031,876.75

Calculation of January 1, 2010 Rate

	RS	CS	CP	CSU	SI	STL	TRF	PSL	TOTAL
(9) Program Year 2010 DSE 2 Portfolio Budget	\$10,126,487	\$8,961,895	\$300,906	\$2,308,815	\$1,229,687	\$2,182,501	\$100,677	\$0	\$25,178,937
(10) Adjustments per Exhibit SE02-E2	\$0	\$0	\$0	\$0	\$0	(\$1,427,420)	\$0	\$0	(\$1,427,420)
(11) Program Year 2010 Common Costs	\$293,192	\$202,366	\$15,223	\$116,783	\$62,253	\$64,110	\$9,792	\$0	\$763,728
(12) Variable Distribution Revenue Not Collected	\$1,500,690	\$296,570	\$2,451	\$10,616	\$3	\$24,876	\$2,447	\$0	\$1,827,723
(13) Shared Savings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(14) Amount to be Recovered before Commercial Activity Tax	\$11,720,329	\$9,440,800	\$318,590	\$2,424,214	\$1,291,943	\$814,167	\$112,916	\$0	\$26,132,968
(15) Commercial Activity Tax	\$30,552	\$24,610	\$930	\$6,345	\$3,398	\$2,122	\$294	\$0	\$69,123
(16) Total Amount to be Recovered	\$11,750,881	\$9,465,410	\$319,420	\$2,440,569	\$1,295,311	\$816,289	\$113,210	\$0	\$26,201,091
(17) 2010 MWs	5,927,441	8,801,014	472,050	3,817,574	1,990,793	139,743	25,106	65,115	18,877,817
(18) CE EEPDR Plan - PUOD Table 3 (Residential and Residential Low Income 2010-2012, Others 2010)	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$8,000

NOTES

- (1) Source: CE EEPDR Plan - PUOD Table 3 (Residential and Residential Low Income 2010-2012, Others 2010)
- (2) The ELR / OLR Program Year 2010 costs from the Portfolio Budget to be recovered in DSE 1
- (3) Calculation: (1) - (2)
- (4) Source: CE EEPDR Plan - Table 8C
- (5) Calculation: (3) + (4)
- (6) Calculation: (B1) + (C1)
- (7) MWs from 2010-2012. Source: 09-504-EL-FOR Long Term Forecast Report
- (8) Calculation: [(B9) / (B7)] * (B17)
- (9) Line (1) allocated to rate schedule as discussed in testimony
- (10) See Exhibit SE02-E1.
- (11) Line (2) allocated to rate schedule as discussed in testimony
- (12) Variable Distribution Revenue Not Collected = (Expected Savings from Program) x (Energy Charge or Capacity Charge from the Distribution tariffs + Distribution Service Improvement Rider (Rider DSI))
- (13) Shared Savings, if they actually occur, will be reconciled at year end
- (14) Calculation: (8) + (10) + (11) + (12) + (13)
- (15) Commercial Activity Tax rate for 2010 is 0.26%. Calculation: (14) * 0.0026
- (16) Calculation: (14) + (15)
- (17) MWs from 2010. Source: 09-504-EL-FOR Long Term Forecast Report
- (18) Calculation: [(16) * 100] / [(17) * 1000]

Exhibit SEO-C1
 Ohio Edison Company
 Supporting Calculations of Proposed OE DSE2 Rate

Summary of Costs from Plan (A)

	(B) Residential (6 Year)	(C) Residential Low-Income (8 Year)	(D) Small Enterprise	(E) Medium Enterprise	(F) Large Enterprise	(G) Governmental	(H) TND
(1) Program Year 2010 Portfolio Budget (Except B and C)	\$37,371,827	\$9,881,039	\$8,147,074	\$471,000	\$4,328,475	\$1,530,110	\$0
(2) Less Program Year 2010 DSE 1 Portfolio Budget	\$0	\$0	\$0	\$0	(\$1,291,320)	\$0	\$0
(3) Program Year 2010 DSE 2 Portfolio Budget	\$37,371,827	\$9,881,039	\$8,147,074	\$471,000	\$3,035,154	\$1,530,110	\$0
(4) Program Year 2010 Common Costs	\$481,715	Included in (B)	\$223,168	\$10,857	\$178,313	\$51,820	\$0
(5) Total Costs	\$37,853,542	\$9,881,039	\$8,370,242	\$481,857	\$3,213,467	\$1,581,730	\$0

(6) Total 3 Year RS Program Costs	\$17,252,288						
(7) MWs (3 years)	29,050,324						
(8) Calculation: (6) / (7)	\$0.594						

Calculation of January 1, 2010 Rate

	RS	GS	GP	GSU	GT	STL	IS	POL	(B) NI
(9) Program Year 2010 DSE 2 Portfolio Budget	\$15,400,447	\$8,147,074	\$1,333,766	\$390,982	\$1,991,489	\$1,448,658	\$30,443	\$0	\$28,583,788
(10) Adjustments per Exhibit SEO-E1	\$0	\$0	\$0	\$0	\$0	(\$955,894)	\$0	\$0	(\$955,894)
(11) Program Year 2010 Common Costs	\$481,715	\$223,168	\$90,621	\$20,336	\$108,311	\$41,504	\$7,115	\$0	\$943,871
(12) Variable Distribution Revenue Not Collected	\$1,982,493	\$204,204	\$13,516	\$1,799	\$1,883	\$1,502	\$2,508	\$0	\$2,187,903
(13) Shared Savings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(14) Amount to be Recovered before Commercial Activity Tax	\$17,864,655	\$8,574,444	\$1,207,743	\$403,120	\$2,099,890	\$3,473	\$90,084	\$0	\$30,759,886
(15) Commercial Activity Tax	\$46,517	\$22,352	\$3,148	\$1,051	\$5,473	\$1,488	\$235	\$0	\$90,184
(16) Total Amount to be Recovered	\$17,891,172	\$8,596,796	\$1,210,892	\$404,170	\$2,105,135	\$441,388	\$90,299	\$0	\$30,830,800
(17) 2010 MWs	9,471,223	6,584,688	2,608,419	878,254	4,590,290	121,801	19,442	38,348	24,576,185
(18) Calculation: (16) / (17)	\$1.888	\$1.305	\$0.464	\$0.460	\$0.458	\$3.647	\$4.540	\$2.323	\$1.254

NOTES

- (1) Source: OE EEPDR Plan - PUCC Table 3 (Residential and Residential Low Income 2010-2012, Others 2010)
- (2) The ELR / CLR Program Year 2010 costs from the Portfolio Budget to be recovered in DSE 1
- (3) Calculation: (1) - (2)
- (4) Source: OE EEPDR Plan - Table 6C
- (5) Calculation: (3) + (4)
- (6) Calculation: (5) * (C')
- (7) MWs from 2010-2012. Source: 09-504-EL-FOR Long Term Forecast Report
- (8) Calculation: [(96) / (87)] * (817)
- (9) Line (1) allocated to rate schedule as discussed in testimony
- (10) See Exhibit SEO-E1.
- (11) Line (2) allocated to rate schedule as discussed in testimony
- (12) Variable Distribution Revenue Not Collected = (Expanded Savings from Program) X (Energy Charge or Capacity Charge from the Distribution tariffs + Distribution Service Improvement Rider (Rider DSI))
- (13) Shared Savings, if they actually occur, will be reconciled at year end
- (14) Calculation: (9) + (10) + (11) + (12) + (13)
- (15) Commercial Activity Tax rate for 2010 is 0.28%. Calculation: (14) * 0.0028
- (16) MWs from 2010. Source: 09-504-EL-FOR Long Term Forecast Report
- (17) Calculation: [(16) * 100] / (17) * 10000

* Common Costs for (G) are allocated by MWs from Long Term Forecast Report. DSE2 Portfolio Budget costs are directly assigned by B&V to rate schedule

Total Costs for (E) and (F) are allocated by MWs from Long Term Forecast Report

-22%
-11%
-57%
-83%
-14%

Exhibit SEC-C3
 The Toledo Edison Company
 Supporting Calculations of Proposed TE DSE2 Rate

Summary of Costs from Plan (A)

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
	Residential 10 Year	Residential 15 Year	General Low Income 15 Year	Special Empowerment	Percentage Self-Sufficiency	Mercantile/DBP Lease Enhancement	Governmental TAB	TOTAL
(1) Program Year 2010 Portfolio Budget (Except B and C)	\$10,128,125	\$3,362,687	\$1,572,118	\$120,000	\$7,014,790	\$636,586	\$0	\$0
(2) Less Program Year 2010 DSE 1 Portfolio Budget	\$0	\$0	\$0	\$0	(\$6,501,921)	\$0	\$0	\$0
(3) Program Year 2010 DSE 2 Portfolio Budget	\$10,128,125	\$3,362,687	\$1,572,118	\$120,447	\$1,512,869	\$40,178	\$0	\$0
(4) Program Year 2010 Common Costs	\$124,282	\$3,362,687	\$1,572,118	\$120,447	\$2,839	\$147,875	\$0	\$0
(5) Total Costs	\$10,252,388	\$3,362,687	\$1,572,118	\$120,447	\$1,560,744	\$678,764	\$0	\$0
(6) Total 3 Year RS Program Costs	\$13,480,813				\$1,783,633.47			
(7) MMWhs (3 years)	7,740,898							
(8) Calculation of January 1, 2010 Rate								
(9) Program Year 2010 DSE 2 Portfolio Budget	\$4,418,633	\$1,572,118	\$327,754	\$30,173	\$1,274,642	\$386,791	\$47,795	\$0
(10) Adjustments per Exhibit SEC-E3	\$0	\$0	\$0	\$0	\$0	(\$386,000)	\$0	(\$386,000)
(11) Program Year 2010 Common Costs	\$124,282	\$72,447	\$30,252	\$2,788	\$117,677	\$36,143	\$4,025	\$0
(12) Variable Distribution Revenue Not Collected	\$600,618	\$51,972	\$2,486	\$66	\$821	\$8,721	\$3,350	\$0
(13) Shared Savings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(14) Amount to be Recovered before Commercial Activity Tax	\$5,143,513	\$1,698,597	\$390,504	\$33,024	\$1,382,140	\$247,656	\$55,180	\$0
(15) Commercial Activity Tax	\$13,408	\$4,422	\$940	\$86	\$2,932	\$646	\$144	\$0
(16) Total Amount to be Recovered	\$5,156,921	\$1,700,960	\$391,443	\$33,111	\$1,385,072	\$248,301	\$55,323	\$0
(17) 2010 MMWhs	2,537,235	2,191,378	1,028,961	94,429	3,381,313	49,882	5,547	16,335
(18) Rate	\$2,033	\$776	\$383	\$350	\$410	\$498	\$86	\$923

NOTES

- (1) Source: TE EEP/DR Plan - PUCCO Table 3 (Residential and Residential Low Income 2010-2012, Others 2010)
- (2) The EUR / OLR Program Year 2010 costs from the Portfolio Budget to be recovered in DSE1
- (3) Calculation: (1) - (2)
- (4) Source: TE EEP/DR Plan - Table 6C
- (5) Calculation: (3) + (4)
- (6) Calculation: (5) + (C1)
- (7) MMWhs from 2010-2012. Source: 09-504-EL-FOR Long Term Forecast Report
- (8) Calculation: ((B) / (B7)) * (B17)
- (9) Line (1) allocated to rate schedule as discussed in testimony
- (10) See Exhibit SEC-E1
- (11) Line (2) allocated to rate schedule as discussed in testimony
- (12) Variable Distribution Revenue Not Collected = (Expected Savings from Program) x (Energy Charge or Capacity Charge from the Distribution tariffs + Distribution Services Improvement Rider (Rider DSI))
- (13) Shared Savings. If they actually occur, will be recognized at year end
- (14) Calculation: (8) + (10) + (11) + (12) + (13)
- (15) Commercial Activity Tax rate for 2010 is 0.26%. Calculation: (14) * 0.0026
- (16) Calculation: (14) + (15)
- (17) MMWhs from 2010. Source: 09-504-EL-FOR Long Term Forecast Report
- (18) Calculation: ((16) * 100) / ((17) * 1000)

* Total Costs for (E) and (F) are allocated by MMWhs from Long Term Forecast Report

* Common Costs for (G) are allocated by MMWhs from Long Term Forecast Report. DSE2 Portfolio Budget costs are directly assigned by BSV to rate schedule

-20%

-2%

-7.6%

-90%

-10%