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BOEHM, KURTZ & LOWRY

ATTORNEYS AT LAW
36 EAST SEVENTH STREET
SUITE 1510
CINCINNATI, OHIO 45202
TELEPHONE (513) 421-2255
TELECOPIER (513) 421-2764

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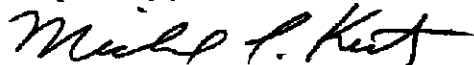
**In re: Case Nos. 09-1947-EL-POR, 09-1948-EL-POR and 09-1949-EL-POR
Case Nos. 09-1942-EL-EEC, 09-1943-EL-EEC and 09-1944-EL-EEC
Case Nos. 09-580-EL-EEC, 09-581-EL-EEC and 09-582-EL-EEC**

Dear Sir/Madam:

Please find enclosed an original and twenty (20) copies of REPLY BRIEF OF THE OHIO ENERGY GROUP fax-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,




David F. Boehm, Esq.
Michael L. Kurtz, Esq.
BOEHM, KURTZ & LOWRY

MLKkew
Encl.
Cc: Certificate of Service

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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 12th day of April, 2010 to the following:



David F. Boehm, Esq.
Michael L. Kurtz, Esq.

*BINGHAM, DEB J. MS.
OFFICE OF THE OHIO CONSUMERS' COUNSEL
10 W. BROAD ST., 18TH FL.
COLUMBUS OH 43215

*REISINGER, WILL MR.
OHIO ENVIRONMENTAL COUNCIL
1207 GRANDVIEW AVENUE
COLUMBUS OH 43212

*KOLICH, KATHY J MS.
FIRSTENERGY CORP
76 SOUTH MAIN STREET
AKRON OH 44308

RINEBOLT, DAVID
LAW DIRECTOR
231 WEST LIMA STREET P.O. BOX 1793
FINDLAY OH 45839-1793

O'BRIEN, THOMAS ATTORNEY-AT-LAW
BRICKER & ECKLER LLP

100 SOUTH THIRD STREET
COLUMBUS OH 43215

*MALLARNEE, PATTI
THE OFFICE OF THE OHIO CONSUMERS
SEL
10 W. BROAD ST. SUITE 1800
COLUMBUS OH 43215

*ORAHOOD, TERESA
BRICKER & ECKLER LLP
100 SOUTH THIRD STREET
COLUMBUS OH 43215-4291

WARNOCK, MATTHEW W ATTORNEY
BRICKER & ECKLER LLP
100 S THIRD STREET
COLUMBUS OH 43215

PORTER, ANDRE T
SCHOTTENSTEIN ZOX & DUNN CO LPA
250 WEST STREET
COLUMBUS OH 43215

*CLARK, JOE MR.
MCNEES WALLACE & NURICK LLC
21 EAST STATE STREET, 17TH FLOOR
COLUMBUS OH 43215

*ROBERTS, JACQUELINE LAKE MS.
ENERNOC, INC.
13212 HAVES CORNER ROAD SW
PATASKALA OH 43062

*LANG, JAMES F MR.
CALFEE HALTER & GRISWOLD LLP
1400 KEYBANK CENTER 800 SUPERIOR AVE.
CLEVELAND OH 44114

STONE, GARRETT A ATTORNEY
BRICKFIELD BURCHETTE RITTS & STONE PC
1025 THOMAS JEFFERSON STREET NW 8TH
FLOOR WEST TOWER
WASHINGTON DC 20007-5201

*HEINTZ, MICHAEL E MR.
ENVIRONMENTAL LAW & POLICY CENTER
1207 GRANDVIEW AVE.
SUITE 201
COLUMBUS OH 43212

CITY OF CLEVELAND
601 LAKESIDE AVENUE ROOM 106
CLEVELAND OH 44114

BEELER, STEVEN L
ASSISTANT DIRECTOR OF LAW
CITY OF CLEVELAND DEPARTMENT OF LAW
601 LAKESIDE AVENUE ROOM 106
CLEVELAND OH 44114

ENERNOC, INC.
JACQUELINE LAKE ROBERTS
191 FEDERAL STREET SUITE 1100
BOSTON MA 02210

ENVIRONMENTAL LAW & POLICY CENTER
1207 GRANDVIEW AVE. SUITE 2021
COLUMBUS OH 43212

INDUSTRIAL ENERGY USERS OF OHIO
SAMUEL C. RANDAZZO, GENER
21 E. STATE STREET, 17TH FLOOR
COLUMBUS OH 43215

CLARK , JOSEPH M ATTORNEY AT LAW
MCNEES WALLACE & NURICK LLC
21 EAST STATE STREET, 17TH FL.
COLUMBUS OH 43215

NATURAL RESOURCES DEFENSE COUNCIL
COUNSEL
50 W BROAD STREET SUITE 2117
COLUMBUS OH 43215

ECKHART, HENRY
ATTORNEY AT LAW
50 WEST BROAD STREET SUITE 2117
COLUMBUS OH 43215-3301

NUCOR STEEL MARION, INC
912 CHENEY AVENUE
MARION OH 43302

LAVANGA, MICHAEL K ATTORNEY
BRICKFILED BURCHETTE RITTS & STONE PC
1025 THOMAS JEFFERSON STREET NW
8TH FLOOR WEST TOWER
WASHINGTON DC 20007-5201

OHIO CONSUMERS' COUNSEL
10 W. BROAD STREET SUITE 1800
COLUMBUS OH 43215-3485

ALLWEIN, CHRISTOPHER J
OHIO CONSUMERS COUNSEL
10 WEST BROAD STREET, SUITE 1800
COLUMBUS OH 43215-3485

OHIO ENVIRONMENTAL COUNCIL
1207 GRANDVIEW AVE. SUITE 201
COLUMBUS OH 43212-3449

OHIO HOSPITAL ASSOCIATION
RICHARD L. SITES
155 E. BROAD STREET 15TH FLOOR
COLUMBUS OH 43215-3620

KORKOSZ, ARTHUR
FIRST ENERGY, SENIOR ATTORNEY
76 SOUTH MAIN STREET LEGAL DEPT.,
18TH FLOOR
AKRON OH 44308-1890

KOLICH, KATHY ATTORNEY AT LAW
FIRSTENERGY CORP
76 SOUTH MAIN STREET
AKRON OH 44308

MEISSNER, JOSEPH
DIRECTOR OF URBAN DEVELOPMENT
ATTORNEY AT LAW
1223 WEST SIXTH STREET
CLEVELAND OH 44113

GRUBER, WILLIAM
ATTORNEY AT LAW
2714 LEIGHTON ROAD
SHAKER HEIGHTS OH 44120

ALEXANDER, N TREVOR
CALFEE HALTER & GRISWOLD LLP
1100 FIFTH THIRD CENTER
21 EAST STATE STREET
COLUMBUS OH 43215-4243

*REESE, RICHARD ATTORNEY AT LAW
10 WEST BROAD STREET SUITE 1800
COLUMBUS OH 43215-3485

POULOS, GREGORY J ATTORNEY
OHIO CONSUMERS' COUNSEL
10 WEST BROAD ST. SUITE 1800
COLUMBUS OH 43215-3485

ALEXANDER, N TREVOR
CALFEE HALTER & GRISWOLD LLP
1100 FIFTH THIRD CENTER
21 EAST STATE STREET
COLUMBUS OH 43215-4243

*DUFFER, JENNIFER MRS.
ARMSTRONG & OKEY, INC.
222 EAST TOWN STREET 2ND FLOOR
COLUMBUS OH 43215

ECKHART, HENRY
ATTORNEY AT LAW
50 WEST BROAD STREET SUITE 2117
COLUMBUS OH 43215-3301

MOONEY, COLLEEN L. ATTORNEY AT LAW
OHIO PARTNERS FOR AFFORDABLE ENERGY
1431 MULFORD RD
COLUMBUS OH 43212

*LANG, JAMES F MR.
CALFEE HALTER & GRISWOLD LLP
1400 KEYBANK CENTER 800 SUPERIOR AVE.
CLEVELAND OH 44114

CITIZENS COALITION
JOSEPH MEISSNER
1223 WEST SIXTH STREET
CLEVELAND OH 44113

VINCEL, MATTHEW D
THE LEGAL AID SOCIETY OF CLEVELAND
1223 WEST 6TH STREET
CLEVELAND OH 44113

CLEVELAND HOUSING NETWORK
2999 PAYNE AVENUE
CLEVELAND OH 44114

ROBINSON, THEODORE S STAFF ATTORNEY
CITIZEN POWER
2121 MURRAY AVENUE
PITTSBURGH PA 15217

CONSUMERS FOR FAIR UTILITIES RATES
TIM WALTERS
4115 BRIDGE AVENUE
CLEVELAND OH 44113

EMPOWERMENT CENTER OF GREATER
CLEVELAND
3030 EUCLID AVENUE UNIT 100
CLEVELAND OH 44115

INDUSTRIAL ENERGY USERS OF OHIO
SAMUEL C. RANDAZZO, GENER
21 E. STATE STREET, 17TH FLOOR
COLUMBUS OH 43215

CLARK , JOSEPH M ATTORNEY AT LAW
MCNEES WALLACE & NURICK LLC
21 EAST STATE STREET, 17TH FL.
COLUMBUS OH 43215

NATURAL RESOURCES DEFENSE COUNCIL
(RETURNED MAIL)

XXXXXXXXXXXXXXXXXXXXXXXXXXXX
2 N RIVERSIDE PLAZA # 2250
CHICAGO IL 60606-2600

ECKHART, HENRY W.
50 WEST BROAD STREET #2117
COLUMBUS OH 43215

REV. MIKE FRANK, CO-CHAIR
NEIGHBORHOOD ENVIRONMENTAL
COALITION
5920 ENGLE AVE.
CLEVELAND OH 44127

MEISSNER, JOSEPH
DIRECTOR OF URBAN DEVELOPMENT
ATTORNEY AT LAW 1223 WEST SIXTH STREET
CLEVELAND OH 44113

RINEBOLT, DAVID C
OHIO PARTNERS FOR AFFORDABLE ENERGY
231 WEST LIMA ST P O BOX 1793
FINDLAY OH 45839-1793

SMALL, JEFFREY
OHIO CONSUMERS' COUNSEL
10 WEST BROAD STREET SUITE 1800
COLUMBUS OH 43215-3485

SIERRA CLUB OHIO CHAPTER
BRANDI WHETSTONE
131 N HIGH ST., STE. 605
COLUMBUS OH 43215

UNITED CLEVELANDERS AGAINST POVERT
TIM WALTERS
MAY DUGAN CENTER 4115 BRIDGE AVENUE
CLEVELAND OH 44113

**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.	:		

**REPLY BRIEF OF
THE OHIO ENERGY GROUP**

The Ohio Energy Group ("OEG") addressed one issue in our initial brief. How should the EE/PDR program costs for the Large Commercial and Industrial consumers served under Rates GP, GSU and GT be allocated among those business customers? We advocated that those program costs be allocated directly to the Rate Schedule that benefits from the program, just like the Companies proposed to do with the residential customers on Rate RS and the small commercial customers on Rate GS.

The Companies addressed cost allocation on page 19 of their initial brief. They described how the EE/PDR costs are tracked and allocated to "*six customer sectors*". The Mercantile-Utility (Large Enterprise) sector is comprised of Rates GP, GSU and GT. The Companies argue that combining Rates GP, GSU and GT into one sector "*continues the parties' agreement in the [2009] ESP Case that*

allocation of costs would be on a rate schedule basis." (FirstEnergy Initial Brief at 19). But this is precisely what the Companies did not do.


Combining Rates GP, GSU and GT into one sector (Mercantile-Utility Large Enterprise) does not allocate costs on a rate schedule basis. That is our complaint.

The 2009 ESP Stipulation cited by the Companies provides as follows: *"The Demand Side Management and Energy Efficiency rider will be implemented as proposed in the Companies' ESP, excluding smart grid; provided, however, that the allocation of costs will be on a rate schedule/class specific basis or as otherwise recommended as part of the energy efficiency collaborative..."* (February 19, 2009 Stipulation Case No. 08-935-EL-SSO, Section E.2, page 21). OEG was a party to the 2009 ESP Stipulation and we specifically bargained for this provision. The direct Rate Schedule allocation method proposed by OEG is consistent with the Stipulation. Combining Rates GP, GSU and GT into one *"sector"* does not.

A single example demonstrates the practical implications of grouping the largest business customers into one *"sector"*. Exhibit SEO-C3 shows the Companies' proposed EE/PDR allocation for Toledo Edison. The combined energy usage for Rates GP, GSU and GT is 5,111,703 mwh. This constitutes 51.6% of all energy sold by Toledo Edison. The Companies' allocation method assumes that the usage characteristics of the businesses that make up this *"sector"* is similar, despite the fact that the companies on Rates GP, GSU and GT that make up over half of Toledo Edison's energy sales range from large steel companies to primary voltage distribution warehouses. The EE/PDR programs that are appropriate for steel makers vary greatly from those appropriate for warehouses. There is no precision to the Companies' method. It is unnecessarily blunt and inaccurate. It is not the *"rate schedule/class specific basis"* to which the parties agreed in the 2009 ESP Stipulation.

The Rate Schedule specific assignment method proposed by OEG is consistent with the ESP Stipulation. Further, it ensures that the Rate Schedule that receives the benefit of EE/PDR programs pays the costs, no more and no less.

Respectfully submitted,



David F. Boehm, Esq.

Michael L. Kurtz, Esq.

BOEHM, KURTZ & LOWRY

36 East Seventh Street, Suite 1510

Cincinnati, Ohio 45202

Ph: 513.421.2255 Fax: 513.421.2764

E-Mail: dboehm@BKLawfirm.com

mkurtz@BKLawfirm.com

COUNSEL FOR THE OHIO ENERGY GROUP

April 12, 2010