

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Ohio Edison Company for Approval of an Agreement with a New Customer (ASC Industries, Inc.).)	Case No. 99-389-EL-AEC
)	
)	

In the Matter of the Application of Ohio Edison Company for Approval of an Agreement with an Existing Customer (R-G-T Plastics Company).)	Case No. 99-390-EL-AEC
)	
)	

In the Matter of the Application of Cleveland Electric Illuminating Company for Approval of an Electric Service Agreement with Sherwin-Williams' Consumer Group.)	Case No. 99-427-EL-AEC
)	
)	

In the Matter of the Application of Ohio Edison Company for Approval of an Agreement with a New Customer (Plas Tech, Inc.).)	Case No. 99-664-EL-AEC
)	
)	

In the Matter of the Application of Ohio Edison Company with an Existing Customer (Preferred Rubber Compounding Company).)	Case No. 99-734-EL-AEC
)	
)	

In the Matter of the Application of Cleveland Electric Illuminating Company for Approval of an Electric Service Agreement with Lakeside Association Phase I.)	Case No. 99-786-EL-AEC
)	
)	

ENTRY ON REHEARING

The Commission finds:

- (1) On December 16, 1999, the Commission approved, pursuant to Section 4905.31, Revised Code, six special contracts involving Ohio Edison Company, Cleveland Electric Illuminating Company (CEI), and seven end-use customers. In the orders approving the contracts, the Commission stated in finding (6) of each order that "The approval of this contract is subject to the determinations and constraints of S.B. 3", S.B. 3 being the electric restructuring legislation enacted into law in 1999.

- (2) On January 14, 2000, Enron Energy Services, Inc. (Enron) filed an application for rehearing and request for limited intervention. Enron states that it does not oppose the immediate implementation of the six contracts but does request rehearing regarding finding (6). Enron argues that this finding offers no clear cut answer as to how the special contracts will function or be modified after competition for electric services begins on January 1, 2001. Enron argues that the legislation requires the unbundling of electric services provided by special contract and that the Commission should address the affect of electric restructuring on special contracts that will be in effect beyond January 1, 2001 now rather than later. Enron suggests that the Commission choose one of three options regarding the treatment of special contracts. They are as follows: 1) approve contracts for a period to end no later than the starting date of retail electric competition; 2) unbundle pricing of competitive services and allocate the special contract rate discount to the distribution rate with a re-opener for energy-related service after competition begins; or 3) allocate the rate discount after the start of retail competition to the competitive generation rate.
- (3) On January 24, 2000, FirstEnergy Corp. (FirstEnergy) on behalf of Toledo Edison Company and CBI filed a memorandum contra to the application for rehearing. FirstEnergy argues that Enron cannot file for rehearing inasmuch as it did not request to intervene prior to the Commission's orders approving the contracts. Further, FirstEnergy argues that Enron's arguments lack merit and raise no new issues that were not discussed at the Commission's December 14, 1999 meeting.
- (4) The Commission recognizes the concerns raised by Enron in its application. However, the Commission believes that it will be in a better position to address the issues raised by Enron, and other interested parties who were present at the Commission's December 14, 1999 meeting, in conjunction with, or after, the Commission's review and approval of the utilities' transition plans. The Commission believes that it will have a clearer picture as to the appropriate approach to take once transition plans have been approved. We will emphasize, however, that at this point the Commission has not precluded any option, including those raised by Enron, in our ongoing review and consideration of contracts ap-

proved herein or in the future. Accordingly, Enron's application for rehearing should be denied.

It is, therefore,

ORDERED, That the application for rehearing filed by Enron is denied. It is, further,

ORDERED, That a copy of this entry be served upon all interested parties of record in these cases.

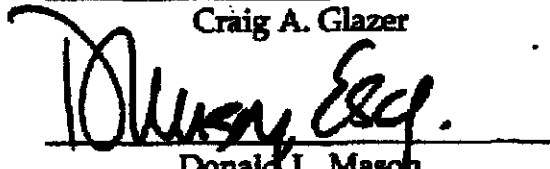
THE PUBLIC UTILITIES COMMISSION OF OHIO


Alan R. Schriber, Chairman

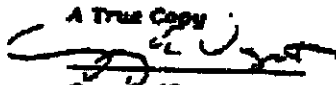

Ronda Hartman Ferguson


Craig A. Glazer


Judith A. Jones


Donald L. Mason

RRG/vrh

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Gary E. Vigorito
Secretary

SERVICE NOTICE

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CASE NUMBER 99-786-EL-AEC
CASE DESCRIPTION CEI/LAKESIDE ASSOCIATES PHASE I
DOCUMENT SIGNED ON February 24, 2000
DATE OF SERVICE 24 2000

PERSONS SERVED

PARTIES OF RECORD

ATTORNEYS

APPLICANT

CLEVELAND ELECTRIC ILLUMINATING CO
55 PUBLIC SQUARE
P.O. BOX 5000
CLEVELAND, OH 44101

KURT E. TUROSKY
FIRSTENERGY
76 SOUTH MAIN STREET
AKRON, OH 44308

APPLICANT

FIRSTENERGY CORP.
H. PETER BURG, PRESIDENT & CEO
76 SOUTH MAIN STREET
AKRON, OH 44308

ARTHUR E. KORKOSZ
FIRSTENERGY CORP.
76 SOUTH MAIN STREET
AKRON, OH 44308

APPLICANT

LAKESIDE ASSOCIATES II PARTNERSHIP
1468 W. 9TH ST
SUITE 135
CLEVELAND, OH 44113

NONE

INTERVENOR

ENRON ENERGY SERVICES, INC.

M. HOWARD PETRICOFF
VORYS, SATER, SEYMOUR & PEASE
52 EAST GAY STREET
P.O. BOX 1008
COLUMBUS, OH 43216-1008