### 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 Authority to Provide for a Standard Service Offer Pursuant to R.C. § 4928.143 in the Form of an Electric Security Plan.	) ) ) )	Case No. 12-1230-EL-SSO

### POST-HEARING BRIEF OF INDUSTRIAL ENERGY USERS-OHIO

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June 22, 2012

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On April 13, 2012, Ohio Edison Company ("OE"), The Cleveland Electric Illuminating Company ("CEI"), and The Toledo Edison Company ("TE") (collectively, "FirstEnergy") filed an Application to establish a standard service offer ("SSO") in the form of an electric security plan ("ESP"). Concurrently with the filing of the Application, FirstEnergy and several signatory parties filed a Stipulation and Recommendation ("Stipulation") to set forth their understanding and agreement and to recommend approval of the Stipulation.

The Public Utilities Commission of Ohio ("Commission") previously approved an ESP for FirstEnergy for the period of June 1, 2011 through May 31, 2014. In ESP II, the Commission authorized FirstEnergy to set its SSO price for the period covered by ESP II by means of a forward-looking competitive bidding process ("CBP").<sup>2</sup> forward-looking CBP has worked systematically to reduce electric bills for SSO

<sup>&</sup>lt;sup>1</sup> 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 Section 4928.143, Revised Code, in the Form of an Electric Security Plan, Case No. 10-388-EL-SSO, Opinion and Order (Aug. 25, 2010) (hereinafter "ESP II").

<sup>&</sup>lt;sup>2</sup> ESP II, Opinion and Order at 8, 34-35 (Aug. 25, 2010).

customers in line with conditions in the wholesale electric market and it provides clear price signals to customers so that they can compare the electric bills produced by the SSO option with offers from Competitive Retail Electric Service ("CRES") providers, including governmental aggregators. The Stipulation recommended and the Application proposed to, in effect, continue and extend *ESP II* through May 31, 2016.<sup>3</sup> As discussed below, extension of *ESP II* is something that would happen by operation of law unless a new and lawful SSO is put in place as a successor to *ESP II*. The Stipulation and Application also provided additional terms and conditions for the CBP that will be utilized to establish the SSO price during the term of the ESP.

As indicated above, Section 4928.143(C)(2)(b), Revised Code, mandates that the terms and conditions of *ESP II* continue if nothing is done to bring a new SSO proposal to the Commission, the Commission rejects the Application or if the Application is withdrawn as a result of the Commission's modification and approval.<sup>4</sup> Accordingly, the CBP process used to set the generation supply price portion of the SSO will likely continue one way or another. The Stipulation invites the Commission to take some of the guesswork out of the future and provide clarity regarding the structure of the CBP that will set SSO rates through May 31, 2016. In other words, the Application and the Stipulation offer the Commission an opportunity to apply the law in a common sense way and to provide consumers with reliable and actionable information that they can use to make good electricity choices.

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<sup>&</sup>lt;sup>3</sup> Application at 2.

<sup>&</sup>lt;sup>4</sup> In the Matter of the Application of Columbus Southern Power Company and Ohio Power Company for Authority to Establish a Standard Service Offer Pursuant Section 4928.143, Revised Code, in the Form of an Electric Security Plan, Case Nos. 11-346-EL-SSO, et al., Entry on Rehearing at 12 (Feb. 23, 2012).

When measured by the long-standing criteria the Commission has used to evaluate settlements and based on the law and evidence, the Stipulation warrants approval by the Commission. Accordingly, IEU-Ohio urges the Commission to approve the Stipulation thereby approving the proposed successor ESP.

Respectfully submitted,

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#### **CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing *Post-Hearing Brief of Industrial Energy Users-Ohio*, was served upon the following parties of record this 22<sup>nd</sup> day of June 2012, *via* hand-delivery, electronic transmission, or first class mail, U.S. postage prepaid.

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