

FILE

Public Utilities Commission of Ohio
180 East Broad Street
Columbus, OH 43215

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July 10, 2012

Dear Chairman Snitchler:

As founder of Citizens for Keeping the All Electric Promise (CKAP), I am concerned that the true bill impacts to All Electric Customers have not been accurately reflected in the Case Docket for FirstEnergy's ESP 3 Case # 12-1230-EL-SSO. The problem is that the bill impacts do not reflect the Commission's decision in the All Electric Case # 10-0176-EL-ATA whereby the Residential Generation Credit (RGC) (about half of the All Electric customer's total discount) will be phased out in six equal parts beginning in October 2013 as per the Commission's Opinion and Order filed May 25, 2011 (p. 20).

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If you recall, events like this also surrounded the All Electric Rate Shock of winter 2010 which the Commission blamed on the fact that the cumulative effects of prior case decisions had not been reflected in accurate bill impacts, thus causing all electric winter bills to skyrocket.

To prevent this from happening again, I respectfully submit to your attention the following calculations (Attachment 1) that illustrate the true impact to all electric customer bills for a typical winter month using 3,000 kilowatts. All of the data in the calculation is taken directly from documents submitted by FirstEnergy, and the exact source document is noted. The only difference is the addition of the loss of the RGC credit, but when added together with the other effects of ESP3, the estimated rate increases are much higher than reflected in bill impacts submitted by FirstEnergy.

At the 3,000 kWh level, a CEI customer's winter bill will increase an estimated 31% and an OE customer's winter bill will increase 16% when the RGC ordered reduction is factored in. These increases will all occur by 2015/2016, at which time all electric customers will still face an additional 3 years of RGC credit reduction that will dramatically increase our bills.

In February of this year, the Commission rejected AEP Ohio's SSO Stipulation for a variety of reasons, including bill impact increases of 30% and higher (Case # 11-348-EL-SSO, Order filed February 23, 2012, p. 11). If 30% bill increases were unacceptable in February, they should be unacceptable in this case too. The Commission claims to review all documents in the docket prior to making its decision. I specifically draw your attention to the pleas of over 400 all electric customers who have placed letters in the "Public Comments" section of the Case Docket since June 25, 2012.

Please carefully consider the cumulative effects of case 10-176 and 12-1230 on the bills of all electric customers and act wisely in your decisions. There are 205,000 all electric customers in Ohio, and we depend on the Commission to protect us from the rate shock that these combined decisions can entail on our bills.

A copy of this letter has been sent via Certified Mail to all commissioners and also placed in the docket for Case # 12-1230-EL-SSO.

Respectfully Submitted,

Sue Steigerwald, Founder
Citizens for Keeping the All Electric Promise (CKAP)
10731 Beechwood Drive
Kirtland, OH 44094
Attachment

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Illuminating Company: Effects of ESP3, 2015/16 Capacity Auction, and AE Case 10-176 Reduction of RGC Credit

	ESP2 Year 2 2012/13	ESP2 Year 3 2013/14	ESP3 Year 1 2014/15	ESP3 Year 2 2015/16
<i>Kwh</i>	<i>Current Winter Bill</i>	<i>Winter Bill with first 1/6 reduction of RGC (+\$17.28)</i>	<i>Winter Bill with second 1/6 reduction of RGC (+\$17.28) and ESP3 projected decrease of \$8.18 (-\$8.18)</i>	<i>Winter Bill with third 1/6 reduction of RGC (+\$17.28) and ESP3 projected capacity increase of (+\$16.40) - ESP3 projected decrease of (-\$6.82)</i>
3000	\$170.94	\$188.22	\$197.32	\$224.18

TOTAL INCREASE: \$53.24 or 31%

NOTE: RGC is 3.46 cents on all usage, so 1/6 reduction is a loss of .576 cents or \$17.28 each year
 Current Winter Bill data is from Exhibit 3 Page 28 of 154 Column C
 ESP3 Year 1 Projected Decrease data is from Exhibit 3 Page 28 of 154 Column E
 ESP3 Year 2 Projected Capacity Increase data is from AEPR Set 7 - 146 Attachment 1 - CEI Page 3 of 25 Column E
 ESP3 Year 2 Projected Decrease data is from Exhibit 3 Page 105 of 154 Column E

Ohio Edison: Effects of ESP3, 2015/16 Capacity Auction, and AE Case 10-176 Reduction of RGC Credit

	ESP2 Year 2 2012/13	ESP2 Year 3 2013/14	ESP3 Year 1 2014/15	ESP3 Year 2 2015/16
<i>Kwh</i>	<i>Current Winter Bill</i>	<i>Winter Bill with first 1/6 reduction of RGC (+\$10.41)</i>	<i>Winter Bill with second 1/6 reduction of RGC (+\$10.41) and ESP3 projected decrease of \$5.81 (-\$5.81)</i>	<i>Winter Bill with third 1/6 reduction of RGC (+\$10.41) and ESP3 projected capacity increase of (+\$15.45) - ESP3 projected decrease of (-\$4.78)</i>
3000	\$219.60	\$230.01	\$234.61	\$255.69

TOTAL INCREASE: \$36.09 or 16%

NOTE: RGC is 3.57 cents on all usage above 1,250 kwh, so 1/6 reduction is a loss of .595 cents on usage above 1250 or \$10.41 each year
 Current Winter Bill data is from Exhibit 3 Page 2 of 154 Column C
 ESP3 Year 1 Projected Decrease data is from Exhibit 3 Page 2 of 154 Column E
 ESP3 Year 2 Projected Capacity Increase data is from AEPR Set 7 - 140 Attachment 2 - OE Page 3 of 27 Column E
 ESP3 Year 2 Projected Decrease data is from Exhibit 3 Page 79 of 154 Column E