

**BEFORE THE
PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Annual Verification of the)	
Energy Efficiency and Peak Demand)	
Reductions Achieved by the Electric)	Case No. 12-665-EL-UNC
Distribution Utilities Pursuant to Section)	
4928.66, Revised Code)	
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)	

**OHIO EDISON COMPANY, THE CLEVELAND ELECTRIC ILLUMINATING
COMPANY AND THE TOLEDO EDISON COMPANY’S REPLY COMMENTS
TO THE AUGUST 29, 2012 REPORT OF THE OHIO INDEPENDENT
EVALUATOR ON THE 2009 AND 2010 OHIO EFFICIENCY PROGRAMS**

On August 29, 2012, Staff, on behalf of Evergreen Economics, the Ohio Independent Evaluator (“Evergreen”), issued its Report on the Electric Distribution Utilities (“EDUs”) 2009 and 2010 Ohio Efficiency Programs (“Report”). On October 3, 2012, the Commission issued an entry establishing a comment period in order to assist the Commission in its review of the Report, with initial comments due on November 2, 2012 and reply comments due on November 19, 2012. Ohio Edison Company, The Cleveland Electric Illuminating Company and The Toledo Edison Company (“Companies”) appreciate the opportunity to comment on the Report and have a few comments in response to the some of the comments of the National Resources Defense Council (“NRDC”) and Office of Ohio Consumers’ Counsel (“OCC”).

I. NRDC

In Section III of their Comments, the NRDC states “[t]he Commission *should* require a rigorous impact method to estimate impacts from audit and energy comparison programs, but this method should be based on a variation-in-adoption method for opt-in programs, not on a survey that asks customers to report actions undertaken based on the

audit and energy comparison program.”¹ These Comments are similar to the Comments filed by the NRDC to the Companies’ 2011 Portfolio Status Report in Case Nos. 12-1533-EL-EEC et al.

As the Companies discussed in their response to the NRDC in that case, there are several approaches to Evaluation, Measurement and Verification (“EM&V”). While the Companies agree with NRDC’s logic that results from an audit program should be limited to those resulting from behavioral changes directly attributable to that program, it must be noted that NRDC failed to recognize the Companies’ evaluation methodology for those programs already takes that into account. Further, recognizing that a range of evaluation methodologies are routinely available to evaluation professionals, it would be inappropriate for the Commission to prescribe a specific methodology for any program. Given that a primary responsibility of the Ohio Independent Evaluator is to review the analysis and results of the Companies Independent EM&V contractor, appropriate checks and balances through peer review are already in place.

II. Office of Ohio Consumers’ Counsel (“OCC”)

In Section III of its Comments, OCC states “[g]iven the questions Evergreen raised regarding the credibility of some of FirstEnergy’s savings estimates, FirstEnergy should provide details to justify the veracity of its savings estimates. This is critical to ensure that the required amount of savings is being achieved in compliance with Ohio law.”²

The Companies are committed to transparent EM&V processes, through their relationship with their independent evaluator (ADM) and Evergreen. Evergreen has

¹ NRDC Comments at 3.

² OCC Comments at 16.

access through data requests to Company program data, including participant data and calculations used to determine ex-ante savings values, as well as ADM evaluation results. Therefore, when requested, the Companies are already providing details to Evergreen to justify the veracity of their savings estimates, which should alleviate any concern of OCC and obviate the need for any further action by the Commission.

CONCLUSION

The Companies appreciate the opportunity to provide reply comments on Evergreen's Report and look forward to working with the Commission, Staff and Evergreen in the future on these issues.

Respectfully submitted,

/s/ Carrie M. Dunn

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CERTIFICATE OF SERVICE

The foregoing document was filed on the Commission's DIS system. Parties may access this document electronically from that system.

An electronic copy was sent to the following intervenors:

Jody Kyler, on behalf of the Ohio Energy Group

Terry Etter, on behalf of the Office of the Ohio Consumers' Counsel

Christopher Allwein, on behalf of the Sierra Club, NRDC and Citizen Power

David Reinbolt on behalf of OPAC

Frank Darr on behalf of IEU.

/s/ Carrie M. Dunn
Carrie M. Dunn

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Summary: Reply Comments electronically filed by Ms. Carrie M Dunn on behalf of The Cleveland Electric Illuminating Company and Ohio Edison Company and The Toledo Edison Company