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Via E-File

November 30, 2012

Public Utilities Commission of Ohio
PUCO Docketing
180 E. Broad Street, 10th Floor
Columbus, Ohio 43215

In re: Case No. 12-2190-EL-POR, 12-2191-EL-POR and 12-2192-EL-POR

Dear Sir/Madam:

Please find attached the POST HEARING REPLY BRIEF OF THE OHIO ENERGY GROUP for filing 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.
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Jody Kyler Cohn, Esq.
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COUNSEL FOR THE OHIO ENERGY GROUP

MLKkew
Encl.
Cc: Certificate of Service

**BEFORE THE
PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Review of Application of Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company for Approval of Their Energy Efficiency and Peak Demand Reduction Program Portfolio Plans for 2013 through 2015.	:	
	:	Case Nos. 12-2190-EL-POR
	:	12-2191-EL-POR
	:	12-2192-EL-POR
	:	

**REPLY BRIEF
OF THE OHIO ENERGY GROUP**

The Ohio Energy Group (“OEG”) submits this Reply Brief in response to the initial briefs of Ohio Edison Company, Cleveland Electric Illuminating Company, and Toledo Edison Company (collectively, “FirstEnergy”), the Staff of the Public Utilities Commission of Ohio (“Commission”), and the Environmental Law and Policy Center/Ohio Environmental Council (“ELPC/OEC”).

In their initial briefs, multiple parties propose to increase the already substantial budget of FirstEnergy’s EE/PDR programs for Large Enterprise customers (rate schedules GP, GSU, and GT). For example, Staff recommends an increase in the amount budgeted for Ohio Edison and Cleveland Electric Illuminating Company’s Large C&I Energy Efficient Equipment programs relative to Toledo Edison’s program.¹ Additionally, FirstEnergy notes that it agrees to expand the Energy Efficient Buildings Program - Large by \$200,000, with certain Large C&I funds earmarked for hospital audits and benchmarking as well as the new proposed data center sub-program.² If approved, the costs associated with these proposed program budget increases would be passed on to Large Enterprise customers through the DSE2 charge.

¹ Initial Post-Hearing Brief Submitted on Behalf of the Staff of the Public Utilities Commission of Ohio (November 20, 2012) at 3-6.

² Post-Hearing Brief of Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company in Support of Their Energy Efficiency and Peak Demand Reduction Program Portfolio Plan for 2013 through 2015 (November 20, 2012) at 38-39.

As explained in the initial briefs of OEG and Nucor Steel Marion, the DSE2 charges have already been “inordinately high” for individual customers on rate schedule GT since they were first implemented in May 2011.³ This may be the result of the flawed rate design of the DSE2 charge, which currently creates the potential for larger GT customers to subsidize smaller GT customers.⁴ Given the possibility for additional increases to the already substantial budget of the Large Enterprise EE/PDR programs, it is even more critical that the Commission remedy the potential for disproportionately high DSE2 charges to individual large GT customers. The Commission should therefore establish an individual customer cost cap of no more than \$500,000 per year, which is equal to the maximum amount of rebate those customers can receive under the mercantile self-direct program.⁵

ELPC/OEC also argue that the Commission should not allow FirstEnergy’s plan to rely on the “as found” method of measurement for the 2013-2015 period.⁶ The Commission already has a pending docket, Case No. 10-834-EL-POR, in which parties currently have the opportunity to comment on the “as found” method for calculating energy savings. OEG supports the continued use of the “as found” method. But issues related to the appropriateness of using the “as found” method are more appropriately addressed in that case, rather than this proceeding.

Respectfully submitted,



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November 30, 2012

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³ OEG Brief at 5 (citing Direct Testimony of Dennis Goins (“Goins Testimony”) at 8:7-8); Initial Brief by Nucor Steel Marion, Inc. at 3.

⁴ Goins Testimony at 4:15-17.

⁵ Tr. Vol. I (Oct. 23, 2012) at 37:11-20.

⁶ Initial Brief of Environmental Law and Policy Center and Ohio Environmental Council (November 20, 2012) at 33-36.

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 30th day of November, 2012 to the following:



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Summary: Reply OHIO ENERGY GROUP (OEG) POST-HEARING REPLY BRIEF
electronically filed by Mr. Michael L. Kurtz on behalf of Ohio Energy Group