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OPERATING COMPANIES
CLEVELAND ELECTRIC ILLUMINATING
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RECEIVED-DOCKETING DIV

97 APR 21 PM 4:14 LEGAL SERVICES DEPARTMENT
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April 21, 1997

Docketing Department
Public Utilities Commission
of Ohio
180 East Broad Street
Columbus, Ohio 43215-3793

RE: Case No. 97-305-EL-ATA ("Toledo Edison")
Case No. ~~95-866-EL-UNC~~
Case No. 89-6001-EL-TRF

Dear Sir or Madam:

Enclosed is the original and fifteen (15) copies of REVISED Exhibit B "Replacement Electricity Rider", which replaces the Exhibit B that was filed on March 17, 1997 in the above stated cases. Please docket the original and thirteen (13) copies, and time stamp the other copies and return them to me.

Thank you for your assistance in this matter, and if you have any questions, please contact me at 216.447.3252.

Sincerely,

Mark Kempic
Mark R. Kempic

Enclosure

cc: R. Fortney
D. Maag
G. Scheck

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of Interruptible)	
Electric Service Guidelines,)	Case No. 95-866-EL-UNC
Pursuant to the Agreement by)	Case No. 97-305-EL-ATA
Participants in the Commission)	Case No. 97-306-EL-ATA
Roundtable on Competition in)	
the Electric Industry)	

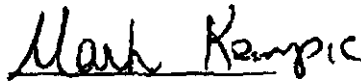
**THE CLEVELAND ELECTRIC ILLUMINATING COMPANY
&
THE TOLEDO EDISON COMPANY'S
REVISED REPLACEMENT ELECTRICITY RIDER**

On June 14, 1996, The Cleveland Electric Illuminating Company ("CEI") and The Toledo Edison Company ("Toledo Edison", collectively, the "Companies") filed their initial applications for authority to amend their respective tariff offerings to provide for the new service of replacement electricity. On July 12, 1996, various parties filed comments to the Companies' tariffs, followed by reply comments filed on August 9, 1996. The Companies met with commenters to discuss their comments, which resulted in the Companies' March 17, 1997 filing of their revised replacement electricity riders which were responsive to the concerns raised.

On April 10, 1997, the Commission issued its Finding and Order ("Order") in this case, in which it ordered the Companies to modify and refile their tariffs to include the changes discussed by the Commission or face appropriate and swift action by the Commission. While the Companies do not entirely agree with the Commission's Order, the Companies file these revised Replacement Electricity Riders in compliance with the

Commission's Order so as to not violate it. Having addressed the concerns identified in the Commission's Order with respect to the Replacement Electricity Riders of CFI and Toledo Edison, the Companies respectfully urge that the Commission approve these riders without further modification.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Mark Kempic". The signature is fluid and cursive, with the first name "Mark" and last name "Kempic" clearly distinguishable.

Mark Kempic
Michael Regulinski

Centerior Energy Corporation
6200 Oak Tree Boulevard, Rm. 1448
Independence, OH 44131
216.447.3252

Attorneys for the Cleveland Electric
Illuminating Company, and
Toledo Edison

THE TOLEDO EDISON COMPANY
Toledo, Ohio

Exhibit B

Original
Sheet No. 140

P.U.C.O. NO. 7

Rider No. 8
Replacement Electricity

APPLICABILITY:

This Rider is available to Customers taking service from the Company, for all or a portion of their total electrical needs, under either Interruptible Power Rate "PV-46" or under an electric service agreement filed under Section 4905.31, Revised Code, which allows for interruption of all or a portion of the Customer's electrical needs. This Rider No. 8 is available only for the acquisition of Replacement Electricity occasioned by Interruptible Conditions as defined below.

DEFINITIONS:

This Rider No. 8 shall be subject to the following definitions in addition to the definitions contained within P.U.C.O No. 7.

1. Firm Electric Service Customers. Firm Electric Service Customers are customers within the Company's electric service territory which receive retail electric service from the Company which are not subject to interruption of their electric service except for System Emergencies.
2. Firm Wholesale Customers. Firm Wholesale Customers are customers to which the Company provides firm transmission service for wholesale electricity transactions.
3. Interruption Conditions. Interruption Conditions are the terms and conditions contained in Interruptible Power Rate "PV-46" or the conditions in a specific electric service agreement, whichever the Customer is served under, which define under what situations the Company can interrupt all or a portion of the Customer's electrical needs.
4. Interruptible Load. Interruptible Load shall be that portion of the Customer's total electrical needs which is subject to interruption under the defined Interruption Conditions.
5. Replacement Electricity. Replacement Electricity is electricity purchased by the Company to supply all or a part of a Customer's Interruptible Load during an Interruption Condition.
6. Replacement Electricity Source. A third-party provider of Replacement Electricity to the Company.

Issued: _____, 1997

Issued by Fred J. Lange, Jr. Effective: _____, 1997
President

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7. System Emergency. Any situation wherein the Company initiates its Emergency Electrical Procedures outlined in its General Rules and Regulations of P.U.C.O. No. 7, as may be amended or revised.

REPLACEMENT ELECTRICITY SOURCE:

The Customer shall have the option of specifying a Replacement Electricity Source ("Source") in advance or allowing the Company to choose the lowest cost Replacement Electricity Source at the time an Interruption Condition occurs.

1. No Customer Designation. If the Customer has not specified a Source, as described herein, the Company shall use its best efforts to obtain the lowest cost Replacement Electricity, excluding that obtained for Firm Electric Service Customers, subject to the conditions herein.
2. Customer Designation. The Customer may specify a Source and the Company shall use its best efforts to satisfy the Replacement Electricity need based upon the Customer's specification, provided that such specifications do not involve the use of inappropriate operating practices or otherwise negatively affect the Company's ability to meet the requirements of its Firm Electric Service Customers.¹ The Company shall take title to any Replacement Electricity so purchased. Customer specifications must be made at least thirty (30) days before an Interruption Condition arises in which the Customer wishes to utilize that Source. The Customer can specify up to five (5) Sources at a time. The Customer can change their specified Sources no more than once each quarter.

The Customer specification must, at a minimum, include the following information:

- a) the estimated amount of Replacement Electricity the Customer may require;
- b) the Sources the Customer would like to utilize;
- c) which Source should be contacted first.

The Company shall use its best efforts, based on this information and any other information provided by the Customer, to meet the Customer's request to utilize a

¹ Best efforts shall mean actions that are reasonable, prudent and consistent with good utility practice. Best efforts do not include fiduciary or extraordinary action.

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specified Source. The Customer shall pay the Company for any and all reservation costs required to assure that the Source will be available when an Interruption Condition occurs.

QUALIFICATIONS FOR A SOURCE:

The Company shall have the right not to utilize a potential Source unless it meets all of the following requirements:

1. Necessary Contracts. The Company's acceptance of a potential Source shall be subject to the completion of all necessary contracting, including appropriate interchange agreements and tariffs, and approval of such contracts, agreements and tariffs by any regulatory authority that assumes jurisdiction over such service.
2. Credit Worthiness. The Company's acceptance of a potential Source shall be subject to a review of their credit worthiness.
3. Interconnection Standards. The Company's acceptance of a potential Source shall be subject to the ability of the potential Source to comply with the Company's interconnection standards.
4. System Integrity and Safety. The Company's acceptance of a potential Source shall be subject to the ability of the potential Source to comply with the Company's system integrity and safety standards.
5. Incurred Costs. The potential Source must agree to pay all of the costs incurred by the Company in qualifying them as a Source.

The Company shall provide to the potential Source and to the Customer the specific qualification criteria upon request.

PROCEDURE FOR RECEIVING REPLACEMENT ELECTRICITY:

1. Company Notification. When the Customer is notified by the Company that it must interrupt its Interruptible Load due to an Interruption Condition, the Customer will also be informed by the Company as to its ability to transmit Replacement Electricity.

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2. Availability of Replacement Electricity. The availability of Replacement Electricity will depend on the existence of the following factors:
- a) The Company is not experiencing a System Emergency.
 - b) The Company's transmission system is capable of importing the Replacement Electricity while maintaining service to Firm Electric Service Customers and Firm Wholesale Customers.
 - c) A qualified Source has Replacement Electricity available and it can be delivered to the Company. If none of a Customer's designated Sources have available Replacement Electricity, the Company may, at its option and with Customer approval, deliver Replacement Power from another qualified Source.

In the event the Company's Transmission System is capable of importing only a portion of the requested Replacement Power, the Company shall use its best efforts to fairly apportion available Replacement Electricity between customers which have requested it.

3. Customer Notification. The Company shall endeavor to provide as much prior notice as possible of the availability of Replacement Electricity, and in situations other than System Emergencies or other emergency conditions, the Company shall endeavor to provide the customers with ninety (90) minutes' notice. The Company may require the Customer to respond within thirty (30) minutes as to whether it wishes to utilize Replacement Electricity. Such notification must include all of the following information:
- a) The amount of Replacement Electricity the Customer would like to schedule.
 - b) The duration for which it would like to schedule such Replacement Electricity. (The Company will provide the Customer with at least forty-five (45) minutes notice of the end of an Interruption Condition.)
 - c) Designated Source to be used (if applicable)
 - d) Pricing information in the format specified by the Company to enable the Company to appropriately bill the Customer;
 - e) Confirmation that the Customer agrees to pay the Replacement Electricity Charges as specified herein.

If a Customer does not notify the Company during this notification period that it wishes to utilize Replacement Electricity, the Customer will be subject to interruption as defined in their electric service agreement.

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4. **Scheduling of Replacement Electricity.** The Company shall require up to forty-five (45) minutes, from the time the Customer notifies the Company that it wants to utilize Replacement Electricity, to complete the scheduling of such Replacement Power. The scheduling of Replacement Electricity by the Company shall occur on a clock hour basis and shall be subject to all of the Company's standard scheduling practices. If requested in advance by the Customer, the Company will endeavor to provide Replacement Electricity from a non-designated Source for the period of time until the delivery of Replacement Electricity from the Customer's designated Source commences. The Company will also endeavor to provide Replacement Electricity to the Customer from the Customer's designated Source prior to the end of the forty-five (45) minute scheduling period whenever possible.

Upon written request, the Company shall provide to the potential Source and to the Customer the specific scheduling practices which apply.

5. **Delivery of Replacement Electricity.** Once the necessary scheduling has been completed, the Company shall then avoid interrupting the Customer subject to the provisions below.
6. **Customer Review.** The Company shall allow the Customer reasonable access to all pertinent documents relating to the purchase of Replacement Electricity by the Company.

INTERRUPTION OF REPLACEMENT ELECTRICITY:

The Company shall have the right to interrupt the delivery of Replacement Electricity to the Customer, thus requiring interruption of the Customer's Interruptible Load, under the following circumstances:

- a) If the Source fails to deliver the scheduled Replacement Electricity to a Company interconnection point and the Company cannot supply the Customer's request for Replacement Electricity from an alternative qualified Source.
- b) If, in the sole judgement of the Company, such Replacement Electricity is required (i.) to maintain service to the Company's firm electric service customers, (ii) for system integrity purposes, or (iii) for emergency power sales to other utilities.

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Any such interruption shall be remedied as quickly as reasonably possible and shall be preceded by the exhaustion of other reasonable alternatives consistent with good utility practice to avoid the interruption.

The Customer shall indemnify and hold the Company harmless for any damages to person or property resulting from the interruption of Replacement Electricity occurring at the Customer's premises resulting from the interruption of the Customer by the Company when the designated Source fails to deliver Replacement Electricity.

In the event all or a portion of the Replacement Electricity a Customer had scheduled from a designated Source, is interrupted by a direct action of the Company and instead utilized by the Company to support service to other customers, the Customer will be entitled to a credit to its bill equal to any amounts paid by Customer for Replacement Electricity which was then captured by the Company.

REPLACEMENT ELECTRICITY CHARGES:

The following charges will apply to all Replacement Electricity scheduled and delivered to the Customer. Failure to pay such amount shall be considered a failure to pay for electric service.

1. All cost incurred by the Company to purchase the Replacement Electricity
2. A 10% adder.
3. All applicable taxes.
4. The Interim Emergency and Temporary Recovery Method for Percentage of Income Payment Plan Arrearages

CAPACITY AND ENERGY IMBALANCE:

1. The Customer shall have an affirmative obligation under this Rider No. 8 to balance capacity and energy deviations (positive and negative) between scheduled and actual capacity utilization and energy consumption to achieve zero deviation measured as the net of the power flows measured by meters at the customer's meter and the point of interconnection with the Company.
2. The deviation of actual power flows shall be calculated by the Company based on telemetered information from the metering point with the Customer as follows:

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Imbalances = Actual hourly flow on the Customer meter minus scheduled hourly flow on the Customer meter.*

* If the Customer has a split of firm and interruptible load, the firm load is first through the meter and this measurement applies to the Replacement Electricity being supplied for the Interruptible Load.

3. Imbalances may be negative or positive. Negative imbalances occur when the Customer has over scheduled the actual load requirements and shall be compensated in accordance with Item (a) below. Positive Imbalances occurs when the Customer has under scheduled the actual load requirements and shall compensate the Company in accordance with Item (b) below.
 - a) If a negative Imbalance occurs, the Company shall credit the Customer based on the actual kilowatthours, as outlined in section 2 above, for each occurrence. The credit shall be as follows:
 - i.) For each kilowatthour not used by the Customer, the Company shall compensate the Customer or electricity supplier for the Replacement Electricity used by the Company. That Customer's compensation will be up to the Company's marginal cost of generation or the cost of the Replacement Electricity, whichever is less, except when the unused Replacement Electricity causes additional costs to the Company by creating instability or other operation concerns on the Company's system.
 - b) If a positive Imbalance occurs, the Customer shall make payment to the Company based on the total kilowatthours of positive deviation, as outlined in section 2 above, that has occurred in that month. The payment to the Company for each kilowatthour of positive deviation will be equal to 110% of either the Company's marginal cost of generation or the highest cost of power purchased during such period, whichever is greater.
 - c) If the Company requests that the Customer interrupt its Interruptible Load for an emergency condition and the Customer continues to take power, the Company may charge the Customer a positive deviation charge of \$50 per kilowatt per hour with the addition of Rider No. 1 and Rider No. 3.

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EQUIPMENT:

All costs of any necessary metering, communications and other equipment necessary for the implementation of this Rider No. 8 shall be borne by the Customer. Such costs shall include the costs of any equipment required to verify the scheduled delivery of Replacement Electricity from the Source to the Company.

Issued: _____, 1997

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President

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing was served on the following parties on this 21st day of April, 1997 by either U.S. Mail, postage prepaid or hand delivery.

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