

FILE

From: webmaster@puc.state.oh.us  
To: PUCO ContactThePUCO  
Subject: 81114  
Received: 5/9/2014 3:15:59 PM  
Message:  
WEB ID: 81114 AT:05-09-2014 at 03:15 PM

Related Case Number: 14-0568

TYPE: comment

NAME: Mr. Mathew Beredo

CONTACT SENDER ? Yes

MAILING ADDRESS:

- 201 West Indiana Avenue
- Law Department
- City of Perrysburg
- Perrysburg , Ohio 43551
- USA

PHONE INFORMATION:

- Home: 419-872-7896
- Alternative: *(no alternative phone provided?)*
- Fax: 419-872-7897

E-MAIL: mberedo@ci.perrysburg.oh.us

INDUSTRY:Electric

ACCOUNT INFORMATION:

- Company: First Energy Solutions
- Name on account: City of Perrysburg
- Service address: 201 West Indiana Avenue
- Service phone: 419-872-8010
- *(no account number provided?)*

COMMENT DESCRIPTION:

Re: Comments From City of Perrysburg--RTO Expense Surcharge

To Whom It May Concern:

The City of Perrysburg, Ohio, received FirstEnergy Solutions' (FES) letter regarding its intent to initiate a "Pass-Through Event" for the month of January 2014. Based on the information we have received on

PUCO

2014 MAY 21 AM 8:28

RECEIVED-POCKETING DIV

This is to certify that the images appearing are an accurate and complete reproduction of a case file document delivered in the regular course of business.  
MAY 21 2014  
Technician

the issue, there does not appear to be any legal basis to increase charges against the City.

Under its agreement with the City, FES is permitted to pass along “new” charges. FES argues that the relevant costs (PJM charges) should be considered new charges.

But FES has itself acknowledged that it was subject to PJM charges in at least one previous year (2013), and it has presumably paid these charges in other years as well. So these are not new charges.

Based on FES’s own statements, it has been subject to PJM charges in the past. Those charges—of some amount—are or should have been factored into the FES billing model, regardless the amount (which obviously may fluctuate from month to month or year to year, as do many of the underlying costs to supply electricity). Under the clear terms of the parties’ agreement, there is no legitimate basis for passing the charges on to customers.

FES has also asserted that it must pass these charges along as a “pass-through” because otherwise it would need to factor the price into its bids and overall costs for its customers would be higher. However, as noted above these are not new charges. FES knew or should have known that it was subject to PJM charges of some amount, and it knew or should have known that the amount may change based on different conditions.

In putting together its bid proposal, it made a specific business decision on how to price the risk of increased PJM charges, just as it makes business decisions on how to price the risk of increased commodities costs or other costs that impact the overall cost of electricity. Its price to the City reflects those predictive decisions, some of which are good and some of which may not be good.

By its own admission, a more conservative (and accurate) prediction on PJM costs would have increased its bid price. What FES now seeks is the opportunity to shift the risk of its bad predictions onto its customers, including the City of Perrysburg. This is neither permitted under the parties’ agreement, nor fair to other electricity suppliers, some of whom may have done a better job of pricing the risk of PJM cost increases and whose bids were therefore higher and less attractive than those presented by FES.

The City has formally protested these charges pursuant to the terms of its agreement with FES. It has requested additional and specific information regarding these costs, and specifically how the amounts were determined, how these charges differ from charges already factored into the amount the City is paying, and any other basis on which these charges may qualify as a “Pass-Through Event.”

To date, FES has provided no basis to distinguish the PJM charges for January 2014 from such charges for previous months (other than purely in amount).

For that matter, FES has provided no logical basis to distinguish the charges now at issue from other costs which may unexpectedly and sharply rise in the future.

If FES is allowed to pass along increased (rather than actually new) costs, there would appear to be no logical stopping point. Customers could be billed for the utility making a bad bet on commodities future, for new union contracts for utility employees, or even for severance packages for FES’ senior executives that have been forced to resign. In short, contract pricing with FES would be useless, and consumers would always bear the full risk of a supplier’s bad predictions while still being locked into long-term agreements.

That cannot be allowed. Moreover, and as noted above, FES cannot be allowed to unduly influence

bidding by electricity suppliers by retroactively seeking a modification of its bid price based on its failure adequately to predict the change in PJM pricing over time.

The PUCO should refuse to permit FES to impose this unwarranted price increase, and protect the integrity of the parties' contract term and the integrity of electricity bidding and pricing.

Very Truly Yours,

Mathew Beredo Director of Law—City of Perrysburg

From: webmaster@puc.state.oh.us  
To: PUCO ContactThePUCO  
Subject: 80226  
Received: 3/27/2014 12:41:51 AM  
Message:  
WEB ID: 80226 AT:03-27-2014 at 12:41 AM

Related Case Number:

TYPE: comment

NAME: Mr. Jerry Bezanson

CONTACT SENDER ? Yes

MAILING ADDRESS:

- 591 Woodbay Drive
- Gahanna , Ohio 43230
- USA

PHONE INFORMATION:

- Home: (614) 477-0781
- Alternative: *(no alternative phone provided?)*
- Fax: *(no fax number provided?)*

E-MAIL: jerrybezanson@wowway.com

INDUSTRY:Electric

ACCOUNT INFORMATION:

- Company: AEP
- *(no account name provided?)*
- *(no service address provided?)*
- *(no service phone number provided?)*
- *(no account number provided?)*

COMMENT DESCRIPTION:

Just read in the paper that we customers are going to pay for the repairs of 2012. THEY put us in the 19th century for a long time and almost killed people like me who can't tolerate heat, and we have to reward them for their incompetence? They have ignored their infrastructure for years. I know because I have one of their transformers in my back yard - it is sinking into the ground and falling apart. I had to leave my home and go to a motel for three days. No one reimbursed me for that. In Gahanna we have had so many power outages is as if we have no power company at all.

## Genesky, Donielle

---

**From:** ContactThePUCO@puc.state.oh.us  
**Sent:** Thursday, April 10, 2014 2:49 PM  
**To:** PUCO Docketing  
**Subject:** Docketing

Public Utilities Commission of Ohio  
Investigation and Audit Division

Memorandum

Date: 4/10/2014

Re: Allen Fox  
80 Orchard Ln  
Westerville, OH 43081

Docketing Case No.:  
14-0568-EL-COI

Notes:

Please docket the following in the case number above. Thank you.

\*\*\*\*\*

**COMMENT DESCRIPTION:**

My comment is in regards to the "passthrough" rate increases that electric suppliers are trying to get approved. The supplier, like every other business, is responsible for a business plan that plans regular maintenance and improvements. Those predictive costs should already be part of past and current rates, building incremental funds for such improvements, when needed. The suppliers are simply taking advantage of a situation to artificially increase rates.

\*\*\*\*\*

From: webmaster@puc.state.oh.us  
To: PUCO ContactThePUCO  
Subject: 80587  
Received: 4/14/2014 10:56:51 AM  
Message:  
WEB ID: 80587 AT:04-14-2014 at 10:56 AM

Related Case Number:

TYPE: comment

NAME: Mr. michael hatgas

CONTACT SENDER ? Yes

MAILING ADDRESS:

- 16479 webster rd
- Apt/Suite
- middleburg hts , Ohio 44130
- USA

PHONE INFORMATION:

- Home: 440-826-3967
- Alternative: 440-826-3967
- Fax: 440-826-3967

E-MAIL: mjhatgas@gmail.com

INDUSTRY:Electric

ACCOUNT INFORMATION:

- Company: First energy
- Name on account: michael hatgas
- Service address: 16479 webster rd middleburg hts ohio
- Service phone: 440-826-3967
- Account Number: 110 026 706 819

COMMENT DESCRIPTION:

First Energy should not be allowed to pass on any polar vortex surcharge. This is a cost of doing business. If they failed to plan for issues like this, their management should be held accountable by their shareholders. Let them cut the dividend on their stock and explain to the shareholders. First Energy foists a lot on their customers. Additional cost for the Perry plant were passed on. Their lack of investment in technology was the cause of an East Coast black out. Part of the reason for a recent rate increase was that consumers are conserving energy and their revenues are falling. If I face an unexpected expense, I must cover that myself. if i don't pay my bill, my service gets cut off. First Energy needs to accept accountability for its lack of planning. They don't cut shareholder dividends, they look to their customers to bail them out.