

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

Ohio Schools Council, Ohio School Boards
Association, Ohio Association of School Business
Officials, and Buckeye Association of School
Administrators, dba Power4Schools,

Complainants,

v.

FirstEnergy Solutions Corp,

Respondent.

Case No. 14-1182-EL-CSS

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COMPLAINT

Complainants Ohio Schools Council ("OSC"), Ohio School Boards Association ("OSBA"), Ohio Association of School Business Officials ("OASBO"), and Buckeye Association of School Administrators ("BASA"), dba Power4Schools, hereby bring this complaint against Respondent FirstEnergy Solutions Corp ("FES") pursuant to R.C. §§ 4905.26 and 4928.16(A)(1) and (2), stating as follows:

PARTIES AND JURISDICTION

1. Complainant OSC is a regional council of governments formed under R.C. Chapter § 167, with headquarters at 6393 Oak Tree Boulevard, Suite 377, Independence, Ohio 44131. It is a consortium of school districts, educational service centers, joint vocational districts and Developmental Disabilities boards in 35 northern Ohio counties. It shares best practices and information concerning the operation of public education institutions.

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2. Complainant OSBA is a not-for-profit professional association composed of school boards representing Ohio's local, city, exempted village, career center and educational service center districts. It shares best practices and information concerning the operation of public education institutions. It is headquartered at 8050 North High Street, Suite 100, Columbus, Ohio 43235.

3. Complainant OASBO is a not-for-profit professional association composed of public school business officials that shares best practices and information concerning the operation of public education institutions. It is headquartered at 8050 North High Street, Suite 170, Columbus, Ohio 43235.

4. Complainant BASA is a not-for-profit professional association that serves school superintendents and other administrators throughout the state of Ohio sharing best practices and information concerning the operation of public education institutions. It is headquartered at 8050 North High Street, Suite 150, Columbus, Ohio 43235.

5. Complainants' members include all of Ohio's 612 public school boards of education, as well as 55 educational service centers and 49 career technical center boards. Each complainant offers its members group purchasing programs for goods and services. They collectively offer an affinity program to their members for the purchase of electricity, do business under the trade name "Power4Schools," and are collectively referred to herein as "P4S."

6. P4S retained Palmer Energy Company, Inc., in connection with pricing options and other aspects of operating the affinity program. Palmer Energy is a Commission-certificated aggregator and power broker holding Certificate No. 10-265(E)(2). [REDACTED]

[REDACTED]

[REDACTED]

7. Certain Participating Members are electric distribution customers of the FirstEnergy Corp. electric distribution utilities (the "FE EDUs") and certain Participating Members are electric distribution customers of the Ohio Power Company electric distribution utilities (the "OP EDUs"). A list of the public schools and public school districts that compose Participating Members is attached to this Complaint as Exhibit A. Participating Members have authorized P4S to prosecute this complaint on their behalf.

8. Respondent FES is an Ohio corporation headquartered at 341 White Pond Drive, A-WAC-C2, Akron, Ohio 44320, and is a subsidiary of FirstEnergy Corp. FES provides competitive retail electric service ("CRES") in Ohio pursuant to Certificate No. 00-011E(7), which originally was issued on November 3, 2000 as Certificate No. 00-011(1) in Case No. 00-1742-EL-CRS, and which has been renewed biannually thereafter. Under the terms of its certificate, FES is authorized to provide retail generation and power marketing services and, thus, is an electric services company as defined in R.C. § 4928.01(A)(9).

9. The Public Utilities Commission of Ohio ("Commission") has personal jurisdiction over FES pursuant to R.C. §§ 4905.06 and 4928.08(B). This complaint is authorized by R.C. §§ 4905.26 and 4928.16(A)(1) and (A)(2), and the Commission has jurisdiction over the subject matter of this complaint pursuant to those statutes as well as under R.C. §§ 4928.08(D) and 4928.16(B)(1) and (B)(3). The Commission has the authority to grant the relief requested pursuant to R.C. §§ 4905.06, 4905.26, 4928.08(D), and 4928.16(B)(1) and (B)(3).

BACKGROUND

10. Complainant incorporates by reference the above paragraphs 1-9 as if fully set forth herein.

11. In 1999, Ohio enacted Am. Sub. S.B. No. 3 ("SB 3"), which, *inter alia*, permits electric service companies to provide CRES, albeit subject to the Commission's jurisdiction. R.C. §§ 4905.06, 4905.26, 4928.08(B), 4928.16(A)(1) and (2).

12. To protect consumers in this state, SB 3 provides the Commission with jurisdiction over a CRES provider's provision of certificated service (R.C. § 4928.16(A)(1)) and, pursuant to R.C. §§ 4905.06, 4905.26, and 4928.16(B), authorizes the Commission to remedy the provision of such service if found to be unjust, unreasonable, unlawful, unjustly discriminatory or unjustly prejudicial.

13. To protect consumers in this state, SB 3 expressly forbids a CRES provider to engage in unfair, deceptive, and unconscionable acts and practices in the marketing, solicitation, and sale of CRES and in the administration of any contract for service. R.C. § 4928.10. SB3 provides remedies and penalties in the event that a CRES provider violates this statute or the rules adopted thereunder. R.C. §§ 4905.26, 4928.08(D), 4928.16(A)(2), 4928.16(B)(1) and (3).

14. Pursuant to the authority of R.C. § 4928.10, the Commission adopted O.A.C. Chapter 4901:1-21, the stated purpose of which is to "[p]rotect consumers against deceptive, unfair, and unconscionable acts and practices in the marketing, solicitation, and sale of CRES and in the administration of any contract for that service." O.A.C. § 4901:1-21-02(A)(2)(c).

15. Pursuant to the authority of R.C. § 4928.10, the Commission adopted O.A.C. § 4901:1-21-03, which provides, in part:

(A) Competitive retail electric service (CRES) providers shall not engage in unfair, misleading,

deceptive, or unconscionable acts or practices related to, without limitation, the following activities:

- (1) Marketing, solicitation, or sale of a CRES.
- (2) Administration of contracts for CRES.
- (3) Provision of CRES, including interactions with consumers.

16. Pursuant to the authority of R.C. § 4928.10, the Commission adopted O.A.C. § 4901:1-21-05(C)(2), which provides that failure to comply with O.A.C. § 4901:1-21-05(A) constitutes an unfair, misleading, deceptive, or unconscionable act or practice. O.A.C. § 4901:1-21-05(A)(1) provides:

(A) Each competitive retail electric service (CRES) provider that offers retail electric generation service to residential or small commercial customers shall provide, in marketing materials that include or accompany a service contract, sufficient information for customers to make intelligent cost comparisons against offers they receive from other CRES providers.

(1) For fixed-rate offers, such information shall, at minimum, include:

- (a) The cost per kilowatt hour for generation service.
- (b) The amount of any other recurring or nonrecurring CRES provider charges.
- (c) A statement that the customer will incur additional service and delivery charges from the electric utility.
- (d) A statement of any contract contingencies or conditions precedent.

17. Pursuant to the authority of R.C. § 4928.10, the Commission adopted O.A.C. § 4901:1-21-05(C)(2), which provides that failure to comply with O.A.C. § 4901:1-21-05(A) constitutes an unfair, misleading, deceptive, or unconscionable act or practice. O.A.C. § 4901:1-21-05(A)(2) provides:

(A) Each competitive retail electric service (CRES) provider that offers retail electric generation service to residential or small commercial customers shall

provide, in marketing materials that include or accompany a service contract, sufficient information for customers to make intelligent cost comparisons against offers they receive from other CRES providers.

(2) For variable-rate offers, such information shall, at a minimum, include:

(a) A clear and understandable explanation of the factors that will cause the price to vary, including any related indices, and how often the price can change and, for discounted rates, an explanation of the discount and the basis on which any discount is calculated.

(b) The amount of any other recurring or nonrecurring CRES provider charges.

(c) A statement that the customer will incur additional service and delivery charges from the electric utility.

(d) A statement of any contract contingencies or conditions precedent.

18. Pursuant to the authority of R.C. § 4928.10, the Commission adopted rules that prohibit CRES providers, in the administration of CRES contracts, "from engaging in unfair, deceptive, misleading, and unconscionable acts and practices." O.A.C. § 4901:1-21-11(A).

19. Pursuant to the authority of R.C. § 4928.10, the Commission adopted O.A.C. § 4901:1-21-12(A)(7)(a), which provides:

(A) All competitive retail electric service (CRES) provider customer contracts shall include, but not be limited to, the following information:

(7) An itemized list and explanation of all prices and fees associated with the service such that:

(a) For fixed-rate offers, such information shall, at minimum, include the cost per kilowatt hour for generation service; the amount of any other recurring or nonrecurring CRES provider charges, and a statement that the customer will incur additional service and delivery charges from the electric utility. [Emphasis supplied.]

20. Pursuant to the authority of R.C. § 4928.10, the Commission adopted O.A.C. § 4901:1-21-12(A)(7)(b), which provides:

(A) All competitive retail electric service (CRES) provider customer contracts shall include, but not be limited to, the following information:

(7) An itemized list and explanation of all prices and fees associated with the service such that:

(b) For variable-rate offers, such information shall, at minimum, include: a clear and understandable explanation of the factors that will cause the price to vary, including any related indices, and how often the price can change; for discounted rates, an explanation of the discount and the basis on which any discount is calculated; the amount of any other recurring or nonrecurring CRES provider charges; and a statement that the customer will incur additional service and delivery charges from the electric utility. [Emphasis supplied.]

21. Pursuant to the authority of R.C. § 4928.10, the Commission adopted O.A.C. § 4901:1-21-02(E), which provides:

The rules in this chapter supersede any inconsistent provisions, terms, and conditions of each CRES provider's contracts or other documents describing service offerings for customers or potential customers in Ohio.

**GENERAL ALLEGATIONS AS TO FES' SERVICE TO
FE EDU PARTICIPATING MEMBERS**

22. Complainant incorporates by reference the above paragraphs 1-21 as if fully set forth herein.

23. Effective April 1, 2011, P4S entered into a "Master Agreement to Provide Services to an Affinity Group" ("Master Agreement") with FES, pursuant to which P4S established an affinity program for the purchase of electricity and endorsed FES to provide

CRES to Participating Members in the FE EDUs service territories. Master Agreement, at Paragraphs 1.1 and 1.9. The Master Agreement is attached hereto as Exhibit B.

24. Under the Master Agreement and the individual supply contracts FES entered into with Participating Members ("Supply Contracts"), it was P4S' obligation to [REDACTED]. Master Agreement, at 2.1.6. A representative copy of a Supply Contract and Pricing Attachment for P4S Participating Members in the FE EDUs' service territories ("FE EDU Supply Contracts") is attached as Exhibit C.

25. [REDACTED]

26. P4S and FES agreed to [REDACTED]

Master Agreement, Exhibit A, Paragraph I(a) Option 2.

27. The FE EDUs' standard service offer components included ancillary services as of the date of the Master Agreement. See definition of "SSO Supply," contained in the "Master Standard Service Offer ("SSO") Supply Agreement between The Cleveland Electric Illuminating Company, The Toledo Edison Company and Ohio Edison Company and Each SSO Supplier Set

Forth on Appendix A Hereto" ("SSO Supply Agreement"), page 10, a copy of the applicable excerpts of which are attached hereto as Exhibit D. For the entire document, see http://www.firstenergycbp.com/Portals/0/SupplierDocuments/Master%20SSO%20Supply%20Agreement_20130813.pdf. See, also, *e.g.*, CEI Tariff P.U.C.O. No. S-2 ("FE EDU Tariff"), Definitions, Original Sheet 1, Page 3 (definition of "Ancillary Services"); Section IV, Original Sheet 1, Page 10, Paragraph D; Section XIV, Original Sheet 1, Page 28. The FE EDU Tariff provisions are attached hereto as Exhibit E.

28. Pursuant to the FE EDU Tariff and SSO Supply Agreement, the CRES providers supplying SSO generation are responsible for providing all ancillary services (including all costs and expenses related to the services) unless excepted by the SSO Supply Agreement. FE EDU Tariff, *Id.*, SSO Supply Agreement, at Paragraph 2.3 and 2.4. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

29. FES, through its website, states that the ancillary services at issue in this proceeding are operating reserves, synchronous reserves, day ahead scheduling reserves, and regulation. A copy of FES's website page describing the ancillary services at issue is attached as Exhibit F.

30. The ancillary services at issue in this proceeding are not excepted by the SSO Supply Agreement. SSO Supply Agreement, at Paragraph 2.3.

31. At the time it entered the Master Agreement and FE EDU Supply Contracts, FES knew or should have known that the costs for the ancillary services at issue fluctuate monthly.

[REDACTED]

[REDACTED]

32. [REDACTED]

[REDACTED]

[REDACTED]

33. The Master Agreement contains a provision for passing through additional charges if certain conditions precedent are met. The conditions precedent for passing through additional indeterminate costs imposed by PJM Interconnection ("PJM") are set forth in the FE EDUs Summary of Pricing at Paragraph I(d)), which provides:

[REDACTED]

[REDACTED]

34. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

35. Because the CRES providers supplying standard service offer generation service are responsible for all costs and expenses in supplying the ancillary services in question, the standard service offer necessarily includes all costs and expenses for these services, regardless of the degree to which the ancillary costs fluctuated during any given month. Thus, all such costs and expenses, however imposed by PJM, are included in the FE EDUs' standard service offer, *i.e.*, its avoidable/bypassable charges. SSO Supply Agreement, at Paragraph 2.3 and 2.4; FE EDU Tariff, *supra*.

36. [REDACTED]

[REDACTED]

[REDACTED]

**GENERAL ALLEGATIONS AS TO FES' SERVICE TO
OP EDU PARTICIPATING MEMBERS**

37. Complainant incorporates by reference the above paragraphs 1-36 as if fully set forth herein.

38. Effective December 1, 2011, P4S entered into the First Amendment to the Master Agreement ("First Amended Master Agreement"), which, *inter alia*, added the OP EDUs' service territories to the affinity program. First Amended Master Agreement, at Paragraph 3. The First Amended Master Agreement is attached hereto as Exhibit G.

39. Service to the Participating Members' in the OP EDUs' service territories is governed by the Master Agreement and Supplier Contract; however, [REDACTED]

[REDACTED]

[REDACTED] A representative copy of a Supply Contract and Pricing Attachment for P4S Participating Members in the OP EDUs' service territories ("OP EDU Supply Contracts") is attached as Exhibit H.

40. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

41. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

42. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

43. Pursuant to Ohio Power Company's P.U.C.O. Tariff No. 7 (Open Access Distribution Service), First Revised Sheet No. 3-15D and 3-16D, Section 31, Effective December 9, 2009 and Ohio Power Company's P.U.C.O. Tariff No. 20 (Open Access Distribution Service), Original Sheet No. 103-25D, Section 29, Effective January 1, 2012 (attached hereto as Exhibit I), FES, as a CRES provider, is required to provide all ancillary services to OP EDU Participating

Members under PJM's Open Access Transmission Tariff. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED].

44. At the time it entered the Master Agreement and OP EDU Supply Contracts, FES knew or should have known that the costs fluctuated monthly for the ancillary services at issue, *i.e.*, operating reserves, synchronous reserves, day ahead scheduling reserves, and regulation.

[REDACTED]

[REDACTED].

45. [REDACTED]

[REDACTED]

[REDACTED].

46. The Master Agreement contains a provision for passing-through additional charges if certain conditions precedent are met. The conditions precedent for passing through additional indeterminate costs imposed by PJM are set forth in the OP EDU Summary of Pricing at Paragraph I.A.xii, which provides:

[REDACTED]

47. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

48. Because the OP EDU Open Access Distribution Service Tariff imposes upon the CRES provider responsibility for all cost for all ancillary services, the costs for the ancillary services in question, however imposed by PJM, are included in the OP EDUs' avoidable/bypassable charges.

49. [REDACTED]

[REDACTED]

[REDACTED]

**GENERAL ALLEGATIONS AS TO FES' SERVICE TO
FE AND OP EDU PARTICIPATING MEMBERS**

50. Complainant incorporates by reference the above paragraphs 1-49 as if fully set forth herein.

51. By letters issued in March 2014 (attached as Exhibit J), FES notified Participating Members that, due to cold weather in the month of January 2014:

PJM incurred extremely high ancillary costs to purchase additional reserve generation needed to keep the bulk electric system reliable throughout these extreme conditions. These costs and additional charges were, in turn, invoiced by PJM to all suppliers serving customers throughout the region.

Pursuant to your agreement with FirstEnergy Solutions, these additional costs and charges are deemed a "Pass-Through Event." As a result, the electric generation costs for the month of January for your accounts served by FirstEnergy Solutions will be adjusted through a charge which will appear as a separate line item on your bill but will not change your contract price. *** The charge appearing on your bill will be based upon your actual usage for the month of January. [Emphasis supplied.]

52. By letters issued in June 2014 (attached as Exhibit K), FES notified Participating Members that, due to cold weather in the month of January 2014:

PJM incurred extremely high ancillary costs to purchase additional reserve generation needed to keep the bulk electric system reliable throughout these extreme conditions. These costs and additional charges were, in turn, invoiced by PJM to all suppliers serving customers throughout the region.

Pursuant to your agreement with FirstEnergy Solutions, these additional costs and charges are deemed a "Pass-Through Event." As a result, the electric generation costs for the month of January for your accounts served by FirstEnergy Solutions will be adjusted through a charge which will appear as a separate line item on your bill but will not change your contract price. The amount of the charge will be \$ _____, which is based upon your usage for the month of January. [Emphasis supplied.]

53. The increased ancillary service costs were due to high natural gas prices, restrictions on natural gas deliveries, interchange volatility, and an unprecedented amount of plant outages during the periods of January 6-8 and January 17-29, which caused PJM to schedule additional, more expensive generation to be available to mitigate any potential power

shortfalls. See, PJM's *Analysis of Operational Events and Market Impacts During the January 2014 Cold Weather Events*, May 8, 2014, at 4-5 and 45 (<http://www.pjm.com/~media/documents/reports/20140509-analysis-of-operational-events-and-market-impacts-during-the-jan-2014-cold-weather-events.ashx>).

54. At this same time, three of FES' generating facilities (Beaver Valley, Mansfield and West Lorain) were unavailable and offline because of unforced outages during this coldest period of the year. See Transcript, FirstEnergy Corp's First Quarter 2014 Earnings Call, May 6, 2014 (<http://www.morningstar.com/earnings/earnings-call-transcript.aspx?t=FE>), the applicable portion of which is attached hereto as Exhibit L.

55. Significantly, during the cold weather events of January 2014 and FES's concurrent unforced plant outages, many P4S Participating Members' facilities were closed and not operating on several dates.

56. Participating Members' June 2014 electric utility bills reflect the additional charges for ancillary services based upon usage during the month of January as a separate line item.

57. In issuing the letters, and billing the additional costs, FES relies on the Participating Members' Supply Contracts,² which provides:



² See FE EDU Supply Contract, at Paragraph 38; OP EDU Supply Contract, at Paragraph 36.

[REDACTED]

58. Because the condition precedent was not met to impose additional costs on Participating Members, this Paragraph to the Supply Contracts is irrelevant and provides no independent authority to pass through the additional costs.

59. In any event, PJM has imposed no [REDACTED] "additional" charges on FES. Emphasis supplied. [REDACTED]

[REDACTED] At the time it entered these agreements, FES knew or should have known that the costs for these ancillary services fluctuate monthly. Thus, PJM imposed no [REDACTED] additional charges on FES for the events of January 2014, rather the fluctuating costs for the ancillary services at issue simply were higher in January 2014 than in previous months.

60. No other Commission-certificated CRES provider has sought to pass through these charges to their Ohio retail customers.

61. Participating Members' Supply Contracts support that the additional ancillary service costs are not [REDACTED] additional charges. The Supply Contracts at Paragraph 8 provide:

[REDACTED]



62. The components of Electricity Supply necessary to satisfy the requirements under the FE EDUs', the OP EDUs', and PJM's rules, regulations and tariffs include the ancillary services at issue. See, *e.g.*, CEI Tariff P.U.C.O. No. S-2 ("FE EDU Tariff"), Definitions, Original Sheet 1, Page 3 (definition of "Ancillary Services"); Section IV, Original Sheet 1, Page 10; Section XIV, Original Sheet 1, Page 28; Ohio Power Company's P.U.C.O. Tariff No. 20 (Open Access Distribution Service), First Revised Sheet No. 103-25D, Section 29. See, also, PJM's Open Access Transmission Tariff ("OATT") and Operating Agreement ("Op Agr") as to Operating Reserves, Op Agr Sched. 1-3.2.3 and 3.3.3, OATT Sched. 6; as to Synchronous Reserves, Op Agr Sched. 1-3.2.3A and 3.3.5, OATT Sched. 5; as to Day Ahead Scheduling Reserves, Op Agr Sched. 1-3.2.3A.01 and OATT Sched. 6; as to Regulation, Op Agr Sched 1-3.2.2, 3.2.2A, 3.3.2 and 3.3.2A and OATT Sched. 3.

63. Assuming, *arguendo*, that it is just, reasonable and lawful to include a pass-through clause for an indeterminate amount of charges in a [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] Although the cost may have increased, [REDACTED]

[REDACTED]

[REDACTED]

COUNT I

64. Complainants incorporate by reference the above paragraphs 1-63 as if fully set forth herein.

65. [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] in violation of R.C. § 4928.10, and O.A.C. §§ 4901:1-21-03(A)(1)-(3) and 4901:1-21-11(A), and is unjust, unreasonable and unlawful pursuant to R.C. § 4905.26.

COUNT II

66. Complainants incorporate by reference the above paragraphs 1-65 as if fully set forth herein.

67. [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED]
[REDACTED]
[REDACTED] in violation of R.C. § 4928.10, and O.A.C. §§ 4901:1-21-03(A)(1)-(3) and 4901:1-21-11(A), and is unjust, unreasonable and unlawful pursuant to R.C. § 4905.26.

COUNT III

68. Complainants incorporate by reference the above paragraphs 1-67 as if fully set forth herein.

69. By assessing "additional" costs per kWh for the ancillary services for January 2014 usage, FES increased the price per kWh contained in the FE and OP EDU Supply Contracts for January 2014. FES' statement, in the letters issued in March 2014 to Participating Members, that the additional charges "will not change your [per kWh] contract price," is unfair, misleading, deceptive or unconscionable, in violation of R.C. § 4928.10, and O.A.C. §§ 4901:1-21-03(A)(1)-(3), and 4901:1-21-11(A), and is unjust, unreasonable and unlawful pursuant to R.C. § 4905.26.

COUNT IV

70. Complainants incorporate by reference the above paragraphs 1-69 as if fully set forth herein.

71. By assessing "additional" costs per kWh for the ancillary services for January 2014 usage, FES increased the price per kWh contained in the FE and OP EDU Supply Contracts for January 2014. FES' statement, in the letters issued in June 2014 to Participating Members, that the additional charges "will not change your [per kWh] contract price," is unfair, misleading, deceptive or unconscionable, in violation of R.C. § 4928.10, and O.A.C. §§ 4901:1-21-03(A)(1)-(3), and 4901:1-21-11(A), and is unjust, unreasonable and unlawful pursuant to R.C. § 4905.26.

COUNT V

72. Complainants incorporate by reference the above paragraphs 1-68 as if fully set forth herein.

73. [REDACTED]

[REDACTED], in violation of R.C. § 4928.10 and O.A.C §§ 4901:1-12-12(A)(7)(a), and is unjust, unreasonable and unlawful pursuant to R.C. § 4905.26.

COUNT VI

74. Complainants incorporate by reference the above paragraphs 1-73 as if fully set forth herein.

75. [REDACTED]

[REDACTED] is unfair, misleading, deceptive or unconscionable, in violation of R.C. § 4928.10 and O.A.C §§ 4901:1-12-12(A)(7)(b), and is unjust, unreasonable and unlawful pursuant to R.C. § 4905.26.

COUNT VII

76. Complainants incorporate by reference the above paragraphs 1-75 as if fully set forth herein.

77. To the extent the "additional charges" at issue could be considered to be a recurring or non-recurring charge, [REDACTED], is unfair, misleading, deceptive or

unconscionable, in violation of R.C. § 4928.10 and O.A.C §§ 4901:1-12-12(A)(7)(a) and (b), and is unjust, unreasonable and unlawful pursuant to R.C. § 4905.26.

COUNT VIII

78. Complainants incorporate by reference the above paragraphs 1-77 as if fully set forth herein.

79. FES' inclusion of a provision that authorizes the pass-through of an indeterminate amount of charges in the FE and OP EDU Supply Contracts [REDACTED] is inconsistent with O.A.C. § 4901:1-21-12(A)(7)(a) and (b), in violation of O.A.C. § 4901:1-21-02(E), and is unjust, unreasonable and unlawful pursuant to R.C. § 4905.26.

COUNT IX

80. Complainants incorporate by reference the above paragraphs 1-79 as if fully set forth herein.

81. Assuming, *arguendo*, that a pass-through clause of an indeterminate amount reasonably and lawfully may be included [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED] The SSO Supply Agreement and FE EDU Tariff require the SSO suppliers for the FE EDUs' standard service offer to provide the ancillary services at issue and to bear the responsibility for all of their costs and expenses, regardless of the degree to which they fluctuate per month and regardless of how they are imposed by PJM.

[REDACTED]
Because the condition precedent was not met, it was unjust and unreasonable for FES to declare a pass-through event for the FE EDU Supply Contracts in violation of R.C. § 4905.26.

COUNT X

82. Complainants incorporate by reference the above paragraphs 1-81 as if fully set forth herein.

83. Assuming, *arguendo*, that a pass-through clause of an indeterminate amount reasonably and lawfully may be included in a contract [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] The OP EDUs' tariffs require FES to provide the ancillary services at issue and to bear the responsibility for all of their costs, regardless of the degree to which they fluctuate per month and regardless of how they are imposed by PJM. [REDACTED]

[REDACTED] Because the condition precedent was not met, it was unjust and unreasonable for FES to declare a pass-through event for the OP EDU Supply Contracts in violation of R.C. § 4905.26.

COUNT XI

84. Complainants incorporate by reference the above paragraphs 1-81 as if fully set forth herein.

85. Assuming, *arguendo*, that (1) a pass-through clause of an indeterminate amount reasonably and lawfully may be included in a contract [REDACTED] and

(2) that the conditions precedent for invoking the pass-through clause are met, the increased ancillary service costs for January 2014 do not constitute [REDACTED] additional charges" under Paragraph 38 of the FE EDU Supply Contracts and Paragraph 36 of the OP EDU Supply Contracts. [REDACTED]

[REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
86. [REDACTED]
[REDACTED]

[REDACTED] Although FES knew or should have known that these costs and charges fluctuate monthly, [REDACTED]

[REDACTED] The charges it seeks to pass through are not [REDACTED] additional," they merely represent increased costs of existing charges. FES' declaration of a pass-through event was unjust and unreasonable in violation of R.C. § 4905.26.

COUNT XII

87. Complainants incorporate by reference the above paragraphs 1-86 as if fully set forth herein.

88. FES' pass-through of charges to P4S Participating Members related to securing additional electric power during the cold weather events of January 2014 is unjust and unreasonable pursuant to R.C. § 4905.26, because FES had significant unplanned and unforced generation plant outages during that period. To the extent that FES may have incurred additional costs during this period, they were caused in part or in whole by the unforced outages of FES' generation plants, the operation of which are in the control of FES. Moreover, this was a period in which many P4S Participating Members were closed due to winter conditions.

COUNT XIII

89. Complainants incorporate by reference the above paragraphs 1-88 as if fully set forth herein.

90. Because the conditions precedent to declare a pass-through event were not met, FES' statement, in the letters issued in March 2014 to Participating Members, that "these additional costs and charges are deemed a 'Pass-Through Event'" is unfair, misleading, deceptive or unconscionable, in violation of R.C. § 4928.08, and O.A.C. §§ 4901:1-21-03(A)(1)-(3), and 4901:1-21-11(A), and is unjust, unreasonable and unlawful pursuant to R.C. § 4905.26.

COUNT XIV

91. Complainants incorporate by reference the above paragraphs 1-90 as if fully set forth herein.

92. Because the conditions precedent to declare a pass-through event were not met, FES' statement, in the letters issued in June 2014 to Participating Members, that "these additional costs and charges are deemed a 'Pass-Through Event'" is unfair, misleading, deceptive or unconscionable, in violation of R.C. § 4928.08, and O.A.C. §§ 4901:1-21-03(A)(1)-(3), and 4901:1-21-11(A), and is unjust, unreasonable and unlawful pursuant to R.C. § 4905.26.

REQUEST FOR RELIEF

WHEREFORE, P4S respectfully requests that the Commission:

93. Find, pursuant to R.C. § 4905.26, that this Complaint sets for reasonable grounds for complaint.

94. Find, pursuant to R.C. § 4905.26, that a copy of this Complaint be served upon FES.

95. Find, pursuant to R.C. § 4928.10 and O.A.C. §§ 4901:1-21-03(A)(1)-(3), and 4901:1-21-11(A), that FES committed unfair, misleading, deceptive, or unconscionable acts and practices by:

- a. representing in the contracts to FE EDU Participating Members that their [REDACTED], when it was not;
- b. representing in the contracts to OP EDU Participating Members that their [REDACTED], when it was not;
- c. stating in the letters issued in March 2014 to Participating Members that the additional charges “will not change your [per kWh] contract price,” when they did; and
- d. stating in the letters issued in June 2014 to Participating Members that the additional charges “will not change your [per kWh] contract price,” when they did;
- e. stating in the letters issued in March 2014 to Participating Members that “these additional costs and charges are deemed a ‘Pass-Through Event,’” when they were not; and
- f. stating in the letters issued in June 2014 to Participating Members that “these additional costs and charges are deemed a ‘Pass-Through Event,’” when they were not.”

96. Find that FES’ failure to include the [REDACTED] in the FE EDU Supply Contracts, Summary of Pricing and/or Pricing Attachment was unfair, misleading, deceptive, or unconscionable in violation of R.C. § 4928.10 and O.A.C. § 4901:1-12-12(A)(7)(a), and unjust, unreasonable and unlawful pursuant to R.C. § 4905.26.

97. Find that FES' [REDACTED] [REDACTED] in the OP EDU Supply Contracts, Summary of Pricing and/or Pricing Attachment was unfair, misleading, deceptive, or unconscionable in violation of R.C. § 4928.10 and O.A.C. § 4901:1-12-12(A)(7)(b), and unjust, unreasonable and unlawful pursuant to R.C. § 4905.26.

98. Find that, to the extent the "additional" charges could be considered to be a recurring or non-recurring charge, FES' failure to [REDACTED] [REDACTED] was unfair, misleading, deceptive, or unconscionable in violation of R.C. § 4928.10 and O.A.C. § 4901:1-12-12(A)(7)(a) and (b), and unjust, unreasonable and unlawful pursuant to R.C. § 4905.26.

99. Find, pursuant to O.A.C. § 4901:1-21-02(E), that FES' clause permitting the pass-through of an indeterminate amount of costs in the [REDACTED] FE EDU Supply Contracts is inconsistent with the [REDACTED] disclosures required by O.A.C. § 4901:1-21-12(A)(7)(a), and unjust, unreasonable and unlawful pursuant to R.C. § 4905.26 and void the pass through clause.

100. Find, pursuant to O.A.C. § 4901:1-21-02(E), that FES' clause permitting the pass-through of an indeterminate amount of costs in the [REDACTED] OP EDU Supply Contracts is inconsistent with the [REDACTED] disclosures required by O.A.C. § 4901:1-21-12(A)(7)(b), and unjust, unreasonable and unlawful pursuant to R.C. § 4905.26 and void the pass through clause.

101. Find, pursuant to R.C. § 4905.26, that FES's declaration of a pass-through event under the supply contracts was unjust, unreasonable, and unlawful.

102. Order that Respondent FES cease and desist from assessing the pass-through charges to Participating Members.

103. Order, pursuant to R.C. § 4928.16(B)(1), that Respondent FES refund any pass-through charges paid by Participating Members, with interest.

104. Impose, pursuant to R.C. 4928.16(B)(2), the maximum civil forfeiture permitted by law.

105. Conditionally suspend FES' certificate to provide CRES in the State of Ohio, pursuant to R.C. § 4928.08(D), in the event it does not comply with the requested orders within 30 days.

106. Grant such other relief as it may deem to be reasonable and appropriate.

Respectfully submitted,



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School Boards Association, Ohio
Association of School Business Officials,
and Buckeye Association of School
Administrators, dba Power4Schools

EXHIBIT A

PARTICIPATING MEMBERS

CONFIDENTIAL

(filed under seal)

EXHIBIT B

MASTER AGREEMENT

CONFIDENTIAL

(filed under seal)

EXHIBIT C

REPRESENTATIVE COPY FE EDU SUPPLY CONTRACT

CONFIDENTIAL

EXHIBIT D

EXCERPTS FROM THE SSO SUPPLY AGREEMENT

ATTACHMENT A-1
MASTER STANDARD SERVICE OFFER ("SSO")
SUPPLY AGREEMENT
BETWEEN
THE CLEVELAND ELECTRIC ILLUMINATING COMPANY
THE TOLEDO EDISON COMPANY
OHIO EDISON COMPANY
AND
EACH SSO SUPPLIER SET FORTH IN APPENDIX A HERETO

SSO Customers means Residential Customers, Commercial Customers and Industrial Customers, including special contract (SC) Customers, taking SSO Supply from the Companies during the Delivery Period.

SSO Load means the full electricity requirements for SSO Service of SSO Customers.

SSO Service means Standard Service Offer service that is not provided by a CRES Supplier and excludes the load of customers served via the Percentage of Income Payment Plan ("PIPP").

SSO Supplier has the meaning set forth in the preamble.

SSO Supplier Responsibility Share means, for each SSO Supplier, the fixed percentage share of the SSO Load for which the SSO Supplier is responsible as set forth in Appendix A. The stated percentage is determined by dividing the number of Tranches won by the SSO Supplier in the Solicitation by the total number of Tranches.

SSO Supply means unbundled Energy, Capacity and Ancillary Services, including, to the extent not expressly assumed by the Companies pursuant to Section 2.3, all transmission and distribution losses and congestion and imbalance costs associated with the provision of such services, as measured and reported to PJM, and such other services or products that an SSO Supplier may be required to provide, by PJM or other Governmental Authority, in order to meet the requirements of SSO Service.

Standard Service Offer means a market-based standard service offer of all competitive retail electric services necessary to maintain essential electric service to Customers, including unbundled Energy, Capacity, Ancillary Services and Firm Transmission Service, including all transmission and distribution losses, congestion and imbalance costs associated with the provision of the foregoing services, other obligations or responsibilities currently imposed or that may be imposed by PJM, and such other services or products that are provided by a CRES Supplier or an SSO Supplier to fulfill its obligations to serve customer load, as required by Section 4928.141 of the Ohio Revised Code.

Statement has the meaning set forth in Section 8.1(a).

Tangible Net Worth or **TNW** means total assets less intangible assets and total liabilities. Intangible assets include benefits such as goodwill, patents, copyrights and trademarks, each as would be reflected on a balance sheet prepared in accordance with generally accepted accounting principles.

Taxes have the meaning set forth in Section 13.8.

Term has the meaning set forth in Section 4.1.

Termination Payment has the meaning set forth in Section 5.3(c).

Total Exposure Amount means an amount calculated daily for each SSO Supplier

ARTICLE 2: GENERAL TERMS AND CONDITIONS

2.1 SSO Supplier's Obligations to Provide SSO Supply

Each SSO Supplier hereby agrees, severally, but not jointly, as follows:

(a) during the Delivery Period, such SSO Supplier shall sell, deliver and provide SSO Supply on a firm and continuing basis in order to meet its SSO Supplier Responsibility Share, in accordance with this Agreement and the PJM Agreements;

(b) (i) except with respect to Capacity, each SSO Supplier's obligation under Sections 2.1(a) will result in physical delivery and not financial settlement; (ii) the quantity of SSO Supply that such SSO Supplier must deliver will be determined by the requirements of the SSO Load, which may be different than the amount indicated in the Solicitation; and (iii) this Agreement does not provide for an option by such SSO Supplier with respect to the quantity of SSO Supply to be delivered; and

(c) each SSO Supplier shall deliver SSO Supply to the Delivery Point under this Agreement free and clear of any and all liens, security interests, claims and encumbrances or any interest therein or thereto by any Person.

2.2 Companies' Obligation to Take SSO Supply

During the Delivery Period, the Companies shall purchase and accept SSO Supply provided by an SSO Supplier pursuant to Section 2.1.

2.3 Firm Transmission Service and other Transmission Charges

The Companies shall be responsible for the provision of Firm Transmission Service from the Delivery Point. In addition, the Companies shall be responsible, at their sole cost and expense, for (i) charges and credits assessed under Schedule 1 (Scheduling,

System Control and Dispatch Service), Schedule 1A (Transmission Owner Scheduling, System Control and Dispatch Services), Schedule 2 (Reactive Supply and Voltage Control from Generation or Other Sources Services), "Network Integration Transmission Service (NITS)" under the PJM Agreements, Schedule 11 (Transitional Market Expansion Charge), Schedule 12 (Transmission Enhancement Charge) and Generation Deactivation Charge of the PJM Tariff, and (ii) Midwest ISO Transmission Expansion Plan (MTEP) charges assessed under Schedule 26 of the Midwest ISO Tariff, whether assessed directly by the Midwest Independent Transmission System Operator, Inc., PJM or American Transmission Systems, Incorporated, and (iii) other non-market-based costs, fees or charges imposed on or charged to the Companies by FERC or a regional transmission organization, independent transmission operator, or similar organization approved by FERC. The Companies shall have such responsibility regarding such services and schedules as they may be modified or superseded from time to time. Each SSO Supplier shall be responsible for all other costs and expenses related to transmission and Ancillary Services in connection with the provision of SSO Supply in proportion to its SSO Supplier Responsibility Share. PJM billing statement line items are set forth in Appendix G.

2.4 Other Changes in PJM Charges

Each SSO Supplier is responsible, at its sole cost and expense, for any changes in PJM products and pricing during the Term.

2.5 Congestion and Congestion Management

Each SSO Supplier is responsible for any congestion costs incurred to supply its SSO Supplier Responsibility Share.

EXHIBIT E

FE EDU TARIFF PROVISIONS

DEFINITION OF TERMS AND EXPLANATION OF ABBREVIATIONS

Ancillary Services – shall have the meaning as set forth in the Transmission Provider OATT.

Bad Credit – a Certified Supplier has Bad Credit if it is insolvent (as evidenced by a credit report prepared by a reputable credit bureau or credit reporting agency or public financial data showing liabilities exceeding assets or generally being unable to pay debts as they become due) or has failed to pay Company invoices when they become due on one or more occasions within the last thirty-six billing cycles.

Billing Cycle – the time frame between two regularly scheduled meter readings. Customer meter readings are obtained on a regular schedule, which is managed by the Company.

Bill Ready – when a Certified Supplier that employs the Consolidated Billing option calculates its Customer's charges and provides the Company the Customer's Certified Supplier charges to be billed.

Certified Supplier - is an Electric Generation Supplier that has received final certification from the Commission pursuant to Ohio Revised Code Section ("R.C.") 4928.08 to provide Competitive Retail Electric Service and has received written notification of registration pursuant to Section V.E herein.

Charge - any fee or charge that is billable by the Company to a Certified Supplier under this Tariff, including any Coordination Services Charge.

Commission or The Commission - the Public Utilities Commission of Ohio.

Company – The Cleveland Electric Illuminating Company.

Competitive Retail Electric Service - retail electric generation, aggregation, power marketing, and power brokerage services supplied to Customers of the Company.

Consolidated Billing – a billing service where the Company bills for both the Regulated Utility Charges as well as the Certified Supplier's Charges, unless otherwise provided in the Company's tariff.

Coordinated Certified Supplier – a Certified Supplier who has appointed a Scheduling Coordinator as its designated agent for certain Coordination Services.

Coordination Activities - all activities related to the provision of Coordination Services.

Coordination Agreement – an agreement between the Company and an EGS or Certified Supplier that arranges for the provision of Coordination Services pursuant to this Tariff.

Coordination Obligations - all obligations identified in this Tariff relating to the provision of Coordination Services.

Coordination Services - those services that permit the interface and coordination between a Certified Supplier and the Company in connection with the delivery of Competitive Retail Electric Service to serve Customers located within the Company's service territory including, but not limited to, distribution losses. Coordination Services do not include Network Integration Transmission Service, Ancillary Services (offered under the Transmission Provider OATT), and transmission losses.

RULES AND REGULATIONS

IV. COMPANY AND CERTIFIED SUPPLIER OBLIGATIONS (GENERAL TERMS)

A. Multiple Certified Suppliers

Only one Certified Supplier shall provide Competitive Retail Electric Service to a specific Customer's Account during any given Billing Cycle, unless otherwise provided by the Company's tariff.

B. Partial Competitive Retail Electric Service

A Customer's Account is not permitted to have partial Competitive Retail Electric Service. The Certified Supplier shall be responsible for providing the total energy consumed by the Customer's Account during any given Billing Cycle, unless otherwise provided by the Company's tariff.

C. Consolidated Scheduling

Schedules may be combined to the extent allowed by the Transmission Provider OATT.

D. Transmission Services and Obligations

1. A Certified Supplier is responsible for arranging, procuring and taking those services provided by the Transmission Provider that are necessary for the delivery of Competitive Retail Electric Services to its Customers pursuant to the Transmission Provider OATT and this Tariff.
2. The Company and the Certified Supplier are responsible for paying for certain Transmission Services, as described in Attachment A of this Tariff.
3. Failure to obtain sufficient Network Integration Transmission Service and Ancillary Services will result in a suspension of the Certified Supplier's registration until resumption of such services by the Certified Supplier occurs.

E. Energy Scheduling

A Certified Supplier must make all necessary arrangements for scheduling the delivery of energy with the Transmission Provider.

F. Reliability Requirements

A Certified Supplier shall satisfy those applicable reliability requirements issued by the Commission, Transmission Provider, or any other governmental agency or North American Electric Reliability Corporation (NERC) or regional reliability council or their successor who has authority over the Certified Supplier.

G. Supply of Data

Upon reasonable request, a Certified Supplier and the Company shall supply to the other all data, materials or other information specified in this Tariff, or otherwise reasonably required by the Certified Supplier or Company in connection with the provision of Coordination Services, in a timely manner.

RULES AND REGULATIONS

XIV. ENERGY SCHEDULES AND USE OF SCHEDULING COORDINATORS

The Certified Supplier, or its designated Scheduling Coordinator, shall be responsible for scheduling energy and purchasing all transmission services (including Ancillary Services) necessary to get energy to the Customer's point of delivery pursuant to the service agreement for Network Integration Transmission Service under the Transmission Provider OATT.

EXHIBIT F
FES WEBSITE PAGE

CONTACT US

Your Electricity Store

[Home](#)[Residential Solutions](#)[Business Solutions](#)[About Us](#)[Sign Up](#)[Enter Search Criteria](#)[Q Search](#)[Home](#) > [Business Solutions](#) > [Energy Update](#) > [RTO Expense C&I](#)**Business Solutions**[Request a Quote](#)[Enroll](#)[Pay Bill](#)[How to Switch](#)[Products](#)[Energy Services](#)[Partner Associations](#)[Energy Update](#)[Be an Educated Buyer](#)[States We Serve](#)[Newsletter](#)[Testimonials](#)**January's Extreme Weather**

Across the region, January was an extremely cold month with temperatures reaching record lows. In fact, during the first Polar Vortex, absolute temperatures dropped to -10 degrees with a wind chill of -33 degrees. This extreme weather resulted in record levels of energy demand and consumption.

As new winter peak load records were reached, PJM Interconnection – the regional transmission organization that coordinates reliability and the movement of wholesale electricity in our region – initiated emergency operations and took other actions to stabilize the grid.

PJM's Actions

During this period of time, PJM incurred extremely high ancillary services costs to purchase generation needed to keep the electric system reliable throughout these extreme conditions. PJM then invoiced these costs to all suppliers serving customers throughout the region.

FirstEnergy Solutions

FirstEnergy Solutions is invoicing certain commercial and industrial customers with contracts that deem these additional charges as a "pass-through event." The amount of the charge – called the RTO Expense Surcharge – will be approximately 1-3 percent of the total amount you spend on electric generation supply annually.

Please note that this charge will not change the contract price. It will appear as a separate line item on an upcoming bill. The charge will be based on actual usage for January.

Questions? Please take a look at the following list of questions, or call us at 1-888-809-8436.

Frequently Asked Questions

Q. What specific ancillaries are being passed through to me?

A. Operating Reserves, Synchronous Reserves, Day-Ahead Scheduling Reserves and Regulation are being passed through.

Q. How was the amount of my charge determined?

A. An average rate for the above ancillaries was calculated and multiplied by your January use, adjusted for losses.

Q. Will this be just one charge or spread over the span of a few months?

A. This charge will appear only on one month's bill.

Q. Aren't these costs already included in my price?

A. No. During this period of extreme temperatures, significant increases in energy consumption, emergency operations, and other factors, PJM incurred extremely high ancillary costs to purchase additional reserve generation needed to keep the bulk electric system reliable. These costs and additional charges were, in turn, invoiced by PJM to all suppliers serving customers throughout the region. Pursuant to your agreement with FirstEnergy Solutions, these additional costs and charges are deemed a "Pass-Through Event." This provision in the contract is intended to protect the customer and allow FirstEnergy Solutions the flexibility to respond to extraordinary, unpredictable and unforeseen events. As a result, electric generation costs for the month of January will be adjusted through a one-time charge which will appear as a separate line item on your bill but will not change your contract price.

Q. Why am I being billed now if these events occurred in January?

A. PJM follows a 60-day reconciliation process. We wanted to communicate this to you sooner rather than later. In addition, we wanted to bill you the actual amount instead of having to reconcile the charge in a subsequent month's bill.

Q. Because of these charges, can I leave my contract?

A. The ability to exit the contract may be subject to early cancellation fees. However, it's important to note that being in your contract with FirstEnergy Solutions actually helped protect you from other much more significant price increases that

customers on a variable priced contract experienced during this same time. While you are receiving this charge, the amount of this charge is much less than you would have paid if you were on a variable price.

Q. What happened in PJM during January?

A. For more information, click here to view PJM's Analysis of Operational Events and Market Impacts During the January 2014 Cold Weather Events*

**When you click these links, you will open websites maintained by outside parties. These sites are not maintained by FirstEnergy Solutions and FirstEnergy Solutions is not responsible for the content.*

Last Modified: May 28, 2014

HOME	RESIDENTIAL ENERGY SOLUTIONS	BUSINESS ENERGY SOLUTIONS	SIGN UP	ELECTRICITY DEREGULATION & CHOICE	RESIDENTIAL INQUIRIES 1-888-254-8359
	Special Offers/Enroll How to Switch Moving?	Enroll Request a Quote How to Switch	Business Residential	ELECTRICITY RATES	SMALL BUSINESS INQUIRIES 1-888-254-4769
	Illinois Ohio New Jersey Pennsylvania Maryland	Illinois Ohio New Jersey Pennsylvania Michigan Maryland	ABOUT US	GREEN ENERGY	LARGE COMMERCIAL & INDUSTRIAL INQUIRIES 1-888-254-1464
		Products Be an Educated Buyer Energy Update Partner Associations Testimonials FES Newsletter News and Events	About Us Contact Us Power Generation News and Events Leadership Career Opportunities Privacy & Legal Statement Website Terms of Use Mobile Tools and Text Messaging Disclaimer		COMMUNITY INQUIRIES OH/NJ: 1-866-636-3749 Illinois: 1-888-651-5200
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EXHIBIT G

FIRST AMENDED MASTER AGREEMENT

CONFIDENTIAL

(filed under seal)

EXHIBIT H

REPRESENTATIVE COPY OF OP EDU SUPPLY CONTRACT

CONFIDENTIAL

(filed under seal)

EXHIBIT I
OP EDU TARIFF PROVISIONS

P.U.C.O. NO. 7

TERMS AND CONDITIONS OF
OPEN ACCESS DISTRIBUTION SERVICE

The residential open access distribution schedules do not apply to commercial or industrial service. If a residential unit is used for both residential and commercial purposes, the appropriate general service open access distribution schedule shall apply unless the wiring is so arranged that the residential usage can be separately metered. The hallways and other common facilities of an apartment and condominium building or apartment and condominium complex are to be billed on the appropriate general service open access distribution schedule.

In the event a detached garage or other facility on a residential customer's property is separately served and metered such facility shall accordingly be metered and billed according to the appropriate general service open access distribution schedule.

30. NOMINAL SERVICE VOLTAGES

The Company has established the following nominal service voltages of which at least one of the following characteristics shall be made available to a customer, the particular voltage and service characteristics to be at the option of the Company:

Secondary Distribution System - Alternating current, 60 cycles at nominal voltages of 120, 120/208, 120/240 or 240/480 volts, single phase; and 120/208, 120/240, 240, 240/480, 277/480, 480, 2400, and 2400/4160 volts, 3 phase.

Primary Distribution System - Alternating current, 60 cycles at nominal voltages of 12,470, 13,200, 13,800 and 34,500 volts, 3 phase.

Subtransmission - Alternating current, 60 cycles, 3 phase at nominal, unregulated voltage of 40,000 volts or 69,000 volts.

Transmission - Alternating current, 60 cycles, 3 phase at nominal, unregulated voltage of 138,000 volts.

31. TRANSMISSION SERVICE

Transmission service shall be made available under the terms and conditions contained within the applicable Open Access Transmission Tariff as filed with and accepted by the Federal Energy Regulatory Commission. Either a CRES Provider or the customer may contract with the Transmission Provider for transmission service under the applicable Open Access Transmission Tariff. The Transmission Provider is the applicable regional transmission entity. PJM Interconnection LLC is currently the applicable regional transmission entity. Customers contracting with the Transmission Provider for transmission service and all CRES Providers must complete all required actions relative to membership with the Transmission Provider and be authorized by the Transmission Provider to transact business with regard to transmission service. The contracting entity or its designee is responsible for scheduling under the tariff. Unless other arrangements have been made, the scheduling entity will be billed by the Transmission Provider for transmission services. The contracting entity must also purchase or provide ancillary services as specified under the applicable Open Access Transmission Tariff.

(Continued on Sheet No. 3-16D)

Filed pursuant to Order dated December 2, 2009 in Case No. 09-1003-EL-ATA

Issued: December 9, 2009

Effective: December 9, 2009

Issued by
Joseph Hamrock, President
AEP Ohio

P.U.C.O. NO. 7

TERMS AND CONDITIONS OF
OPEN ACCESS DISTRIBUTION SERVICE

Billing and payment shall be performed as specified in the applicable Open Access Transmission Tariff. Any remaining unpaid amounts and associated fees for transmission service are the responsibility of the customer.

Provisions for scheduling and imbalance are contained within the applicable Open Access Transmission Tariff.

32. LOSSES

Either the CRES Provider or the Transmission Provider may provide both transmission and distribution losses as required to serve customers at various delivery voltages. If a CRES Provider arranges to provide transmission losses under the provisions of the applicable Open Access Transmission Tariff, then the CRES Provider must also arrange for the appropriate distribution losses. Customers served at transmission and subtransmission voltages require no additional losses other than the losses specified in the applicable Open Access Transmission Tariff. Customers served at primary distribution voltage require 1.9% additional average losses of amounts received by the Company for delivery to the customer. Customers served at secondary distribution voltage require 5.1% additional average losses of amounts received by the Company for delivery to the customer.

33. EXTENSION OF LOCAL FACILITIES

The Company shall construct suitable electric transmission and distribution facilities under this line extension policy to serve customer premises when the customer can not be served from existing electrical facilities.

Customers requesting new or expanded electric service shall submit detailed and complete information which may include but not be limited to switch size, requested delivery voltage, total estimated load, listing of connected loads, operating characteristics, site survey plans (showing other utilities or underground infrastructure) and first floor elevations before the Company can develop a plan of service and prepare a construction cost estimate.

The Company will determine the modifications to the Company's transmission and/or distribution facilities required to provide for a basic service plan to serve the customer's load. The Company will design, construct, own, operate and maintain the line extension and all other equipment installed to serve the customer's load up to the point of service for each customer.

Upon receipt of the necessary information from the customer, the Company will comply with Chapter 4901:1-9-07 of the Ohio Administrative Code and exercise its best efforts to expedite the entire process for developing a service plan and preparing a cost estimate.

The Company shall have no obligation to extend, expand or rearrange its facilities if it determines that the existing facilities are adequate to serve the customer's electrical load.

(Continued on Sheet No. 3-17D)

Filed pursuant to Order dated December 2, 2009 in Case No. 09-1003-EL-ATA

Issued: December 9, 2009

Effective: December 9, 2009

Issued by
Joseph Hamrock, President
AEP Ohio

P.U.C.O. NO. 20

TERMS AND CONDITIONS OF
OPEN ACCESS DISTRIBUTION SERVICE

28. LOSSES

Either the CRES Provider or the Transmission Provider may provide both transmission and distribution losses as required to serve customers at various delivery voltages. If a CRES Provider arranges to provide transmission losses under the provisions of the applicable Open Access

Transmission Tariff, then the CRES Provider must also arrange for the appropriate distribution losses. Customers served at transmission and subtransmission voltages require no additional losses other than the losses specified in the applicable Open Access Transmission Tariff. Customers served at primary distribution voltage require 2.0% additional average losses of amounts received by the Company for delivery to the customer. Customers served at secondary distribution voltage require 5.4% additional average losses of amounts received by the Company for delivery to the customer.

29. TRANSMISSION SERVICE

Transmission service shall be made available under the terms and conditions contained within the applicable Open Access Transmission Tariff as filed with and accepted by the Federal Energy Regulatory Commission. Either a CRES Provider or the customer may contract with the Transmission Provider for transmission service under the applicable Open Access Transmission Tariff. The Transmission Provider is the applicable regional transmission entity. PJM Interconnection LLC is currently the applicable regional transmission entity. Customers contracting with the Transmission Provider for transmission service and all CRES Providers must complete all required actions relative to membership with the Transmission Provider and be authorized by the Transmission Provider to transact business with regard to transmission service. The contracting entity or its designee is responsible for scheduling under the tariff. Unless other arrangements have been made, the scheduling entity will be billed by the Transmission Provider for transmission services.

The contracting entity must also purchase or provide ancillary services as specified under the applicable Open Access Transmission Tariff.

Billing and payment shall be performed as specified in the applicable Open Access Transmission Tariff. Any remaining unpaid amounts and associated fees for transmission service are the responsibility of the customer.

Provisions for scheduling and imbalance are contained within the applicable Open Access Transmission Tariff.

30. MINIMUM STAY REQUIREMENTS

Large commercial and industrial customers returning to Standard Offer Service must remain on Standard Offer Service for a period of not less than twelve (12) consecutive months.

Filed pursuant to Orders dated December 14, 2011 in Case Nos. 11-346-EL-SSO, 11-348-EL-SSO, 11-351-EL-AIR, and 11-352-EL-AIR

Issued: December 22, 2011

Effective: January 1, 2012

Issued by
Joseph Hamrock, President
AEP Ohio

EXHIBIT J

FES' MARCH 2014 LETTER TO CUSTOMERS



Dear

FirstEnergy Solutions Customer Care

EXHIBIT K

FES' JUNE 2014 LETTER TO CUSTOMERS

June 6, 2014



JUN 09 2014

Re: RTO Expense Surcharge

TELECOMS OFFICE

Dear [REDACTED]

Thank you for selecting FirstEnergy Solutions as your electric generation supplier. As you know, January was an extremely cold month with temperatures reaching record lows, which resulted in a significant increase in energy consumption. In fact, PJM Interconnection – the regional transmission organization that coordinates reliability and the movement of wholesale electricity in our region – initiated emergency operations throughout the month of January.

During these periods of time, PJM incurred extremely high ancillary costs to purchase additional reserve generation needed to keep the bulk electric system reliable throughout these extreme conditions. These costs and additional charges were, in turn, invoiced by PJM to all suppliers serving customers throughout the region.

Pursuant to your agreement with FirstEnergy Solutions, these additional costs and charges are deemed a "Pass-Through Event." As a result, the electric generation costs for the month of January for your accounts served by FirstEnergy Solutions will be adjusted through a charge which will appear as a separate line item on your bill but will not change your contract price. The amount of the charge will be \$3,412.66, which is based upon your usage for the month of January.

This letter does not require you to take any action. This is simply a notification of this Pass-Through Event and that the additional costs and charges will be reflected in future electric bills.

If you have any questions or concerns regarding your charges or this notice, please feel free to visit our website at www.fes.com/RTOexpenseCI. Thank you once again for selecting FirstEnergy Solutions. We appreciate your business and look forward to being your electric generation supplier in the years ahead.

Sincerely,

FirstEnergy Solutions Customer Care

EXHIBIT L

**PARTIAL TRANSCRIPT OF FIRSTENERGY CORP.'S
FIRST QUARTER 2014 EARNINGS CALL**

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Now I'll turn this over to Lella for our regulatory and power markets update.

Lella L. Vespoli - EVP and General Counsel: Thanks, Tony. Given the significance of the extreme weather and market conditions on our Competitive business, I will begin with a discussion of the first quarter impacts and then move to regulatory update.

First, extreme weather conditions resulted in customer usage that was about 6% higher than normal during the first quarter. We typically hedge for normal weather, leaving open a small portion of our expected customer load as we enter each month. Increased sales are covered through market purchases from our peaking generations or a combination of both. This quarter, higher market purchases reflecting weather and to a lesser extent our small open position of less than 3% decreased earnings by \$0.10 per share net of increased sales revenues.

Higher prices exasperated the earnings impact of our power purchases. Average prices during the first quarter of 2014, were nearly \$68 per megawatt hour or double the three year average of about \$34 per megawatt hour. More importantly, however, prices during the most volatile days, the 10 highest priced days during the quarter, were the average round-the-clock day-ahead price at AD Hub was between \$100 and \$500 per megawatt hour for what really impacted the quarter's results at our Competitive segment.

All 10 of these volatile days coincided with untimely outages at some of our units, including Beaver Valley and Mansfield, and we couldn't procure natural gas for our West Lorain peaking plant, which would have helped offset some of that impact. The combination of these events, net of fuel cost and better-than-expected generation at other units resulted in increased power purchase expense of \$0.23 per share. The impact of the 10 days was \$0.13 of the \$0.23.

Ancillary expenses from PJM were also up significantly as a result of January charges that were about 10 times higher than normal and that exceeded the charges for the entire calendar year of 2013. While we anticipated significant ancillary charges when we spoke to you in February, PJM added a March true-up bill of roughly \$0.02 per share, reflecting their decision to socialize these costs across the entire region. Our total share of these expenses amounted to \$0.10 per share, while the net effect on earnings was \$0.05 per share, reflecting a pass-through of some of these costs to industrial and commercial customers as well as our decision not to seek reimbursement for about \$0.02 in expenses from residential customers.

Looking at other drivers, higher capacity prices drove a \$0.07 per share increase in capacity expense. Finally, the deactivation of Hatfield and Mitchell along with the transfer of Harrison and the hydro units improved earnings \$0.04 per share, taking into consideration lower fuel, operations, depreciation and interest expense and increased purchase power to replace that generation.

As Tony said, we continue our work to encourage consistent and reasonable market rules that help rather than hinder competitive markets. We are committed to advocating for change in rules, policies and practices that better support reliability and overall market development. At the same time, we are working for change. We

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are also taking several steps to refine our internal practices to adapt to the evolving market dynamics.

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