

FILE

PUCO EXHIBIT FILING

Date of Hearing:

1/14/2016

Case No.

14-1297-EL-SSO

PUCO Case Caption:

In the Matter of the Application of Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company for Authority to Provide for a Standard Service Offer Pursuant to R.C. 4928.143 in the form of an Electric Security Plan. Volume XXXVI

List of exhibits being filed:

Company 156

Service Chart 91, 92, 93, 94

Reporter's Signature:

Karen Sue Gibson

Date Submitted:

1/25/16

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PUCO

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BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

- - -

In the Matter of the :
Application of Ohio Edison:
Company, The Cleveland :
Electric Illuminating :
Company, and The Toledo :
Edison Company for : Case No. 14-1297-EL-SSO
Authority to Provide for :
a Standard Service Offer :
Pursuant to R.C. 4928.143 :
in the Form of an Electric:
Security Plan. :

- - -

PROCEEDINGS

before Mr. Gregory Price, Ms. Mandy Chiles, and
Ms. Megan Addison, Attorney Examiners, and
Commissioner Asim Z. Haque at the Public Utilities
Commission of Ohio, 180 East Broad Street, Room 11-A,
Columbus, Ohio, called at 10:00 a.m. on Thursday,
January 14, 2016.

- - -

VOLUME XXXVI

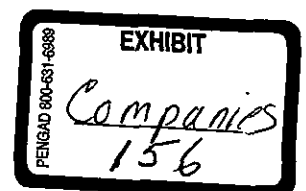
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ARMSTRONG & OKEY, INC.
222 East Town Street, Second Floor
Columbus, Ohio 43215-5201
(614) 224-9481 - (800) 223-9481
Fax - (614) 224-5724

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Term Sheet	
1. <i>Buyers:</i>	Ohio Edison Company, The Cleveland Electric Illuminating Company, The Toledo Edison Company; provided that each Buyer's obligation will be several (and not joint) and provided further that the Buyer's several <i>pro rata</i> obligations will be updated on June 1 st of each year during the term hereof based on each Buyer's average of the coincident MW peaks, including distribution losses, on the ATSI system from the months of June through September of the prior year.
2. <i>Seller:</i>	FirstEnergy Solutions Corp.
3. <i>Product:</i>	All of Seller's rights in the Capacity of each Facility, together with the associated Energy, Ancillary Services, and Environmental Attributes
4. <i>Facilities:</i>	<ul style="list-style-type: none"> i. W. H. Sammis Plant, a 2,220 MW coal-fired and 13 MW diesel-fired power plant located in Stratton, Jefferson County, Ohio ii. Davis-Besse Power Station, a 908 MW nuclear power plant located in Oak Harbor, Ottawa County, Ohio; subject to condition that the NRC renews the operating license for Davis-Besse Facility for a 20-year term iii. Seller's 4.85% entitlement in Ohio Valley Electric Corporation ("OVEC")¹
5. <i>Quantity/Buyers' Contractual Capacity:</i>	One hundred percent (100%) of Sellers rights to the Capacity of each Facility together with Sellers rights to the Energy and Ancillary Services output associated with such 100% of each

¹ Representing the rights and obligations associated with OE's 0.85% and TE's 4.00% OVEC ownership interests that were transferred to FE Generation and subsequently to Seller.



	Facility's Capacity; provided that this term "Buyers' Contractual Capacity" includes one hundred percent (100%) of Sellers' rights to any capacity derates, uprates or capacity expansions at any Facility during the term of this Agreement.
6. <i>Delivery Points for Energy and Ancillary Services</i>	The unit-specific LMP Points at each Facility (PJM Pnodes to be specified in PPA).
7. <i>Obligation to Deliver/Receive:</i>	<p>Seller agrees to sell and deliver, and Buyers agree to purchase, receive, and pay for, Buyers' Contractual Capacity and the Energy and Ancillary Services associated with Buyers' Contractual Capacity delivered by Seller to the Delivery Points during each hour of the Delivery Period. Seller also agrees to sell and deliver, and Buyers agree to purchase and receive and pay for all Environmental Attributes associated with the Facilities; provided that at termination of the Agreement Buyers will assign to Seller, and Seller will accept without recourse, all Environmental Attributes for the Facilities and that are owned or controlled by Buyer that are effective or in effect for time periods after the termination date.</p>
8. <i>Unit Contingent:</i>	<p>All Energy, Capacity and Ancillary Services associated with each Facility and all of (i) Seller's obligation to sell and deliver, and (ii) Buyers' obligation to purchase, receive, and pay for, the Energy, Capacity and Ancillary Services associated with each Facility are Unit Contingent.</p> <p>Unit Contingent means, with respect to Energy, Capacity or Ancillary Services, that such Energy, Capacity or Ancillary Services is intended to be supplied from a given Facility and Seller's failure to deliver such Energy, Capacity or Ancillary Services is excused to the extent that a given Facility or portion of a Facility is unavailable; provided that Seller's failure to</p>

	<p>delivery Capacity, Energy or Ancillary Services will not be excused if the Seller could have avoided such failure by exercise of Good Utility Practice; and provided further that if Seller's failure to deliver Capacity, Energy or Ancillary Services could not have been avoided by exercise of Good Utility Practice then the failure to deliver such Energy, Capacity and Ancillary Services will be excused for the first 180 consecutive days of such unavailability period, and for any remaining unavailability period beyond the initial 180 day period Seller will provide replacement Capacity, Energy, Ancillary Services and Environmental Attributes (as the case may be), delivered to the ATSI zone, or the financial equivalent thereof for such remaining unavailability period; and provided further that in the event that a Capital Expenditure is required for Facility operations but such Capital Expenditure would render the affected Facility to be uneconomic then upon Buyers and Seller's written agreement Seller will either replace the Facility's output of Energy, Capacity, Ancillary Services and Environmental Attributes (all to be delivered to the ATSI zone at Seller's cost), or the Facility will be dropped from the PPA and Seller's obligations under the PPA for supply with regard to such Facility will be reduced to reflect that the Facility was dropped from the PPA.</p>
9. <i>Effective Date:</i>	The date the Agreement is executed by all Parties.
10. <i>Delivery Period:</i>	June 1, 2016 to May 31 st , 2024.
11. <i>Operating Work:</i>	During the Delivery Period, Seller has an obligation to perform the Operating Work in accordance with Good Utility Practice.
12. <i>Capital Expenditures:</i>	As pertains to the W.H. Sammis Plant and Davis-Besse Power Station, from time to time during the Delivery Period as deemed

	<p>necessary by Seller, Seller shall perform, or cause to be performed, Capital Expenditures Work related to such W.H. Sammis Plant and such Davis-Besse Power Station.</p> <p>By 120 days prior to the 12-month period that starts on June 1st of each year during the term of this agreement, Seller will develop and submit to Buyer for Buyer's review and comment an annual written Capital Expenditures plan for all Capital Expenditures Work deemed necessary by Seller that is scheduled to be performed at the Sammis Plant and the Davis-Besse Power Station during the referenced 12-month period. Within twenty (20) days of Buyer's receipt of the referenced plan, Buyer shall provide in writing to Seller any comments or queries to such plan, and Seller shall respond in writing (including where appropriate with documents as attachments or exhibits) to Buyer's queries (if any) within twenty (20) days of receipt of the Buyer's comments or queries. By 90 days prior to the referenced 12-month period, Seller and Buyer shall meet and discuss Buyer's comments and queries, and Seller's responses thereto. By 60 days prior to the referenced 12-month period, Seller shall issue a revised annual written Capital Expenditure plan that to the extent reasonable takes into account, or responds to, Buyer's comments and queries, including for each instance where the Seller did not accept or adopt one or more of Buyer's comments, an explanation for such non-acceptance or non-adoption.</p>
13. Contract Price:	<p>The Monthly Payment will be Seller's sole compensation for Seller's sale and delivery to Buyers of the Energy, Capacity and Ancillary Services and Environmental Attributes associated with the Facilities.</p>

	<p>The Monthly Payment will comprise the sum of monthly charges for: (1) the W.H. Sammis Plant and Davis Besse Power Station; and (2) the OVEC entitlement interest.</p> <p>(1) For the W.H. Sammis Plant and Davis-Besse Power Station, the Monthly Payment will be equal to the sum of (i) a Fuel Payment, (ii) an O&M Payment, (iii) a Depreciation Payment, (iv) a Capacity Payment, and (v) a Tax Reimbursement Payment.</p> <ul style="list-style-type: none"> i. Fuel Payment: amount of Fuel Expenses incurred by Seller to operate some or all of the Facilities for each calendar month during each Contract Year. ii. O&M Payment: amount of Operation and Maintenance Expenses of each Facility incurred by Seller for each calendar month during each Contract Year. iii. Depreciation Payment: for each calendar month during each Contract Year, amount of depreciation, accretion and decommissioning expenses actually incurred by Seller during the relevant month and directly related to its ownership interest in each Facility. Except as may be required by law, adverse Governmental Authority action or due to an impairment of the asset due to Governmental Authority action(s) or change in law, Seller agrees not to charge accelerated depreciation (<i>i.e.</i>, advance the useful life of an asset) without Buyers' written agreement.
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	<p>iv. Capacity Payment: an amount for each calendar month during each Contract Year equal to:</p> $\frac{\text{SIC} \times \text{WACOC}}{12}$ <p>v. Tax Reimbursement Payment: amount of Income Taxes applicable to Buyers' Capacity Payment based on the effective tax rate of the Seller. The effective tax rate will be updated annually. .</p> <p>(2) For the OVEC entitlement interest, the Monthly Payment will be equal to those costs related to and deriving from Seller's 4.85% entitlement in OVEC, as provided for in the Amended and Restated Inter-Company Power Agreement ("ICPA") dated as of September 10, 2010 among OVEC and its Sponsoring Companies (as such ICPA is amended from time to time).²</p>
14. <i>Planned Outage Schedule:</i>	Seller will develop and implement, or cause to be developed and implemented, an annual scheduled outage program for each Facility. Seller will review with Buyers the annual scheduled outage program for each Facility by no later than 120 days prior to the 12-month period that starts on June 1 st during each year of the agreement. Seller agrees to notify Buyers of changes to the scheduled outage program as soon as reasonably practicable.
15. <i>Scheduling and Dispatch:</i>	Buyers will Schedule and Dispatch 100% of the Energy and Ancillary Services associated with each Facility in accordance with the Agreement and within the operating parameters of

² As that term is defined in the ICPA, and which includes FirstEnergy Generation, LLC.

	<p>each of the Facilities, as such operating parameters are determined by Seller from time to time.</p> <p>Upon the Effective Date, but no later than five (5) business days after the Effective Date, Seller will effect in PJM's eRPM system the transfer of capacity rights to Buyers for the Delivery Period. Buyers will be solely responsible for offering Buyers' Contractual Capacity into the PJM capacity auctions occurring after the Effective Date and covering PJM capacity delivery years within the Delivery Period.</p> <p>Seller assigns to Buyers, and Buyers accept, all rights and obligations for any portion of Buyers' Contractual Capacity in respect of the Delivery Period that has been offered or otherwise committed to PJM or another third party as of the Effective Date of the Agreement. Seller acknowledges Buyers' rights after the Effective Date to offer into the PJM capacity auctions Buyers' Contractual Capacity in respect of the Delivery Period that has not been offered or otherwise committed as of the Effective Date of the Agreement. Buyers assign to Seller, and Seller accepts without resource, all rights and obligations for any portion of Buyers' Contractual Capacity in respect of the Delivery Period that has been offered or otherwise committed to PJM or another third party for time periods at or after termination of the Agreement.</p> <p>All Energy and Ancillary Services associated with Buyers' Contractual Capacity and made available at a given Delivery Point will be allocated to Buyers in accordance with their respective Shares and will be recorded by the Parties in PJM's scheduling and settlement systems. All credits and charges (including Imbalance Charges) associated with the Capacity, and Energy and Ancillary Services associated therewith and made</p>
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	available at a given Delivery Point will be settled in the respective PJM accounts of Buyers by means of the PJM settlement process.
<i>16. Force Majeure:</i>	<p>To the extent any Party is prevented by Force Majeure from carrying out, in whole or in part, its obligations under the Agreement (other than an obligation to pay money), and such Party (the "Affected Party") gives notice and details of the Force Majeure to the other Parties as soon as practicable (but not later than thirty (30) days thereafter to the extent such details are then available) then the Affected Party shall be excused from the performance of its obligations under the Agreement (other than the obligation to make payments and, in the case of Seller, Seller's obligation to supply Capacity) so long as the Affected Party shall be using all reasonable efforts to overcome the Force Majeure and resume performance as soon as possible; provided that such term "Force Majeure" will not include any event, circumstance or occurrence which could have been avoided through the exercise of Good Utility Practice; and provided further that such term "Force Majeure" will not apply to Seller's obligation to cover the capacity supply obligation associated with each facility as such obligation is reflected in PJM's eRPM system. The non-Affected Parties shall not be required to perform or resume performance of its obligations (excluding payment obligations) to the Affected Party corresponding to the obligations of the Affected Party excused by Force Majeure, until such time and to the extent the Affected Party resumes its performance.</p>
<i>17. Payments and Netting:</i>	As soon as practicable after the end of each month, but no later than fifteen (15) days before payment is due, Seller will render to Buyers an invoice for the payment obligations incurred during

	<p>the preceding month. All invoices shall be due and payable on or before the twentieth (20th) day of each month.</p> <p>The Parties shall discharge mutual debts and payment obligations due and owing to each other under the Agreement through netting, in which case all amounts owed by each Party to the other Party, including any related damages, interest, and payments or credits, shall be netted so that only the excess amount remaining due shall be paid by the Party who owes it.</p>
<p>18. <i>Books and Records; Audit;</i></p>	<p>Seller shall keep all necessary books of record, books of account, and memoranda of all transactions involving each Facility, in conformance, where required, with GAAP and the FERC's Uniform System of Accounts. Seller shall make all computations relating to the Facility and all allocations of the costs and expenses of each Facility.</p> <p>Buyers have the right to examine the Seller's records to the extent reasonably necessary to verify the accuracy of any statement, charge or computation. If requested, Seller shall provide to Buyers statements evidencing the quantities delivered to the Buyers at the Delivery Points. If any such examination reveals any inaccuracy in any statement, the necessary adjustments in such statements and the payments thereof will be made promptly, provided, however, that any claim by a Party for overpayment or underpayment with respect to an invoice is waived unless the other Party is notified of the claim within ninety (90) days after the invoice is rendered or any specific adjustment to the invoice is made.</p> <p>Seller shall reasonably and timely provide all data and information requested by Buyers: (i) to respond to a Governmental Authority request for information; (ii) to prepare</p>

	for and make other regulatory filings; and (iii) as required by law with respect to Buyers.
<i>19. Limitations of Liability:</i>	<p>For breach of any provision of the Agreement, obligor's liability shall be limited to direct damages only, such direct damages shall be the sole and exclusive remedy and all other remedies or damages are waived.</p> <p>No Party shall be liable for consequential, incidental, punitive, exemplary, or indirect damages, lost profits or other business interruption damages, by statute, in tort or contract, under any indemnity provision or otherwise.</p>
<i>20. Conditions:</i>	<p>Seller's obligation to consummate the transaction is subject to the Seller having obtained any and all Approvals required with respect to its obligations under the Agreement and such Approvals shall be in form and substance satisfactory to Seller in its sole and absolute discretion; provided that, in the event that Seller learns that a required Governmental Approval is lacking and after reasonable effort is not and will not be forthcoming (such reasonable effort to be determined by Seller), then Seller may upon ten (10) days written notice to Buyers terminate the Agreement.</p>
<i>21. Representations and Warranties:</i>	<p>Each Party represents and warrants that:</p> <ul style="list-style-type: none"> (i) It is duly organized, validly existing, and in good standing (ii) The execution, delivery and performance of the Agreement are within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents, and any contracts to which it is a party

	<p>(iii) The Agreement is a legally valid and binding obligation enforceable against it</p> <p>(iv) It is not bankrupt</p> <p>(v) There is not pending against it legal proceedings that could materially adversely affect its ability to perform its obligations under this Agreement</p> <p>(vi) No material breach of the Agreement has occurred and would not occur as a result of its entering into or performing its obligations under the Agreement</p> <p>(vii) It has entered into the Agreement in connection with the conduct of its business and it has the capacity or ability to make or take delivery of the Buyers' Contractual Capacity and associated Energy and Ancillary Services</p>
22. <i>Risk of Loss:</i>	Title to and risk of loss related to the Capacity and associated Energy and Ancillary Services shall transfer from Seller to Buyers at the Delivery Points.
23. <i>Indemnification:</i>	Each Party shall indemnify, defend and hold harmless the other Parties and such Parties' partners, directors, officers, employees, agents and representatives from and against any Claims arising from or out of any event, circumstance, act or incident first occurring or existing during the period when control of, risk of loss related to, and title to the Capacity and associated Energy and Ancillary Services is vested in such Party.
24. <i>Assignment:</i>	No Party shall assign the Agreement without the prior written consent of the other Parties, which consent may be withheld in a Party's sole discretion; provided, however, that any Party may, without the consent of the other Parties (and without relieving itself from liability), (i) transfer, sell, pledge, encumber or assign the Agreements or the accounts, revenues or proceeds thereof

	In connection with any financing or other financial arrangements, (ii) transfer or assign the Agreement to an Affiliate which shall agree in writing to be bound to the terms and conditions of the Agreement.
25. <i>Governing Law:</i>	Ohio
26. <i>Standard of Review:</i>	Absent the agreement of all Parties to the proposed change, the standard of review for changes to any rate, charge, classification, term or condition of the Agreement shall be the <i>Mobile-Sierra</i> Doctrine ("public interest" standard).

Definitions

“Ancillary Services” means regulation and frequency response services; energy imbalance services; automatic generating control services; spinning, non-spinning, supplemental and replacement reserve services; reactive power and voltage support services; black start services; and all other services or products ancillary to the operation of the Facilities that are defined as ancillary services in PJM’s tariff or are commonly sold or saleable, to the extent that the assets comprising a given Facility are technically capable of providing those services or products.

“Approvals” means all approvals, permits, licenses, consents, waivers or other authorizations from, notifications to, or filings or registrations with, third parties, including Governmental Approvals.

“Capacity” means the output level, expressed in MW, that each Facility, or the components of equipment thereof, is capable of continuously producing and making available at the Delivery Point associated with such Facility, taking into account the operating condition of the equipment at that time, the auxiliary loads and other relevant factors; provided that the term Capacity shall mean the capacity supply obligation that is associated with each of the Facilities in PJM’s eRPM system for any PJM Delivery Year for which a capacity supply obligation has been established under PJM’s tariffs.

“Capacity Payment”

$$\text{“Capacity Payment”} = \frac{\text{SIC} \times \text{WACOC}}{12}$$

“Seller’s Invested Capital (“SIC”) means the total net book value of the in-service Facilities, including nuclear fuel (but only to the extent that applicable accounting rules permit nuclear fuel costs to be capitalized), any Accumulated Deferred Income Taxes associated with the invested capital, allocations of capital used to support the Facilities, Materials and Supplies Inventory (including to the extent that applicable accounting rules permit fossil fuel), and Capital Expenditures Work that is performed at any Facility and that is placed into service after the Effective Date. To the extent that there is a difference between SIC costs for a given month and SIC collections for that month, the SIC calculation for future months will include a reconciliation to “true up” such difference. The total SIC will be calculated as the average of the total net book value at beginning of the month and the end of the month, respectively.

“Weighted Average Cost of Capital (“WACOC”) means the sum of the equity component and the debt component of the WACOC. WACOC is calculated using a 50% equity and 50% debt capital structure. The equity component of the WACOC will be the product of the equity share of the capital structure and the ROE (i.e., 0.5×0.1038). The debt component will be the product of the debt share of the capital structure and the Seller’s embedded cost of debt which changes annually (i.e., $0.5 \times$ long-term embedded cost of debt). An example formula for calculating the WACOC is:

$$\text{WACOC} = (0.5 \times 0.1038) + (0.5 \times \text{long-term embedded cost of debt})$$

“Seller’s Return on Equity (“ROE”) means Seller’s ROE, which is defined as 10.38% and shall be fixed over the term of the agreement.

“Capital Expenditures Work” shall mean the modeling, studying, engineering, design, procurement, purchasing, construction, inspection, start-up and testing of capital expenditures, replacements, spares, repairs or additions to a given Facility, procurement of auxiliary power necessary to support other Capital Expenditures Work, procurement or retention of licenses (but only where applicable accounting rules permit such costs to be capitalized); including any and all such actions as may be required to comply with a permit, rule, regulation, order, standard or other requirements of a Governmental Authority.

“Claims” means all claims or actions, threatened or filed and, whether groundless, false, fraudulent or otherwise, that directly or indirectly relate to the subject matter of an indemnity, and the resulting losses, damages, expenses (including reasonable attorneys’ fees and disbursements) and court costs, whether incurred by settlement or otherwise, and whether such claims or actions are threatened or filed prior to or after the termination of the Agreement.

“Effective Date” means the date on which all of the conditions precedent set forth in Section 20 have been satisfied or waived.

“Energy” means three-phase, 60-cycle alternating current electric energy, expressed in MWh.

“Environmental Attributes” means, to the extent associated with one or more the Facilities and/or the generation of Energy at a given Facility, as applicable, any and all of the following: renewable energy credits, renewable energy certificates, alternative energy credits, and any other credits, including environmental air quality credits, emissions reduction credits, energy credits, and any allowances, reductions, offsets, certificates, property, and benefits, that are granted or awarded or transferred or conferred or acquired over the Delivery Period through existing or new governmental programs on the basis of environmental, or power source, or emissions characteristics that are or may be related to Facility operations, and actual or potential emissions or avoided emissions or reductions of waste of any kind, to the air, soil or water of substances (in whatsoever form) that is or are now or may be in the future regulated under federal, state or local laws. The term “Environmental Attributes” does not include Energy, Capacity, or Ancillary Services or the power or energy attributes of a Facility or Facilities.

“Fuel Expenses” means all fixed or variable costs, expenses, losses, liabilities, claims and charges related to the acquisition, storage, inventory, balancing and transportation and delivery of fuel for the Facilities, including reagents, emissions allowances, and related costs of credit at weighted average cost; provided that the term “Fuel Expenses” excludes the costs of any fuel that is capitalized under applicable accounting rules and guidance; and provided further that all costs and expenses will be calculated on a consumed basis.

“GAAP” means accounting principles generally accepted in the United States of America.

“Good Utility Practice” means any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.

"Governmental Approvals" means any permit, authorization, registration, consent, action, waiver, exception, variance, order, judgment, decree, license, exemption, publication, filing, notice to, or declaration of or with, or required by any Governmental Authority or applicable law; provided that the term *Governmental Approval* as used in this definition does not include the Public Utilities Commission of Ohio or its successor agency.

"Governmental Authority" means any federal, state, local, or municipal government body; and any governmental, regulatory, or administrative agency, commission, body, agency, instrumentality, or other authority lawfully exercising or entitled by law to exercise any executive, judicial, legislative, administrative, regulatory, or taxing authority or power, including any court or other tribunal.

"Imbalance Charges" means any penalties, fees or charges assessed by PJM for failure to satisfy requirements for balancing of electric energy receipts and deliveries or loads and generation, or payable to any other Person in connection with the delivery of energy in an amount(s) different from the amount(s) scheduled.

"Materials and Supplies Inventory" is as defined in Part 101, Uniform System of Accounts for Public Utilities, of FERC's regulations, as such may be amended from time to time.

"Operation and Maintenance Expenses" means all fixed or variable costs, expenses, losses, liabilities, claims, charges and associated credits incurred directly or indirectly in the performance of operation, maintenance, use, repair of the Facility, including the procurement of auxiliary power, but not including Fuel Expenses.

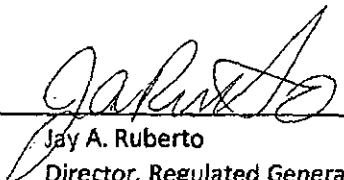
"Operating Work" means the operation, maintenance, use, repair or retirement of the Facility on or after the Effective Date, including but not limited to labor; parts; supplies; insurance; permits; licensing; taxes other than income; procurement of ancillary services, fuel and other consumables; fuel acquisition, transportation balancing and storage; waste handling and disposal (including coal ash or spent nuclear fuel); filing, defense and settlement of claims, suits and causes of action; procurement (or sale) of Allowances and settlement of all other environmental charges (or credits) pertaining to the operation of the Facility; including any and all such actions as may be required to comply with a permit, rule, regulation, order, standard or other requirements of a Governmental Authority; but excluding any Capital Expenditures Work.

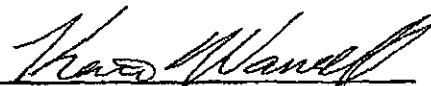
"Share" means, with respect to each Buyer, each Buyer's several (and not joint) obligation, as such obligation is calculated as of June 1, 2016 based on each Buyer's average of the coincident MW peaks, including distribution losses, on the ATSI system from the months of June through September of 2015; and provided further that the Buyer's several *pro rata* obligations will be updated on June 1st of each subsequent updated on June 1st of each year during the term hereof based on each Buyer's average of the coincident MW peaks, including distribution losses, on the ATSI system from the months of June through September of the prior year year during the term hereof based on each Buyer's average of the coincident MW peaks, including distribution losses, on the ATSI system from the months of June through September of the prior year .

Confidential
November 18, 2015

OHIO EDISON COMPANY
THE CLEVELAND ELECTRIC ILLUMINATING COMPANY
THE TOLEDO EDISON COMPANY

FIRSTENERGY SOLUTIONS CORP.


By: Jay A. Ruberto
Director, Regulated Generation
& Dispatch


By: Kevin T. Warvell
Vice President, Commercial Ops
Structuring & Pricing

OCC SET 17
(OCC Set 1 - 3rd Supplemental Stip)
As to Objection: Carrie Dunn
Witness: Eileen M. Mikkelsen

Case No. 14-1297-EL-SSO
Ohio Edison Company, The Cleveland Electric Illuminating Company and
The Toledo Edison Company for Authority to Provide for a Standard Service Offer
Pursuant to R.C. § 4928.143 in the Form of an Electric Security Plan

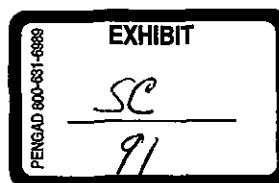
RESPONSES TO REQUEST

OCC Set 17 –
INT-027

Will there be a penalty for the Companies if they fail to reduce their emissions levels by at least 90% below 2005 levels by 2045?

Response:

Objection. The request is overly broad, unduly burdensome, vague and ambiguous. The request also mischaracterizes the Third Supplemental Stipulation and Recommendation, which contains no CO₂ reduction goal for the Companies. Subject to and without waiving the foregoing objections the Companies do not own generation. The Stipulation does not include a penalty associated with the emission reduction provision.



Sierra Club Set 11
Witness: Eileen M Mikkelsen
As to Objections: Carrie M. Dunn

Case No. 14-1297-EL-SSO
Ohio Edison Company, The Cleveland Electric Illuminating Company and
The Toledo Edison Company for Authority to Provide for a Standard Service Offer
Pursuant to R.C. § 4928.143 in the Form of an Electric Security Plan

RESPONSES TO REQUEST

**SC Set 11 –
INT-221**

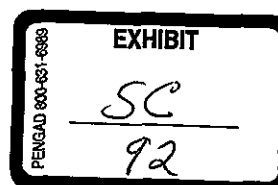
Refer to page 11 of the Third Stipulation, Section E.3.b, regarding energy efficiency.

- a. Explain how the “over 800,000 MWh” figure of annual energy savings that the Companies would “strive to achieve” was identified.
- b. State whether the Third Stipulation commits the Companies to propose an EE/PDR Portfolio Plan that would “strive to achieve” annual energy savings of “over 800,000 MWh” for any year after 2017.
 - i. If so, identify for how many years the Third Stipulation commits the Companies to propose a Plan that “strive[s] to achieve over 800,000 MWh of energy savings annually.”
 - ii. If not, explain why not.
- c. For each year in which the Third Stipulation commits the Companies to propose an EE/PDR Portfolio Plan that would “strive to achieve” annual energy savings of “over 800,000 MWh,” identify the projected load for the Companies before such annual energy savings are factored in.
- d. For each year in which the Third Stipulation commits the Companies to propose an EE/PDR Portfolio Plan that would “strive to achieve” annual energy savings of “over 800,000 MWh,” identify the level of energy savings in percent of projected load.

Response:

Objection. This request is vague and ambiguous as to the terms “Third Stipulation”.

- a. The “over 800,000 MWh” figure of annual energy savings, subject to customer opt outs, was a result of settlement negotiations.
- b.
 - i. Yes. Through May 31, 2024.
 - ii. N/A
- c. See the Companies’ 2015 Electric Long-Term Forecast Report (Case No. 15-649-EL-FOR), PUCO Form FE-D1 (Pages 36-39).
- d. Objection. The question calls for speculation as to the magnitude of future customer opt outs. Subject to and without waiving the foregoing objections and assuming no opt-outs, approximately 1.5%.



Case No. 14-1297-EL-SSO
Ohio Edison Company, The Cleveland Electric Illuminating Company and
The Toledo Edison Company for Authority to Provide for a Standard Service Offer
Pursuant to R.C. § 4928.143 in the Form of an Electric Security Plan

RESPONSES TO REQUEST

SC Set 12 – Refer to page 11 of the Third Stipulation, Section E.3.b, regarding energy efficiency, and the
INT-225 Companies' 2015 Electric Long-Term Forecast Report (Case No. 15-649-EL-FOR), PUCO Form
FE-D1 (Pages 36-39) cited in your response to SC Set 11-INT-221(c).

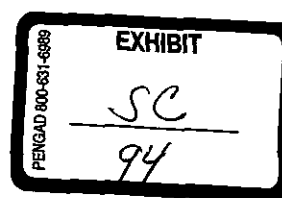
- a. State whether the "over 800,000 MWh" of annual energy savings that the Companies would "strive to achieve" under the Third Stipulation is in addition to the forecasted levels of energy efficiency and demand response savings identified in column 5(b) on pages 36-39 of the Companies' 2015 Electric Long-Term Forecast Report.
- b. Confirm that the Companies' 2015 Electric Long-Term Forecast Report forecasts more than 800,000 MWhs of energy savings for the Companies from energy efficiency and demand response in each of the years 2021, 2022, 2023, and 2024.
 - i. If not confirmed, explain why not.

Response:

- a. No.
- b. Shown on the Companies' 2015 Long-Term Forecast PUCO FORM FE-D1 page 39 Column (5b) is the calculated cumulative energy savings using the per cent of baseline from Ohio Revised Code Sec. 4928.66 (A)(1)(a) and the Total End User Consumptions MWh in Column (6). The incremental amount shown for each year, 2021 through 2024, on page 39 is greater than 800,000 MWh.
 - i. Not applicable.

Ohio Edison Company
The Cleveland Electric Illuminating Company
The Toledo Edison Company
and
American Transmission Systems, Incorporated


**2015 ELECTRIC
LONG-TERM FORECAST REPORT
TO THE
PUBLIC UTILITIES COMMISSION OF OHIO
Case № 15-649-EL-FOR**



CERTIFICATE OF SERVICE

I hereby certify that this 2015 Long-Term Forecast Report was filed by Ohio Edison Company, The Cleveland Electric Illuminating Company, The Toledo Edison Company and American Transmission Systems, Incorporated with the Public Utilities Commission of Ohio on April 15, 2015 and that:

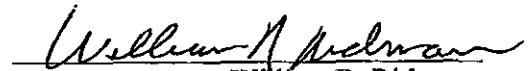
1. Pursuant to Rule 4901:5-1-03(F), Ohio Administrative Code, a copy of the 2015 Long-Term Forecast Report has been delivered or mailed on the day of filing to the Office of the Ohio Consumers' Counsel;
2. Pursuant to Rule 4901:5-1-03(G), Ohio Administrative Code, within three days of filing with the Public Utilities Commission of Ohio, a letter—stating that the Long-Term Forecast Report has been filed with the Public Utilities Commission of Ohio and that a copy of the Long-Term Forecast report is available for public inspection at the Public Utilities Commission offices located at 180 East Broad Street, Columbus, Ohio 43215, shall be sent by first class mail to the appropriate county libraries;
3. Pursuant to Rule 4901:5-1-03(H), Ohio Administrative Code, the Applicants shall keep at least one copy of its 2015 Long-Term Forecast Report at its principal business office for public inspection during business hours; and
4. Pursuant to Rule 4901:5-1-03(I), Ohio Administrative Code, the Applicants shall provide a copy of its 2015 Long-Term Forecast Report to any person upon request at a cost to cover the expenses incurred.



William R. Ridmann
Vice President, Rates & Regulatory Affairs
FirstEnergy Service Company
76 South Main Street
Akron, OH 44308-1890
(330) 761-4154

ATTESTATION

This Long-Term Forecast Report filed by Ohio Edison Company, The Cleveland Electric Illuminating Company, The Toledo Edison Company and American Transmission Systems, Incorporated is true and correct to the best of my knowledge and belief.



William R. Ridmann
Vice President, Rates & Regulatory Affairs
FirstEnergy Service Company
76 South Main Street
Akron, OH 44308-1890
(330) 761-4154

SECTION II

DISTRIBUTION FORECAST FORMS

Electric Utility Service Area Energy Consumption Forecast
(Megawatt Hours/Year) ^d

Ohio Edison Company

	(1)	(2)	(3)	(4)	(5a)	(5b)	(6) (1 + 2 + 3 + 4 + 5a + 5b)	(7)	(8) (6 + 7)
						Energy Efficiency & Demand Response ^a	Total End User Consumption	Losses And Unaccounted For Company	Net Energy For Load ^c
Year	Residential	Commercial	Industrial	Transportation ^a	Other ^b				
-5 2010	9,493,000	7,006,000	7,510,000	-	146,000	-	24,155,000	1,756,000	25,911,000
-4 2011	9,512,000	6,726,000	8,272,000	-	146,000	-	24,656,000	1,783,711	26,439,711
-3 2012	9,400,000	6,691,000	8,208,000	-	142,000	-	24,441,000	1,768,157	26,209,157
-2 2013	9,275,000	6,628,000	8,264,000	-	137,000	-	24,304,000	1,765,000	26,069,000
-1 2014	9,353,000	6,689,000	8,746,000	-	139,000	-	24,927,000	1,410,000	26,337,000
0 2015	9,846,000	6,952,000	9,647,000	-	137,000	(1,245,600)	25,336,400	1,810,600	27,147,000
1 2016	9,675,000	6,969,000	9,846,000	-	135,000	(1,272,000)	25,353,000	1,844,000	27,197,000
2 2017	9,808,000	7,067,000	9,894,000	-	133,000	(1,381,200)	25,520,800	1,857,200	27,378,000
3 2018	9,893,000	7,097,000	9,847,000	-	132,000	(1,521,600)	25,447,400	1,853,600	27,301,000
4 2019	9,988,000	7,150,000	9,743,000	-	132,000	(1,777,200)	25,235,800	1,845,200	27,081,000
5 2020	10,066,000	7,187,000	9,636,000	-	132,000	(2,020,800)	25,000,200	1,827,800	26,828,000
6 2021	10,265,000	7,329,000	9,663,000	-	132,000	(2,497,200)	24,891,800	1,822,200	26,714,000
7 2022	10,498,000	7,498,000	9,697,000	-	132,000	(2,965,200)	24,859,800	1,829,200	26,689,000
8 2023	10,742,000	7,680,000	9,700,000	-	132,000	(3,435,600)	24,818,400	1,831,600	26,650,000
9 2024	10,992,000	7,861,000	9,680,000	-	132,000	(3,909,600)	24,755,400	1,831,600	26,587,000
10 2025	11,238,000	8,031,000	9,671,000	-	132,000	(4,383,600)	24,688,400	1,837,600	26,526,000

^a Transportation includes railroads & railways.^b Other includes street & highway lighting, public authorities and interdepartmental sales.^c Years 0 through 10 is calculated by applying a loss factor to each rate class then summing the results.^d A reclassification of customers occurred in 2011. Customers are classified based upon based on customers' rate schedule.^e Excludes the impact of self-directed mercantile EE programs. Incremental to 2014.

The Cleveland Electric Illuminating Company

		(1)	(2)	(3)	(4)	(5a)	(5b)	(6) (1 +2+3+4+5a+5b)	(7)	(8) (6 + 7)
							Energy Efficiency & Demand Response ^e	Total End-User Consumption	Losses And Unaccounted For Company	Net Energy For Load
	Year	Residential	Commercial	Industrial	Transportation ^a	Other ^b				
-5	2010	5,726,000	4,779,000	8,216,000	-	149,000	-	18,870,000	1,231,000	20,101,000
-4	2011	5,710,000	6,774,000	6,284,000	-	148,000	-	18,916,000	1,335,514	20,251,514
-3	2012	5,678,000	6,665,000	6,324,000	-	138,000	-	18,805,000	1,327,677	20,132,677
-2	2013	5,508,000	6,618,000	6,444,000	-	143,000	-	18,713,000	1,406,000	20,119,000
-1	2014	5,549,000	6,580,000	6,461,000	-	144,000	-	18,734,000	1,470,000	20,204,000
0	2015	5,952,000	6,913,000	7,121,000	-	144,000	(1,190,400)	18,939,600	1,284,400	20,224,000
1	2016	5,838,000	6,934,000	7,391,000	-	144,000	(1,210,800)	19,096,200	1,352,800	20,449,000
2	2017	5,960,000	7,057,000	7,445,000	-	140,000	(1,280,400)	19,321,600	1,375,400	20,697,000
3	2018	6,026,000	7,065,000	7,424,000	-	133,000	(1,342,800)	19,305,200	1,381,800	20,687,000
4	2019	6,065,000	7,054,000	7,396,000	-	132,000	(1,401,600)	19,245,400	1,378,600	20,624,000
5	2020	6,131,000	7,067,000	7,394,000	-	132,000	(1,543,200)	19,180,800	1,368,200	20,549,000
6	2021	6,265,000	7,203,000	7,509,000	-	132,000	(1,909,200)	19,199,800	1,370,200	20,570,000
7	2022	6,416,000	7,381,000	7,634,000	-	132,000	(2,281,200)	19,281,800	1,380,200	20,662,000
8	2023	6,577,000	7,564,000	7,767,000	-	133,000	(2,659,200)	19,381,800	1,384,200	20,766,000
9	2024	6,741,000	7,746,000	7,887,000	-	133,000	(3,045,600)	19,461,400	1,391,600	20,853,000
10	2025	6,907,000	7,921,000	7,985,000	-	134,000	(3,436,800)	19,510,200	1,402,800	20,913,000

^a Transportation includes railroads & railways.
 ^b Other includes street & highway lighting, public authorities and interdepartmental sales.
 ^c Years 0 through 10 is calculated by applying a loss factor to each rate class then summing the results.
 ^d A reclassification of customers occurred in 2011. Customers are classified based upon based on customers' rate schedule.
 ^e Excludes the impact of self-directed mercantile EE programs. Incremental to 2014.

Electric Utility Service Area Energy Consumption Forecast
(Megawatt Hours/Year)^d

The Toledo Edison Company

		(1)	(2)	(3)	(4)	(5a)	(5b)	(6) (1 + 2 + 3 + 4 + 5a + 5b)	(7)	(8) (6 + 7)
							Energy Efficiency & Demand Response ^e	Total End-User Consumption	Losses And Unaccounted For Company	Net Energy For Load
Year		Residential	Commercial	Industrial	Transportation ^a	Other ^b				
-5	2010	2,588,000	2,680,000	5,014,000	-	51,000	-	10,333,000	624,000	10,957,000
-4	2011	2,596,000	2,039,000	5,750,000	-	51,000	-	10,436,000	584,346	11,020,346
-3	2012	2,569,000	2,018,000	5,743,000	-	51,000	-	10,381,000	581,267	10,962,267
-2	2013	2,496,000	1,975,000	6,006,000	-	51,000	-	10,528,000	547,000	11,075,000
-1	2014	2,538,000	2,001,000	5,954,000	-	52,000	-	10,545,000	646,000	11,191,000
0	2015	2,703,000	2,100,000	6,350,000	-	48,000	(537,600)	10,663,400	665,600	11,329,000
1	2016	2,662,000	2,093,000	6,470,000	-	48,000	(546,000)	10,727,000	605,000	11,332,000
2	2017	2,706,000	2,114,000	6,545,000	-	48,000	(579,600)	10,833,400	609,600	11,443,000
3	2018	2,739,000	2,118,000	6,601,000	-	48,000	(618,000)	10,888,000	609,000	11,497,000
4	2019	2,781,000	2,137,000	6,706,000	-	48,000	(723,600)	10,948,400	610,600	11,559,000
5	2020	2,826,000	2,152,000	6,778,000	-	48,000	(830,400)	10,973,600	607,400	11,581,000
6	2021	2,895,000	2,195,000	6,922,000	-	48,000	(1,038,000)	11,022,000	609,000	11,631,000
7	2022	2,974,000	2,243,000	7,072,000	-	48,000	(1,248,000)	11,089,000	617,000	11,706,000
8	2023	3,057,000	2,295,000	7,225,000	-	48,000	(1,459,200)	11,165,800	617,200	11,783,000
9	2024	3,144,000	2,343,000	7,381,000	-	48,000	(1,675,200)	11,240,800	621,200	11,862,000
10	2025	3,229,000	2,391,000	7,539,000	-	48,000	(1,896,000)	11,311,000	627,000	11,938,000

^a Transportation includes railroads & railways.^b Other includes street & highway lighting, public authorities and interdepartmental sales.^c Years 0 through 10 are calculated by applying a loss factor to each rate class then summing the results.^d A reclassification of customers occurred in 2011. Customers are classified based upon based on customers' rate schedule.^e Excludes the impact of self-directed mercantile EE programs. Incremental to 2014.

901:5-5-05 (B)(1)(b)

UCO FORM FE - D1:

System Service Area Energy Consumption Forecast

(Megawatt Hours/Year)^d

Total Ohio										
	(1)	(2)	(3)	(4)	(5a)	(5b)	(6) (1+2+3+4+5a+5b)	(7)	(8) (6 + 7)	
Year	Residential	Commercial	Industrial	Transportation ^a	Other ^b	Energy Efficiency & Demand Response ^c	Total End User Consumption	Losses And Unaccounted For Company	Net Energy For Load	
-5 2010	17,807,000	14,465,000	20,740,000	-	346,000	-	53,358,000	3,611,000	56,969,000	
-4 2011	17,818,000	15,539,000	20,306,000	-	345,000	-	54,008,000	3,703,571	57,711,571	
-3 2012	17,647,000	15,374,000	20,275,000	-	331,000	-	53,627,000	3,677,100	57,304,100	
-2 2013	17,279,000	15,221,000	20,714,000	-	331,000	-	53,545,000	3,718,000	57,263,000	
-1 2014	17,440,000	15,270,000	21,161,000	-	335,000	-	54,206,000	3,526,000	57,732,000	
0 2015	18,501,000	15,965,000	23,118,000	-	329,000	(2,973,600)	54,939,400	3,760,600	58,700,000	
1 2016	18,175,000	15,996,000	23,707,000	-	327,000	(3,028,800)	55,176,200	3,801,800	58,978,000	
2 2017	18,474,000	16,238,000	23,884,000	-	321,000	(3,241,200)	55,675,800	3,842,200	59,518,000	
3 2018	18,658,000	16,280,000	23,872,000	-	313,000	(3,482,400)	55,640,600	3,844,400	59,485,000	
4 2019	18,834,000	16,341,000	23,845,000	-	312,000	(3,902,400)	55,429,600	3,834,400	59,264,000	
5 2020	19,023,000	16,406,000	23,808,000	-	312,000	(4,394,400)	55,154,600	3,803,400	58,958,000	
6 2021	19,425,000	16,727,000	24,094,000	-	312,000	(5,444,400)	55,113,600	3,801,400	58,915,000	
7 2022	19,888,000	17,122,000	24,403,000	-	312,000	(6,494,400)	55,230,600	3,826,400	59,057,000	
8 2023	20,376,000	17,539,000	24,692,000	-	313,000	(7,554,000)	55,366,000	3,833,000	59,199,000	
9 2024	20,877,000	17,950,000	24,948,000	-	313,000	(8,630,400)	55,457,600	3,844,400	59,302,000	
10 2025	21,374,000	18,343,000	25,195,000	-	314,000	(9,716,400)	55,509,600	3,867,400	59,377,000	

^a Transportation includes railroads & railways.

^b Other includes street & highway lighting, public authorities and interdepartmental sales.

^c Years 0 through 10 are calculated by applying a loss factor to each rate class then summing the results.

^d A reclassification of customers occurred in 2011. Customers are classified based upon based on customers' rate schedule.

^e Excludes the impact of self-directed mercantile EE programs. Incremental to 2014.

PUCO FORM FE - D2: System Service Area Energy Consumption Forecast
(Megawatt Hours/Year) ^{c,d}

FirstEnergy System

		(1)	(2)	(3)	(4)	(5a)	(5b)	(6) (1+2+3+4+5a+5b)	(7)	(8) (6 + 7)
							Energy Efficiency & Demand Response ^e	Total End User Consumption	Losses And Unaccounted For Company	Net Energy For Load
Year		Residential	Commercial	Industrial	Transportation ^a	Other ^b				
-5	2010	19,503,000	15,876,000	22,128,000	-	352,000	-	57,859,000	4,193,000	62,052,000
-4	2011	19,529,000	16,866,000	21,848,000	-	351,000	-	58,594,000	4,020,092	62,614,092
-3	2012	19,315,000	16,708,000	21,731,000	-	337,000	-	58,091,000	3,985,201	62,076,201
-2	2013	18,983,000	16,570,000	22,223,000	-	337,000	-	58,113,000	3,888,000	62,001,000
-1	2014	19,168,000	16,651,000	22,760,000	-	341,000	-	58,920,000	3,762,000	62,682,000
0	2015	20,368,000	17,239,000	25,112,000	-	341,000	(2,973,600)	60,086,400	4,071,600	64,158,000
1	2016	19,864,000	17,043,000	25,786,000	-	339,000	(3,028,800)	60,003,200	4,130,800	64,134,000
2	2017	20,176,000	17,286,000	26,088,000	-	333,000	(3,241,200)	60,641,800	4,176,200	64,818,000
3	2018	20,371,000	17,327,000	26,128,000	-	325,000	(3,482,400)	60,668,600	4,179,400	64,848,000
4	2019	20,549,000	17,380,000	26,125,000	-	324,000	(3,902,400)	60,475,600	4,168,400	64,644,000
5	2020	20,731,000	17,446,000	26,085,000	-	324,000	(4,394,400)	60,191,600	4,137,400	64,329,000
6	2021	21,138,000	17,767,000	26,371,000	-	324,000	(5,444,400)	60,155,600	4,137,400	64,293,000
7	2022	21,611,000	18,162,000	26,680,000	-	324,000	(6,494,400)	60,282,600	4,164,400	64,447,000
8	2023	22,110,000	18,579,000	26,969,000	-	325,000	(7,554,000)	60,429,000	4,173,000	64,602,000
9	2024	22,625,000	18,990,000	27,225,000	-	325,000	(8,630,400)	60,534,600	4,183,400	64,718,000
10	2025	23,131,000	19,383,000	27,472,000	-	326,000	(9,716,400)	60,595,600	4,207,400	64,803,000

^a Transportation includes railroads & railways.^b Other includes street & highway lighting, public authorities and interdepartmental sales.^c These data include energy for Pennsylvania Power as well as the 3 Ohio companies.^d A reclassification of customers occurred in 2011. Customers are classified based upon the voltage level in which they take their power supply.^e Excludes the impact of self-directed mercantile EE programs, incremental to 2014.