

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of First-	)	
Energy Corp. on Behalf of Ohio Edison	)	
Company, The Cleveland Electric Illumi-	)	Case No. 99-1212-EL-ETP
nating Company, and The Toledo Edi-	)	Case No. 99-1213-EL-ATA
son Company for Approval of Their	)	Case No. 99-1214-EL-AAM
Transition Plans and for Authorization	)	
to Collect Transition Revenues.	)	

In the Matter of the Application of The Cincinnati Gas & Electric Company for Approval of its Electric Transition Plan,	)	Case No. 99-1658-EL-ETP
Approval of Tariff Changes and New Tariffs, Authority to Modify Current Accounting Procedures, and Approval to Transfer its Generating Assets to an Exempt Wholesale Generator.	)	Case No. 99-1659-EL-ATA
	)	Case No. 99-1660-EL-ATA
	)	Case No. 99-1661-EL-AAM
	)	Case No. 99-1662-EL-AAM
	)	Case No. 99-1663-EL-UNC

In the Matter of the Application of the	)	
Dayton Power and Light Company for	)	
Approval of its Transition Plan, for	)	Case No. 99-1687-EL-ETP
the Opportunity to Receive Transition	)	Case No. 99-1688-EL-AAM
Revenues, for Approval to Change	)	Case No. 99-1689-EL-ATA
Accounting Methods, and Approval to	)	
Amend its Tariff.	)	

In the Matter of the Applications of )  
Columbus Southern Power Company ) Case No. 99-1729-EL-ETP  
and Ohio Power Company for Approval ) Case No. 99-1730-EL-ETP  
of Their Electric Transition Plans and )  
for Receipt of Transition Revenues. )

In the Matter of the Application of )  
Monongahela Power Company dba ) Case No. 00-02-EL-ETP  
Allegheny Power for Approval of an )  
Electric Transition Plan. )

## SECOND ENTRY ON REHEARING

### The Commission finds:

- (1) On July 13, 2000, as amended on July 17, 2000, the Ohio Department of Development (ODOD) filed applications in the above-captioned cases for approval of Universal Service Fund (USF) riders and Energy Efficiency Revolving Loan Fund (EERLF) riders for each of the electric utilities. In accordance with the requirements of Ohio's electric restructuring legislation (Amended Substitute Senate Bill 3, hereafter S.B. 3),

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Sections 4928.52 and 4928.62, Revised Code, provide that USF and EERLF riders are to be effective on July 1, 2000 and January 1, 2001, respectively. However, due to delays in the transfer of the program, ODOD requested that the Commission make the USF riders effective September 1, 2000. The stipulations submitted in each of these proceedings provided that the USF and EERLF riders are to be determined by ODOD and approved by the Commission.

- (2) On August 17, 2000, the Commission issued an entry approving ODOD's proposed USF and EERLF rider rates, and denied a motion from Industrial Energy Users-Ohio (IEU-Ohio) to disapprove ODOD's applications, finding that the riders satisfied the statutory requirements of S.B. 3 and were consistent with the stipulations permitting ODOD to determine the rider rates.
- (3) On August 29, 2000, IEU-Ohio, Ohio Council of Retail Merchants, and Ohio Manufacturers' Association (applicants) filed an application for rehearing. The applicants contend that the Commission erred by finding that the USF riders were established in compliance with S.B. 3. Among other things, the applicants argue that no audit was performed by the Commission to establish a PIPP baseline, that the low-income customer energy efficiency program component of the USF rider was calculated and applied incorrectly, and that adequate details have not been provided to justify the funding amount for the energy education component of the USF rider.
- (4) On September 28, 2000, the Commission issued its entry denying rehearing on most of the grounds for rehearing raised by the applicants. With respect to the applicants' arguments that no staff baseline PIPP audit was performed or that ODOD's filing lacked adequate detail to justify the funding of the various components of the USF rider, the Commission granted rehearing in order for ODOD and the Commission's staff to provide additional data on the various components of the USF riders. ODOD and the staff were given 30 days to file such data. The USF riders remained in effect pending the Commission's further review of the matters raised on rehearing.
- (5) ODOD filed additional documentation regarding the calculation of the USF riders and the Commission's staff filed a report detailing its activities to assist ODOD in establishing USF riders for each of the electric companies. From all the information provided in these cases, the Commission finds that adequate data has been collected for the purpose of establishing an appropriate baseline for the PIPP program


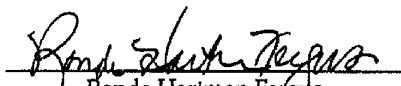
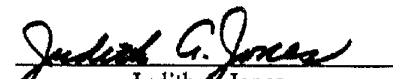
component of the USF riders. With respect to the other components of the USF riders, we noted in our August 17, 2000 entry that S.B. 3 provided ODOD with considerable discretion in determining rules for the programs, for administering the programs, and for determining the amounts that are necessary to fund administrative costs and the consumer education program for low-income customers required under Section 4928.56, Revised Code. ODOD's authority to establish appropriate funding for the programs is evident by Section 4928.52(A)(3), Revised Code, which permits ODOD to establish USF riders that include any additional amount necessary and sufficient to fund the administrative costs of the low-income customer assistance programs and the consumer education program. Our role in this process was to provide ODOD assistance in establishing a baseline PIPP component for the USF riders and to determine whether the electric utility companies have accurately reflected ODOD's riders in their transition plans and tariffs. Finding that the Commission has fulfilled its role in assisting ODOD with the baseline PIPP component and finding that the electric utilities have implemented ODOD's riders in their transition plans and tariffs properly, the Commission believes that the issues raised in the rehearing application have been properly addressed and that the rehearing application should be denied.

It is, therefore,

ORDERED, That the August 29, 2000 application for rehearing filed by Industrial Energy Users-Ohio, Ohio Council of Retail Merchants, and Ohio Manufacturers' Association are hereby denied. It is, further,

ORDERED, That a copy of this entry on rehearing be served on all parties of record.

THE PUBLIC UTILITIES COMMISSION OF OHIO

  
Alan R. Schriber, Chairman  
Ronda Hartman Fergus  
Judith A. Jones

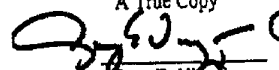
Donald L. Mason

RRG:geb

Entered in the Journal

JAN 25 2001

A True Copy

  
Gary E. Vigorito  
Secretary