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2002 MAR 29 AN 11: 15

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PUCO

02-769-EL-ATA

March 28, 2002

Docketing Division Public Utilities Commission of Ohio 180 E. Broad St. Columbus, OH 43215

Re: Case No. 02Case No. 02C

Please find eight (8) copies each of the revised tariff for Experimental Power Curtailment Program for Ohio Edison, Toledo Edison and The Cleveland Electric Illuminating Company. Please date stamp two copies of each and return them in the enclosed envelope.

Also enclosed is the proposed Toledo Edison tariff for PV-46. Please also date stamp two copies and return them as well.

Sincerely,

Steven E. Ouellette

Manager, Pricing & Regulatory Affairs - Ohio

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Enclosures

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

THE PUBLIC UTILITIES COMMISSION OF OHIO BEFORE

2002 MAR 29 AM 11: 15

Application for New Service, pursuant to Section 4909.18 Revised Code PUCO

In the Matter of the Application of The Toledo Edison Company's Experime Power Curtailment Program) intal) Case No. 02- <u>7(₀ 9</u> -EL-ATA)
1. APPLICANT RESPECTFULLY PROPOSES: (Check applicable proposals)	
New Service	Change in Rule or Regulation
New Classification	Reduction Rates
Change in Classification	Correction of Error
X Other, not involving increase in rates	
Various related and unrelated textual revision, without change in intent	
 DESCRIPTION OF PROPOSAL: This application is made pursuant to Section 4909.18, Ohio Revised Code, seeking approval of the Company's revised Experimental Power Curtailment Progam. 	
3. TARIFFS AFFECTED: (If more than 2, use additional sheets)	
Sheet No. 74, P.U.C.O. No. 8	
4. Attached hereto and made a part hereof are: (Check applicable Exhibits)	
Exhibit A - existing schedule sheets (to be superseded) if applicable	
X Exhibit B - proposed schedule sheets	
Exhibit C-1	
 a) if new service is proposed, described included on attached I 	

b) if new equipment is involved, describe (preferably with a picture, brochure, etc.) and where appropriate, a statement distinguishing proposed service from existing services; c) if proposed service results from customer requests, so state, giving if available, the number and type of customers requesting proposed service. Exhibit C-2 - if a change of classification, rule or regulation is proposed, a statement explaining reason for change. Exhibit C-3 - statement explaining reason for any proposal not covered in Exhibits C-1 or C-2. 5. This application will not result in an increase in any rate, joint rate, toll, classification, charge or rental. 6. Applicant respectfully requests the Commission to approve the Toledo Edison Company's revised Experimental Power Curtailment Program, and authorize Toledo Edison Company to file same in final form, to become effective on the date, subsequent to filing, to be shown on the proposed schedule which will be filed with the Commission; and to be in the form and content shown in Exhibit B. Arthur E. Korkosz Senior Attorney TITLE 76 S. Main St., Akron, Ohio 44308 **ADDRESS** 330-384-5849 TELEPHONE NUMBER

Description of Revision

EXPERIMENTAL POWER CURTAILMENT PROGRAM

The purpose of the revisions that are being proposed to this tariff is to broaden the participation of the customers in the Program. The existing tariff is available to only customers with at least 1,000 kW of curtailable load. The Company proposes to lower the minimum curtailable load requirement to 500 kW in order to enable additional customers with curtailable load between 500 kW and 1,000 kW to participate. Another proposed change is to add an option for customers to designate the Company may only fully accept a curtailment offer. This customer option reduces risk to the customer by removing the uncertainty of the level and hours of curtailment load acceptance. The market will determine the value of such an option.

VERIFICATION

State of Ohio, Summit County, ss:	
Name of Officer	St. Vice President & CFS, (and) (President) (Vice President)
Name of Officer	Capate Secretary of (Secretary) (Treasurer)
The Toledo Edison Company, being first duly sworn Name of Applicant	1
hereby verify this application.	
Sworn and subscribed before me this 27 TH da	Notary Public STEPHEN N. HADICK, ATTORNEY AT LAW NOTARY PUBLIC - STATE OF OHIO COMMISSION HAS NO EXPIRATION DATE SEC. 147.03 R.C.

Experimental Power Curtailment Program

Availability:

Available on a voluntary basis to Full Service_Customers who receive electric service under tariffs acceptable to the Company or Special Contract Customers who take either firm or interruptible service that have been approved by the PUCO under R.C. 4905.31, and have the ability, when specified by the Company, to curtail a minimum of 500 kW of load from a threshold limit pre-established from hourly interval history. Curtailments will be permitted in increments of 100 kW in excess of the minimum curtailment thresholds. Participation is limited to those Customers that have a time interval meter installed by the Company and have interval metered history available from which a historical load profile (as defined below) can be established. The Customer will be responsible for providing a dedicated telephone line at the metering point to support remote metering capabilities. A Full Service customer is one that receives all retail electric services from the Company.

Customers who own generation that can be used to displace load on the Company System may also participate, as provided herein.

Service:

Service under the Experimental Power Curtailment Program will be offered on an experimental basis through May 31, 2003, unless terminated earlier by the Company. Customers must enter into a written service agreement to be eligible and must be and remain current with their electric bill payments. This experimental Program will be limited to no more than a total of one-hundred 100 Customers selected by the Company and no more than 200 MW of demand, whichever is realized first.

Program Description:

The Experimental Power Curtailment Program is an experimental Program whose purpose is 1) to test Customer interest and responsiveness to the opportunity to receive rate credits in exchange for load curtailments, and 2) to provide retail service Customers with the opportunity to gain experience with market supply and demand price signals. This Program is scheduled to be offered through May 31, 2003, and is a voluntary Program. Participation in this Program also offers Customers the opportunity to help lower their electric costs by curtailing their load during higher price periods and/or shifting their load from higher price to lower price periods. This Program is designed to be bill neutral for each participating Customer who does not actively participate in any of the available Program opportunities. The Company will operate the Experimental Power Curtailment Program in conjunction with the Automated Power Exchange Inc. at its APX Ohio-Hub Market. This Program does not permit a Customer to offer to buy or sell electricity, or to buy or sell electricity. No provision of this tariff may be construed to the contrary.

Program Participation:

Opportunities to participate in the Experimental Power Curtailment Program may be activated by the Company, at its sole discretion. When the Program is open, a Customer may submit an offer to curtail a portion of its load to or below an established Customer-specific threshold in exchange for the opportunity to earn rate credits.

The hourly Customer Base Load (CBL) will be developed by the Company based on the individual Customer's historical time interval data. The Company reserves the right to periodically make adjustments to Customer specific CBL's, e.g. in response to a change in Customer's load profile. The Customer must agree to the CBL, which reflects the level of each Customer's load from which the Company will accept load curtailments under this Program. The minimum allowable curtailment will be 500 kW below the Customer specific CBL. Customers are obligated to notify, on a prospective basis if possible, the Experimental Power Curtailment Program Administrator of any substantive changes in their electric load patterns.

Customers will be provided access to an Internet site that will be password protected to allow participation in the Program. When the Company chooses to activate a Program opportunity, Customers will be notified that the Internet site is open for Program participation to begin. Customers will be able to access the Internet site to view the APX Ohio-Hub Market power exchange prices and the open buy/sell offers. By responding to this Internet site, each Customer may choose to offer to curtail its load on an hourly basis or day-ahead basis, while the Program is designated open by the Company, in exchange for earning rate credits. The minimum time frame a Customer may offer to curtail is four successive one-hour periods (hourly market).

There exist two pricing options from which a Customer may select when offering to curtail and earn rate credits from the Company: Market or Limit. Market refers to an offer to the Company to curtail at the level of an existing bid on the posted exchange market. Limit refers to a limit offer to the Company to curtail that indicates the minimum wholesale market $\rlap/e/k$ Wh price at which the Customer is willing to curtail during a given hour.

Once the Customer has selected the pricing option (Market or Limit) to utilize, a pricing designation and Load Schedule are compiled and submitted on the Internet site by the Customer indicating the amount of load the Customer is willing to curtail in each given hour of the designated Program opportunity period. Up to the point that an offer to curtail is accepted by the Company, the Customer has the option of modifying the proposed offer or withdrawing it. However, once the pending offer is accepted by the Company, the Customer is committed to the Company to curtail the amount of contracted load for the contracted time period.

When a Customer's Market or Limit offer is contracted (as displayed on the Customer Internet site), the Customer will receive a Company rate credit equivalent to 70% of the contracted exchange market price.

A Customer may elect to curtail load in either the hourly market or the day-ahead market. A Customer may not participate in both markets during any given hour with the same load. The hourly loads being submitted to be curtailed may vary within a minimum of 4 hours and maximum of 168 hours, however the load entered must be a minimum of 500 kW each hour. Curtailment offers may only be partially accepted by the Company, such as when only hours 1 through 4 of offered hours 1 through 8 are actually contracted, or when only 2,000 kW of 4,000 kW offered are actually contracted. A customer may alternatively designate a curtailment offer of at least four successive one-hour periods which may be only fully accepted by the Company. Rate credits will only be provided to Participating customers based upon the price and amount of power actually contracted in the APX market in response to a customer's curtailment.

Load that the Customer offers to curtail in the day-ahead market must be scheduled by the Customer for 16 consecutive on-peak hours (7:00am - 11:00pm) for the following day. One price will be provided for all 16 hours.

The Company has no obligation to fulfill or accept Customer offers to curtail, or to provide rate credits if no offer to curtail is contracted.

The rate credits available to Customers will be based on non firm wholesale commodity products available from the Automated Power Exchange, Inc. at its APX Ohio-Hub Market. The Company reserves the right to further limit the commodity products available to determine rate credits for Interruptible Customers.

Additional Interruptible Load Conditions

Customers will be permitted to participate in the Program using interruptible load, except during economic or emergency interruptions. Participation in the Program and service under this tariff do not relieve a Customer from fulfilling its obligations under an existing special contract or tariff.

If economic or emergency interruptions are initiated at the sole discretion of the Company, rate credits will not be applied during the entire period of the interruptions. Rate credits will be applied for hours contracted for curtailment that precede an economic or emergency interruption and for hours contracted for curtailment that are subsequent to an economic or emergency interruption as if no interruptions were initiated.

If an interruptible customer has established a Curtailment Avoidance Opportunity (see below) for all or part of a curtailed load at 100% market price, and an interruption is initiated during all or part of those hours, all Customer rate credits for curtailed power will not be applied.

During Economic or Emergency interruptions, the Customer will be required to comply with the requirements of their respective tariffs or contract.

Curtailment Avoidance Opportunities:

After having a curtailment offer contracted, a Customer will have the opportunity to avoid such curtailments without penalty up to 2 hours before the actual time the curtailment was scheduled to begin. A Customer may accomplish this by employing either of two pricing options: Market or Limit. The Market option refers to an offer by the Customer to avoid a contracted curtailment by paying a fee equivalent to 100% of an existing offer to sell power on the posted exchange market. The Limit option refers to an offer by the Customer to avoid a contracted curtailment by paying a fee equivalent to 100% of a maximum wholesale market \$\phi/k\Wh \text{ price during the given hours.}

Up to the point that an offer to avoid a contracted curtailment is accepted by the Company, the Customer has the option of modifying the proposed offer or withdrawing it. However, once the pending contract avoidance offer is accepted by the Company, the Customer is no longer committed to the Company to curtail the amount of previously contracted load to the extent the new curtailment avoidance contract offsets the previous contracted curtailment. If a Customer elects not to execute a curtailment avoidance opportunity, or if all or a portion of a contract avoidance offer is not contracted, the Customer must curtail to the net remaining contracted curtailment level or load curtailment compliance charges, as described below, will be imposed.

Load Curtailment Billing:

A Customer's monthly bill will reflect total metered usage plus any contracted curtailment usage calculated under tariffs acceptable to the Company or Special Contract Customers who take either firm or interruptible service, whichever is applicable, less contracted curtailment credits. For purposes of billing under the respective tariff or contract, the billing demand will be set in accord with applicable tariff or contract. The load curtailed under this tariff will not be added to the monthly billing demand. The bill will also reflect all rate credits earned from contracted curtailments, all curtailment avoidance fees, and all load curtailment compliance charges as described below.

Charges and rate credits resulting from participation in a Program opportunity may be reflected in a future month's bill.

Generation Participation:

Customers that own back-up generation may participate in the Program. The Customer, at its cost, shall install and maintain the appropriate control and protective equipment, as required by the Company, to ensure that such generating equipment does not threaten the Company's system or personnel. All fuel consumed by the generation equipment is the sole responsibility of, and paid for by, the Customer. Maintenance and care of the generating equipment will be the sole responsibility of the Customer to ensure its operation when the Customer contracts for participation in the Program, Failure of the Customer's generator does not relieve the Customer from having to meet the contracted curtailment obligation on the Company's system once the Customer's offer is contracted.

Load Curtailment Compliance Charges:

At the end of the monthly billing period, the Customer's hourly actual measured load will be compared to its CBL less contracted curtailments by hour ("Scheduled Load"). During each hour that the Customer's actual measured load is above the Scheduled Load, a Load Curtailment Compliance Charge will be billed to the Customer. The Load Curtailment Compliance charge will be equal to the greater of 110% of the highest cost of power purchased by the Company during such hour or 110% of the APX hourly closing market price (APX Ohio-Hub Market), whichever is greater. Such charges will be imposed in increments of 1 kW on a per kW basis.

Scheduled & Non-Scheduled Outages:

Customers are not permitted to offer load curtailments for rate credits under this Program during periods of either scheduled or unscheduled Customer outages that are not taken in response to this Program (e.g. retooling, staff vacation, labor strike, plant shutdown, damaged plant, force majeure, etc.). Customers participating in this Program are obligated to notify the Experimental Power Curtailment Program Administrator prior to or as soon as possible after experiencing such an outage. No rate credit shall be provided should the Company determine that a Customer's curtailment was due to circumstances other than a response to this Program.

Terms and Conditions:

Except as provided in this rate schedule, all terms, conditions, rates, and charges outlined in the Customer's existing rate tariff or special contract will continue to apply. Participation in the Experimental Power Curtailment Program will not affect the Customer's obligations for electric service under the existing rate tariff/contract. Except as expressly provided in this rate schedule, participation in the Experimental Power Curtailment Program is mutually exclusive to any other retail program the Company offers.

Service hereunder provided will be furnished in accordance with a written contract for a term of not less than 1 year. Such contract will contain the CBL amount which will be derived by the Company from a historical load profile to determine the amount of load from which the Customer may curtail to participate in this Program.

The Company reserves the right to remove Customers from further participation in this experimental tariff should they be suspected of violating any tariff provision or attempting to utilize this Program in a manner inconsistent with the Company's intent for the Experimental Power Curtailment Program.

Further, in consideration of this tariff, the Customer agrees that any failure to meet normal payment deadlines for the Company's electric service provided, may result in the withholding of the rate credit until the past due amount for electric service is paid in full, in addition to other remedies available to the Company.

The supplying and billing for service and all conditions applying thereto, are subject to the jurisdiction of the Public Utilities Commission of Ohio, and to the Company's Standard Rules and Regulations currently in effect and as amended, as filed with the Public Utilities Commission of Ohio.

Taxes:

All additional Federal or State taxes arising under this tariff for all load curtailed or any avoidance of curtailments under this Program shall be borne by the Customer.