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FILE

BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of FirstEnergy)
Corp. on behalf of Ohio Edison Company the) Case No. 02-2877-EL-UNC
Cleveland Electric Illuminating Company and)
the Toledo Edison Company for Approval of)
Tariff Adjustments.)

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REPLY OF AMERICAN GREETINGS CORP
TO FIRSTENERGY'S MEMORANDUM CONTRA

On January 2, FirstEnergy Corporation (FE) filed a Memorandum Contra American Greetings Corporation's (American Greetings) Application for Rehearing with respect to the denial of American Greetings' intervention. The gist of FE's Reply is that they have properly calculated the shopping credit in accordance with the Public Utilities Commission of Ohio's (Commission or PUCO) Entry dated December 5, 2002, and therefore American Greetings' intervention should be denied. As shall be discussed below, American Greetings does not concur that the new shopping credits filed by FE on December 13, 2002, comply with the Commission's Entry.

FE begins by explaining that it multiplied the market support generation (MSG) price for 2003 by 1.15 to reflect the appropriate shopping credit, producing an overall industrial class average of \$.03218 per kwh. *FE Memorandum Contra*, p. 2. It then allocated the \$.03218 per kwh over the energy and demand blocks contained in the industrial rate classes. *Id.* The problem is that "...all components were adjusted based upon actual sales figures from two years prior." *Id.* As the marketers point out in their

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January 9, 2003 Joint Motion for Limited Intervention, FE conducted a second iteration whereby it reallocated rates so that the weighted average dollars using 2001 actual sales matched a "revenue target." *Joint Motion, p.5*. Clearly, this is unlawful and without authority. There is nothing in the Stipulation in the ETP case that supports matching the rates to a revenue target. In fact, the Stipulation is very straightforward as to the mechanism and includes two attachments that are to be used for determining the appropriate shopping credit. FE can not now, on its own, alter the Commission-approved settlement by inventing new constructs to achieve an outcome that is diametrically opposed to the plain language and intended outcome. As can be seen, doing so *decreases* the shopping credit when in fact, it should logically have *increased*.

In light of these problems, FirstEnergy's tariffs should not be approved as filed. The Commission premised its denial of American Greetings' intervention on the assumption that FE would comply with its Order in filing subsequent tariffs. Clearly, it did not and therefore, American Greetings continues to have a real and substantial interest in this proceeding which is not represented by any other party. American Greetings urges the Commission to reject FE's tariff filing and require FE to file tariffs that comply with the requirements of the Stipulation and excludes the second iteration described above.

WHEREFORE, American Greetings respectfully requests that the Commission grant its Application for Rehearing and require FirstEnergy to comply with the terms of the Stipulation.

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Respectfully submitted,




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ATTORNEYS FOR AMERICAN
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CERTIFICATION OF SERVICE

I hereby certify that a copy of the foregoing has been served by first-class mail,
postage prepaid, the 13th day of January, 2003.



Janine L. Migden

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