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BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

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In the Matter of the Complaints of S.G. )  
Foods, Inc., et al.; Miles Management Corp., )  
et al.; Allianz US Global Risk Insurance )  
Company, et al.; Lexington Insurance )  
Company, et al.; and BMW Pizza, Inc. and )  
DPNY, Inc., et al., )

Complainants, )

Case Nos. 04-28-EL-CSS  
05-803-EL-CSS  
05-1011-EL-CSS  
05-1012-EL-CSS  
05-1014-EL-CSS

v. )

The Cleveland Electric Illuminating )  
Company, Ohio Edison Company, )  
Toledo Edison Company, and )  
American Transmission Systems, Inc. )

Respondents. )

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Technician *[Signature]* Date Processed 10-10-06

**ANSWER OF AMERICAN TRANSMISSION SYSTEMS, INC.  
AND THE CLEVELAND ELECTRIC ILLUMINATING COMPANY  
TO THIRD AMENDED COMPLAINT  
OF MILES MANAGEMENT CORP., ET AL.**

Respondents American Transmission Systems, Inc. ("ATSI") and The Cleveland Electric Illuminating Co. ("CEI"), (collectively, "FirstEnergy Respondents"), for their Answer to the Third Amended Complaint of Miles Management Corp., et al. ("Miles Management Third Amended Complaint"), respond as follows:

**FIRST DEFENSE**

1. Deny that Complainants were customers of CEI or ATSI. The FirstEnergy Respondents otherwise deny the allegations contained in paragraph 1 of the Miles

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Management Third Amended Complaint for lack of knowledge or information sufficient to form a belief as to the truth thereof.

2. Admit that ATSI is an Ohio corporation, that it is a subsidiary of FirstEnergy Corp., and that it provides wholesale electrical transmission service in certain portions of Ohio; and deny the remaining allegations contained in paragraph 2 of the Miles Management Third Amended Complaint.

3. Admit that CEI is an Ohio corporation with a principal place of business in Cuyahoga County, Ohio and that CEI provides electric distribution service to customers in certain portions of Cuyahoga County, Ohio; and deny the remaining allegations contained in paragraph 3 of the Miles Management Third Amended Complaint.

4. Aver that because Cleveland Public Power ("CPP") has been dismissed from this case, FirstEnergy Respondents are not required to admit or deny any allegations in the Third Amended Complaint relating to CPP.

5. Admit that ATSI provides wholesale electrical transmission service in certain portions of Ohio; and that CEI provides electrical distribution service in certain portions of Ohio; and deny the remaining allegations contained in paragraph 5 of the Miles Management Third Amended Complaint. FirstEnergy Respondents aver that because Miles Management Corp. ("Miles Management") has been dismissed from this case, FirstEnergy Respondents are not required to admit or deny any allegations in the Third Amended Complaint relating to Miles Management.

6. Admit that, attached as Exhibit A to the original, First and Second Amended Complaints, is a document labeled as an "Interim Report" from an ad hoc created entity that became known as the U.S.-Canadian Power System Outage Task Force; aver that this document is inadmissible as evidence at any hearing in this matter; and deny the remaining allegations contained in paragraph 6 of the Miles Management Third Amended Complaint.

7. Deny the allegations contained in paragraph 7 of the Miles Management Third Amended Complaint as they relate to the FirstEnergy Respondents.

8. Deny the allegations contained in paragraph 8 of the Miles Management Third Amended Complaint as they relate to the FirstEnergy Respondents.

9. Deny the allegations contained in paragraph 9 of the Miles Management Third Amended Complaint as they relate to the FirstEnergy Respondents.

10. In response to paragraph 10 of the Miles Management Third Amended Complaint, FirstEnergy Respondents incorporate their responses to paragraphs 1 through 9 of this Answer.

11. Deny the allegations contained in paragraph 11 of the Miles Management Third Amended Complaint as they relate to the FirstEnergy Respondents.

12. Deny the allegations contained in paragraph 12 of the Miles Management Third Amended Complaint as they relate to the FirstEnergy Respondents.

13. Deny the allegations contained in paragraph 13 of the Miles Management Third Amended Complaint as they relate to the FirstEnergy Respondents.

14. Deny the allegations contained in paragraph 14 of the Miles Management Third Amended Complaint as they relate to the FirstEnergy Respondents.

15. Deny the allegations contained in paragraph 15 of the Miles Management Third Amended Complaint as they relate to the FirstEnergy Respondents.

16. Deny the allegations contained in paragraph 16 of the Miles Management Third Amended Complaint as they relate to the FirstEnergy Respondents.

17. In response to paragraph 17 of the Miles Management Third Amended Complaint, Respondents incorporate their responses to paragraphs 1 through 16 of this Answer.

18. Admit that ATSI and CEI are required to observe certain statutory and regulatory duties; deny the remaining allegations contained in paragraph 18 of the Miles Management Third Amended Complaint as they relate to the FirstEnergy Respondents.

19. Deny the allegations contained in paragraph 19 of the Miles Management Third Amended Complaint as they relate to the FirstEnergy Respondents.

20. Deny the allegations contained in paragraph 20 of the Miles Management Third Amended Complaint as they relate to the FirstEnergy Respondents.

21. Deny the allegations contained in paragraph 21 of the Miles Management Third Amended Complaint as they relate to the FirstEnergy Respondents.

22. Deny any and all allegations contained in the Miles Management Third Amended Complaint not expressly admitted in this Answer.

SECOND DEFENSE

23. The Miles Management Third Amended Complaint fails to state a claim for which relief may be granted.

THIRD DEFENSE

24. Respondents ATSI and CEI at all times complied with all applicable statutes, regulations, industry standards, reliability guidelines and tariffs.

FOURTH DEFENSE

25. The Commission lacks jurisdiction or authority to award certain types of relief requested in the Miles Management Third Amended Complaint; *inter alia*, to award legal fees, expenses, and prejudgment interest or attorneys fees.

FIFTH DEFENSE

26. The electrical outage of August 14, 2003 arose from the acts and omissions of third parties over whom the FirstEnergy Respondents lacked any control or right of control.

SIXTH DEFENSE

27. To the extent any act or omission of ATSI or CEI contributed to the electrical outage of August 14, 2003, which is expressly denied, such act or omission does not violate any duty that ATSI or CEI allegedly had to any Complainant.

SEVENTH DEFENSE

28. To the extent that ATSI or CEI violated any applicable statute, regulation, industry standard, reliability guideline or tariff provision, which is expressly denied,

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such a violation was not the proximate cause of any damage or injury alleged by Complainants.

**EIGHTH DEFENSE**

29. Complainants' claims and/or damages are barred in whole or in part by the provisions of applicable tariffs.

**NINTH DEFENSE**

30. Respondent ATSI owed no legal duty to Complainants.

**TENTH DEFENSE**

31. Complainants lack standing to bring the Complaint.

**ELEVENTH DEFENSE**

32. ATSI and CEI owed no legal duty to Complainants who were not its customers.

**TWELFTH DEFENSE**

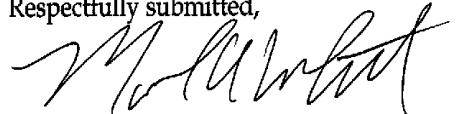
33. To the extent Complainants did not sustain property damage or personal injury as a result of the electrical outage of August 14, 2003, Complainants' claims are barred by the economic loss rule.

**THIRTEENTH DEFENSE**

34. Some or all of Complainants' claims are limited or barred due to Complainants' failure to mitigate damages.

WHEREFORE, FirstEnergy Respondents respectfully request that this matter be dismissed with prejudice and that they be given such other relief that the law, equity and justice require.

Respectfully submitted,



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INC. and THE CLEVELAND ELECTRIC  
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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Respondents' Answer to Third Amended Complaint of Miles Management Corp., et al. was mailed by ordinary U.S. mail to the following persons this 6th day of October, 2006.

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