



## Firestone Energy

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Ohio Edison Company

To the Public Utility Commission of Ohio Alan Schriber, Chairman 614-466-7366 Re: Complaint and Comment

Casi No. 00-362-86-05

On November 30, 1999 the PUCO filed ORDER 99-1141-EL-ORD regarding Electric Transition Plans. In Article 4901:1-20-16(A) of the filing, the PUCO states: "Compliance with Paragraph (G)(4) of this rule shall begin immediately." I am filing this complaint under the cited paragraph.

As you are aware, paragraph (G) (4) describes, among others, the "Structural Safeguards," "Separate Accounting," "Code of Conduct" and a "Complaint Procedure" in order to insure that any regulated electrical utility does not exercise it's monopolistic market power, and that, in (G) (4)(i)(iv), "The electric utility shall strictly follow all tariff provisions."

Section 4905.30 of the Ohio Revised Code states that: "Every public utility shall print and file with the public utilities commission schedules showing all rates, joint rates, rentals, tolls, classifications, and charges for service of every kind furnished by it, and all rules and regulations affecting them."

Firestone Electric is an electrical contracting company incorporated under Ohio law as Salem Electric, Inc. We perform electrical contracting service in Ohio and other states, and have done so for over fifty years.

The FirstEnergy Companies have violated Ohio law, and continue to violate the law and the recent **OR-DER** of the PUCO, namely 99-1141-EL-ORD dated November 30, 1999. Ohio Edison, a FirstEnergy Company, has utilized employees in their regulated business to offer business services and electrical contracting services in direct violation of (G)(4) of the referenced **ORDER** and, by reference, section 4905.30 of the Ohio Revised Code.

I am attaching documents dated January 14, 2000 from FirstEnergy stating that Ohio Edison is offering electrical contracting work to a customer. For confidentiality, I have deleted the customer name. The electrical contracting work Ohio Edison is offering is far more extensive than providing electrical service to a facility. The work Ohio Edison is attempting to provide is well within the capability of electrical contractors, and comprise normal work for electrical contractors. Ohio Edison, a regulated, guaranteed profit public utility, is competing with private unregulated companies in Ohio, in direct violation of the Ohio Revised Code and PUCO orders.

I have extensively researched the tariffs filed by Ohio Edison and cannot locate any which has received PUCO approval to provide electrical contracting services to any end customer.



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## **Firestone Energy**

FIRESTONE ENERGY, INC.
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Because there are no PUCO approved electrical contracting tariffs on file, and the January 14, 2000 Ohio Edison and FirstEnergy customer proposal is subsequent to the ORDER, FirstEnergy and Ohio Edison are egregiously violating Ohio law, and they are acting in reckless defiance of PUCO's November 30, 1999 order, which states that paragraph (G)(4) of the order is to "begin immediately."

FirstEnergy has shown complete disregard for the PUCO Order, and has apparently instructed it's personnel to ignore both the Ohio Revised Code and PUCO orders, and, in doing so, has severely damaged electrical contractors throughout Ohio. FirstEnergy's action in this instance is not unique. It is their intent and pattern. It is their business model.

I am requesting that the PUCO instruct FirstEnergy to cease and desist from offering electrical contracting work to customers, determine the extent of which electrical contracting work has been performed in violation of 4905.30 in the past, and reimburse the electrical contractors of Ohio for all contracting work performed by FirstEnergy.

In regard to the Transition Plan filed by FirstEnergy on December 22, 1999, I submit that contrary to the direct testimony of Michael S. Hyrnick presented on page 6 of the section "Corporate Separation Code of Conduct" which states, in part, "FirstEnergy's corporate separation plan both complements and supplements the Code to assure compliance with the requirements of S.B.3," FirstEnergy is attempting to utilize its monopolistic market power and is subsidizing plant studies in order to take business away from electrical contractors in direct violation of Ohio law.

FirstEnergy's actions speak louder than its words, and it's clear violation of ORDER 99-1141-EL-ORD six weeks after the order became effective provides ample proof that FirstEnergy has every intention of utilizing its monopolistic market power in the face of and in spite of laws and regulations which are designed to prevent such abuse. Because of this, I am requesting that the PUCO reject FirstEnergy's corporate separation plan and require FirstEnergy to physically separate it's regulated and unregulated businesses via separate boards of directors, separate people, offices and plant facilities, separate tools, separate trucks, separate organizational charts etc. Additionally, I am requesting that the PUCO order FirstEnergy to draft a new Corporate Separation Plan which mandates that FirstEnergy divest itself of all non-regulated affiliates which were purchased by FirstEnergy on the basis of the strength of FirstEnergy's balance sheet, borrowing power, stock, or other financial collateralization, and revert back to ratepayers any profits derived from such activities. Given it's behavior, it is clear that FirstEnergy's intent is to utilize its monopolistic market power in spite of the PUCO, and I respectfully request that the PUCO respond as suggested.

Sincerely.

Joseph J. Korff, ČEO

Firestone Energy

attachments





### **FirstEnergy**

Thank you for the opportunity to quote the upgrade to your electrical infrastructure. We are pleased to offer you a turnkey solution to keep in stride with your growing electrical requirements.

Based on our power quality survey, site inspections by our substation supervisor and contracting coordinator, and knowledge of your loading conditions at present and going forward, we have identified a three part proposal to both increase your electrical capacity and satisfy the local and national electric codes.

The first section of the bid replaces the existing 15kV to 2.3kV substation which is located adjacent to the parking lot. The new substation will implement your 3000 kVA transformer thus allowing be fed from the a new 23kV transmission system. By owning the substation and being feed from this 23kV transmission feed you will enjoy approximately a 5% reduction to your bill.

The second section of the bid provides a new distribution line to the internal transformer area, a 2.3kV switchgear assembly, all of the reconductoring required, removal of all unused equipment, a new 1500 kVA transformer and an new motor control center to feed the 480 volt system. The entire system is made ready for not only the induction system presently on order but also includes all required breakers and associated equipment for the next induction heater of equal size.

#### Note: The 2.3kV switchgear is required to meet code.

The third section of the bid removes the outdoor 120 volt transformer and moves it indoors. All of the associated switchgear and cabling is included.

The project will not only upgrade the capacity to electrical system it will also bring the entire electrical delivery system up to code.

We will require two or three short outages the final outage will be approximately eight hours on a Saturday, the other outages will be of short duration one to two hours and be on a Saturday as well.

The turnkey system we are offering provides a complete and working system which will be full tested and proven operational upon project completion.

Please contact me with any questions or comments at 440-994-8327.

Jerry Bellitt

**FirstEnergy** 

January 14, 2000

Proposal: Revision #1 c/o Mr. Install 23 KV Substation and Rebuild Internal 2400V System

Quoted by: Jerry Bellitt

FirstEnergy 100 Federal Plaza East

Youngstown, Ohio 44503 Phone: (330) 740-7724

Fax: (330) 740-7739

Ohio Edison is pleased to offer its services to furnish labor, tools, materials, facilities and transportation to perform the following construction:

#### ITEM I - 23000 to 2400V Substation

- Replace and remove 3 500 kVA Ohio Edison single-phase transformers with 1 3000 kVA three-phase transformer (to be supplied by the customer), and provide all connections.
- 2. Install 3 333 kVA, 437 amp voltage regulators, with regulator bypass switches.
- 3. Install necessary transformer high-side fuse holders and fusing.
- 4. Install high-side gang operated switching.
- 5. Install 1 1200 amp breaker on the secondary side of the 3000 kVA transformer.
- Install wood pole substation structure, busswork, high-side arresters, and necessary insulators.
- 7. Install 1 9' x 12' precast transformer pad, 1 4' x 8' precast breaker pad, and 1 precast voltage regulator pad.
- 8. Perform grading, install approximately 60 cubic yards of stone and 290 feet of fencing.
- 9. Revenue metering as required.
- 10. Provide testing and startup of rebuilt substation facility.
- 11. Replace # 4/0 copper (open wire), overhead conductors with 2 # 500 MCM armored cable conductors from the substation to 2400 Volt secondary switchgear.

#### ITEM II - 2400 to 480V System

- Install a new 2400 volt switchgear complete with fused feeders. The switchgear incorporates a main 800A fused disconnect internally bussed via a 1200 amp network to eight fused disconnect feeders. The feeders consist of:
  - A. One (1) 300 amp fused disconnect for existing 1000 kVA transformer.
  - B. One (1) 400 amp fused disconnect for new 1500 kVA transformer.
  - C. One (1) 400 amp fused disconnect for three (3) 350 HP air compressor motor control centers.
  - D. One (1) 125 amp fused disconnect for one (1) 350 HP combination starter.
  - E. Three (3) 80 amp fused disconnects for two existing 50 kVA 2300 to 120 volt transformers, one (1) new 50 kVA 2300 to 120 volt transformer.
  - F. One (1) 200 amp spare fused disconnect.

Dimensions - 288" wide X 36" deep X 94" high

- Install 1 1500 kVA padmount transformer, 2400 to 480V delta (re-use existing 1000 kVA, 2400 to 480V transformer).
- 3. Remove old 2400 Volt feed, pole, and overhead facilities from the substation to the pole location.
- 4. Tie in 2400 Volt feeds from the 1000 and 1500 kVA transformers into the new 2400 Volt switchgear.
- Remove 3 167 kVA single-phase 480V transformers, and rewire secondary to the new 1500 kVA padmont transformer.
- Remove 1 50 kVA, 120V transformer. Dispose of transformers according to EPA regulations.
- 7. Install a new 480 volt motor control center (MCC) for distribution of feeds from new 1500 kVA transformer. The MCC contains a main breaker rated at 2000 amps, 480V. The MCC will be internally bused and incorporate four breakers and four spare spaces for the following 480V loads:
  - A. One (1) 300 amp three-phase breaker supplying the capacitor bank.
  - B. One (1) 400 amp three-phase breaker supplying the transfer switch.
  - C. One (1) 400 amp three-phase breaker supplying the new induction system.
  - D. One (1) 400 amp three-phase breaker to supply future induction heater.
  - E. Four (4) 400 amp three-phase spare locations for future growth.
- 8. Re-use existing switchgear on 1000 kVA transformer.

#### ITEM III - 2400 to 120V System

- 1. Install 1 dry type 120 Volt 50 kVA transformer and completely rewire the secondary.
- 2. Tie in 2400 Volt feed into the 2 existing dry type transformers and into the new dry type transformer, ( fed from the 2400 Volt switchgear ).
- 3. Reconnect 2400 Volt feeds from starters to new 2400 Volt switchgear.



FIRESTONE ENERGY, INC.

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# Firestone Energy Firestone Electric

February 7, 2000

Mr. Alan Schriber, Chairman

Ms. Ronda Hartman Fergus

Ms. Judith A. Jones

Mr. Craig A Glazer

Mr. Donald L. Mason

Public Utilities Commission of Ohio

Via Fax and Certified Mail

Commissioners,

On January 26, 2000 Firestone Electric entered a comment regarding the Electric Transition Plan submitted by FirstEnergy, and a complaint under PUCO order 99-1141-EL-ORD.

At the time we entered the complaint, we were not aware that the PUCO filed an ENTRY regarding 99-1141-EL-ORD on January 20, 2000, and a SECOND ENTRY on January 27, 2000. Kindly place Firestone Electric on your list of interested parties so that we will be on the distribution for the documentation surrounding this matter.

In the SECOND ENTRY, you discuss corporate separation rules. In your discussion, you oppose the delays requested by FirstEnergy and AEP, and reiterate the need for Electric Utilities to immediately implement (G) (4) of 99-1141-EL-ORD. You also use the word "gaming" in your reasoning for the need for (G)(4) to begin, as you fear that by not having (G)(4) begin immediately, the utilities will utilize such "gaming" to the detriment of the competitive market.

I reiterate both my complaint and comment of January 26, 2000, and testify that such "gaming" has already begun in regard to illegal electrical contracting performed in the past and proposed in the future by FirstEnergy. Please be clear in you orders, and directly prohibit the Utilities from quoting on and/or performing electrical contracting work.

There are many electrical contractors in this state who have pledged their homes and retirement funds as collateral for their businesses. Having a guaranteed profit public utility as a competitor is a game rigged against us. You are the referee. Please referee from where the game is played.

In our opinion, there should be yellow flags all over the field.

Joseph Korff Firestone Electric



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