FirstEnergy’s Electric Security Plan

Senate Bill 221 and Ohio’s electric market
In 2007, the Ohio General Assembly passed Senate Bill 221 to keep electric rates stable, create jobs and expand Ohio’s green energy industry. The new law took effect in 2008 incorporating a system under which rates would be set by the Public Utilities Commission of Ohio (PUCO) beginning Jan. 1, 2009 and outlining a path for electric utilities to implement market-based pricing.

FirstEnergy’s Electric Security Plan
FirstEnergy’s current electric security plan, or ESP, is in effect from June 2011 through May 2014. Under the current ESP, generation rates are determined through a competitive bid process. The competitive bid process is conducted by an independent bid manager each October and January through 2013. FirstEnergy’s base distribution rates will remain frozen through May 2014.

What did FirstEnergy request in its new ESP application
On April 13, 2012, FirstEnergy filed an agreement with a wide range of stakeholders to extend the current ESP through May 2016. Generation prices would continue to be set by the competitive bidding process, but the bids scheduled to occur in October 2012 and January 2013 will be for a three-year period, rather than a one-year period.

Additional Details

- FirstEnergy will commit $2 million to support economic development and job retention activities within its service territories.
- Auto manufacturing facilities that used more than 45 million kilowatt hours (kWh) of electricity annually, at a single site, in 2009 will be eligible to receive discounted rates on additional kWh usage.
- FirstEnergy will establish a fuel fund of $4 million in each calendar year in 2015 and 2016 that will assist low income customers in paying their bills. FirstEnergy will also provide a fuel fund of $500,000 for Ohio Partners for Affordable Energy each calendar year in 2015 and 2016, also for low income customers.
- FirstEnergy will receive cost recovery for deployment of its smart grid program. All costs associated with the project will be recovered over a 10-year period.
- FirstEnergy will meet its renewable energy resource requirements during the term of the ESP by obtaining renewable energy credits (RECs) through a request for proposal process, with a specific requirement for solar RECs through four 10-year contracts.
- The Delivery Capital Recovery Rider (DCR) will continue to be in place as a mechanism to encourage investment in the delivery system in order to enhance service reliability in lieu of a distribution rate case.

Updated May 30, 2012
The PUCO has established a schedule to consider FirstEnergy’s ESP application

- April 26, 2012: The PUCO hosted a technical conference to help customers and stakeholders better understand FirstEnergy’s application.
- April 30, 2012: Motions to intervene were due.
- May 21, 2012: Testimony was due from non-signatory parties.
- June 4, 2012: An evidentiary hearing is scheduled to begin at 10 a.m. at the PUCO offices, 180 E. Broad St., Columbus, Hearing Room 11-C.

How can I make my voice heard?

Three local public hearings have been scheduled to provide customers an opportunity to testify:

- Akron
  June 4, 2012 at 6 p.m.
  Oliver R. Ocasek Government Center
  161 South High Street
- Toledo
  June 7, 2012 at 6 p.m.
  Michael V. Disalle Government Center
  County Commissioners Hearing Room, 1st Floor
  640 Jackson Street
- Cleveland
  June 12, 2012 at 6 p.m.
  Cleveland City Hall
  Council Chambers, Room 216
  601 Lakeside Avenue

Customers may also comment online at www.PUCO.ohio.gov or in writing by addressing letters with case number 12-1230-EL-SSO in the subject line to:

PUCO
Attn: Docketing Division
180 E. Broad Street
Columbus, OH 43215

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