

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the 2014 Review of)
the Non-Market-Based Services Rider)
Contained in the Tariffs of Ohio Edison) Case No. 14-542-EL-RDR
Company, The Cleveland Electric)
Illuminating Company, and The Toledo)
Edison Company.)

FINDING AND ORDER

The Commission finds:

- (1) Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company (collectively, FirstEnergy) are public utilities as defined in R.C. 4905.02, and, as such, are subject to the jurisdiction of this Commission.
- (2) On May 1, 2014, FirstEnergy filed applications and tariff pages reflecting revisions to the Non-Market-Based Services Rider (NMB Rider) in order to comply with the Commission's order in FirstEnergy's electric security plan. *In re Ohio Edison Co., et al.*, Case No. 12-1230-EL-SSO, Opinion and Order (July 18, 2012). On June 11, 2014, the Commission issued a Finding and Order approving FirstEnergy's application, subject to the modifications set forth therein.
- (3) On December 31, 2014, the Federal Energy Regulatory Commission (FERC) accepted an application by American Transmission System, Inc. (ATSI), to modify its Network Integration Transmission Service (NITS) formula rates to be based upon a forward-looking test year beginning January 1, 2015. *PJM Interconnection, L.L.C., et al.*, 149 FERC ¶ 61,292 (2014). In addition, FERC issued a decision on September 8, 2014, ordering a modification to ATSI's formula rate calculation to eliminate ATSI's voltage-differentiated rates. *Buckeye Power, Inc. v. Am. Transm. Sys., Inc.*, 148 FERC ¶ 61,174 (2014).

- (4) In response to these decisions, on January 9, 2015, FirstEnergy filed an interim update to its NMB Rider to be effective February 1, 2015 through June 30, 2015.
- (5) Thereafter, on January 15, 2015, Staff filed its review and recommendations regarding FirstEnergy's interim update. Staff states that, when the existing rates were approved on June 11, 2014, the significant increase in NITS costs was not anticipated. Moreover, Staff claims that, if the current rates are left unadjusted, FirstEnergy will experience a significant under-recovery of costs from January 1, 2015 through June 30, 2015. After its review of the interim filings, Staff believes that the proposed interim rate adjustment will help to avoid the significant under recovery of NITS costs that would otherwise occur from January 1, 2015 through June 30, 2015. Therefore, Staff recommends that FirstEnergy's interim update filing in this proceeding be approved for rates effective February 1, 2015.
- (6) The Commission has reviewed FirstEnergy's interim update filing, and Staff's review and recommendations, and finds that the interim update does not appear to be unjust or unreasonable. Therefore, we accept Staff's recommendations and approve the interim update. The Commission notes that all costs/credits included in the NMB Rider may be subject to further adjustments following the audit in the next NMB Rider update filing.

It is, therefore,

ORDERED, That FirstEnergy's interim update filing be approved for rates effective February 1, 2015 through June 30, 2015. It is, further,

ORDERED, That FirstEnergy file, in final form, two complete copies of its tariffs, consistent with this Finding and Order. One copy shall be filed in this case docket, one shall be filed in FirstEnergy's TRF docket. It is, further,

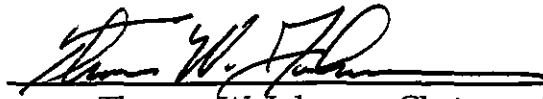
ORDERED, That the effective date of the new tariffs shall be a date not earlier than the first day of the February 2015 billing cycle, and the date upon which four complete printed copies of FirstEnergy's final tariffs are filed with the Commission. The new tariffs shall be effective for bills rendered on or after such effective date. It is, further,

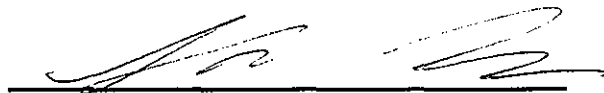
ORDERED, That FirstEnergy shall notify all affected customers via a bill message or bill insert within 30 days of the effective date of the tariffs. A copy of the customer notice shall be submitted to the Commission's Service Monitoring and Enforcement Department, Reliability and Service Analysis Division, at least 10 days prior to its distribution to customers. It is, further,

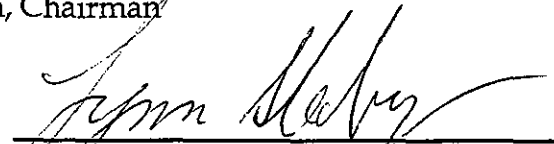
ORDERED, That nothing in this Finding and Order shall be binding upon this Commission in any future proceeding or investigation involving the justness or reasonableness of any rate, charge, rule, or regulation. It is, further,

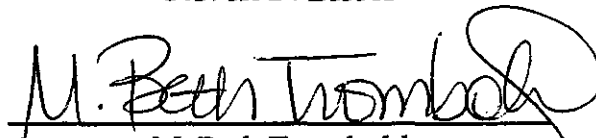
ORDERED, That a copy of this Finding and Order be served upon all parties of record.


THE PUBLIC UTILITIES COMMISSION OF OHIO


Thomas W. Johnson, Chairman


Steven D. Lesser

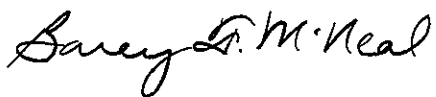

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Secretary