

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the 2016 Review of)
the Non-Market-Based Services Rider)
Contained in the Tariffs of Ohio Edison) Case No. 15-2035-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 or the Companies) are electric distribution utilities as defined in R.C. 4928.01(A)(6) and public utilities as defined in R.C. 4905.02 and, as such, are subject to the jurisdiction of this Commission.
- (2) R.C. 4928.141 provides that an electric distribution utility shall provide customers within its certified territory a standard service offer (SSO) of all competitive retail electric services necessary to maintain essential electric services to customers, including firm supply of electric generation services. The SSO may be either a market rate offer in accordance with R.C. 4928.142 or an electric security plan (ESP) in accordance with R.C. 4928.143.
- (3) On July 18, 2012, the Commission issued an Opinion and Order in *In re Ohio Edison Co., Cleveland Elec. Illum. Co., and Toledo Edison Co. for Auth. to Establish a Std. Serv. Offer Pursuant to Section 4928.143, Revised Code, in the Form of an Elec. Security Plan*, Case No. 12-1230-EL-SSO (ESP III Case), approving a stipulation (Stipulation) filed by various parties. Among other things, the Stipulation required the Companies to file a Non-Market-Based Services Rider (Rider NMB). Rider NMB is a non-bypassable rider designed to recover non-market-based transmission-related costs, such as Network Integration Transmission Service charges, which are charged to the Companies by the Federal Energy Regulatory Commission or PJM Interconnection, LLC.

- (4) Thereafter, in *In re Review of the Non-Market-Based Services Rider Contained in the Tariffs of Ohio Edison Co., Cleveland Elec. Illum. Co., and Toledo Edison Co.*, Case No. 15-648-EL-RDR, Finding and Order (July 1, 2015) (*2015 Rider NMB Case*), the Commission approved FirstEnergy's proposal to better align the Rider NMB recovery period with when the associated expenses are incurred by filing no later than January 15, 2016.
- (5) As required by the *ESP III Case* and the *2015 Rider NMB Case*, on December 15, 2015, the Companies filed an application to update Rider NMB.
- (6) On February 5, 2016, Staff filed its review and recommendations regarding FirstEnergy's report. Staff states that it reviewed the Companies' application and verified that, beginning in July 2015, FirstEnergy applied the cost of long-term debt approved in Case No. 07-551-EL-AIR to calculate the interest on the NMB principal balance. Further, Staff notes that it will audit October 2015 through September 2016 in its next annual audit. Staff concludes that the proposed Rider NMB rates reflect the current and projected costs through February 28, 2017, and recommends that the Commission approve the Companies' application for rates effective March 1, 2016.
- (7) The Commission has reviewed FirstEnergy's application and Staff's review and recommendations, and finds that the application does not appear to be unjust or unreasonable. Therefore, we accept Staff's recommendations and approve the application. The Commission notes that all costs/credits included in Rider NMB may be subject to further adjustments following the audit in the next Rider NMB update filing.

It is, therefore,

ORDERED, That FirstEnergy's filing be approved for rates effective March 1, 2016 through February 28, 2017. 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 and one shall be filed in FirstEnergy's TRF docket. It is, further,

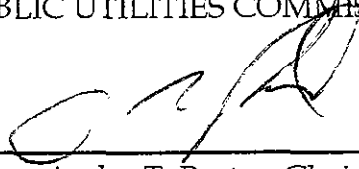
ORDERED, That the effective date of the new tariffs shall be a date not earlier than the first day of the March 2016 billing cycle, and the date upon which two complete printed copies of FirstEnergy's final tariffs are filed with the Commission. The new tariffs shall be effective for services rendered on or after March 1, 2016. It is, further,

ORDERED, That FirstEnergy shall notify all affected customers via 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,

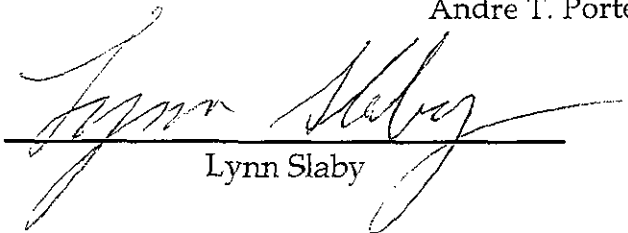
ORDERED, That nothing in this Finding and Order shall be binding upon this Commission in any future proceeding or investigation involving the justness or reasonableness of any rate, charge, rule, or regulation. It is, further,

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

THE PUBLIC UTILITIES COMMISSION OF OHIO



Andre T. Porter, Chairman



Lynn Slaby



M. Beth Trombold



Asim Z. Haque

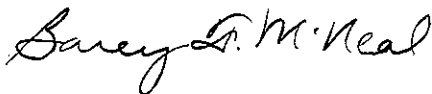


Thomas W. Johnson

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Barcy F. McNeal
Secretary