

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Ohio)
Edison Company, The Cleveland Electric)
Illuminating Company, and The Toledo)
Edison Company for Authority to) Case No. 14-1297-EL-SSO
Provide for a Standard Service Offer)
Pursuant to R.C. 4928.143 in the Form of)
an Electric Security Plan.)

ENTRY ON REHEARING

The Commission finds:

- (1) Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company (collectively, FirstEnergy) 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 August 4, 2014, FirstEnergy filed an application pursuant to R.C. 4928.141 to provide for an SSO to provide generation pricing for the period of June 1, 2016, through May 31, 2019. The application was for an ESP, in accordance with R.C. 4928.143 (*ESP IV*).
- (4) On March 31, 2016, the Commission issued its Opinion and Order in *ESP IV*, approving FirstEnergy's application and stipulations with several modifications (*ESP IV* Opinion and Order).

- (5) R.C. 4903.10 states that any party who has entered an appearance in a Commission proceeding may apply for rehearing with respect to any matters determined in that proceeding, by filing an application within 30 days after the entry of the order upon the journal of the Commission.
- (6) On April 29, 2016, applications for rehearing were filed by the following parties: Sierra Club; Dynegy, Inc. (Dynegy); the PJM Power Providers Group and the Electric Power Supply Association (collectively, P3/EP SA); and the Retail Energy Supply Association (RESA).
- (7) Thereafter, on May 2, 2016, applications for rehearing were filed by the following parties in this proceeding: FirstEnergy; Mid-Atlantic Renewable Energy Coalition (MAREC); Cleveland Municipal School District (Cleveland Schools); The Ohio Schools Council, Ohio School Boards Association, Buckeye Association of School Administrators; and Ohio Association of School Business Officials, dba Power4Schools (Power4Schools); Northeast Ohio Public Energy Council (NOPEC); Environmental Law and Policy Center, Ohio Environmental Council, and Environmental Defense Fund (Environmental Advocates); the Ohio Manufacturer's Association Energy Group (OMAEG); and the Ohio Consumers' Counsel and Northwest Ohio Aggregation Coalition (collectively, OCC/NOAC).
- (8) In its application for rehearing, and as a recommended solution to three of its proffered assignments of error, FirstEnergy proposes a modified calculation for its retail rate stability rider (Rider RRS) as approved in the *ESP IV* Opinion and Order.¹ Additionally, FirstEnergy recommends the following expedited procedural schedule in order for the Commission to consider the proposed modifications to Rider RRS:

¹ Of the eight assignments of error alleged by FirstEnergy in its May 2, 2016, application for rehearing, the following assignments of error would be rendered moot in the event its proposed modifications to Rider RRS are approved: " * * * 6. The Order is unreasonable because it requires the Companies to bear the burden for any capacity performance penalties."; "7. The Order is unreasonable because the Commission prohibited cost recovery for Plant outages greater than 90 days."; and "8. The Order is unreasonable because it does not reflect the ruling by the Federal Energy Regulatory Commission Order issued on April 27, 2016 in Docket Number EL16-34-000."

- (a) Intervenor testimony to be filed by May 9, 2016.
- (b) Hearing to commence on May 11, 2016.
- (c) Oral Arguments held or briefs to be filed by May 16, 2016.

The Companies also request that the Commission issue an order regarding the proposed modifications to Rider RRS by May 25, 2016, in order to allow the Companies to file their Rider RRS tariffs by May 26, 2016, with an effective date of June 1, 2016. In addition to its application for rehearing, FirstEnergy also filed the rehearing testimony of Eileen Mikkelsen supporting the proposed modifications to Rider RRS.

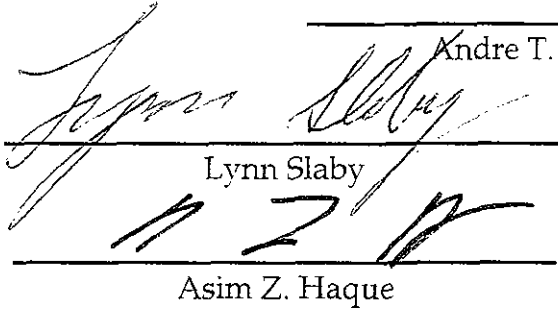
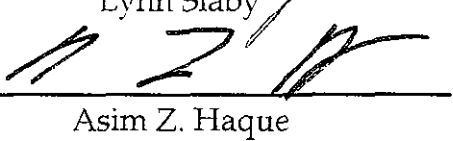
- (9) The Commission notes that memoranda contra the applications for rehearing are due to be filed in this proceeding on May 12, 2016. However, because of the number and complexity of the assignments of error raised in the applications for rehearing, as well as the potential for further evidentiary hearings in this matter, we find that it is appropriate to grant rehearing at this time. This will allow parties to begin discovery in anticipation of potential further hearings.
- (10) Accordingly, the Commission finds that the applications for rehearing filed by the Companies, Sierra Club, P3/EPSC, Dynegy, RESA, MAREC, Cleveland Schools, Power4Schools, NOPEC, Environmental Advocates, OMAEG, and OCC/NOAC should be granted. We believe that sufficient reasons have been set forth by the parties to warrant further consideration of the matters specified in the applications for rehearing.

It is, therefore,

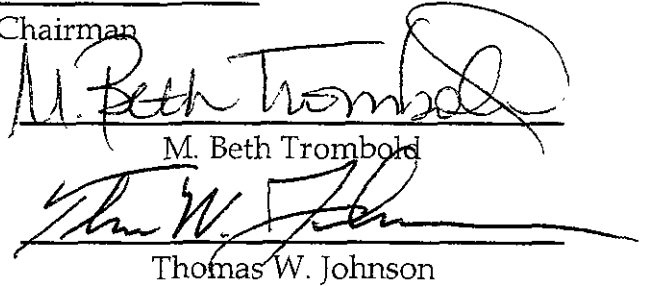
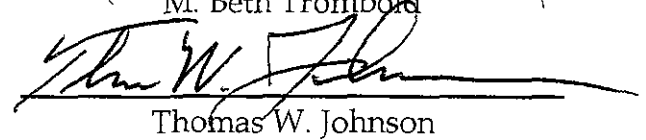
ORDERED, That the applications for rehearing filed by the Companies, Sierra Club, P3/EPSC, Dynegy, RESA, MAREC, Cleveland Schools, Power4Schools, NOPEC, Environmental Advocates, OMAEG, and OCC/NOAC be granted for further consideration of the matters specified in the applications for rehearing. It is, further,

ORDERED, That a copy of this Entry on Rehearing be served upon all parties of record.

THE PUBLIC UTILITIES COMMISSION OF OHIO

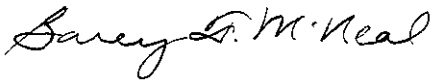

Lynn Slaby

Asim Z. Haque

Andre T. Porter, Chairman


M. Beth Trombold

Thomas W. Johnson

MJA/sc

Entered in the Journal **MAY 11 2016**



Barcy F. McNeal
Secretary