

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 PROVIDE FOR A STANDARD
SERVICE OFFER PURSUANT TO R.C. 4928.143
IN THE FORM OF AN ELECTRIC SECURITY
PLAN.

CASE NO. 14-1297-EL-SSO

IN THE MATTER OF THE REVISED TARIFFS FOR
RIDER GEN OF OHIO EDISON COMPANY, THE
CLEVELAND ELECTRIC ILLUMINATING
COMPANY, AND THE TOLEDO EDISON
COMPANY.

CASE NO. 16-541-EL-RDR

FINDING AND ORDER

Entered in the Journal on May 25, 2016

I. SUMMARY

{¶ 1} In this Finding and Order, the Commission approves the proposed tariffs filed by Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company on May 13, 2016, to become effective June 1, 2016, subject to Staff's recommendations.

II. DISCUSSION

{¶ 2} 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.

{¶ 3} 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.

{¶ 4} On August 4, 2014, in Case No. 14-1297-EL-SSO, 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 is for an ESP, in accordance with R.C. 4928.143.

{¶ 5} On March 31, 2016, the Commission issued its Opinion and Order in Case No. 14-1297-EL-SSO, approving FirstEnergy's application and the stipulations filed in this proceeding with several modifications (Opinion and Order). The Commission directed FirstEnergy to file tariffs consistent with the Opinion and Order by May 1, 2016. Opinion and Order at 99.

{¶ 6} On April 27, 2016, the Federal Energy Regulatory Commission (FERC) issued an order granting a complaint filed by the Electric Power Supply Association, the Retail Energy Supply Association, Dynegy Inc., Eastern Generation, LLC, NRG Power Marketing LLC, and GenOn Energy Management, LLC, and rescinding the waiver of its affiliate power sales restrictions previously granted to FirstEnergy Solutions Corporation. 155 FERC ¶ 61,101 (2016) (FERC Order).

{¶ 7} On April 29, 2016, in Case No. 14-1297-EL-SSO, FirstEnergy filed a motion for an extension of time to file its tariffs in order to fully consider the FERC Order and its impact on the Companies' tariffs to be filed pursuant to the Opinion and Order.

{¶ 8} By Entry issued April 29, 2016, in Case No. 14-1297-EL-SSO, the attorney examiner granted FirstEnergy's request, noting that the new filing deadline would be established by a subsequent entry. Thereafter, by Entry issued May 10, 2016, the attorney examiner directed the Companies to file their proposed tariffs, consistent with the Opinion

and Order, by May 13, 2016, and noted that such tariffs would be effective June 1, 2016, subject to Commission review and final approval.

{¶ 9} On May 13, 2016, in Case Nos. 14-1297-EL-SSO and 16-541-EL-RDR, the Companies filed proposed tariffs consistent with the Opinion and Order.

{¶ 10} Thereafter, on May 20, 2016, in Case Nos. 14-1297-EL-SSO and 16-541-EL-RDR, Staff filed its review and recommendations regarding the Companies' proposed tariff filing.

{¶ 11} In its review and recommendations, Staff asserts that the proposed tariff filing includes tariff schedules modified to comply with the Opinion and Order, including modifications to the Electric Service Regulations, Electric Generation Supplier Coordination Tariffs, and several Riders. Additionally, Staff notes that the filing includes proposed retail generation rates (Rider GEN), that reflect the SSO auction rates approved by the Commission on April 14, 2016, and April 27, 2016. Staff further notes that Rider GEN includes the new Percentage of Income Payment Plan (PIPP) generation rate that reflects the PIPP auction rates approved by the Commission on May 4, 2016.

{¶ 12} Staff asserts that it has reviewed the proposed tariffs and finds that the tariffs filed on May 13, 2016, appear to be in compliance with the Opinion and Order. Additionally, Staff notes that the proposed Rider GEN rates for PIPP and non-PIPP customers were also filed in Case No. 16-541-EL-RDR. Staff recommends that, for the remaining term of the ESP, the Commission should require the Companies to file the PIPP and non-PIPP generation rates for Commission review no later than 30 days following the date of the last auction, and that final Rider GEN tariffs reflecting the updated PIPP and non-PIPP generation rates shall be approved effective June 1 of each year, contingent upon the Commission's review. In conclusion, Staff recommends that the proposed tariffs filed on May 13, 2016, be approved and become effective on June 1, 2016.

{¶ 13} The Commission has reviewed the Companies' May 13, 2016 proposed tariff filing and Staff's review and recommendations. Further, the Commission notes that the Companies have an approved ESP, subject to rehearing, irrespective of FERC's action rescinding the waiver of FirstEnergy Solutions' affiliate power sales restrictions. Moreover, the Companies have not included any proposed charges or credits in their retail rate stability rider (RRS). The Commission finds that, in accordance with Staff's recommendations, the Companies' proposed tariff filing is consistent with the Opinion and Order, does not appear to be unjust and unreasonable, and should be approved for rates effective June 1, 2016. Additionally, in accordance with Staff's recommendations, the Companies shall, for the remaining term of the ESP, file the PIPP and non-PIPP generation rates for Commission review no later than 30 days following the date of the last auction, and the final Rider GEN tariffs reflecting the updated PIPP and non-PIPP generation rates shall be approved effective June 1 of each year, contingent upon the Commission's review.

III. ORDER

{¶ 14} It is, therefore,

{¶ 15} ORDERED, That Staff's review and recommendations be adopted and the Companies' proposed tariff filing be approved. It is, further,

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

Commissioners Voting: Asim Z. Haque, Chairman; Lynn Slaby; M. Beth Trombold; Thomas W. Johnson.

MWC/sc