

THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE REVIEW OF OHIO
EDISON COMPANY, THE CLEVELAND
ELECTRIC ILLUMINATING COMPANY, AND
THE TOLEDO EDISON COMPANY'S
COMPLIANCE WITH R.C. 4928.17 AND
OHIO ADM.CODE CHAPTER 4901:1-37.

CASE No. 17-974-EL-UNC

ENTRY

Entered in the Journal on March 22, 2018

{¶ 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 by 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} On December 12, 2012, the Commission issued an Entry initiating an investigation into the health, strength, and vitality of Ohio's competitive retail electric service (CRES) market. *In re the Commission's Investigation of Ohio's Retail Electric Service Market*, Case No. 12-3151-EL-COI (*CRES Market Investigation Case*). The investigation was intended to establish actions that the Commission can take to enhance the health, strength, and vitality of the CRES market. In the Entry initiating the investigation, the Commission presented a series of questions to stakeholders regarding market design and corporate separation as they impact the CRES market.

{¶ 3} On March 26, 2014, the Commission issued its Finding and Order in the *CRES Market Investigation Case*, adopting, in part, Staff's recommendations, with modifications. The Commission, in adopting one such recommendation, directed that each of the Ohio electric distribution utilities would be subject to an audit to ensure their compliance with R.C. 4928.17 and the Commission's corporate separation rules, as enumerated in Ohio Adm.Code Chapter 4901:1-37, as well as to further Ohio's policies pursuant to R.C. 4928.02. *CRES Market Investigation Case*, Finding and Order (Mar. 26, 2014) at 16-17. According to Staff's

recommended audit schedule, FirstEnergy will be the first electric distribution utility to undergo the prescribed audit.

{¶ 4} To assist the Commission with the review of FirstEnergy's compliance with the corporate separation rules set forth in Ohio Adm.Code Chapter 4901:1-37, the Commission directed Staff to issue a request for proposal (RFP) for audit services. On July 5, 2017, the Commission issued an Entry selecting Sage Management Consultants, LLC (Sage) to conduct the requested audit services, in accordance with the terms set forth in the RFP. Pursuant to the terms of the RFP, a draft audit report was to be submitted by February 28, 2018, with the final audit report due on March 14, 2018.

{¶ 5} On January 29, 2018, Staff filed a motion for an extension of time, noting that Sage has indicated it will require additional time to complete the reports. Staff proposed that the draft report be due on April 6, 2018, with the final audit report due on April 20, 2018.

{¶ 6} On February 9, 2018, the attorney examiner granted Staff's motion for an extension of time, and the draft audit report and the final audit report were to be due by April 6, 2018, and April 20, 2018, respectively.

{¶ 7} On March 20, 2018, Staff filed a second motion for extension of time, noting that Sage has indicated it will require additional time to complete the reports. Staff proposes that the draft report be due on April 30, 2018, with the final report due on May 14, 2018. Further, Staff's motion for extension of time is unopposed.

{¶ 8} Upon review, the attorney examiner finds that good cause exists to grant the motion for an extension of the filing deadlines for the draft and final reports. In order to provide Sage sufficient time to thoroughly consider the vast amount of information provided by FirstEnergy and develop the necessary reports for the Commission's consideration, the attorney examiner finds that the amended dates suggested by Staff are reasonable, and Staff's motion should be granted. Further, Staff's motion for extension of time is unopposed.

Accordingly, the draft audit report and the final audit report shall be due by April 30, 2018, and May 14, 2018, respectively.

{¶ 9} It is, therefore,

{¶ 10} ORDERED, That Staff's motion for an extension be granted. It is, further,

{¶ 11} ORDERED, That the deadlines for the draft and final audit reports be amended, in accordance with Paragraph 8. It is, further,

{¶ 12} ORDERED, That a copy of this Entry be served upon all parties of record.

THE PUBLIC UTILITIES COMMISSION OF OHIO

/s/ Megan J. Addison

By: Megan J. Addison
Attorney Examiner

JRJ/mef

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Case No(s). 17-0974-EL-UNC

Summary: Attorney Examiner Entry granting Staff's motion for an extension to amend deadlines for filing audit reports. electronically filed by Ms. Mary E Fischer on behalf of Megan J. Addison, Attorney Examiner, Public Utilities Commission of Ohio