

THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE FILING BY
FIRSTENERGY SOLUTIONS CORP. OF A
PETITION FOR REORGANIZATION UNDER
CHAPTER 11 OF THE UNITED STATES
BANKRUPTCY CODE.

CASE No. 18-569-EL-UNC

ENTRY

Entered in the Journal on April 4, 2018

I. SUMMARY

{¶ 1} In this Entry, the Commission initiates this proceeding to protect Ohio consumers from any adverse impacts due to the recent filing by FirstEnergy Solutions Corp. of a petition for reorganization under Chapter 11 of the United States Bankruptcy Code. The Commission notes that the filing of a bankruptcy petition by a competitive retail electric supplier (as well as a supplier of generation for standard service offer customers) is rare but not unprecedented. Consumers should be assured, however, that in no event will any consumer have electric generation service interrupted due to this filing. The Commission, electric distribution utilities in Ohio, and PJM, Inc., our regional transmission organization, all have measures in place to ensure the continued delivery of power. However, due to the provisions of the United States Bankruptcy Code and Ohio law, the Commission cannot guarantee that contracts entered into by FirstEnergy Solutions Corp. prior to the bankruptcy filing will be not be impacted by the filing.

II. DISCUSSION

{¶ 2} FirstEnergy Solutions Corp. (FES) is an electric services company as defined in R.C. 4928.01(A)(9) and, as such is subject to the jurisdiction of the Commission.

{¶ 3} R.C. 4928.08 states that no electric services company shall provide a competitive retail electric service (CRES) to a consumer in this state without first being certified by the Commission regarding its managerial technical, and financial capability to

provide such service and providing a financial guarantee sufficient to protect customers and electric distribution utilities from default.

{¶ 4} On November 2, 2000, the Commission granted FES' application for certification as a CRES supplier in this state. *In the Matter of the Application of FirstEnergy Solutions Corp. to Become a Certified Retail Electric Supplier in the State of Ohio*, Case No. 00-1742-EL-CRS, Entry (Nov. 2, 2000). FES timely filed renewal applications for certification as a CRES provider every two years pursuant to Ohio Adm. Code 4901:1-24-09, and each renewal application was automatically approved by the Commission pursuant to R.C. 4928.08. FES' most recent renewal application was filed on October 3, 2016; this renewal application also was automatically approved by the Commission pursuant to R.C. 4928.08.

{¶ 5} On March 31, 2018, FES filed a petition for reorganization under Chapter 11 of the United States Bankruptcy Code.

{¶ 6} Ohio Adm.Code 4901:1-24-11 requires CRES suppliers to inform the Commission of any material change to the information supplied in a certification renewal application within 30 calendar days of such material change. Ohio Adm.Code 4901:1-24-11(A). Among other items, "material change" includes the filing for reorganization, protection from creditors, or any other form of bankruptcy with any court. Ohio Adm.Code 4901:1-24-11(B)(6). On April 2, 2018, FES filed a notice of material change, providing formal notice to the Commission of the filing.¹

{¶ 7} FES is directed to file a report in this proceeding by May 4, 2018. In this report, FES should explain: (1) whether FES plans, and is able, to continue to serve its existing customers for CRES in this state; (2) whether FES plans, and is able, to enroll new customers for CRES in this state; (3) whether FES plans, and is able, to serve existing customers aggregated through government aggregations in this state; (4) whether FES plans, and is

¹ In its filing, FES also requests notice and an opportunity for hearing if the Commission considers suspending, rescinding, or conditionally rescinding its CRES certificate.

able, to serve new customers aggregated through government aggregations in this state; and (5) whether FES has met its obligations to provide collateral or other financial guarantees or other assurances to the electric distribution utilities in whose certified territories FES continues to operate. In addition, FES should include in the report notice of any other material changes under Ohio Adm.Code 4901:1-24-11(A) and any other relevant facts which FES believes the Commission should consider.

{¶ 8} 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.

{¶ 9} The Commission has approved an ESP for each electric distribution utility in this state. In each ESP, generation service for the SSO customer of each electric distribution utility is procured through a competitive bidding process.

{¶ 10} FES has been a winning bidder in several CBP auctions to procure supply for SSO customers of Ohio electric distribution utilities. *E.g., In the Matter of the Procurement of Standard Service Offer Generation As Part of the Fourth Electric Security Plan for Customers of Ohio Edison Co., The Cleveland Elec. Illum. Co., and the Toledo Edison Co.*, Case No. 16-776-EL-UNC, Report-Notification of CBP Auction Results, (Feb. 22, 2018) and Report-Notification of CBP Auction Results (Nov. 1, 2017); *In the Matter of the Procurement of Standard Service Offer Generation for the Customers of Ohio Power Co.*, Case No. 17-2391-EL-UNC, Final Report of the Auction Manager (Dec. 20, 2017); *In the Matter of the Procurement of Standard Service Offer Generation for the Customers of Dayton Power and Light Co.*, Case No. 17-957-EL-UNC, Report-Notification of CBP Auction Results (May 3, 2017).

{¶ 11} Therefore, in its report filed pursuant to ¶ 7 of this Entry, FES should also explain whether FES plans, and is able, to continue to provide generation for SSO customers in this state and confirm that FES has met its obligations to provide to collateral or other financial guarantees to the electric distribution utilities for which FES provides generation for SSO customers.

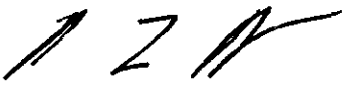
III. ORDER

{¶ 12} It is, therefore,

{¶ 13} ORDERED, That FES file a report in this proceeding in accordance with ¶¶ 7 and 13 of this Entry. It is, further,

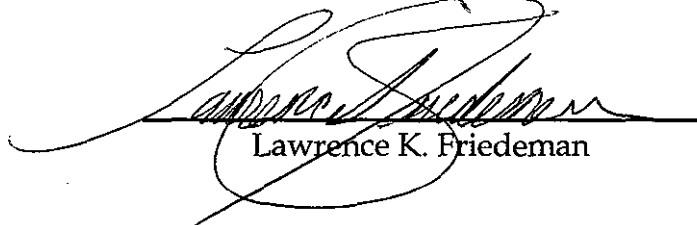
{¶ 14} ORDERED, That a copy of this Entry be served upon all parties of record.

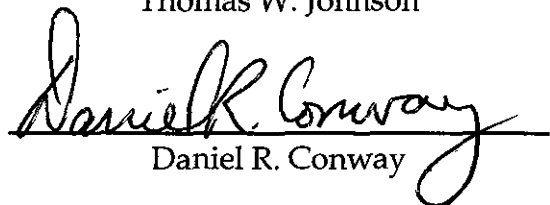
THE PUBLIC UTILITIES COMMISSION OF OHIO


Asim Z. Haque, Chairman


M. Beth Trombold


Thomas W. Johnson

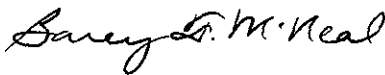

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Secretary