



**Public Utilities
Commission**

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June 4, 2019

FILE

Docketing Division
Public Utilities Commission of Ohio
180 East Broad Street
Columbus, OH 43215

RECEIVED-DOCKETING DIV
2019 JUN -4 PM 3:00
PUCO

RE: *In the Matter of the Application of the American Transmission Systems Incorporated for Authority to Issue Short-Term Notes and Other Evidences of Indebtedness, Case No. 18-1427-EL-AIS, et al*

Dear Docketing Division:

Enclosed please find the Supplemental Staff Review and Recommendation regarding the Applications of American Transmission Systems Incorporated, Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company for authority to issue short-term notes and participate in a utility money pool, Case No. 18-1427-EL-AIS, et al.

Doris McCarter
Division Chief, Capital Recovery and Financial Analysis
Public Utilities Commission of Ohio

Enclosure
Cc: Parties of Record

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**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of The
American Transmission Systems
Incorporated for Authority to Issue Short-
Term Notes and Other Evidences of
Indebtedness.

Case No. 18-1427-EL-AIS

In the Matter of the Application of Ohio
Edison Company for Authority to Issue
Short-Term Notes and Other Evidences of
Indebtedness.

Case No. 18-1428-EL-AIS

In the Matter of the Application of The
Cleveland Electric Illuminating Company for
Authority to Issue Short-Term Notes and
Other Evidences of Indebtedness.

Case No. 18-1429-EL-AIS

In the Matter of the Application of The Toledo
Edison Company for Authority to Issue
Short-Term Notes and Other Evidences of
Indebtedness.

Case No. 18-1430-EL-AIS

Supplemental Staff Review and Recommendation

CASE BACKGROUND

On September 18, 2018, American Transmission Systems Incorporated ("ATSI"), Ohio Edison Company ("OE"), The Cleveland Electric Illuminating Company ("CEI"), and The Toledo Edison Company ("TE"), collectively (the "Companies"), filed applications with attachments ("Applications") with the Public Utilities Commission of Ohio ("Commission" or "PUCO") seeking authority to issue short-term debt and to participate in the utility money pool ("Money Pool") through December 31, 2019, as described in the Applications. The Staff of the PUCO ("Staff") reviewed the Companies' Applications and filed its recommendations in the respective cases on November 28, 2018. The Commission authorized the Companies to issue short-term debts in excess of the statutorily exempted amount, as provided for in Ohio Revised Code ("R.C.") section 4905.401, as well as to participate in the Money Pool for a period ending June 30, 2019.

The Commission cited concerns with the required quarterly reports detailing the Companies' participation in the Money Pool under its existing authority granted in Case No. 17-2137-EL-AIS, *et al.*¹ The Commission believed additional review was required before granting the requested authority for the entire 2019 calendar year, and as such, directed Staff to file a supplemental Staff Report indicating whether a six-month extension of the granted authority, or until December 31, 2019, is warranted.

STAFF REVIEW AND RECOMMENDATION

The Money Pool is a cash management tool that facilitates the pooling of surplus cash of the Money Pool participants to be used to cover shortfalls of cash of any other participants in the Money Pool. The pooling of surplus cash serves to benefit the participants of the Money Pool by providing short-term borrowings to participants at rates typically lower than those available through commercial banks; while at the same time, it provides, to those participants who are able to loan surplus cash into the pool, higher rates of interest than could typically be achieved with money market deposit accounts.

Staff conducted a review of the Money Pool. Based upon its review, Staff believes the Companies' participation in the Money Pool is beneficial to the Companies and their respective customers. Accordingly, Staff recommends approval of a six-month extension of the authority previously granted by the Commission in these cases, or until December 31, 2019.

¹ In the Matter of the Application of The American Transmission Systems Incorporated for Authority to Issue Short-term Notes and Other Evidences of Indebtedness, Case No. 18-1427-EL-AIS, *et al.*, Finding and Order (Dec. 19, 2018), page 5, ¶10.