



Public Utilities Commission

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November 22, 2019

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

RE: *In the Matter of the Application of Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company for Modification of a Tariff Change.*

Dear Docketing Division:

Enclosed please find the Staff's Review and Recommendations regarding the application filed by Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company to amend the Tariffs in Case No. 19-1108-EL-ATA.

A handwritten signature in black ink, appearing to read "K. Schaefer", with a long horizontal stroke extending to the right.

Krystina Schaefer
Division Chief, Grid Modernization & Security
Public Utilities Commission of Ohio

Enclosure
Cc: Parties of Record

**Ohio Edison Company
The Cleveland Electric Illuminating Company
The Toledo Edison Company
Case No. 19-1108-EL-ATA (Experimental Company Owned LED Lighting Program)**

SUMMARY

This staff report provides an overview of the proposed modification and requested extension of the Experimental Company Owned LED Lighting Program (Sheet 34) for Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company, collectively “the Companies”, and recommends the approval of the proposed application.

History

On November 20, 2014, the commissioners of the Public Utilities Commission of Ohio (Commission) issued its Opinion & Order in Case No. 14-1027-EL-ATA, approving new tariffs for the Experimental Company Owned LED Lighting Program (“LED Program”) effective through May 31, 2016.

As approved, the LED Program is available on an optional basis to new customers and existing customers currently taking service under the company-owned Street Lighting Service – Rate “STL” (Sheet No. 31). The LED Program allows for new lighting technology, in the form of light-emitting diode (LED) fixtures, as compared to the lighting types available under Rate STL, which include incandescent, mercury, and high-pressure sodium light fixtures.

Per the Application in Case No. 14-1027-EL-ATA, service under the LED Program is unmetered, with monthly kilowatt-hour consumption for billing of generation services determined by using rated capacity multiplied by average burn hours.

The installation cost of new lighting equipment and the remaining cost of existing infrastructure that is removed is borne by the customer through a fixed charge per fixture. The Companies cover the maintenance costs associated with the LED Program for work performed during regular business hours. Based on the lighting type, a monthly charge per fixture is established for billing of distribution services.

Finally, any energy efficiency and/or peak demand reduction savings associated with the customer’s participation in the LED Program count towards the Companies’ compliance with requirements contained in Section 4928.66 of the Ohio Revised Code.

On October 12, 2016, the Commission issued its Opinion & Order in Case No. 16-0470-EL-ATA, approving an extension of the LED Program effective through December 31, 2019. Aside from extending the effective date, there were no substantive edits made to the tariff, i.e. all terms, conditions, and rates remained the same.

Case No. 19-1108-EL-ATA

On May 21, 2019, the Companies filed an application in the current case (Application) for several modifications to the tariff, including the addition of a new lighting type, updates to the tariff rates, expanded optionality for customer's participating in the LED program, as described below, and extending the program without an expiration date.

1. New Lighting Type: As detailed below, the Companies propose the addition of a new type of LED light called the Cobra Head light, which uses less energy than the existing options under the LED Program.

Light Type	Bulb Rating (Lumens)	Bulb Rating (Watts)	kWh per Month
Cobra Head	2,400	30	11

2. Replacement Cost of Existing Infrastructure:

- a. Option 1: As detailed below, the Companies propose to update the replacement cost of existing infrastructure being removed (charge per fixture) using the average net book value of the existing street lighting assets (luminaires only) from the Federal Energy Regulatory Commission's Uniform System of Account (USofA) 373 (street lighting and signal systems) as of December 31, 2018.

1 Option 1

	Current Cost	Updated Cost	Change
CEI	\$301.00	\$242.00	(\$59.00)
OE	\$228.00	\$209.00	(\$19.00)
TE	\$344.00	\$207.00	(\$137.00)

In addition to updating Option 1 for the Companies' recovery of replacement costs of existing infrastructure (luminaires only), which exists in the current tariff, the Companies propose two new options.

- b. Option 2: As detailed below, the second option would allow customers to pay for the replacement cost of existing infrastructure being removed (charge per fixture) as detailed in the table above over a 60-month period. This option includes carrying charges and commercial activity taxes over the 60-month amortization period.

2 Option 2

	60-month Cost
CEI	\$5.16*60= \$309.60
OE	\$4.44*60= \$266.40
TE	\$4.41*60= \$264.60

- c. Option 3: The third option would allow customers to replace currently installed non-LED lights with LED lights as the non-LED lights fail at no charge.
- 3. Distribution Charges per Fixture per Month: The Companies propose to update the distribution charges (per fixture per month) to include the undepreciated balance of the non-luminaire existing infrastructure using the average net book value of the existing street lighting assets from the FERC USofA 373 as of December 31, 2018. As proposed, the distribution charges (per fixture per month) were also updated to include current costs for each lighting type available under the LED Program. The proposed changes are detailed in Attachment 1: Distribution Charges per Fixture per Month.
- 4. Contract for Advanced Functionality: The Companies propose to implement a new provision of the LED Program that allows participating customers to contract for advanced functionalities, including but not limited to, controllers, dimming capabilities, sensors, and/or other network enabled functions. The costs associated with the advanced functionalities are borne by the customer.

STAFF REVIEW AND RECOMMENDATIONS

Staff recommends approval of the proposed modification and requested extension of the Experimental Company Owned LED Lighting Program (Sheet 34) for Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company.

Attachment 1: Distribution Charges per Fixture per Month

3 The Cleveland Electric Illuminating Company

Light Type	Bulb Rate (Lumens)	Bulb Rating (Watts)	Monthly Charge per Fixture	Proposed Monthly Charge per Fixture	Change
Cobra Head	2,400	30	N/A	\$7.83	N/A
Cobra Head	4,000	50	\$7.39	\$7.97	\$0.58
Cobra Head	7,000	90	\$9.24	\$8.57	(\$0.67)
Cobra Head	11,500	130	\$9.82	\$10.26	\$0.44
Cobra Head	24,000	260	\$15.13	\$13.50	(\$1.63)
Acorn	2,500	50	\$19.44	\$20.34	\$0.90
Acorn	5,000	90	\$20.53	\$21.61	\$1.08
Colonial	2,500	50	\$11.74	\$11.10	(\$0.64)
Colonial	5,000	90	\$12.90	\$16.25	\$3.35

4 Ohio Edison Company

Light Type	Bulb Rate (Lumens)	Bulb Rating (Watts)	Monthly Charge per Fixture	Proposed Monthly Charge per Fixture	Change
Cobra Head	2,400	30	N/A	\$7.37	N/A
Cobra Head	4,000	50	\$6.44	\$7.49	\$1.05
Cobra Head	7,000	90	\$8.09	\$7.97	(\$0.12)
Cobra Head	11,500	130	\$8.60	\$9.33	\$0.73
Cobra Head	24,000	260	\$13.33	\$11.94	(\$1.39)
Acorn	2,500	50	\$17.16	\$17.44	\$0.28
Acorn	5,000	90	\$18.14	\$18.47	\$0.33
Colonial	2,500	50	\$10.31	\$10.01	(\$0.30)
Colonial	5,000	90	\$11.34	\$14.15	\$2.81

5 The Toledo Edison Company

Light Type	Bulb Rate (Lumens)	Bulb Rating (Watts)	Monthly Charge per Fixture	Proposed Monthly Charge per Fixture	Change
Cobra Head	2,400	30	N/A	\$8.32	N/A
Cobra Head	4,000	50	\$7.45	\$8.47	\$1.02
Cobra Head	7,000	90	\$9.29	\$9.08	(\$0.21)
Cobra Head	11,500	130	\$9.86	\$10.77	\$0.91
Cobra Head	24,000	260	\$15.14	\$14.05	(\$1.09)
Acorn	2,500	50	\$19.41	\$20.93	\$1.52
Acorn	5,000	90	\$20.51	\$22.21	\$1.70
Colonial	2,500	50	\$11.77	\$11.62	(\$0.15)
Colonial	5,000	90	\$12.92	\$16.81	\$3.89

This foregoing document was electronically filed with the Public Utilities

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Case No(s). 19-1108-EL-ATA

Summary: Staff Review and Recommendation Staff's Review and Recommendations regarding the application filed by Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company to amend the Tariffs in Case No. 19-1108-EL-ATA. electronically filed by Ms. Krystina M Schaefer on behalf of PUCO Staff