

# THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE REVIEW OF THE  
DEMAND SIDE MANAGEMENT AND  
ENERGY EFFICIENCY RIDER OF OHIO  
EDISON COMPANY, THE CLEVELAND  
ELECTRIC ILLUMINATING COMPANY,  
AND THE TOLEDO EDISON COMPANY.

CASE NO. 18-1646-EL-RDR  
CASE NO. 19-1904-EL-RDR  
CASE NO. 20-1673-EL-RDR  
CASE NO. 21-1131-EL-RDR  
CASE NO. 22-1044-EL-RDR

## ENTRY

Entered in the Journal on April 17, 2024

### I. SUMMARY

{¶ 1} The Commission selects Exeter Associates, Inc. to assist the Commission with its review of the demand side management and energy efficiency rider of Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company.

### II. DISCUSSION

{¶ 2} Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company (collectively, FirstEnergy or the Companies) 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} The Commission has approved several riders in FirstEnergy's ESP proceedings, some of which require the Companies to file semi-annual updates no later than December 1st and June 1st of each year and are subject to an annual audit by the Commission. One of these Commission-approved riders is the Demand Side Management and Energy Efficiency Rider (Rider DSE). *In re Ohio Edison Co., The Cleveland Elec. Illum. Co., and The Toledo Edison Co.*, Case No. 08-935-EL-SSO, et al.; *In re Ohio Edison Co., The Cleveland Elec. Illum. Co., and The Toledo Edison Co.*, Case No. 10-388-EL-SSO; *In re Ohio Edison Co., The Cleveland Elec. Illum. Co., and The Toledo Edison Co.*, Case No. 12-1230-EL-SSO; *In re Ohio Edison Co., The Cleveland Elec. Illum. Co., and The Toledo Edison Co.*, Case No. 14-1297-EL-SSO (*ESP IV Case*). Rider DSE recovers costs incurred by the Companies associated with energy efficiency, peak demand reduction (EE/PDR), and demand side management programs.<sup>1</sup> Pursuant to the Commission's orders in the ESP proceedings listed above, FirstEnergy is required to file an application annually for the review of Rider DSE costs.

{¶ 5} On March 31, 2020, FirstEnergy filed an application in Case No. 18-1646-EL-RDR, in support of Staff's 2019 annual review of Rider DSE.

{¶ 6} On March 31, 2021, FirstEnergy filed an application in Case No. 19-1904-EL-RDR, in support of Staff's 2020 annual review of Rider DSE.

{¶ 7} On September 7, 2022, FirstEnergy filed an application in Case No. 20-1673-EL-RDR, in support of Staff's 2021 annual review of Rider DSE.

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<sup>1</sup> There are three separate components to Rider DSE at issue in the above-captioned proceedings: (1) Rider DSE 1 charges recover costs associated with customers taking service under the Economic Load Response Rider; (2) Rider DSE 2 charges recover costs associated with compliance with the EE/PDR requirements in R.C. 4928.66; and (3) Rider DSE 3 charges, which FirstEnergy proposed in Case No. 20-1673-EL-RDR, would recover charges that were previously recovered under Rider DSE 2, which are not costs incurred for compliance with R.C. 4928.66, and instead, in large part, are associated with energy efficiency commitments authorized by the Commission in the *ESP IV Case*.

{¶ 8} On March 31, 2023, FirstEnergy filed an application in Case No. 21-1131-EL-RDR, in support of Staff's 2022 annual review of Rider DSE.

{¶ 9} On March 29, 2024, FirstEnergy filed an application in Case No. 22-1044-EL-RDR, in support of Staff's 2023 annual review of Rider DSE.

{¶ 10} On March 6, 2024, the Commission issued an Entry consolidating the above-captioned cases and directing Staff to issue a request for proposal (RFP) for the audit services necessary to assist the Commission with the review of the Companies' Rider DSE costs for the period from January 1, 2019, through December 31, 2023. Prospective bidders were directed to submit proposals to Staff by April 3, 2024. Interested bidders were also directed to demonstrate their understanding of the project and the work required by showing a clear understanding of the tasks to be completed, the experience and qualifications of the personnel who will perform the work, and the anticipated breakdown of costs and timing.

{¶ 11} The proposals received in response to the RFP have been evaluated and, after consideration of those proposals, the Commission selects Exeter Associates, Inc. (Exeter) to conduct the audit services. The Commission finds that Exeter has the necessary experience to complete the required work.

{¶ 12} FirstEnergy shall enter into a contract with Exeter by May 3, 2024, for the purpose of providing payment for its auditing services. The contract shall incorporate the terms and conditions of the RFP, the auditor's proposal, and relevant Commission entries in this case.

{¶ 13} The Commission shall solely direct the work of the auditor. Staff will review and approve payment invoices submitted by the auditor.

{¶ 14} Exeter will execute its duties pursuant to the Commission's statutory authority to investigate and acquire records, contracts, reports, and other documentation under R.C. 4903.02, 4903.03, 4905.06, 4905.15, and 4905.16. Exeter is subject to the Commission's statutory duty under R.C. 4901.16, which provides:

Except in his report to the public utilities commission or when called on to testify in any court or proceeding of the public utilities commission, no employee or agent referred to in section 4905.13 of the Revised Code shall divulge any information acquired by him in respect to the transaction, property, or business of any public utility, while acting or claiming to act as such employee or agent. Whoever violates this section shall be disqualified from acting as agent, or acting in any other capacity under the appointment or employment of the commission.

{¶ 15} Upon request of Exeter or Staff, FirstEnergy shall provide any and all documents or information requested. FirstEnergy may conspicuously mark such documents or information “confidential” if FirstEnergy believes the document should be deemed as such. In no event, however, shall FirstEnergy refuse or delay in providing such documents or information.

{¶ 16} Once disclosure is permitted by R.C. 4901.16, the following process applies to the release of any document or information marked as confidential. Three days' prior notice of intent to disclose shall be provided to the party claiming confidentiality. Three days after such notice, Staff or the auditor may disclose or otherwise make use of such documents or information for any lawful purpose, unless the Commission receives a request for a protective order pertaining to such documents or information within the three-day notice period. The three-day notice period will be computed according to Ohio Adm.Code 4901-1-07.

{¶ 17} Exeter shall perform its audit and investigation as an independent contractor. Any conclusions, results, or recommendations formulated by Exeter may be examined by any participant to this proceeding. Further, it shall be understood that the Commission and/or its Staff shall not be liable for any acts committed by Exeter or its agents in the preparation and presentation of the report.

### III. ORDER

{¶ 18} It is, therefore,

{¶ 19} ORDERED, That Exeter be selected to perform the auditing services set forth above and in the RFP. It is, further,

{¶ 20} ORDERED, That FirstEnergy and Exeter shall observe the requirements set forth herein. It is, further,

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

#### COMMISSIONERS:

##### *Approving:*

Jenifer French, Chair  
Daniel R. Conway  
Lawrence K. Friedeman  
John D. Williams

MJA/mef

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RDR, 22-1044-EL-RDR**

Summary: Entry selecting Exeter Associates, Inc. to assist the Commission with its review of the demand side management and energy efficiency rider of Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company. electronically filed by Ms. Mary E. Fischer on behalf of Public Utilities Commission of Ohio.