

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the 2015 Review of )  
the Delivery Capital Recovery Rider )  
Contained in the Tariffs of Ohio Edison ) Case No. 15-1739-EL-RDR  
Company, The Cleveland Electric )  
Illuminating Company, and The Toledo )  
Edison Company. )

ENTRY

The Commission finds:

- (1) Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company (collectively, FirstEnergy) 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.
- (2) R.C. 4928.141 provides that an electric distribution utility shall provide consumers within its certified territory a standard service offer (SSO) of all competitive retail electric services necessary to maintain essential electric services to customers, including a 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.
- (3) On August 25, 2010, the Commission issued an Opinion and Order in *In re Application of Ohio Edison Co., The Cleveland Electric Illuminating Co., and the Toledo Edison Co. for Authority to Establish a Standard Service Offer Pursuant to Section 4928.143, Revised Code, in the Form of an Electric Security Plan*, Case No. 10-388-EL-SSO (*ESP II Case*). In that Opinion and Order, the Commission approved a combined stipulation, as modified, authorizing FirstEnergy to establish a delivery capital recovery rider (Rider DCR) effective January 1, 2012. Rider DCR provides for recovery of property taxes, commercial activity tax, and associated income taxes, and

the opportunity to earn a return on and of plant-in-service associated with distribution, subtransmission, and general and intangible plant. Additionally, under the terms of the stipulation, FirstEnergy agreed to submit to an annual audit review process of Rider DCR. Thereafter, on July 18, 2012, the Commission issued an Opinion and Order in Case No. 12-1230-EL-SSO (*ESP III Case*), approving a stipulation filed by various parties extending, with modifications, the combined stipulation approved by the Commission in the *ESP II Case*.

- (4) To assist the Commission with the 2015 annual audit of FirstEnergy's costs, the Commission directed Staff to issue a request for proposal (RFP) for audit services on November 4, 2015, with proposals due by November 25, 2015.
- (5) Four auditors submitted timely proposals.
- (6) Staff has evaluated the proposals received in response to the RFP. After consideration of the proposals received, the Commission selects Blue Ridge Consulting Services Inc. (Blue Ridge) to conduct the audit. The Commission finds that Blue Ridge has the necessary experience to complete the required work under the RFP.
- (7) FirstEnergy shall enter into a contract with Blue Ridge by January 8, 2016, for the purpose of providing payment for its auditing services. The contract shall incorporate the terms and conditions of the RFP, the Blue Ridge proposal, and relevant Commission entries in this case.
- (8) Blue Ridge 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, 4093.03, 4905.06, 4905.15, and 4905.16. Blue Ridge is subject to the Commission 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.

- (9) Upon request of Blue Ridge 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.

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 Blue Ridge 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.

- (10) Blue Ridge shall perform its audit and investigation as an independent contractor. Any conclusions, results, or recommendations formulated by Blue Ridge 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 Blue Ridge or its agents in the preparation and presentation of the report.

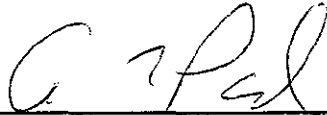
It is, therefore,

ORDERED, That Blue Ridge is hereby selected to perform the consulting activities set forth above. It is, further,

ORDERED, That FirstEnergy and Blue Ridge shall observe the requirements set forth in this Entry. It is, further,

ORDERED, That a copy of this Entry be served upon all parties of record.

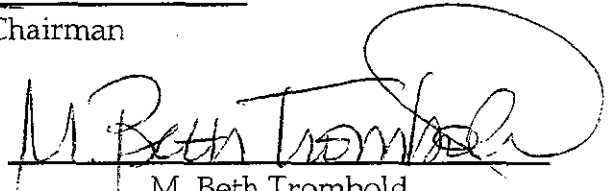
THE PUBLIC UTILITIES COMMISSION OF OHIO



Andre T. Porter, Chairman

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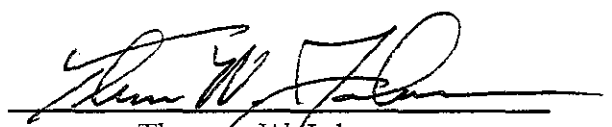
Lynn Slaby



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**DEC 09 2015**



Barcy F. McNeal  
Secretary