

THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE REVIEW OF THE
DISTRIBUTION UNCOLLECTIBLE RIDER,
NON-DISTRIBUTION UNCOLLECTIBLE
RIDER, PIPP UNCOLLECTIBLE RIDER,
GENERATION COST RECONCILIATION
RIDER, AND ECONOMIC DEVELOPMENT
RIDER OF OHIO EDISON COMPANY, THE
CLEVELAND ELECTRIC ILLUMINATING
COMPANY, AND THE TOLEDO EDISON
COMPANY.

CASE No. 14-1949-EL-RDR

FINDING AND ORDER

Entered in the Journal on March 1, 2017

I. SUMMARY

{¶ 1} In this Finding and Order, the Commission approves the application filed by Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company regarding the 2015 audit review of Riders DCR, PUR, NDU, GCR, and EDR.

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 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 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} On August 25, 2010, the Commission issued an Opinion and Order in *In re Application of Ohio Edison Co., Cleveland Elec. Illum. Co., and Toledo Edison Co. for Auth. to Establish a Std. Serv. Offer Pursuant to Section 4928.143, Revised Code, in the Form of an Elec. 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 multiple riders.

{¶ 5} 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*. In the July 18, 2012 Opinion and Order in the *ESP III Case*, the Commission found that the Companies should file an application annually in July for the combined review of the PIPP Uncollectible Rider (Rider PUR), Distribution Uncollectible Rider (Rider DUN), Non-Distribution Uncollectible Rider (Rider NDU), Economic Development Rider (Rider EDR), and Generation Cost Reconciliation Rider (Rider GCR). *ESP III Case*, Opinion and Order (July 18, 2012) at 44. Rider PUR recovers uncollectible expenses associated with the Universal Service Fund/Percentage of Income Payment Plan. Rider DUN recovers distribution uncollectible expenses in excess of the amount being recovered in base rates, which were set in *In re Application of Ohio Edison Co., Cleveland Elec. Illum. Co., and Toledo Edison Co. for Auth. to Increase Rates for Distrib. Serv., Modify Certain Accounting Practices and for Tariff Approvals*, Case No. 07-551-EL-AIR. Rider NDU recovers non-distribution uncollectible expenses. Rider EDR contains nine provisions including a residential non-standard credit provision, an interruptible credit provision, a non-residential provision, a general service-transmission provision, a standard charge provision, a school credit provision, an infrastructure improvement provision, an automaker credit provision, and an automaker charge provision. Rider GCR recovers the generation cost difference that the Companies pay suppliers as compared to the costs recovered from customers.

{¶ 6} On July 29, 2016, the Companies filed an application for the review of Riders PUR, DUN, NDU, EDR, and GCR, in accordance with the requirements set forth in the *ESP III Case*.

{¶ 7} Thereafter, on November 10, 2016, Staff filed its review and recommendations regarding the Companies' application. In its review, Staff states that it reviewed the Companies' filings. As to the uncollectible riders (Riders DUN, PUR, and NDU), Staff states that it believes the riders were calculated appropriately for the year ending December 31, 2015, and recommends that the Commission accept the application as filed.

{¶ 8} Regarding Rider GCR, Staff states that it has reviewed the rider for the four quarters ending December 31, 2015, and is satisfied that the filing is both consistent with and in compliance with the Commission orders. Consequently, Staff recommends that the Commission also accept the application as filed.

{¶ 9} As to Rider EDR, Staff states that it has reviewed all provisions of this rider for the four quarters ending December 31, 2015, and is satisfied that the filing is consistent with and in compliance with the Commission's orders. Thus, Staff recommends that the Commission accept the application as filed.

{¶ 10} Staff also notes that FirstEnergy correctly applied the last Commission-approved cost of long-term debt annually, beginning June 1, 2016, for Riders NDU and EDR, as stipulated to by the Companies and approved by the Commission in Case No. 14-1297-EL-SSO. *In re Application of Ohio Edison Co., Cleveland Elec. Illum. Co., and Toledo Edison Co. for Auth. to Establish a Std. Serv. Offer Pursuant to Section 4928.143, Revised Code, in the Form of an Elec. Security Plan*, Case No. 14-1297-EL-SSO (*ESP IV Case*), Opinion and Order (Mar. 31, 2016) at 28.

{¶ 11} The Commission has reviewed the Companies' application and Staff's review and recommendations. The Commission finds that, in accordance with Staff's recommendations, the Companies' application is consistent with the stipulations approved by the Commission in the *ESP III Case* and *ESP IV Case*, does not appear to be unjust or unreasonable, and should be approved. Finally, the Commission finds that it is not necessary to hold a hearing in this matter.

III. ORDER

{¶ 12} It is, therefore,

{¶ 13} ORDERED, That the Companies' application be approved. It is, further,

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

THE PUBLIC UTILITIES COMMISSION OF OHIO

Asim Z. Haque, Chairman

Lynn Slaby

M. Beth Trombold

Thomas W. Johnson

Lawrence K. Friedeman

MJA/sc

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Barcy F. McNeal
Secretary