

**THE
PUBLIC UTILITIES BEFORE COMMISSION OF OHIO**

In the Matter of the Delivery Capital : Case No. 16-2041-EL-RDR
Recovery Rider Contained in the :
Tariffs of Ohio Edison Company, The :
Cleveland Electric Illuminating :
Company and The Toledo Edison :
Company :

**COMMENTS OF OHIO EDISON COMPANY, THE CLEVELAND ELECTRIC
ILLUMINATING COMPANY AND THE TOLEDO EDISON COMPANY**

INTRODUCTION

Pursuant to the Attorney Examiner’s Entry on May 24, 2017, Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company (“Companies”) hereby submit comments on the Compliance Audit of the Delivery Capital Recovery (DCR) Riders of Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company submitted on May 1, 2017 (“Audit Report”) prepared by Blue Ridge Consulting Services, Inc. (“Blue Ridge”).

As will be explained further below, the Audit Report fairly and completely satisfies the scope of the compliance audit as prescribed in the Request For Proposal (“RFP”) which resulted in the selection of Blue Ridge to conduct the audit process first established in Case No. 10-388-EL-SSO. As in each prior audit of Rider DCR, the Companies agree to the recommendations specified in the Audit Report and recommend the Commission adopt the recommendations as outlined below.

BACKGROUND

On November 3, 2016, the Attorney Examiner issued an Entry in this proceeding directing Staff to issue the RFP to select an independent auditor to provide audit services to conduct the annual compliance audit of the Companies' Delivery Capital Recovery Rider ("Rider DCR"). The RFP described the scope of the auditor's investigation into the Companies' 2016 Rider DCR quarterly filings for compliance with the Commission Orders in Case No. 10-388-EL-SSO (ESP II) and extended in Case No. 12-1230-EL-SSO (ESP III) and Case No. 14-1297-EL-SSO (ESP IV)¹. On December 7, 2016, an Entry was issued selecting Blue Ridge as the auditor. Blue Ridge then commenced its audit, and the Companies produced responses to hundreds of discovery requests, containing voluminous amounts of information. On May 1, 2017, Blue Ridge filed its Audit Report.

COMMENTS

The Audit Report accurately describes both the RFP prescribing the scope of audit services to be performed in this proceeding as well as the controlling provisions established in the Commission's approval of Rider DCR in ESP II and continued as part of ESP III and ESP IV. The Audit Report further accurately documents Blue Ridge's analysis of the data provided by the Companies and identifies and explains its conclusions and recommendations. The Companies agree with the conclusions and

¹ Pursuant to the Commission Order approving ESP II, and extended in ESP III, Blue Ridge used the following standard during the course of the audit: "The audit shall include a review to confirm that the amounts for which recovery is sought are not unreasonable. The determination of whether the amounts for which recovery is sought are not unreasonable shall be determined in light of the facts and circumstances known to the Companies at the time such expenditures were committed." Audit Report, p. 23.

recommendations in the Audit Report, and request that the Commission adopt the recommendations Blue Ridge made in its Audit Report.

CONCLUSION

The Companies recommend the Commission issue an Order adopting the recommendations contained in the Audit Report as described herein, and finding that Blue Ridge satisfactorily performed the scope of audit services outlined in the RFP, consistent with the Commission's Orders in ESP II, ESP III, and ESP IV.

Respectfully submitted,

/s/ Robert M. Endris

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CERTIFICATE OF SERVICE

On July 7, 2017, the foregoing document was filed on the Public Utilities Commission of Ohio's Docketing Information System. The PUCO's e-filing system will electronically serve notice of the filing of this document on all parties of record in this proceeding.

/s/ Robert M. Endris

*One of the Attorneys for Ohio Edison
Company, The Cleveland Electric
Illuminating Company and The Toledo
Edison Company*

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in

Case No(s). 16-2041-EL-RDR

Summary: Comments Initial Comments of Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company electronically filed by Mr. Robert M. Endris on behalf of Endris, Robert Mr.