

February 2, 2018

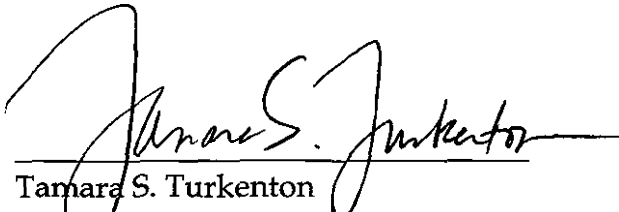
Docketing Division
Public Utilities Commission of Ohio
180 East Broad Street
Columbus OH 43215

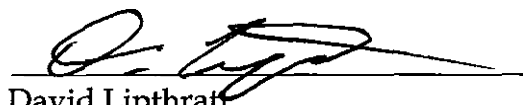
RECEIVED-DOCKETING DIV
2018 FEB -1 PM 12:32
PUCO

RE: *In the Matter of the Update to the Distribution Modernization Rider contained in the Tariffs of Ohio Edison, The Cleveland Electric Illuminating Company and The Toledo Edison Company, Case No. 17-2280-EL-RDR*

Dear Docketing Division:

Enclosed please find the Staff's Review and Recommendations in regard to the application filed by The Ohio Edison, The Cleveland Electric Illuminating Company and The Toledo Edison Company to update its Distribution Modernization Rider, in Case No. 17-2280-EL-RDR.


Tamara S. Turkenton
Director, Rates and Analysis Dept.
Public Utilities Commission of Ohio


David Lipthratt
Chief, Research and Policy Division
Public Utilities Commission of Ohio

Enclosure

Cc: Parties of Record

180 East Broad Street
Columbus, Ohio 43215-3793

This is to certify that the images appearing are an accurate and complete reproduction of a case file document delivered in the regular course of business.
Technician ke Date Processed 2/1/18

(614) 466-3016
www.PUCO.ohio.gov

First Energy
Case No. 17-2280-EL-RDR

Background

On October 12, 2016, the Commission approved a Distribution Modernization Rider (Rider DMR) for Ohio Edison Company, The Cleveland Electric Illuminating Company and The Toledo Edison Company (FirstEnergy) in Case No. 14-1297-EL-SSO. Rider DMR initially became effective on January 1, 2017, subject to annual updates. On December 1, 2017, FirstEnergy filed updated tariffs that included Rider DMR rates that became effective January 1, 2018 through December 31, 2018.

Subsequent to the December 1, 2017 update filing, the federal corporate tax rate was modified from 35% to 21%. As a result, on January 12, 2018, FirstEnergy filed updated tariffs that include modified Rider DMR rates to reflect the new federal corporate tax rates. The modified rates will be effective from March 1, 2018 through December 31, 2018.

Staff Review and Recommendations

The Staff notes that this review and recommendation only addresses the proposed rates that reflect the corporate tax rate changes. This rider will subject to the outcome of Case No. 18-0047-AU-COI, Case No. 17-2474-EL-RDR, and any annual audit performed to verify the revenues collected under this Rider.

The Staff has reviewed the modified Rider DMR rates and believes they accurately reflect the new tax rates. The Staff recommends approval of the modified Rider DMR rates.

Conclusion

The Staff recommends that the Commission approve the modified Rider DMR rates that were filed on January 12, 2018, and that the new rates become effective on a service rendered basis beginning March 1, 2018.