

## THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE COMMISSION'S  
INVESTIGATION OF THE FINANCIAL  
IMPACT OF THE TAX CUTS AND JOBS ACT  
OF 2017 ON REGULATED OHIO UTILITY  
COMPANIES.

CASE NO. 18-47-AU-COI

### ENTRY ON REHEARING

Entered in the Journal on March 8, 2018

#### I. SUMMARY

{¶ 1} The Commission grants the joint application for rehearing of the Commission's January 10, 2018 Entry filed by Ohio Power Company, Duke Energy Ohio, Inc., The Dayton Power and Light Company, Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company for further consideration of the matters specified in the application for rehearing.

#### II. DISCUSSION

{¶ 2} The Tax Cuts and Jobs Act of 2017 (TCJA), signed into law on December 22, 2017, provides for a number of changes in the federal tax system. Most notably, the federal corporate income tax rate is reduced from 35 percent to 21 percent, effective January 1, 2018.

{¶ 3} The Commission opened the above-captioned proceeding in order to study the impacts of the TCJA on the Commission's jurisdictional rate-regulated utilities, and determine the appropriate course of action to pass benefits on to ratepayers.

{¶ 4} By Entry issued January 10, 2018, the Commission invited all of the rate-regulated Ohio utilities, as well as other interested stakeholders, to file comments discussing the following: (i) those components of utility rates that the Commission will need to reconcile with the TCJA; and (ii) the process and mechanics for how the

Commission should do so. The Commission noted several components of utility rates that commenters could potentially discuss in response. Additionally, the Commission directed utilities to record on their books as a deferred liability, in an appropriate account, the estimated reduction in federal income tax resulting from the TCJA, effective January 1, 2018. The utilities were instructed to continue this treatment until otherwise ordered by the Commission.

{¶ 5} On February 9, 2018, Ohio Power Company, Duke Energy Ohio, Inc., The Dayton Power and Light Company, and the FirstEnergy operating companies, Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company (collectively, the EDUs) filed a joint application for rehearing of the Commission's January 10, 2018 Entry in this proceeding. Specifically, the EDUs request clarification regarding the application of the deferred liability, as well as allege the Commission's Entry is unreasonable and unlawful to the extent it forms the basis for changing base rates or approved riders without advance notice or an opportunity for hearing.

{¶ 6} On February 20, 2018, Ohio Partners for Affordable Energy, Industrial Energy Users-Ohio, the Ohio Consumers' Counsel, and The Kroger Co. filed memoranda contra the EDUs' application for rehearing. The Ohio Manufacturers' Association Energy Group (OMAEG) filed its memorandum contra on February 21, 2018, as well as a motion to accept the memorandum contra as timely filed or, in the alternative, to file out-of-time. OMAEG states that, due to technical issues, it filed its memorandum contra only one minute after the 5:30 p.m. filing deadline prescribed in Ohio Adm.Code 4901-1-02(D)(4). OMAEG adds that it attempted to contact the Commission's docketing division for guidance, but was unsuccessful. Moreover, OMAEG argues that no parties will be prejudiced and the proceeding will not be unduly delayed if its memorandum contra is considered by the Commission. Thus, OMAEG contends good cause exists to consider its memorandum contra as timely

filed. Alternatively, OMAEG requests leave to file the memorandum contra one day out-of-time.

{¶ 7} In response to OMAEG's motion, we initially note that Ohio Adm.Code 4901-1-02(D)(7) provides that "the person making an e-filing shall bear all risk of transmitting a document, including, but not limited to, all risk of equipment, electric, or internet failure." In fact, our rules also recommend that parties make their filings no later than 4:00 p.m., in order to allow for the timely processing of e-filed documents. Ohio Adm.Code 4901-1-02(D)(6). Thus, it would be inappropriate for the Commission to consider its memorandum contra as timely filed. However, we do find that OMAEG's request for leave to file its memorandum contra out-of-time is reasonable as no other party will be prejudiced upon its consideration and it was only filed one minute after the filing deadline. Further, we note that the 5:30 p.m. deadline for such a filing may be waived by the Commission, pursuant to Ohio Adm.Code 4901-1-38. Accordingly, we find that OMAEG's motion for leave to file out-of-time should be granted.

{¶ 8} Additionally, we find that the application for rehearing filed by the EDUs should be granted. We believe that sufficient reasons have been set forth by the EDUs to warrant further consideration of the matters specified in the application for rehearing.

### III. ORDER

{¶ 9} It is, therefore,

{¶ 10} ORDERED, That OMAEG's motion to accept its memorandum contra be granted, to the extent set forth herein. It is, further,

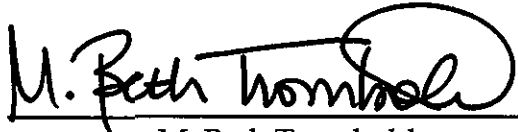
{¶ 11} ORDERED, That the joint application for rehearing filed by the EDUs be granted for further consideration of the matters specified in the application for rehearing. It is, further,

{¶ 12} ORDERED, That a copy of this Entry on Rehearing be served upon all public utilities (other than motor transportation companies) subject to the Commission’s jurisdiction and all interested stakeholders of record.

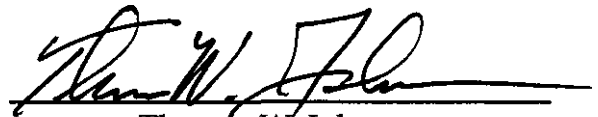
THE PUBLIC UTILITIES COMMISSION OF OHIO



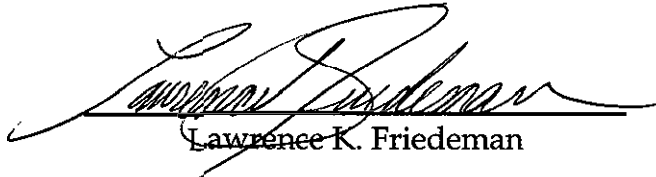
Asim Z. Haque, Chairman



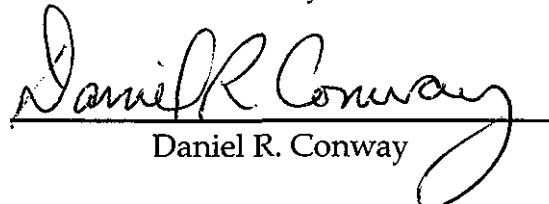
M. Beth Trombold



Thomas W. Johnson



Lawrence K. Friedeman



Daniel R. Conway

MJA/mef

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MAR 08 2018

Barcy F. McNeal  
Secretary