

## THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE APPLICATION TO  
UPDATE RIDER GEN CONTAINED IN THE  
TARIFFS OF OHIO EDISON, THE  
CLEVELAND ELECTRIC ILLUMINATING  
COMPANY, AND THE TOLEDO EDISON  
COMPANY.

CASE NO. 18-263-EL-RDR

### FINDING AND ORDER

Entered in the Journal on May 23, 2018

#### I. SUMMARY

{¶ 1} In this Finding and Order, the Commission approves the application to update the Generation Service Rider as filed by Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company on March 23, 2018.

#### 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 customers 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 July 18, 2012, the Commission issued an Opinion and Order approving a modified stipulation between FirstEnergy and certain parties, which provided for an ESP for the period beginning June 1, 2014, through May 31, 2016, pursuant to R.C. 4928.143. *In re Ohio Edison Co., Cleveland Elec. Illum. Co., and Toledo Edison Co. for Auth. to Provide for a Std. Serv.*

*Offer Pursuant to R.C. 4928.143, in the Form of an Elec. Security Plan, Case No. 12-1230-EL-SSO, Opinion and Order (July 18, 2012) (ESP III Case).*

{¶ 5} Thereafter, on March 31, 2016, the Commission issued an Opinion and Order approving modified stipulations between FirstEnergy and certain parties, which provided for an ESP for the period beginning June 1, 2016, through May 31, 2024, pursuant to R.C. 4928.143. *In re Ohio Edison Co., Cleveland Elec. Illum. Co., and Toledo Edison Co. for Auth. to Provide for a Std. Serv. Offer Pursuant to R.C. 4928.143, in the Form of an Elec. Security Plan, Case No. 14-1297-EL-SSO, Opinion and Order (Mar. 31, 2016) (ESP IV Case).*

{¶ 6} In the Order in the *ESP III Case*, and continued in the Order in the *ESP IV Case*, the Commission found that FirstEnergy should file annually applications for the review of certain riders approved in those proceedings, including the Companies' Generation Service Rider (Rider GEN), which is a bypassable rider that recovers generation charges including energy and capacity obtained through the competitive bidding process. *ESP III Case*, Opinion and Order (July 18, 2012) at 44; *ESP IV Case*, Opinion and Order (Mar. 31, 2016) at 15, 25, 46, 73.

{¶ 7} Additionally, the Commission directed the Companies to file the Percentage of Income Payment Plan (PIPP) and non-PIPP generation rates for Commission review no later than 30 days following the date of the last auction,<sup>1</sup> and that the final Rider GEN tariffs reflecting those updated rates would be approved effective June 1<sup>st</sup> of each subsequent year, contingent upon the Commission's review. *In re the Revised Tariffs for Rider GEN of Ohio Edison Co., The Cleveland Elec. Illum. Co., and the Toledo Edison Co., Case No. 16-541-EL-RDR, Finding and Order (May 25, 2016).* Further, in Case No. 16-936-EL-UNC, the Commission approved the PIPP auction results and directed that the winning bid price for the PIPP competitive request for proposal auction should remain confidential until the scheduled auctions have been completed by the other electric utilities in Ohio. *In re the Procurement of Percentage of*

---

<sup>1</sup> The proposed SSO and Time of Day rates include the results of the most recent auction held January 29, 2018, approved by the Commission on January 31, 2018. The proposed PIPP generation rate reflects the results of the PIPP auction held February 20, 2018 and approved by the Commission on February 21, 2018.

*Income Payment Plan Program Generation for Customers of Ohio Edison Co., The Cleveland Elec. Illum. Co., and the Toledo Edison Co., Case No. 16-936-EL-UNC, Finding and Order (Feb. 21, 2018) at 3.*

{¶ 8} On March 23, 2018, the Companies filed an application for the review of Rider GEN for the year beginning on June 1, 2018, as well as tariffs to reflect changes to Rider GEN, scheduled to go into effect on June 1, 2018. The proposed tariffs include the SSO generation rates, Time of Day generation rates, and PIPP generation rates.

{¶ 9} Thereafter, on May 7, 2018, the Commission's Staff filed its review and recommendation on the Companies' application for review. In its comments, Staff states that it reviewed the application and determined that the tariffs as proposed in the application appear to be in compliance with Commission orders and accurately reflect the most recent auction results. Thus, Staff recommends that the proposed tariffs be approved and become effective on a services rendered basis on June 1, 2018.

{¶ 10} The Commission has reviewed the Companies' application and Staff's review and recommendations and finds that the proposed tariffs accurately reflect the Commission's orders and do not appear to be unjust and unreasonable. Therefore, we accept Staff's recommendations and approve the Companies' application.

### III. ORDER

{¶ 11} It is, therefore,

{¶ 12} ORDERED, That Staff's review and recommendations be adopted, and the Companies' application be approved. It is, further,

{¶ 13} ORDERED, That FirstEnergy be authorized to file tariffs, in final form, consistent with this Finding and Order. The Companies shall file one copy in this case docket and one copy in their respective TRF dockets. It is, further,

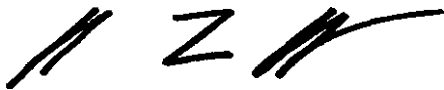
{¶ 14} ORDERED, That the effective date of the new tariffs shall be June 1, 2018. It is, further,

{¶ 15} ORDERED, That FirstEnergy shall notify all affected customers via a bill message or bill insert within 30 days of the effective date of the tariffs. A copy of the customer notice shall be submitted to the Commission's Service Monitoring and Enforcement Department, Reliability and Service Analysis Division, at least ten days prior to its distribution to customers. It is, further,

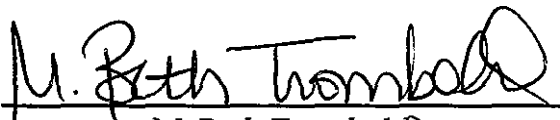
{¶ 16} ORDERED, That nothing in this Finding and Order shall be binding upon this Commission in any future proceeding or investigation involving the justness or reasonableness of any rate, charge, rule, or regulation. It is, further,

{¶ 17} 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

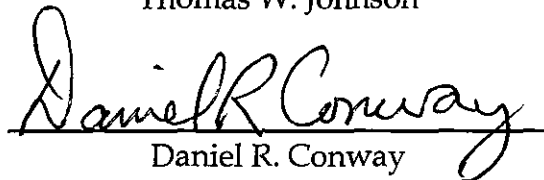


M. Beth Trombold

Thomas W. Johnson



Lawrence K. Friedeman



Daniel R. Conway

GAP/LLA/sc

Entered in the Journal  
**MAY 23 2018**



Barcy F. McNeal  
Secretary