FirstEnergy

76 South Main St.
Akron, Ohio 44308

June 28, 2018

Mrs. Barcy McNeal
Commission Secretary
The Public Utilities Commission of Ohio
180 East Broad Street
Columbus, OH 43215

SUBJECT: Case Nos. 17-2277-EL-RDR
89-6008-EL-TRF

Dear Mrs. McNeal:

Enclosed are The Toledo Edison Company's compliance tariffs, which are being filed in accordance with the Commission's Finding and Order dated June 28, 2018, in Case No. 17-2277-EL-RDR.

By filing these tariffs, The Toledo Edison Company is not relinquishing or otherwise diminishing its right to withdraw the ESP IV as permitted under R.C. 4928.143.

Please file one copy of the tariffs in Case Nos. 17-2277-EL-RDR and 89-6008-EL-TRF, and two copies to the Staff. Thank you.

Sincerely,

Santino L. Fanelli

Santino L. Fanelli
Director, Rates & Regulatory Affairs

Enclosures

RIDER DSE
Demand Side Management and Energy Efficiency Rider

2. The DSE2 charges set forth in this Rider shall be updated and reconciled semi-annually. No later than December 1st and June 1st of each year, the Company shall file with the PUCO a request for approval of these charges which, unless otherwise ordered by the PUCO, shall become effective on a service rendered basis on January 1st and July 1st of each year. This Rider is subject to reconciliation, including, but not limited to increases or refunds. Such reconciliation shall be based solely upon the results of audits ordered by the Commission in accordance with the July 18, 2012 Opinion and Order in Case No. 12-1230-EL-SSO, and the March 31, 2016 Opinion and Order in Case No. 14-1297-EL-SSO and upon the Commission's orders in Case No. 18-47-AU-COI. This rider shall be in effect until all costs are fully recovered.

AVOIDABILITY:

1. The DSE1 charges set forth in this Rider are avoidable for (1) those customers taking service under Rider ELR and (2) a customer, as that term is defined in Section 4928.6610, Revised Code, which elects to opt out of the Company's portfolio plan as that term is defined in Section 4928.6610, Revised Code.

2. The DSE2 charges set forth in this Rider are avoidable for (1) a customer, as that term is defined in Section 4928.6610, Revised Code, which elects to opt out of the Company's portfolio plan as that term is defined in Section 4928.6610, Revised Code and (2) Non-Residential customers who are not taking service under a unique arrangement (special contract) and meet the criteria of all of paragraphs a) through f) below.

   Each customer applying to the Company to avoid the DSE2 charges must at a minimum meet all of the criteria set forth below and must submit to the Company verifiable information detailing how the criteria are met, and must provide an affidavit from a company official attesting to the accuracy and truthfulness of the information provided. Qualification and verification on an annual basis is required, subject to the Failure to Comply section of this rider.

a) The customer is a mercantile customer, as that term is defined in Section 4928.01, Revised Code.
b) The customer identifies its capital investments and expenses related to customer-sited demand-response programs, energy efficiency programs or peak demand reduction programs.
c) For consideration of avoidance of this Rider, the customer shall provide sufficient data to illustrate that it has undertaken or will undertake energy efficiency and/or demand reduction programs that have produced or will produce energy savings and/or peak demand reductions equal to or greater than the statutory benchmarks to which the Company is subject. The energy savings and demand reductions resulting from the customer's programs shall be calculated using the same methodology used to calculate the Company's energy savings and demand reductions for purposes of determining compliance with statutory benchmarks, including normalization adjustments to the baseline, where appropriate.
d) The customer commits, in writing, its customer-sited capabilities for integration into the Company's portfolio of programs such that the customer-sited capabilities shall assist the Company in satisfying the requirements in Section 4928.66, Revised Code.
e) The customer demonstrates to the satisfaction of the Company that the avoidance of the DSE2 charges shall reasonably encourage the customer to commit its customer-sited capabilities for integration into the Company's portfolio of programs described above.
f) The customer commits to use its best efforts to cooperate with and assist the Company in conjunction with any reviews conducted by a regulatory authority of the Company's efforts to

RIDER DSE
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utilize the customer's customer-sited capabilities to satisfy the requirements in Section 4928.66, Revised Code.

The customer must complete a standard application form in order to be considered for qualification to avoid charges under this Rider. The Company shall provide a standard application form upon request by the customer. Customers applying to avoid the DSE2 charges must successfully demonstrate that they have completed an energy efficiency project within the past three calendar years without financial support from the Company. The burden of proof to successfully demonstrate compliance with the standard application form lies with the customer.

Upon the Commission's approval of the customer's completed standard application form, the DSE2 charges shall be avoidable by the customer as long as, on an annual basis, the customer makes a filing with the Commission demonstrating that it remains eligible for the exemption under the criteria set forth herein.

REPORTING REQUIREMENTS:

Customers served under this Rider must submit an annual report to the Company (Director, Ohio Rates and Regulatory Affairs), no later than April 30th of each year. The format of that report shall be identical to the Standard Application Form such that a determination of the compliance with the eligibility criteria can be determined.

The burden of proof to demonstrate on-going compliance with this Rider lies with the customer.

CONFIDENTIALITY:

Customer information provided to demonstrate eligibility under this Rider, which has been identified as confidential, shall be treated as confidential by the Company. The name and address of customers eligible for the schedules, including eligible to avoid the DSE2 charges, shall be public information. The Public Utilities Commission of Ohio and its Staff shall have access to all customer and Company information related to service provided pursuant to this Rider for periodic and random audits.

FAILURE TO COMPLY:

If the customer being provided with service pursuant to this Rider fails to comply with any of the criteria for eligibility to avoid charges under this Rider, the Company will provide reasonable notice to the customer that the customer will pay all charges under this Rider. Furthermore, the Company shall charge the customer for the sum of all of the customer's avoided charges realized under this Rider, which the customer shall thus be obligated to pay.

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Case No(s). 89-6008-EL-TRF, 17-2277-EL-RDR

Summary: Tariff Update of Rider DSE electronically filed by Karen A Sweeney on behalf of The Toledo Edison Company and Fanelli, Santino L. Mr.