

THE PUBLIC UTILITIES COMMISSION OF OHIO

**IN THE MATTER OF THE FILING BY OHIO
EDISON COMPANY, THE CLEVELAND
ELECTRIC ILLUMINATING COMPANY AND
THE TOLEDO EDISON COMPANY OF A
GRID MODERNIZATION BUSINESS PLAN.**

CASE No. 16-481-EL-UNC

**IN THE MATTER OF THE FILING
BY OHIO EDISON COMPANY, THE
CLEVELAND ELECTRIC ILLUMINATING
COMPANY AND THE TOLEDO EDISON
COMPANY APPLICATION FOR APPROVAL
OF A DISTRIBUTION PLATFORM
MODERNIZATION PLAN.**

CASE No. 17-2436-EL-UNC

**IN THE MATTER OF THE APPLICATION OF
OHIO EDISON COMPANY, THE
CLEVELAND ELECTRIC ILLUMINATING
COMPANY AND THE TOLEDO EDISON
COMPANY TO IMPLEMENT MATTERS
RELATING TO THE TAX CUTS AND JOBS
ACT OF 2017.**

CASE No. 18-1604-EL-UNC

**IN THE MATTER OF THE APPLICATION OF
OHIO EDISON COMPANY, THE
CLEVELAND ELECTRIC ILLUMINATING
COMPANY AND THE TOLEDO EDISON
COMPANY FOR APPROVAL OF A TARIFF
CHANGE.**

CASE No. 18-1656-EL-ATA

ENTRY

Entered in the Journal on November 15, 2018

{¶ 1} In this Entry, the Attorney Examiner establishes a procedural schedule to consider the Stipulation and Recommendation filed on November 9, 2018, in the above-captioned cases.

{¶ 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 consumers within its certified territory a standard service offer (SSO) of all competitive retail electric services necessary to maintain essential electric service to customers, including a firm supply of electric generation service. 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 March 8, 2017, the Commission announced that we would undertake a detailed policy review of grid modernization, entitled *PowerForward*. Over three phases, the Commission heard from 127 industry experts on a variety of grid modernization topics, and, on August 29, 2018, the Commission released *PowerForward: A Roadmap to Ohio's Electricity Future*.

{¶ 5} On March 31, 2016, in Case No. 14-1297-EL-SSO, the Commission approved FirstEnergy's application for its fourth ESP (*ESP IV*). *In re Ohio Edison Co., The Cleveland Elec. Illum. Co., and the Toledo Edison Co. for Authority to Provide for a Std. Serv. Offer Pursuant to Section 4928.143, Revised Code, in the Form of an Elec. Security Plan*, Case No. 14-1297-EL-SSO, Opinion and Order (Mar. 31, 2016) (*ESP IV Case*). Moreover, on October 12, 2016, the Commission issued the Fifth Entry on Rehearing in the *ESP IV Case*, further modifying *ESP IV*. *ESP IV Case*, Fifth Entry on Rehearing (Oct. 12, 2016) at 87-88.

{¶ 6} Among other terms, *ESP IV* requires the Companies to undertake grid modernization initiatives that promote customer choice in Ohio and to file a grid modernization business plan. *ESP IV Case*, Opinion and Order at 22, 95-96. Accordingly, on February 29, 2016, the Companies filed a grid modernization plan with the Commission in Case No. 16-481-EL-UNC. Subsequently, in the Fifth Entry on Rehearing in the *ESP IV Case*, the Commission noted that we intended to undertake *PowerForward*

and that FirstEnergy's grid modernization business plan would be addressed following such review. *ESP IV Case*, Fifth Entry on Rehearing at 96-97.

{¶ 7} On December 4, 2017, the Companies filed an application for approval of a distribution platform modernization plan (DPM Plan) in Case No. 17-2436-EL-UNC. The DPM Plan is a portfolio of projects with an estimated capital expenditure of \$450 million intended to improve reliability, modernize the Companies existing distribution system and provide for more gradual rate impacts resulting from the implementation of grid modernization initiatives.

{¶ 8} Further, the Commission opened an investigation on January 10, 2018, into the financial impacts of the Tax Cuts and Jobs Act of 2017 (TCJA) on the Commission's jurisdictional rate-regulated public utilities. On October 24, 2018, having considered numerous comments filed in the proceeding, the Commission directed Ohio rate-regulated public utilities to file an application pursuant to R.C. 4909.18, by January 1, 2019, to pass along to consumers the tax savings resulting from the TCJA, unless otherwise ordered by the Commission. *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, Finding and Order (Oct. 24, 2018) at 1-2, 18.

{¶ 9} Subsequently, on October 30, 2018, the Companies filed an application in Case No. 18-1604-EL-UNC, requesting that the Commission establish a process specific to the Companies to facilitate an efficient resolution of TCJA matters relating to the Companies.

{¶ 10} On November 9, 2018, a Stipulation and Recommendation (Global Stipulation) was filed in Case No. 18-1656-EL-ATA, as well as Case Nos. 16-481-EL-UNC, 17-2436-EL-UNC and 18-1604-EL-UNC, recommending a resolution of all issues in each case. The Global Stipulation was signed by the Companies, Direct Energy Services, LLC and Direct Energy Business, LLC, Environmental Defense Fund, Ohio Energy Group,

Industrial Energy Users-Ohio, Ohio Cable Telecommunications Association, Ohio Hospital Association, Interstate Gas Supply, Inc. and Staff (Signatory Parties). The Signatory Parties request that the Commission act expeditiously and approve the Global Stipulation by December 31, 2018. As a final matter, on November 13, 2018 the Companies filed a motion to consolidate the above-captioned cases into a single proceeding, in order to achieve further process and administrative efficiencies.

{¶ 11} The Attorney Examiner finds that the Companies' motion to consolidate the above-captioned cases is reasonable and should be granted. Accordingly, a motion to intervene filed in any of the four dockets will be deemed to have been filed in each of the dockets, unless withdrawn. The Attorney Examiner further finds that the following procedural schedule should be established for consideration of the Global Stipulation:

- (a) Motions to intervene should be filed by November 27, 2018;
- (b) Testimony in support of the Global Stipulation should be filed by December 7, 2018;
- (c) Staff testimony should be filed by January 14, 2019;
- (d) Testimony in opposition to the Global Stipulation should be filed by January 22, 2019;
- (e) Except for notices of deposition, discovery should be served by January 25, 2019.
- (f) The evidentiary hearing in this proceeding will commence on February 4, 2019 at 10:00 a.m., at the offices of the Commission, 180 E. Broad Street, 11th Floor, Hearing Room 11-A, Columbus, Ohio 43215.

{¶ 12} It is, therefore,

{¶ 13} ORDERED, That the Companies' motion to consolidate the above-captioned cases be granted. It is, further,

{¶ 14} ORDERED, That the evidentiary hearing in this proceeding be scheduled in accordance with Paragraph 11. It is, further,

{¶ 15} ORDERED, That a copy of this Entry be served upon each party of record.

THE PUBLIC UTILITIES COMMISSION OF OHIO

s/Gregory Price

By: Gregory A. Price
Attorney Examiner

JRJ/sc

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in

Case No(s). 16-0481-EL-UNC, 17-2436-EL-UNC, 18-1604-EL-UNC, 18-1656-EL-ATA

Summary: Attorney Examiner Entry granting Companies' motion to consolidate the captioned cases in this Entry and scheduling evidentiary hearing for 02/04/19 at 10:00 a.m. in accordance with Paragraph 11 - electronically filed by Sandra Coffey on behalf of Gregory Price, Attorney Examiner, Public Utilities Commission of Ohio