

**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of The Application of Ohio	)	
Edison Company, The Cleveland Electric	)	
Illumination Company, and The Toledo	)	Case No. 19-2080-EL-ATA
Edison Company for Approval of a	)	Case No. 19-2081-EL-AAM
Decoupling Mechanism.	)	

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**NORTHEAST OHIO PUBLIC ENERGY COUNCIL’S  
REPLY COMMENTS**

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**I.     INTRODUCTION**

The Northeast Ohio Public Energy Council (“NOPEC”) is a regional council of governments established under R.C. Chapter 167, and is the largest governmental retail energy aggregator in Ohio. It is comprised of approximately 235 member communities in the nineteen (19) Ohio counties. NOPEC provides electric aggregation service to approximately 500,000 retail electric customers in The Cleveland Electric Illuminating Company’s and Ohio Edison Company’s service territories. NOPEC has been an active participant in each of the electric security plan (“ESP”) proceedings filed by these utilities, including those ESP’s which permitted the recovery of lost distribution revenues through the utilities’ energy efficiency rider.

By entry of December 3, 2019, the Commission sought comments from interested parties regarding FirstEnergy’s<sup>1</sup> application for approval of a decoupling mechanism under R.C. 4928.471. Initial comments were filed on December 17, 2019. NOPEC submits these Reply Comments in response to the initial comments filed by various stakeholders to protect the interests of its residential and small commercial customers.

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<sup>1</sup> The Cleveland Electric Illuminating Company and Ohio Edison Company (along with The Toledo Edison Company) are the Ohio operating electric distribution companies of FirstEnergy Corp (“FirstEnergy”).

## II. REPLY COMMENTS

- a. The Public Utilities Commission of Ohio (“Commission”) must take all necessary steps to ensure FirstEnergy is not double recovering lost distribution revenues.

In their initial comments, the Ohio Manufacturers’ Association Energy Group (“OMAEG”) and the Office of the Ohio Consumers’ Counsel (“OCC”) state that the Commission should ensure that FirstEnergy’s proposed decoupling mechanism does not double recover revenues, including lost distribution revenues. NOPEC fully agrees with these comments. NOPEC’s customers are currently paying Rider DSE2 revenues associated with FirstEnergy’s energy efficiency (EE-PDR) programs. To the extent FirstEnergy is already collecting lost distribution revenue through Rider DSE2, it should not be able to collect the same lost distribution revenue through the proposed Conservation Support Rider (“Rider CSR”).

R.C. 4928.471(D) requires the Commission to ensure that double recovery will not occur before approving FirstEnergy’s application:

(D) If the commission determines that approving a decoupling mechanism will result in a double recovery by the electric distribution utility, the commission shall not approve the application unless the utility cures the double recovery.

It is imperative that the Commission comply with its statutory obligation under R.C. 4928.471(D) to protect customers. The lack of detail in FirstEnergy’s application, along with the 60-day expedited review process in this proceeding, make it difficult (if not impossible) for interested parties to discern whether FirstEnergy’s decoupling mechanism will result in a prohibited double recovery of lost revenues. NOPEC urges Staff and the Commission to undertake a comprehensive review of this issue before approving FirstEnergy’s application in order to fulfill its duty to protect customers.

**b. If the Commission approves FirstEnergy's application, the Commission should perform an audit of the Rider CSR and should make the Rider CSR subject to refund to protect customers.**

If the Commission believes it must approve FirstEnergy's application within the constrained 60-day time frame, it should recognize that additional information – beyond that contained in the application – will be required to make a final determination whether FirstEnergy is double recovering lost revenues. NOPEC agrees with OMAEG's and OCC's comments that, if the FirstEnergy's application is granted, the CSR Rider should be subject to an audit and that Rider CSR revenues should be subject to refund.

Considering the lack of information contained in the application, the statutory time constraints placed on the Commission for investigation and approval, and the unsettled nature of continued energy efficiency programs, it is essential that the Commission provide consumers with some safeguards to protect against unforeseen developments (or unknown data) at least during the remainder of FirstEnergy's current ESP. A comprehensive audit of Rider CSR will enable the Commission to conclusively determine whether the rider's rates charged are just, reasonable, and lawful. To protect consumers in the event that the audit reveals that Rider CSR is double recovering, it is essential that the rider's rates be made subject to refund.

**III. CONCLUSION**

NOPEC respectfully request that the Commission take the necessary steps to ensure customers are protected from potential double recovery. The language of R.C. 4928.471(D) clearly provides the Commission the obligation and authority to take such steps. Further, if FirstEnergy's application is granted, the Commission should protect customers by making Rider CSR subject to refund and performing an audit of the rider.

Respectfully submitted,



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### **CERTIFICATE OF SERVICE**

The undersigned hereby certifies that a copy of the foregoing Reply Comments was served upon the parties of record listed below this 27<sup>th</sup> day of December 2019 *via* electronic service.



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Summary: Reply Comments of Northeast Ohio Public Energy Council electronically filed by  
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