

**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Commission’s Review of )	
Chapter 4901:1-35 of the Ohio Administrative )	Case No. 18-1188-EL-ORD
Code )	

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**APPLICATION FOR REHEARING OF OHIO EDISON COMPANY,  
THE CLEVELAND ELECTRIC ILLUMINATING COMPANY AND  
THE TOLEDO EDISON COMPANY**

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Pursuant to Section 4903.10 of the Ohio Revised Code and Rule 4901-1-35 of the Ohio Administrative Code, Ohio Edison Company, The Cleveland Electric Illuminating Company and The Toledo Edison Company (the “Companies”), request rehearing of the Entry issued in this proceeding on June 3, 2020. As demonstrated in the attached Memorandum in Support, the Entry is unreasonable on the following grounds:

1. The Commission granted the request of the Office of the Ohio Consumers’ Counsel (“OCC”) to require that cost-benefit analyses be included in an application under R.C. 4928.143(B)(2)(h) for approval of a distribution infrastructure modernization plan, but the proposed rule amendment mistakenly requires cost-benefit analyses for all mechanisms and programs included under R.C. 4928.143(B)(2)(h), inconsistent with the Commission’s decision.

2. The Commission agreed to amend Rule 4901:1-35-03(C)(9)(g)(ii) to include the “quantitative and qualitative impacts of all reliability improvements,” but the proposed rule amendment mistakenly fails to include the quoted language.

Accordingly, the Commission should grant the Companies’ Application for Rehearing and revise the proposed rule amendments as set forth in the attached Memorandum in Support.

Respectfully submitted,

/s/ Robert M. Endris

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TOLEDO EDISON COMPANY

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**MEMORANDUM IN SUPPORT OF APPLICATION FOR REHEARING  
OF OHIO EDISON COMPANY, THE CLEVELAND ELECTRIC  
ILLUMINATING COMPANY AND THE TOLEDO EDISON COMPANY**

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Ohio Edison Company, The Cleveland Electric Illuminating Company and The Toledo Edison Company (the “Companies”) apply for rehearing of the Commission’s June 3, 2020 Entry (“Entry”) to correct two proposed rule amendments that do not accurately reflect the Commission’s decision. First, the Commission decided in the Entry to require a cost-benefit analysis for distribution infrastructure modernization plans in Rule 4901:1-35-03(C)(9)(g)(ii) (Entry ¶¶ 25, 30), but the Commission placed the language in the incorrect subpart of the rule, where it has the unintended and unreasonable effect of requiring a cost-benefit analysis for all mechanisms or programs included in an Electric Security Plan (“ESP”) under R.C. 4928.143(B)(2)(h). Second, the Commission decided in the Entry to amend Rule 4901:1-35-03(C)(9)(g)(ii) to include the “quantitative and qualitative impacts of all reliability improvements” (Entry ¶ 30), but the Commission mistakenly used an incomplete version of the language adopted by the Commission in its decision. The Commission should correct both of these amendments on rehearing.

**A. Amendment to Rule 4901:1-35-03(C)(9)(g)(ii) to include a cost-benefit analysis with applications for approval of a distribution infrastructure modernization plan.**

In the Entry, the Commission agreed with OCC’s request in its Comments that “distribution infrastructure modernization (DIM) plans should include cost-benefit analyses to demonstrate that the plans are cost-effective and produce net benefits for consumers.” Entry ¶ 25, 30. Notably, the

Commission's decision appears in a section of the Entry discussing amendments to 4901:1-35-03(C)(9)(g)(ii), which contains filing requirements specifically limited to distribution infrastructure modernization plans. Thus, the Commission clearly intended to amend Rule 4901:1-35-03(C)(9)(g)(ii) to include a cost-benefit analysis in the filing requirements for distribution infrastructure modernization plans.

Instead of amending Rule 4901:1-35-03(C)(9)(g)(ii), however, the Commission amended Rule 4901:1-35-03(C)(9)(g), which does not reflect or advance the Commission's intent. By erroneously placing the cost-benefits analysis requirement in (C)(9)(g), and not (C)(9)(g)(ii), the Commission has made a cost-benefit analysis a filing requirement of every mechanism or program included in an ESP under R.C. 4928.143(B)(2)(h). A distribution infrastructure modernization plan is just one of many distribution-related provisions that may be included in an ESP. *See* R.C. 4928.143(B)(2)(h). But instead of limiting the cost-benefit analysis requirement to distribution infrastructure modernization plans as specified in the Commission's decision, the Commission's amended rule extends this requirement to any and all distribution-related provisions filed under R.C. 4928.143(B)(2)(h).

The Commission should grant rehearing for the purpose of moving the cost-benefit analysis requirement from Rule 4901:1-35-03(C)(9)(g) to (C)(9)(g)(ii) so that it applies specifically to ESP applications that include a distribution infrastructure modernization plan. No party to this proceeding offered a reasoned basis for including a cost-benefit analysis in any other section of the Commission's rules, nor discussed requiring a cost-benefit analysis for any type of distribution-related provision other than a distribution infrastructure modernization plan. Indeed, a requirement to include a cost-benefit analysis with each and every mechanism or program included in an ESP under R.C. 4928.143(B)(2)(h) would be unduly burdensome and unreasonable. Thus, the wording

added to Rule 4901:1-35-03(C)(9)(g) should be deleted and Rule 4901:1-35-03(C)(9)(g)(ii) should be amended, as shown below in Section C of this Memorandum, to include a cost-benefit analysis with distribution infrastructure modernization plans filed as part of an ESP application.

**B. Amendment to Rule 4901:1-35-03(C)(9)(g)(ii) to include “quantitative and qualitative impacts of all reliability improvements.”**

The Commission’s Entry states that it is amending Rule 4901:1-35-03(C)(9)(g)(ii) to include in a distribution infrastructure modernization plan filing the “quantitative and qualitative impacts of all reliability improvements.” Entry ¶ 30. However, Attachment A to the Entry does not include this language. *See* Entry, Attachment A, p. 11 of 21. Instead, Attachment A includes dissimilar language proposed by OCC in its Comments. OCC’s language does not incorporate qualitative benefits and, thus, conflicts with the Commission’s decision in paragraph 30 of the Entry. The Commission should grant rehearing to include in Rule 4901:1-35-03(C)(9)(g)(ii) the language approved by the Commission in paragraph 30 of the Entry, as shown below in Section C of this Memorandum.

**C. Rule 4901:1-35-03(C)(9)(g)(ii), as corrected.**

On rehearing, the Commission should correct the two errors described above by amending Rule 4901:1-35-03(C)(9)(g)(ii) as follows:

(ii) A description of the benefits of the infrastructure modernization plan (in total and by activity or type), including but not limited to the following as they may apply to the plan: a cost-benefit analysis, quantitative and qualitative impacts of all reliability improvements, the number of circuits impacted, the number of customers impacted, the timing of impacts, whether the impact is on the frequency or duration of outages, whether the infrastructure modernization plan addresses primary outage causes, what problems are addressed by the infrastructure modernization plan, the resulting dollar savings and additional costs, the activities affected and related accounts, the timing of savings, other customer benefits, and societal benefits. Through metrics and milestones, the infrastructure modernization plan shall include a description of how the performance and outcomes of the plan will be measured.

Correspondingly, as stated above, the cost-benefit analysis wording inserted into 4901:1-35-03(C)(9)(g) should be deleted.

## **II. CONCLUSION**

For the foregoing reasons, the Companies respectfully request that the Commission grant rehearing and correct the amendments discussed in this Application for Rehearing.

Respectfully submitted,

/s/ Robert M. Endris

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**CERTIFICATE OF SERVICE**

I certify that the above was filed electronically through the Docketing Information System of the Public Utilities Commission of Ohio on this 6th day of July, 2020. The PUCO's e-filing system will electronically serve notice of the filing of this document on counsel for all parties. Further, a courtesy copy has been served upon parties via electronic mail.

/s/ Robert M. Endris  
One of the Attorneys for the Companies

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Summary: App for Rehearing Application for Rehearing of Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company electronically filed by Mr Robert M Endris on behalf of Ohio Edison Company and The Cleveland Electric Illuminating Company and The Toledo Edison Company