



# Public Utilities Commission

**Mike DeWine**, Governor  
**M. Beth Trombold**, Acting Chair

## Commissioners

Lawrence K. Friedeman  
Dennis P. Deters  
Daniel R. Conway

December 30, 2020

Docketing Division  
Public Utilities Commission of Ohio  
180 East Broad Street  
Columbus OH 43215

RE: *In the Matter of the Application of Ohio Edison Company, The Cleveland Electric Illuminating Company and The Toledo Edison Company for an update to Tariffs in Rider CSR, Case No. 19-2080-EL-ATA.*

Dear Docketing Division:

Enclosed please find the Staff Recommendation in the Matter of Ohio Edison Company, The Cleveland Electric Illuminating Company and The Toledo Edison Company for an update to Tariffs in Rider CSR, Case No. 19-2080-EL-ATA.

A handwritten signature in black ink, appearing to read "DL", is written over a horizontal line.

David Lipthratt  
Chief, Accounting and Finance Division  
Public Utilities Commission of Ohio

Enclosure  
Cc: Parties of Record

**First Energy Corp.**  
**Conservation Support Rider (Rider CSR)**  
**Case No. 19-2080-EL-ATA**

**SUMMARY**

On November 21, 2019, Ohio Edison Company, The Cleveland Electric Illuminating Company and The Toledo Edison Company (collectively “Companies”) filed an application (“2019 Application”) in Case No. 19-2080-EL-ATA to request approval of a decoupling mechanism pursuant to Ohio Revised Code (“R.C.”) Section 4928.471, which was enacted as a part of Am. Sub. H.B. 6 (“HB 6”) and authorized an electric distribution utility to file an application to implement a decoupling mechanism, which is designed to separate a utility's revenue from changes in energy sales as to reduce a utility's disincentive to promote energy efficiency.

In the 2019 Application, the Companies proposed the Conservation Support Rider (“CSR”) as a two-part decoupling mechanism designed to: (1) reconcile the Companies annual residential (“rate RS”) and commercial customer (“rate GS”) base distribution revenue with the 2018 base distribution revenue and (2) reconcile the revenue resulting from the implementation of R.C. 4928.66 (“Lost Distribution Revenue”), excluding program costs and shared savings. CSR will be adjusted annually to reconcile any over recovery or under recovery from the prior year.

On November 3, 2020, the Companies filed applications (2020 Applications) for tariff updates of Rider CSR for the three companies to be effective January 1, 2021.

**STAFF REVIEW**

In its review, Staff examined the as-filed schedules for consistency with HB 6 to ensure proper accounting and regulatory treatment was applied. The audit consisted of a review of the financial statements for completeness, occurrence, presentation, valuation, allocation and accuracy. Staff conducted this audit by reviewing source documents supporting the rate calculations filed in the tariff updates.

The proposed tariff rates for both Rate 1 and Rate 2 of Rider CSR will result in increases for nearly all rate RS and rate GS customers within the Companies service territories. Rate 2 has the largest proposed increases because 2018 lost distribution revenue, which was previously collected through the Demand Side Management and Energy Efficiency Rider, will now be collected solely through Rider CSR. The table below compares the 2019 and 2020 rates by customer class and service territory.

<b>Rate 1: Decoupling Base Distribution Revenues</b>		
<b>Rate RS</b>	<b>2019 Rates</b>	<b>2020 Rates</b>
Ohio Edison	0.0614 ¢/kWh	0.1544 ¢/kWh
Cleveland Electric Illuminating	0.1066 ¢/kWh	0.1715 ¢/kWh
Toledo Edison	0.1178 ¢/kWh	0.0729 ¢/kWh
<b>Rate GS</b>	<b>2019 Rates</b>	<b>2020 Rates</b>
Ohio Edison	0.2245 \$/kW over 5 kW	0.627 \$/kW over 5 kW
Cleveland Electric Illuminating	0.2929 \$/kW over 5 kW	0.6735 \$/kW over 5 kW
Toledo Edison	0.4463 \$/kW over 5 kW	0.8875 \$/kW over 5 kW
<b>Rate 2: ORC 4928.66 / Lost Distribution Revenue</b>		
<b>Rate RS</b>	<b>2019 Rates</b>	<b>2020 Rates</b>
Ohio Edison	-0.0084 ¢/kWh	0.2702 ¢/kWh
Cleveland Electric Illuminating	0.0147 ¢/kWh	0.3703 ¢/kWh
Toledo Edison	-0.0228 ¢/kWh	0.4447 ¢/kWh
<b>Rate GS</b>	<b>2019 Rates</b>	<b>2020 Rates</b>
Ohio Edison	-0.0496 ¢/kWh	0.0664 ¢/kWh
Cleveland Electric Illuminating	-0.0099 ¢/kWh	0.0862 ¢/kWh
Toledo Edison	-0.0496 ¢/kWh	0.0838 ¢/kWh

## CONCLUSION

Staff has reviewed the Companies tariffs and recommends that the rates as proposed in the tariff applications be effective January 1, 2021.

**This foregoing document was electronically filed with the Public Utilities**

**Commission of Ohio Docketing Information System on**

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**in**

**Case No(s). 19-2080-EL-ATA**

Summary: Staff Review and Recommendation electronically filed by Mr. Matthew D Snider on behalf of PUCO Staff