

THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE 2019 REVIEW OF
THE DISTRIBUTION UNCOLLECTIBLE
RIDER, PIPP UNCOLLECTIBLE RIDER,
NON-DISTRIBUTION UNCOLLECTIBLE
RIDER, GENERATION COST
RECONCILIATION RIDER, AND
ECONOMIC DEVELOPMENT RIDER OF
OHIO EDISON COMPANY, THE
CLEVELAND ELECTRIC ILLUMINATING
COMPANY, AND THE TOLEDO EDISON
COMPANY.

CASE NO. 18-1648-EL-RDR

FINDING AND ORDER

Entered in the Journal on June 16, 2021

I. SUMMARY

{¶ 1} The Commission approves the application filed by Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company regarding the 2019 audit review of the PIPP Uncollectible Rider, the Distribution Uncollectible Rider, the Non-Distribution Uncollectible Rider, the Generation Cost Reconciliation Rider, and the Economic Development Rider.

II. DISCUSSION

{¶ 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 firm supply of electric generation services. 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 August 25, 2010, the Commission issued an Opinion and Order in *In re Application of Ohio Edison Co., The Cleveland Elec. Illum. Co., and The Toledo Edison Co. for Auth. To Establish a Std. Serv. Offer Pursuant to Section 4928.143, Revised Code, in the Form of an Elec. Security Plan*, Case No. 10-388-EL-SSO (*ESP II Case*). In that Opinion and Order, the Commission approved a combined stipulation, as modified, authorizing FirstEnergy to establish multiple riders.

{¶ 5} On July 18, 2012, the Commission issued an Opinion and Order in Case No. 12-1230-EL-SSO (*ESP III Case*), approving a stipulation filed by various parties extending, with modifications, the combined stipulation approved by the Commission in the *ESP II Case*. In the July 18, 2012 Opinion and Order in the *ESP III Case*, the Commission found that the Companies should file an application annually in July for the combined review of the PIPP Uncollectible Rider (Rider PUR), Distribution Uncollectible Rider (Rider DUN), Non-Distribution Uncollectible Rider (Rider NDU), Generation Cost Reconciliation Rider (Rider GCR), and Economic Development Rider (Rider EDR). *ESP III Case*, Opinion and Order (July 18, 2012) at 44. Rider PUR recovers uncollectible expenses associated with the Universal Service Fund/Percentage of Income Payment Plan. Rider DUN recovers distribution uncollectible expenses in excess of the amount being recovered in base rates, which were set in *In re Application of Ohio Edison Co., The Cleveland Elec. Illum. Co., and The Toledo Edison Co. for Auth. To Increase Rates for Distrib. Serv., Modify Certain Accounting Practices, and for Tariff Approvals*, Case No. 07-551-EL-AIR. Rider NDU recovers non-distribution uncollectible expenses. Rider GCR recovers the generation cost difference that the Companies pay suppliers as compared to the costs recovered from customers. Rider EDR contains seven provisions: a residential non-standard credit provision; an interruptible credit provision; a non-residential provision; a general service-transmission provision; a standard charge provision; an automaker credit provision; and an automaker charge provision.

{¶ 6} On March 31, 2016, the Commission issued its Opinion and Order in Case No. 14-1297-EL-SSO (*ESP IV Case*), continuing the Companies' obligation to file an annual

application for the combined review of Riders DUN, PUR, NDU, GCR, and EDR. *ESP IV Case*, Opinion and Order (Mar. 31, 2016) at 14-30.

{¶ 7} On July 31, 2020, the Companies filed an application for the review of Riders PUR, DUN, NDU, GCR, and EDR for the year ending December 31, 2019, in accordance with the requirements set forth in the *ESP III Case* and *ESP IV Case*.

{¶ 8} Thereafter, on November 30, 2020, Staff filed its review and recommendations regarding the Companies' application. In its review, Staff states that it reviewed the Companies' filings and necessary workpapers. Staff concludes that the filing regarding the uncollectible riders (Riders DUN, PUR, and NDU) for the four quarters ending December 31, 2019 is both consistent with, and in compliance with, the Commission's orders. Therefore, Staff recommends that the application be approved as filed for Riders DUN, PUR, and NDU.

{¶ 9} As to Rider GCR, Staff states that it has reviewed the rider for the four quarters ending December 31, 2019. Staff concludes that the filing regarding Rider GCR is both consistent with, and in compliance with, the Commission's orders and recommends that the application be approved as filed for Rider GCR.

{¶ 10} Regarding Rider EDR, Staff states that it reviewed all seven provisions of the rider for the four quarters ending December 31, 2019, and is satisfied that the filing is both consistent with, and in compliance with, the Commission's orders. Accordingly, Staff recommends that the Commission accept the application as filed for Rider EDR.

{¶ 11} The Commission has reviewed the Companies' application and Staff's review and recommendations. The Commission finds that, in accordance with Staff's recommendations, the Companies' application is consistent with the stipulations approved by the Commission in the *ESP III Case* and *the ESP IV Case*, does not appear to be unjust or unreasonable, and should be approved. Finally, the Commission finds that it is not necessary to hold a hearing in this matter.

III. ORDER

{¶ 12} It is, therefore,

{¶ 13} ORDERED, That FirstEnergy's application be approved. It is, further,

{¶ 14} ORDERED, That a copy of this Finding and Order be served upon all parties of record.

COMMISSIONERS:

Approving:

Jenifer French, Chair
M. Beth Trombold
Lawrence K. Friedeman
Daniel R. Conway
Dennis P. Deters

MJA/kck

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Case No(s). 18-1648-EL-RDR

Summary: Finding & Order approving the application filed by Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company regarding the 2019 audit review of the PIPP Uncollectible Rider, the Distribution Uncollectible Rider, the Non-Distribution Uncollectible Rider, the Generation Cost Reconciliation Rider, and the Economic Development Rider. electronically filed by Ms. Mary E Fischer on behalf of Public Utilities Commission of Ohio