

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Review of the)	
Political and Charitable Spending by)	
Ohio Edison Company, The Cleveland)	Case No. 20-1502-EL-UNC
Electric Illuminating Company, and The)	
Toledo Edison Company.)	

**MOTION OF OHIO EDISON COMPANY, THE CLEVELAND ELECTRIC
ILLUMINATING COMPANY, AND THE TOLEDO EDISON COMPANY
FOR LEAVE TO FILE A SUPPLEMENTAL RESPONSE
TO THE SEPTEMBER 15, 2020 SHOW CAUSE ENTRY**

Pursuant to Ohio Administrative Code Section 4901-1-12, Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company (the “Companies”) move to supplement their response to the Commission’s September 15, 2020 directive to show cause. For the reasons stated in the accompanying memorandum, the Companies respectfully request that the Commission accept for filing their supplemental response, which is attached as Exhibit A.

Dated: August 6, 2021

Respectfully submitted,

/s/ Michael R. Gladman

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On behalf of the Companies

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**OHIO EDISON COMPANY, THE CLEVELAND ELECTRIC ILLUMINATING
COMPANY, AND THE TOLEDO EDISON COMPANY’S
MEMORANDUM IN SUPPORT**

On July 20, 2021, the Companies’ parent FirstEnergy Corp. entered into a Deferred Prosecution Agreement (“DPA”) with the United States Attorney’s Office for the Southern District of Ohio, which was filed with the United States District Court for the Southern District of Ohio on July 22, 2021. Following a review of the DPA, as well as the audit report filed on August 3, 2021 in Case No. 20-1629-EL-RDR, the Companies have determined it is necessary to file a supplemental response to the Commission’s September 15, 2020 directive to show cause. Accordingly, and for the reasons explained in the Companies’ supplemental response attached as Exhibit A, the Companies respectfully request that the Commission accept for filing the Companies’ supplemental response.

Dated: August 6, 2021

Respectfully submitted,

/s/ Michael R. Gladman

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On behalf of the Companies

CERTIFICATE OF SERVICE

I certify that a copy of the foregoing was filed electronically through the Docketing Information System of the Public Utilities Commission of Ohio on August 6, 2021. The PUCO's e-filing system will electronically serve notice of the filing of this document on counsel for all parties.

/s/ Michael R. Gladman

Attorney for the Companies

EXHIBIT A

**In the Matter of the Review of the
Political and Charitable Spending by
Ohio Edison Company, The Cleveland
Electric Illuminating Company, and The
Toledo Edison Company.**

Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company (the “Companies”) submit this supplemental response to the Commission’s September 15, 2020 show cause directive.¹ Following a review of the July 20, 2021 Deferred Prosecution Agreement between the Companies’ parent FirstEnergy Corp. and the U.S. Attorney’s Office for the Southern District of Ohio (the “DPA” attached as Exhibit 1), the Companies have determined that political spending in support of House Bill 6 (“HB 6”) impacted the Companies’ pole attachment rates, which are paid by Attaching Entities,² by \$14,534. This rate impact was attributable to a FirstEnergy Corp. payment of \$4,333,333, made on January 2, 2019 under a consulting agreement with Sustainability Funding Alliance (“SFA”), which the DPA indicates was political spending in support of House Bill 6.³ Prior to the filing of the DPA, the Companies and their representatives were unaware that the \$4.3 million payment in part constituted political

³ Exhibit 1 at pp. 16-18.

spending in support of HB 6. As explained below and in the audit report filed on August 3, 2021 in Case No. 20-1629-EL-RDR (“Rider DCR Expanded Scope Audit Report” attached as Exhibit 2), while this \$4.3 million payment resulted in a slight increase to 2020 pole attachment rates,⁴ it did not impact, directly or indirectly, any other rates or charges paid by the Companies’ ratepayers.⁵

Under the Companies’ Pole Attachment Tariffs, Attaching Entities, such as cable companies, that own equipment attached to the Companies’ poles, pay annual rental charges per pole occupied or reserved.⁶ These pole attachment charges are calculated using information from the Companies’ most recent FERC Form 1 reports, including plant in-service balances and administrative and general operations and maintenance (“O&M”) expenses. The costs of the \$4.3 million payment were allocated among the Companies and recognized in 2018. A portion was capitalized and a portion was recorded as administrative and general O&M expense in FERC Account 923 (Outside Services Employed). Accordingly, those costs were included in the inputs for the Companies’ 2020 pole attachment rates and ultimately increased those rates for each Company, resulting in a total revenue impact of \$14,534.⁷

The \$4.3 million payment did not impact other rates or charges paid by the Companies’ ratepayers. While the capitalized portion of the costs of the payment were included in the calculation of the Companies’ Rider DCR revenue requirements, they did not impact Rider DCR

⁴ Exhibit 2 at p. 29.

⁵ *Id.* at pp. 18-23, 27.

⁶ See P.U.C.O. No. 11, Ohio Edison Company’s Schedule of Rates for Electric Service, Sheet No. 51; P.U.C.O. No. 1, The Cleveland Electric Illuminating Company Pole Attachment Tariff; P.U.C.O. No. 1, The Toledo Edison Company Pole Attachment Tariff; *available at* <https://puco.ohio.gov/wps/portal/gov/puco/documents-and-rules/tariffs#page=1>

⁷ See Exhibit 2, pp. 23-26, 29. While there were other payments by FirstEnergy Corp. to SFA predating the \$4.3 million payment, those payments were, to the Companies’ knowledge, unrelated to HB 6.

rates. This is because the Rider DCR revenue requirements would still have been in excess of the applicable authorized revenue caps, even if the capitalized portion of the \$4.3 million payment was removed from the calculation.⁸ Moreover, the O&M expense portion of the costs of the \$4.3 million payment did not impact any other rates or charges, as demonstrated in the Rider DCR Expanded Scope Audit Report.⁹ Thus, other than the impact on pole attachment rates paid by Attaching Entities described above, the costs of the \$4.3 million payment did not impact any other rates or charges paid by the Companies' ratepayers.

The Companies' September 30, 2020 response to the Commission's show cause directive did not have the benefit of facts disclosed in the DPA. Prior to the filing of the DPA, the Companies and their representatives were unaware that the \$4.3 million payment in part constituted political spending in support of HB 6. In light of the new facts revealed by the DPA and the findings of the Rider DCR Expanded Scope Audit Report, the Companies conclude that political or charitable spending in support of HB 6, or the subsequent referendum effort, affected rates or charges paid by Attaching Entities in Ohio in the amount of \$14,534.¹⁰ The Companies therefore respectfully submit this supplemental response to the Commission's September 15, 2020 show cause directive.

⁸ *See Id.* at pp. 18-23.

⁹ *Id.* at p. 27.

¹⁰ While the DPA indicates that payments by FirstEnergy Corp. to Generation Now and Hardworking Ohioans were costs of political or charitable spending in support of HB 6 or the subsequent referendum effort, these payments did not have any impact on the Companies' rates or charges, as found by the Rider DCR Expanded Scope Audit Report. See Exhibit 2 at pp. 27, 29.

Dated: August 6, 2021

Respectfully submitted,

/s/ Michael R. Gladman

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On behalf of the Companies

CERTIFICATE OF SERVICE

I certify that a copy of the foregoing was filed electronically through the Docketing Information System of the Public Utilities Commission of Ohio on August 6, 2021. The PUCO's e-filing system will electronically serve notice of the filing of this document on counsel for all parties.

/s/ Michael R. Gladman

Attorney for the Companies

EXHIBIT 1

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF OHIO
WESTERN DIVISION**

UNITED STATES OF AMERICA,

Plaintiff,

vs.

FIRSTENERGY CORP.,

Defendant.

CASE NO. _____

JUDGE BLACK

**DEFERRED PROSECUTION
AGREEMENT**

The United States Attorney's Office for the Southern District of Ohio ("USAO-SDOH" or "government") and the Defendant, FirstEnergy Corp., by its undersigned representative and counsel, pursuant to the authority granted by the Board of Directors, agree as follows:

1. **Criminal Information and Acceptance of Responsibility:** FirstEnergy Corp. acknowledges and agrees that the government will file the accompanying Information in the United States District Court for the Southern District of Ohio charging FirstEnergy Corp. with conspiracy to commit honest services wire fraud in violation of Title 18, United States Code, Sections 1343, 1346, 1349. FirstEnergy Corp. knowingly waives any right to indictment on this charge, as well as all rights to a speedy trial pursuant to the Sixth Amendment to the United States Constitution, Title 18, United States Code, Section 3161, and Federal Rule of Criminal Procedure 48(b), and agrees to the filing of a joint motion to toll Section 3161 upon the filing of this Agreement.

FirstEnergy Corp. admits, accepts, and acknowledges that it is responsible under United States law for the acts of its current and former officers, employees, and agents. FirstEnergy Corp. admits, accepts, and acknowledges that it is responsible under United States law for the acts as charged in the Information and as set forth in the Statement of Facts, attached as Attachment A and incorporated by reference into this Agreement, and that the facts alleged in the Information and described in the Statement of Facts are true and accurate.

Should the USAO-SDOH pursue the prosecution that is deferred by this Agreement, FirstEnergy Corp. agrees that it will neither contest the admissibility of nor contradict the Statement of Facts in any such proceeding, including any trial, guilty plea, or sentencing proceeding. Neither this Agreement nor the criminal Information is a final adjudication of the matters addressed in such documents.

2. **Elements of the Offense:** The elements of the offense set forth in the Information, to which the Defendant agrees are established by the Statement of Facts, attached as Attachment A, are as follows:

Count One, Conspiracy to Commit Honest Services Wire Fraud

- A. That two or more persons conspired or agreed to devise a scheme:
1. to defraud the public of its right to the honest services of a public official through bribery or kickbacks;
 2. that included a material misrepresentation or concealment of a material fact;
 3. with the intent to defraud;
 4. that used wire communications in interstate commerce in furtherance of the scheme;
- B. That the Defendant knowingly and voluntarily joined the conspiracy to defraud;
- C. That the Defendant intentionally participated in the conspiracy to defraud;
- D. That some or all of the acts alleged in the Information occurred in the Southern District of Ohio, on or about the dates alleged in the Information.
3. **Term of the Agreement:** This Agreement shall have a term of three (3) years from the date on which the fully-executed Agreement is filed with the Court (the “Term”), except for specific provisions that specify a longer period as described below. FirstEnergy Corp. agrees, however, that in the event the government determines, in its sole discretion, that FirstEnergy Corp. has knowingly violated any provision of this Agreement or has failed to completely perform or fulfill each of its obligations under this Agreement, an extension or extensions of the Term may be imposed by the government, in its sole discretion, for up to a total additional time period of one year, without prejudice to the government’s right to proceed as provided in the breach provisions of this Agreement below. Any extension of the Agreement extends all terms of this Agreement, including the terms of the reporting requirement in Attachment C, for an equivalent period. Conversely, in the event the government finds, in its sole discretion, that there exists a change in circumstances sufficient to eliminate the need for the reporting requirement in Attachment C, the Agreement may be terminated early. In such event, FirstEnergy Corp.’s cooperation obligations described below shall survive until the date upon which all such investigations and prosecutions are concluded, as determined by the USAO-SDOH.
4. **Relevant Considerations:** The government enters into this Agreement based on the individual facts and circumstances presented by this case, including, FirstEnergy Corp.’s acceptance of responsibility; early self-reporting in the investigation of the conduct of the company and its former officers, directors, employees, agents, lobbyists, and consultants, described more fully below; its implementation of remedial measures, described more fully below; the payment of a monetary penalty; and the collateral consequences of prosecution, among others.

5. **Defendant's Obligations:** Pursuant to this Agreement, FirstEnergy Corp. shall do the following:

- A. **Cooperation.** To date, FirstEnergy Corp. has provided substantial cooperation, including: conducting a thorough internal investigation; proactively identifying issues and facts that would likely be of interest to the government; making regular factual presentations to the government; sharing information that would not have been otherwise available to the government; and making such material available to the government on an expedited basis.

This agreement is contingent upon FirstEnergy Corp.'s continued, full cooperation with the USAO-SDOH in all matters relating to the conduct described in this Agreement and other conduct under investigation by the government, until the later of the date the Term ends or the date upon which all investigations and prosecutions arising out of such conduct are concluded, as determined by the government.

FirstEnergy Corp. agrees that its cooperation shall include, but not be limited to, the following:

- 1) Continued full, complete, and truthful cooperation in any matter in which it is called upon to cooperate by a representative of the USAO-SDOH;
- 2) Timely disclosure of all factual information with respect to its activities, those of its subsidiaries and affiliates, and those of its present and former directors, officers, employees, agents, lobbyists and consultants, including any evidence or allegations and internal or external investigations, about which the government may inquire;
- 3) Disclosure of any information, items, records, databases, or data in FirstEnergy Corp.'s possession, custody, or control or in the possession or control of any subsidiary or affiliate, wherever located, requested by the government in connection with the investigation or prosecution relating to any current or former officers, directors, employees, agents, lobbyists, and consultants;
- 4) Use of good faith efforts to make available, at FirstEnergy Corp.'s cost, current and former officers, directors, employees, agents, lobbyists, and consultants, when requested by the government, to provide additional information and materials concerning any and all investigations; to testify, including providing sworn testimony before a grand jury or in a judicial proceeding; and to be interviewed by law enforcement authorities. Cooperation under this paragraph includes identification of witnesses who, to the knowledge of FirstEnergy Corp., may have material information regarding these matters;
- 5) Disclosure of information, materials, and testimony, at FirstEnergy Corp.'s cost, as necessary or as requested by the USAO-SDOH to

establish authenticity, or other basis for the admission into evidence in any criminal or judicial proceeding;

- 6) With respect to any information, testimony, documents, records or other tangible evidence provided to the government pursuant to this Agreement, FirstEnergy Corp. consents to any and all disclosures to other governmental authorities of such materials as the government, in its sole discretion, shall deem appropriate.
- 7) Promptly report any evidence or allegation of a violation of U.S. criminal law by FirstEnergy Corp. to the USAO-SDOH. On the date that the Term expires, FirstEnergy Corp., by its Chief Executive Officer and Chief Financial Officer, will certify to the government that FirstEnergy Corp. has met its disclosure obligations pursuant to this Agreement. Each certification will be deemed a material statement and representation by FirstEnergy Corp. to the executive branch of the United States for purposes of 18 U.S.C. § 1001.

FirstEnergy Corp.'s cooperation pursuant to this paragraph is subject to applicable law and regulations, as well as valid claims of attorney-client privilege, settlement privilege, or attorney work product doctrine; however, FirstEnergy Corp. must provide to the government a log of any information or cooperation that is not provided based on an assertion of law, regulation, privilege, or attorney work product, and FirstEnergy Corp. bears the burden of establishing the validity of any such assertion.

Failure to provide full, complete, and truthful cooperation as described above will constitute a violation of this Agreement. The parties agree that the USAO-SDOH, in its sole discretion, will determine if FirstEnergy Corp. has violated this Agreement by failing to provide full, complete, and truthful cooperation.

- B. Payment of a Monetary Penalty.** FirstEnergy Corp. agrees to pay a criminal monetary penalty totaling \$230,000,000. This amount reflects 1) a discount for FirstEnergy Corp.'s substantial remediation, self-reporting, and cooperation as set forth in this Agreement; 2) the collateral consequences of imposition of a greater penalty; 3) and the difficulty of quantifying with precision the benefits resulting from some official action.

Within sixty (60) days of the filing of this Agreement, FirstEnergy Corp. shall pay \$115,000,000 to the United States Treasury.

Within sixty (60) days of the filing of this Agreement, FirstEnergy Corp. shall pay \$115,000,000 to the Ohio Development Service Agency's Percentage of Income Payment Plan Plus program for the benefit of Ohio electric-utility customers. If the Ohio Development Service Agency's Percentage of Income Payment Plan Plus program is unable or unwilling to accept the funds, FirstEnergy Corp. shall pay the

\$115,000,000 to the United States Treasury after consultation with the USAO-SDOH.

Nothing in the Agreement shall be deemed an agreement regarding a maximum penalty that may be imposed in any future prosecution, and the government is not precluded from arguing in any future prosecution that the Court should impose a higher fine, disgorgement, or civil or criminal forfeiture, although the government agrees that under those circumstances, it will recommend to the Court that any amount paid under this Agreement should be offset against any fine imposed as part of a future judgment. FirstEnergy Corp. agrees that no tax deduction may be sought in connection with the payment of any part of the monetary penalty, and FirstEnergy Corp. may not seek to recover any portion of the monetary penalty from customers, directly or indirectly. Without the prior approval of the USAO-SDOH, FirstEnergy Corp. shall not seek or accept directly or indirectly reimbursement or indemnification from any source with regard to the monetary penalty amount or any other amount it pays pursuant to any other agreement entered into with an enforcement authority or regulator concerning the facts set forth in the Statement of Facts.

The USAO-SDOH agrees, except as provided in this Agreement, that it will not bring any criminal or civil case (except for tax cases, as to which the government does not make any agreement) against FirstEnergy Corp. or any of its present subsidiaries or affiliates relating to any of the conduct described in the attached Statement of Facts, or to conduct self-reported to the USAO-SDOH by FirstEnergy Corp. in the investigation. The government, however, may use any information related to the conduct described in the attached Statement of Facts against FirstEnergy Corp.: (a) in a prosecution for perjury or obstruction of justice; (b) in a prosecution for making a false statement; or (c) in a prosecution or other proceeding relating to a violation of any provision of Title 26 of the United States Code. This Agreement does not provide any protection against prosecution for any future conduct by FirstEnergy Corp. or any of its present or former parents or subsidiaries. In addition, this Agreement does not provide any protection against prosecution of any individuals, regardless of their affiliation with FirstEnergy Corp. or with any of its present or former parents or subsidiaries.

C. Forfeiture. The USAO-SDOH has determined that it could institute a criminal or civil forfeiture proceeding against the following funds that passed through accounts controlled by FirstEnergy Corp. (the “subject property”):

- Contents of PNC Bank, Account No. ending in 5348, in the name of Partners for Progress Inc. in the amount of \$6,366,476.29; and
- Contents of PNC Bank, Account No. ending in 3639, in the name of Partners for Progress Inc. in the amount of \$108,960.32.

FirstEnergy Corp. hereby acknowledges that the subject property constitutes or is derived from proceeds traceable to conspiracy to commit honest services wire fraud, in violation of Title 18, United States Code, Sections 1343, 1346, and 1349, as charged in the Information and set forth in the Statement of Facts; therefore, the subject property is forfeitable to the United States pursuant to Title 18, United States Code, Section 981. FirstEnergy Corp. hereby agrees to settle and does settle all civil and criminal forfeiture claims presently held by the USAO-SDOH against the subject property. FirstEnergy Corp. agrees that the subject property shall be forfeited to the United States pursuant to Title 18, United States Code, Section 981; releases all claims it may have to such property; waives any right to notice of forfeiture it may have under the law; and waives any right it may have to seek remission or mitigation of the forfeiture.

D. Transparency in Corporate Contributions. Within 30 days of the execution of this Agreement, FirstEnergy Corp. shall publish a list of (1) all payments, if any, made in 2021 to entities incorporated under 26 U.S.C. § 501(c)(4) (“501(c)(4)” entities) and (2) all payments, if any, made in 2021 to entities known by FirstEnergy Corp. to be operating for the benefit of a public official, either directly or indirectly. FirstEnergy Corp. shall update the list on a quarterly basis for the Term of this Agreement. The list shall include the following information: the entity’s name and address, date of contribution, amount of contribution, and purpose of contribution. The list shall be labeled “Corporate Contributions” and accessible on FirstEnergy’s webpage (www.firstenergycorp.com). The accessibility of the list is subject to the prior approval of undersigned government counsel.

E. Issuance of Public Statement. FirstEnergy Corp. shall publish a press release for broad public distribution and posting on FirstEnergy Corp.’s website, which includes the following statement:

Central to FirstEnergy’s Corp.’s effort to influence the legislative process in Ohio was the use of 501(c)(4) corporate entities. FirstEnergy Corp. used the 501(c)(4) corporate form as a mechanism to conceal payments for the benefit of public officials and in return for official action. FirstEnergy Corp. used 501(c)(4) entities in this way because the law does not require disclosure of donors to a 501(c)(4) and there is no ceiling that limits the amount of expenditures that can be paid to a 501(c)(4) entity for the purpose of influencing the legislative process. This effort would not have been possible, both in the nature and volume of money provided, without the use of a 501(c)(4) entity.

F. Remediation, Corporate Compliance Program, and Reporting. FirstEnergy Corp. represents that it has implemented and will continue to implement a compliance and ethics program designed, implemented, and enforced to prevent and detect violations of the U.S. laws throughout its operations, including those of its subsidiaries, affiliates, agents, and joint ventures, and those of its contractors and subcontractors whose responsibilities include accounting, financial reporting,

lobbying, government relations, consulting, and interactions with candidates for public office, public officials, and governmental agencies including, but not limited to, the minimum elements set forth in Attachment B.

FirstEnergy Corp. further represents that it has implemented four broad categories of remedial measures, including: (1) employment consequences for executives and employees who engaged in misconduct, (2) enhancements to Company's compliance program, (3) improvements to the Company's policies and procedures, and (4) monetary remediation to ratepayers. The specific changes implemented include, but are not limited to, the following:

- Establishing an Executive Director role for the Board of Directors, which supports the development of enhanced controls and governance policies and procedures;
- Hiring a new Chief Legal Officer, who oversees the Company's Legal and Internal Audit departments;
- Separating the Chief Legal Officer and Chief Ethics/Compliance Officer functions, and hiring a new Chief Ethics and Compliance Officer, who reports directly to the Audit Committee of the Board and administratively to the Chief Legal Officer;
- Working to establishing a culture of ethics, integrity, and accountability at every level of the organization;
- Creating a Compliance Oversight Subcommittee of the Audit Committee to implement compliance recommendations received from outside counsel and enhanced compliance trainings; and
- Reviewing and revising political activity and lobbying/consulting policies, including requiring robust disclosures about lobbying activities.

In order to address any deficiencies in its internal controls, policies, and procedures, FirstEnergy Corp. represents that it will continue to undertake in the future, in a manner consistent with all of its obligations under this Agreement, a review of its internal controls, policies, and procedures regarding compliance with U.S. law. Where necessary and appropriate, FirstEnergy Corp. agrees to adopt a new compliance program, or to modify its existing one, to ensure that it maintains a system of internal controls designed to effectively detect and deter violations of U.S. law. The compliance program will include, but not be limited to, the minimum elements set forth in Attachment B.

- G. Public Statements by the Company.** FirstEnergy Corp. agrees that if it or any of its affiliates or subsidiaries issues a press release or holds any press conference in

connection with this Agreement, FirstEnergy Corp. shall first consult the government to determine (1) whether the text of the release or proposed statements at the press conference are true and accurate with respect to matters relating to this Agreement; and (2) whether the government has any objection to the release on those grounds.

FirstEnergy Corp. expressly agrees that it shall not, through present or future attorneys, officers, directors, employees, agents or any other person authorized to speak for FirstEnergy Corp., make any public statement, in litigation or otherwise, contradicting the acceptance of responsibility by FirstEnergy Corp. set forth above or the facts described in the attached Statement of Facts. Any such contradictory statement shall, subject to cure rights described below, constitute a violation of this Agreement, and FirstEnergy Corp. thereafter shall be subject to prosecution as set forth below in paragraph 7.

The decision as to whether any public statement contradicting a fact contained in the Statement of Facts will be imputed to FirstEnergy Corp. for the purpose of determining whether it has violated this Agreement shall be at the sole discretion of the USAO-SDOH. If USAO-SDOH determines that a public statement contradicted in whole or in part a statement contained in the Statement of Facts, USAO-SDOH shall so notify FirstEnergy Corp., and FirstEnergy Corp. may avoid a breach of this Agreement by publicly repudiating such statement(s) within five (5) business after notification.

This Agreement does not prohibit FirstEnergy Corp. from raising defenses or asserting affirmative claims in civil litigation or regulatory proceedings relating to the matters set forth in the Statement of Facts, provided that such defenses and claims do not contradict in whole or in part, a statement contained in the Statement of Facts.

This Agreement does not apply to any statement made by any present or former officer, director, employee, or agent of FirstEnergy Corp. in the course of any criminal, regulatory, or civil case initiated against such individual, unless such individual is speaking on behalf of FirstEnergy Corp.

- H. Changes in Corporate Form.** Except as may otherwise be agreed by the USAO-SDOH and FirstEnergy Corp. in connection with a particular transaction, FirstEnergy Corp. agrees that in the event that, during the term of any of its obligations under this Agreement, it undertakes any change in corporate form, including applying for bankruptcy protection or if it sells, merges, or transfers business operations that are material to FirstEnergy Corp. as they exist as of the date of this Agreement, whether such transaction is structured as a sale, asset sale, merger, transfer, or other change in corporate form, it shall include in any contract for sale, merger, transfer, or other change in corporate form a provision binding the purchaser, or any successor in interest thereto, to the obligations described in this Agreement. The purchaser or successor in interest must also agree in writing that the USAO-SDOH's ability to determine there has been a breach under this

Agreement is applicable in full force to that entity. FirstEnergy Corp. agrees that the failure to include this Agreement's violation provisions in the transaction will make any such transaction null and void.

FirstEnergy Corp. shall provide notice to the USAO-SDOH at least sixty (60) days prior to the consummation of any such sale, merger, transfer, or other change in corporate form. The USAO-SDOH shall notify FirstEnergy Corp. at least fifteen (15) days prior to the consummation of such transaction (or series of transactions) if it determines that the transaction(s) will have the effect of circumventing or frustrating the enforcement purposes of this Agreement. If at any time during the Term FirstEnergy Corp. engages in a transaction(s) that has the effect of circumventing or frustrating the enforcement purposes of this Agreement, the USAO-SDOH may deem it a violation of this Agreement pursuant to the violation provisions of this Agreement. Nothing herein shall restrict FirstEnergy Corp. from indemnifying (or otherwise holding harmless) the purchaser or successor in interest for penalties or other costs arising from any conduct that may have occurred prior to the date of the transaction, so long as such indemnification does not have the effect of circumventing or frustrating the enforcement purposes of this Agreement, as determined by the USAO-SDOH.

6. **Obligations of the USAO (Deferred Prosecution):** In consideration of: (a) FirstEnergy Corp.'s past and future cooperation as described above; (b) FirstEnergy Corp.'s payment of a monetary penalty of \$230,000,000; (c) FirstEnergy Corp.'s adoption and maintenance of remedial measures, and review and audit of such measures, including the compliance undertakings described in Attachment B; and (d) other obligations specified in this Agreement, the USAO-SDOH agrees to request that the United States District Court for the Southern District of Ohio defer proceedings on the charge in the Information pursuant to Title 18, United States Code, Section 3161(h)(2), for the Term of this Agreement.

The USAO-SDOH further agrees that if FirstEnergy Corp. fully complies with all of its obligations under this Agreement, the government will not continue the criminal prosecution against FirstEnergy Corp. described in Paragraph 1. Within thirty (30) days of the successful completion of the Term, FirstEnergy's obligations pursuant to paragraphs 5 (B), (C) (E) and (F) will end. FirstEnergy's remaining obligations under paragraph 5 will continue until the completion of any investigation, criminal prosecution, or civil proceeding brought by the USAO-SDOH related to any conduct set forth in the Statement of Facts. Within 30 days of the completion of any related investigation, criminal prosecution, and civil proceeding, the USAO-SDOH shall seek dismissal of the Information filed against FirstEnergy Corp., which will terminate the remainder of FirstEnergy Corp.'s obligations under this Agreement.

The USAO-SDOH further agrees, if requested to do so, to bring to the attention of governmental and other authorities the facts and circumstances relating to the nature of the conduct underlying this Agreement, and the nature and quality of FirstEnergy's cooperation and remediation. By agreeing to provide this information, if requested to do so, the USAO-SDOH is not agreeing to advocate on behalf of the FirstEnergy Corp., but rather is agreeing to provide facts to be evaluated independently by other authorities.

7. **Violation of the Agreement:** If the USAO-SDOH determines that FirstEnergy Corp. (a) committed any crime under U.S. law during the Term of this Agreement; (b) at any time, provided in connection with this Agreement deliberately false, incomplete, or misleading information, including in connection with a disclosure of information about individual culpability – even if the USAO-SDOH becomes aware of such conduct after the Term of this Agreement; or (c) otherwise violated its obligations under this Agreement – even if the USAO-SDOH becomes aware of the violation after the Term of this Agreement, at the USAO-SDOH's discretion, FirstEnergy Corp. shall thereafter be subject to prosecution for any federal criminal violation of which the USAO-SDOH has knowledge, including the charges in the Information described in Paragraph 1. Any such prosecution may be premised on information provided by FirstEnergy Corp. prior or subsequent to the signing of this Agreement. In addition, the parties agree as follows:

A. Determination of Violation. The parties agree that the USAO-SDOH has the sole discretion to determine whether FirstEnergy Corp. has violated this Agreement.

B. Statute of Limitations. Any such prosecution that is not time-barred by the applicable statute of limitations on the date of the signing of this Agreement may be commenced against FirstEnergy Corp. notwithstanding the expiration of the statute of limitations between the signing of this Agreement and the expiration of the period described above in Paragraph 3 plus one year. Thus, by signing this Agreement, FirstEnergy Corp. agrees that the statute of limitations with respect to any such prosecution that is not time-barred on the date of the signing of this Agreement shall be tolled for the period described in Paragraph 3 plus one year.

In addition, FirstEnergy Corp. agrees that the statute of limitations as to any violation of U.S. law that occurs during the Term will be tolled from the date upon which the violation occurs until the earlier of the date upon which the government is made aware of the violation or the duration of the Term plus five years, and that this period shall be excluded from any calculation of time for purposes of the application of the statute of limitations.

C. Written Notice. In the event the government determines that FirstEnergy Corp. has breached this Agreement, the government agrees to provide FirstEnergy Corp. with written notice of such breach prior to instituting any prosecution resulting from such breach. Within thirty (30) days of receipt of such notice, FirstEnergy Corp. shall have the opportunity to respond to the government in writing to explain the nature and circumstances of such breach, as well as the actions FirstEnergy Corp. has taken to address and remediate the situation, which explanation the government shall consider in determining whether to pursue prosecution of FirstEnergy Corp.

D. Admissibility of Statements. In the event that the government determines that FirstEnergy Corp. has breached this Agreement: (1) all statements made by or on behalf of FirstEnergy Corp. or its affiliates or subsidiaries to the government or to the Court, including the attached Statement of Facts, and any testimony given before a grand jury, a court, or any tribunal, or at any legislative hearings, and any leads or evidence derived from such statements or testimony, shall be admissible in evidence in

- any criminal proceeding brought by the government against FirstEnergy Corp. or its affiliates or subsidiaries; and (b) FirstEnergy Corp. or its affiliates or subsidiaries shall not assert any claim under the United States Constitution, Rule 11(f) of the Federal Rules of Criminal Procedure, Rule 410 of the Federal Rules of Evidence, or any other federal rule that any such statements or testimony made by or on behalf of FirstEnergy Corp. or its affiliates or subsidiaries prior or subsequent to this Agreement, or any leads or evidence derived therefrom, should be suppressed or are otherwise inadmissible. The decision whether conduct or statements of any current director, officer or employee, or any person acting on behalf of, or at the direction of, FirstEnergy Corp. or its affiliates or subsidiaries, will be imputed to FirstEnergy Corp. for the purpose of determining whether FirstEnergy Corp. has violated any provision of this Agreement shall be in the sole discretion of the government.
8. **Limitations of Agreement:** This agreement is binding upon FirstEnergy Corp. and the USAO-SDOH and does not bind (a) other components of the Department of Justice, (b) other federal agencies, (c) any state or local law enforcement or regulatory agency. However, the USAO-SDOH will bring the cooperation of FirstEnergy Corp. and its compliance with its obligations under this Agreement to the attention of any such authorities or agencies if requested to do so by FirstEnergy Corp.
9. **Notice:** Any notice to the government under this Agreement shall be given by personal delivery, overnight delivery by a recognized delivery service, addressed to the United States Attorney's Office for the Southern District of Ohio, 221 East Fourth Street, Suite 400, Cincinnati, OH 45213. Any notice to FirstEnergy Corp. shall be given by personal delivery, overnight delivery by a recognized delivery service, addressed to Chief Executive Officer, FirstEnergy Corp., 76 South Main Street, Akron, OH 44308, with Copy to the Chief Legal Officer, FirstEnergy Corp., 76 South Main Street, Akron, OH 44308.
10. **Entire Agreement:** This agreement, along with any attachment(s), is the complete agreement between the parties. It supersedes all other promises, representations, understandings, and agreements between the parties. No amendments, modifications, or additions to this Agreement shall be valid unless they are in writing and signed by the government, the attorneys for FirstEnergy Corp., and a duly authorized representative of FirstEnergy Corp.

VIPAL J. PATEL
Acting United States Attorney

Emily N. Glatfelter / Matthew C. Singer
EMILY N. GLATFELTER
MATTHEW C. SINGER
Assistant United States Attorneys

CORPORATE OFFICER'S CERTIFICATE

I have read this Agreement and carefully reviewed every part of it with outside counsel for FirstEnergy Corp. I understand it, I voluntarily agree to it, on behalf of FirstEnergy Corp. Before signing this Agreement, I consulted outside counsel for FirstEnergy Corp. Counsel fully advised me of the rights of FirstEnergy Corp., of possible defenses, of the applicable Sentencing Guidelines' provisions, and of the consequences of entering into this Agreement.

I also carefully reviewed the terms of this Agreement with the FirstEnergy Corp. Board of Directors. I have advised and caused outside counsel for FirstEnergy Corp. to advise the Board of Directors fully of the rights of FirstEnergy Corp., of possible defenses, of the applicable Sentencing Guidelines' provisions, and of the consequences of entering into the Agreement. I acknowledge, on behalf of FirstEnergy Corp., that I am completely satisfied with the representation of counsel.

By signing below, I certify that no promises or inducements have been made other than those contained in this Agreement. Furthermore, no one has threatened or forced me, or any other person authorized this Agreement on behalf of FirstEnergy Corp., in any way to enter into this Agreement. I also certify that I am an officer of FirstEnergy Corp. and that I have been duly authorized by FirstEnergy Corp. to execute this Agreement on behalf.

July 20, 2021

Date

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

Steven E. Strah, President & CEO
FIRSTENERGY CORP.

CERTIFICATE OF COUNSEL

We are counsel for FirstEnergy Corp. in the matter covered by this Agreement. In connection with such representation, we have examined carefully the relevant FirstEnergy Corp. records and have discussed the terms of this Agreement with Steven E. Strah, President & Chief Executive Officer, and the FirstEnergy Corp. Board of Directors. Based upon our review of the foregoing matters and discussions with FirstEnergy Corp. and its Board of Directors, we are of the opinion that the representative of FirstEnergy Corp. has been duly authorized to enter into this Agreement on behalf of FirstEnergy Corp. and that this Agreement has been duly and validly authorized, executed, and delivered on behalf of FirstEnergy Corp. and is a valid and binding obligation of FirstEnergy Corp.. Further, we have carefully reviewed the terms of this Agreement with the FirstEnergy Corp. Board of Directors and the Chief Executive Officer of FirstEnergy Corp. We have fully advised them of the rights of FirstEnergy Corp., of possible defenses, of the Sentencing Guidelines' provisions and of the consequences of entering into this Agreement. To our knowledge, the decision of FirstEnergy Corp. to enter into this Agreement, based on the authorization of its Board of Directors, is an informed and voluntary one.

July 20, 2021
Date



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Attorneys for FirstEnergy Corp.

ATTACHMENT A:
STATEMENT OF FACTS

The United States and FirstEnergy Corp. stipulate and agree that if this case proceeded to trial, the United States would prove the facts set forth below beyond a reasonable doubt. They further stipulate and agree that these are not all of the facts that the United States would prove if this case had proceeded to trial.

The following Statement of Facts is incorporated by reference as part of the Deferred Prosecution Agreement (the “Agreement”) between the United States Attorney’s Office for the Southern District of Ohio and FirstEnergy Corp. FirstEnergy Corp. hereby agrees and stipulates that the following information is true and accurate. FirstEnergy Corp. admits, accepts, and acknowledges that it is responsible for the acts of its current and former officers, directors, employees, and agents. FirstEnergy Corp. admits, accepts, and acknowledges that it is responsible for the conduct set forth below.

FirstEnergy Corp. is an Akron, Ohio–based public utility holding company. During the relevant period (2016 until in or about February 2020), FirstEnergy Corp. was the parent company to entities involved in energy generation, including the entity formerly known as FirstEnergy Solutions (“FES”). As of November 16, 2016, FES had a separate and independent Board of Directors from FirstEnergy Corp., and on March 31, 2018, FES filed for Chapter 11 bankruptcy protections. FirstEnergy Corp. also serves as the parent company for FirstEnergy Service Company (“FirstEnergy Service”), which provided financial and other corporate support services to FirstEnergy Corp. and its subsidiaries.

FirstEnergy Corp. and its subsidiaries are subject to civil enforcement by the Securities and Exchange Commission (“SEC”), and are regulated directly by the Federal Energy Regulatory Commission (“FERC”), which is an independent agency within the United States Department of Energy (“DOE”). FirstEnergy Corp.’s Ohio utility subsidiaries are regulated directly by the Public Utilities Commission of Ohio (“PUCO”).

I. Relevant Entities and Individuals

Executive 1 served in senior executive positions for FirstEnergy Corp. and FirstEnergy Service from approximately 2015 to October 2020.

Executive 2 served in a senior executive position from approximately 2011 until October 2020.

Partners for Progress, Inc. was incorporated in Delaware on or about February 6, 2017, weeks after certain FirstEnergy Corp. senior executives traveled with Public Official A on the FirstEnergy Corp. jet to the presidential inauguration in January 2017. On or about February 8, 2017, Partners for Progress registered as a foreign nonprofit corporation in Ohio, specifically as a 501(c)(4) entity “to engage in activities consistent with those permitted of an organization exempt from tax under Section 501(c)(4) of the Internal Revenue Code....”

Although Partners for Progress appeared to be an independent 501(c)(4) on paper, in reality, it was controlled in part by certain former FirstEnergy Corp. executives, who funded it and directed its payments to entities associated with public officials. For example, FirstEnergy Corp. executives directed the formation of Partners for Progress and decided to incorporate the entity in Delaware, rather than Ohio, because Delaware law made it more difficult for third parties to learn background information about the entity. Certain FirstEnergy Corp. executives were also involved in choosing the three directors of Partners for Progress, two of whom were FirstEnergy Corp. lobbyists. Before Partners for Progress was formally organized, Executive 2 directed that \$5 million be designated for an unnamed 501(c)(4) in December 2016.

FirstEnergy Corp. exclusively funded Partners for Progress through payments from FirstEnergy Service, which totaled approximately \$25 million between 2017 and 2019, approximately \$15 million of which was paid to Generation Now. Certain former FirstEnergy

Corp. executives directed Partners for Progress to make payments in 2018, 2019, and 2020, including payments to Generation Now, which helped conceal FirstEnergy Corp. as the source of the payments from the public.

Public Official A represented the State of Ohio's 72 District in the Ohio House of Representatives since January 2017. Public Official A served as the Speaker of the Ohio House of Representatives from January 7, 2019 to July 30, 2020.

Between 2017 and March 2020, FirstEnergy Service paid more than \$59 million (\$16,904,330.86 attributed to FirstEnergy Corp. and \$43,092,505 attributed to FES) to Generation Now – a purported 501(c)(4), which FirstEnergy Corp. knew was operated for the benefit of and controlled by Public Official A, upon its inception in early 2017. For example, on March 7, 2017, Individual A emailed wiring instructions for Generation Now to Executive 2, noting that “[t]his is the organization that [Executive 1] and [Public Official A] discussed.” In response, Executive 2 forwarded the email internally, and carbon copied Individual A, stating, “Let’s do \$250,000 asap and we will do \$1M by year-end 2017.” Similarly, on August 1, 2017, Executive 2 asked, “Are we at \$500k for the c(4) now?” to which Individual A replied, “Yes.”

Public Official B was the Chairman of the Public Utilities Commission of Ohio (“PUCO”) from April 2019 until November 21, 2020, when he resigned. PUCO regulates FirstEnergy Corp.’s Ohio utility subsidiaries. Prior to serving as the Chairman of PUCO, Public Official B worked for a private law firm and served as the general counsel for an industrial group of energy users whose interests often conflicted with FirstEnergy Corp.’s interests. Public Official B also was the sole owner of Company 1 and Company 2, both of which entered a contract with FirstEnergy Corp. in 2010. Public Official B, through Company 1, also entered into a consulting services agreement with FirstEnergy Corp., through FirstEnergy Service, in 2013. Between 2010 and January 2, 2019,

FirstEnergy Corp. paid the Company 1 and Company 2 over \$22 million, including \$4,333,333, which was wired on or about January 2, 2019, through FirstEnergy Service to Company 1 for Public Official B's benefit.

II. Conduct

FirstEnergy Corp., through the acts of its officers, employees, and agents, conspired with public officials and other individuals and entities to pay millions of dollars to and for the benefit of public officials in exchange for specific official action for FirstEnergy Corp.'s benefit.

FirstEnergy Corp. paid millions of dollars to Public Official A through his 501(c)(4), Generation Now, in return for Public Official A pursuing nuclear legislation for FirstEnergy Corp.'s benefit in his capacity as a public official. Use of 501(c)(4) entities was central to the scheme because it allowed certain FirstEnergy Corp. executives and co-conspirators to conceal from the public the nature, source, and control of payments to and for the benefit of Public Official A.

FirstEnergy Corp. paid \$4.3 million dollars to Public Official B through his consulting company in return for Public Official B performing official action in his capacity as PUCO Chairman to further FirstEnergy Corp.'s interests relating to passage of nuclear legislation and other specific FirstEnergy Corp. legislative and regulatory priorities, as requested and as opportunities arose.

Primary among FirstEnergy Corp.'s priorities was the passage of nuclear legislation. FirstEnergy Corp. sought official action from Public Official A and Public Official B in the form of helping draft nuclear legislation that would further the interests of FirstEnergy Corp. and FES and by pressuring and advising public officials to support nuclear legislation for FirstEnergy Corp.'s and FES's benefit. FirstEnergy Corp. prioritized nuclear legislation in part because of the

“decoupling” provision in House Bill 6 that was pursued by FirstEnergy Corp., along with FirstEnergy Corp.’s interest in bailing out the Ohio nuclear plants. The decoupling provision allowed FirstEnergy Corp.’s Ohio electric distribution subsidiaries to receive a fixed amount of distribution-related revenue from residential and commercial customers based on the 2018 collection period, which was a year of high electricity sales for FirstEnergy Corp. In addition, the decoupling provision enacted by House Bill 6 allowed FirstEnergy Corp. to continue to recover lost distribution revenue (“LDR”) in a fixed amount based on its 2018 LDR recovery, despite the elimination of energy efficiency programs in House Bill 6. Decoupling therefore would guarantee FirstEnergy Corp.’s Ohio electric distribution subsidiaries a fixed amount of revenue by tying its distribution revenue to the 2018 level and continued collection of LDR.

FirstEnergy Corp. also relied on Public Official B to help FirstEnergy Corp. address its concern that the future earning power of its Ohio utility subsidiaries would be negatively impacted by the rate distribution case scheduled for 2024. The electric security plan (“ESP”) that FirstEnergy Corp. and its relevant entities were operating under—ESP IV—was set to terminate in 2024, at which time FirstEnergy Corp. would be required to file a new rate case. FirstEnergy Corp. believed that the expiration of ESP IV and filing of the new rate case in 2024 would result in decreased revenue and negatively impact FirstEnergy Corp.’s financial outlook, and therefore, sought a *“fix for the Ohio hole.”* In November 2019, under Public Official B’s leadership, PUCO terminated the requirement of FirstEnergy Corp.’s Ohio electric distribution subsidiaries to file a new rate case in 2024.

A. Relevant Background

In 2016, FirstEnergy Corp. reported a bleak outlook with respect to its energy generation business. In its November 2016 Form 10-Q, FirstEnergy Corp. reported a weak energy market,

poor forecast demands, and hundreds of millions of dollars in losses, particularly from its nuclear energy affiliate, FES. FirstEnergy Corp. announced future options for its generation portfolio as follows: legislative and regulatory solutions for generation assets; asset sales and plant deactivations; restructuring debt; and/or seeking protection under U.S. bankruptcy laws for its affiliates involved in nuclear generation. FirstEnergy Corp. repeated these options in its 10-K filed on February 21, 2017 and reported a “*substantial uncertainty as to FES’ ability to continue as a going concern and substantial risk that it may be necessary for FES, and possibly FENOC, to seek protection under U.S. bankruptcy laws, which would have a material adverse impact on FirstEnergy’s and FES’ business, financial condition, results of operations and cash flows.*” FirstEnergy Corp. further noted that,

[b]ased upon continued depressed prices in the wholesale energy and capacity markets, weak demand for electricity and anemic demand forecasts, FES’ cash flow from operations may be insufficient to repay its indebtedness or trade payables in the long- term. Although management is exploring capital and other cost reductions, asset sales, and other options to improve cash flow as well as continuing with legislative efforts to explore a regulatory type solution, the obligations and their impact to liquidity raise substantial doubt about FES’ ability to meet its obligations as they come due over the next twelve months and, as such, its ability to continue as a going concern.

During FirstEnergy Corp.’s fourth-quarter 2016 earnings conference call on February 22, 2017, Executive 1 focused on legislative and regulatory efforts:

In Ohio, we have had meaningful dialogue with our fellow utilities and with legislators on solutions that can help ensure Ohio’s future energy security. Our top priority is the preservation of our two nuclear plants in the state and legislation for a zero emission nuclear program is expected to be introduced soon. The ZEN program is intended to give state lawmakers greater control and flexibility to preserve valuable nuclear generation. We believe this legislation would preserve not only zero emission assets but jobs, economic growth, fuel diversity, price stability, and reliability and grid security for the region.

We are advocating for Ohio's support for its two nuclear plants, even though the likely outcome is that FirstEnergy won't be the long- term owner of these assets. We are optimistic, given these discussions we have had so far and we will keep you posted as this process unfolds.

In 2017 and 2018, FirstEnergy Corp. attempted to seek relief for its nuclear power generation facilities through a federal solution for its energy generation business. To further a federal solution, certain FirstEnergy Corp. executives met with federal officials and hired consultants with close connections to federal officials to lobby and assist in securing official action to subsidize the nuclear and coal plants through DOE action and the FERC rulemaking process. FirstEnergy Service also approved a \$5,000,000 wire to a 501(c)(4) entity connected to federal official(s), on or about May 1, 2017, shortly after hiring a consultant with close connections to those federal official(s).

By the fall of 2018, FirstEnergy Corp. believed the federal government may not take FirstEnergy Corp.'s requested action. Accordingly, while FirstEnergy Corp. continued conversations about a potential federal solution, they focused on a state solution to save the Ohio nuclear power plants.

B. Public Official A

The State Solution for the Nuclear Plants

At the same time FirstEnergy Corp. had been pursuing a federal solution for its Ohio nuclear power plants, FirstEnergy Corp. was pursuing state legislation in Ohio to save the power plants through help from Public Official A, including the ZEN (Zero-Emissions Nuclear Resource Program) energy proposals outlined in House Bill 178, Senate Bill 128, and House Bill 381 in 2017, which failed to gain the support necessary for passage before Public Official A became Speaker in 2019. For example, on or about November 5, 2016, Executive 1 told Individual B,

“Pass on to [Public Official A]. When we were talking on Weds I told him there was gonna be a sense of urgency but couldn’t tell him all the details. If we don’t move on some type of supplant in first half of 2017 it will be too late. These plants will be shut, sold, or bankrupt. I don’t have any contact info for him.”

Central to FirstEnergy Corp.’s state solution strategy was payments for Public Official A’s benefit to Generation Now, which was Public Official A’s 501(c)(4), as Public Official A pursued the Ohio House Speakership. The FirstEnergy Corp. payments began in 2017, as Public Official A began executing his strategy to regain the Speakership. This was consistent with the strategy that Executive 2 had outlined in an internal presentation, explaining that 2017 political contributions are *“strictly money spent to influence issues of key importance to FirstEnergy in 2017, such as saving our baseload generation”* and that FirstEnergy Corp.’s *“preferred manner of giving is through section 501(c) groups, as these are considered ‘dark money’ because they are not required to disclose where the donations come from.”* The presentation noted that *“the bulk of our contribution decisions are to c(4)s.”*

In furtherance of its strategy, in 2017, FirstEnergy Corp., through FirstEnergy Service, wired \$1,000,000 to Generation Now consisting of four quarterly payments for Public Official A’s benefit, following Public Official A’s trip to Washington D.C. with certain FirstEnergy Corp. executives for the inauguration. These payments were intended to contribute to Public Official A’s power and visibility for the speakership and allowed him to support other candidates who would in turn support his speakership.

In return, FirstEnergy Corp. expected and intended that Public Official A and his team would further FirstEnergy Corp.’s efforts to save the power plants. Throughout 2017, FirstEnergy Corp. executives discussed with members of the Public Official A team ways in which Public

Official A could assist with FirstEnergy Corp.'s efforts to save the nuclear power plants.

FirstEnergy Corp. continued to contribute to Generation Now to assist Public Official A in winning the speakership but changed its method of payment in 2018. Rather than send the money directly from FirstEnergy Service to Generation Now, the FirstEnergy Corp. payments came from Partners for Progress, which had been fully funded by FirstEnergy Corp. On or about March 15, 2018 – two weeks before FirstEnergy Corp. subsidiaries filed for bankruptcy protection and FirstEnergy Corp. requested emergency action from the Department of Energy – FirstEnergy Corp. wired \$300,000 from Partners for Progress to Generation Now for Public Official A's benefit. Four days before the payment, Executive 1 met with Public Official A to “[d]iscuss Speaker race and votes needed.” Likewise, certain FirstEnergy Corp. executives wired \$100,000 from Partners for Progress to Generation Now on or about May 4, 2018, four days before the Ohio primary election.

FirstEnergy Corp. also sent approximately \$400,000 for Public Official A's benefit, at Public Official A's request, through another 501(c)(4) in late April 2018, which through a series of transactions ultimately paid approximately \$400,000 for media benefiting Public Official A before the May 2018 primary.

FirstEnergy Corp. continued to fund Public Official A's campaign for Speaker leading up to the fall 2018 election. On August 5, 2018, Executive 1 asked Executive 2, “[Is] [Public Official A] looking for more money?” to which Executive 2 responded, “You know the answer to the [Public Official A] question, but I don't know for how much he'll ask. I'll get a list from [Ohio Director of State Affairs] as to the House races he's most interested in winning and I'll have something for you as to what fepac is doing in those races. He'll want hard money first and then C(4) money for sure. I'll be back to you today.” Later that day, Executive 2 followed up and said, “[Public Official A] wants to hear about us – status of company, what's important to us this year

and next year. Money will come up – help with key races and C(4).” Following a meeting involving Executive 1 and Public Official A, on or about August 16, 2018, FirstEnergy Corp. wired \$500,000 from Partners for Progress to Generation Now for Public Official A’s benefit.

A few weeks later, on or about August 24, 2018, Executive 1 and Executive 2 arranged for Public Official A to attend a presidential roundtable, during which Public Official A would ask whether Federal Official 1 intended to fix FirstEnergy Corp.’s issues at the federal level. Public Official A told Ohio Director of State Affairs, *“I simply said [Federal Official 1], I’m [Public Official A] former Ohio Speaker and I was planning on discussing this in the Roundtable but the acoustics were horrible. He said yes they were – I couldn’t really hear much of anything – I then stated that his support in replacing the CPP was beneficial to Ohio but we need more in order for our zero emissions nuclear plants and coal fired facilities to remain an important part of our overall energy solution. He then stated that he had put a plug in it and now plans to fix it.”* Public Official A reported the same information to Executive 1, explaining that *“I opted to talk to him during the photo opt one on one”* and that *“He said they plan on fixing it.”* The following exchange then occurred:

Executive 1: *“Got it. Thanks for the help!”*

Public Official A: *“Thank you for your help.”*

Executive 1: *“We are rooting for you and your team!”*

Public Official A: *“I’m rooting for you as well . . . we are on the same team”*

In October 2018, FES paid Generation Now another \$500,000 for Public Official A’s benefit – \$400,000 of which was hand-delivered to Public Official A during an in-person meeting on or about October 10, 2018. On October 2, 2018, about a week before the payment, Executive 2 told Executive 1, *“I know you know this, but this is where companies and people get in political*

trouble – everyone is in a rush and they all need a ton of hel\$\$. Let me gather everything. I'll bring it to you and you/we can decide.” On October 10, 2018, the day of the meeting, Executive 1 texted Executive 2, *“FES meeting with Public Official A today. I told him to be nice but listen to us.”* Executive 2 replied, *“He'll learn about the \$400k at this mtg.”* Executive 1 then responded, *“They better get it done quick or he won't be able to spend it.”* Following the meeting, Public Official A thanked Executive 1 via text for the money from FES, stating, *“\$400k... thank you.”*

In addition to the \$500,000 directly from FES to Generation Now in October 2018, FirstEnergy Corp. made a \$500,000 electronic transfer of funds to Dark Money Group 1 for Public Official A's benefit on October 29, 2018, a few days before the November election. This funds transfer occurred after Public Official A traveled to Akron to meet with Executive 1 on October 23, 2018.

Following the October 23, 2018 meeting, FirstEnergy Corp., through Executive 1 and Executive 2, also persuaded other energy-interested companies to send payments to Dark Money Group 1 to support Public Official A. For example, following the meeting with Public Official A, Executive 2 texted Executive 1, *“I talked to [Company Executive C]. He's going to contribute \$100k to our effort with [Dark Money Group 1]. As for your [] Friday morning message to [CEO of Company B]: . . . I met with [Public Official A] a few days ago. We believe in [Public Official A] and think he can and will be Ohio's next Speaker. That's important to all of us. He has a need for a final push. We've committed \$700k to the effort and I'd like to ask for your help with \$100k.”* A few days later, on October 26, 2018, Executive 2 asked Executive 1 if he could call CEO of Company B *“on the [Public Official A] \$100k matter?”* Executive 1 responded, *“I'm on it.”* Executive 2 texted Executive 1 later the same day indicating that Company B is going to do *“\$100k.”* Executive 1 responded that *“[Company B Executive]”* should *“take credit with Public*

Official A too” and later that day indicated that *“the money has already been wired.”* In total, following Public Official A’s October 23, 2018 trip to Akron to meet with Executive 1, the following payments were made to Dark Money Group 1:

October 26, 2018	\$100,000	wire	Company B
October 29, 2018	\$500,000	EFT	FirstEnergy Service
October 29, 2018	\$100,000	check	CEO of Company C

The day before the November 2018 general election, Executive 1 texted Public Official A, asking, *“24 hours left. How’s it looking?”* Public Official A responded, *“I am encouraged by the House races. Unless this blue wave shows up in the some races – I think we look great.”*

On November 7, 2018, the day after the election, Executive 1 texted Public Official A and asked, *“How did your candidates do?”* Public Official A responded that *“we were a net -4.”* Public Official A told Executive 1 that *“I literally need 1 more vote for Speaker.”* Executive 1 asked if Public Official A was *“counting [Representative 11] or not?”* and stated that, *“I’ll make sure it happens.”* Later that day, Public Official A asked Executive 1 *“if you would just ask [Individual C] to set up a meeting w me and engage in getting this Spkrs race worked out [sic] so the way we want it. That would be perfect. Need him to focus.”* Executive 1 responded, *“On it.”*

FirstEnergy Corp.’s plan to fund Public Official A-approved House races through payments to Generation Now to help get Public Official A elected Speaker in return for introducing nuclear legislation was successful. On January 7, 2019, the Ohio House of Representatives selected Public Official A as Speaker. The day of his election, Public Official A texted Executive 1: *“[t]hank you for everything it was historical.”* In a separate text exchange that day, Individual C texted Executive 1, Executive 2, and two FE lobbyists, *“Congrats [Executive 1] and [Executive 2]. Big win in Ohio Speaker vote,”* and then, *“2019 could be FE’s year.”* Executive 1 responded,

“Hate to say this but we still need to get DOE help for plants so we can use Ohio to help the parent.”

Passage of House Bill 6

Following Public Official A’s election as Speaker, FirstEnergy Corp. executives and representatives worked directly with Public Official A in drafting the nuclear legislation leading up to House Bill 6’s introduction in the House. FirstEnergy Corp. sought the nuclear legislation both for the interests of its subsidiaries, including FES, and to further the interests of the FirstEnergy Corp. parent company.

From when House Bill 6 was introduced in April 2019 to October 2019, FirstEnergy Corp. worked directly with FES to support Public Official A through payments to Generation Now with the intent and for the purpose that, in return, Public Official A would take specific official action relating to the passage of House Bill 6 and the defeat of the ballot referendum initiative to overturn House Bill 6. FirstEnergy Corp. paid the money to Public Official A through Generation Now intending to influence and reward Public Official A in connection with passage of House Bill 6 and defeating the ballot referendum.

During that period, FES paid over \$40 million through wire transfers to Generation Now for Public Official A’s benefit, while FES was involved in bankruptcy proceedings. In addition, FirstEnergy Corp. paid over \$13 million through wire transfers from Partners for Progress to Generation Now during this period.

Money paid from FirstEnergy Corp. to Generation Now in April 2019 through October 2019 was intended to benefit Public Official A; was intended to help Public Official A in his campaign to pressure and advise public officials to support passage of House Bill 6; and was intended to help Public Official A’s efforts to defeat the ballot referendum, which included a plan

to pass alternate legislation if the proponents of the ballot referendum gained enough signatures to put the repeal of House Bill 6 on the ballot for a referendum. Certain FirstEnergy Corp. executives knew that the money paid to Generation Now was controlled by Public Official A and was for Public Official A's benefit to use as he directed. Public Official A and his team instructed how much money to pay into Generation Now to further their efforts to pass House Bill 6 and to defeat the ballot referendum. A purpose of the Generation Now ads was to provide legislators with the necessary cover to support House Bill 6.

For example, following opponent testimony in a House subcommittee that challenged House Bill 6 on April 23, 2019, Executive 2 told Executive 1, *"Today was opponent testimony. Went long. Expected stuff. Tell [Public Official A] to put his big boy pants on. Ha."* Later that day, Executive 1 forwarded Executive 2 the content of a message from Public Official A that read, *"I hope FES is ready for a fight because the first shot was fired at us tonight. Nobody screws with my members ... my name ain't [Representative 10] or [Representative 1]. I asked [Individual D] to make ads this morning."* Executive 1 then texted Executive 2, *"FES Needs [sic] to pay for these ads,"* explaining, *"they can spend some money on the real fight."* Executive 1 later texted Public Official A, *"I will be pushing FES to engage,"* and then followed up, *"I'll talk to FES tomorrow about paying for [the ads.] What kind of budget."* Public Official A responded, *"I'll find out – I'd like to blister Columbus and eastern Ohio where the shale play is."*

The next day, Executive 1 texted Public Official A, *"Spoke to FES creditor rep. They will step in and help."* Public Official A responded that he is having breakfast with Individual A to discuss and will call Executive 1 after they meet. Public Official A responded to Executive 1, *"I may want to run things past [Individual A] to make sure [Individual D] doesn't overcharge. I'm cheap."* Executive 1 replied to Public Official A, *"OK. I would say you are a bargain – not cheap."*

On May 1, 2019, FES Executive A texted Executive 2, *“Can someone change the Generation Now website so it looks more like our positive commercial? Less conventional power plants, more blue skies, fields and some wind turbines.”* Executive 2 responded, *“[FES Executive A] – don’t disagree, but remember, you’re just the bank for these spots. They’re not yours if you know what I mean. You change them, and they’re yours – along with the criticism and results.”*

Specific official action by Public Official A relating to the passage of House Bill 6 included helping draft the nuclear bailout legislation at FirstEnergy Corp.’s and FES’s direction and pressuring and advising other public officials to take official action to support the nuclear legislation. While House Bill 6 was pending, FirstEnergy Corp. sought from Public Official A specific official action in the form of pressuring and advising other officials to support the “decoupling” provision supported by FirstEnergy Corp. and to support an extension of the term of the nuclear subsidy duration to ten years.

For example, on April 15, 2019, three days after Public Official A introduced House Bill 6, Executive 2 emailed Executive 1 and several other FirstEnergy Corp. executives and employees about *“talking points”* for *“educating legislators”* relating to the *“decoupling language which we proposed be included in the recently-introduced Ohio Clean Energy Bill (House Bill 6).”* In the same email chain, Executive 2 made clear that the decoupling language in House Bill 6 was the result of coordination with the Speaker’s office.

In a May 4, 2019 text message, Public Official A told Executive 1 he needed information about FirstEnergy Corp. *“[a]s I begin to enter into the ‘all out war’ part of the HB 6 debate,”* so that Executive 1 could help Public Official A *“shap[e] an argument”* in gaining support for House Bill 6.

On June 27, 2019, while House Bill 6 was pending in the Senate, Public Official A texted Executive 1 that “*House / Senate negotiations are occurring.*” Executive 1 responded, “*Negotiate hard. 10 years and decoupling back in!*” Public Official A then replied, “*10 years?*”; “[FES Executive B] told me \$148M for 6yrs was what was necessary.” Executive 1 then responded, “*I was told you knew about it. They fucked up. You’ll be fighting this same issue in 5 years because they will not be able to take it public without more years.*” Executive 1 later told Public Official A, “*You don’t want to have to deal with this twice as Speaker.*”

On July 13, 2019, Executive 1 texted Executive 2 and FES Executive A that he told Public Official A “*why 10 years is a must*” and Public Official A is “*on board with pushing HB6 to 10 if he can.*”

On July 16, 2019, FES Executive A texted Executive 1 and Executive 2, “*Speaker is saying he needs at least a little help from Governor to get our years increased.*” The next day, FES Executive A again texted Executive 1, “*House doesn’t have quite enough votes,*” to which Executive 1 responded, “[Public Official A] is negotiating. I’m in the loop.” Later that day, Executive 1 texted Executive 2, “*Some big concessions by the speaker on the budget. Hopefully he did a little horse trading along the way.*” That day, Executive 2 texted Executive 1 and FES Executive A, “*HB 6 passed Committee (with decoupling). 9-4 vote. No additional years for FES – 7 years.*” HB 6 then went back to the House for a vote on the Senate’s amendments to the bill, and Executive 2 texted Executive 1, “*Now I’m hearing the Speaker is scrambling for one vote.*”

On July 17, 2019, FES Executive A pleaded to Executive 1 that, “*If we only end up w the 7 years I will do exactly as you say, which is say thank you and go back to my nose on the grindstone,*” but, FES Executive A continued, “[t]hat said, is there anything we can do to get another year or 2? If that is not feasible and all hope is lost, can we get a 2 or 3 year extension

option at year 7? We could base it on some type of test of whether FERC has given subsidies etc.”

Executive 1 responded FES Executive A: “[*State Official 2*], [*Public Official B*], [*Company C Executive*] and [*Official Aide 1*] are fighting to the end and we’ve been talking to them all day. Conference on budget is ongoing and Speakers [*sic*] delegation is gonna try to negotiate budget movement for tenure on HB6. Everything that can be done is being done. If we don’t get it, we work to pass an addendum as soon as [*Senator 3*] is out.”

On July 23, 2019, the day that House Bill 6 was signed into law with the decoupling provision included, Executive 2 texted Executive 1 a screenshot showing House Bill 6 passing with 51-38 votes, and the following conversation occurred:

Executive 2: *Boom! Congrats. This doesn’t happen without ceo leadership.*

Executive 2: [Image of House vote]

Executive 1: *We made a bbbiiiiiiig bet and it paid off. Actually, 2 big bets. Congrats to you and the entire team! See if [name] has any Pappy and we’ll all head to Columbus tonight.*

Executive 2: *Huge bet and we played it all right on the budget and HB 6 – so we can go back for more!*

Executive 2: *No party tonight. We are going to plan one with the Speaker later.*

Executive 2: *You should call the Speaker today.*

Executive 1: *Already texted him...*

Defeating the Ballot Referendum

FirstEnergy Corp. and FES agreed to pay millions of dollars to Public Official A through payments to Generation Now in return for and in connection with Public Official A’s efforts to defeat the ballot referendum, which included specific official action by Public Official A. Specific official action agreed to included efforts by Public Official A to have House Bill 6 interpreted as a “tax” such that it could not be challenged through a ballot referendum under law; and, if the ballot initiative gained enough signatures to put the referendum of House Bill 6 on the ballot, to

advance alternate legislation by Public Official A, to include making clear that House Bill 6 was a tax and thus could not be challenged through a ballot referendum.

For example, on July 16, 2019, prior to passage of House Bill 6, Executive 2 texted Official Aide 1 that he “[j]ust remembered some language added late to House version to help make it harder to challenge via referendum. Speaker worked with fes on it. Senate probably took it out and now folks want it back in.”

On July 24, 2019, FES Executive A texted to Executive 2: “[Individual H], [FES Executive C] and myself are point on referendum. He has a mtg w [sic] Speaker on it tomorrow. I am talking to Speaker later today . . .” Executive 2 later responded, “I’m very concerned about the referendum.” FES Executive A replied, “We are taking [Public Official A’s] lead on fighting the referendum.” FES Executive A replied further, “Am I supposed to go against what [Public Official A] is telling us to do?” Two days later, Executive 2 texted FES Executive A, “I had a good conversation with [Public Official A] today re: the referendum issue. I think you’re in excellent hands. I know more about his personal involvement and engagement. We should all be following his lead. I know you/fes are and we will as well.”

On September 4, 2019, Executive 2 told Executive 1 he intended to take steps to convince another Ohio public official to publicly state that House Bill 6 was a tax because, under Ohio law, a tax would not be subject to a ballot referendum. In response, Executive 1 texted Executive 2, “We should check with [Public Official A] to make sure he’s on board with this before we step in. He seemed pretty confident in his referendum strategy and plans to pass it as a tax in a new bill if they get enough signatures. Just want to make sure he agrees.”

To further the scheme, FirstEnergy Corp. used Partners for Progress, a 501(c)(4) controlled

by and operating for the benefit of FirstEnergy Corp., to conceal payments to Public Official A. In October 2019, FirstEnergy Corp. paid \$10 million (October 10, 2019) and \$3 million (October 22, 2019) to Generation Now for Public Official A's benefit by first wiring the money through Partners for Progress rather than paying the money to Generation Now directly. FirstEnergy Corp. paid the \$13 million at Public Official A's and FES's request, knowing and with the intent that the money was in return for Public Official A's efforts to defeat the ballot referendum and ensure House Bill 6 became law, to include specific official action for alternate legislation if the ballot referendum received enough signatures to get on the ballot.

For example, on October 9, 2019, Executive 1 texted FES Executive A, *"Just got word the \$ is being wired today. \$10M."* Executive 1 told Executive 2, *"I did speak with Public Official A and he says they need it and will spend it. Talked to him about future and he says the future is now. He understands it's not our issue and truly appreciates the support."* In exchange for Executive 1's agreement to wire the \$10 million to Public Official A, FES Executive A promised Executive 1 that FES would pay additional funds in connection with the transfer of real estate to FirstEnergy Corp. after FES's bankruptcy.

On October 19, 2019, a few days before the ballot referendum's signatures were due, Executive 1 texted Executive 2 and FES Executive B, *"Just spoke to the big guy. He's got the 'tax' bill ready to go and believes he's got [Senator 3] on board...."* FES Executive B responded, *"That is good news. Having both [Public Official A and Senator 3] on board and ready is critical for us next week to be ready to deal with the outcome of the signatures and the court."* Executive 2 also texted Executive 1, *"I wish we had this state and federal team in place when we first started our generation push. Darn it."*

On October 23, 2019, Executive 1 texted FES Executive A: *"You are a worrier but then*

it's a pretty big deal. For what it's worth [State Official 3] and [Public Official A] think it's game over. But that's private conversation unless they've told you the same thing. And [Public Official A] has a 'quick fix' anyway." Executive 1 went on, *"he and I have been chatting too. More about raising him \$\$\$\$."*

Public Official A's Term Limit Ballot Initiative

In February 2020, Public Official A and his team approached FirstEnergy Corp. about funding a ballot initiative championed by Public Official A, which would change Ohio law to increase term limits for Ohio public officials. The term limit initiative would allow Public Official A to potentially remain in power as Speaker for up to sixteen additional years, which would give Public Official A additional time as Speaker to further FirstEnergy Corp.'s interests through official action.

For example, on February 28, 2020, Executive 1 and Individual B had the following conversation:

Executive 1: *Talked to Speaker today. He's an expensive friend* 😂

Individual B: *I did not know what he wanted to talk to you about.* 😐

Executive 1: *His term limit initiative. 16 years lifetime max in legislature starting when it passes. No need to switch houses. But after 16 your [sic] done for good.*

Individual B: *I think it's a great idea especially if he stays there*

Executive 1: *He told me he'll retire from there but get [sic] a lot done in 16 more years.*

Individual B: *Probably more than five previous Speakers combined*

Individual B: *He will make Ohio great again*

Executive 1: *Yep*

The next day, Executive 1 texted Public Official A, “*Work with [Individual A] on ballot initiative? You coming up for Home Opener?*” Public Official A responded, “*Yes. I haven’t thought much about Opening Day yet.*” Executive 1 later texted Public Official A, “*[Executive 2] is contacting [Individual A] to do 2 early next week,*” to which Public Official A responded, “*Very much appreciated.*” In text message exchanges the next day, Executive 2 stated, “*On Monday/Tuesday of next week, we are hoping to do a \$2M contribution from our C(4) to Generation Now*”; and “*[w]e are going to make a significant contribution to Generation Now from Partners for Progress next Monday/Tuesday.*” Executive 2 stated in a subsequent message that Public Official A’s term limit initiative “*extends and stabilizes existing leadership – good for the home team.*”

On March 2, 2020, FirstEnergy Corp. paid \$2 million to Public Official A by wiring the money from FirstEnergy Corp.’s 501(c)(4), Partners for Progress, to Public Official A’s 501(c)(4), Generation Now, to advance Public Official A’s term limits initiative.

C. Public Official B

FirstEnergy Corp.’s Consulting Agreement with Public Official B

Prior to December 2018, FirstEnergy Corp. made payments to Public Official B pursuant to agreements with Public Official B through Company 1. The payments were made from FirstEnergy Service to Company 1’s bank account, in part, for Public Official B’s benefit.

A 2013 consulting agreement was subsequently amended in 2015. The 2015 amendment coincided with and was made in exchange for Public Official B’s industrial group withdrawing its opposition to a 2014 PUCO Electric Security Plan settlement package involving FirstEnergy Corp.’s Ohio electric distribution subsidiaries. The amended agreement called for an increase in

Public Official B's retainer and supplemental payments through 2024. Although the amended agreement does not appear to have been executed, from 2015 through June 2018, FirstEnergy Corp. paid into the Company 1 account pursuant to the terms of the agreement with Public Official B. Invoices from Company 1 were structured to bypass FirstEnergy Corp.'s Level of Signature Authority levels for purposes of internal approval of the payments.

In January 2019, Public Official B received a payment of \$4,333,333, which represented the remaining payment amounts designated in the amended consulting agreement from 2019 through 2024. FirstEnergy Corp. was under no legal obligation to make the payment at that time.

Public Official B as PUCO Chairman

FirstEnergy Corp. paid the entire \$4,333,333 to Company 1 for Public Official B's benefit with the intent and for the purpose that, in return, Public Official B would perform official action in his capacity as PUCO Chairman to further FirstEnergy Corp.'s interests relating to passage of nuclear legislation and other specific FirstEnergy Corp. legislative and regulatory priorities, as requested and as opportunities arose.

In December 2018, Public Official B discussed the \$4,333,333 payment with Executive 1 and Executive 2. For example, on December 17, 2018, Public Official B emailed Executive 2 and others the announcement stating that PUCO was seeking applications for a commissioner. The next day, on December 18, 2018, Executive 1 and Executive 2 met with Public Official B at Public Official B's condominium. During the meeting at Public Official B's condominium, Executive 1, Executive 2, and Public Official B discussed the remaining payments under the consulting agreement and Public Official B's candidacy for the open PUCO chair position.

The next day, Public Official B texted Executive 1 and Executive 2 detailing the remaining payments under his consulting agreement with FirstEnergy Corp. from 2019 to 2024. The

payments totaled \$4,333,333. Public Official B added, *“Thanks for the visit. Good to see both of you,”* to which Executive 2 responded immediately, *“ Got it, [Public Official B]. Good to see you as well. Thanks for the hospitality. Cool condo.”*

Later that day, Executive 1 texted Public Official B and Executive 2, *“We’re gonna get this handled this year, paid in full, no discount. Don’t forget about us or Hurricane [Executive 1] may show up on your doorstep! Of course, no guarantee he won’t show up anyway.”* Executive 1 then attached an image of a venomous snake protruding from a hurricane. Public Official B replied, *“Made me laugh – you guys are welcome anytime and any whereI [sic] can open the door. Let me know how you want me to structure the invoices. Thanks.”* Public Official B then added, *“I think I said this last night but just in case – if asked by the administration to go for the Chair spot, I would say yes.”*

After meeting with Public Official B in December 2018 to discuss the payout and Public Official B’s candidacy for PUCO Chairman, certain FirstEnergy Corp. executives pushed to have Public Official B appointed as the PUCO Chairman. Under Ohio law, PUCO consists of five public utilities commissioners appointed by the governor with the advice and consent of the senate. The governor must designate one commissioner to be chairperson of PUCO, who serves at the governor’s pleasure. PUCO commissioners are selected from a list of individuals submitted to the governor by the public utilities commission nominating council. FirstEnergy Corp. executives’ efforts to have Public Official B appointed as PUCO Chairman included working directly to advance the appointment of Public Official B as PUCO Chairman so that Public Official B could further FirstEnergy Corp.’s interests in that role through official action. FirstEnergy Corp.’s plan was for Public Official B to be appointed to the open seat as PUCO Chair and another individual appointed to a second projected opening on PUCO.

On January 2, 2019, FirstEnergy Service wired the \$4,333,333 to Public Official B's Company 1 bank account. That same day, Executive 2 texted Executive 1:

[Executive 1] - this text came to me this morning from [Public Official B]. His mtg with Gov.-elect is this Friday and I suspect, absent any problem, things will go down as we've discussed, with [Individual E] getting [PUCO Official 1]'s seat as soon as [PUCO Official 1] leaves. In any event, pls see [Public Official B]'s mssg re: meeting with us soon in Akron.

[Executive 2], I would like to come to Akron on 1/10, 1/11, 1/14 or 1/15 to get a better understanding of the "hole" (size, shape, life expectancy and so on). Also, I would like to discuss a couple concepts that I landed on after our recent meeting. If [Executive 1] is available to discuss concepts, that would be a plus. If none of the above days work, get me a couple that do, please.

Executive 1 responded with a date and time for meeting Public Official B, then stated: "So you're saying [Public Official B] as Chair and [Individual E] on later?" Executive 2 replied, "That's their plan, but nothing certain until [Public Official B]'s meeting. Four people in [State Official 1] world, you, [Public Official B] and I know about this."

Later that day, Executive 2 and Executive 1 discussed the upcoming meeting between Executive 1, Executive 2, and Public Official B further. Executive 2 asked Executive 1, "Is there anyone internally you'd like to include? I'll ask him about his location preference. My guess is that he's on point to figure out what we need and to report back as to how it should be/could be fixed." Executive 1 replied, "I think just you and me. Don't want too many on the inside right now. That's probably his preference also." Executive 2 then forwarded a text from Public Official B: "From [Public Official B]. Probably best if it is you and [Executive 1]. If more is required, I can follow up. I don't think that we will get into the weeds. That can come once we get comfortable with a conceptual framework."

On January 14, 2019, Executive 2 texted Executive 1 about the "Ohio hole," "extending

our ESP,” among other things. Executive 2 then texted Executive 1 about the timing of what would become House Bill 6: “[Public Official B] was talking about the number of weeks needed for him to coalesce parties on the broad construct of an energy bill. Before introduction.” According to Executive 2, Public Official B estimated “*the 6 to 8 week time frame to pull together (not necessarily pass) the legislative component assumes that the new administration makes the appointment ASAP and runs from the date of the appointment.*”

On January 18, 2019, Executive 1 texted Executive 2, “...Once [Public Official B] is announced, we need him to help with [Individual E]. Sounds like he already did but will need more.” Executive 2 responded, “[Individual F] told me that once [Public Official B] is in, [State Official I] will lean on him on everything including who should be the next commissioner.”

On January 28, 2019, at the same time certain FirstEnergy Corp. executives were lobbying to have Public Official B appointed PUCO Chair, Executive 2 texted Executive 1 about a solution to the Ohio “hole” and an update on Public Official B’s nomination: “[Executive I] – [Individual G] and I just finished a good meeting with [Public Official B] on the way to solve the 2024 issue. No one internal knows we met with him.” Executive 1 responded, “Any word on his status?” Executive 2’s reply indicated he spoke with State Official 2 and, “no decision but that he had a great conversation with Gov this morning.”

Days later, Executive 2 and Executive 1 became concerned that Public Official B would need to pull out of the PUCO selection process because a disclosure in connection with an FES bankruptcy filing indicated that Company 1 had received payments from FES. In response to the news, Executive 1 lamented in a text message to Executive 2 on January 31, 2019, “Great. Now we have none on the list.” Executive 2 responded, “This is awful.” Executive 1 then texted, “Back to legislative fix for Ohio hole.”

Later that day, however, their concern dissipated as Public Official B cleared the selection process. Executive 2 texted Executive 1, *“Nominating Council has been delayed and is now in Executive Session.”* Executive 2 later texted Executive 1, *“That bullet grazed the temple.”* Executive 1 responded, *“Forced [State Official 1]/[State Official 2] to perform battlefield triage. It’s a rough game.”* Minutes later, Executive 2 forwarded an email that read, *“[Public Official B] got the most votes.”* Executive 1 texted Public Official B the next day, *“Most of the media coverage is very fair. There will be some shots take but that’s inevitable. Hang in there til it’s done and it will quiet quickly.”*

The plan to get Public Official B appointed PUCO chairman was successful. On February 4, 2019, Public Official B’s selection as the Chairman of PUCO was announced. That day Executive 1 texted Company C Executive, *“Now work on the [Public Official B]/[Individual E] parlay. Once [Public Official B] is in he’ll help with [Individual E] and my Speaker friend will too.”* The next day, Executive 1 texted Public Official B, *“Congratulations!”* Public Official B responded, *“Thanks, [Executive 1] – the last four days have been tuff.”* Public Official B went on, *“Thanks goes to some great good friends.”*

The day Public Official B’s confirmation as PUCO became public, Company C Executive texted Executive 1: *“Let’s try not to fuck this up,”* while attaching an article announcing Public Official B was selected as the next PUCO Chair.

On or about February 13, 2019, Executive 2 told Public Official B, *“[Executive 1] is meeting with [Public Official A] today”* and asked him, *“Anything you think [Executive 1] should raise?”* Public Official B responded that *“We need coordination between executive and legislative branches to get sensible stuff over the goal line. Absent that, the current polarization will pull everything under.”*

Official Action by Public Official B

After his appointment as PUCO Chairman, Public Official B performed official action, including acts related to House Bill 6 and the elimination of FirstEnergy Corp.'s requirement to file a new base rate case in 2024, furthering FirstEnergy Corp.'s specific legislative and regulatory interests at the direction of and in coordination with certain FirstEnergy Corp. executives, as FirstEnergy Corp. requested and as opportunities arose.

For example, with respect to House Bill 6, on June 28, 2019, Executive 2 texted Executive 1, *"Just heard from [Public Official B].. [sic] decoupling looks good."* Executive 2 explained to FES Executive A on July 10, 2019, that Public Official B told Executive 2 regarding the *"audit issue"*: *"I am engaged and hope I can help."* Executive 2 went on, *"Having [Public Official B] engaged is key. He doesn't use the word lightly."*

On July 11, 2019, Executive 2 texted Executive 1: *"[Executive 1] – I had a long talk with [Public Official B] last night about audit language. He is mtg today with [Senator 4] and Senate Counsel. We have a good plan to help. Just wanted u to know your team is engaged and helping – and we will get it if we can keep fes from negotiating against themselves."*

On July 13, 2019, Executive 2 texted Executive 1 that he heard from Public Official B regarding *"the audit"* language, explaining, *"[Public Official B] thinks he has it nailed and the language works. Confidentially, [FES Executive B] agrees."*

On July 16, 2019, Executive 2 and Executive 1 texted relating to the status of House Bill 6 and the budget. The conversation went as follows:

Executive 2: Budget conferees are meeting now - so the budget looks to be good to go (or they wouldn't be meeting). Our SEET language is in the bill. Still awaiting word on HB6 but our intel is that [Official Aide 1], [State Official 2] and [Public Official B]

are still trying to get fes some more years.

Executive 1: *Decoupling?*

Executive 2: *Will be offered tomorrow by [Senator 5] with help from [Senator 6]. Stupid they're making her offer it, but we are convinced there's no monkey business. It's greased.*

About a week later, on July 23, 2019, House Bill 6 passed the legislature with the decoupling provision advocated by FirstEnergy Corp. That day, Executive 1 sent to Public Official B a photo-shopped image of Mount Rushmore with the face of Public Official B, alongside Executive 2, Ohio Director of State Affairs, and Company C Executive, imposed over the four presidential faces with the caption, “*HB 6 FUCK ANYBODY WHO AINT US.*” Public Official B commented that his picture was smaller than the others and then responded, “*funny.*”

In addition, at FirstEnergy Corp.’s request and direction, Public Official B performed official action to fix FirstEnergy Corp.’s “Ohio hole” through a PUCO opinion eliminating the requirement that FirstEnergy Corp.’s Ohio electric distribution subsidiaries file a new base rate case when ESP IV ended in 2024.

For example, on November 5, 2019, Executive 1 texted to Executive 2 an article published that day, in which Morgan Stanley projected low growth for FirstEnergy Corp. because of “*a rate case review in 2024.*” In his note accompanying the article, Executive 1 told Executive 2, “*Here’s the MS down grade due to the ‘Ohio hole.’*”

On November 10, 2019, Executive 1 texted Company C Executive, “*And, the FE rescue project is not over. At EEI financial conference. Stock is gonna get hit with Ohio 2024. Need [Public Official B] to get rid of the ‘Ohio 2024’ hole.*” A few days later, on November 15, 2019, Executive 2 texted Executive 1, “*I spoke with [Public Official B] today. Told me 2024 issue will be handled next Thursday (November 21).*” Executive 2 later texted, “*he’s going to make the*

requirement to file go away, but I do not know specifically how he plans to do it.”

On November 21, 2019, Executive 2 texted Executive 1, *“Today is our day for action on the 2024 issue.”* Executive 1 suggested that Public Official B make a *“public statement”* about the ruling, to which Executive 2 responded, *“On it.”* Later that day, PUCO issued a ruling that FirstEnergy Corp.’s Ohio electric distribution subsidiaries were no longer required to file a new rate distribution case in 2024. Executive 2 later texted Executive 1 the PUCO decision, which highlighted the following language from the Opinion and Order: *“we find that it is no longer necessary or appropriate for the Companies to be required to file a new distribution rate case at the conclusion of the Companies’ current ESP.”*

Pursuant to House Bill 6, part of FirstEnergy Corp.’s revenue would have been decoupled at least until its next base distribution rate case, which was scheduled for 2024. The November 21, 2019 decision by PUCO eliminated FirstEnergy Corp.’s Ohio electric distribution subsidiaries’ requirement to file its new rate distribution case at the conclusion of ESP IV in 2024. The November 21, 2019 PUCO decision addressed the 2024 “Ohio hole” by extending the time before the FirstEnergy Ohio utility subsidiaries were required to file a base rate case.

On November 22, 2019, approximately a day after PUCO’s rate case policy change benefitting the energy company, and the day after news of the decoupling rider application became public, Executive 1 thanked Public Official B via text message. Specifically, Executive 1 texted Public Official B an image showing FirstEnergy Corp.’s stock increase with a note that stated, *“Thank you!!”* Public Official B responded, *“Ha – as you know, what goes up may come down. [Name] helped. Thanks for the note. Spoke to [name] last night.”* Executive 1 replied, *“Every little bit helps. Those guys are good but it wouldn’t happen without you. My Mom taught me to say Thank you,”* to which Public Official B replied, *“Thanks.”*

On January 15, 2020, a few months later, it appeared that another commissioner would be appointed to PUCO in 2020. Public Official A texted Executive 1, “*Who do you like for this PUCO board appointment.*” That evening, Executive 1 texted Public Official A’s message to Executive 2: “*Who do you like for this PUCO board appointment*”; Executive 1 followed up, “*Got this from [Public Official A] a little while ago.*” Executive 1 then texted, “*But I think [Public Official B] wants the incumbent D re-upped because he’s very cooperative with [Public Official B].*” Executive 1 later told Executive 2, “*Tell [Public Official B] [Public Official A] asked me I [sic] my response was whoever [Public Official B] wants.*”

Executive 1 then texted Public Official A back as follows: “*[PUCO Official 2] is the commissioner who’s up this April. [Public Official B] likes [PUCO Official 2]. [Public Official B] has been outstanding. Approved our decoupling filing today and got a 5-0 vote including [PUCO Official 2], even though Staff bureaucrats wanted to modify HB 6 language.*” Public Official A responded, “*Very good.*” Public Official A then stated, “*I need to have my appointee to make recommendation for Gov. I will take care of it tomorrow.*”

In a March 4, 2020 text message exchange about possible future favorable action by Public Official B, Executive 1 summarized official action already performed by Public Official B at the request of FirstEnergy and stated: “*He will get it done for us but cannot just jettison all process.*” After describing certain acts taken by Public Official B, Executive 1 explained that there is “*a lot of talk going on in the halls of PUCO about does he work there or for us? He’ll move it as fast as he can. Better come up with a short term work around.*”

As set forth in the Corporate Officer's Certificate, I am duly authorized to execute this Agreement on behalf of FirstEnergy Corp. I have read the Statement of Facts and have carefully reviewed it with counsel for FirstEnergy Corp. and FirstEnergy Corp.'s Board of Directors. On behalf of FirstEnergy Corp., I acknowledge that the Statement of Facts is true and correct.

July 20, 2021

Date



Steven E. Strah, President & CEO
FIRSTENERGY CORP.

July 20, 2021

Date



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ATTACHMENT B:
CORPORATE COMPLIANCE PROGRAM

Recognizing the remedial measures undertaken by FirstEnergy Corp. set forth in the Deferred-Prosecution Agreement, FirstEnergy Corp. agrees to continue to conduct, in a manner consistent with all of its obligations under this Agreement, appropriate reviews of its existing internal controls, policies, and procedures and to address any deficiencies in its internal controls, compliance code, policies, and procedures regarding compliance with U.S. law.

Where necessary and appropriate, FirstEnergy Corp. agrees to modify its compliance program, including internal controls, compliance policies, and procedures to ensure that it maintains an effective system of internal accounting controls designed to ensure the making and keeping of fair and accurate books, records, and accounts, as well as policies and procedures designed to effectively detect and deter violations of U.S. law. At a minimum, this should include, but not be limited to, the following elements to the extent they are not already part of FirstEnergy Corp.'s existing internal controls, compliance code, policies, and procedures:

High-Level Commitment

1. FirstEnergy Corp. will ensure that its directors and senior management provide strong, explicit, and visible support and commitment to its corporate policy against violations of U.S. law and its compliance code.

Policies and Procedures

2. FirstEnergy Corp. will develop and promulgate a clearly articulated and visible corporate policy against violations of U.S. law, which policy shall be memorialized in a written compliance code.

3. FirstEnergy Corp. will develop and promulgate compliance policies and procedures designed to reduce the prospect of violations of U.S. law and FirstEnergy Corp.'s compliance code, and FirstEnergy Corp. will take appropriate measures to encourage and support the observance of ethics and compliance policies and procedures against violation of U.S. law by personnel at all levels of FirstEnergy Corp. These policies and procedures shall apply to all directors, officers, and employees and, where necessary and appropriate, outside parties including consultants and lobbyists acting on behalf of FirstEnergy Corp. FirstEnergy Corp. shall notify all employees that compliance with the policies and procedures is the duty of individuals at all levels of the company.

4. FirstEnergy Corp. will ensure that it has a system of financial and accounting procedures, including a system of internal controls, reasonably designed to ensure the maintenance of fair and accurate books, records, and accounts. This system should be designed to provide reasonable assurances that transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements, and to maintain accountability for assets.

5. FirstEnergy Corp. will ensure that all contributions made to entities incorporated under 26 U.S.C. § 501(c)(4) (“501(c)(4)” entities) and all payments to entities operating for the benefit of a public official, either directly or indirectly, are reviewed and approved by a compliance officer trained to ensure such payments comport with company policy and U.S. law. In addition, the amount, beneficiary, and purpose of all such contributions and payments must be reported to the Board on a quarterly basis.

6. FirstEnergy Corp. will ensure that lobbying and consultant contracts are reviewed and approved by a compliance officer trained to evaluate whether the purpose of the contracts and payments made pursuant to the contracts comport with company policy and U.S. law.

7. FirstEnergy Corp. will ensure that its written compliance code prohibits billing and payment practices used to subvert internal controls.

Periodic Risk-Based Review

8. FirstEnergy Corp. will develop these compliance policies and procedures on the basis of a periodic risk assessment addressing the individual circumstances of FirstEnergy Corp. FirstEnergy Corp. shall review these policies and procedures no less than annually and update them as appropriate to ensure their continued effectiveness, taking into account relevant developments in the field and evolving international and industry standards.

Proper Oversight and Independence

9. FirstEnergy Corp. will assign responsibility to one or more senior corporate executives of FirstEnergy Corp. for the implementation and oversight of FirstEnergy Corp. compliance code, policies, and procedures. Such corporate official(s) shall have the authority to report directly to independent monitoring bodies, including internal audit, FirstEnergy Corp.’s Board of Directors, or any appropriate committee of the Board of Directors, and shall have an adequate level of autonomy from management as well as sufficient resources and authority to maintain such autonomy.

Training and Guidance

10. FirstEnergy Corp. will implement mechanisms designed to ensure that its compliance code, policies, and procedures are effectively communicated to all directors, officers, employees, and, where appropriate, agents and business partners including consultants and lobbyists. These mechanisms shall include: (a) periodic training for all directors and officers, all employees in positions of leadership or trust, positions that require such training (e.g., internal audit, sales, legal, compliance, finance, and government relations), and, where appropriate, agents and business partners including consultants and lobbyists; and (b) corresponding certifications by all such directors, officers, employees, agents, and business partners certifying compliance with the training requirements.

11. FirstEnergy Corp. will maintain, or where necessary establish, an effective

system for providing guidance and advice to directors, officers, employees, and, where necessary and appropriate, agents and business partners including consultants and lobbyists, on complying with FirstEnergy Corp.'s compliance code, policies, and procedures, including when they need advice on an urgent basis.

Internal Reporting and Investigation

12. FirstEnergy Corp. will maintain, or where necessary establish, an effective system for internal and, where possible, confidential reporting by, and protection of, directors, officers, employees, and, where appropriate, agents and business partners including consultants and lobbyists concerning violations of U.S. law or FirstEnergy Corp.'s compliance code, policies, and procedures.

13. FirstEnergy Corp. will maintain, or where necessary establish, an effective and reliable process with sufficient resources for responding to, investigating, and documenting allegations of violations of U.S. law or FirstEnergy Corp.'s compliance code, policies, and procedures.

Enforcement and Discipline

14. FirstEnergy Corp. will implement mechanisms designed to effectively enforce its compliance code, policies, and procedures, including appropriately incentivizing compliance and disciplining violations.

15. FirstEnergy Corp. will institute appropriate disciplinary procedures to address, among other things, violations of U.S. law and FirstEnergy Corp. compliance code, policies, and procedures by FirstEnergy Corp.'s directors, officers, and employees. Such procedures should be applied consistently and fairly, regardless of the position held by, or perceived importance of, the director, officer, or employee. FirstEnergy Corp. shall implement procedures to ensure that where misconduct is discovered, reasonable steps are taken to remedy the harm resulting from such misconduct, and to ensure that appropriate steps are taken to prevent further similar misconduct, including assessing the internal controls, compliance code, policies, and procedures and making modifications necessary to ensure the overall compliance program is effective.

Mergers and Acquisitions

16. FirstEnergy Corp. will develop and implement policies and procedures for mergers and acquisitions requiring that FirstEnergy Corp. conduct appropriate risk-based due diligence on potential new business entities.

17. FirstEnergy Corp. will ensure that FirstEnergy Corp. compliance code, policies, and procedures regarding U.S. law apply as quickly as is practicable to newly acquired businesses or entities merged with FirstEnergy Corp. and will promptly train the directors, officers, employees, agents, and business partners consistent with Paragraph 5 of the Deferred Prosecution Agreement on FirstEnergy Corp.'s compliance code, policies, and procedures.

Periodic Reviews and Testing

18. FirstEnergy Corp. will conduct periodic reviews and testing of its compliance code, policies, and procedures designed to evaluate and improve their effectiveness in preventing and detecting violations of U.S. law and FirstEnergy Corp.'s code, policies, and procedures, taking into account relevant developments in the field and evolving industry standards.

**ATTACHMENT C:
REPORTING REQUIREMENTS**

FirstEnergy Corp. agrees that it will report to the U.S. Attorney's Office for the Southern District of Ohio (the "government") periodically, at no less than twelve-month intervals during a three-year term, regarding remediation and implementation of the compliance program and internal controls, policies, and procedures described in Attachment B. During this three-year period, FirstEnergy Corp. shall: (1) conduct an initial review and submit an initial report, and (2) conduct and prepare at least two follow-up reviews and reports, as described below:

a. By no later than one year from the date this Agreement is executed, FirstEnergy Corp. shall submit to the government a written report setting forth a complete description of its remediation efforts to date, its proposals reasonably designed to improve its internal controls, policies, and procedures for ensuring compliance with U.S. law, and the proposed scope of the subsequent reviews. The report shall be transmitted to the following representatives of the government, unless other instructions are provided by the government:

Assistant U.S. Attorneys Emily N. Glatfelter and Matthew C. Singer
U.S. Attorney's Office for the Southern District of Ohio
221 East Fourth Street, Suite 400
Cincinnati, OH 45213

FirstEnergy Corp. may extend the time period for issuance of the report with prior written approval of the government.

b. FirstEnergy Corp. shall undertake at least two follow-up reviews and reports, incorporating the views of the government on its prior reviews and reports, to further monitor and assess whether its policies and procedures are reasonably designed to detect and prevent violations of U.S. law.

c. The first follow-up review and report shall be completed by no later than one year after the initial report is submitted to the government. The second follow-up review and report shall be completed and delivered to the government no later than thirty days before the end of the Term.

d. The reports will likely include proprietary, financial, confidential, and competitive business information. Moreover, public disclosure of the reports could discourage cooperation, impede pending or potential government investigations and thus undermine the objectives of the reporting requirement. For these reasons, among others, the reports and the contents thereof are intended to remain and shall remain non-public, except as otherwise agreed to by the parties in writing, or except to the extent that the government determines in its sole discretion that disclosure would be in furtherance of the government's discharge of its duties and responsibilities or is otherwise required by law.

e. FirstEnergy Corp. may extend the time period for submission of any of the follow-up reports with prior written approval of the government.

EXHIBIT 2



Case No. 20-1629-EL-RDR

**Compliance Audit of the 2020 Delivery Capital Recovery (DCR) Riders
of Ohio Edison Company,
The Cleveland Electric Illuminating Company,
and The Toledo Edison Company
and**

Expanded Scope

Submitted August 3, 2021

Prepared by
Blue Ridge Consulting Services, Inc.
114 Knightsridge Road
Travelers Rest, SC 29690
(864) 420-8084

**Case No. 20-1629-EL-RDR—Expanded Scope
Ohio Edison Company, The Cleveland Electric Illuminating Company, and
The Toledo Edison Company**

**Case No. 20-1629-EL-RDR
Expanded Scope**

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The Toledo Edison Company**

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EXECUTIVE SUMMARY

The PUCO directed Blue Ridge Consulting Services, Inc. (“Blue Ridge”) to expand the scope of its Rider DCR audit in Case No. 20-1629-EL-RDR to include a review of the responses of The Cleveland Electric Illuminating Company (CE), Ohio Edison Company (OE), and The Toledo Edison Company (TE), collectively, “FirstEnergy” or “Companies,” to Staff’s request for information dated February 18, 2021.

The expanded scope review had the following specific purpose based upon the Commission’s Entry:

- To determine whether any funds collected from ratepayers were used to pay the vendors
- If ratepayer funds were used, to determine whether the funds associated with those payments should be returned to ratepayers through Rider DCR or through an alternative proceeding
- In the event that Blue Ridge or Staff find that ratepayers would be entitled to a refund in an alternative proceeding, to have Blue Ridge or Staff file a supplemental report that references and incorporates the relevant findings of Blue Ridge and Staff in that proceeding

FirstEnergy provided a list of 346 payment records, totaling \$24.46 million. The payments were recorded to capital and O&M expense accounts that may have been collected from customers.

Table 1: Total Payments by Company—Capital and O&M Expense

Description	CE	OE	TE	Total
Capital	\$ 2,952,893	\$ 3,336,631	\$ 1,156,049	\$ 7,445,573
O&M Expense	7,925,271	6,974,079	2,116,038	17,015,387
Total	\$ 10,878,164	\$ 10,310,710	\$ 3,272,087	\$ 24,460,960

Blue Ridge understands *how* costs were settled to the Ohio operating companies but not *why* FirstEnergy believed it was appropriate to record these charges to the Ohio operating companies to be possibly included in rates charged to customers. However, determining the reason is beyond the scope of Blue Ridge’s analysis.

During Blue Ridge’s review of the payments and supporting documentation, we observed that a number of vendors appeared to be related parties. Of the 17 various vendors, 12 were identified as related to Thomas T. (Tony) George, two were related to Sam Randazzo, and the remaining three vendors were unsupported transactions with no identified related party.

Blue Ridge compared the supporting documentation to the payments and found that payments for several vendors were supported, while other payments were either only partially supported or not supported with documentation.

FirstEnergy stated, “in some instances, the vendor transactions extend back over ten years and/or lack proper supporting documentation, and additional documentation is not available.”¹ In other responses to requests for specific invoices, purchase orders, contracts, and agreements, FirstEnergy stated, “The Companies do not have additional supporting documentation at this time, and do not know why such information is not available. Because supporting information is not

¹ Response to BRC AS-Set 1-INT-012 Confidential.

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available, the Companies are conservatively and proactively recommending to refund customers any costs that impacted rates that did not have sufficient supporting documentation.”²

Blue Ridge’s analysis focused on whether FirstEnergy used any funds collected from ratepayers to pay the vendors and, if ratepayer funds were used, to determine if and how the Company should return the funds associated with those payments to ratepayers.

Blue Ridge reconciled the payments to a recovery mechanism and recommends the refunds in the following table.

Table 2: Recommended Refunds by Recovery Mechanism and Ohio Operating Company

Recovery Mechanism	CE	OE	TE	Total
Base Rates-Refund through non-bypassable rider	\$ 1,962,811	\$ 311,097	\$ 132,580	\$ 2,406,488
Rider DSE-Refund through final reconciliation	1,489,640	1,805,510	854,851	\$ 4,150,001
Rider DCR	-	-	-	-
Pole Attachment-Adjust in next Pole Attachment rate filing	22,325	47,656	12,869	82,850
Total Recommended Refunds	\$ 3,474,776	\$ 2,164,263	\$ 1,000,300	\$ 6,639,339

In addition to the refunds, Blue Ridge recommends that the \$7,445,573 recorded as capital be identified and excluded from rate base in any future base rate case.

BACKGROUND THAT LED TO THE EXPANDED SCOPE

The Executive Summary of FirstEnergy’s SEC filing Form 10-K for the fiscal year ended December 31, 2020, included the following disclosures:

On July 21, 2020, a complaint and supporting affidavit containing federal criminal allegations were unsealed against the now former Ohio House Speaker Larry Householder and other individuals and entities allegedly affiliated with Mr. Householder. Also, on July 21, 2020, and in connection with the investigation, FirstEnergy received subpoenas for records from the U.S. Attorney’s Office for the S.D. Ohio. FirstEnergy was not aware of the criminal allegations, affidavit or subpoenas before July 21, 2020. In addition to the subpoenas referenced above, the OAG, certain FE shareholders and FirstEnergy customers filed several lawsuits against FirstEnergy and certain current and former directors, officers and other employees, each relating to the allegations against the now former Ohio House Speaker Larry Householder and other individuals and entities allegedly affiliated with Mr. Householder. In addition, on August 10, 2020, the SEC, through its Division of Enforcement, issued an order directing an investigation of possible securities laws violations by FE, and on September 1, 2020, issued subpoenas to FE and certain FE officers.

As previously disclosed, a committee of independent members of the Board of Directors is directing an internal investigation related to ongoing government

² Responses to BRC AS-Set 2-INT-006 Confidential, BRC AS-Set 2-INT-007 Confidential, BRC AS-Set 2-INT-012 Confidential, BRC AS-Set 2-INT-015 Confidential, and BRC AS-Set 2-INT-016 Confidential.

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investigations. In connection with FirstEnergy's internal investigation, such committee determined on October 29, 2020, to terminate FirstEnergy's Chief Executive Officer, Charles E. Jones, together with two other executives: Dennis M. Chack, Senior Vice President of Product Development, Marketing, and Branding; and Michael J. Dowling, Senior Vice President of External Affairs. Each of these terminated executives violated certain FirstEnergy policies and its code of conduct. These executives were terminated as of October 29, 2020. Such former members of senior management did not maintain and promote a control environment with an appropriate tone of compliance in certain areas of FirstEnergy's business, nor sufficiently promote, monitor or enforce adherence to certain FirstEnergy policies and its code of conduct. Furthermore, certain former members of senior management did not reasonably ensure that relevant information was communicated within our organization and not withheld from our independent directors, our Audit Committee, and our independent auditor. Among the matters considered with respect to the determination by the committee of independent members of the Board of Directors that certain former members of senior management violated certain FirstEnergy policies and its code of conduct related to a payment of approximately \$4 million made in early 2019 in connection with the termination of a purported consulting agreement, as amended, which had been in place since 2013. The counterparty to such agreement was an entity associated with an individual who subsequently was appointed to a full-time role as an Ohio government official directly involved in regulating the Ohio Companies, including with respect to distribution rates. FirstEnergy believes that payments under the consulting agreement may have been for purposes other than those represented within the consulting agreement.

Immediately following these terminations, the independent members of its Board appointed Mr. Steven E. Strah to the position of Acting Chief Executive Officer and Mr. Christopher D. Pappas, a current member of the Board, to the temporary position of Executive Director, each effective as of October 29, 2020. Mr. Donald T. Misheff will continue to serve as Non-Executive Chairman of the Board. Additionally, on November 8, 2020, Robert P. Reffner, Senior Vice President and Chief Legal Officer, and Ebony L. Yeboah-Amankwah, Vice President, General Counsel, and Chief Ethics Officer, were separated from FirstEnergy due to inaction and conduct that the Board determined was influenced by the improper tone at the top. The matter is a subject of the ongoing internal investigation as it relates to the government investigations.

Also, in connection with the internal investigation, FirstEnergy recently identified certain transactions, which, in some instances, extended back ten years or more, including vendor services, that were either improperly classified, misallocated to certain of the Utilities and Transmission Companies, or lacked proper supporting documentation. These transactions resulted in amounts collected from customers that were immaterial to FirstEnergy, and the Utilities and Transmission Companies will be working with the appropriate regulatory agencies to address these amounts. [emphasis added]³

On February 18, 2021, the Public Utilities Commission of Ohio (PUCO) Staff issued the following request for information.

³ FirstEnergy Form 10-K fiscal year ended December 31, 2020, page 28.

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Request:

On page 28 of the 10K filed on February 18, 2021, FirstEnergy Corporation disclosed the following:

“Also, in connection with the internal investigation, FirstEnergy recently identified certain transactions, which, in some instances, extended back ten years or more, including vendor services, that were either improperly classified, misallocated to certain of the Utilities and Transmission Companies, or lacked proper supporting documentation. These transactions resulted in amounts collected from customers that were immaterial to FirstEnergy, and the Utilities and Transmission Companies will be working with the appropriate regulatory agencies to address these amounts.”

As it relates to FirstEnergy Corporation and its affiliates’ Ohio operations, please provide materials responsive to the following data requests no later than February 23, 2021, unless otherwise agreed to by Staff:

- 1) The names of the vendors associated with the transactions referenced above;
- 2) The date of each transaction;
- 3) The nature or type of each transaction;
- 4) The amount associated with each transaction; and
- 5) The underlying purchase order, contract and/or agreement associated with each transaction referenced above.

First Energy provided a response, and on March 8, 2021, the PUCO Staff filed a letter in Case No. 20-1629-EL-RDR, requesting that the Commission expand the scope of the 2020 annual audit of FirstEnergy’s delivery capital recover rider (DCR) in progress in Case No. 20-1629-EL-RDR. Specifically, Staff notes that following a review of the 10K filed by FirstEnergy Corp. on February 18, 2021, Staff immediately filed a data request with the Companies for additional records related to the disclosure of “certain transactions . . . that were either improperly classified, misallocated . . . or lacked supporting documentation” according to the 10K. The Companies responded to this data request on February 25, 2021. Based upon the response to the data request, Staff recommended that the Commission expand the scope of the audit in this case and direct Blue Ridge to review the disclosed transactions to determine whether funds collected from ratepayers were used to pay the vendors and, if so, whether the funds associated with those payments should be returned to ratepayers in this proceeding or in an alternative proceeding.

The Commission agreed with Staff’s recommendation in an entry dated March 10, 2021, in Case No. 20-1629-EL-RDR:

- {¶ 8} The Commission agrees with the recommendation filed by Staff. Expansion of the scope of the review by the independent auditor in this case to include the disclosed vendor payments is consistent with our commitment to act in a reasoned and methodical manner, based upon facts rather than speculation, in light of the recent allegations surrounding FirstEnergy Corp. *In the Matter of the Review of Ohio Edison Co., Cleveland Elec. Illum. Co., and Toledo Edison Co.’s Compliance with R.C. 4928.17 and Ohio Adm. Code 49.1:1-37*, Case No. 17-974-EL-UNC, Entry (Nov. 4, 2020) at ¶ 17. Therefore, the Commission directed Blue Ridge to expand the scope of its review in this proceeding to determine whether any funds collected from ratepayers were used to pay the vendors and if so,

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whether the funds associated with those payments should be returned to ratepayers through Rider DCR or through an alternative proceeding. Pursuant to Staff's recommendation, in the event that Blue Ridge or Staff find that ratepayers would be entitled to a refund in an alternative proceeding, Blue Ridge or Staff should file a supplemental report that references and incorporates the relevant findings of Blue Ridge and Staff in that proceeding.⁴

Blue Ridge expanded its contract with FirstEnergy to perform the audit on March 25, 2021, and subsequently began its analysis.

PURPOSE AND SCOPE OF EXPANDED SCOPE REVIEW

The expanded scope review had specific purpose based upon the Commission's Entry:

- To determine whether any funds collected from ratepayers were used to pay the vendors
- If ratepayer funds were used, to determine whether the funds associated with those payments should be returned to ratepayers through Rider DCR or through an alternative proceeding
- In the event that Blue Ridge or Staff find that ratepayers would be entitled to a refund in an alternative proceeding, to have Blue Ridge or Staff file a supplemental report that references and incorporates the relevant findings of Blue Ridge and Staff in that proceeding

The project's scope incorporates Staff's request for information dated February 18, 2021, and the Confidential response provided by the Companies on February 25, 2021. Since the response that is subject to review in this project has been identified as confidential pursuant to O.R.C. 4901.16, Blue Ridge's report was initially labeled as confidential. In an email dated August 2, 2021, FirstEnergy agreed that the report, including the appendices, would not need to be redacted when filed with the Commission.⁵

OVERVIEW OF PROVIDED INFORMATION

FirstEnergy's response to Staff's February 18, 2021, request for information included a list of certain vendor transactions, including the costs (or portions of the costs) that were charged to The Cleveland Electric Illuminating Company, Ohio Edison Company, or The Toledo Edison Company. The response included 346 line items, presenting vendor, year, period, FERC account, and classification of the payment by company and by O&M expense or capital. In addition, FirstEnergy identified (1) costs included in retail rates that will be refunded to customers; (2) costs included in calculations supporting retail rates but that did not impact retail rates (i.e., Rider DCR); and (3) costs included in the calculation of other rates (i.e., Pole Attachment). The Company also provided the available purchase orders, contracts, and agreements underlying the transactions.

TOTAL PAYMENTS REPORTED

The payment information is summarized below by company and by O&M Expense and Capital.

⁴ Case No. 20-1629-EL-RDR Entry (March 10, 2021).

⁵ Email from Brian J. Knipe dated August 2, 2021, 4:27 pm.

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Table 3: Total Payments by Company—Capital and O&M Expense

Description	CE	OE	TE	Total
Capital	\$ 2,952,893	\$ 3,336,631	\$ 1,156,049	\$ 7,445,573
O&M Expense	7,925,271	6,974,079	2,116,038	17,015,387
Total	\$ 10,878,164	\$ 10,310,710	\$ 3,272,087	\$ 24,460,960

PAYMENTS BY VENDOR

FirstEnergy also provided a description of the nature or type of the transactions provided. The following table summarizes the vendors, the number of payments, the amounts, the nature or types of transactions, and the mechanism that the payments were recovered through.

Table 4: Payments by Vendor with Explanation of Nature or Type of Transaction and Recovery Mechanism

#	Vendor Name	# of Pymt	Payments			FE Explanation of Nature or Type of Transaction(s)	Recovery Mechanism
			Capital	O&M	Total		
1	#1 MEDIA, a division of Josie G Inc.	27	\$ -	\$ 995,095	\$ 995,095	Purchase of billboards Event sponsorships	2007-2008 Base Rates 2014-2015 Pole Attach
2	JOSIE G INCORPORATED	56	\$ 56,700	\$ 1,239,550	\$ 1,296,250	Purchase of billboards Event sponsorships	2015, Rider DCR, Pole Attach 2015-2019 Pole Attach
3	1224 PLAYHOUSE LLC	1	\$ -	\$ 5,474	\$ 5,474	Electric work for 1224 Playhouse LLC	2016 Pole Attach
4	2125 SUPERIOR HOLDING LLC	1	\$ -	\$ 35,657	\$ 35,657	Economic Development Grant for line extension charges for underground electric service for conversion of warehouse to apartments and commercial space.	2016 Pole Attach
5	AWAKENING ANGELS	2	\$ 4,556	\$ 9,201	\$ 13,757	Contributions to non-profit	2014-Rider DCR, Pole Attach 2019 Pole Attach
6	DJM LAKESIDE LLC	50	\$ 154,000	\$ 441,690	\$ 595,690	Real estate lease for storage at 4900 Lakeside Ave., Cleveland, Ohio 44115	2015-2019 Pole Attach
7	ECOEARTH ENERGY LLC	4	\$ 42,888	\$ 2,182,752	\$ 2,225,640	Energy efficiency general awareness marketing campaigns (purchase of billboards) Payments pursuant to alternative energy consulting invoices	2017 Rider DCR, Pole Attach 2018-2019 Roder DSE. Pole Attach
8	GENERATION NOW INCORPORATED	4	\$ 201,739	\$ 154,061	\$ 355,800	Contributions to 501(c)(4) organization	2017 Rider DCR, Pole Attach
9	GEORGE FAMILY ENTERPRISES LTD	20	\$ 350,000	\$ 430,682	\$ 780,682	Real estate lease for service center at 7001 Euclid Ave., Cleveland, Ohio 44103	2018-2019 Pole Attach
10	GEORGE GROUP FINANCIAL SOLUTIONS IN	4	\$ 10,524	\$ 19,951	\$ 30,475	Establishment of a FirstEnergy Credit Card and a FirstEnergy Debit Card, a FirstEnergy Prepaid Card, and FirstEnergy Affiliate Card Program(s)	2015 Rider DCR, Pole Attach 2015 Pole Attach
11	HARDWORKING OHIOANS	1	\$ 100,416	\$ 76,684	\$ 177,100	Corporate sponsorship	2018 Rider DCR, Pole Attach
12	IEU-OHIO ADMINISTRATION COMPANY	2	\$ -	\$ 1,000,000	\$ 1,000,000	Energy efficiency support services funding	2014-2015 Pole Attach
13	JOBOD INCORPORATED	99	\$ 16,090	\$ 729,503	\$ 745,593	Payments pursuant to consulting invoices Payments pursuant to Block Chain Technology invoices	2018-2019 Rider DCR, Pole Attach 2020 Rider DCR
14	MEMPHIS 55 INCORPORATED	1		\$ 7,808	\$ 7,808	FirstEnergy event at Crop Bistro	2019 Pole Attach
15	OHIO OUTDOOR ADVERTISING LLC	49	\$ 21,056	\$ 2,577,701	\$ 2,598,757	Purchase of billboards Ohio energy efficiency general awareness marketing campaigns (purchase of billboards)	2015-2019 Pole Attach 2016-2017 Rider DCR, Pole Attach 2019 Rider DSE, Pole Attach 2020 Rider DSE
16	SUSTAINABILITY FUNDING ALLIANCE	22	\$ 6,487,604	\$ 6,954,378	\$ 13,441,982	Energy efficiency funding (2010-2016 annual payments of \$1 million each) Payments pursuant to Consulting Services Agreement and Amendments (2013-2018)	2014-2015 O&M Pole Attach 2014-2018 Rider DCR, Pole Attach
17	THE GEORGE GROUP CORPORATION	3	\$ -	\$ 155,200	\$ 155,200	Economic development grants	2014, 2016 Pole Attach
	Total	346	\$ 7,445,573	\$ 17,015,387	\$ 24,460,960		

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PAYMENTS BY FERC ACCOUNT

FirstEnergy reported that the payments were recorded to the following FERC accounts.

- 588 Miscellaneous distribution expenses
- 911 Supervision (Major only)
- 921 Office supplies and expenses
- 923 Outside services employed
- 930.1 General advertising expenses
- 930.2 Miscellaneous general expenses
- 931 Rents
- 935 Maintenance of general plant

The payment amounts by FERC account and by Company are summarized below.

Table 5: Payments by FERC Account and Company

FERC Account	CE			OE			TE			Total
	Capital	O&M	Total	Capital	O&M	Total	Capital	O&M	Total	
588	\$ 35,000	\$ 10,682	\$ 45,682	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 45,682
911	20,300	15,502	35,803	28,596	21,838	50,435	9,598	7,330	16,928	103,165
921	31,399	202,018	233,418	48,232	78,270	126,502	16,107	29,035	45,142	405,062
923	2,340,494	3,728,311	6,068,805	3,259,802	4,918,496	8,178,299	1,130,343	1,929,673	3,060,017	17,307,120
930.1	56,700	1,198,900	1,255,600	-	-	-	-	-	-	1,255,600
930.2	-	1,090,857	1,090,857	-	1,955,474	1,955,474	-	150,000	150,000	3,196,331
931	-	1,539,000	1,539,000	-	-	-	-	-	-	1,539,000
935	-	140,000	140,000	-	-	-	-	-	-	140,000
None	469,000	-	469,000	-	-	-	-	-	-	469,000
Grand Total	\$ 2,952,893	\$ 7,925,271	\$10,878,164	\$ 3,336,631	\$ 6,974,079	\$10,310,710	\$ 1,156,049	\$ 2,116,038	\$ 3,272,087	\$ 24,460,960

The FERC accounts used are typical O&M and/or A&G expense accounts. Blue Ridge requested an explanation for why capital charges were recorded in O&M-related FERC accounts. The Company stated that the FERC accounts provided are for the O&M costs only. Some of the costs have both capital and O&M portions. In those instances, costs were incurred by FirstEnergy Service Company (FESC), allocated to the Companies, and subjected to the A&G overhead process, whereby a portion of the costs is applied as an overhead to capital projects of the Companies.⁶

The A&G overhead costs described above were applied to all open work orders of the Companies, excluding the Companies' smart grid and Grid Mod I related work orders recovered in Rider AMI, at that time, in the month the cost is originally incurred. Capitalized A&G overhead costs are recorded to FERC account 107, Construction Work in Progress. Therefore, the Companies are unable to determine the specific work orders to which the capital amounts were booked. For purposes of revenue requirement impacts, the Companies conservatively assumed 100% of the capital costs were placed in service in the month the cost was originally incurred at an average depreciation rate.⁷

FirstEnergy identified whether each payment was direct charged or allocated.⁸

⁶ Response to BRC AS-Set 1-INT-002a Confidential.

⁷ Response to BRC AS-Set 1-INT-002b Confidential.

⁸ Response to BRC AS-Set 1-INT-003 Confidential.

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Table 6: Direct Charge or Allocated Payments to Ohio Operating Companies

Description	Total
Direct Charge	\$ 10,807,111
Allocated	13,653,849
Total	\$ 24,460,960

The Company explained its processes by which the payments were settled to the Ohio operating companies.

Direct charges are incurred directly at the Companies and are recorded as O&M and/or capital, based on the accounting cost collector charged when the payment is processed.

Indirect costs are allocated from FirstEnergy Service Company (FESC) to the utility affiliates in accordance with FirstEnergy's Cost Allocation Manual (CAM).

Allocated costs that initially were charged to FESC and settled to both capital and O&M, were charged to cost centers subject to the A&G overhead process. Under this process, a portion of the costs get applied as an overhead to capital projects of the Companies, excluding the Companies' smart grid and Grid Mod I related work orders recovered in Rider AMI at that time. Allocated costs that only settled to O&M were charged to cost centers not subject to the A&G overhead process.⁹

Blue Ridge understands *how* costs were settled to the Ohio operating companies but not *why* FirstEnergy believed, at the time, that it was appropriate to record these charges to the Ohio operating companies to be possibly included in rates charged to customers. However, determining the reason is beyond the scope of Blue Ridge's analysis.

PURCHASE ORDERS, CONTRACTS, AND AGREEMENTS

In response to Staff's and Blue Ridge's information request, the Company provided the available purchase orders, contracts, agreements, and invoices supporting the payments made to 17 vendors identified in the Companies' Response to Staff's Data Requests. FirstEnergy provided 336 documents. Blue Ridge reviewed each supporting document and summarized the information in a workpaper.¹⁰

In its response to Staff's request for supporting documentation, FE stated, "To be clear, the Companies have not concluded that every transaction referenced on Attachment 1 reflects a transaction that was 'improperly classified, misallocated to [the Companies], or lacked proper supporting documentation.'"¹¹ Understanding *why* specific vendors were on the list provided by FirstEnergy is beyond the scope of Blue Ridge's analysis. However, in reviewing the documents provided by FirstEnergy, it was found that payments were made to two entities (IEU-Ohio Administration and Sustainability Funding Alliance¹²) that have a relationship to Sam Randazzo, the former chair of the PUCO who recently resigned.

During the review of payment information and supporting documentation, Blue Ridge also noted that a number of the vendors appeared to be related parties. To better understand the relationship

⁹ Response to BRC AS-Set 1-INT-004 Confidential.

¹⁰ WP Payments and PO Contracts Invoice Analysis.

¹¹ Response to Staff's Information Requests.

¹² Blue Ridge workpapers, directory Invoices: 1 – 2010-01-18 Invoice – Confidential.

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of the vendors, Blue Ridge researched information available on the Ohio Secretary of State web page. Blue Ridge has provided the research information in its workpapers.¹³ Of the 17 various vendors, 12 were identified as related to Thomas T. (Tony) George. There is no clear indication for the reason(s) FirstEnergy identified these payments as inappropriate to charge to the Ohio operating companies. The remaining three vendors were unsupported transactions with no identified related party.

Blue Ridge's analysis focused on whether FirstEnergy used funds collected from ratepayers to pay the vendors and, if ratepayer funds were used, to determine if and how the Company should return the funds associated with those payments to ratepayers.

Blue Ridge compared the supporting documentation to the payments and found that payments for several vendors were supported, whereas other payments were either only partially supported or not supported with documentation. The following table shows the vendors (sorted by related party), summary of payments, supporting documentation provided, and the nature or types of transactions.¹⁴ The color codes identify whether the Companies' provided supporting documentation for the payments. Green represents that most payments had supporting documentation, and pink indicates payments with little or no supporting documentation.

¹³ Blue Ridge workpapers, directory Corporate Searches and WP Payments and PO Contracts Invoice Analysis.

¹⁴ WP Payments and PO Contracts Invoice Analysis.

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Table 7: Vendors by Related Party, Payments, Supporting Documentation, and Nature/Type of Transaction

			Payments			Supporting Documents		
#	Vendor Name	#of Pymt	Capital	O&M	Total	# of Documents	Total	FE Explanation of Nature or Type of Transaction(s)
Related Parties - Thomas T. George (Tony George)								
1	#1 MEDIA, a division of Josie G	27	\$ -	\$ 995,095	\$ 995,095	74	\$ 4,480,000	Purchase of billboards Event sponsorships
2	JOSIE G INCORPORATED	56	\$ 56,700	\$ 1,239,550	\$ 1,296,250	Included above	Included above	Purchase of billboards Event sponsorships
3	1224 PLAYHOUSE LLC	1	\$ -	\$ 5,474	\$ 5,474	1	\$ 5,474	Electric work for 1224 Playhouse LLC
4	AWAKENING ANGELS	2	\$ 4,556	\$ 9,201	\$ 13,757	1	\$ 20,000	Contributions to non-profit
5	DJM LAKESIDE LLC	50	\$ 154,000	\$ 441,690	\$ 595,690	3	\$ 595,690	Real estate lease for storage at 4900 Lakeside Ave., Cleveland, Ohio 44115
6	ECOEARTH ENERGY LLC	4	\$ 42,888	\$ 2,182,752	\$ 2,225,640	6	\$ 2,550,000	Energy efficiency general awareness marketing campaigns (purchase of billboards); Payments pursuant to alternative energy consulting invoices
7	GEORGE FAMILY ENTERPRISES LTD	20	\$ 350,000	\$ 430,682	\$ 780,682	8	\$ 780,682	Real estate lease for service center at 7001 Euclid Ave., Cleveland, Ohio 44103
8	GEORGE GROUP FINANCIAL SOLUTIONS IN	4	\$ 10,524	\$ 19,951	\$ 30,475	4	\$ 47,500	Establishment of a FirstEnergy Credit Card and a FirstEnergy Debit Card, a FirstEnergy Prepaid Card, and FirstEnergy
9	JOBOD INCORPORATED	99	\$ 16,090	\$ 729,503	\$ 745,593	76	\$ 634,600	Payments pursuant to consulting invoices Payments pursuant to Block Chain Technology invoices
10	OHIO OUTDOOR ADVERTISING LLC	49	\$ 21,056	\$ 2,577,701	\$ 2,598,757	147	\$ 1,436,200	Purchase of billboards Ohio energy efficiency general awareness marketing campaigns (purchase of billboards)
11	THE GEORGE GROUP CORPORATION	3	\$ -	\$ 155,200	\$ 155,200	3	\$ 155,200	Economic development grants
12	2125 SUPERIOR HOLDING LLC	1	\$ -	\$ 35,657	\$ 35,657	1	\$ 35,657	Economic Development Grant for line extension charges for underground electric service for conversion of warehouse to apartments and commercial space.
Total		316	\$ 655,814	\$ 8,822,456	\$ 9,478,270	324	\$10,741,003	
Related Parties - Sam Randazzo								
13	IEU-OHIO ADMINISTRATION COMPANY	2	\$ -	\$ 1,000,000	\$ 1,000,000	1	\$ 500,000	Energy efficiency support services funding
14	SUSTAINABILITY FUNDING ALLIANCE	22	\$ 6,487,604	\$ 6,954,378	\$ 13,441,982	10	\$ 2,940,331	Energy efficiency funding (2010-2016 annual payments of \$1 million each); Payments pursuant to Consulting Services Agreement and Amendments (2013-2018)
Total		24	\$ 6,487,604	\$ 7,954,378	\$ 14,441,982	11	\$ 3,440,331	
Unsupported Transaction								
15	GENERATION NOW INCORPORATED	4	\$ 201,739	\$ 154,061	\$ 355,800	0	\$ -	Contributions to 501(c)(4) organization
16	HARDWORKING OHIOANS	1	\$ 100,416	\$ 76,684	\$ 177,100	0	\$ -	Corporate sponsorship
17	MEMPHIS 55 INCORPORATED	1		\$ 7,808	\$ 7,808	1	\$ 7,808	FirstEnergy event at Crop Bistro
Total		6	\$ 302,155	\$ 238,553	\$ 540,708	1	\$ 7,808	
Grand Total		346	\$ 7,445,573	\$ 17,015,387	\$ 24,460,960	336	\$ 14,189,142	

Color Legend	
Most payments had support	
Little or no support	

FirstEnergy stated that, in some instances, the vendor transactions extend back over ten years and/or lack proper supporting documentation, and additional documentation is not available.¹⁵ In other responses to requests for specific invoices, purchase orders, contracts, and agreements, FirstEnergy stated, “The Companies do not have additional supporting documentation at this time, and do not know why such information is not available. Because supporting information is not

¹⁵ Response to BRC AS-Set 1-INT-012 Confidential.

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available, the Companies are conservatively and proactively recommending to refund customers any costs that impacted rates that did not have sufficient supporting documentation.”¹⁶

RECOVERY MECHANISM AND REFUND RECOMMENDATION

The detailed payment information provided by First Energy included 346 payments with \$7,445,573 recorded to capital and \$17,015,387 recorded as an O&M expense. FirstEnergy provided the recovery mechanism for each payment. Blue Ridge reconciled each payment to a recovery mechanism. The capital-recorded payments were reflected in the Rider DCR and/or the Pole Attachment calculation. The table reconciles the capital-recorded payments to their recovery mechanisms.

Table 8: Reconciliation of Capital-Recorded Payments to Recovery Mechanism

Description	Capital			
	CE	OE	TE	Total
Payments	\$ 2,952,893	\$ 3,336,631	\$ 1,156,049	\$ 7,445,573
Recovery Mechanism				
Base Rates (2007–2008)	-	-	-	-
Rider DSE (2018–2020)	-	-	-	-
Rider DCR (2014–2020)	2,448,893	3,336,631	1,156,049	6,941,573
Pole Attachment (2014–2019)	2,950,457	3,333,628	1,155,017	7,439,102

Reconciliation to Recovery Mechanism

Difference between Payments and

Pole Attachment	\$ 2,436	\$ 3,003	\$ 1,032	\$ 6,471
2020 Capital Not included in Pole Attach	(2,436)	(3,003)	(1,032)	(6,471)
Reconciling Difference	\$ -	\$ -	\$ -	\$ -

Difference between Payments

and Rider DCR	\$ 504,000	\$ -	\$ -	\$ 504,000
Capital Lease Excluded from DCR	(504,000)	-	-	(504,000)
Reconciling Difference	\$ -	\$ -	\$ -	\$ -

As shown in the table above, all capital-recorded payments (with the exception of 2020 payments) were reflected in the Pole Attachment calculation. The Pole Attachment calculation is based on inputs from the Companies’ most recent FERC Form 1 at the time the rates are filed. Blue Ridge reviewed the tariffs on file with the PUCO and found that the most recent Pole Attachment rate for each Ohio operating company was effective December 31, 2019. Thus, the 2020 FERC Form 1 was not available when those rates were established. Therefore, the 2020 capital-recorded payments have not been reflected in the Pole Attachment calculation and would not be subject to refund.

¹⁶ Responses to BRC AS-Set 2-INT-006 Confidential, BRC AS-Set 2-INT-007 Confidential, BRC AS-Set 2-INT-012 Confidential, BRC AS-Set 2-INT-015 Confidential, and BRC AS-Set 2-INT-016 Confidential.

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As shown in the table above, all capital-recorded payments (with the exception of \$504,000 for CE capital leases recorded in 2019) were included in the Rider DCR revenue requirements calculation.¹⁷

Blue Ridge requested an explanation of how charges can be included in both the Rider DCR and the Pole Attachment calculation. FirstEnergy explained that the Pole Attachment formula rates are calculated based on a carrying charge applied to the cost of a pole. Some of the inputs to the carrying charge are plant-in-service balances from the FERC Form 1 that are included in the Rider DCR revenue requirements calculation.¹⁸ As discussed later, Blue Ridge reviewed the Pole Attachment calculations and finds the Company's explanation not unreasonable.

Blue Ridge also reconciled O&M-recorded payments to a recovery mechanism as shown in the following table.

Table 9: Reconciliation of O&M-Recorded Payments to Recovery Mechanism

Description	O&M Expense			
	CE	OE	TE	Total
Payments	\$ 7,925,271	\$ 6,974,079	\$ 2,116,038	\$17,015,387
Recovery Mechanism				
Base Rates (2007–2008)	172,508	26,012	11,575	210,095
Rider DSE (2018–2020)	1,489,640	1,805,510	854,851	4,150,001
Rider DCR (2014–2020)	-	-	-	-
Pole Attachment (2014–2019)	\$ 7,404,623	\$ 6,553,697	\$ 1,842,031	\$15,800,351

Reconciliation of O&M

Difference between Payments and Pole

Attachment	\$ 520,647	\$ 420,382	\$ 274,007	\$ 1,215,037
2007–2008 Not Included in Pole Attachment	(172,508)	(26,012)	(11,575)	(210,095)
2020 Expenses not in Pole	(348,140)	(394,369)	(262,432)	(1,004,942)
Reconciling Difference	\$ -	\$ -	\$ -	\$ -

As shown in the table above, most O&M-recorded payments were reflected in the Pole Attachment calculation with some exceptions. The O&M-recorded payments recovered through Base Rates (2007–2008) were not included in the Pole Attachment calculation as the Pole Attachment was not applicable until 2014. In addition, similar to the observation in the capital-recorded payments, some 2020 O&M-recorded payments were not reflected in the Pole Attachment calculation as the Pole Attachment calculation is based on inputs from the Companies' most recent FERC Form 1 at the time the rates are filed.

Blue Ridge also observed that O&M-recorded payments of \$4.15 million were included in both the Rider DSE (2018–2020) and the Pole Attachment calculation. As discussed later, FirstEnergy proposes to refund the \$4.15 million as part of the final reconciliation of the Rider DSE2.

¹⁷ Response to BRC AS-Set 1-INT-010 Attachment 1, Tab Capital Allocation, Lines 94–103 Confidential.

¹⁸ Response to BRC AS-Set 1-INT-011 Confidential.

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The following section discusses each recovery mechanism: Retail Rates (Base Rates and Rider DSE), Rider DCR, and Pole Attachment, and provides a recommendation on the amount and how refunds should be made to customers.

RETAIL RATES

FirstEnergy identified the following payments that were included in the Companies' retail rates through either "Base Rates" or "Rider DSE."

Table 10: Payments Recovered through Retail Rates: Base Rates or Rider DSE

Company	O&M Expenses		
	Base Rates	Rider DSE	Total
CE	\$ 172,508	\$ 1,489,640	\$ 1,662,147
OE	26,012	1,805,510	1,831,522
TE	11,575	854,851	866,426
Total	\$ 210,095	\$ 4,150,000	\$ 4,360,095

Base Rates

Base rates were established in the last base distribution rate case, Case No. 07-551-EL-AIR et al.

The payments recovered through Base Rates included in FirstEnergy's response to Staff's information request totaled \$210,095. The payments were made to #1 Media in 2007 and 2008 and reflect the purchase of billboards and event sponsorships.

FirstEnergy stated that the payments reflected in base rates will be refunded to customers:

O&M costs totaling \$210,095 were incurred during the test year of the Companies' last base distribution rate case, Case No. 07-551-EL-AIR, of which \$205,397 is conservatively assumed to be included in the Companies' revenue requirement. The Companies' base distribution rates went into effect in 2009, thus through 2020 the refund totals \$2,406,488. See BRC AS-Set 1-INT-001 Attachment 1 Confidential for support. The Companies recommend refunding this amount through one of their existing approved non-by passable riders. Going forward, the Companies recommend creating a regulatory liability for revenue associated with these costs, to be included in the Companies' next base distribution rate case.¹⁹

The payments reflected in base rates and recommended refund is shown in the following table.

Table 11: Payments Reflected in Base Rates and Recommended Refund by Ohio Operating Company

Description	CE	OE	TE	Total
Base Rate O&M Payments	\$ 172,508	\$ 26,012	\$ 11,575	\$ 210,095
% included in Revenue Requirements	97%	100%	96%	
Rate Case Amount	167,979	26,012	11,086	\$ 205,077
Rate Case Amount with CAT Gross Up	\$ 168,241	\$ 26,053	\$ 11,103	\$ 205,397
Refund through 2020	\$ 1,962,811	\$ 311,097	\$ 132,580	\$ 2,406,488

¹⁹ Response to BRC AS-Set 1-INT-001 Confidential.

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The refunds assume that the payments have been included in base rates for CE effective May, 1 2009, and for OE and TE effective January 23, 2009.²⁰ Blue Ridge reviewed and found not unreasonable the calculation provided by FirstEnergy to develop the \$2,406,488 that has been reflected in base rates from the last base distribution rate case in 2009 through 2020.²¹ FirstEnergy proposed and Blue Ridge recommends that \$2,406,488 be refunded through one of their existing approved non-bypassable riders. Going forward, a regulatory liability for revenue associated with these costs should be created and included in the Companies' next base distribution rate case.

Rider DSE

The Rider DSE rates were established in 2018 through Case No. 17-2277-EL-RDR, in 2019 through Case No. 18-1646-EL-RDR, and in 2020 through Case No. 19-1904-EL-RDR.²² The Rider DSE tariff in Case No. 19-1904-EL-RDR states what the charges recover:

1. The DSE1 charges set forth in this Rider recover costs incurred by the Company associated with customers taking service under the Economic Load Response Rider (ELR).
2. The DSE2 charges set forth in this Rider recover costs incurred by the Company associated with the programs that may be implemented by the Company to secure compliance with the, energy efficiency and peak demand reduction requirements in Section 4928.66, Revised Code through demand- response programs, energy efficiency programs, peak demand reduction programs, and self-directed demand-response, energy efficiency or other customer-sited programs. The costs initially deferred by the Company and subsequently fully recovered through this Rider will be all program costs, including but not limited to any customer incentives or rebates paid, applicable carrying costs, all reasonable administrative costs to conduct such programs, lost distribution revenues resulting from the implementation of such programs, and any performance incentives such as shared savings.²³

The payments recovered through Rider DSE included \$2.15 million paid to EcoEarth Energy LLC (2018–2019) and \$2 million paid to Ohio Outdoor Advertising LLC (2019–2020). FirstEnergy stated that payments to EcoEarth Energy LLC reflected energy-efficiency general-awareness marketing campaigns (purchase of billboards) and payments pursuant to alternative energy consulting invoices. Payments to Ohio Outdoor Advertising were for the purchase of billboards and the Ohio energy-efficiency general-awareness marketing campaigns (purchase of billboards).

FirstEnergy stated that it will refund to customers the payments reflected in Rider DSE.

O&M costs totaling \$4,150,000 were included in the Companies' Rider DSE2 from 2018 to 2020. The Companies recommend refunding these costs through Rider DSE2 as part of its final reconciliation as described in the PUCO's February 24, 2021 Finding and Order in Case No. 16-0743-EL-POR.²⁴

²⁰ Response to BRC AS-Set 1-INT-001, Attachment 1 Confidential.

²¹ Response to BRC AS-Set 1-INT-001, Attachment 1 Confidential.

²² Response to BRC AS-Set 1-INT-006 Confidential.

²³ Case No. 19-1904-EL-RDR, Rider DSE Tariff, June 1, 2020.

²⁴ Response to BRC AS-Set 1-INT-001 Confidential. Original response incorrectly referenced Case No. 16-0743-EL-RDR. The case number was corrected to Case No. 16-0743-EL-POR during the fact check review with FirstEnergy.

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The payments reflected in Rider DSE that are recommended for refund are shown in the following table.

Table 12: Payments Reflected in Rider DSE and Recommended Refund by Ohio Operating Company

Recovery Mechanism	CE	OE	TE	Total
Rider DSE through final reconciliation	\$ 1,489,640	\$ 1,805,510	\$ 854,851	\$ 4,150,001

Blue Ridge found that the amounts FirstEnergy recommends be refunded agree with the payments in the spreadsheet provided in response to Staff's information request. Blue Ridge recommends adopting the Company proposal to refund the \$4,150,000 as part of the final reconciliation of the Rider DSE2.

RIDER DCR

The purpose of Rider DCR ("Delivery Capital Recovery") is to provide the Companies with the opportunity to recover property taxes, Commercial Activity Tax, and associated income taxes and to earn a return on and of plant in service associated with distribution, subtransmission, and general and intangible plants, including allocated general plant from FirstEnergy Service Company that supports the Companies, which was not included in the rate base determined in the Opinion and Order of January 21, 2009, in Case No. 07-551-EL-AIR et al. ("last distribution rate case").²⁵

FirstEnergy identified payments included in the Rider DCR revenue requirements as summarized below by company.

Table 13: Capital Payments Recovered through Rider DCR (2014–2020)

Company	O&M	Capital
CE	\$ -	\$ 2,448,893
OE	-	3,336,631
TE	-	1,156,049
Total	\$ -	\$ 6,941,573

The Companies made capital-recorded payments to the vendors as shown in the following table.

²⁵ Case No. 10-388-EL-SSO, Opinion and Order (August 25, 2010), page 11.

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Table 14: Capital-Recorded Payments Included in Rider DCR Revenue Requirements

Vendor	Years	# of Payments	Total Payments	FE Explanation of Nature or Type of Transaction(s)
AWAKENING ANGELS	2014	1	\$ 4,556	Contributions to non-profit
ECOEARTH ENERGY LLC	2017	1	42,888	Energy efficiency general awareness marketing campaigns (purchase of billboards) Payments pursuant to alternative energy consulting invoices
GENERATION NOW	2017	4	201,739	Contributions to 501(c)(4) organization
GEORGE GROUP FINANCIAL SOLUTIONS IN	2015	1	10,524	Establishment of a FirstEnergy Credit Card and a FirstEnergy Debit Card, a FirstEnergy Prepaid Card, and FirstEnergy Affiliate Card Program(s)
HARDWORKING OHIOANS	2018	1	100,416	Corporate sponsorship
JOBBOB INCORPORATED	2018–2020	26	16,091	Payments pursuant to consulting invoices Payments pursuant to Block Chain Technology invoices
JOSIE G INCORPORATED	2015	1	56,700	Purchase of billboards Event sponsorships
OHIO OUTDOOR ADVERTISING LLC	2016–2017	12	21,056	Purchase of billboards Ohio energy efficiency general awareness marketing campaigns (purchase of billboards)
SUSTAINABILITY FUNDING ALLIANCE	2014–2018	20	6,487,604	Energy efficiency funding (2010-2016 annual payments of \$1 million each) Payments pursuant to Consulting Services Agreement and Amendments (2013-2018)
Total		67	\$ 6,941,573	

FirstEnergy stated that capitalized costs would have been included in plant balances used in the calculation of Rider DCR revenue requirements.²⁶ FirstEnergy provided the calculated Rider DCR revenue requirements for the payments as shown in the following table.

Table 15: Payments Included in Rider DCR Revenue Requirements

Company	Capital	Rider DCR Revenue Requirement
CE	\$ 2,448,893	\$ 1,196,763
OE	3,336,631	1,514,661
TE	1,156,049	527,904
Total	\$ 6,941,573	\$ 3,239,328

Blue Ridge reviewed FirstEnergy’s calculations and found them not unreasonable. However, the \$3.24 million Rider DCR revenue requirements would not be subject to refund under the approved Rider DCR. Rider DCR rates are set so that they do not exceed the PUCO-authorized revenue caps. When the Companies’ Rider DCR revenue requirements are in excess of the annual revenue cap, the Companies set the rates at the revenue cap and not the revenue requirement.²⁷ In addition to the authorized revenue caps, in Case No. 12-1230-EL-SSO, the Commission approved a stipulation that

²⁶ Response to Staff’s Information Request, Attachment 1, Notes.

²⁷ Response to BRC AS-Set 1-INT-007 Confidential.

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allowed for any under or over collected Rider DCR amounts to be applied to the cumulative revenue cap.

For any year that the Companies' spending would produce revenues in excess of that period's cap, the overage shall be recovered in the following cap period subject to such period's cap. For any year the revenues collected under the Companies' Rider DCR is less than the annual cap allowance, the difference between the revenue collected and the cap shall be applied to increase the level of the subsequent period's cap.²⁸

The Company provided an analysis demonstrating that the calculated Rider DCR revenue requirement was not collected from customers due to the authorized revenue requirement caps.²⁹

As shown in Column K in the following table, the cumulative Rider DCR excess revenue requirement is about \$75 million to \$80 million for each year 2017 through 2020. Column L reflects the estimated revenue requirement of the vendor payments as approximately \$3.24 million. The estimated revenue requirement associated with the vendor payments of \$3.24 million is less than the cumulative excess Rider DCR revenue requirement of \$75 million to \$80 million, and consistent with the terms and conditions in the Companies' approved ESP cases, removing the payments would have no impact on Rider DCR.

²⁸ Case No. 12-1230-EL-SSO, Opinion and Order (July 18, 2012), pages 10–11, and continued in Case 14-1297-EL-SSO.

²⁹ Response to BRC AS-Set 1-INT-007 Attachment 1 Revised – Confidential.

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Table 16: Rider DCR Revenue Requirements vs. Authorized Cap

(A)	(B)		(C)	(D)		(E)	(F) = (B) - (D)		(G)	(H)		(I)	(J)	(K) = (G) + (J)	(L)
Year	Revenue Requirement			Authorized Revenue Cap			Revenue Req vs Authorized Cap			Rider DCR Revenue			Cumulative Sales Variance	Cumulative Excess Rev Req	Vendor Payments - Est. Rev Req
	Annual	Cumulative		Annual	Cumulative		Annual	Cumulative		Annual	Cumulative				
2012	\$ 128,764,190	\$ 128,764,190		\$ 150,000,000	\$ 150,000,000		\$ (21,235,810)	\$ (21,235,810)		\$ 128,616,253	\$ 128,616,253		\$ 147,937	\$ (21,067,872)	\$ -
2013	\$ 185,222,841	\$ 313,987,031		\$ 165,000,000	\$ 315,000,000		\$ 20,222,841	\$ (1,012,969)		\$ 185,631,927	\$ 314,248,180		\$ 751,820	\$ (261,149)	\$ -
2014	\$ 209,638,940	\$ 523,625,972		\$ 188,750,000	\$ 503,750,000		\$ 20,888,940	\$ 19,875,972		\$ 191,709,557	\$ 505,957,738		\$ (2,207,738)	\$ 17,668,234	\$ 727
2015	\$ 236,022,797	\$ 759,648,769		\$ 203,750,000	\$ 707,500,000		\$ 32,272,797	\$ 52,148,769		\$ 207,078,057	\$ 713,035,795		\$ (5,535,795)	\$ 46,612,974	\$ 13,010
2016	\$ 247,480,255	\$ 1,007,129,023		\$ 227,500,000	\$ 935,000,000		\$ 19,980,255	\$ 72,129,023		\$ 216,681,105	\$ 929,716,900		\$ 5,283,100	\$ 77,412,123	\$ 110,177
2017	\$ 264,376,678	\$ 1,271,505,702		\$ 257,500,000	\$ 1,192,500,000		\$ 6,876,678	\$ 79,005,702		\$ 262,678,121	\$ 1,192,395,022		\$ 104,978	\$ 79,110,680	\$ 394,113
2018	\$ 289,104,643	\$ 1,560,610,345		\$ 287,500,000	\$ 1,480,000,000		\$ 1,604,643	\$ 80,610,345		\$ 291,199,888	\$ 1,483,594,910		\$ (3,594,910)	\$ 77,015,436	\$ 613,225
2019	\$ 314,438,741	\$ 1,875,049,086		\$ 311,666,667	\$ 1,791,666,667		\$ 2,772,074	\$ 83,382,419		\$ 309,630,496	\$ 1,793,225,405		\$ (1,558,738)	\$ 81,823,681	\$ 1,066,706
2020	\$ 338,922,703	\$ 2,213,971,789		\$ 331,666,667	\$ 2,123,333,334		\$ 7,256,036	\$ 90,638,455		\$ 345,638,174	\$ 2,138,863,580		\$ (15,530,246)	\$ 75,108,209	\$ 1,041,370
Total	\$ 2,213,971,789			\$ 2,123,333,334			\$ 90,638,455			\$ 2,138,863,580				\$ 3,239,328	

(G) Cumulative difference between revenue requirements and authorized revenue caps

(J) Cumulative difference due to sales volumes between actual Rider DCR revenues and revenues designed to be collected in the rates

(K) As approved in Case Nos. 10-388-EL-SSO, 12-1230-EL-SSO and 14-1297-EL-SSO: "For any year that the Companies' spending would produce revenue in excess of that period's cap, the overage shall be recovered in the following cap period subject to such period's cap. For any year the revenue collected under the Companies' Rider DCR is less than the annual cap allowance, as established above, then the difference between the revenue collected and the cap shall be applied to increase the level of the subsequent period's cap." (See, for example, the approved stipulation in Case No. 12-1230-EL-SSO, p. 23).

(L) Because the estimated revenue requirement impacts of the vendor payments are less than the cumulative excess Rider DCR revenue requirements in column K, there is no impact on Rider DCR, consistent with the terms and conditions of the Companies' approved ESP cases.

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In the current audit (Case No. 20-1629-EL-RDR), Blue Ridge found that MARCs Radio user fees had been incorrectly capitalized up until September 2020. The estimated effect on Rider DCR revenue requirements for 2018–2020 is estimated to be \$134,947.³⁰ This amount is significantly below the cumulative excess Rider DCR revenue requirement of \$75 million to \$80 million that has not been collected due to the revenue caps.

In prior DCR audits, specifically Case Nos. 17-2009-EL-RDR, 18-1542-EL-RDR, and 19-1887-EL-RDR, Blue Ridge recommended adjustments to Vegetation Management for costs that were inappropriately charged as capital. On June 16, 2021, in Case No. 17-2009-EL-RDR, the Commission ordered that \$3,679,102 associated with vegetation management be removed from the DCR revenue requirements. We also recommended adjustments to Excess Accumulated Deferred Income Taxes (EADIT). Case Nos. 18-1542-EL-RDR and 19-1887-EL-RDR are still pending decisions from the Commission. The table below summarizes the effect on Rider DCR revenue requirements of Blue Ridge’s recommended adjustments that were recently decided upon or are pending Commission decisions.

Table 17: Estimated Effect of Prior Audit Recommendations on Rider DCR Revenue Requirements and PUCO Status

Description	CEI	OE	TE	Total	PUCO Status
Case No. 17-2009-EL-RDR					
Vegetation Management	\$ (1,637,847)	\$ (1,590,203)	\$ (451,052)	\$ (3,679,102)	Approved 6/16/21
Case No. 18-1543-EL-RDR					
Vegetation Management	\$ (1,786,623)	\$ (1,141,265)	\$ (364,336)	\$ (3,292,224)	Pending
Case No. 19-1887-EL-RDR					
Vegetation Management	\$ (1,399,214)	\$ (1,130,576)	\$ (461,638)	\$ (2,991,428)	Pending
EADIT	\$ (837,018)	\$ (1,475,707)	\$ (176,726)	\$ (2,489,451)	Pending
Total	\$ (5,660,702)	\$ (5,337,751)	\$ (1,453,752)	\$ (12,452,205)	

When asked to quantify the annual and cumulative effect of each audit issue on the revenue requirements compared to the cap, if the PUCO approved Blue Ridge’s recommendations, FirstEnergy stated that it had not conducted a separate analysis of the revenue requirement impact. The Company further stated, “Any adjustment to the Rider DCR revenue requirements would only have an impact on Rider DCR revenues if the cumulative revenue requirement impact of such adjustment is greater than the cumulative excess Rider DCR revenue requirement. . . . If the Blue Ridge recommended adjustments are approved by the PUCO and the Rider DCR revenue requirement is reduced, the Companies do not expect the revenue requirements impacts of these recommendations to exceed the Companies’ cumulative excess Rider DCR revenue requirements in any year.”³¹

Blue Ridge performed an independent analysis and concurs with FirstEnergy that reflecting Blue Ridge’s recommendation regarding Vegetation Management and EADIT would not significantly modify the cumulative excess Rider DCR revenue requirements in any year and would not result in a refund if the vendor payments were excluded. The estimated \$12.45 million DCR revenue requirement effect in the prior table is significantly below the cumulative excess Rider DCR revenue requirement of \$75 million to \$80 million that has not been collected due to the revenue caps.

³⁰ DCR 2021 BRC Set 14-INT-002.

³¹ Response to BRC AS-Set 3-INT-001 Confidential.

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The payments reflected in Rider DCR and recommended for refund are shown in the following table.

Table 18: Payments Reflected in Rider DCR and Recommended Refund by Ohio Operating Company

Recovery Mechanism	CE	OE	TE	Total
Rider DCR	\$ -	\$ -	\$ -	\$ -

In summary, Blue Ridge found that the payments that were included in Rider DCR revenue requirements were not collected from ratepayers and, thus, would not be subject to refund. However, Blue Ridge recommends that these payments be identified and excluded from rate base in any future base rate case.

POLE ATTACHMENTS

The Companies' Pole Attachment rates are calculated based on an approved formula rate using inputs from the Companies' most recent FERC Form 1 at the time the rates are filed. Inputs from the FERC Form 1 include Total Plant; Distribution Plant; FERC Plant Accounts 364, 365, and 369; ADIT; Depreciation Reserve; and Total Administrative and General Expenses.³² Starting with 2014 spend, any capitalized payments and any A&G expenses in the 900 series of FERC Accounts would have been included in the formula rate calculations for the Companies' Pole Attachment rates.³³

The payments included in the Pole Attachment calculation is summarized below.

Table 19: Payments Recovered through Pole Attachment Calculation

Company	Capital	O&M
CE	\$ 2,950,457	\$ 7,404,623
OE	3,333,628	6,553,697
TE	1,155,017	1,842,031
Total	\$ 7,439,102	\$ 15,800,351

The O&M payments included in the list were charged to FERC accounts 588 Miscellaneous Distribution Expenses, 911 Supervision (Major only), 921 Office Supplies and Expenses, 923 Outside Services Employed, and 930.1 General Advertising Expenses, 930.2 Miscellaneous General Expenses, 931 Rents, and 935 Maintenance of General Plant. The charged accounts are consistent with what is allowed in the Pole Attachment formula.

All the vendors listed in response to Staff's information request had payments that were reflected in the Pole Attachment calculation. The only payments not included were (1) payments made in 2007–2008 prior to the Pole Attachment that was not applicable until 2014 (\$210,095) and (2) payments made in 2020 that have not been reflected in the Pole Attachment calculation as the Pole Attachment calculation is based on inputs from the Companies' most recent FERC Form 1 at the time the rates are filed. The most recent Pole Attachment rate for each Ohio operating company was effective December 31, 2019. Thus, the 2020 FERC Form 1 was not available when those rates were established. The 2020 amounts not included in the Pole Attachment calculation are capital of \$6,471 and O&M of \$1,004,942.

³² Response to BRC AS-Set 1-INT-001 Confidential.

³³ Response to Staff's Information Request, Attachment 1, Notes.

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While the payments are substantial, the removal of these capital and O&M expenses have minimal impact on the Pole Attachment formula results. The Pole Attachment formula calculates the net cost of a bare pole plus carrying charges. The payments would have been reflected in the A&G and Gross Plant Investment amounts that were included in the calculation of the Administrative Carrying Charge. A simplified example of the Pole Attachment formula is shown below.³⁴

Table 20: Simplified Pole Attachment Formula Example

1	<u>Net Cost of a Bare Pole</u>			
2	Net Pole Investment	\$	143,008,572	
3	Total Number of Poles		397,780	
4	Net Cost of a Bare Pole			\$359.52 Line 2/Line 3
5	<u>Carrying Charges</u>			
6	Administrative			
7	<u>Total A&G*</u>	\$	92,266,192	
8	<u>Gross Plant Investment*</u>	\$	3,343,257,826	
9	Depreciation Reserve		(1,427,159,393)	
10	ADIT		(525,399,439)	
11	Rate Base	\$	1,390,698,994	
12	Administrative Carrying Charge			0.0663 Line 7/Line 11
13	Maintenance Carrying Charge			0.0886
14	Depreciation Carrying Charge			0.1065
15	Taxes Carrying Charge			0.1499
16	Return Carrying Charge			0.0848
17	Total Carrying Charges			0.4962
18	<u>Pole Attachment Rate</u>			
19	Attacher Responsibility Percentage			0.0741
20	Net Cost of a Bare Pole	\$	359.52	Line 4
21	Net Cost of a Bare Pole	\$	0.4962	Line 17
22	Total Pole Attacher Rate	\$	13.21	Line 19 x Line 20 x Line 21

****Payments would be reflected in these amounts used to calculate the Administrative Carrying Charge***

FirstEnergy was asked to calculate the effect of removing the payments included in the Pole Attachment calculation. The Company was also asked to provide a recommendation on how the amount should be refunded to customers.

Had the costs included in PUCO 10-k Request Attachment 1 Confidential not been included in the Companies' FERC Form 1s and subsequently their Pole Attachment rates, the revenue impact is estimated to be \$82,851 from 2016 through 2021. The

³⁴ WP Confidential Analysis and Tables for Report.

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Companies recommend making an adjustment for this amount in their next Pole Attachment rate filing. See BRC AS-Set 1-INT-010 - Confidential for support.³⁵

The Company provided the “As Filed” and “Adjusted” approved formula used to develop Pole Attachment rates from 2016 through 2021. Blue Ridge verified that the adjusted amount removed the payments provided in response to Staff’s information request and identified as recovered through Pole Attachment calculation. While the total amount of the estimated revenue impact was correct, formula errors existed in the total revenue impact for the Ohio operating companies. The following table shows the corrected results of the adjusted Pole Attachment estimated revenue impact.³⁶

Table 21: Vendor Payment Impact on Pole Attachment Rates and Estimated Revenue Impact

Vendor Payment Impact on Pole Attachment Rates

CEI						CORRECTED
Year (FERC FORM)	Rate Effective	Adjusted Rate	Difference	Pole Attachments	Estimated Revenue Impact	Estimated Revenue Impact
2016 (2014)	\$ 10.33	\$ 10.31	\$ 0.02	133,888	\$ 2,678	\$ 2,678
2017 (2015)	\$ 9.94	\$ 9.91	\$ 0.03	17,653	\$ 530	\$ 530
2018 (2016)	\$ 11.20	\$ 11.19	\$ 0.01	159,456	\$ 1,595	\$ 1,595
2019 (2017)	\$ 11.88	\$ 11.86	\$ 0.02	167,099	\$ 3,342	\$ 3,342
2020 (2018)	\$ 12.06	\$ 12.01	\$ 0.05	177,269	\$ 8,863	\$ 8,863
2021 (2019)	\$ 13.21	\$ 13.18	\$ 0.03	177,269	\$ 5,318	\$ 5,318
Total					\$ 13,800	\$ 22,325
OE						Estimated Revenue Impact
Year (FERC FORM)	Rate Effective	Adjusted Rate	Difference	Pole Attachments	Estimated Revenue Impact	Estimated Revenue Impact
2016 (2014)	\$ 10.58	\$ 10.57	\$ 0.01	375,307	\$ 3,753	\$ 3,753
2017 (2015)	\$ 10.18	\$ 10.16	\$ 0.02	384,012	\$ 7,680	\$ 7,680
2018 (2016)	\$ 10.83	\$ 10.82	\$ 0.01	392,466	\$ 3,925	\$ 3,925
2019 (2017)	\$ 11.48	\$ 11.46	\$ 0.02	395,151	\$ 7,903	\$ 7,903
2020 (2018)	\$ 12.06	\$ 12.02	\$ 0.04	406,583	\$ 16,263	\$ 16,263
2021 (2019)	\$ 12.17	\$ 12.15	\$ 0.02	406,583	\$ 8,132	\$ 8,132
Total					\$ 39,524	\$ 47,656
TE						Estimated Revenue Impact
Year (FERC FORM)	Rate Effective	Adjusted Rate	Difference	Pole Attachments	Estimated Revenue Impact	Estimated Revenue Impact
2016 (2014)	\$ 8.99	\$ 8.98	\$ 0.01	1,744	\$ 17	\$ 17
2017 (2015)	\$ 8.64	\$ 8.64	\$ -	3,928	\$ -	\$ -
2018 (2016)	\$ 9.20	\$ 9.19	\$ 0.01	142,705	\$ 1,427	\$ 1,427
2019 (2017)	\$ 9.68	\$ 9.67	\$ 0.01	142,606	\$ 1,426	\$ 1,426
2020 (2018)	\$ 9.83	\$ 9.79	\$ 0.04	142,840	\$ 5,714	\$ 5,714
2021 (2019)	\$ 10.45	\$ 10.42	\$ 0.03	142,840	\$ 4,285	\$ 4,285
Total					\$ 8,584	\$ 12,869
Total						Estimated Revenue Impact
Year (FERC FORM)	Rate Effective	Adjusted Rate	Difference	Pole Attachments	Estimated Revenue Impact	Estimated Revenue Impact
2016 (2014)					\$ 6,448	\$ 6,448
2017 (2015)					\$ 8,210	\$ 8,210
2018 (2016)					\$ 6,946	\$ 6,946
2019 (2017)					\$ 12,671	\$ 12,671
2020 (2018)					\$ 30,840	\$ 30,840
2021 (2019)					\$ 17,735	\$ 17,735
Total					\$ 82,851	\$ 82,851

* 2021 Pole Attachments are estimates as all attachers have not been final billed.

³⁵ Response to BRC AS-Set 1-INT-001 Confidential.

³⁶ Response to BRC AS-Set 1-INT-010 Attachment 1 Confidential.

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Blue Ridge reviewed and found not unreasonable the calculation provided by FirstEnergy to develop the estimated revenue impact of \$82,851 associated with the Pole Attachment adjustment.

The effect of removing the payments from the Pole Attachment calculations results in the following estimated refund. The final amount will require updating since all 2021 attachers have not been final billed.

Table 22: Effect of Removing Payments from Pole Attachment Calculation and Recommended Estimated Refund by Ohio Operating Company

Recovery Mechanism	CE	OE	TE	Total
Pole Attachment	\$ 22,325	\$ 47,656	\$ 12,869	\$ 82,850

As stated in TE's Pole Attachment Tariff, Pole Attachment rates are available to any person or entity other than a public utility within the Company's service territory who shall contract for a specified number of pole attachments or contacts.³⁷

The following table summarizes the number of entities billed for Pole Attachment Rates from 2016–2021.

Table 23: Entities Billed Pole Attachment Rates 2016–2021

Year	CE	OE	TE	Total
2016	8	38	3	49
2017	9	38	6	53
2018	18	45	18	81
2019	61	48	19	128
2020	61	48	18	127
2021	66	54	12	132

Blue Ridge found that refunding the estimated revenue impact of the \$82,851 overbilled amount among 132 entities unrealistic. Blue Ridge recommends adopting the Companies' proposal to adjust for this amount in their next Pole Attachment rate filing. The final amount should be updated to reflect the final billing of the 2021 attachers.

Blue Ridge also recommends that the capital payments be identified and excluded from rate base in any future base rate case.

CONCLUSIONS AND RECOMMENDATIONS

Blue Ridge concluded that the payments disclosed by FirstEnergy have been identified as a potential refund through either Base Rates or Rider DSE or have been included in the revenue requirements calculations for Rider DCR and Pole Attachments. The following table shows the allocation of the vendors between capital and O&M for each of the recovery mechanisms.

³⁷ The Toledo Edison Company, Pole Attachment Tariff 5th Revised Sheet No. 2, Applicability.

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Table 24: Allocation of Vendors Between Recovery Mechanisms

#	Vendor Name	Payments			Recovery Mechanism	Base Rates		Rider DSE		Rider DCR		Pole Attachments	
		Capital	O&M	Total		Capital	O&M	Capital	O&M	Capital	O&M	Capital	O&M
Related Parties - Thomas T. George (Tony George)													
1	#1 MEDIA, a division of Josie G	\$ -	\$ 995,095	\$ 995,095	2007-2008 Base Rates 2014-2015 Pole Attach	\$ -	\$ 210,095	\$ -	\$ -	\$ -	n/a	\$ 785,000	
2	JOSIE G INCORPORATED	\$ 56,700	\$ 1,239,550	\$ 1,296,250	2015 Rider DCR 2015-2019 Pole Attach	\$ -	\$ -	\$ -	\$ -	\$ 56,700	n/a	\$ 56,700	\$ 1,239,550
3	1224 PLAYHOUSE LLC	\$ -	\$ 5,474	\$ 5,474	2016 Pole Attach	\$ -	\$ -	\$ -	\$ -	\$ -	n/a		\$ 5,474
4	AWAKENING ANGELS	\$ 4,556	\$ 9,201	\$ 13,757	2014 Rider DCR 2014, 2019 Pole Attach	\$ -	\$ -	\$ -	\$ -	\$ 4,556	n/a	\$ 4,556	\$ 9,201
5	DJM LAKESIDE LLC	\$ 154,000	\$ 441,690	\$ 595,690	2015-2019 Pole Attach	\$ -	\$ -	\$ -	\$ -	\$ -	n/a	\$ 154,000	\$ 441,690
6	EEOEARTH ENERGY LLC	\$ 42,888	\$ 2,182,752	\$ 2,225,640	2017 Rider DCR 2017-2019 Pole Attach 2018-2019 Rider DSE	\$ -	\$ -	\$ -	\$ 2,150,000	\$ 42,888	n/a	\$ 42,888	\$ 2,182,752
7	GEORGE FAMILY ENTERPRISES LTD	\$ 350,000	\$ 430,682	\$ 780,682	2018-2019 Pole Attach	\$ -	\$ -	\$ -	\$ -	\$ -	n/a	\$ 350,000	\$ 430,682
8	GEORGE GROUP FINANCIAL SOLUTIONS IN	\$ 10,524	\$ 19,951	\$ 30,475	2015 Rider DCR, Pole Attach 2015 Pole Attach	\$ -	\$ -	\$ -	\$ -	\$ 10,524	n/a	\$ 10,524	\$ 19,951
9	JOBOR INCORPORATED	\$ 16,090	\$ 729,503	\$ 745,593	2018-2019 Rider DCR, Pole Attach 2020 Rider DCR	\$ -	\$ -	\$ -	\$ -	\$ 16,090	n/a	\$ 9,620	\$ 724,561
10	OHIO OUTDOOR ADVERTISING LLC	\$ 21,056	\$ 2,577,701	\$ 2,598,757	2015-2019 Pole Attach 2016-2017 Rider DCR, Pole Attach 2019 Rider DSE, Pole Attach 2020 Rider DSE	\$ -	\$ -	\$ -	\$ 2,000,000	\$ 21,056	n/a	\$ 21,056	\$ 1,577,701
11	THE GEORGE GROUP CORPORATION	\$ -	\$ 155,200	\$ 155,200	2014, 2016 Pole Attach	\$ -	\$ -	\$ -	\$ -	\$ -	n/a	\$ -	\$ 155,200
12	2125 SUPERIOR HOLDING LLC	\$ -	\$ 35,657	\$ 35,657	2016 Pole Attach	\$ -	\$ -	\$ -	\$ -	\$ -	n/a	\$ -	\$ 35,657
	Total	\$ 655,814	\$ 8,822,456	\$ 9,478,270		\$ -	\$ 210,095	\$ -	\$ 4,150,000	\$ 151,814	\$ -	\$ 649,344	\$ 7,607,419
Related Parties - Sam Randazzo													
13	IEU-OHIO ADMINISTRATION COMPANY	\$ -	\$ 1,000,000	\$ 1,000,000	2014-2015 Pole Attach	\$ -	\$ -	\$ -	\$ -	\$ -	n/a		\$ 1,000,000
14	SUSTAINABILITY FUNDING ALLIANCE	\$ 6,487,604	\$ 6,954,378	\$ 13,441,982	2014-2015 O&M Pole Attach 2014-2018 Rider DCR, Pole Attach	\$ -	\$ -	\$ -	\$ -	\$ 6,487,604	n/a	\$ 6,487,604	\$ 6,954,378
	Total	\$ 6,487,604	\$ 7,954,378	\$ 14,441,982		\$ -	\$ -	\$ -	\$ -	\$ 6,487,604	\$ -	\$ 6,487,604	\$ 7,954,378
Unsupported Transaction													
15	GENERATION NOW INCORPORATED	\$ 201,739	\$ 154,061	\$ 355,800	2017 Rider DCR, Pole Attach	\$ -	\$ -	\$ -	\$ -	\$ 201,739	n/a	\$ 201,739	\$ 154,061
16	HARDWORKING OHIOANS	\$ 100,416	\$ 76,684	\$ 177,100	2018 Rider DCR, Pole Attach	\$ -	\$ -	\$ -	\$ -	\$ 100,416	n/a	\$ 100,416	\$ 76,684
17	MEMPHIS 55 INCORPORATED	\$ 7,808	\$ 7,808	\$ 15,616	2019 Pole Attach	\$ -	\$ -	\$ -	\$ -	\$ -	n/a	\$ -	\$ 7,808
	Total	\$ 302,155	\$ 238,553	\$ 540,708		\$ -	\$ -	\$ -	\$ -	\$ 302,155	\$ -	\$ 302,155	\$ 238,553
	Grand Total	\$ 7,445,573	\$ 17,015,387	\$ 24,460,960		\$ -	\$ 210,095	\$ -	\$ 4,150,000	\$ 6,941,573	\$ -	\$ 7,439,103	\$ 15,800,351
	Refundable					n/a	Refunded	n/a	Refunded	Included in Calc-Cap Limited		Included in Calc-Refunded	

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Blue Ridge recommends the following refunds by recovery mechanism.

Table 25: Recommended Refunds by Recovery Mechanism and Ohio Operating Company

Recovery Mechanism	CE	OE	TE	Total
Base Rates-Refund through non-bypassable rider	\$ 1,962,811	\$ 311,097	\$ 132,580	\$ 2,406,488
Rider DSE-Refund through final reconciliation	1,489,640	1,805,510	854,851	\$ 4,150,001
Rider DCR	-	-	-	-
Pole Attachment-Adjust in next Pole Attachment rate filing	22,325	47,656	12,869	82,850
Total Recommended Refunds	\$ 3,474,776	\$ 2,164,263	\$ 1,000,300	\$ 6,639,339

In addition to the refunds, Blue Ridge recommends that the \$7,445,573 recorded as capital should be identified and excluded from rate base in any future base rate case.

SUPPLEMENTAL INFORMATION

On July 29, 2021, prior to Blue Ridge filing its report with the PUCO, FirstEnergy provided supplemental information to various data requests. The supplemental information included the following:

1. Staff's Information Requests, Supplemental Response Sent on 7/29/2021. Provides additional information on accounting adjustments that occurred for the vendor payments.

The supporting workpapers provides the following footnotes explaining the accounting adjustments.

(1) Accounting adjustment in Sept 2020 to move all Generation Now and Hardworking Ohioans costs to O&M FERC Account 426.

(2) Accounting adjustment was made for Dec 2020 in Jan 2021 to re-allocate capital and O&M costs for payments to SUSTAINABILITY FUNDING ALLIANCE from FE non-Ohio Companies to CEI, OE and TE.

(3) Accounting adjustment was made for Dec 2020 in March 2021 to move all re-allocated capital costs for payments to SUSTAINABILITY FUNDING ALLIANCE in (2) to O&M expense. Because the re-allocated capital costs were moved to expense in the same month, there was no impact on plant balances.

(4) Accounting adjustment was made for Dec 2020 in March 2021 to move capital costs for payments to other vendors from capital to O&M expense.

(1)-(4) See BRC AS Set-1-INT-007 Attachment 1 Second Revised - Confidential for the cumulative DCR revenue requirement impact of these accounting adjustments on the Companies' plant in-service balances.

Blue Ridge Comment: The supplemental response reflects accounting adjustments that are not reflected in the tables within this report. While various tables would change if the supplemental information was reflected, the supplemental information does not change the recommended refund associated with Rider DCR.

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2. Data Request BRC AS Set 1-INT-007, Supplemental Response Sent on 7/29/2021. Updates the comparison of the annual Rider DCR revenue requirements, revenue cap, and estimated revenue requirements associated with the payments through 2021, including the impact of March 2021 accounting adjustments to remove the vendor payments from plant in-service.

Blue Ridge Comment: The supplemental response does not change the recommended refund associated with Rider DCR.

3. Data Request BRC AS-Set 1-INT-010, Supplemental Response Sent on 7/29/2021. Provides a further breakdown of the estimated Pole Attachment revenue impact by vendor.

Blue Ridge Comment: The additional analysis provided the FirstEnergy is included in the following table. The supplemental response does not modify the recommended refund recovered through the Pole Attachment.

Table 26: Vendor Payments Included in Pole Attachment Calculation

Vendor	CEI	OE	TE	TOTAL
#1 MEDIA	\$ 1,339	\$ -	\$ -	\$ 1,339
1224 PLAYHOUSE LLC	\$ -	\$ -	\$ -	\$ -
2125 SUPERIOR HOLDING LLC	\$ -	\$ -	\$ -	\$ -
AWAKENING ANGELS	\$ -	\$ -	\$ -	\$ -
DJM LAKESIDE LLC	\$ 1,671	\$ -	\$ -	\$ 1,671
ECOEARTH ENERGY LLC	\$ 3,545	\$ 8,132	\$ 2,857	\$ 14,534
GENERATION NOW INCORPORATED	\$ -	\$ -	\$ -	\$ -
GEORGE FAMILY ENTERPRISES LTD	\$ 1,773	\$ -	\$ -	\$ 1,773
GEORGE GROUP FINANCIAL SOLUTIONS IN	\$ -	\$ -	\$ -	\$ -
HARDWORKING OHIOANS	\$ -	\$ -	\$ -	\$ -
IEU-OHIO ADMINISTRATION COMPANY	\$ 177	\$ 3,840	\$ -	\$ 4,017
JOBBOB INCORPORATED	\$ -	\$ -	\$ -	\$ -
JOSIE G INCORPORATED	\$ 177	\$ 3,952	\$ -	\$ 4,128
MEMPHIS 55 INCORPORATED	\$ -	\$ -	\$ -	\$ -
OHIO OUTDOOR ADVERTISING LLC	\$ 1,773	\$ 4,066	\$ 1,428	\$ 7,267
SUSTAINABILITY FUNDING ALLIANCE	\$ 8,326	\$ 19,535	\$ 5,727	\$ 33,589
SUSTAINABILITY FUNDING ALLIANCE - \$4.3M	\$ 3,545	\$ 8,132	\$ 2,857	\$ 14,534
THE GEORGE GROUP CORPORATION	\$ -	\$ -	\$ -	\$ -
Total	\$ 22,325	\$ 47,656	\$ 12,869	\$ 82,851

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EXPANDED SCOPE APPENDICES

- Expanded Appendix-A: Data Requests
- Expanded Appendix-B: Workpapers

EXPANDED APPENDIX-A: DATA REQUESTS

The following is a list of the PUCO Staff's information requests that resulted in the expanded scope. The list also includes data requests submitted by Blue Ridge to FirstEnergy. Responses were provided electronically and are available on a USB drive.

Staff Information Request Submitted 2/18/21

On page 28 of the 10K filed on February 18, 2021, FirstEnergy Corporation disclosed the following:

"Also, in connection with the internal investigation, FirstEnergy recently identified certain transactions, which, in some instances, extended back ten years or more, including vendor services, that were either improperly classified, misallocated to certain of the Utilities and Transmission Companies, or lacked proper supporting documentation. These transactions resulted in amounts collected from customers that were immaterial to FirstEnergy, and the Utilities and Transmission Companies will be working with the appropriate regulatory agencies to address these amounts."

As it relates to FirstEnergy Corporation and its affiliates' Ohio operations, please provide materials responsive to the following data requests no later than February 23, 2021, unless otherwise agreed to by Staff:

- 1) The names of the vendors associated with the transactions referenced above;
- 2) The date of each transaction;
- 3) The nature or type of each transaction;
- 4) The amount associated with each transaction; and
- 5) The underlying purchase order, contract and/or agreement associated with each transaction referenced above.

Blue Ridge Set 1 Submitted 4/8/21

Unless otherwise specified, the following data requests are related to FirstEnergy's response to Staff's February 18, 2021, Data Requests.

- 1.1. **Refunds:** FirstEnergy's response states that Attachment 1 identifies (1) costs included in retail rates that will be refunded to customers; (2) costs included in calculations supporting retail rates but that did not impact retail rates (i.e., Rider DCR); and (3) costs included in the calculation of other rates (i.e., Pole Attachment).
 - a. Provide the amount the Company currently believes should be refunded and how the Companies recommend those amounts should be refunded.
- 1.2. **FERC Account:** Attachment 1 Vendor Payments Charged/Allocated to the Ohio Companies. The payments are recorded to the following FERC accounts:
 - 588 Miscellaneous distribution expenses

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- 911 Supervision (Major only)
- 921 Office supplies and expenses
- 930.1 General advertising expenses
- 930.2 Miscellaneous general expenses
- 931 Rents
- 935 Maintenance of general plant

The total amount in Column N, identified as Total Capital, is \$7,445,573.

- a. Explain how O&M charges were recorded as capital.
- b. Provide a list of the work orders, with their booked capital accounts (FERC Accounts), to which the charges were applied.

1.3. Allocate or Direct Charge: Attachment 1 Vendor Payments Charged/Allocated to the Ohio Companies. For each payment, indicate whether the amount shown for each company was either a direct charge or an allocated charge.

1.4. Allocations: Attachment 1 Vendor Payments Charged/Allocated to the Ohio Companies. The payment data shown includes O&M and Capital for CEI, OE, and TE.

Working from the information provided in Data Request 1.3 above that requested each payment be identified as a direct charge or an allocated charge, please provide these items:

- a. Allocated charges: Explain the method used to allocate charges by company. Provide the workpapers that support the allocation.
- b. Allocated charges: Explain the method used to allocated payments as O&M or Capital. Provide the workpapers that support the allocation.
- c. Direct charges: Explain the method used to allocated payments as O&M or Capital. Provide the workpapers that support the allocation.

1.5. FERC Account: The following payments do not include the FERC Account charged.

- a. Please provide the FERC account or explain why no account is listed.
- b. The payment-recovery mechanism for all these payments is shown as Pole Attachments. Explain how these amounts were included in the Pole Attachment calculation without a FERC account.

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(A)	(B)	(C)	(D)	(E)
Column1	Column2	Column3	Column4	Column5
Vendor Name	Year	Period	O&M FERC Account	CEI
DJM LAKESIDE LLC	2019	3	None	\$ 14,000
DJM LAKESIDE LLC	2019	4	None	\$ 14,000
DJM LAKESIDE LLC	2019	5	None	\$ 14,000
DJM LAKESIDE LLC	2019	6	None	\$ 28,000
DJM LAKESIDE LLC	2019	7	None	\$ 14,000
DJM LAKESIDE LLC	2019	8	None	\$ 14,000
DJM LAKESIDE LLC	2019	9	None	\$ 14,000
DJM LAKESIDE LLC	2019	10	None	\$ 14,000
DJM LAKESIDE LLC	2019	11	None	\$ 14,000
DJM LAKESIDE LLC	2019	12	None	\$ 14,000
GEORGE FAMILY ENTERPRISES LTD	2019	3	None	\$ 35,000
GEORGE FAMILY ENTERPRISES LTD	2019	4	None	\$ 35,000
GEORGE FAMILY ENTERPRISES LTD	2019	5	None	\$ 35,000
GEORGE FAMILY ENTERPRISES LTD	2019	6	None	\$ 35,000
GEORGE FAMILY ENTERPRISES LTD	2019	7	None	\$ 35,000
GEORGE FAMILY ENTERPRISES LTD	2019	8	None	\$ 35,000
GEORGE FAMILY ENTERPRISES LTD	2019	9	None	\$ 35,000
GEORGE FAMILY ENTERPRISES LTD	2019	10	None	\$ 35,000
GEORGE FAMILY ENTERPRISES LTD	2019	11	None	\$ 35,000

1.6.Recovery Mechanism Retail Rates: Reference Attachment 1 Vendor Payments Charged/Allocated to the Ohio Companies, column Q Retail Rates. The Notes state, “Costs included in the Companies’ retail rates are identified in column (Q).”

The total amount in Column Q identified as “Base Rates” is \$210,095 and includes payments made in 2007 and 2008. The amount in Column Q identified as Rider DSE is \$4,150,000 and includes payments made in 2018, 2019, and 2020.

- a. Please explain the difference between the Retail Rates recovery identifier “Base Rates” and “Rider DSE.”
- b. Provide the case number for the Rider DSE for each of the years 2018, 2019, and 2020.
- c. How is the Company planning to refund the amounts included in “Base Rates” and “Rider DSE”?

1.7.Recovery Mechanism Rider DCR: Reference Attachment 1 Vendor Payments Charged/Allocated to the Ohio Companies, Column R Rider DCR Calc. The Notes state, “Capitalized costs would have been included in plant balances used in the calculation of Rider DCR revenue requirements. However, the Companies’ aggregate Rider DCR revenue requirements were above the authorized revenue caps for this time period. As such, the Rider DCR rates were set based on the revenue caps, not the revenue requirements, and these capitalized dollars did not have any impact on the Companies’ Rider DCR rates in the aggregate. Column (R) identifies which payments had capitalized costs.”

- a. Explain how the authorized revenue caps reduce the Rider DCR revenue requirement that is collected from customers.

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- b. For each year (2014–2020) that payments were reflected in the Rider DCR, provide a proof that the calculated Rider DCR revenue requirement was not collected from customers due to the authorized revenue caps.
- c. For each year (2014–2020), provide the analysis done that demonstrates that payments included in Rider DCR rates should not be refunded because the Rider DCR revenue requirements were above the authorized revenue caps.
- d. Reconcile the statement that Rider DCR rates are set based upon revenue caps and not revenue requirements to the Rider DCR Compliance filings, Tab DCR Rider Workpaper, that shows that the Rider DCR Charge by customer class is based upon the calculated Rider DCR revenue requirement without consideration of annual caps. [The following tables are excerpts from Case No. 19-1759-EL-RDR et. al. filing.]

I. <u>Annual Revenue Requirement For March 2020 - May 2020 Rider DCR Rates</u>			
	(A)	(B)	
	Company	Rev Req 2/29/2020	
(1)	CEI	\$ 145,965,683	
(2)	OE	\$ 152,331,663	
(3)	TE	\$ 39,129,604	
(4)	TOTAL	\$ 337,426,950	

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Rider Charge Calculation - Rider DCR					
V. Rider DCR Charge Calculation - Annual Revenue Requirement - Rate RS					
	(A)	(B)	(C)	(D)	(E)
	Company	Rate Schedule	Annual Revenue Req	Annual KWH Sales	Annual Rev Req Charge (\$ / KWH)
(1)	CEI	RS	\$ 49,601,919	5,291,433,180	\$ 0.009374
(2)	OE	RS	\$ 73,435,174	9,116,583,261	\$ 0.008055
(3)	TE	RS	\$ 17,558,083	2,457,070,919	\$ 0.007146
(4)			\$ 140,595,176	16,865,087,360	
NOTES					
(C) Source: Section III, Column E.					
(D) Source: Forecast for March 2020 - February 2021 (All forecasted numbers associated with the forecast as of Dec 2019)					
(E) Calculation: Column C / Column D.					
VI. Rider DCR Charge Calculation - Annual Revenue Requirement - Rate GS, Rate GP, Rate GSU					
	(A)	(B)	(C)	(D)	(E)
	Company	Rate Schedule	Annual Revenue Req	Annual Billing Units (kW / kVa)	Annual Rev Req Charge (\$ / kW or \$ / kVa)
(1)	CEI	GS	\$ 86,745,117	20,282,831	\$ 4.2768 per kW
(2)		GP	\$ 1,285,441	915,417	\$ 1.4042 per kW
(3)		GSU	\$ 8,333,205	8,209,646	\$ 1.0151 per kW
(4)			\$ 96,363,764		
(5)	OE	GS	\$ 64,500,218	23,225,197	\$ 2.7772 per kW
(6)		GP	\$ 12,378,333	6,339,502	\$ 1.9526 per kW
(7)		GSU	\$ 2,017,939	2,408,232	\$ 0.8379 per kVa
(8)			\$ 78,896,489		
(9)	TE	GS	\$ 18,711,085	6,616,876	\$ 2.8278 per kW
(10)		GP	\$ 2,798,498	2,666,884	\$ 1.0494 per kW
(11)		GSU	\$ 61,939	216,659	\$ 0.2859 per kVa
(12)			\$ 21,571,521		
NOTES					
(C) Source: Section IV, Column F.					
(D) Source: Forecast for March 2020 - February 2021 (All forecasted numbers associated with the forecast as of Dec 2019)					
(E) Calculation: Column C / Column D.					

The following table shows the total revenue requirements by class to demonstrate that the total recovery by class equals the calculated amount Rider DCR revenue requirements without limitation by revenue caps.

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Company	Rate Schedule	Annual Revenue Req
CEI	RS	\$ 49,601,919
	GS	\$ 86,745,117
	GP	\$ 1,285,441
	GSU	\$ 8,333,205
		\$ 145,965,683
OE	RS	\$ 73,435,174
	GS	\$ 64,500,218
	GP	\$ 12,378,333
	GSU	\$ 2,017,939
		\$ 152,331,663
TE	RS	\$ 17,558,083
	GS	\$ 18,711,085
	GP	\$ 2,798,498
	GSU	\$ 61,939
		\$ 39,129,604
		\$ 337,426,950

1.8. Recovery Mechanism Rider DCR: In the Companies Rider DCR filings Section X, Annual Rider DCR Revenue through November 30, 20XX, is this note: “Calculation C + Column D. The sum of the individual company caps does not equal the total company cap. Each individual company has a cap of 50%, 70%, and 30% for OE, CEI, and TE, respectively, of the total aggregate cap. Source: Case No. 10-388-EL-SSO Stipulation (page 14) and Case No. 12-1230-El-SSO Stipulation (page 20).”

The following table summarizes the information reflected in the Companies Rider DCR annual filings regarding the Companies’ revenue and individual caps, the aggregate cap, and the Under (Over) adjustment made to the aggregate cap to calculate the adjusted revenue cap. As shown in the highlighted column, the Rider DCR revenue has not exceeded the Adjusted cap. Please explain how this revenue vs. cap analysis impacts the Rider DCR charges charged to customers.

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Annual Rider DCR Revenue Cap Analysis								
Line #	Company	Case No.	Period	Annual Revenues	Revenue Cap	Revenue vs Prior Year Cap	Adjusted Revenue Cap	Revenue vs Cap
1	CEI	12-2679-EL-RDR	12/31/12	58,546,780				
2	CEI	13-2005-EL-RDR	12/31/13	82,411,644				
3	CEI	14-1628-EL-RDR	11/30/14	84,034,399			132,651,274	48,616,875
4	CEI	15-1595-EL-RDR	11/30/15	82,952,412			141,079,584	58,127,172
5	CEI	16-1819-EL-RDR	11/30/16	86,213,618			155,374,944	69,161,326
6	CEI	17-1919-EL-RDR	11/30/17	104,709,923			183,948,170	79,238,247
7	CEI	18-1443-EL-RDR	11/30/18	117,163,203			201,323,485	84,160,282
8	CEI	19-1759-EL-RDR	11/30/19	129,486,123			215,650,230	86,164,107
9	CEI	20-1469-EL-RDR	11/30/20	139,314,953			231,075,550	91,760,597
10								
11	OE	12-2680-EL-RDR	12/31/12	56,982,346				
12	OE	13-2006-EL-RDR	12/31/13	82,734,228				
13	OE	14-1629-EL-RDR	11/30/14	67,352,639			94,750,910	27,398,271
14	OE	15-1596-EL-RDR	11/30/15	82,992,861			100,771,131	17,778,270
15	OE	16-1820-EL-RDR	11/30/16	93,873,687			110,982,103	17,108,416
16	OE	17-1920-EL-RDR	11/30/17	105,631,023			131,391,550	25,760,527
17	OE	18-1444-EL-RDR	11/30/18	122,300,842			143,802,489	21,501,647
18	OE	19-1758-EL-RDR	11/30/19	120,755,522			154,035,879	33,280,357
19	OE	20-1468-EL-RDR	11/30/20	137,484,483			165,053,964	27,569,481
20								
21	TE	12-2681-EL-RDR	12/31/12	13,087,127				
22	TE	13-2007-EL-RDR	12/31/13	20,486,055				
23	TE	14-1630-EL-RDR	11/30/14	23,180,409			56,850,546	33,670,137
24	TE	15-1597-EL-RDR	11/30/15	23,258,351			60,462,679	37,204,328
25	TE	16-1821-EL-RDR	11/30/16	21,996,144			66,589,262	44,593,118
26	TE	17-1921-EL-RDR	11/30/17	26,086,910			78,834,930	52,748,020
27	TE	18-1445-EL-RDR	11/30/18	30,422,870			86,281,494	55,858,624
28	TE	19-1760-EL-RDR	11/30/19	33,157,302			92,421,527	59,264,225
29	TE	20-1470-EL-RDR	11/30/20	37,461,177			99,032,378	61,571,201
30								
31	Total	12-2679-EL-RDR, et. al.	12/31/12	128,616,253				
32	Total	13-2005-EL-RDR, et. al.	12/31/13	185,631,927				
33	Total	14-1628-EL-RDR, et. al.	11/30/14	174,567,447	188,750,000	751,820	189,501,820	14,934,373
34	Total	15-1595-EL-RDR, et. al.	11/30/15	189,203,624	203,750,000	(2,207,737)	201,542,263	12,338,639
35	Total	16-1819-EL-RDR, et. al.	11/30/16	202,083,449	227,500,000	(5,535,795)	221,964,205	19,880,756
36	Total	17-1919-EL-RDR, et. al.	11/30/17	236,427,856	257,500,000	5,283,100	262,783,100	26,355,244
37	Total	18-1443-EL-RDR, et. al.	11/30/18	269,886,915	287,500,000	104,978	287,604,978	17,718,063
38	Total	19-1759-EL-RDR, et. al.	11/30/19	283,398,947	311,666,667	(3,594,909)	308,071,758	24,672,811
39	Total	20-1469-EL-RDR, et. al.	11/30/20	314,260,613	331,666,667	(1,558,739)	330,107,928	15,847,315

1.9.Recovery Mechanism Rider DCR: Reference Attachment 1 Vendor Payments Charged/Allocated to the Ohio Companies, Column R Rider DCR Calc.

The total amount included in Column R for O&M is \$5,414,685 and for Capital is \$6,941,573, which includes payments made in 2014 through 2020.

- a. Explain how O&M payments were included in the Rider DCR calculation.
- b. If O&M payments are not included in the Rider DCR, were these O&M payments recovered from customers? If so, how?

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1.10. Recovery Mechanism Pole Attachment: Reference Attachment 1 Vendor Payments Charged/Allocated to the Ohio Companies and Column S Pole Att Calc. The Notes state, “Starting with 2014 spend, any capitalized payments and any A&G expenses in FERC Accounts 9xx would have been included in the formula rate calculations for the Companies’ Pole Attachment rates. As a result, the Companies estimate that the Pole Attachment rates were insignificantly higher than they otherwise would have been without these payments. See column (S) for the payments with costs included in the Pole Attachment rate calculations.”

The total amount in Column S labeled as included in the Pole Attachment Calculation for O&M is \$15,800,351 and for Capital is \$7,439,102 and includes payments made in 2014 and 2019.

The tariffs on file with the PUCO show the current pole attachments rates.

- CEI Pole Attachment Tariff 7th Revised, Sheet No. 14 (effective 12/31/19)
 - \$12.06 per year rental for each pole attachment
 - \$7.00 per year rental for each anchor attachment
 - Adjusted one per given calendar year, unless otherwise requirement by law
 - OE Pole Attachment Tariff, Sheet No. 51, 5th Revised (effective 12/31/19)
 - \$12.06 yearly charge per pole
 - Adjusted one per given calendar year, unless otherwise requirement by law
 - TE Pole Attachment Tariff, 5th Revised Sheet No. 2 (effective 12/31/19)
 - Overhead Annual Net Rate per pole \$9.83 per one foot of usable space
 - Adjusted one per given calendar year, unless otherwise requirement by law
- a. Provide the supporting workpapers for the pole attachment calculation for each company and for each year (2014–2019) the pole attachment calculation was modified.
 - b. For each year (2014–2019) and each Company, provide a list of entities that paid the pole attachment fees, the billing job orders, and the amounts paid by those entities for the pole attachments.
 - c. Provide a proof that removing the payments from the calculation would have resulted in charges that were “insignificantly higher than they otherwise would have been without these payments.”

1.11. Recovery Mechanism Rider DCR and Pole Attachment: The total amount in Column S labeled as included in the Pole Attachment Calculation and also reflected as being recovered through Rider DCR in column R includes O&M \$5,409,744 and Capital \$6,935,102 and payments made in 2014 and 2019.

Please explain how these amounts can be included in both the Rider DCR calculation and the Pole Attachment calculation.

1.12. POs, Contracts, Agreements: FirstEnergy’s response to DR 5 states, “The Companies’ search for and review of the requested documentation is ongoing, and the Companies will supplement their production in response to DR 5 if additional documentation becomes available.” Has the Company found any additional supporting documentation? If so, please provide.

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Unless otherwise specified, the following data requests are related to FirstEnergy's response to Staff's February 18, 2021, Data Requests.

PO, Contracts, Agreements: Blue Ridge matched the 204 individual files of POs, Contracts, and Agreements to the 346 lines of payments. We have provided an attachment of what we have been able to link. We found payments without a supporting invoice, PO, Contract, or Agreement. We also found invoices, POs, Contracts, and Agreements that could not be tied to a payment.

- 2.1. For the following Sustainability Funding Alliance invoices provided by the Companies, we were unable to identify the payment data associated with the invoices. Please identify the payments these invoices are related to.

Filename:

- a. 2015.12.01 - Invoice 12-2015 - CONFIDENTIAL.pdf
- b. 2015.12.29 - Invoice 1-2016 - CONFIDENTIAL.pdf
- c. 2016.02.01 - Invoice 2-2016 - CONFIDENTIAL.pdf
- d. 2015.06.01 - #685048 - CONFIDENTIAL.pdf

- 2.2. For the following EcoEarth invoices provided by the Companies, we were unable to identify the payment data associated with the invoices. Please identify the payments these invoices are related to.

Filename:

- a. 2016.12.27 - ECO 1902005567 - CONFIDENTIAL

- 2.3. For the following Jobob Inc. (dba Success Media Communications) invoices provided by the Companies, we were unable to identify the payment data associated with the invoices. Please identify the payments these invoices are related to.

Filename:

- a. 2018.07.16 - JOB 1902365226 - CONFIDENTIAL.pdf
- b. 2018.09.06 - JOB 1902463123 - CONFIDENTIAL.pdf
- c. 2018.10.09 - JOB 1902535738 - CONFIDENTIAL.pdf
- d. 2018.11.01 - JOB 1902575543 - CONFIDENTIAL.pdf
- e. 2019.01.07 - JOB 1902009499 - CONFIDENTIAL.pdf
- f. 2019.02.06 - JOB 1902068099 - CONFIDENTIAL.pdf
- g. 2019.03.11 - JOB 1902129198 - CONFIDENTIAL.pdf
- h. 2019.04.03 - JOB 1902174821 - CONFIDENTIAL.pdf
- i. 2019.05.07 - JOB 1902246395 - CONFIDENTIAL.pdf
- j. 2019.06.07 - JOB 1902294137 - CONFIDENTIAL.pdf
- k. 2019.07.02 - JOB 1902342644 - CONFIDENTIAL.pdf
- l. 2019.08.07 - JOB 1902406087 - CONFIDENTIAL.pdf
- m. 2019.09.09 - JOB 1902464361 - CONFIDENTIAL.pdf
- n. 2019.10.08 - JOB 1902517344 - CONFIDENTIAL.pdf
- o. 2019.12.09 - JOB 1902622661 - CONFIDENTIAL.pdf
- p. 2020.01.06 - JOB 1902013056 - CONFIDENTIAL.pdf
- q. 2020.02.05 - 1902067927 - CONFIDENTIAL.pdf
- r. 2020.03.10 - JOB 1902134243 - CONFIDENTIAL.pdf
- s. 2020.04.06 - JOB 1902186105 - CONFIDENTIAL.pdf

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- t. 2020.05.01 - JOB 1902238795 - CONFIDENTIAL.pdf
- u. 2020.06.17 - JOB 1902309809 - CONFIDENTIAL.pdf
- v. 2020.07.08 - JOB 1902356231 - CONFIDENTIAL.pdf
- w. 2020.08.05 - 1902408701 - CONFIDENTIAL.pdf
- x. 2020.09.09 - 1902483263 - CONFIDENTIAL.pdf

- 2.4. For the following Ohio Outdoor Advertising Contract provided by the Companies, we were unable to identify the payment data associated with the invoices. Please identify the payments these invoices are related to.

Filename:

- a. 2017.01.30 - OOA Contract (\$16k) - CONFIDENTIAL

- 2.5. For the following Sustainability Funding Alliance of Ohio PO provided by the Companies, we were unable to identify the payment data associated with it. Please identify the payments these invoices are related to.

Filename:

- a. 2013.03.06 - Purchase Orders - #685065.1-37 - CONFIDENTIAL.pdf

- 2.6. For the following Sustainability Funding Alliance payments, we were unable to identify the supporting invoice, POs, Contract, or Agreement that supports the payment data. Please provide supporting information. If not available, please explain why.

Vendor Name	Year	Period	O&M FERC Account	Total
a. SUSTAINABILITY FUNDING ALLIANCE	2014	9	921	\$4,405.72
b. SUSTAINABILITY FUNDING ALLIANCE	2014	10	921	\$4,405.72
c. SUSTAINABILITY FUNDING ALLIANCE	2014	11	921	\$4,405.73
d. SUSTAINABILITY FUNDING ALLIANCE	2015	1	921	\$4,603.67
e. SUSTAINABILITY FUNDING ALLIANCE	2015	2	921	\$7,471.89
f. SUSTAINABILITY FUNDING ALLIANCE	2015	3	921	\$14,943.78
g. SUSTAINABILITY FUNDING ALLIANCE	2015	4	921	\$7,471.89
h. SUSTAINABILITY FUNDING ALLIANCE	2015	5	921	\$7,471.89
i. SUSTAINABILITY FUNDING ALLIANCE	2015	6	921	\$68,839.99
j. SUSTAINABILITY FUNDING ALLIANCE	2015	7	921	\$14,943.79
k. SUSTAINABILITY FUNDING ALLIANCE	2015	8	921	\$7,471.89
l. SUSTAINABILITY FUNDING ALLIANCE	2015	9	921	\$7,471.89
m. SUSTAINABILITY FUNDING ALLIANCE	2015	10	921	\$7,471.88
n. SUSTAINABILITY FUNDING ALLIANCE	2015	12	921	\$7,471.90
o. SUSTAINABILITY FUNDING ALLIANCE	2016	1	923	\$15,421.36
p. SUSTAINABILITY FUNDING ALLIANCE	2016	2	923	\$7,710.70

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- 2.7. For the following payments, we were unable to identify the supporting invoice, POs, Contract, or Agreement that supports the payment data. Please provide supporting information. If not available, please explain why.

Vendor Name	Year	Period	O&M FERC Account	Total
a. AWAKENING ANGELS	2014	7	923	\$7,938.66
b. AWAKENING ANGELS	2019	1	923	\$5,818.00
c. GENERATION NOW INCORPORATED	2017	3	923	\$88,950.00
d. GENERATION NOW INCORPORATED	2017	5	923	\$88,950.00
e. GENERATION NOW INCORPORATED	2017	8	923	\$88,950.00
f. GENERATION NOW INCORPORATED	2017	12	923	\$88,950.00
g. HARDWORKING OHIOANS	2018	10	923	\$177,100.00
h. IEU-OHIO ADMINISTRATION COMPANY	2014	1	930.2	\$500,000.00
i. IEU-OHIO ADMINISTRATION COMPANY	2015	1	930.2	\$500,000.00

- 2.8. For the following payments, we were unable to identify the supporting invoice, POs, Contract, or Agreement that supports the payment data. Please provide supporting information. If not available, please explain why.

Vendor Name	Year	Period	O&M FERC Account	Total
a. DJM LAKESIDE LLC	2015	11	931	\$30,000.00
b. DJM LAKESIDE LLC	2015	12	931	\$10,000.00
c. DJM LAKESIDE LLC	2016	1	931	\$10,000.00
d. DJM LAKESIDE LLC	2016	2	931	\$10,000.00
e. DJM LAKESIDE LLC	2016	3	931	\$10,000.00
f. DJM LAKESIDE LLC	2016	4	931	\$10,000.00
g. DJM LAKESIDE LLC	2016	5	931	\$10,000.00
h. DJM LAKESIDE LLC	2016	6	931	\$10,000.00
i. DJM LAKESIDE LLC	2016	7	931	\$10,000.00
j. DJM LAKESIDE LLC	2016	8	931	\$10,000.00
k. DJM LAKESIDE LLC	2016	9	931	\$10,000.00
l. DJM LAKESIDE LLC	2016	10	931	\$10,000.00
m. DJM LAKESIDE LLC	2016	11	931	\$10,000.00
n. DJM LAKESIDE LLC	2016	12	931	\$10,000.00
o. DJM LAKESIDE LLC	2017	1	931	\$10,000.00
p. DJM LAKESIDE LLC	2017	2	931	\$10,000.00
q. DJM LAKESIDE LLC	2017	3	931	\$10,000.00
r. DJM LAKESIDE LLC	2017	4	931	\$10,000.00
s. DJM LAKESIDE LLC	2017	5	931	\$10,000.00
t. DJM LAKESIDE LLC	2017	6	931	\$10,000.00
u. DJM LAKESIDE LLC	2017	7	931	\$10,000.00
v. DJM LAKESIDE LLC	2017	8	931	\$10,000.00
w. DJM LAKESIDE LLC	2017	9	931	\$10,000.00
x. DJM LAKESIDE LLC	2017	10	931	\$10,000.00
y. DJM LAKESIDE LLC	2017	11	931	\$10,000.00
z. DJM LAKESIDE LLC	2017	12	931	\$10,000.00

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aa.	DJM LAKESIDE LLC	2018	1	931	\$10,000.00
bb.	DJM LAKESIDE LLC	2018	2	931	\$10,000.00
cc.	DJM LAKESIDE LLC	2018	3	931	\$10,000.00
dd.	DJM LAKESIDE LLC	2018	4	931	\$10,000.00
ee.	DJM LAKESIDE LLC	2018	5	931	\$10,000.00
ff.	DJM LAKESIDE LLC	2018	6	931	\$10,000.00
gg.	DJM LAKESIDE LLC	2018	7	931	\$14,000.00
hh.	DJM LAKESIDE LLC	2018	8	931	\$14,000.00
ii.	DJM LAKESIDE LLC	2018	9	931	\$14,000.00
jj.	DJM LAKESIDE LLC	2018	10	931	\$14,000.00
kk.	DJM LAKESIDE LLC	2018	11	931	\$14,000.00
ll.	DJM LAKESIDE LLC	2018	12	931	\$14,000.00
mm.	DJM LAKESIDE LLC	2019	1	931	\$14,000.00
nn.	DJM LAKESIDE LLC	2019	3	None	\$14,000.00
oo.	DJM LAKESIDE LLC	2019	4	None	\$14,000.00
pp.	DJM LAKESIDE LLC	2019	5	None	\$14,000.00
qq.	DJM LAKESIDE LLC	2019	6	None	\$28,000.00
rr.	DJM LAKESIDE LLC	2019	7	None	\$14,000.00
ss.	DJM LAKESIDE LLC	2019	8	None	\$14,000.00
tt.	DJM LAKESIDE LLC	2019	9	None	\$14,000.00
uu.	DJM LAKESIDE LLC	2019	10	None	\$14,000.00
vv.	DJM LAKESIDE LLC	2019	11	None	\$14,000.00
ww.	DJM LAKESIDE LLC	2019	12	None	\$14,000.00

2.9. For the following payments, we were unable to identify the supporting invoice, POs, Contract, or Agreement that supports the payment data. Please provide supporting information. If not available, please explain why.

Vendor Name	Year	Period	O&M FERC Account	Total
a. ECOEARTH ENERGY LLC	2017	1	911	\$75,640.01

2.10. For the following payments, we were unable to identify the supporting invoice, POs, Contract, or Agreement that supports the payment data. Please provide supporting information. If not available, please explain why.

Vendor Name	Year	Period	O&M FERC Account	Total
a. GEORGE FAMILY ENTERPRISES LTD	2018	8	931	\$35,000.00
b. GEORGE FAMILY ENTERPRISES LTD	2018	11	935	\$70,000.00
c. GEORGE FAMILY ENTERPRISES LTD	2018	12	935	\$35,000.00
d. GEORGE FAMILY ENTERPRISES LTD	2019	2	935	\$35,000.00
e. GEORGE FAMILY ENTERPRISES LTD	2019	3	None	\$35,000.00
f. GEORGE FAMILY ENTERPRISES LTD	2019	4	None	\$35,000.00
g. GEORGE FAMILY ENTERPRISES LTD	2019	5	None	\$35,000.00
h. GEORGE FAMILY ENTERPRISES LTD	2019	6	None	\$35,000.00
i. GEORGE FAMILY ENTERPRISES LTD	2019	7	None	\$35,000.00
j. GEORGE FAMILY ENTERPRISES LTD	2019	8	None	\$35,000.00

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k.	GEORGE FAMILY ENTERPRISES LTD	2019	9	None	\$35,000.00
l.	GEORGE FAMILY ENTERPRISES LTD	2019	10	None	\$35,000.00
m.	GEORGE FAMILY ENTERPRISES LTD	2019	11	None	\$35,000.00
n.	GEORGE FAMILY ENTERPRISES LTD	2019	12	588	\$45,681.63

2.11. For the following payments, we were unable to identify the supporting invoice, POs, Contract, or Agreement that supports the payment data. Please provide supporting information. If not available, please explain why.

	Vendor Name	Year	Period	O&M FERC Account	Total
a.	GEORGE GROUP FINANCIAL SOLUTIONS IN	2015	5	923	\$12,952.50
b.	GEORGE GROUP FINANCIAL SOLUTIONS IN	2015	6	923	\$11,066.98
c.	GEORGE GROUP FINANCIAL SOLUTIONS IN	2015	7	923	\$5,533.52
d.	GEORGE GROUP FINANCIAL SOLUTIONS IN	2015	8	923	\$922.27

2.12. For the following payments, we were unable to identify the supporting invoice, POs, Contract, or Agreement that supports the payment data. Please provide supporting information. If not available, please explain why.

	Vendor Name	Year	Period	O&M FERC Account	Total
a.	JOBBO INCORPORATED	2014	1	930.1	\$9,800.00
b.	JOBBO INCORPORATED	2014	2	930.1	\$9,800.00
c.	JOBBO INCORPORATED	2014	3	930.1	\$9,800.00
d.	JOBBO INCORPORATED	2014	4	930.1	\$9,800.00
e.	JOBBO INCORPORATED	2014	5	930.1	\$9,800.00
f.	JOBBO INCORPORATED	2014	6	930.1	\$9,800.00
g.	JOBBO INCORPORATED	2014	7	930.1	\$9,800.00
h.	JOBBO INCORPORATED	2014	8	930.1	\$9,800.00
i.	JOBBO INCORPORATED	2014	9	930.1	\$9,800.00
j.	JOBBO INCORPORATED	2014	10	930.1	\$9,800.00
k.	JOBBO INCORPORATED	2014	11	930.1	\$9,800.00
l.	JOBBO INCORPORATED	2014	12	930.1	\$9,800.00
m.	JOBBO INCORPORATED	2015	1	930.1	\$9,800.00
n.	JOBBO INCORPORATED	2015	2	930.1	\$9,800.00
o.	JOBBO INCORPORATED	2015	3	930.1	\$9,800.00
p.	JOBBO INCORPORATED	2015	4	930.1	\$9,800.00
q.	JOBBO INCORPORATED	2015	5	930.1	\$9,800.00
r.	JOBBO INCORPORATED	2015	6	930.1	\$9,800.00
s.	JOBBO INCORPORATED	2015	7	930.1	\$9,800.00
t.	JOBBO INCORPORATED	2015	8	930.1	\$9,800.00
u.	JOBBO INCORPORATED	2015	9	930.1	\$9,800.00
v.	JOBBO INCORPORATED	2015	10	930.1	\$9,800.00

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w.	JOBBOB INCORPORATED	2015	11	930.1	\$9,800.00
x.	JOBBOB INCORPORATED	2015	12	930.1	\$9,800.00
y.	JOBBOB INCORPORATED	2016	1	930.1	\$9,800.00
z.	JOBBOB INCORPORATED	2016	2	930.1	\$9,800.00
aa.	JOBBOB INCORPORATED	2016	3	930.1	\$9,800.00
bb.	JOBBOB INCORPORATED	2016	4	930.1	\$9,800.00
cc.	JOBBOB INCORPORATED	2016	5	930.1	\$9,800.00
dd.	JOBBOB INCORPORATED	2016	6	930.1	\$9,800.00
ee.	JOBBOB INCORPORATED	2016	7	930.1	\$9,800.00
ff.	JOBBOB INCORPORATED	2016	8	930.1	\$9,800.00
gg.	JOBBOB INCORPORATED	2016	9	930.1	\$9,800.00
hh.	JOBBOB INCORPORATED	2016	10	930.1	\$9,800.00
ii.	JOBBOB INCORPORATED	2017	5	930.1	\$9,800.00
jj.	JOBBOB INCORPORATED	2017	7	930.1	\$9,800.00
kk.	JOBBOB INCORPORATED	2017	10	930.1	\$9,800.00
ll.	JOBBOB INCORPORATED	2018	7	911	\$1,812.00
mm.	JOBBOB INCORPORATED	2018	8	911	\$906.00
nn.	JOBBOB INCORPORATED	2018	9	911	\$906.00
oo.	JOBBOB INCORPORATED	2018	10	911	\$906.00
pp.	JOBBOB INCORPORATED	2018	11	911	\$906.00
qq.	JOBBOB INCORPORATED	2019	1	911	\$1,708.00
rr.	JOBBOB INCORPORATED	2019	2	911	\$854.00
ss.	JOBBOB INCORPORATED	2019	3	911	\$854.00
tt.	JOBBOB INCORPORATED	2019	4	911	\$854.00
uu.	JOBBOB INCORPORATED	2019	5	911	\$854.00
vv.	JOBBOB INCORPORATED	2019	6	923	\$854.00
ww.	JOBBOB INCORPORATED	2019	7	911	\$854.00
xx.	JOBBOB INCORPORATED	2019	7	923	\$11,614.40
yy.	JOBBOB INCORPORATED	2019	8	911	\$854.00
zz.	JOBBOB INCORPORATED	2019	9	911	\$1,282.50
aaa.	JOBBOB INCORPORATED	2019	10	911	\$854.00
bbb.	JOBBOB INCORPORATED	2019	11	911	\$854.00
ccc.	JOBBOB INCORPORATED	2019	12	911	\$854.00
ddd.	JOBBOB INCORPORATED	2020	1	911	\$880.50
eee.	JOBBOB INCORPORATED	2020	2	911	\$1,316.50
fff.	JOBBOB INCORPORATED	2020	3	911	\$1,316.50
ggg.	JOBBOB INCORPORATED	2020	4	911	\$1,316.50
hhh.	JOBBOB INCORPORATED	2020	5	911	\$1,316.50
iii.	JOBBOB INCORPORATED	2020	6	911	\$1,316.50
jjj.	JOBBOB INCORPORATED	2020	7	911	\$1,316.50

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kkk.	JOBBOB INCORPORATED	2020	8	911	\$1,316.50
lll.	JOBBOB INCORPORATED	2020	9	911	\$1,316.50

2.13. For the following payments, we were unable to identify the supporting invoice, POs, Contract, or Agreement that supports the payment data. Please provide supporting information. If not available, please explain why.

Vendor Name	Year	Period	O&M FERC Account	Total
a. MEMPHIS 55 INCORPORATED	2019	2	921	\$7,808.40

2.14. For the following payments, we were unable to identify the supporting invoice, POs, Contract, or Agreement that supports the payment data. Please provide supporting information. If not available, please explain why.

Vendor Name	Year	Period	O&M FERC Account	Total
a. #1 MEDIA	2007	3	921	\$11,952.00
b. #1 MEDIA	2007	4	921	\$11,952.00
c. #1 MEDIA	2007	5	921	\$11,952.00
d. #1 MEDIA	2007	7	921	\$23,904.00
e. #1 MEDIA	2007	9	921	\$23,904.00
f. #1 MEDIA	2007	11	921	\$23,904.00
g. #1 MEDIA	2007	12	921	\$11,952.00
h. #1 MEDIA	2008	1	921	\$16,000.00
i. #1 MEDIA	2008	2	921	\$58,575.00
j. #1 MEDIA	2008	2	931	\$16,000.00
k. #1 MEDIA	2014	1	931	\$16,000.00
l. #1 MEDIA	2014	2	931	\$54,000.00
m. #1 MEDIA	2014	3	931	\$35,000.00
n. #1 MEDIA	2014	4	931	\$35,000.00
o. #1 MEDIA	2014	5	931	\$35,000.00
p. #1 MEDIA	2014	6	931	\$35,000.00
q. #1 MEDIA	2014	7	931	\$35,000.00
r. #1 MEDIA	2014	8	931	\$35,000.00
s. #1 MEDIA	2014	9	931	\$35,000.00
t. #1 MEDIA	2014	10	931	\$35,000.00
u. #1 MEDIA	2014	11	930.1	\$225,000.00
v. #1 MEDIA	2014	11	931	\$35,000.00
w. #1 MEDIA	2014	12	931	\$35,000.00
x. #1 MEDIA	2015	1	931	\$35,000.00
y. #1 MEDIA	2015	2	931	\$35,000.00
z. #1 MEDIA	2015	3	931	\$35,000.00
aa. #1 MEDIA	2015	4	931	\$35,000.00

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2.15. For the following payments, we were unable to identify the supporting invoice, POs, Contract, or Agreement that supports the payment data. Please provide supporting information. If not available, please explain why.

Vendor Name	Year	Period	O&M FERC Account	Total
a. JOSIE G INCORPORATED	2015	5	931	\$35,000.00
b. JOSIE G INCORPORATED	2015	6	931	\$35,000.00
c. JOSIE G INCORPORATED	2015	7	931	\$35,000.00
d. JOSIE G INCORPORATED	2015	8	931	\$35,000.00
e. JOSIE G INCORPORATED	2015	9	931	\$35,000.00
f. JOSIE G INCORPORATED	2015	10	931	\$35,000.00
g. JOSIE G INCORPORATED	2015	11	930.1	\$225,000.00
h. JOSIE G INCORPORATED	2015	11	931	\$35,000.00
i. JOSIE G INCORPORATED	2015	12	921	\$19,963.60
j. JOSIE G INCORPORATED	2015	12	930.1	\$100,000.00
k. JOSIE G INCORPORATED	2016	1	923	\$10,300.80
l. JOSIE G INCORPORATED	2016	2	923	\$10,300.80
m. JOSIE G INCORPORATED	2016	3	923	\$10,300.80
n. JOSIE G INCORPORATED	2016	4	923	\$10,300.80
o. JOSIE G INCORPORATED	2016	5	923	\$10,300.80
p. JOSIE G INCORPORATED	2016	6	923	\$10,300.80
q. JOSIE G INCORPORATED	2016	7	923	\$10,300.80
r. JOSIE G INCORPORATED	2016	9	923	\$20,601.60
s. JOSIE G INCORPORATED	2016	10	923	\$10,300.80
t. JOSIE G INCORPORATED	2016	11	923	\$10,300.80
u. JOSIE G INCORPORATED	2016	12	923	\$10,300.80
v. JOSIE G INCORPORATED	2017	1	923	\$72,425.30
w. JOSIE G INCORPORATED	2017	2	923	\$11,136.00
x. JOSIE G INCORPORATED	2017	3	923	\$11,136.00
y. JOSIE G INCORPORATED	2017	4	923	\$11,136.00
z. JOSIE G INCORPORATED	2017	5	923	\$11,136.00
aa. JOSIE G INCORPORATED	2017	6	923	\$11,136.00
bb. JOSIE G INCORPORATED	2017	7	923	\$11,136.00
cc. JOSIE G INCORPORATED	2017	8	923	\$11,136.00
dd. JOSIE G INCORPORATED	2017	9	923	\$11,136.00
ee. JOSIE G INCORPORATED	2017	10	923	\$11,136.00
ff. JOSIE G INCORPORATED	2017	11	923	\$11,136.00
gg. JOSIE G INCORPORATED	2017	12	923	\$73,536.00
hh. JOSIE G INCORPORATED	2018	1	923	\$10,509.60
ii. JOSIE G INCORPORATED	2018	2	923	\$10,509.60

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jj. JOSIE G INCORPORATED	2018	3	923	\$10,509.60
kk. JOSIE G INCORPORATED	2018	4	923	\$10,509.60
ll. JOSIE G INCORPORATED	2018	5	923	\$10,509.60
mm. JOSIE G INCORPORATED	2018	6	923	\$10,509.60
nn. JOSIE G INCORPORATED	2018	7	923	\$10,509.60
oo. JOSIE G INCORPORATED	2018	8	923	\$10,509.60
pp. JOSIE G INCORPORATED	2018	9	923	\$10,509.60
qq. JOSIE G INCORPORATED	2018	10	923	\$10,509.60
rr. JOSIE G INCORPORATED	2018	11	923	\$10,509.60
ss. JOSIE G INCORPORATED	2018	12	923	\$10,509.60
tt. JOSIE G INCORPORATED	2019	1	923	\$65,416.41
uu. JOSIE G INCORPORATED	2019	2	923	\$9,906.40
vv. JOSIE G INCORPORATED	2019	3	923	\$9,906.40
ww. JOSIE G INCORPORATED	2019	4	923	\$9,906.40
xx. JOSIE G INCORPORATED	2019	5	923	\$9,906.40
yy. JOSIE G INCORPORATED	2019	6	923	\$9,906.40
zz. JOSIE G INCORPORATED	2019	7	923	\$9,906.40
aaa. JOSIE G INCORPORATED	2019	8	923	\$14,877.00
bbb. JOSIE G INCORPORATED	2019	9	923	\$14,877.00
ccc. JOSIE G INCORPORATED	2019	10	923	\$14,877.00
ddd. JOSIE G INCORPORATED	2019	12	923	\$29,754.00

2.16. For the following payments, we were unable to identify the supporting invoice, POs, Contract, or Agreement that supports the payment data. Please provide supporting information. If not available, please explain why.

Vendor Name	Year	Period	O&M FERC Account	Total
a. OHIO OUTDOOR ADVERTISING LLC	2015	12	921	\$10,652.99
b. OHIO OUTDOOR ADVERTISING LLC	2016	1	923	\$10,993.44
c. OHIO OUTDOOR ADVERTISING LLC	2016	2	923	\$10,993.44
d. OHIO OUTDOOR ADVERTISING LLC	2016	3	923	\$10,993.44
e. OHIO OUTDOOR ADVERTISING LLC	2016	4	923	\$10,993.44
f. OHIO OUTDOOR ADVERTISING LLC	2016	5	923	\$10,993.44
g. OHIO OUTDOOR ADVERTISING LLC	2016	6	923	\$10,993.44
h. OHIO OUTDOOR ADVERTISING LLC	2016	7	923	\$13,124.64
i. OHIO OUTDOOR ADVERTISING LLC	2016	8	923	\$2,131.20
j. OHIO OUTDOOR ADVERTISING LLC	2016	9	923	\$24,118.08
k. OHIO OUTDOOR ADVERTISING LLC	2016	10	923	\$13,124.64
l. OHIO OUTDOOR ADVERTISING LLC	2016	11	923	\$13,124.64
m. OHIO OUTDOOR ADVERTISING LLC	2016	12	923	\$13,124.64
n. OHIO OUTDOOR ADVERTISING LLC	2017	1	923	\$13,974.49

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o. OHIO OUTDOOR ADVERTISING LLC	2017	2	923	\$12,748.80
p. OHIO OUTDOOR ADVERTISING LLC	2017	3	923	\$12,748.80
q. OHIO OUTDOOR ADVERTISING LLC	2017	4	923	\$12,748.80
r. OHIO OUTDOOR ADVERTISING LLC	2017	5	923	\$12,748.80
s. OHIO OUTDOOR ADVERTISING LLC	2017	6	923	\$12,748.80
t. OHIO OUTDOOR ADVERTISING LLC	2017	7	923	\$10,636.80
u. OHIO OUTDOOR ADVERTISING LLC	2017	8	923	\$10,636.80
v. OHIO OUTDOOR ADVERTISING LLC	2017	9	923	\$10,636.80
w. OHIO OUTDOOR ADVERTISING LLC	2017	10	923	\$10,636.80
x. OHIO OUTDOOR ADVERTISING LLC	2017	11	923	\$10,636.80
y. OHIO OUTDOOR ADVERTISING LLC	2017	12	923	\$10,636.80
z. OHIO OUTDOOR ADVERTISING LLC	2018	1	923	\$9,422.40
aa. OHIO OUTDOOR ADVERTISING LLC	2018	2	923	\$12,321.60
bb. OHIO OUTDOOR ADVERTISING LLC	2018	3	923	\$12,321.60
cc. OHIO OUTDOOR ADVERTISING LLC	2018	4	923	\$12,321.60
dd. OHIO OUTDOOR ADVERTISING LLC	2018	5	923	\$12,321.60
ee. OHIO OUTDOOR ADVERTISING LLC	2018	6	923	\$12,321.60
ff. OHIO OUTDOOR ADVERTISING LLC	2018	7	923	\$12,321.60
gg. OHIO OUTDOOR ADVERTISING LLC	2018	8	923	\$12,321.60
hh. OHIO OUTDOOR ADVERTISING LLC	2018	9	923	\$12,321.60
ii. OHIO OUTDOOR ADVERTISING LLC	2018	10	923	\$12,321.60
jj. OHIO OUTDOOR ADVERTISING LLC	2018	11	923	\$12,321.60
kk. OHIO OUTDOOR ADVERTISING LLC	2018	12	923	\$12,321.60
ll. OHIO OUTDOOR ADVERTISING LLC	2019	1	923	\$1,000,000.00
mm. OHIO OUTDOOR ADVERTISING LLC	2019	1	923	\$11,614.40
nn. OHIO OUTDOOR ADVERTISING LLC	2019	2	923	\$11,614.40
oo. OHIO OUTDOOR ADVERTISING LLC	2019	3	923	\$11,614.40
pp. OHIO OUTDOOR ADVERTISING LLC	2019	4	923	\$11,614.40
qq. OHIO OUTDOOR ADVERTISING LLC	2019	5	923	\$11,614.40
rr. OHIO OUTDOOR ADVERTISING LLC	2019	6	923	\$11,614.40
ss. OHIO OUTDOOR ADVERTISING LLC	2019	8	923	\$17,442.00
tt. OHIO OUTDOOR ADVERTISING LLC	2019	9	923	\$17,442.00
uu. OHIO OUTDOOR ADVERTISING LLC	2019	10	923	\$17,442.00
vv. OHIO OUTDOOR ADVERTISING LLC	2019	12	923	\$34,884.00
ww. OHIO OUTDOOR ADVERTISING LLC	2020	1	923	\$1,000,000.00

Blue Ridge Set 3 Submitted 4/22/21

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3.1.Recovery Mechanism Rider DCR: Reference the electronic document PUCO 10-K Request Attachment 1 Confidential.xlsx which presents Vendor Payments Charged/Allocated to the Ohio Companies. Under the Notes section, the second comment states,

“Capitalized costs would have been included in plant balances used in the calculation of Rider DCR revenue requirements. However, the Companies' aggregate Rider DCR revenue requirements were above the authorized revenue caps for this time period. As such, the Rider DCR rates were set based on the revenue caps, not the revenue requirements, and these capitalized dollars did not have any impact on the Companies' Rider DCR rates in the aggregate. Column (R) identifies which payments had capitalized costs.”

As of the date of this request, the PUCO has yet to decide on two Rider DCR audit issues that have been open since 2017; they include Blue Ridge’s findings and recommendations on Vegetation Management and Excess Deferred Income Taxes (EDIT). The impact of the prior passed adjustments, combined with the capitalized vendor payments identified above, could potentially reduce the revenue requirement for the open audit years below the caps. Therefore, for all years in which Blue Ridge’s recommended adjustments were not adopted, respond to the following items:

- a) Please quantify the annual and cumulative impact of each audit issue (i.e., vegetation management, EDIT, and capitalized vendor payments) on the revenue requirement compared to the cap.
- b) Please provide a narrative explanation if the Company’s quantification deviates from Blue Ridge’s computed adjustment in the audit reports.
- c) If the open Blue Ridge recommended adjustments are approved by the PUCO and the DCR revenue requirement is reduced, please provide a calculation of the capitalized vendor payments that would be refunded because the DCR revenue requirements would be below the authorized revenue caps.

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The Toledo Edison Company**

EXPANDED APPENDIX-B: WORKPAPERS

Blue Ridge's workpapers are available on a confidential USB. The work papers include the following.

- Related Party Searches Directory
- Invoices – all Directory
- SEC Filings Directory
- WP Direct vs Allocated BRC AS-Set 1-INT-003 Attachment 1 Confidential.xlsx
- WP Payments and PO Contracts Invoice Analysis R3.xlsx
- WP Pole Attachment Ratepayers BRC AS-Set 1-INT-010 Attachment 2 Confidential.xlsx
- WP Pole Attachment Rev Req CORRECTED BRC AS-Set 1-INT-010 Attachment 1 Confidential.xlsx
- WP Confidential Analysis and Tables for Report.xlsx

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in

Case No(s). 20-1629-EL-RDR

Summary: Report Compliance Audit of the 2020 Delivery Capital Recovery (DCR) Riders, of Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company electronically filed by Mrs. Tracy M Klaes on behalf of Blue Ridge Consulting Services, Inc

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in

Case No(s). 20-1502-EL-UNC

Summary: Motion for Leave to File a Supplemental Response to the September 15, 2020 Show Cause Entry electronically filed by Michael R. Gladman on behalf of The Ohio Edison Company and The Cleveland Electric Illuminating Company and The Toledo Edison Company