



# Public Utilities Commission

Mike DeWine, Governor  
Jenifer French, Chair

## Commissioners

M. Beth Trombold  
Lawrence K. Friedeman  
Dennis P. Deters  
Daniel R. Conway

August 11, 2021

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

RE: *In the Matter of the Review of the Non-Market Based Services Rider contained in the Tariffs of Ohio Edison, The Cleveland Electric Illuminating Company and The Toledo Edison Company, Case No. 21-695-EL-RDR*

Dear Docketing Division:

Enclosed please find the Staff's Review and Recommendations in regard to the interim application filed by The Ohio Edison, The Cleveland Electric Illuminating Company and The Toledo Edison Company to update its Non-Market Based Services Rider, in Case No. 21-695-EL-RDR.

Sincerely,

Marianne Townsend  
Chief, Regulatory Utility Services  
Rates and Analysis, Dept.  
Public Utilities Commission of Ohio

Dorothy Bremer  
Section Chief, Regulatory Utility Services  
Rates and Analysis, Dept.  
Public Utilities Commission of Ohio

Enclosure  
Cc: Parties of Record

**The Ohio Edison Company  
The Cleveland Electric Illuminating Company  
The Toledo Edison Company**

**Case No. 21-695-EL-RDR (NMB)**

**Summary**

The Non-Market Based Services Rider (NMB) recovers non-market based transmission-related costs, such as Network Integration Transmission Service (NITS) charges, imposed by the Federal Energy Regulatory Commission (FERC) or PJM on a non-bypassable basis. In Case No. 20-1768-EL-RDR, the Commission directed The Ohio Edison Company (OE), The Cleveland Electric Illuminating Company (CEI), and The Toledo Edison Company (TE; collectively, FirstEnergy) to modify the proposed NMB rates for OE and TE's GT classes and the CEI's GSU class to reduce the impacts such that customers monthly bill increases would not exceed 10%. This was accomplished through typical bill adjustments reducing these class revenue requirements by approximately \$21M. The Commission further directed FirstEnergy to file an interim update in six months to determine if the recovery of the additional funds is appropriate at that time and to file revised final tariffs. On June 21, 2021 First Energy filed the Non-Market Based Services Rider (NMB) interim review application.

**Staff Review**

In its interim review, Staff examined the OE and TE's GT classes and the CEI's GSU class bill impacts and found the Company's updates acceptable. The proposed rates for OE and TE's GT classes continue to include a typical bill adjustment to reduce bill impacts such that customers monthly bill increases would not exceed 10%. However, the proposed typical bill adjustment is approximately a third of the prior adjustment. The CEI's GSU class no longer needs a rate mitigation measure. At this time, Staff believes the typical bill adjustment in the Case No. 20-1768-EL-RDR and this interim filing should be tracked, and FirstEnergy should propose an appropriate reconciliation to avoid interclass subsidies in the next annual audit.

This interim filing included an update to the over/under reconciliation component with actuals through May of 2021. Staff did not audit the reconciliation component as part of its review of this interim filing. Staff will review the actuals as part of its annual review of NMB in the next application.

**Conclusion**

Subject to the recommendations above, Staff recommends to the Commission that FirstEnergy's application be approved for rates effective September 1, 2021.

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

**Commission of Ohio Docketing Information System on**

**8/11/2021 10:06:02 AM**

**in**

**Case No(s). 21-0695-EL-RDR**

Summary: Staff Review and Recommendation electronically filed by Mrs. Tanika Hawkins on behalf of PUCO Staff