

THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE 2020 REVIEW OF
THE DELIVERY CAPITAL RECOVERY
RIDER OF OHIO EDISON COMPANY, THE
CLEVELAND ELECTRIC ILLUMINATING
COMPANY, AND THE TOLEDO EDISON
COMPANY.

CASE NO. 20-1629-EL-RDR

ENTRY

Entered in the Journal on September 29, 2021

{¶ 1} In this Entry, the attorney examiner requests Staff to direct Blue Ridge Consulting Services, Inc. to expand the scope of the audit in this case to determine if the costs of the naming rights for FirstEnergy Stadium have been recovered from ratepayers by Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company. Unless otherwise ordered by the Commission, a supplemental audit report should be filed in this docket no later than November 19, 2021.

{¶ 2} Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company (collectively, FirstEnergy or Companies) are electric distribution utilities as defined by R.C. 4928.01(A)(6), and public utilities as defined in R.C. 4905.02, and, as such, are subject to the jurisdiction of this Commission.

{¶ 3} R.C. 4928.141 provides that an electric distribution utility shall provide consumers within its certified territory a standard service offer (SSO) of all competitive retail electric services necessary to maintain essential electric services to customers, including firm supply of electric generation services. The SSO may be either a market rate offer, in accordance with R.C. 4928.142, or an electric security plan (ESP), in accordance with R.C. 4928.143.

{¶ 4} On August 25, 2010, the Commission issued an Opinion and Order approving FirstEnergy's second electric security plan. *In re Ohio Edison Co., The Cleveland Elec. Illum. Co., and the Toledo Edison Co. for Authority to Establish a Std. Serv. Offer Pursuant to Section 4928.143, Revised Code, in the Form of an Elec. Security Plan*, Case No. 10-388-EL-SSO, Opinion

and Order (Aug. 25, 2010) (*ESP II Case*). In that Order, the Commission approved a joint stipulation, as modified, authorizing FirstEnergy to establish a delivery capital recovery rider (Rider DCR) effective January 1, 2012. Additionally, under the terms of the stipulation, FirstEnergy agreed to submit to an annual audit review process of Rider DCR. Subsequently, on July 18, 2012, in Case No. 12-1230-EL-SSO, the Commission issued an Order approving a joint stipulation extending, with modification, the terms of the joint stipulation approved by the Commission in the *ESP II Case. In re Ohio Edison Co., The Cleveland Elec. Illum. Co., and the Toledo Edison Co. for Authority to Provide for a Std. Serv. Offer Pursuant to Section 4928.143, Revised Code, in the Form of an Elec. Security Plan*, Case No. 12-1230-EL-SSO, Opinion and Order (July 18, 2012) (*ESP III Case*). Thereafter, by Order issued on March 31, 2016, in Case No. 14-1297-EL-SSO, the Commission approved an extension, with modification, of FirstEnergy's Rider DCR. *In re Ohio Edison Co., The Cleveland Elec. Illum. Co., and the Toledo Edison Co. for Authority to Provide for a Std. Serv. Offer Pursuant to Section 4928.143, Revised Code, in the Form of an Elec. Security Plan*, Case No. 14-1297-EL-SSO, Opinion and Order (Mar. 31, 2016) (*ESP IV Case*).

{¶ 5} On November 4, 2020, the Commission issued an Entry directing Staff to issue a request for proposal for the audit services necessary to assist with the compliance audit of the Companies. Prospective bidders were directed by the Commission to submit proposals to Staff by December 2, 2020.

{¶ 6} By Entry issued December 16, 2020, the Commission selected Blue Ridge Consulting Services, Inc. (Blue Ridge) from the submitted proposals to complete the required audit services.

{¶ 7} According to the timeline ordered by the Commission, Blue Ridge was required to submit a draft audit report to Staff by May 5, 2021, and file a final audit report with the Commission by May 17, 2021.

{¶ 8} By Entry issued March 10, 2021, the Commission granted a request from Staff and directed Blue Ridge to expand the scope of the audit to include payments made to a

number of vendors disclosed by FirstEnergy Corp. in its annual 10-K filing with the Securities and Exchange Commission. Blue Ridge filed the final audit report with the Commission on August 3, 2021.

{¶ 9} The attorney examiner notes that questions have been raised regarding whether the costs of the naming rights for FirstEnergy Stadium have been recovered from ratepayers served by the Companies. Institutional and promotional advertising does not provide a direct primary benefit to customers, and the costs of such advertising should not be recovered in rates. Therefore, the attorney examiner requests Staff to direct Blue Ridge to expand the scope of the audit in this case to determine if the costs of the naming rights for FirstEnergy Stadium have been recovered from ratepayers by the Companies. Unless otherwise ordered by the Commission, a supplemental audit report should be filed in this docket no later than November 19, 2021.

{¶ 10} The attorney examiner notes that this Entry does not extend or otherwise impact any previously-ordered due dates for comments in this case.

{¶ 11} It is, therefore,

{¶ 12} ORDERED, That Blue Ridge expand the scope of the audit in this case to determine if the costs of the naming rights for FirstEnergy Stadium have been recovered from ratepayers by the Companies. It is, further,

{¶ 13} ORDERED, That, unless otherwise ordered by the Commission, a supplemental audit report be filed in this docket no later than November 19, 2021. It is, further,

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

THE PUBLIC UTILITIES COMMISSION OF OHIO

/s/Gregory A. Price

By: Gregory A. Price
Attorney Examiner

NJW/hac

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in

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

Summary: Attorney Examiner Entry ordering that Blue Ridge expand the scope of the audit in this case to determine if the costs of the naming rights for FirstEnergy Stadium have been recovered from ratepayers by the Companies and that unless otherwise ordered by the Commission, a supplemental audit report be filed in this docket no later than November 19, 2021 electronically filed by Heather A. Chilcote on behalf of Gregory A. Price, Attorney Examiner, Public Utilities Commission of Ohio