



Public Utilities Commission

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January 19, 2022

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

RE: *In the Matter of the Review of the Distribution Uncollectible Rider, PIPP Uncollectible Rider, Non-Distribution Uncollectible Rider, Generation Cost Reconciliation Rider, and Economic Development Rider of Ohio Edison Company, The Cleveland Electric Illuminating Company and the Toledo Edison Company, Case No. 19-1906-EL-RDR*

Dear Docketing Division:

Enclosed please find the Staff's Review and Recommendations in regard to the Application filed by Ohio Edison Company, The Cleveland Electric Illuminating Company and the Toledo Edison Company, Case No. 19-1906-EL-RDR.

A handwritten signature in black ink, reading "Tamara S. Turkenton".

Tamara S. Turkenton
Director, Rates and Analysis Dept.
Public Utilities Commission of Ohio

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

Case No. 19-1906-EL-RDR

Introduction

On August 2, 2021, Ohio Edison Company, The Cleveland Electric Illuminating Company and The Toledo Edison Company (First Energy, or Companies) filed their application (Application) for the review of the Companies' Distribution Uncollectible Rider (Rider DUN), PIPP Uncollectible Rider (Rider PUR), Non-Distribution Uncollectible Rider (Rider NDU), Generation Cost Reconciliation Rider (Rider GCR), and Economic Development Rider (Rider EDR) for the year ending December 31, 2020.

Staff Review

Uncollectible Riders (Riders DUN, PUR and NDU)

Uncollectible Riders DUN, PUR and NDU were first approved for collection as a result of the Commission's Opinion and Order in Case No. 08-935-EL-SSO. Rider DUN recovers distribution uncollectible expense in excess of that being recovered in base rates which were set in Case No. 07-551-EL-AIR. Rider PUR recovers uncollectible expense associated with the Universal Service Fund/Percentage of Income Payment Plan. Rider NDU recovers non-distribution related uncollectible expense.

Staff discovered an error on lines 41 and 46 of Ohio Edison's Rider NDU and DUN calculations within the 2020 Reconcilable Deferrals schedules. Cleveland Electric Illuminating's 2019 Cumulative NDU Principal Over/Under and Cumulative NDU Interest ending balances were mistakenly carried forward to Ohio Edison's beginning balance and utilized to roll forward the monthly amounts for 2020. The Company did provide Staff with a corrected version of the Calculation of Reconcilable Deferrals Schedule for 2020. This error was immaterial and did not impact the calculation of the rates for 2020.

Staff has reviewed all necessary work-papers and support for Riders DUN, PUR and NDU that the Companies provided in this case for the four quarters ending December 31, 2020. Staff is satisfied that this filing is both consistent with and in compliance with the Commission's orders. Therefore, Staff recommends that the Application be approved as filed for Riders DUN, PUR and NDU.

Generation Cost Reconciliation Rider (Rider GCR)

On March 30, 2016, in Case No. 14-1297-EL-SSO, the Commission authorized the Companies to recover through Rider GCR the generation cost difference that the Companies pay to suppliers as compared to

the cost they recover from customers. Rider GCR is applicable to any customer who receives electric service under each of the Companies' rate schedules. If the GCR's deferred balance is less than or equal to five percent of actual generation supply cost, then Rider GCR is not applicable to customers who take generation service from a certified supplier. However, if the GCR's deferred balance is greater than five percent, then Rider GCR is not avoidable.

The Companies are required to update and reconcile this rider on a quarterly basis no later than December 1st, March 1st, June 1st, and September 1st of each year. Unless otherwise ordered by the Commission, this rider shall become effective on January 1st, April 1st, July 1st and October 1st of each year.

Staff reviewed all necessary work-papers and support for Rider GCR that the Companies provided in this case for the four quarters ending December 31, 2020 and is satisfied that the Application is both consistent with and in compliance with the Commission's orders. Therefore, Staff recommends that the Application be approved as filed for Rider GCR.

Economic Development Rider (Rider EDR)

As authorized by the Commission in Case No. 14-1297-EL-SSO, Rider EDR currently includes rate provisions which are identical amongst the Companies. The following is a brief description of the provisions under Rider EDR:

Residential Non-Standard Credit Provision -Provision (a)

This provision is applicable to residential customers who take service under the Companies' rate schedule RS and are subject to the Residential Distribution Credit Rider. This provision is not applied to customers during the period the customer takes electric generation service from a certified supplier.

Interruptible Credit Provision – Provision (b)

Through May 31, 2016, this provision was applicable to all customers who took service under approved contracts containing interruptible provisions or interruptible tariffs as of February 1, 2008 and continued to take service in conjunction with the Companies' Economic Load Response Program (Rider ELR). Beginning June 1, 2016, this provision became applicable to all customers taking service under Rider ELR.

Non-Residential Provision – Provision (c)

This provision is applicable to any customer taking service pursuant to rate schedules General Service – Transmission (GT), Street Lighting (STL), and Traffic Lighting (TRF). This provision is not applied to customers during the period the customers take electric generation service from a certified supplier.

General Service -Transmission Provision - Provision (d)

This provision was applicable to any customer taking service under rate schedule GT and was not avoidable for customers who take electric generation service from a certified supplier. This provision is reconciled quarterly and is revenue neutral to the FE companies. This provision expired June 30, 2019.

Standard Charge Provision – Provision (e)

This provision is applicable to all customers taking service under the Companies' rate schedules. This provision is not avoidable for customers who take electric generation service from a certified supplier. This provision recovers the costs associated with credits provided under provisions (a), (b) and (c).

Automaker Credit Provision -Provision (h)

This provision is applicable to domestic automaker facilities with more than 45 million kilowatt-hours of consumption for the twelve (12) monthly billing periods (baseline usage) ending December 31, 2009 at a single site. This credit is applied only to usage that exceeds the average baseline usage.

Automaker Charge Provision – Provision (i)

This provision is applicable to any customer that takes electric service under the Companies' rate schedules, except for customers under schedules GT, STL, TRF and Private Outdoor Lighting (POL) customers. This provision is not avoidable for customers who take electric generation service from a certified supplier. The charges provided under this provision recover costs related to the implementation of the Automaker Credit Provision.

Staff has reviewed all necessary work-papers and support for Rider EDR that the Companies provided in this case for the four quarters ending December 31, 2020 and is satisfied that the Application is both consistent with and in compliance with the Commission's orders and recommends that the Application be approved as filed for Rider EDR.

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Case No(s). 19-1906-EL-RDR

Summary: Staff Review and Recommendation in regard to the Application filed by Ohio Edison Company, The Cleveland Electric Illuminating Company and the Toledo Edison Company electronically filed by Zee Molter on behalf of PUCO Staff