BEFORE THE
PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application for Establishment of a Unique Arrangement for Toshi CMC, LLC	)))	Case No. 21-1205-EL-AEC

MOTION OF OHIO EDISON COMPANY, THE CLEVELAND ELECTRIC ILLUMINATING COMPANY, AND THE TOLEDO EDISON COMPANY FOR LEAVE TO FILE A MEMORANDUM CONTRA TOSHI'S MOTION FOR CLARIFICATION AND A MEMORANDUM IN SUPPORT

Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company (collectively, the "Companies") respectfully move for leave to file a Memorandum Contra the Motion for Clarification filed on September 2, 2022 by Toshi CMC, LLC ("Toshi"). Presently, the Companies are not parties to this proceeding. However, on September 22, 2022, the Companies filed a motion to intervene for the limited purpose of responding to Toshi's Motion.

As discussed more fully in the attached Memorandum in Support, Toshi's Motion requests that the Commission direct the Companies to implement a manual billing alternative under their Non-Market-Based transmission pilot program ("Rider NMB pilot"). The Companies' memorandum contra explains that the Companies do not oppose Toshi's requested relief and seeks a Commission Order to support exceptions to Sarbanes-Oxley ("SOx") controls necessitated by a manual billing solution. Because the Commission's disposition of Toshi's Motion will directly impact the Companies, and the Companies' memorandum contra will provide a more developed record, the Companies respectfully request leave to file a Memorandum Contra Toshi's Motion for Clarification.

For the reasons stated in the accompanying Memorandum in Support, the Companies respectfully request that the Commission accept for filing their memorandum contra Toshi's Motion, which is attached as Exhibit A.

Respectfully submitted,

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OHIO EDISON COMPANY, THE CLEVELAND ELECTRIC ILLUMINATING COMPANY, AND THE TOLEDO EDISON COMPANY'S MEMORANDUM IN SUPPORT OF MOTION FOR LEAVE TO FILE MEMORANDUM CONTRA TOSHI'S MOTION FOR CLARIFICATION

Toshi's Motion for Clarification seeks an order from the Commission directing the Companies[1] to implement new manual processes to facilitate Toshi's participation in the Rider NMB pilot while Toshi remains on the Standard Service Offer. Toshi's requested relief, which the Companies do not oppose, will nonetheless directly impact the Companies' interests and processes. The Companies' memorandum contra explains the implications of granting Toshi's Motion, including the Companies' need for a Commission order which will support the necessary exceptions to the Companies' SOx controls. Accordingly, the Companies respectfully request that the Commission grant them Leave to File a Memorandum Contra Toshi's Motion.

For the foregoing reasons, the Companies respectfully request that the Commission accept for filing their memorandum contra Toshi's Motion, which is attached as Exhibit A.

[1] While Toshi's original location receives service from Ohio Edison Company, Toshi received authority, as part of its reasonable arrangement, to locate additional sites in any of the Companies' territories. Additionally, the Commission's action on Toshi's Motion will likely impact each of the Companies.

Respectfully submitted,

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Exhibit A

BEFORE THE
PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application for Establishment of a Unique Arrangement for Toshi CMC, LLC	)))	Case No. 21-1205-EL-AEC

OHIO EDISON COMPANY, THE CLEVELAND ELECTRIC ILLUMINATING COMPANY, AND THE TOLEDO EDISON COMPANY'S MEMORANDUM CONTRA TOSHI CMC, LLC'S MOTION FOR CLARIFICATION

I. Introduction

Toshi CMC, LLC ("Toshi") requests an order from the Commission directing Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company (collectively, "Companies") to implement new manual processes to facilitate Toshi's participation in the Rider NMB pilot program while Toshi remains on the Standard Service Offer ("SSO"). While the Rider NMB pilot program has been implemented consistent with ESP IV, the Companies do not oppose Toshi's requested relief, subject to further considerations described below.

As the Companies explained to Toshi, a manual process will necessitate exceptions to the Companies' Sarbanes-Oxley ("SOx") controls. A Commission order to implement the manual processes will provide the necessary support for the Companies to implement new manual processes within their SOx controls framework. The Companies further request that any Commission order directing the Companies to implement a new manual process also grant the Companies authority to charge participating customers for incremental costs incurred in developing and implementing new manual processes. Finally, the Companies recommend that the Commission direct a manual process that extends to other Rider NMB pilot program participants.

II. Discussion

A. A Commission Order to implement the manual process Toshi requests will provide necessary support for SOx exceptions.

Toshi requests that the Commission clarify that the Rider NMB pilot program would permit the Companies to implement a manual process to bill Toshi based on its Network Service Peak Load ("NSPL") or manually allocate transmission responsibility to a CRES provider and Toshi engaging a CRES provider for transmission services.[2] To date, the Companies have implemented the Rider NMB pilot program in accordance with ESP IV, through automated systems and processes whereby transmission responsibility for a participating customer is allocated to the same supplier that provides the customer with generation service. However, the Companies do not oppose Toshi's requested relief of a new manual processes to facilitate SSO customer participation in the pilot, subject to further considerations described below.

While the Companies appreciate Toshi offering two options for the Commission's consideration, the Companies recommend a third option that achieves Toshi's desired result more efficiently and with less risk. Under this preferred option, the Commission would require the supplier to bill the SSO customer separately and directly for transmission-only charges while the customer receives SSO generation service under the Companies' Commission approved tariffs. Under this dual-billing process, the Companies would only need to manually remove the Rider NMB charges from the SSO customer's bill. This process still requires Commission authorization in order to provide the necessary support to implement it within the Companies' SOx control framework; however, this option would be least intrusive to the Companies' SOx controls and internal processes and require the least amount of manual process changes. This approach would also provide a clear line of distinction between the Companies' responsibilities (i.e., application or

[2] Toshi Motion at 8.

removal of Rider NMB charges) and those of the supplier (i.e., rate calculation and billing for transmission-only charges).

Toshi's two suggested options are technically feasible to implement but would be more administratively burdensome because the Companies do not have an automated processes in place to implement them. With regard to Toshi's first suggestion, to bill Toshi for transmission service based on its NSPL while taking SSO generation service, calculating Toshi's charges based on the NSPL would require new manual processes to remove otherwise applicable Rider NMB charges from the bill, derive Toshi's estimated portion of PJM bills, and apply that derived charge to the bill. As for Toshi's second suggestion, to manually allocate and bill transmission costs to Toshi and its supplier while Toshi receives SSO generation service, the Companies understand this option to require the Companies to use consolidated billing for the transmission charges on behalf of the SSO customer and their supplier. Manually allocating and billing transmission charges would require several manual process changes, to remove Rider NMB charges from the SSO customer's bill, establish processes to apply the supplier's transmission-only charges to the customer's bill, facilitate collection and payment to the supplier, and develop an internal audit process. The more manual process changes the Commission's order requires, the greater the risk of error, the greater the Companies' need to develop new internal SOx controls, and the greater the incremental costs.

B. The Commission should consider the impact of any decision on other similarly situated pilot program participants and the pilot overall.

The Companies anticipate that approval of Toshi's request may result in other pilot program participants seeking similar treatment. The Companies are aware that several Rider NMB pilot program participants have left the pilot program to return to the SSO. Participants that voluntarily leave the pilot program are ineligible to return. Had Toshi's requested relief been

available, these customers might not have left the pilot program. If the Commission grants Toshi's request, the Companies are not opposed to making the directed manual processes available to customers that left the program to return to the SSO.

C. The Commission should grant the Companies authority to charge participating customers for incremental costs incurred in developing and implementing new manual processes.

The Companies appreciate Toshi's agreement to pay the Companies' incremental costs for implementation. The Companies anticipate the possibility of incurring incremental costs to implement new processes to facilitate implementation of any of the options discussed above. The magnitude of such costs may depend on the number of pilot program customers authorized to participate in the new, manual processes. Therefore, the Companies request the Commission grant the Companies authority to directly bill all customers participating in the manual processes directed by the Commission for the pilot program for any and all incremental costs incurred by the Companies.

III. Conclusion

The Companies do not oppose the relief requested by Toshi. However, the Companies respectfully request that the Commission's directives incorporate the considerations discussed above.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I certify that the foregoing was filed electronically through the Docketing Information System of the Public Utilities Commission of Ohio on this 30th day of September 2022. The PUCO's e-filing system will electronically serve notice of the filing of this document on counsel for all parties. In addition, I hereby certify that a service copy of the foregoing *Motion for Limited Intervention* was sent by, or on behalf of, the undersigned counsel for Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company on September 30, 2022.

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Summary: Motion for Leave to File Memorandum Contra Toshi's Motion for Clarification and Memorandum Contra Toshi's Motion for Clarification electronically filed by Mr. Zachary Woltz on behalf of Ohio Edison Company and The Cleveland Electric Illuminating Company and The Toledo Edison Company