

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of Ohio)	
Edison Company, the Cleveland Electric)	
Illuminating Company and the Toledo)	Case No. 20-580-EL-ESS
Edison Company to Revise Reliability)	
Performance Standards Pursuant to)	
O.A.C. 4901:1-10-10(B)(7).)	

In the Matter of the Application of Ohio)	
Edison Company, the Cleveland Electric)	
Illuminating Company and the Toledo)	Case No. 20-581-EL-WVR
Edison Company for Approval of a)	
Waiver of O.A.C. 4901:1-10-10(B)(3),)	
(4), (5) and (6)(a).)	

**REPLY COMMENTS FOR CONSUMER PROTECTION
BY
OFFICE OF THE OHIO CONSUMERS' COUNSEL**

I. INTRODUCTION

Ohio law requires the Ohio Edison Company (“OE”), the Toledo Edison Company (“TE”), and the Cleveland Electric Illuminating Company (“CEI”) (collectively, the “FirstEnergy Utilities”) to provide safe, reliable, and reasonably priced electric distribution service.¹ Ohio law also requires the Public Utilities Commission of Ohio to (“PUCO”) to establish the minimum accepted standards that govern the level of distribution reliability that the FirstEnergy Utilities must provide consumers.² The PUCO establishes these standards based on System Average Interruption Frequency Index (“SAIFI”) metrics and a Customer Average Interruption Duration Index (“CAIDI”)

¹ R.C. 4928.02(A).

² R.C. 4928.11.

metrics.³ SAIFI is the average number of power interruptions consumers should experience annually. CAIDI is the average duration of time (in minutes) annually that consumers should be waiting to have services restored.⁴

The PUCO should protect consumers by adopting reasonable reliability standards for consumers of the FirstEnergy Utilities.⁵ The PUCO should schedule this matter for a hearing.⁶ While the Staff Comments have recommended more stringent reliability standards than proposed by the FirstEnergy Utilities, further improvement is supported by the PUCO rules.⁷ Also, the PUCO rules for establishing reliability standards supports SAIFI and CAIDI improvement over the standards proposed by the FirstEnergy Utilities.⁸

³ O.A.C. 4901:1-10-10(B).

⁴ The reliability standards that are being established in this proceeding are considered “blue sky.” They are a measure of the normal operations of the distribution system where the FirstEnergy Operating Companies largely have control over the major factors that cause interruptions. There are many other factors that can impact the reliability that consumers experience (*e.g.*, momentary interruptions, significant major weather events, transmission, and generation-caused interruptions). But these factors are excluded from the reliability standards calculations to provide a reasonable measure of the reliability performance that the FirstEnergy Operating Companies are providing. *See* O.A.C. 4901:1-10-01(T) and (V); O.A.C. 4901:1-10-10(B)(4)(c).

⁵ O.A.C. 4901:1-10-10(B)(6)(e).

⁶ *Id.*

⁷ O.A.C. 4901:1-10-10(B)(4)(a).

⁸ *Id.*

II. REPLY COMMENTS/ RECOMMENDATIONS

- A. To consumers' detriment, the PUCO Staff Comments unreasonably recommend that the PUCO approve the proposed SAIFI standards for all three FirstEnergy Utilities even though it provides no analysis, rationale, or support for an unprecedented adjustment that would decrease reliability for consumers.**

Ohio Edison proposed in its revised application a SAIFI standard of 1.0 compared to the current standard of 1.11.⁹ Ohio Edison proposed a CAIDI standard of 115.9 minutes compared to the current standard of 114.37 minutes.¹⁰ Cleveland Electric Illuminating proposed in its revised application a SAIFI standard of 1.13 compared to the current standard of 1.30.¹¹ Cleveland Electric Illuminating proposed a CAIDI standard of 137.6 minutes compared to the current standard of 135.00 minutes.¹² Toledo Edison proposed in its revised application a SAIFI standard of 0.76 compared to the current standard of 1.0.¹³ Toledo Edison proposed a CAIDI standard of 108.8 minutes compared to the current standard of 112.33 minutes.¹⁴

The PUCO Staff recommended that the PUCO approve the SAIFI standard as proposed for each of the three FirstEnergy Utilities.¹⁵ But the SAIFI standards as proposed included an adjustment to account for what the FirstEnergy Utilities consider to be an increasing trend in annual rainfall amounts in Ohio over the last 22 years.¹⁶ If the

⁹ *In the Matter of Ohio Edison Company, the Cleveland Electric Illuminating Company, and the Toledo Edison Company to Establish Company-Specific Minimum Reliability Performance Standards*, Revised Application, (May 2, 2022) at Table 1.

¹⁰ *Id.*

¹¹ *Id.*

¹² *Id.*

¹³ *Id.*

¹⁴ *Id.*

¹⁵ Case No. 20-580-EL-ESS, Staff Comments (June 22, 2023) at 8.

¹⁶ Revised Application at 6.

adjustment is adopted, FirstEnergy Utility consumers will be subject to receiving more frequent outages annually than supported under the rules. The PUCO Staff comments provided no rationale to support why it recommended the PUCO approve the proposed rainfall adjustment to the five-year average historical performance.

Under the PUCO rules, reliability performance standards should be based on historical system performance, system design, technological advancements, service area geography, customer perception survey results, and other relevant factors.¹⁷ OCC explained in its initial comments that the impact of increased rainfall (if any) was already reflected in the historical SAIFI performance for each of the FirstEnergy Utilities over a long period of time and that a separate rainfall adjustment was not necessary.¹⁸ OCC also commented that the FirstEnergy Utilities have not provided any support or predictions for future rainfall amounts that might support an adjustment in the SAIFI standard on a going-forward basis.¹⁹ Without a supportable future prediction of rainfall amounts and the impact on vegetation, the FirstEnergy Utilities have provided no basis for the PUCO to approve such an adjustment to the five-year average SAIFI performance.

Regrettably, the PUCO Staff has merely supported the FirstEnergy Utilities proposed SAIFI standards without providing any analysis or support. There is no basis for the PUCO to conclude that the FirstEnergy Utilities increased rainfall adjustment to the standard is just and reasonable. The PUCO should require the FirstEnergy Utilities to comply with the PUCO rules for establishing new reliability standards and eliminate the proposed increased rainfall adjustment as an adder on the five-year average historical

¹⁷ O.A.C. 4901:1-10-10(B).

¹⁸ Case No. 20-580-EL-ESS, OCC Comments (June 12, 2023) at 8.

¹⁹ *Id.*

performance in establishing the new SAIFI standards. The adjustment is not necessary and contributes to consumers experiencing more outages annually than supported under the PUCO rules.

- B. To consumers' detriment, the PUCO Staff Comments unreasonably recommend that the PUCO approve the proposed SAIFI standards for all three FirstEnergy Utilities even though it provides no rationale, analysis, or support for the two standard deviation variance that results in the potential for consumers to experience more frequent annual outages than supported under the PUCO rules for establishing new reliability standards.**

The PUCO Staff recommended that the PUCO approve the SAIFI standard as proposed for each of the three FirstEnergy Utilities.²⁰ The FirstEnergy Utilities proposed adding an unprecedented two standard deviation variance to the five-year average SAIFI performance for 2017 through 2021 for their new SAIFI standards.²¹ As explained in the OCC initial comments, the proposed addition of two standard deviations to the five year average historical performance does not comply with the PUCO rules for establishing new standards.²²

Under the PUCO rules, reliability performance standards should be based on historical system performance, system design, technological advancements, service area geography, customer perception survey results, and other relevant factors, not some arbitrary adder like the FirstEnergy Utilities proposed.²³ The FirstEnergy Utilities failed to provide any meaningful analysis or support for why there was a need for a two standard deviation variance. Nor did the Staff provide any analysis behind its

²⁰ Case No. 20-580-EL-ESS (June 22, 2023) at 8.

²¹ Revised Application at 5.

²² Case 20-580-EL-ESS (June 12, 2023) at 9.

²³ O.A.C. 4901:1-10-10(B)(4)(a).

recommendation to support such a high variance. Without any analysis or support from the PUCO Staff, the PUCO cannot determine that the two standard deviation variance to the five-year average SAIFI performance as proposed by the FirstEnergy Utilities is just and reasonable as required under the PUCO rules.²⁴

C. The PUCO Staff Comments unreasonably recommend that the PUCO approve CAIDI Standards for all three FirstEnergy Utilities that fail to comply with the PUCO rules for establishing new reliability standards.

The PUCO Staff recommended that the PUCO approve the Toledo Edison CAIDI standard at 108.8 minutes as proposed by the utility,²⁵ and that the Ohio Edison and Cleveland Electric Illuminating CAIDI standards be continued at their current PUCO approved level of 114.37 and 135.00 minutes respectively.²⁶ But as explained earlier, the PUCO rules support performance standards being based on quantifiable factors including the historical performance, system design, technological advancements, service area geography, and the results of customer perception surveys.²⁷ The proposed Toledo Edison CAIDI was calculated using a two standard deviation variance as an adder on the five-year average historical performance that is not supported in the PUCO rules.²⁸ The PUCO Staff provided no support or analysis regarding the reasonableness of the proposed two standard variance to the five- year average Toledo Edison historical CAIDI performance. Without such support and analysis, there is no basis for the PUCO to determine that the proposed Toledo Edison CAIDI standard is just and reasonable.

²⁴ O.A.C. 4901:1-10-10(B)(6)(9)(e).

²⁵ Staff Comments (June 22, 2023) at 4.

²⁶ Staff Comments (June 22, 2023) at 8.

²⁷ O.A.C. 4901:1-10-10(B)(4)(a).

²⁸ Staff Comments (June 22, 2023) at 4.

Further, the PUCO Staff recommendation to continue the Ohio Edison and Cleveland Electric Illuminating CAIDI standards at their current levels is unjust and unreasonable. It fails to comply with PUCO rules regarding establishing new reliability standards. The PUCO rules support the CAIDI standards for all three FirstEnergy Utilities being based on their five-year average historical performance.²⁹

D. The PUCO should not approve FirstEnergy Utilities proposed reliability standards that exceed the just and reasonable levels recommended by OCC.

As explained in our comments and these reply comments, the PUCO should not approve the proposed FirstEnergy Utilities reliability standards that exceed the just and reasonable levels recommended by OCC. The following table provides a summary of the SAIFI and CAIDI standards as proposed by the FirstEnergy Utilities compared with those recommended by the PUCO Staff and OCC.

Operating Company	Current Standard	FirstEnergy Proposed Standard	Staff Proposed Standard	OCC Recommended Standard ³⁰
CEI SAIFI	1.3	1.13	1.13	1.0
CEI CAIDI	135.00	137.6	135.00	124.69
OE SAIFI	1.11	1.0	1.0	0.91
OE CAIDI	114.37	115.9	114.37	107.72
TE SAIFI	1.0	0.76	0.76	0.59
TE CAIDI	112.33	108.8	108.8	100.41

III. CONCLUSION

For all the reasons that are addressed in our comments and these reply comments, the PUCO should protect consumers by finding that the reliability standards proposed by

²⁹ O.A.C. 4901:1-10-10(B)(4)(a).

³⁰ See OCC Comments (June 12, 2023) on p. 7 for the five-year average SAIFI and CAIDI historical performance values (2017-2021).

the FirstEnergy Utilities are unjust and unreasonable. The PUCO should also schedule this matter for hearing.

Respectfully submitted,

Bruce Weston (0016973)
Ohio Consumers' Counsel

/s/ William J. Michael
William J. Michael (0070921)
Counsel of Record
Assistant Consumers' Counsel

Office of the Ohio Consumers' Counsel
65 East State Street, Suite 700
Columbus, Ohio 43215
Telephone: [Michael]: (614) 466-1291
william.michael@occ.ohio.gov
(willing to accept service by e-mail)

CERTIFICATE OF SERVICE

I hereby certify that a copy of these Reply Comments for Consumer Protection was served on the persons stated below via electronic transmission, this 12th day of July 2023.

/s/ William J. Michael

William J. Michael

Assistant Consumers' Counsel

The PUCO's e-filing system will electronically serve notice of the filing of this document on the following parties:

SERVICE LIST

robert.eubanks@ohioago.gov
rhiannon.howard@ohioago.gov

Attorney Examiners:
megan.addison@puco.ohio.gov
gregory.price@puco.ohio.gov

edanford@firstenergycorp.com
cwatchorn@firstenergycorp.com
bknipe@firstenergycorp.com
gjack@firstenergycorp.com
dproano@bakerlaw.com
ahaque@bakerlaw.com
eprouy@bakerlaw.com
pwillison@bakerlaw.com

**This foregoing document was electronically filed with the Public Utilities
Commission of Ohio Docketing Information System on**

7/12/2023 4:34:02 PM

in

Case No(s). 20-0580-EL-ESS, 20-0581-EL-WVR

Summary: Reply Reply Comments for Consumer Protection by Office of the Ohio
Consumers' Counsel electronically filed by Ms. Alana M. Noward on behalf of
Michael, William J..