



Office of the Ohio Consumers' Counsel

October 26, 2023

Ms. Tanowa Troupe, Secretary
Public Utilities Commission of Ohio
180 East Broad Street, 11th Floor
Columbus, Ohio 43215

RE: *In the Matter of the Application of Ohio Edison Company, the Cleveland Electric Illuminating Company, and the Toledo Edison Company for Authority to Establish a Standard Service Offer Pursuant to R.C. 4928.143 in the Form of an Electric Security Plan.* Case No. 23-301-EL-SSO

Dear Ms. Troupe:

On October 16, 2023, OCC filed the Direct Testimony of Joseph P. Buckley in this case. I am attaching an errata related to his testimony.

Please substitute the attached page 10 of his testimony for the original page 10 which was included in Mr. Buckley's filed testimony.

Thank you.

Very truly yours,

/s/ John Finnigan

John Finnigan (0018689)
Assistant Consumers' Counsel

cc: All Parties of Record & Attorney Examiners

*Direct Testimony of Joseph P. Buckley
On Behalf of the Office of the Ohio Consumers' Counsel
PUCO Case No. 23-301-EL-SSO*

1 Currently the average bond rating for US electric companies by S&P is BBB+. ¹⁰ The FirstEnergy
2 Utilities' bond rating is BBB, one notch below, but still at investment grade. On the other hand,
3 FirstEnergy Corp., the FirstEnergy Utilities' parent company, entered into a Deferred Prosecution
4 Agreement admitting to the facts of honest services wire fraud for, among other things, paying
5 \$4,333,333 to the former PUCO Chairman's company to "perform official action in his capacity as
6 PUCO Chairman to further FirstEnergy Corp.'s interests relating to the passage of nuclear legislation
7 and other specific FirstEnergy Corp. legislative and regulatory priorities, as requested and as
8 opportunities arose." ¹¹ ~~were indicated and fined for breaking the law and violations of financial and~~
9 ~~accounting rules.~~ A strong argument can be made that the FirstEnergy Utilities' authorized rate of
10 return should be lowered as a deterrent for similar ~~criminal~~ alleged criminal-questionable activities ~~and~~
11 ~~violations~~ (currently under investigation) ~~and violations~~ by the FirstEnergy Utilities, ~~and other Ohio~~
12 ~~electric distribution utilities.~~ For example, in PUCO Case No. 20-1629-EL-RDR, OCC has
13 recommended that the return on equity allowed for the Delivery Capital Recovery Rider ("Rider DCR")
14 should be lowered by 200 basis points, from 10.50% to 8.50% for the improper payments and improper
15 charges to consumers as identified by the third-party auditor of the 2020 Rider DCR. ¹²

16
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18 **IV. CONCLUSION**

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20 ***Q17. WHAT RATE OF RETURN DO YOU RECOMMEND IN THIS PROCEEDING FOR THE***
21 ***APPLICABLE RIDERS IN WHICH A RATE OF RETURN IS REQUESTED?***

22
23 ***A17.*** I believe the rate of return should be no higher than 7.51 percent. The ROE (and resulting rate of
24 return) allowed for certain riders such as Rider DCR and the Advanced Metering Infrastructure/Modern
25 Grid Rider ("Rider AMI") should be
26

¹⁰ S&P Global Rating/Industry Top Trends (January 23, 2023).

¹¹ United States v. FirstEnergy Corp., Case No. 1:21-cr-98, Deferred Prosecution Agreement at 24 (July 22, 2021).

¹² PUCO Case No. 20-1629-EL-RDR, Comments of OCC at 16 (October 4, 2021).

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in

Case No(s). 23-0301-EL-SSO

Summary: Correspondence Correspondence by Office of the Ohio Consumers'
Counsel electronically filed by Mrs. Tracy J. Greene on behalf of Finnigan, John.