



November 17, 2023

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

RE: *In the Matter of the Application for Establishment of a Reasonable Arrangement  
Between the City of Akron, Ohio and Ohio Edison Company, Case No. 23-798-EL-AEC*

Dear Docketing Division:

Enclosed please find the Staff's Review and Recommendations regarding the Application of the City of Akron, for approval of a Reasonable Arrangement with Ohio Edison Company, Case No. 23-798-EL-AEC.

A handwritten signature in black ink that reads "Natalia Messenger".

Natalia Messenger  
Accounting and Finance Division  
Public Utilities Commission of Ohio

**Commissioners**

Daniel R. Conway  
Dennis P. Deters  
Lawrence K. Friedman  
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## STAFF REVIEW AND RECOMMENDATIONS

### CITY OF AKRON, OHIO Case No. 23-798-EL-AEC

#### Background

On August 17, 2023, the City of Akron, Ohio (City or Applicant) filed an Application for approval of a reasonable arrangement (Arrangement) with Ohio Edison Company (Company) pursuant to Ohio Administrative Code, Chapter 4901:1-38. The Applicant's filing included an Affidavit in Support of Application signed by its City Service Director.

The City owns water reclamation and water treatment facilities, which the Application states qualify as mercantile customers under R.C. 4928.01(A)(19). Through the water facilities, the City provides sewer services to 330,000 residents and treats domestic water for 300,000 residents. These residents rely on the City for such services as there is no alternative provider.

In the Application, the City requests approval to participate in the Company's NMB Pilot Program and opt out of Rider NMB charges. Under the NMB Pilot, participants obtain transmission services through a third party, with the City being billed for those services based on consumption during the transmission zone's five highest peak hours each year, rather than their monthly peak demand under Rider NMB. Due to anticipated investments in the system, including a mandatory upgrade to its combined sewer overflow system ordered by the U.S. Environmental Protection Agency, the City is seeking to reduce its transmission costs by participating in the NMB Pilot Program. The City states that, through the program, it would be able to lower its transmission costs through prudent energy management.

The City describes several steps taken to provide payment assistance to qualifying residents and invest in initiatives that reduce usage and increase efficiency. If the goal of reducing its peak demand is successful, the City further states that this Arrangement will benefit Ohio because it has the potential to decrease the need for additional investment in transmission facilities.

The following are the Applicant's proposed terms of the Arrangement:

- A. The City, on behalf of the Water Reclamation and Water Treatment facilities, will participate in Rider NMB Opt-Out Pilot Program, pursuant to the stipulation approved by the Commission in FirstEnergy's ESP IV Case.<sup>1</sup> All other terms and conditions of service would be governed by the applicable provisions of the Ohio Edison tariffs.
- B. The arrangement will commence on approval of the Application and execution of an agreement with Ohio Edison, and the term will be the full duration of the Rider NMB Opt-

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<sup>1</sup> See *In re Application of Ohio Edison Company, the Cleveland Electric Illuminating Company, and the Toledo Edison Company*, Case No. 14-1297-EL-SSO ("FirstEnergy ESP IV Case"), Opinion and Order (Mar. 31, 2016).

Out Pilot Program, including any successor program. During the term of the Arrangement, the Water Reclamation and Water Treatment facilities will be exempt from standard Rider NMB rates.

- C. The City, on behalf of the Water Reclamation and Water Treatment facilities, may seek to modify this Arrangement as circumstances and conditions warrant and as approved by the Commission.
- D. Upon reasonable notice to Ohio Edison, the City may terminate this Arrangement before the end date of the term as approved by the Commission.
- E. This arrangement will not produce delta revenue.
- F. The proposed Arrangement would be subject to such other terms and conditions as are customary.

### **Staff Review**

Staff reviewed the Application to evaluate whether the Applicant's proposed arrangement terms adhere to the reasonable arrangement requirements set forth in Ohio Adm.Code 4901:1-38.

Staff notes that FirstEnergy currently has a pending Electric Security Plan application,<sup>2</sup> which is expected to take effective June 1, 2024. The NMB Pilot Program is at issue in that case, with several parties interested in modifications to or termination of the program.

Based on its review of the commitments and terms provided in the Application, Staff concludes that the proposed arrangement adheres to the requirements for a reasonable arrangement. Staff recommends approval subject to the following modifications:

- 1) The Applicant proposes in its application that it be allowed to terminate the reasonable arrangement "[u]pon reasonable notice to Ohio Edison." Staff recommends that the Applicant be required to file any such notice in the docket no later than 30 days before the effective date of such termination. The arrangement shall be deemed to be terminated on the proposed date in the notice (provided that such date is at least 30 days after the notice is filed), unless the Commission rules otherwise.
- 2) The Applicant proposes in its application that it be allowed to continue participation through any successor program of the NMB Pilot Program. Staff recommends that the Applicant's continued participation under this reasonable arrangement only be

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<sup>2</sup> See *In re Application of Ohio Edison Company, the Cleveland Electric Illuminating Company, and the Toledo Edison Company*, Case No. 23-301-EL-SSO, Application (April 5, 2023).

permitted to the extent that this reasonable arrangement is required for its participation and participation is compliant with the Ohio Administrative Code.

### **Conclusion**

Based on this review, Staff recommends that the Commission approve the Application in this case, subject to Staff's modifications.

**This foregoing document was electronically filed with the Public Utilities  
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11/17/2023 2:05:03 PM**

**in**

**Case No(s). 23-0798-EL-AEC**

Summary: Staff Review and Recommendation regarding the Application of the City of Akron for approval of a Reasonable Arrangement with Ohio Edison Company electronically filed by Zee Molter on behalf of PUCO Staff.