

THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE 2023 REVIEW OF
THE DELIVERY CAPITAL RECOVERY
RIDER OF OHIO EDISON COMPANY, THE
CLEVELAND ELECTRIC ILLUMINATING
COMPANY, AND THE TOLEDO EDISON
COMPANY.

CASE NO. 23-893-EL-RDR

ENTRY

Entered in the Journal on December 13, 2023

I. SUMMARY

{¶ 1} The Commission selects Blue Ridge Consulting Services, Inc. to conduct the audit services necessary to assist the Commission with the 2023 annual audit of the delivery capital recovery rider costs of Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company.

II. DISCUSSION

{¶ 2} Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company (collectively, FirstEnergy or Companies) are electric distribution utilities (EDUs) as defined by R.C. 4928.01(A)(6), and public utilities as defined in R.C. 4905.02, and, as such, are subject to the jurisdiction of this Commission.

{¶ 3} On August 25, 2010, the Commission approved FirstEnergy's second electric security plan. *In re Ohio Edison Co., The Cleveland Elec. Illum. Co., and the Toledo Edison Co. for Authority to Establish a Std. Serv. Offer Pursuant to Section 4928.143, Revised Code, in the Form of an Elec. Security Plan*, Case No. 10-388-EL-SSO (*ESP II Case*), Opinion and Order (Aug. 25, 2010). In that Order, the Commission approved a joint stipulation, as modified, authorizing FirstEnergy to establish a delivery capital recovery rider (Rider DCR) effective January 1, 2012. Additionally, under the terms of the stipulation, FirstEnergy agreed to submit to an annual audit review process of Rider DCR. Thereafter, on July 18, 2012, in Case No.

12-1230-EL-SSO, the Commission issued an Order approving a joint stipulation extending, with modification, the terms of the joint stipulation approved by the Commission in the *ESP II Case. In re Ohio Edison Co., The Cleveland Elec. Illum. Co., and the Toledo Edison Co. for Authority to Provide for a Std. Serv. Offer Pursuant to Section 4928.143, Revised Code, in the Form of an Elec. Security Plan*, Case No. 12-1230-EL-SSO (*ESP III Case*), Opinion and Order (July 18, 2012). Thereafter, by Order issued on March 31, 2016, in Case No. 14-1297-EL-SSO, the Commission approved an extension, with modification, of FirstEnergy's DCR Rider. *In re Ohio Edison Co., The Cleveland Elec. Illum. Co., and the Toledo Edison Co. for Authority to Provide for a Std. Serv. Offer Pursuant to Section 4928.143, Revised Code, in the Form of an Elec. Security Plan*, Case No. 14-1297-EL-SSO (*ESP IV Case*), Opinion and Order (Mar. 31, 2016). In the *ESP IV Case*, the Commission ordered the continued annual audits of Rider DCR. *ESP IV Case*, Opinion and Order (Mar. 31, 2016) at 25, 92-93.

{¶ 4} On November 1, 2023, the Commission issued an Entry directing Staff to issue a request for proposal (RFP) for the audit services necessary to assist with the compliance audit of the Companies. Prospective bidders were directed by the Commission to submit proposals to Staff by November 29, 2023. Bidders were directed to demonstrate their understanding of the project and the work required by showing a clear understanding of the tasks to be completed, the experience and qualifications of the personal who will perform the work, and the anticipated breakdown of costs and timing.

{¶ 5} The proposals received in response to the RFP have been evaluated and, after consideration of those proposals, the Commission selects Blue Ridge Consulting Services, Inc. (Blue Ridge). The Commission finds that Blue Ridge has the necessary experience to complete the required work.

{¶ 6} The Companies shall enter into a contract with Blue Ridge by January 5, 2024, for the purpose of providing payment for its auditing services. The contract shall incorporate the terms and conditions of the RFP, the auditor's proposal, and relevant Commission entries in this case.

{¶ 7} The Commission shall select and solely direct the work of the auditor. The Commission's Staff will review and approve payment invoices submitted by the auditor.

{¶ 8} Blue Ridge will execute its duties pursuant to the Commission's statutory authority to investigate and acquire records, contracts, reports, and other documentation under R.C. 4903.02, 4903.03, 4905.06, 4905.15, and 4905.16. Blue Ridge is subject to the Commission's statutory duty under R.C. 4901.16, which provides:

Except in his report to the public utilities commission or when called on to testify in any court or proceeding of the public utilities commission, no employee or agent referred to in section 4905.13 of the Revised Code shall divulge any information acquired by him in respect to the transaction, property, or business of any public utility, while acting or claiming to act as such employee or agent. Whoever violates this section shall be disqualified from acting as agent, or acting in any other capacity under the appointment or employment of the commission.

{¶ 9} Upon request of Blue Ridge or Staff, the Companies shall provide any and all documents or information requested. The Companies may conspicuously mark such documents or information "confidential" if the Companies believe the document should be deemed as such. In no event, however, shall the Companies refuse or delay in providing such documents or information.

{¶ 10} Once disclosure is permitted by R.C. 4901.16, the following process applies to the release of any document or information marked as confidential. Three days' prior notice of intent to disclose shall be provided to the party claiming confidentiality. Three days after such notice, Staff or the auditor may disclose or otherwise make use of such documents or information for any lawful purpose, unless the Commission receives a request for a protective order pertaining to such documents or information within the three-day

notice period. The three-day notice period will be computed according to Ohio Adm.Code 4901-1-07.

{¶ 11} Blue Ridge shall perform its audit and investigation as an independent contractor. Any conclusions, results, or recommendations formulated by Blue Ridge may be examined by any participant to this proceeding. Further, it shall be understood that the Commission and/or its Staff shall not be liable for any acts committed by Blue Ridge or its agents in the preparation and presentation of the report.

III. ORDER

{¶ 12} It is, therefore,

{¶ 13} ORDERED, That Blue Ridge be selected to perform the audit services set forth above. It is, further,

{¶ 14} ORDERED, That FirstEnergy and Blue Ridge shall observe the requirements set forth herein. It is, further,

{¶ 15} ORDERED, That a copy of this Entry be served upon all parties of record.

COMMISSIONERS:

Approving:

Jenifer French, Chair
Daniel R. Conway
Lawrence K. Friedeman
Dennis P. Deters
John D. Williams

MJA/dr

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Case No(s). 23-0893-EL-RDR

Summary: Entry selecting Blue Ridge Consulting Services, Inc. to conduct the audit services necessary to assist the Commission with the 2023 annual audit of the delivery capital recovery rider costs of Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company. electronically filed by Ms. Mary E. Fischer on behalf of Public Utilities Commission of Ohio.