



FOR IMMEDIATE RELEASE

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## **PUCO Order Granting FirstEnergy Bailout is Bad for Ohio**

(COLUMBUS, OH) - The Alliance for Energy Choice released a statement after the Public Utilities Commission of Ohio (PUCO) issued an Order today granting the Akron based utility hundreds of millions of dollars for “grid modernization.” The PUCO Order authorizes FirstEnergy to collect \$132.5 million per year for 3 years for “grid modernization” without specifying what that entails or setting a timetable for implementation.

“The Alliance for Energy Choice continues to be disappointed that the PUCO once again granted the utility’s request for more money with no corresponding benefit to customers,” said Alliance spokesperson Todd Snitchler. “Businesses and families will again be required to pay more for the same service they already receive with only a hope that customers will gain an upgraded grid if and when the utility elects to do so.” Snitchler added, “While not as costly as the multi-billion dollar amount FirstEnergy sought, the hundreds of millions of dollars this order authorizes still penalizes customers with unnecessarily higher utility costs without any tangible benefit.”

The PUCO’s Order today moves the FirstEnergy case closer to resolution after more than two years of highly charged and convoluted proceedings. The case was initially filed as a power purchase agreement (PPA) in August of 2014. After a lengthy proceeding, the PUCO granted the PPA in March of 2016, only to be stopped by the Federal Energy Regulatory Commission (FERC) the next month.

The FERC decision did not prohibit the utility PPAs, but simply required FirstEnergy (and American Electric Power who had a similar PPA proposal before the PUCO) to submit the proposed PPA to FERC for review the affiliate agreement. This heightened review is to ensure customers are protected under the terms of the proposed affiliate transaction. FirstEnergy and AEP elected not to file those agreements at FERC for its review. FirstEnergy modified its proposal to the PUCO, and AEP indicated it will seek re-regulation of the electric industry in Ohio and not continue to seek resolution at FERC.

FirstEnergy pursued an alternative to the PPA that retained many of the same characteristics of the original application. PUCO Staff recommended the revised PPA be rejected and instead proposed a “grid modernization” rider to provide credit support for the company. The PUCO Order today granted that rider.

“The proper outcome of this case would be to reject FirstEnergy’s ESP application and require them to submit a new application that complies with the current law. FirstEnergy should simultaneously be required to file a distribution rate case to document the need for, and amount of, a true grid modernization program,” Snitchler said.

While the Order is lengthy and requires time to review and digest the particulars, Snitcher said applications for re-hearing are likely to be filed before the case is almost certainly appealed to the Ohio Supreme Court. “While the parties are getting closer to a final answer,

there remain more steps before customers, competitors, and the utility itself get final answers on this application for a bailout,” he said.

**About the Alliance for Energy Choice:** The Alliance for Energy Choice is an Ohio non-profit corporation that promotes fairness and competition among electric utilities. The Alliance advocates for market solutions that will ensure adequate and fairly priced supply of electric power to Ohio’s residents and businesses. The Alliance also advocates for a level playing field for energy companies that does not favor one supplier over another. **Alliance members:** Calpine, Carroll County Energy, Dynegy, NRG Energy, Eastern Generation, LLC, and Talen Energy.

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