

August 21, 2026

Via Email Donald.Leming@puco.ohio.gov

Mr. Donald Leming
Director, Service Monitoring and Enforcement Division
Public Utilities Commission of Ohio
180 E. Broad St.
Columbus, Ohio 43215

Re: Response and Corrective Action Plan

Dear Mr. Leming:

The Cleveland Electric Illuminating Company (“CEI” or “Company”) appreciates the opportunity to respond to the Notice of Probable Non-Compliance issued by the Staff of the Public Utilities Commission of Ohio on August 7, 2026 (“August 7 Notice”).

CEI recognizes the impact that recent outages have had on customers, businesses and local institutions in Lakewood and the surrounding area, particularly during periods of extreme heat. Reliable electric service is essential to the communities we serve, and we understand the frustration and disruption these outages have caused.

CEI Efforts to Improve Lakewood’s Reliability Preceded the August 7 Notice

Before the August 7 Notice was issued, CEI initiated a comprehensive review of the infrastructure serving Lakewood and the surrounding communities which consisted of engineering reviews, infrastructure assessments, outage analysis, and field inspections. Following this review, CEI began developing and implementing a comprehensive reliability improvement plan focused on reducing and retiring the 4kV system in favor of a more standard distribution voltage of 13.2kV throughout the CEI service territory.

The Company then began implementing improvements designed to strengthen system reliability and improve restoration performance. Since that time, the Company has undertaken targeted equipment repairs and replacements, enhanced inspection and monitoring activities, vegetation management initiatives, and operational improvements intended to address known reliability risks and strengthen the electric system serving the area.

Following the June and July 2026 outages, CEI undertook additional actions including the completion of extensive walkdown inspections of the forty-nine circuits that feed the Lakewood area. These inspections not only look for deficiencies but also items that could lead to outages in the future. Additionally, the Company’s vegetation management

crews completed trimming of 44.82 circuit miles. The Company also evaluated opportunities to increase system capacity and operational flexibility, advanced equipment replacement schedules, where feasible, and identified additional near-term actions.

The actions described in this response reflect CEI's commitment to delivering safe and reliable service, maintaining compliance with applicable regulations, and strengthening customer confidence through transparent communication and measurable improvements. CEI is committed not only to addressing the issues identified through recent outage events but also to building a stronger electric system capable of supporting the future needs of Lakewood and surrounding communities.

CEI's Comprehensive Lakewood Reliability Improvement Plan

As described below, CEI's reliability improvement plan is designed to address the specific equipment, capacity, and operational challenges identified through engineering reviews, system analysis, and outage investigations conducted following outages in Lakewood and the surrounding communities.

Importantly, CEI's plan differs from the approach proposed in the August 7 Notice. While the August 7 Notice proposes corrective actions focused on renewing the system in its current configuration, CEI's plan is designed to address the underlying causes of the reliability challenges identified in Lakewood while positioning the system to serve Lakewood's current and future demand. The Company believes customers are best served by investments that improve system capacity, operational flexibility, and long-term resiliency, rather than simply replacing aging infrastructure with facilities of similar design and capability. CEI's goal is not simply to refurbish the existing system, but to replace and modernize key portions of it with a better system for customers.

The work planned in Lakewood will accelerate and expand initiatives already identified in the Three-Year Rate Plan ("TYRP").¹ Those initiatives include investments identified through the Company's comprehensive infrastructure reviews performed in 2024 and 2025, as well as additional projects informed by subsequent outage analysis, engineering assessments, and field inspections. Planned investments include equipment replacement, substation modernization, infrastructure upgrades, and system reinforcement projects intended to maintain a safe and reliable electric system while addressing the specific reliability challenges identified in Lakewood and surrounding communities. The TYRP also supports targeted capacity expansion through the replacement of aging conductors, reinforcement of system ties, and other improvements that enhance network redundancy and operational flexibility. Collectively, these investments advance CEI's broader grid modernization efforts, including voltage conversion initiatives and related system upgrades, and are designed to improve reliability, strengthen resiliency, and better position the electric system to serve current and future customer needs.

¹ PUCO Case No. 26-0347-EL-AIR, *et al.*

Corrective Action 1. Status of 2025 Corrective Actions

CEI has made meaningful progress on the corrective actions committed to in response to the October 1, 2025 letter resolving the prior notice of probable non-compliance. Of the nine corrective actions due by the end of 2026, the Company has completed four and remains on track to complete the remaining five by December 31, 2026.

Corrective Action 2. Distribution Infrastructure and Equipment Analysis

CEI agrees that failed equipment serving Lakewood should be reviewed promptly and that equipment operating above its design limits should be addressed. The Company will compile a list of equipment serving Lakewood that failed due to heat and storms that occurred in late June and early July 2026 and will complete an engineering analysis by October 31, 2026 to determine whether each item was operating within its design limits or was overloaded.

For failed equipment determined to have operated below its designed peak load, CEI will conduct a technical root cause analysis and provide Staff with a report by December 31, 2026.

For failed equipment determined to have operated above its designed peak load, CEI agrees with Staff that capacity constraints must be addressed. However, CEI plans to go beyond replacing all such equipment on a like-for-like basis. As described in response to Proposed Corrective Action 3, CEI's long-term plan is intended to strengthen the local electric system by retiring, replacing or upgrading facilities in a manner that increases capacity, improves flexibility and enhances reliability for Lakewood customers.

Corrective Action 3. Distribution Infrastructure and Equipment Useful Life Review

The Company will characterize the inventory of distribution equipment serving Lakewood, including underground cable, poles, wires, reclosers, breakers, transformers and other related distribution assets. The inventory will identify available installation dates and equipment ages, manufacturer specifications where available and relevant failure history to assign an expected remaining life for each asset category. CEI proposes to complete this review by October 31, 2026.

With respect to Staff's request for a scheduled replacement plan, CEI proposes a modified approach. The Company's long-term strategy is not to replace all existing infrastructure on a like-for-like basis, but to identify assets that should be retired, replaced, upgraded or reconfigured as part of a more resilient system design for Lakewood. By December 31, 2026, CEI will provide Staff with an overall plan that identifies the asset categories reviewed and the expected path for assets that will be retired, replaced or upgraded as part of the broader Lakewood reliability improvement plan.

Corrective Action 4. Underground Lead Cable Inspections and Repairs

CEI recognizes Staff's focus on underground lead cable because of the role these assets play in serving the Lakewood area through its Lakewood, Lauderdale, Edgewater, and Clinton substations.

The six 11kV circuits from Clinton Substation to Lauderdale Substation are entirely underground lead jacketed cables. Each circuit is approximately 5.75 miles long for a total of approximately 34.5 miles of cable. Other substations (including Grovewood, Edgewater and Lakewood substations) in the Lakewood area are either all overhead or a combination of overhead and underground facilities and use polyethylene cables rather than lead cables.

The Company's preventative maintenance program includes visual inspection of accessible portions of the underground cables during monthly substation inspections and during manhole inspections performed throughout a 10-year cycle. However, the majority of these cables are routed through a conduit network that is not physically accessible for visual inspection.

The six circuits from Clinton Substation to Lauderdale Substation have 153 manholes. Twenty-four have been inspected in 2026 as part of the preventative maintenance program.

Inspecting the accessible portions of cables in the remaining 139 manholes by September 4, 2026 is not feasible. Safe manhole entry may require dewatering, air monitoring, and other safety measures, as well as coordination with local authorities regarding traffic control. As such, the Company proposes to inspect the accessible portions of underground cable in the remaining manholes by October 31, 2026.

CEI also notes that visual inspection of the accessible underground cable portion will not necessarily determine the condition or reliability of the entire cable. Additional testing methods include direct-current ("DC") high potential testing to help identify certain cable conditions but require deenergizing the cable and may be destructive, particularly for aging infrastructure. No inspection or test can identify every potential defect. For that reason, CEI is evaluating a broader underground cable assessment and replacement strategy.

In August 2026, CEI proactively installed SCADA metering on the six underground cables to provide real time visibility into field performance and loading. This SCADA enhancement allows the Distribution Control Center to monitor system conditions more effectively and improve situational awareness of these critical underground facilities.

As discussed above, the Company does not recommend replacing the underground lead cables between Clinton Substation and Lauderdale Substation due to the cost and time required to replace. In connection with Corrective Action 3, by December 31, 2026, CEI will provide Staff with an overall plan to identify both the short-term and long-term plans for creating a more resilient system design for Lakewood.

Corrective Action 5. Continued PUCO Notifications of Lakewood Area Service Interruptions

The Company will continue providing monthly notifications to Staff regarding additional outages affecting the Lakewood area until the corrective actions requested by Staff, as modified or agreed through this response, have been completed. These reports will continue to include outage causes, circuit numbers, and whether the affected circuit is part of an ongoing action plan to improve its performance.

Corrective Action 6. Communications Plan Improvements

CEI understands that timely and accurate outage communications are a critical part of the customer experience, particularly during extended outages. The Company also recognizes that system generated estimated restoration times can create confusion when they are issued before crews have identified the cause of an outage, assessed damage and determined the time required to complete the repairs.

To address this concern, the Company agrees to provide Staff with a plan to improve communications with customers, communities, local officials and emergency management partners. Additionally, system generated estimated times of restoration (“ETRs”) will be disabled for the Lakewood area. ETRs will instead be developed for individual outage events after crews identify the causes, assess damage and estimate the repair time. This will allow CEI to provide more accurate, event-specific restoration information.

The Company’s Local Engagement team will continue to send proactive communications to local officials in advance of inclement weather that may affect service and will provide updates during and after outage events regarding causes and restoration progress. Local Engagement will also continue coordinating updates to local officials and Emergency Management Agency (“EMA”) staff on outage causes and restoration times. Local Engagement will continue to consult with the Company’s operational leadership on sustained outage events and providing water and ice to impacted customers when outages last longer than 24 hours.

Proposed Forfeiture

CEI understands Staff’s concern and the seriousness of the outages affecting Lakewood customers. However, forfeitures are payable to the State Treasury and do not directly benefit the customers who experienced the outages.

The Company respectfully recommends that dollars otherwise directed to a forfeiture be invested in the Lakewood system, where they can directly support the reliability improvements, equipment upgrades and customer-focused actions described in this response.

* * *

CEI appreciates the opportunity to respond to Staff's August 7 Notice and to provide additional information regarding the Company's planned and proposed improvements for Lakewood. The Company shares Staff's objective of improving reliability and customer communications and taking actions that address both the immediate causes of recent outages and the longer-term needs of the local electric system.

The Company will continue to work with Staff as these corrective actions advance and will provide updates on implementation milestones, system performance and customer communication improvements. The Company remains committed to strengthening service for Lakewood customers and building a more reliable, modern and flexible system for the community.

Sincerely,



Torrence L. Hinton
President, Ohio
FirstEnergy