



August 7, 2026

Torrence Hinton
President, FirstEnergy Ohio
76 S. Main Street
Akron, Ohio

Mr. Hinton,

Pursuant to Ohio Administrative Code (Adm.Code) 4901:1-23-02, this letter is a notice of probable noncompliance (PNC) to the Cleveland Electric Illuminating Company ("CEI" or "Company"). Starting the week of June 28, 2026 and in mid-July, CEI customers in the city of Lakewood and nearby neighborhoods periodically experienced prolonged power outages. Although temperatures were very high during this time, storms and high winds were not a factor in most of the outages. The Public Utilities Commission of Ohio's (PUCO) Consumer Services Division received over 800 contacts from customers and the PUCO was directly contacted by Lakewood elected officials for assistance. CEI customers in the area experiencing outages also expressed their exasperation with the outages through the media and social media.

PUCO Service Monitoring and Enforcement Department Staff (Staff) performed an investigation into these complaints, including a review of the Company's current outages, historical performance, and the actual facilities that failed and were repaired or replaced.

The city of Lakewood and surrounding areas are served by or partially by over 30 different circuits which are fed by several substations, including Lakewood, Forest, Freedom, Fremont, Gibson, Edgewater, Edison, Lauderdale, Clinton, and Grovewood. Many of these substations shift and/or transfer load to other substations as necessary during times of extreme heat (i.e., daily high temperature above 90 degrees) due to loading and capacity constraints/limitations that exist on the system as currently configured.

Staff investigated the recent outages that took place from June 30 through July 15, 2026, that impacted customers from Lakewood, and nearby areas. The data indicated that most of the outages are classified as being caused by equipment or line failure. The following is a summary of some of the outages caused by equipment failures:

Commissioners

Daniel R. Conway
Dennis P. Deters
Lawrence K. Friedeman
John D. Williams

180 E Broad Street
Columbus, OH 43215 U.S.A.

800 | 686 7826
puco.ohio.gov



- **June 30, 2026**
 - Beginning at approximately 3:30 PM, over 3,000 customers served by the Lakewood substation experienced outages due to equipment/line/recloser/breaker failures, most lasting between 2 to 4 hours, but up to 17.6 hours for 60 customers on Circuit H030LW. Other Circuits affected included H001FT, H001FM, H003FM, H004FM, L003EW, H013LD, and H005LD. All but 244 customers were restored as of 9 AM on July 1, 2026.
- **July 1, 2026**
 - At approximately 7:30 PM, a faulted underground cable outage occurred affecting 4,650 customers served from the Lauderdale Substation. All but 942 customers were restored by 11:55 PM, and another 400 customers were restored overnight via a temporary step-down transformer installation.
- **July 2, 2026**
 - At approximately 2:15 PM, a second cable issue was identified at the Lauderdale substation causing another outage to 3,023 customers. By 6:30 PM, 1,718 customers were restored via load transfers and other restoration efforts, which left 1,505 customers still without service. At 7 PM, another 193 customers were restored when the original cable fault was repaired. At approximately 3AM the following day, after a series of temporary outages deployed on selected Lauderdale substation circuits to safely avoid loading constraints, all remaining Lauderdale customers were restored to service. 1,061 customers were without power for over 10 hours.
- **July 3, 2026**
 - Revised outage reports submitted on July 3rd at 8 AM and 4:05 PM indicate outage numbers were fluctuating, but that additional equipment and line failure outages lasting for at least 2 hours were occurring and/or being repaired in and around the city of Lakewood and surrounding areas.
- **July 3, 2026**
 - At approximately 6:50 PM, an outage occurred affecting 1,010 customers served from Lakewood Substation due to loading constraints caused by a faulted cable. All affected customers were returned to service at around 3:16 PM on July 4, 2026. Customers had been without power for approximately 20 hours.
- **July 14, 2026**
 - At approximately 1:54 PM, an underground cable feed to the Edgewater substation from Grovewood substation failed causing 6,359 customers to lose power. Service was restored to these customers by approximately 3:23 PM.

Commissioners

Daniel R. Conway
Dennis P. Deters
Lawrence K. Friedeman
John D. Williams

180 E Broad Street
Columbus, OH 43215 U.S.A.

800 | 686 7826
puco.ohio.gov



- Later that day at approximately 5:36 PM, 6,539 customers fed from Edgewater substation lost power again as a transformer at Dawson substation tripped offline due to high oil temperature. Service for these customers was restored by approximately 6:34 PM. These customers were without power for approximately 2.5 hours.
- **July 15, 2026**
 - At or between approximately 9:35 PM and 11:20 PM, outage reports submitted by CEI indicated Lakewood customers experienced additional outages lasting 2 to 8+ hours. The outage cause cited on the report was equipment failure. Service was restored to these customers by approximately 9:15 AM the following day.

PUCO Facilities and Operation Field Division employees conducted field visits to the Lakewood area in July following these outage reports. During these field visits, Staff continued to identify a significant amount of infrastructure that seemed, on the whole, older than infrastructure found elsewhere in CEI's service territory. While driving the territory and inspecting certain substation facilities, Staff observed sprinklers (i.e., garden or lawn-watering style) deployed at Lauderdale and Dawson substations spraying water on transformers for cooling purposes. Staff's understanding is sprinklers are typically fixed, installed systems reserved for fire suppression and emergency events. Staff found CEI's application to be unusual and outside industry standards and norms for cooling of substation transformer equipment. The Company acknowledged during discussions that the sprinklers are something they use routinely on extreme heat days to assist cooling transformer equipment and indicated they consider it an industry standard practice.

The PUCO's Consumer Services Division received 825 contacts from customers regarding the outages that occurred during the week of June 28, 2026. In addition to complaints regarding the frequency and duration of these outages, many customers specifically highlighted that estimated restoration times kept shifting later, further disrupting the ability of local public officials and customers to adequately plan during a period of potentially unsafe high temperatures. Local public officials reached out to CEI, news media, and posted on social media regarding the lack of attention to customers' concerns. Customers' complaints can be summarized as a lack of improvement from CEI regarding the frequency and length of the outages in Lakewood and concerns regarding inaccuracy of communications associated with estimated restoration times.

This is the second consecutive year that the city of Lakewood and surrounding communities have experienced power outages. Many of the circuits that serve the city of Lakewood also

Commissioners

Daniel R. Conway
Dennis P. Deters
Lawrence K. Friedeman
John D. Williams

180 E Broad Street
Columbus, OH 43215 U.S.A.

800 | 686 7826
puco.ohio.gov



experienced outages in June 2025 and were the subject of Staff's July 2025 investigation. On July 25, 2025, Staff issued a PNC to CEI for violations related to the June 2025 outages (2025 PNC). In addition, as stated above, several Lakewood circuits have appeared on several of CEI's annual worst performing circuit reports, indicating that CEI was aware these circuits needed to be addressed. Similar to Staff's findings above related to the recent 2026 Lakewood outages impacting Lakewood, a substantial number of the outages investigated in 2025 were due to failed equipment or lines, and forced outages associated with equipment failures. While CEI shared that it is "evaluating the performance of Lauderdale Substation and the surrounding distribution network to identify additional opportunities to improve reliability and resilience," no specific enhancements or long-term plans to address issues impacting customers in the Lakewood area were identified.

Based on our investigation of consumer complaints and recent outage reports, PUCO Staff finds that CEI is in probable noncompliance with certain sections of the Ohio Revised Code (R.C.) and the Adm.Code for:

1. Failure to invest in necessary improvements to maintain adequate service following frequent reoccurrence of equipment failures at the same circuit/substation; and
2. Failure to maintain and implement a comprehensive plan to guide CEI's communications with customers, their communities, and their government agencies, to ensure that accurate and timely information is getting to the customers who need it.

Ohio Revised Code and Adm.Code sections in probable noncompliance include the following:

1. R.C. 4905.22 states, in part, that "Every public utility shall furnish necessary and adequate service and facilities, and every public utility shall furnish and provide with respect to its business such instrumentalities and facilities, as are adequate and in all respects just and reasonable."
2. Adm.Code 4901:1-10-27(D) states, in part, that "Transmission and distribution inspection, maintenance, repair, and replacement programs. (1) Each electric utility and transmission owner shall establish, maintain, and comply with written programs, policies, procedures, and schedules for the inspection, maintenance, repair, and replacement of its transmission and distribution circuits and equipment. These programs shall establish preventative requirements for the electric utility to maintain safe and reliable service."
3. Adm.Code 4901:1-10-26(B)(2)(f) requires electric distribution utilities to report, among other things, "For each reporting period, provide a list and purpose of current

Commissioners

Daniel R. Conway
Dennis P. Deters
Lawrence K. Friedeman
John D. Williams

180 E Broad Street
Columbus, OH 43215 U.S.A.

800 | 686 7826
puco.ohio.gov



inspection, maintenance, repair, and replacement programs required by paragraph (E) of rule 4901:1-10-27 of the Administrative Code that the electric utility and/or transmission owner's utilizes for quality, safe, and reliable service from its transmission, substation, and distribution facilities and/or equipment. This report shall include the following: . . . (iv) The electric utility's and/or transmission owner's plans and programs to prevent overloading or excessive loading of its transmission and distribution facilities and equipment. (v) The electric utility's and/or transmission owner's actions to remedy overloading or excessive loading of its transmission and distribution facilities and equipment"

For the foregoing reasons and others, Staff believes that CEI did not comply with its obligations under Ohio law to furnish adequate service to customers residing in and around the city of Lakewood.

Proposed Corrective Actions

To address these issues of probable noncompliance, Staff proposes that CEI take the following corrective actions:

1. Implement the corrective actions as described in the October 1, 2025 letter resolving the prior notice of probable noncompliance.
2. Perform an analysis of all distribution infrastructure and equipment serving the city of Lakewood that failed and determine whether it was operating above or below its designed peak load no later than October 31, 2026. To the extent any distribution infrastructure or equipment is identified that failed while operating above its designed peak load, replace the infrastructure or equipment to increase available capacity no later than Dec 31, 2027. To the extent any distribution infrastructure or equipment is identified that failed while operating below its designed peak load, the company must perform an analysis and provide Staff with a report explaining the cause for the equipment failure no later than December 31, 2026.
3. Perform a review of all distribution infrastructure and equipment serving the city of Lakewood to assign a potential useful life based on manufacturer specifications and/or known failure rates by October 31, 2026. Following this review, provide staff with a scheduled replacement plan for all distribution infrastructure and equipment no later than December 31, 2026.
4. Perform an inspection of all underground lead cables serving the Lakewood, Lauderdale, Edgewater, and Clinton substations no later than September 4, 2026 and complete any repairs needed no later than December 31, 2026. To the extent not already included in

Commissioners

Daniel R. Conway
Dennis P. Deters
Lawrence K. Friedeman
John D. Williams

180 E Broad Street
Columbus, OH 43215 U.S.A.

800 | 686 7826
puco.ohio.gov



the replacement plan provided to Staff in response to corrective actions 2 or 3 above, provide staff with a plan to replace all underground lead cables serving substations in and around the city of Lakewood, including, but not limited to the Lakewood, Lauderdale, Edgewater, Clinton, and Grovewood substations.

5. Continue to notify the PUCO of any additional outages impacting the Lakewood area and include the outage causes, circuit number and if the circuit is part of an ongoing action plan to improve its performance.
6. Provide Staff with CEI's steps to improve communications to communities and customers who experience outages, especially as it relates to increasing an estimated restoration time.

Proposed Forfeiture

Under Adm. Code 4901:1-23-02(A), Staff may issue a notice of probable noncompliance with a proposed forfeiture. Due to the continuing nature of the violations, Staff is proposing a forfeiture of \$3,049,750 against CEI for the above-mentioned probable noncompliance violations.

By August 21, 2026, please respond to this notice of probable noncompliance. Failure to comply may result in additional enforcement actions including the assessment of forfeitures of up to \$10,000 per violation, per day.

Sincerely,

Donald Leming
Director, Service Monitoring and Enforcement
Public Utilities Commission of Ohio

Commissioners

Daniel R. Conway
Dennis P. Deters
Lawrence K. Friedeman
John D. Williams

180 E Broad Street
Columbus, OH 43215 U.S.A.

800 | 686 7826
puco.ohio.gov