

Volume 11, Issue 2 • January 14, 2022

**This Summary Contains Confidential and Privileged Information Pursuant to a Confidentiality Agreement and the Attorney-Client Privilege.  
DO NOT DISTRIBUTE OR SHARE WITH NON-MEMBERS.**

## **AEP**

### **Evidentiary Hearing on OVEC Coal Subsidies Commences (Case Nos. 18-1004-EL-RDR, et al.)**

**Summary:** This week, an evidentiary hearing commenced regarding AEP's Power Purchase Agreement Rider (Rider PPA), which subsidizes two aging, uneconomic coal plants operated by the Ohio Valley Electric Corporation (OVEC), one of which is in Indiana. The OMAEG will present expert testimony and cross-examine opposing witnesses to advocate that the costs passed onto customers through the Rider PPA are unreasonable and result from imprudent business decisions.

## **AES Ohio**

### **AES Ohio Rate Case Evidentiary Hearing to Commence Next Week (Case Nos. 20-1651-EL-AIR, et al.)**

**Summary:** Settlement discussions regarding AES Ohio's (formerly DP&L) application to increase its distribution rates have reached an impasse. An evidentiary hearing regarding AES Ohio's application is set to commence next week. The OMAEG will advocate for reasonable rates and oppose AES Ohio's request to increase its annual revenue requirement by \$120.8 million.

## **FirstEnergy**

### **Audit Report Filed in HB 6-Related Audit of FirstEnergy's Rider DMR (Case No. 17-2474-EL-RDR)**

**Summary:** This week, an [audit report](#) was filed in the PUCO's HB 6-related investigation of FirstEnergy's Distribution Modernization Rider (Rider DMR). Prior to the Supreme Court of Ohio ruling that the PUCO had unlawfully implemented Rider DMR, FirstEnergy recovered nearly half of a billion dollars from customers through the mechanism.

The audit report determined that "FirstEnergy did not track any spending directly related to Rider DMR..." and that "it was apparent that there was a general lack of knowledge

[among FirstEnergy employees] on the specifics of Rider DMR.” Ultimately, the audit report concluded that “given the inability to trace how Rider DMR funds were spent, we cannot rule out with certainty use of DMR funds to support the passage of HB 6.”