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Federal

Ohio FEA Opposes DP&L Transmission Incentives (Docket No. ER20-1068-000)

Summary: On Sept. 25, 2020, the PUCO's Federal Energy Advocate (Ohio FEA) filed a reply opposing DP&L's request for reconsideration of a FERC order denying the utility transmission rate incentives for investment in transmission projects. The Ohio FEA asserted that DP&L failed to show that its project would ensure reliability, reduce costs, or reduce transmission congestion. The Ohio FEA emphasized that oversight is essential for rewarding incentives for projects designed to relieve grid congestion or provide access to wholesale electricity markets. Finally, the Ohio FEA explained that DP&L should not be awarded an incentive for participation in an RTO because Ohio law already requires DP&L to participate.

Statewide

OMAEG Requests Rehearing of Order Establishing New HB 6 Rider (Case No. 20-1143-EL-UNC)

Summary: OMAEG [requested](#) that the PUCO reconsider its order establishing the Clean Air Fund Rider (Rider CAF) pursuant to HB 6. Beginning Jan. 1, 2021, Rider CAF will produce up to \$170 million annually for disbursements to electric distribution utilities (EDUs) from the HB 6 nuclear bailout fund through Dec. 31, 2027.

OMAEG explained that the PUCO approved Rider CAF in a manner inconsistent with the plain language of HB 6. Specifically, the PUCO applied a monthly cost cap to *all* non-residential customers eligible to become self-assessing purchasers, rather than just industrial customers as HB 6 provides. The request also addressed the PUCO's unlawful inclusion of the Commercial Activity Taxes (CAT) in Rider CAF, selection of a method for revenue recovery without a bill impact analysis, and failure to include refund language in Rider CAF's tariffs. Next, OMAEG advocated that the PUCO's adopted rate design will arbitrarily result in disparate rates for similarly situated nonresidential customers, in violation of Ohio law protecting customers from discriminatory rates.

Lastly, OMAEG asserted that the PUCO's establishment of Rider CAF is unjust and unreasonable in light of the ongoing federal prosecution, state civil lawsuit, and PUCO review of the HB 6 scandal.

FirstEnergy Responds to PUCO Review of HB 6 Spending (Case No. 20-1502-EL-UNC)

Summary: On Sept. 30, 2020, Ohio Edison Company, the Toledo Edison Company, and the Cleveland Electric Illuminating Company (collectively, FirstEnergy) responded to the PUCO entry directing the utilities to show cause that customers were not directly or indirectly assessed or charged for any political or charitable spending in support of HB 6 or against the subsequent referendum effort.

FirstEnergy asserted that "it is not possible for the companies' base rates to include HB 6 costs" and that customers have not paid any other riders or charges that include HB 6 costs. FirstEnergy stated that its current base distribution rates are based on a test year of twelve months ended on February 2008, which predated any of the HB 6 costs, and are frozen until 2024, making it impossible for HB 6 costs to be included in the base rates. FirstEnergy elaborated that even if it had incurred HB 6 costs during the test year, these costs would not have been included in the base rates, as they are unrelated to the cost of rendering a public utility service and would violate PUCO precedent. Lastly, FirstEnergy claimed that HB 6 costs are not included in any of its riders or other charges.

OMAEG intervened in the proceeding to protect members against any unreasonable, unjust, and unlawful costs that may have been used to support HB 6 or oppose the referendum effort through rates and charges paid to the FirstEnergy utilities by customers.

AEP

OMAEG Submits Reply Comments on AEP's gridSMART Phase 3 Project (Case No. 19-1475-EL-RDR)

Summary: On Sept. 25, 2020, OMAEG submitted [reply comments](#) on AEP's gridSMART Phase 3 project. Phase 3 included a proposal that AEP install, own, and operate approximately \$52.6 million worth of fiber optic cable (Dark Fiber Project). OMAEG opposed AEP's attempt to charge customers for the Dark Fiber Project's installation costs and retain the potential profits from leasing out the project's remaining capacity to third-party internet service providers.

OMAEG explained that the Dark Fiber Project is unrelated to electric distribution and would require customers to subsidize an already competitive product. Similarly, OMAEG opposed environmental groups' proposals that the gridSMART Rider be used to subsidize smart thermostats, another competitive product.

**AEP Proposes Increase to Direct Investment Rider
(Case No. 14-1696-EL-RDR)**

Summary: AEP proposed increasing its Distribution Investment Rider (DIR) rate to 46.95429% of the customer's distribution charges, an increase from the current rate of 46.67583% of a customer's distribution charges. The increase will automatically be approved in 60 days unless the PUCO suspends the 60-day timeframe or takes issue with the update. Unless suspended, the proposed increase would become effective the first billing cycle of December 2020.

DP&L

**DP&L Global Settlement Discussions Continue
(Case No. 20-680-EL-UNC)**

Summary: On Sept. 29, 2020, the PUCO granted DP&L's request to extend the filing deadline for DP&L and intervenors' testimony in the significantly excessive earnings test (SEET) case in order to afford the parties additional time to pursue settlement of the case. A global settlement is being negotiated, which also involves DP&L's Grid Modernization Plan.