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Statewide

OMAEG Appeals Ruling That Struck OMAEG's Testimony on OVEC Costs (Case No. 21-477-EL-RDR)

Summary: Defending its right to participate in the audit of the state's riders that collect millions of dollars from Ohioans related to the Ohio Valley Electric Corporation (OVEC) coal plants, the OMAEG has [appealed](#) the Administrative Law Judges' ruling that struck significant portions of the OMAEG's witness' expert testimony by John Seryak of Go Sustainable Energy.

The OMAEG argued that striking its expert testimony about the reasonableness and prudence of the OVEC costs passed on to customers – and about the corrupt House Bill 6 that created the riders that collect these costs – inappropriately eliminated adverse testimony that contradicted the auditor and utility witnesses and resulted in irreversible error. The OMAEG argued that the elimination of the proper expert testimony hampered the OMAEG's efforts to demonstrate that the OVEC costs were in fact unreasonable and imprudent, and that the utilities' actions were not in the best interests of customers.

AES

OMAEG Files Initial Brief Contesting OVEC Subsidies (Case No. 20-165-EL-RDR)

Summary: The OMAEG filed an [initial brief](#) urging the PUCO to disallow and refund to customers all of the costs passed on to customers through AES' Reconciliation Rider in order to subsidize OVEC's two aging, uneconomic coal plants – one of which is in Indiana. During the hearing, the OMAEG demonstrated that AES acted imprudently and that the rider is not in the best interest of customers. Therefore, the costs collected through the rider were unreasonable and resulted from AES and OVEC's imprudent business decisions.

(Continued)

FirstEnergy

PUCO Adopts Auditor Recommendations Regarding Grid Modernization I Plan (Case Nos. 16-481-EL-UNC)

Summary: As you may recall, the agreement allowing FirstEnergy to implement Phase I of its Grid Modernization Plan required that an operational benefits assessment and review of Phase I be performed before FirstEnergy commences Phase II. This audit concluded that the demonstrated operational savings, level of transparency, measurable benefits, and overall functionality and performance of Phase I are not consistent with the agreement.

The PUCO's order adopted several of the recommendations that the OMAEG made in its [initial comments](#) and [reply comments](#), including that FirstEnergy be *required* to implement the auditor's recommendations for improved reporting and performance metrics, more transparency, and collecting additional data.

Additionally, the PUCO agreed with the OMAEG that FirstEnergy should credit pre-determined savings amounts against the costs recovered from customers, and provide refunds to customers as necessary for any overcharging that occurred. Unfortunately, the PUCO declined to follow the OMAEG's recommendation that customers should not have to pay for Phase I investments until the Commission determines that they are used and useful.

Evidentiary Hearing on FirstEnergy's Fifth Electric Security Plan (ESP V) Continues (Case No. 23-301-EL-SSO)

Summary: The hearing on FirstEnergy's ESP V application continued this week, with the OMAEG opposing FirstEnergy's unlawful energy efficiency plans that would cost customers over \$72 million every year for four years.

The OMAEG also opposed excessive recovery related to storms and distribution investments, and corrected FirstEnergy's miscalculated predictions of the costs of allowing certain commercial and industrial customers to manage their transmission costs.

The hearing will continue next week and is expected to go on through early December.