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Statewide

Dark Money Group Pleads Guilty in HB 6 Case

Summary: On Friday morning, Feb. 5, Generation Now – the dark money group that Former Ohio House Speaker Larry Householder allegedly controlled – filed a guilty plea in the U.S. District Court for the Southern District of Ohio. Generation Now is the third party to have pled guilty in the federal criminal HB 6 proceeding, along with lobbyist Juan Cespedes and political consultant Jeff Longstreth. Read the [story by the Associated Press](#).

Attorney General Yost and FirstEnergy Reach Settlement to End HB 6 Decoupling Charges (Case No. 20-CV-006281)

Summary: As you may recall, Ohio Attorney General Dave Yost requested that the Franklin County Court of Common Pleas enjoin FirstEnergy from collecting charges from customers through its HB 6 decoupling mechanism. On Jan. 29, 2021, OMAEG and others filed a [brief](#) to support the attorney general's request to enjoin FirstEnergy from collecting \$102 million and to explain the mechanics of the HB 6 decoupling provision and how differs from traditional decoupling mechanisms. The brief added that the HB 6 decoupling rider is not based on any traditional decoupling policies and functioned solely to enrich FirstEnergy at customers' expense.

On Feb. 1, 2021, the Attorney General [announced](#) that the parties had reached a settlement with FirstEnergy to end its HB 6 decoupling charges. Shortly after, FirstEnergy filed a simple application with the PUCO requesting that the PUCO set its Decoupling Rider rate to \$0, without much explanation or detail. The application would end the collection of \$102 million in decoupling charges from customers in 2021. However, setting the rider rate to zero does not eliminate FirstEnergy's decoupling rider, nor does it prevent FirstEnergy from re-populating the rate at a later time. This week's action also does not prevent other utilities from applying for a decoupling mechanism under HB 6. On Feb. 2, 2021, the PUCO held a special meeting and unanimously approved FirstEnergy's application.

Although there is no written settlement agreement, it is our understanding that in exchange for FirstEnergy filing its application to end the charge, the attorney general agreed to stay discovery and other actions in the state's civil lawsuit against FirstEnergy until the federal criminal investigation of HB 6-related activities is complete. The attorney general estimated that this week's settlement, along with the previous injunction of the HB 6 nuclear and renewable energy resource subsidies, will save Ohioans \$2 billion. He clarified that the state retains the right to pursue all remaining claims in its civil lawsuit, including damages for charges that FirstEnergy previously collected from customers under the decoupling rider.

Lastly, this week, the cities of Columbus and Cincinnati requested that the Franklin County Court of Common Pleas allow Dayton and Toledo to join the cities' related HB 6 civil suit against FirstEnergy Corp. and others (see 20-CV-007005).

AEP

AEP Proposes Increase to GridSMART Phase 2 Rider (Case No. 20-939-EL-RDR)

Summary: AEP proposed an increase to its non-bypassable gridSMART Phase 2 Rider charge for non-residential customers from \$8.55 per month to \$14.64 per month. Unless the PUCO orders state otherwise, the proposed rates automatically become effective the first billing cycle of March 2021.

Duke

Duke Proposes Decrease to ESRR (Case No. 21-31-EL-RDR)

Summary: Duke proposed a decrease to its non-bypassable Enhanced Service Reliability Rider (ESRR). If approved, a charge of 2.18% will be applied to the customers' distribution charges – a decrease from the current charge of 2.22%. The new charge is proposed to become effective June 1, 2021.