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## **Statewide**

### **The PUCO Adopts Amendments on Reasonable Arrangement Rules (Case No. 18-1191-EL-ORD)**

**Summary:** On May 6, 2020, the PUCO issued an Order adopting amendments to the PUCO's reasonable arrangement rules. Despite the suggestions of OMAEG and others, the PUCO appeared to relax its rules and filing requirements regarding reasonable arrangement applications, adopting criteria that it will consider, but not require of applicants, when evaluating reasonable arrangements. The PUCO disregarded several of OMAEG's recommendations, including: a cost-benefit requirement; minimum capital investment and job creation requirements; a requirement that applicants show charges paid to a utility cover all incremental cost of service and contribute to a payment of fixed costs; a prohibition against the renewals of reasonable arrangements; and the reservation of economic development reasonable arrangements for energy-intensive customers. Overall, the PUCO opted for language that would allow it maximum discretion over reasonable arrangements. The PUCO did agree with OMAEG and retained requirements that applicants must state the economic benefits of their proposals and that a utility must summarize customers' annual reports.

## **AEP Ohio**

### **The PUCO Rejects AEP Reasonable Arrangement for COVID-19 Plan (Case Nos. 20-602-EL-UNC, et. al)**

**Summary:** Consistent with OMAEG's recommendation, on May 6, 2020, the PUCO denied AEP's proposed reasonable arrangement and cost recovery through its Economic Development Rider for COVID-19 costs. AEP proposed to recover through the reasonable arrangement rider costs related to eliminating antiquated minimum billing demand charges and foregone revenue associated with waiving discretionary late fees and other customer charges. OMAEG expressed concerns regarding using the reasonable arrangement rider as a vehicle to collect costs from customers during this difficult time and increasing customers' bills. During a time when all manufacturers are incurring COVID-19 expenses and have and will forego revenue because of the

emergency, OMAEG thought it was especially egregious for the utilities to seek cost recovery for all costs associated with COVID-19, including discretionary foregone revenue. Manufacturers likely will not be able to similarly recoup their revenue losses or COVID-19 expenses from their customers. Making utilities whole would essentially guarantee their rate of return—a luxury manufacturers do not have. Although the PUCO granted AEP deferral authority for its forgone revenues and expenses, it explained, at OMAEG's and Staff's request, that recovery is not guaranteed and the amounts must be reasonable, properly computed, and not double recovered. And with regard to elimination of the demand ratchets, the PUCO stated that recovery should only be collected from commercial and industrial customers benefiting from reduced minimum billing demand charges and asked AEP to establish an opt-in process. The Order highlighted Industrial Energy Users-Ohio and Ohio Energy Group's support for the reasonable arrangement and cost recovery proposal. Importantly, the PUCO also rejected AEP's request to repurpose its regulatory liability from an overcollection of the Phase-In-Recovery Rider and ordered that it be applied to the universal service fund rider to lower customers' costs. Lastly, the PUCO ordered AEP to track costs avoided due to emergency and to track and defer uncollectible expenses with its default service generation such that expenses could potentially be recovered through a bypassable mechanism, and noted that AEP may be able to collect some of its costs through its next rate case.

## **DP&L**

### **OMAEG Submits Comments on DP&L Cost Recovery for COVID-19 Emergency Plan (Case Nos. 20-0650-EL-AAM, et al.)**

**Summary:** On May 4, 2020, OMAEG intervened and submitted [comments](#) on (DP&L's proposal to recover expenses and forgone revenues of its COVID-19 Plan through an economic development or unique arrangement or a distribution decoupling mechanism. OMAEG objected to utilizing a decoupling mechanism to recover such costs and stated that the reasonable arrangement proposal lacked compliance with necessary accounting criteria, lacked sufficient information, and that a potential for double recovery existed. OMAEG also explained that DP&L's attempt to recover for discretionary foregone revenue and its actions that it touted as goodwill was inappropriate and violated Ohio law. Ohio Energy Group's comments supported DP&L's reasonable arrangement and cost recovery proposal.

### Duke Energy Ohio

#### **OMAEG Submits Comments on Duke Cost Recovery for COVID-19 Emergency Plan (Case Nos. 2-0856-EL-AEC, et al.)**

**Summary:** On May 7, 2020, OMAEG intervened and submitted [comments](#) on Duke's proposal to recover forgone revenue related to reducing the demand ratchet from 85% to 50% plus interest through a reasonable arrangement. OMAEG asserted that Duke's proposal to charge customers carrying costs during and after the emergency would further burden commercial and industrial customers and impede the economy's restart. OMAEG also objected to Duke's inappropriate use of a reasonable arrangement, the insufficient information in its application, and uncertainty of the deferral amounts. Ohio Energy Group filed comments in support and, in an unusual filing on its own application, Duke stated that an optional payment mechanism (like the one that the PUCO just approved in AEP's case) in lieu of a reasonable arrangement would be administratively infeasible.

### Energy Harbor (FES)

#### **The PUCO Approves Energy Harbor's Certification as CRES & CRNGS Provider (Case Nos. 20-550-GA-CRS; 0-1742-EL-CRS)**

**Summary:** On May 6, 2020, the PUCO approved Energy Harbor LLC's, formerly FirstEnergy Solutions, applications for certification as a Competitive Retail Electric Service (CRES) and Competitive Retail Natural Gas Service (CRNGS) provider.