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Federal

Columbia Gas Transmission Files Partial Settlement to Remove Penalties (Dockets RP20-1060; RP20-1159 [Consolidated])

Summary: Columbia Gas Transmission (TCO) filed a partial settlement with the support of or non-opposition of 48 parties in the transmission rate case pending before FERC. The partial settlement: (1) removes penalties and operational restriction provisions that are currently effective, reimposing the prior tariffs as if the charge had not occurred; (2) removes the current capital cost recovery mechanism (CCRM) rate, which represented a 9.5% increase in rates; and (3) waives the penalty provision in the CCRM rates during the negotiation period.

Importantly, the partial settlement also avoids the possibility of TCO reinstating the penalties going forward. Settlement negotiations are ongoing to address other unresolved items in the case.

Judge Grants Another Delay in FES Bankruptcy Proceeding (In re: *FirstEnergy Solutions Corp.*, et al. No. 18-50757 [Bkcty. N.D. Ohio])

Summary: FirstEnergy Solutions, now Energy Harbor, hired the law firm of Akin Gump Strauss Hauer & Feld to assist with its bankruptcy and lobbying efforts. Last year, the federal judge presiding over the bankruptcy proceeding directed four individuals at the law firm to provide answers detailing their involvement in Ohio legislative races and the enactment of House Bill 6. In January, the judge agreed to a six-month delay in receiving responses.

This week, the judge granted an additional three months to provide the responses. Energy Harbor's attorneys stated that the individuals completed the "declarations" but making those statements public – while Energy Harbor cooperates with federal prosecutors – would be detrimental and that Energy Harbor needs additional time to negotiate confidentially.

Upon granting the delay, the bankruptcy judge said he wants to "stay in his lane" and avoid interfering in the federal HB 6 criminal proceeding.

Statewide

PUCO Establishes HB 128 Solar Generation Subsidy Rider (Case No. 21-447-EL-UNC)

Summary: Pursuant to HB 128, the PUCO established the Solar Generation Fund Rider (Rider SGF) to recover \$20 million annually to subsidize certain solar projects, with collections beginning for bills issued after Nov. 1, 2021 through Dec. 31, 2027. The PUCO established a \$242 monthly bill cap for all non-residential customers eligible to become self-assessing purchasers.

Despite the plain language of the statute, the PUCO directed that Rider SGF will be assessed on a per-account basis rather than on a per-customer basis. This likely will result in excessive charges for non-residential customers. Against OMAEG's recommendation, the PUCO declined to include language in Rider SGF's tariffs that would provide customers refunds should the rider later be deemed unlawful.

Details of the Rider SGF rate design are as follows:

- Each Electric Distribution Utility (EDU) will charge its residential customers \$0.10 per month, including Commercial Activity Taxes (CAT).
- The remainder (non-residential portion) of an EDU's total revenue requirement will be calculated by subtracting the revenue projected to be collected from residential customers from the total revenue requirement.
- The monthly charge for all non-residential customers will be a \$/kWh charge for all kWhs up to 833,000 per month per customer.
- Charges for all customers eligible to become self-assessing purchasers will be equal to the non-residential monthly charge and will be capped at \$242 per month.
- Each EDU will update its Rider SGF annually to adjust for any over/under recovery of revenues for the prior period.
- Each EDU will provide the PUCO staff the data necessary to calculate the non-residential charge 60 days prior to the effective date of Rider SGF. This data will include the projected annual number of residential bills and

the projected non-residential annual kWh up to 833,000 kWh per customer per month.

- Each EDU will file its annual application filing no later than 45 days prior to the effective date of the proposed Rider SGF.

Each EDU will file semi-annual reports with the PUCO staff, providing the monthly revenues collected from its residential and non-residential customers through Rider SGF.

OAQDA Requests Dismissal of Claims in State HB 6 Civil Proceeding (Case Nos. 20-CV-007005, et al.)

Summary: As you may recall, in December 2020, the Franklin County Court of Common Pleas enjoined the collection of monies into the HB 6 nuclear generation and solar generation funds that would otherwise be distributed by the Ohio Air Quality Development Authority (OAQDA).

Subsequently, the Ohio General Assembly enacted HB 128, which, in part, repealed the HB 6 nuclear generation fund. As a result, OAQDA argued that the injunction against it is now moot because it no longer has any obligation to distribute funds to Energy Harbor. Furthermore, OAQDA requested that the court dismiss all claims against it and remove it as a party to the case.

PUCO Approves Service Termination Agreement Between AEP, DOE & OVEC (Case No. 15-892-EL-AEC)

Summary: The PUCO approved the Amended Joint Stipulation and Recommendation related to the termination of 345kV electric service by the Ohio Valley Electric Corporation (OVEC) to the U.S. Department of Energy's (DOE) Portsmouth, Ohio facility, which will be replaced by 138kv electric service from AEP directly to DOE.

The parties claimed the interconnection plan will not impose a financial burden on other customers. According to AEP's witness, the increased Contribution in Aid of Construction (CIAC) and the addition of the new facilities charge to be paid by DOE to AEP place all other customers in a financially neutral position.

FirstEnergy

FirstEnergy to Issue HB 6 Decoupling Refunds (Case No. 21-484-EL-ATA)

Summary: FirstEnergy will issue the following credits to customers through its HB 6 Decoupling Rider, effective for service beginning Aug. 1, 2021.

Ohio Edison Company

- Rate 1 GS: (for each kW over 5 kW of billing demand): (\$2.7357)/kW
- Rate 2 GS: 0.4688¢/kWh

The Cleveland Electric Illuminating Company:

- Rate 1 GS: (for each kW over 5 kW of billing demand): (\$3.4645)/kW
- Rate 2 GS: 0.0414¢/kWh

The Toledo Edison Company

- Rate 1 GS: (for each kW over 5 kW of billing demand): (\$5.3929)/kW
- Rate 2 GS: 0.4480¢/kWh