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Federal

PUCO Submits Comments on Proposed Electric Transmission Incentives (Docket RM20-10-000)

Summary: On April 15, 2021, FERC filed a supplemental NOPR (Notice of Proposed Rulemaking) proposing to limit the duration of transmission incentives to three years after a transmission utility joins a transmission organization. The supplemental NOPR further proposed maintaining a 50-basis-point ROE-adder, consistent with FERC precedent rather than increasing the incentives, and noted that most transmission utilities have significantly increased their base rates. Lastly, FERC sought comments on whether utilities that are legally required to join transmission organizations should be eligible for the incentives.

The PUCO submitted comments that supported limiting the duration of the incentives and offering incentives only in states where participation in a transmission organization is voluntary (unlike Ohio, where there is a statutory requirement that transmission utilities join such an organization). The comments also urged FERC to explore non-ROE incentives, which it claimed could mitigate costs to customers, such as: the inclusion of construction work in progress and pre-commercial expenses in rate base; hypothetical capital structure; accelerated depreciation; recovery of abandoned facilities costs; deferred cost recovery; and single-issue ratemaking.

AEP

AEP Requests Increase to DIR Charge (Case No. 14-1696-EL-RDR)

Summary: AEP proposed to increase its non-bypassable Distribution Investment Rider (DIR) charge to 48.28929% of customers' distribution charges from 45.42147% of customers' distribution charges. If approved, the increase will become effective beginning the first billing cycle of September 2021.

Columbia

Columbia Files Combined Application for Increase in Rates, Approval of an Alternative Rate Plan, and Continuation of DSM Program (Case Nos. 21-637-GA-AIR, et al.)

Summary: Columbia filed an application requesting an increase to its distribution rates, approval of an alternative rate plan, and the continuation of its Demand Side Management (DSM) program.

First, the proposed increase in distribution rates would increase Columbia's rate of return from 2.4% to 7.85% and would represent a 27.07% increase in total operating revenue, with a total revenue requirement of \$1.039 billion.

Second, Columbia proposed to increase the cut-off between the Small General Service and General Service rate classes from 300 Mcf/year to 600 Mcf/year, and remove the seasonal load factor from the Large General Service rate class to increase the number of customers qualifying for service under the rate class; implement a new Federal/State Tax Reform Rider (a placeholder rider to account for any future changes in federal or state tax law) and a new opt-in Carbon Reduction Rider that would allow qualifying customers to purchase carbon offsets; recover existing deferrals (including COVID-19-related expenses and lost revenues); and requested deferral authority for incremental expenses related to its leak detection pilot program.

Third, Columbia proposed an alternative rate plan, which includes continuing Columbia's Infrastructure Replacement Program (IRP Program) and Rider IRP, with modifications, for a five-year term from 2021 to 2026. Under the proposal, Columbia would absorb its investments under the IRP Program as of March 31, 2021 into base rates, and then recover incremental costs above that investment through Rider IRP. Columbia also sought to continue deferral and recovery for its Capital Expenditure Program (CEP). Finally, Columbia sought to establish a new rider to recover increased costs imposed under the Pipeline and Hazardous Materials Safety Administration "mega rule," and other future spending in response to government mandates.

Finally, Columbia proposed continuing its DSM Program. Columbia plans to continue offering, through third party consultants, its existing programs from Jan. 1, 2023, until Dec. 31, 2027, including education, business audit rebates, commercial building incentives, and online energy use benchmarks for commercial buildings.

FirstEnergy

OCC Moves to Subpoena Documents from FirstEnergy Entities (Case Nos. 17-974-EL-RDR, et al.)

Summary: The Office of the Ohio Consumers' Counsel (OCC) moved to subpoena various documents from FirstEnergy Corp., FirstEnergy Service Company, and FirstEnergy Foundation (collectively, the FirstEnergy Entities) in House Bill 6-related proceedings before the PUCO.

By July 19, 2021, the FirstEnergy entities must produce the following documents: (1) the consulting agreement between a FirstEnergy entity and an entity associated with a state regulator responsible for overseeing the distribution rates of the FirstEnergy utilities; (2) all documents related to the FirstEnergy Corp. board of directors' internal investigation concerning the consulting agreement; (3) all documents related to payments under the consulting agreement; (4) all documents related to transactions that were misallocated to the FirstEnergy utilities and that "resulted in amounts collected from customers"; and (5) information related to all grants or contributions of \$100,000 or more made during 2018 or 2019 to FirstEnergy Foundation.