

Volume 10, Issue 31 • August 6, 2021

**This Summary Contains Confidential and Privileged Information Pursuant to a Confidentiality Agreement and the Attorney-Client Privilege.
DO NOT DISTRIBUTE OR SHARE WITH NON-MEMBERS.**

Federal

Preliminary Settlement Reached in TCO Transmission Rate Case (Docket RP20-1060)

Summary: Parties in the Columbia Gas Transmission (TCO) rate case pending before FERC have reached a preliminary settlement. While specific provisions of the settlement still need to be memorialized in writing and the settlement must be approved by FERC, OMAEG's participation in the settlement process and litigation through the larger manufacturing group resulted in significant cost savings for manufacturers. Originally, the pipeline requested \$2.4 billion in modernization costs, which have been negotiated down to \$1.2 billion. There is no LPS surcharge during the settlement period, although TCO will be able to recover any costs agreed to in the approved LPS plan. Going forward, TCO will request that FERC suspend the procedural schedule to allow participants time to focus on preparing settlement documents. It is anticipated that the actual settlement will not be drafted and finalized for 2-3 months.

Statewide

OMAEG Submits Comments OPSB Transmission Investment Report (Case No. 21-796-EL-UNC)

Summary: Ohio law requires the Ohio Power Siting Board (OPSB) to submit a report to the Ohio General Assembly on the state's transmission planning and investment processes. OMAEG submitted [comments](#) advocating that the report should detail the ballooning costs of discretionary transmission investments that do not improve reliability and impede the competitiveness of manufacturers. The comments further recommend expanding OPSB's jurisdiction over certain transmission projects to allow for greater transparency and urge OPSB to adopt more stringent criteria when evaluating transmission projects.

Feds Subpoena the PUCO for Documents Concerning Former Chair Randazzo

Summary: Federal investigators issued subpoenas to the PUCO for documents related to former PUCO Chair Randazzo's appointments and communications with other government officials concerning H.B. 6. The subpoenas also seek internal records of certain PUCO cases that Randazzo may have improperly influenced such as FirstEnergy's Distribution Modernization Rider case. To date, the former PUCO Chair has not been charged for his participation in the FirstEnergy bribery scheme.

Duke

The PUCO Approves Increase to Duke's Rider DCI (Case No. 20-1530-EL-RDR)

Summary: The PUCO approved an increase to Duke's nonbypassable Distribution Capital Investment Rider (Rider DCI) to 19.250% of customers' distribution charges from 18.626% of customers' distribution charges. The increase becomes effective with the first billing cycle of October 2021.

FirstEnergy

PUCO Audit Reveals FirstEnergy Customers Paid \$6.6 Million for Unlawful Transactions (Case No. 20-1629-EL-RDR)

Summary: The 2020 Delivery Capital Recovery Rider (Rider DCR) audit is one of four ongoing PUCO proceedings concerning FirstEnergy and H.B. 6. As part of the Rider DCR audit, FirstEnergy provided documents supporting payments made to 17 vendors totaling \$24.5 million over ten years. **The auditor determined that customers were improperly charged \$6.6 million for FirstEnergy's payments to vendors, including H.B. 6 dark money groups and the former PUCO Chairman's consulting companies.** The audit identified (1) \$2.4 million in vendor payments that were charged to customers in base distribution rates; (2) \$4.15 million in vendor payments charged to customers through the Demand Side Management and Energy Efficiency rider (Rider DSE); and (3) \$82,850 charged to customers in pole attachment rates. Other vendor payments were allocated to Rider DCR; however, the audit report indicates that the FirstEnergy Utilities had already reached annual revenue caps used in the ratemaking formula for Rider DCR, which means removing these vendor payments would have no impact on

OMA ENERGY GROUP
WEEKLY BRIEFING



customer bills. As a result, the auditor recommended that FirstEnergy refund customers \$6.6 million.

Additionally, the audit report identified \$7.4 million in expenses that were recorded as capital and should be excluded from future ratemaking during the FirstEnergy Utilities' next distribution rate case. The FirstEnergy Utilities are required to file an application with the PUCO to set base distribution rates by May 2024.