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AEP

Supreme Court of Ohio Rules on AEP Rate Case Appeal (Case No. 20-585-EL-AIR; Supreme Court Case No. 2023-0464)

Summary: As you may recall, following the PUCO's approval of AEP's rate case in 2021, Interstate Gas Supply's (IGS) appealed the settlement to the Supreme Court of Ohio arguing that the settlement allows AEP to unlawfully recover \$4.7 million in generation costs through distribution rates. The PUCO and AEP argued that there was insufficient evidence to conclude the settlement included an anti-competitive subsidy. AEP further argued that even if a subsidy exists, it is "de minimis" and therefore not anti-competitive.

The Court upheld the PUCO's approval of the rate case settlement, finding that IGS failed to demonstrate that AEP was subsidizing its own competitive electric generation services with money paid by non-generation customers. As such, IGS did not meet its burden to show that the rates and charges are unjust, unreasonable, or unlawful, and that the PUCO acted unreasonably by approving them.

Columbia

Columbia Decreases Default Standard Choice Offer (SCO) Rate

Summary: Based on recent competitive auctions, the default service rate for Columbia decreased to \$0.3567/ccf from \$0.4288/ccf, effective July 30, 2024.

Centerpoint Energy (formerly Vectren)

Centerpoint Decreases Default SCO Rate

Summary: Based on recent competitive auctions, the default service rate for Centerpoint increased to \$0.334/ccf from \$0.4112/ccf, effective August 1, 2024.

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Enbridge (formerly Dominion Gas)

**OMAEG Files Objections to Enbridge's Proposal to Collect Nearly \$200 Million From Customers
(Case Nos. 23-0894-GA-AIR, et al.)**

Summary: As you may recall, Enbridge requested a significant increase to its base distribution rates, proposing to add \$218.2 million to its base distribution revenues, which is a proposed increase of approximately 25.63% over its current base distribution revenues.

As you may recall, last month, Staff issued a Staff Report recommending that instead of a rate increase, Enbridge should provide a rate decrease. This week, OMAEG filed [objections](#) to the Staff Report and Enbridge's Application. While supporting the overall rate decrease recommended in the Staff Report, including numerous disallowances, OMAEG also recommended further protections for customers from unjust and unreasonable rates. OMAEG urged the Public Utilities Commission of Ohio (PUCO) to make additional disallowances, further decrease Enbridge's rate of return, reject Enbridge's proposals to continue certain above-market charges, and reject Enbridge's proposed cost allocation and rate design. The hearing on the issues is scheduled to be called and continued on September 3, 2024.

FirstEnergy

**OMAEG Supports Settlement in Grid Modernization Phase II
(Case No. 22-704-EL-UNC)**

Summary: OMAEG filed an [initial brief](#) urging the PUCO to adopt the settlement signed by all but two parties in FirstEnergy's Grid Modernization Phase II case. Among other benefits, the settlement significantly reduces the overall costs of the Grid Modernization program, and requires FirstEnergy to create a circuit capacity hosting "heat map," offset operational benefits, incorporate the auditor's various Phase I recommendations, establish a new revenue allocation more favorable to manufacturers, and eliminate the utility-owned battery energy storage system and electric vehicle charging proposals.

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PJM

PJM Capacity Auction Results Released

Summary: This week, after years of delay, the [results](#) of PJM's capacity auction were released for 2025/2026. PJM's capacity auction secured resources to meet the RTO reliability requirement for the 2025/2026 Delivery Year, but auction prices were significantly higher across the RTO ostensibly due to decreased electricity supply given a large number of generator retirements and state carbon-free policies, combined with increased electricity demand, PJM rule changes, and implementation of FERC-approved market reforms. The overall resource mix is noted to be adequate, though two zones cleared just short of their reserve requirement, resulting in prices being set at the zonal cap.

The auction cleared a diverse mix of resources, but a limited percentage of renewables, including 48% of gas, 21% of nuclear, 18% of coal, 1% of solar, 1% of wind, 4% of hydro, 5% of demand response and 2% from other resources. The auction also produced a price of \$269.92/MW-day for much of the PJM footprint, compared to \$28.92/MW-day for the 2024/2025 auction. Capacity auction prices are expected to fluctuate annually based on the need for investment in generation resources.

This year's auction procured 135,684 MW for the period of June 1, 2025, through May 31, 2026. The total Fixed Resource Requirement (FRR) obligation is an additional 10,886 MW for a total of 146,570 MW. The total procured capacity in the auction and resource commitments under FRR represents an 18.5% reserve margin.