



Edison Electric
INSTITUTE

Rate Review Summary

YEAR-END REVIEW 2020
REGULATORY & FINANCIAL UPDATE
QUARTERLY REPORT
OF THE U.S. INVESTOR-OWNED
ELECTRIC UTILITY INDUSTRY

About EEI

EEI is the association that represents all U.S. investor-owned electric companies. Our members provide electricity for 220 million Americans, and operate in all 50 states and the District of Columbia. As a whole, the electric power industry supports more than 7 million jobs in communities across the United States. In addition to our U.S. members, EEI has more than 60 international electric companies, with operations in more than 90 countries, as International Members, and hundreds of industry suppliers and related organizations as Associate Members. Organized in 1933, EEI provides public policy leadership, strategic business intelligence, and essential conferences and forums.

About EEI's Quarterly Financial Updates

EEI's quarterly regulatory and financial updates present industry trend analyses and financial data covering 47 U.S. investor-owned electric utility companies. These 47 companies include 42 electric utility holding companies whose stocks are traded on major U.S. stock exchanges and five electric utilities who are subsidiaries of non-utility or foreign companies. Financial updates are published for the following topics:

| | |
|-------------------|---|
| Dividends | Rate Review Summary |
| Stock Performance | SEC Financial Statements (Holding Companies) |
| Credit Ratings | FERC Financial Statements (Regulated Utilities) |

EEI Finance Department material can be found online at: www.eei.org/QFU.

For EEI Member Companies

EEI's Regulatory Affairs Division tracks and monitors federal and state regulatory activity, including FERC, rate cases, and state regulatory proceedings across issue areas such as grid modernization, distributed generation, and energy storage, among others.

The EEI Finance and Accounting Division maintains current year and historical data sets that cover a wide range of industry financial and operating metrics. We look forward to serving as a resource for member companies who wish to produce customized industry financial data and trend analyses for use in:

- Investor relations studies and presentations
- Internal company presentations
- Performance benchmarking
- Peer group analyses
- Annual and quarterly reports to shareholders

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We Welcome Your Feedback

EEI is interested in ensuring that our publications and industry data sets best address the needs of member companies and the regulatory and financial communities. We welcome your comments, suggestions and inquiries.

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Future EEI Finance Meetings

For more information about future EEI Finance Meetings, please contact Devin James at (202) 508-5057 or djames@eei.org.

The 44 U.S. Investor-Owned Electric Utilities

The companies listed below all serve a regulated distribution territory. Other utilities, such as transmission provider ITC Holdings, are not shown below because they do not serve a regulated distribution territory. However, their financial information is included in relevant EEI data sets, such as transmission-related construction spending.

ALLETE, Inc. (ALE)
Alliant Energy Corporation (LNT)
Ameren Corporation (AEE)
American Electric Power Company, Inc. (AEP)
AVANGRID, Inc. (AGR)
Avista Corporation (AVA)
Berkshire Hathaway Energy
Black Hills Corporation (BKH)
CenterPoint Energy, Inc. (CNP)
Cleco Corporation
CMS Energy Corporation (CMS)
Consolidated Edison, Inc. (ED)
Dominion Energy, Inc. (D)
DPL, Inc.
DTE Energy Company (DTE)
Duke Energy Corporation (DUK)
Edison International (EIX)
Entergy Corporation (ETR)
Eversource Energy (ES)
Exelon Corporation (EXC)
FirstEnergy Corp. (FE)
Hawaiian Electric Industries, Inc. (HE)
IDACORP, Inc. (IDA)

IPALCO Enterprises, Inc.
MDU Resources Group, Inc. (MDU)
MGE Energy, Inc. (MGEE)
NextEra Energy, Inc. (NEE)
NiSource Inc. (NI)
NorthWestern Corporation (NWE)
OGE Energy Corp. (OGE)
Otter Tail Corporation (OTTR)
PG&E Corporation (PCG)
Pinnacle West Capital Corporation (PNW)
PNM Resources, Inc. (PNM)
Portland General Electric Company (POR)
PPL Corporation (PPL)
Public Service Enterprise Group Inc. (PEG)
Puget Energy, Inc.
Sempra Energy (SRE)
Southern Company (SO)
Unitil Corporation (UTL)
WEC Energy Group, Inc. (WEC)
Xcel Energy, Inc. (XEL)

Note: Companies shown in italics are not listed on U.S. stock exchanges for one of the following reasons — they are subsidiaries of an independent power producer; they are subsidiaries of foreign-owned companies; or they were acquired by other investment firms.

Companies Listed by Category

(Based on Business Segmentation Data as of 12/31/2019)

Please refer to the [Quarterly Financial Updates webpage](#) for previous years' lists.

Given the diversity of utility holding company corporate strategies, no single company categorization approach will be useful for all EEI members and utility industry analysts. Nevertheless, we believe the following classification provides an informative framework for tracking financial trends and the capital markets' response to business strategies as companies depart from the traditional regulated utility model.

Regulated
Mostly Regulated

80% or more of total assets are regulated
Less than 80% of total assets are regulated

Regulated (34 of 44)

Alliant Energy Corporation
Ameren Corporation
American Electric Power Company, Inc.
Avista Corporation
Black Hills Corporation
CenterPoint Energy, Inc.
Cleco Corporation
CMS Energy Corporation
Consolidated Edison, Inc.
Dominion Energy, Inc.
DPL Inc.
Duke Energy Corporation
Edison International
Entergy Corporation
Eversource Energy
FirstEnergy Corp.
IDACORP, Inc.
IPALCO Enterprises, Inc.
MGE Energy, Inc.

NiSource Inc.
NorthWestern Corporation
OGE Energy Corp.
Otter Tail Corporation
PG&E Corporation
Pinnacle West Capital Corporation
PNM Resources, Inc.
Portland General Electric Company
PPL Corporation
Puget Energy, Inc.
Southern Company
Unitil Corporation
WEC Energy Group, Inc.
Xcel Energy Inc.

Mostly Regulated (10 of 44)

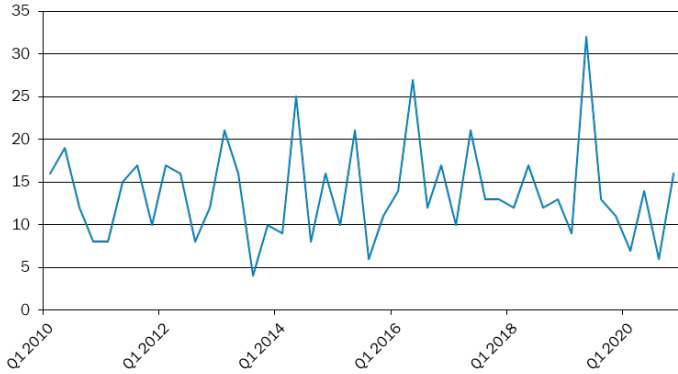
ALLETE, Inc.
AVANGRID, Inc.
Berkshire Hathaway Energy
DTE Energy Company
Exelon Corporation
Hawaiian Electric Industries, Inc.
MDU Resources Group, Inc.
NextEra Energy, Inc.
Public Service Enterprise Group
Incorporated
Sempra Energy

Note: Companies shown in italics are not listed on U.S. stock exchanges for one of the following reasons — they are subsidiaries of an independent power producer; they are subsidiaries of foreign-owned companies; or they were acquired by other investment firm

Categorization is based on year-end business segmentation data presented in SEC 10-K filings, supplemented by discussions with and information provided by parent company IR departments.

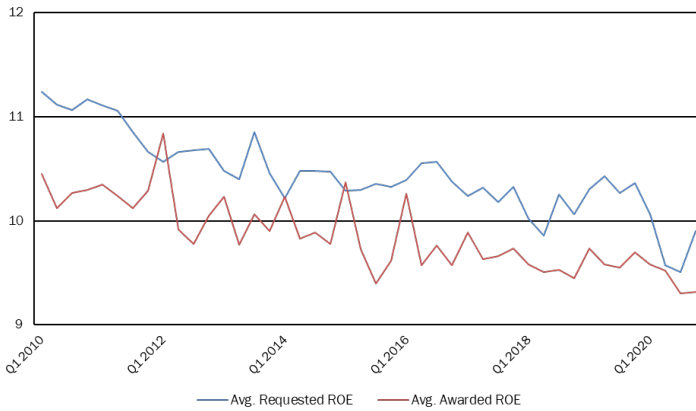
The EEI Finance and Accounting Division continues to evaluate our approach to company categorization and business segmentation. In addition, we can produce customized categorization and peer group analyses in response to member company requests. We welcome comments, suggestions and feedback from EEI member companies and the financial community.

Number of Rate Reviews Filed (Quarterly)



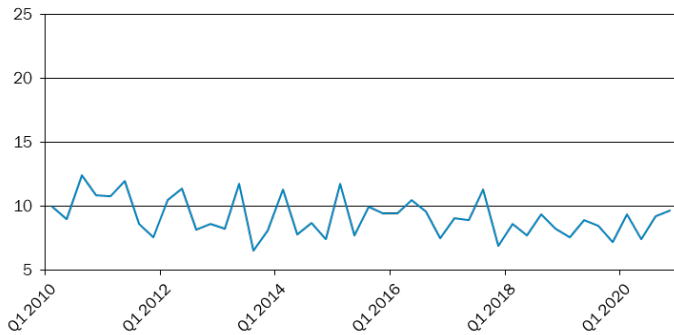
Source: S&P Global Market Intelligence / Regulatory Research Assoc. and EEI Finance Department

Average Requested vs. Awarded ROE



Source: S&P Global Market Intelligence / Regulatory Research Assoc. and EEI Finance Department

Average Regulatory Lag



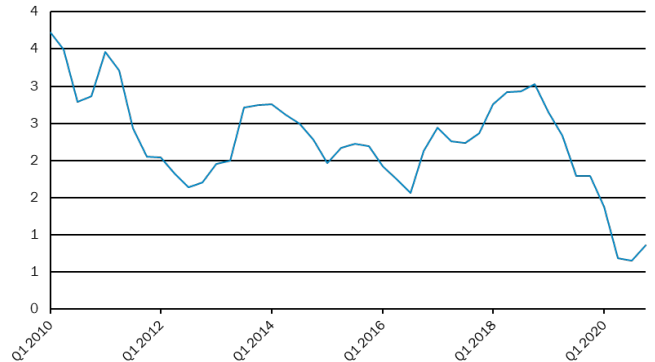
Source: S&P Global Market Intelligence / Regulatory Research Assoc. and EEI Finance Department

The purpose of this summary is to provide an overview of rate-related regulatory activities and key issues. This update provides an overview of activity for 2020.

2020 HIGHLIGHTS

- 2020 was another busy year for rate review activity. At the end of the year, there were 18 rate reviews pending and 53 rate reviews decided.
- For 2020, the average awarded ROE was 9.43%, continuing the downward trend for awarded ROE. On average, awarded ROE was approximately 30 basis points lower than average requested ROE.
- Regulatory lag was around 8.93 months, which is slightly higher than the last 2 years.
- Anticipated rate review areas of focus for 2021:
 - COVID-related matters: disconnection moratorium and regulatory treatment of costs;
 - Accelerated clean energy transition and cost recovery; and
 - Alternative rate design.

10-Year Average Treasury Yield



Source: S&P Global Market Intelligence / Regulatory Research Assoc. and EEI Finance Department

RATE REVIEW SUMMARY

| Table 1: Summary of Charts on Page 1 | | | | | |
|--------------------------------------|--------------|------------------|--------------------|--------------------------------|------------------------|
| Quarter | Number Filed | Avg. Awarded ROE | Avg. Requested ROE | Average 10-Year Treasury Yield | Average Regulatory Lag |
| Q1 2010 | 16 | 10.45 | 11.24 | 3.72 | 10.00 |
| Q2 2010 | 19 | 10.12 | 11.12 | 3.49 | 9.00 |
| Q3 2010 | 12 | 10.27 | 11.07 | 2.79 | 12.40 |
| Q4 2010 | 8 | 10.30 | 11.17 | 2.86 | 10.90 |
| Q1 2011 | 8 | 10.35 | 11.11 | 3.46 | 10.80 |
| Q2 2011 | 15 | 10.24 | 11.06 | 3.21 | 12.00 |
| Q3 2011 | 17 | 10.13 | 10.86 | 2.43 | 8.64 |
| Q4 2011 | 10 | 10.29 | 10.66 | 2.05 | 7.60 |
| Q1 2012 | 17 | 10.84 | 10.57 | 2.04 | 10.50 |
| Q2 2012 | 16 | 9.92 | 10.66 | 1.82 | 11.40 |
| Q3 2012 | 8 | 9.78 | 10.68 | 1.64 | 8.20 |
| Q4 2012 | 12 | 10.05 | 10.69 | 1.71 | 8.65 |
| Q1 2013 | 21 | 10.23 | 10.48 | 1.95 | 8.24 |
| Q2 2013 | 16 | 9.77 | 10.40 | 2.00 | 11.80 |
| Q3 2013 | 4 | 10.06 | 10.85 | 2.71 | 6.55 |
| Q4 2013 | 10 | 9.90 | 10.46 | 2.75 | 8.14 |
| Q1 2014 | 9 | 10.23 | 10.22 | 2.76 | 11.30 |
| Q2 2014 | 25 | 9.83 | 10.48 | 2.62 | 7.83 |
| Q3 2014 | 8 | 9.89 | 10.48 | 2.50 | 8.67 |
| Q4 2014 | 16 | 9.78 | 10.47 | 2.28 | 7.42 |
| Q1 2015 | 10 | 10.37 | 10.29 | 1.97 | 11.80 |
| Q2 2015 | 21 | 9.73 | 10.30 | 2.17 | 7.74 |
| Q3 2015 | 6 | 9.40 | 10.35 | 2.22 | 10.00 |
| Q4 2015 | 11 | 9.62 | 10.33 | 2.19 | 9.44 |
| Q1 2016 | 14 | 10.26 | 10.39 | 1.92 | 9.45 |
| Q2 2016 | 27 | 9.57 | 10.55 | 1.75 | 10.50 |
| Q3 2016 | 12 | 9.76 | 10.57 | 1.56 | 9.62 |
| Q4 2016 | 17 | 9.57 | 10.38 | 2.13 | 7.54 |
| Q1 2017 | 10 | 9.89 | 10.24 | 2.44 | 9.04 |
| Q2 2017 | 21 | 9.63 | 10.32 | 2.26 | 8.89 |

RATE REVIEW SUMMARY

| Table 1: Summary of Charts on Page 1 | | | | | |
|--------------------------------------|--------------|------------------|--------------------|--------------------------------|------------------------|
| Quarter | Number Filed | Avg. Awarded ROE | Avg. Requested ROE | Average 10-Year Treasury Yield | Average Regulatory Lag |
| Q3 2017 | 13 | 9.66 | 10.18 | 2.24 | 11.30 |
| Q4 2017 | 13 | 9.73 | 10.33 | 2.37 | 6.91 |
| Q1 2018 | 12 | 9.58 | 10.02 | 2.76 | 8.60 |
| Q2 2018 | 17 | 9.51 | 9.86 | 2.92 | 7.74 |
| Q3 2018 | 12 | 9.53 | 10.25 | 2.93 | 9.38 |
| Q4 2018 | 13 | 9.45 | 10.06 | 3.03 | 8.26 |
| Q1 2019 | 9 | 9.73 | 10.31 | 2.65 | 7.60 |
| Q2 2019 | 32 | 9.58 | 10.43 | 2.33 | 8.94 |
| Q3 2019 | 7 | 9.55 | 10.27 | 1.80 | 8.50 |
| Q4 2019 | 9 | 9.70 | 10.36 | 1.79 | 7.19 |
| Q1 2020 | 7 | 9.58 | 10.06 | 1.38 | 9.41 |
| Q2 2020 | 14 | 9.52 | 9.57 | 0.69 | 7.40 |
| Q3 2020 | 6 | 9.30 | 9.51 | 0.65 | 9.25 |
| Q4 2020 | 16 | 9.32 | 9.90 | 0.86 | 9.67 |

Source: S&P Global Market Intelligence / Regulatory Research Assoc. / EEI Finance Department and U.S. Federal Reserve

Table 2 contains information on residential fixed charges that were approved during 2020 rate reviews.

| Table 2: Residential Fixed Charges | | | | | |
|------------------------------------|-------|----------------|------------------------------------|---|---|
| Company Name | State | Docket No. | Current (at time of filing) | Proposed | Approved |
| AEP Texas Inc. | TX | 49494 | \$3.19 (Central) \$2.94 (North) | \$1.54 | \$1.40 |
| Ameren Illinois | IL | 20-0381 | \$13.43 | \$10.65 | \$10.52 |
| Appalachian Power Co. | VA | PUR-2020-00015 | \$7.96 | \$14.00 | \$7.96 |
| Avista Corp. | WA | UE-190334 | \$9.00 | \$9.00 | \$9.00 |
| Baltimore Gas and Electric Co. | MD | 9645 | \$8.00 | \$8.00 (YR1) \$8.00 (YR2) \$9.00 (YR 3) | \$8.00 (YR1) \$9.00 (YR2) \$9.00 (YR 3) |
| CenterPoint Energy Houston | TX | 49421 | \$5.47 | \$4.53 | \$4.39 |
| Central Maine Power Co. | ME | 2018-00194 | \$11.00 | \$15.00 | \$13.12 |

RATE REVIEW SUMMARY

| Table 2: Residential Fixed Charges | | | | | |
|---|-------|----------------|-----------------------------------|---|---|
| Company Name | State | Docket No. | Current (at time of filing) | Proposed | Approved |
| Commonwealth Edison Co. | IL | 20-0393 | \$15.05 | \$13.38 | \$13.36 |
| Consolidated Edison Co. of NY | NY | 19-E-0065 | \$15.76 | \$17.00 | \$16.00 (YR1) \$16.50 (YR2) \$17.00 (YR3) |
| Consumers Energy Co. | MI | U-20697 | \$7.50 | \$8.50 | \$8.00 |
| Delmarva Power & Light Co. | MD | 9630 | \$8.30 | \$8.80 | \$8.51 |
| Duke Energy Indiana, LLC | IN | 45253 | \$9.01 | \$9.80 (w/ decoupling) \$10.54 (w/o decoupling) | \$10.54 (decoupling proposal was denied) |
| Duke Energy Kentucky Inc. | KY | 2019-00271 | \$11.00 | \$14.00 | \$12.60 |
| Fitchburg Gas & Electric Light | MA | 19-130 | \$7.00 | \$8.38 | \$7.00 |
| Hawaiian Electric Co. | HI | 2019-0085 | \$11.50 | \$15.50 | \$11.50 |
| Indiana Michigan Power Co. | IN | 45235 | \$10.50 | \$15.00 | \$15.00 |
| Indiana Michigan Power Co. | MI | U-20359 | \$7.25 | \$10.00 | \$7.25 |
| Interstate Power & Light Co | IA | RPU-2019-0001 | \$11.50 | \$13.00 | \$13.00 |
| Jersey Central Power & Light Co. | NJ | ER20020146 | \$2.78 | \$4.11 | 3.25 (effective Nov. 1, 2021) |
| Kentucky Utilities Co. d/b/a Old Dominion Power Company | VA | PUR-2019-00060 | \$12 | Proposed to have service charge calculated on a daily basis - \$0.53 per day (\$16.13) | \$12 (Rejected daily calculation of service charge) |
| Liberty Utilities Granite St | NH | DE-19-064 | \$14.02 | \$14.76 | \$14.74 |
| Nevada Energy | NV | 20-06003 | \$12.50 | \$12.50 | \$12.50 |
| NY State Electric & Gas Corp. | NY | 19-E-0378 | \$15.11 | \$17.00 | \$15.11 (RY1) \$16.05 (RY2) \$17.00 (RY3) |
| PacifiCorp | OR | UE-374 | \$9.50 | \$12 (single family) \$7 (multi-family) | \$9.50 (single family) \$8.00 (multi-family) |

RATE REVIEW SUMMARY

| Table 2: Residential Fixed Charges | | | | | |
|------------------------------------|-------|------------------|---|---|---|
| Company Name | State | Docket No. | Current (at time of filing) | Proposed | Approved |
| PacifiCorp | UT | 20-035-04 | \$6 | \$10 (single family) \$6 (multi-family) | \$8 (single family effective 1/1/21) \$10 (single family effective 1/1/22) \$6 (multi-family) |
| PacifiCorp | WA | UE-191024 | \$7.75 | \$9.50 | \$7.75 |
| PacifiCorp | CA | A1804002 | \$7.20 | \$7.35 | \$7.20 |
| Public Service Co. of NH | NH | DE-19-057 | \$12.69 | \$13.89 | \$13.81 |
| Rochester Gas & Electric Corp. | NY | 19-E-0380 | \$21.38 | \$22.00 | \$21.38 (RY1) \$21.70 (RY2) \$22.00 (RY3) |
| Southwestern Public Service Co | TX | 49831 | \$10.00 | \$11.00 | \$10.50 |
| Tucson Electric Power Co. | AZ | E-01933A-19-0028 | \$13 /month (non-TOU) \$10/month (TOU and Demand Rate) | \$15 /month (non-TOU) \$12/month (TOU and Demand Rate) | \$13 /month (non-TOU) \$10/month (TOU and Demand Rate) |
| Union Electric Co. | MO | ER-2019-0335 | \$9.00 | \$11.00 | \$9.00 |
| Virginia Electric & Power Co. | NC | E-22, Sub 562 | \$10.40 | \$10.91 | \$10.67 |