



Edison Electric
INSTITUTE

Rate Case Summary

Q1 2018
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 48 U.S. investor-owned electric utility companies. These 48 companies include 43 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 Case 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

Edison Electric Institute
701 Pennsylvania Avenue, N.W.
Washington, D.C. 20004-2696
202-508-5000
www.eei.org

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.

Contacts

Regulatory

Alison Williams
Director, State Energy & Regulatory Policy
(202) 508-5026, awilliams@eei.org

Cass Bielski
Manager, Rates & Regulatory Business
(202) 508-5672, cbielski@eei.org

Finance

Mark Agnew
Senior Director, Financial Analysis
(202) 508-5049, magnew@eei.org

Bill Pfister
Director, Financial Analysis
(202) 508-5531, bpfister@eei.org

Michael Buckley
Manager, Financial Analysis
(202) 508-5614, mbuckley@eei.org

Future EEI Finance Meetings

EEI Financial Conference
November 11-14, 2018
Hilton San Francisco Union Square
San Francisco, California

For more information about future EEI Finance Meetings, please contact Debra Henry at (202) 508-5496 or dhenry@eei.org, or Devin James at (202) 508-5057 or djames@eei.org.

The 48 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 Resources, Inc. (D)
DPL, Inc.
DTE Energy Company (DTE)
Duke Energy Corporation (DUK)
Edison International (EIX)
El Paso Electric Company (EE)
Entergy Corporation (ETR)
Eversource Energy (ES)
Exelon Corporation (EXC)
FirstEnergy Corp. (FE)
Great Plains Energy Incorporated (GXP)
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.
SCANA Corporation (SCG)
Sempra Energy (SRE)
Southern Company (SO)
Unitil Corporation (UTL)
Vectren Corporation (VVC)
WEC Energy Group, Inc. (WEC)
Westar Energy, Inc. (WR)
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

(as of 12/31/2017)

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

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.

Regulated (35 of 48)

Alliant Energy Corporation
Ameren Corporation
American Electric Power Company, Inc.
Avista Corporation
Black Hills Corporation
Cleco Corporation
CMS Energy Corporation
Consolidated Edison, Inc.
DPL Inc.
Duke Energy Corporation
Edison International
El Paso Electric Company
Entergy Corporation
Eversource Energy
FirstEnergy Corp.
Great Plains Energy Inc.
IDACORP, Inc.
IPALCO Enterprises, 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.
SCANA Corporation
Southern Company
Unitil Corporation
Vectren Corporation
WEC Energy Group, Inc.
Westar Energy, Inc.
Xcel Energy Inc.

Mostly Regulated (13 of 48)

ALLETE, Inc.
AVANGRID, Inc.
Berkshire Hathaway Energy
CenterPoint Energy, Inc.
Dominion Resources, Inc.
DTE Energy Company
Exelon Corporation
Hawaiian Electric Industries, Inc.
MDU Resources Group, Inc.
MGE Energy, 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 firms.

Rate Case Summary

HIGHLIGHTS

- Electric utilities filed 12 new rate cases in Q1 2018.
- The main driver of Q1’s filings was an effort by many electric utilities to adjust rate designs through measures such as raising the customer charge, implementing a residential demand charge, and initiating or expanding time-varying rates. Electric vehicles and the impact of the recent Tax Cuts and Jobs Act were also factors in several cases.
- Average awarded return on equity (ROE) was 9.58%, only one basis point above the record low over nearly 30 years of data. The average requested ROE, at 10.02%, is a record low by 16 basis points.
- Regulatory lag, at 8.6 months, was near the industry’s ten-month average since restructuring.

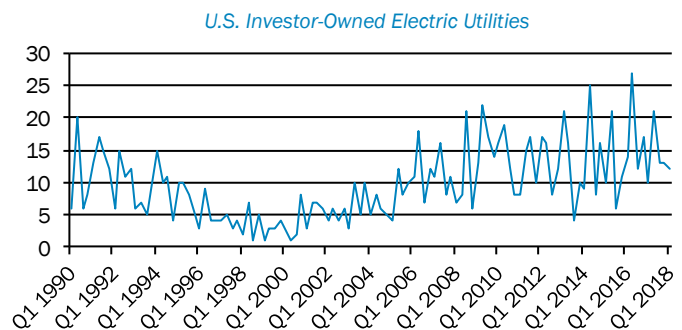
COMMENTARY

Electric utilities filed 12 new rate cases in Q1 2018. The quarter’s average awarded return on equity (ROE) was 9.58%, only one basis point above the record low quarterly average over nearly 30 years of data. The average requested ROE, at 10.02%, is a record low by 16 basis points. Declining interest rates since the early 1980s have resulted in a very long-term secular decline in both requested and approved ROEs. Average regulatory lag, at 8.6 months, was near the approximate ten-month average that has held since the industry’s period of restructuring nearly 20 years ago. Average regulatory lag will likely remain near 10 months unless state commissions accelerate the speed of rate case decisions.

Filed Cases in Q1 2018

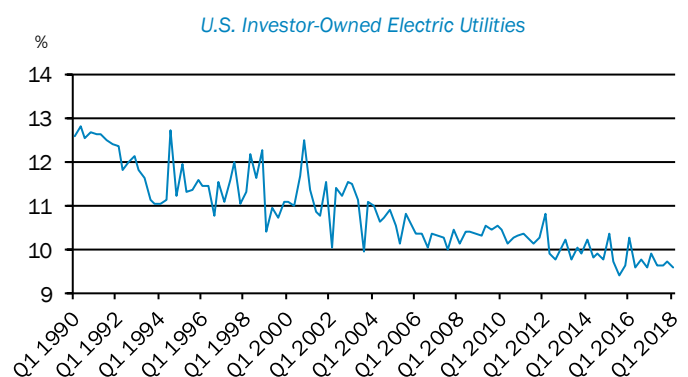
Capital expenditures are generally the primary driver of rate case filings. However, in Q1 2018 capital expenditures took second place to electric utilities’ efforts to adjust rate designs

I. Number of Rate Cases Filed (Quarterly)



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

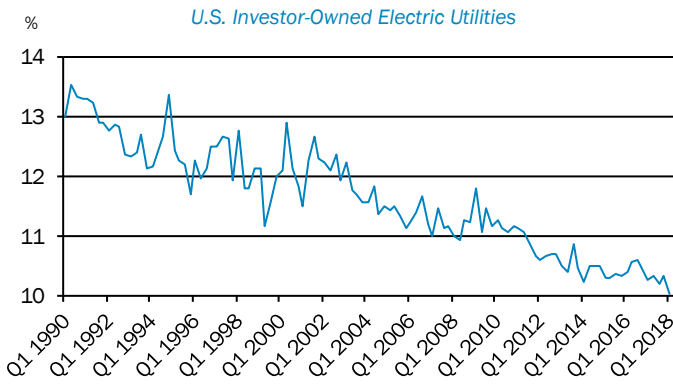
II. Average Awarded ROE (Quarterly)



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

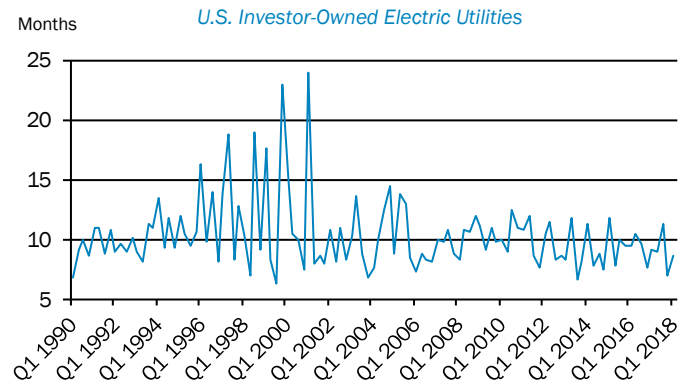
by raising the customer charge, implementing a residential demand charge and initiating or expanding time-varying rates, among other measures. Efforts to recover operation and maintenance (O&M) expenses and implement adjustment clauses and riders are often among the top three drivers of filings. Yet these were overshadowed by emerging issues during Q1 2018. Electric vehicles (EV) were a major

III. Average Requested ROE (Quarterly)



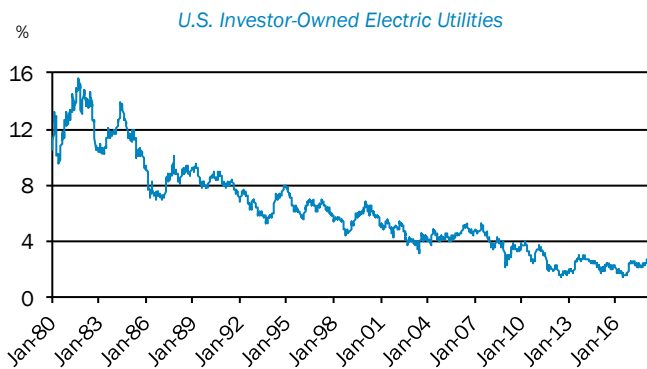
Source: S&P Global Market Intelligence / Regulatory Research Assoc. and EEI Rate Department

IV. Average Regulatory Lag (Quarterly)



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

V. 10-Year Treasury Yield (1/1980 – 3/2018)



Source: U.S. Federal Reserve

force in the quarter's filings; electric companies sought to rate-base charging stations, develop electric vehicle pilot programs and develop new tariffs for EV charging stations. Also, several cases contended with the impact of the recent Tax Cuts and Jobs Act, often by proposing a reduction in rates.

Rate Design

It was a busy quarter for requested and approved changes in residential customer charges (see the table on page 5) and for other general rate design requests.

Westar Energy in Kansas proposed a mandatory three-part rate featuring a customer charge, an energy charge and a demand charge for customers who generate (such as those with rooftop or other private solar generation). Demand would be measured between 2 p.m. and 7 p.m. The rate design would be available to other customers.

Potomac Electric Power in Maryland proposed to increase the residential customer charge from \$7.80 to \$8.01 and increase charges per kilowatt-hour as well. The latter feature should please environmental advocates and others who prefer volumetric price signals, which they believe incentivize conservation.

The Missouri commission ordered Kansas City Power & Light to conduct a rate design study based on the company's previous rate case. The company, in its Q1 filing, proposed three new residential rate offerings: 1) a demand rate, 2) a time-of-use energy rate, and 3) a combination of demand and time-of-use. The latter two were proposed as pilot programs.

Electric Vehicles (EVs)

Kansas City Power & Light filed in Missouri in part to rate base EV charging investments and to implement a new tariff for charging stations. The commission did not approve rate-basing EV charging stations in the company's previous rate case; it said the company can only recover investment in electric plant and that EV charging stations are not electric plant. The company has appealed this ruling to the Missouri Court of Appeals. The company has installed approximately 1,000 charging stations: 28% at workplace settings, 20% at retail locations, 11% at healthcare facilities, 8% at hospitality businesses and the remaining 33% at other locations.

Orange & Rockland Utilities in New York filed in part to introduce several new EV-related options: 1) a one-year price guarantee for customers with EVs, 2) the opportunity for customers to establish separate accounts for EVs, and 3) a modification to the company's economic development rider that allows demand-billed customers who construct and own quick-charging stations with a minimum of 65 kilowatts of aggregate charging capacity to receive a rate discount through 2025.

PECO Energy in Pennsylvania is proposing a five-year EV pilot program that would help it better understand EV fast-charging. The program would give a 50% demand charge credit for 30 months to customers who install a publicly available DC fast-charger.

Grid Modernization Spotlight: UGI Utilities in Pennsylvania

UGI Utilities in Pennsylvania filed its first rate case in more than 20 years. One reason for the filing is the company's desire to simplify its rate design. The company is engaged in

VI. Rate Case Data: From Tables I-V

U.S. Investor-Owned Electric Utilities

Quarter	Number of Rate Cases Filed	Average Awarded ROE	Average Requested ROE	Average 10-Year Treasury Yield	Average Regulatory Lag
Q1 1989	4	NA	15.26	9.21	NA
Q2 1989	4	NA	13.30	8.77	NA
Q3 1989	14	NA	13.65	8.11	NA
Q4 1989	13	NA	13.47	7.91	NA
Q1 1990	6	12.62	13.00	8.42	6.71
Q2 1990	20	12.85	13.51	8.68	9.07
Q3 1990	6	12.54	13.34	8.70	9.90
Q4 1990	8	12.68	13.31	8.40	8.61
Q1 1991	13	12.66	13.29	8.02	11.00
Q2 1991	17	12.67	13.23	8.13	11.00
Q3 1991	15	12.49	12.89	7.94	8.70
Q4 1991	12	12.42	12.90	7.35	10.70
Q1 1992	6	12.38	12.77	7.30	8.90
Q2 1992	15	11.83	12.86	7.38	9.61
Q3 1992	11	12.03	12.81	6.62	9.00
Q4 1992	12	12.14	12.36	6.74	10.10
Q1 1993	6	11.84	12.33	6.28	8.87
Q2 1993	7	11.64	12.39	5.99	8.10
Q3 1993	5	11.15	12.70	5.62	11.20
Q4 1993	9	11.04	12.12	5.61	10.90
Q1 1994	15	11.07	12.15	6.07	13.40
Q2 1994	10	11.13	12.37	7.08	9.28
Q3 1994	11	12.75	12.66	7.33	11.80
Q4 1994	4	11.24	13.36	7.84	9.26
Q1 1995	10	11.96	12.44	7.48	12.00
Q2 1995	10	11.32	12.26	6.62	10.40
Q3 1995	8	11.37	12.19	6.32	9.50
Q4 1995	5	11.58	11.69	5.89	10.60
Q1 1996	3	11.46	12.25	5.91	16.30
Q2 1996	9	11.46	11.96	6.72	9.80
Q3 1996	4	10.76	12.13	6.78	14.00
Q4 1996	4	11.56	12.48	6.34	8.12
Q1 1997	4	11.08	12.50	6.56	13.80
Q2 1997	5	11.62	12.66	6.70	18.70
Q3 1997	3	12.00	12.63	6.24	8.33
Q4 1997	4	11.06	11.93	5.91	12.70
Q1 1998	2	11.31	12.75	5.59	10.20
Q2 1998	7	12.20	11.78	5.60	7.00
Q3 1998	1	11.65	NA	5.20	19.00
Q4 1998	5	12.30	12.11	4.67	9.11
Q1 1999	1	10.40	NA	4.98	17.60
Q2 1999	3	10.94	11.17	5.54	8.33
Q3 1999	3	10.75	11.57	5.88	6.33
Q4 1999	4	11.10	12.00	6.14	23.00
Q1 2000	3	11.08	12.10	6.48	15.10
Q2 2000	1	11.00	12.90	6.18	10.50
Q3 2000	2	11.68	12.13	5.89	10.00
Q4 2000	8	12.50	11.81	5.57	7.50
Q1 2001	3	11.38	11.50	5.05	24.00
Q2 2001	7	10.88	12.24	5.27	8.00
Q3 2001	7	10.78	12.64	4.98	8.62
Q4 2001	6	11.57	12.29	4.77	8.00
Q1 2002	4	10.05	12.22	5.08	10.80
Q2 2002	6	11.41	12.08	5.10	8.16
Q3 2002	4	11.25	12.36	4.26	11.00
Q4 2002	6	11.57	11.92	4.01	8.25
Q1 2003	3	11.49	12.24	3.92	10.20
Q2 2003	10	11.16	11.76	3.62	13.60
Q3 2003	5	9.95	11.69	4.23	8.80

VI. Rate Case Data: From Tables I-V (cont.)

U.S. Investor-Owned Electric Utilities

Quarter	Number of Rate Cases Filed	Average Awarded ROE	Average Requested ROE	Average 10-Year Treasury Yield	Average Regulatory Lag
Q4 2003	10	11.09	11.57	4.29	6.83
Q1 2004	5	11.00	11.54	4.02	7.66
Q2 2004	8	10.64	11.81	4.60	10.00
Q3 2004	6	10.75	11.35	4.30	12.50
Q4 2004	5	10.91	11.48	4.17	14.40
Q1 2005	4	10.55	11.41	4.30	8.71
Q2 2005	12	10.13	11.49	4.16	13.70
Q3 2005	8	10.84	11.32	4.21	13.00
Q4 2005	10	10.57	11.14	4.49	8.44
Q1 2006	11	10.38	11.23	4.57	7.33
Q2 2006	18	10.39	11.38	5.07	8.83
Q3 2006	7	10.06	11.64	4.90	8.33
Q4 2006	12	10.38	11.19	4.63	8.11
Q1 2007	11	10.30	11.00	4.68	9.88
Q2 2007	16	10.27	11.44	4.85	9.82
Q3 2007	8	10.02	11.13	4.73	10.80
Q4 2007	11	10.44	11.16	4.26	8.75
Q1 2008	7	10.15	10.98	3.66	7.33
Q2 2008	8	10.41	10.93	3.89	10.80
Q3 2008	21	10.42	11.26	3.86	10.60
Q4 2008	6	10.38	11.21	3.25	11.90
Q1 2009	13	10.31	11.79	2.74	11.10
Q2 2009	22	10.55	11.01	3.31	9.13
Q3 2009	17	10.46	11.43	3.52	10.90
Q4 2009	14	10.54	11.15	3.46	9.69
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
Q3 2017	13	9.66	10.18	2.24	11.30
Q4 2017	12	9.73	10.33	2.37	6.91
Q1 2018	12	9.58	10.02	2.78	8.60

NA = Not available / Source: S&P Global Market Intelligence/ Regulatory Research Assoc. and EEI Rate Department

Residential Customer Charges

Pending

Company	State	Original	Requested	Approved
Westar	Kansas	\$14.50	\$18.50	
Potomac Electric Power	Maryland	\$7.80 \$16.77 (time of use)	\$8.01 \$17.25 (time of use)	
Kansas City Power & Light	Missouri	\$10.43	\$14.50	
Kansas City Power & Light Greater Missouri Operations	Missouri	\$10.43	\$14.50	
Public Service Electric & Gas	New Jersey	\$2.27	\$4.24 (first year) \$6.21 (second year) \$8.18 (third year)	
Orange & Rockland Utilities	New York	\$20	\$22	
Portland General Electric	Oregon	\$11	\$13	
PECO Energy	Pennsylvania	\$8.45	\$12.50	
UGI Utilities	Pennsylvania		\$14	

Decided

Company	State	Original	Requested	Approved
Interstate Power & Light	Iowa	\$10.50	\$13.50	\$11.50
Kentucky Power	Kentucky	\$11	\$17.50	\$14 \$14.50 (optional residential demand metered service)
Delmarva Power & Light	Maryland	\$8.17 \$12.02 (time of use)	\$9.08 \$13.37 (time of use)	\$8.30 \$12.30 (time of use)
Minnesota Power	Minnesota	\$8	\$9	\$8
Duke Energy Progress	North Carolina	\$11.13 \$14.13 (time of use)	\$19.50 \$22.35 (time of use)	\$14 \$16.85 (time of use)

a long-term infrastructure improvement plan that requires investment of \$40 million between 2018 and 2022—essentially twice what it would otherwise have spent on repair, replacement and improvement of aging infrastructure. The company has also initiated a Next Information Technology Enterprise System Modernization project. As part of that effort, the company has installed a new customer information system and plans to install financial information technology systems over the next year and a half. Without the requested rate increase, the company estimates it would achieve a 1.92% ROE.

Impact of Tax Reform

The recently enacted Tax Cuts and Jobs Act led to modifications of utilities' requested rate increases in several instances in Q1. As one example, Oklahoma Gas and Electric significantly lowered its requested total rate increase from \$70 million to \$1.9 million in response to the commission's request that the company factor the Act into the case.

Decided Cases in Q1 2018*Kentucky Power*

A non-unanimous settlement (the attorney general did not sign) awarded Kentucky Power an increase in its monthly residential customer charge to \$14 from \$11. The commission found the increase to be “consistent with the principle of gradualism that the Commission has long employed.” However, it reduced the stipulated 9.75% ROE to 9.7%, arguing that “the economy of Eastern Kentucky has lagged behind national and state trends. Employment trends have not recovered to pre-recession levels, earnings trends remain stagnant and lag behind state trends, and poverty rates in the majority of [the company's] service territory are 24.4 percent or higher.” The commission said it is “cognizant of the risk inherent to Kentucky Power's service territory and load profile. The Commission noted the Attorney General's position that Eastern Kentucky has been economically depressed for the past decade and that the Commission should consider the economic conditions of the region in evaluating the

overall rates and rate design. Therefore, given the adverse economic situation of the service territory of high unemployment, low earnings, and high poverty rates, the Commission finds a lower ROE will allow [the company] to earn a fair return while reflecting the economic situation of the customers.” Barring certain emergency situations, the settlement prevents the company from filing another rate increase until 2021.

Duke Energy Progress North Carolina

Parties settled a Duke Energy Progress North Carolina rate case in Q1. The commission levied a \$30 million management penalty, saying the company’s “handling of coal ash placed its consumers at risk of inadequate or unreasonably expensive service.” The commission found that the company “admits to pervasive system-wide shortcomings such as improper communication among those responsible for oversight of coal ash management.” One commissioner dissented, finding the penalty too lenient, and would have preferred disallowance of certain coal ash disposal costs. The commission found the company paid too much for coal ash removal and denied recovery of \$9.5 million of deferred coal ash basin costs.

Public Service Oklahoma

The Oklahoma commission litigated Public Service Company of Oklahoma’s case in seven months. This was much faster than other Oklahoma cases in recent years. The previous lag caused the state governor to create a task force that will examine the issue and release a report in November 2018. The commission disallowed incentive compensation costs based on performance measures that it determined benefited shareholders but not customers. The commission also disallowed certain executive retirement plan expenses, finding “shareholders should bear the additional costs associated with supplemental benefits to executives.”

Interstate Power & Light Iowa

Interstate Power & Light had filed in Iowa to establish two new separate rate classes for customers who generate. How-

ever, the commission said the company’s filing was premature because it did not provide an implementation plan. The commission approved, with some minor modifications, the company’s optional demand charge pilot for residential customers. The case was partially settled and allowed higher overall returns for several generating stations that use relatively new or renewable generating technologies.

Delmarva Power & Light

Delmarva Power & Light’s rate case settlement in Maryland requires the company to convene a working group to evaluate its reliability spending plan. The working group will assess the plan in relation to the system average interruption frequency index (SAIFI), the system average interruption duration index (SAIDI) and performance targets that benchmark whether the plan achieves cost commitments specified by the commission.

Miscellaneous

- *AMI Opt-Out:* The Michigan commission required Consumers Energy to include in its next rate case a proposal to allow customers who opt out of AMI to retain their existing rate structure.
- *Kemper Removed from Settlement:* Mississippi Power’s settlement removed the Kemper coal gasification plant and requires the company to sell any associated land not needed for operations. The Kemper plant incurred charges of \$6 billion (\$4 billion after tax).
- *Earnings Adjustment Mechanisms in New York:* Niagara Mohawk’s Joint Proposal in New York authorized earnings adjustment mechanisms that incentivize the company to boost electric system efficiency through a variety of measures. These include peak reduction, distributed energy resource utilization, energy efficiency, LED streetlighting conversions, decreasing residential and commercial energy intensity, adopting electric vehicles and electric heat pumps, and increasing the company’s interconnection effectiveness. ■