



Edison Electric
INSTITUTE

Rate Review Summary

Q3 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 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

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 47 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)
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)
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 12/31/2017)

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 (34 of 47)

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.
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.
Xcel Energy Inc.

Mostly Regulated (13 of 47)

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 Review Summary

HIGHLIGHTS

- Electric utilities filed 12 new rate reviews in Q3 2018. The average requested return on equity (ROE) was 10.25%. The average awarded ROE in decided reviews was 9.53%.
- Requests for changes in rate design to more accurately and efficiently recover costs were a significant part of many filings in Q3, as they were in Q2. The most frequently requested change was an attempt to increase the residential customer charge.
- Federal tax reform continued to play a major role in both filings and decided reviews; most of the actions in Q3 addressed means of incorporating lower tax rates and passing benefits back to customers. Filings also reflected electric utilities' efforts to earn their allowed return on equity.
- Regulatory lag, at 9.4 months, was very close to its average in recent years.

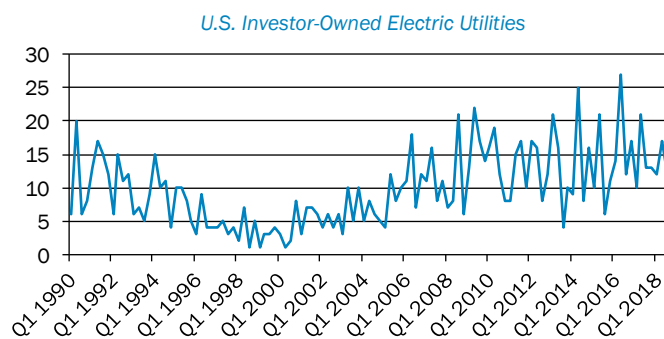
COMMENTARY

Electric utilities filed 12 new rate reviews in Q3. The average requested ROE was 10.25%. The quarter's average awarded return on equity (ROE) in decided cases was 9.53%. Both ROE numbers remained at the low end of a long-term declining trend, which began in the early 1980s, resulting largely from declining interest rates. Average regulatory lag was 9.38 months, very close to its average in recent years.

Filed Rate Reviews in Q3 2018

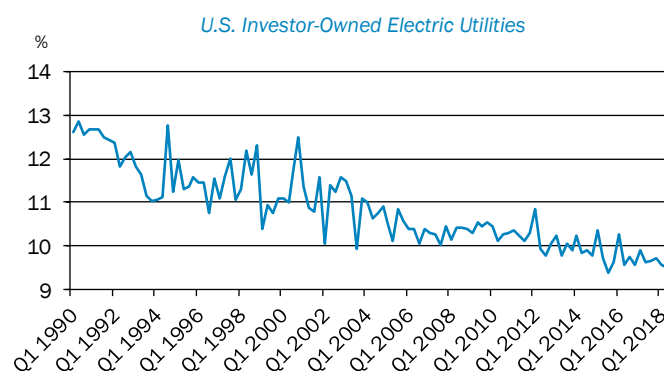
While cost recovery is the ultimate reason for rate filings, utilities often seek changes to rate design to more accurately and efficiently recover their costs. These requests were a sig-

I. Number of Rate Cases Filed (Quarterly)



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

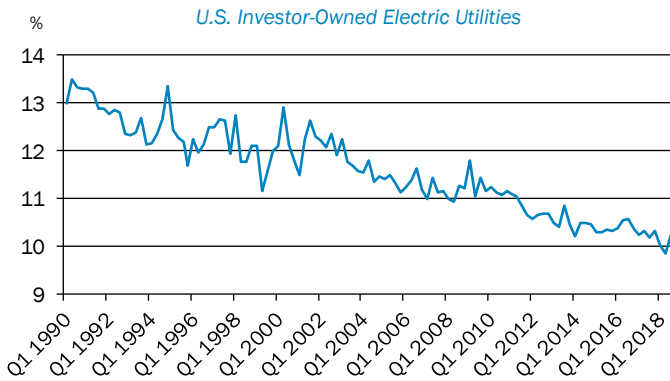
II. Average Awarded ROE (Quarterly)



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

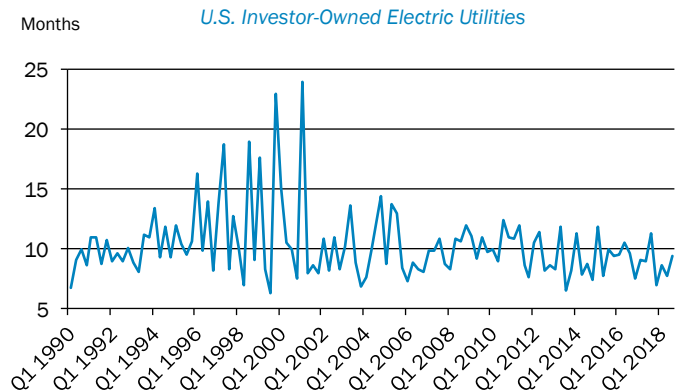
nificant part of many filings in Q3. The most frequently requested change was an attempt to increase the residential customer charge. Electric companies prefer that customer charges accurately reflect fixed costs of service, so that these costs are not unfairly shifted to other classes of customers. Efforts to recover for capital expenditures — often a prima-

III. Average Requested ROE (Quarterly)



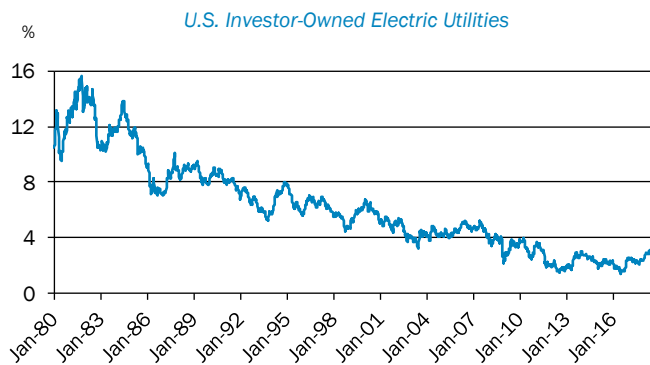
Source: S&P Global Market Intelligence / Regulatory Research Assoc. and EEI Rate Department

IV. Average Regulatory Lag (Quarterly)



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

V. 10-Year Treasury Yield (1/1980 – 9/2018)



Source: U.S. Federal Reserve

ry driver of rate filings — were again prominent in Q3. Federal tax reform continued to play a major role in both filings and decided reviews; most of the actions in Q3 addressed means of incorporating lower tax rates and passing benefits back to customers. Filings in Q3 also reflected electric utilities' efforts to earn their allowed ROE.

Federal Corporate Tax Reform

Federal tax reform reduced the corporate income tax rate from 35% to 21%, impacting utility rates nationwide in ways that can be complex. Potomac Edison's filing in Maryland offers one example. The company's requested increase is \$7.2 million lower than it would have been absent tax reform. The company proposes to amortize protected excess accumulated deferred income tax liabilities over the average life of company assets and amortize unprotected excess accumulated deferred tax liabilities over ten years. However, Potomac Edison would not return overcollections accrued between January 1, 2018 (the new tax rates' effective date) and the effective date of the company's new rates (expected in the first quarter of 2019). The company argues that refunding these amounts would constitute single-issue, retroactive ratemaking, and that it will use these overcollections to offset earnings shortfalls to shareholders.

Kentucky Utilities and Louisville Gas & Electric

Kentucky Utilities and Louisville Gas & Electric proposed to change their Solar Share Program Rider for solar customers. Their two-part proposal would: 1) reduce the levelized monthly solar capacity charge from \$6.27 to \$5.68 per quarter-kW and 2) allow customers to pay a one-time solar capacity charge of \$790 per kW subscribed in order to switch from a "buy-all/sell-all" compensation method to net billing. The net billing mechanism compares self-generated energy usage to overall energy usage at 15-minute intervals. If the customer's generation is greater than their usage, the companies will provide a bill credit based on avoided costs.

The utilities also proposed to reduce rates for charging electric vehicles under their electric vehicle riders. Under one rider, the companies would reduce the rate from \$2.84 per hour to \$0.75 per hour for the first two hours and \$1.00 per hour for each additional hour. This equates to a price of about \$2.13 per gallon of gas, according to the companies. The rate does not recover all charging costs and shareholders will bear any under-recovery.

Public Service Co. of Oklahoma's Performance-Based Formula Rate

Public Service Company of Oklahoma filed to address troubles with regulatory lag and to make infrastructure investments using performance-based ratemaking (PBR). Their plan would use a formula to determine a target earned ROE based on annual investments, expenses and revenues. The company's proposed investments include a wide range of technology and analytics designed to enhance grid performance and security and to accommodate two-way power flows. The plan seeks to smooth rate increases and ensure that earnings fall within an approved equity range by allowing adjustments to rates between rate reviews. Federal Energy Regulatory Commission (FERC) Form 1 data would be used for the PBR formula, and the company would submit filings by March 31 each year. If the earned return is more than 50 basis points below the target ROE, the company could increase rates to achieve the target. If the earned return is more than 50 basis points above the target, the com-

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 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
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

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
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
Q2 2018	17	9.51	9.86	2.92	7.74
Q3 2018	12	9.53	10.25	2.93	9.38

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

Residential Customer Charges

Filed

Company	State	Original	Filed
Kentucky Utilities	Kentucky	\$12.15	\$16.13
Louisville Gas & Electric	Kentucky	\$12.15	\$16.13
Potomac Edison	Maryland	\$5.00	\$7.50
MDU Resources Group	Montana	\$0.17 a day \$0.32 a day (optional time-of-day)	\$0.25 a day \$0.47 (optional time-of-day)
Northwestern	Montana	\$4.10	\$5.60
Atlantic City Electric	New Jersey	\$4.83	\$6.85

Decided

Company	State	Original	Filed	Decided
Delmarva Power & Light	Delaware	\$11.50	\$13.51	\$11.50
Potomac Electric Power	DC	\$15.09	\$13.54	\$15.09
Southwestern Public Service	New Mexico	\$8.50 \$9.50 (time-of-use)	\$9.50 \$10.50 (time-of-use)	\$8.75 \$9.75 (time-of-use)
Otter Tail Power	North Dakota	\$8.00 \$18.38 (demand controlled)	\$17.70 \$20.10 (demand con- trolled)	\$14.00 (commission order modified settlement stipulating \$15.23) \$20.10 (demand con- trolled)
Dayton Power and Light	Ohio	\$4.25-\$5.00 (depending on usage)	\$13.73	\$7.00
Narragansett Electric	Rhode Island	\$5.00	\$8.50	\$6.00 (will be phased in for low income customers)

pany would reduce rates to achieve the target and return 75% of excess earnings to customers. The plan also includes performance incentive measures related to reliability, grid modernization, customer satisfaction, public safety and economic development. The maximum ROE penalty for failure to meet goals would be 40 basis points. The maximum incentive would be 10 basis points.

Miscellaneous

■ **ROE** — In Entergy Arkansas's rate review, its projected earned ROE for the 2019 test year was 5.28%. The company seeks to raise the projected earned ROE to its benchmark awarded ROE level of 9.75%. Similarly, Potomac Edison in Maryland filed in part because it has consistently under earned its authorized return.

■ **Electric-Company-Owned Solar** — Duke Energy Florida filed to recover for two photovoltaic plants. Average cost per kW for the plants is \$1,486, which is below the company's 2017-settlement-set \$1,650 cap.

■ **Customer Satisfaction** — Potomac Edison filed in Maryland partly to recover for investments made to improve service and reliability. These have resulted in higher customer satisfaction levels.

■ **Separate Rate Class for Net Metering** — Northwestern Corporation in Montana filed to create a separate rate class for future net metering customers. The company would charge net metering customers a three-part rate (a customer charge, demand charge and volumetric charge). The customer charge would be \$5.60.

Decided Rate Reviews in Q3 2018

Federal Corporate Tax Reform

Many rate reviews were impacted by federal tax reform: The District of Columbia commission approved Potomac Electric Power's non-unanimous settlement that incorporates the effects of the new federal corporate tax rates. The company proposed to lower the residential customer charge from \$15.09 to \$13.54 to account for the law's effects. However, the settlement retains the original \$15.09 residential custom-

er charge while dealing with other aspects of the law. Delmarva Power & Light's settlement in Delaware dealt with federal tax reform by returning excess deferred income taxes to customers. Wisconsin Power and Light's approved settlement freezes rates until the end of 2020 to adjust for the lower tax rate.

Rate Design

Westar Energy's settlement in Kansas implemented across-the-board three-part rates for residential distributed generation customers. (Westar Energy merged with Great Plains Energy to form Evergy before the settlement). Potomac Electric Power's settlement in Washington, D.C. disallowed the company's proposal to phase in a residential demand charge. In New Mexico, the commission rejected Southwestern Public Service's proposed distributed generation standby rates as not in evidence and not cost-based.

Performance-Based Rates

Narragansett Electric's settlement in Rhode Island implements performance-based incentive mechanisms to support a variety of state energy policy goals. These include system efficiency, distributed generation, installed energy storage capacity, light duty governmental and commercial fleet electrification, electric vehicle infrastructure charging stations, and power sector transformation, among other efforts. Dayton Power and Light's settlement introduces a revenue cap into the company's distribution investment rider. The cap will be reduced if the company does not meet certain performance metrics for two consecutive years.

Electric Vehicles

Narragansett Electric's settlement in Rhode Island requires the company to implement a phased electric transportation initiative that includes an off-peak charging rebate program, a charging station demonstration program, and a pilot discount for fast chargers. The initiative also requires the company to report on: 1) the effectiveness of the pilot program, 2) how it can integrate electric vehicles at minimal cost, 3) the off-peak charging rebate program's effectiveness, and 4) the effectiveness of each component of the initiative in stimulating adoption of electric vehicles.

Dayton Power and Light's settlement approves the company's plan to invest \$1 million beginning in 2019 to develop electric vehicle charging infrastructure. The settlement adjusts the company's distribution investment rider to recognize these electric vehicle investments.

Dayton Power and Light

Almost three years elapsed between Dayton Power and Light's filing and the decision approving the company's set-

tlement; the company's electric security plan proceeding interrupted the review and took precedence. The electric security plan proceeding determined that the company must use a distribution modernization rider mechanism to facilitate certain distribution and transmission projects and to pay interest obligations, make discretionary debt prepayments, and otherwise position the company to make investments to modernize and maintain its system. The settlement requires the company to work with the Ohio Consumer's Council to develop an annual plan for "proactive distribution maintenance that will focus spending on areas having the greatest impact on maintaining and improving reliability for customers."

Westar Energy (Evergy after its merger with Great Plains Energy)

The Sierra Club, Vote Solar and The Climate and Energy Project did not sign Westar's settlement in Kansas, saying the settlement allocates too small a portion of the rate reduction to customers with distributed generation. The three groups said the allocation was not cost based and was discriminatory. The Sierra Club additionally objected to the portion of rates attributed to coal generating units, which it said Westar failed to show as economic. The settlement implements across-the-board, three-part rates for Westar's residential distributed generation customers; these incorporate a \$14.50 customer charge, a \$9.00 demand charge in the summer, and a \$3.00 demand charge in the winter.

Miscellaneous

- *Test year* — The New Jersey commission dismissed Atlantic City Electric's filing because the company relied on three months of historical test year data rather than the five months, preferably six, that the commission requires. In its order, the commission said it is a long-held practice for the test year to be fully historical when the proceeding concludes.

- *Modernization* — Narragansett Electric's settlement in Rhode Island stipulated that the company implement a "Power Sector Transformation, Vision and Implementation Plan . . . to modernize the electric distribution system and enable technologies that will reduce greenhouse gas emissions and help control costs for customers."

- *Battery storage* — Dayton Power and Light's settlement adjusted the company's distribution investment rider to recognize investments in battery storage projects. The settlement permits the company to file an application for battery storage projects related to distribution service "for the purpose of deferring distribution circuit investments or addressing distribution reliability issues."■