EEI
Edison Electric INSTITUTE

Rate Review Summary

MID-YEAR 2021 REVIEW
REGULATORY & FINANCIAL UPDATE

BIANNUAL 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 44 U.S. investor-owned electric utility companies. These 44 companies include 39 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

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

Shelby Linton-Keddie
Senior Director, Energy and State Regulatory Policy and Regulatory Affairs
(202) 508-5143, slinton@eei.org

Michelle Zaccagnino
Manager, State Regulatory Policy
(202) 508-5524, mzaccagnino@eei.org

Finance and Analytics

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

Bill Pfister
Senior Director, Business Analytics
(202) 508-5531, bpfister@eei.org

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

Steve Frauenheim
Senior Manager, Business Analytics
(202) 508-5580, sfrauenheim@eei.org

Wenni Zhang
Senior Financial and Business Analyst
(202) 508-5142, wzhang@eei.org

Aaron Cope, Jr.
Senior Investor Relations Specialist
(202) 508-5128, acope@eei.org

Edison Electric Institute
701 Pennsylvania Avenue, N.W.
Washington, D.C. 20004-2696
202-508-5000
www.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)
Evergy, Inc. (EVRG)
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 12/31/2020)

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	80% or more of total assets are regulated
Mostly 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 44)

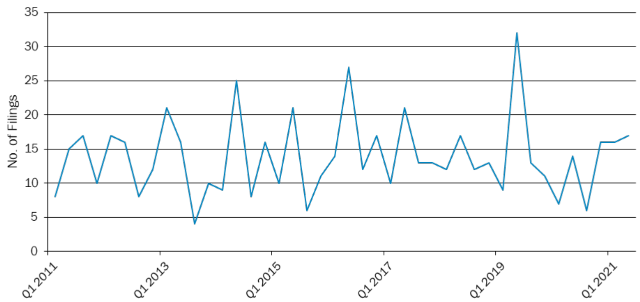
Alliant Energy Corporation
Ameren Corporation
American Electric Power Company, Inc.
Avista Corporation
Black Hills Corporation
CenterPoint Energy, Inc.
Cleco Corporation
CMS Energy Corporation
Consolidated Edison, Inc.
Dominion Energy, Inc.
DPL Inc.
Duke Energy Corporation
Edison International
Entergy Corporation
Evergy, Inc.
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.
Sempra Energy
Southern Company
Unitil Corporation
WEC Energy Group, Inc.
Xcel Energy Inc.

Mostly Regulated (9 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

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

Number of Rate Reviews Filed (Quarterly)

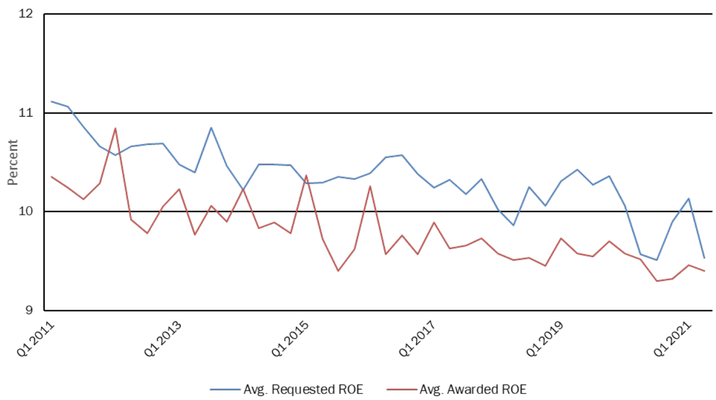


The purpose of this summary is to provide an overview of rate-related regulatory activities. This update provides an overview of activity for January through June 2021.

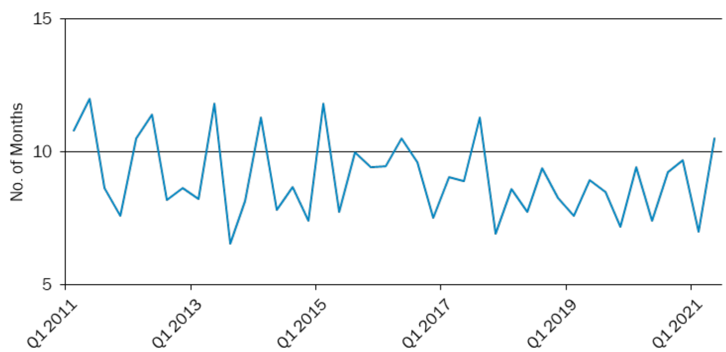
MID-YEAR 2021 HIGHLIGHTS

- By mid-year 2021, there were 33 rate reviews filed. This amount is roughly equal to the number of rate reviews filed in the last few years, excluding 2020.
- The average awarded ROE for the first six months of 2021 was 9.43%. For comparison, the average awarded ROE for the first six months of 2018 was 9.55%, 9.66% for 2019, and 9.55% for 2020.
- Regulatory lag hovers around 8.75 months, which is slightly higher than the lag for this period over the past 3 years.
- The economic effect of the pandemic still dominates commission rate review conversation. Accordingly, many electric companies have either reduced their requested increase or agreed to a delay of approved revenue increases in recognition of some customers' current financial hardship.

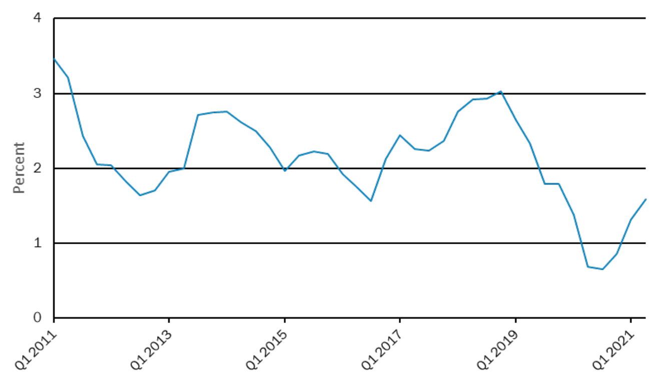
Average Requested vs. Awarded ROE



Average Regulatory Lag



10-Year Average Treasury Yield



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

Table 1: Summary of Charts on Page 1					
Quarter & Year	Number of Filings	Avg. Awarded ROE	Avg. Requested ROE	Avg. 10-Year Treasury Yield	Avg. Regulatory Lag
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	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

Table 1: Summary of Charts on Page 1					
Quarter & Year	Number of Filings	Avg. Awarded ROE	Avg. Requested ROE	Avg. 10-Year Treasury Yield	Avg. Regulatory Lag
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
Q1 2021	16	9.46	10.13	1.32	7.00
Q2 2021	17	9.40	9.53	1.59	10.50

Source for Graphs Above: S&P Global Market Intelligence / Regulatory Research Assoc/EEI Finance Department

Table 2 contains information on residential fixed charges that were approved during the first half of 2021.

Table 2: Residential Fixed Charges					
Company Name	State	Docket No.	Current (at time of filing)	Proposed	Approved
Duke Energy	FL	20210016	$11.52	$12.45	$12.45
Duke Energy Carolinas LLC	NC	E-7, Sub 1214	$14	$14	$14
Duke Energy Progress LLC	NC	E-2, Sub 1219	$14	$14	$14
Kentucky Power Co.	KY	2020-00174	$14.00	$17.50	$17.50
Kentucky Utilities Company	KY	2020-00349	$0.53 per day	$0.61 per day	$0.53 per day
Louisville Gas and Electric Corp.	KY	2020-00350	$0.45 per day	$0.52 per day	$0.45 per day
Pepco	DC	FC1156	$15.09	$18.56	$16.09 (starting in 2022)
Pepco	MD	9655	$8.01	$8.22 (proposed effective Yr3)	$8.22 (approved effective Yr2)
Rocky Mountain Power	WY	20000-578-ER-20 (Record No. 15464)	$20.00	$20.00	$20.00

Summary of Selected Rate Review Decisions Mid-Year 2021

Pepco (Docket No. FC1156)

In June 2021, the D.C. Public Service Commission (PSC) approved Potomac Electric Power Company's (Pepco) multi-year rate plan (MRP) pilot and authorized the electric company to recover $108.6 million over the next three years. The MRP was modified from the original proposal, filed in 2019, as the PSC requested the company to address COVID-19 impacts on customers in an updated proposal. The approved MRP authorizes a ROE of 9.275 percent (original request was 9.7 percent); $11.4 million in shareholder-funded bill credits and base rate reductions; creation of a $5 million small commercial customer energy efficiency program; and a stay out provision until at least January 2023. There also are a number of performance incentive mechanisms (PIMs) focused on D.C.'s reliability as well as clean energy and climate goals. These PIMs initially will be used for tracking only, with the intent to evolve and include both incentive and penalty mechanisms.

In its Final Order, the PSC recognized that granting an increase during challenging economic times for many was a decision that was not taken lightly. The Final Order represented a 33 percent reduction from Pepco's original revenue requirement request, and has procedural mechanisms included to ensure Pepco does not over earn on its authorized rate of return during the MRP term. The PSC also recognized that Pepco has not had a rate increase since 2014 and has invested nearly $1 billion in capital improvements in D.C. from 2018-2020 and plans to invest another $1 billion from 2021 – 2023. In addition, a MRP will allow Pepco to redirect resources from rate review litigation and focus more attention on continued enhancements to interconnection processes, DER initiatives, grid modernization, reliability, and energy infrastructure projects. Pepco submitted a petition for reconsideration requesting the PSC reconsider the January 2023 MRP stay-out provision, the disallowance of non-protected non-property deficient deferred income tax of the company's excess deferred income tax liability, and an adjustment of certain excess deferred income tax balances that erroneously result in customers receiving certain tax benefits from the *Tax Cuts and Jobs Act of 2017* twice.

Kentucky Power (Docket No. 2020-00174)

In its January 13, 2021 order, the Kentucky Public Service Commission (PSC) approved a $52.4 million rate increase for Kentucky Power (KP) with an ROE of 9.30 percent. Approved components include a modified economic development rate, which allows non-residential customers to choose their contractual discounts; an annual update of the decommissioning rider for Big Sandy Units 1 & 2 where the costs are recovered over a 25-year period on a levelized basis and include a weighted average cost of capital carrying cost with a ROE of 9.10 percent applied to the equity component of carrying charges; and modification to KP's Tariff Cogen/SPP. One of the most contentious components of the application was the proposed net energy metering (NEM) successor tariff that was required, consistent with the requirements of SB 100 in 2019. In its May 15th order, the PSC rejected two proposed time-of-use-based netting periods. The PSC agreed that the avoided cost rate was just for net excess generation but did not agree with how the rate was calculated. Instead, the PSC used a different methodology for calculating each component and ruled that net excess generation shall be credited at $0.09746 per kWh, instead of KP's proposed $0.03659 per kWh. On June 3, 2021, KP filed for a motion for rehearing on the basis that the order violates SB 100 because the new avoided cost components allow successor tariff customers to be compensated double for their PV system's non-power attributes, the PSC's avoided cost rate was unsupported by the record and mathematically incorrect, and that the elimination of the time-of-use netting periods was unreasonable and not based on cost causation. On June 23, 2021, the PSC denied KP's motion for rehearing finding that the Company failed to meet its burden of proof.

Duke Energy Florida (Docket No. 20210016)

On January 14, 2021, Duke Energy Florida (DEF) filed a settlement with the Office of Public Counsel and various industrial groups, which resolves issues related to a limited base rate increase and the recovery of incremental storm costs. Per the settlement, the parties engaged in negotiation prior to DEF's filing for administrative efficiency and to avoid expensive litigation. On June 4, 2021, the Florida Public Service Commission (PSC) issued an order approving the settlement (later amended on June 28 to reflect a correct copy of the settlement), which allows a multi-year increase of approximately $195 million from 2022 – 2024 with an ROE of 9.85 percent (subject to an adjustment trigger provision if the 30-Year U.S. Treasury Bond rate increases). The approval allows DEF to establish a minimum bill of $30 for residential and commercial customers, previously set at the customer charge; increases the residential customer charge to $12.45 per month; adjusts the Economic Development Rider; authorizes residential credit card fees to be recovered in base rates; and provides for a base rate adjustment in the event of tax legislation. The approval allows for a Vision Florida pilot with up to $100 million of capital and $12 million of O&M investments in projects associated with four emergency relief microgrid projects, a floating solar pilot project, hydrogen power, and solar plus storage non-wires projects that are intended to delay or avoid future energy grid upgrades.

Additionally, the approval allows for DEF to spend approximately $63 million over three years for three new electric transportation related projects and tariffs. DEF is authorized to implement a residential EV credit program, $10 per month, for customers not on a whole house time-of-use (TOU) rate, in exchange for charging during off-peak times; and rebates, ranging from $304 to $35,600, dependent upon the type of charging infrastructure needed, for commercial and industrial (C&I) customers that install charging stations. In exchange for the rebate, C&I customers must install a separate meter and take service on a non-demand time-of-use rate. Finally, DEF can continue installing company-owned DC Fast Charging stations and offer a new Fast Charge Fee to be collected from EV drivers using said stations.

Duke Energy Carolina (Docket No. E-7 Sub 1214)

On September 30, 2019, Duke Energy Carolinas (DEC) filed an application with the North Carolina Utilities Commission (NCUC) for a net rate increase for retail customers of approximately $291 million, which represented an approximate 6 percent increase in annual base revenues. The gross revenue increase request was $445 million, which was offset by an excess deferred income tax (EDIT) rider of $154 million to return to customers and federal EDIT resulting from recent reductions in corporate tax rates. On March 31, 2021, the NCUC issued an order approving without modification previous settlements reached by DEC, the North Carolina Public Staff and other parties on March 25, 2020, and July 31, 2020. As a part of these settlement agreements, DEC agreed to withdraw recovery of storm costs from the base rate ask and instead pursue securitization of those costs. Therefore, the approved revenue requirement amounts above do not include the anticipated future recovery of those storm costs. DEC also agreed to move the flow back of protected EDIT out of the rider and into base rates, and also agreed to an accelerated flowback of the unprotected EDIT. In addition, DEC settled on the ROEs (9.6 percent / 8.1 percent for ARO Coal Ash). The order included approval of deferral treatment for approximately $0.8 billion of grid improvement projects with a return, unprotected federal excess deferred income taxes flow back period of 5 years, and the reasonableness and prudence of $213 million of deferred storm costs.

Duke Energy Progress (Docket No. E-2 Sub 1219)

On October 30, 2019, Duke Energy Progress (DEP) filed an application with the North Carolina Utilities Commission (NCUC) for a net rate increase for retail customers of approximately $464 million, which represented an approximate 12.3 percent increase in annual base revenues. The gross revenue increase request was $586 million, which was offset by riders of $122 million, primarily an EDIT rider of $120 million to return to customers and federal EDIT resulting from recent reductions in corporate tax rates. On April 16, 2021, the NCUC issued an order approving previous settlements reached by DEP, the North Carolina Public Staff and other parties on June 2, 2020, and July 31, 2020, which resolved certain issues in DEP's filings. As a part of these settlement agreements, DEP agreed to withdraw recovery of storm costs from the base rate ask and pursue securitization of those costs. Therefore, the approved Revenue Requirement amounts above do not include the anticipated future recovery of those storm costs. DEP also agreed to move the flow back of Protected EDIT out of the rider and into base rates, as well as agreed to an accelerated flowback of the unprotected EDIT. DEP also settled on the ROEs (9.6 percent / 8.1 percent for ARO Coal Ash). The order included approval of deferral treatment for approximately $0.4 billion of grid improvement projects with a return, unprotected federal excess deferred income taxes flow back period of 5 years, and the reasonableness and prudence of $714 million of deferred storm costs.

Non-Rate Review Decisions Mid-Year 2021

United Illuminating (Docket No. 21-01-04)

On June 23, 2021, Connecticut's Public Utilities Regulatory Authority (PURA), approved an amended settlement between United Illuminating Company (UI), the Office of Consumer Counsel, the Office of the Attorney General, the Department of Energy and Environmental Regulation, and PURA's Office of Education, Outreach, and Enforcement, which resolves outstanding items related to UI's annual review of its reconciliation adjustment mechanism (RAM). As part of the approved amended settlement, UI agrees to net its accrued tax liabilities and a $5 million contribution from shareholders against the 2020 RAM balance from July 1, 2021, through April 30, 2023, which will reduce distribution rates over the 22-month period. In addition, UI will freeze its distribution base rates until at least May 1, 2023; however, all other rate mechanisms, like rate reconciling mechanisms, formula rates, and any other adjustment mechanisms, are not subject to the freeze. The parties acknowledged that the amended settlement provides meaningful relief to customers who continue to be affected by COVID-19.

AES Ohio dba Dayton Power & Light (Docket No. 18-1875-EL-GRD)

In response to Dayton Power & Light's (DP&L's) almost $900 million Distribution Infrastructure Modernization Plan (Plan), the Public Utilities Commission of Ohio (PUCO) issued an order on June 16th approving a stipulation filed in late 2020. The order approves the terms of the settlement, which breaks the Plan into multiple phases. The first phase of investment will occur over 4 years with an overall budget to be capped at ~$267 million. Costs will be recovered through the Infrastructure Investment Rider (IIR). The Smart Grid implementation will include AMI, Distribution Automation, Substation Automation, and VVO/CVR. Approved projects also include an EV rebate program; a smart thermostat rebate program; a new customer information system; and provisions for customer, competitive retail energy supplier and third-party access to customer data. DP&L must propose time-of-use rates and an implementation plan through a separate docket. There were a number of direct customer benefit programs that also were approved. For residential customers, DP&L must contribute $900,000 in shareholder money to Ohio's weatherization community organization for income qualified customers and develop a smart water heater pilot for customers on percentage of income payment plans.