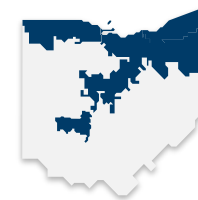


Ohio Electric Security Plan (ESP) V Regulatory Filing

Filed 4/5/23 (Case Record: 23-0301-EL-SSO)



Background

- Utilities are required to file applications to establish either an ESP or a Market Rate Offer to provide customers default generation service, also known as a Standard Service Offer
- ESPs may include provisions regarding distribution infrastructure, grid modernization, economic development and job retention initiatives, and energy efficiency programs
- FE's Ohio utilities currently operate under ESP IV, which includes riders that provide the opportunity to recover the costs of capital investments through Rider DCR and Rider AMI (grid modernization investments)

Filing Summary

- Focus on reliability, affordability, and stewardship
- Propose to maintain an 8-year term; request approval to be effective June 1, 2024
- Propose to maintain existing auction process with a few changes designed to enhance customer affordability and mitigate risk for SSO suppliers
- Initial estimated bill impacts of 2.1% and average annual bill impact of 0.5% (for a residential customer using 1,000 kWh)

Key Proposals

Investments

- Continue Rider DCR and propose an increase to aggregate annual revenues caps of \$15M to \$21M (from \$15M currently) to align with historical levels and expected investment plans
 - Increase in caps tied to reliability performance
- Continue Rider AMI for recovery of approved grid modernization programs (Grid Mod I)
 - Grid Mod II proposal, filed July 2022, will be reviewed separately from ESP V
- Any investments rolled into base rates at the next Base Rate Case will be removed from the riders

Operational

- Continue existing riders including those related to purchased power, transmission, and uncollectibles
- New storm rider to recover balance over 5 years (current balance at filing ~\$126M) and defer and recover/return storm O&M below/above current baseline going forward
- New vegetation management rider to recover incremental O&M costs above baseline (currently \$30M) and include an enhanced program to accelerate removal of off-Right Of Way trees and brush

Customer

- New 4-year utility-offered energy efficiency programs (~\$72M per year) with amortized cost recovery
- Stewardship commitments not to be recovered from customers (~\$52M over 8 years):
 - Low-income bill payment assistance and a low-income senior citizen discount
 - Support for EV customer experience (residential, commercial, and fleets)

As published on the [Regulatory Corner](#) section of our IR website

