At a session of the PUBLIC SERVICE COMMISSION OF WEST VIRGINIA in the City of Charleston on the 16th day of December 2020.

CASE NO. 20-0665-E-ENEC

MONONGAHELA POWER COMPANY AND
THE POTOMAC EDISON COMPANY,

Petition to initiate a General Investigation to determine reasonable rates and charges on and after January 1, 2021.

and

CASE NO. 20-0666-E-4435T

MONONGAHELA POWER COMPANY and
THE POTOMAC EDISON COMPANY,

Joint application for modernization and improvements program for coal-fired boilers under the provisions of Enrolled Committee Substitute for House Bill 4435.

COMMISSION ORDER

The Commission approves a Joint Stipulation and Agreement for Settlement (Joint Stipulation) and a decrease of $50,079,404 or 3.7 percent in the Expanded Net Energy Cost (ENEC) rates of Monongahela Power Company (Mon Power) and The Potomac Edison Company (PE) (collectively, Companies). The Commission also dismisses Case No. 20-0666-E-4435T at the request of the Companies.

BACKGROUND

Case No. 20-0665-E-ENEC

This case is the annual ENEC proceeding for the Companies. An ENEC proceeding is sometimes referred to as a “fuel review” rate proceeding because the historical purpose of an ENEC case is for an electric utility to request rate adjustments that allow it to recover or flow back to ratepayers the difference between those costs as allowed in rates and the net costs of obtaining fuel and fuel-related purchased power that the utility uses to produce electricity and provide electric service to customers.
An ENEC case addresses electric utility generation fuel, bi-lateral power supply and transmission sales and purchases, and PJM\(^1\) power supply and transmission sales and purchases. An ENEC proceeding does not normally address other costs such as salaries, maintenance, administrative costs and capital related cost of net utility assets that are the subject of base-rate proceedings.

On August 28, 2020, Monongahela Power Company and The Potomac Edison Company (collectively, the Companies) filed this case to initiate the annual review and update of the Companies’ current Expanded Net Energy Cost (ENEC) rates. The historical periods under review in this matter are the twelve-month period ending on June 30, 2019, and the twelve month period ending on June 30, 2020. The Companies’ filing proposed a $54,986,750 decrease in ENEC rates, which equates to a four percent decrease in total rates. The Companies’ filing stated the proposed ENEC rates included a June 30, 2020 cumulative ENEC rate over recovery balance of $29,317,624 and a projected period ENEC over recovery of $44,589,240 based upon current ENEC rate levels for calendar year 2021. The proposed ENEC rates included continued recovery of boiler modification capital costs for 2016 and 2017 for Mercury and Air Toxics Standards (MATS) and the Companies Cross-State Air Pollution Rule II (CSAPR) requirements, and effluent guideline water limitation (ELG) compliance in the amount of $7,403,570 for 2021. Further, the filing states this ENEC proceeding proposes a recovery of a COVID-19 regulatory asset in the amount of $10,516,544.

In support of this filing, the Companies filed the direct testimony of Susan Colflesh, Cecilia Liang-Nicol, Melanie Mancuso, Edward Murphy, Robert Reeping, Jill Soltis, Mark Valach, and Raymond Valdes.

On October 6, 2020, the Commission granted intervenor status to the Consumer Advocate Division (CAD), West Virginia Energy Users Group (WVEUG), and West Virginia Citizens Action Group and Solar United Neighbors (CAG/SUN), set a procedural schedule with an evidentiary hearing date of December 2-3, 2020, and required the Companies to propose a notice of filing.

The Companies proposed a notice of filing and evidentiary hearing. October 9, 2020 filing. On December 2, 2020, the Companies filed the affidavits of publication providing evidence of publication of the notice of filing and hearing.

On October 19, 2020, the Commission granted intervenor status to the Sierra Club.

On November 16, 2020, Sierra Club filed the direct testimony of Rachel Wilson, CAG/SUN filed the direct testimony of Tyler Comings, CAD filed the direct testimony of Phillip Graeter, WVEUG filed the direct testimony of Stephen Baron, and Commission Staff filed the direct testimony of Geoffrey Cooke.

\(^1\) PJM Interconnection, LLC, the regional transmission operator.
On November 25, 2020, the Companies filed the rebuttal testimony of Susan Colflesh, Cecilia Liang-Nicol, Robert Reeping, Mark Valach, and Raymond Valdes.

Case No. 20-0666-E-4435T

On August 28, 2020, the Companies filed a tariff application for approval of a modernization and improvement program (MIP) for coal-fired boilers and for approval to implement a cost recovery surcharge to recover the program’s costs pursuant to W. Va. Code § 24-2-1l. The purpose of this statute is to allow for accelerated recovery of capital expenditures by electric utilities for costs related to the upgrade of coal-fired boilers that will allow a utility’s power plants to be more efficient and competitive in electric markets. The statute requires the Commission to (1) hold a hearing on the application within 180 days of customer notice unless there is no opposition to the application and (2) issue a final order within two hundred seventy days of the application filing date.

The Companies stated their program involves air emission reduction projects for MATS, CSAPR requirements, and ELG compliance at the Harrison and Ft. Martin power stations. The Companies proposed a surcharge of $4,967,299 to recover program costs during 2021. The proposed surcharge represented an additional revenue requirement increase of 0.4 percent in the Companies’ West Virginia jurisdictional revenues. The Companies made a contemporaneous filing to update their ENEC, as noted above. The Companies requested that the two cases be considered along the same procedural schedule so that the rates would change one time only on January 1, 2021. The overall revenue impact of the two cases was a reduction in revenue of $50,019,451 or a 3.7 percent decrease in total rates.

In support of the application, the Companies filed the direct testimony of Raymond Valdes and Daniel Sendro. Mr. Sendro’s testimony included a revised exhibit DVS-1 filed on November 4, 2020.

On October 6, 2020, the Commission granted intervenor status to CAD, WVEUG, CAG/SUN, and the Sierra Club and set a procedural schedule identical to the procedural schedule in Case No. 20-0665-E-ENEC.

The Companies proposed a notice of filing and evidentiary hearing. October 9, 2020 filing. On December 2, 2020, the Companies filed the affidavits of publication providing evidence of publication of the notice of filing and hearing.

On November 25, 2020, the Companies filed the rebuttal testimony of Daniel Sendro and Raymond Valdes.
Both Cases

The Commission held an evidentiary hearing on December 2, 2020. The parties advised the Commission that they had settled all matters in both cases and presented the Commission with a Joint Stipulation.

Also on December 2, 2020, the Companies filed affidavits of publication providing proof of publication of the notice of filing and hearing in both cases.

No protests were received in either case.

On December 7, 2020, the Companies filed a Motion for Protective Order seeking protective treatment for certain information filed under seal including:

1) The following data responses:

Case No. 20-0666-E-4435T

a) CAG 1.7, 1.13, 1.14., and 3.1 Attachment (Att.) A

Case No. 20-0665-E-ENEC

a) CAD – 1.3, 1.7 Att. A, 1.9, 1.15, 1.18, and 1.19

b) WVEUG – 1.3 Att. A-E and 1.5 Att. A & B


2) Direct testimony and exhibits of the other parties filed on a confidential basis and referring to or including any confidential material described above, including the confidential direct testimony of Rachel Wilson filed by Sierra Club, Phillip Graeter filed by CAD, and Tyler Comings filed by CAG/SUN.
A. The Joint Stipulation

Raymond E. Valdes, Director, Rates and Regulatory Affairs for the Companies, sponsored the Joint Stipulation at the hearing on behalf of the Companies and the other parties. The settlement addresses many issues.

The parties agreed that the aggregate ENEC over-recovery balance for the twelve-month review periods ending June 30, 2019 and June 30, 2020 is $29,317,624 and that the two review periods should be closed.\(^2\)

The 2021 ENEC revised rates, as agreed in the Joint Stipulation, are designed to produce a total annual decrease in revenues of $50,079,404 or 3.7 percent, subject to a reservation of $5 million of the residential rate reduction portion of the ENEC rate decrease to apply toward and against the residential portion of the regulatory asset in any future ENEC or other rate proceeding in which the Companies seek to recover additional portions of the COVID-19 regulatory asset.

The Companies agreed to withdraw Case No. 20-0666-E-44351: without prejudice to a future 4435T filing that does not seek to recover the same MATS/CSAPR costs identified in paragraph 11(d)(5) of the Joint Stipulation. The Joint Stipulation also includes a review of other issues resolved by the parties as stated in full in the Joint Stipulation.

As a part of the process of evaluating the Joint Stipulation, the Commission admitted the pre-filed direct and rebuttal testimony of the parties into the record of this case. After reviewing the pre-filed testimony, the supporting data, the hearing testimony and the Joint Stipulation, the Commission concludes that the record in this matter is complete and adequate to support the Joint Stipulation. Further, all parties agreed on the record that they supported the Joint Stipulation for purposes of this ENEC proceeding.

Based on the evidence presented, the Joint Stipulation proposes an outcome for this case that will serve the public interest by allowing the Companies to adequately recover their fuel and purchased power costs without compromising their ability to fulfill their public utility obligation to provide safe and reliable electric utility service to their customers. The Joint Stipulation also fairly balances the interests of ratepayers.

The full record in this case supports the agreed ENEC rates and resolution of the other issues of the parties. The Joint Stipulation attached to this Order, as Appendix 1, produces a reasonable resolution of the issues presented in this case. The ENEC rates set

\(^2\) The twelve-month review period ending June 30, 2019, had remained open pursuant to a settlement in Case No. 19-0785-E-ENEC.
forth in the filing are fair and reasonable and should be approved. The dismissal of the MIP case is also reasonable.

B. Motion for Protective Order

The Companies argue that the information for which they seek protective treatment contains trade secrets and the Companies are entitled to confidential treatment exempting this information from public disclosure under the West Virginia Freedom of Information Act, W. Va. Code § 29B-1-1 et seq. (FOIA). All other parties to the case entered into protective agreements to review the information and maintain its confidential status. No other party objected to the Motion for Protective Order and no FOIA request has been filed.

At this time, there is no need to make a final ruling on the Companies’ request for protective treatment. The Executive Secretary will hold the unredacted version of the confidential filings under seal and apart from the remainder of the case file until a request pursuant to FOIA is received at the Commission. At that time, the Commission will rule on the Motion for Protective Order in its consideration of the FOIA request. By deferring consideration of the protective treatment request, the Commission is not taking a final position on the application of FOIA to the sealed information.

FINDINGS OF FACT

1. The Companies seek protective treatment for certain information filed under seal.
2. No party has objected to the Companies’ request for protective treatment.

CONCLUSIONS OF LAW

1. The proposed ENEC rate decrease of $50,079,404 or 3.7 percent is just and reasonable and is fully supported by cost data in the record of this case and representations of the parties regarding the fairness of the proposed decrease.

2. The revised ENEC rates are to be effective January 1, 2021, and should remain in effect through December 31, 2021.

3. The decrease of ENEC rates is in the public interest and is accepted.

4. The allocation of decreased ENEC rates is based properly on the costs generated by the various rate classes.

5. The recommendation to close the review periods of July 1, 2018 to June 30, 2019 and July 1, 2019 to June 30, 2020 and accept the costs as properly and
prudently incurred is reasonably based on the Joint Stipulation and the testimony filed in this matter.

6. The record is complete and adequate to support the Joint Stipulation and the decrease in the ENEC rates proposed in the Joint Stipulation.

7. It is reasonable for the Commission to defer ruling on the Motion for Protective Treatment because no party objected to the request for protective treatment and no request has been filed pursuant to FOIA.

ORDER

IT IS THEREFORE ORDERED that the Joint Stipulation attached hereto as Appendix A is approved and adopted without modification in full resolution of these cases.

IT IS FURTHER ORDERED that the Companies prepare and file, within fifteen calendar days of the date of this Order, appropriately notated revised tariff sheets, effective for services rendered on and after January 1, 2021, reflecting the approved $50,079,404 ENEC rate decrease.

IT IS FURTHER ORDERED that the review periods ending June 30, 2019 and June 30, 2020 are closed and all ENEC costs during these time periods are accepted as properly and prudently incurred.

IT IS FURTHER ORDERED that a ruling on the request for permanent protective treatment filed with the Petition is deferred until the filing and review of a request pursuant to the West Virginia Freedom of Information Act, W. Va. Code § 29B-1-1 et seq. The Executive Secretary shall maintain the unredacted version of the sealed filing in its current condition, separate and apart from the rest of the file pending further order.

IT IS FURTHER ORDERED that this proceeding be removed from the Commission docket of active cases.
IT IS FURTHER ORDERED that the Executive Secretary of the Commission serve a copy of this Order by electronic service on all parties of record who have filed an e-service agreement, by United States First Class Mail on all parties of record who have not filed an e-service agreement, and on Staff by hand delivery.

A True Copy, Teste,

Connie Graley, Executive Secretary

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APPENDIX A

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

CASE NO. 20-0665-E-ENEC
MONONGAHELA POWER COMPANY AND
THE POTOMAC EDISON COMPANY
Petition to initiate a General Investigation to determine
reasonable rates and charges on and after January 1, 2021.

and

CASE NO. 20-0666-E-4435T
MONONGAHELA POWER COMPANY AND
THE POTOMAC EDISON COMPANY
Joint application for modernization and improvements
program for coal-fired boilers under the provisions of
Enrolled Committee Substitute for House Bill 4435.

JOINT STIPULATION AND AGREEMENT FOR SETTLEMENT

Pursuant to W.Va. Code §24-1-9(f) and Rule 13.4 of the Public Service Commission’s
Rules of Practice and Procedure, Monongahela Power Company (“Mon Power”) and The
Potomac Edison Company (“Potomac Edison”) (together, the “Companies”); the Staff of the
Public Service Commission of West Virginia (“Staff”); the Consumer Advocate Division of the
Commission (“CAD”); the West Virginia Energy Users Group (“WVEUG”);¹ the West Virginia
Citizen Action Group and Solar United Neighbors (“CAG/SUN”), and the Sierra Club
(collectively, the “Stipulating Parties”) hereby enter into this Joint Stipulation and Agreement for
Settlement (“Joint Stipulation”).

¹ WVEUG members for purposes of these cases are: ArcelorMittal - Weirton LLC, Argos LLC; The
Chemours Company, LLC; Marathon Petroleum Company LP (MarkWest); Messer LLC; ND Fairmont
LLC; Novelis Fairmont-WV; Quad; US Silica Company; Weyerhaeuser Company NR; and Zoetis LLC.
**Introduction**

In this Joint Stipulation, the Stipulating Parties propose and recommend to the Commission a comprehensive settlement resolving the Companies’ pending (1) Expanded Net Energy Costs ("ENEC") proceeding docketed as Case No. 20-0665-E-ENEC and (2) modernization and improvement program ("MIP") proceeding docketed as Case No. 20-0666-E-4435T. The Stipulating Parties recommend that the Commission approve the Joint Stipulation without modification.

1. On August 28, 2020, the Companies requested that this Commission open its annual review of the Companies’ ENEC rates for the historical twelve-month periods ending on June 30, 2019 and June 30, 2020. The Companies filing proposed a $54,986,750 decrease in ENEC rates, which equates to a four percent decrease in total rates. The Companies’ filing stated the proposed ENEC rates include a June 30, 2020 cumulative ENEC rate over recovery balance of $29,317,624 and a projected period ENEC over recovery of $43,589,240 based upon current ENEC rate levels for calendar year 2021. The proposed ENEC rates also included continued recovery of boiler modification capital cost for 2016 and 2017 for Mercury and Air Toxics Standards ("MATS") and Cross-State Air Pollution Rule II ("CSAPR") requirements in the amount of $7,403,570 for 2021. Further, the filing proposed a recovery of a COVID-19 regulatory asset in the amount of $10,516,544.

2. Also on August 28, 2020, the Companies filed a tariff application for approval of a MIP for coal-fired boilers and to implement a cost recovery surcharge to recover program costs pursuant to Enrolled Committee Substitute for House Bill 4435, codified at W. Va. Code § 24-2-11. The Companies proposed surcharge rates to recover an annual revenue increase of $4,967,299 during 2021 for the program’s cost, representing an additional revenue requirement increase of 0.4 percent in the Companies’ West Virginia jurisdictional revenues. The Companies requested that
the ENEC and MIP cases be considered along the same procedural schedule so that the rates would change one time only on January 1, 2021.

3. On October 6, 2020, the Commission entered an order in both cases granting petitions to intervene filed by CAD, WVEUG, and CAG/SUN, establishing a procedural schedule, and requiring the Companies to propose a notice of filing.

4. Also on October 6, 2020, Staff filed a Motion to Dismiss the Companies' MIP tariff application.

5. On October 19, 2020, the Commission entered an order granting the Sierra Club’s petition to intervene in Case No. 20-0666-E-4435T, directing publication of notice, and stating that it would not rule on Staff’s Motion to Dismiss filed in Case No. 20-0666-E-4435T until it issues its final Order.

6. On November 23, 2020, the Commission entered an order requiring the evidentiary hearing be held via videoconference.
7. The Stipulating Parties filed the testimony of the following witnesses:

**Case No. 20-0665-E-ENE**

<table>
<thead>
<tr>
<th>Companies</th>
<th>Raymond E. Valdes, Susan M. Colflesh, Jill A. Soltis, Mark J. Valach, Cecilia Liang-Nicol, Melanie A. Mancuso, Robert R. Reeping, Edward L. Murphy</th>
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<td>Staff</td>
<td>Geoffery M. Cooke</td>
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<td>CAD</td>
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<td>WVEUG</td>
<td>Stephen J. Baron</td>
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<td>CAG/SUN</td>
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<td>Rachel Wilson</td>
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**Case No. 20-0666-E-4435T**

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<td>Geoffery M. Cooke</td>
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<tr>
<td>CAD</td>
<td>None</td>
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<tr>
<td>WVEUG</td>
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<tr>
<td>CAG/SUN</td>
<td>Tyler Comings</td>
</tr>
<tr>
<td>Sierra Club</td>
<td>None</td>
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8. The Stipulating Parties undertook discovery, both of a formal and informal nature, including an examination of the books and records of the Companies and a review of data responses and other documents provided by the Companies.

9. The Companies represent that they have or will satisfy all posting and publication requirements and provided evidence thereof to the Commission.

**The Joint Stipulation**

10. The Stipulating Parties have addressed or eliminated all of the issues in the pending ENEC and MIP cases among the Stipulating Parties in order to reach an overall resolution of the issues. This Joint Stipulation shall be ineffective, or not binding on the Stipulating Parties, until and unless approved by the Commission in all of its material terms and without modification. Absent approval of this Joint Stipulation, the Stipulating Parties reserve their rights to fully
advocate their positions on the basis of all the evidence, unlimited by the terms of the Joint Stipulation.

11. To avoid the additional expense that would result from the fully litigated presentation of these cases before the Commission, and in an attempt to achieve certainty in the outcome of these cases, the Stipulating Parties agree and recommend, based upon the discovery, testimony, discussions, and compromises made among them, that the Commission adopt the Joint Stipulation as the basis for its resolution of all of the issues presented in these cases. The provisions of the Joint Stipulation, each of which the Stipulating Parties believe to be an essential and integral element of a fair and reasonable resolution of these cases that is in the public interest, consist of the terms and conditions set forth below. The Stipulating Parties agree and recommend that the Commission should adopt and approve the Joint Stipulation, without modification, that provides for the following:

a. **Review periods closed.** The aggregate ENEC over-recovery balance for the twelve-month review periods ending June 30, 2019 and June 30, 2020 is $29,317,624. These two review periods should be closed and the costs incurred in them should be accepted as properly and prudently incurred.

b. **2021 ENEC Rates.** Effective January 1, 2021, the Companies should implement revised ENEC rates designed to produce a total annual decrease in revenues of $50,079,404, or a 3.7 percent decrease in total rates on a system average basis, as shown in Exhibit A, subject to a reservation of $5 million of the residential rate reduction portion of the ENEC rate decrease in this case to apply toward and against the residential portion of the regulatory asset in any future ENEC or other rate proceeding in which the Companies seek to recover additional portions of the COVID-19 regulatory asset.
c. **Continuation of ENEC Mechanism; Next ENEC Filing.** The ENEC rates made effective on January 1, 2021, should remain in effect for a one-year period, during which deferred accounting for over/under-recoveries of ENEC costs should continue in effect, including the reconciliation of revenues versus costs. The Companies should file their next ENEC case no later than September 1, 2021.

d. **Components of ENEC Rates.** The following components are part of the overall ENEC rate for 2021: (1) the $29,317,624 over-recovered deferred fuel balance as of June 30, 2020; (2) the projected ENEC over-recovery of $43,589,240 based upon current ENEC rate levels for calendar year 2021 (adjusted to account for the reduction in current income tax expense resulting from the Tax Cuts and Jobs Act settlement approved in the Commission Order dated November 16, 2018 in General Order No. 236.1) less the $5 million reserve for residential customers; (3) an annual revenue requirement of $7,403,570 for MATS/CSAPR capital costs booked during 2016 and 2017 as authorized in the settlement of the 2016 ENEC case approved in Case No. 16-1121-E-ENEC; (4) the collection of $10,516,544 of COVID-19-related incremental costs incurred as of June 30, 2020; and (5) an annual revenue requirement of $4,907,346 of MATS/CSAPR actual and forecast capital costs for the period from 2018 through 2021, which also includes forecasted Operation and Maintenance costs, and which reflects the reduction specified in paragraph 11(f) below and also a return on common equity of 9.90%. The estimated O&M costs included in the revenue requirement in this paragraph 11(d)(5) will be subject to further review by the parties in the Companies’ 2021 and/or 2022 ENEC case. The Stipulating Parties agree that the recovery of the costs identified in this paragraph 11(d)(5) creates no presumption that any MATS/CSAPR capital costs or O&M expenses incurred after December 31, 2021 are just, reasonable, and prudent. All parties shall be free to take whatever position they wish in any future filings regarding return on equity for capital costs after 2021 and nothing herein will
be construed as precedential or a waiver of any Party's rights to propose and support a different return on equity.

e. **COVID-19 Expense Recovery.** With respect to the recovery of COVID-19-related incremental costs provided for in paragraph 11(d)(4) above and future requests for recovery of such costs, the Companies will: (1) adjust, true up and reconcile the approximate $8,622,369 incremental uncollectible expense portion of the recovery in this case in a future ENEC or other rate proceeding; (2) identify any costs savings associated with COVID-19, in addition to any impacts from the CARES Act assistance fund made available by the Governor to residential customers, and net any such savings and recoveries against the regulatory asset to credit to customer rates in a future ENEC or other rate proceeding; and (3) reserve the $5 million of the residential rate reduction portion of the ENEC rate decrease in this case as agreed to in Paragraph 7(b) above, to apply toward and against the residential portion of the regulatory asset in any future ENEC or other rate proceeding in which they seek to recover additional portions of the COVID-19 regulatory asset.

f. **Timing of Property Tax Expense Recovery.** For purposes of the future recovery of property tax expense associated with the MATS/CSAPR capital investments covered in paragraph 11(d)(5) above and for purposes of this case only, the Companies accept the Staff position that there should be a two-year delay between the placement into service of assets and the recognition of the associated property tax liability (which acceptance operates as a timing adjustment only in this case and not a disallowance of costs).

g. **Withdrawal of 4435T Case.** The Companies withdraw the pending 4435T petition in Case No. 20-0666-E-4435T, without prejudice to their ability to make future 4435T filings that do not seek to recover the same MATS/CSAPR costs identified in paragraph 11(d)(5) above. All parties shall be free to take whatever position they wish in any future 4435T filings
and nothing herein will be construed as a waiver of any Party’s rights to oppose any aspect of any such filing.

h. **Other ENEC Case Commitments.** In connection with and prior to the 2021 ENEC case, the Companies will:

(1) reconsider Ft. Martin coal inventory levels;

(2) establish a contingency plan to account for the potential closing of Contura’s Cumberland mine in 2022;

(3) evaluate the financial opportunities for the buy-out of the Grant Town PURPA contract, meet with project owners to discuss a buy-out, and confer with Staff, CAD, and WVEUG about the cost and rate impacts of any such buy-out; and

(4) The Companies agree to provide clear justification for self-scheduling generation units into the PJM day-ahead energy market. That justification will include, for each generating unit: (a) a weekly analysis of likely net energy revenues net of all production costs including start-up costs (as applicable) over a period of one week; and (b) when the aforementioned analysis concludes that commitment is not justified by projected net energy revenues, an explanation of any decision to self-schedule the unit. Those analyses and explanations, along with the underlying data (including, but not limited to, marginal production costs, start-up costs, and forward market price assumptions for the analysis period), will be subject to discovery (including, where permitted by the Commission’s Rules of Practice and Procedure, discovery subject to a protective agreement) in future ENEC cases and other cases in which such information otherwise meets the standard for discoverability under the Commission’s Rules.

i. **Analysis of Generating Units.** If the Companies (i) file a future 4435T or certificate (W.V. Code § 24-2-11) case involving the Fort Martin and/or Harrison generating
stations, and the total cost of the capital expenditures and O&M expenses included in the Companies’ application exceeds $15 million, or (ii) file a future case involving the recovery of any Effluent Limitation Guidelines (ELG) compliance costs, the Companies agree to perform and file in that case a forward-looking economic analysis of the generating units at those stations along with an analysis of other capacity alternatives. Additionally, if the Companies propose acquisition of, or investment in, new generation in a base rate, certificate, or 4435T case, or other filing (but not including an application made pursuant to WV Code Section 24-2-10, as codified at the time of this Stipulation), they agree to conduct such an analysis. Prior to conducting any such analysis, the Companies will consult with the parties to Case No. 20-0666-E-4435T regarding the parameters and assumptions to be used in the analysis.

12. The Stipulating Parties acknowledge and represent to the Commission that each and every one of these provisions is a reasonable resolution of each such issue, to which each of the Stipulating Parties has agreed within the overall context of the Joint Stipulation.

13. The Stipulating Parties jointly acknowledge and represent to the Commission that the pre-filed direct and supplemental evidence and exhibits filed in these cases, as well as the testimony to be offered in sponsorship of this Joint Stipulation, even though it reflects some areas of dispute among the Stipulating Parties on a wide range of ratemaking issues, is adequate to support the Joint Stipulation. The Stipulating Parties each agree and recommend that the pre-filed testimony and exhibits be admitted into the evidentiary record without the necessity of each witness’s sponsorship or attendance at hearing.

14. The Joint Stipulation is based upon the Stipulating Parties’ analyses of the existing and foreseeable financial condition of the Companies and the existing statutory and regulatory framework that imposes certain obligations upon the Companies.
15. The Stipulating Parties support this Joint Stipulation and represent that each and every one of its provisions acceptably resolves each issue raised by the Companies' cases. Based on the record, the Stipulating Parties agree and recommend that the Commission accept this Joint Stipulation in complete resolution of these cases.

16. This Joint Stipulation is entered into subject to the acceptance and approval of the Commission. It results from a review of all record evidence and filings in these cases, and extensive, good faith negotiation. The Joint Stipulation embodies substantial compromises and modifications by the Stipulating Parties of their respective positions in these cases and is being proposed to expedite and simplify the resolution of these proceedings and other matters in the context of an overall settlement.

16. The Stipulating Parties agree and recommend that the Commission adopt this Joint Stipulation as being in the public interest, without adopting or recommending the adoption of any of the compromise positions set forth herein as ratemaking principles applicable to future regulatory proceedings, except as may otherwise be provided herein. The Stipulating Parties further acknowledge that it is the Commission's prerogative to accept, reject, or modify any stipulation, but they respectfully reiterate that each component of the Joint Stipulation, and in particular the resolution of disputed issues and the provisions of this paragraph, is integral to and inseparable from the others. None of the Stipulating Parties advocates the Commission's resolution of any issue as proposed in this Joint Stipulation other than in the context of their support for the Joint Stipulation as a whole. Accordingly, in the event that the Joint Stipulation is modified or rejected by the Commission, in whole or in part, it is expressly understood that the Stipulating Parties are not bound to accept the Joint Stipulation as modified or rejected, and may avail themselves of whatever rights are available to them under law and the Commission's Rules of Practice and Procedure.
WHEREFORE, the Stipulating Parties on the basis of all of the foregoing respectfully recommend and request that the Commission make appropriate findings of fact and conclusions of law adopting and approving the Joint Stipulation, without modification, in its entirety.

Dated and effective this 2nd day of December, 2020.

MONONGAHELA POWER COMPANY and THE POTOMAC EDISON COMPANY
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CO~MISSION OF WEST VIRGINIA
By Counsel

Wendy Braswell, Esq.
WHEREFORE, the Stipulating Parties on the basis of all of the foregoing respectfully recommend and request that the Commission make appropriate findings of fact and conclusions of law adopting and approving the Joint Stipulation, without modification, in its entirety.

Dated and effective this 2 day of December, 2020.

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SIERRA CLUB
By Counsel

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Appalachian Mountain Advocates
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<th>Aug 28 Proposed ENEC Change eff 2021</th>
<th>$5 Million Res Reserve</th>
<th>MATS/CSAPR Recovery</th>
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