The work of the VML/VACo APCo Steering Committee has resulted in numerous financial benefits to localities in APCo’s service area. The highlights of the Steering Committee’s representation of the localities in recent years include the following:

- **Negotiation of 2016-2020 Contract:**
  - APCo began negotiations by acknowledging that the localities were entitled to a surcredit of approximately $2.5 million but then adjusted the figure downward to $1.2 million. Thereafter, APCo took the position that, based upon its cost of service study, the localities were not entitled to any surcredit but rather owed a surcharge of approximately $1 million to APCo. The Steering Committee pushed back hard, contending that the vast amount of data and figures produced by APCo in support of its underlying calculations were faulty. The Steering Committee worked with its utility regulatory accounting experts and took the position that the return on equity figure upon which APCO’s study was based was much higher (over 13%) than the 9.7% figure that the SCC had previously approved.
  - As the result of the negotiations, APCo ultimately agreed to waive the $1 million surcharge against the localities and instead give them $4 million in surcredits spread over 4 years and refund them $218,000 for a total savings of over $5.2 million for the localities.
  - In addition, the Steering Committee obtained APCo’s agreement to include a net metering tariff allowing the localities to receive credit for producing energy and a REO Rider allowing the localities to obtain all of their energy from renewable resources.

- **Opposition to APCo Claims in 2014 Base Rate Case (Biennial Review)** – the SCC rejected many of APCo’s arguments and instead adopted positions asserted by the Steering Committee and other participants, the effect of which was to keep rates lower. Specifically, the SCC:
  - Rejected APCo’s efforts to avoid a refund of revenues to customers;
  - Ruled that APCo had over earned by $24 million and that $5.8 million would be refunded to ratepayers, including the localities;
  - Approved a 9.7% return on equity – much lower than the nearly 11% sought by APCo;
  - Rejected the majority of APCo’s sought after tariffs;
  - Rejected APCo’s rate adjustment clause petition;
  - Accepted only 3 of 11 accounting adjustments requested by APCo.

- **Opposition to APCo’s Proposed Cost Recovery for Energy Efficiency programs.** In 2014 and 2015, the Steering Committee successfully opposed the Commission Staff’s efforts to have non-jurisdictional customers such as
the localities bear the costs of energy efficiency programs that did not benefit the localities.

- **Opposition to APCo’s Request for a 10.22% Return on Equity (“ROE”).** In a 2018 proceeding, the Commission agreed with the Steering Committee’s argument that APCo’s ROE should be set at the lowest rate allowed by statute (9.42%), the effect of which was to keep rates lower.

- **Opposition to APCo’s Proposed Fuel Factor and RPS-RAC (2017-2018).** The Steering Committee obtained favorable rulings in these rate cases, which resulted in rate reductions for APCo customers, including the localities.

- **Opposition to APCo’s Proposed Acquisition of Beech Ridge II and Hardin Wind Facilities (2018).**
  - The SCC ruled in favor of the Steering Committee and stated that “We agree with . . . .the Steering Committee that the evidence demonstrates that APCo does not have a current need for capacity and is expected to continue to have sufficient capacity to serve its native load until 2026.” Had the SCC ruled in favor of APCo, ratepayers, including the localities, would have borne the substantial costs of these unnecessary facilities.

- **Opposition to Pricing for APCo’s Renewable Energy Tariffs (2016-2018).** The Steering Committee has pushed back on APCo’s proposed pricing for renewable energy tariffs because the pricing was not fair, just and reasonable for ratepayers. In 2016-2017, the Steering Committee played a big role in the SCC’s denial of APCo’s Petition which sought an 18% premium over regular rates for renewable energy. While the SCC ultimately granted the renewable energy tariff that APCo sought in 2018, the premium was only 4% over regular rates – a substantial reduction from what APCo had previously sought.

- **Credibility with the SCC.** Over the past 5 years, counsel for the Steering Committee has continued to build on their excellent reputations with the SCC. On multiple occasions, the Commissioners have complemented counsel on their performance in SCC proceedings and commented on the importance of the localities’ having legal counsel in rate cases and related proceedings before the SCC.