Office of the Ohio **Consumers' Counsel**

2017 ANNUAL REPORT

YOUR RESIDENTIAL UTILITY CONSUMER ADVOCATE

The Office of the Ohio Consumers' Counsel

▶ Mission

OCC advocates for Ohio's residential utility consumers through representation and education in a variety of forums.

▶ Vision

Informed consumers able to choose among a variety of affordable, quality utility services with options to control and customize their utility usage.

▶ Core Values

Communications
We will share information and ideas to contribute to the making of optimal decisions by our colleagues and ourselves.

Excellence
We will produce work that is high quality and we will strive to continuously improve our services.

Integrity
We will conduct ourselves in a manner consistent with the highest ethical standards.

Justice
We will advocate for what is fair for Ohio's residential utility consumers.

Respect
We will treat each other, our partners and the public with consideration and appreciation.

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A message from Michael Watkins
Governing Board Chair

The Governing Board of the Office of the Ohio Consumers' Counsel appreciates this opportunity to present our 2017 Annual Report to the Ohio General Assembly. The Annual Report includes a record of the participation of the Office of the Ohio Consumers' Counsel ("Agency" or "OCC") on behalf of Ohio utility consumers in electric, natural gas, telephone, and water utility proceedings and an outline of other activities and expenditures.

In 2017, the electric industry continued to hinder fulfillment of the Ohio General Assembly's vision, in the 1999 deregulation legislation, for Ohioans to be served by a competitive market for power plant generation. Electric utilities supported five legislative bills for making Ohioans subsidize coal or nuclear power plants. The good news for consumers is that, to date, these legislative bills have not been enacted. Also, electric utilities continued to ask the PUCO to approve charging consumers for subsidies. And, unfortunately, Ohio consumers continued to pay previously approved above-market subsidies in their monthly electric bills. This Annual Report includes a "subsidy scorecard" on the inside back cover, showing subsidies paid by Ohioans for electric service since 2000.

The Agency has been active in regulatory and legislative hearings to recommend consumer protection by enabling competitive markets and preventing charges for subsidies. In this regard, Representative Robert Cupp, the Chair of the House Public Utilities Committee, kindly invited Consumers' Counsel Bruce Weston to make an informational presentation to the Committee on a consumer rate issue involving "electric security plans" under the 2008 energy law. On this subject, the Consumers' Counsel has been a strong supporter of House Bill 247, which would repeal the 2008 law allowing the electric security plans that have resulted in utility subsidies at consumer expense. And H.B. 247 would enable refunds to consumers when the Ohio Supreme Court rules that utility charges are improper. Utility consumers have been denied refunds of hundreds of millions of dollars in improper charges in recent years. Also, we appreciate that Representative Cupp shared his time and insights about legislation in a visit with the Board at our November meeting.

Other consumer issues in 2017 included the introduction of legislation supported by the telephone industry that would, for customers of basic local telephone service, enable 20% annual increases and eliminate service quality standards. This legislation can be problematic for rural Ohioans, older consumers and low-income consumers. Legislation also was introduced to weaken, for water utilities that acquire other water systems, a longstanding ratemaking standard for consumer protection. The Agency continued its consumer protection activity regarding various natural gas issues including with regard to utility charges for pipeline infrastructure replacement. And the Agency recommended that new electric grid modernization services for consumers, especially on the customer's side of the electric meter, should develop with competition (where effective) and not through utility monopolies and subsidies. At the recommendation of the Governing Board, the Agency developed and provided a legislative notebook to the General Assembly that describes utility consumer issues.

A message from Michael Watkins
Governing Board Chair

I thank Attorney General DeWine for his services to the Board and the Agency. And I appreciate the Attorney General's appointments of Regina Mitchell, J. Douglas Moormann, Andra Troyer, and David Wondolowski, as well as my reappointment in 2017. (Ms. Mitchell later resigned from the Board to devote her time to another project that assists people in need.) We said farewell to Chair Gene Krebs – who served the Agency with distinction as Chair since September 2012 and as a member since December 2005– and to members Sally Hughes and Fred Yoder. They – and their colleagues on the Board – worked diligently in their public service to guide the Agency in its services to Ohioans. The current Board and I will continue that commitment to Ohio consumers.

The Board commends the dedicated service of our appointees, Consumers' Counsel Weston and Deputy Consumers' Counsel Sauer, and their hardworking staff. I thank Consumers' Counsel Weston for his leadership of the Agency, for seeking lower utility bills for Ohioans and for recommending the consumer protection of competitive markets (where effective) instead of monopolies and subsidy charges. And I thank the members of the Ohio General Assembly and the Governor's Office for considering the Agency's recommendations for protection of Ohio utility consumers.

The Board looks forward to the Agency's work with legislators, other public officials and stakeholders for the benefit of Ohioans in 2018.

Chair Watkins (right) and Vice-Chair Young (left) at a Board meeting.

Consumers' Counsel Weston (right) and Deputy Consumers' Counsel Sauer (left) at a Board meeting.

Governing Board

About the Governing Board

By law, the Ohio Attorney General appoints members to the Consumers' Counsel Governing Board. The Board consists of nine members, with three members appointed for each of three organized groups: residential consumers; labor; and family farmers. No more than five members of the Board may be from the same political party. Board members are confirmed by the Ohio Senate and serve three-year terms. The Board is responsible for appointing the Consumers' Counsel (the Agency's director) and the Deputy Consumers' Counsel.

Michael A. Watkins

Chair, 2017 – present
Vice-Chair, 2015 – 2017
Board member, 2010 – 2020
Representing organized labor
Hometown: Elida

Michael Watkins has served as a member of the Fraternal Order of Police ("FOP"), Lima Lodge No. 21 since 1976 when he began his career as a police officer in Lima, Ohio. He retired as an active law enforcement officer in 1999. He currently is serving his sixth term as president of FOP Lima Lodge No. 21. Since 2003 he has been employed by the FOP, Ohio Labor Council Inc. in Columbus, Ohio as an Administrative Assistant. Mr. Watkins was trustee of the FOP's 6th district from 1993-1995 and has served in that position again since 2007.

Stuart Young

Vice-Chair, 2017 – present
Board member, 2012 – 2018
Representing family farmers
Hometown: Springfield

Stuart Young is a third-generation dairy farmer. He is an owner and manager of Young's Jersey Dairy Inc. in Yellow Springs, Ohio, where he is responsible for managing the farm operation, Jersey herd and cheese production. He has also served on the Hustead Volunteer Fire Department for 36 years. He previously served the Clark County Farm Bureau on the Board of Directors and as President. He has served as a member of the Ohio Cattlemen's Association and The Ohio Farm Bureau's State Policy Development Committee as a delegate. He is a lifelong member of the American Jersey Cattle Association.

Fred Cooke

Board member, 2013 – 2019
Representing family farmers
Hometown: Shelby

Fred Cooke runs a 1,200-acre farm with his son, Charlie, in Shelby, Ohio. He worked for 30 years as an educator teaching agriculture at Greene County Vocational School, Willard High School and Shelby Senior High School, in addition to teaching various courses at Southern State College in Wilmington. In recognition of his commitment to education and preserving farm land, he was awarded the Outstanding Educator of the Year and the Outstanding Soil and Water Conservationist award by the Richland Soil and Water Conservation District. He is a 30-year member of the Richland County Farm Bureau.

Kelly C. Moore

Board member, 2015 – 2018
Representing residential consumers
Hometown: Newark

Kelly Moore is the corporate Vice-President of GKM Auto Parts, Inc., an independent jobber of NAPA Auto Parts. A member of the National Federation of Independent Business/ Ohio (NFIB), Mrs. Moore serves as a member of the group's Ohio Leadership Council. She serves on various committees, including the Workers Compensation committee and the Young Entrepreneur Foundation Scholarship committee. She is the former Chair and Vice Chair of the Zanesville NFIB Area Action Council. In addition, Mrs. Moore is a member of the West Lafayette Chamber of Commerce.

J. Douglas Moormann

Board member, 2017 – 2020
Representing family farmers
Hometown: Cincinnati

J. Douglas Moormann is the Vice President of Development Strategies Group, an economic development consulting firm that he launched in 2011. His firm focuses on finding economic strategies for both private development projects and local governments. Mr. Moormann has significant experience in legislative relations and state government. He served as the Vice President of Economic Development and the Vice President of Government Affairs during his nine-year tenure at the Cincinnati USA Regional Chamber from 2003-2011. Mr. Moormann has also spent time working in the governor's office, the Office of Criminal Justice Services, and the Controlling Board, Office of Budget and Management. Mr. Moormann currently serves as the chair of the European American Chamber of Commerce of Greater Cincinnati, which he has served on since 2013. Other committees he has served on include: Agenda 360, Brent Spence Bridge Advisory Committee, Southwest Ohio Region Workforce Investment Board, and the Ohio Transportation Review Advisory Council.

Roland "Butch" Taylor

Board member, 2013 – 2019
Representing organized labor
Hometown: Stow

Roland "Butch" Taylor has served as a member of Plumbers and Pipefitters Local 396 since 1992 and as Business Manager since 2010. He previously served Local 396 as Union President, Executive Board Member and Business Agent. Mr. Taylor has been involved in Pathways to Building Trades, a grant that exposes students to careers as plumbers, electricians, carpenters and other skilled trades. Mr. Taylor also serves on the Boards of Leadership of the Mahoning Valley, Youngstown/Warren Regional Chamber and Chamber of Commerce. He was honored as the Regional Chamber's Labor Leader of the Year in 2012.

Andra Troyer

Board member, 2017 – 2020
Representing family farmers
Hometown: London

Andra Troyer, along with her husband and son Jared, manage RLT Farms, a 1,600-acre farm that specializes in growing corn and soybeans. For 12 years Ms. Troyer served as the Southwest Regional State Trustee for Ohio Farm Bureau, representing 20 counties regarding state and national issues that affect rural and urban America. As a trustee, she provided guidance on daily operations and budgets. Ms. Troyer served as a Board Member on the Ohio State University's C. William Swank Advisory Board, dealing with rural and urban interface issues. She also served in several advisory positions for Madison County, including Farm Bureau President, Chairman of the Madison County Soil and Water Conservation District, and Board Member for the Madison County Chamber of Commerce. Ms. Troyer currently serves on the Lake Choctaw Water Quality Committee. Ms. Troyer also works for the National Agricultural Statistics Service.

David J. Wondolowski

Board member, 2017 – 2018
Representing organized labor
Hometown: Broadview Heights

David J. Wondolowski is a labor leader that has served as Executive Secretary of The Cleveland Building and Construction Trades Council since 2013, which represents all of the building trades unions and over 10,000 highly-skilled employees in Northeast Ohio. Additionally, Mr. Wondolowski serves on the Cleveland/Cuyahoga County Workforce Investment Board. He is Vice President of the United Labor Agency, a member of the Cuyahoga County Board of Elections, an Executive Board member for the North Shore AFL-CIO, and a member of the NOACA's Business Advisory Committee. Mr. Wondolowski also holds membership with the Greater Cleveland Partnership (GCP), where he is a Board member of their Commission on Economic Inclusion, and an Executive Board member of the Construction, Diversity, and Inclusion Committee. Formerly, Mr. Wondolowski served on Broadview Heights City Council from 2003-2007 and was a member of the Ohio Public Works Commission.

Departing Governing Board Members

Gene Krebs

Chair, 2012 – 2017
Vice-Chair, 2011 – 2012
Board member, 2005 – 2017
Representing residential consumers
Hometown: Camden

Gene Krebs was appointed to the OCC Governing Board in 2005 and was reappointed to the Board by both Republican and Democrat Attorneys General. Mr. Krebs spent three years on the Eaton City School Board, eight years in the Ohio House of Representatives, four years as Preble County Commissioner, and five years on the Preble County Planning Commission. He has served on the Joint Committee on High Technology Start-up Business, Sales Tax Holiday Study Committee (Chair), and the Eminent Domain Task Force, all by legislative appointment. Mr. Krebs was appointed by Gov. Ted Strickland to serve on Ohio's 21st Century Transportation Task Force and most recently by Gov. John Kasich to the Local Government Innovation Council. After ending his second stint with a think tank, he co-authored Bridges Across Every Divide with noted writer Phil DeVol on bridging the political divide to bridge the economic divide.

Mr. Krebs resigned from the Board in July 2017.

Sally A. Hughes

Board member, 2011 – 2017
Representing residential consumers
Hometown: Columbus

Sally Hughes has served as President and Chief Executive Officer of Caster Connection, Inc., a business founded upon the solid principle of "providing ergonomic caster and wheel solutions to decrease injuries in the workplace." Her multi-million dollar company serves thousands of companies throughout the U.S., Canada, Mexico and Europe. Ms. Hughes currently serves on the Board of the Ohio Chamber of Commerce and is a member of the Entrepreneurs' Organization, Women Presidents Organization Platinum Group, Women's Business Enterprise National Council and National Association of Women Business Owners. She is on the Board of The Wellington School, Enterprising Women Magazine Advisory Board and the Women's Leadership Network Advisory Council for Otterbein University. Ms. Hughes recently received recognition as 2016 SBA Business Person of the Year from the SBA for the State of Ohio and 2016 Enterprising Women of the Year Award winner.

Ms. Hughes' tenure on the Governing Board ended in July 2017.

Regina M. Mitchell

Board member, 2017
Representing residential consumers
Hometown: Warren

Regina M Mitchell has served as President and Chief Operating Officer of Warren Fabricating Corporation and Managing Member for Ohio Steel Sheet & Plate, Inc. She has served on the Executive Boards for the Youngstown Warren Regional Chamber of Commerce, Youngstown/Warren Regional Chamber of Commerce Foundation, and her alma mater, John F. Kennedy school system. She is most proud of the work she does as founder & trustee for the Regina M Rebhan Family Foundation.

Fred Yoder

Board member, 2011 – 2017
Representing family farmers
Hometown: Plain City

Fred Yoder is the owner and operator of Fred Yoder Farms in Plain City, Ohio. He also is a partner and Chairman with Yoder Ag Services, LLC, a retail seed and consulting company. Mr. Yoder currently serves as a member of the Trump Agriculture Advisory Committee; the AGree Advisory Council and their Risk Management Task Force; the Ohio Corn and Wheat Growers Association; and is a director of the 25 x '25 Alliance, which is part of the Solutions from the Land LLC. He also serves as the Chair of the North American Climate Smart Agriculture Alliance, promoting adaptation to a changing climate while reducing agriculture's carbon footprint. He was recognized by the White House as a Champion for Change in 2013, and he was inducted into the Ohio Agricultural Hall of Fame in 2011.

Mr. Yoder's tenure on the Governing Board ended in July 2017.

Bruce Weston

Bruce Weston has served Ohioans as the Consumers' Counsel (Agency Director), by appointment of the Consumers' Counsel Governing Board, since March 2012. Previously, Mr. Weston served as the Deputy Consumers' Counsel and directed the Agency's Legal Department. Mr. Weston brings 35 years of experience in public utilities law to the Agency and its services to Ohio residential consumers. He is committed to protecting consumers' interests. His priorities include reasonable rates, competitive markets and reliable service for Ohioans. Prior to joining the Agency for a second time in October 2004, Mr. Weston was in private law practice. He served as legal counsel for clients in cases involving utility rates, service quality, industry restructuring and competition. Mr. Weston received his bachelor's degree in business administration from the University of Cincinnati. He began his career at the Agency in 1978 as a legal intern. After earning his law degree from The Ohio State University College of Law, he began a 12-year tenure as an attorney for the Agency. Mr. Weston served as the chair of the Public Utilities Law Committee of the Ohio State Bar Association for two years ending in June 2012.

Larry Sauer

Larry Sauer was appointed as the Deputy Consumers' Counsel by the Consumers' Counsel Governing Board in September 2014. As Deputy, he performs the duties of the Consumers' Counsel during any times of the Consumers' Counsel's unavailability. Mr. Sauer also serves as the Director of the Legal Department. Mr. Sauer joined the Agency in March 2003 as an Assistant Consumers' Counsel. He has served as counsel in electric and natural gas cases, and he has advised the Agency on consumer issues involving the transition to competitive markets for utility services. Prior to joining the Agency, he worked for 24 years as an accountant, analyst, and attorney for American Electric Power.

Dan Shields

Dan Shields joined the Agency as Director of the Analytical Department in March 2014. He is responsible for administering the accounting, economic, and financial analyses associated with utility rate filings and other regulatory proceedings that affect Ohio's residential utility consumers. He provides advice and recommendations for the Ohio Consumers' Counsel's utility advocacy on technical and policy issues related to regulation and legislation. Before joining the Agency, Mr. Shields served as the Federal Energy Advocate at the PUCO and was Director of the Office of the Federal Energy Advocate. He earlier served as a PUCO Senior Policy Specialist on state and federal energy and telecommunications issues.

Monica Hunyadi

Monica Hunyadi joined the Ohio Consumers' Counsel in September 2013. As the Chief of Staff – Non-Case Services, she provides assistance to the Consumers' Counsel on special projects affecting Ohio consumers and the Agency. She leads the Agency's Operations and Public Affairs Departments toward meeting objectives for services within the Agency and for the public. She previously served as the Agency's Director of Operations from 1996-2005. She then accepted a position as the Director of Human Resources at the Supreme Court of Ohio. In addition to leading human resources, she also taught various human resource courses for the Ohio Judicial College and the Ohio Association of Court Administrators.

Issues for Electric Consumers

In 2017, the Office of the Ohio Consumers' Counsel served the interests of more than about four million residential electric consumers in Ohio. The Agency advocated for lower rates, reliable service, and competition for power plant generation and smart grid services.

There were some familiar and some novel consumer issues in 2017. The Ohio General Assembly's vision in 1999 was for a competitive electric market. But nearly twenty years later Ohio's electric utilities continue to seek subsidies from consumers. The Agency's "Subsidy Scorecard," shown on the inside back cover of this Annual Report, is a summary of the subsidies paid by Ohio customers to their electric utilities since 2000. Utilities have sought to subsidize their aging, uneconomic power plants at the General Assembly, the PUCO, and other forums.

At the General Assembly, bills have been introduced that, if passed, would subsidize both coal and nuclear plants. The Ohio Valley Electric Corporation (OVEC) bills (S.B. 155, H.B. 239) reflect utility efforts to subsidize sixty-year-old, uneconomic coal-fired power plants located in Ohio and Indiana that are owned by a number of the regional utilities. The nuclear plant bills (S.B. 128, H.B. 178, H.B. 381) would require customer payments to subsidize FirstEnergy's nuclear plants over the next 16 years.

At the PUCO, utilities have sought and received power plant subsidies for the old, uneconomic OVEC plants in which Ohio utilities have ownership interests. The subsidies are through a power purchase agreement with OVEC. AEP customers have paid to subsidize the OVEC plants since January 1, 2017. OCC has appealed that subsidy and is awaiting a ruling by the Supreme Court of Ohio. Dayton Power & Light (DP&L) customers also began paying to subsidize the OVEC plants starting November 1, 2017. An appeal of that subsidy is likely once a final order is issued by the PUCO. Duke has sought the same subsidies from customers in two cases presently before the PUCO.

This year, Ohio's utilities have continued to pursue a variety of other charges that add to the costs customers pay for electricity. Dayton Power & Light ($105 million/year for 3-5 years) and FirstEnergy ($204 million/year for 3-5 years), for example, were allowed to charge customers for "distribution modernization." However, the PUCO did not require these utilities to actually use the money collected from customers to modernize their distribution systems. Instead, the charges are intended to provide credit support for these utilities.

AEP Ohio proposes to increase rates to customers for electric vehicle charging stations. And Duke, just two years after it finished installing smart meters for all of its customers, already proposes to replace some of those costly meters with new smart meters.

The Office of the Ohio Consumers' Counsel has advocated to protect consumers from all of these charges.

Ohioans who receive electric service resold by unregulated middlemen continue to see excessive charges for electric service and/or a lack of consumer protections. Under this "submetering" model, consumers do not receive the same protections and service available for Ohioans

served by local utilities. Bills are proposed at the Ohio General Assembly (S.B. 157, H.B. 249) for regulating submetering. The Agency offered testimony and recommendations on both bills and supports the passage of House Bill 249 for consumer protection.

An important bill for consumer protection, House Bill 247, was introduced in the Ohio General Assembly in 2017. The bill would repeal the part of Ohio's 2008 energy law that allows "electric security plans" and permit refunds to Ohio consumers when charges they paid are later determined by the Ohio Supreme Court to have been improper. OCC supports the bill.

Some of the protections that the Office of the Ohio Consumers' Counsel recommended for millions of Ohioans in 2017 are described below. A full listing of the Agency's case activities can be found at the back of this Annual Report.

State Cases Affecting Electric Consumers

Consumers' Counsel recommends protecting consumers from AEP's proposed electric security plan

In September 2016, AEP submitted an application to extend its electric security plan. AEP proposed charging customers millions of dollars for a distribution investment rider, a distribution technology rider, and a plug-in vehicle charging station rider. Additionally, the utility proposed charging its customers to subsidize uneconomic coal-fired power plants in which the utility has an ownership interest through OVEC.

In November 2017, AEP submitted to the PUCO a settlement it had reached with other parties. This settlement would allow AEP to charge customers for, among other things, subsidizing the OVEC plants. AEP proposed to extend its current electric security plan and included various financial benefits for parties that signed onto the settlement. The Agency opposed this settlement because it requires Ohioans to subsidize uneconomic power plants and pay tens of millions of dollars annually for projects that most consumers will not benefit from or use. Customers are awaiting a decision from the PUCO on the proposed settlement.

AEP - 16-1852-EL-SSO, et al.

Consumers' Counsel challenges another subsidy charge from DP&L

In February 2016, DP&L sought PUCO approval for its most recent electric security plan. Part of DP&L's plan called for a so-called Distribution Modernization Rider (DMR) to preserve DP&L's "financial integrity." This customer-funded subsidy ($105 million per year for 3-5 years) is aimed at allowing DP&L and its parent company to improve their financial condition so DP&L can borrow money at a lower rate and eventually modernize its distribution system at a later date. The OCC estimates that this subsidy will cost the average residential consumer nearly $10 per month and up to $600 in total for three years of the subsidy. The Agency opposed the charge as unlawful because it requires customers to support the creditworthiness of the utility's parent corporation.

The PUCO approved a settlement that included the DMR subsidy charge for Dayton-area consumers to pay.

DP&L - 16-0395-EL-SSO, et al.

Consumers' Counsel acts to protect Duke customers from unwarranted infrastructure investment charges

In 2017, Duke made several proposals to the PUCO that would unreasonably raise its customers' rates.

In March 2017, Duke filed a request to charge its customers an additional $169 million for a new smart meter infrastructure, including replacing all of its recently installed residential electric smart meters and related communications technology.

The OCC opposed Duke's proposal to charge customers for a new "smart grid" because Duke just finished installing its current system two years ago. The Agency questioned whether Duke had spent its customers' money prudently. The case is ongoing.

In its distribution rate case, Duke also asked the PUCO to approve a $15.4 million increase in the rates consumers pay for its distribution service. Additionally, Duke asked the PUCO to increase the fixed charge on residential customers' bills from $6 to $22.77 (and to decrease the usage-based distribution charge). Higher fixed charges are a consumer concern because they deny the opportunity to consumers to save money by reducing usage. The PUCO Staff recommended that the PUCO reject Duke's request and instead reduce rates by between $18.4 and $28.9 million. The PUCO Staff also recommended a much smaller increase to fixed charges for consumers. The Agency collected relevant discovery and deposed Duke employees in order to challenge Duke's unreasonable requests. This case is also ongoing.

Duke - 17-0032-EL-AIR, et al., 17-1263-EL-SSO, et al.

Consumers' Counsel seeks consumer protections from another DP&L-proposed rate increase

On November 30, 2015, DP&L requested that the PUCO approve a $65.8 million increase in the rates consumers pay for distribution service. This proposal would result in a $4.07 monthly increase for a residential customer with 1,000 kWh of usage. In 2017, the Agency continued to investigate this case. The PUCO independently audited the utility to determine the utility's rate base value. OCC will continue to advocate for the interests of consumers in this case.

FirstEnergy - 17-0334-EL-ATR; DP&L - 15-1830-EL-AIR, et al.

Consumers' Counsel enters case to protect FirstEnergy consumers regarding significant increases in customer charges

In April 2017, FirstEnergy submitted an application to the PUCO requesting an increase in the fixed-charge portion of its customers' bills for distribution service (with a decrease proposed for the usage-based charge). For residential customers, the FirstEnergy proposal would increase the fixed charge from $4 per month to $25 per month over three years, beginning in 2019. Higher fixed charges are a consumer concern because they deny the opportunity to consumers to save money by reducing usage. Also, higher fixed charges can hurt low-income and fixed-income consumers. The OCC moved to intervene in the case on behalf of FirstEnergy's nearly two million customers.

FirstEnergy - 17-334-EL-ATA

Consumers' Counsel participates in the investigation of Duke Energy's practices for disconnection of consumers' service

In 2015, the Agency and Communities United for Action (CUFA) jointly filed a complaint at the PUCO regarding Duke's practices for disconnection of customers' utility service for nonpayment. The Agency then filed a motion asking the PUCO to compel Duke to respond to the Agency's discovery (information) requests, after Duke refused to respond to the Agency's requests for information regarding its disconnection procedures. In 2017, after the PUCO did not act on the Agency's motion for nearly two years, the Agency asked the Supreme Court of Ohio to order the PUCO to act. The PUCO then dismissed the OCC/CUFA complaint. At the same time, the PUCO opened an investigation into Duke's disconnection practices. OCC is participating for consumers in the investigation of Duke's disconnections.

In another case, Duke submitted a request to the PUCO to at least temporarily waive the right of its customers to receive in-person notification before electric service is to be disconnected for nonpayment. The PUCO's rules require electric utilities to provide residential consumers with in-person notice on the day their service is to be disconnected for nonpayment. If the customer (or an adult resident of the household) is not at home, electric utilities must leave written notice at the customer's home in a conspicuous place before disconnection. Duke, which has had one of the highest disconnection rates in the state, sought to remove this important consumer protection for consumers who have smart meters that can be disconnected remotely. The Agency opposed Duke's request, but the PUCO approved Duke's proposal as a two-year pilot program. AEP Ohio filed a similar request for a pilot program to allow disconnection without personal notice for consumers who have smart meters, which the PUCO approved over OCC's objection.

Duke - 16-1096-EL-WVR, 15-1588-GE-CSS, 17-2089-GE-COI; AEP - 17-1381-EL-WVR

Consumers' Counsel recommends consumer protections from electric and water submetering (reselling) practices

A submetering entity is a third-party business that provides a utility service (usually electric or water) by reselling the utility's service to residents, such as apartment tenants or condominium owners. Submeterers have charged consumers more for utility service than the consumers would have been charged as customers of the local regulated public utility. And submetered consumers have been denied the many regulatory protections that exist for consumers who directly purchase service from a public utility, including protection from unreasonable disconnection. Further, consumers of submetered utility service are unable to seek competitive electric service from another provider. Up to now, submetering entities have generally not been regulated by the PUCO. The Agency advocates that Ohioans whose utility service is provided by a submetering entity should receive the same protections for price and reliability of service that non-submetered Ohioans receive. In December 2015, to ensure that residential consumers of submetered utility service are protected, the Agency intervened in the PUCO's investigation of submetering entities. The PUCO sought comments on its ruling. OCC and other consumer advocates jointly filed comments and reply comments in 2017. OCC also sought rehearing of the PUCO's rulings, challenging the rulings as not providing adequate protection to customers.

In December 2016, the PUCO ruled that a submetering entity is presumed to be a public utility if it charges residential utility customers more than the total bill of similarly situated customers on the local public utility's default service. The PUCO sought comments on its ruling. OCC and other advocates filed joint comments and reply comments in 2017. OCC also sought rehearing of the PUCO's ruling, challenging the holdings as not providing adequate protection to submetered customers.

PUCO Submetering Investigation - 15-1594-AU-COI

Consumers' Counsel recommends limiting charges to consumers for electric utility energy efficiency programs

In 2017, the PUCO modified settlements for Duke Energy Ohio (Duke) and FirstEnergy to limit what consumers are charged for energy efficiency programs. The PUCO also approved settlements for AEP Ohio (AEP) and Dayton Power & Light (DP&L) that included limits on what consumers are charged for energy efficiency programs. The Agency represented residential utility consumers in these cases and recommended establishing reasonable limits to these charges.

The proposed utility charges include program costs and utility profits (referred to as "shared savings"). The charges for these programs have been increasing. The utilities' charges for their energy efficiency programs are now among the highest surcharges on consumers' electric bills. To protect customers, the Agency recommended annual caps on the amount that utilities can charge customers for energy efficiency program costs and utility profits. And the Agency recommended limits on what utilities can charge for so-called lost revenues (being revenues some utilities allege they lost due to energy efficiency).

In its application to the PUCO, Duke proposed a charge that would allow it to collect about $50 million per year from its customers for three years for energy efficiency program costs and utility profits. The PUCO Staff and OCC advocated for an annual cap on program costs and utility profits of about $33.8 million. The PUCO issued an order setting an annual cap of $38.6 million on the amount Duke could charge its customers over the three-year period. The Office of the Ohio Consumers' Counsel generally supported that ruling; however, the Agency sought additional consumer safeguards.

There were two PUCO cases related to DP&L's energy efficiency charges to customers in 2017. In the first, DP&L sought PUCO approval to charge customers $20 million for revenues purportedly lost in 2016 from its energy efficiency program. OCC opposed this charge as unjust and unreasonable, but the PUCO ultimately approved it as part of a settlement. In the second case, DP&L agreed through a settlement not to charge customers more than $33 million per year for energy efficiency program costs and utility profits. The Office of the Ohio Consumers' Counsel agreed not to oppose this settlement because of this and other benefits to consumers.

FirstEnergy submitted a proposal to charge its customers $333 million over three years for energy efficiency costs and lost utility profits. The Agency advocated for an $80.1 million annual cap on this charge. The PUCO ultimately adopted a cap of $106 million per year for three years, which the Agency supports. [Note: In early 2018, FirstEnergy appealed the PUCO's decision to the Ohio Supreme Court, claiming that the PUCO lacks the authority to limit or cap what consumers pay for energy efficiency.]

AEP Ohio also proposed an update to its charges for its energy efficiency programs. In a settlement, AEP Ohio agreed to limit its charges to customers to $110.3 million per year for energy efficiency program costs and profits. OCC agreed not to oppose the settlement because of this and other consumer protections, including a cap on utility profits for energy efficiency programs. The PUCO approved the settlement, including the $110.3 million annual cost cap, for 2017 through 2020.

Duke - 16-0576-EL-POR, 17-0349-EL-AAM, 17-0781-EL-RDR; DP&L - 16-0649-EL-POR, 17-1398-EL-POR, 17-1399-EL-WVR; FirstEnergy - 16-0743-EL-POR; AEP - 16-574-EL-POR, 17-1266-EL-RDR

Electric Consumer Issues Appealed to the Supreme Court of Ohio

Consumers' Counsel seeks consumer protection by appealing unlawful charges in utilities' electric security plans

In 2017, the Agency appealed three cases to the Supreme Court of Ohio regarding unreasonable and unlawful charges for electric service.

The Agency appealed two PUCO cases to protect AEP's 1.3 million customers from paying unlawful charges—specifically a Power Purchase Agreement (PPA) Rider. AEP charges customers to subsidize two coal-fired power plants held by Ohio Valley Electric Corporation in which AEP and other Ohio utilities have an ownership interest. Under Ohio's law favoring power plant competition, customers should not be paying subsidies for generation that cannot be collected in a competitive market. Last year, Ohio customers paid $21.8 million in power purchase agreement subsidies to AEP.

In the first case, the Agency appealed the PUCO's decision to establish a placeholder rider that could later be used to charge customers. In the second case, the Agency appealed the PUCO's decision that allowed AEP to charge customers for the coal-plant subsidies.

A third appeal filed in 2017 by OCC was related to FirstEnergy's electric security plan. The PUCO allowed

FirstEnergy to bill its customers hundreds of millions of dollars per year for an unlawful charge called the Distribution Modernization Rider (which does not require even a penny to be spent on actual distribution modernization). The PUCO allowed the utility to charge customers more than $200 million per year in subsidies for at least three years to support the credit of FirstEnergy's parent company. Customers began paying this charge on January 1, 2017. The Agency appealed this issue to the Supreme Court of Ohio in November 2017. The case is ongoing.

AEP - OSC 2017-0749, OSC 2017-0752; FirstEnergy - OSC 2017-1664

Consumers' Counsel seeks consumer protection by appealing DP&L's unlawful stability and transition charges

The Agency has appealed to the Supreme Court of Ohio two PUCO rulings allowing unlawful transition charges to be collected from DP&L's 462,000 customers. Both appeals result from the Supreme Court's ruling in June 2016, where the Court found that DP&L's $285 million in rate stability charges, collected from customers from 2012 to 2015, were unlawful transition charges. (DP&L - OSC 2014-1505) Unfortunately, the Supreme Court's ruling did not result in a refund of any of the $285 million stability charges collected from customers, but it did offer the prospect of stopping the future collection of millions of dollars in stability charges.

After the Court's ruling, DP&L filed at the PUCO to withdraw its electric security plan and to establish replacement rates. The PUCO allowed DP&L to withdraw its electric security plan and established replacement rates for charges to consumers. Included in the replacement rates was another stability charge to customers. During the thirteen-month period that the unlawful replacement rates were in effect, customers paid approximately $83 million more in stability charges.

OCC appealed the PUCO's decisions allowing the utility to withdraw its electric security plan in response to the Court's reversal and allowing the replacement charges. OCC also sought to protect customers by asking for the return of all money collected from customers for stability charges: approximately $285 million in unlawful stability charges collected from 2012 to 2015 and $73 million collected in 2016 through 2017.

Regarding the replacement rate appeal, the Agency asked the Supreme Court to find that the PUCO violated Ohio law when it approved DP&L's request for $73 million per year in unlawful transition charges. By permitting DP&L to withdraw from its electric security plan after charging its customers under that plan for 32 months, the PUCO has made DP&L's customers pay unlawful charges for their utility service. The Agency maintains that Ohio consumers should not have to pay unlawful charges for their utility service.

An oral argument was held in December 2017. A decision is expected in 2018.

DP&L - OSC 2017-0204, OSC 2017-241

Issues for Natural Gas Consumers

In 2017, the Ohio Consumers' Counsel advocated for millions of Ohio natural gas consumers in a number of cases affecting their monthly natural gas bills.

Some of the significant consumer issues that the Consumers' Counsel addressed for natural gas consumers are described below. A full listing of the Agency's case activities can be found at the back of this Annual Report.

State Cases Affecting Natural Gas Consumers

Consumers' Counsel recommends consumer protections on natural gas utility energy efficiency programs

Columbia Gas and Dominion East Ohio both submitted applications to the PUCO to charge Ohioans for energy efficiency programs. Unlike electric energy efficiency that can benefit all customers by avoiding some costly construction of power plants, natural gas energy efficiency programs are subsidy programs that tend to only benefit the consumers who participate through buying the services or products that customers subsidize. Accordingly, to protect natural gas consumers the OCC recommended limiting what natural gas utilities could spend and charge to consumers for these programs.

Columbia Gas submitted its application to continue its "Demand Side Management Program" in June 2016. A coalition of signatory parties including Columbia Gas, PUCO Staff, and others agreed to a settlement. The PUCO approved the settlement in December 2017. This settlement will cost residential and small business customers $200 million – a total of about $150 on average for each residential consumer over six years.

Dominion East Ohio charges customers for its natural gas energy efficiency programs through a demand side management rider. In June 2016, the utility proposed to increase this charge to consumers. To justify the proposed rate increase, the PUCO Staff recommended that Dominion East Ohio file an annual application that proves its program costs are reasonable. The Agency submitted comments supporting the PUCO Staff's recommendation, and the recommendation was adopted by the PUCO in August 2017.

Columbia Gas: 16-1309-GA-UNC; 16-1310-GA-AAM
Dominion East Ohio: 17-1372-GA-RDR

Consumers' Counsel recommends consumer protections regarding natural gas utility rate increases

The Office of the Ohio Consumers' Counsel has advocated for Ohioans who receive their natural gas service from Columbia Gas, Suburban Natural Gas Company, and Ohio Gas Company. All three of these utilities proposed rate increases to the Public Utilities Commission of Ohio.

In late December 2016, Columbia Gas applied to extend its pipeline replacement program for an additional five years and increase the program's monthly customer charge from $10.20 in 2017 to $16.70 by 2022. The PUCO audited Columbia's application and filed a report recommending a small increase – $1 for the first three years and $1.10 for the last two years of the five-year program. However, OCC asserted that the PUCO Staff's proposed increase would still represent too much of an increase to consumers' natural gas bills. In August 2017, Columbia Gas, the PUCO and others agreed to a settlement that would allow Columbia to raise its pipeline replacement charge from $8.96 in 2016 to $16.20 by 2022. The Agency provided evidence to the PUCO demonstrating that the proposed increase was not just and reasonable. [The PUCO approved the settlement in January 2018.]

In April 2017, Suburban Natural Gas Company submitted an application to the PUCO to increase its residential customers' monthly fixed charge from $9.18 to $29.81. The OCC advocated on behalf of Suburban Natural Gas Company's 15,325 customers and opposed the drastic and unwarranted price increase. However, the utility and the PUCO Staff reached an agreement that would increase the monthly customer charge from $9.18 to $29.42 and decrease the usage charge from $2.840290 per Mcf to $0.00 per Mcf. The Office of the Ohio Consumers' Counsel neither supported nor contested the settlement, and the customer charge increase as agreed upon in the settlement was ordered.

In April 2017, Ohio Gas Company submitted an application to the Public Utilities Commission of Ohio seeking to increase the monthly customer charge on its customers' bills from $5.45 to $10.91. This $5.46 proposed adjustment doubles the monthly customer charge. In December 2017, the Agency filed objections on behalf of consumers regarding the PUCO Staff's report in the case. OCC included an objection that the rate increase should be offset by the recent reduction in federal corporate income taxes that Ohio Gas would pay. The Consumers' Counsel, Ohio Gas Company and the PUCO Staff then negotiated a settlement. This settlement benefited Ohio consumers by reducing the utility's requested $3,237,345 revenue request to a stipulated $2,419,587 increase, due to the recent decrease in the federal corporate income tax rate. This use of the tax reduction resulted in a savings of over $600,000 per year for customers.

Thus, customers of Ohio Gas became some of the first customers in Ohio to benefit from the reduced federal corporate income tax rate (reduced from 35% to 21%). Moving forward, the Agency is advocating that the savings utilities receive due to the lower corporate income tax rate should be fully and promptly passed back to all Ohio consumers.

Columbia Gas - 16-2422-GA-ALT
Suburban Natural Gas Company - 17-0594-GA-ALT
Ohio Gas Company - 17-1139-GA-AIR

Natural Gas Consumer Issues Appealed to the Supreme Court of Ohio

Consumers' Counsel appeals Duke Energy's charges to consumers for the clean-up of defunct manufactured gas plants

The Office of the Ohio Consumers' Counsel advocates that utilities in Ohio should not be allowed to unlawfully charge their consumers for the maintenance or clean-up of utility facilities that are not used by or useful for those consumers. In 2012, Duke submitted an application to the PUCO that would allow the utility to charge its customers for the remediation of manufactured gas plants that have not been used since the 1950s. The Agency advocated on behalf of Duke's customers in the case.

Despite the Agency's (and others) objections to the charges, the PUCO ruled in November 2013 that it was appropriate for Duke to begin charging its customers about $55 million for what Duke spent to clean up two manufactured gas plants. As part of its ruling, the PUCO ordered that Duke file an annual update to its application to charge customers for the plant remediation (clean-up).

In April of 2014, OCC and others appealed the PUCO's decision allowing Duke to charge consumers for the clean-up of the long-defunct plants. The Supreme Court held oral argument in this appeal on February 28, 2017, where OCC stated its consumer position to the Court. The Court issued its decision in June 2017, affirming the PUCO's decision. Unfortunately, this decision left Ohioans responsible for paying Duke for defunct gas plant clean-up costs.

Duke – OSC 2014-0328

Issues for Telecommunications Consumers

The Agency advocated for telecommunications consumers in 2017. The OCC sought to protect consumers' access to basic local telephone service that is reasonably priced and of adequate quality. Major issues involving the Agency's work for these telephone consumers in 2017 are described below. A full listing of the Agency's case activity can be found at the back of this Annual Report.

Consumers' Counsel recommends consumer protections for Lifeline telephone service

In 2017, some telephone service providers sought to end their provision of Lifeline service to low-income Ohioans. In September 2017, AT&T Ohio submitted a petition to the PUCO to stop providing Lifeline service in all or parts of 118 of its 192 exchanges where there is at least one other carrier providing service. The telephone company stated that more than 10,000 low-income Ohioans are affected by the petition. The Agency participated in this case to protect Ohioans receiving their Lifeline service from AT&T Ohio. Because of a pending Federal Communications Commission (FCC) proposal regarding Lifeline telephone service, the Agency requested that the PUCO hold its ruling until the FCC issued its decision. The FCC proposal calls for the discontinuation of Lifeline support for providers that do not own and operate a physical telephone network. If the FCC adopts its proposal, thousands of low-income Ohioans could lose access to basic local telephone service. The PUCO has not yet issued a ruling on AT&T's request.

AT&T Ohio - 17-1948-TP-UNC

Consumers' Counsel recommends consumer protections in the transition of telecommunications technologies

In November 2017, the FCC adopted an order that allows telephone companies to modernize their networks at the expense of their customers. In particular, the order allows telephone companies to stop providing services over copper wires in those areas where there are few provider choices. This is cause for concern for consumers, as many thousands of rural Ohioans receive telephone service only through traditional copper wireline service. Together with the National Association of State Utility Consumer Advocates (NASUCA), the Agency submitted comments to the FCC advocating for protection of landline service consumers, especially for rural Ohioans. The proceeding is ongoing.

WC Docket No. 17-84

In 2017, the OCC concluded its efforts in Aqua Ohio's 2016 application to increase its rates an additional $3-$6 per month. The case ended in a settlement between the PUCO and Aqua Ohio that lowered the rate increase to between $2 and $5 per month.

The Agency also advocated on behalf of Ohioans whose water utility service is provided by a submetering company. Legislation regulating the reselling of utility service is currently pending in the Ohio General Assembly, and the Office of the Ohio Consumers' Counsel has provided recommendations and testimony on the topic of utility reselling.

The Agency's work for consumers in the Aqua Ohio rate case is described below. A full listing of the Agency's case activity can be found at the back of this Annual Report.

State Cases Affecting Water Consumers

Consumers' Counsel recommends consumer protections regarding water utility rate increases

The Office of the Ohio Consumers' Counsel works to protect the interests of Ohioans receiving their water utility service from privately held utility companies. While the majority of Ohioans receive their water service from their municipality (via a publicly owned utility), the OCC works to ensure that Ohioans who receive their water from private, investor-owned utility companies receive affordable, quality utility service.

In the case for Aqua Ohio's proposed rate increase, the OCC, PUCO Staff and Aqua Ohio negotiated a settlement in 2017. The Agency participated in the PUCO's public hearings on the matter in January 2017. The Office of the Ohio Consumers' Counsel neither supported nor opposed the settlement between the PUCO Staff and Aqua Ohio. The PUCO granted the settlement in its March 2017 order.

Aqua Ohio - 16-0907-WW-AIR

Legislative Issues

The 132nd Ohio General Assembly considered bills affecting electric, natural gas, telephone, and water utility consumers. The Agency represented consumers before the Ohio General Assembly through testimony and by acting as a resource for the legislature on important consumer issues.

Electric Legislation

Subsidies for Nuclear Power Plants (House Bill 178, House Bill 381, Senate Bill 128)

In 2017, FirstEnergy lobbied in the Ohio General Assembly for the introduction of several bills that would require customers to subsidize its uneconomic nuclear power plants. House Bill 178 and Senate Bill 128, introduced in April 2017, call for the creation of credits for nuclear generation that would result in at least two million Ohioans subsidizing nuclear power plants. A third similar bill (House Bill 381) was later introduced, in October 2017, to subsidize nuclear power plants.

These utility-backed bills would cost Ohioans hundreds of millions of dollars to subsidize uneconomic power plants that cannot compete in the deregulated energy market that the Ohio General Assembly established in 1999. In furtherance of the General Assembly's 1999 vision for a competitive power plant market, the OCC will continue to recommend protecting Ohio consumers from these proposed subsidies.

Subsidies for OVEC Coal Power Plants (House Bill 239, Senate Bill 155)

Ohio's electric utilities have lobbied the Ohio legislature to pass legislation that would allow the utility companies to charge consumers to subsidize certain coal power plants owned through the Ohio Valley Electric Corporation (OVEC). To protect consumers, the Agency has testified against the legislation.

In October 1952, OVEC was formed by utilities that provided electric service to uranium enrichment facilities constructed by the Atomic Energy Commission. In 2000, the U.S. Department of Energy gave notice to OVEC that it would be cancelling the power agreement in 2003. Since 2003, the electricity from the OVEC plants has been sold into competitive markets. In 2011, the OVEC owners voluntarily extended the term of this contract through 2040. Just six years after agreeing to the extension, the OVEC owners are now asking Ohioans to subsidize these uneconomic plants. Increases in the abundance of natural gas have left OVEC's plants uneconomic.

The 1999 law deregulating Ohio power plant generation was intended to bring Ohioans the benefit of competition. Subsidies like what is proposed for the power plants in these bills are contrary to giving Ohioans those benefits of competition (such as lower electric bills). OCC opposes legislation that would require Ohioans to pay above-market rates for their electricity generation service.

Legislation to Restore Competition and Consumer Protections (House Bill 247)

In May 2017, House Bill 247 (H.B. 247) was introduced to protect consumers from, among other things, ratemaking standards in Ohio's 2008 energy law that favor electric utilities over consumers. H.B. 247 would eliminate the electric security plans that have enabled utilities to collect above-market subsidies from their customers. And the bill would further the General Assembly's vision in the 1999 law for consumers to benefit from a competitive power plant market.

Also, the bill would allow for customers to receive refunds if the Supreme Court of Ohio determines that utilities have collected improper charges from consumers. The bill would prohibit electric distribution companies from owning any electric generation, creating true corporate separation. The Agency and others testified in support of the bill and the important consumer protections it would provide. Hearings in the Ohio House of Representatives are ongoing.

Submetering Legislation (House Bill 249, Senate Bill 157)

Since 2013, there have been numerous Ohio House and Senate bills introduced on the subject of the reselling (submetering) of public utility service to consumers. Submetering has become a problem for residential consumers, with higher charges and/or less consumer protection than service directly available from a public utility. Submeterers are currently purchasing and reselling electricity and water to residents of apartments and condominiums. The PUCO created some regulations but much more consumer protection is needed. These submetering companies act as unregulated monopolies, which is problematic for consumers. To date, a consumer protection law has not been passed for submetered customers.

Two bills, House Bill 249 (H.B. 249) and Senate Bill 157 (S.B. 157), were introduced in 2017 to regulate submetering. H.B. 249 and S.B. 157, while similar in subject, are very different. The Agency supports H.B. 249 for providing needed consumer protections. OCC has opposed S.B. 157 and provided recommendations that would improve the bill to protect consumers. The Agency looks forward to continued participation in legislative efforts to protect submetered consumers, toward the enactment of a law.

Renewable Energy, Energy Efficiency and Peak Demand Reduction Standards (House Bill 114)

The Office of the Ohio Consumers' Counsel participated in the legislative process regarding House Bill 114 (H.B. 144) that would alter the energy efficiency and renewable energy standards in Ohio. The Agency maintains that Ohioans should have affordable, quality utility services with the ability to control and customize their utility usage. To this end, OCC supports energy efficiency efforts that Ohioans make on their own without utility programs. OCC also supports electric utility energy efficiency programs, whether or not government-mandated, so long as they are fair and reasonably priced for Ohio consumers. Regardless of whether energy efficiency standards are mandated, the Agency recommends that legislation include a limit on the amount utilities can charge their customers for energy efficiency.

H.B. 114 also includes a provision that could hurt the neediest Ohioans. H.B. 114 contains language that would alter the allocation of the federal Low-Income Home Energy Assistance Program (HEAP). The existing program can provide low-income Ohioans with funds for bill payment assistance and weatherization assistance. But H.B. 114 would allow relatively more of the HEAP funding to be used for low-income weatherization and relatively less of the funding to be used for bill payment assistance. The most recent state budget legislation already enabled more of the HEAP funds to be used for weatherization. The Agency recommends that the best use of HEAP funds should be for assisting the neediest Ohioans with bill payments to maintain or prevent disconnection of vital utility services that are essential for winter heating, and for families' health and safety.

Natural Gas Legislation

Natural Gas Utility Subsidy Charge (Sub. House Bill 26)

A late addition to the Transportation budget bill increased an infrastructure development charge by 800% that Ohio gas customers pay. The language introduced into the bill increased a charge that natural gas utilities use for infrastructure development from $2 per year to $1.50 per month ($18 annually). OCC urged legislators to remove the subsidy-charge language from the bill by presenting testimony before the Senate Committee on Transportation, Commerce, and Workforce. Unfortunately, the language remained in the bill, which was signed into law in March 2017.

Telecommunications Legislation

Legislation that Threatens Consumers' Basic Local Telephone Service (House Bill 402)

The Office of the Ohio Consumers' Counsel recommended consumer protections for Ohioans regarding a bill that the telephone industry supports, House Bill 402. The bill, if passed, would remove quality standards for basic local telephone service and allow telephone companies to increase their basic phone service charges to consumers by up to 20% per year.

The poor and elderly often live on modest, fixed incomes, and this proposed rate increase for the most basic telephone service could render this essential service unaffordable. Additionally, Ohioans, especially those in rural areas, rely on basic landline service for reaching family, friends, emergency services, and their place of work, so increasing the cost consumers pay and removing service quality standards is problematic.

[The Agency and other consumer groups in Ohio provided consumer protection testimony opposing the bill, in the Ohio House of Representatives Public Utilities Committee in early 2018.]

Water Legislation

Water Rates Regarding System Acquisitions (House Bill 422)

House Bill 422 was introduced in November 2017 and, if passed, would diminish long-standing consumer safeguards in ratemaking related to the acquisition of other water-works systems by investor-owned utilities. The bill would redefine "original cost" in a way that could lead to higher valuations of acquired utility plant assets and thus create higher rates for consumers of the water utility. [The Agency provided consumer testimony to preserve ratemaking protections and to oppose the bill, in the Ohio House of Representatives Energy & Natural Resources Committee in early 2018.]

General Legislation

The Biennial Budget Process (Am. Sub. House Bill 49)

The state's two-year budget bill, Amended Substitute House Bill 49 (H.B. 49), was signed into law by the Governor in June 2017. The bill determined state spending for State Fiscal Years 2018 and 2019. OCC's budget was set at $5,541,093 for each fiscal year. The budget bill also changed components of the statute regarding Agency services. The Agency regained the ability to assist consumers who call with utility-related complaints, under R.C. 4911.021.

Also, H.B. 49 eliminated statutory language that would preserve unlimited local flat rate telephone service for low-income Ohioans enrolled in the Lifeline program. Despite the efforts of the Agency at the General Assembly to preserve flat rate Lifeline telephone service, the language was removed from Ohio's statute.

H.B. 49 also altered how funds from the federal Low-Income Home Energy Assistance Program (HEAP) would be allocated to low-income consumers. The program funds can be used, within specified limits, to provide low-income Ohioans with mostly bill payment assistance and some weatherization assistance. Under H.B. 49, a portion of funding for bill payment assistance was reallocated to weatherization programs. The Agency favors using HEAP funds for their main purpose of assisting the neediest Ohioans with payment of their energy utility bills to retain service for winter heating that is essential for their family's health and safety.

The Agency also sought to protect Ohio's electric consumers from potential increases on their utility bills. Utilities lobbied to include language in H.B. 49 that would have allowed the utilities to charge their customers for "credit support" to improve their credit rating. The General Assembly did not include this utility-supported language in the budget bill, which was a good outcome for consumers.

Also, there was initially language in the budget bill to give the PUCO the authority to research and implement electric grid innovations. The language was not enacted.

The Office of the Ohio Consumers' Counsel remains committed to providing Ohioans with a reliable source for objective information about their utility and competitive choices. Our consumer education is provided through OCC's website, fact sheets, social media, outreach presentations to consumers, and direct communication with consumers.

The Consumers' Counsel helped Ohioans make informed decisions for saving money

The OCC has Outreach and Education Specialists that travel the state to help consumers make informed decisions regarding their utility services. These specialists speak at various venues including senior centers, health fairs, food pantries, neighborhood meetings and community events to educate residential utility consumers. OCC specialists informed Ohioans about topics regarding utility assistance programs, Ohio's energy choice programs, and how to save money by making homes more energy efficient.

With the encouragement of the OCC Governing Board, OCC has worked to have a presence at Ohio's county fairs in recent years. In 2017, OCC staffed information booths in fairs spanning across 24 counties; including the Sweet Corn Festival (Fairfield County), Farm Science Review (Madison County), and Ohio State Fair. The Public Affairs Department is available to assist Ohioans with inquiries regarding submetering and basic wireline phone service.

On the OCC's website (www.occ.ohio.gov), consumers can view fact sheets and other information, or follow OCC on Twitter @OhioUtilityUser to keep up to date on utility news and other OCC activities. Videos pertaining to choosing an energy supplier and other consumer topics can also be found on OCC's website and YouTube.

The Consumers' Counsel worked with other Consumer Groups to help Ohioans in the Low-Income Dialogue Group

As part of its mission to serve utility consumers, the Office of the Ohio Consumers' Counsel continued to coordinate the Low-Income Dialogue Group (LIDG) in 2017. This group, comprised of representatives from a number of Ohio's regional legal aid organizations, community action agencies, housing authorities, and other community-based organizations, has monthly scheduled conference calls for more than ten years. These meetings offer a forum to raise awareness and discuss solutions to the utility-related concerns that impact tens of thousands of financially vulnerable Ohioans, especially those with fixed or limited incomes.

In particular, Group members analyzed and provided input on pending legislation, disconnection rules and rates, and reviewed the rules for the Percentage of Income Payment Plan program (PIPP Plus). Members proposed solutions to successfully transition customers who became income-ineligible for PIPP Plus to the Graduate PIPP Plus program, and discussed practices to spread financial stability. As in previous years, the Low-Income Dialogue Group assessed the effectiveness of other low-income programs such as the Home Energy Assistance Program (HEAP), Emergency Home Energy Assistance Program (E-HEAP) and the Summer Crisis Program using data provided by the Ohio Development Services Agency. OCC looks forward to continuing the work of the Low-Income Dialogue Group in 2018.

Employee Recognition

Exceptional employees are recognized as Employee of the Quarter by the Consumers' Counsel, the Deputy Consumers' Counsel, and the Agency's directors. Employees are acknowledged for their outstanding work on behalf of Ohio's residential utility consumers and for exemplifying OCC's mission, vision and values. From among these recognized employees, the Agency's staff annually selects an employee of the year.

2017 Employee of the Year

Molly McGuire

Selected as Employee of the Quarter for January-March 2017, Molly McGuire is a Public and Legislative Affairs Specialist. She was chosen for her hard work and dedication while assisting the Consumers' Counsel in handling legislative and public affairs before the General Assembly. She has participated in multiple projects in order to inform consumers and help resolve their issues, including the management of consumer calls. Molly joined the Agency in 2015 as a Public Affairs Intern. Prior to her time at the Office of the Ohio Consumers' Counsel she served as a Preparedness Intern at the New Jersey Office of Homeland Security and Preparedness. Molly received her bachelor's degree in Political Science (American Politics) and International Studies (Security and Intelligence) at The Ohio State University.

Jim Williams

Selected as the Employee of the Quarter for April-June 2017, Jim Williams is a Senior Utility Consumer Policy Analyst. He was chosen for his high-quality work and commitment to consumers. Jim has advocated for consumers by identifying ways to reduce residential utility bills, urging reliable utility service standards, and providing expert testimony on behalf of the agency. Jim joined the OCC as a Compliance Specialist in 1996, and has since been promoted to his current position. Prior to his career at the OCC, Jim obtained his bachelor's degree in Engineering Technology from Franklin University and his Master of Business Administration from Webster University.

Ray Foeller

Selected as the Employee of the Quarter for July-September 2017, Ray Foeller is an Agency Senior Outreach & Education Specialist. Ray was recognized for his exceptional ability to educate and speak to professional organizations and community members about an extensive range of utility topics. Ray works hard and organizes outreach events in the Central Ohio area. Prior to joining the Agency, Ray worked for Simon and Schuster Education Publishing as a product specialist. Ray earned his bachelor's degree in English, and a Master of Arts in English, from The Ohio State University.

Michael Haugh

Selected as Employee of the Quarter for September-December 2017, Mike Haugh is the Assistant Director of the Analytical Department. He was chosen for his work on legislative and regulatory testimony and his research and advice to the Consumers' Counsel on complex electric issues involving markets and regulation. He previously worked for OCC from 2004-2007 as a Regulatory Analyst. He provides leadership, support, and analysis concerning energy markets, regulatory policy, and strategic planning, among other projects. In addition, he will be advocating OCC's position on behalf of Ohioans in various proceedings before the Public Utilities Commission of Ohio. Mike has a long history working on utility issues. He has been an Energy Trader at Enron and AEP Energy, a Regulatory Analyst at Integrys Energy Services, and the Regulatory Affairs Manager at Just Energy. Mike earned his bachelor's degree from The Ohio State University's Max M. Fisher College of Business.

2017 Fiscal Report

The Agency is funded through an assessment on the intrastate gross receipts of entities regulated by the PUCO, based on Section 4911.18 of the Ohio Revised Code.

The Agency assessed more than 1,000 regulated entities for operating funds for fiscal year 2017. If all regulated entities charged their customers for the cost of the Agency's budget, this charge would cost customers less than three cents for every $100 in utility bills. This cost is equivalent to less than a dollar a year for a typical utility customer.

Operating budget
Fiscal year 2017 expenditures

Personnel services	$	3,622,130.37
Purchased personal services	$	957,884.85
Supplies and maintenance	$	520,984.35
Equipment	$	88,103.31
Refunds	$	3,328.12
Total	**$**	**5,192,431.00**

2017 Case Activity

Case Number	Party	Consumer Impact
Electricity Cases at the Public Utilities Commission of Ohio		
17-2436-EL-UNC	Ohio Edison Company, The Cleveland Electric Illuminating Company, The Toledo Edison Company (FirstEnergy)	FirstEnergy proposed spending $477 million over a three-year period for additional grid modernization initiatives. OCC is analyzing the application and preparing to address issues in the case including the proper allocation of costs.
17-2398-EL-WVR	Star Energy Partners LLC	Waiver request of marketing rules. Star Energy (a marketer of electric service) wants to use internet verification of its door-to-door enrollments to residential customers, instead of an independent third-party verification process. Third-party verification of an enrollment is an important consumer safeguard established under PUCO rules. The marketer's proposal would diminish this important consumer protection.
17-2132-EL-AEC	Ohio Power/ Acero Junction, Inc.	The joint applicants seek electricity discounts in exchange for job creation and investment in Ohio. Other customers would pay for the discounts. Acero committed to 270 full time jobs and a capital investment of at least $60 million. A cap of $48.4 million on all economic development programs is proposed. A settlement was reached between the Utility, Acero and the PUCO Staff. OCC neither supports nor opposes the settlement.
17-2009-EL-RDR	Ohio Edison Company, The Cleveland Electric Illuminating Company, The Toledo Edison Company (FirstEnergy)	This case involves an evaluation for accuracy and prudency of the capital investments that FirstEnergy made in 2017 and is seeking to collect from customers through its delivery capital recovery rider.
17-1981-EL-AEC	The Cleveland Electric Illuminating Company/ Presrite Corporation	The joint applicants seek approval of an economic development arrangement to include Presrite in the CEI Transmission pilot program it was not eligible to enroll in. Other customers would pay for the discounts. OCC did not oppose the settlement.

Case Number	Party	Consumer Impact
17-1827-EL-AEC	Vadata (Amazon)/Ohio Power	The joint applicants seek approval of an economic development arrangement that provides the customer discounts on its distribution service and the ability to avoid other charges. Other customers would pay for the discounts. OCC filed testimony recommending changes to the Application. The PUCO approved the Application on 1/10/2018.
17-1403-EL-RDR	Duke Energy-Ohio, Inc.	This case involves an evaluation of $20.9 million in 2016 smart grid costs that Duke is now seeking to collect from customers in its infrastructure modernization rider (DR-IM). Charges to customers through this rider will stop and instead, will be collected through Duke's new distribution rates approved by the PUCO, in Case No. 17-32-EL-AIR, sometime in 2018.
17-1398-EL-POR, 17-1399-EL-WVR	Dayton Power & Light Company	DP&L sought to collect from customers costs and profits for energy efficiency programs. A settlement was reached. OCC agreed not to oppose a settlement between DP&L and other parties because the settlement limits the amount that DP&L can charge customers for energy efficiency programs from 2018-2020. It includes a 4.0% annual cost cap ($33.8 million) and a $7 million limit on after tax utility profits (shared savings). The PUCO approved the settlement, which OCC agreed not to oppose.
17-1382-EL-UNC	Ohio Power	This case addresses how the remaining funds (approximately $16 million) from an earlier settlement with OCC (and others) will be used. OCC will advocate that the funds should be used to directly benefit consumers. AEP Ohio has not yet filed the final report to disclose the remaining funds and administrative expenses.
17-1381-EL-WVR	Ohio Power	The utility requested an extension of its existing waiver of the PUCO rules that require in-person notice on the day service is to be disconnected for nonpayment. The existing waiver is in AEP's gridSMART Phase I area. (See Case No. 17-1380-EL-WVR). AEP proposes expanding it to its statewide gridSMART Phase II area as it installs smart meters to the area. OCC opposes the utility's request because of the potential impact on consumer health and safety.

Case Number	Party	Consumer Impact
17-1380-EL-WVR	Ohio Power	This case involves a proposed extension of an existing waiver of in-person notice on the day service is to be disconnected for nonpayment. In 2015, AEP was allowed to use phone calls and text messages to notify customers in its gridSMART Phase I service area in northeast Franklin County that they would soon be disconnected. These consumers have advanced meters and would be disconnected remotely. The waiver was granted as a two-year pilot program, and AEP seeks to extend the program beyond the August 1, 2017 end date. OCC consistently has opposed any waiver of the in-person notice rules because of the potential negative impact on the health and safety of consumers.
17-1377-EL-USF	Ohio Development Service Agencies	The PUCO was setting rate(s) for how much customers will pay to support the Universal Service Fund (USF). The USF pays for the costs associated with the electric Percentage of Income Payment Plan (PIPP) that enables income eligible Ohioans with each of the electric utilities to pay a percentage of their income for their electric bill rather than the actual cost of service. The USF also funds the Electric Partnership Program (EPP) that helps pay for weatherization costs and other program administration costs. OCC agreed not to oppose a settlement that kept costs as low as possible for residential consumers.
17-1266-EL-RDR	Ohio Power	AEP Ohio filed an application to update how much it charges customers for its energy efficiency programs. Residential customers' rate under the rider increases by about 9%. But customers saved about $30 million for 2016 because of an annual cap on the utility's profits (shared savings) from energy efficiency.
17-1263-EL-SSO, 17-1264-EL-ATA, 17-1265-EL-AAM	Duke Energy-Ohio, Inc.	This case involves Duke's proposal to provide a standard service offer to its customers through an electric security plan. If the electric security plan is approved, consumers could pay hundreds of millions of dollars with charges for various riders, including a subsidy for affiliated power generation plants (OVEC). While settlement negotiations are underway, the evidentiary hearing has been postponed.

Case Number	Party	Consumer Impact
17-1230-EL-UNC	Ohio Power	The 2016 earnings from Ohio Power's electric security plan are under review. Ohio Power proposes no refund for customers despite earning over 16%. OCC is recommending a $53 million refund to customers, after concluding that earnings over 14.59% should be considered significantly excessive.
17-1229-EL-EEC	Ohio Power	Ohio Power filed a status report on its energy efficiency programs for the 2016 program year. These reports are required to be filed annually addressing the performance of all approved energy efficiency and peak-demand reduction programs over the previous calendar year. OCC reviews these reports to keep apprised of program benefits (or how much energy savings consumers achieved) and program costs collected from consumers.
17-1226-EL-EEC, 17-1227-EL-EEC, 17-1228-EL-EEC	Ohio Edison Company, The Cleveland Electric Illuminating Company, The Toledo Edison Company (FirstEnergy)	FirstEnergy filed a status report on its energy efficiency programs for the 2016 program year. These reports are required to be filed annually addressing the performance of all approved energy efficiency and peak-demand reduction programs over the previous calendar year. OCC reviews these reports to keep apprised of program benefits (or how much energy savings consumers achieved) and program costs collected from consumers.
17-1156-EL-RDR	Ohio Power	This case involves a review of the 2017 costs associated with the expansion of the AEP gridSMART Phase II deployment to be collected from consumers. Phase II includes the deployment of approximately 890,000 additional smart meters, more circuit automation and voltage efficiency technology.
17-1118-EL-RDR	Duke Energy-Ohio, Inc.	This case involves an independent audit of the expenses Duke is charging consumers under its Distribution Capital Investment Rider to ensure the charges are accurate, prudent, and in compliance with PUCO Orders. The auditor is reviewing expenses incurred between July 1, 2016 and June 30, 2017.

2017 Case Activity

Case Number	*Party*	*Consumer Impact*
17-1092-EL-POR	Dayton Power & Light Company	DP&L filed a status report on its energy efficiency programs for the 2016 program year. These reports are required to be filed annually addressing the performance of all approved energy efficiency and peak-demand reduction programs over the previous calendar year. OCC reviews these reports to keep apprised of program benefits (or how much energy savings customers achieved) and program costs collected from consumers.
17-0974-EL-UNC	Ohio Edison Company, The Cleveland Electric Illuminating Company, The Toledo Edison Company (FirstEnergy)	This is the first case, in a series of cases, in which the PUCO is looking at whether electric distribution utilities are complying with the law and the PUCO rules on corporate separation. The PUCO-approved auditor will be investigating whether the utility is using any of its customer-funded utility assets to subsidize its unregulated affiliates' activities.
17-0882-EL-UNC	Ohio Power	This case addresses matters regarding how Ohio Power may handle certain electric generation power plants (e.g., closing, retirement, sale) flowing from the settlement agreement in case 14-1693-EL-RDR.
17-0872-EL-RDR, 17-0873-EL-ATA, 17-0874-EL-AAM	Duke Energy-Ohio, Inc.	Duke seeks to require customers to subsidize two 50-year-old power plants (Ohio Valley Electric Corp. plants). This Rider was approved in PUCO Case No. 14-841-EL-SSO. Duke is seeking to charge customers for the difference between the power plant's costs and the revenues they receive from selling power from the plants on the wholesale markets. Additionally, Duke is seeking to recoup all costs incurred from April 2017 until present. OCC opposes the utility's request.
17-0781-EL-RDR	Duke Energy-Ohio, Inc.	Duke seeks to update the amount that it is charging customers for energy efficiency based on its proposed 2017 portfolio. OCC opposed Duke's request because the 2017 portfolio had not yet been approved and the projected rates were not subject to the rate cap approved earlier by the PUCO.
17-0689-EL-EEC	Duke Energy-Ohio, Inc.	Duke filed a status report on its energy efficiency programs for program year 2016. These reports are required to be filed annually addressing the performance of all approved energy efficiency and peak-demand reduction programs over the previous calendar year. OCC reviews these reports to keep apprised of program performance (or how much energy savings programs achieved) and program costs.
17-0618-EL-RDR	Ohio Power	AEP seeks to update its decoupling rider. Under this rider, AEP charges customers to make up for AEP's reduced revenues from its energy efficiency programs. Total charges for 2016 are $23.9 million with an additional $3.7 million deferred for future recovery.
17-0349-EL-AAM	Duke Energy-Ohio, Inc.	Duke asked to defer costs, for later collection from customers, for its 2017 energy efficiency programs. Duke's request was made because the PUCO did not approve 2017 expenditures until September 2017 and yet Duke continued with its energy efficiency programs. OCC opposed the deferral request.
17-0334-EL-ATA	Ohio Edison Company, The Cleveland Electric Illuminating Company, The Toledo Edison Company (FirstEnergy)	FirstEnergy requested a change in the way it charges customers for service. FirstEnergy seeks to collect the majority of its revenues from customers through a high fixed charge to customers under what is known as a straight-fixed variable rate design. OCC opposes this method of collection because such a drastic increase in the customer charge is likely to have an adverse effect, especially on low use (less than 750 kWhs) residential customers.
17-0038-EL-RDR	Ohio Power	This case involves an independent audit of the AEP Ohio distribution investment rider (DIR) for 2016. The DIR is intended to provide expedited cost collection from customers for infrastructure modernization programs. The amount that AEP could invest was capped at $165 million for 2016.
17-0032-EL-AIR, 17-0033-EL-ATA, 17-0034-EL-AAM	Duke Energy-Ohio, Inc.	This is Duke's distribution rate case, where the rates customers pay for distribution service are being reviewed. The PUCO Staff, after conducting its investigation, recommended that Duke's rates be lowered. OCC will have its own recommendations.
17-0030-EL-RDR	Ohio Power	The PUCO will audit AEP Ohio's energy efficiency programs from 2011-2016 to determine whether charges to customers were prudent and whether the savings from the programs are verifiable.
16-2167-EL-RDR	Ohio Edison Company, The Cleveland Electric Illuminating Company, The Toledo Edison Company (FirstEnergy)	Each quarter, FirstEnergy seeks to update charges to its customers for energy efficiency programs. In January 2017, the charge was $3.65 for the average residential customer using 750 kilowatt hours per month. Effective July 1, 2017, this charge decreased to $3.04 for the same 750-kilowatt hour usage.

Case Number	Party	Consumer Impact
16-2041-EL-RDR	Ohio Edison Company, The Cleveland Electric Illuminating Company, The Toledo Edison Company (FirstEnergy)	This case involves an evaluation of the FirstEnergy distribution capital recovery rider (DCR) between November 2015 and November 2016 for accounting accuracy and prudency. The DCR enables First Energy to expedite collection of distribution investment costs. The annual spending cap was $227.5 million. OCC recommended the PUCO address a number of issues in this proceeding to protect consumers including recommending a process for determining prudency for capital investments that greatly exceed budget and several other accounting errors.
16-2020-EL-AEC	US Steel, Lorain Tubular, Ohio Edison	The applicant sought electricity discounts in exchange for job creation and investment in Ohio. A settlement was reached in which Lorain Tubular was permitted to participate in Ohio Edison's interruptible tariffs. OCC neither supports nor opposes the settlement. The PUCO approved the settlement in February 2017.
16-1852-EL-SSO, 16-1853-EL-AAM	Ohio Power	AEP filed to extend their current electric security plan through May 2024 with certain amendments. A settlement was filed August 2017. If the PUCO approves the extended ESP settlement, it could cost consumers hundreds of millions of dollars. A hearing was held in November 2017, followed by briefing. The case is pending before the PUCO. OCC recently filed a motion to reopen the proceeding so that the PUCO could address the federal tax cuts (effective January 2018) and the Ohio Supreme court decision implicating customer refunds. Both of these issues affect the rates customers pay.
16-1602-EL-ESS	Duke Energy-Ohio, Inc.	This case involves an application filed by Duke to amend its distribution reliability standards. Duke proposed standards that would support customers having more frequent outages and for longer periods of time. OCC has recommended more stringent standards because of the direct impact service reliability has on customers.

Case Number	Party	Consumer Impact
16-1511-EL-ESS	Ohio Power	This case involves an application filed by AEP Ohio to establish new distribution reliability standards. The Company proposed more relaxed standards that could cause customers to endure more frequent outages annually and for longer periods of time. As a result of a Settlement between AEP and the PUCO Staff (which OCC did not oppose) new reliability standards were established that provide consumers an improvement in service reliability over current standards.
16-1105-EL-UNC	Ohio Power	The 2015 earnings from Ohio Power's electric security plan were under review. As part of a larger settlement, OCC and others agreed that AEP's earnings were not significantly excessive.
16-1096-EL-WVR	Duke Energy-Ohio, Inc.	This case involves a waiver request filed by Duke seeking PUCO approval to no longer provide in-person notice prior to disconnecting customers who have smart meters. The vast majority of Duke electric customers are currently served with smart meters. Instead of personal notice, Duke proposed to use text messages and/or automated calls to inform customers that their electric service is about to be disconnected. OCC has opposed waiving the personal notice requirements because of the potential health and safety issues associated with not having personal contact with consumers before disconnecting service remotely through the smart meter. Over OCC's objections, the PUCO granted Duke's waiver as a two-year pilot program.

2017 Case Activity

Case Number	Party	Consumer Impact
16-0743-EL-POR	Ohio Edison Company, The Cleveland Electric Illuminating Company, The Toledo Edison Company (FirstEnergy)	In November 2017, the PUCO modified and approved a settlement limiting energy efficiency program costs and profits to approximately $107 million annually (4% of FirstEnergy's operating revenues in 2015). Programs will run 2017-2019. (The PUCO Staff and OCC proposed an $80.1 million cap on program costs and shared savings to protect consumers). And the PUCO ruled that FirstEnergy should not be rewarded by collecting profits from consumers when the utility has failed to meet its statutory mandates or has used banked energy efficiency savings from prior years to meet its mandated levels. Rehearing requests by FirstEnergy and environmental parties were denied by the PUCO in January 2018. In March 2018, FirstEnergy appealed this decision to the Supreme Court of Ohio.
16-0649-EL-POR, 16-1369-EL-WVR	Dayton Power & Light Company	In September 2017, the PUCO approved a settlement limiting 2017 energy efficiency program costs and profits to $33 million which is 4% of the utility's 2015 operating revenues. DP&L is also asking to charge customers $20 million in lost revenues from energy efficiency for 2016. OCC applied for rehearing on this issue. OCC's application for rehearing remains pending.
16-0576-EL-POR	Duke Energy-Ohio, Inc.	In September 2017, the PUCO modified and approved a settlement limiting energy efficiency program costs and profits to $38.7 million annually (4% of the utility's 2015 operating revenues). Duke may exceed the cap in calendar year 2017 to recover program costs only, not profits. And Duke was required to scale back its program to avoid materially exceeding its program plan budget for 2017. Programs will run for three years (2017 - 2019) Duke filed a motion to charge customers $56 million for 2017, which OCC opposed. The PUCO granted Duke's motion over OCC's Objections.

Case Number	Party	Consumer Impact
16-0395-EL-SSO, 16-0396-EL-ATA, 16-0397-EL-AAM	Dayton Power & Light Company	DP&L filed an application to establish an Electric Security Plan to provide customers a standard service offer. OCC filed testimony opposing the application. Parties filed a settlement in the case, which OCC opposed. The Settlement included $105 million per year for credit support, a number of economic incentives for signatory parties and other incentives for signatory parties. Preliminary estimates are that the Settlement will cost a typical residential utility consumer at least an extra $6.22 per month over the six-year term of the ESP. Ultimately, the PUCO approved the settlement. This matter is now on rehearing.
16-0329-EL-RDR	Dayton Power & Light Company	DP&L seeks to update how much it is charging customers for energy efficiency. The PUCO Staff found that DP&L was charging customers for things unrelated to energy efficiency and recommended disallowing those charges. OCC further recommended that the PUCO not allow DP&L to continue charging customers for lost revenues. The PUCO has not issued a decision yet.
16-0021-EL-RDR	Ohio Power	This case involves a review of the 2015 AEP Ohio distribution investment rider (DIR) for accounting accuracy and prudency. The DIR enables AEP to expedite the collection of infrastructure modernization investment costs from consumers that it makes related to infrastructure modernization. Through previous PUCO orders, a revenue cap of $145 million was authorized for 2015. AEP, the PUCO Staff, OCC and other parties reached a Settlement in this case, as well as two previous DIR audits. The settlement resulted in a reduction in the revenue requirement and improved reporting of reliability data.

Case Number	Party	Consumer Impact
15-1830-EL-AIR, 15-1831-EL-AAM, 15-1832-EL-ATA	Dayton Power & Light Company	DP&L Rate Case - The Utility filed to increase its distribution revenues by 65.8 million. The proposed increase would cost the average residential customer $4.07 more per month. The Utility also proposes to change the way it collects distribution rates from residential customers by increasing the fixed monthly customer charge from $4.25 to $13.73. The PUCO recently issued its Staff Report recommending, among other things, an increase in distribution revenues of $23.2-$28.1 million, an increase in the fixed monthly customer charge to $7.88, and a rate of return of 7.33-7.82%. The Staff Report does not address the lower federal tax rate under the Tax Cuts and Jobs Act of 2017. The OCC will file objections to the Staff Report and submit testimony. Objections and testimony are due mid-April and the evidentiary hearing is scheduled for mid-May.
15-1739-EL-RDR	Ohio Edison Company, The Cleveland Electric Illuminating Company, The Toledo Edison Company (FirstEnergy)	This case involves an evaluation of the amount of money FirstEnergy has been authorized to collect from consumers for its distribution capital recovery rider (DCR. The period of time covered by the PUCO's review is between November 2014 and November 2015 for accounting accuracy and prudency. The DCR enables First Energy to expedite collection of distribution investment costs. The annual spending cap was $203.7 million. OCC addressed in comments a number of issues in this proceeding including recommending a process for determining prudency for capital investments that greatly exceed budget and several accounting errors.
15-1513-EL-RDR	Ohio Power	Same as 15-0240-EL-RDR
15-1507-EL-EDI	Ohio Power	The PUCO directed the Market Development Working Group to consider options for AEP, when it bills marketer charges to buy the amount consumers owe electric marketers at a discount. The plan could affect the amount consumers pay for electricity and could result in consumers' electric bills containing charges for products and services not associated with electric service.

Case Number	Party	Consumer Impact
15-1052-EL-RDR	Ohio Power	Each quarter, AEP seeks to update the amount it charges customers for renewable energy costs. Renewable energy costs are costs that customers pay for AEP's compliance with renewable energy mandates. OCC raised concerns regarding AEP's rates, which are substantially higher than other utilities in Ohio. In 2017, AEP's rate averaged $1.04 for customers using 750 kilowatt hours per month.
15-0240-EL-RDR	Ohio Power	This case and a companion case (15-1513-EL-RDR) involved a review of the AEP Ohio gridSMART Phase I investment costs (incurred through May 2015) are included for future collection from customers in the AEP DIR rider, this case was resolved as part of the global AEP settlement. Part of the settlement allocated $45 million of gridSMART expenses away from residential consumers.
14-2209-EL-ATA	Duke Energy-Ohio, Inc.	This case involved an application filed by Duke establishing the requirements and costs associated with sharing the granular customer usage data that is available through smart meters with Marketers for their use in offering time-of-use and other more innovative rate designs.
14-1693-EL-RDR, 14-1694-EL-AAM	AEP	AEP had asked the PUCO to approve a power purchase agreement (PPA) where customers would subsidize its uneconomic OVEC plants. Due to a complaint filed by other parties and supported by OCC at the Federal Energy Regulatory Commission, AEP's original PPA plan was abandoned. But AEP was successful in gaining PUCO approval for a smaller PPA that covers the two fifty-year-old plants owned by Ohio Valley Electric Corporation. OCC estimates that customers will be charged $191 million over 8 years for the OVEC subsidy. On a per customer basis this amounts to $20 per year over the term of the electric security plan. The case is now on appeal to the Ohio Supreme Court.

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Case Number	Party	Consumer Impact
14-1297-EL-SSO	Ohio Edison Company, The Cleveland Electric Illuminating Company, The Toledo Edison Company (FirstEnergy)	FirstEnergy, like AEP, abandoned its original Power Purchase Agreement (PPA) plan. FirstEnergy's PPA was replaced by a so-called grid modernization rider ($204 million per year for three years with an additional two-year option). However, the charges collected from customers are not required to be used for grid modernization. There are also other parts of the approved electric security that will be costly for consumers, such as the delivery capital recovery rider ($2.5 billion) and the transition to a straight fixed variable rate design. The case is now on appeal to the Ohio Supreme Court.
14-0568-EL-COI	Commission Investigation of Marketing Practices	This case stemmed from additional charges being added to customer fixed rate contracts following the January 2014 Polar Vortex. As part of an investigation into marketing and price disclosure in retail electric contracts, the PUCO ordered specific changes in the rules that prohibited fixed rate contracts from including language that enable marketers to bill customers for additional charges added to the fixed rate being provided to consumers. The result of the rule change is that customers agreeing to Marketers' fixed rate contracts are only charged their fixed rates.
13-2385-EL-SSO, 13-2386-EL-AAM	Ohio Power	Ohio Power's standard service rate was set for 2015 through 2018 in an electric security plan. The PUCO approved, in concept, a power purchase agreement under which customers would subsidize OVEC power plants owned in part by Ohio Power. The electric security plan was approved and consumers' bills have increased. In 2017, customers paid $17 million just for the OVEC subsidy. The case is now on appeal to the Ohio Supreme Court.
13-1939-EL-RDR	Ohio Power	The utility sought to expand its gridSMART Phase I program to a Phase II deployment beginning in 2014. The Phase II deployment includes the installation of an additional 894,000 smart meters, additional circuit automation, and operating efficiencies in several distribution circuits. The total cost of the gridSMART Phase II deployment is approximately $516 million. The PUCO approved the deployment in February 2017.
13-1938-EL-WVR	Ohio Power	See 17-1380-EL-WVR and 17-1381-EL-WVR

Case Number	Party	Consumer Impact
12-2050-EL-ORD	Commission Rules Review	The PUCO adopted a net-metering rule that substantially changed the manner in which credits are calculated for customer who generate electricity and sell the excess energy back to the electric grid. Other changes in the sizing and characteristic of customer generators were also established.
12-0426-EL-SSO, 12-0427-EL-ATA, 12-0428-EL-AAM, 12-0429-EL-WVR, 12-0672-EL-RDR	Dayton Power & Light Company	The Supreme Court of Ohio issued a decision that reversed the PUCO's approval of a $330 million stability charge for DP&L customers. After the Court's decision, the PUCO ordered DP&L to stop charging customers a $10 per month stability charge. DP&L sought to withdraw and terminate its electric security plan in response to the Court's decision. The PUCO permitted DP&L to withdraw its ESP, over OCC's (and others) objections. The PUCO also allowed DP&L to charge customers replacement rates which contained another stability charge $6.05 per month). An appeal is pending at the Ohio Supreme Court. A ruling is expected in 2018.
11-5905-EL-RDR	Duke Energy-Ohio, Inc.	Duke is updating its decoupling rider mechanism.
11-0346-EL-SSO, 11-0348-EL-SSO, 11-0349-EL-AAM, 11-0350-EL-AAM	Columbus Southern Power, Ohio Power	In 2016, the Supreme Court of Ohio issued a decision reversing the PUCO's approval of a $508 million stability charge for AEP's customers. The Court agreed with OCC that the stability charge was an unlawful transition charge. The Court remanded the case back to the PUCO to determine the amount to be refunded to customers. The remand of this case was resolved by a global settlement of 14 AEP cases, with residential customers receiving $98 million in future bill reductions over the next few years. As part of the $98 million benefit, residential customers will pay less than they otherwise would have for gridSMART cost. The settlement was reached in December 2016, and approved by the PUCO in 2017.

Case Number	Party	Consumer Impact
08-1094-EL-SSO, 08-1095-EL-ATA, 08-1097-EL-UNC, 08-1096-EL-AAM	Dayton Power & Light Company	DP&L was allowed to implement its prior ESP rates, following an Ohio Supreme Court ruling that was adverse to DP&L, but beneficial to customers. In that ruling the Supreme Court reversed the PUCO, and found that DP&L's stability charge was an unlawful transition charge. DP&L was ordered to stop collecting the transition charge of $10 per month from customers, but was allowed to reinstate prior ESP rates that included a similar stability charge of $6.05. So instead of getting reduced rates (of $10 per month) customers paid a $6.05 monthly charge for nearly a year, allowing DP&L to collect over $80 million in stability charges. OCC appealed the PUCO's Order. A decision is expected in 2018.
09-0872-EL-FAC, 09- 873-EL-FAC, 11-0346-EL-SSO, 11-0348-EL-SSO, 11-0349-EL-AAM, 11-0350-EL-AAM, 10-2929-EL-UNC, 11-5906-EL-FAC, 11-4920-EL-RDR, 11-4921-EL-RDR, 12-3133-EL-FAC, 13-0572-EL-FAC, 13-1892-EL-FAC, 13-1286-EL-FAC, 14-1186-EL-RDR, 15-1022-EL-UNC, 16-1105-EL-UNC	Ohio Power	These cases were resolved by a global settlement of 14 AEP cases, with residential customers receiving $98 million in future bill reductions over the next few years. As part of the $98 million benefit, residential customers will receive a smaller part of the gridSMART costs. The settlement was reached in December 2016, and approved by the PUCO in 2017.
00-1742-EL-CRS	FirstEnergy Solutions	In a letter filed in this docket, OCC asked the PUCO to address how consumers would be protected if FirstEnergy Solutions (FES), an affiliate of FirstEnergy, declares bankruptcy. The letter was prompted by several statements made by FirstEnergy Corp. (FirstEnergy utilities' parent) in filings before the Securities Exchange Commission that FES may soon file for bankruptcy.

Electricity Cases at the Supreme Court of Ohio

Case Number	Party	Consumer Impact
2017-1664	FirstEnergy ESP IV Appeal (14-1297-EL-SSO)	Notice of Appeal filed in November 2017. Issues on appeal include the so-called grid modernization rider ($204 million per year for three years with an option for two additional years), how the PUCO conducted the statutorily required comparison between the electric security plan and the market rate offer, the Utility's right to withdraw its electric security plan in response to a Supreme Court ruling, and how the PUCO will calculate significantly excessive earnings under the electric security plan.
2017-1378	OCC and Communities United for Action v. PUCO	In conjunction with OCC's complaint about Duke's disconnection practices, OCC sought to have the Supreme Court issue an order compelling the PUCO to act on OCC's two-year-old complaint. After the Supreme Court filing, the PUCO acted, and the Court then granted OCC's request to dismiss the filing.
2017-0752	AEP ESP III Exp. PPA (14-1693-EL-RDR et al)	Briefing has concluded and the case awaits scheduling of oral argument. Issues being appealed are the legality of the Power Purchase Agreement Rider (that covers the two fifty-year old plants owned by Ohio Valley Electric Corporation. OCC estimates that customers will be charged $191 million over 8 years for the OVEC subsidy) under state law, the competition incentive Rider, and the PUCO's application of the more favorable in the aggregate test.
2017-0749	AEP ESP III (13-2385-EL-SSO et al)	Briefing has concluded and the case awaits scheduling of oral argument. Issues being appealed are the legality of the Power Purchase Agreement Rider under federal and state law and the PUCO's application of the more favorable in the aggregate test.
2017-0241	Dayton Power & Light ESP II (12-426-EL-SSO et al)	Appeal was filed in early 2017. This appeal challenged the PUCO's order allowing DP&L to withdraw from its electric security plan in response to the Supreme Court's mandate. The appeal seeks refunds of $330 million of stability charges the court found to be unlawful transaction charges. A decision is expected in 2018.
2017-0205	Dayton Power & Light ESP II (12-426-EL-SSO et al)	Notice of Appeal - filed in February 2017 - dismissed sua sponte in May 2017 (Appeal not ripe).

2017 Case Activity

Case Number	Party	Consumer Impact
2017-0204	Dayton Power & Light ESP I (08-1094-EL-SSO et al)	Appeal was filed in early 2017. This appeal challenged the rates the PUCO approved after allowing DP&L to withdraw from its electric security plan. Included in the rates were stability charge subsidies. A decision is expected in 2018.
2013-2026	FirstEnergy Alternative Energy Rider Appeal	On appeal to the Supreme Court OCC argued that FirstEnergy overcharged customers for renewable energy by purchasing renewable energy credits at above market prices from one of its affiliates. OCC also appealed the PUCO's treatment of alleged protected materials. The utility also appealed the PUCO's $43 million disallowance of costs. The Court reversed the PUCO on the treatment of protected materials and remanded for further PUCO review. The Court also overturned the PUCO on the $43 million disallowance, finding that the PUCO engaged in retroactive ratemaking. That ruling by the Court puts customers in danger of having to pay for costs even if they are not prudently incurred. OCC is addressing the implications of that ruling by advocating for tariff language that explicitly makes collection subject to refund.

Electricity Cases at the Federal Energy Regulatory Commission

RM18-1	Grid Reliability & Resilience Pricing	This case deals with the Secretary of Energy's request that FERC implement rules regarding fuel reliability and resilience. The case deals primarily with whether certain fuel sources (coal and nuclear plants) should be subsidized by customers. OCC urged FERC not to authorize subsidies because they harm markets and the customers who rely on markets to bring them reasonably priced electric service.
RM17-2	Uplift Cost Allocations	FERC proposed to revise its regulations concerning uplift. Uplift refers to payments that a regional grid operator makes to a generation resource whose commitment and dispatch result in a shortfall between the costs in the resource's offer and the revenue earned through market clearing prices. FERC's proposal in this case was to allocate such uplift costs to those market participants whose transactions are reasonably expected to have caused the costs.

Case Number	Party	Consumer Impact
RM16-23	Electric Storage Participation	FERC's proposal in this case is to amend its regulations to remove barriers to the participation of Distributed Energy Resources in markets. Distributed Energy Resources are electrical generation and storage performed by a variety of small grid-connected devices. Distributed Energy Resources can include solar panels, electricity storage (e.g., batteries), small natural gas-fueled generators, electric vehicles, etc.
ER16-372-004	PJM Fuel Cost	FERC proposed changes to the rules and policies in PJM's energy markets that could allow market participants to alter energy prices away from the competitive market price.

Natural Gas Cases at the Public Utilities Commission of Ohio

17-2374-GA-RDR	Columbia Gas of Ohio	Columbia gas seeks to update rates for its energy efficiency (demand side management) programs and infrastructure replacement program. (IRP). The IRP charge proposed for the residential customer is $8.91 per month, a reduction of $0.05 from the current rate, primarily due to the effect of the new tax law. The Demand Side Management component of that rider charge to customers will increase the bill by $1.88 per month for a residential customer using 10 Mcf.
17-2358-GA-WVR	Direct Energy Services, LLC, Direct Energy Business, LLC, Dominion Energy Solutions, Inc., Interstate Gas Supply, Inc., and SouthStar Energy Services, LLC	The marketers want to avoid using an independent third party to verify enrollment of consumers who call the marketers. OCC opposes the marketers' attempt to avoid compliance with PUCO rules that protect consumers who change their natural gas supplier over the telephone.
17-2284-GA-SLF	Vectren Energy Delivery of Ohio, Inc.	This case deals with whether Vectren must give certain customer information to a certified retail natural gas supplier that has not been approved by the utility to participate in its retail choice program. OCC intervened in the case to protect consumers from giving gas suppliers unlawful access to their private information.

2017 Case Activity

Case Number	Party	Consumer Impact
17-2202-GA-ALT	Columbia Gas of Ohio	Columbia is seeking to charge customers for certain capital expenditures it has deferred. The estimated deferred investment costs to be collected from customers requested by Columbia are $666.4 million.
17-2118-GA-AAM	Duke Energy-Ohio, Inc.	Duke is seeking authority to defer and later collect from customers, $3 million it paid to help the City defray costs for a retaining wall. It is alleged that a retaining wall was needed after a landslide threatened City water and sewer lines, and that it could affect some of Duke's gas pipes. PUCO approval of the deferral request would mean that customers would likely have to pay the $3 million plus interest to Duke in future rates. In comments filed, OCC opposed the utility's request. The PUCO Staff also recommended that the request be denied. The PUCO has not ruled.
17-1905-GA-ORD	PUCO - Gas Rulemaking	OCC argued that benefits of projects funded by consumers through economic development riders should outweigh costs and be verified by the PUCO.
17-1372-GA-RDR	Dominion Energy Ohio	Dominion filed adjustments to its energy efficiency charges to be collected from its customers. The PUCO issued an order finding that Staff's audit report be adopted and Dominion must file an application to adjust its Demand Side Management rider rate annually. The PUCO Staff recommended that Dominion file a more detailed annual application, which OCC supports.
17-1197-GA-ATA, 17-1198-GA-IDR	Duke Energy-Ohio, Inc.	This case deals with Duke's request to implement a mechanism to charge customers for costs to subsidize economic development projects through the infrastructure development rider.
17-1139-GA-AIR, 17-1140-GA-ATA, 17-1141-GA-AAM	Ohio Gas Company	This case deals with Ohio Gas Company's request to increase the rate it charges consumers for natural gas service. Ohio Gas, OCC, and PUCO Staff entered into a settlement, which was approved by the PUCO in February 2018. The settlement decreased Ohio Gas's original rate increase proposal to address the new federal corporate income tax rate established by the Tax Cuts and Jobs Act of 2017. Ohio Gas customers are the first utility customers in Ohio to receive the benefit of an offset to their utility rates to reflect the recent decrease in the federal income tax rate which resulted in savings of over $600,000 per year for customers or around $1.00 per customer per month.
17-0820-GA-ATA	Dominion Energy Ohio	Dominion sought pre-approval from the PUCO to reserve capacity on a pipeline that could serve customers in the Ashtabula area. OCC advocated that consumers should not have to pay because, among other reasons, Dominion was seeking pre-approval of a project with unknown costs whose prudency had not been established. The PUCO disagreed and approved Dominion's request.
17-0782-GA-RDR	Vectren Energy Delivery of Ohio, Inc.	Vectren seeks to update its energy efficiency rider charges. The rate that residential customers pay will increase by about 33% as approved by the PUCO.
17-0690-GA-RDR	Duke Energy-Ohio, Inc.	Duke seeks to update its natural gas smart grid costs. OCC asked the PUCO to engage in a more detailed analysis of natural gas smart grid spending, but the PUCO did not adopt OCC's recommendation. Most Duke residential customers pay approximately $0.80 per month towards the gas smart grid costs.
17-0596-GA-RDR	Duke Energy-Ohio, Inc.	Duke seeks to update its charges to customers for remediation of its manufactured gas sites. The Ohio Supreme Court found, earlier this year, that Duke could continue to charge customers for these costs. This update adds $1,296,160 to the remediation costs and $1.92 to the residential customer's monthly bill.
17-0594-GA-ALT	Suburban Natural Gas Company	This case involves Suburban's request to start charging consumers under a straight-fixed variable rate design. This rate design imposes relative higher charges on low-use customers. The PUCO approved this rate design in prior cases for all the major gas companies. In view of this history, OCC notified the PUCO of its decision not to contest Suburban's request while expressing its opposition to the SFV rate design. Suburban's application was approved by the PUCO.
17-0521-GA-IDR	Columbia Gas of Ohio	This case deals with Columbia's request to increase the rate it charges consumers under its Infrastructure Development Rider.
17-0220-GA-EXR, 17-0320-GA-UEX, 17-0420-GA-PIP	Vectren Energy Delivery of Ohio, Inc.	This case deals with financial audits of various charges to customers under Vectren's tariffs (Exit Transition Cost Rider, Uncollectible Expense Rider, and Percentage of Income Payment Plan Rider).

2017 Case Activity

Case Number	Party	Consumer Impact
17-0219-GA-EXR, 17-0319-GA-UEX, 17-0419-GA-PIP	Dominion Energy Ohio	This case deals with a financial audit and review of Dominion's miscellaneous charges to customers (Transportation Migration Rider-Part B, Uncollectible Expense Rider, and Percentage of Income Payment Plan Rider).
16-2430-GA-ATA	Columbia Gas of Ohio	In Case No. 12-2637-GA-EXM Parties agreed in a Settlement to implement billing improvements for energy marketers. This case implemented new tariffs which allow for customer prepayment of commodity expenses to marketers and allow new customers to immediately enroll with a marketer of their choosing. OCC intervened but did not oppose the Application because consumers would have to affirmatively choose a marketer and would be charged the SCO rate while being served by that marketer.
16-2422-GA-ALT	Columbia Gas of Ohio	This case deals with Columbia's request to continue its Infrastructure Replacement Program Rider and increase the maximum rate that it can charge consumers under the rider. Columbia, PUCO Staff, and others entered into a settlement. OCC opposed the settlement arguing, among other things, that the rate cap was unreasonably high. The PUCO issued an Order in which it approved the settlement as proposed.
16-2251-GA-UNC	Brainard Gas Corp., Northeast Ohio Gas Corp., Orwell Natural Gas Company and Spelman Pipeline Holdings LLC	This case involves the merger of Gas Natural, Inc. (the parent company of Brainard, Northeast Ohio, Orwell, and Spelman Pipeline) with FR Bison Merger Sub, Inc. The PUCO approved the merger on 6/21/2017 application subject to certain conditions, which OCC and PUCO Staff supported.
16-0206-GA-GCR, 16-0209-GA-GCR, 16-0212-GA-GCR	Brainard Gas, Northeast Natural Gas, Orwell Natural Gas	The PUCO ordered a financial audit of the GCR. The audit report recommended adjustments to the GCR as well as changes to the accounting and selling practices of the companies. A settlement was reached between the companies and PUCO Staff that adopted the recommendations of the audit. OCC did not oppose the settlement and the PUCO approved the settlement.
14-1615-GA-AAM	Columbia Gas of Ohio	The PUCO approved Columbia's application to establish a regulatory asset to defer up to $15 million annually to increase pipeline safety expenditures. In August 2016, Columbia was given authority to defer up to $25 million annually until December 2023, to fund Columbia's Prevention Technology Initiative.

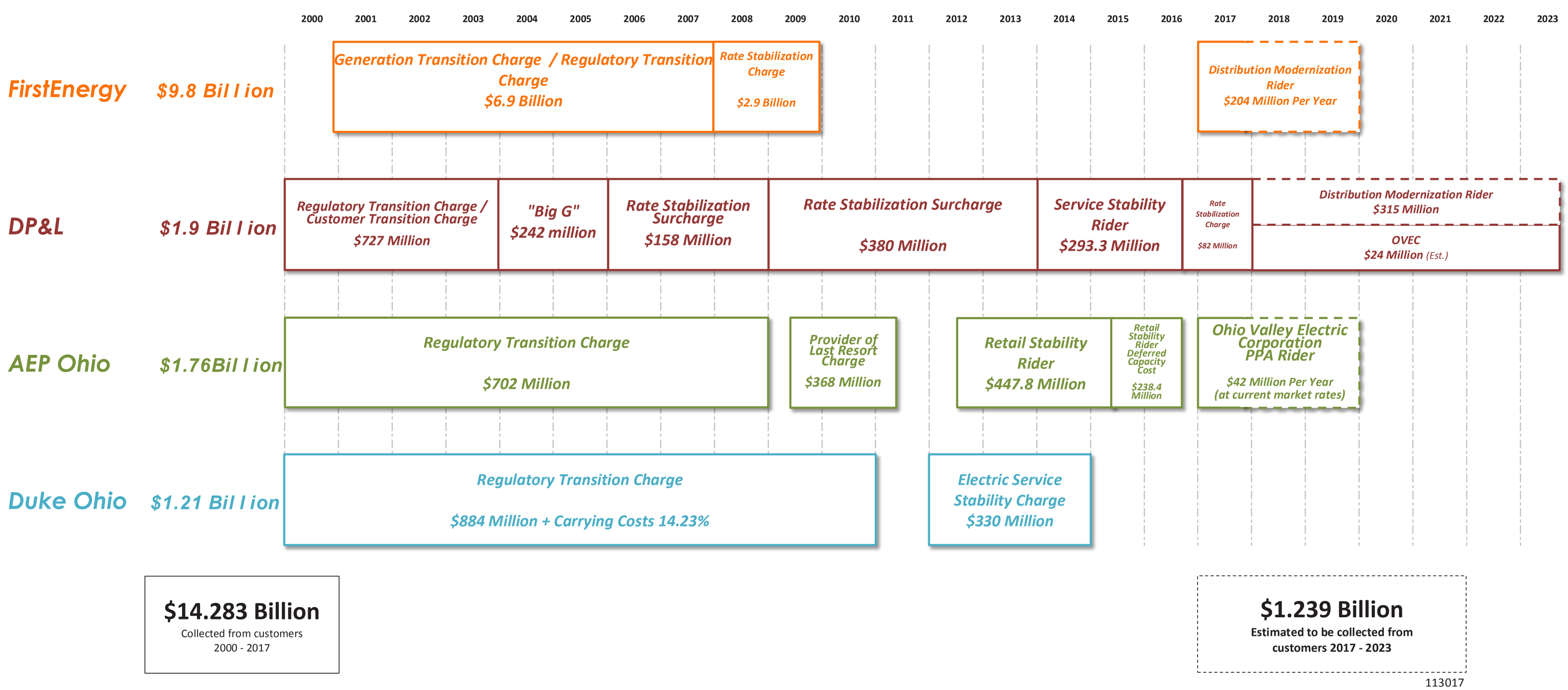
Combined Natural Gas/Electric Cases at the Public Utilities Commission of Ohio

17-2089-GE-COI	Commission Investigation of Duke Disconnect Practices	After the PUCO dismissed OCC's complaint in Case No. 15-1588, it ordered an audit of Duke's disconnection practices and policies to determine whether Duke is violating PUCO rules. An Auditor (Northstar Consulting Group) was selected to perform the audit. A final audit report was filed in March 2018. Comments on the audit report are due in April 2018 and reply comments are due May 2018. OCC is participating in this case because of its concerns that Duke's disconnection practices and policies harm consumers.
15-1588-GE-CSS	OCC v. Duke Energy Ohio, Inc.	Complaint on Disconnections -- OCC alleged that Duke's disconnection policies and practices since 2011 have harmed consumers. After nearly two years, the PUCO ruled that OCC had not stated reasonable grounds for the complaint and dismissed it.
15-0298-GE-CSS	Lykins vs. Duke Energy-Ohio, Inc.	Customer Complaint - Relatives of deceased customers sought a PUCO ruling that Duke wrongfully disconnected electric service in November 2011. In October 2017, the PUCO ruled that Duke had violated the PUCO's rules by disconnecting the customers' electric service during the winter heating season without giving them the additional 10-days' notice required by the rules.

Case Number	Party	Consumer Impact
Telecommunications Cases at the Public Utilities Commission of Ohio		
17-1948-TP-UNC	AT&T Ohio	AT&T Ohio seeks to stop offering Lifeline service to more than 10,000 consumers in 118 of its exchanges. OCC intervened because many Ohioans could lose their Lifeline service if AT&T Ohio can stop providing the service. AT&T Ohio has identified other telephone companies that provide Lifeline in those exchanges. But the Federal Communications Commission has proposed eliminating federal Lifeline monetary support to telephone companies that do not own the facilities on which they provide service. If that happens, only one of the companies AT&T Ohio identified might still be in business, and it does not provide service in all 118 exchanges.
16-2066-TP-ORD	Commission Review of Telephone Rules - Carrier-to-Carrier	OCC made recommendations, in comments filed with the PUCO, that would help consumers find a long-distance company, but the PUCO rejected the recommendations.
14-1554-TP-ORD	Commission Rules Review	This case reviewed the PUCO's telephone rules. It also implemented changes in Ohio law that established a process for a telephone company to withdraw customers' basic local service. In comments and reply comments, OCC made suggestions to protect consumers in the event their telephone company withdraws basic service. In an Order issued in April 2017, the PUCO accepted some of OCC's suggestions, but rejected others regarding its rules for the low-income Lifeline telephone program.
Cases with All Utilities at the Public Utilities Commission of Ohio		
15-1594-AU-COI	Commission Ordered Investigation	The PUCO is investigating whether submetering companies should be treated as public utilities so that submetering consumers may have the same protections and quality of service afforded customers of their local public utility under Ohio law. In June 2017, the PUCO adopted benchmarks for determining whether a submeterer is operating as a public utility and thus is subject to PUCO jurisdiction.

Case Number	Party	Consumer Impact
WC Docket No. 17-84		The FCC is proposing rules that would define the process for telephone companies to replace their copper facilities with other technologies. The major concern for consumers is that the services offered over new technologies might not be as reliable as wireline service has been through the years. The FCC adopted rules that provided adequate consumer protections in 2015, but, the FCC proposed rescinding some of those rules. Among the proposal was to give consumers less notice that copper facilities are being replaced and preempting state utility commission jurisdiction over copper replacement. Through NASUCA, OCC filed comments and reply comments urging the FCC to adopt rules that maintain the reliability of telephone service to consumers. The FCC released its rules in November 2017. The rules give consumers shorter notice that copper facilities will be replaced.
Water Cases at the Public Utilities Commission of Ohio		
17-2193-WW-AEC	Aqua Ohio Inc./ Whirlpool Corp.	Aqua and Whirlpool entered into a contract in which Whirlpool will receive a discount on the amount it pays for water service. Customers of Aqua are likely to have to fund the discount. OCC filed comments in the proceeding opposing the discount on behalf of residential consumers. The PUCO has not issued a decision in this case.
16-0907-WW-AIR	Aqua Ohio	Aqua Ohio, Inc. asked the PUCO for a rate increase for the water service it provides. Aqua and the PUCO Staff reached a settlement calling for a $4.2 million, or 6.9% rate increase. The OCC did not support or oppose the settlement. The total revenue increase to the residential consumers is $2.8 million. This represents a monthly increase between $2.61 and $3.38 per month for the average metered consumers, and between $1.53 to $4.32 per month for a flat rate consumer depending on the service area.

SUBSIDY SCORECARD - ELECTRIC UTILITY CHARGES TO OHIOANS



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