Annual Report 2011

Office of the Ohio Consumers' Counsel

"Your Residential Utility Consumer Advocate"

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Among the OCC's most noteworthy accomplishments in 2011 are the following:

- A unanimous decision by the Supreme Court of Ohio in favor of appeals by the Office of the Ohio Consumers' Counsel (OCC) and the Industrial Energy Users resulted in the return of $78 million to American Electric Power (AEP) customers. (See Page 10.)

- OCC achieved savings of more than $135 million for FirstEnergy customers in 2011 when the Federal Energy Regulatory Commission (FERC) ruled the utility's transmission company, American Transmission Systems, Inc., may not charge customers for costs related to its decision to switch regional transmission organizations. During the next 30 years, customers will avoid paying more than an estimated $610 million because of the OCC's efforts. (See Page 14.)

- OCC helped negotiate a settlement of Duke Energy's electric security plan case, establishing competitive auctions to set the price of generation service. As a result of the first auction, Duke customers saw a 17.5 percent decrease in their electric bills. (See Page 12.)

- OCC worked with legislators and other interested parties to improve Amended Substitute House Bill 364 to provide customers with cost savings from securitization. (See Page 27.)

- OCC and several parties opposed a settlement signed by AEP and other parties for a rate increase which was approved with modifications by the PUCO in December 2011, in a case about AEP's electric security plan. In a February 2012 decision, the PUCO rejected the settlement in its entirety and set the rates at their 2011 level. (See Page 12.)

- OCC and other parties negotiated savings in AEP's 2011 distribution rate case which included:
  - Reducing AEP's proposed annual base distribution rate increase from $93 million to zero;
  - Annual credits to residential customers of more than $14 million from January 2012 to May 2015 (up to $50.2 million);
  - Annual $1 million contributions to the "Neighbor to Neighbor" program from January 2012 to May 2015 to assist low-income customers (up to $3.4 million); and
  - Savings to customers of $124.4 million by eliminating carrying charges in 2012 of previously approved regulatory assets and reducing the carrying charge rate. (See Page 11.)

  Note: The outcome of this case may be changed based on further events in 2012.

- OCC and other parties helped secure a $43 million refund to customers of AEP's Columbus Southern Power due to significantly excessive earnings reported by the utility in 2009. (See Page 11.)

- OCC helped protect Duke Energy's electric customers by providing evidence to refute the utility's request for reimbursement of costs to repair damages related to a 2008 windstorm caused by Hurricane Ike. Duke Energy was not allowed to collect $15.2 million from customers. (See Page 13.)

- OCC negotiated for more than $145 million in customer savings in a settlement with Duke Energy and others that involved Duke's decision to switch regional transmission organizations. (See Page 14.)

- Ohio electric customers saved an estimated $48 million when OCC filed with FERC against a transmission rate incentive.

- OCC and Industrial Energy Users achieved shared savings of more than $10 million in a negotiated settlement that lowered Dayton Power and Light's fuel adjustment charge.

The Office of the Ohio Consumers' Counsel

▶ Mission

The 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

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

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

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.

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A message from Bruce J. Weston
Interim Consumers' Counsel

The Office of the Ohio Consumers' Counsel (OCC), in its 35th year, continued its mission of providing representation and education for Ohio's residential utility consumers. In 2011, the OCC's efforts saved Ohioans many millions of dollars on their utility bills. These savings sometimes were achieved through the OCC's advocacy with others and sometimes through the OCC's advocacy on its own.

Consumer protection again had a heightened significance, as many Ohioans continued with the challenges of a difficult economy and 30 percent of Ohioans were at or below 200 percent of the poverty level. Here are some highlights of the OCC's efforts in a year when the OCC's staff again demonstrated their commitment to public service:

- Customers of American Electric Power (AEP) received $78 million as a result of a decision by the Supreme Court of Ohio in an appeal. Customers also received the return of $43 million because of AEP's excessive earnings.
- Customers benefited from the elimination of AEP's proposed $93 million distribution service revenue increase, among other positive outcomes in a case that OCC and others settled with AEP. Also, in a case involving AEP's proposed electric security plan, OCC and several other parties opposed a settlement containing a rate increase that AEP and others asked the PUCO to approve. In a December 2011 decision, AEP's settlement was approved with modifications, but ultimately the entire settlement was rejected in a February 2012 decision.
- Customers of Duke Energy Ohio will benefit from lower electric rates in 2012 by about 17.5 percent, after Duke conducted an auction that was arranged by an agreement with the OCC and others. Duke's customers also were not charged for $15.2 million that Duke sought to collect for storm costs related to Hurricane Ike.
- Customers of FirstEnergy did not have to pay $135 million in charges, as a result of a federal case. OCC successfully proposed that customers should not have to pay for the utility's business decision to switch regional transmission organizations.
- Customers should benefit from a new securitization law, Amended Substitute House Bill 364, which was enacted in 2011. OCC worked with the Ohio General Assembly and interested parties toward assuring savings for customers.

I thank the OCC's staff for their countless efforts to protect Ohio consumers and recognize the commitment and concern for Ohioans that former Consumers' Counsel Janine Migden-Ostrander demonstrated during her years of leadership in public service. The year 2011 was one of change for the OCC, with a budget and staff reduction and the closing of the consumer call center. I appreciate the efforts of the many former employees who were so much a part of the OCC and our accomplishments in the past year. I thank the members of the OCC Governing Board, former Chairman Solove and former Board member Leslie for their guidance and support to the agency. And also, on this 35th anniversary, I acknowledge the service of the many employees and Board members who helped Ohio consumers throughout OCC's history.

The OCC looks forward to working with state policymakers and other stakeholders in 2012. Our continued vision is for utility services that are affordable and reliable for Ohioans.

A message from John Moliterno *Governing Board Chairman*

On behalf of the nine-member, bipartisan Governing Board of the Office of the Ohio Consumers' Counsel (OCC), it is my honor to present to the Ohio General Assembly OCC's 2011 annual report.

With full commitment and dedication to the mission and vision of the agency and to Ohioans, the staff of OCC met its challenges this year while achieving substantial savings and protections for residential utility consumers.

In many situations during 2011, the OCC worked to achieve negotiated agreements resulting in benefits to all stakeholders. On other occasions, the OCC was required to stand firm to protect consumers from paying unnecessarily high rates or losing long-held protections. In April, the Supreme Court of Ohio unanimously agreed with the OCC in a case that resulted in millions of dollars in savings to AEP customers. These victories and others, highlighted throughout this report, are the result of months of work by OCC staff attorneys and analysts. I thank Interim Consumers' Counsel Bruce Weston and the OCC staff for their dedicated work in 2011.

This year, the OCC Governing Board also said farewell to two of our most distinguished board members, Jerome. G. Solove—my predecessor as chairman—and Dorothy L. Leslie. Each served Ohio consumers for more than a decade and their contributions to this board are held in the highest regard.

At the same time, we welcomed two new members to the Governing Board, Sally A. Hughes, of Columbus, and Fred Yoder, of Plain City. We look forward to their input on behalf of residential consumers and family farmers, respectively, in the years to come.

The OCC Governing Board also expressed its appreciation to former Consumers' Counsel Janine Migden-Ostrander for her more than seven years of dedicated advocacy on behalf of Ohioans. We are proud of the OCC accomplishments and savings provided to utility consumers under her leadership during some very difficult economic times.

Moving forward, the Governing Board recognizes that despite limited resources and a smaller staff, the OCC has important work to do. In 2012, we will select a new Consumers' Counsel. This is the Board's most important task. Our goal is to hire OCC's fourth Consumers' Counsel to lead the agency in its mission and to find creative solutions to the challenges of a changing utility industry.

I am privileged to have been selected to serve the OCC Governing Board as its chairman. On behalf of the Board, I offer our cooperation to Gov. Kasich, Attorney General DeWine, and the Ohio General Assembly. The Board is proud of the OCC's 35-year history of representing Ohio's utility consumers. We look forward to providing guidance and support to the OCC as it continues to work diligently and effectively on their behalf.

Governing Board Members


John Moliterno


Gene Krebs


Harold Cassel


Sally A. Hughes


Dorothy L. Leslie

About the Governing Board

By statute, the Ohio Attorney General appoints the Office of the Ohio Consumers' Counsel's (OCC) bipartisan, nine-member Governing Board. The Board consists of three members representing organized labor, residential customers and family farmers, respectively. 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 Governing Board is responsible for appointing the Consumers' Counsel and Deputy Consumers' Counsel. The Governing Board conducts regular bimonthly public meetings in Columbus.

John Moliterno, chairman

Chairman, 2011 – present
Vice chairman, 2006 – 2011
Board member, 2003 – present
Representing residential customers
Hometown: Girard

John Moliterno is president and chief executive officer of Pegasus Printing Group, which includes printing-related companies in Ohio and Pennsylvania. In addition, he is the treasurer of the City of Girard. Previously, Mr. Moliterno served as president and chief executive officer of the Youngstown/Warren Regional Chamber of Commerce. He is a board member of the Youngstown State University Penguin Club and Better Business Bureau of Mahoning Valley and chairman of the Trumbull County Workforce Development Board. He is a graduate of The Ohio State University.

Gene Krebs, vice chairman

Vice Chairman, 2011 – present
Board member, 2005 – present
Representing residential customers
Hometown: Camden

Gene Krebs is co-director of Greater Ohio, an organization working to revitalize Ohio communities through land use reforms. He served as a state representative for House District 60 from 1993 – 2000, chairing the Economic Development and Small Business Committee, and served on the Finance and Appropriation Committee and the Farmland Preservation Task Force. Mr. Krebs was appointed by Gov. Kasich to the Local Government and Innovation Council and serves as a board member of the Ohio Mathematics and Science Coalition. Additionally, he is a member of the Camden Chamber of Commerce and the Preble County Farm Bureau and has served on the Eaton City School Board, Preble County Commission, and the Preble County Planning Commission. Mr. Krebs, a seventh generation farmer, graduated from Bowling Green State University with a bachelor's degree in biology, and has published articles in both scientific and general publications.

Harold Cassel

Board member, 2010 – present
Representing organized labor
Hometown: Castalia

Harold Cassel was appointed to the Governing Board in 2010. Mr. Cassel is retired from Chrysler Corp. and was an international representative of the United Auto Workers (UAW). He became a member of the UAW in 1974 at the Chrysler Plastics facility in Sandusky. He served in several positions, including president and chairperson of Local 1879 and on various regional advisory councils. He worked on organizing campaigns in Ohio, Indiana, Illinois and Michigan. Mr. Cassel was appointed to the International UAW staff in October 1995.

Sally A. Hughes

Board member, 2011 – present
Representing residential customers
Hometown: Columbus

Sally A. Hughes serves as president and chief executive officer of Caster Connection, Inc., a company she founded. Ms. Hughes quickly expanded the business by providing heavy duty casters and wheels to industrial companies, which included General Motors. Ms. Hughes led her company's efforts to implement and advance safety measures for moving heavy equipment, eventually expanding to the food service, commercial laundry and bakery industries. Ms. Hughes currently serves on the Board of the Ohio Chamber of Commerce and is a member of the Entrepreneurs Organization (EO), Women's Presidents Organization (WPO) and Women's Business Enterprise National Council (WBENC). Ms. Hughes graduated from Ohio University with a bachelor's degree in English literature and Spanish.

Dorothy L. Leslie

Board member, 2001 – 2011
Representing family farmers
Hometown: Upper Sandusky

Dorothy L. Leslie and her husband have operated a family farm since 1951. Mrs. Leslie served as state executive director of the Agricultural Stabilization and Conservation Service from 1989 – 1993. She served as chairwoman of the state committee of that agency from 2001 – 2009 and has received multiple awards from the U.S. Secretary of Agriculture for her service to the farmers of Ohio. As a registered nurse, she served as a medical research associate working with farmers for The Ohio State University. She is an active member of a number of farm organizations, community projects and her church.

Governing Board Members

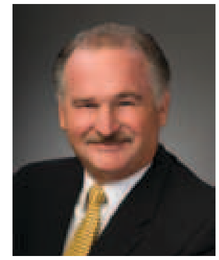

Joe Logan


Anthony Peto


Jerome G. Solove


Michael Watkins


Roger Wise


Fred Yoder

Joe Logan

Board member, 2007 – present
Representing family farmers
Hometown: Kinsman

In addition to being an active farmer, Joe Logan serves as director of agricultural programs for the Ohio Environmental Council. He is the past president of the Ohio Farmers Union and served on the board of directors of the National Farmers Union, where he was chairman of the Budget and Audit Committee and vice chairman of the Legislative Committee. He previously served as president of the National Association of Farmer Elected Committees, representing the interests of locally elected committees in 2,500 Farm Service Agency offices nationwide.

Anthony Peto

Board member, 2009 – present
Representing organized labor
Hometown: Chesterland

Anthony Peto serves as state political director for the Ohio Vicinity Regional Council of Carpenters (OVRCC). Previously, Mr. Peto served as an organizer for the OVRCC and as a journeyman carpenter with experience working on commercial projects, single family homes and condominiums. He graduated from the Harvard Trade Union Program and graduated from a four-year carpentry trade program at the Joint Apprenticeship Training Center in Richfield.

Jerome G. Solove, past chairman

Chairman, 1999 – 2011
Board member, 1998 – 2011
Representing residential customers
Hometown: Powell

Jerome G. Solove is the president and owner of the commercial real estate firm, Jerome Solove Development, Inc., headquartered in Columbus. Mr. Solove is a member of the International Council of Shopping Centers, as well as a former board member of the Columbus Area Apartment Association and the Rickenbacker Port Authority in Franklin County. Mr. Solove earned a Bachelor of Science degree in business administration with dual majors in real estate and finance from The Ohio State University. Mr. Solove also completed a year of study at the London School of Economics.

Michael A. Watkins

Board member, 2010 – present
Representing organized labor
Hometown: Elida

Michael A. 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 the city of Lima. He currently is serving his third term as president of FOP Lodge No. 21 after working for 12 years as its secretary. He is currently employed by the Fraternal Order of Police, Ohio Labor Council, Inc. in Columbus as the Administrative Assistant. Mr. Watkins was trustee of the FOP's 6th district from 1993 – 1995 and re-elected to the position, which he has held since 2007. As a civilian employee with the Lima Police Department, Mr. Watkins developed a series of video and audio public service announcements and a television program demonstrating activities and the work of various special department units. He attended The Ohio State University-Lima campus where he studied psychology.

Roger Wise

Board member, 2006 – present
Representing family farmers
Hometown: Fremont

Roger Wise is supervisor for the Sandusky Soil and Water District and president of the Ohio Farmers Union, the progressive family farm organization advocating for social and economic well-being for all Ohio families. He is a trustee for Jackson Township in Sandusky County and previously served on the county's boards of education and health. He is vice president of the Farmers Union in Sandusky County.

Fred Yoder

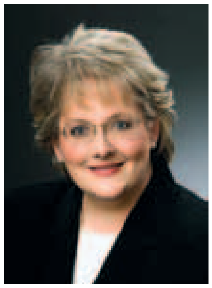
Board member, 2011 – present
Representing family farmers
Hometown: Plain City

As a fourth generation family farmer, Mr. Yoder is the owner and operator of Fred Yoder Farms. He also is a partner and executive vice president with Yoder Ag Services LLC, which markets seeds and consulting services. Mr. Yoder currently serves as an Ohio delegate to the USA Poultry and Egg Export and U.S. Grains Councils; on the Ohio Corn and Wheat Political Action Committee, Wheat Growers Association and Ohio Corn Marketing Boards of Directors; Madison County Farm Bureau Board of Trustees; and as chairman of the Ohio chapter of the 25 by '25 Alliance and National 25 by '25 Adaptation Work Group.

OCC Directors


Bruce J. Weston


Aster Rutibabalira Adams


Beth Gianforcaro


Amy Kurt


Charles Repuzynsky

Interim Consumers' Counsel

Bruce J. Weston was named Interim Consumers' Counsel by the OCC Governing Board, effective in October 2011. He has been the agency's Deputy since October 2004. Mr. Weston, with OCC's staff, serves Ohio's residential utility consumers as their statutorily designated advocate in matters involving their services from investor-owned electric, natural gas, telephone, and water utilities.

Mr. Weston also is the director of the Legal Department. The legal staff--working with others in the agency--advocates on behalf of Ohio residential customers in complex cases before the Public Utilities Commission of Ohio and in state and local courts involving public utilities.

Mr. Weston brings more than 30 years of experience in public utilities law to the OCC. He is committed to protecting the interests of Ohio residential utility customers. His priorities for the OCC include advocating for reasonable rates, competitive choices, advanced technologies, and good service quality for residential utility customers throughout Ohio.

Prior to appointment as Deputy Consumers' Counsel, 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 OCC in 1978 as a legal intern. After earning his law degree from The Ohio State University College of Law in 1980, he began a 12-year tenure as counsel for the agency. Mr. Weston is the chair of the Public Utilities Law Committee of the Ohio State Bar Association.

Analytical Services

Aster Rutibabalira Adams joined the OCC in November 2005 as director of the Analytical Services Department. He is responsible for overseeing the review of the accounting, economic and financial analyses associated with utility rate filings and other regulatory proceedings. He provides advice and recommendations concerning technical and policy issues related to utility regulation and legislation.

Before joining the OCC, Dr. Adams was chief of the Economic Analysis Division/Competitive Markets and Policy Division of the Tennessee Regulatory Authority. He was responsible for investigating and making recommendations about cost, pricing, rate design and allegations of anticompetitive practices. He also identified and analyzed market trends, including monitoring and evaluating the impact of agency decisions on market outcomes in the electric, natural gas, telecommunications, water and wastewater industries.

Prior to moving to the United States from Rwanda in 1990, he was an assistant professor at the National University of Rwanda where he taught econometrics, macroeconomics, microeconomics, statistics, monetary theory and industrial organization theory. He holds a bachelor's degree and a licentiate degree in economics from the National University of Rwanda. He earned a master's degree in economic development and a doctorate in economics from Vanderbilt University. His dissertation was titled "The Impact of Deregulation on Cost Efficiency, Financial Performance, and Shareholder Wealth of Electric Utilities in the United States." In it, he argued any evaluation of the effectiveness of deregulation of electric utilities in the United States must consider the selection bias implicitly embedded in the data and the input and output price differentials evident across utilities.

Communications

Beth Gianforcaro joined the OCC as director of Communications in October 2007. She held a similar communications position at the OCC from 1986 – 1992. She manages a staff of award-winning communications experts in the planning and implementation of public and media relations activities, outreach and education efforts, the development of printed and online materials and the OCC website.

Ms. Gianforcaro has more than two decades of experience managing high-performing, accomplished communications programs for several State of Ohio government agencies, including the Ohio Environmental Protection Agency, the Public Utilities Commission of Ohio, the Ohio Rehabilitation Services Commission and the Office of the State Treasurer.

She is active in professional communications organizations, including the Central Ohio Chapter of the International Association of Business Communicators, and serves on the board of directors for the Central Ohio Chapter of the Society of Professional Journalists. She holds bachelor's degrees in English-journalism and speech communications from Miami University, Oxford, and is completing a Master of Science degree in journalism from Ohio University's E.W. Scripps School of Journalism.

Government Affairs

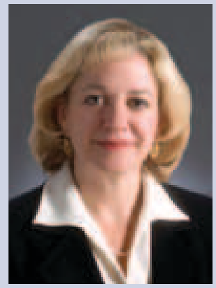
Amy Kurt joined the OCC as director of Government Affairs in October 2009. She serves as liaison between the OCC and the Ohio General Assembly and the United States Congress. She represents the agency in all legislative hearings and communicates OCC policies and positions on utility issues and pending legislation.

Prior to joining the agency Mrs. Kurt was program director and acting state director for Environment Ohio, which she helped launch in 2006. At Environment Ohio, she worked to advance environmental and energy programs and policies throughout the state. Mrs. Kurt has worked in development and policy positions for several other non-profit organizations in Ohio and around the country. Mrs. Kurt received a Bachelor of Arts in earth and environmental sciences from Wesleyan University in Middletown, Conn.

Operations

Charles Repuzynsky joined the OCC as director of Operations in July 2005. He oversees the Operations Department, which encompasses responsibilities including finance, budgeting, strategic planning, human resources and information technology.

Prior to joining the OCC, Mr. Repuzynsky served as the chief financial officer for the Ohio Historical Society, a non-profit quasi-government organization. He also is a member of the Institute of Management Accountants, the Ohio Government Finance Officers Association and the Society for Human Resource Management. He holds a bachelor's degree in business administration with a major in accounting from The Ohio State University.



Janine L. Migden-Ostrander

Janine Migden-Ostrander (Consumers' Counsel, April 2004-October 2011)

Janine L. Migden-Ostrander represented Ohioans as their Consumers' Counsel from Apr. 5, 2004, when she was sworn into office by former Ohio Attorney General Jim Petro, until her departure on Oct. 15, 2011.

During her tenure, Ms. Migden-Ostrander helped save consumers more than $8 billion in unnecessary utility bills, either through OCC's direct efforts or through collaboration with other advocacy organizations.

As Consumers' Counsel, Ms. Migden-Ostrander advocated for consumers in numerous energy, telecommunications and water matters and made it an agency priority to help find solutions for consumers having difficulty paying utility bills in a difficult economic environment.

Ms. Migden-Ostrander negotiated for key provisions in Ohio's Energy Law, Senate Bill 221 (127th General Assembly), to protect Ohioans from higher electric prices and develop more efficient uses of energy technology. She also reached out to community organizations and other advocacy groups and developed the Low Income Dialogue Group to advocate on behalf of seniors and at-risk populations, for solutions such as utility-funded fuel assistance programs and Percentage of Income Payment Plan (PIPP) reform.

For her contributions as Consumers' Counsel, Ms. Migden-Ostrander earned recognition, such as the 2010 Inspiring Efficiency Leadership Award presented by the Midwest Energy Efficiency Alliance and the 2007 Public Servant Award from the Ohio Environmental Council.

Electric

Introduction and Overview

The Office of the Ohio Consumers' Counsel (OCC) had several successes in 2011 reducing charges to residential customers' electric bills.

American Electric Power (AEP) customers benefited from the return of $43 million in significantly excessive earnings and $78 million of unjustified charges related to its 2009-2011 electric security plan. AEP customers also were protected from paying an extra $93 million in base distribution charges and received an additional benefit totaling more than $50 million after the OCC reached an agreement with the utility.

Residential customers served by Duke Energy Ohio received the benefit of lower electric bills in 2012 after an agreement with the OCC and others was reached that reduced total bills by about 17.5 percent.

The OCC's work also aided FirstEnergy customers who do not have to pay $135 million in charges the utility wanted to pass on to customers for voluntarily changing regional transmission organizations.

Many other benefits also were secured in 2011 that will help consumers better manage their energy costs. Among these were the addition and expansion of energy efficiency programs for AEP and FirstEnergy.

The OCC has long supported the use of cost-effective energy efficiency programs to help customers save money on their monthly electric bills. Energy efficiency programs have proven to be valuable tools to reduce customers' need for electricity without sacrificing their comfort or lifestyle. Data from 2010 shows AEP spent $33 million and saved customers $160 million through energy efficiency. Similarly, Duke Energy Ohio spent $23 million and saved customers $112 million while Dayton Power and Light spent $12 million and saved customers $67 million.

OCC prevails at Supreme Court of Ohio, secures approximately $78 million for AEP customers

American Electric Power's (AEP) customers received about $78 million in credits after the Supreme Court of Ohio unanimously agreed with the position of the Office of the Ohio Consumers' Counsel (OCC). The Court's ruling was related to the utility's electric security plan for 2009 – 2011.

The Court in April ruled 7-0 in favor of the OCC on three issues, ruling the Public Utilities Commission of Ohio (PUCO) unlawfully allowed AEP to: charge customers retroactive rates; collect charges for the utility's claimed risk to provide default electric generation service for shopping customers; and recover carrying charges on environmental investments.

Regarding AEP's collection of retroactive rates from customers, the Court agreed with the OCC that the PUCO had unlawfully granted $63 million in "additional rates to make up for regulatory delay." Unfortunately, customers did not receive a full refund of what they paid because the laws prohibiting retroactive rates also disallow refunds, the Court said. Under current law, the Court determined a refund only would have been possible if a bond had been posted, which was not financially possible for the OCC. The Court also said the legislature would have to change the bond requirement for public agencies on PUCO matters for a refund to be possible.

The Court also accepted the positions of the OCC and Industrial Energy Users that there was no evidence AEP's $456 million in provider of last resort (POLR) charges were based on any actual costs the utility would incur.

The OCC's final success in this case was related to $330 million in carrying charges on environmental investments. The Court found the PUCO allowed AEP to collect carrying charges, contrary to Ohio law. The OCC asserted carrying charges for environmental investments AEP made prior to 2009 should not be allowed. Carrying charges include costs for a return on investments, depreciation, administrative costs, income taxes and property taxes.

The Court's ruling resulted in the case being sent back to the PUCO for further consideration of the issues of carrying charges on environmental investments and the POLR charge. The OCC advocated for the return of the charges collected and a reduction in rates of $787 million for AEP customers after the Court's ruling. Throughout the case, the OCC argued AEP failed to prove it incurred actual costs to support the POLR charges.

The PUCO, in an Oct. 3 decision, found AEP failed to support the previously approved POLR charges. That finding resulted in a benefit to all customer classes of about $78 million.

Residential customers specifically saved $28 million because of the OCC's efforts.

In 2012, the OCC filed an additional appeal at the Supreme Court of Ohio to return the remaining $367 million in POLR charges. A decision could be made by 2013.

Supreme Court of Ohio Case No. 2009-2022
PUCO Case Nos. 08-917-EL-SSO, 08-918-EL-SSO

$43 million in excessive earnings returned to AEP's Columbus Southern Power customers

Customers served by American Electric Power's (AEP) Columbus Southern Power utility had $43 million returned to them in 2011 after the Public Utilities Commission of Ohio (PUCO) found the utility earned significantly excessive profits in 2009.

The return was only a fraction of the up to $156 million the Office of the Ohio Consumers' Counsel (OCC) and the Ohio Energy Group recommended the company should have returned to customers. The OCC recommended all of Columbus Southern Power's profits above 11.58 percent be considered excessive. The utility posted earnings of more than 20 percent in 2009, making it the most profitable electric utility company in the United States.

Part of the refund was used to pay $16 million in deferred fuel costs, while the remainder was returned to customers in the form of bill credits. The average residential customer received a bill credit of $1.34 per month in 2011.

Ohio law requires that an electric utility show the PUCO that each year of its electric security plan their earnings are not significantly excessive when measured against the earnings of comparable public companies. This significantly excessive earnings test is an important protection for customers against paying excessive rates (a detailed analysis of the OCC's advocacy in this case can be found in the OCC's 2010 Annual Report).

Case Nos. 10-1261-EL-UNC, 10-656-EL-UNC, 10-1265-EL-UNC

Customer choice in electricity gains momentum in 2011

Options for residential customers to choose their electric generation service provider became more of a reality in 2011.

Third-party competitors in each of Ohio's four investor-owned electric utilities' territories were able to offer customers cheaper alternatives. In some instances, customers were offered savings of 18 percent off the utility's price to compare.

The price to compare is the amount a competitive supplier would have to beat in order for a customer to save on an electric bill. This includes the cost of electric generation, transmission and some miscellaneous charges. It does not include distribution costs, which customers continue to pay to their utility company even if they choose a competitive supplier.

As a result of increased competition in electric generation service, the Office of the Ohio Consumers' Counsel (OCC) created a useful fact sheet that allowed residential consumers to compare their electric options among competitive suppliers in their territory.

The "Comparing Your Electric Choices" fact sheet quickly became a popular informational resource consumers downloaded from the OCC's website, www.pickocc.org, after it was introduced May 12.

By the end of 2011, electric choice-related information, including the OCC's choice chart, "Electric Choice 101" and "Consumer Protections in Electric Choice" fact sheets, were the website's second-most popular topic next to the OCC's natural gas choice fact sheets consumers have long relied upon to make informed decisions about choosing their natural gas supplier.

As electric competition continues to grow, the OCC's information serves as a valuable tool consumers can use to know what options are available and how to make the best choice for themselves and their families.

OCC helps achieve zero base distribution increase for AEP customers

The advocacy of the Office of the Ohio Consumers' Counsel (OCC) and others protected American Electric Power (AEP) residential customers from paying an increase in base distribution rates after an agreement was signed in November.

The agreement eliminated AEP's proposal to increase base distribution rates by $93 million and provided an additional benefit of more than $50 million to residential customers from January 2012 through May 2015. The agreement also provided $1 million annually through May 2015 to help low-income families pay their electricity bills, and saved customers $124.4 million by allowing AEP to begin collecting deferred costs one year earlier than was previously approved by the Public Utilities Commission of Ohio (PUCO) and lowering the carrying charge rate. AEP's original proposal to change the way it charges residential customers was dropped under the agreement.

Also approved was a three-year pilot program, proposed by the OCC and supported by others, that will protect customers from AEP earning too much distribution revenue related to state-mandated energy efficiency programs. The utility will be fairly compensated for distribution revenues it would lose because of energy efficiency.

The pilot program is designed to unlink AEP's distribution revenues and profits from its electricity sales. Customers will be protected by a 3 percent cap for any annual increases attributed to lost distribution revenue, but any decreases leading to customer credits have no cap. The pilot program also removes the lost revenue barrier so customers can benefit from all cost-effective energy efficiency programs available.

The PUCO approved the agreement among the OCC, AEP and other parties in December. The outcome of this case may be subject to change based on further events in 2012.

Case Nos. 11-351-EL-AIR, 11-352-EL-AIR, 11-353-EL-ATA, 11-354-EL-ATA, 11-356-EL-AAM, 11-358-EL-AAM

OCC, Duke and others reach agreement that lowers costs for customers in 2012

The Office of the Ohio Consumers' Counsel (OCC) reached an agreement with Duke Energy Ohio and others in 2011 that lowered the electricity costs for residential customers by 17.5 percent in 2012.

The agreement on Duke's electric security plan established multiple competitive auctions to price electric generation service from January 2012 to May 2015. The OCC has long supported competitive auctions to help lower the price of electricity for customers.

The Public Utilities Commission of Ohio (PUCO) approved the agreement Nov. 22.

In addition to the competitive auctions, the plan included new non-bypassable charges, supported economic development, provided help to low-income customers for weatherization and continued the residential renewable energy credit program.

The agreement approved by the PUCO is different than the plan Duke Energy originally proposed in June. In that plan, Duke sought to price electricity for 10 years and included several elements, such as developing a charge that would allow the utility to collect electricity delivery costs without the same level of regulatory scrutiny traditionally given to such charges.

Earlier in 2011, Duke proposed a market rate option that was rejected by the PUCO in February. The PUCO ruled the plan did not follow state law that requires a gradual transition in its generation costs from its current rate structure to the market.

Case Nos. 11-3549-EL-SSO, 11-3550-EL-ATA, 11-3551-EL-UNC, 10-2586-EL-SSO

OCC objects to AEP settlement; PUCO modifies

Rates for American Electric Power's (AEP) residential customers were allowed to increase after the Public Utilities Commission of Ohio (PUCO) approved a modified settlement in December 2011 for the utility's January 2012 through May 2016 electric security plan. The Office of the Ohio Consumers' Counsel (OCC) and others recommended rejection of AEP's settlement because it unfairly increases rates to residential customers.

The OCC urged the PUCO to protect residential customers by, among other things, rejecting base generation rate increases that were excessive and over-allocated to residential customers, and by denying AEP the ability to charge customers for distribution system investments that also were included in its distribution rate increase request. The OCC also recommended the PUCO deny AEP's proposed distribution investment charge, which accelerates the collection of an average $100 million per year, because it did not benefit consumers and AEP did not prove the charge was necessary.

The PUCO's December decision, which denied in part the settlement, was followed by a February 2012 decision in which the PUCO rejected the settlement in its entirety and set rates at their 2011 level.

Case Nos. 11-346-EL-SSO, 11-348-EL-SSO, 10-2376-EL-UNC, 11-349-EL-AAM, 11-350-EL-AAM, 10-343-EL-ATA, 10-344-EL-ATA, 10-2929-EL-UNC, 11-4920-EL-RDR, 11-4921-EL-RDR

Some FirstEnergy all-electric discounts to be phased out

FirstEnergy customers who heat their homes with electricity will see generation credits they have received in the past phased out by 2018. The Public Utilities Commission of Ohio (PUCO) ordered the gradual removal of the discounts in May 2011 – about 17 months after unusually high electric bills caused rate shock for these customers and prompted state officials, including the Office of the Ohio Consumers' Counsel (OCC), to intervene.

Beginning in the fall of 2013, the generation credit (Rider RGC) will be phased out in six equal reductions through 2018. Two other credits, for distribution service and economic development (Riders EDR and RDC), will continue for all-electric customers and be unaffected by the PUCO's May 2011 order.

In addition to the gradual removal of the generation credit, it only will apply to customer's bills from Oct. 31 to March 31. The credits for distribution service and economic development will be in effect for the entire winter heating season, from Sept. 1 to May 31.

Monthly Residential Electric Heating Credits in 2012

Cleveland Electric Illuminating

- Rider EDR: 1.9 cents for usage above 500 kWh
- Rider RDC: 1.7 cents for usage above 500 kWh
- Rider RGC: 4.2 cents for all usage*

Ohio Edison

- Rider EDR: 1.9 cents for usage above 500 kWh
- Rider RDC: 1.77 cents for usage above 500 kWh
- Rider RGC: 3.9 cents for usage above 1,250 kWh*

Toledo Edison

- Rider EDR: 1.9 cents for usage above 500 kWh
- Rider RDC: 1.76 cents for usage above 500 kWh
- Rider RGC:1.8 cents for all kWh above 2,000*

* This credit will be phased out by 2018 in equal decreases over six years.

The OCC advocated for permanently maintaining each of the credits for all-electric customers. The OCC proposed that credits for distribution service and economic development remain unchanged and that a mechanism be created for the generation credit so customers would keep discounts at percentage levels consistent with their past discounts.

Other results of this case included:

- As long as the generation credit is available, it will stay with the home (current and future residents) if electricity remains the primary source of energy to heat the home;
- FirstEnergy will be allowed to collect the revenue shortfall as a result of the generation credit from residential customers. This includes costs deferred since March 2010; and
- The PUCO ruled that FirstEnergy did not use unfair or deceptive marketing tactics to entice residential customers or home builders to commit to electric heating.

The OCC advocated that FirstEnergy should be prohibited from charging customers for any deferred costs resulting from credits given to all-electric customers.

The OCC also advocated that the all-electric case was similar to a reasonable arrangement often available to Ohio businesses that receive discounts based on the large amounts of electricity they use. Since FirstEnergy buys its electricity on the market and all-electric customers use a significant amount of electricity, the OCC argued the credits should remain because it is cheaper for FirstEnergy to serve those customers, and the utility can buy electricity at a lower price to benefit all customers.

Throughout its advocacy, the OCC remained in close contact with legislators and all-electric customers, specifically the Citizens for Keeping the All-Electric Promise, a group of residents affected by the issue. The OCC staff also helped thousands of individual consumers who contacted its call center, and heard directly from public officials and consumers during legislative meetings, public meetings and local public hearings during 2010.

Case No. 10-176-EL-ATA

OCC, other advocates request power plant refund after 5-year deadline passes

The Office of the Ohio Consumers' Counsel (OCC) and other consumer advocates requested the Public Utilities Commission of Ohio (PUCO) begin the refund process of $23.7 million, plus interest, to customers in connection with a power plant proposed, but never completed by American Electric Power (AEP). The request was based on a PUCO requirement that refunds to customers would begin if AEP did not begin construction on the plant within five years of June 2006.

AEP was allowed to charge customers for preconstruction and research costs of an integrated gasification combined-cycle power plant (IGCC) that it never built. Customers paid the costs over 12 months, ending June 2007.

After appeal, the Supreme Court of Ohio in 2008 required the PUCO to re-evaluate its 2006 order that allowed AEP to charge customers for the IGCC plant. To date, the PUCO has not revisited its decision.

The PUCO also did not address the advocates' request to begin the refund process in 2011.

In 2005, Columbus Southern Power and Ohio Power filed an application seeking approval to construct a 629-megawatt IGCC power plant in Meigs County. Even as cost estimates for the power plant continued to increase, the PUCO approved collections from customers for the initial stage of the project. The costs of a similar IGCC power plant being constructed in Indiana are expected to total about $2.9 billion.

Case No. 05-376-EL-UNC

OCC proposals result in 50% reduction of storm costs

Duke Energy Ohio customers were saved from paying $14.4 million in storm-related costs because of a number of recommendations made by the Office of the Ohio Consumers' Counsel (OCC). The Public Utilities Commission of Ohio in January disallowed about half of Duke's $28.5 million request.

The OCC had advocated for a $23.3 million reduction to Duke's request after the utility included inappropriate labor expenses, and said its operating and maintenance costs should have been collected over a longer period of time. Additionally, the OCC was able to get Duke to lower its original request by $850,000 for costs that should have not been allowed in the case. In total, the OCC's advocacy saved consumers more than $15.2 million in this case (a detailed analysis of the OCC's advocacy in this case can be found in the OCC's 2010 Annual Report).

Case No. 09-1946-EL-RDR

Federal Cases

OCC shields Duke customers from paying hundreds of millions of dollars in RTO deal

Duke Energy Ohio customers received several benefits related to the utility's switch in regional transmission organizations (RTOs) after an agreement was reached among the Office of the Ohio Consumers' Counsel (OCC), Duke, the Ohio Energy Group and the staff of the Public Utilities Commission of Ohio (PUCO) in April.

The agreement allowed Duke to move forward with its business decision to switch from the Midwest ISO to PJM Interconnection beginning January 2012, in exchange for several consumer protections. The OCC's advocacy provided significant contributions that protected customers from several costs associated with the switch. Customers will not:

- Pay for the first $121 million in costs allocated to the Duke territory for PJM transmission projects;
- Pay fees for Duke to integrate into PJM Interconnection, fees to leave the Midwest ISO, or any internal costs accrued by Duke related to the switch; and
- Be harmed by any costs charged to Duke regarding long-term transmission rights.

Duke also committed to take legal action that could lower transmission costs it could still be responsible for in the Midwest ISO. Customers also will see benefits in electric choices after Duke agreed not to increase wholesale capacity charges between January 2012 and May 2016 for competitive electric suppliers.

The PUCO approved the agreement in May, and Duke completed its transition to PJM Interconnection in 2011.

Case Nos. 11-2641-EL-RDR, 11-2642-EL-RDR

OCC saves FirstEnergy customers from paying $135 million in unfair costs

The Office of the Ohio Consumers' Counsel (OCC) protected FirstEnergy's residential customers from paying more than $135 million in costs related to the utility's request to change regional transmission organizations (RTOs).

In a May 31 decision, the Federal Energy Regulatory Commission (FERC) accepted the arguments of the OCC and others that FirstEnergy's transmission company, American Transmission Systems, Inc. (ATSI), could not charge customers for costs related to its business decision to move from the Midwest ISO to PJM Interconnection.

The OCC was the only state agency to advocate that the FERC hold ATSI responsible for the costs of the switch, based on ATSI not proving FirstEnergy's customers would see any benefits.

The FERC decision required ATSI to remove several charges related to the switch. These included charges related to the decision to leave the Midwest ISO, charges for the costs to integrate into PJM Interconnection, and charges for the costs of transmission projects in the Midwest ISO that were approved for construction before FirstEnergy switched to PJM. The majority of the charges would have been recovered over 30 years and could have reached up to $614 million because of financing charges.

A FirstEnergy settlement of its electric security plan, which the OCC opposed, would have permitted the utility to increase charges to customers associated with the RTO switch. The OCC argued customers should not be responsible for charges permitted by the settlement that were a direct result of FirstEnergy's business decision to switch RTOs.

FERC Case No. ER11-2814

Resource Planning

OCC advocates for smart grid privacy consumer protections

As utilities in Ohio continue the development of smart grid projects to improve service and increase options for consumers, the collection of consumer information is a matter of growing concern. In 2011, the Office of the Ohio Consumers' Counsel (OCC) offered several recommendations regarding smart grid privacy and data access after the Public Utilities Commission of Ohio (PUCO) sought input about these issues.

Smart grid technologies can increase the amount of energy usage information transmitted among customers, utilities and third parties in an effort to allow for customers to use energy smarter and save money. This information is collected in such a way that it may reveal details about the number of household members, whether they are at home or away, socioeconomic information, and more. Such detailed and personal consumer information requires the development of significant privacy protections for consumers, the OCC said.

In its comments, the OCC offered several privacy protection and data access recommendations for the PUCO to consider in any rules it makes to protect consumers. Among the OCC's recommendations, the following issues should be examined:

- What information is necessary and appropriate to be disclosed and how;
- How increased energy usage data will be collected, controlled, managed, and distributed, and who can obtain access to it;
- The ability of consumers, particularly at-risk, vulnerable populations, to understand, manage and control the privacy of their energy usage information; and
- Government/law enforcement surveillance and the protection of consumers' right to privacy.

To better understand how to address these issues, the OCC suggested that formal proceedings be held, standards be created in a rulemaking, working groups be used to discuss, analyze and propose solutions to privacy and data access issues, and the PUCO should hold public workshops for interested consumers.

At the national level, the OCC helped draft a resolution for the National Association of State Utility Consumer Advocates (NASUCA) urging state and federal officials to adopt laws and regulations that require electric utilities to protect the privacy rights of their residential consumers. The resolution was adopted by the 44-member organization in November, and authorized the NASUCA executive committee to adopt specific positions and take action to protect consumer privacy.

The OCC's advocacy on smart grid privacy included the coordination of policy positions to support NASUCA in comments filed in 2010 at the U.S. Department of Energy. The Energy Department requested comments and information from utility stakeholders regarding current and potential practices in smart grid privacy and data access.

PUCO Case No. 11-277-GE-UNC
Federal Register 75 FR 26203

OCC helps develop renewable energy programs for AEP customers

Two programs were introduced for American Electric Power (AEP) residential customers in 2011 that will help them make renewable energy projects more affordable.

The Office of the Ohio Consumers' Counsel (OCC) was instrumental in the development of the programs that will provide financial support for residential customers and help AEP add to its requirements to meet the state's renewable energy benchmarks.

One program will pay customers who own solar or wind energy for the renewable energy credits (REC) created by the electricity they generate. The other will provide customers who want to install solar or wind energy with an upfront payment for agreeing to assign the credits created from the project to AEP. The programs were initially approved for two years.

The renewable energy credit purchase program for existing renewable energy owners will allow customers to sell whole RECs (1,000 kilowatt-hours per REC) to AEP for 15 years. The upfront renewable energy incentive program is available for new wind and solar energy projects. AEP has agreed to make available $5 million in incentives for residential customers of Columbus Southern Power and Ohio Power to invest in renewable energy.

Case Nos. 09-1871-EL-ACP, 09-1872-EL-ACP, 09-1873-EL-ACP, 09-1874-EL-ACP

OCC helps improve AEP efficiency programs

American Electric Power (AEP) customers are expected to save $880 million on their electric bills by implementing energy efficiency measures between 2012 and 2014. In November, the Office of the Ohio Consumers' Counsel (OCC) reached an agreement with AEP, the staff of the Public Utilities Commission of Ohio (PUCO) and others to extend existing energy efficiency programs, and start new ones that will benefit consumers.

These energy efficiency measures were developed through an extensive collaborative process among the OCC, AEP and other stakeholders.

The existing energy efficiency programs were improved to provide additional incentives to customers and increase energy savings. The improvements include:

- Energy Efficient Products: The program will be expanded to include incentives for LED and specialty compact fluorescent light bulbs, rebates for efficient clothes washers, televisions, dishwashers and more, and discounts for high-efficiency electric space heaters and water heaters;
- Appliance Recycling: The program also will provide incentives for recycling room air conditioners in addition to old refrigerators and freezers; and
- In-home Energy Audit: The audit program is planned to be jointly delivered with Columbia Gas of Ohio at a cost of $50. Customers who complete the audit will be offered incentives for cost-effective improvements.

The new program will become available for residential customers in 2012 and is designed to encourage residential customers to take actions to save energy and use electricity more efficiently. The program will encourage customers to apply relevant conservation and efficiency measures, such as adjusting thermostats, unplugging appliances, and turning off unnecessary lights, among others, to increase energy efficiency.

Energy efficiency programs have proven to be an effective means to save energy and help consumers control their energy costs. In 2010, for example, AEP spent $33 million on energy efficiency programs that saved consumers $160 million. The cost of saved energy, estimated to be 1.6 cents per kilowatt-hour for the duration of the plan, is considerably cheaper than the higher costs of building and operating any type of power plant.

Case Nos. 11-5568-EL-POR, 11-5569-EL-POR

FirstEnergy energy efficiency programs approved

Energy efficiency programs were approved by the Public Utilities Commission of Ohio (PUCO) for FirstEnergy's residential customers in 2011. Seven programs were made available to residential customers, including a controversial energy efficient light bulb program. The Office of the Ohio Consumers' Counsel (OCC) supported a majority of the efficiency programs approved but was against several costs included in the lighting program.

The OCC's advocacy, with others, was able to remove hundreds of thousands of dollars in storage fees resulting from FirstEnergy's original compact fluorescent light bulb program, but several other types of costs the OCC opposed were allowed by the PUCO. FirstEnergy originally introduced the lighting program in 2009 and put it on hold after customers objected to being given light bulbs they did not ask to receive.

The OCC recommended about $1 million in marketing costs, personnel costs and management fees be denied, asserting FirstEnergy could not prove the costs were reasonable or provided benefits to customers.

The light bulb program was altered to be completely voluntary. It is now one of seven energy efficiency programs intended to help customers save on their electric bills. The other voluntary programs included: an online energy audit, appliance turn-in, home energy audit, rebates for energy efficient products, direct load control and efficient new homes.

Case Nos. 09-1942-EL-EEC, 09-1943-EL-EEC, 09-1944-EL-EEC, 09-1947-EL-POR, 09-1948-EL-POR, 09-1949-EL-POR

Natural Gas

Introduction and Overview

The Office of the Ohio Consumers' Counsel's (OCC) advocacy for natural gas consumers in 2011 included efforts to improve proposed legislation (see Government Affairs section, pages 27 and 28) that changed the ratemaking process for natural gas utilities and case efforts regarding the transition of Ohio's natural gas industry from a wholesale-market to a retail-market approach.

All four major investor-owned natural gas utilities filed requests with the Public Utilities Commission of Ohio (PUCO) to raise their charges to customers for repair and replacement of their pipeline infrastructure. The OCC intervened in each case to review each utility's costs and protect the interests of residential consumers.

Although wholesale natural gas prices remained relatively low, many residential consumers continued to experience difficulty paying their natural gas bills because of the ongoing economic downturn in Ohio. The OCC continued working with its low-income advocacy partners to maintain and increase customer awareness of assistance programs such as the Percentage of Income Payment Program (PIPP Plus) and the Low-Income Home Energy Assistance Program (LIHEAP).

Natural gas customers who sought information about competitive retail offers continued receiving the OCC's updates on price offers, posted weekly at www.pickocc.org. This outreach helped consumers make more informed choices about whether to purchase their natural gas from an independent supplier or remain with their local distribution company.

Wholesale auction lowers costs for Columbia customers; PUCO lets utility move to retail auction in 2012

Residential customers of Columbia Gas of Ohio saved an estimated $48.6 million following the utility company's second wholesale auction, held in February 2011.

The individual customer's yearly bill decreased by about $4.30 after the Public Utilities Commission of Ohio (PUCO) approved the auction's low bid, 18.8 cents per hundred cubic feet (Ccf). The result was 10 percent lower than the winning bid during Columbia's initial wholesale auction in 2010. This cost was added to the monthly wholesale price listed on the New York Mercantile Exchange (NYMEX) beginning April 1.

In the wholesale auction, bidders competed for the right to provide natural gas to Columbia for resale to its customers. Portions of Columbia's supply were awarded to the seven winning bidders. Sixteen bidders took part in the auction. Columbia retained responsibility for natural gas delivery, pipeline maintenance and repair and other billing and customer service functions.

The auctions were originally established as a result of a 2009 agreement reached among the OCC, Columbia, the staff of the Public Utilities Commission of Ohio (PUCO) and others. According to the agreement, the wholesale auction would be replaced by a retail natural gas auction in 2012 unless any of the parties filed an objection to the change. A retail auction allows independent marketers to bid for the right to serve Columbia customers and to have their company name listed on customers' bills. The low bid is added to the monthly NYMEX price and becomes the company's Standard Choice Offer (SCO).

In April, Columbia filed a revised program with the PUCO, which included a request to transition to the SCO, effective in 2012. The OCC filed its objection to this request in May, citing concerns the SCO would result in higher costs to customers and cause confusion because retailers' names would be on the bills.

In testimony filed at the PUCO, the OCC asserted the existing Standard Service Offer (SSO) rate provided tangible benefits to customers by providing a lower-cost alternative to the Choice program due to a lower tax rate. The OCC submitted testimony documenting that the SSO rate was generally lower than fixed-rate offers made by retailers. The OCC further noted that a majority of Columbia's customers continue to purchase their natural gas directly from the utility rather than an independent supplier.

The PUCO issued its Sept. 7 order allowing Columbia Gas to transition to the retail auction beginning in 2012. The first SCO auction was held in early 2012, with the SCO rate scheduled to take effect April 1, 2012.

Case No. 08-1344-GA-EXM

Dominion, Vectren natural gas auctions provide reduced rates for customers

Residential customers of Vectren Energy Delivery of Ohio (Vectren) and Dominion East Ohio Gas (Dominion) saw decreases to the cost of their natural gas supplies following competitive auctions which set the price of the commodity. Both local distribution utility companies use the Standard Choice Offer (SCO) to determine the price of natural gas charged to their customers.

Vectren

Vectren's residential customers saved an estimated $13.6 million and saw their natural gas bills decline by an average of $18 per year. The rate was in effect from April 1, 2011 through March 31, 2012.

The new SCO was determined at a retail auction which resulted in a low bid of $1.35 per thousand cubic feet (Mcf) set as the retail price adjustment to the wholesale price calculated each month on the New York Mercantile Exchange (NYMEX). The amount determined at the auction was 20 cents lower than the previous retail price adjustment established in a similar auction held in January 2010. The retail price adjustment reflects the supplier's non-gas cost of doing business.

Dominion

Dominion held two separate auctions in February to determine its natural gas price. A retail auction was held to set the retail price adjustment for non-choice customers who preferred to purchase their natural gas supply from the utility rather than an independent retailer. These customers are assessed the SCO rate. A wholesale auction determined the Standard Service Offer (SSO) price for customers on the Percentage of Income Payment Plan (PIPP Plus) and for customers otherwise ineligible to participate in a natural gas choice program.

The results of both auctions were exactly the same. The low bids of $1 per thousand cubic feet (Mcf) were set as the retail price adjustments to the wholesale price. As a result, Dominion's residential customers saved an estimated $36.3 million, an average $20 decrease per year per individual, for their natural gas supply.

Case Nos. 07-1285-GA-EXM, 07-1224-GA-EXM

Dominion pipeline replacement costs limited; OCC disagrees with way to expand program

The Office of the Ohio Consumers' Counsel (OCC) reached an agreement in 2011 with Dominion East Ohio Gas to again keep pipeline replacement costs below an agreed-upon cap. But OCC disagreed with a decision to expand the program for another 10 years.

The October agreement among the OCC, Dominion and the Public Utilities Commission of Ohio (PUCO) Staff allowed the utility to increase its monthly pipeline replacement charge to customers from $1.58 to $2.22. In comments filed in September, the OCC advocated for a charge that was nearly 6 percent lower than the $2.29 charge Dominion originally requested. In the compromise agreement, the OCC accepted a rate that still was 3 percent lower than the utility's first request.

The original 2008 agreement established a five-year cap on increases to the pipeline replacement charge that allowed Dominion a monthly increase of $1.12 followed by an additional $1 in each of the following four years. In the past two years, the OCC was able to negotiate to keep this charge below the agreed-upon cap.

In another filing, Dominion sought to extend the length of the original agreement and replace an additional 1,454 miles of pipeline it said is defective. The OCC said Dominion should comply with its original agreement that included a study to assess the progress of the infrastructure replacement program prior to moving forward with changes.

An agreement was signed by Dominion, the PUCO Staff and other parties in July and approved in August that added 10 years to the original 25-year replacement program. The OCC did not oppose the agreement to replace the additional pipeline because it is Dominion's responsibility to provide safe and reliable service. However, the OCC believed the cost of the additional pipeline replacement should not be charged under the original program, but that Dominion should instead seek recovery of these costs through a traditional rate case where a fuller review of costs would occur.

Case Nos. 11-3238-GA-RDR, 08-0169-GA-ALT, 11-2401-GA-ALT

Columbia increases fees for pipeline replacement program

Despite efforts by the Office of the Ohio Consumers' Counsel (OCC), residential customers of Columbia Gas of Ohio had a small increase in their monthly bills in 2011 after the Public Utilities Commission of Ohio (PUCO) allowed an increase in the utility's infrastructure replacement program.

Columbia filed its application to increase the fee in late 2010. The OCC intervened and argued the savings to customers from the pipelines Columbia fixed were inadequate. As Columbia replaces the leakiest pipes in its distribution system, it should require less maintenance expense in the future to repair leaks, the OCC said.

In comments filed in February 2011, the OCC urged the PUCO to re-emphasize that such savings are a goal of the program and to require Columbia to explain why the level of savings declined substantially, as compared to a similar application the utility filed in 2010. The OCC also argued Columbia should produce a more appropriate methodology in future cases to give customers the benefit of savings from the repaired infrastructure.

Additionally, the OCC asked the PUCO to eliminate cost recovery for the replacement of plastic pipes because the utility failed to provide data supporting the costs.

The April agreement among the OCC, PUCO Staff, Columbia and other parties allowed the utility to increase the monthly pipeline replacement fee to $2.63 per month, an increase of $1.01 per month. The charge was still lower than the maximum amount negotiated in an agreement that resolved Columbia's 2008 rate case.

Case No. 10-2353-GA-RDR

OCC, Duke agree to faster end of pipeline replacement program

Duke Energy Ohio's pipeline infrastructure replacement will be completed as early as 2016, two years sooner than expected, following an April agreement among the Office of the Ohio Consumers' Counsel (OCC), Public Utilities Commission of Ohio (PUCO) Staff and Duke.

Duke agreed to complete the original pipeline replacement program by Dec. 31, 2015, and file an application by February 2016 to collect the final costs for all pipeline scheduled for replacement. In return, Duke was allowed to include an additional 33 miles of pipeline in its replacement program. Duke also will continue to utilize operation and maintenance savings to offset the higher cost of replacing the extra pipeline to be collected from customers.

Duke will continue to charge customers the monthly costs originally agreed to in the 2008 rate case. By 2016, customers could pay up to $10.20 monthly for the pipeline replacement charge.

The OCC had originally opposed Duke's proposal to replace additional pipeline and complete the project on an accelerated basis. The OCC argued Duke failed to support its claim that leaks on certain larger diameter cast iron pipes were increasing at an unacceptable rate. Additionally, Duke failed to specify how long the replacement would take or how much it would cost, the OCC said.

Prior to the agreement, the OCC asked the PUCO to consider ordering an earlier completion time and require Duke to file another rate case for a fuller review of its proposal to accelerate recovery from its customers for replacing additional pipeline. The program had originally been scheduled for completion in 2018, with the monthly charge to customers increasing by $1 each year. Continuing the program through its original completion date could have increased the charge up to $12.20 per customer per month.

Case Nos. 10-2788-GA-RDR, 10-2789-GA-ATA

Vectren increases pipeline replacement charge

An August agreement between the staff of the Public Utilities Commission of Ohio (PUCO) and Vectren Energy Delivery of Ohio resulted in an increase to the pipeline replacement fee that customers pay on their monthly natural gas bills. The agreement increased the utility's monthly fee from 64 cents to $1.27.

Because the increase amount did not exceed an agreed-upon cap originally established in Vectren's 2008 distribution rate case, the Office of the Ohio Consumers' Counsel (OCC) did not oppose the agreement. However, the OCC also did not sign the settlement after filing its initial objections in the case.

The OCC said Vectren's proposal failed to produce baseline savings for customers by reducing the utility's cost to repair service leaks and maintain pipelines. In addition, the OCC asked the PUCO to reject Vectren's request to charge customers for the replacement of plastic pipes. The OCC said the original 2008 rate case agreement establishing the pipeline replacement program did not specify that costs for replacing plastic mains could be collected from customers through this charge, but rather a rate case would be required.

Finally, the OCC asked the PUCO to notify Vectren that the proposed pipeline charge was not in compliance with terms originally agreed to by all parties in the previous rate case settlement. The OCC expressed concerns that Vectren had replaced less pipeline than it originally agreed to in the stipulation, reducing the amount of savings customers are entitled to receive.

Case No. 11-2776-GA-RDR

OCC helps secure refunds for Orwell customers

Customers of the Orwell Natural Gas Co. will receive more than $1 million in refunds after they were overcharged by the utility. An agreement, including terms for the refund, was reached in August among the Office of the Ohio Consumers' Counsel (OCC), Public Utilities Commission of Ohio (PUCO) Staff, the Northeast Ohio Gas Corp. and Orwell.

The PUCO Staff issued an audit in November 2010 of gas cost recovery mechanisms used by both Northeast and Orwell during a 24-month period between 2008 and 2010. The OCC testified in April 2011 that Northeast and Orwell had collected costs that were not just and reasonable and their purchasing practices and contractual agreements harmed residential customers. The OCC recommended the PUCO take the following measures:

- Order refunds to customers who had been overcharged;
- Terminate Orwell's and Northeast's contracts with their affiliates made during the audit periods; and

- Limit future contracts between both companies and their affiliates and require that they be openly bid and include non-affiliated companies among possible service providers.

The August agreement among the parties stipulated to the following issues, among others:

- Orwell would refund, without interest, $964,410 to customers over a 24-month period, for over-collected amounts;
- Northeast would collect the undercollected amount of $1,100,635 from its customers over a 24-month period, at an annual rate of 10 percent on the unrecovered balance. This represented less of an increase than Northeast customers would have experienced had no audit taken place;
- Orwell, Northeast and their affiliated company (Brainard Gas Corp.) would terminate identified contracts for purchases of local gas production and the arrangement of purchases of interstate natural gas with affiliated companies; and
- Proposals would be designed to invite and receive competitive bids to manage interstate transportation and storage capacity assets, and procure the gas requirements of GCR customers of Northeast, Orwell, and Brainard in the local and interstate markets. The OCC and PUCO Staff will help design and implement the proposals and develop selection criteria that identify services to be provided by the successful bidder.

After reviewing evidence provided by the OCC and PUCO Staff demonstrating that purchase agreements and contracts submitted by both Northeast and Orwell were badly drafted and showed bias favoring their affiliate companies, the PUCO modified the settlement agreement. It required Orwell to complete the refunds within one year and with 10 percent interest, to be paid to customers.

In December, the PUCO denied a request from both Orwell and Northeast to rehear the case.

Case Nos. 10-209-GA-GCR, 10-212-GA-GCR, 10-309-GA-UEX, 10-312-GA-UEX

OCC asks PUCO to establish collection standards

Natural gas customers of Ohio's four major investor-owned utilities paid between 125 percent and 254 percent more in 2011 than they did in 2003 to cover uncollectible debts. According to joint comments the Office of the Ohio Consumers' Counsel (OCC) and other advocacy groups filed at the Public Utilities Commission of Ohio (PUCO) in February 2011, the utilities' failures to collect bad debt has resulted in higher rates for consumers.

Findings were filed in the case by Northstar, an independent auditing company appointed by the PUCO to examine the collection policies of Dominion East Ohio Gas, Columbia Gas of Ohio, Duke Energy and Vectren Energy Delivery of Ohio. Based on the findings, the OCC said the utilities are shifting the burden from themselves to consumers by not adequately collecting bad debt. Instead, the utilities recover bad debt from all customers on a dollar-for-dollar basis through the uncollectible expense rider (UEX).

The OCC further said the four utilities have failed to implement any of the improvements suggested by Northstar in its 2009 report. As a direct result of these business decisions, the OCC said, the UEX rider failed to decrease in proportion to a decline in natural gas prices since the UEX was first established in 2003.

As a remedy to this issue, the OCC and its advocacy partners urged the PUCO to establish credit and collection benchmarks to balance the bad-debt recovery risk in a more equitable way. In asking Northstar to review the utilities' collection practices, the PUCO had asked for the development of measurable performance standards. In its comments, the OCC asked the PUCO to enforce benchmarks so that the utilities would rely less on automatic mechanisms like the UEX rider and more on their own credit and collection policies.

In December, the PUCO issued a ruling in the case. While specific benchmarks were not established, the PUCO did issue the following findings, among others:

- The PUCO Staff was directed to use metrics suggested by Northstar, to develop reporting requirements for the utilities that would monitor how much is collected from customers through the UEX rider. The utilities were directed to collect debt through means including, but not limited to, receivership and bankruptcy;
- Additional costs associated with debt-collection activities will not be collected through riders;
- The PUCO directed its staff to pursue solutions to this issue with the utilities; and
- The PUCO Staff will continue monitoring the utilities' collection policies and practices, taking appropriate action when necessary.

Case No. 08-1229-GA-COI

OCC reaches agreement to improve Columbia Gas energy efficiency programs

Cost-effective energy efficiency programs continued to be among the options available to residential Columbia Gas of Ohio customers to lower their natural gas use after the Office of the Ohio Consumers' Counsel (OCC) and others reached an agreement with Columbia Gas in November.

Under the agreement, Columbia Gas will expand its existing energy efficiency programs between 2012 and 2016. The programs are expected to save residential and business customers $300 million throughout the life of the energy efficiency conservation measures.

The OCC was an instrumental part of developing and introducing energy efficiency programs for Columbia Gas customers. Since 2009, the utility has offered customers low-cost home energy audits and rebates for installing cost-effective home energy improvements such as high-performance showerheads and programmable thermostats.

Both of these residential programs, along with an energy efficient homes construction program, were continued and four new efficiency programs were added in January 2012. The new residential programs are:

- Online Energy Audit – An online audit that helps customers determine how efficient their homes are and provides information on appropriate low-cost actions and available rebates for energy efficiency;
- High-Efficiency Heating System Rebates – A program that provides rebates to landlords or rental property owners who replace natural gas heating systems with high-efficiency natural gas models;
- Home Energy Report – High-usage customers are provided, under this program, with information about their monthly natural gas consumption along with ways to increase their savings; and
- Energy Efficiency Education for Students – A program that offers energy efficiency education to up to 18,000 students per year. Participating students in grades 5-12 will receive an energy efficiency kit as part of the curriculum.

Also, an additional 1,000 customers per year will be able to receive whole house weatherization through Columbia Gas' WarmChoice program. The increased funding for the program will serve 2,600 customers per year who are at or below 150 percent of the federal poverty level ($33,525 for a four-person household).

Case No. 11-5028-GA-UNC

Water

Introduction and Overview

Reviews of proposals for rate increases and proposed changes to the rules that govern water and sewer utilities were the focus of the work of the Office of the Ohio Consumers' Counsel (OCC) for water consumers in 2011.

Additionally, Aqua America, which has operations in Ohio, reached an agreement in July to purchase Ohio American Water (OAW) from the American Water Works Co. In exchange, American Water Works Co. would purchase Aqua America's New York operations. The purchase, which was still pending at the end of 2011, would increase the total number of Aqua Ohio's customers to 145,000.

Ohio American Water asked to increase residential rates for the fourth time in six years. The request could increase rates as much as 26 percent for some of OAW's water customers.

The regular review of rules that govern water and sewer utilities also began in 2011. Several changes were proposed by the OCC and others that would impact all residential water and sewer customers and the service they receive.

Fourth rate increase in six years requested by Ohio American Water

Ohio American Water (OAW) asked the Public Utilities Commission of Ohio (PUCO) to increase its water and sewer rates for all of its customers in 2011. Ohio American Water sought to raise its rates to increase its revenue by $8.3 million. The request, if approved, would increase customers' water rates between 19 percent and 26 percent, and sewer rates by 11.6 percent.

The main reasons for the request, according to OAW, are increased costs related to water and sewer infrastructure investments, property taxes and depreciation, inability to earn a return on new in-service plant additions, reduced sales because of fewer customers and decreased usage among current customers.

This request from OAW was the fourth in six years and would affect 46,597 residential water customers and 6,391 residential sewer customers.

The Office of the Ohio Consumers' Counsel (OCC) intervened in the case in September and was reviewing OAW's request at the end of 2011. The OCC was concerned about the reasonableness of the requested increases, especially since OAW was granted authority to increase rates in 2010.

In 2012, the OCC will continue to review OAW's request and will advocate protecting the interests of residential customers.

Case No. 11-4161-WS-AIR

OCC offers customer protections in water and sewer rules

Every five years, the Public Utilities Commission of Ohio (PUCO) is required by Ohio law to review the rules that govern water and sewer utilities in Ohio. In its review the PUCO is required, in part, to consider the purpose, scope and intent of Ohio law. In 2011, the Office of the Ohio Consumers' Counsel (OCC) recommended changes and additions to the rules to improve protections for residential water and sewer consumers.

In order to better protect water and sewer customers and to gain a better understanding of the magnitude of customer disconnections, the OCC proposed that utilities with more than 15,000 customers file annual reports with information about their customers' disconnections. Reporting this data is in the public interest because it helps determine the impact that rate increases have on the affordability of water and sewer service for consumers, the OCC said.

The OCC also proposed a new rule that would result in utilities with more than 15,000 customers offering standard payment plans for residential customers who are behind in their payments. The OCC recommended that water and sewer utilities develop a plan that can work for both the customer and the utility, or a plan of at least three months to pay the past due balance and current charges. The current rules do not require large water and sewer utilities to offer payment plans to their customers.

The OCC also recommended the following be adopted by the PUCO in its review of the water and sewer rules:

- Mandate that customers be sent notification of their rights and obligations for service at least biennially;
- Maintain the fee for customers who use an authorized agent to pay a water or sewer bill at no more than twice the cost of a first class stamp or, in the alternative, the fee should be no more than $2 which is consistent with the fee that electric and natural gas customers pay for the same service;
- Keep the current rule requiring that unplanned outages, expected to last longer than two hours, be reported to the PUCO rather than limit that reporting requirement to only unplanned outages expected to last longer than four hours;
- Allow all water and sewer customers the right to access their meter for the purpose of verifying their usage;
- Limit the period of time in which customers can be back-billed for un-metered usage to one year;
- Include standards to address customer dissatisfaction with water quality and to protect customer property; and
- Mandate that customers receive bills on a monthly basis rather than at other regular intervals.

The rules review was still ongoing at the end of 2011.

Case No. 11-5605-WS-ORD

Telecommunications

Introduction and Overview

The Office of the Ohio Consumers' Counsel (OCC) advocated on behalf of Ohio consumers in a variety of state and federal telecommunications cases in 2011. Some of these cases were filed by telephone utilities as a response to the changes in law resulting from the passage of Amended Substitute Senate Bill 162 (SB 162) in 2010.

At the federal level, the OCC collaborated with the National Association of State Utility Consumer Advocates (NASUCA) on several telecommunications cases of national significance. NASUCA filed comments and recommendations during 2011 in response to the Federal Communications Commission's (FCC's) proposed reform of the Universal Service Fund, Intercarrier Compensation, and the Lifeline and Link Up programs for low-income consumers.

The OCC intervened at the state level seeking better notification to customers about impending changes in their rates and the services available to them and urged the Public Utilities Commission of Ohio (PUCO) not to change intercarrier access charges.

The OCC also worked to protect Cincinnati Bell Telephone consumers in four exchanges from the company's claim that those exchanges faced enough competition to justify rate increases. The OCC also recommended against a proposed Lifeline surcharge on non-Lifeline Cincinnati Bell Telephone customers.

FEDERAL CASES

FCC issues order reforming Universal Service Fund

Universal Service Fund/Intercarrier Compensation reform
As the Federal Communications Commission (FCC) looked to reform the Universal Service Fund in 2011, the National Association of State Utility Consumer Advocates (NASUCA), of which the Office of the Ohio Consumers' Counsel is a member, had several concerns about the scope of the plan to shift the use of the fund from telecommunications to broadband services.

The FCC issued a notice of proposed rulemaking in February seeking to replace the high-cost portion of the Universal Service Fund, which provides support for voice services in areas that are more expensive for carriers to serve. The FCC would eventually create a Connect America Fund, which would primarily provide support for developing broadband service in unserved areas.

In addition, the FCC proposed:

- Establishing a budget for the high-cost programs within the Universal Service Fund, with an annual cap of $4.5 billion, equal to its 2011 level;
- Continuing to require telecommunications carriers that are eligible for Universal Service funding to provide services and adding broadband to the list of options they must provide;
- Creating a Mobility Fund, to support the cost of moving landline customers to broadband service in unserved areas; and
- A system established over six years that would gradually eliminate costs carriers charge each other to terminate telecommunications traffic.

NASUCA supported many aspects of the FCC's proposal but questioned the decision to tie reforms to the Universal Service Fund to changes to intercarrier compensation rules. NASUCA questioned the FCC's authority to: a) use the Universal Service Fund to support broadband deployment, given broadband's classification as an informational service; and b) set all rates for intercarrier compensation rates (charges carriers pay each other so their customers can complete intrastate or interstate communications) including those set by each individual state.

The FCC's proposal to reduce intercarrier compensation rates to zero would hurt basic service customers and other end users by asking them to pay for calls they did not make, NASUCA said. Instead, NASUCA advocated the FCC move gradually toward a cost-based system for interstate access charges (on calls that begin and end in different states) and encourage states to bring their intrastate access charges (on calls that begin and end in the same state) to interstate levels.

The FCC set up a seven-year phase-in of the Connect America Fund in October. It also established a $300 million Mobility Fund and implemented a system that would reduce call termination charges between two carriers to zero over a seven-year period for large- and medium-sized carriers and a 10-year period for small rural carriers.

FCC Case Nos. WC Docket No. 10-9, GN Docket No. 09-5, WC Docket No. 07-135, WC Docket No. 05-33, CC Docket No. 01-9, CC Docket No. 96-45, WC Docket No. 03-109

Lifeline/Link Up Reform

As part of its work to advocate for low-income telephone consumers, NASUCA made several recommendations in 2011 to improve proposed reforms to the national Lifeline and Link Up programs.

Lifeline offers a discount on monthly landline or wireless telephone charges for qualifying low-income households; Link Up provides a discount on connection costs. Federal law prohibits U.S. households from receiving more than one Lifeline service at the same time.

The introduction of cell phones as a Lifeline option made oversight of the program a growing issue because of the need for carriers to ensure customers are qualified for Lifeline and do not already have Lifeline through their landline carrier. The FCC proposed changes in March to strengthen the Lifeline and Link Up programs. The proposed reforms would protect against suspected waste, fraud and abuse of the system, improve accountability and administrative oversight, provide better outreach efforts, and create pilot programs to increase broadband availability for customers. The FCC also said it wanted to make the reforms without increasing the costs of the programs.

NASUCA supported many of the FCC's proposals including the encouragement of automatic enrollment for eligible Lifeline customers and adoption of uniform procedures to verify eligibility. The advocates were, however, concerned about a proposal to limit the size or funding of the program. NASUCA proposed that eliminating waste and fraud in the system would free up enough funding to maintain the program so it would be available to all who need assistance.

NASUCA also recommended the FCC continue to allow Lifeline to be offered on a "one benefit per residence" basis but that the level of the benefit should be determined by the services required by the customer. For instance, the credit may differ if the customer had landline service only, as opposed to wireless service.

With the concern that Lifeline services could be denied to customers who need it, NASUCA proposed the FCC allow states to determine their own procedures to provide Lifeline to consumers lacking a primary residence or living in a non-traditional living situation. Specifically, NASUCA advocated the FCC protect the homeless regarding specific rules relating to the definition of a residence and also accommodate the needs of low-income consumers residing in group homes.

A decision on final implementation of the FCC's proposed reforms was pending at the end of 2011.

FCC Case Nos. WC Docket No. 11-42, CC Docket No. 96-45, WC Docket No. 03-109

STATE CASES

OCC seeks better customer notification about contractual changes

Residential telephone customers need to be better informed about changes to their contractual relationship with their local telephone companies, according to the Office of the Ohio Consumers' Counsel (OCC). The OCC and other consumer advocacy organizations working together as Ohioans Protecting Telephone Consumers (OPTC), asked the Public Utilities Commission of Ohio (PUCO) to reconsider its January decision ordering Ohio's telephone companies to issue only a one-time notice to customers about changes in their contractual status.

The OCC and its partners said the new notice requirements did not sufficiently inform customers of a contractual relationship with their telephone company, which they may not have understood or even have been aware existed. OPTC asked the PUCO to require the companies to provide more information to customers about their rights and responsibilities under the newly established relationships.

The one-time notices the PUCO ordered reflected changes mandated by Ohio's new telecommunications law. Prior to the law becoming effective, telephone companies were required to file tariffs with the PUCO for most of their residential services. A tariff is a document describing the rates, terms and conditions of service by which both the customer and company are bound. The new law removed this requirement for some services, creating a circumstance in which customer and company relationships for those services are now based on individual agreements between the parties.

The PUCO denied OPTC's application for rehearing in March.

Case No. 10-1010-TP-ORD

OCC recommends no action on proposals for changes in intercarrier access charges

As part of a case that resulted from Ohio's 2010 telecommunication's law, the Office of the Ohio Consumers' Counsel (OCC) in January urged the Public Utilities Commission of Ohio (PUCO), to take no action on proposals for intercarrier access reform. Intrastate access charges are paid to local telephone carriers by long distance and wireless carriers for calls that originate and terminate in different local calling areas within the same state. If the access charges that local carriers collect are reduced, the local carriers may look to consumers to make up the difference from the reduced charges.

In recommending the PUCO not approve its staff's plan to change Ohio's system of assessing intercarrier access charges, the OCC told the PUCO any action it took would be superseded by the Federal Communications Commission (FCC). The FCC took up the issue of intercarrier compensation early in the year and subsequently issued a comprehensive order in October reforming intercarrier access. The FCC's order is applicable to access charges set at the state level as well as federal access charges.

The new state telecommunications law gave the PUCO the authority to reduce access rates but did not require this action. In response, the PUCO Staff had proposed reductions that would affect small- and medium-sized incumbent local exchange carriers. The plan also called for the creation of a statewide fund from which small and medium carriers could recoup the revenues lost through access charge reductions. All Ohio carriers offering local and/or long distance service would be required to pay into the fund and allowed to recover such contributions from their customers.

The OCC said the four largest telephone companies in Ohio have already reduced access charges and their customers have already paid to keep those companies financially whole. Requiring all Ohio telecommunications customers to pay a charge they would not receive a benefit from should not be allowed, the OCC said. Instead, the OCC recommended the PUCO require telephone companies that lower their access rates to recover lost revenues from only their own customers.

The PUCO appealed the FCC's decision and did not issue a ruling in the state proceeding in 2011.

Case No. 10-2387-TP-COI

OCC contests basic service rate increase for Cincinnati Bell Telephone customers

Over objections from the Office of the Ohio Consumers' Counsel (OCC), Cincinnati Bell Telephone (CBT) was allowed to raise rates in 2011 for basic local service in four exchanges – Bethel, Reily, Seven Mile and Shandon. The customers' basic monthly service rates were increased from $18.95 to $20.20, the maximum increase allowed by Ohio law. Basic service rates also increased in several other exchanges for which the Public Utilities Commission of Ohio (PUCO) had previously granted CBT approval.

Under the new law, an application is considered approved if the PUCO does not issue a ruling within 30 days stating that statutory requirements have not been met. The PUCO did not rule against CBT in this case, allowing the increases to take effect automatically.

Case No. 10-3108-TP-BLS

OCC opposes Lifeline surcharge to Cincinnati Bell Telephone customers

The Office of the Ohio Consumers' Counsel (OCC) asked the Public Utilities Commission of Ohio (PUCO) to suspend, pending a further review, Cincinnati Bell Telephone's (CBT) request for a "Lifeline Recovery Surcharge" to be paid by non-Lifeline customers. The Lifeline program provides discounts off the cost of establishing service and monthly telephone rates for low-income consumers.

Upon passage of Ohio's new telecommunications law in 2010, telephone companies were permitted to collect the costs of the Lifeline program from non-Lifeline customers through a surcharge on bills.

However, the OCC said the proposed Lifeline surcharge included increases CBT was previously unable to collect from Lifeline customers before changes to the law went into effect.

Because the PUCO did not issue a ruling on the OCC's request within 30 days, the monthly Lifeline surcharge of 35 cents per line to non-Lifeline customers automatically went into effect on May 1.

Case No. 11-1339-TP-ATA

Government Affairs

Introduction and Overview

During 2011, the Office of the Ohio Consumers' Counsel (OCC) advocated on behalf of consumers with regard to several pieces of legislation. The 129th General Assembly considered bills dealing with the size of the agency's operating budget and scope of its statutory mandate, as well as the natural gas, electric and water utility industries. Two significant pieces of legislation – natural gas deregulation and electric securitization – passed and were signed into law.

OCC Budget

The state's two-year budget bill, Amended Substitute House Bill 153 (HB 153) was passed in June 2011. This bill determined state spending for State Fiscal Years 2012 and 2013 (July 1, 2011 – June 30th, 2013). The passage of HB 153 cut the OCC's budget from \$8.5 million to \$5.6 million during State Fiscal Year 2012, with an additional cut to \$4.1 million in State Fiscal Year 2013 (beginning July 1, 2012) - resulting in an overall budget decrease of more than 50 percent.

The budget bill also changed components of the statute regarding the OCC's operations. Specifically, the OCC was prohibited from operating a telephone call center for consumer complaints. A provision also was added to the law to direct the OCC to follow state policies that involve supporting retail natural gas competition.

The OCC's changes in 2011 in response to the budget bill included the following:

- The OCC's staff levels were reduced from 82 to 42 positions, of which five were part-time;
- The OCC's call center was closed and customers with utility complaints were directed to contact the PUCO;
- The OCC's legal representation of Ohioans in cases was reduced; and
- Many of the OCC's consumer outreach programs were curtailed.

Additional cuts in staffing are anticipated when the additional reduction of \$1.5 million for State Fiscal Year 2013 becomes effective July 1, 2012.

Electric Policy

The Office of the Ohio Consumers' Counsel (OCC) supported Amended Substitute House Bill 364 (HB 364), which enables the Public Utilities Commission of Ohio (PUCO) to use a financing tool called securitization for Ohio's electric utilities. The bill was signed into law in December. The tool enables utilities to achieve a lower interest rate when financing certain utility assets. Since utilities typically charge customers for interest costs, lowering these utility costs provides savings for customers.

The initial version of the legislation did not require cost savings for customers. Specifically, the legislation stated that cost savings were to be "reasonably expected."

The OCC testified Nov. 30 in both the Senate Energy and Public Utilities Committee and the House Public Utilities Committee to recommend the legislation require cost savings for customers. In subsequent committee hearings and on the floor of the Senate and House, legislators made several amendments to improve the impact of the bill on customers. The final bill requires the PUCO to ensure that securitization results in "both measurably enhancing cost savings to customers and mitigating rate impacts to customers ... " This will achieve savings for Ohio customers that would not be possible if electric utilities used traditional financing methods to fund their assets.

The legislation will go into effect in late March 2012. At that point, it will be up to Ohio's electric utilities to file applications at the PUCO to utilize the financing tool.

Natural Gas Policy

State legislators passed Amended Substitute House Bill 95 (HB 95) in May, which changed the PUCO's ratemaking process for natural gas distribution companies. The legislation allows natural gas companies to increase customers' bills both by expanding the scope of traditional rate cases and by adding a separate charge on customers' bills for "capital expenditures."

The OCC and other consumer advocacy organizations worked with legislators to make an important amendment to the proposal, limiting capital expenditure bill increases to one time per year.

The legislation also changed the traditional ratemaking process at the PUCO. Previous law only allowed utilities to establish distribution rates based upon expenses actually incurred during a one-year period or "test year," selected by the utility. The PUCO and interested parties reviewed these expenses as part of a traditional rate case. HB 95 expanded traditional rate cases to allow natural gas companies to establish rates that include the test year expenses plus projected charges to customers for an additional one-year period. The OCC helped improve the legislation by working with legislators and others to include a "true-up" of these projected expenses. This addition will protect customers from paying expenses that never materialized.

House Bill 95 does not impact customers' choices of natural gas suppliers and does not affect the actual cost of natural gas. Instead, the changes from the new law are limited to the costs to deliver natural gas to customers. These costs include natural gas transportation, replacement and repair of existing infrastructure, and other operating costs incurred by utilities.

Water Policy

The OCC supported legislation that would limit the impact of water and sewer rate case expenses on residential customers' bills. The OCC worked with bill sponsors, Reps. Cheryl Grossman and Jay Goyal and Sen. Jim Hughes on developing legislation that would allow only half of the rate case expenses incurred by water and sewer utilities to be collected from their customers.

Customers and local governments continued to support the legislation – originally drafted by the 128th General Assembly – as House Bill 87 and Senate Bill 150 were introduced in the 129th General Assembly in February and April, respectively. The OCC testified in support of HB 87 in March, but the bill was not brought up for a vote.

The Ohio House of Representatives introduced another bill in November that may have a negative impact on Ohio's customers of investor-owned water and sewer utilities. The legislation would allow water and sewer companies more leeway in how they collect certain costs from their customers. House Bill 379 (HB 379), as proposed, would allow water and sewer utilities to seek collection of more costs in rate cases, establish a surcharge on customers' bills to collect state and federal taxes, and increase customers' rates by up to 15 percent (up from 9 percent allowed under current law) with the use of system improvement charges on customers' bills. HB 379 was not brought to a vote in 2011.

Communicating with Customers

Introduction and Overview

The Office of the Ohio Consumers' Counsel (OCC) remained in touch with Ohio's residential utility consumers during 2011 through a variety of communications. The OCC kept consumers informed about utility issues and resources by publishing and updating more than 100 fact sheets on its interactive website, www.pickocc.org. The agency distributed press releases and participated in media interviews about important matters of concern related to its advocacy in matters pertaining to electric, natural gas, telecommunications and water cases. More than 53,500 consumers visited the OCC website, which was substantially updated with new consumer materials during 2011.

The OCC staff also participated in a variety of community outreach programs including a series of joint presentations with AARP-Ohio about the effect of utility issues and costs on Ohio's senior population, National Consumer Protection Week, and a Low-Income Dialogue Group, which the OCC helped create in 2004. In 2011, OCC staff members attended more than 800 events across Ohio, educating consumers about: the OCC's services and role as their advocate; ongoing electric rate cases; electric and natural gas choice; and the availability of payment assistance programs and other important utility issues.

Outreach and Education

OCC and AARP-Ohio participate in combined outreach to Ohio seniors

The Office of the Ohio Consumers' Counsel (OCC) worked with AARP-Ohio in late autumn to facilitate five regional meetings with members of the OCC's Community Advisory Panels (CAPs) throughout the state. CAP members represent community groups, organizations and agencies, legal aid, children's services, community action, job and family services, veterans' services, housing authorities, food banks, seniors, people with disabilities, and advocates for the homeless.

The public discussions focused on the impact of utility costs and included presentations about assistance programs, options to avoid disconnections, electric and natural gas choice programs, energy efficiency and conservation. Fact sheets and other educational materials were distributed. Meetings were held in Athens, Cincinnati, Columbus, Fairview Park and Findlay.

Spring CAP meetings

In the spring, the OCC held CAP meetings in Athens, Barberton, Findlay, Gahanna and Kettering.

CAP members were informed about proposed natural gas legislation that could result in higher rates and also received an update about changes to the Percentage of Income Payment Plan (PIPP Plus) program, such as the impact of lower minimum payments and more aggressive arrearage crediting on the number of customer disconnections. Discussions of the new telecommunications law and an overview of smart grid also were on the team's agenda.

Low-Income Dialogue Group addresses low-income issues

The Low-Income Dialogue Group (LIDG) is a network of organizations and agencies serving the needs of Ohio's low-income consumers. The LIDG consists of representatives from the Office of the Ohio Consumers' Counsel (OCC), legal aid societies, community action agencies, community-based organizations, AARP-Ohio and others. The OCC facilitates the LIDG, which holds monthly conference calls to discuss low-income customer utility issues.

During 2011, the LIDG monitored rollout of the newly-revised Percentage of Income Payment Plan (PIPP Plus) and provided input regarding ongoing issues with implementation of the program at the state and local levels. The OCC and the LIDG are in the process of gathering data and preparing comments for a reply period on a review of PIPP Plus, scheduled to occur during 2012.

The impact of decreased funding for the federal Low Income Home Energy Assistance Program (LIHEAP) also was considered by LIDG members during 2011. LIHEAP is a federal program that provides low-income customers with assistance paying their energy bills. As low-income consumers were faced with having less LIHEAP assistance to pay their utility bills, the LIDG worked to assist community action agencies in helping their clients locate alternate sources of aid, such as utility fuel funds. In this regard, LIDG members advocated for the creation of fuel funds in PUCO cases.

Consumer Services Division

The Office of the Ohio Consumers' Counsel (OCC) had to cease operating its consumer hotline and call center during 2011, as a result of state budget legislation. During the final six months of its operation, from Jan. 1 through June 30, the OCC registered 5,301 customer contacts. Approximately 40 percent of the contacts involved electric, 30 percent involved natural gas, 20 percent involved telecommunications, and the remainder involved water or were non-jurisdictional in nature.

Fifty-eight percent of the customer contacts were complaints and inquiries about customer bills and/or services. More than a third of these inquiries were from customers seeking assistance to avoid the loss of utility services. The OCC call center also received utility outage reports and took calls from consumers about billing problems, delays in completing repairs, and natural gas supplier marketing issues. The remaining 42 percent of the call volume included requests for information about customer rights and responsibilities, options to avoid losing utility services, and different competitive offers from energy suppliers. Changes to the low-income Percentage of Income Payment Plan (PIPP Plus) financial assistance program in November 2010 also generated a significant number of customer contacts to the OCC call center in 2011.

In addition to its one-on-one handling of customers' utility complaints and concerns, the call center provided call tracking data to support the work of industry case teams and contributed to the agency's consumer advocacy in cases involving electric, natural gas, telecommunications and water utilities.

Employee Recognition


Debra Bingham


Benjamin Machado


Daniel Duann


Mike Horn


Don Turklay


Wilson Gonzalez


Jim Williams


Anitra Wheeler

During the past year, the staff of the Office of the Ohio Consumers' Counsel (OCC) showed dedication to Ohio's residential utility consumers even when faced with the challenges of budget and staffing reductions. The commitment of the employees in case work, outreach and consumer assistance continues to drive the agency in fulfilling its mission and vision while adhering to its core values.

In addition, the giving attitude never wavered with the OCC staff, as was evident in the success achieved during the annual Combined Charitable Campaign, Operation Feed and a variety of other charitable events throughout the year.

The executive staff of the OCC selected employees monthly from September through August in an effort to recognize those who performed exceptional work on behalf of the consumers the agency represents. In addition, OCC staff selected one employee of the year from the employees of the month.

2011 Employee of the Year

Debra Bingham

As the case team coordinator for the Electric and Water teams, Deb schedules meetings for the teams, formats legal briefs, filings, discovery, pleadings, testimony, and organizes case work for the teams. Deb, who joined the OCC in September 2005, was selected Employee of the Month for April 2011 and was selected Employee of the Year for 2010 – 2011.

Benjamin Machado

Benjamin was the administrative assistant for the Operations Department until June 2011. As administrative assistant he assisted the director of Operations and the department with administrative responsibilities, including coordinating travel and training for all staff. Benjamin is bilingual and speaks fluent Spanish. He joined the OCC in February 2001 as a compliance investigator and was promoted to outreach & education specialist in August 2001. Ben was selected Employee of the Month for September 2010.

Daniel Duann

Daniel is a principal regulatory analyst at the OCC where he analyzes and reviews utility applications and prepares testimony on various issues presented in electric, natural gas and water cases and other regulatory proceedings and legislation in Ohio. Daniel was conferred by the Society of Utility and Regulatory Financial Analysts in April 2011 as a certified rate of return analyst and is OCC's main resource on financial issues for cases. He joined the OCC in January 2008. Daniel was selected Employee of the Month for October 2010.

Mike Horn

As the network engineer, Mike is responsible for ensuring the OCC staff is able to perform their work on agency computers and have access to the technology they need to help utility consumers. He joined the OCC in April 1999 as the network administrator and was promoted to network engineer in July 2001. Mike was selected Co-Employee of the Month for November 2010.

Don Turklay

Don was the network administrator for the OCC until August 2011. He was responsible for network maintenance, desktop and software support, database administration, software development and he is a certified OnBase administrator. He joined the OCC in January 2008. Don was selected Co-Employee of the Month for November 2010.

Wilson Gonzalez

Wilson, a senior energy policy advisor, provides the OCC with extensive expertise in energy efficiency, renewable energy, distributed generation and smart grid technologies. He has given expert testimony in many electric and natural gas cases on the benefits of resource planning. Wilson also serves as the leader of the Resource Planning Team. Wilson joined the Ohio Consumers' Counsel in 2004. He was selected as Employee of the Month for December 2010.

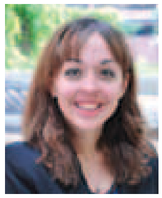
Jim Williams

Jim serves the OCC as the senior consumer protection research analyst. In his role, Jim is responsible for researching consumer protection issues and advocates for improvements in proposed laws, tariffs and company procedures. He

Employee Recognition


Bill Ferriot


Wade Kinney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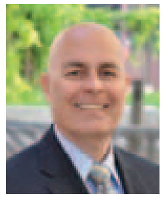
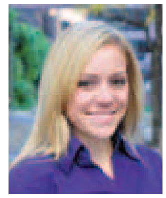
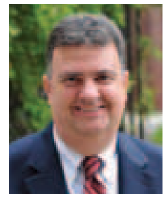

Mack Thompson


Justine Wasmus


Bruce Hayes


Greg Slone

also specializes in researching segments of Ohio's residential population including low-income, seniors and others to ensure utility rules adequately protect those clients. Additionally, Jim provides expert testimony and serves the agency as a witness in litigation as needed. He joined the OCC in 1996 as a compliance specialist, was promoted to consumer services division manager in 2000 and moved to his current position in November 2008. Jim was selected as Employee of the Month for January 2011.

Anitra Wheeler

Anitra was a compliance investigator with the OCC until June 2011. In her position she educated consumers about various issues regarding regulated utilities, investigated and resolved consumer complaints and concerns, identified consumer issues, made recommendations for action, and negotiated informal resolutions with utility companies. She joined the OCC in June 2010. Anitra was selected Employee of the Month for February 2011.

Bill Ferriot

Bill is the communications graphic design coordinator where he oversees the design of the agency's internal and external publications, relying on his extensive background in graphic design and marketing where he has received numerous awards from the Business Marketing Association. He also takes many of the photographs used in OCC publications. Bill joined the OCC in October 2009. He was selected Employee of the Month for March 2011.

Wade Kinney

As an inventory control specialist, Wade is in charge of all inventory at the OCC. He also is responsible for mail, pick-up and deliveries, including PUCO filings and for ordering supplies. Wade joined the OCC in 1984. He was selected as Employee of the Month for April 2011.

Jody Kyler

Jody was an assistant consumers' counsel where she focused primarily on federal electric cases until June 2011. She began as a legal intern at OCC in April 2009 after completing an internship through The Ohio State University Federal Work-Study Program that started in October 2008. Jody was selected as Co-Employee of the Month for May 2011.

Mack Thompson

Mack Thompson was a senior energy policy analyst until September 2011. In his position he advised the OCC in federal electric cases, including matters before the U.S. Department of Energy, Federal Energy Regulatory Commission and regional transmission organizations (PJM and MISO). He was the federal electric team leader, a member of the electric team and a resource for the federal gas and resource planning teams. He joined the Office of the Ohio Consumers' Counsel in December 2010. Mack was selected as Co-Employee of the Month for May 2011.

Justine Wasmus

As the administration manager, Justine is responsible for managing accounts payable, telecommunication issues and the office's fleet of vehicles. In addition, she purchases equipment for the OCC and prepares budget reports. She joined the OCC in May 2010. Justine was selected Employee of the Month for June 2011.

Bruce Hayes

Bruce works as a principal regulatory analyst for the OCC. In this role he represents the OCC at meetings of state and federal agencies and at hearings and conferences. He also prepares written reports, presents speeches and oral reports, and organizes, directs and conducts studies, analytical work and special investigation regarding utility issues. He joined the OCC in February 2002. Bruce was selected as Employee of the Month for July 2011.

Greg Slone

Greg is a senior energy analyst at the OCC. He participates on the electric, natural gas and resource planning industry teams, provides technical assistance regarding various energy issues and represents the OCC at meetings of federal, state and local agencies. He also prepares written reports, organizes and conducts studies, analytical work and special investigations regarding utility issues. He joined the OCC in May 2010. Greg was selected as Employee of the Month for August 2011.

2011 Fiscal Report

The Office of the Ohio Consumers' Counsel (OCC) is funded through an assessment on the intrastate gross receipts of the state's investor-owned utility companies, based on Section 4911.18 of the Ohio Revised Code. Total assessments for fiscal year 2011 amounted to $7,595,270 after adjustments.

The OCC assessed 436 utility companies for operating funds for fiscal year 2011. Companies can pass on the cost of supporting the OCC to their customers (less than 3.5 cents of every $100 paid in utility bills).

Operating budget
Fiscal year 2012 appropriation
(July 1, 2011 through June 30, 2012)

Personnel services	$ 4,611,489
Maintenance and equipment	$ 694,204
Purchased personal services	$ 335,400
Total	**$ 5,641,093**

2011 Case Activity

Cases with All Utilities at the Public Utilities Commission of Ohio

Case Number	*Company/Case Type*	*Issue*
11-5384-AU-UNC	Ohio Consumers' Counsel	Assessments
11-4910-AU-ORD	R.C. 4911.021 Amendment	OCC Language on Customer Bills
11-0776-AU-ORD	PUCO Rules Review	Rules of Practice

Electricity Cases at the Public Utilities Commission of Ohio

Case Number	*Company/Case Type*	*Issue*
11-5905-EL-RDR	Duke Energy	Decoupling Rider
11-5568-EL-POR	American Electric Power	Energy Efficiency Portfolio Plan
11-5428-EL-RDR	Ohio Edison Cleveland Electric Illuminating Toledo Edison	Delivery Capital Recovery Rider
11-5333-EL-UNC	Ohio Power	Corporate Separation
11-5201-EL-RDR	FirstEnergy	Advanced Energy Rider
11-4920-EL-RDR 11-4921-EL-RDR	Columbus Southern Power Ohio Power	Non-bypassable Phase-In Recovery Rider
11-4627-EL-WVR	Ohio Electric Distribution Utilities	Waiver of Ohio's Annual Status Report Rules
11-4571-EL-UNC 11-4572-EL-UNC	Columbus Southern Power Ohio Power	Significantly Excessive Earnings Test
11-4393-EL-RDR	Duke Energy	Energy Efficiency/Peak Demand Reduction Portfolio for 2012-2014
11-4304-EL-UNC	PUCO Staff Proposal	Economic Development Tariff Template
11-3549-EL-SSO 11-3550-EL-ATA 11-3551-EL-UNC	Duke Energy Ohio	Standard Service Offer
11-3223-EL-USF	Ohio Department of Development	Adjustments to Universal Service Riders
11-2956-EL-EEC	FirstEnergy	2010 Energy Efficiency and Peak Demand Reduction Benchmarks
11-2798-EL-ATA	Duke Energy	Time of Day
11-2641-EL-RDR 11-2642-EL-RDR	Duke Energy	Base Transmission Rider and Regional Transmission Organization Rider
11-2505-EL-FOR	Dayton Power & Light	Long-Term Forecast and Integrated Resource Plan
11-2501-EL-FOR 11-2502-EL-FOR	Columbus Southern Power Ohio Power	Long-Term Forecast and Integrated Resource Plan
11-2479-EL-ACP	FirstEnergy	Alternative Energy Force Majeure
11-2473-EL-RDR	American Electric Power	Annual Transmission Cost Recovery Rider
11-2336-EL-AEC	Ohio Edison/ Calisolar	Unique Arrangement
11-1439-EL-FOR	Duke Energy	Long-Term Forecast Report
11-1435-EL-FOR	FirstEnergy	Long-Term Forecast Report
11-1355-EL-ATA	American Electric Power	Tariff for Bill Format

11-1354-EL-UNC	American Electric Power	Bill Format
11-1353-EL-RDR	American Electric Power	Smart Grid
11-1337-EL-RDR	American Electric Power	Environmental Carrying Charge
11-1311-EL-EEC	Duke Energy	Annual Energy Efficiency Status Report
11-1299-EL-EEC 11-1300-EL-EEC	Columbus Southern Power Ohio Power	Annual Portfolio Status Report
11-1276-EL-POR	Dayton Power & Light	Portfolio Status Report
11-0989-EL-ATA	Duke Energy	Critical Peak Pricing for Residentials
11-0705-EL-RDR	Columbus Southern Power Ohio Power	Economic Development Rider
11-0531-EL-ATA	Columbus Southern Power Ohio Power	Returning Competitive Retail Electric Service Customers
11-0530-EL-ATA	Columbus Southern Power	Critical Peak Pricing & Smart Grid
11-0351-EL-AIR 11-0352-EL-AIR 11-0353-EL-ATA 11-0345-EL-ATA 11-0356-EL-AAM 11-0358-EL-AAM	Columbus Southern Power Ohio Power	Rate Case
11-0346-EL-SSO 11-0348-EL-SSO 11-0349-EL-AAM 11-0350-EL-AAM	Columbus Southern Power Ohio Power	Electric Security Plan
11-0411-EL-ACP	FirstEnergy	Waiver of Solar Benchmark Requirements
11-0277-GE-UNC	Ohio's Electric and Natural Gas Co.	Customer Privacy and Cyber Security in Smart Grid
11-0178-EL-UNC	Columbus Southern Power	Bill Format Change
11-0148-EL-RDR 11-0149-EL-RDR	Columbus Southern Power Ohio Power	ODOD Update of PIPP Plus
11-0126-EL-EEC 11-0127-EL-EEC 11-0128-EL-EEC	Ohio Edison Cleveland Electric Illuminating Toledo Edison	Energy Efficiency & Peak Demand Reduction Benchmarks
10-3126-EL-UNC	Ohio Electric Companies	Decoupling
10-3104-EL-RDR	Columbus Southern Power to Monongahela Power	Litigation Termination Rider
10-3066-EL-AEC	Ohio Power/Timken	Unique Arrangement
10-3023-EL-EEC 10-3024-EL-EEC 10-3025-EL-EEC	Ohio Edison Cleveland Electric Illuminating Toledo Edison	Energy Efficiency/Peak Demand Reduction
10-2929-EL-UNC	American Electric Power	Capacity Pricing
10-2586-EL-SSO	Duke Energy	Market Rate Offer
10-2531-EL-UNC	Smart Grid	Interoperability
10-2429-EL-ATA	Duke Energy	Time of Day Rate
10-2376-EL-UNC	Columbus Southern Power Ohio Power	Merger
10-1454-EL-RDR	Phillip Sporn Generating Station No. 5	Plant Shut-down Rider
10-1286-EL-FAC 10-1288-EL-FAC	Columbus Southern Power Ohio Power	4th Quarter Schedules for Fuel Adjustment Clauses
10-1128-EL-CSS	Ohio Consumers' Counsel v. FirstEnergy	Windmill Interconnection Complaint
10-0974-EL-FAC 10-0975-EL-FAC	Duke Energy	Fuel Purchase Power and System Reliability Tracker
10-0870-EL-FAC	American Electric Power	Fuel Adjustment Clause
10-0734-EL-AEC	Dayton Power & Light	Unique Arrangement with Caterpillar
10-0511-EL-ACP	Duke Energy	Advanced and Renewable Energy Baseline and Benchmark for One Time Waiver of Rule
10-0505-EL-FOR	Dayton Power & Light	Long-Term Forecast Report
10-0503-EL-FOR	Duke Energy	Long-Term Forecast Report
10-0424-EL-ATA	American Electric Power	Residential Time of Day Rates
10-0388-EL-SSO	FirstEnergy	Electric Security Plan
10-0343-EL-ATA 10-0344-EL-ATA	Columbus Southern Power Ohio Power	Emergency Service Curtailment Riders
10-0268-EL-FAC 10-0269-EL-FAC	Columbus Southern Power Ohio Power	Fuel Adjustment Clauses
10-0198-EL-CSS	Eichman v. Toledo Edison	Windmill Interconnection Complaint
10-0194-EL-CSS	Lemke v. Toledo Edison	Windmill Interconnection Complaint
10-0176-EL-ATA	FirstEnergy	All-Electric Service Credit
09-1999-EL-POR	Duke Energy	Energy Efficiency and Peak Demand Reduction Portfolio Plans
09-1986-EL-EEC	Dayton Power & Light	Program Portfolio Filing Requirements

09-1947-EL-POR 09-1948-EL-POR 09-1949-EL-POR	Ohio Edison Cleveland Electric Illuminating Toledo Edison	Three-Year Energy Efficiency and Peak Demand Reduction Plan and Initial Benchmark Report for 2010-2012
09-1946-EL-ATA	Duke Energy	Storm Costs
09-1942-EL-EEC 09-1943-EL-EEC 09-1944-EL-EEC	Ohio Edison Cleveland Electric Illuminating Toledo Edison	Energy Efficiency and Peak Demand Reduction Plan Initial Benchmark Report
09-0951-EL-EEC 09-0952-EL-EEC 09-0953-EL-EEC	Ohio Edison Cleveland Electric Illuminating Toledo Edison	Transmission and Distribution Projects
09-0580-EL-EEC 09-0581-EL-EEC 09-0582-EL-EEC	Ohio Edison Cleveland Electric Illuminating Toledo Edison	Energy Efficiency Program
06-1085-EL-UNC	Duke Energy	Annually Adjusted Component
06-1069-EL-UNC	Duke Energy	System Reliability Tracker
06-1068-EL-UNC	Duke Energy	Fuel and Purchased Power Costs
05-0724-EL-UNC	Cincinnati Gas & Electric	System Reliability Tracker
03-2081-EL-AAM 03-2080-EL-ATA 03-2079-EL-AAM	Cincinnati Gas & Electric	Transmission and Distribution Cost Deferrals
03-0093-EL-ATA	Cincinnati Gas & Electric	Market-Based Electricity Pricing after End of Market Development Period

Electricity Cases at the Supreme Court of Ohio

Case Number	*Company/Case Type*	*Issue*
2011-0751	Ohio Energy Group and Industrial End Users v. PUCO and Cross-Appeal of Columbus Southern Power (OCC Intervening Appellant)	Ohio Energy Group and Industrial End Users Appeal of Decision (Columbus Southern Cross-Appeal) in Columbus Southern Power Significantly Excessive Earnings Test Case Regarding PUCO Case No. 10-1261-EL-UNC
2010-0723	AEP v. PUCO (OCC Intervening Appellee)	AEP's Appeal of Decision in Eramet/Columbus Southern Power Reasonable Arrangement Regarding PUCO Case No. 09-516-EL-AEC
2010-0722	AEP v. PUCO (OCC Intervening Appellee)	AEP's Appeal of Decision in AEP Economic Development Cost Rider Regarding PUCO Case No. 09-1095-EL-UNC
2009-2298	AEP v. PUCO (OCC Intervening Appellee)	AEP's Appeal of Decision in AEP Electric Security Plan Case to Collect Operating and Maintenance Costs from Waterford and Darby Electric Regarding PUCO Case No. 08-917-EL-SSO
2009-2060	AEP v. PUCO (OCC Intervening Appellee)	AEP's Appeal of Decision in Ormet's Unique Arrangement Case with AEP Regarding PUCO Case No. 09-119-EL-AEC
2009-2022	OCC v. PUCO	OCC's Appeal of Decision in AEP Electric Security Plan Regarding PUCO Case Nos. 08-917-EL-SSO et al

Electricity Cases at the Federal Energy Regulatory Commission

Case Number	*Company/Case Type*	*Issue*
ER11-3415	ATSI/MISO	Exit Fee
ER11-3279	MISO, MISO Transmission Owners and American Transmission Systems	PJM Switch
ER11-2875	PJM	Minimum Offer Price Rule
ER11-2814	PJM/ATSI	PJM Switch
ER11-2288	PJM Interconnection LLC	Proposed Demand Response Products & Limits
EC11-60	Duke/Progress	Merger
EC11-37	American Electric Power	Merger
EL11-32	AEP v. PJM	Complaint
RM11-26	Notice of Inquiry	Transmission Rate Incentives
EL11-20	PJM	Minimum Offer Price Rule
EL11-13	Atlantic Wind Connection	Return on Equity

Natural Gas Cases at the Public Utilities Commission of Ohio

Case Number	*Company/Case Type*	*Issue*
11-5843-GA-RDR	Dominion East Ohio	Adjust Automated Meter Reading
11-5803-GA-RDR	Columbia Gas of Ohio	IRP and DSM Riders
11-5590-GA-ORD	PUCO Rules Review	Exit the Merchant Function
11-5351-GA-UNC 11-5352-GA-AAM	Columbia Gas of Ohio	Capital Expenditure Program and Accounting Methodology
11-5028-GA-UNC 11-5029-GA-AAM	Columbia Gas of Ohio	Expand Demand Side Management
11-3238-GA-RDR	Dominion East Ohio	Pipeline Infrastructure Replacement Program Cost Recovery Charge
11-2776-GA-RDR	Vectren Energy Delivery of Ohio	Distribution Replacement Rider
11-2401-GA-ALT	Dominion East Ohio	Modify and Accelerate Pipeline Infrastructure Replacement
11-1079-GA-EXM	Dominion East Ohio	Transition to Competitive Natural Gas Commodity Market
10-2853-GA-RDR	Dominion East Ohio	Automated Meter Reading

10-2788-GA-RDR 10-2789-GA-RDR	Duke Energy	Adjustment to Automated Meter Reading Program Rider
10-2633-GA-AEC 10-2634-GA-ATA	Dominion East Ohio	Competitive Response Rate
10-2395-GA-CSS	Ohio Consumers' Counsel v. Interstate Gas Supply	Complaint
10-2353-GA-RDR	Columbia Gas of Ohio	Adjustment to Infrastructure Replacement Program and Demand Side Management Rider
10-2330-GA-AIS	Brainard Gas Corp. Northeast Ohio Natural Gas Corp. Orwell Natural Gas Co.	Long-Term Financial Agreement
10-0221-GA-GCR	Columbia Gas of Ohio	Management/Performance Audit
10-0212-GA-GCR	Orwell Natural Gas	Financial Audit
10-0209-GA-GCR	Northeast Ohio Natural Gas	Financial Audit
10-0200-GA-ATA	Dominion East Ohio	Low-income Pilot Program
08-1344-GA-EXM	Columbia Gas of Ohio	Exit the Merchant Function
08-1229-GA-COI	PUCO Rules Review	Uncollectible Expense Rider
08-0606-GA-AAM	Columbia Gas of Ohio	Defer Environmental Investigation and Remediation Costs
02-1828-GA-CRS	Just Energy	Certificate Suspension

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

Case Number	*Company/Case Type*	*Issue*
10-2912-GE-ORD	PUCO Rules Review	Long-Term Forecast
10-2326-GE-RDR	Duke Energy	Smart Grid
10-0867-GE-RDR	Duke Energy	Smart Grid

Telecommunications Cases at the Public Utilities Commission of Ohio

Case Number	*Company/Case Type*	*Issue*
11-1339-TP-ATA	Cincinnati Bell	Lifeline Surcharge
11-0571-TP-UNC	i-wireless	Eligible Telecommunications Carrier to Provide Lifeline
10-3108-TP-BLS	Cincinnati Bell	BLES Alternative Regulation
10-2449-TP-UNC	Cincinnati Bell Wireless	Eligible Telecommunications Carrier to Provide Lifeline
10-2387-TP-COI	Commission Investigation	Access Charge Reform
10-2377-TP-COI	Commission Investigation	Prepaid Lifeline Competitive Eligible Telecommunication Carriers
10-1010-TP-ORD	PUCO Rulemaking	Senate Bill 162

Telecommunications Cases at the Federal Communications Commission

Case Number	*Company/Case Type*	*Issue*
WC10-132*	Rulemaking	Wireline Data Collection Practices
WC10-110*	CenturyLink/Qwest	Merger
WC10-90*	Notice of Inquiry	Broadband Cost Model and Universal Service Fund Savings
GN09-51*	Formation of National Broadband Plan	National Broadband Plan
WC05-337*	Rulemaking	Non-Rural High Cost fund
WC03-109*	Rulemaking	Comments for Joint Board Recommended Decision; Effects of "One-Per Household" Rule for Lifeline in Group Living Facilities
CC01-92*	Rulemaking	Intercarrier Compensation
CC96-45*	Conexions	Petition for Forbearance to Allow Non-Facilities-Based Carrier to Receive Federal Lifeline Funds
CC80-286*	Rulemaking	Continuing Separations Freeze

* This case activity is with the National Association of State Utility Consumer Advocates.

Telecommunications Cases in the U.S. Court of Appeals District of Columbia Circuit

Case Number	*Company/Case Type*	*Issue*
11-1094*	Rural Cellular and Universal Service for America Coalition v. FCC and USA	Eligible Telecommunications Carrier Universal Service Support
11-1014*	Verizon v. FCC	Open Internet Order
10-1184*	Vermont PSB & Maine PUC v. FCC	Appeal Non-Rural High-Cost Remand Order

* This case activity is with the National Association of State Utility Consumer Advocates.

Water Cases at the Public Utilities Commission of Ohio

Case Number	*Company/Case Type*	*Issue*
11-5605-WS-ORD	PUCO Rules Review	Water and Sewage
11-5102-WS-ATR 11-5103-WS-AAM	Aqua Ohio Ohio American Water	Acquisition
11-4161-WS-AIR	Ohio American Water	Rate Case
11-0681-WW-ATA 11-0682-WW-ATA 11-0683-WW-ATA	Aqua Ohio	Amendments to Stark, Struthers and Lake Erie Tariffs
11-0151-WW-SIC	Ohio American Water	System Improvement Charge

Serving Ohio's 4.5 million residential households.

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