

# Office of the Ohio Consumers' Counsel



"Your Residential Utility Consumer Advocate"

# The Office of the Ohio Consumers' Counsel

## ► Mission

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

## ► Vision

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

## ► Core Values

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### **Communications**

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

### **Excellence**

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

### **Integrity**

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

### **Justice**

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

### **Respect**

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

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# A message from Bruce Weston

## Ohio Consumers' Counsel

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In 2015, the Office of the Ohio Consumers' Counsel continued its work for Ohioans regarding their utility services, toward fulfilling the agency's mission of representation and education. Electricity issues were significant for 4.5 million Ohio households, with industry proposals for rate increases and with new technologies.

The agency's vision is for "informed consumers able to choose among a variety of affordable, quality utility services with options to control and customize their utility usage." The focus of the Consumers' Counsel Governing Board on electric consumer issues, in 2015, brought additional clarity to the fulfillment of the mission and vision.

We continued to favor markets for bringing lower energy prices to Ohioans for electricity and natural gas. The agency worked to fulfill the state's 1999 electricity policy. That law deregulated power plants. And the law favored markets over government regulation for pricing electricity.

Unfortunately for consumers, electric utilities made re-regulatory proposals that retreat from Ohio's commitment to markets and the benefits of markets for consumers. These anti-competitive proposals threaten the affordability of electric service for Ohioans. Our efforts to protect Ohioans from these proposals to subsidize deregulated power plants are described in this annual report.

As noted by Board Chairman Krebs, federal data show that Ohioans pay more for electricity, on average, than consumers in 32 other states. And AEP's own data show that, for 2014, its residential consumers in Ohio paid the highest electric bills among all the states where AEP provides service.

A bright spot for consumers (and markets) continues to be the natural gas prices offered by Ohio's natural gas utilities. Most of the major natural gas utilities use competitive auctions to price their standard offers to consumers. These auctions continue to produce low prices for Ohioans. The Consumers' Counsel for years has recommended competitive auctions for pricing natural gas service.

In 2015, we advocated to protect affordable and reliable basic telephone service for Ohioans who prefer that service or lack reasonable alternatives. We worked with the Ohio General Assembly on legislation, enacted in House Bill 64, for protecting consumers during the future transition of the telephone network to an internet-based system. Of note are the efforts of the Governor and the Ohio General Assembly to include more consumer protections in the telephone law.

I am grateful for the guidance and support of the Governing Board and for the leadership of Board Chair Gene Krebs and Vice-Chair Michael Watkins. Best wishes to departing Board member and former Vice-Chair Susheela Suguness. And welcome to new member Kelly Moore. I commend the agency's staff for their dedication and principled approach to our public service.

I thank the Administration and members of the Ohio General Assembly for considering utility issues that are important to Ohioans. I thank Attorney General Mike DeWine and his staff for their continued helpfulness to the agency and to the Governing Board in our services to Ohio consumers. I look forward to 2016, the year of the agency's 40th anniversary of public service, when there will be continued opportunities to make a positive difference for Ohioans.

## A message from Gene Krebs *Governing Board Chairman*

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The Governing Board of the Office of the Ohio Consumers' Counsel (OCC or agency) presents our 2015 Annual Report to the Ohio General Assembly. The Annual Report outlines the agency's participation in proceedings on behalf of Ohio utility consumers, expenditures, and other activities.

Upon my recommendation as Chairman, the Governing Board focused, in 2015, on electric issues and their impact on Ohio utility consumers. The Board appreciates the time and effort of those who assisted in our review. In January 2016, [the Board issued a report](#), entitled "Everyone is Unhappy," on its year-long review of electric issues and consumer impacts. In the report, the Board expressed concerns for Ohio electric consumers, including that Ohioans were paying more for electric service, on average, than consumers in 32 other states.

The Board concluded the report with a recommendation for the establishment of a "Legislative Task Force to Study Reforms in Electric Utility Law in the State."

In July 2015, the Board approved a resolution regarding the practice of submetering in apartments, condominiums and other housing. The Board recommended that the Ohio General Assembly and the Public Utilities Commission of Ohio institute price protections for consumers in submetered housing.

I thank Attorney General Mike DeWine for his reappointments last year of Board members Jason Clark and Stuart Young. In 2015, we welcomed Kelly Moore to the Board and said farewell to Board member Susheela Suguness, the former Vice-Chair. The Board elected Michael Watkins as its new Vice-Chair.

The Board appreciates the agency staff's dedication to OCC's mission and vision for service to Ohio utility consumers. I thank the Board's appointees, Consumers' Counsel Bruce Weston and Deputy Consumers' Counsel Larry Sauer, for their service to the Board and for their leadership and commitment in our public service to Ohioans. I thank the members of the Ohio General Assembly and the Governor's Office for their consideration of our views on utility consumer issues that affect Ohioans. The Board looks forward to providing guidance for OCC's services to Ohioans in 2016.

# Governing Board

## About the Governing Board

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



### Gene Krebs

**Chair, 2012 – present**  
**Vice-Chair, 2011 – 2012**  
**Board member, 2005 – 2016**  
**Representing residential consumers**

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



### Michael A. Watkins

**Vice-Chair, 2015 – present**  
**Board member, 2010 – 2017**  
**Representing organized labor**

Michael Watkins has served as a member of the Fraternal Order of Police (FOP), Lima Lodge No. 21 since 1976 when he began his career as a police officer in Lima, Ohio. He

retired as an active law enforcement officer in 1999. He currently is serving his fifth term as president of FOP Lima Lodge No. 21. Since 2003 he has been employed by the FOP, Ohio Labor Council Inc. in Columbus, Ohio, as an Administrative Assistant. Mr. Watkins was trustee of the FOP's 6th district from 1993-1995 and has served in that position again since 2007.



### Jason D. Clark

**Board member, 2012 – 2018**  
**Representing organized labor**

Jason Clark serves as an Executive Board Member of Millwright Local 1090, a statewide organization that is a division of the United Brotherhood of Carpenters. He also serves on the Ohio Housing Finance Agency. He is currently the Political Director of Indiana Kentucky Ohio Regional Council of Carpenters representing 18,000 UBC members (United Brotherhood of Carpenters). He previously served in various positions with both the Cincinnati and Dayton AFL-CIOs.



### Fred Cooke

**Board member, 2013 – 2016**  
**Representing family farmers**

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



### Sally A. Hughes

**Board member, 2011 – 2017**  
**Representing residential consumers**

Sally Hughes has served as president and chief executive officer of Caster

# Governing Board

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



**Kelly C. Moore**  
**Board member, 2015 – 2018**  
**Representing residential consumers**

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



**Roland “Butch” Taylor**  
**Board member, 2013 – 2016**  
**Representing organized labor**

Roland “Butch” Taylor has served as a member of Plumbers and Pipefitters Local 396 since 1992 and as Business Manager since 2010. He previously served Local 396 as Union President, Executive Board Member and Business Agent. Mr. Taylor has been involved in Pathways to Building Trades, a grant that exposes students to careers as plumbers, electricians, carpenters and other skilled trades. Mr. Taylor also serves

on the Boards of Leadership of the Mahoning Valley, Youngstown/Warren Regional Chamber and Chamber of Commerce. He was honored as the Regional Chamber’s Labor Leader of the Year in 2012.



**Fred Yoder**  
**Board member, 2011 – 2017**  
**Representing family farmers**

Fred Yoder is the owner and operator of Fred Yoder Farms in Plain City, Ohio. He also is a partner and Chairman with Yoder Ag Services, LLC. Mr. Yoder currently serves as an Ohio delegate to the USA Poultry and Egg Export and U.S. Grains Councils; the Ohio Corn and Wheat Political Action Committee; the Ohio Corn and Wheat Growers Association; and is the Chairman of the Ohio chapter of the 25 x ’25 Alliance. He also serves as the Chair of the North American Climate Smart Agriculture Alliance, promoting adaptation to a changing climate while reducing agriculture’s carbon footprint. He was recognized by the White House as a Champion for Change in 2013, and he was inducted into the Ohio Agricultural Hall of Fame in 2011.



**Stuart Young**  
**Board member, 2012 – 2018**  
**Representing family farmers**

Stuart Young is a third-generation dairy farmer. He is an owner and manager of Young’s Jersey Dairy Inc. in Yellow Springs, Ohio, where he is responsible for managing the farm operation, Jersey herd and cheese production. He has also served on the Hustead Volunteer Fire Department for 35 years. He previously served the Clark County Farm Bureau on the Board of Directors and as President. He has served as a member of the Ohio Cattlemen’s Association, the Ohio Angus Association and The Ohio Farm Bureau’s State Policy Development Committee as a delegate. He is a lifelong member of the American Jersey Cattle Association.

# Senior Management



## **Bruce Weston**

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



## **Larry Sauer**

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



## **Dan Shields**

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



## **Monica Hunyadi**

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

# Issues for Electric Consumers

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In 2015, Ohio was a focus of national attention for issues involving electricity markets and how consumers are served by markets.

The Ohio Consumers' Counsel advocated for several million Ohio consumers as electric utilities (AEP and FirstEnergy) proposed that customers guarantee profits for deregulated power plants. Duke proposed its own variation of a plan to guarantee profits, in 2014. (See the 2014 Annual Report.) The proposals were filed under a 2008 Ohio law that allows electric utilities to propose "electric security plans." The law, which contains favorable ratemaking terms for electric utilities, has been costly for Ohio consumers. And it has impeded the transition to a competitive market for electric generation. The Consumers' Counsel has recommended repeal of the statute that allows electric security plans, to protect markets and the consumers served by markets.

The 2008 law allows electric utilities to propose new charges related to a single issue. Before single-issue ratemaking was allowed, electric utilities wanting to increase consumers' rates had to file a traditional rate case where all utility costs and revenues were reviewed. In a rate case, there might be reductions of some costs that could offset some of the increasing costs. Single-issue ratemaking allows utilities to "cherry-pick" the costs they want to charge to consumers. The single-issue charges find their way to customers' monthly bills through "riders." For example, the Cleveland Electric Illuminating Company has 29 riders and Ohio Power Company has 23 riders. The traditional rate case process, not single-issue ratemaking and riders, is generally preferable for consumer protection.

Thirty-two states have lower rates for residential consumers, on average, than Ohio. Also, Ohio's electric prices have increased the most among the restructured states, since 2008. AEP's own statistics, for 2014, show Ohio consumers as paying the highest electric bills in AEP's multi-state territory and show AEP's Ohio operations as achieving the highest profit of any state where AEP operates.

The ratemaking terms in the 2008 law disfavor electric consumers in other ways. For example, the 2008 law also allows electric utilities to charge consumers for excessive profits. The law merely disallows utilities from charging consumers for "significantly" excessive profits. And the law allows electric utilities to, in essence, reject PUCO-ordered modifications to an electric security plan, by allowing utilities to withdraw a proposed electric security plan that the PUCO has modified. The electric security plans, which feature government regulation, are not needed for power plant generation pricing. Under a 1999 law, Ohio intends that the market will determine generation prices for consumers. The Consumers' Counsel, with others, worked to protect the benefits to consumers that competitive markets can enable.

In 2015, the Consumers' Counsel Governing Board performed a year-long assessment of electric utility issues affecting Ohio consumers. In January 2016, the Board issued a [report](#) calling for the legislative creation of a task force to make a review of electric utility issues affecting Ohioans.

What follows is a listing of some of the noteworthy cases affecting consumers, with a full listing of OCC's case activities on behalf of consumers at the back of this annual report.



## State Electric Cases

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### Consumers' Counsel defends Ohio consumers and electricity markets from utility re-regulatory proposals

AEP Ohio (“AEP” or “Ohio Power”) and FirstEnergy requested approval of agreements that would guarantee profits, at consumers’ expense, for deregulated power plants owned by their affiliates.

But under Ohio law, charges for power plant generation should be determined by the competitive electricity market, not guaranteed by the government regulator.

The Consumers’ Counsel and others recommended that the PUCO deny the proposed “Power Purchase Agreements.” The electric utilities’ proposals were the latest in a succession of industry proposals seeking government protection from competitive markets, at the expense of consumers. The Consumers’ Counsel and other parties also raised concerns about the settlement process in these cases.

The Consumers’ Counsel’s expert calculated that each of FirstEnergy’s 1.9 million residential customers could pay as much as \$800 in higher bills, on average, over the next eight years. The total additional charges could reach \$1,100 per customer, for a total of \$5.15 billion (as OCC later updated in a federal case).

Similarly, the Consumers’ Counsel’s expert calculated that each of AEP’s 1.3 million residential customers could pay as much as \$700 in higher bills, on average, over the next eight years. The total additional charges could reach \$1,000 per customer, for a total of \$3.1 billion (as OCC later updated in a federal case).

Ohio electric customers have paid billions to transition utilities to competition since 1999. These new proposals sought by the utilities are a step backward from competition and could have customers paying billions of dollars more in unwarranted government-imposed charges. In recent years, the competitive energy markets have been at historically low prices. Ohioans should be benefiting from those market prices. These cases are awaiting decisions by the PUCO.

As for two related cases, OCC and others filed applications for rehearing regarding the PUCO’s orders in Duke’s proposal for profit guarantees and AEP’s earlier proposal for a power purchase agreement. The applications for rehearing are awaiting a PUCO ruling.

*FirstEnergy, Case No. 14-1297-EL-SSO; AEP, Case Nos. 13-2385-EL-SSO, 14-1693-EL-RDR; Duke, Case No. 14-0841-EL-SSO*

### Consumers' Counsel seeks to ensure that smart grid investment is not charged to consumers unless proven to be prudent and “used and useful”

AEP, Duke Energy Ohio (“Duke”), and FirstEnergy all have sought approval from the PUCO to charge consumers for investments made in smart grid deployment programs. These investments were fueled initially by federal grants as part of the American Recovery and Reinvestment Act of 2009. “Smart grid” refers to an electric system that has the potential to, among other things, increase reliability and provide consumers with more information about their energy usage. However, the smart grid, which is funded by customers, is expensive. And there are concerns about whether the investments are cost-effective and provide adequate benefits to consumers. OCC seeks to limit what consumers pay for the smart grid to costs that, among other things, are “used and useful” to current utility consumers.

*FirstEnergy, Case No. 09-1820-EL-ATA, et al.; Duke Energy Ohio, Case Nos. 14-1051-GE-RDR, 15-0883-GE-RDR; AEP, Case No. 15-1513-EL-RDR*

### Consumers' Counsel recommends limits on charges to consumers for AEP's smart grid expansion

After AEP’s smart grid phase 1 demonstration project was completed in 2013, AEP filed an application to deploy the second phase of the project. AEP has proposed deployment of approximately 900,000 additional smart meters, more circuits equipped with distribution automation circuit reconfiguration (DACR) capabilities, and additional volt/var optimization technology. DACR provides the opportunity to help reduce the number of customers who experience outages by automatically

rerouting electricity to customers through other adjoining circuits. While not a smart grid technology, volt/var optimization is intended to improve energy efficiency and demand reduction on circuits and reduce customer energy consumption. AEP is seeking expedited collection of its costs through a rider on consumers' utility bills, rather than filing a traditional rate case to propose the charges. OCC has recommended that the PUCO require cost/benefit studies from AEP for review prior to deciding whether AEP can spend hundreds of millions of customers' dollars on a smart grid phase II project. The case remains pending.

*AEP, Case No. 13-1939-EL-RDR*

### **Consumers' Counsel seeks consumer protections regarding charges for AEP Ohio's distribution investment**

Since 2012, AEP Ohio has been able to charge customers on an expedited basis for certain investments that it makes in modernizing its distribution infrastructure. In 2014, AEP Ohio spent \$223 million on distribution infrastructure investments. It then sought to charge consumers a return on and a return of its investment through its distribution investment rider (DIR). OCC filed comments noting ways that AEP Ohio could have saved millions of dollars for customers if the utility had made certain tax accounting modifications in prior years. In addition, OCC asserted that AEP Ohio appeared to be already collecting some of the costs from customers in base distribution rates. OCC sought protection for consumers from such double recovery. OCC also noted that the actual number and duration of customer outages increased between 2013 and 2014, despite the fact that the goal of the investment that consumers fund is to improve service reliability for customers. The case is awaiting a decision by the PUCO.

*AEP, Case No. 15-0066-EL-RDR*

### **Consumers' Counsel and Ohio Poverty Law Center seek consumer protection from excessive charges for submetered utility service**

Submetering is a way to provide utility service to consumers in apartments, condominiums and manufac-

ture housing developments, where non-utility meters are installed for billing consumers. Submetering companies operate outside the scope of PUCO regulation. Typically, the submetering company or a related entity buys utility service (water and electric) and then resells it to the consumer at a higher price. The bill for submetered service is often higher (or much higher) than the bill for traditionally metered charges by a public utility.

In April 2015, a resident owner of a downtown Columbus condominium, who has been affected by high submetering bills, filed a complaint at the PUCO against Nationwide Energy Partners, the submetering company.

Also, in December 2015, the PUCO opened an investigation into various consumer issues related to submetering. In 2016, OCC filed comments, jointly with the Ohio Poverty Law Center, urging the PUCO to protect Ohioans from excessive charges associated with submetering.

*Case No. 15-1594-AU-COI; Whitt v. Nationwide Energy Partners, Case No. 15-0697-EL-CSS*

### **Consumer complaint against Duke for service disconnection**

In February 2015, a complaint was filed at the PUCO alleging that Duke had unlawfully disconnected utility service to a single-family home in Cincinnati during November 2011. Two Ohioans died in the home as a result of hypothermia, after the disconnection. The complaint was filed by family members of the deceased. Earlier, family members filed a complaint against Duke in the Hamilton County Court of Common Pleas. That court granted Duke's motion to dismiss the complaint, determining that the PUCO has exclusive jurisdiction over Duke's disconnection practices.

The PUCO has specific rules limiting disconnection of residential gas and electric service(s) during the winter heating season, between November 1 and April 15 of each year. In addition to this important consumer protection, the PUCO has for more than 25 years ordered special disconnection and reconnection procedures to protect the health and safety of Ohioans during the winter.

The Consumers' Counsel intervened in the complaint case at the PUCO. OCC filed testimony expressing concerns about Duke's disconnection practices. This case is awaiting a decision by the PUCO.

*Pitzer v. Duke Energy Ohio, Inc., Case No. 15-0298-GE-ESS*

### **Consumers' Counsel's complaint regarding Duke Energy's disconnections of consumers**

In September 2015, OCC and Communities United for Action ("CUFA") filed a complaint at the PUCO regarding the disconnection practices of Duke. OCC and CUFA alleged that Duke's disconnection practices were unlawful and unreasonable. OCC is concerned, among other things, that Duke's rate of disconnecting consumers is high relative to other electric utilities. OCC earlier raised some of the disconnection issues in a Duke smart grid case (14-1051-GE-RDR). The PUCO ruled that the disconnection issue would not be considered in the smart grid case and that OCC would need to address the issue in a different case, which led to the filing of the complaint. The case is awaiting the PUCO's scheduling of a hearing.

*OCC et al. v. Duke, Case No. 15-1588-GE-CSS; Duke, Case No. 14-1051-GE-RDR*

### **Consumers' Counsel seeks refunds to customers of AEP**

The PUCO conducts annual audits of the fuel costs that AEP wants to charge to customers. Audits have been conducted for fuel costs charged to customers during 2012, 2013 and 2014. The PUCO Auditor estimated that AEP overcharged customers by approximately \$120 million. AEP, OCC and others will have the opportunity to present evidence and recommendations to the PUCO on whether the utility will have to refund charges to customers. In this regard, OCC requested and obtained public records from the PUCO containing information about AEP's communications with the PUCO Auditor. The PUCO will likely hold a hearing in 2016, before deciding the issue of refunds to consumers.

*AEP, Case No. 11-5906-EL-FAC*

### **Electric Energy Efficiency for Utilities and Consumers**

Ohio law currently requires that electric utilities implement energy efficiency programs to achieve energy savings for consumers. The Consumers' Counsel participates for residential consumers in periodic "collaborative" meetings regarding these programs. Meetings are held with each of the utilities (AEP, DP&L, Duke and FirstEnergy) and other stakeholders to provide input on the programs offered to consumers and to analyze program costs to consumers.

### **Consumers entering agreements with marketers for energy supply at a fixed price should be protected from additional charges**

Following the "polar vortex" of 2014, some electricity marketers imposed a "pass-through charge" on customers by increasing the fixed electric rate to cover the marketers' costs to obtain electricity during the extreme weather. This practice raised questions about whether it is permissible for marketers to add charges to consumers' bills when the energy contract is for a fixed rate. The PUCO initiated an investigation to determine if pass-through clauses should be permitted in fixed-rate contracts.

OCC recommended that the PUCO protect consumers from pass-through clauses (and resulting charges to consumers) in fixed-rate contracts. OCC also expressed concern with fixed-rate contracts that automatically renew as a variable rate contract (instead of as the original fixed rate contract).

The PUCO ruled that any contract using the term "fixed rate" cannot include pass-through charges after Jan. 1, 2016. The PUCO's ruling likely will affect the way electricity contracts are advertised, with greater disclosure of extra charges that may be billed.

*Case No. 14-0568-EL-COI*

## Consumers are refunded \$13 million after years of litigation

In 2005, Columbus Southern Power and Ohio Power (AEP) filed an application seeking to charge customers for planning costs associated with a generation facility in Meigs County. The PUCO allowed AEP to charge customers for pre-construction and research costs for the project. During 2006, AEP collected \$23.7 million from customers.

The Consumers' Counsel, the Industrial Energy Users of Ohio, the Ohio Energy Group, and FirstEnergy Solutions appealed the charges to the Supreme Court of Ohio. The Court ruled in customers' favor, and required the PUCO to re-evaluate (within 5 years) its 2006 order that allowed AEP to charge customers pre-construction costs for a plant that had not been built.

At the end of the five-year period, AEP did not build the plant. In 2011, the Consumers' Counsel and other consumer advocates requested a full refund of \$23.7 million, plus interest, that had been collected from customers. The request was based on a PUCO ruling that refunds to customers would occur if AEP did not begin to construct the plant by June 2011.

In 2015, the Consumers' Counsel and others agreed to a settlement that included direct payments to intervenors and a refund of \$13 million to Ohio consumers, with an average residential customer receiving approximately \$6.50. In the ruling that followed, the PUCO cautioned parties that direct payments to intervenors for future settlements would be "strongly disfavored." The case was earlier reported in OCC's 2011 Annual Report, on page 13.

*AEP, Case No. 05-376-EL-UNC*

## Funds for Economic Development

During 2015, OCC participated in two cases where large business customers sought discounted electricity from AEP, with the discount to be paid by customers. OCC submitted testimony recommending that the PUCO order protections for residential consumers, who subsidize these economic development programs.

The consumer protections OCC recommended include: limiting the number of repeat applications for customer-funded discounts; caps that limit the total and annual charges to customers for economic development; reasonable cost sharing between customers and the utility; and requiring a public, annual report on the status of the economic development project.

*Case No. 15-1857-EL-AEC (Timken Steel Corp.);  
Case No. 09-0516-EL-AEC (Eramet Marietta Inc.)*

## Consumers' Counsel recommends consumer protections from remote disconnections by utilities' use of new smart meters

The increased installation of smart meters in Ohioans' homes has created concern that utilities will use the technology to remotely disconnect consumers' service for non-payment. There are long-standing protections in the PUCO's rules giving consumers the right to be notified in-person of the utility's impending disconnection, on the day of the disconnection. This important right provides customers one last opportunity to make a payment or arrangements to avoid disconnection.

AEP requested a waiver of PUCO rules so that it could use its smart meters to remotely disconnect its customers without providing personal notice to customers. The Consumers' Counsel recommended protecting consumers by denying the waiver request, so that AEP would continue to be required to provide personal notice, prior to disconnecting customers. The PUCO approved AEP's waiver request.

*AEP, Case Nos. 13-1938-EL-WVR, 15-0240-EL-RDR*

## Consumers' Counsel seeks to protect consumers from smart meter opt-out charges

Duke has deployed smart meters throughout its Ohio service territory, at consumer expense. Smart meters are different than traditional meters because smart meters can remotely communicate with utility systems. AEP installed 132,000 smart meters in its service territory, also at consumer expense. Given concerns by some

customers against having smart meters in their homes, the PUCO issued rules that allow customers to retain their traditional meters. AEP and Duke have proposed charges for consumers who retain a traditional meter in their homes.

Duke proposed that consumers pay a one-time charge of \$1,037, for retaining their traditional meter. Duke also proposed a recurring monthly charge of \$40.63 that would continue for as long as a customer retains a traditional meter. AEP and the PUCO Staff have proposed a settlement to the PUCO, with a \$43 one-time charge for customers and an additional recurring monthly charge of \$24 for customers who retain a traditional meter.

The Consumers' Counsel recommended that the PUCO protect Duke's customers from paying both the one-time charge and the recurring monthly charges. Specifically, OCC recommended that the PUCO not consider such charges until Duke has filed a rate case, where all revenues and expenses can be thoroughly evaluated.

The Consumers' Counsel recommended rejecting the charges proposed in AEP's settlement. The utility's proposed charges are not just and reasonable for consumers. OCC recommended that the issue should be determined in a rate case where all of the utility's revenues and expenses can be evaluated concurrently.

*AEP, Case No. 14-1158-EL-ATA; Duke Energy Ohio, Case No. 14-1160-EL-UNC et al.*

## **Dayton Power & Light seeking up to 30% increase in revenues**

Dayton Power & Light ("DP&L") proposed a revenue increase for its distribution business, meaning the part of electric service that delivers the electricity to homes and businesses using wires and poles. DP&L has requested that customers pay an overall revenue increase of 30.24% or \$65,750,232, for distribution service. Also, DP&L has requested a new approach for consumers' electric bills, known as a "straight fixed variable" rate design. This approach, which is of considerable concern to consumers, would increase the fixed component on customers' electric bills from \$4.25 monthly up to \$13.73 monthly, with a slightly

lower kwh charge applied to actual usage. This new structure for customers' bills for distribution service would mean that consumers could not save as much money by reducing their usage.

OCC is participating in the case on behalf of consumers.

*DP&L, Case No. 15-1830-EL-AIR*

## **Federal Electric Cases**

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In 2015, OCC advocated to protect the interests of Ohio consumers in a number of proceedings at the Federal Energy Regulatory Commission ("FERC"). FERC has responsibility, among other things, for regulating wholesale energy transactions – transactions that determine in large part what customers in Ohio pay for retail electric service.

During 2015, FERC considered changes to the capacity, energy, and ancillary services markets of PJM Interconnection, LLC ("PJM"). PJM is the regional transmission organization for Ohio and twelve other states. OCC advocated against proposed changes that could result in Ohioans paying more for electricity. In many instances, OCC was able to advocate for Ohioans' interests by working with a coalition of consumer advocates. In one proceeding, PJM proposed changes to its capacity market called "Capacity Performance." The changes propose rewards and penalties to power plant owners (paid for by customers) for power plant performance. OCC and advocates from other states opposed the proposal because it would significantly increase the rates customers pay for electricity. (FERC Docket Nos. ER15-623-000 and EL15-29-000.) In another proceeding, PJM proposed to increase the value of demand response (interruptible) resources. OCC and other advocates opposed PJM's proposed change because it could significantly increase the cost of electricity to customers and negatively affect reliability. (FERC Docket No. ER15-852.) In another FERC proceeding, the OCC, and others, filed to protect consumers in the PJM region from being overcharged hundreds of millions of dollars for generation capacity that is not needed. The consumer concern was that PJM relied on an inaccurate and outdated forecast of the future need for electricity. (FERC Docket No. EL15-83.)

## Electric cases appealed to the Supreme Court of Ohio

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### Consumers' Counsel and others ask the Court to overturn state approval of AEP charges to consumers

OCC and others (Industrial Energy Users, Kroger, FirstEnergy Solutions) appealed the PUCO's 2012 decision on AEP's electric security plan. The PUCO set standard offer rates that AEP could charge customers over a three-year period ending May 31, 2015. AEP was permitted to collect a "retail stability rider" and a capacity charge. OCC asserted that the retail stability rider (\$508 million) unlawfully allows the utility to charge customers for revenues lost due to competition. (Generation is a deregulated service in Ohio, which should not include government-imposed charges on consumers.) The capacity charge (\$647 million) requires retail customers to subsidize a discount on the wholesale capacity that AEP sells to marketers. The charge is unlawful and causes customers to pay twice for generation capacity. The Court heard oral arguments in May. The appeal is awaiting a decision.

*S. Ct. 2013-0521: Appeal from AEP ESP II case (PUCO Case No. 11-346-EL-SSO)*

The Consumers' Counsel and others (Industrial Energy Users, FirstEnergy Solutions) appealed a 2012 PUCO ruling. The ruling was the PUCO's first step toward authorizing AEP to bill consumers for the capacity charges under appeal in S. Ct. 2013-521. The Court heard oral arguments in December 2015. Following oral argument, the Court announced that the decisions in this case and S. Ct. 2013-521 would be released simultaneously. The appeal is awaiting a decision.

*S.Ct. 2012-2098: Appeal from AEP Capacity Charge case (PUCO Case No. 10-2929-EL-UNC)*

## Electric issues before the Ohio General Assembly

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### Energy Efficiency and Renewable Energy Benchmarks (Senate Bill 310)

In 2008, the General Assembly enacted benchmarks for energy efficiency and renewable energy through 2025.

In June 2014, the General Assembly passed Senate Bill 310 ("SB 310"). SB 310 imposed a two-year freeze on Ohio's renewable and energy-efficiency standards through 2016. SB 310 also established the [Energy Mandates Study Committee](#) ("Committee") to evaluate Ohio's energy-efficiency and renewable-energy benchmarks. The Consumers' Counsel appreciated the invitation to testify before the Committee in June 2015. In that [testimony](#), the Consumers' Counsel supported energy efficiency as a way to reduce Ohioans' electric bills, and recommended resuming the energy-efficiency benchmarks.

### Tangible Personal Property Tax (House Bill 64)

In 2015, the General Assembly passed Amended Substitute House Bill 64 (the budget bill). The bill included a provision to end the tangible personal property tax on electricity generators (that are deregulated). In its place, the bill would have created a new tax on electric distribution utilities, which the utilities would then have charged to their Ohio consumers.

The Consumers' Counsel recommended that the Governor consider a veto of the line item in the bill for the personal property tax that utilities would charge to Ohioans. Other stakeholders apparently also had concerns. The Governor did veto the tax, which protected Ohio consumers.

# Issues for Natural Gas Consumers

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In 2015, the market-based auctions of the natural gas utilities (Columbia Gas, Dominion East Ohio, and Vectren) gave customers the benefit of low natural gas prices. Consumers wanting to purchase natural gas at these utilities' auction prices would need to choose the utilities' "standard choice offer."

The natural gas utilities' competitive auctions are a prime example of how markets can work to the benefit of Ohioans. At the same time, it was difficult in 2015 for consumers to save money by choosing a marketer instead of their utility for natural gas.

What follows is a listing of some of the noteworthy cases affecting consumers, with a full listing of OCC's case activities on behalf of consumers at the back of this annual report.

## Consumers' Counsel seeks to protect consumers from the costs of accelerated service line replacements

In 2015, Duke asked the PUCO for approval to charge consumers a return on and a return of its \$320 million investment for its accelerated service line replacement program. Duke plans to replace underground service lines on an accelerated basis. Duke's rationale for accelerating service line replacement is to prevent future service line leaks caused by corrosion.

The cost consumers would pay on their monthly bills for Duke's proposed accelerated line replacement was projected to begin at \$12.00 per year and incrementally rise each year for ten years until reaching \$120 per year. Consumers should be protected from paying the high cost of Duke's plan. Underground service lines are already being replaced on a systematic basis by Duke, without increasing the charges to consumers.

The case is ongoing.

*Duke Energy Ohio, Case No. 14-1622-GA-ALT*

## Consumers' Counsel supports Duke's request to shield consumers from paying costs caused by others

Duke requested a change in rates for how it charges marketers to transport and store gas. The Consumers' Counsel is participating to protect the interests of 180,000 residential customers who purchase their natural gas from Duke.

Residential consumers should not have to pay rates associated with these services that are unrelated to the cost of serving them. Here, Duke's residential gas customers have paid rates that include costs for transporting and storing natural gas for others.

The case is awaiting a decision.

*Duke, Case No. 15-0050-GA-RDR*

## Natural Gas Demand-Side Management for Utilities and Consumers

Natural gas utilities (Columbia, Dominion, and Vectren) currently administer demand-side management programs, which include energy-efficiency programs for residential consumers. The Consumers' Counsel participates for residential consumers in periodic "collaborative" meetings regarding these programs. Meetings are held with each of the utilities and other stakeholders to provide input on the programs and to analyze program costs to consumers.

# Issues for Telecommunications Consumers

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OCC advocated for telephone consumers during 2015. OCC sought consumer protections in legislation (House Bill 64) that will allow telephone companies to withdraw basic local (landline) service, under certain conditions, following an approval from the Federal Communications Commission (FCC). Also, OCC sought to protect consumers regarding proposals for new restrictions on lifeline services for assistance to low-income Ohioans.

## Protecting low-income consumers

In October 2015, the Consumers' Counsel filed comments at the PUCO regarding proposed changes to state lifeline rules. The proposed rule changes could adversely affect low-income consumers regarding assistance with paying the cost of phone service.

OCC worked with other consumer groups to protect consumers. OCC and others recommended that rules not be made too restrictive for those using lifeline services.

This case is currently awaiting a decision by the PUCO.

*Case No. 14-1554-TP-ORD*

## Telecommunications issues before the Ohio General Assembly

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### Consumers' Counsel recommends ensuring affordable and reliable phone service for Ohioans

In June 2015, the biennial budget bill (House Bill 64) included provisions to allow telephone companies to withdraw basic phone service (sometimes referred to as basic local exchange service, or "BLES") upon obtaining an approval from the FCC. (FCC approval might occur within several years.) A consumer concern is that some consumers may be without alternatives to their telephone company's current basic service offerings. Or, consumers may have to pay significantly more for alternative phone service, if their telephone company withdraws the currently available basic service that they use.

The law directed the PUCO to organize a [collaborative process](#) where stakeholders meet to develop consumer protections, including how to identify customers who could be without phone service if their telephone company withdraws basic service. OCC appreciates that it was named by the General Assembly to serve as a collaborative member on behalf of consumers. The collaborative first met in December 2015, and there are scheduled monthly meetings through April 2016.

# Issues for Water Consumers

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A positive development for consumers is that there were no major rate cases affecting monthly water bills in 2015. Aqua Ohio's purchase of Ohio American Water in 2011 resulted in one remaining major water company being regulated by the PUCO. In a 2013 rate case, Aqua Ohio agreed to not file a base rate case sooner than September 2016.

OCC continued to provide education for water consumers. OCC offers several fact sheets with information on water use, including how to save money. Also, in 2015 OCC launched a link to a "[drip calculator](#)" on its website to help consumers determine how much money they can save if they conserve water and fix leaks.



# Consumer Education

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Ohio's framework for utility consumers continues to involve the use of markets and government regulation for determining prices. Consumers are being asked to make decisions that may be new or difficult for them, such as choosing an energy supplier. The Office of the Ohio Consumers' Counsel (OCC) continued its tradition of consumer protection through education and information.

## The Consumers' Counsel informs consumers on ways to manage their utility bills

OCC has Outreach and Education Specialists who work to help consumers make wise choices regarding their utility services. OCC participated in more than 875 events throughout Ohio in 2015. OCC provided information to Ohioans about their consumer rights and the resources available to them. Also, OCC provided information on Ohio's energy choice programs, and how to save money by making homes more energy efficient.

With the encouragement of the OCC Governing Board, OCC worked to expand its presence at Ohio's county fairs in 2015. OCC staffed information booths and met with many Ohioans attending fairs in the Counties of Darke, Hancock, Hocking, and Perry, as well as at the Hartford Fair (Licking Co.), the Farm Science Review and the Ohio State Fair.

OCC reaches out to consumers through a variety of forums. The OCC website ([www.occ.ohio.gov](http://www.occ.ohio.gov)) has been accessed by more than 68,000 consumers in 2015 for a total of more than 175,500 views. Visitors to the website can access all of OCC's informational fact sheets and newsletters.

Videos providing information on choosing an energy supplier can be found on [OCC's YouTube channel](#) and on the OCC website. Consumers can follow OCC on Twitter @OhioUtilityUser.

## Low-Income Dialogue Group

The Consumers' Counsel initiated and has coordinated the Low-Income Dialogue Group (Group), for more

than a decade. The Group is comprised of representatives from many of Ohio's regional legal aid organizations, community action agencies, housing authorities and other community-based organizations.

Through the Group, advocates for low-income utility customers across Ohio are provided a forum. The forum includes opportunities to raise awareness and discuss solutions to utility-related concerns that may particularly impact those with fixed or limited incomes.

In 2015, OCC and several other Group members filed joint comments on the PUCO's proposed rules for Ohio's telephone lifeline program. (Case no. 14-1554-TP-ORD) The comments were filed to ensure that lifeline customers have access to telephone service.

Group members advocated on behalf of consumers throughout 2015 in instances when utility disconnection procedures threatened the rights and safety of Ohioans. Group members, including OCC, sought to protect consumers in disconnection processes involving the adaptation of smart meters. OCC and several Group members also advocated for consumers in disconnection cases that involved the issue of whether an electric utility had complied with established disconnection rules and regulations.

OCC [testified](#) in the General Assembly, on House Bill 64, regarding the future telecommunications network transition in Ohio. This transition can affect the availability and affordability of basic local telephone service. Group members have participated in the Ohio [Network Transition Collaborative](#), created in House Bill 64, to advocate for consumer protections.

OCC looks forward to participating in the work of the Group in 2016.

# Employee Recognition

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

## 2015 Employee of the Year



### Gina Brigner

OCC's 2015 Employee of the Year is Gina Brigner, Administrative Assistant for the Analytical Services Department. Gina was selected for this honor by her peers after being chosen as Employee of the Quarter for July-September 2015. She assists with business assessments, analytical reports, and formatting and filing of testimony for consumers in utility cases. And she is appreciated for her eagerness to assist with additional projects.

Gina graduated cum laude from Ohio University, where she obtained an associate degree in Computer Technology and a Bachelor of Science in Business Administration. Her career with OCC began in March 2010.

### Kevin Moore

Selected as Employee of the Quarter for January-March 2015, Kevin Moore is an Assistant Consumers' Counsel. He was chosen for his dedication and hard work for consumers, in the agency's Legal Department. Kevin's work has been key to the agency's representation of consumers at FERC and PJM with regard to significant federal-related charges that consumers pay for electric service. Kevin came to OCC after serving two years with the Federal Energy Regulatory Commission in Washington, D.C. He completed his undergraduate degree in English Literature with a minor in Business at The Ohio State University in 2008. And he then earned his law degree, graduating cum laude from Capital University in 2012. Kevin joined OCC in July 2014.

### Lisa Davis

Selected as the Employee of the Quarter for April-June 2015, Lisa Davis has served as a Fiscal Manager for the agency. She was honored for her reliability, knowledge and diligence. Lisa received her Bachelor of Science in Human Services from Ohio University in 1985. She joined OCC in February 2015.

### Deb Bingham

Selected as the Employee of the Quarter for October-December 2015, Deb Bingham is an Administrative Assistant for the Deputy Consumers' Counsel and the Legal Department. Deb is appreciated for excelling in her assistance to case teams in the agency's representation of Ohio utility consumers. She ensures the proper formatting of various documents including agency filings at the PUCO, Ohio Supreme Court and the Federal Energy Regulatory Commission. And she has a key role in tracking project due dates that must be met in the agency's cases for consumer advocacy. Deb joined OCC in September 2005.

# 2015 Fiscal Report

The Office of the Ohio Consumers' Counsel (OCC) is funded through an assessment on the intrastate gross receipts of entities regulated by the Public Utilities Commission of Ohio (PUCO), based on Section 4911.18 of the Ohio Revised Code.

OCC assessed more than 1,000 regulated entities for operating funds for fiscal year 2015. If all regulated entities charged their customers for the cost of OCC's budget, this charge would cost customers less than three cents for every \$100 in utility bills. This cost is equivalent to less than a dollar a year for a typical utility customer.

## Operating budget

Fiscal year 2015 expenditures

Personnel services .....	\$ 3,299,548.59
Purchased personal services .....	\$ 807,564.46
Supplies and maintenance.....	\$ 467,270.97
Equipment.....	\$ 54,847.51
<b>Total .....</b>	<b>\$ 4,629,231.53</b>

# 2015 Case Activity

## Electricity Cases at the Public Utilities Commission of Ohio

Case Number	Party	Consumer Impact
15-1857-EL-AEC	TimkenSteel Corporation	Unique Arrangement - The PUCO approved an economic development arrangement that provides a discount of \$27.5 million off electricity rates paid by the applicant, with the discount being paid for by consumers.
15-1830-EL-AIR; 15-1831-EL-AAM; 15-1832-EL-ATA	Dayton Power & Light Company	Rate Case - DP&L filed a request to increase its distribution revenues by 30%. The Utility also proposes to change the way it collects rates from residential customers by increasing the fixed monthly customer charge.
15-1739-EL-RDR	Ohio Edison; Toledo Edison; Cleveland Electric Illuminating	2015 Audit - The PUCO will be reviewing \$195 million spent by FirstEnergy for distribution improvements and will be reviewing FirstEnergy's 2016 distribution budget which allows the utility to invest up to \$210 million for distribution plant improvements.
15-1513-EL-RDR	Ohio Power	Smart Grid Cost Collection - Ohio Power's smart grid program (Phase 1) will be evaluated by the PUCO in this case. This review may affect how much customers pay for smart grid in the future.
15-1400-EL-RDR	Ohio Power	Economic Development Cost Recovery Rider - Customers will be charged \$14.6 million to support economic development arrangements which provide mercantile customers with discounted electric rates.
15-1046-EL-USF	Ohio Development Services Agency	Universal Service Fund - The PUCO is examining how funds are collected from all customers for low-income energy assistance programs, including the percentage of income payment program.
15-1022-EL-UNC	Ohio Power	2014 Significantly Excessive Earnings Review - The PUCO is examining whether Ohio Power earned significantly excessive profits during 2014 from its electric security plan. Customers could receive refunds for profits that are determined to be significantly excessive.
15-0855-EL-AAM	Duke Energy-Ohio, Inc.	Bill Format Deferral - The PUCO permitted Duke to defer over \$900,000 in expenses to change its billing system to accommodate competitive supplier logos and modify price-to-compare language on customer bills. Duke is expected to seek customer funding for these deferred billing system expenses at a later time.

# 2015 Case Activity

15-0795-EL-RDR	Duke Energy-Ohio, Inc.	Distribution Capital Investment Rider - Duke seeks to collect \$20 million in distribution expenses starting in July 2015. Under the rider mechanism (Rider DCI) customers will begin paying an increase of nearly 5% of their distribution bills to fund distribution investment.	15-0066-EL-RDR	Ohio Power	Distribution Investment Rider (DIR) - [The PUCO is auditing the utility's DIR for 2014.] The utility collected money from customers during 2014 through the distribution investment rider. If the PUCO disallows some of the DIR expenses, customers could see DIR rates reduced in the future.
15-0697-EL-CSS	Whitt v. Nationwide Energy Partners (NEP)	Complaint - Submetering - A condominium owner filed a complaint alleging NEP is providing utility service to him at an exorbitant cost, with NEP not being a public utility.	15-0042-EL-FAC	Dayton Power & Light Company	Fuel Cost Collection - The Auditor proposed disallowances and made recommendations related to the utility's fuel procurement practices during 2014. Customers may receive a credit on their electric bill.
15-0534-EL-RDR	Duke Energy-Ohio, Inc.	Energy Efficiency/Demand Response 2014 -The PUCO is reviewing Duke's 2014 energy efficiency/peak demand reduction costs. Consumers are charged these costs, which include not only energy efficiency program costs, but charges for Duke's shared savings incentive (profit).	14-2275-EL-UNC	Ohio Power	Distribution Investment Rider - AEP seeks approval of its 2015 distribution investment plan. Under its proposal, AEP would charge customers a return on and a return of its \$192 million distribution investment.
15-0441-EL-UNC	Duke Energy-Ohio, Inc.	Amended Corporate Separation Plan - Duke seeks approval of its corporate separation plan detailing how it will not harm competition. To protect competition, OCC urged that Duke try to divest its OVEC interest as it was ordered to do by the PUCO in an earlier proceeding.	14-2209-EL-ATA	Duke Energy-Ohio, Inc.	Customer Energy Usage Data -This case will set rules for how Duke may share its customers' energy usage data with marketers.
15-0386-EL-WVR	Ohio Power	Significantly Excessive Earnings Waiver - Ohio Power sought and received authority to delay making its 2014 earnings review filing. Any return to customers of 2014 earnings found to be significantly excessive will be delayed.	14-2128-EL-UNC	Duke Energy-Ohio, Inc.	Revised Bill Format - This case will establish rules for what information Duke must provide in the customer bills it issues.
15-0361-EL-RDR	Dayton Power & Light Company	Transmission Cost Recovery Rider - If DP&L's application is approved, residential customers will be paying a 3% increase in transmission rates starting in June 2015 through May 2016.	14-2119-EL-UNC	Ohio Power	Revised Bill Format - This case will establish rules for what information Ohio Power must provide in the customer bills it issues.
15-0279-EL-RDR	Ohio Power	Economic Development Cost Recovery Rider (EDR) - The economic development costs charged to customers was almost 8% lower than what was charged to customers in the previous year. The latest quarterly filing showed that the utility had over-collected almost \$13 million from customers. That over-collection is being returned to customers.	14-2042-EL-AAM; 14-2043-EL-UNC	Dayton Power & Light Company	Revised Bill Format - This case will establish rules for what information the utility must provide in the customer bills it issues.
15-0240-EL-RDR	Ohio Power	Smart Grid collection - Ohio Power seeks to double the amount customers pay for smart grid. Charges to residential customers would increase from \$0.51 per month to \$1.04 per month.	14-1980-EL-ATA; 14-1981-EL-ATA; 14-1982-EL-ATA	Ohio Edison; Toledo Edison; Cleveland Electric Illuminating	Utility Billing - In this case the utility initially proposed to market and charge customers for insurance products unrelated to utility service. The utility subsequently withdrew its application.
			14-1929-EL-RDR	Ohio Edison; Toledo Edison; Cleveland Electric Illuminating	Delivery Capital Recovery Rider - In this case the PUCO audited the distribution expenses collected from customers related to 2014 investment spending.
			14-1693-EL-RDR; 14-1694-EL-AAM	Ohio Power	Expansion of PPA from ESP - AEP has asked the PUCO to approve a purchase power agreement where customers would subsidize certain of its plants. OCC estimates that customers will be charged \$1.9 billion over 8 years for the subsidy. On a per customer basis this amounts to \$700 over the 8 year term of the electric security plan.

# 2015 Case Activity

14-1580-EL-RDR	Duke Energy-Ohio, Inc.	Energy Efficiency Cost Collection - The PUCO is examining Duke's request to continue (through 2016) to receive profits on its energy efficiency programs, through an uncapped shared savings mechanism. These costs will be paid for by customers.	14-0192-EL-RDR	Ohio Power	Smart Grid Cost Collection - The utility asked for its 2013 expenses to be reviewed and sought approval to implement new rates. Under rates approved for 2014, approximately \$10 million was added to customer bills, an increase of 50 cents per month over previous smart grid rates.
14-1297-EL-SSO	Ohio Edison; Toledo Edison; Cleveland Electric Illuminating	Electric Security Plan - OCC has estimated the cost to consumers to subsidize generation under the Power Purchase Agreement proposal is \$800 per customer (\$3.6 billion) in total over the 8-year term. The settlement also includes other provisions that will be costly for consumers, such as the delivery capital recovery rider (\$2.5 billion) and the transition to a straight fixed variable rate design.	14-0075-EL-POR	Duke Energy-Ohio, Inc.	Energy Efficiency Pilot Program - The PUCO approved a pilot program in two counties (Warren and Clermont) that allows Duke to offer its Residential SmartSaver energy efficiency program in conjunction with Greater Cincinnati Energy Alliance financing offers.
14-1160-EL-UNC; 14-1161-EL-AAM	Duke Energy-Ohio, Inc.	Advanced Meter Charges - This case will determine if customers will pay to keep a traditional electric meter instead of a new advanced meter.	13-2385-EL-SSO; 13-2386-EL-AAM	Ohio Power	Electric Security Plan - Ohio Power's standard service rate was set for 2015 through 2018 in an electric security plan. The PUCO approved, in concept, a power purchase agreement under which customers would subsidize power plants owned by Ohio Power's affiliate.
14-1158-EL-ATA	Ohio Power	Advanced Meter Charges - This case will determine if customers will pay to keep a traditional electric meter instead of a new advanced meter.	13-1939-EL-RDR	Ohio Power	Smart Grid Expansion Project - The utility sought to expand its smart grid program, beginning in 2014. If approved as filed, it will cost customers approximately \$200 million over six years. Residential customer bills would increase by 34 cents per month the first year and incrementally to \$2.15 per month in year 6.
14-0841-EL-SSO; 14-842-EL-ATA	Duke Energy-Ohio, Inc.	Electric Security Plan - This case set the charges for Duke's customers to pay for electric service for the period of June 1, 2015 to May 31, 2018. Duke received approval of a price stabilization rider set at zero. The price stabilization rider acts as a power purchase agreement for Duke for its interest in power plants operated by Ohio Valley Electric Corporation.	13-1938-EL-WVR	Ohio Power	Smart Meter Personal Notice Waiver - The Utility has been granted authority to not provide personal notice to customers on the day of disconnection for customers who have a smart meter. This will diminish customer opportunities to make payments to avoid disconnection.
14-0568-EL-COI	Commission Order Investigation	Competitive Retail Electric Service Marketing Practices - In this case the PUCO ruled that marketers could not place additional non-fixed costs onto customers' existing fixed rate contracts.	12-2190-EL-POR; 12-2191-EL-POR; 12-2192-EL-POR	Ohio Edison; Toledo Edison; Cleveland Electric Illuminating	Energy Efficiency/Peak Demand Reduction Application for 2013-2015 - The PUCO approved FirstEnergy's Application to suspend the majority of its energy efficiency programs offered to customers for 2015 and 2016. Customers will have less opportunity to participate in energy efficiency programs.
14-0457-EL-RDR	Duke Energy-Ohio, Inc.	Energy Efficiency/Demand Response 2014 - In this case the PUCO was reviewing the rates to be charged customers for energy efficiency program costs, lost revenues from energy efficiency, and incentives (shared savings or profits) to be paid to the utility for 2014. The utility and the PUCO staff (in a settlement agreement) agreed that customers should pay \$19.75 million to the utility for shared savings. The settlement agreement would overturn an earlier PUCO Order giving Duke no increased shared savings on its energy efficiency programs.	12-2050-EL-ORD	Commission Rules Review	Electric Companies and Net Metering - The Commission is examining net metering rules. This will affect customers who have electricity to sell back to utilities from equipment (e.g. solar panels or wind turbines) they have installed at their business or home.

# 2015 Case Activity

11-5906-EL-FAC; 12-3133-EL-FAC; 13-572-EL-FAC; 13-1286-EL-FAC; 13-1892-EL-FAC	Ohio Power	Review of Utility Fuel Costs – In this case the PUCO is reviewing the fuel charges to customers for 2012– 2014. There is also a separate audit of capacity costs collected from customers. The Auditor identified \$120 million of overcharges to customers related to capacity charges. This could result in refunds to customers.	2013-0521	The Kroger Co. v. PUCO	Appeal of PUCO Decision on Ohio Power Company Electric Security Plan (PUCO Case Nos. 11-346-EL-AIR et al.) – OCC (and others) appealed the PUCO decision adopting a modified electric security plan. OCC seeks a refund to customers of \$1.1 billion in retail stability and capacity charges.
11-5201-EL-RDR	Ohio Edison; Toledo Edison; Cleveland Electric Illuminating	Customer Payments for Renewable Energy – This case involved excessive charges to consumers by FirstEnergy for renewable energy credits. Although the PUCO ordered a refund of a portion of the charges, customers have not received the refund because the PUCO's Order is being reviewed by the Ohio Supreme Court.	2012-2098	IEU v. PUCO	Appeal of PUCO Decision on Ohio Power Electric Capacity (PUCO Case No. 10-2929-EL-UNC) – OCC (and others) appealed the PUCO decision to charge customers over \$400 million for discounted capacity provided to marketers.
09-1820-EL-ATA; 09-1821-EL-GRD; 09-1822-EL-EEC; 09-2123-EL-AAM	Ohio Edison; Toledo Edison; Cleveland Electric Illuminating	Smart Grid Modernization Initiative – The PUCO approved FirstEnergy's application seeking \$8.5 million to continue studying volt/var optimization technology. Customers will be charged for this study.	2012-2008	Ohio Power v. PUCO	Utility Appeal of PUCO Decision on Phase-In Recovery Costs Collection (PUCO Case Nos. 11-4920-EL-RDR et al.) –OCC helped to defend the PUCO Order which reduced the financing costs paid by customers for expenses deferred in the utility's electric security plan. The Court reversed the PUCO and permitted Ohio Power to collect \$130 million more from customers in financing charges on fuel deferrals.
09-0516-EL-AEC	Eramet Marietta, Inc.	Reasonable Arrangement – During 2015 Ohio Power's customers paid for electricity discounts Ohio Power provided to Eramet.			

## Electricity Cases at the Supreme Court of Ohio

Case Number	Party	Consumer Impact
2015-1225	IEU v. PUCO	Appeal of PUCO Decision on Ohio Power's Electric Security Plan (PUCO Case No. 13-2385-EL-SSO et al.) – OCC and others appealed a number of subsidies that customers were ordered to pay including stability charges and deferred capacity charges. Customers could receive a partial refund if the Court overturns the PUCO's authorization of such charges.
2014-1505	IEU v. PUCO	Appeal of PUCO Decision on DP&L's Electric Security Plan (PUCO Case No. 12-426-EL-SSO et al.) – OCC and others appealed the PUCO order charging customers for \$330 million in stability charges. Customers could receive a partial refund if the Court overturns the PUCO.
2013-2026	FirstEnergy v. PUCO	Utility Appeal of PUCO Decision on FirstEnergy's Alternate Energy Rider (PUCO Case No. 11-5201-EL-RDR et al.) – OCC is helping to defend a PUCO Order that found consumers had been over-charged by the utility for renewable energy credits. Although the PUCO ordered a refund to customers, customers will not receive a refund until and unless the PUCO's Order is upheld.

## Electricity Cases at the Federal Energy Regulatory Commission

Case Number	Party	Consumer Impact
ER15-852	PJM	Demand Response Proposal – Ohioans' electric bills may increase because of PJM's valuation of demand response efficiency in PJM capacity auctions.
ER15-623; EL15-29; EL15-41	PJM	Capacity Performance – Ohioans' electric bills could increase because of PJM proposed changes that provide for payments and penalties for power plant owners' performance.
ER15-1470	PJM	Capacity Market Distribution – Ohioans' electric bills could increase because PJM is seeking to delay its Base Residual Capacity Auction which sets the price for capacity for three years.

# 2015 Case Activity

EL15-88	PJM	Indicated Market Participants v. PJM - Ohioans' electric bills could increase because PJM is planning to conduct two upcoming capacity auctions in a manner that would not minimize costs for Ohio consumers.
EL15-83	PJM	Procurement in Capacity Complaint - Ohioans' electric bills could increase if PJM continues to use inaccurate and outdated load forecasts to price capacity.

## Natural Gas Cases at the Public Utilities Commission of Ohio

Case Number	Party	Consumer Impact
15-1990-GA-RDR	Duke Energy Ohio, Inc.	Accelerated Service Line Replacement Program - Duke seeks to increase rates to collect from customers a return on and a return of its approximately \$320 million investment to replace service lines.
15-1894-GA-UNC	Dominion East Ohio	Marketing practices of Quake Energy - In this case, the PUCO will be investigating the marketing practices of a gas marketer (Quake) in the Dominion East Ohio service territory.
15-0637-GA-CSS	Orwell Natural Gas Co. v. Orwell Trumbull Pipeline Co.	Transportation Rates - Customers overpaid \$1.5 million to Orwell and \$12,793 to Brainard for transportation expenses related to Orwell-Trumbull Pipeline. Refunds were requested.
15-0475-GA-CSS	Orwell Natural Gas Co. v. Orwell Trumbull Pipeline Co.	Complaint - Customers could be affected by the pipeline company's refusal to reconnect pipelines that were providing service to customers.
15-0453-GA-ATA; 15-0452-GA-RDR	Duke Energy Ohio, Inc.	Collection of manufactured gas costs - Customers may be charged hundreds of millions of dollars for clean-up costs at former manufactured gas plant sites which are no longer used and useful in the provision of utility service.
15-0362-GA-ALT	Dominion East Ohio	Alternative Rate Plan - Dominion seeks to increase the monthly residential pipeline replacement charge by \$0.42 per year, raising the total monthly charge to \$1.85 in 2021.
15-0322-GA-WVR	Vectren	Waiver of Minimum Gas Service Standard Rules - Vectren seeks PUCO permission to delay (for one year) complying with new rules which require it to complete new requests for gas service within three business days.

15-0218-GA-GCR	Duke Energy Ohio, Inc.	Gas Cost Recovery Audit - The PUCO is auditing Duke's gas procurement costs for the period September 2012 through August 2015. Charges to customers under the gas cost recovery rider may increase.
15-0179-GA-WVR	Columbia Gas of Ohio	Waiver of PUCO Rules for Service to New Customers - Columbia sought to delay (until November 2016) complying with new rules which require it to complete new requests for gas service within three days. Columbia subsequently withdrew its request.
15-0050-GA-RDR	Duke Energy Ohio, Inc.	Gas Storage Costs - Duke sought to modify its tariffs to charge marketers (and not other customers) for balancing services. Previously, customers taking standard service from Duke paid these expenses. The PUCO approved Duke's proposal. Duke's Standard Service Offer customers may see lower bills as a result.
14-2203-GA-WVR	Dominion East Ohio	Waiver of Minimum Gas Service Standard Rules - Dominion seeks to delay complying with numerous new gas service rules, such as establishing service within 3 days for new customers.
14-2125-GA-RDR	Dominion East Ohio	Automated Meter Reading Charges - Dominion East Ohio consumers will be charged increased costs for new advanced meters that are intended to improve meter reading efficiency.
14-1654-GA-CSS	Orwell Natural Gas Company v. Orwell Trumbull Pipeline Co.	Complaint - Case was consolidated with 15-637-GA-CSS
14-1622-GA-ALT	Duke Energy Ohio, Inc.	Accelerated Service Line Replacement Program - Duke has proposed to charge customers \$320 million to replace service lines in its service territory.
14-0948-GA-AEC	Brainard Gas Corp.	Special Arrangement - Customers may see increased gas rates for transportation agreements Brainard entered into.
14-0212-GA-GCR	Orwell Natural Gas Co.	Gas Cost Recovery Audit - Residential customers will be provided credits against their future gas bills (\$181,639).
14-0209-GA-GCR	Northeast Natural Gas Corp.	Gas Cost Recovery Audit - Residential customers of Northeast will be provided \$1,013,401 in credits on their gas bills over the next two years.

# 2015 Case Activity

14-0206-GA-GCR	Brainard Gas Corp.	Gas Cost Recovery Audit- Residential customers were provided credits in November (2015) totaling \$4,960.
14-0205-GA-COI	Brainard Gas Corp.; Northeast Ohio Gas Corp.; Orwell Natural Gas Company	Commission Investigative Audit - A Stipulation was reached that implemented policies and procedures for future audits to protect customers from being charged unlawful and unreasonable rates.

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

<i>Case Number</i>	<i>Party</i>	<i>Consumer Impact</i>
15-1588-GE-CSS	OCC et al v. Duke Energy Ohio, Inc.	OCC Complaint on Disconnections - OCC filed a complaint against Duke alleging that Duke's disconnection policies are unlawful and unreasonable.
15-0883-GE-RDR	Duke Energy Ohio, Inc.	2014 Grid Modernization Costs - Duke seeks to collect from customers \$60 million (\$54 million electric; \$6 million gas) for a return on and a return of its smart grid and automated gas meter reading expenses incurred in 2014.
15-0298-GE-ESS	Pitzer v. Duke Energy Ohio, Inc.	Customer Complaint - Relatives of deceased customers seek a PUCO ruling that Duke wrongfully disconnected electric service. Duke's disconnection policy is being examined.
15-0053-GE-ORD	Commission Rules Review	Forecasting - The PUCO called for comments regarding its long-term forecasting rules. Modifications to the rules could affect the information available about long-term plans for supplying natural gas and electricity to Ohio customers.
14-1051-GE-RDR	Duke Energy Ohio, Inc.	Smart Grid Collection - Duke seeks to collect from customers \$60 million (\$53 million electric; \$7 million gas) for a return on and a return of its smart grid and automated gas meter reading expenses incurred in 2013.

## Telecommunications Cases at the Public Utilities Commission of Ohio

<i>Case Number</i>	<i>Party</i>	<i>Consumer Impact</i>
14-1554-TP-ORD	Commission Rules Review	Withdrawal of basic service - This case is about the process and consumer protections in the event a telephone company withdraws customers' basic service.





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