

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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