

Consumers' Corner



Serving Ohio's 4.5 million households

Winter 2014



Ohio electric consumers paying more than most states

Ohioans are paying residential electricity prices that are higher than in 32 other states. This comparison is based on data from the U.S. Energy Information Administration.

This is not welcome news, particularly for residential customers of American Electric Power and Dayton, Power & Light. The chart on Pages 3 and 4 illustrates that customers of those two utilities pay Ohio's highest electric rates, based upon an average monthly customer usage level of 750 kilowatt hours.

The retail electric rates that consumers pay continue to rise even though wholesale electric prices remain low. While electric rates vary by utility, many Ohioans' electric bills have not seen the benefit of these lower wholesale prices for electricity.

Senate Bill 3, passed into law nearly 15 years ago, was intended to create a transition from traditional state-regulated rates to market-based pricing. But some of Ohio's electric utilities have been slow to shift to market-based prices, meaning their consumers missed out on low market prices in recent years.

As Ohio's residential utility consumer advocate, it is the mission of the Office of the Ohio Consumers' Counsel to pursue affordable rates for Ohio's four million residential electric customers. Currently, Ohio customers are paying higher electric bills than their counterparts in most other states. We hope the day comes (and soon) when we can report that Ohioans are paying some of the lowest electricity prices in the nation.

By Marty Berkowitz

How smart is your utility meter?

Advances in technology can make our lives easier, fulfilling a need not previously met. As utilities install smart meters in homes across the state, Ohioans should be able to decide whether the smart meter is helpful technology.

Smart meters are devices that allow two-way communication between your home's utility meter and the utility. This information helps make meter reading for billing easier and more efficient for the utility. Smart meters also can provide consumers with more information about their energy usage than is available with standard meters. This can allow consumers to have access to programs that could reduce energy costs.

Utilities are installing smart meters in many areas of Ohio. According to the Public Utilities

Commission of Ohio (PUCO), American Electric Power has placed 110,000 smart meters in central Ohio as a test market. Duke Energy Ohio has installed 426,000 electric and 288,000 natural gas smart meters. FirstEnergy has at least 42,000 smart meters placed. Dayton Power & Light has indicated it will seek approval from the PUCO by July to install smart meters in its service area.

Smart metering is not without concerns around the country. Concerns include privacy issues regarding access and control of the detailed home usage data collected by smart meters. Also, there are concerns about reduced consumer protection such as when a customer's service can be remotely disconnected through a smart meter.



Electric Prices by State (Cents per Kilowatt Hour)			
	Census Division and State	October 2013 YTD	October 2012 YTD
1	Washington	8.67	8.52
2	North Dakota	9.22	9.19
3	Idaho	9.35	8.68
4	Louisiana	9.47	8.36
5	Arkansas	9.56	9.30
6	West Virginia	9.59	9.88
7	Kentucky	9.75	9.43
8	Oklahoma	9.80	9.58
9	Oregon	9.93	9.81
10	Tennessee	10.07	10.05
11	Wyoming	10.18	9.82
12	Illinois	10.35	11.45
13	South Dakota	10.36	10.13
14	Montana	10.44	10.11
15	Nebraska	10.49	10.19
16	Utah	10.49	9.97
17	Missouri	10.76	10.37
18	Mississippi	10.80	10.23
19	Indiana	10.88	10.54
20	North Carolina	10.95	10.99
21	Virginia	10.98	11.18
22	Iowa	11.27	10.93
23	Florida	11.34	11.39
24	Texas	11.36	10.97
25	Alabama	11.40	11.47
26	Georgia	11.42	11.33
27	Kansas	11.65	11.30
28	Nevada	11.79	11.80
29	New Mexico	11.82	11.50
30	Arizona	11.84	11.40
31	South Carolina	11.85	11.77
32	Colorado	11.93	11.51
33	Ohio	12.00	11.81
34	Minnesota	12.04	11.43
35	District of Columbia	12.55	12.32
36	Pennsylvania	12.81	12.78
37	Delaware	13.01	13.63
38	Maryland	13.23	12.90
39	Wisconsin	13.80	13.26
40	Maine	14.35	14.64
41	Michigan	14.64	14.15
42	Rhode Island	14.88	14.39
43	Massachusetts	15.22	14.99
44	New Jersey	15.80	15.85
45	California	16.35	15.36
46	New Hampshire	16.37	16.11
47	Vermont	17.13	16.75
48	Connecticut	17.53	17.33
49	Alaska	18.18	18.09
50	New York	18.92	17.65
51	Hawaii	37.00	37.50
	U.S. Total	12.16	11.91

(continued on page 3)

Duke to charge natural gas customers \$55 million

In December, the Office of the Ohio Consumers' Counsel (OCC) and others requested that the Public Utilities Commission of Ohio (PUCO) reconsider its November decision allowing Duke Energy to charge \$55 million to its 420,000 natural gas customers. The charges are for Duke's clean-up of pollution at two of its abandoned manufactured gas sites in Cincinnati. In early 2013, the PUCO denied the reconsideration request, in a 3-2 split vote in favor of Duke's proposal to charge customers.

OCC and others are currently considering whether to appeal the issue of the charges to the Supreme Court of Ohio. In the meantime, OCC and others asked the PUCO for a "stay" to prevent Duke from charging customers until there is a decision by the Supreme Court of Ohio in any appeal. This request was not granted.

Residential customers will each pay Duke a total of about \$100, on average, for the clean-up costs over the course of five years.

There are currently about 110 manufactured gas plant sites in Ohio.

At the heart of the issue is whether the charges violate an Ohio law that has protected

consumers in utility rate cases for a century. Ohio law limits utilities to charging for the costs of providing utility service to current customers. The position of residential and business customer groups is that Duke's costs of cleaning up manufactured gas plant sites (that were polluted dating back to the mid-1800s) are not costs of utility service and should not be charged to current utility customers.

The two PUCO Commissioners who dissented from the decision of the majority would have disallowed Duke's charges to customers. Both of those Commissioners cited the ratemaking law as the reason why they could not support granting Duke's request. Based on the same law, the PUCO's Staff recommended disallowing about 90 percent of Duke's request, which would have limited Duke to charging customers for merely \$6.4 million.

Last June, the OCC Governing Board adopted a resolution recommending protection for customers against charges such as manufactured gas plant clean-up costs. The Board expressed its opposition to "efforts to weaken standards that fairly balance the interests of consumers and utilities."

By Marty Berkowitz

Aqua Ohio customers may have to pay more for water service

Water bills could be going up for as many as 86,000 Aqua Ohio customers if the Public Utilities Commission of Ohio (PUCO) grants Aqua's request for a rate increase. In a Dec. 2, 2013 filing, Aqua asked for a rate increase of approximately 11.75 percent, or around \$6.65 million. Residential customers would have to pay, in total, an additional \$4.34 million for water service if Aqua's request is approved. The remaining portion of the increase would be assessed to commercial and industrial customers, as well as to other entities.

A major reason for the proposed increase, according to Aqua, is its water plant investments over the past couple years. Additionally, with its Dec. 2nd filing, Aqua is taking the first step to merge the rates of its Lake Erie, Masury and Aqua Ohio Water (former Ohio American Water) Divisions. Aqua also is proposing to increase several fees. The proposals include increasing account activation charges to \$28.84; increasing reconnection fees to \$56.06 during business hours and \$156.17 for after hours; and increasing the monthly customer charge to \$9. However, some customers will see a decrease

in the amount of the customer charge that they pay. For example, the customer charge would decrease from \$9.21 to \$9 for the Lake Erie Division and \$10.93 to \$9 for the Masury Division, under Aqua's proposal.

The Office of the Ohio Consumers' Counsel has moved to intervene in the case on behalf of Aqua's residential consumers and is reviewing Aqua's proposed increase. Consumers who wish to voice their opinions in this case can do so by writing to:

**The Public Utilities Commission of Ohio
Docketing Division
RE: Case No. 13-2124-WW-AIR
180 E. Broad St., 11th Floor
Columbus, OH 43215**

Comments also can be submitted by email to Docketing@puc.state.oh.us or using the PUCO's website at www.puco.ohio.gov, clicking on the link to the Docketing Information System (DIS) and entering the case number, 13-2124-WW-AIR. On the Web page for the case there is a link to a form for filing comments.

By Erin Biehl

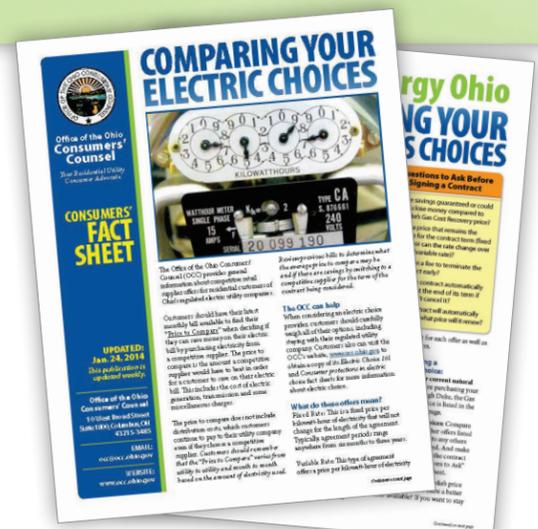
How smart is your utility meter?

(continued from page 1)

Given various concerns, in a 2012 PUCO case (Case 12-2050-EL-ORD), the Office of the Ohio Consumers' Counsel (OCC) recommended that consumers be given the right to opt-out of having a smart meter installed in their home, so they can retain a standard meter. The PUCO adopted rules to allow consumers to opt-out of the installation of a smart meter; however, utilities may charge consumers a fee to continue using their standard meters.

The ability for consumers to opt out of having a smart meter also has caught the attention of the Ohio Legislature. In September 2013, Senate Bill 181 was introduced "To require electric distribution utilities to obtain a customer's consent prior to installing a smart meter on the customer's property." In December 2013, House Bill 368 was introduced "To establish rights for public utility customers regarding smart meters installed on their premises." Both bills were being considered as this article was written.

By Erin Biehl



Download energy price-comparison fact sheets at www.occ.ohio.gov

Comparison of Residential Utility Rates

Rank	Cities	Combined Bill 01/15/13	Combined Bill 02/14/14
1	Ashtabula	\$187.10	\$206.69
2	Cleveland	\$191.00	\$210.59
3	Youngstown	\$191.42	\$211.78
4	Akron	\$193.37	\$213.73
5	Cincinnati	\$213.39	\$217.31
6	Canton	\$200.17	\$222.22
7	Lima	\$204.29	\$226.34
8	Toledo	\$191.87	\$226.34
9	Marion	\$194.18	\$227.89
10	Dayton	\$206.59	\$228.83
11	Lorain	\$195.35	\$229.06
12	Marietta	\$210.17	\$230.43
13	Mansfield	\$197.95	\$231.66
14	Zanesville	\$200.63	\$236.03
15	Columbus	\$210.63	\$224.24
16	Chillicothe	\$214.57	\$248.18
	Average	\$200.17	\$225.71

Source: OCC

Electric utilities seek law change to profit at consumers' expense



When you were young, your parents probably reminded you to turn off the lights and close the refrigerator door. The reason for all that persistence was to pay a lower electric bill by saving energy.

There are two ways Ohioans can save money on their energy bills – by reducing the rates that utilities charge them or by reducing their energy use. Both ways work, but it is difficult to reduce utilities' rates.

With Ohioans benefiting from energy efficiency programs as the result of the Ohio General Assembly's enactment of energy legislation in 2008, the state's investor-owned electric utilities moved last fall to turn customer savings into higher profits.

A proposal to revisit the 2008 legislation was introduced in the Ohio Senate last September. The Bill, Substitute Senate Bill 58, received hearings before the Senate Public

Utilities Committee. Dozens of witnesses, both proponents and opponents, testified. Lawmakers also considered a companion Bill, House Bill 302.

The Bill would make energy efficiency more costly for consumers and more profitable for utilities. The Consumers' Counsel's testimony in the Senate, dated October 9, 2013, can be found at www.occ.ohio.gov/l/services/testimony.shtml. The Office of the Consumers' Counsel was part of a broad coalition formed in an effort to protect customers. The coalition included the Ohio Manufacturers' Association, among others.

The benefits of energy efficiency have been explained by using the terms "mega-watts"

and "nega-watts." Mega-watts are what electric utilities sell to their Ohio customers. Mega-watts are expensive. In fact, information from the U.S. Energy Information Administration shows that Ohioans pay higher residential electric rates than their counterparts in 32 states. On the other hand, nega-watts are what consumers create when they save (or avoid using) electricity, such as by switching to more efficient light bulbs.

Compared to mega-watts, nega-watts are relatively inexpensive. But American Electric Power, Dayton Power & Light, Duke and FirstEnergy want to change energy efficiency (nega-watts) into a profit center at Ohioans' expense. That expense will be costly for Ohioans, with the potential for consumers to each pay hundreds of dollars on average to their electric utilities if Senate Bill 58 and House Bill 302 become law. While the legislation retains a 2008 mandate that utilities find 25 percent of their power from renewable energy sources such as wind and solar, it eliminates the requirement that those sources come from Ohio.

In December, a scheduled vote on Senate Bill 58 was cancelled and further consideration of the measure was postponed until early 2014. The Consumers' Counsel has recommended to legislators that they protect Ohioans by not enacting the legislation into law. For information about how to participate in the legislative process, please see OCC's Web page at www.occ.ohio.gov/action.

By Scott Gerfen

OCC to launch social media participation in 2014

"Social media" is the term used to describe the exchange of information or ideas through electronic networks or virtual communities. It increasingly is the way we receive and distribute information in the 21st Century. The Office of the Ohio Consumers' Counsel (OCC) will begin using these tools in 2014 as another way to communicate with Ohio consumers.

OCC's quarterly newsletter, *Consumers' Corner*, reaches nearly 100,000 subscribers. Social networks, such as Facebook, Twitter and YouTube, can provide a cost-effective means to interact in real time with even more of the consumers in Ohio's 4.5 million households (OCC represents Ohio consumers in matters related to their utility services.)

Internet users, according to Nielsen, spend more time with social media than with any other type of Web site.

Facebook has more than one billion active monthly users with 874 million mobile users and 727 million daily users, according to the company. Twitter counts more than 645 million users with 135,000 new users signing up every

day. According to YouTube, it has more than 1 billion unique users each month with more than 6 billion hours of video watched over that period.

Clearly, social media will provide a new way for OCC to hear from and interact with consumers in real time.

When Facebook is fully implemented for OCC, consumers will be able to receive information about upcoming OCC events and public hearings. Twitter will enable OCC to point followers to relevant news articles and useful sources of utility information, as well as to inform them of new content available at OCC's website, www.occ.ohio.gov.

In Ohio, more than 80 state agencies actively engage in social media. OCC expects to join the list with the goal of reaching more consumers and promoting its vision of informed consumers able to choose among a variety of affordable, quality utility services with options to control and customize their utility usage. Updates about OCC's use of social media will be provided on its website, www.occ.ohio.gov.

By Scott Gerfen

Utility Bills in 16 Major Ohio Cities

City	Electric Standard Service Offer 02/14/14	Gas 02/14/14	Telephone 02/14/14
	\$95.14	\$91.96	\$19.59
	\$95.14	\$91.96	\$23.49
	\$98.28	\$91.96	\$21.54
	\$98.28	\$91.96	\$23.49
	\$90.39	\$96.15	\$30.77
	\$106.77	\$91.96	\$23.49
	\$106.77	\$91.96	\$27.61
	\$97.08	\$105.77	\$23.49
	\$98.28	\$105.77	\$23.84
	\$107.84	\$97.50	\$23.49
	\$98.28	\$105.77	\$25.01
	\$114.98	\$91.96	\$23.49
	\$98.28	\$105.77	\$27.61
	\$106.77	\$105.77	\$23.49
	\$114.98	\$105.77	\$23.49
	\$114.98	\$105.77	\$27.43
	\$102.64	\$98.61	\$24.46

Ohio Utility Rate Survey, Public Utilities Commission of Ohio, Feb. 14, 2014



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Consumers' Corner

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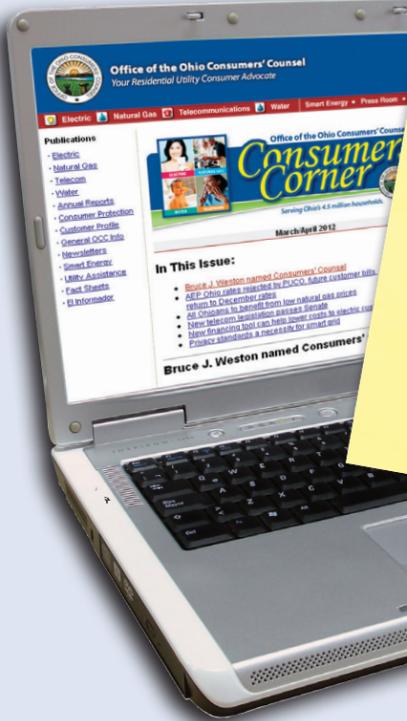
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Consumers' Corner is the newsletter of the Office of the Ohio Consumers' Counsel, the residential utility consumer advocate, serving as a resource for consumers who have questions or would like more information about the services provided by their electric, natural gas, telephone and water utilities.

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OCC Speakers Bureau Request Form

Representatives from the OCC can speak to your group about a variety of utility issues, including consumer protections, payment assistance, electric and natural gas choice and more! For a complete list of topics, visit: www.occ.ohio.gov/education/speaker.shtml

Name _____

Organization _____

Address _____

City _____ County _____ Zip _____

Phone number _____ Number of participants _____

Topic(s) of interest _____

If you would like a specific date, please indicate and we will confirm your request. _____

Go online to occ.ohio.gov/contact/sbform.php, email us at occspeaker@occ.ohio.gov or Fill out this form and mail it to: Office of the Ohio Consumers' Counsel, 10 W. Broad St., 18th Floor, Columbus, OH 43215-3485