



Office of the Ohio Consumers' Counsel

Your Residential Utility Consumer Advocate

CONSUMERS' FAQ

Office of the Ohio Consumers' Counsel

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FREQUENTLY ASKED QUESTIONS: STANDARD CHOICE OFFER



Residential utility consumers in Ohio can choose to purchase natural gas from their utility, an energy marketer or government aggregation group. Consumers that purchase from their utility pay the Standard Choice Offer rate.

The Standard Choice Offer for natural gas has been historically low in Ohio and is likely to remain low. As a result, consumers are unlikely to save money by switching from the Standard Choice Offer to a marketer or aggregator's rate at this time. Historical Standard Choice Offer rates for natural gas utilities can be found on the OCC's website.

To help you understand the Standard Choice Offer, the Office of the Ohio Consumers' Counsel (OCC), the residential utility consumer advocate, has answered these frequently asked questions.

Q. What is the Standard Choice Offer?

A. The Standard Choice Offer (SCO), is the market-based price of natural gas supplied to your residence. It is the price you will pay for your natural gas service. The SCO varies monthly. The SCO includes generation and transmission costs. It does not include distribution and delivery costs.

Q. How is the SCO determined?

A. The SCO is a combination of the wholesale price of natural gas listed on the New York Mercantile Exchange (NYMEX) and the retail price determined by a competitive auction. The marketers with the lowest bids at the auction win the right to supply consumers that have chosen the SCO.

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The Office of the Ohio Consumers' Counsel (OCC), the residential utility consumer advocate, represents the interests of 4.5 million households in proceedings before state and federal regulators and in the courts.

The state agency also educates consumers about electric, natural gas, telephone and water issues.

For more information, please visit the OCC website at www.occ.ohio.gov.



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Q. How do I know if I am paying the SCO?

A. "Standard Choice Offer (SCO)" will be written on your bill if you are paying the SCO rate. The marketer's name will be near the SCO rate.

Q. Do all SCO consumers pay the same rate for natural gas?

A. Yes. All SCO consumers pay the same rate per cubic feet (100 or 1,000 CcF or McF, depending on territory) for natural gas. However, the SCO is different for each natural gas company. Consumers purchasing natural gas from a marketer or aggregator pay the rate named in their contract, not the SCO.

Q. I am an SCO consumer. Why is an energy marketer's name listed on my bill?

A. The marketer listed is one of the auction's winning bidders. You did not enter into a contract with this marketer. Another consumer may have a different marketer's name listed on their bill. The SCO is the same regardless of the marketer listed.

Q. I am enrolled in the Percentage of Income Payment Plan (PIPP Plus). How is my natural gas rate determined?

A. You will pay for natural gas at the Direct Sales Service (DSS), Default Sales Service (DSS) or Standard Service Offer (SSO) rate. This is the same rate as the SCO, except that your tax is slightly lower. Unlike consumers receiving their natural gas at the SCO, you will not see the name of a marketer on your bill. PIPP Plus participants and consumers not current on their utility bills must pay the DSS or SSO rate.

Q. If my contract with a marketer or aggregator ends, who will supply my natural gas service, and at what price?

A. If you are not paying the SCO because you have chosen a marketer or joined an aggregation group, know the length of your contract. Some

contracts renew automatically and you may continue to be served by the marketer after your contract ends. Be aware that the price of your natural gas may change with the expiration or automatic renewal of your contract.

If your contract does not renew automatically or if your marketer or aggregation contract ends, you will be billed at the DSS or SSO price until you choose another marketer, choose another aggregator or another marketer is assigned to supply you at the SCO rate. However, you may be assigned a marketer at their Monthly Variable Rate, which may be higher than the SCO rate. It is best to call the utility and specifically request to be billed "at the Standard Choice Offer" or "SCO" rate.

Q. What if I want to switch from a marketer back to the SCO?

A. You may contact your utility and request the SCO rate at any time. Review your marketer or aggregator's contract for early termination fees.

Q. How do I know which offer is best for me?

A. Considering the low natural gas prices, the SCO is likely the best offer at this time. If you are currently purchasing natural gas at your utility's SCO rate and wish to continue, no further action is necessary.

The OCC also has a fact sheet for comparing your natural gas choices from marketers in your service territory. Visit the Public Utilities Commission of Ohio's website, www.energychoice.ohio.gov, to compare the most up-to-date rates between marketers with the SCO. If there is a better price available, contact the marketer to learn the contract terms and enrollment procedures. It typically takes 45 to 60 days for the marketer's rate to take effect.