

# Annual Report



Office of the Ohio Consumers' Counsel  
*Your Residential Utility Consumer Advocate*

# 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

### 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.

### Communications

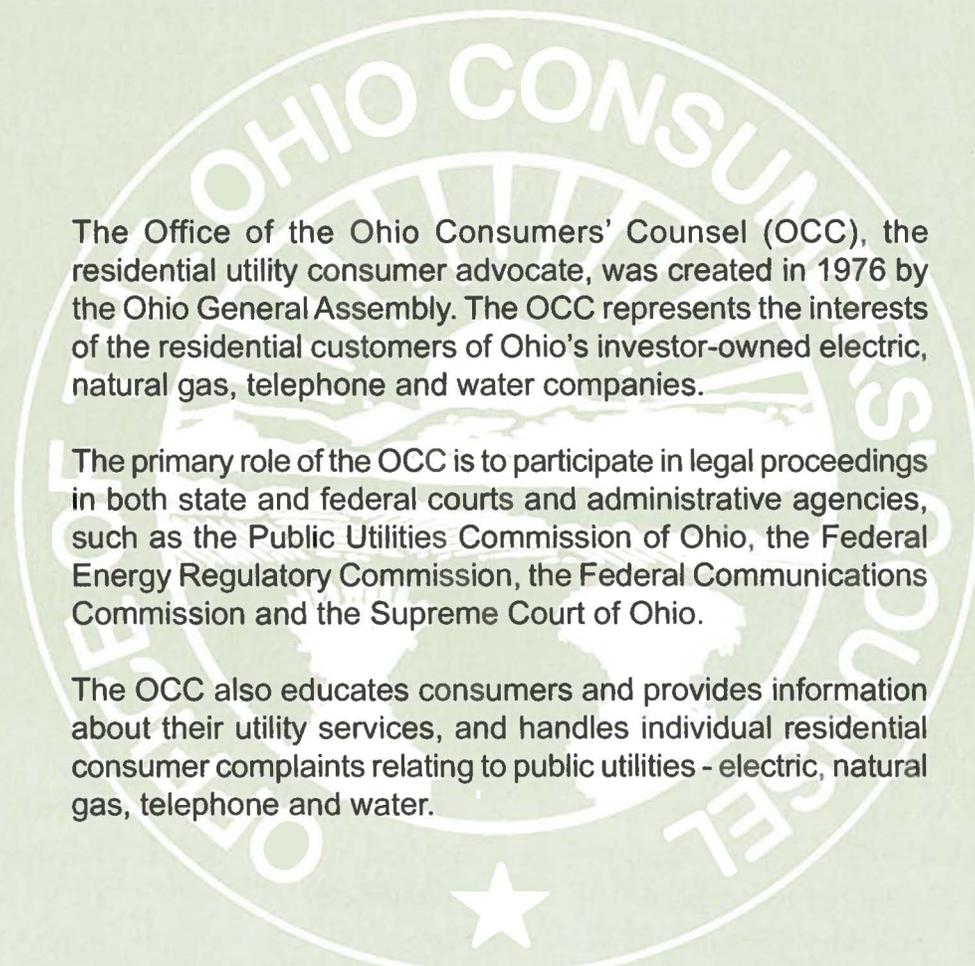
We will share information and ideas to contribute to the making of optimal decisions by our colleagues and ourselves.

### 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.

The seal of the Ohio Consumers' Counsel is a large, light-colored circular emblem in the background. It features the text "OHIO CONSUMERS' COUNSEL" around the top and "OHIO CONSUMERS' COUNSEL" around the bottom. In the center, there is a map of Ohio with a star below it.

The Office of the Ohio Consumers' Counsel (OCC), the residential utility consumer advocate, was created in 1976 by the Ohio General Assembly. The OCC represents the interests of the residential customers of Ohio's investor-owned electric, natural gas, telephone and water companies.

The primary role of the OCC is to participate in legal proceedings in both state and federal courts and administrative agencies, such as the Public Utilities Commission of Ohio, the Federal Energy Regulatory Commission, the Federal Communications Commission and the Supreme Court of Ohio.

The OCC also educates consumers and provides information about their utility services, and handles individual residential consumer complaints relating to public utilities - electric, natural gas, telephone and water.

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# Message from the Consumers' Counsel



*Janine Migden-Ostrander*

**T**he year 2007 ushered in many changes in the regulatory climate for electric, natural gas, telephone and water utilities. The OCC was both a driver of new policy directions as well as a respondent to initiatives that will impact the rates and quality of service for Ohio's 4.5 million residential households. In many ways, 2007 was the harbinger of changes in the wind that will continue through 2008.

In the electric arena, legislation (Senate Bill 221) was introduced to address the question of whether electric rates would be established by the Public Utilities Commission of Ohio or by a competitive market. Recognizing the vast differences in electric rates around the state, the OCC advocated the adoption of a "least cost" approach where whichever measure –

a quasi-regulated rate or a competitively bid market rate – produced the lowest rate for customers.

Within the legislation, the OCC supported measures to increase energy efficiency and renewable energy to meet Ohio's future energy needs. Energy efficiency is currently the least costly option available to consumers as compared to adding new generation. When considering adding new generation, renewable energy has the advantages of not having any fuel costs and having minimal environmental risk associated with it. These advantages will make renewable energy increasingly attractive over time when compared to traditional fossil fuel or nuclear power plants, especially given the imminence of national mandatory greenhouse gas legislation.

The OCC shared our recommendations with Governor Ted Strickland, lawmakers, the media and consumer organizations. Heading into 2008, the OCC's efforts continued as the House of Representatives considered changes to the Senate's legislation. A Web page developed by the OCC at [www.pickocc.org/energypolicy](http://www.pickocc.org/energypolicy) was used to make its testimony and other materials available to consumers electronically from one central location.

While many Capitol Square observers followed the energy policy developments, the OCC addressed many other important utility issues in 2007. OCC fought hard in many gas, electric, telephone and water proceedings to keep rates down so that these essential services are affordable for all customers. This advocacy extended from rate cases to gas cost recovery cases and periodic increases under the rate stabilization cases. OCC staff provided expert testimony while our attorneys argued the consumer cause.

Meanwhile, in a success for the OCC and others, a decision by the Public Utilities Commission of Ohio (PUCO) helped remove some obstacles that have prevented more Ohio residents and businesses from generating renewable electricity and receiving pricing options based on when they use their power.

In the natural gas industry, safety and customer rates have been issues as some natural gas utilities sought to recover costs for fixing certain types of "risers" on customers' properties that are prone to leaks. A natural gas riser is the vertical portion of the service line that connects the primary distribution pipeline to the customer's meter.

The OCC also advocated for measures that could save customers money over the short- and long-run, such as negotiating for energy efficiency programs and putting in place programs that would require natural gas supply service to be competitively bid. A similar program saved the typical Dominion East Ohio customer approximately \$100 on their natural gas bill last year.

The OCC stood up for many telephone customers when AT&T, Cincinnati Bell and Embarq applied for alternative regulation that would allow for basic service rate increases

in certain of their telephone exchanges. The OCC argued that there must be real competitive or alternative choices for consumers before the PUCO can reduce regulation of basic service rates. When alternative regulation was granted despite OCC's concerns, the OCC appealed the decisions to the Supreme Court of Ohio, where oral arguments were held in December regarding protection of basic service rates for customers of AT&T and Cincinnati Bell.

Water rates and service quality remained at the forefront as Aqua Ohio and Ohio American Water sought to increase customers' monthly bills. The OCC was proactive in working with Ohio American Water's consumers on water quality issues, ensuring that the objective of improvements in water quality was part of the case resolution.

I would like to take this opportunity to thank Governor Ted Strickland and the Ohio General Assembly for restoring the OCC's complaint-handling authority. After two years of not being permitted to handle consumers' complaints due to changes in the state's last budget law, the OCC once again is working to resolve these utility issues and bring more assistance and benefits to consumers through our hotline, 1-877-PICKOCC (1-877-742-5622). The OCC customer service staff is pleased to be once again working with individual consumers to help resolve their complaints and concerns. We strive to assist them in receiving better utility services.

I also want to thank the staff of the OCC. As the leader of an organization with a small staff and a big responsibility, I am fortunate to have such dedicated and experienced professionals to take on the difficult task of advocating on behalf of consumers on multiple, complex issues in a changing utility and regulatory environment. And, finally, I extend my appreciation and gratitude to the members of the OCC's Governing Board, who have been dedicated stewards for Ohio's residential consumers and who have supported the work of the agency.

Many challenges await us in 2008. Along with the staff of the OCC, I look forward to the new opportunities for consumer advocacy as we continue to protect Ohio's residential utility consumers and build on our agency's record of accomplishments.

*Janine L. Migden-Ostrander*  
*Ohio Consumers' Counsel*

# Message from the OCC Governing Board Chairman



*Jerome Solove*

In 2007, the Office of the Ohio Consumers' Counsel (OCC) represented the interests of Ohio's 4.5 million households in state and federal cases as well as through the General Assembly's legislative process.

As the residential utility consumer advocate, Consumers' Counsel Janine Migden-Ostrander and her professional staff exemplified the agency's mission – to advocate for consumers through representation and education in a variety of forums. Among those forums were the Ohio Senate and House of Representatives, particularly with respect to Senate Bill 221, the state's energy policy legislation. Clearly, the legislation will affect the landscape of Ohio's electricity market and impact residential consumers for years – if not decades – into the future.

The OCC's work on Senate Bill 221 spanned the agency's staff, from Janine Migden-Ostrander's testimony in front of legislative committees to its staff's legal and analytical work drafting proposed amendments and determining the affects on residential consumers' electric rates.

Communicating with consumers, stakeholders and representative agencies through outreach and education efforts and the media was also a critical part of how the OCC effectively presented the consumer point-of-view across Ohio. At the forefront of the OCC's position was the need for Ohioans to be provided the lowest cost energy option and that we plan for our energy future by promoting the inclusion of alternative energy and energy efficiency in our portfolio of options. These positions have had the strong support of the entire Governing Board.

Significant accomplishments of the OCC have been a direct result of its leadership in the areas of renewable energy and energy efficiency. Recognizing the untapped potential for green sources such as wind, solar and biomass, the OCC advocated for consumers to have green pricing options. Through negotiations with American Electric Power, Duke Energy and FirstEnergy, customers are now able to purchase renewable energy credits to sustain and enhance the market for green power. Additionally, the OCC worked with several utilities to implement energy efficiency programs.

Likewise, new programs have been put into place to provide many electric customers with low-cost energy efficiency audits and other programs to empower them to better manage their usage and save money.

In the telecommunications industry, the OCC opposed requests by AT&T, Cincinnati Bell and Embarq to be able to raise the monthly price that consumers pay for basic local service and basic Caller ID in some service areas through "alternative regulation." While we see the benefits of competition for more expensive packages of telephone services, we also see very little in the way of competitive options for residents who simply want basic local service.

The Governing Board and the OCC advocate for consumers in all parts of Ohio to have access to wireless and broadband technologies where basic telephone service is being deregulated. On that note, we believe that all telephone customers – regardless of the technology

used for service – should receive safeguards and protections to ensure adequate telephone service for all their calling needs, whether routine or emergency.

On behalf of the Governing Board, I extend our gratitude to Governor Ted Strickland and the Ohio General Assembly for restoring the ability of the OCC to assist consumers who call with complaints regarding their utility service. The office is once again working to resolve disputes when residential utility consumers contact OCC through its hotline, 1-877-PICKOCC (1-877-742-5622).

I also wish to thank Janine Migden-Ostrander, Deputy Consumers' Counsel Bruce Weston and the hard-working staff at the OCC for their commitment to residential consumers and their passion for doing all that it takes to effectively represent the interest of consumers across Ohio.

The OCC 2007 Annual Report highlights the important work accomplished by the OCC and their advocacy efforts on behalf of residential utility consumers. The OCC is prepared to meet many challenges ahead in 2008, including cases that will determine utility rates for customers of Aqua Ohio, Columbia Gas of Ohio, Dominion East Ohio, Duke Energy, FirstEnergy, Ohio American Water, and Vectren Energy, among others.

I share the enthusiasm of OCC's dedicated staff for representing the interests of Ohio consumers in the year ahead, and the Governing Board has confidence the agency will continue to excel in its mission.

***Jerome G. Solove, Chairman  
OCC Governing Board***



**Jerome Solove, Chairman**

**Chairman, 1999 — present**  
**Board Member, 1998 — present**  
**Representing Residential Consumers**  
**Hometown: Powell**

Jerome Solove was appointed to the Governing Board in 1998 to represent residential consumers, and became Chairman in 1999. He is the President and owner of the real estate development firm Jerome Solove Development, Inc., headquartered in Columbus. Mr. Solove is a member of the International Council of Shopping Centers, as well as a former board member of the Columbus Area Apartment Association and the Rickenbacker Port Authority in Franklin County. Mr. Solove earned a bachelor of science in business administration with a dual major in real estate and finance from The Ohio State University, including a year of study at the London School of Economics.



**John Moliterno, Vice Chairman**

**Vice Chairman, 2006 — present**  
**Board Member, 2003 — present**  
**Representing Residential Consumers**  
**Hometown: Girard**

John Moliterno was appointed to the Governing Board in 2003 to represent residential consumers and became Vice-Chairman in 2006. He lives in Girard, Ohio and is President and CEO of Pegasus Printing Group which includes printing related companies in Ohio and Pennsylvania. In addition, he is the Treasurer of the City of Girard. Previously, Mr. Moliterno served as President and CEO of the Youngstown/Warren regional Chamber of Commerce. He is a board member of the Youngstown State University Penguin and Better Business Bureau of Mahoning Valley, and Chairman of the Trumbull County Workforce Development Board.



**Randy Beane**

**Board Member, 2005 — present**  
**Representing Organized Labor**  
**Hometown: Dayton**

Randy Beane was appointed to the Governing Board in 2005 to represent the interests of organized labor. Mr. Beane is a Lieutenant with the City of Dayton Police Department. During his more than 30 years with the department, Mr. Beane has served in many capacities including District Commander, SWAT Commander, Communications Bureau Commander and Drug Task Force Commander. He currently serves as the President of the Dayton Fraternal Order of Police, Lodge #44 and as the President of the Dayton Police Athletic League. Mr. Beane graduated from Wright State University with a bachelor's degree in urban affairs.

## **Gene Krebs**

**Board Member, 2005 — present**  
**Representing Residential Consumers**  
**Hometown: Camden**

Gene Krebs was appointed to the Governing Board in 2006 to represent the interests of residential consumers. Mr. Krebs is Co-Director of Greater Ohio, a campaign that is working to revitalize Ohio communities through land use reforms. He served as a State Representative for House District 60 from 1993 until 2000. Mr. Krebs serves as a board member of the Ohio Mathematics and Science Coalition. Additionally, he is a member of the Camden Chamber of Commerce and the Preble County Farm Bureau. Mr. Krebs graduated from Bowling Green State University with a bachelor's degree in biology, and has published articles in both scientific publications and the general press, such as *the Wall Street Journal*.



## **Dorothy L. Leslie**

**Board Member, 2001 — present**  
**Representing Family Farmers**  
**Hometown: Upper Sandusky**

Dorothy L. Leslie was appointed to the Governing Board in 2001 to represent family farmers. Mrs. Leslie resides in Upper Sandusky where she and her husband have operated a family farm since 1951. Mrs. Leslie previously served as State Executive Director of the Agricultural Stabilization and Conservation Service from 1989 to 1993. She has served as chairperson of the state committee of that agency since 2001 and has received multiple awards from the U.S. Secretary of Agriculture for her service to the farmers of Ohio. As an RN she served as a medical research associate working with farmers for the Ohio State University. She is an active member of a number of farm organizations, community projects and her church.



## **Joe Logan**

**Board Member, 2007 — present**  
**Representing Family Farmers**  
**Hometown: Kinsman**

Joe Logan was appointed to the Governing Board in 2007 to represent the interests of family farmers. Mr. Logan is the past president of the Ohio Farmers Union, and sits on the Board of Directors of the National Farmers Union, where he serves as the Chairman of the Budget and Audit Committee and Vice Chair of the Legislative Committee. He previously served as the President of the National Association of Farmer Elected Committees (NAFEC) representing the interests of the locally elected committees in the Farm Service Agency offices nationwide.





**David McCall**

**Board Member, 2007 — present**  
**Representing Organized Labor**  
**Hometown: Reynoldsburg**

David McCall was appointed to the Governing Board in 2007 to represent the interests of organized labor. Mr. McCall is the director of District 1 (Ohio) of the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union (United Steelworkers). He also serves as secretary of the Union's Constitution Committee and chairs the Union's Negotiating Committees for several of the member companies. McCall attended the labor studies program at Indiana University – Northwest and graduated from the Harvard University Trade Union Program.



**Michael Murphy**

**Board Member, 2003 — present**  
**Representing Organized Labor**  
**Hometown: Cleveland**

Michael Murphy was appointed to the Governing Board in 2003 to represent organized labor. He lives in North Olmsted, Ohio where he currently serves as President-emeritus of the Service Employees International Union (SEIU) Local 47. He is also the President of the SEIU Ohio State Council, is on the executive board of the Ohio AFL-CIO and is Vice-President of the Cleveland AFL-CIO. In 2006, he was assigned to be the Administrative Assistant to the North Shore Federation of Labor.



**Roger Wise**

**Board Member — 2006 to present**  
**Representing Family Farmers**  
**Hometown: Fremont**

Roger Wise was appointed to the Governing Board in 2006 to represent the interests of family farmers. Mr. Wise is President of the Ohio Farmers Union and a Trustee for Jackson Township in Sandusky County.

**John Steinberger, Jr.**

**Board Member, 2001 — 2007**  
**Representing Family Farmers**  
**Hometown: St. Paris**

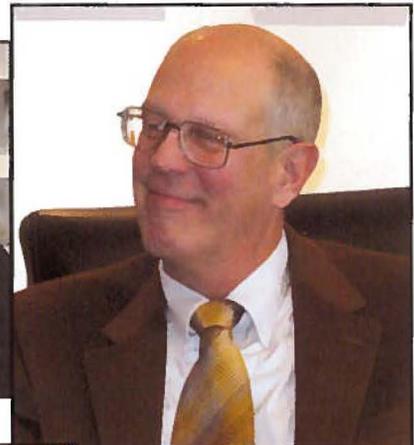
John Steinberger was appointed to the Governing Board in 2001 to represent family farmers. He lives in St. Paris and is now retired. Mr. Steinberger has been very active in farming and agriculture throughout his career, which includes service as Executive Director of the Ohio Rural Development Partnership and Chief of the Division of Weights and Measures at the Ohio Department of Agriculture. He is a former County Commissioner and has been active in numerous local organizations.



**Mark Totman**

**Board Member, 2005 — 2007**  
**Representing Organized Labor**  
**Hometown: Hilliard**

Mark Totman was appointed to the Governing Board in 2005 to represent organized labor. He lives in Hilliard and currently serves as a Trustee and Legislative Representative for the International Union of Operating Engineers Local 18. In 2001, he was appointed to the Governor's Labor Advisory Council.



## **Consumers' Counsel**

As Consumers' Counsel, Janine L. Migden-Ostrander oversees the state agency that represents the interests of Ohio's 4.5 million residential households with their investor-owned electric, natural gas, telephone and water companies.

Ms. Migden-Ostrander was sworn into office on Monday, April 5, 2004 by the Ohio Attorney General. Prior to being appointed Consumers' Counsel by the Ohio Consumers' Counsel's Governing Board, Ms. Migden-Ostrander was a partner in the law firm of Hahn Loeser & Parks and served as Co-Chair of the firm's Utility and Regulatory Practice Group.

In her role as Consumers' Counsel, Ms. Migden-Ostrander has championed a variety of energy and telecommunication policies including integrated portfolio management, alternative sources of energy, energy efficiency programs and innovative rate designs in the energy industry as well as the delivery of broadband services and other technologies to rural and urban customers. Ms. Migden-Ostrander also has made it an agency priority to find solutions for the growing number of customers who struggle with affordability of utility services. She is intent on addressing ways to improve traditional avenues of advocacy and outreach and education programming, as well as setting policy ground rules to increase the effectiveness of the Consumers' Counsel in regulatory hearings.

Ms. Migden-Ostrander's career in public utilities began at the Office of the Ohio Consumers' Counsel, where she served as an administrative assistant before earning a law degree from Capital University. She then was promoted to Assistant Consumers' Counsel for the agency and litigated a variety of cases that involved electric, natural gas, telephone and water companies.

Ms. Migden-Ostrander's previous experience also includes serving as Senior Director of Government Affairs for Enron Corporation and as Special Prosecutor for Montgomery County. She has been involved in proceedings before numerous state utility commissions, and has monitored activities and worked on policy issues involving state and federal energy and telecommunications matters. In addition, she has worked on legislation in numerous states involving a variety of issues including natural gas and electric competition.

Ms. Migden-Ostrander is a past board member of Green Energy Ohio, Ohio Partners for Affordable Energy, the Ohio Environmental Council and the National Low Income Energy Consortium. She currently serves on the National Coal Council, a federal advisory committee to the U.S. Secretary of Energy, as well as the Executive Committee of the National Association of State Utility Consumer Advocates and on the Board of the Midwest Energy Efficiency Alliance. She earned a bachelor of arts from the State University of New York, and earned a Certificat de la Langue et Civilisation Francaise from the Universite de la Sorbonne in Paris, France.



## **Deputy Consumers' Counsel**

As Deputy Consumers' Counsel, Bruce J. Weston oversees the legal department and contributes to the formulation of policy for the Office of the Ohio Consumers' Counsel (OCC) and its Governing Board. In addition, he fulfills Janine Migden-Ostrander's role as Consumers' Counsel in her absence.

The legal department works with the agency's staff to represent the interests of residential consumers in complex utility proceedings before the courts and regulatory commissions at both the state and federal levels. Mr. Weston manages a staff of attorneys that has extensive experience in negotiation and litigation of utility proceedings. His responsibilities also include overseeing legal work that involves the preparation of proposed changes in state laws and administrative rules and review of legislation to assist residential consumers.

Mr. Weston brings more than 20 years of experience in public utilities law to the OCC. He is committed to protecting the interests of Ohio's 4.5 million residential utility households. His priorities for the OCC include advocating for reasonable rates, competitive choices, new technologies, and maintaining good service quality for residential utility consumers throughout Ohio.

Prior to joining the OCC in October 2004, Mr. Weston was in the private practice of law. He served as legal counsel for clients in cases involving utility rates, service quality, industry restructuring, and competition.

Mr. Weston began his career at the OCC in 1978 as a law clerk. After earning his Juris Doctor degree from The Ohio State University College of Law in 1980, he began a 12-year tenure as counsel for the agency.



### **Analytical Services**

Aster Adams joined the OCC in November 2005 as the Director of Analytical Services. He is responsible for overseeing the review of the accounting, economic and financial analysis associated with utility rate filings and other regulatory proceedings. Prior to joining the OCC, Mr. Adams was Chief of the Competitive Markets and Policy Division of the Tennessee Regulatory Authority. He holds a licence en économie from The National University of Rwanda and has earned a master's degree in economic development from Vanderbilt University. Currently, he is pursuing a doctorate in economics from Vanderbilt University.



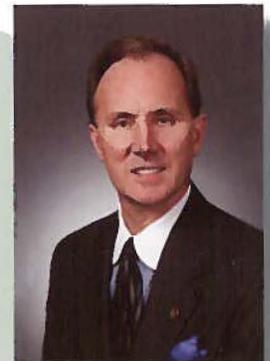
### **Communications**

Beth Gianforcaro re-joined the Office of Consumers' Counsel as Director of Communications in October of 2007. She held a similar communications positions at OCC from 1986-1992. She manages a staff of communications experts in the planning and implementation of all public and media relations activities and outreach and education efforts, as well as the development of printed materials and the OCC Web site. Ms. Gianforcaro has more than two decades of experience managing award-winning communications programs for several State of Ohio government agencies, including the Ohio Environmental Protection Agency and the Public Utilities Commission of Ohio. She holds bachelor's degrees in English-Journalism and Speech Communications from Miami University, Oxford and is completing a master's of science degree in journalism from Ohio University's E.W. Scripps School of Journalism.



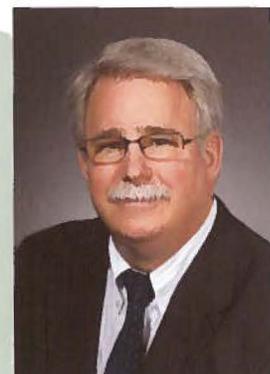
### **Government Relations**

Dennis Stapleton joined the OCC as Director of Legislative and Governmental Affairs in June 2004. He serves as the relationship manager between state and federal government and the OCC. Prior to joining the OCC, Mr. Stapleton served as an Assistant Director at the Ohio Department of Insurance and from 1996 to 2003 he served in the Ohio House of Representatives for the 88th District and was the Chairman of the House Insurance Committee. He holds a bachelor's degree in broadcast communications from the University of Dayton.



### **Operations**

Charles Repuzynsky joined the OCC as Director of Operations in July 2005. He oversees the Operations Department, which encompasses the Administration and Consumer Services Divisions. Areas of responsibilities include finance, budgeting, strategic planning, human resources, information technology and the call center. Prior to joining the OCC, Mr. Repuzynsky served as the Chief Financial Officer for the Ohio Historical Society, a non-profit quasi-government organization. He is also a member of the Institute of Management Accountants, the American Payroll Association, the Association of Government Accountants and the Society for Human Resource Management. He holds a bachelor's degree in business administration with a major in accounting from The Ohio State University.



# Government Relations



**F**or more than 30 years the Office of the Ohio Consumers' Counsel (OCC) has had a keen interest in legislation that impacts Ohio's residential consumers who are served by public utilities. OCC's practice of participating in the legislative process was especially active in the first year of the 127th General Assembly.

While one bill, Substitute Senate Bill 221, introduced by request from Governor Ted Strickland in August, dominated both the House and Senate Public Utility Committees

during 2007, more than 20 other bills related to utility matters were also introduced. The largest number of bills dealt with some form of tax exemption while others introduced either promoted or established alternative and advanced energy standards in Ohio for the first time – a position long-advocated by the OCC.

In addition to S.B. 221, of particular interest to the OCC have been H.B. 72 introduced by Rep. Clyde Evans, (R-Rio Grande), H. B. 357 introduced by Rep. Jim McGregor (R-Gahanna) and H.B. 250 introduced by Rep. Shannon Jones (R-Springboro).

## H.B. 72

Rep. Evans' bill, H.B. 72, would create a task force to study broadband and wireless communication development in all areas of the state, but particularly in the rural areas that lack such crucial coverage. The OCC believes this is an important task to provide more options to customers. The OCC is also concerned with the practice of telephone companies filing for alternative regulation for pricing flexibility for basic service without clear competitive choices for comparable service.

Governor Ted Strickland also launched his Ohio Broadband Council which shares many of the same objectives as HB 72. The OCC was appointed to the Council and will ensure that the residential consumer perspective is represented.

## H.B. 357

H.B. 357, introduced by Rep. McGregor, was assigned to the newly created Alternative Energy Committee in the Ohio House. Involved at the outset, many of OCC's suggestions became part of the introduced version of the bill. Rep. McGregor sought recommendations in areas that involved advanced energy components, energy efficiency and renewable energy standards. At year end, the bill had not moved out of committee.

## H.B. 250

H. B. 250, introduced by Rep. Jones, would create revenue decoupling mechanisms for natural gas companies. OCC insisted in its testimony and during meetings with legislators that any revenue guarantees for the utilities should include specific consumer protections and be tied to energy efficiency measures. The bill, as of year end, was still in the Ohio House Public Utility Committee.

## S.B. 221

With electric rate stabilization plans set to expire at the end of 2008, state regulators, lawmakers and other

parties were particularly interested in the plan to restructure Ohio's electric industry. Without such a plan, dramatic rate increases could be expected in parts of the state.

The issue gained prominence when Governor Ted Strickland presented his energy proposal to the state legislature on August 29. The resulting legislation, Senate Bill 221, passed the Ohio Senate unanimously on October 31. The amendments included in the Senate-passed version heightened the OCC's concerns that the bill, in that form, could lead to higher electricity rates. At year end, the bill was in the Ohio House Public Utilities Committee as representatives heard testimony from the OCC, regulators and other utility experts about the statewide energy legislation.

Consumers' Counsel Janine Migden-Ostrander testified four times before the Senate and the House regarding Senate Bill 221 in 2007. In her legislative testimony, Migden-Ostrander cited the need for a 10-point approach to ensure a sound energy future that gives residential consumers a fair regulatory process and the lowest rates. The OCC's full list of recommended protections for residential consumers is as follows:

- ▶ Utilities should be required to develop a side-by-side comparison of all pricing options, including a regulated rate and a market rate so the lowest cost option can be determined and provided to customers;
- ▶ A fair process should be created in cases at the Public Utilities Commission of Ohio (PUCO) that includes ample time for participants to prepare;

- ▶ Customers should not continue to pay for charges that are scheduled to expire;
- ▶ No automatic increases outside a rate case process should be permitted;
- ▶ Discounts to large users should not be grandfathered into the law. Any discount should be based on criteria tied to economic development and jobs, and should be for limited periods of time and subject to renewal if the circumstances warrant;
- ▶ A prudence standard should be reintroduced so it requires accountability to the customers who are paying for the utilities' decisions regarding purchases;
- ▶ The baseline rates allowed by Senate Bill 221 are too high and result in customers repaying for costs already recovered by utilities;
- ▶ Customers who switch electric providers should be able to avoid their original utility's entire generation rate;
- ▶ Any infrastructure improvement costs should be sought only as part of a full rate case;
- ▶ Criteria should be established that the PUCO must consider when deciding whether to increase rates.

The OCC also testified at the Ohio legislature in favor of more energy efficiency and renewable energy which



can ensure reliability and stabilize prices. In addition, the OCC testified on the importance of increased disclosure from utilities when they seek rate increases.

Renewable energy and energy efficiency should be part of a portfolio of options to meet the growing demand for electricity in the years to come. These largely untapped resources give Ohio a tremendous opportunity to reduce or moderate the demand for electricity and the expensive centralized power plants needed to produce it, and reduce reliance on limited resources such as fossil fuels. Another benefit of utilizing renewable energy is there is no fuel cost for producing electricity.

For these reasons, the OCC recommended amending Senate Bill 221 to increase the percentage of renewable energy a utility must purchase for sale to its customers. Benchmarks and penalties should also be added to ensure that utilities achieve incremental progress toward using renewable energy instead of delaying or deferring use of these resources. In addition to the increased use of renewable energy, the OCC

believes that 22 percent of new electricity can be saved through energy efficiency measures by 2025.

The concept of transparency is an extremely important element to fair rates for consumers. Full disclosure of all parts of a rate case – including side deals and special contracts – is essential to verify the millions and sometimes billions of dollars at stake in complex cases. Transparency should also provide parties with adequate time to review and analyze the complex filings in order to verify the costs and protect consumers.

Side deals and special contracts that utilities sign with other companies need scrutiny to protect residential consumers. Side deals are generally not presented in a PUCO process for comment by others or for possible approval by the PUCO. Those involved in side deals, including the utilities and their affiliates, should be required to disclose the side deal.

Special contracts were established years ago to promote economic development, among other objectives. To fully protect customers, special contracts should be allowed to expire

and a more defined public process is needed to address any remaining concerns.

Transparency needs to be a part of all aspects of utility regulation. With an open and inclusive process that includes ample time to review complex utility requests, the OCC can effectively work toward obtaining the best outcomes for residential utility consumers, just as others can work in an open, fair process toward meeting their needs.

As the House finishes its analysis and finalizes the energy bill in 2008, important issues remained for Ohio consumers. Residential consumers must be protected and provided with the lowest cost energy options, with a fair and open rate setting process and with more opportunities for the use of renewable and energy efficiency resources. It was important that the OCC and others were able to participate in the process of Senate Bill 221 and that OCC represented the perspective of residential consumers, as the decisions made by the Ohio legislature will have a profound effect on the future of consumers' utility bills and service quality.



<b>House Bills</b>	<b>Sponsor</b>	<b>Description</b>
40	Rep. Mike Skindell	Creates the Council on Sustainable Energy.
72	Rep. Clyde Evans	Creates a task force to study broadband and wireless communications expansion in Ohio.
76	Rep. Robert Hagan	Establish renewable energy requirements.
77	Rep. Robert Hagan	Mercury emissions standards for electric generating facilities are established.
158	Rep. Jim Hughes	To allow non-refundable tax credits for the installation of energy-efficient devices in the home.
250	Rep. Shannon Jones	To allow for revenue decoupling by natural gas suppliers.
290	Rep. Armond Budish	To require that landlord to pay the required amount due for utility service in a timely manner unless the service is individually metered.
357	Rep. Jim McGregor	To modify and expand energy development in the state of Ohio.
HCR 19	Rep. Dan Stewart	To memorialize the Congress of the United States' enactment to secure America's energy independence.

<b>Senate Bills</b>	<b>Sponsor</b>	<b>Description</b>
32	Sen. John Bocchieri	Promotes the production of alternative fuels.
142	Sen. Robert Schuler	Sales tax exemption for certain products.
166	Sen. David Goodman	Requires rules for removal of trees from utility easements.
198	Sen. Lance Mason	Creates tax credits for investing in renewable energy property.
199	Sen. Lance Mason	Creates tax credits for constructing energy efficient buildings.
200	Sen. Lance Mason	Exempts solar and wind energy devices from sales tax.
213	Sen. Lance Mason	Requires Department of Administrative Services to require state agencies to use renewable energy sources.
239	Sen. Randy Gardner	Requires counties to not spend more on energy conservation than the amount to be recovered over the life expectancy of the system.
242	Sen. Dale Miller	Establishes a renewable portfolio standard for electric suppliers.
265	Sen. Lance Mason	Allows exemptions of sales & use tax on purchases of energy-saving devices.

# Managing Ohio's Energy Future



**S**ecuring a bright, affordable energy future for Ohio consumers was at the forefront of the opportunities embraced by the Office of the Ohio Consumers' Counsel (OCC) in 2007. With rate stabilization plans set to expire at the end of 2008, many of the OCC's ideas came to the forefront through the legislative process. Examples of the agency's recommendations included: the need for utilities to have a diversified portfolio standard that includes renewable energy resources; increased use of energy efficiency; and rates that are established at the lowest levels possible while still ensuring reliability.

## ***Renewable Energy***

Renewable energy has become one of the more important topics of discussion in Ohio and across the United States as the country looks for ways to resolve environmental concerns and dependence on foreign energy sources.

In Ohio, wind, biofuel and solar energy projects have begun to sprout and many customers are

talking about making them part of the energy they use on a daily basis. Still, Ohio lags behind approximately two dozen states that have renewable portfolio standards requiring electric utilities to produce a certain amount of their generation using green resources such as the sun and wind.

Ohio is catching up with other states as legislation was introduced this year that would increase the use of renewable energy in Ohio.

In addition, the OCC partnered with American Electric Power, Duke Energy and FirstEnergy to introduce green pricing options that allow customers to choose to support the development of renewable energy certificates. These certificates represent the positive environmental and social attributes associated with renewable energy. Each option was created through the collaborative work of the OCC, the companies and others in order to bring more options to consumers who are seeking ways to support alternatives to traditionally produced electricity.

## Distributed Energy Becomes Easier

The Office of the Ohio Consumers' Counsel made significant contributions over the last two years to make distributed generation easier for consumers to pursue. Distributed generation refers to energy produced on the customer's property that is also usually owned by the customer. Among the work done by the OCC to make distributed generation more assessable were changes to the rules for net metering (the "net" result of how much energy a customer provides or uses from the utility) and interconnection (the physical connection of the energy generated by customers to a utility's distribution line).

OCC also provided input on electricity usage to reduce demand at peak times. Net metering and interconnection rules are critical for customers who want to install solar panels or other forms of renewable energy. Also critical are standby rates for larger customers who self-generate but need the utilities to provide back-up service when their generator is down.

The positions of the OCC and other stakeholders on these issues resulted in the Public Utilities Commission of Ohio's (PUCO) March 28 adoption of new interconnection, net metering and standby rate regulations and requirements that utilities offer time-differentiated rates, among other outcomes. These provide different tools for customers to potentially save on their electric bills. This case was an outcome of the Energy Policy Act of 2005 which required the PUCO to consider various elements of distributed generation technologies and make a determination about them for Ohio. — *Case No. 05-1500-EL-COI*

## Energy Efficiency

Reducing the demand for electricity is a measure that has begun to gain ground with utility companies. Utilities like Duke Energy Ohio, First Energy and Vectren Energy delivery

of Ohio have implemented demand side management programs to help consumers curb their use of energy. Duke Energy has 10 different energy efficiency programs for consumers, FirstEnergy introduced the Home Performance with ENERGY STAR and residential direct load control programs and Vectren began a weatherization program for low-income customers who were at 150 percent to 200 percent of the federal poverty requirements. OCC actively worked in collaboration with the utilities to develop these programs.

## Duke Introduces Programs to Curb Usage

New energy efficiency programs were introduced to customers of Duke Energy Ohio which could help reduce future electricity and natural gas costs. The OCC supported Duke in the development of these programs and the PUCO accepted them in July 2007.

Duke Energy has offered 10 different programs to its customers. Four of the programs provide customers with home energy analysis to help determine cost-effective ways to save energy, three are educational tools, two provide incentives to promote high efficiency heating and cooling equipment and one is a pre-paid

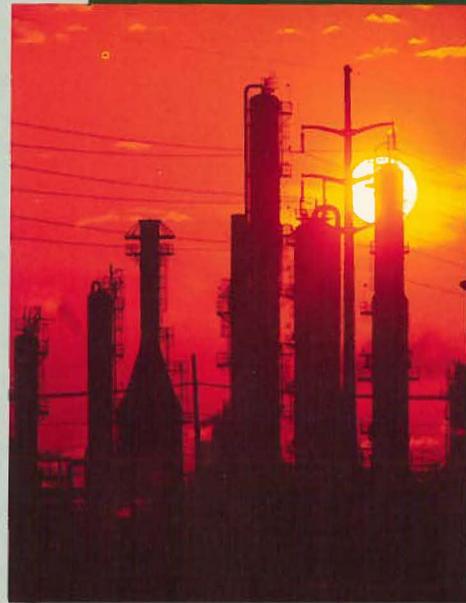
program that allows consumers to control their monthly bills.

The OCC believes these demand side management programs provide system benefits for residential customers and are an effective way to control energy costs. The natural gas programs will be launched as pilot programs for three years and the electric program will be used for five years.

Duke Energy will use \$75 million to fund the program over the five years. Duke will be able to recover program costs and lost revenues due to increased efficiencies as a result of the programs. Some of the programs will also allow Duke an incentive to collect a based shared savings mechanism on how well the programs perform. The money recovered will be subject to refund or additional collection by Duke, which will be determined by future impact studies to determine the programs' effectiveness. — *Case Nos. 06-91-EL-UNC, 06-92-EL-UNC, 06-93-GA-UNC*



# Electric



In the fall, Ohio began to plan a course for how electric generation service will be priced beginning in 2009 – either through a hybrid regulatory scheme or through the competitive market. Governor Ted Strickland proposed legislation that became Senate Bill 221. The legislation was amended and passed by the Ohio Senate and moved to the Ohio House of Representatives for consideration. Senate Bill 221 may set the foundation for much of the Office of the Ohio Consumers' Counsel's (OCC) future advocacy on behalf of Ohio's electricity consumers. Through our testimony on the bill, the OCC sought consumer safeguards and protections to help achieve the lowest cost electricity option for residential consumers whether that is through regulated or market-based generation rates in each utility's service territory.

*(For additional information about S.B. 221 please see "Government Relations" section of this Annual Report).*

Another statewide issue was the continuation of a review of regulatory barriers that have prevented residential and business consumers from producing their own electricity, known as distributed generation. Based on technical conferences held in 2006, four subjects were further examined through separate cases at the Public Utilities Commission of Ohio (PUCO): smart meters, standby rates, fuel diversity and the concept of an advanced energy portfolio. The OCC provided extensive comments and expert analysis in these proceedings. *(These topics are further discussed in the "Managing Ohio's Energy Future" section of this annual report.)*

Finally, OCC advocated for consumers in the many rate stabilization proceedings to minimize rate increases under these plans. OCC's concerns included the amount of the increases and the process used to develop the rates.

Pertaining to customers' electric generation rates, Rate Stabilization Plans established in 2006 by the PUCO continued to raise many Ohioans' monthly bills. By the end of 2007, the Supreme Court of Ohio issued decisions in the OCC's appeals of the rate plans. In some of the decisions, the Court sent the cases back to the PUCO to correct errors, while another was vacated.

The second year of automatic generation rate increases began for customers of American Electric Power (AEP) in 2007. In January 2007, AEP's Ohio Power customers saw an automatic 7 percent increase in the generation portion of their bill, while its Columbus Southern Power customers experienced an automatic 3 percent generation increase.

Beyond the automatic increases, several cases during the year were litigated at the PUCO based on allowances for additional rate increases in the utilities' rate plans. For example, under its PUCO-approved rate plan, AEP was permitted during 2007 to impose additional increases to generation based on increased costs for areas such as environmental, regulatory requirements, taxes and security. Duke Energy had cases in 2007 involving several different surcharges established under its rate plan that allowed Duke to seek recovery of generation costs, including the Fuel and Purchased Power charge, the Annually Adjusted Component and the System Reliability Tracker.

In addition, 2007 brought the first electric distribution rate case since the 1990s for three FirstEnergy companies. Distribution rates – which generally recover a utility's costs for local facilities and equipment such as poles and wires also allow for a reasonable profit for shareholders. These rates can account for 30 to 40 percent of a typical residential customer's monthly electric bill. Rate cases involve a review of utility filings, requests for additional information

and evidentiary hearings to allow parties to the case to question utility representatives. From the filing of an application to a final PUCO decision, the entire process typically lasts nine months.

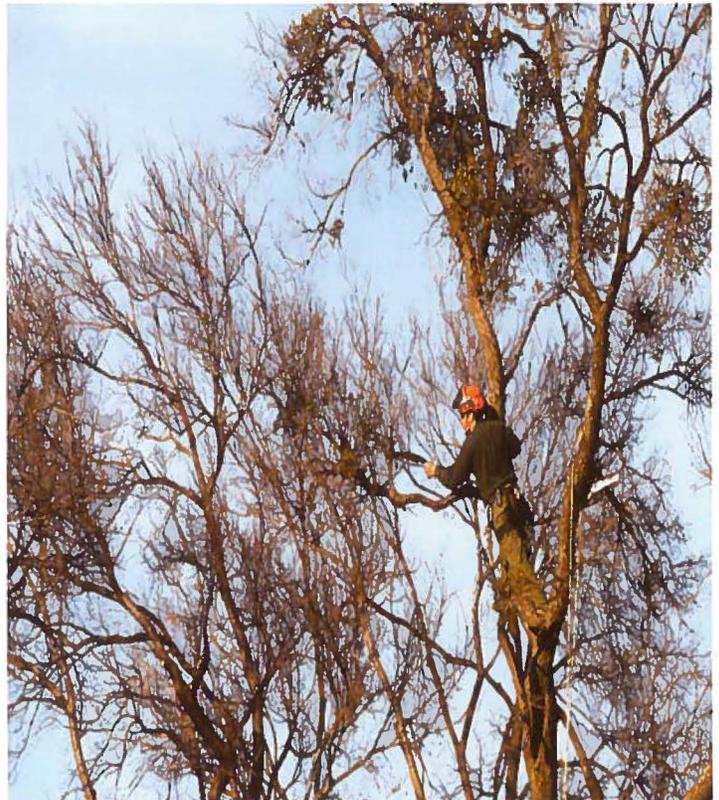
In June 2007, FirstEnergy, serving 1.9 million residential customers through three northern Ohio utilities, requested to increase its distribution rates during 2009 by a total of \$340 million per year – \$162 million for Ohio Edison customers, \$107 million for Cleveland Electric Illuminating customers and \$71 million for Toledo Edison customers. FirstEnergy stated that because of the concurrent elimination of a regulatory transition charge, the net result will be lower rates for FirstEnergy customers.\* However, the reduced charges were not connected with the case concerning FirstEnergy's distribution rates. If a review of FirstEnergy's rate increase request shows that distribution rates should increase by less than the \$340 million requested by FirstEnergy, then customers would see a larger decrease on their bills.

As a participant in this and other utility rate cases on behalf of residential consumers, the OCC has several busy months ahead in 2008 to advocate before the PUCO that the rates charged to residential customers should be fair and reasonable.

## **AEP Rate Increase Avoided**

In May 2007 the PUCO approved an agreement reached between AEP, the OCC, the staff of the PUCO and other parties that resulted in the withdrawal of the company's 2006 proposal to raise customers' distribution rates. AEP had proposed a rate increase in connection with a plan to address concerns about the reliability of AEP's two Ohio electric utilities' distribution service. Distribution service rates cover the poles and wires used to deliver electricity to customers' homes. Under AEP's 2006 proposal, the company would have raised customers' rates by approximately \$71 million over just the first 18 months of a five-year period. The OCC opposed AEP's initial proposal since it would raise distribution rates at a time when they should have been frozen, and the utility had not demonstrated that reliability would be improved. State law requires that all Ohio electric utilities provide adequate service.

By withdrawing the proposal, a rate increase to consumers was avoided. The agreement also required AEP to spend \$10 million for cycle-based tree trimming efforts. The \$10 million was



ordered by the PUCO in July 2006 as part of a related case involving AEP's service reliability. At the time, the PUCO reserved oversight as to how the money would be spent and indicated that the company cannot recover this money from consumers.

Service reliability refers to the ability of AEP to keep consumers' electricity on without interruption or the degradation of service quality. The OCC believed the \$10 million should be targeted to tree trimming which should provide an improvement to customers' service. A proactive, cycle-based program is an effort to ensure that trees are trimmed before they obstruct power lines and affect service. The OCC had been concerned that many current AEP efforts were reactive and based on electricity disruptions that had already occurred.

The OCC encouraged consumers to provide testimony at seven PUCO local public hearings on the AEP proposal that were held in January and February 2007. Consumers spoke about problems with AEP's service

reliability and the affordability of their electric service. — *Case Nos. 03-2570-EL-UNC, 06-222-EL-SLF*

### **Green Power Programs Provide New Options for Electric Customers**

When it comes to energy bills, the OCC believes all customers should have more options. Therefore, the OCC approached American Electric Power (AEP), Duke Energy and FirstEnergy to establish programs so that consumers can obtain renewable energy certificates.

As a result of the collaborative efforts among the OCC, the staff of the PUCO, the utilities and other stakeholder groups, customers of these utilities now have the option to support the use of electricity from renewable power sources,

The AEP and FirstEnergy green pricing programs resolved PUCO cases relating to the OCC's appeal of both utilities' rate plans to the Supreme Court of Ohio. The OCC had argued that Ohio law required the electric

utilities to provide customers with an alternative pricing option to the companies' Standard Service Offer. The Court agreed with the OCC and remanded the cases to the PUCO for corrections.

In the case of Duke Energy, the OCC agreed to withdraw its Supreme Court appeal relating to the merger between Duke Energy and Cincinnati Gas & Electric if Duke Energy would file an application at the PUCO to provide its customers a green pricing option, among other benefits.

AEP, Duke and FirstEnergy all submitted green pricing proposals to the PUCO. The PUCO approved all three green pricing programs in 2007.

Under each green pricing program, customers have the opportunity to pay a small premium and purchase a minimum of 200 kilowatt hours of renewable energy certificates each month. Renewable energy certificates are sold by producers of green power and represent the positive environmental and social attributes associated with renewable energy resources. Renewable energy certificates support the development of new renewable facilities and reflect renewable power generated in Ohio and other states.

AEP and FirstEnergy obtain their renewable energy certificates through a regional bidding process, while Duke purchases them directly from power producers and renewable energy certificate brokers within the region in and around Ohio.

The OCC supports maintaining a portfolio of diverse renewable products, which helps advance the competitiveness of electricity from these sources. Additionally, the benefits of renewable power could provide greater energy independence and a cleaner environment. — *Case Nos. 06-1153-EL-UNC (AEP), 06-1398-EL-UNC (Duke) and 06-1112-EL-UNC (FirstEnergy)*

### **Review of Electric Service and Safety Standards**

In 2007 the PUCO began review of Ohio's Electric Service and Safety Standards under which electric utilities must provide service to customers. The staff of the PUCO issued proposed modifications that the OCC carefully reviewed. The OCC also researched best practices used in several other states and believes, that by using some of these methods, electric service reliability in Ohio could be improved and outages limited. The OCC filed its comments jointly with several consumer groups in June 2007, recommending improvements to service reliability, stronger enforcement of rules, better consumer protections and mandated public reporting processes. The OCC sought to ensure that all electric utilities





make service reliability a priority. By implementing a consistent method of specifying performance standards in these rules, utilities would be held accountable. The OCC also proposed additional standards for vegetation management, including a four-year tree trimming cycle, which also will improve reliability.

The OCC proposed that the public should have access to the data that shows the utilities' performance under the standards, believing that customers have the right to know about and receive the adequate and reliable service they are paying for in their electric rates.

In addition to addressing performance standards for reliability, the OCC recommended several other modifications to improve consumer protections which included:

- ▶ Better customer service standards, including initiation of new service on the next business day, the option to speak with a utility representative by telephone without delay, and easy access to bilingual customer service representatives;
- ▶ Better protection of sensitive customer information like social security numbers and account-specific information;
- ▶ Bill credits to customers who experience delays in starting service, sustained outages due to

lack of maintenance by the utility, or who experience more than three momentary outages in any month due to a utility's inadequate trimming of trees and vegetation management;

- ▶ An annual customer satisfaction survey to identify customer perceptions about service and to identify appropriate improvements;
- ▶ Reduction in charges customers pay to make bill payments at an authorized agent in their community;
- ▶ More protection for customers on a medical or life-support system in the event of an outage, including the notification of family members or others and prioritized electric service restoration;
- ▶ Offering advanced metering for residential customers who want to better manage their electric use and potentially save money; and
- ▶ Providing consistency and clarity in, and disclosure of, charges that customers pay to extend an electric distribution line.

The OCC also recommended that the standards should have stronger enforcement in order to have the best benefit for consumers. These changes to the electric service and safety standards would give the PUCO the ability to propose corrective action or penalties should a violation be discovered.

At the close of 2007, a PUCO decision on these electric rules was pending. —  
*Case No. 06-653-EL-ORD*

## Remand of Duke Energy Ohio Rate Plan Decision

In November 2006, the Supreme Court of Ohio sent Duke's rate plan back to the PUCO based on an appeal by the OCC. The Court found that the PUCO failed to support its approval of a final rate plan with adequate evidence in the record justifying new charges proposed by Duke. The new charges were introduced by Duke for the PUCO to reconsider an initial decision, and no hearing was held on Duke's proposed new charges. In addition, the Court found the PUCO should have allowed the OCC access to any concessions or inducements, other than those publicly revealed, that were offered to gain support for Duke's proposals.

In proceedings held during 2007 at the PUCO to correct the errors, the OCC argued for lower electric rates for Duke's residential consumers. The OCC requested that the PUCO reject its prior decision in the case and called for side agreements to be made public, arguing for broader disclosure of non-confidential materials.

An OCC expert in the 2007 proceeding found no basis for the Infrastructure Maintenance Fund charge, a matter that the Court had commented and was one of the new charges added to customers' bills through the PUCO's final order in the case. In addition, the OCC argued that all portions of Duke's generation rates should be avoidable by customers who choose an alternative supplier.

Following the Court's November 2006 ruling, the PUCO directed Duke to disclose side agreements to the OCC and ordered a hearing to obtain evidence required by the Court.

In October 2007, the PUCO issued its Order on Remand in this proceeding. The PUCO rejected a stipulation



previously approved in the original case and determined in this case to modify certain parts of Duke's rate plan. There were, however, no significant changes made to the generation rates that customers pay under the PUCO's past decisions. Adjustments were made to the avoidability of portions of Duke's generation rates for customers choosing an alternative generation supplier.

According to the PUCO, the previous stipulation was rejected because there was insufficient evidence to find that it resulted from serious bargaining among parties due to side agreement provisions that required parties' support for that stipulation. The PUCO's Order on Remand, however, rejected the OCC's argument that important portions of documents related to side agreements should be made public.

— *Case Nos. 03-93-EL-ATA, 03-2079-EL-AAM, 03-2081-EL-AAM, 03-2080-EL-ATA*

## OCC Argues Against DP&L Rate Increase

The OCC presented oral arguments in April 2007 to the Supreme Court of Ohio in an appeal of a 2005 decision by the PUCO involving rates charged to customers of Dayton Power & Light (DP&L). Through the 2005 decision, the PUCO changed the terms of a five-year rate plan previously approved in 2003 that set electric rates for the years 2004 through 2008. The OCC argued that the changes included unlawful rate increases and should be overturned.

The original rate plan was adopted by the PUCO in 2003 after negotiations among DP&L, the OCC and several other parties. Based on this rate plan, the electric utility could, during 2006 through 2008, request a maximum one-time 11 percent increase in generation rates. However, the 2005 case in which DP&L requested this one-time increase resulted in a new settlement which was opposed by the

OCC because it changed the terms of the previously adopted rate plan. The new settlement imposed an extra 5.4 percent generation rate increase each year from 2007 through 2010 through a new surcharge. In addition, the rate plan was extended an additional two years – through 2010 – under even higher rates. An OCC witness testified in the case that customers will pay over \$20 million more under the new agreement than under the terms of the original 2003 DP&L rate plan. This calculation was made based on DP&L's own forecast of market prices for generation for 2009 and 2010.

The OCC has asserted that the terms of a PUCO-approved stipulation, which is the product of considerable bargaining and concessions on all sides, should not be changed or amended without the approval of all parties to the settlement, and that consumers should be able to rely on the terms of a settlement being enforced once the PUCO has approved it.

In September 2007 the Supreme Court of Ohio partially reversed the PUCO's decision. While the changes to the original plan were not deemed to be unlawful, the Court found the PUCO violated the law when it approved generation-related charges to be added to the distribution portion of customers' bills. The generation and distribution charges represent separate and distinct services – the generation charge covers the electricity produced at power plants, while distribution charges pay for the local poles and wires used to deliver

the electricity to customers. The Court's decision sent the DP&L rate plan back to the PUCO to correct the error. — *Supreme Court of Ohio Case No. 06-788*

### **AEP Power Plant Charges**

The Office of the Ohio Consumers' Counsel (OCC) and others presented oral arguments in October 2007 to the Supreme Court of Ohio in the appeals of the PUCO's approval of a request by American Electric Power (AEP) to increase customers' rates for costs related to the building of an experimental coal power plant. Other groups that appealed the PUCO's decision were the Industrial Energy Users – Ohio, the Ohio Energy Group (both industrial customer groups) and FirstEnergy Solutions (a competitive electric generation supplier). The appeals were filed in late 2006 after the PUCO authorized AEP's two Ohio electric utilities to charge customers approximately \$23.7 million of research and pre-construction costs. Consumers were charged for these costs over 12 months, ending July 2007.

The research and pre-construction costs represented the first of three phases proposed by AEP's distribution utilities, Columbus Southern Power and Ohio Power. The price of a similar Integrated Gasification Combined Cycle (IGCC) generating plant proposed by AEP in West Virginia is currently estimated at \$2.2 billion. This amount is approximately double the initial estimates for each of the Ohio and West Virginia plants.

The OCC supports the environmentally friendly technology that would be used by the plant and the economic benefits for southeast Ohio, where the plant would be located. However, the OCC opposed the manner in which AEP proposed paying for the plant, including a proposal for the PUCO to guarantee that consumers would pay for the plant – whatever the eventual cost. The AEP proposal would have shifted the construction risk from the shareholders to customers with no cap on the rates.

Arguing the PUCO decision was unlawful, the OCC requested that the Court protect customers by overturning the approval of the rate increase.

A decision in this case is pending at the Supreme Court of Ohio. — *Supreme Court of Ohio Case No. 06-1594*



# Federal Electricity Issues

The Office of the Ohio Consumers' Counsel ("OCC"), as part of its advocacy on behalf of residential customers, has become active in a number of federal issues because the Federal Energy Regulatory Commission ("FERC") authorizes electricity charges that Ohio residential utility consumers must pay. The FERC's jurisdiction includes wholesale markets, transmission, sales of electricity for resale, and regional transmission organizations ("RTO's"). RTO's were created less than 10 years ago to independently administer the nation's electric transmission systems that were owned by the utility industry. These transmission lines carry the electricity from the generating source to the local distribution systems that serve consumers. Maintaining and improving this transmission system raises issues involving reasonable rates and reliability of service, with corresponding opportunities for OCC to advocate on behalf of Ohio consumers.

## Regional Transmission Organizations

Ohio is served by RTO's from two regions. PJM Interconnection L.L.C. (PJM) operates in thirteen states and the District of Columbia. Its membership includes American Electric Power's two Ohio utilities and Dayton Power & Light. The Midwest ISO, Inc. (MISO) is comprised of fifteen states and the Province of Manitoba. Its membership includes FirstEnergy's three Ohio utilities and Duke Energy. Because of this geographic split, the RTO's must closely coordinate in order to effectively and efficiently operate the transmission grid in Ohio. The geographic split also requires the OCC to learn about and monitor two separate transmission operators in order to advocate effectively for consumers.



The RTO's decisions can affect consumers' rates through transmission charges, market costs for electricity, and delivery costs. In general, the RTO's cannot levy charges for consumers to pay in retail rates unless the charges are authorized by FERC. OCC participates in cases at FERC and in the stakeholder processes at the RTO's to advocate on behalf of Ohio's residential consumers for reasonable rates and reliable electric service. OCC has also advocated at the federal level to promote the use of energy efficiency and demand response, preventing abuses of wholesale market power, and removing obstacles to wholesale competition.

PJM and MISO administer wholesale electric markets and market-related services. In wholesale electric markets, utilities (and others) buy and sell power to supply their customers. OCC's efforts to reduce the wholesale cost of electricity by encouraging energy efficiency and demand response are first presented to the RTO's through the stakeholder process, which includes committees and working groups. The voices and

interests of consumers must be heard in this process, not just the voices and interests of transmission owners and power generators.

OCC participated in PJM's policy discussions on incorporating energy efficiency and demand response in both capacity and energy markets, and in similar discussions at MISO. OCC also joined industry leaders in addressing the need for more long-term contracts for energy in wholesale markets. Efficiencies gained in the wholesale markets lower costs for residential customers by making the electric grid more efficient and by reducing the most costly electricity – electricity produced when customer use is at its peak each day.

## Federal Energy Regulatory Commission (FERC)

FERC regulates transmission and the wholesale markets. These issues may be agreed-upon in the RTO stakeholder process, which can avoid litigation at FERC. In some cases, however, a settlement is not possible and the cases proceed to litigation. OCC has participated at FERC on matters that will impact costs

and reliability for Ohio's residential consumers.

### **Market Monitoring**

FERC requires RTO's to engage persons to serve as market monitors. These market monitors protect consumers by evaluating market behavior and by identifying and rectifying abuses of market power. The market monitor can benefit consumers by protecting the operation of markets so as to allow efficient prices and outcomes for electricity.

OCC was one of the lead complainants, along with a coalition of customer groups, which asked FERC to find that PJM was interfering with the independence of its market monitor, to the detriment of the public. The state regulatory commissions in the PJM region also filed a complaint and the cases were consolidated. The complaints followed a technical conference on market monitoring before FERC Commissioners, where the PJM market monitor testified that PJM interfered with his independent analyses and reports. Ultimately, the cases were partially settled. PJM agreed to provide the market monitor complete independence, and PJM removed the market monitor from PJM management supervision. Under the settlement, the market monitor is no longer an employee-at-will and the conditions upon which he can be rehired, terminated and replaced are defined. FERC has yet to decide the claims that PJM interfered with the market monitor. OCC considers the stronger market monitor to be an important step in protecting customers – including Ohio residential consumers.

### **Transmission Cost Allocation**

OCC participated in several cases concerning FERC's allocation of transmission costs to PJM members. Much of the proposed new transmission is for construction east

of Ohio, where new transmission and generation are needed. In the past, new transmission costs were allocated on a "beneficiary pays" method. This minimizes costs to Ohio. This year, FERC changed the cost allocation from "beneficiary pays" to one where everyone must pay for new transmission systems 500 kV and above in size. Existing generation remains allocated on a "beneficiary pays" method, so Ohio now pays for all its existing transmission as well as for a portion of all new transmission, even if it serves areas other than Ohio. This significantly increases the cost to Ohio customers from PJM. OCC opposed this new allocation method and recommended an allocation that was fairer for Ohio customers.

In a related case, American Electric Power (AEP) filed a complaint, which alleged that transmission cost allocations for both MISO and PJM were unconstitutional and should be reversed. AEP claimed that all transmission – existing and new – should be allocated on a "beneficiary pays" basis. OCC also participated in this case, although FERC dismissed the case without convening any evidentiary proceedings.

### **Ancillary Services Market**

The MISO market for electricity began in 2004. This year, MISO made great strides in making the regional market more efficient by expanding its responsibilities and by taking certain grid operations over from local utilities ("ancillary services market" or "ASM"). MISO will consolidate on a regional basis not only the dispatch of generating units, but also the monitoring and balancing of the electric grid to maintain the correct level of load and voltage. It will also determine which generating units must stand ready to produce electricity in times of operational emergencies. This is a major development in MISO's new regional market and should provide consumers with more efficient systems and enhance grid reliability. In approving ASM, FERC wanted

MISO to provide an objective test that the market monitor could use for detecting market power. FERC also instructed MISO to encourage demand response and to propose a method for measuring it. OCC agrees that these issues are essential for MISO to operate properly. MISO is complying with FERC's requirements, and it will take over the ASM services no sooner than June 1, 2008.

### **PJM Demand Response**

OCC has also been active at PJM in demand response issues. Demand response is the reduction of the use of (or demand for) electricity by customers. Demand response can reduce prices for all customers by reducing the demand for electricity. OCC intervened and expressed concern in a case where PJM eliminated certain payments for economic load response at the end of 2007 without implementing a replacement program. On a positive note, OCC was part of the PJM advisory group that convened high-level policy meetings to encourage greater demand response and to address the coordination of state and federal programs. At one meeting, the Consumers' Counsel was a keynote speaker. OCC is encouraged by the progress, which will reduce wholesale electricity costs.

### **FERC Generic Proceedings**

OCC also worked to protect the interests of Ohio consumers by participating in several proceedings at FERC that involved nation-wide issues affecting Ohio and other states. The proceedings included technical conferences on market monitoring in RTO's, electric and natural gas coordination issues in times of gas shortages, and advanced rulemakings on competition in the electric wholesale markets.

# Natural Gas



In 2007, the Office of the Ohio Consumers' Counsel (OCC) addressed a range of important issues for residential natural gas consumers. OCC advocated in cases regarding rates, the safety of natural gas service, recommended programs to increase energy efficiency and proposed safeguards to protect consumers from excessive rates increases related to new utility accounting methods.

The price of natural gas continued to be steady throughout 2007. There were a few ups and downs, but the lack of extreme weather helped reduce the number of major spikes in the natural gas market.

Nevertheless, OCC worked diligently to represent residential consumers in proceedings that impacted the rates they pay.

## Natural Gas Risers

In November 2006, the staff of the Public Utilities Commission of Ohio (PUCO) issued a report on its statewide investigation regarding the use and performance of natural gas risers. A natural gas riser is the vertical portion of the service line that connects the primary distribution pipeline to the customer's meter. *(Please see diagram on page 29.)*

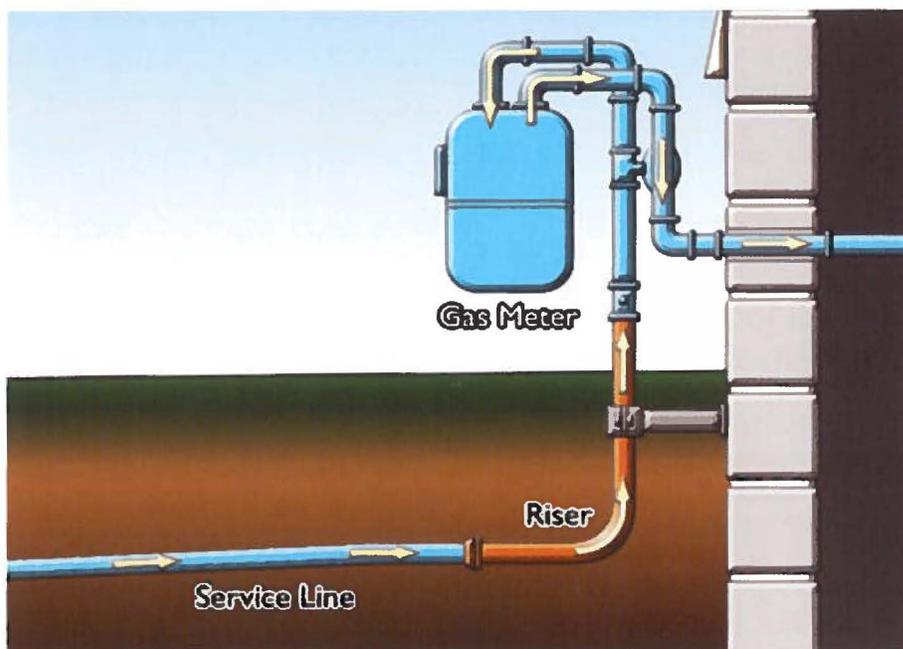
The PUCO staff's gas riser report indicated there is some safety and leakage risk with some gas risers under certain circumstances. According to the report, natural gas risers with plastic connectors which were exposed to severely cold weather during the installation process, and risers that were tightened incorrectly seem to be more likely to fail and risk a natural gas leak. The report estimated that approximately 34 percent of all plastic natural gas risers in Ohio are the types of risers prone to leaks and failures when installed incorrectly.

The OCC participated in the PUCO case related to this investigation and provided recommendations. The OCC's recommendations included requiring utilities that do not have records of risers in their service territory to conduct an inventory and visual inspection of individual risers to check for improper tightening, and requiring gas utilities to take ownership of service lines so they will be able to quickly determine the correct course of action when faced with a leak. Also, OCC argued that the manufacturers, installation companies and utilities should pay costs associated with the inspections of existing risers and the replacement of failing risers.

The PUCO entertained applications from natural gas utilities seeking accounting deferrals for the costs of the investigation of risers. Accounting deferrals are a way to record costs for possible later collection from customers. OCC is concerned about cost deferrals because the PUCO typically allows utilities to later collect deferrals from customers. In 2007, Columbia Gas of Ohio, Dominion East Ohio Gas, and Vectren Energy Delivery of Ohio requested approval from the PUCO to defer such costs already spent on the natural gas riser investigation for future collection through customers' rates.

The OCC argued against the gas utilities' proposals to collect from customers any current or future costs related to the natural gas riser investigation. The OCC believed that consumers should not have to bear the entire costs of the inspections and inventory process since they have already paid for these expenses in base rates. In 2007, the PUCO agreed to allow Vectren to defer such costs, subject to a future PUCO decision about whether the costs can be collected through rates. At the close of 2007, Dominion's deferral proposal was pending at the PUCO.

In an effort to secure benefits for residential customers, the OCC entered into an agreement in the



Columbia case with parties that included the company and the PUCO staff. Under that agreement Columbia will replace or repair customer-owned risers that are prone to failure and associated customer-service lines that are found to have hazardous leaks. As noted in OCC's testimony in this case, the agreement also requires Columbia to explore a more economical and efficient plan than the one it proposed, which could result in millions in potential savings for its customers. At the end of 2007, this gas riser case was still pending at the PUCO.

### Decoupling

Several Ohio natural gas companies proposed the use of an accounting mechanism called "decoupling." Decoupling permits utilities to recover revenue that would be lost if actual sales were reduced from the sales level assumed in rate proceedings that determined the gas utilities' distribution rates. The OCC believes decoupling should only be approved if the natural gas company offers comprehensive energy efficiency programs and safeguards that will protect customers from unreasonable bill increases.

These energy efficiency programs can include rebates for purchasing energy efficient furnaces and water heaters, use of energy efficient appliances in new home construction, assistance

with additional energy efficient upgrades to existing homes, and an online home energy audit. Customer safeguards that should accompany a decoupling mechanism would include having the utilities identify the total dollar amount of decoupling revenue it proposes to bill its customers, adjustments to ensure customers do not pay the utility for reduced revenues due to warmer than usual weather conditions, limitations on the amount rates could increase and a review and audit performed every 12 months to ensure the decoupling mechanism is functioning correctly.

### Vectren Energy Delivery of Ohio Decoupling

The PUCO decided to allow Vectren Energy Delivery of Ohio to proceed with a program that would benefit only a small portion of customers at a great expense to other customers. The PUCO adopted an agreement that could allow as much as \$15.2 million in charges to customers in return for providing only a \$2 million low-income weatherization program. Vectren was given approval to recoup its lost revenue through decoupling.

The OCC opposed Vectren's decoupling proposal after the PUCO made significant changes to the original agreement signed by stakeholders including OCC. After that

agreement was altered, the PUCO changed the terms of the original settlement to significantly reduce the energy efficiency requirements while at the same time grouting a decoupling mechanism, the OCC withdrew from the agreement. The original agreement would have provided all residential customers with access to programs to reduce their gas consumption and therefore, their bills. The OCC believes decoupling should only be permitted in conjunction with a comprehensive energy efficiency program which helps all customers reduce their cost for natural gas service. — *Case No. 05-1444-GA-UNC*

### **Natural Gas Rate Increases**

A number of Ohio natural gas companies have requested to increase their customer charges through the PUCO. In many of the cases, the natural gas companies proposed to increase their customer charge by 100 percent or more. The OCC is concerned that high customer charges do not promote energy conservation and will have an adverse impact on smaller use customers.

### **Duke Energy Ohio Base Rate Increase**

In July, Duke Energy Ohio filed to increase rates with the PUCO through the customer charge, Accelerated Main Replacement Plan, and base rates. The company requested to increase the customer charge from \$6 to \$15 per month, or over \$100 more per year and base rates would increase by as much as 33 percent. Duke also requested a continuation of the Accelerated Main Replacement Plan through 2017 that would gradually increase monthly rates from the current \$5.77 per month leading to as much as \$13.77 per month.

The OCC is participating in the case and has some concerns with Duke's proposal. The increase in the customer charge would impact residential customers who try to be energy efficient since the proposal would shift certain costs into the



existing customer charge, which is a flat fee paid regardless of how much natural gas is used each month. While the Accelerated Main Replacement Plan was touted as an effort to cut maintenance costs and improve efficiencies, Duke has shown during the first six years of the program that customers have paid \$137 million but received only \$8.5 million in maintenance cost savings. The OCC is also challenging the amount requested through base rates. At the end of 2007, the case is still pending at the PUCO. — *Case No. 07-589-GA-AIR*

### **Dominion East Ohio Gas Base Rate Increase**

In July, Dominion East Ohio proposed to increase rates with the PUCO through base rates and the customer charge. If the PUCO approves the new rates, an additional \$4.50 per month would be collected from a typical residential customer. At the end of 2007, the case is still pending at the PUCO. — *Case No. 07-0829-GA-AIR*

### **Vectren Energy Delivery of Ohio**

In September, Vectren Energy Delivery of Ohio requested a two-stage increase in rates with the

PUCO through the customer charge. Vectren is requesting a 139 percent increase in the customer charge from November through April, and a 42.8 percent increase from May through October. In Stage 2, Vectren proposed a 214 percent increase in the current customer charge from November through April. Vectren would need approval from the PUCO before Stage 2 could be implemented. As part of Vectren's request, the volumetric charges would decrease in Stage 1 and 2. — *Case No. 07-1080-GA-AIR*

### **Columbia Gas of Ohio Gas Cost Recovery (GCR)**

The OCC participated in the PUCO's biennial proceedings for gas cost recovery management performance and financial audits of Columbia Gas of Ohio. In December 2007, an agreement was reached among the OCC, Columbia, PUCO staff and other parties that resolved these 2004 and 2005 audit cases.

If the PUCO adopts the agreement, Columbia customers will be refunded \$35 million - \$25 million as a result of the 2004/2005 audits and an advancement of \$10 million from future off-system gas sales made by Columbia. Customers will receive credits on their bills for a one-year period, beginning January 31, 2008. OCC was pleased to negotiate with Columbia a comprehensive energy efficiency program to provide customers with tools to reduce their consumption and thereby, their bills. Columbia will offer residential customers the option to participate in comprehensive energy efficiency programs from 2009 through 2011. Columbia must achieve a verified energy usage reduction of three-quarters to one percent of their total annual residential and commercial natural gas sales. The energy efficiency programs will be funded by customers. — *Case Nos. 05-221-GA-GCR, 04-221-GA-GCR, 96-1113-GA-ATA*

## **Dominion East Ohio Gas Audit**

The OCC participated in the hearing for the PUCO's biennial audit of Dominion East Ohio's gas purchasing practices. The OCC questioned natural gas purchases involving Dominion and its affiliates that were made before the audit period, which caused consumers to pay higher natural gas rates. The OCC also argued that Dominion customers were harmed by Dominion engaging in park, loan and exchange (PLE) gas transactions rather than off-system gas sales transactions. This is because under PLE, the company keeps all the profits despite the customers' payments that make these transactions possible, whereas with off-system sales, the company is required to share the profits with the customers. In park transactions Dominion accepts an amount of natural gas from a supplier and gives the supplier the same amount back at a later time. For loan transactions, Dominion gives a supplier a specific amount of natural gas and accepts the same amount back at a later time. Exchange transactions refer to Dominion accepting an amount of natural gas from a supplier at one location and giving the same amount to the supplier from a different location at the same time.

In January 2007, the PUCO approved an agreement among Dominion, Interstate Gas Supply, Industrial Energy Users-Ohio, and the PUCO staff settling this case. However, the OCC did not sign the agreement. The agreement did not adopt OCC's positions which would have resulted in a refund to customers and provided a tool for offsetting future high natural gas costs. The agreement stated that Dominion would only have to conduct statistical examinations of prices it paid for purchases made from affiliated companies to ensure those prices were not out of the range of prices that purchases from non-affiliated companies would cost. In addition, Dominion is to perform a study on its lost and unaccounted for natural gas and document negotiations

regarding natural gas transactions paid for by choice customers that are used for the park, loan and exchange transactions, and allocate a portion of revenue from those transactions to be credited to choice customers. The OCC requested a rehearing and the PUCO denied that request. The OCC believed that Dominion's revenue from PLE transactions should be shared with consumers. Also, \$4,177,700 in natural gas purchases involving Dominion and its affiliate should be refunded to their customers since these purchases were unreasonable.

— *Case No 05-219-GA-GCR*

## **Vectren Energy Delivery of Ohio Financial and Management Performance Audit**

In 2005, management performance and financial audits were conducted by the PUCO to review Vectren Energy Delivery of Ohio's natural gas purchasing practices and accounting accuracy for natural gas costs in the company's GCR rates. During a review of the audits, the OCC recommended the disallowance of costs associated with Vectren's five percent reserve margin based on the same rationale the OCC used in Vectren's previous GCR audit proceedings (Case No. 02-220-GA-GCR) which had resulted in the Commission ordering a disallowance.

In this case, the PUCO agreed that Vectren's five percent reserve margin was excessive and ordered the gas utility to refund approximately \$800,000 to customers in costs incurred with maintaining a five percent reserve margin. The credits will be treated as an adjustment to all Vectren customers through a Gas Cost Recovery Reconciliation Rider. Also, the PUCO directed the next audit to include a review of Vectren's books to ensure the company followed the agreement and refunded the correct amount of money to customers. — *Case Nos. 04-220-GA-GCR & 05-220-GA-GCR*

## **Vectren Energy Delivery of Ohio Bill Format**

In April 2007, Vectren Energy Delivery of Ohio requested approval to revise its customer bill format. After reviewing the proposed changes to bills, the OCC filed comments with the PUCO, recommending improvements to the bill format requested by Vectren.

The OCC was concerned that Vectren's proposed bill format would condense bill information and make it more difficult for customers to read, especially visually impaired customers. The OCC recommended that the utility should offer bills in large print and Braille formats for the elderly and visually impaired. Also, the OCC recommended better promotion of Vectren's interpreter services for customers who do not speak English. In addition, the OCC requested that payment plan options be described on disconnect notices, language be added to the account balance section to improve clarity, and that the company ensure information is located in the correct area when referenced on the bill.

In July, the PUCO approved a new bill format for Vectren in this case. The PUCO agreed with several OCC recommendations. Vectren agreed to provide a large print version of its new bill format. Also, Vectren will improve the language about debt obligation for Percentage of Payment Plan (PIPP) customers and clearly list the contact telephone numbers for gas suppliers in bills of customers participating in gas choice. Vectren will improve the language about debt obligation for Percentage of Payment Plan (PIPP) customers and clearly list the contact telephone numbers for suppliers in the choice bill. — *Case 07-477-GA-UNC*

# Water



**R**equests for water rate increases during 2007 impacted many communities throughout Ohio. Increase requests from investor-owned companies in some parts of the state topped 40 percent.

Aqua Ohio Inc. requested to increase rates an average of 26.6 percent. Ohio American Water (OAW) came to the Public Utilities Commission of Ohio (PUCO) to request increased rates for water and sewer service eight months after Commission approval of its latest increase of 14 percent for Franklin and Portage counties and 11.7 percent for its traditional service territory which went into effect in March 2007.

Each time an investor-owned water company requested a rate increase this year, the Office of the Ohio Consumers' Counsel (OCC) advocated to ensure customers were receiving adequate, quality water for the price they pay. Quality water has been a contention for some

residential consumers who have said the water they receive continues to be of poor quality while their rates continue to increase.

The OCC found several expenditures in the Aqua Ohio rate increase application filed in June that should not be passed on to customers. The OCC filed testimony at the PUCO which requested these exclusions and continues to advocate against certain aspects of this case as it unfolds in 2008.

The Ohio American Water rate case was still in its beginning stages at the end of 2007. In December, OCC had asked the PUCO to eliminate the portion of OAW's rate increase application that pertained to its consumers in Franklin and Portage counties. The OCC's request was based on the belief that OAW had not met the conditions of a Commission-approved agreement reached early in 2007 requiring the company to improve water quality in certain portions of its Franklin County service territory prior to being permitted to file another rate increase.

The regular review of the state's water rules was another opportunity the OCC took to try to secure additional consumer benefits and protections for consumers in the future. The review opened in March and OCC filed suggested changes to the proposed rules in May. As of the end of 2007, a decision had not yet been made by the Commission in the case.

### **Aqua Ohio Asks for Rate Increase**

Aqua Ohio requested an increase in its rates of \$3.2 million that could cause the typical residential bill to rise as much as 46.3 percent in some parts of its service territory. The proposed increase was presented to the Public Utilities Commission of Ohio in June and could affect approximately 28,800 residential customers in the Lake Erie service territory.

In its legal filings and testimony, the Office of the Ohio Consumers' Counsel asked the PUCO not to increase residential rates more than an average of 8.27 percent. Of several arguments made in the case by OCC, one suggested that profits made by Aqua Ohio from the sale of utility assets should be applied to fund infrastructure development projects in Ohio that the company would otherwise seek to recover from customers through future rate increase requests. Another argument made by OCC was that the request from Aqua Ohio including charges unrelated to water service that should not be borne by its customers.

The OCC believes that Aqua Ohio should move toward uniform rates among its service territories. With this approach, consumers of Aqua Ohio can be assured that they all are paying the same rates for the same service. OCC also believes that Aqua Ohio should establish low-income programs for consumers. Low-income customers will benefit through such measures that help keep water service more affordable.

The Aqua rate case moved into 2008 without a decision from the PUCO. The OCC maintained its advocacy for residential consumers to ensure they were only paying a fair price and were receiving quality water service.

— *Case No. 07-564-WW-AIR*

### **Ohio American Water Requests Another Increase**

Customers of Ohio American Water were faced with a second rate increase request in less than a year. It was March 2007 when OAW last increased customers' rates with approval by the Public Utilities Commission of Ohio (PUCO). The company then sought another rate increase of up to 38 percent in November 2007 after it cited continued infrastructure improvements that improve capacity, reliability and water quality; additional personnel; increases in wages, insurance and benefits; and increases in operational costs as reasons for the request.

The Office of the Ohio Consumers' Counsel immediately sought to get a portion of the increase dismissed because the OCC believed a commitment from the last rate case, which promised no increases for the customers of Franklin and Portage counties until water quality issues had been resolved, had not yet been met.

The November increase request was still pending at the end of the year and will have extensive scrutiny from the OCC in 2008 as it works to ensure customer interests are protected.

— *Case No. 07-1112-WW-AIR*

### **Ohio American Water Monitored During Improvements**

Ohio American Water, the Office of the Ohio Consumers' Counsel and the staff of the Public Utilities Commission of Ohio reached an agreement that required the Company to make improvements to the adequacy of water service and the quality of the water. The PUCO opened a separate case for OAW to file its progress

reports of these improvements. In this case, OAW filed reports addressing water hardness, unaccounted for water, its plan to resolve discolored water and several other items regarding its progress to improve service to customers.

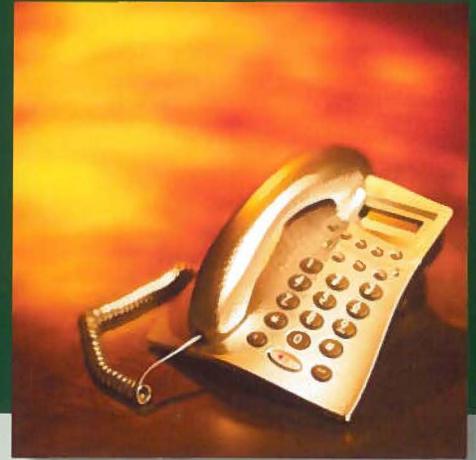
As part of this agreement, the company was granted a 14 percent water rate increase in Franklin and Portage counties, while sewer rates will increase 5 percent. In Ohio American Water's traditional service territory water rates will increase 11.7 percent. The agreement also outlines increases for miscellaneous charges including account activation, customer and reconnection charges.

The OCC monitored OAW's work since the case was opened in March and continued to do so into 2008 to ensure the quality of water and adequacy of water service met the standards to which the OCC, OAW and PUCO staff agreed.

— *Case No. 07-252-WS-UNC*



# Telecommunications



The price and quality of traditional home telephone service was of concern to residential phone users and the Office of the Ohio Consumers' Counsel in 2007. While some residential consumers have chosen not to subscribe to traditional landline home telephone service – in fact, some younger consumers have decided to begin their adult lives with only a wireless handset – the majority of consumers still rely on their home's copper wires to produce a dial tone for their service.

Either by choice, economics, or the lack of availability of cellular or broadband service where they live, some consumers have decided to have landline service as their only telephone service while others have complemented that service with a wireless option. Meanwhile, some Ohioans desire a package of features and unlimited long distance, while others only purchase basic local service with few, if any, optional features.

All of these customers must be kept in mind when the OCC performs its role as the residential utility consumer advocate.

## **Rate Increases Under Alternative Regulation**

Over the last several years, Ohio's large telephone companies have been granted "elective alternative regulation," that permits them to increase the rates of telephone features such as Call Waiting and Three-Way Calling as well as the prices of packages that typically include basic local service and several features. The costs of features from some of the companies have increased significantly.

In August 2007, the OCC alerted consumers to Verizon's second round of rate increases since the company was granted elective alternative regulation in June 2006. For instance, over that time, the monthly price of Call Waiting increased from \$3 to \$5 and Call Forwarding went from 75 cents to \$3 per month. Some customers with packages of services also had their rates increased.

Likewise, Windstream (formerly Alltel) imposed its third set of increases since it was granted elective alternative regulation by the Public Utilities Commission of Ohio (PUCO) in October 2004. For example, over that time, the price of Call Forwarding and Three-Way Calling rose from \$1.50 to \$3.99 per month. In addition, customers using certain features such as Call Return (\*69) on a per-use basis saw higher prices.

In 2006, AT&T and Cincinnati Bell became the first two companies to be granted basic local service "alternative regulation" by the PUCO for certain telephone exchanges. This authority allows the companies to increase the monthly price of basic local service and basic Caller ID for many customers by \$1.25 and 50 cents, respectively, each year. Cincinnati Bell used its new authority to increase its rates for basic local service in and around the cities of Cincinnati and Hamilton by the maximum \$1.25 in January 2007.

### **Broadband Availability**

Given the potential for rate increases in many customers' traditional telephone service, the OCC supports efforts to help increase the availability of reasonably-priced broadband access for residential consumers throughout Ohio. One of the benefits of broadband is the ability to use Voice over Internet Protocol (VoIP) telephone service. While users of VoIP technology need to be aware of the differences of that type of service from traditional home telephone service, progress is being made in areas such as enhanced 9-1-1 capability, which is the technology needed to determine the location of a 9-1-1 call and send it to the correct emergency operator.

To that end, the OCC has a representative on the Ohio Broadband Council, which is a coordinating organization behind important efforts to improve access.

### **Elimination of Federal Excise Tax on Long Distance Bills**

Using its resources to communicate with the public and the media, the OCC helped alert telephone customers of a special one-time refund available through their federal tax forms. As part of a U.S. Treasury Department decision in May 2006, customers were entitled to refunds equal to the excise taxes paid on long-distance service after Feb. 28, 2003 and before Aug. 1, 2006. The federal excise tax on local service remained in effect.

Residential consumers were able to receive up to a \$60 standard refund as reimbursement for a federal long-distance excise tax eliminated by the Treasury Department. Refunds either reduced the amount owed by the consumer in federal taxes or increased the amount of their overall refund. Residential consumers who believed they were owed over the standard refund amount were able to base the refund on an actual calculation of the taxes they paid if they had their old bills.

The OCC successfully requested that the PUCO suspend a \$5 fee AT&T had begun charging consumers for printed copies of past long-distance bills. The fee came at the time when some consumers were likely requesting past bills to calculate the one-time long-distance telephone tax refund. If this AT&T fee had been applied for each past bill requested by consumers, those fees could have cost more than the federal telephone tax refund to which they were entitled.

### **Federal Universal Service Fund**

Universal service programs are funded through small charges on customers' telephone bills which help maintain the Universal Service Fund. These programs support affordable telephone access in areas that are expensive to serve (including rural areas) and for low-income customers through

programs such as Lifeline and Link-up. Additional efforts include support for rural health care and technology for schools and libraries.

On behalf of the National Association of State Utility Consumer Advocates (NASUCA), the OCC continued to play a prominent role in ongoing debates over the way the Universal Service Fund collects its revenue as well as the size of the fund. For example, at its annual meeting in December 2007, NASUCA members called for the FCC to reject proposals that would drastically alter how consumers pay into the federal fund, unless proponents could show that consumers will benefit.

Currently, consumers' contributions are primarily based on how often they use their telephone. Proposals under consideration by the FCC include a flat fee contribution, which would substantially increase the monthly bills of those residential customers who make few or no long-distance calls.

On a related note, one of the OCC's regulatory analysts, Kathy Hagans, was appointed to the staff of the Federal-State Joint Board on Universal Service.



NASUCA is allotted three staff and one voting member of this important telecommunications board, which was established in 1996 to make recommendations on how to operate the various universal service programs authorized by Congress. As part of the joint board's staff, Ms. Hagans will work with the two other appointed NASUCA staff – from Wyoming and Florida – as well as staff from Federal Communications Commission (FCC) and various state utilities commissions.

## **Consumers' Counsel Argues at Supreme Court of Ohio for Reversal of Telephone Pricing Decisions**

The OCC appealed to the Supreme Court of Ohio two PUCO decisions that gave AT&T and Cincinnati Bell the opportunity to increase the price of basic local services for many residential customers. Oral arguments were held in December 2007 and as of the end of the year, a decision by the Court is pending.

The separate appeals were from PUCO decisions that allowed AT&T and Cincinnati Bell to fall under "alternative regulation" and to increase the monthly price of "stand-alone" basic local service and basic Caller ID by \$1.25 and 50 cents, respectively, each year. Stand-alone basic service is dial tone and local calling without additional services such as voicemail and Call Waiting.

After the General Assembly passed a law allowing for alternative regulation of basic telephone service, the PUCO adopted rules in 2006 that detail how local telephone companies could become eligible to increase the monthly price of basic local telephone service. A PUCO decision in November 2006 allowed Cincinnati Bell to raise customers' basic rates in its two largest exchanges in and around the cities of Cincinnati and Hamilton. Cincinnati Bell used its new authority to increase its rates for basic local service by the maximum \$1.25 in January 2007. A PUCO decision in December 2006 permitted AT&T to raise the rates in 136 of its 192 exchanges. At the time of the OCC's appeal, AT&T had not imposed such increases, but received permission for alternative regulation for an additional eight exchanges in June 2007. (See report on 07-259-TP-ALT.)

Ohio law does not allow telephone companies to raise rates for the most basic of telephone services through "alternative regulation" unless such a result is in the public interest and competitive choices or reasonably

available alternatives exist for customers. The law also requires that competitors face no barriers in providing basic local service. OCC argued that the PUCO's eligibility criteria allow telephone companies to raise rates even when these legal conditions are not met. For example, consumers have few, if any, competitive choices for AT&T's and Cincinnati Bell's stand-alone basic services.

The OCC contended that the PUCO erroneously based its rules and the two decisions on competition involving more expensive packages that include features rather than basic dial tone service. The PUCO granted alternative regulation for such service "bundles" in 2001; thus the "basic service" covered by the new law was stand-alone basic service. In addition, the cable and wireless services upon which the PUCO relied for granting alternative regulation are not competitively priced with local telephone companies' basic service and are not typically available to all customers throughout an exchange. — *Supreme Court of Ohio Case Nos. 07-570, 07-659*

## **Eight Communities Facing Potential AT&T Rate Increases**

In addition to the 136 AT&T exchanges already granted "alternative regulation" for basic local services by the PUCO, residential customers of eight more communities could see price increases based on the approval of an additional request by the company. The PUCO's alternative regulation rules detail how local telephone companies could become eligible to increase the monthly price of basic local telephone service by as much as \$1.25 per year and basic Caller ID by a maximum of 50 cents per year.

In spite of the OCC's demonstration that AT&T had not made the showing required by the PUCO's rules and Ohio law, in June 2007 the PUCO permitted potential rate increases for AT&T customers living in the Barnesville, Belfast, Dresden, East

Liverpool, Harrisburg, Lewisville, Salineville and St. Clairsville exchanges.

The OCC has appealed this ruling as well to the Ohio Supreme Court. The case has been stayed pending the outcome of OCC's earlier appeals of the PUCO's rules for basic service alternative regulation and decisions that were made under those rules.

— *Case No. 07-259-TP-BLS*

## **Four Communities Facing Potential Embarq Rate Increases**

Embarq requested "alternative regulation" for the basic local services it offers customers in four exchanges in southwestern Ohio, including Lebanon, Mason, South Lebanon and Waynesville. Alternative regulation would allow the company to increase the monthly price of "stand-alone" basic local service and basic Caller ID for affected customers by \$1.25 and 50 cents, respectively, each year. Stand-alone basic service is dial tone and local calling without additional services such as voicemail and Call Waiting.

The OCC carefully reviewed Embarq's application and found it failed to meet the statutory requirements that residential consumers in these exchanges have competitive options available or reasonably available alternatives to Embarq's basic service. The OCC opposed Embarq's request to be able to raise rates for basic service to consumers in the four exchanges.

The OCC was concerned that residential consumers who simply want basic dial tone service could see their bills increase while having few, if any, comparable choices.

Embarq's request was approved for all four exchanges in December 2007. The OCC has asked the PUCO to reconsider its decision.

— *Case No. 07-760-TP-BLS*

## **Verizon Customers Deserved More Benefits Due to Company's Poor Service**

The OCC found that consumer complaints to the PUCO about Verizon service quality reached a four-year high in 2006. In addition, data from the Federal Communications Commission (FCC) showed that the number of Verizon customer complaints in Ohio increased 400 percent from 1998 (220 per million telephone lines) through 2006 (933 per million telephone lines). For 2005 and 2006, Verizon's complaint rate filed with the FCC was higher than the total of all other Ohio telephone companies reporting data, including AT&T, Cincinnati Bell and Embarq (formerly Sprint).

Among the apparent violations of the state's telephone consumer protections, the OCC found Verizon had failed to repair telephone outages within 24 hours or other service-related problems within 48 hours, missed commitments and appointments related to installations and repairs, and failed to install new service within five business days.

Verizon service quality had been of concern in other states as well. State regulators in Maine, New Hampshire, New York, Vermont and West Virginia formally investigated Verizon's performance. In some cases, significant fines or commitments to improve service have resulted.

In April 2007, the OCC asked the PUCO to order the company to "show cause" why it should not be found to be providing inadequate service.

The OCC urged the PUCO to require Verizon to provide an action plan to bring its local service into compliance within three months and submit monthly data to show its repair and installation performance for the next two years.

The OCC also asked the PUCO to consider ordering Verizon to provide customer benefits to make up for what appeared to be systemic service

quality problems, and to look at imposing penalties based on certain service quality findings.

On April 30, 2007, a settlement agreed to by Verizon and the PUCO staff was filed in a separate proceeding. Under the settlement, Verizon agreed to make \$1,000,000 in incremental infrastructure improvements and pay a \$250,000 penalty to the state. Other penalties would be suspended unless a violation of the agreement occurs.



The OCC reviewed the settlement and concluded it was inadequate given the severity of the service problems and Verizon's size. The OCC stated that insufficient commitments were made by Verizon to improve its system's infrastructure and inadequate credits would be provided to individual customers if the company's service problems continued. Additionally, the OCC requested that the PUCO hold local public hearings to provide customers with an opportunity to voice their opinions about Verizon's service quality.

The PUCO approved the settlement on May 2, 2007, and dismissed the OCC's request for an investigation. The PUCO also denied OCC's request for rehearing on the matter.

— *Case Nos. 07-511-TP-UNC, 07-390-TP-UNC*

## **Revisions to Ohio's Minimum Telephone Service Standards**

Residential consumers had important telephone service safeguards maintained but others scaled back as part of the PUCO's review of the Minimum Telephone Service Standards, which are consumer protections all telephone companies in Ohio must follow.

Many recommendations made in August 2006 by the PUCO staff would have significantly weakened the rules. The OCC and other consumer groups opposed reducing the level of protections and led a coalition of consumer organizations and cities in an effort to keep – and in some cases strengthen – the Minimum Telephone Service Standards.

Important protections that remained in effect include maintaining the ability for consumers with medical conditions to be placed on a priority repair list. The new rules also continue to prohibit most telephone companies from disconnecting customers' basic local service if they have paid that portion of the bill. However, under the new rules, customers facing disconnection may receive their only notice as a bill message instead of through a separately mailed notice of disconnection.

A major consumer protection that was scaled back involves customer credits when telephone companies fail to make timely repairs. Under the prior standards, customers were entitled to credits if they were out of service for more than 24 hours, with increasing credits at 24-hour intervals up to a full month's credit for an outage lasting 96 hours. Under the PUCO's new rules, however, customers are not entitled to any credits for telephone service outages unless they are without service for 72 hours or more, in which case they would be entitled to a full month's credit. The OCC believes the change was unfair to customers, many of whom could be required to pay for service they do not receive.

The new rules also increased to \$2 the maximum fee that consumers could be charged for making payments at authorized agents, up from twice the cost of a first-class postage stamp as was allowed under the old rules. While the PUCO's staff recommended the fee increase to \$5, the OCC argued the increased charge would have a significant financial impact on a portion of telephone consumers who have lower or fixed incomes.

In spite of the OCC's efforts, the new rules do not ensure that telephone company representatives will meet a customer's needs before marketing services. Under the previous rules, customer service representatives were required to address an incoming caller's concerns before marketing services or features. Now, the rules allow companies to market services unless customers are calling with service problems or to make payment arrangements. — *Case No. 05-1102-TP-ORD*

### **Companies' Requests for Waivers of Minimum Telephone Service Standards**

Two large telephone companies, Embarq and AT&T, asked to be granted waivers from complying with certain consumer protection rules, including some of Ohio's Minimum Telephone Service Standards.

#### **Embarq**

Embarq asked the PUCO to waive several rules which would: enable the company to market services to an existing customer needing a repair before resolving that customer's concern; fail to inform new customers of the most economical service option based on their needs; and, impose the total installation charge on a new customer's first bill, rather than allowing the costs to be spread over three months.

Embarq also wanted a waiver from consumer protections that require telephone companies to

inform consumers about their rights concerning inside wire maintenance plans, the availability of Caller ID blocking and their right to use a guarantor instead of paying a deposit.

The OCC joined with other consumer groups to oppose the waiver request and to preserve essential safeguards and payment options that serve to inform and protect customers. The opposition noted that, in 2006, Embarq entered into a settlement with the PUCO which involved a \$200,000 penalty by Embarq for its failure to comply fully with these disclosure practices during 2002 through 2005. Following the opposition, Embarq withdrew its request.

The company also requested a more limited waiver involving its billing format. Embarq asked to be able to provide the option of summary billing to customers in place of the more detailed billing required under the standards. The OCC did not object to the concept of summary bills, so long as customers are able to choose the level of detail that meets their needs. The OCC did, however, express concerns that the format of Embarq's proposed summary bills failed to include information needed by all its residential customers.

For example, brief descriptions of all services for which a customer is being charged helps customers verify that no unauthorized services have been added to their bill. In addition, notification that Ohio consumers cannot be disconnected for nonpayment of toll charges ensures that all customers understand the protections in place to assure their access to basic local calling.

The OCC also asked the PUCO to ensure that new Embarq customers be provided the two options of summary or detailed billing and that the detailed bill be furnished to customers that do not express a preference.

This request was withdrawn by Embarq at the same time as the larger waiver request. Subsequently, however, Embarq refiled the request. At the close of 2007, the Embarq request is pending a decision by the PUCO.

#### **AT&T**

In November 2007, AT&T filed a request with the PUCO to be exempted from having to comply with certain requirements under the PUCO's recently-revised version of the Minimum Telephone Service Standards. The company asked for a waiver of requirements to allow customers to make a one-time change without charge in their telephone services within 30 days of placing an order with the company. In case the PUCO rejected this waiver request, the company asked for additional time to implement the rule in order to train employees and to include language in its welcome letter regarding the one-time change.

In addition, AT&T wanted a waiver of the rule prohibiting the compounding of late payment charges – in other words, AT&T wanted to apply late charges to amounts that already include such a fee. AT&T also asked for an unspecified amount of time to change its billing system, if the PUCO rejected its request.

The OCC opposed AT&T's waiver requests and argued that the company had not justified the need to be exempted from these consumer protection rules. The OCC noted that the one-time change was already in the PUCO's rules; the only thing that had changed was that customers had 30 days, instead of the 60 days under the old rule, to make a change. Any training that was needed should be minimal. In addition, the OCC noted that under AT&T's late charge structure, the new rule would apply only on customer bills greater than \$333.66, and thus reprogramming AT&T's billing system should not be too complicated for a company



the size of AT&T. The OCC also expressed concern about delaying AT&T's implementation of some rules, citing that the company had had adequate time after the rule changes were announced in July 2007 to train employees and address billing issues.

In December 2007, the PUCO denied AT&T the permanent waiver it requested and the company's request for additional time to implement the 30-day change rule. The PUCO also gave AT&T only until March 1, 2008 to make any necessary changes to its billing system.

In addition, in March 2007 the PUCO ruled on an "Act of God" waiver request that AT&T filed in July 2006 involving five exchanges in Lake County. AT&T argued that flooding in that area prevented the Company from making timely repairs of service outages for a nine-day period. AT&T requested the waiver in order to avoid paying some customer credits that would be due under the MTSS.

In comments filed in the proceeding, OCC noted that AT&T's documentation to support the request did not justify

a waiver from having to pay customer credits in all five exchanges for the entire nine-day period. OCC stated that, at most, the company should be granted a waiver for seven days. The PUCO's order granted AT&T a waiver for only a four-day period. — *Case Nos. 05-1102-TP-ORD, 03-888-AU-ORD, 00-1265-TP-ORD, 93-540-TP-COI, 86-927-TP-COI*

### **OCC Stands Up for Consumers Harmed by Buzz Telecom**

As a result of an investigation in 2006, the OCC found that Buzz Telecom representatives misled many residential consumers into believing that telemarketing calls were from their local telephone company rather than Buzz Telecom. Buzz Telecom also led seniors to believe that they would receive a special discount. Instead, their long-distance service was switched to Buzz Telecom at rates that increased their telephone bill.

In November 2006, the OCC filed a motion to suspend Buzz Telecom's Ohio certificate. In the motion, the OCC called for the PUCO to order Buzz Telecom to stop serving Ohioans and to launch a formal investigation into Buzz Telecom's activities. In December 2006, the PUCO, in a separate proceeding, ordered Buzz Telecom to stop marketing to consumers and told the company to "show cause" as to why its operations should not be permanently revoked in Ohio. In the PUCO investigation, the OCC asked for sizable fines against Buzz Telecom.

In a decision issued on October 3, 2007, the PUCO held Buzz Telecom accountable for its poor service and deceptive sales tactics, imposing a \$251,000 fine against the company. However, the PUCO did not require the company to identify Ohio consumers who had made payments and to refund their money. Instead of mandating refunds to customers, the PUCO noted that customers could seek damages in court.

Concerned that it will be difficult for each individually affected consumer to pursue the refunds to which they are entitled, the OCC asked the PUCO to reconsider its decision. On November 28, 2007, the PUCO denied the OCC's request. — *Case No. 06-1443-TP-UNC*

### **OCC Advocacy Helps Lead to Penalty Against UMCC**

Advocacy by the OCC resulted in a \$208,000 penalty against telephone service provider UMCC Holdings, Inc. and a finding by the PUCO that the telephone company provided inadequate service. UMCC was ordered to stop providing any telecommunications service in Ohio as well as cease billing and collecting payments from Ohio consumers.

The PUCO action was based on a complaint filed by the OCC asserting that UMCC violated state rules by providing telephone services without a required certificate, failing to notify the PUCO and customers about a transfer of consumer accounts from Buzz Telecom and neglecting to include necessary information on monthly bills.

UMCC acquired the customer accounts of Buzz Telecom, an Indiana-based company that was the target of customer complaints of misleading marketing practices and switching long-distance service without customers' permission.

— *Case No. 07-546-TP-CSS*

### **Rules For Retail Telephone Service Reviewed**

A review of Ohio rules governing the retail aspects of providing competitive telephone service was conducted in 2007. The staff of the PUCO issued proposed modifications which the OCC carefully reviewed. The OCC filed its comments on potential changes.

The OCC found some of the PUCO staff's changes acceptable because they would streamline the rules telephone companies must follow, without eliminating consumer

protections. However, certain changes proposed by the PUCO staff or the telephone companies would dilute or eliminate important consumer protection standards.

For example, some telephone companies argued for the freedom to set any level of return check charges and late payment fees; eliminate oversight of residential basic telephone services; to not have to file tariffs for basic telephone services or promotions; and limit or eliminate advanced customer notice of changes in rates, terms and conditions of service.

Under the revised rules, local toll service was “detariffed” for residential customers. This means that rates, terms and conditions would no longer need to be kept as tariffs at the PUCO. It also means residential customers would need to enter into agreements with their local toll providers. Similar detariffing occurred several years ago at the Federal Communications Commission with respect to consumers’ other long-distance toll services.

The OCC opposed the detariffing, pointing out that there would be no ability to verify terms and conditions against the tariffs on file at the PUCO. In addition, consumers would not be able to check that company representatives are providing accurate information to them.

Detariffing for residential local toll service was approved; however, the OCC sought to ensure customers would be appropriately educated about the change, including the fact that individual agreements will have to be entered into with companies. To this end, the OCC sought revisions to a standardized notice to be used by the telephone companies to inform customers.

The PUCO agreed with the OCC, and revised the notice to include language



regarding customer agreements and the importance of carefully reviewing and confirming prices, terms and conditions.

Other portions of the revised rules include the OCC’s recommendations. Basic telephone services, return check charges and late payment fees continue to be regulated, and tariffs must continue to be filed for basic telephone services and promotions.

In addition, changes to terms and conditions of service must be filed at the PUCO 30 days in advance; traditional telephone companies must continue to offer stand-alone basic local service; and customers must be notified 15 days in advance of rate increases, changes in terms and conditions and other modifications.

— *Case No. 06-1345-TP-ORD*

### **Wholesale Telephone Rules Reviewed**

Rules that govern the wholesale aspects of providing competitive telephone service in Ohio were reviewed by the PUCO. OCC advocated for residential consumer safeguards and protections. These rules are known as the carrier-to-carrier rules.

The OCC believes that residential consumers benefit from a robust competitive telephone market in Ohio, but proper rules must be in place for how the various carriers interact with each other.

Based on the OCC’s review of the PUCO staff’s draft rules, specific enforcement measures were not included. The OCC sought to ensure that measures be included within the rules so that there would be no doubt as to the potential penalties for violators.

To help provide consumers with a reasonable time to make important telephone decisions, the OCC argued that customers signing up for new local service should have 90 days to choose a long-distance provider without incurring a switching fee. The PUCO staff’s proposal would have forced customers to make an immediate and potentially uneducated choice.

The OCC sought to have rules dealing with customer’s changing carriers apply to all local telephone companies. The PUCO staff’s proposal only covered competitors, not the traditional local companies (incumbents).

In addition, the OCC proposed that it should be provided notice when a competitor’s access to local telephone facilities is going to be terminated. Since the impact would be that customers would lose local service, providing notice to the OCC, which is the residential utility consumer advocate, would help it educate consumers and better address complaints and questions.

When final rules were adopted by the PUCO, most of the OCC’s key issues were not implemented. No specific enforcement provisions were enacted and the rules failed to provide adequate time to choose a long-distance provider. In addition, the switching rules have no applicability to incumbent carriers.

In a small but important victory, the OCC will be notified prior to the termination of a competitor’s access to facilities used to serve residential consumers. — *Case No. 06-1344-TP-ORD*

# Consumer Hotline 1-877-PICKOCC



In 2007, the Ohio Office of Consumers' Counsel (OCC) announced the return of the agency's ability to handle complaints from Ohio's residential utility consumers. A two-year restriction imposed during the budget process of 2005, removed OCC's ability to mediate utility complaints and limited the assistance OCC could provide to disconnects, reconnects and consumer inquiries. With the support of Governor Ted Strickland and the legislature, OCC's full complaint-handling authority was restored effective October 1, 2007.

More than 69,000 calls were made to the agency hotline (1-877-PICKOCC) this year. This represented a 7% increase in total call volume from 2006. More than 36,000 customers spoke directly with consumer services specialists about questions or concerns they experienced with utilities. Of these calls, more than 9,600 required follow-up contacts, sending information, and/or researching specific concerns.

Of the contacts to OCC, 38% involved the electric industry; 37% involved the natural gas industry; and 22% of the contacts involved the telecommunications industry. The remaining 3% of the complaints involved water and other issues. Due to the overall decline in the state economy and the struggle many customers are experiencing with paying utility bills, more than one-third of the public contacts involved customers who were either disconnected from essential utility services or were threatened with disconnection for non-payment of their bills. OCC assisted many of these clients by arranging special payment plans, negotiating payment extensions, and by referring customers to organizations

and agencies that provide financial assistance. Approximately one-fourth of the contacts involved customers with questions or concerns about charges on their utility bills involving estimated meter reads, high bills, charges that were not authorized, questions about supplier charges, or final bills. Additional issues included service issues where customers voiced concern with establishing service or outages, reliability matters, competitive choices and information about suppliers.

## OCC Supports the State of Ohio ID Protection Hotline

In June 2007, Governor Ted Strickland selected OCC to host, house and staff a special hotline developed to respond to the theft of a media storage device that included personal and private information on all state of Ohio employees. In conjunction with the Governor's Office and Department of Administrative Services, the OCC Consumer Services Division managed the initiation of the hotline, reconfiguration of the automated call distribution system, and the growth in capacity to meet the needs. OCC hosted the ID Protection Hotline for almost three months and provided direct assistance to thousands of state employees and the public in explaining options to protect against identity theft.

## OCC Hosts Ghana Consumer Services Director

OCC hosted the Consumer Services Director for the Ghana Public Utilities in October 2007. Mrs. Mami Ofori spent a day at OCC learning about the type of support that OCC provides the public. This provided an excellent opportunity for discussion about customer service issues, advances in customer support technologies, and ways to further advance consumer advocacy.

# Communicating with Consumers



**O**CC's Outreach and Education staff had a record year, participating in more than 1,300 events and meeting with more than 55,000 Ohio utility consumers. The events included providing speeches and training programs to consumers and partners, meeting consumers at shows and fairs, giving presentations at statewide conferences and visiting consumer agencies and organizations.

Among the issues at the forefront of consumers' minds were the rising gas prices which continue to strain the budgets of many and the need for utility assistance which was at an all time high. OCC continued to offer the "Stay Connected Train-the-Trainer" program to social service agencies; training more than 1,500 of their staff and distributing more than 200,000 brochures and fact sheets on

Ohio's utility assistance programs. OCC also offered programs about energy efficiency and introduced the popular, hands-on weatherization workshop to teach consumers how to lower their utility bills through energy efficiency and conservation measures. More than 4,000 consumers participated in the energy efficiency program in 2007.

OCC partnered with Green Energy Ohio to provide programs on sustainable energy and energy efficiency to more than 1,000 consumers. OCC visited organizations and agencies to share information about services and programs. Key constituencies included expanded Hispanic outreach, low-income advocates, colleges and universities, city governments, townships and minority organizations.

## Low-Income Dialogue Group

The Low Income Dialogue Group (LIDG), a working group of low-income advocates from around Ohio, held regular meetings in Columbus and through statewide conference calls to address issues that affect low-income consumers. Groups such as the American Association of Retired People, the Ohio Farm Bureau, Ohio Partners for Affordable Energy, the Ohio Department of Development, Advocates for Basic Legal Equality and Consumers for Fair Utility Rates provided insight into the needs of Ohio's low-income utility consumers.

During the course of this last year, the group worked together to prepare a report that discusses the key problems facing low-income utility customers and included recommendations for improving the rules that govern such issues as disconnection, extended payment plans, percentage of income payment plans, deposits and medical certifications among others. The purpose of this report is to provide information useful to the required five-year agency review of the Public Utilities Commission's rules on these topics.

## Hispanic Outreach

OCC expanded outreach efforts to Spanish-speaking consumers in Ohio by taking an active role in the five Hispanic coalitions around the state. These coalitions provide OCC the opportunity to network with organizations and agencies that work closely with the Spanish-



speaking community. To better serve the Hispanic community, OCC has expanded the distribution of its Spanish newsletter "El Informador," which covers key utility issues and continues to translate OCC's publications.

OCC is a board member in the Latino Empowerment Outreach Network (L.E.O.N) which is one of the largest Hispanic coalitions in the state. OCC provided a leading role in the creation of the Greater Cincinnati Hispanic/Latino Coalition and continues to be an important resource for education and representation to the Hispanic residential utility consumer.

## Community Advisory Panel

Community Advisory Panel (CAP) members gathered in Columbus to learn about Ohio's Energy Future. Topics included green pricing programs, the impact of weatherization programs and future jobs in renewable

# OCC Outreach at a Glance

- ✓ Met with Ohio consumers in 225 Ohio cities and 82 counties.
- ✓ Visited 512 organizations and agencies to provide information about OCC.
- ✓ Provided 598 presentations to organizations and agencies.
- ✓ Participated in 166 shows, fairs, neighborhood block parties, listener lunches and breakfast breaks.
- ✓ Met with more than 55,000 consumers through all outreach efforts.
- ✓ Participated in 59 outreach events for Ohio's Hispanic population.
- ✓ Distributed more than 400,000 educational materials to consumers and consumer groups including brochures, the consumer assistance handbook and fact sheets on utility topics, utility assistance, energy efficiency and renewable energy.
- ✓ Signed up 7,000 new subscribers at outreach events to receive the Consumers' Corner newsletter.
- ✓ 99,000 consumers and consumer groups receive the newsletter by mail and 5,982 receive the newsletter by e-mail.

energy. More than 100 CAP members attended the event representing a wide variety of social service agencies, senior organizations, rural, Hispanic and colleges and universities. The continuing involvement of CAP members has helped identify community utility concerns and assisted OCC with sharing relevant information on utility issues.

## Outreach & Education Provides Information on Utility Assistance to Food Banks and Soup Kitchens

In 2007, OCC met with food banks, food pantries, and soup kitchens throughout Ohio to educate agency staff about OCC's services and distribute brochures, fact sheets, posters, and handbooks. By reaching out to those in need of food assistance, OCC was able to help customers with utility disconnection

and reconnection issues, explain their utility bills, provide information about utility assistance, and work with consumers to get billing disputes and other utility complaints handled.

Agency staff attended Stay Connected Train-the-Trainer presentations to learn ways to better serve their clients with utility concerns. Clients listened to presentations on staying connected to their utilities while waiting for services at food pantries, and during meals at soup kitchens. OCC staffed tables to talk one-on-one with clients about their utility concerns, and distributed brochures explaining utility assistance programs to help keep consumers connected to their utilities.

### National Consumer Protection Week

“Read Up and Reach Out - Be an Informed Consumer” was the theme for this year’s National Consumer Protection Week. OCC joined with the Attorney General and other state and federal agencies in Ohio to raise awareness on a variety of consumer issues. With the importance of “Reading the Fine Print” being the focus, OCC partnered with these state and federal agencies to participate in seven fairs at colleges and universities across the state. OCC met with hundreds of college students, staffed television phone banks to respond to



consumer questions and gave 43 presentations in 37 Ohio cities.

### Green Pricing Programs Expand Customer Options

In 2007, three electric utilities began to offer green pricing programs as a result of negotiations with OCC. These programs offer a viable, low-cost way for consumers to contribute to the development of renewable energy. OCC developed a brochure on the programs and distributed the brochure to consumer organizations by mail and through OCC outreach programs. OCC staff also shared the information at OCC speeches and outreach events.

### National Solar Conference Comes to Ohio

Organized by Green Energy Ohio, Cleveland hosted the 2007 National Solar Conference sponsored by the American Solar Energy Society, the largest solar and renewable energy conference in the United States. The conference attracted visitors from around the world featuring prominent speakers, hands-on workshops, demonstrations and the latest in solar products. The OCC participated in the local organizing committee for the conference and chaired the public day. Featuring speakers on a variety of energy efficiency and renewable energy topics public day attracted over 1,000 consumers. The Consumers’ Counsel, Janine Migden-Ostrander, led a discussion on the topic of the impact of regulation in developing solar projects. With rising energy costs for current energy fuels, renewable energy sources are viable options for the future. Cleveland’s strong manufacturing base holds promise for future solar development.

### Sustainable Energy Festival Attracts Record Crowds

As energy costs rise consumers express more interest in conserving energy and looking for alternative energy sources for developing new

energy. OCC partnered with Green Energy Ohio to develop and promote programs on alternative energy and energy efficiency. These day-long programs were held in Mason, Wilmot and Maumee. Experts from across the state discussed wind, solar PV, solar thermal, biomass, green building and energy efficiency. Attracting combined attendance of over 1,000 the information was well received by the public.

### Outreach & Education Launches Weatherization Workshops



With natural gas prices doubling over the last five years, many Ohioans find it difficult to make ends meet. Most Ohio consumers would like to lower their utility bills, but don’t know how. Addressing the growing interest in energy conservation, the OCC has launched a new hands-on program designed to educate Ohioans about the inexpensive ways to weatherize their home and to promote energy efficiency.

In 2007 hands-on Weatherization Workshops were created by the OCC Outreach and Education team to





show workshop participants how to install energy efficiency measures in their homes and provide them with new skills and knowledge they can use to help control their energy costs. Customers learn how to lower their utility bills by using low-cost or no-cost energy saving tips in their homes. Installing plastic on windows, weather-stripping a door, installing a door sweep, and learning about the benefits of using compact fluorescent lights (CFL's) and programmable thermostats are key components of the program. This exciting new workshop quickly became one of our most popular presentations as soon as it was launched.

## OCC Online: www.pickocc.org

The OCC Web site serves as an outstanding resource for Ohio consumers providing current information on utility issues. Browsing through the many press releases, consumer alerts and fact sheets can quickly bring consumers up-to-date on utility issues in their region of the state. Topics for new educational materials this year included:

### Reducing electricity demand

OCC addressed issues of energy usage with educational materials geared toward reducing demand. Fact sheets covering topics such as energy efficient CFLs, how to reduce energy usage by preventing vampire power and effective ways to winterize were well received by consumers.

### Green Power programs

American Electric Power, Duke Energy and First Energy introduced new programs that offered a green power alternative for their customers. New fact sheets on each of the programs were developed and distributed to consumers. The fact sheet "Renewable Energy Credits" assisted consumers in understanding the new power option.

### Natural gas risers

Reacting to concerns about the safety of natural gas risers OCC developed extensive information on this topic easily available on the Web site. Consumers can access a diagram of a natural gas riser, press releases, fact sheets and the current status of the issue.

The screenshot shows the website for the Office of the Ohio Consumers' Counsel. At the top, there is a navigation bar with links for Action Alerts, Inquiries/Complaints, Search, En Espanol, and Home. Below this is a header with the organization's logo and name: "Office of the Ohio Consumers' Counsel, Your Residential Utility Consumer Advocate". A secondary navigation bar includes links for Electric, Natural Gas, Telecommunications, Water, Smart Energy, Media Center, Publications, Calendar, and Contact Us.

The main content area features several sections:

- Saving energy and staying connected this winter:** A section featuring Janene L. Magden-Ostrander, Consumers Counsel, with a brief description of the OCC's role in representing consumers and resolving complaints.
- Resolve Your Utility Complaints:** A section with a "Top News" list of recent events, including testimony by Janene Magden-Ostrander, Vectren natural gas changes, and public hearings on proposed rate increases for FirstEnergy, Aqua Ohio, and Duke Energy.
- Go Green today:** A promotional box for Duke, AEP, and FirstEnergy customers.
- SB 221:** A box titled "Your voice is needed on state energy legislation".
- National Consumer Protection Week:** A box for the event held from March 2-8, 2008, with a link to "Financial Literacy: a Sound Investment".
- Stay Connected:** A box for the "Utility assistance for lower income Ohioans" program, part of the Franklin County Project Warm Up.

At the bottom of the page, there are links for "Utility Questions?", "Requests for Proposal", "Career Opportunities", and "Press Release RSS Feed". A subscription form is also present, asking if the user would like to receive press releases and newsletters via e-mail, with a text input field for the e-mail address and a "Subscribe" button.

# Award-Winning OCC Staff

## Janine Migden-Ostrander named “Public Servant of the Year” by the OEC

Citing her commitment to the potential cost savings that clean energy can produce for customers and the achievement of negotiating more than \$100 million in cost- and energy-saving benefits for Ohio’s residential consumers, Consumers’ Counsel Janine Migden-Ostrander was named “Public Servant of the Year” by the Ohio Environmental Council (OEC) in late October. She was presented with the award at the OEC’s Annual Reception and Awards Ceremony held at The Fawcett Center at The Ohio State University.

“I am honored to receive this recognition, which represents the Office of the Ohio Consumers’ Counsel’s commitment to ensuring that our state focuses on the cost savings for residential utility consumers and job growth potential of energy efficiency and renewable power,” said Migden-Ostrander. “With the likelihood of stronger federal pollution regulations, protecting the environment and providing the lowest cost electricity to customers are complementary goals.”

“Ohio’s Consumers’ Counsel is being recognized for making connections and strides to protect consumer utility rates and the environment,” said Jack Shaner, public affairs director at the OEC. “When it comes to clean energy’s potential to save customers money, shrink greenhouse gas emissions, and grow new jobs, Ohio’s consumers – and the environment – have never had a better advocate than Janine Migden-Ostrander.”

Naming Migden-Ostrander “Public Servant of the Year,” OEC recognized several of her recent accomplishments, including:

- ▶ **Green pricing programs** – The Consumers’ Counsel worked with Ohio’s top three power producers – American Electric Power, Duke Energy and FirstEnergy – to offer customers a green pricing program.
- ▶ **Energy efficiency programs** – The Consumers’ Counsel helped negotiate more than \$100 million in energy efficiency program investments by Duke Energy and FirstEnergy.
- ▶ **Support for a renewable portfolio standard** – As Consumers’ Counsel, Migden-Ostrander supports a standard of a renewable portfolio for Ohio, to help diversify how energy is produced.
- ▶ **Advocacy for an energy efficiency portfolio standard** – The Consumers’ Counsel recognizes that energy efficiency is a far less costly option than any supply-based energy option that would require the building of new power plants. An energy efficiency portfolio represents Ohio’s best opportunity to manage and deflect rising costs to keep service affordable for customers.



## OCC Senior Attorney David Bergmann Wins Two National Telecommunications Awards



The OCC is proud that one of its longest-serving attorneys, David Bergmann, was honored with two national awards in 2007. Mr. Bergmann, who also serves as the Chair of the National Association for State Utility Consumer Advocates (NASUCA) Telecommunications Committee, received the “Outstanding Service Award,” the first of its kind, from NASUCA. As highlighted by Consumers’ Counsel Janine Migden-Ostrander, “His passion for helping to protect consumers has spread across the country through his role as a key organizer of federal telecommunications work performed on behalf of the nation’s telephone consumers.”

Mr. Bergmann’s other national honor came as he received the 2007 Golden Phone Award from the nonprofit organization Community Voice Mail. Since 1991, Community Voice Mail has worked to provide free voice mailboxes to consumers in crisis. Examples include domestic violence victims who need a secure way to communicate, and the homeless who use the voice mailboxes as contact numbers when searching for housing and employment. The organization currently serves 41,000 people in over 400 cities each year through 39 sites across the country, including the Cleveland area.

Community Voice Mail honored Mr. Bergmann for his support as well as his assistance to the group with complex issues involving the federal Universal Service Fund and the Lifeline portion of the fund, which makes basic telephone service more for low-income consumers.

# Award-Winning OCC Staff

The Office of the Ohio Consumers' Counsel (OCC) greatly values the diligence and commitment of its staff. During the year outstanding individuals are recognized by their coworkers and rewarded for outstanding service to the agency. For the twelfth consecutive year, the OCC recognized individual employees, and named an "Employee of the Year." During fiscal year 2007, the OCC staff nominated their peers based upon specific criteria relating to their job performance, professionalism, work product and teamwork. The OCC recognized Patti Mallarnee, Senior Administrative Assistant; Wilson Gonzalez, Senior Regulatory Analyst; Deb Bingham, Case Team Coordinator; and Mike Plemmons, Network Administrator. This year, Wilson Gonzalez was selected the OCC "Employee of the Year."

## OCC Employees of the Quarter for 2007:

*Exerpts from employee nominations*

### **Patti Mallarnee – Senior Administrative Assistant**

"She is such a pleasure to work with. Patti is a dedicated employee who always goes above and beyond what is asked of her. She is always calm, professional and compassionate. If you need anything, she is there. Patti excels when it comes to aiding ratepayers and always takes pride in her work. She is a major asset to this office. She is highly committed to her position and her many years at OCC prove that! Words that describe Patti include Consistency. Kindness. Dedication. Caring." – *wrote an OCC employee*

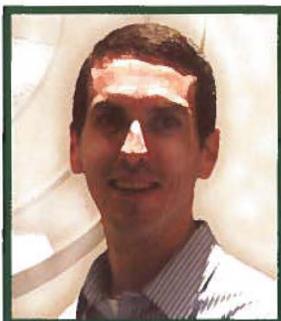


### **Wilson Gonzalez – Senior Regulatory Analyst**

"Wilson has a specialized knowledge and expertise that he lends to the agency. Wilson has been the backbone of our energy efficiency and renewable power efforts on behalf of residential consumers. He has worked tirelessly on testimony, plan analysis and research to determine how consumers would best benefit from Demand Side Management and renewable resources." – *wrote fellow OCC employees*

### **Deb Bingham – Case Team Coordinator**

"Deb has been described as always exceedingly professional and a pleasure to work with. She is prompt, efficient and uncomplaining. She is a joy to be around! She works hard around here running from one side of the floor to the other. Very dedicated. Deb is extremely well organized, knowledgeable, helpful and keeps many of the teams on track." – *wrote an OCC employee*



### **Mike Plemmons – Network Administrator**

"Mike has always been quick to resolve my computer problems. He consistently delivered helpful, immediate assistance, and he treated others with a high level of respect. He is by far the best IT person I have ever worked with. Always a positive attitude with a Smile! Willing to take the time to help with short notice... He always went the extra mile." – *wrote an OCC employee*

# Fiscal Report



The Office of the Ohio Consumers' Counsel (OCC) is funded through an assessment on the intrastate gross receipts of the state's investor-owned utility companies pursuant to Section 4911.18 of the Ohio Revised Code. Total assessments for fiscal year 2007 amounted to \$8,066,000 after adjustments.

The OCC assessed 453 utility companies for operating funds for fiscal year 2007. Companies can pass on the cost of supporting the OCC to their customers.

## Operating budget - fiscal year 2007 appropriations

Personnel services .....	\$6,335,750
Maintenance and equipment .....	\$1,492,250
Consultants and transcripts .....	\$670,000
<b>Total .....</b>	<b>\$8,498,000</b>

# 2007 OCC Case Participation

## **Cases with All Utilities at the Public Utilities Commission of Ohio**

<b>Case Number</b>	<b>Company/Case Type</b>	<b>Issue</b>
07-1042-AU-ORD	PUCO Rulemaking	OCC Contact Information Rules
07-0535-AU-ORD	PUCO Rulemaking	Electronic Filing Rules
06-0685-AU-ORD	PUCO Rulemaking	Rules of Procedure

## **Electricity Cases at the Public Utilities Commission of Ohio**

<b>Case Number</b>	<b>Company/Case Type</b>	<b>Issue</b>
07-1191-EL-UNC	American Electric Power	Generation Service Rate Increase
07-1156-EL-UNC	American Electric Power	Transmission Cost Recovery Rider
07-1132-EL-UNC	American Electric Power	Generation Service Rate Increase
07-1079-EL-ATA	Dayton Power & Light	Economic Development Cost Deferrals
07-1003-EL-ATA; 07-1004-EL-AAM	FirstEnergy	Rate Certainty Plan Remand
07-0975-EL-UNC	Duke Energy	System Reliability Tracker
07-0974-EL-UNC	Duke Energy	Fuel and Purchased Power
07-0973-EL-UNC	Duke Energy	Annually Adjusted Component
07-0796-EL-ATA; 07-0797-EL-AAM	FirstEnergy	Generation Standard Service Offer Post-2008
07-0723-EL-UNC	Duke Energy	System Reliability Tracker/Fuel Purchased Power
07-0661-EL-UNC	Department of Development	Universal Service Fund
07-0649-EL-UNC	PUCO Workshop	Advanced Energy Portfolio and Green Pricing
07-0648-EL-UNC	PUCO Workshop	Fuel Source Diversity and Fossil Fuel Generation Efficiency
07-0647-EL-UNC	PUCO Workshop	Cogeneration and Power Production Purchase and Sale Requirement
07-0646-EL-UNC	PUCO Workshop	Smart Metering
07-0548-EL-ATA; 07-0549-EL-ATA; 07-0550-EL-ATA	FirstEnergy	Line Extensions
07-0625-EL-ATA; 07-0626-EL-ATA	Duke Energy	Residential Three-Phase Service Tariffs
07-0551-EL-AIR; 07-552-EL-ATA; 07-553-EL-AAM; 07-554-EL-UNC	FirstEnergy	Distribution Rate Case
07-0498-EL-CSS; 07-0514-EL-CSS; 07-0525-EL-CSS	Toledo Edison/Ohio Edison	Windmill Interconnection Complaints
07-0196-EL-CSS; 07-0197-EL-CSS; 07-0198-EL-CSS; 07-0253-EL-CSS; 07-0263-EL-CSS; 07-0265-EL-CSS; 07-0271-EL-CSS; 07-0281-EL-CSS; 07-0300-EL-CSS	Duke Energy	Residential Three-Phase Service Complaints
07-0128-EL-UNC	FirstEnergy	Transmission and Ancillary Service Riders
07-0063-EL-UNC; 07-0333-EL-UNC	American Electric Power	Generation Service Rate Increase
06-1504-EL-UNC	American Electric Power	2007 Generation Market Price for Ormet
06-1294-EL-UNC	American Electric Power	Transmission Cost Recovery Rider
06-1153-EL-UNC	American Electric Power	Rate Stabilization Plan Remand

# 2007 OCC Case Participation

Case Number	Company/Case Type	Issue
06-1112-EL-UNC	FirstEnergy	Rate Stabilization Plan Remand
06-1085-EL-UNC	Duke Energy	Annually Adjusted Component
06-1069-EL-UNC	Duke Energy	System Reliability Tracker
06-1068-EL-UNC	Duke Energy	Fuel and Purchased Power
06-0986-EL-UNC	Duke Energy	Market-Based Standard Service Offer Post-2008
06-0723-EL-ATA	Duke Energy	Collateral Requirements for Suppliers
06-0653-EL-ORD	PUCO Rulemaking	Electric Service and Safety Standards
06-0501-EL-FOR; 06-0502-EL-FOR	Ohio Power/ Columbus Southern Power	Forecasting
06-0273-EL-UNC	American Electric Power	Transmission Cost Recovery Rider
06-0222-EL-SLF	American Electric Power	Service Reliability Self-Complaint
05-1500-EL-COI	PUCO Investigation	Distributed Generation
05-0732-EL-MER	Cincinnati Gas & Electric/Duke	Merger
05-0728-EL-AAM; 05-0727-EL-UNC	Cincinnati Gas & Electric	Transmission Cost Rider
05-0724-EL-UNC	Cincinnati Gas & Electric	System Reliability Tracker
05-0376-EL-UNC	American Electric Power	Integrated Gasification Combined Cycle Electric Generating Facility
05-0302-EL-UNC	Dayton Power & Light	Voluntary Enrollment Plan for Switching Suppliers
04-1932-EL-ATA/AAM	FirstEnergy	Transmission and Ancillary Services Costs
03-2081-EL-AAM; 03-2080-EL-ATA; 03-2079-EL-AAM	Cincinnati Gas & Electric	Transmission and Distribution Cost Deferrals
03-0093-EL-ATA	Cincinnati Gas & Electric	Market-Based Electricity Pricing After End of Market Development Period

## **Electricity Cases Appealed to the Supreme Court of Ohio**

Case Number	Company/Case Type	Issue
2006-1594	Industrial Energy Users et al. v. PUCO	AEP - Integrated Gasification Combined Cycl Electric Generating Facility
2006-0830	Elyria Foundry Co. v. PUCO	FirstEnergy - Rate Certainty Plan
2006-0788	Consumers' Counsel v. PUCO	Dayton Power & Light - Rate Stabilization Surcharge

## **Electricity Cases at the Federal Energy Regulatory Commission**

Case Number	Company/Case Type	Issue
EL08-12	PJM Interconnection	Discontinuation of Demand Response Incentives
ER07-1372	MISO	Ancillary Service Market Compliance Filing
ER07-550	Midwest ISO Inc. ("MISO")	Ancillary Service Market Proposal
EL07-101	American Electric Power	Complaint Against PJM and MISO Regarding Transmission Cost Allocation
EL07-98	Duquesne Light	Request to Leave PJM Capacity Market
EL07-57	PJM	Allocation of New Transmission Costs
EL07-56; EL07-58	PJM	Independence of PJM Market Monitor
RM07-19; AD07-7	Notice of Proposed Rulemaking	Wholesale Competition in Competitive Markets
AD07-8	All Regional Transmission Organizations	Technical Conference on Market Monitoring
EL07-3 & EL07-4	MISO, PJM	Electric and Gas Market Coordination Issues
EL03-236	PJM	Compliance with Scarcity Pricing Settlement

# 2007 OCC Case Participation

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

<b>Case Number</b>	<b>Company/Case Type</b>	<b>Issue</b>
07-1080-GA-AIR; 07-1081-GA-ALT	Vectren Energy Delivery	Rate Case and Alternative Rate Plan
07-0829-GA-AIR; 07-0830-GA-ALT; 07-0831-GA-AAM	Dominion East Ohio	Rate Case and Alternative Rate Plan
07-0589-GA-AIR; 07-0590-GA-ALT; 07-0591-GA-AAM	Duke Energy	Rate Case and Alternative Rate Plan
07-0478-GA-UNC	Columbia Gas of Ohio	Infrastructure Replacement - Gas Riser
07-0477-GA-UNC	Vectren Energy Delivery	Bill Format
07-0294-GA-AAM	Vectren Energy Delivery	Costs for Survey of Gas Risers
07-0237-GA-AAM	Columbia Gas of Ohio	Costs for Survey of Gas Risers
07-0218-GA-GCR	Duke Energy	Management/Performance Audit of Gas Costs
07-0125-GA-AAM	Dominion East Ohio	Costs for Survey of Gas Risers
06-1453-GA-UNC	Dominion East Ohio	Automated Meter Reading
06-1452-GA-WVR	Dominion East Ohio	Waivers of Minimum Gas Service Standards
05-1444-GA-UNC	Vectren Energy Delivery	Energy Conservation and Decoupling
05-0463-GA-COI	PUCO Investigation	Natural Gas Service Risers
05-0221-GA-GCR	Columbia Gas of Ohio	Management/Performance Audit of Gas Costs
05-0220-GA-GCR	Vectren Energy Delivery	Management/Performance Audit of Gas Costs
05-0219-GA-GCR	Dominion East Ohio	Management/Performance Audit of Gas Costs
04-0221-GA-GCR	Columbia Gas	Financial Audit of Gas Costs
01-1228-GA-AIR	Cincinnati Gas & Electric	Accelerated Main Replacement Program

## Natural Gas Cases Appealed to the Supreme Court of Ohio

<b>Case Number</b>	<b>Company/Case Type</b>	<b>Issue</b>
2007-0781	Consumers' Counsel v. PUCO	Vectren - Decoupling
2007-0033	Consumers' Counsel v. PUCO	Vectren - Decoupling

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

<b>Case Number</b>	<b>Company/Case Type</b>	<b>Issue</b>
06-1201-AU-ORD	PUCO Rulemaking	Gas & Electric Emergency Rules
06-0091-EL-UNC; 06-0092-EL-UNC; 06-0093-GA-UNC	Cincinnati Gas & Electric	Energy Conservation/Demand Side Management Programs

## Telecommunications Cases at the Public Utilities Commission of Ohio

<b>Case Number</b>	<b>Company/Case Type</b>	<b>Issue</b>
07-1131-TP-ACE	Clear Rate Communications	Certificate to Provide Local Service
07-1100-TP-CSS	Verizon	Complaint Regarding Intrastate Access Charges
07-0760-TP-BLS	Embarq	Alternative Regulation of Basic Service
07-0546-TP-CSS	Consumers' Counsel v. UMCC	Complaint Regarding Inadequate Service
07-0511-TP-UNC	Verizon	Staff/Verizon Service Quality Stipulation
07-0507-TP-ALT	Conneaut	Alternative Regulation
07-0390-TP-UNC	Verizon	OCC Request for Investigation of Service Quality
07-0259-TP-BLS	AT&T Ohio	Alternative Regulation of Basic Service
07-0138-TP-UNC	Telephone Companies	Duplicate Bill Copy Charge
07-0053-TP-ZTA	AT&T Ohio	Duplicate Bill Copy Charge

# 2007 OCC Case Participation

Case Number	Company/Case Type	Issue
07-0023-TP-ABN	Buzz Telecom	Abandonment of Certificate to Provide Service
06-1443-TP-UNC	Buzz Telecom	Investigation of Alleged Violations of Minimum Telephone Service Standards
06-1345-TP-ORD	PUCO Rulemaking	Retail Service Rules
06-1344-TP-ORD	PUCO Rulemaking	Carrier-to-Carrier Rules
06-1013-TP-BLS	AT&T Ohio	Alternative Regulation of Basic Service
06-1002-TP-BLS	Cincinnati Bell	Alternative Regulation of Basic Service
05-1102-TP-ORD	PUCO Rulemaking	Minimum Telephone Service Standards
02-3069-TP-ALT	SBC Ohio (AT&T)	Lifeline Service Options
02-2617-CT-ACE	Buzz Telecom	OCC Request to Suspend Certificate to Operate
96-1310-TP-COI	PUCO Investigation	Pay Telephone Services

## **Telecommunication Cases Appealed to the Supreme Court of Ohio**

Case Number	Company/Case Type	Issue
2007-1934	Consumers' Counsel v. PUCO	AT&T Ohio - Basic Service Alternative Regulation
2007-0659	Consumers' Counsel v. PUCO	AT&T Ohio - Basic Service Alternative Regulation
2007-0570	Consumers' Counsel v. PUCO	Cincinnati Bell - Basic Service Alternative Reg.

## **Telecommunications Cases at the Federal Communications Commission**

Case Number	Company/Case Type	Issue
WC 07-258*	Embarq	Petition to Not File Wholesale Contracts
WC 07-215*	AT&T	Petition for Forbearance from Regulation of Pay-Per-Call Arrangements
WC 07-204*	Qwest	Forbearance from Reporting on Service Quality and Other Matters
EB 07-197*	Buzz Telecom	Complaint by FCC Enforcement Bureau
WC 07-138*	FCC Rulemaking	Refreshing of Record on Lifeline Service
WC 07-135*	Qwest	Petition for Declaratory Ruling Against Traffic Inflation
WC 07-97*	Qwest in Metro Areas	Petition for Forbearance from Unbundling Requirements
WC 07-52*	FCC Rulemaking	Broadband Industry Practices
GN 07-45*	FCC Rulemaking	Measurement of Broadband Deployment
WC 07-38*	FCC Rulemaking	Data on Broadband Services
RM11358*	Competitive Carriers	Petition for Regulation of Copper Plant Retirement
WT 07-30*	M2Z	Petition for Waiver to Allocate Spectrum for Free Broadband
WC 07-21*	AT&T	Petition for Forbearance from Regulation of Cost Allocation
RM-11361*	Skype	Petition for Customer Control of Cellphones
WC 06-172*	Verizon	Petition for Forbearance from Unbundling Requirements in Metro Areas
WC 06-125*	Comptel	Petition on AT&T/Bellsouth Merger Conditions
WC 06-122*	FCC Rulemaking	Universal Service Fund Contribution Methodology
WC 05-337*	FCC Rulemaking	Universal Service Support for High Cost Areas
WC 05-25*	Competitive Carriers	Petition for Reregulation of Special Access Charges
CC 03-133*	FCC Rulemaking	Universal Service Fund Contribution Mechanism
CC 02-278*	FCC Rulemaking	Do-Not-Call List
CC 02-39*	FCC Rulemaking	Equal Access
CC 01-92*	FCC Rulemaking	Intercarrier Compensation

# 2007 OCC Case Participation

Case Number	Company/Case Type	Issue
CC 96-128*	Consumer Petition	Petition to Reduce Rates for Inmate Collect Calls
CC 96-115*	FCC Rulemaking	Privacy of Customer Information
CC 96-45*	FCC Rulemaking	Universal Service
CC 95-116*	T-Mobile	Number Portability
CC 94-129*	FCC Rulemaking	Unauthorized Changes of Consumers' Long Distance Carriers
CC 80-286*	FCC Rulemaking	Jurisdictional Separations and Referral to the Federal-State Joint Board

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

## **Telecommunications Cases at the United States Supreme Court**

Case Number	Company/Issue
06-1184*	Sprint/Nextel v. FCC (appeal sought of NASUCA v. FCC (11th Cir.), which overturned FCC preemption of state regulation of listing of surcharges on wireless bills)

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

## **Water Cases at the Public Utilities Commission of Ohio**

Case Number	Company/Case Type	Issue
07-1112-WS-AIR	Ohio American Water	Rate Case
07-0564-WW-AIR	Aqua Ohio	Rate Case
07-0292-WS-ORD	PUCO Rulemaking	Water and Sewer Standards
07-0252-WS-UNC	Ohio American Water	Review of Compliance with Agreement on Service Obligations in Case 06-0433-WS-AIR
06-1470-WW-SIC	Aqua Ohio	System Improvement Charge
06-0433-WS-AIR	Ohio American Water	Rate Case

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