
Annual Report

2012



Office of the Ohio Consumers' Counsel

"Your Residential Utility Consumer Advocate"



Office of the Ohio Consumers' Counsel

"Your Residential Utility Consumer Advocate"

Among OCC's accomplishments for consumers in 2012 are the following:

- ▶ Consumers saved nearly **\$70 million** when the PUCO adopted the recommendation from OCC and others that customers should not bear the cost of closing a power plant owned by the Ohio Power utility, an AEP Ohio subsidiary. (See page 12.)
- ▶ OCC was successful in helping to save AEP Ohio customers about **\$7.9 million** in a review of the utility's 2009 fuel expenses. (See page 11.)
- ▶ OCC signed a settlement, with others, to save **\$2 million** for consumers regarding Dayton Power & Light's 2011 fuel expenses. (See page 11.)
- ▶ Following two competitive auctions in 2012, Duke Energy Ohio customers saw a **decrease of more than 15 percent** in their electric bills. The decrease was a result of a settlement OCC signed with others in 2011, establishing the competitive auction process to set Duke's generation prices. (See page 10.)
- ▶ OCC signed settlements in cases involving Columbia Gas of Ohio and Dominion East Ohio Gas to preserve residential customers' ability to purchase natural gas at their local utilities' "standard offer" rate. (See pages 13 and 14.)
 - ▷ The settlement in the Columbia case also resulted in consumers saving up to **\$24 million** compared to what they could have paid under a previous settlement in which OCC did not participate. (See page 14.)
- ▶ As a result of competitive auctions, customers of Columbia, Dominion and Vectren who purchased their natural gas through the standard offer continued to save money on their natural gas bills. By April 2013, typical Columbia customers will have saved nearly **\$30 per year** on their annual natural gas bills. Dominion customers will have saved about **\$40 per year**. And Vectren customers will have saved about **\$23 per year**. (See page 13.)
- ▶ In a case extending Columbia's pipeline repair program through 2018, consumers were guaranteed savings in the utility's operations and maintenance expenses of at least: **\$750,000** in 2012; **\$1 million** in 2013; and thereafter **\$1.25 million** per year until 2018. In the same case, OCC negotiated for an additional **\$2.5 million** in payment assistance funds for low-income consumers. (See page 15.)
- ▶ In a settlement with Aqua Ohio, Ohio American Water, and the PUCO staff, OCC helped reduce expenses to water customers by about **\$2.5 million**. (See page 18.)
- ▶ OCC was among the organizations participating in efforts to preserve consumers' access to affordable landline telephone service while the Ohio General Assembly considered Senate Bill 271. Ohioans' access to reliable and affordable telephone service was protected when the Bill was allowed to expire at the end of the legislative session. (See page 16.)
- ▶ OCC worked with legislators and other stakeholders to improve legislation regarding water rates, House Bill 379. OCC's efforts contributed to removal of a tax surcharge on customers' bills and to reducing other potential charges. The Bill was signed into law in December 2012. (See page 18.)

The Office of the Ohio Consumers' Counsel

► Mission

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.

Integrity

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

Excellence

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

Communications

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

Respect

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

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A message from Bruce J. Weston

Ohio Consumers' Counsel



Attorney General Mike DeWine administering the oath of office to Consumers' Counsel Bruce Weston.

The mission of the Office of the Ohio Consumers' Counsel (OCC) is to advocate for Ohio's residential utility consumers. In 2012, OCC's advocacy gave consumers a voice regarding the oversight of their electric, natural gas, telephone, and water services. Our consumer voice was strong because of the dedication of OCC's staff, the guidance of the OCC Governing Board, and the support of legislators who preserved our consumer advocacy by rescinding a previously scheduled budget reduction.

In March 2012, the Governing Board allowed me the privilege, by appointment, to serve Ohioans as the Consumers' Counsel. For OCC's staff and for me, our public service means striving every day to fulfill the OCC vision of affordable rates and quality utility services. And, in this regard, I recognize OCC's staff and management team for their many efforts to protect Ohio consumers through legal advocacy and education during the past year.

In 2012, OCC's consumer advocacy continued to provide great value for Ohio's residential utility consumers. A major challenge for OCC's advocacy was how to transfer low prices in the energy market to actual reductions in Ohioans' energy bills, when others were seeking to charge customers more than market prices.

The inside front cover of this Annual Report contains a list of some of the accomplishments that OCC, working with others, achieved for residential consumers (and sometimes for all customers) in 2012. The customer savings in these accomplishments far outweigh the cost of OCC's budget.

I thank Governing Board Chairman Krebs, Vice Chairman Logan, and the Board members for their guidance and support, with best wishes and appreciation to former members John Moliterno (who served as Chairman), Roger Wise, Harold Cassel, and Anthony Peto. I thank the Administration and legislators for their time and consideration of OCC's consumer views and for sharing with us their perspectives on the issues.

OCC looks forward to 2013 and with it the continued opportunity, working with others, to make a positive difference for Ohioans regarding their utility services.

A message from Gene Krebs

Governing Board Chairman



On behalf of the Governing Board of the Office of the Ohio Consumers' Counsel (OCC), I present OCC's 2012 Annual Report to the Ohio General Assembly. I appreciate the opportunity to serve as Governing Board Chairman, in OCC's fourth decade of advocating for Ohioans regarding their electric, natural gas, telephone, and water services.

In 2012, the Board appointed Bruce Weston as the Ohio Consumers' Counsel. Mr. Weston is a respected consumer advocate who, in public service and private practice, has more than thirty years of experience in this field. He has the knowledge, dedication and vision to lead the agency into the future for its advocacy on behalf of Ohio consumers.

The Governing Board welcomed three new members in 2012, appointed by Attorney General Mike DeWine: Jason Clark of Dayton; Susheela Suguness of Columbus; and Stuart Young of Springfield. I look forward to their participation in the work of the Board for OCC's consumer advocacy. The Board elected Joe Logan as Vice-Chairman.

The Governing Board also said farewell in 2012 to four of its members. These members were: John Moliterno, whose dedication to Ohio consumers and guidance for consumer advocacy spanned nine years on the Board, including as Chairman in his final year; Roger Wise, who committed six years and much support for consumer advocacy during his time on the Board and whose father served on the Board in OCC's early years; Harold Cassel, who showed concern for Ohioans and for OCC's leaders and staff during his service since 2010; and Anthony Peto, who contributed to Board policy and guidance during his service since 2009. The Board honored their public service with individual resolutions.

The Board was impressed with the breadth of OCC's consumer advocacy across many utility issues in 2012. The issues of the Board's concern included the reliability of consumers' electric service and restoration of their service after storms, the availability and price of basic telephone service, and the challenges for consumers to make informed and cost-effective choices in their purchase of electricity and natural gas.

I express my appreciation to the Ohio General Assembly and to the Administration for preserving OCC's budget at \$5.6 million for consumer advocacy, avoiding the additional budget reduction of \$1.5 million that otherwise would have occurred for OCC on July 1, 2012. And I look forward to OCC's work with state policy makers on consumer issues in 2013.

The Chair has learned some valuable lessons in the past couple of years on maintaining a better handle on feedback from the various stakeholders. While the Board is still settling into a new paradigm within our mission as outlined in the law, the Chair is intent on developing new methods of approaching our issues. Please expect 2013 to be a year of further refinement and cooperation. Input from the political leadership of Ohio is appreciated.

I thank Consumers' Counsel Weston and the staff of OCC for their dedicated service to Ohio's utility consumers in 2012. The Board looks forward to providing guidance and support for OCC's fulfillment of its mission in 2013.

Governing Board

About the Governing Board

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



Harold Cassel

Board member, 2010 – 2012
Representing organized labor

Harold Cassel is retired from Chrysler Corp. and was an international representative of the United Auto Workers. He served in several positions, including president and chairperson of Local 1879 and on various regional advisory councils.



Jason D. Clark

Board member, 2012 – 2015
Representing organized labor

Jason Clark serves as the business representative for the members of Millwright Local 1090, a state-wide organization that is a division of the United Brotherhood of Carpenters. He previously served in various positions with both the Cincinnati and Dayton AFL-CIO's.



Sally A. Hughes

Board member, 2011 – 2014
Representing consumers

Sally Hughes serves as president and chief executive officer of Caster Connection, Inc., a com-

pany she founded. Ms. Hughes currently serves on the Board of the Ohio Chamber of Commerce and is a member of the Entrepreneurs Organization, Women's Presidents Organization, Herbein Women's Leadership Council, and Women's Business Enterprise National Council.



Gene Krebs

Chairman, 2012 – 2013
Vice Chairman, 2011 – 2012
Board member, 2005 – 2013
Representing consumers

Gene Krebs was appointed to the OCC Governing Board in 2005 and has been appointed or reappointed to the Board by both Republican and Democrat Attorneys General. Mr. Krebs spent three years on the Eaton City School Board, eight years in the Ohio House of Representatives, four years as Preble County Commissioner, and five years on the Preble County Planning Commission. He has served on the Joint Committee on High Technology Start-up Business, Sales Tax Holiday Study Committee (Chair), and the Eminent Domain Task Force, all by legislative appointment. Mr. Krebs was appointed by Governor Ted Strickland to serve on Ohio's 21st Century Transportation Task Force and most recently by Governor John Kasich to the Local Government Innovation Council.



Joe Logan

Vice Chairman, 2012 – 2013
Board member, 2007 – 2013
Representing family farmers

Joe Logan serves as director of agricultural programs for the Ohio Environmental Council. He is the past president of the Ohio Farmers Union and served on the Board of Directors of the National Farmers Union. He previously served as president of the National Association of Farmer Elected Committees.

Governing Board



John Moliterno
Chairman, 2011 – 2012
Vice Chairman, 2006 – 2011
Board member, 2003 – 2012
Representing consumers

John Moliterno is president and chief executive officer of Pegasus Printing Group. Mr. Moliterno serves as a board member of the Youngstown State University Penguin Club and Better Business Bureau of Mahoning Valley and chairman of the Trumbull County Workforce Development Board.



Anthony Peto
Board member, 2009 – 2012
Representing organized labor

Anthony Peto served as state political director for the Ohio Vicinity Regional Council of Carpenters (OVRCC). Previously, Mr. Peto served as an organizer for the OVRCC and as a journeyman carpenter.



Susheela D. Suguness
Board member, 2012 – 2015
Representing consumers

Susheela Suguness cofounded Prime Engineering & Architecture, Inc. and was responsible for day-to-day management of all aspects of business operations. She has served on the board of the Women's Transportation Seminar and as the President of the Asian Indian American Business Group of Columbus.



Michael A. Watkins
Board member, 2010 – 2014
Representing organized labor

Michael Watkins has served as a member of the Fraternal Order of Police (FOP), Lima Lodge No. 21 since 1976. He currently is serving his third term as

president of FOP Lodge No. 21 after working for 12 years as its secretary. He is currently employed by the Fraternal Order of Police, Ohio Labor Council, Inc. in Columbus as the Administrative Assistant. Mr. Watkins was trustee of the FOP's 6th district from 1993 – 1995 and re-elected to the position, which he has held since 2007.



Roger Wise
Board member, 2006 – 2012
Representing family farmers

Roger Wise is supervisor for the Sandusky Soil and Water District and president of the Ohio Farmers Union. He is a trustee for Jackson Township in Sandusky County and previously served on the county's boards of education and health.



Fred Yoder
Board member, 2011 – 2014
Representing family farmers

Fred Yoder is the owner and operator of Fred Yoder Farms. He also is a partner and executive vice president with Yoder Ag Services LLC. Mr. Yoder currently serves as an Ohio delegate to the USA Poultry and Egg Export and U.S. Grains Councils; on the Ohio Corn and Wheat Political Action Committee, Wheat Growers Association; Ohio Corn Marketing Boards of Directors; Madison County Farm Bureau Board of Trustees; and as chairman of the Ohio chapter of the 25 by '25 Alliance.



Stuart Young
Board member, 2012 – 2015
Representing family farmers

A third generation dairy farmer, Mr. Young is an owner and manager of Young's Jersey Dairy Inc. in Yellow Springs, Ohio. He previously served as Clark County Farm Bureau President and on the Board of Directors for eight years and has served on the Husted Volunteer Fire Dept. for 32 years.

Senior Management



Consumers' Counsel and Legal Services

The OCC Governing Board appointed Bruce J. Weston to lead the agency as Consumers' Counsel, in March 2012. Mr. Weston also directs the services of OCC's

Legal Department. The legal staff advocates for Ohio consumers in cases involving public utility rates and service quality.

Mr. Weston brings more than 30 years of experience in public utilities law to OCC. He is committed to protecting the interests of Ohio residential utility consumers. His priorities for OCC include advocating for reasonable rates, competitive choices, advanced technologies and reliable service for Ohioans.

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

Mr. Weston received his bachelor's degree in business administration from the University of Cincinnati. He began his career at OCC in 1978 as a law clerk. After earning his law degree from The Ohio State University College of Law in 1980, he began a 12-year tenure as an attorney for the agency. Mr. Weston served as the chairman of the Public Utilities Law Committee of the Ohio State Bar Association for two years ending in June 2012.



Analytical Services

Aster Rutibabalira Adams joined OCC in November 2005 as director of the Analytical Services Department. He is responsible for managing OCC's technical review of the accounting, economic and financial

issues in cases involving, among other things, utility proposals for rate increases. He provides

advice and recommendations for OCC's consumer positions on technical and policy issues related to public utility services.

Before joining OCC, Dr. Adams was chief of the Economic Analysis Division/Competitive Markets and Policy Division of the Tennessee Regulatory Authority. Prior to moving to the United States from Rwanda in 1990, he was an assistant professor at the National University of Rwanda where he taught econometrics, macroeconomics, microeconomics, statistics, monetary theory and industrial organization theory. He holds a bachelor's degree and a licentiate degree in economics from the National University of Rwanda. He earned a master's degree in economic development and a doctorate in economics from Vanderbilt University.



Operations

Charles Repuzynsky joined OCC as director of Operations in July 2005. He manages the Operations Department. His area of responsibilities includes finance, budgeting, strategic planning, human resources, and information and technology for supporting OCC's consumer advocacy.

Prior to joining OCC, Mr. Repuzynsky served as the chief financial officer for the Ohio Historical Society, a non-profit quasi-government organization. He holds a bachelor's degree in business administration with a major in accounting from The Ohio State University.



Public Affairs

Amy Kurt joined OCC as director of Government Affairs in October 2009. In July 2012, she was named director of the Public Affairs Department, leading OCC's outreach and education, communications, and legislative activities for Ohio consumers.

Prior to joining the agency, Ms. Kurt was program director and acting state director for Environment Ohio. Ms. Kurt received a Bachelor of Arts in earth and environmental sciences from Wesleyan University.

Electric

Overview

Ohio consumers saw a year marked by the continuing transition of the electric utility industry to a competitive generation market. The Office of the Ohio Consumers' Counsel (OCC) advocated for consumers in electric cases before the Public Utilities Commission of Ohio (PUCO), the Federal Energy Regulatory Commission and the Supreme Court of Ohio.

Several public utilities filed electric security plans to set the price of electric generation service and other charges for their customers. Also, utilities applied to the PUCO to increase other types of charges on customers' bills. OCC advocated in these cases and others to protect consumers from paying unreasonable rates and from paying for significantly excessive utility profits.

Major storms resulted in extensive power outages for Ohioans during 2012. OCC advocated for consumers in cases regarding reliability standards for electric service and regarding service restoration costs from major storms.

Additionally, OCC and others recommended that customers should not have to pay the costs to close a power plant. Consumers saved money when the PUCO accepted the recommendations.

Finally, OCC advocated for consumers in the first cases filed under Ohio's new securitization law.

OCC works to protect customers from billions in rate increases for electric generation service

Electric utilities proposed electric security plans for the pricing of their generation service for customers. Some utilities also proposed new "capacity" charges which relate to the availability of power generation in periods of high electricity demand. During 2012, OCC participated in litigation of electric security plans involving AEP Ohio (AEP), FirstEnergy and Dayton Power & Light (DP&L).

OCC advocates for customer credits for AEP's unlawful 2009 charges

Hundreds of millions of customer dollars continued to be at stake as the Supreme Court of Ohio again reviewed AEP's 2009 electric security plan case.

In 2009, OCC contested AEP's charges to consumers for its claimed risk of providing electricity to customers that might return to the utility after choosing an energy marketer. These were called "provider-of-last resort" charges.

In 2011 the Supreme Court of Ohio, in a unanimous decision, agreed with the argument of OCC and the Industrial Energy Users that AEP had not justified the provider-of-last-resort charges and returned the case to the PUCO for reconsideration of these and other charges, amounting to about \$787 million.

Following the Court's 2011 decision, the PUCO ordered AEP to cease collecting future provider-of-last-resort charges (saving all customers about \$78 million). The PUCO did not, however, credit customers for their previous payments of these charges to AEP.

In 2012, OCC appealed this PUCO ruling, asking the Court to order the PUCO to reduce future AEP rate increases by \$368 million that consumers had previously paid. This case was pending at the Supreme Court of Ohio as of the close of 2012.

Case No. 08-0917-EL-SSO, OSC Docket No. 2012-0187

OCC advocates for AEP customers in cases determining 2012 – 2014 rates

In 2011, the PUCO approved an electric security plan to set the rates for AEP's electric generation service in 2012 – 2014. OCC had recommended that the PUCO reject the rate plan and set lower rates for consumers. When the new rates went into effect in 2012 and electric bills spiked, public concern grew.

After significant public outcry, the PUCO retracted its previous approval of the AEP rate plan and temporarily returned rates to their approximate 2011 levels. The case determining the 2012-2014 rates was reopened by the PUCO for further consideration when AEP filed a revised rate plan in March 2012.

There were several controversial issues impacting customer rates in this case. AEP requested the ability to charge customers a "retail stability rider" that would compensate it for revenues lost when customers choose to purchase electricity from an energy marketer.

The utility also proposed "capacity charges" for payment by energy marketers who sell electricity to customers in AEP's territory. These capacity charges were more than double the average market price of capacity. OCC recommended a much lower charge, based on the market price, out of concern that consumers were being asked to pay unreasonable charges. Customers should be benefiting from currently low market prices for generation and AEP's additional charges would reduce or eliminate this benefit.

OCC also opposed AEP's proposed "phase-in recovery rider." This fuel-related charge to customers originated from the 2009 rate plan, but had not been added to customers' bills because of rate caps that the PUCO put in place. In 2011, the Supreme Court of Ohio decided that some of the costs that triggered the rate cap were not justified (see previous story). OCC urged the PUCO to reduce the amount of the phase-in recovery rider, in order to credit customers for prior payments they made related to rates the Ohio Supreme Court, and later the PUCO, found unjustified.

OCC recommended an electric security plan that would greatly reduce the impact on customers' bills compared to AEP's proposal. In this regard, OCC asked the PUCO to take into consideration the affordability of AEP's electric rates for customers as part of the decision-making process.

The PUCO approved a modified version of AEP's revised plan in August. OCC and others requested a rehearing of the decision. The Commission had not ruled on those requests, by the end of 2012.

Case No.: 11-0346-EL-SSO et al., 10-2929-EL-UNC

OCC seeks to protect consumers from FirstEnergy's rate proposals

A number of stakeholders, including OCC, opposed a settlement that FirstEnergy and others filed to set electric generation rates for FirstEnergy's customers from June 2014 through May 2016.

FirstEnergy requested additional charges to customers on top of the market price of generation. OCC raised numerous concerns about the FirstEnergy plan including:

- ▶ \$405 million in distribution charges to customers that OCC contended had no clearly defined reliability improvements or benefits to consumers;
- ▶ Unspecified increases to customers' bills to account for revenues FirstEnergy may lose as a result of energy efficiency programs; and
- ▶ Not counting all of the revenues that should be considered for determining if FirstEnergy is earning significantly excessive profits and if FirstEnergy should refund any profits to customers.

The settlement also created two three-year auctions to set electric generation rates. OCC recommended that electric generation rates be determined for no more than a two-year period to protect consumers from being locked into higher rates due to market uncertainties, some of which were created with power plant retirements by FirstEnergy's generation affiliate.

OCC and others also criticized FirstEnergy for not fully bidding its energy efficiency resources into the capacity market. This additional energy efficien-

cy could have reduced market capacity prices, and thus eventually reduced customers' electric rates.

Shortly after the PUCO's approval of the settlement in July, OCC and others applied for a rehearing, which the PUCO granted for the purpose of further review. A final decision was still pending at the end of the year.

Case No. 12-1230-EL-SSO

DP&L proposal would raise customers' rates

In March 2012, DP&L filed a proposal called a market rate offer for setting the rates it would charge Ohio customers for electric generation service. After many months of review by OCC and others, DP&L withdrew its application. In October, it re-filed the application as an electric security plan to set customers' rates for electric generation service. The utility's proposal would shift customers to market-based rates for electric generation, but would not accomplish the transition until the end of a three and a half year period. DP&L also requested that its customers pay, over five years, \$687.5 million through a "service stability rider."

DP&L would also have customers pay another new charge, a "switching tracker." This charge would increase as more customers choose energy marketers. DP&L maintained that such charges are necessary to protect the utility from potential financial losses associated with the utility's shift to market prices for electric generation.

Market prices for electricity were low in 2012. As the case continues into 2013, OCC will advocate for giving Ohio consumers the benefit of low market prices for electricity as soon as possible. And OCC will continue to advocate that consumers should not have to pay unreasonable additional charges related to generation.

Case Nos. 12-0426-EL-SSO et al.

Duke customers benefited from lower electric bills in 2012, but Duke is seeking additional charges

Customers of Duke Energy Ohio saw an overall decrease of more than 15 percent on their electric bills during 2012. The decrease was the result of a

settlement OCC signed with Duke, the PUCO staff and others in 2011. This settlement required Duke to conduct a series of competitive auctions to price its electric generation service from January 2012 to May 2015. The competitive auctions resulted in lower electric bills because the market price for energy is low. In exchange for giving customers this benefit of lower electric bills, the settlement allowed Duke to collect from customers about \$330 million for a "stabilization charge."

After the settlement that reduced electric bills, Duke requested an increase of an additional \$729 million for electric customers – about \$150 to \$200 per residential customer each year. Almost two dozen parties, including OCC, the PUCO Staff, and industrial customers, have asked the PUCO to reject Duke's request for more money, because the 2011 settlement does not allow for these additional charges.

In 2012, Duke also filed an application to increase its electric and natural gas distribution rates. (Rates for "distribution" service include, for example, the cost of wires and poles for electric service and pipelines for natural gas service.) Duke's proposal would increase a typical customer's electric bill by about \$6.50 per month and natural gas bill by about \$10.25 per month. OCC's consumer advocacy in these three cases will continue into 2013, as the cases were pending at the end of 2012.

Case Nos. 11-3549-EL-SSO, 11-3550-EL-ATA, 11-3551-EL-UNC; 12-1682-EL-AIR, 12-1683-EL-ATA, 12-1684-EL-AAM; 12-2400-EL-UNC

OCC seeks refunds to AEP customers from significantly excessive utility profits

Ohio law gives electric utilities flexibility about how to propose rate increases, the power to veto an electric security plan even if the PUCO approves it, and the ability to earn excessive profits. As a protection for consumers, the law requires utilities to refund to customers any profits that are determined to be "significantly" excessive.

In 2009, Columbus Southern Power, an AEP subsidiary, reported profits of more than 20 percent. OCC and the Ohio Energy Group (OEG), an association

of energy-intensive businesses, asked the PUCO to refund up to \$156 million to customers, arguing that any profits exceeding 11.58 percent are significantly excessive. The PUCO did not approve the full refund, but did authorize a \$43 million refund to Columbus Southern Power customers.

OCC and OEG appealed the PUCO's decision to the Supreme Court of Ohio, asking for an additional refund of \$22 million to customers. OCC argued that the PUCO should have considered profits made from off-system sales (sales a utility makes outside its traditional market) as part of the utility's earnings that could be considered significantly excessive. Columbus Southern Power also appealed the PUCO's decision, arguing the law was unclear and thus, the \$43 million refund was unconstitutional.

In its December 2012 decision, the Supreme Court of Ohio upheld the constitutionality of the law that protects customers from paying utilities' significantly excessive profits. Unfortunately, OCC and OEG's request for additional customer refunds was denied. In a dissenting opinion, Justice Pfeifer said the majority erred in affirming the PUCO's decision to not count a utility's off-system sales in the calculation of significantly excessive earnings.

In a subsequent case involving Columbus Southern Power's 2010 earnings, OCC has again asked the PUCO to refund significantly excessive profits to the utility's customers. OCC's calculation showed Columbus Southern Power earned a profit of nearly 20 percent. A PUCO decision in the 2010 case was pending at the end of 2012.

Case Nos. 10-1261-EL-UNC, OSC Docket No. 11-751, 11-4571-EL-UNC, 11-4572-EL-UNC

OCC helps save customers millions in fuel expenses

In Ohio, electric utilities are allowed to charge customers for the cost of fuel used to generate electricity. Utilities, after approval from the PUCO, can add this charge to customers' bills. In 2012, OCC advocated for lower fuel charges for customers of AEP and DP&L.

OCC was successful in helping to save AEP customers about \$7.9 million in the review of AEP's 2009 fuel expenses. An additional portion of the refund is yet to be determined. OCC and other parties recommended that the PUCO find AEP was charging customers more for the fuel it purchased in 2009 than it was allowed under the law. The PUCO concurred and ordered AEP to credit some of its proceeds from the purchase of a West Virginia coal reserve against previously under-collected fuel costs. AEP and others have appealed the PUCO's decision to the Supreme Court of Ohio.

In a separate case, OCC reached a settlement with DP&L and the PUCO staff regarding the utility's 2011 fuel expenses. The settlement was approved by the PUCO in 2013. Residential consumers will benefit from the settlement by receiving a \$2 million credit against future DP&L fuel charges.

AEP Ohio: Case No. 09-0872-EL-FAC et al.;

OSC Case No. 12-1484

DP&L: Case No. 11-5730-EL-FAC

OCC monitors storm restoration efforts; seeks to limit customer costs

The problems of extended power outages and the costs of repairing storm-related damage to electric infrastructure were twice underscored in Ohio by two major weather events in 2012. On June 29, a series of violent winds and fast-moving thunderstorms, called a "derecho," led to more than 1 million Ohioans losing power during an extended heat wave. Many Ohioans lost power for seven to 10 days. In late October, Super Storm Sandy led to loss of power for about 245,000 FirstEnergy customers in Northern Ohio while several thousand AEP customers, mostly in the Canton area, were also in the dark.

These events focused attention on electric reliability issues as well as whether and how much money the utilities may charge customers for repairing damage from major storms.

In August, DP&L sought PUCO approval to defer, for future collection from customers, the service restoration expenses related to the June storms. OCC advocated, and the PUCO agreed, that DP&L should only defer the June storm costs that exceed

the three-year average of major storm costs incurred by the utility.

In 2012, OCC also advocated for residential consumers in cases addressing reliability performance standards for AEP Ohio and DP&L. These standards are designed to ensure that consumers have access to reliable electric service by establishing benchmarks for the length and frequency of outages. Both cases are ongoing and will continue into 2013.

AEP Ohio: Case No. 12-1945-EL-ESS
DP&L: Case No. 12-1832-EL-ESS, 12-2281-EL-AAM

OCC helps protect consumers from paying for power plant closure

Consumers saved nearly \$70 million when the PUCO agreed with OCC and others that customers should not bear the cost of closing a power plant owned by the Ohio Power utility, an AEP subsidiary. Ohio Power made a business decision to shut down the power plant because economic forecasts made it unprofitable to continue its operation.

AEP Ohio: Case No 10-1454-EL-RDR

OCC advocates for customer savings from utility refinancing

Legislation signed into law by Gov. Kasich in late 2011 created a new financing tool for utilities, called "securitization," that should save money for Ohio utility consumers. The legislation enabled utilities to apply to the PUCO to refinance certain debt using customer-backed bonds to achieve a lower interest rate. Utilities may collect the cost of the bonds from their customers.

OCC was a key participant during the legislative process in 2011, and sought amendments to benefit customers. An outcome of that process is that, when utilities file securitization cases at the PUCO, they must demonstrate "both measurably enhancing cost savings to customers and mitigating rate impacts to customers."

Shortly after the new law went into effect in 2012, FirstEnergy and AEP filed requests to securitize certain debt and collect bond costs from their customers. In both instances, OCC recommended the PUCO

hire an independent financial advisor to analyze the utilities' requests and promote cost savings for consumers throughout the refinancing process.

In the FirstEnergy case, the securitization transaction is projected to save consumers approximately \$104 million over the life of the securitization bonds. In addition to cost savings, the PUCO agreed with some of OCC's proposals for other consumer protections. The PUCO directed FirstEnergy to hire an independent financial advisor to help enhance customer savings, consistent with OCC's recommendations in the case.

The PUCO also accepted OCC's recommendation to protect consumers by limiting the bond financing costs so that the actual costs of financing could not exceed the utility's estimates by more than 5 percent. This limitation will protect consumers from paying FirstEnergy more money than what is necessary for the financing of the bonds. FirstEnergy requested reconsideration of the PUCO's decision. Upon rehearing the case, the PUCO agreed with OCC's recommendation to establish a cap on FirstEnergy's estimated refinancing costs to protect customers from cost overruns.

In the AEP case, the securitization transaction is projected to save consumers approximately \$20.4 million. OCC advocated for improvements to AEP's proposal to better protect consumers from potential cost overruns. OCC encouraged the PUCO to require bonds be financed at a fixed interest rate to help ensure cost savings for customers. OCC also asked the PUCO to verify that consumers would benefit, as required by law, before approving the request. In late December, the PUCO suspended AEP's securitization application and will review this case further in 2013.

Ohio Power (AEP Ohio): Case No. 12-1969-EL-ATS
FirstEnergy: Case No: 12-1465-EL-ATS

Natural Gas

Overview

Advocating for reasonable natural gas rates continued to be a focus of the Office of the Ohio Consumers' Counsel (OCC) during 2012.

OCC participated in settlements and litigation of natural gas cases on behalf of Ohio's residential utility consumers this year. Significant issues included industry proposals for the future elimination of utility standard offers to consumers and natural gas utility proposals to charge customers for capital expenditures and pipeline replacements.

Competitive auctions set lower standard offer prices for natural gas customers

Many Ohioans saved money on their heating bills in 2012 as a result of their local utility using market-based auctions to set the price of their standard offer for selling natural gas. These auctions resulted in lower natural gas prices than previous years' auction results.

By April 2013, typical Columbia Gas of Ohio (Columbia) customers will have saved nearly \$30 per year on their natural gas bills. Dominion East Ohio Gas (Dominion) customers will have saved about \$40 per year. And Vectren Energy Delivery of Ohio (Vectren) customers will have saved about \$23 per year due to these auctions.

OCC encouraged the development of competitive auctions as a method to set the standard offer price of natural gas for Ohio consumers.

In a retail auction, natural gas marketers bid for the right to supply natural gas to the local utility's customers. The names of the winning bidders appear on customers' natural gas bills.

A substantial number of residential customers purchase their natural gas through their local utility at the standard offer rate determined through a competitive auction. The remaining customers "shop" for natural gas either from an energy marketer or through a government aggregation program.

Since Columbia, Dominion and Vectren transitioned to the auction process to set the price of natural gas, their customers have seen lower prices each year.

Dominion: Case No. 07-1224-GA-EXM

Vectren: Case No. 07-1285-GA-EXM

Columbia: Case No. 08-1344-GA-EXM

OCC signs settlements to protect low-priced standard offers for residential natural gas customers

After holding successful competitive auctions that brought savings to natural gas customers (see prior story), some utilities (and natural gas marketers) are looking to change this system. Dominion and Columbia each filed settlement proposals at the Public Utilities Commission of Ohio (PUCO) that would enable the utilities to end auctions as a means of pricing natural gas for non-residential (business) customers. OCC signed settlements on residential issues to limit the utilities' ability to end the standard offer for residential customers.

Without these settlements, natural gas utilities could have filed an application to end the standard offer for residential customers at any time. These settlements created new protections for residential customers.

The settlement of the Dominion case preserved the option of the utility's standard offer for residential customers through at least April 2016. The Columbia settlement preserved that residential option through at least April 2017.

OCC did not join the parts of the settlements that could lead to the end of the standard offer for non-residential customers. And OCC reserved its right to recommend preservation of the residential standard offer in future cases.

The auction process that OCC supported has consistently provided consumers with a low-priced option for their natural gas supply. OCC obtained data from Columbia showing that, since 1997, customers switching to energy marketers spent about \$885 million more than if they had stayed with Columbia's standard offer.

In addition to providing a low-priced option, the utility's standard offer also functions as a price to compare. Consumers can reference the standard offer price when considering offers from marketers.

If the standard offer is eliminated, customers would be left with the options of purchasing their natural gas supply from an energy marketer or, where available, participating in a government aggregation. The local utility would remain responsible for delivering natural gas through its pipelines as well as for line repair, maintenance, billing and other customer service functions.

The settlement signed by OCC, Columbia, the PUCO staff and several marketers superseded an earlier settlement that OCC opposed. Through the negotiation of the revised settlement, financial savings and other protections were achieved for customers, including:

- ▶ Protecting customers by preserving the standard offer at least until April 2017;
- ▶ Making it merely optional and not required for Columbia to eventually propose that the PUCO end the standard offer for consumers if at least 70 percent of its residential customers have purchased natural gas from a marketer or government aggregation for three consecutive months;
- ▶ Requiring six local public hearings where consumers may testify, if Columbia were to propose that the PUCO eliminate the standard offer for residential customers;

- ▶ Saving consumers money, potentially up to \$24 million. These savings could result from improved sharing of revenues with consumers from Columbia's off-system and capacity release sales and a reduction to a proposed security deposit charged to some natural gas marketers; and
- ▶ Continuing Columbia's "shadow billing" that enables comparisons between the cost to customers that purchase natural gas from marketers and what would have been their cost had they chose the utility's standard offer.

The PUCO approved both settlements in January 2013.

Dominion: Case No. 12-1842-GA-EXM

Columbia: Case No. 12-2637-GA-EXM

Utilities seek to increase charges to customers for capital expenditures

During 2012, Columbia, Dominion and Vectren each received approval from the PUCO for new capital expenditure programs. OCC advocated for consumer protections in each case.

An Ohio law passed in 2011 allows natural gas utilities to defer capital expenditure costs for future collection from consumers. Capital expenditures include expenses for equipment, information technology, building service lines to new customers, and other projects. The utilities are also allowed to seek charges for customers to pay interest (carrying costs), depreciation and property taxes on the capital expenditures, all of which can be collected from customers if the PUCO approves.

In 2012, three natural gas utilities requested almost \$200 million for capital expenditures (\$76 million by Columbia, \$95 million by Dominion, and nearly \$25 million by Vectren). In these cases, OCC advocated that the utilities had not met their burden of proof to explain how their estimated costs were necessary to provide adequate services or how consumers would benefit.

In all three cases, OCC requested a limit on the length of time that the utilities could use for deferring charges for collection from customers – given that the longer the deferral, the more consumers would have to pay in interest, depreciation and property taxes. OCC also recommended that the amount of money charged to customers in interest, depreciation and property taxes should be lowered by the amount utilities earn as a result of their capital investments.

The PUCO approved modified versions of all three utility requests, adopting some of OCC’s recommendations. The PUCO ordered that earnings from capital investments should be counted against deferred costs. In addition, the PUCO staff agreed with OCC that customers should be protected from unlimited deferral charges. But, rather than limiting the length of time these costs could be deferred, the PUCO set a dollar limit on the amount of money that could be charged to customers due to the deferrals. And the PUCO limited the cap to the deferrals only and not to what could be charged to customers for the utility’s underlying capital investments.

Columbia: Case No. 11-5351-GA-UNC, 11-5352-GA-AAM
Dominion: Case No. 11-6024-GA-UNC, 11-6025-GA-AAM
Vectren: Case No. 12-0530-GA-UNC, 12-0531-GA-AAM

Natural gas utilities upgrade pipeline infrastructure

OCC participated in several natural gas cases involving the maintenance, repair and replacement of pipeline infrastructure. Dominion, Columbia and Vectren each filed applications at the PUCO to increase their charges to consumers for these upgrades.

OCC joined a settlement signed by Dominion and the PUCO staff to charge customers for replacing parts of its natural gas pipeline system. The settlement set a monthly charge on residential customers’ bills of \$2.80. As a result of the settlement, customers will benefit from savings on operations and maintenance costs worth a minimum of \$500,000.

OCC participated in two settlements with the PUCO and Columbia that affected the costs consumers pay to replace the utility’s pipeline infrastructure.

In February, Columbia requested to increase customers’ bills to pay for its work to replace natural gas pipeline that was completed in 2011. OCC reached a settlement with Ohio Partners for Affordable Energy (OPAE), the PUCO staff and Columbia in the case that set a \$3.57 monthly charge on residential consumers’ bills to pay for this work. (Non-residential customers paid separate rates.) This was a four-cent reduction from Columbia’s original proposal, saving customers more than \$643,000.

In a separate case, Columbia requested to continue its pipeline replacement program from 2014 to 2018. Columbia previously received approval to continue this work through 2013. OCC reached a settlement with the utility, the PUCO staff and other parties in September. The PUCO approved the settlement in November.

OCC was successful in including several consumer benefits in the settlement:

- ▶ Consumers will be guaranteed at least \$750,000 in 2012 for savings in operations and maintenance costs. Minimum consumer cost savings will increase to \$1 million in 2013; and in the remaining years, consumer savings will increase to at least \$1.25 million; and
- ▶ Approximately \$2.5 million will be available for income-eligible customers who have exhausted all other means of assistance. The funding for these programs cannot be collected from other customers.

Vectren Energy Delivery of Ohio also filed a pipeline replacement case in 2012. OCC participated but did not sign the settlement in that case.

Dominion: Case No. 12-0812-GA-RDR
Columbia: Case No. 11-5803-GA-RDR, 11-5515-GA-ALT
Vectren: Case No. 12-1423-GA-RDR

Telecommunications

Overview

A legislative proposal and state and federal cases provided opportunities for the Office of the Ohio Consumers' Counsel (OCC) to advocate on behalf of Ohio's residential telephone consumers in 2012.

The Ohio General Assembly considered, but ultimately did not enact, legislation that would have further revised Ohio's landline telephone laws. The legislation would have allowed some telephone utilities to withdraw basic landline telephone service from customers in Ohio. OCC recommended against passage of the legislation and advocated for stronger consumer protections.

In late December, OCC worked to protect Frontier Communications' residential customers from the possibility of basic telephone service rate increases.

The Federal Communications Commission (FCC) issued orders that affected Ohio telephone consumers. OCC weighed in on some of these federal changes through its national association.

Legislation to reduce access to landline telephone service stalled

The Ohio General Assembly considered legislation that would have allowed some landline telephone utilities to withdraw basic local telephone service from their customers. OCC expressed several concerns to the General Assembly regarding Senate Bill 271 (SB 271) and its potential impact on Ohio's telephone consumers.

The Bill passed through the Senate in February 2012. The Bill was not taken up for a vote in the House of Representatives.

OCC appreciates the many legislators and other stakeholders who expressed their concerns about how the proposal could impact consumers. In the end, Ohioans' access to affordable and reliable telephone service was protected when the Bill did not become law.

Current law requires local telephone companies to provide consumers, at a minimum, with reliable basic local telephone service. SB 271 would have allowed telephone companies to withdraw from this commitment if they met a minimal showing of competitiveness (two or more competing services available somewhere, but not everywhere in an exchange).

Under the Bill, telephone companies could have withdrawn basic telephone service from customers who might not have competitive alternatives available.

OCC protects Frontier's residential customers from possible rate increase

In December, Frontier Communications applied to the PUCO for the ability to increase customers' monthly basic telephone rates by \$1.25 each year, based on its claims of the presence of other competitive telephone options. But under the terms of a prior settlement with OCC, Frontier cannot seek the opportunity to raise residential customers' basic local telephone service rates until it has deployed broadband in 85 percent of its Ohio service territory. Frontier has not yet indicated that it has met this broadband commitment.

After discussions with OCC, Frontier amended its original application to exclude residential consumers. In its own filing, OCC urged the PUCO to protect residential consumers by only considering Frontier's amended application, which would not impact residential consumers. Also, OCC stated that several of the competitors Frontier named in its application do not offer service that competes with residential basic telephone service.

The amended application was still under the PUCO's consideration at the end of 2012.

PUCO Case No. 12-3127-TP-BLS

National consumer association appeals FCC order; OCC advocates to protect consumers from added charges

In October, the National Association of State Utility Consumer Advocates (NASUCA), of which OCC is a member, filed a brief in its appeal of a wide-ranging FCC order that impacts Ohio telephone consumers.

The FCC order established a plan to reduce inter-carrier access charges to zero by 2018. Intercarrier access charges are fees telephone companies charge each other for calls that begin or end in different local calling areas. Some local telephone utilities may try to make up for reduced inter-carrier access charge revenues by raising other rates, including retail charges to consumers. The FCC oversees interstate access charges (for calls completed to a different state than their point of origin). The PUCO oversees intrastate access charges (for calls completed to a different local calling area within Ohio).

NASUCA opposed an intercarrier access charge system that is not cost-based. The access charge system adopted by the FCC is not cost-based. In its brief filed at the United States Court of Appeals for the 10th Circuit, NASUCA argued that the FCC lacks the jurisdiction to act on intrastate access charges and that the matter is best handled at the state level.

In a PUCO case pending since 2010, OCC continued its advocacy to protect local telephone consumers from paying unfair surcharges that might result from their telephone utility reducing or eliminating intercarrier access charges. OCC continued to oppose a plan that would require all Ohio consumers—even consumers of telephone companies that do not reduce their access charges—to pay higher charges to offset the access charge

reductions of some local telephone companies. In its comments, OCC urged the PUCO to refrain from acting on the intrastate access charge issue until the appeals of the FCC's order have been decided.

Rulings in both the federal and state cases were pending at the end of 2012.

FCC Order No. 11-161

PUCO Case No. 10-2387-TP-COI

Water

Overview

Improved water quality and reasonable rates were two of the main issues for advocacy by the Office of the Ohio Consumers' Counsel (OCC) on behalf of Ohio's residential customers of investor-owned water and sewer utilities.

Most water utilities in Ohio are publicly owned. However, there are some investor-owned water utilities that operate in Ohio. The Public Utilities Commission of Ohio (PUCO) only regulates investor-owned water and sewer utilities. In 2012, Aqua Ohio, Inc. (Aqua) purchased Ohio American Water Co. (OAW). These companies were the two largest investor-owned water utilities in Ohio. A settlement of the purchase was negotiated between OCC, the water utilities and the PUCO staff, which the PUCO then approved. Also, OAW obtained an increase in the rates it charges customers, in a separate rate increase application that was approved by the PUCO.

OCC also actively advocated for water and sewer customers at the Ohio General Assembly during 2012.

Ohio American Water purchased by Aqua Ohio, Inc.

Aqua and OAW requested approval for Aqua to purchase OAW's operations. The PUCO approved the request in February 2012, after the companies and other stakeholders, including OCC, agreed to a settlement. As part of the settlement, Aqua and OAW agreed to reduce expenses by about \$2.3 million in the then-pending OAW rate case. The two companies also agreed to forgo seeking to collect from customers an estimated \$225,000 in costs related to the purchase. The effective date of the purchase was May 1, 2012.

Aqua now serves approximately 140,000 water customers and 6,500 sewer customers. Prior to the purchase agreement, Aqua served approximately 88,000 water customers in Ohio.

Case Nos. 11-5102-WS-ATR, 11-5103-WS-AAM

Former Ohio American Water customers see rates increase

Following a 2011 request to increase water and sewer rates, the former water utility OAW (now known as Aqua) gained PUCO approval for part of its request in June 2012. The reduced rate increases were part

of a settlement that also included a requirement that the water quality in the Blacklick service area of Central Ohio would be studied and monitored. OCC did not support or oppose the settlement. However, as part of a separate settlement (that OCC supported in the case involving the purchase of OAW) the utility agreed to reduce its requested rate increase by about \$2.3 million.

OAW originally requested to raise its rates by \$8.3 million. If the request had been approved as filed, it would have increased customers' water rates between 19 percent and 26 percent, depending upon where they live, and sewer rates by almost 12 percent. In the PUCO's decision, Aqua (formerly OAW) received an increase of approximately \$4.2 million, about half the amount originally requested.

Case No. 11-4161-WS-AIR

Water legislation passes

In November 2011, House Bill 379 was introduced in the Ohio General Assembly. The Bill allowed water and sewer utilities more flexibility in how they collect certain costs from their customers. In 2012, OCC worked with legislators and other stakeholders to improve the bill for consumers.

The introduced version of the bill would have allowed water and sewer utilities to seek collection of more costs in rate cases, establish a surcharge on customers' bills to collect state and federal taxes, and increase other charges on customers' bills. OCC's efforts helped protect consumers by preventing a tax surcharge on customers' bills and by reducing some other potential charges.

The bill passed through the legislature in December and will take effect in early 2013.

Consumer Education

Overview

During 2012, the Office of the Ohio Consumers' Counsel (OCC) continued to provide educational information to consumers through its website, newsletter, and with its outreach and education staff. Consumers continued to express interest in many utility issues, particularly competitive energy choices and utility assistance programs.

OCC also created internal efficiencies by consolidating its government affairs and communications departments into a public affairs department.

Educating consumers about their energy choices

2012 brought Ohio consumers more choices for their electricity and natural gas suppliers. With these choices, consumers have the opportunity to become more involved in decision-making about the costs they pay for their energy.

Choice programs allow consumers to contract directly with an energy marketer for their electricity or natural gas. Consumers should understand that they will continue to pay their local utility to deliver the electricity (through its wires) or natural gas (through its pipelines), regardless of which company the consumer selects for supplying the electricity or natural gas. And the local utility will still be responsible for reading consumers' meters and providing other customer services.

Through its public affairs staff, website and publications, OCC educates consumers about their energy choices. Understanding some of the basics about energy choice can help consumers make educated decisions that best fit their needs. For instance, consumers should understand how to estimate the pros and cons of different energy offers, to choose between different offers or to stay on the utility's standard offer, and to understand cancellation fees.

OCC offers two online publications, *Comparing Your Natural Gas Choices* and *Comparing Your Electric Choices*. These fact sheets are updated regularly as price offers from energy marketers change.

Customers are advised to use their most recent energy bills to find their price to compare (electric bill) or standard offer (natural gas bill) when considering a choice among offers from different energy marketers.

Low Income Dialogue Group

The Office of the Ohio Consumers' Counsel (OCC) continued to lead the Low Income Dialogue Group (LIDG), a network of stakeholders serving the needs of Ohio's at-risk populations. OCC facilitates conference calls to discuss ways to assist consumers in maintaining affordable and reliable utility services.

During 2012, a key issue for the group was monitoring the effectiveness of recent changes to utility assistance programs such as the updated Percentage of Income Payment Plan (PIPP) Plus. PIPP Plus is a program that allows income-eligible customers to maintain their electric and/or natural gas service by paying a percentage of their gross annual household income towards their monthly energy bills.

The LIDG also considered, among other issues, changes to assistance programs including the Summer Crisis Program and Winter Reconnect Order, the number of PIPP Plus customers using medical waivers, and statewide utility disconnection data.

Employee Recognition

Exceptional employees are recognized by OCC's directors on a bi-monthly basis. Employees are acknowledged for their outstanding work on behalf of Ohio's residential utility consumers and for exemplifying OCC's mission, vision and values. Annually, all OCC employees select one employee of the year.

2012 Employee of the Year



Patti Mallarnee

Patti Mallarnee, senior administrative assistant, was selected as OCC's 2012 Employee of the Year by her peers.

Ms. Mallarnee began her career at OCC in 1984 and has been an integral part of the agency ever since. She is a dedicated employee who currently assists the consumers' counsel with high-level administrative responsibilities in the legal department. She coordinates case work related to the natural gas industry, tracks case team assignments and activities, supervises OCC's case team coordinator, and is assigned to multiple cases as case team coordinator herself.

Ms. Mallarnee graduated cum laude from Ohio Dominican University with a degree in business administration. She is an asset to OCC and to Ohio's residential utility consumers. She was chosen as the January/February 2012 Employee of the Months.

Erin Biehl

Employee of the Months for September/October 2011, Erin Biehl is the public affairs assistant. Ms. Biehl started at OCC for a second time in 2010 and is responsible for customer service duties for the agency, writing and editing publications, and assisting the director of public affairs.

Gina Brigner

Selected as OCC's Employee of the Months for November/December 2011, Gina Brigner is the administrative assistant in the Analytical Services Department. She is responsible for managing subscriptions, preparing documents for utility cases and assisting the director of analytical services.

Kathy Hagans

Kathy Hagans, chosen Employee of the Months in March/April 2012, is a principal regulatory analyst at OCC. She joined OCC in 1983 and held various positions in the Analytical Services Department during her nearly 30 years with the agency. Ms. Hagans currently works on cases pertaining to the electric, natural gas, and telecommunications industries.

Maureen Grady

Maureen Grady, selected as Employee of the Months in May/June 2012, is an assistant consumers' counsel at OCC. Ms. Grady came to OCC in 2004, having previously worked for the Agency as a legal intern and then as a staff attorney on two different occasions. Currently, Ms. Grady specializes in electric cases; however, she participates in a variety of utility cases as needed by the Legal Department.

Kyle Kern

Employee of the Months for July/August 2012, Kyle Kern is an assistant consumers' counsel at OCC. Ms. Kern joined OCC in April 2010 after she was a legal intern for the agency in 2007. Ms. Kern dedicates much of her time to representing consumers in a variety of electric related cases at the state and federal level.

Ray Foeller

Employee of the Months for September/October 2012, Ray Foeller is a senior outreach and education specialist at OCC. He joined the agency in 1997 in the former call center and moved to the outreach area in 1998. Mr. Foeller provides educational opportunities to groups throughout Ohio.

2012 Fiscal Report

The Office of the Ohio Consumers' Counsel (OCC) is funded through an assessment on the intrastate gross receipts of entities regulated by the Public Utilities Commission of Ohio (PUCO), based on Section 4911.18 of the Ohio Revised Code. Total assessments for 2012 amounted to \$5,075,218 after adjustments.

OCC assessed more than 800 entities for operating funds for fiscal year 2012. If all regulated entities charged their customers for the cost of OCC's budget, this would cost customers approximately 2.35 cents for every \$100 in utility bills. This is equivalent to less than a dollar a year for a typical utility customer.

Operating budget

Fiscal year 2013 appropriation
(July 1, 2012 through June 30, 2013)

Personnel services.....	\$ 4,286,446
Maintenance and equipment.....	\$ 856,147
Purchased personal services	\$ 498,500
Total	\$5,641,093

2012 Case Activity

Cases with All Utilities at the Public Utilities Commission of Ohio

Case Number	Company/Case Type	Issue
11-5384-AU-UNC	PUCO-Initiated	Section 749.10 of Amended Substitute House Bill 153

Electricity Cases at the Public Utilities Commission of Ohio

Case Number	Company/Case Type	Issue
12-3151-EL-COI	PUCO Investigation	Retail Electric Service Market, Including the Standard Offer
12-2999-EL-UNC	Ohio Power	Bill Format
12-2400-EL-UNC; 12-2401-EL-AAM; 12-2402-EL-ATA	Duke Energy	Capacity Charges
12-2281-EL-AAM	Dayton Power and Light	Storm-Related Service Restoration Costs
12-2190-EL-POR; 12-2191-EL-POR; 12-2192-EL-POR	FirstEnergy	Energy Efficiency Portfolio
12-2157-EL-ORD	PUCO Rules Review	Green Pricing
12-2051-EL-ORD	PUCO Rules Review	Interconnection Services
12-1969-EL-AIS	Ohio Power	Securitization
12-1945-EL-ESS	Ohio Power	Reliability
12-1924-EL-ORD	PUCO Rules Review	Competitive Retail Electric Service
12-1857-EL-RDR	Duke Energy	Save-A-Watt

12-1832-EL-ESS	Dayton Power and Light	Reliability Targets
12-1719-EL-USF	Ohio Department of Development	Universal Service Fund Riders
12-1682-EL-AIR; 12-1683-EL-ATA; 12-1684-EL-AAM	Duke Energy	Distribution Rate Case
12-1537-EL-EEC	Ohio Power	Energy Efficiency and Peak Demand Reduction Compliance
12-1533-EL-EEC; 12-1534-EL-EEC; 12-1535-EL-EEC	Ohio Edison; Cleveland Electric Illuminating; Toledo Edison	Energy Efficiency and Peak Demand Reduction Compliance
12-1477-EL-EEC	Duke Energy	Energy Efficiency and Peak Demand Reduction Compliance
12-1465-EL-ATS	FirstEnergy	Securitization
12-1420-EL-POR	Dayton Power and Light	Energy Efficiency and Peak Demand Reduction Compliance
12-1230-EL-SSO	FirstEnergy	Standard Service Offer
12-1177-EL-WVR	Ohio Power	Significantly Excessive Earnings Test
12-1126-EL-UNC	Ohio Power	Corporate Separation
12-1046-EL-RDR	Ohio Power	Transmission Cost Recovery Rider
12-0814-EL-UNC	FirstEnergy	Energy Efficiency and Peak Demand Reduction Implications
12-0688-EL-RDR	Ohio Power	Economic Development Cost Recovery Rider

2012 Case Activity

12-0665-EL-UNC	Electric Distribution Utilities	Annual Verification of the Energy Efficiency and Peak Demand Reductions Achieved
12-0609-EL-ATA	Duke Energy	Time Differentiated Rates
12-0524-EL-RDR	Dayton Power and Light	Transmission Cost Recovery Rider and PJM Rider
12-0523-EL-RDR	Toledo Edison	Delivery Capital Recovery Rider
12-0522-EL-RDR	Ohio Edison	Delivery Capital Recovery Rider
12-0509-EL-RDR	Ohio Power	Smart Grid
12-0493-EL-RDR	Cleveland Electric Illuminating	Delivery Capital Recovery Rider
12-0406-EL-RDR	FirstEnergy	Smart Grid Tariff
12-0150-EL-COI	PUCO Investigation	Smart Grid
11-6010-EL-POR	Dayton Power and Light	Supplement to Energy Efficiency and Peak Demand Reduction Program Portfolio
11-6000-EL-UNC	Duke Energy	Auction
11-5906-EL-FAC	Columbus Southern Power and Ohio Power	Fuel Adjustment Clause
11-5905-EL-RDR	Duke Energy	Decoupling Rider
11-5730-EL-FAC	Dayton Power and Light	Fuel Adjustment Clause
11-5428-EL-RDR	Ohio Edison; Cleveland Electric Illuminating; Toledo Edison	Delivery Capital Recovery Rider
11-5333-EL-UNC	Ohio Power	Corporate Separation
11-5201-EL-RDR	FirstEnergy	Advanced Energy Rider
11-4920-EL-RDR; 11-4921-EL-RDR	Columbus Southern Power and Ohio Power	Deferred Fuel Cost Phase-In Recovery Rider
11-4571-EL-UNC; 11-4572-EL-UNC	Columbus Southern Power and Ohio Power	Significantly Excessive Earnings Test
11-4393-EL-RDR	Duke Energy	Energy Efficiency and Peak Demand Reduction Portfolio for 2012-2014
11-2515-EL-ACP; 11-2516-EL-ACP	Duke Energy	Alternative Energy Compliance
11-0974-EL-FAC; 11-0975-EL-RDR	Duke Energy	Fuel Procurement Program and Service Reliability Tracker
11-0351-EL-AIR; 11-0352-EL-AIR; 11-0353-EL-ATA; 11-0345-EL-ATA; 11-0356-EL-AAM; 11-0358-EL-AAM	Columbus Southern Power and Ohio Power	Distribution Rate Case
11-0346-EL-SSO; 11-0348-EL-SSO; 11-0349-EL-AAM; 11-0350-EL-AAM	Columbus Southern Power and Ohio Power	Electric Security Plan

11-0281-EL-FAC	Columbus Southern Power and Ohio Power	Fuel Adjustment Clause
10-2929-EL-UNC	American Electric Power	Capacity Pricing
10-2586-EL-SSO	Duke Energy	Market Rate Offer
10-2531-EL-UNC	Smart Grid	Interoperability
10-2429-EL-ATA	Duke Energy	Time of Day Rate
10-2376-EL-UNC	Columbus Southern Power and Ohio Power	Merger
10-0511-EL-ACP	Duke Energy	Advanced and Renewable Energy Baseline and Benchmark for One Time Waiver of Rule
10-0343-EL-ATA; 10-0344-EL-ATA	Columbus Southern Power and Ohio Power	Emergency Service Curtailment Riders
09-0872-EL-FAC; 09-0873-EL-FAC	Columbus Southern Power and Ohio Power	Fuel Adjustment Clause

Electricity Cases at the Supreme Court of Ohio

Case Number	Company/Case Type	Issue
2012-2008	OCC v. PUCO (OCC Appellant)	Ohio Power Appeal of Decision (Industrial Energy Users and OCC Cross-Appeal) in Columbus Southern Power and Ohio Power Deferred Fuel Cost Phase-in Recovery Rider Case Regarding PUCO Case Nos. 11-4920-EL-RDR et al.
2012-0976	Ohio Power v. PUCO (OCC Intervening Appellee)	Ohio Power Appeal of Decision in Columbus Southern Power and Ohio Power Fuel Adjustment Clause Case Regarding PUCO Case Nos. 09-872-EL-FAC et al.
2012-0187	OCC and Industrial Energy Users v. PUCO	OCC and Industrial Energy Users Appeal of Decision in Columbus Southern Power Electric Security Plan Case Regarding PUCO Case Nos. 08-917-EL-SSO et al.
2011-0751	Ohio Energy Group and Industrial Energy Users v. PUCO and Cross-Appeal of Columbus Southern Power (OCC Intervening Appellant)	Ohio Energy Group and Industrial Energy Users Appeal of Decision (Columbus Southern Cross-Appeal) in Columbus Southern Power Significantly Excessive Earnings Test case Regarding PUCO Case No. 10-1261-EL-UNC

Electricity Cases at the Federal Energy Regulatory Commission

Case Number	Company/Case Type	Issue
ER13-535	PJM	Minimum Offer Price Rule

2012 Case Activity

ER13-233; ER13-234; ER13-235; ER13-136; ER13-237	American Electric Power	POOL, Bridge and Power Coordination Agreements
ER13-232	American Electric Power	Corporate Separation
EC13-26	American Electric Power	Corporate Separation
ER12-2708	PATH Companies	Abandonment Costs
ER12-1901	GenOn	Reliability Must Run
AD12-16	Notice Seeking Comments	Capacity Portability
IN12-7	Constellation	Refund
ER11-2814	PJM/ATSI	Switch to PJM
EL11-32; ER11-2183	American Electric Power	Capacity

Natural Gas Cases at the Public Utilities Commission of Ohio

Case Number	Company/Case Type	Issue
12-3125-GA-RDR	Dominion East Ohio	Pipeline Infrastructure Replacement Program
12-3116-GA-RDR	Dominion East Ohio	Adjust Automated Meter Reading
12-3028-GA-RDR; 12-3029-GA-ATA	Duke Energy	Accelerated Main Replacement Program
12-2923-GA-RDR	Columbia Gas	Infrastructure Replacement Program and Demand Side Management Program Riders
12-2637-GA-EXM; 08-1344-GA-EXM	Columbia Gas	Stipulation Regarding Standard Offer
12-1842-GA-EXM; 07-1224-GA-EXM	Dominion East Ohio	Stipulation Regarding Standard Offer
12-1694-GA-PIP	Dominion East Ohio	Percentage of Income Payment Plan
12-1685-GA-AIR; 12-1686-GA-ATA; 12-1687-GA-ALT; 12-1688-GA-AAM	Duke Energy	Distribution Rate Case
12-1423-GA-RDR	Vectren	Adjustment to Distribution Replacement Rider
12-0925-GA-ORD	PUCO Rules Review	Competitive Retail Natural Gas Service
12-0812-GA-RDR	Dominion East Ohio	Pipeline Infrastructure Replacement Program
12-0530-GA-UNC; 12-0531-GA-AAM	Vectren	Capital Expenditure Program and Accounting

12-0483-GA-EXM	Vectren	Stipulation Regarding Standard Offer
12-0218-GA-GCR	Duke Energy	Gas Cost Recovery and Management Performance Audit
12-0212-GA-GCR	Orwell	Gas Cost Recovery
12-0209-GA-GCR	Northeast	Gas Cost Recovery
11-6076-GA-EXM	Dominion East Ohio	Standard Offer Auction
11-6024-GA-UNC; 11-6025-GA-AAM	Dominion East Ohio	Capital Expenditure Program and Accounting
11-6011-GA-WVR	Ohio School Consortium/ Columbia Gas	Standby Service
11-5843-GA-RDR	Dominion East Ohio	Adjust Automated Meter Reading
11-5809-GA-RDR; 11-5810-GA-ATA	Duke Energy	Accelerated Main Replacement Program
11-5803-GA-RDR	Columbia Gas	Infrastructure Replacement Program and Demand Side Management Program Riders
11-5590-GA-ORD	PUCO Rules Review	Rules for Cases Involving the Future of the Standard Offer for Natural Gas
11-5515-GA-ALT	Columbia Gas	Infrastructure Replacement Program Extension
11-5351-GA-UNC; 11-5352-GA-AAM	Columbia Gas	Capital Expenditure Program and Accounting Methodology
08-1229-GA-COI	PUCO Rules Review	Uncollectible Expense Rider
08-0606-GA-AAM	Columbia Gas	Defer Environmental Investigation and Remediation Costs

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

Case Number	Company/Case Type	Issue
12-1811-GE-RDR	Duke Energy	Smart Grid
10-2326-GE-RDR	Duke Energy	Smart Grid

Telecommunications Cases at the Public Utilities Commission of Ohio

Case Number	Company/Case Type	Issue
12-3127-TP-BLS	Frontier North, Inc.	Basic Local Exchange Service
10-2387-TP-COI	PUCO Investigation	Access Charge Reform

Water Cases at the Public Utilities Commission of Ohio

Case Number	Company/Case Type	Issue
11-5102-WS-ATR; 11-5103-WS-AAM	Aqua Ohio and Ohio American Water	Aqua's Acquisition of Ohio American
11-4161-WS-AIR	Ohio American Water	Rate Case



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