

# OFFICE OF THE OHIO CONSUMERS' COUNSEL



*Serving Ohioans since 1976*

# 2016 Annual Report

# The Office of the Ohio Consumers' Counsel

## ► **Mission**

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OCC advocates for Ohio's residential utility consumers through representation and education in a variety of forums.

## ► **Vision**

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Informed consumers able to choose among a variety of affordable, quality utility services with options to control and customize their utility usage.

## ► **Core Values**

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### ***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.

### ***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.

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## A message from Gene Krebs Governing Board Chair

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The Governing Board of the Office of the Ohio Consumers' Counsel presents our 2016 Annual Report to the Ohio General Assembly. The Annual Report outlines the participation of the Office of the Ohio Consumers' Counsel ("Agency" or "OCC") in electric, natural gas, telephone and water proceedings on behalf of Ohio utility consumers, as well as expenditures and other activities.

Electric issues last year challenged the Ohio General Assembly's vision, in 1999, for Ohioans to be served by a competitive market for generation. Electric utilities have continued to propose that Ohioans pay billions of dollars in subsidies.

The Governing Board's yearlong review, in 2015, of electric issues affecting consumers culminated in the Board's issuance of a report, entitled "[Everyone is Unhappy](#)," in January 2016. In the report, the Board expressed its concerns that, among other things, Ohioans were paying too much for electricity – higher rates for electric service, on average, than residential consumers in 32 other states. The Board recommended a legislative task force to study reforms in electric utility law in the State.

Looking ahead, electric utilities may seek legislation for re-regulation, re-restructuring and/or subsidizing parts of their own or affiliated businesses at consumer expense. The Consumers' Counsel will be a voice for consumers in the legislative process.

Regarding telephone service, the Agency participated in the collaborative formed by the General Assembly to protect the price and quality of Ohioans' basic telephone service during a future transition in network technology. I appreciate that the General Assembly earlier named the Agency as one of the standing members of the collaborative. The Agency is fulfilling its collaborative responsibilities by providing information and recommendations for Ohioans with basic telephone service to have reasonable prices and satisfactory quality after a network transition.

I thank Attorney General DeWine for his services to our Agency. Also, I thank the Attorney General for the reappointment of Board members Fred Cooke and Roland "Butch" Taylor and for my reappointment in 2016, allowing our continued service to Ohioans. We also said farewell to Board member Jason Clark. I am very appreciative of the Board members' commitment to protecting Ohio consumers.

The Board appreciates the dedicated public service of our appointees, Consumers' Counsel Weston (the Agency's director) and Deputy Consumers' Counsel Sauer, as well as their staff. I thank Consumers' Counsel Weston for his leadership during this busy year that included challenges to the competitive markets envisioned by the General Assembly for the benefit of Ohioans. I thank the members of the Ohio General Assembly and the Governor's Office for their consideration of our views on utility consumer issues.

The Board looks forward to the Agency's work with legislators, other public officials and stakeholders for the benefit of Ohioans in 2017.



# Governing Board

## About the Governing Board

By law, the Ohio Attorney General appoints members to the Consumers' Counsel Governing Board. The Board consists of nine members, with three members appointed for each of 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 Board is responsible for appointing the Consumers' Counsel (the Agency's director) and the Deputy Consumers' Counsel.



### Gene Krebs

**Chair, 2012 – present**  
**Vice-Chair, 2011 – 2012**  
**Board member, 2005 – 2019**  
**Representing residential consumers**  
**Hometown: Camden**

Gene Krebs was appointed to the OCC Governing Board in 2005 and has been 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 Gov. Ted Strickland to serve on Ohio's 21st Century Transportation Task Force and most recently by Gov. John Kasich to the Local Government Innovation Council. After ending his second stint with a think tank, he currently is co-authoring a book with noted writer Phil DeVol on bridging the political divide to bridge the economic divide.



### Michael A. Watkins

**Vice-Chair, 2015 – present**  
**Board member, 2010 – 2017**  
**Representing organized labor**  
**Hometown: Elida**

Michael Watkins has served as a member of the Fraternal Order of Police ("FOP"), Lima Lodge No. 21 since 1976 when he began his career as a police officer in Lima, Ohio. He

retired as an active law enforcement officer in 1999. He currently is serving his sixth term as president of FOP Lima Lodge No. 21. Since 2003 he has been employed by the FOP, Ohio Labor Council Inc. in Columbus, Ohio, as an Administrative Assistant. Mr. Watkins was trustee of the FOP's 6th district from 1993-1995 and has served in that position again since 2007.



### Jason D. Clark

**Board member, 2012 – 2016**  
**Representing organized labor**  
**Hometown: Dayton**

Jason Clark serves as the business representative for the members of Millwright Local 1090, a statewide organization that is a division of the United Brotherhood of Carpenters. He previously served in various positions with both the Cincinnati and Dayton AFL-CIOs. Mr. Clark resigned from the Governing Board in October 2016.



### Fred Cooke

**Board member, 2013 – 2019**  
**Representing family farmers**  
**Hometown: Shelby**

Fred Cooke runs a 1,200-acre farm with his son, Charlie, in Shelby, Ohio. He worked for 30 years as an educator teaching agriculture at Greene County Vocational School, Willard High School and Shelby Senior High School, in addition to teaching various courses at Southern State College in Wilmington. In recognition of his commitment to education and preserving farm land, he was awarded the Outstanding Educator of the Year and the Outstanding Soil and Water Conservationist award by the Richland Soil and Water Conservation District. He is a 30-year member of the Richland County Farm Bureau.



### Sally A. Hughes

**Board member, 2011 – 2017**  
**Representing residential consumers**  
**Hometown: Columbus**

Sally Hughes has served as president and chief executive officer of Caster Connection, Inc., a business founded upon the solid

# Governing Board

principle of “providing ergonomic caster and wheel solutions to decrease injuries in the workplace.” Her multi-million dollar company serves thousands of companies throughout the U.S., Canada, Mexico and Europe. 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 Platinum Group, Women’s Business Enterprise National Council and National Association of Women Business Owners. She is on the Board of The Wellington School, Enterprising Women Magazine Advisory Board and the Women’s Leadership Network Advisory Council for Otterbein University. Ms. Hughes recently received recognition as 2016 SBA Business Person of the Year from the SBA for the State of Ohio and 2016 Enterprising Women of the Year Award winner.



## **Kelly C. Moore**

**Board member, 2015 – 2018**  
**Representing residential consumers**  
**Hometown: Newark**

Kelly Moore is the corporate vice-president of GKM Auto Parts, Inc., an independent jobber of NAPA Auto Parts. A member of the National Federation of Independent Business/Ohio (NFIB), Mrs. Moore serves as a member of the group’s Ohio Leadership Council. She serves on various committees, including the Workers Compensation committee and the Young Entrepreneur Foundation Scholarship committee. She is the former chair and vice chair of the Zanesville NFIB Area Action Council. In addition, Mrs. Moore is a member of the West Lafayette Chamber of Commerce.



## **Roland “Butch” Taylor**

**Board member, 2013 – 2019**  
**Representing organized labor**  
**Hometown: Stow**

Roland “Butch” Taylor has served as a member of Plumbers and Pipefitters Local 396 since 1992 and as Business Manager since 2010. He previously served Local 396 as Union President, Executive Board Member and Business Agent. Mr. Taylor has been involved in Pathways to Building Trades, a grant that exposes students to

careers as plumbers, electricians, carpenters and other skilled trades. Mr. Taylor also serves on the Boards of Leadership of the Mahoning Valley, Youngstown/Warren Regional Chamber and Chamber of Commerce. He was honored as the Regional Chamber’s Labor Leader of the Year in 2012.



## **Fred Yoder**

**Board member, 2011 – 2017**  
**Representing family farmers**  
**Hometown: Plain City**

Fred Yoder is the owner and operator of Fred Yoder Farms in Plain City, Ohio. He also is a partner and Chairman with Yoder Ag Services, LLC, a retail seed and consulting company. Mr. Yoder currently serves as a member of the Trump Agriculture Advisory Committee; the AGrEE Advisory Council and their Risk Management Task Force; the Ohio Corn and Wheat Growers Association; and is a director of the 25 x ’25 Alliance, which is part of the Solutions from the Land LLC. He also serves as the Chair of the North American Climate Smart Agriculture Alliance, promoting adaptation to a changing climate while reducing agriculture’s carbon footprint. He was recognized by the White House as a Champion for Change in 2013, and he was inducted into the Ohio Agricultural Hall of Fame in 2011.



## **Stuart Young**

**Board member, 2012 – 2018**  
**Representing family farmers**  
**Hometown: Springfield**

Stuart Young is a third-generation dairy farmer. He is an owner and manager of Young’s Jersey Dairy Inc. in Yellow Springs, Ohio, where he is responsible for managing the farm operation, Jersey herd and cheese production. He has also served on the Hustead Volunteer Fire Department for 35 years. He previously served the Clark County Farm Bureau on the Board of Directors and as President. He has served as a member of the Ohio Cattle-men’s Association, the Ohio Angus Association and The Ohio Farm Bureau’s State Policy Development Committee as a delegate. He is a lifelong member of the American Jersey Cattle Association.

# Senior Management

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## **Bruce Weston**

Bruce Weston has served Ohioans as the Consumers' Counsel (Agency director), by appointment of the Consumers' Counsel Governing Board, since March 2012. Previously, Mr.

Weston served as the Deputy Consumers' Counsel and directed the Agency's Legal Department. Mr. Weston brings 35 years of experience in public utilities law to the Agency and its services to Ohio residential consumers. He is committed to protecting consumers' interests. His priorities include reasonable rates, competitive markets and reliable service for Ohioans. Prior to joining the Agency 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 the Agency in 1978 as a legal intern. After earning his law degree from The Ohio State University College of Law, he began a 12-year tenure as an attorney for the Agency. Mr. Weston served as the chair of the Public Utilities Law Committee of the Ohio State Bar Association for two years ending in June 2012.



## **Larry Sauer**

Larry Sauer was appointed as the Deputy Consumers' Counsel by the Consumers' Counsel Governing Board in September 2014. As Deputy, he performs the duties of the Consumers' Counsel during any times of the

Consumers' Counsel's unavailability. Mr. Sauer also serves as the Director of the Legal Department. Mr. Sauer joined the Agency in March 2003 as an Assistant Consumers' Counsel. He has served as counsel in electric and natural gas cases, and he has advised the Agency on consumer

issues involving the transition to competitive markets for utility services. Prior to joining the Agency, he worked for 24 years as an accountant, analyst, and attorney for American Electric Power.



## **Dan Shields**

Dan Shields joined the Agency as Director of the Analytical Department in March 2014. He is responsible for administering the accounting, economic, and financial analyses associated with utility rate filings

and other regulatory proceedings that affect Ohio's residential utility consumers. He provides advice and recommendations for the Ohio Consumers' Counsel's utility advocacy on technical and policy issues related to regulation and legislation. Before joining the Agency, Mr. Shields served as the Federal Energy Advocate at the PUCO and was Director of the Office of the Federal Energy Advocate. He earlier served as a PUCO Senior Policy Specialist on state and federal energy and telecommunications issues.



## **Monica Hunyadi**

Monica Hunyadi joined the Ohio Consumers' Counsel in September 2013. As the Chief of Staff – Non-Case Services, she provides assistance to the Consumers' Counsel on special projects affecting Ohio consumers

and the Agency. She leads the Agency's Operations and Public Affairs Departments toward meeting objectives for services within the Agency and for the public. She previously served as the Agency's Director of Operations from 1996-2005. She then accepted a position as the Director of Human Resources at the Supreme Court of Ohio. In addition to leading human resources, she also taught various human resource courses for the Ohio Judicial College and the Ohio Association of Court Administrators.



# Issues for Electric Consumers

In January 2016, the Governing Board issued its report entitled “[Everyone is Unhappy](#).” The Board’s report was a culmination of a year-long assessment of electric utility issues affecting Ohio consumers. In the report, the Board expressed concern that residential consumers were paying too much for electricity, and noted that they were paying higher rates for electric service, on average, than consumers in 32 other states, based on 2014 data. The Board recommended a legislative task force to study reforms in electric utility law in the state.

In 2016, the Ohio Consumers’ Counsel advocated for consumer protections for four million Ohio electric consumers, regarding the charges they pay for electric service and other issues.

Electric issues in 2016 challenged Ohio’s competitive market. The General Assembly deregulated the Ohio electric market in 1999. The transition period to a competitive market ended long ago. However, utilities in 2016 were still seeking to charge customers for subsidies regarding power plants.

The Supreme Court of Ohio heard positions from American Electric Power (“AEP Ohio”), Dayton Power & Light (“DP&L”), and the Consumers’ Counsel on an issue involving subsidy charges for the transition to a competitive market. The Court overturned charges deemed to be unlawful subsidies in two cases.

A recent [study](#) at The Ohio State University and Cleveland State University stated that deregulation of electricity has saved consumers an average of about \$3 billion per year, for a total of about \$15 billion over five years. It was concluded in the report that the great majority of consumer savings (about \$12 billion) resulted from the competitive auctions for the utilities’ standard offers. A lesser amount of consumer savings resulted from marketer offers to consumers. Moreover, the authors of the report projected that deregulation (primarily with the utilities’ auction-based standard offers) will save consumers nearly the same amount for the next five years, through 2020, totaling another \$15 billion in savings.

Power purchase agreements (“PPA”) were proposed by Ohio electric utilities as a way to obtain billions of dollars in subsidies through above-market charges to consumers for uneconomic (and deregulated) power plants in Ohio. The PPA subsidies would be harmful to Ohio’s competitive markets and the customers served by those markets. Ohio regulators approved the PPA mechanism to allow the collection of subsidies from several million customers of AEP Ohio and FirstEnergy.

However, OCC and others made filings at the Federal Energy Regulatory Commission (“FERC”) to protect markets – and consumers served by markets – from the state PPA subsidies. FERC responded with rulings that led to utilities and state regulators abandoning the PPA subsidy proposals.

The PPAs are examples of charges to customers through so-called riders enabled under the 2008 Ohio energy law. That law favors electric utilities and disfavors utility consumers in the ratemaking process. The 2008 law permits single-issue ratemaking (“riders”), which allows electric utilities to establish (cherry-pick) new charges without full rate review that otherwise

would occur under a traditional rate case. In addition to charges for uneconomic power plants, utilities have proposed many riders, including those for smart grid investment and for so-called financial stability.

Electric utilities have stated their intentions to propose changes in the law to allow re-regulation, re-restructuring and/or subsidies for some generation. There may be legislative activity in 2017 on such proposals. The Consumers' Counsel has proposed that much of the 2008 law, that favors utilities in the ratemaking process, should be repealed.

Submetering continued to be an issue for Ohio consumers. Certain submeterers act as middlemen. They resell utility services (such as electric and water services) to consumers, sometimes at higher or much higher prices than what the utility charges and without consumer protections applicable to utility services. In 2016, there were four cases pending at the Public Utilities Commission of Ohio ("PUCO") regarding consumer protection from submetering. In an investigation case, the PUCO determined that it has a role in regulating submetering companies. The case is ongoing and will lead to another PUCO order. Also, legislation was introduced in 2016, but no consumer protection laws were enacted. The issue may be addressed again by the General Assembly in 2017.

Also at the Statehouse, the Consumers' Counsel testified on legislation about the state's energy standards (energy efficiency and renewables). Bills were introduced to address the two-year freeze (from prior legislation) on those state standards. Ultimately, a bill was sent to the Governor. Governor Kasich then vetoed the bill. Legislation has been introduced again in the General Assembly for 2017.

Some of the significant consumer issues that the Consumers' Counsel addressed for millions of Ohioans in 2016 are described below. A full listing of the Agency's case activities can be found at the back of this annual report.

## **State Cases Affecting Electric Consumers**

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### **Consumers' Counsel recommends protecting Ohio electric consumers from subsidizing deregulated power plants**

The Agency represented residential utility consumers in PUCO cases to protect consumers from subsidizing uneconomic power plants owned by some of Ohio's electric utilities or their affiliates. FirstEnergy and AEP Ohio proposed charging millions of consumers for power purchase agreements to subsidize certain deregulated coal and nuclear plants. The PPAs would have been funded through increased charges to captive consumers' bills. The Consumers' Counsel and others recommended protecting consumers by denying the utilities' proposals.

In 2016, the PUCO approved the so-called riders for making several million Ohioans pay the charges to subsidize power plants related to FirstEnergy and AEP Ohio. However, in April 2016, FERC – acting upon recommendations by the Consumers' Counsel and others – protected Ohioans by preventing the power purchase agreements from going into effect.

Additionally, in October 2016, the PUCO approved a distribution modernization rider ("DMR") that would allow FirstEnergy to collect from consumers more than \$200 million in subsidies each year for three years. The PUCO also allowed FirstEnergy to request a two-year extension if the hundreds of millions of dollars given to FirstEnergy over the first three years are considered insufficient. While the name of the charge is "distribution modernization," the PUCO ruled that FirstEnergy is not



required to spend the money it collects from consumers on distribution modernization. The Consumers' Counsel recommended against these charges to consumers.

As a result of FERC's ruling, to protect competition and consumers, in April 2016, AEP Ohio modified its proposal by asking for a more limited power purchase agreement ("PPA"). In November 2016, the PUCO approved AEP Ohio's modified proposal, which included only the Ohio Valley Electric Corporation ("OVEC") units. OCC estimates that this PPA will cost Ohio consumers approximately \$60 million per year, which equates to about \$20 per year for an average residential consumer. The Consumers' Counsel made recommendations to the PUCO for protecting consumers from these charges.

*AEP Ohio, Case Nos. 13-2385-EL-SSO, 14-1693-EL-RDR, 14-1694-EL-AAM, 16-1852-EL-SSO, 16-1853-EL-AAM; FERC Docket Nos. EL16-33, 16-49; FirstEnergy, Case No. 14-1297-EL-SSO, FERC Docket No. EL16-34*

## **Consumers' Counsel seeks to prevent rate hikes for consumers in DP&L's electric rate plan**

In December 2015, DP&L requested that the PUCO approve a \$65.8 million increase in the rates consumers pay for its distribution service. This proposal would result in a \$4.07 monthly increase for a typical residential customer with 1,000 kWh of usage. The Consumers' Counsel conducted discovery throughout 2016 to investigate the propriety of DP&L's proposed rate increase. The case remains pending at the end of 2016.

*DP&L, Case Nos. 15-1830-EL-AIR, et al.*

## **Consumers' Counsel recommends consumer protections from DP&L's proposed electric security plan ("ESP")**

In February 2016, DP&L sought approval from the PUCO for numerous riders to be charged to consumers, in its latest electric security plan ("ESP III"). The Consumers' Counsel has recommended against increasing rates for DP&L's approximately 515,000 residential consumers.

DP&L's original proposal included a reliable electricity rider ("RER") that was similar to the power purchase

agreement proposed by AEP Ohio and FirstEnergy. The DP&L charge would have subsidized uneconomic power plants that compete in the wholesale energy markets, all at the expense of captive consumers.

After FERC acted to protect consumers regarding the FirstEnergy and AEP Ohio power purchase agreements, DP&L withdrew its proposal. DP&L then filed a modified electric security plan that instead asked for a so-called distribution modernization rider similar to what the PUCO approved for FirstEnergy. According to DP&L, this new rider is intended to allow DP&L's parent company to improve its financial condition, modernize its distribution system, and invest in renewable energy generation.

OCC estimated that the distribution modernization rider, as DP&L originally proposed, would cost an average residential consumer more than \$12 per month and more than \$1,000 during the seven-year term of the proposed rate plan. A revised settlement was filed in this case in early 2017. The Consumers' Counsel is concerned with the charges to consumers that are proposed in the settlement, and will be making recommendations for consumer protection in 2017.

*DP&L, Case Nos. 16-0395-EL-SSO, 16-0396-EL-ATA*

## **Consumers' Counsel seeks to reduce charges to residential customers for AEP Ohio's smart grid expansion**

AEP Ohio's smart grid project, gridSMART, is said by AEP to bring new electronic metering technology, grid automation, and monitoring to residential utility consumers. But the project comes at a significant cost to consumers. The Consumers' Counsel participated in the case to limit increases to consumers and to advocate for consumer protections regarding smart grid technology.

As of June 2015, more than 132,000 smart meters were installed in central Ohio as part of AEP Ohio's gridSMART demonstration project. AEP Ohio's 2013 application proposed to expand the project so that another 894,000 residential consumers would receive smart meters. The Consumers' Counsel recommended consumer protections in 2016, regarding concerns that AEP Ohio's proposed expansion of gridSMART

does not provide sufficient benefits to consumers to justify the high charges. In addition, the Agency also recommended that consumers should not have to pay for gridSMART as a separate rider on their bill. And the Agency recommended that traditional ratemaking methods should be used to be more protective of consumers regarding the proposed charges.

In April 2016, a settlement was reached among the PUCO Staff, AEP Ohio, and other parties. Neither the Consumers' Counsel nor any other representative of residential consumers signed the settlement. The settlement included customers paying the full rollout of smart meters in the application, as well as additional smart grid technology deployment. The cost to consumers would increase, so that by the fourth year of deployment residential consumers would pay more than \$2.00 each month.

In December 2016, the Consumers' Counsel negotiated and signed a settlement with AEP Ohio and others regarding a dozen cases including the gridSMART case. One part of this settlement is that the Consumers' Counsel agreed to withdraw its opposition to elements of AEP Ohio's gridSMART proposal, in exchange for reducing the allocation of the gridSMART costs that residential consumers would pay. This settlement resulted in residential consumers paying approximately \$45 million less to AEP Ohio for the gridSMART expansion. The PUCO approved the settlement in February 2017.

Another settlement was signed in April 2016 by the PUCO Staff and AEP Ohio; it would permit AEP Ohio to charge consumers who want to keep their traditional meter (and not a "smart" meter). If a consumer wants a smart meter removed and a traditional meter installed, the consumer will be charged a one-time fee of \$43. In addition to the one-time fee, consumers with traditional meters who opt out of having a smart meter installed will be charged \$24 each month for meter reading. The Consumers' Counsel recommended that, at least for the time being, the PUCO should not allow the utility to charge consumers who want to keep a traditional meter. The PUCO, however, approved the proposal in the AEP Ohio settlement with the PUCO Staff, in February 2017.

*AEP Ohio, Case Nos. 13-1939-EL-RDR, 14-1158-EL-ATA*

## **Consumers' Counsel recommends consumer protections on submetering charges and services**

In 2016, there were four cases pending at the PUCO to consider consumer protections from submeterers. Some Ohioans have paid higher or much higher prices to middlemen (who resell utility services such as electric and water) than what public utilities charged for the same services. This practice, which is referred to as "submetering," affects many consumers in apartments, condominiums, and manufactured housing developments.

Also, many of the basic utility consumer protections applicable to utility service are not available to customers of submeterers. These unavailable protections include disclosure of charges on bills, disconnection protections, credit and collection practices, and low-income programs.

In December 2015, the PUCO initiated an investigation to determine the extent to which it should regulate submetering in Ohio, if at all. The Consumers' Counsel recommended that consumers of submeterers should receive the same consumer protections offered to customers of local public utilities.

In April 2016, the Consumers' Counsel filed a complaint against AEP Ohio at the PUCO. The complaint asked for a ruling that AEP Ohio be prohibited from selling its electricity to the submeterers who have been reselling AEP Ohio service to consumers. In a motion filed simultaneously with the complaint, the Consumers' Counsel sought an immediate moratorium on all of AEP Ohio's sales to submeterers. In response, AEP Ohio generally agreed with the complaint that submetering causes substantial harm to consumers and that the PUCO should end the practice. The PUCO has not ruled on the complaint.

In December 2016, the PUCO issued an order in its submetering investigation. It found that the PUCO can regulate submeterers under certain circumstances depending on the amount consumers are charged by the submeterer. The PUCO requested input on the level of additional charges that submetering companies could charge con-

sumers before being subject to the PUCO's jurisdiction. The case is awaiting a further PUCO decision.

Two other consumer complaint cases also are pending with regard to protections from submetering. The Consumers' Counsel will continue to recommend consumer protections for customers of submeterers.

*OCC v. Ohio Power, Case No. 16-0782-EL-CSS; PUCO Investigation, Case No. 15-1594-AU-COI; Mark A. Whitt v. Nationwide Energy Partners, LLC., Case No. 15-697-EL-CSS; and Cynthia Wingo v. Nationwide Energy Partners, LLC, Case No. 16-2401-EL-CSS*

## **Funding of economic development discounts**

During 2016, the Consumers' Counsel participated in two cases where large business customers sought discounted electricity from the utility, with the subsidies for the discounts being paid by other consumers (including residential consumers). The Agency submitted testimony in one case and filed comments in the other. In both cases, the Agency recommended that the PUCO order protections for consumers who are subsidizing these economic development discounts. The Agency recommended: limiting the number of times an applicant could file a request for subsidies; establishing caps that limit the total and annual subsidies that consumers pay for economic development discounts; creating a reasonable cost sharing between consumers and the utility for funding economic development; and requiring a public, annual report on the status of the economic development project for achieving the economic development goals for Ohioans.

*Globe Metallurgical, Inc., Case No. 16-0737-EL-AEC; U.S. Steel Seamless Tubular Operations, LLC., Case No. 16-2020-EL-AEC*

## **Electric energy efficiency for utilities and consumers**

The Consumers' Counsel supports consumers' efforts to lower their electric bills by reducing their energy usage. Consumers can reduce their energy usage by installing LED light bulbs, efficient appliances, smart thermostats,

and other efficient measures in their homes. These efficient products are available in the marketplace, including online and in retail stores. Additionally, consumers can purchase these products at a discount through utility-run energy efficiency programs.

In 2016, each of Ohio's four electric distribution utilities filed an energy efficiency portfolio application, to seek approval of new utility-run energy efficiency programs for 2017 through 2019. Consumers pay the costs of these programs. The charges include program costs (administrative costs plus rebates to customers), utility profits (referred to as "shared savings"), and depending on the utility, either so-called "lost revenues" or decoupling charges. (These latter charges are said to compensate the utility for distribution revenues it would have received had customers not reduced their energy usage.) The charges for these programs are increasing. And the charges for energy efficiency programs are now one of the highest components of consumers' electric bills. Over the next three to four years consumers could pay nearly \$1 billion to their utilities for utility-run energy efficiency programs, including paying more than \$225 million for utility profits related to the programs.

In each of these cases, the Consumers' Counsel advocated for limits on the amount that the utility can charge consumers for program costs and utility profits. In the case affecting AEP Ohio's consumers, the Agency agreed not to oppose a settlement, after the negotiations resulted in an annual cap on program costs and utility profits of 4% of utility revenues, as well as a separate annual cap on utility profits of \$31 million. The settlement with AEP Ohio is projected to save more than \$100 million for residential consumers over the next three to four years compared to AEP's original application.

In a case affecting DP&L's consumers, DP&L and parties other than the Consumers' Counsel signed a settlement that included a 4% cap on charges to consumers for program costs and shared savings. OCC recommends modification of the DP&L settlement to reject an excessive amount of DP&L's charges to customers for claimed lost revenues—more than \$20 million for 2016 alone. That amount would double the cost of energy efficiency for DP&L's consumers. The PUCO has not yet ruled on the settlement.

The Agency supported similar caps to protect FirstEnergy's consumers (a 3.0% cap) and Duke's customers (a 3.5% cap) from paying too much for energy efficiency. These cases remain pending before the PUCO.

As of January 1, 2017, Ohio law again requires electric utilities to implement energy efficiency programs that reduce consumers' energy consumption.

*AEP Ohio, Case No. 16-574-EL-POR; Duke, Case No. 16-576-EL-POR; DP&L, Case No. 16-649-EL-POR; FirstEnergy, Case No. 16-743-EL-POR*

## **Federal Cases Affecting Electric Consumers**

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The Consumers' Counsel monitors activities at the Federal Energy Regulatory Commission ("FERC") that may impact the bills of Ohio consumers. The issues monitored at the federal level for potential consumer advocacy are complex and varied. The issues include: expansion and collection of costs from consumers for regional transmission lines; market payments for generation and related charges; transactions among affiliates of utilities; rules to prevent manipulation of competitive markets; and distributed generation, renewable energy, and energy storage policies.

## **Federal regulators act to protect Ohioans from Power Purchase Agreements ("PPAs")**

In January 2016, the Electric Power Supply Association, the Consumers' Counsel, the Ohio Manufacturers' Association, and the Northwest Ohio Aggregation Coalition asked FERC to protect Ohioans from paying the anti-competitive subsidies involved in the FirstEnergy and AEP Ohio power purchase agreements (that the PUCO approved). The PPAs were designed to collect above-market subsidies from captive customers to fund uneconomic generation (power plants). FERC has the responsibility to ensure effective competition for consumers in the nation's regional wholesale electric markets.

In April 2016, FERC issued rulings that protected Ohio customers of FirstEnergy and AEP Ohio from above-market electric charges. FERC ruled that rate plans

proposed by the electric utilities and approved by the PUCO are not valid unless the utilities apply for and receive federal approval. The Consumers' Counsel projected that subsidies to FirstEnergy, over an eight-year period, could cost two million Ohio consumers between \$3.6 and \$5.15 billion, or between \$800 and \$1,100 per consumer. The Consumers' Counsel projected that subsidies to AEP Ohio, over an eight-year period, could cost 1.4 million consumers between \$1.9 and \$3.1 billion, or between \$700 and \$1,000 per consumer. FirstEnergy and AEP chose not to seek FERC approval of their PPA proposals, which effectively ended the issue and protected Ohio consumers.

*AEP Ohio, FERC Case No. EL16-33; FirstEnergy, FERC Case No. EL16-34*

## **Electric Consumer Issues Appealed to the Supreme Court of Ohio**

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### **Supreme Court of Ohio sends cases back to the PUCO, leading to savings for consumers**

The Consumers' Counsel and others (Industrial Energy Users-Ohio, FirstEnergy Solutions, and Kroger) appealed the PUCO's rulings on various cases, including aspects of AEP Ohio's second electric security plan. The Supreme Court of Ohio (the "Court") issued decisions in April 2016 that overturned PUCO rulings.

One Court decision involved the PUCO's approval of AEP Ohio's Retail Stability Rider ("RSR"). The Consumers' Counsel (and others) argued that this AEP Ohio charge was, in reality, an unlawful charge to consumers for AEP Ohio's transition to competition. The Ohio General Assembly permitted transition charges to help utilities transition to competitive market prices after Ohio electric markets were deregulated in 1999. However, the law prohibits utilities from imposing transition charges or collecting transition revenue after 2010. The Consumers' Counsel and others asserted that the AEP Ohio charge was an unlawful transition charge. The Court agreed. The Court sent the case back to the PUCO to determine the amount collected from consumers that should be returned to them.



In a separate decision involving the appeals of two PUCO cases, the Court reversed the PUCO's approval of "capacity charges." The ruling would require AEP Ohio consumers to reimburse the utility for a discount on the wholesale capacity sold to marketers. (Capacity is the total amount of electricity resources available to use if needed.) The Court sent the case back to the PUCO to substantiate its ruling on this issue.

In response to the Court's decisions, the PUCO Staff, the Consumers' Counsel, AEP Ohio, Ohio Manufacturers' Association and others negotiated a settlement in December 2016. This settlement resolved 14 cases pending at the PUCO, including the appeals decided by the Court. The settlement provides substantial benefits to residential consumers. For example, one provision reduces the amount of so-called stability charges to be collected from residential customers, saving an average household approximately \$4.25 per month, or three percent of their total bill, for two years starting March 1, 2017. Another provision provides an additional \$2/MWh reduction to a charge (called the "phase in recovery rider") to Ohio Power consumers.

The settlement also required refunds to customers who bought their generation service from AEP Ohio from August 2012 through May 2015. Residential customers who bought their generation service from AEP Ohio for this entire period are expected to receive a bill credit of approximately \$64 in mid-2017. Another benefit to residential customers under the settlement will occur over the next seven years. As previously described, residential customers will pay less for AEP Ohio's gridSMART charges than they would have otherwise paid under a proposed settlement previously filed in the gridSMART case. In total, the comprehensive settlement will provide residential consumers with more than \$97 million in benefits. The PUCO approved the settlement in early 2017.

*S. Ct. 2012-2098, 2013-0228, 2013-0521: Appeal from AEP Ohio ESP cases (PUCO Case Nos. 11-0346-EL-SSO and 10-2929-EL-UNC) (PUCO cases settled: 14-1186-EL-RDR, 11-4920-EL-RDR, 11-4921-EL-RDR, 09-0872-EL-FAC, 09-783-EL-FAC, 11-5906-EL-FAC, 12-3133-EL-FAC, 13-0572-EL-FAC, 13-1286-EL-FAC, 13-1892-EL-FAC, 15-1022-EL-UNC, and 16-1105-EL-UNC)*

## **The Supreme Court overturns state approval of unlawful transition charges to consumers**

In 2013, the PUCO approved DP&L's proposed \$330 million service stability rider, to be collected from customers during DP&L's three-year electric security plan. The rider subsidy, proposed as part of DP&L's second electric security plan, was purportedly necessary to maintain reliable service and DP&L's financial integrity.

The Consumers' Counsel and Industrial Energy Users-Ohio appealed the PUCO's approval of DP&L's service stability rider. DP&L's service stability rider was similar to AEP Ohio's retail stability rider that the Court struck down as an unlawful transition charge. The Consumers' Counsel asserted that DP&L's stability charge allowed the utility to charge consumers for costs related to DP&L's transition to a competitive electric market. But state law prohibits utilities from collecting such "transition revenues" after 2010. During oral arguments on the appeal, the Consumers' Counsel urged the Court to issue a decision quickly, to protect customers who were being charged \$10 million a month (on average about \$10 per each DP&L customer).

Less than a week after oral arguments, the Court overturned the PUCO. This decision should have saved consumers about \$10 per month. But after the Court's decision, DP&L was allowed by the PUCO to withdraw its electric security plan and reinstate earlier approved standard service offer rates. The result was that Dayton-area consumers only saved about \$4 per month instead of saving about \$10 per month under the Court's decision. In 2017, the Consumers' Counsel filed notices of appeal on these issues in an effort to secure all the savings for consumers that they should have.

*S. Ct. 2014-1505; S.Ct. 2017-0204, 0205, 0241 Appeal from DP&L ESP cases (PUCO Case Nos. 12-0426-EL-SSO, 12-0427-EL-ATA, 12-0428-EL-AAM, 12-0429-EL-WVR, and 08-1094-EL-SSO)*

## **Electric Consumer Issues Before the Ohio General Assembly**

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### **Energy efficiency and renewable energy standards**

The Consumers' Counsel participated on behalf of consumers in the legislative process regarding the energy efficiency and renewable energy standards. The Agency testified several times in the General Assembly's post-election session.

The testimony, on Senate Bill 320 and House Bill 554, included recommendations for protecting Ohio's residential utility consumers. Those recommendations for consumer protections included, among other things, the following matters. What consumers pay for utility profits on energy efficiency should be limited. What consumers pay for the costs of energy efficiency programs should be limited. And the General Assembly should consider giving the Ohio Consumers' Counsel the authority to opt out residential consumers from the energy efficiency programs and related charges. The residential opt out would give an option for consumer protection similar to the opt out the General Assembly enabled for various non-residential customers.

The source of the energy standards is Ohio's 2008 energy law. In June 2014, the General Assembly passed Senate Bill 310. S.B. 310 imposed a two-year freeze on Ohio's renewable and energy efficiency standards through 2016. The freeze would expire on December 31, 2016, in the absence of legislative changes.

H. B. 554 passed in both the Ohio House and Senate. Governor Kasich then vetoed H.B. 554, which allowed for resumption of the energy standards in 2017.

### **Submetering legislation**

Since 2013, there have been Ohio House and Senate bills on the subject of the reselling of public utility service (including submetering) to consumers. Up to 2016, those bills include House Bills 422, 545, 568, and 662, and Senate Bills 164 and 348. In 2016, House Bill 589 and Senate Bill 348 were introduced. To date, a consumer protection law has not been passed for submetered customers.

H.B. 589 addressed key consumer protections regarding submetering, with certain requirements relating to PUCO oversight. The Consumers' Counsel supported this legislation.

The Consumers' Counsel recommends legislation to protect submetered customers. The legislation should either ban certain forms of submetering or limit prices charged to consumers by submeterers. And the legislation should require that consumer protections applicable to service from public utilities should also be applicable to resold utility services. The Agency will continue to work with the General Assembly for legislation that gives consumers protection from submeterers.

# Issues for Natural Gas Consumers

In 2016, the Ohio Consumers' Counsel advocated for several million Ohio natural gas consumers.

Ohioans purchasing gas at their utility's "standard choice offer" continued to benefit from the market-based auctions of natural gas utilities. (Duke's natural gas offer is not through an auction process but is a "gas cost recovery rate" for charging consumers the costs of the gas Duke purchases.) The standard choice offer gives Ohioans the benefit of a competitive service without their having to commit what may be their limited available time to continually monitor a marketer's changing prices or address marketers' door-to-door sales, telemarketing calls, promotional or "teaser" rates, automatic contract renewals at higher prices, and so on.

Natural gas utilities proposed charges to consumers for such matters as energy efficiency programs and pipeline replacement programs. The Consumers' Counsel reviews the charges toward minimizing costs and maximizing benefits for consumers.

Some of the significant consumer issues that the Consumers' Counsel addressed for millions of Ohioans in 2016 are described below. A full listing of the Agency's case activities can be found at the back of this Annual Report.

## **Consumers' Counsel and others protect consumers regarding service line replacement costs**

The Consumers' Counsel and others recommended rejection of a Duke request to charge natural gas consumers for accelerated service line replacement.

In January 2015, Duke applied at the PUCO to charge its customers approximately \$320 million over 10 years to repair and replace certain natural gas service lines. Service lines are the pipes that transport gas directly to residential homes. The charges would have been collected from customers through a new charge, the accelerated service line replacement program ("ASRP") rider. Duke's proposed replacement program would have charged each of Duke's residential customers an additional \$12.00 for the initial year, with increases of \$12.00 for each additional year. By the tenth year, each residential customer would have been charged \$120.00 annually for the line replacement program.

In April 2015, the Agency recommended rejecting Duke's request because Duke had not demonstrated that the program was necessary or cost effective for consumers. According to Duke's application, the program was

needed to prevent potential leaks, mitigate public safety concerns, and comply with state and federal regulations. Service lines in Duke's service area are already being replaced on a systematic basis when leaks are detected and without consumers incurring additional charges on their gas bill. And, the program is not required by federal or Ohio regulations.

In October 2016, the PUCO denied Duke's request to charge consumers.

*Duke, Case Nos. 14-1622-GA-ALT, 15-1990-GA-RDR*

## **Natural gas demand-side management (energy efficiency) for utilities and consumers**

Natural gas utilities (Columbia, Dominion, Duke, and Vectren) currently administer demand-side management programs, which include energy efficiency programs for residential consumers. The Consumers' Counsel participates in "collaborative" meetings regarding these programs. Meetings are held with each of the utilities and other stakeholders to provide input on the programs and to analyze program costs to consumers.

Unlike electric utilities, there have been no statutory energy efficiency standards for natural gas utilities. Natural gas utilities in Ohio administer energy efficiency programs through their base rates and through related rider charges.

In 2016, Columbia filed an application to continue its natural gas energy efficiency programs for six more years at a cost of more than \$200 million to its residential and small business customers. (That cost is about \$150 on average for each of 1.4 million Columbia consumers.) Columbia also sought to charge customers nearly \$16 million for utility profits.

A settlement was filed by Columbia and other parties to the case (but not by the Consumers' Counsel and other stakeholders). Columbia agreed to reduce its profits to \$7 million. The settlement left the remainder of Columbia's application, including the \$200 million charge to customers for program costs, intact.

The Consumers' Counsel, the Northwest Ohio Aggregation Coalition ("NOAC"), and the Environmental Law

& Policy Center recommended rejection of Columbia's settlement. The Consumers' Counsel recommended a phase out of all natural gas energy efficiency programs other than low-income programs. With historically low natural gas prices, consumers do not benefit enough from natural gas energy efficiency programs to justify the high costs of this subsidy. And unlike electric energy efficiency, which can provide benefits to all customers through delayed building of power plants, there are minimal, if any, system-wide benefits of natural gas energy efficiency programs.

The Consumers' Counsel also asked the PUCO to require Columbia to work with its stakeholder group to modify Columbia's low-income program to provide benefits to more low-income customers. Columbia's current program is exclusively a whole-house weatherization program that reaches less than one percent of Columbia's low-income customers per year at a cost of more than \$7,000 for each participating household. The Consumers' Counsel supports an approach that reaches many more Ohioans in need and focuses more on bill payment assistance and less on expensive weatherization.

*Columbia Gas of Ohio, Case No. 16-1309-GA-UNC*



# Issues for Telecommunications Consumers

The Agency advocated for telephone consumers during 2016. The Consumers' Counsel sought to protect consumers' access to telephone service that is reasonably priced with adequate quality for the expected transition from traditional telephone service to internet-based telephone service. The major issue involving the Agency's work for telephone consumers in 2016 is described below. A full listing of the Agency's case activity can be found at the back of this Annual Report.

## **Consumers' Counsel represents consumers on the Telephone Network Transition Collaborative**

In 2015, the Consumers' Counsel was named by the Ohio General Assembly to serve as a member of the Telephone Network Transition Collaborative.

The Collaborative's standing members are the PUCO, the Consumers' Counsel, telephone providers, alternative providers, members of the General Assembly and other interested parties. The Collaborative was created to ensure consumers are protected and represented in the transition from traditional wireline telephone service to internet-based service. The passage of a 2015 law permitted phone companies to cease providing basic landline service upon obtaining approval from the Federal Communications Commission, and after they have notified the PUCO and customers.

During 2016, the Consumers' Counsel participated in the Collaborative to protect Ohioans who may be at risk for losing their landline phone service in the technology transition. The Collaborative will evaluate the avail-

ability of comparable telecommunications services, identify Ohioans who may be without alternatives to their phone company's basic service, and develop expectations for consumer education. A concern of the Consumers' Counsel is that some consumers may be without phone service if their telephone company withdraws basic service. Other concerns include that consumers should not have to pay significantly more for new phone service if they lose their basic service. And consumers should not have to bear diminished service quality with a new phone service.

Meetings were held regularly through October 2016. Consumers were represented at each meeting by the Consumers' Counsel and by other consumer groups.

In November 2016, the PUCO issued draft rules for telephone service standards. In December 2016, the Agency and other consumer parties asked for an additional review of the draft rules to improve consumer protections. Ultimately, the rules will undergo the General Assembly's review process before they can be finalized.

*Case No. 14-1554-TP-ORD*

# Issues for Water Consumers

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The Consumers' Counsel participated in a PUCO case where the state's largest water utility filed for a rate increase. Aqua Ohio ("Aqua") proposed a rate increase of 9.21 percent that would cost its customers an additional \$3-\$6 per month.

The Agency also advocated for consumers who purchase resold utility services, such as those living in apartments, manufactured homes, and other housing communities that do not receive a traditional utility bill. The practice of reselling utility services – also known as submetering – was a focus for OCC's consumer protection during 2016. This topic is covered in the electric issues section of this report. The Agency's work for consumers in the 2016 Aqua rate case is described below. A full listing of the Agency's case activity can be found at the back of this Annual Report.

## Consumers' Counsel advocates for consumers in Aqua Ohio rate increase case

In May 2016, Aqua filed an application to increase rates to its water customers by 9.21 percent. The rate increase, as filed, would cost an additional \$3-\$6 per month for the average Aqua customer using 4,000 gallons a month. These charges would allow Aqua to collect an additional \$5.6 million per year from customers. Aqua stated that this rate increase is needed to collect costs associated with infrastructure improvements and operational costs to maintain service reliability, fire protection, water quality, and compliance with federal and state regulations. In 2016, OCC filed expert testimony challenging Aqua's request to increase rates to consumers.

On January 26, 2017, Aqua and the PUCO Staff signed a settlement to resolve all issues in the case. The impact on customers was approximately \$2-\$5 per month. The settlement included the creation of a shareholder-funded program for assisting low-income consumers with their bill payments. The Consumers' Counsel and the City of Marion did not oppose the settlement. In March 2017, the PUCO approved a \$4.2 million increase with residential customers allocated no more than \$2.8 million of that increase. It will result in an increase of \$2.61 to \$3.38 on a typical consumer's monthly bill (not including unmetered rates).

*Aqua Ohio, Case No. 16-907-WW-AIR*

Ohioans are being asked to make decisions that may be difficult for them, such as choosing an energy supplier. In 2016, the Consumers' Counsel continued its tradition of promoting consumer protection through education and information.

## Consumers' Counsel provides ways for consumers to save money on their utility bills

The Agency's Outreach and Education staff travels the state to educate residential utility consumers in diverse venues including senior centers, health fairs, food pantries, neighborhood meetings, and the workplace. OCC participated in more than a thousand such outreach events in 2016, speaking and sharing information on topics such as choosing an energy supplier, consumer protections, energy efficiency strategies, utility assistance programs, and more.

In addition to those events, Agency staff spoke with thousands more consumers in 2016. With the support and encouragement of the Consumers' Counsel Governing Board, Agency staff met with consumers at the Ohio State Fair, the Farm Science Review, the Hartford Fair (Licking County), the Allen County Fair, and the Clinton County Fair.

The OCC website ([www.occ.ohio.gov](http://www.occ.ohio.gov)) was visited by more than 22,000 consumers in 2016 with more than 116,000 views. Consumers can view all of the Agency's

[informational fact sheets](#) online and subscribe to the Agency's newsletter, Consumers' Corner.

[Videos](#) on choosing an energy supplier and other consumer topics can also be found on OCC's website and on YouTube. Follow OCC on Twitter @OhioUtilityUser to keep up to date on utility news and other OCC activities.

## Low-Income Dialogue Group

As part of its mission to serve utility consumers in a variety of forums, the Consumers' Counsel continues to facilitate the Low-Income Dialogue Group ("Group"). Comprised of low-income advocates, legal aid societies, state agencies, and other stakeholders, this Group has met via regularly scheduled conference calls for more than ten years.

The Low-Income Dialogue Group provides a forum for consumer advocates to discuss issues. This forum enables learning and sharing information, discussion of strategies and best practices, and opportunities for solutions to the utility issues that impact tens of thousands of vulnerable Ohioans who are financially at risk of losing their utility services.

# Employee Recognition

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Exceptional employees are recognized as Employee of the Quarter by the Consumers' Counsel, the Deputy Consumers' Counsel and the Agency's directors. Employees are acknowledged for their outstanding work on behalf of Ohio's residential utility consumers and for exemplifying OCC's mission, vision and values. From among these recognized employees, the Agency's staff annually selects an employee of the year.

## 2016 Employee of the Year



### John Schroeder

The Agency's 2016 Employee of the Year is John Schroeder. He was selected for this honor by his peers after being chosen as Employee of the Quarter for April-June 2016. John was recognized for his highly professional and dedicated assistance to Agency staff

with software, databases, and telecommunications systems needed for serving Ohio consumers. John is the Agency's Network Administrator. John works to design, implement, and maintain security of OCC's networks. He assists the Network Engineer with technology-related issues.

Prior to his employment with the Agency, John worked as a freelance consultant with experience developing and maintaining networks for various clients. John attended The Ohio State University.

### William Michael

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Selected as Employee of the Quarter for January-March 2016, Bill Michael is an Assistant Consumers' Counsel. He was chosen for his hard work and excellence on complex legal issues affecting utility consumers. Bill has led case team efforts on cases including the AEP Ohio electric security plan and the DP&L electric security plan. Prior to joining the Agency, he was the vice president and general counsel for Suburban Natural Gas Company for four years. Bill also held a position with Calfee, Halter, & Griswold LLP in Cleveland and Columbus for eight years. Bill earned his Juris Doctorate from The Ohio State University College of Law and graduated with a Bachelor of Arts in economics from The Ohio State University.

### Colleen Shutrump

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Selected as the Employee of the Quarter for July-September 2016, Colleen Shutrump is an Energy Resource Planning Advisor. She was chosen for her high quality work and dedication on consumer projects including energy efficiency, smart grid deployment, renewable energy, energy storage, and distributed generation and net metering. Prior to joining OCC, Colleen served as an electricity analyst and advisory staff member for five years at the Indiana Utility Regulatory Commission. Colleen earned a Bachelor's degree in Management and Economics from Youngstown State University and an MBA from Baldwin Wallace.

### Christopher Healey

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Selected as the Employee of the Quarter for October-December 2016, Chris Healey is the Agency's Energy Resource Planning Counsel. Chris was recognized for his exceptional efforts in developing and implementing Agency policy for consumers regarding energy efficiency and renewable energy. Chris had a principal role for consumer protection in the major cases involving electric and natural gas energy efficiency. Prior to joining the Agency, Chris worked for the Jones Day law firm. Chris earned his Bachelor's degree in Math, Economics and Linguistics from Rutgers University and his Juris Doctorate from Duke University School of Law.



# 2016 Fiscal Report

The Agency is funded through an assessment on the intrastate gross receipts of entities regulated by the PUCO, based on Section 4911.18 of the Ohio Revised Code.

The Agency assessed more than 1,000 regulated entities for operating funds for fiscal year 2016. If all regulated entities charged their customers for the cost of the Agency's budget, this charge would cost customers less than three cents for every \$100 in utility bills. This cost is equivalent to less than a dollar a year for a typical utility customer.

## Operating budget

Fiscal year 2016 expenditures

Personnel services .....	\$ 3,524,887.00
Purchased personal services .....	\$ 1,079,260.00
Supplies and maintenance.....	\$ 534,863.00
Equipment.....	\$ 46,878.00
<b>Total .....</b>	<b>\$ 5,185,887.00</b>

# 2016 Case Activity

## Electricity Cases at the Public Utilities Commission of Ohio

Case Number	Party	Consumer Impact
16-2252-EL-WVR	NextEra Energy; Northeast Ohio Public Energy Council	Northeast Ohio Public Energy Council (NOPEC) and NextEra filed a Joint Motion to waive certain customer notice requirements due to the unexpected and abrupt loss of NOPEC's competitive retail electric service provider, FirstEnergy Solutions (FES). The waiver was requested to ensure a seamless transition for NOPEC customers who were currently receiving aggregation service from FES and would soon be receiving aggregation service from NextEra. Importantly, NOPEC's program does not "lock in" or penalize customers should they decide to terminate aggregation service early.
16-2125-EL-AIS	Dayton Power & Light Company	The PUCO approved a DP&L Application requesting the Utility be authorized to issue up to \$600 million of short term borrowing authority for calendar year 2017, the same amount that has been approved by the PUCO for the past six years.
16-2020-EL-AEC	US Steel; Lorain Tubular; Ohio Edison	OCC filed comments on this economic development arrangement. A settlement was reached, and OCC neither supported nor opposed the settlement. The PUCO approved the settlement approving the mercantile customer's reasonable arrangement.
16-1852-EL-SSO; 16-1853-EL-AAM	Ohio Power	This is an Application to extend AEP's current ESP. The case is set for hearing in 2017. Although the case is still in the very early stages, the extended ESP, if approved as proposed, could cost consumers hundreds of millions of dollars.
16-1602-EL-ESS	Duke Energy-Ohio, Inc.	New filing for reliability standards that was required by the settlement (which OCC signed) in Duke's previous reliability standards case. Duke proposes standards that would allow more frequent and longer customer outages before Duke would be violating the standards. Relaxed standards could lead to more and longer outages for consumers.
16-1511-EL-ESS	Ohio Power	New filing for reliability standards that was required by the settlement (which OCC signed) in AEP's previous reliability standards case. AEP proposes standards that would allow more and longer customer outages before AEP would be violating the standards. Relaxed standards could lead to more and longer outages for consumers.
16-1223-EL-USF	Ohio Development Service Agency	Universal Service Fund - The PUCO examined how funds are collected from all customers for low-income energy assistance programs, including the percentage of income payment program.

# 2016 Case Activity

16-1105-EL-UNC	Ohio Power	AEP filed an application claiming that it had no significantly excessive earnings for the year 2015. OCC signed a settlement agreeing that AEP did not have excessive earnings in 2015.	16-0737-EL-AEC	Globe Metallurgical, Inc.	Reasonable Arrangement (discounted rates) – The PUCO adopted a Settlement signed by Globe Metallurgical, Inc., Ohio Power Company, and the PUCO Staff. The Settlement calls for discounts of \$1 million for the remainder of 2016, \$4.5 million for 2017, and \$3.8 million for 2018. This is in addition to the discount received for taking interruptible service. The Settlement also established capital investment commitments over the term of the arrangement. OCC opposed the Settlement and recommended more protections for consumers who pay the subsidy.
16-1096-EL-WVR	Duke Energy-Ohio, Inc.	Duke seeks to no longer give in-person notice on the day of disconnection to electric service customers who have smart meters. Instead, Duke proposes to use text messages and/or robocalls to inform customers with smart meters that their electric service is about to be disconnected. Duke proposes to remotely disconnect such customers' electric service. Consumers could be harmed because they may lose that last opportunity to make a payment afforded by in-person notice. Remote disconnection could also have tragic consequences, especially in cold weather.	16-0649-EL-POR; 16-1369-EL-WVR	Dayton Power & Light Company	Energy Efficiency Portfolio – DP&L seeks to continue its 2016 energy efficiency programs in 2017. Customers will pay up to \$33 million in program costs and utility profits (shared savings). DP&L is also asking to charge customers \$20 million in lost revenues for 2016.
16-1017-EL-WVR	Duke Energy-Ohio, Inc.	Energy Efficiency – Duke sought and received an extension of the deadline to file its mandatory energy efficiency market potential study.	16-0576-EL-POR	Duke Energy-Ohio, Inc.	Energy Efficiency Portfolio – Under a settlement, Duke proposes to charge customers \$50 million a year for three years for energy efficiency program costs and utility profits (shared savings).
16-0941-EL-EEC; 16-0942-EL-EEC; 16-0943-EL-EEC	Cleveland Electric Illuminating; Ohio Edison; Toledo Edison	Energy Efficiency Annual Report – FirstEnergy reported the results of its 2015 energy efficiency programs, including costs and savings to customers. FirstEnergy seeks to charge customers \$15.6 million for profits (shared savings) for 2015.	16-0574-EL-POR	Ohio Power	Energy Efficiency Portfolio – Under an approved settlement, AEP will charge residential customers \$41 million per year in program costs and utility profits for four years. Under AEP's application, it would have charged residential customers \$84 million per year for three years.
16-0851-EL-POR	Dayton Power & Light Company	Energy Efficiency Annual Report – DP&L reported the results of its 2015 energy efficiency programs, including costs and savings to customers. For 2015, customers paid about \$7.9 million for DP&L's energy efficiency programs and reduced their energy usage by 71,440 MWh. This resulted in a cost of about 11 cents per kWh saved.	16-0513-EL-EEC	Duke Energy-Ohio, Inc.	Energy Efficiency Annual Report – Duke reported the results of its 2015 energy efficiency programs, including costs and savings to customers.
16-0782-EL-CSS	OCC v. Ohio Power	OCC Complaint asking the PUCO to require AEP to enforce its tariffs and refuse to resell electric service to submetering companies that act as public utilities. The complaint was filed so that consumers of submetered electric service may be protected against excessive charges and abusive practices.	16-0481-EL-UNC	Cleveland Electric Illuminating; Ohio Edison; Toledo Edison	Per the settlement (which OCC did not sign) in its most recent SSO case, FirstEnergy (FE) must develop a smart grid plan. This filing is to establish a collaborative to discuss three proposals set forth by FE. Smart grid deployment by FE will likely cost consumers hundreds of millions of dollars, whether the PUCO approves one of the three FE proposals or another plan.
16-0743-EL-POR	Cleveland Electric Illuminating; Ohio Edison; Toledo Edison	Energy Efficiency Portfolio – FirstEnergy seeks approval of a three-year energy efficiency program portfolio. Under a settlement (opposed by OCC), customers could pay up to \$111 million per year for program costs and utility profits (shared savings). The PUCO Staff and OCC have proposed an \$80.1 million cap to protect consumers.	16-0395-EL-SSO; 16-0396-EL-ATA; 16-0397-EL-AAM	Dayton Power & Light Company	DP&L filed an application to establish an Electric Security Plan to fulfill its obligation to provide customers a standard service offer. OCC filed testimony in opposition to the application. Preliminary estimates are that the Settlement will cost a typical residential utility consumer at least an extra \$6.22 per month over the six year term of the ESP.

# 2016 Case Activity

16-0247-EL-UNC	Percentage of Income Plan	The PUCO is examining how to conduct a competitive auction process to serve PIPP customers so that low-income consumers may realize savings that may be associated with market-based electric rates.	15-1022-EL-UNC	Ohio Power	AEP filed testimony indicating that it had excessive earnings of \$20.3 million in the year 2014. OCC signed a settlement in 2016 that acknowledged AEP excessively earned \$20.3 million in 2014 and agreeing AEP will refund that money to customers in 2017.
16-0024-EL-UNC	Ohio Power	AEP Ohio filed its 2016 Distribution Investment Rider work plan. This case itself will not affect rates, but the rider resulting from the work plan will increase customers' utility rates.	15-0534-EL-RDR	Duke Energy-Ohio, Inc.	Duke Energy Efficiency/Demand Response 2014 - The PUCO is reviewing Duke's 2014 energy efficiency/peak demand reduction costs. Consumers are charged these costs, which include not only energy efficiency program costs, but charges for Duke's profits (shared savings).. A settlement between Duke and the PUCO Staff for this case and the 2013 case (14-457-EL-RDR) would cost consumers \$19.75 million. OCC and other parties oppose the settlement, but the PUCO approved it.
16-0021-EL-RDR	Ohio Power	Annual distribution investment rider - AEP collected a return on and of its distribution investment from customers for the year 2015. The PUCO selected an auditor to review AEP's expenditures. The auditor filed its report on August 4, 2016. Charges to customers for the Distribution Investment Rider will likely increase.	14-2209-EL-ATA	Duke Energy-Ohio, Inc.	This case will set rules and may establish costs to be collected from customers for how Duke may share customers' energy usage data with Marketers. This would allow Marketers to have information regarding the customer's electric usage and offer different electric products and services to particular customers.
15-1830-EL-AIR; 15-1831-EL-AAM; 15-1832-EL-ATA	Dayton Power & Light Company	DP&L Rate Case - The Utility filed a request to increase its distribution revenues by 30%. The proposed increase would cost the average residential customer \$4.07 more per month. The Utility also proposes to change the way it collects distribution rates from residential customers by increasing the fixed monthly customer charge from \$4.25 to \$13.73.	14-2074-EL-EDI	Market Development Working Group	A PUCO Investigation establishing a working group to develop an operational plan that would permit customers to maintain their status as shopping customers if they relocate from one address to another.
15-1739-EL-RDR	Cleveland Electric Illuminating; Ohio Edison; Toledo Edison	2015 Audit - The PUCO will be reviewing \$195 million spent by FirstEnergy for distribution improvements and will be reviewing FirstEnergy's 2016 distribution budget which allows the utility to invest up to \$210 million for distribution plant improvements.	14-1693-EL-RDR; 14-1694-EL-AAM	AEP	Expansion of PPA from ESP - AEP had asked the PUCO to approve a power purchase agreement (PPA) where customers would subsidize certain of its uneconomic generating plants. Due to a complaint filed by other parties and supported by OCC at the Federal Energy Regulatory Commission, AEP's original PPA plan was abandoned. But AEP was successful in gaining PUCO approval for a much smaller PPA that covers the OVEC plants only. OCC estimates that customers will be charged \$191 million over 8 years for the OVEC subsidy. On a per customer basis this amounts to \$20 per year over the term of the electric security plan.
15-1549-EL-RDR	Ohio Power	Vegetation Management Rider - Customers will be charged \$40 million for vegetation management for 2014, in addition to \$24.2 million in base rates and \$11.1 million through AEP's Distribution Investment Rider. Ohio Power filed its Application in late 2015.			
15-1507-EL-EDI	Ohio Power	The PUCO directed the Market Development Working Group to consider options for AEP to purchase the receivables of electric marketers. The plan could affect the amount consumers pay for electricity and could result in consumers' electric bills containing charges for products and services not associated with electric service.			

# 2016 Case Activity

14-1297-EL-SSO	Cleveland Electric Illuminating; Ohio Edison; Toledo Edison	Electric Security Plan – FirstEnergy abandoned its original PPA plan. FirstEnergy's PPA was replaced by a grid modernization rider (\$204 million per year for three years with an additional two-year option). However, the charges collected from customers are not required to be used for grid modernization. The settlement also includes other provisions that will be costly for consumers, such as the delivery capital recovery rider (\$2.5 billion) and the transition to a straight fixed variable rate design.	13-2385-EL-SSO; 13-2386-EL-AAM	Ohio Power	Electric Security Plan – Ohio Power's standard service rate was set for 2015 through 2018 in an electric security plan. The PUCO approved, in concept, a power purchase agreement under which customers would subsidize OVEC power plants owned by Ohio Power's affiliate.
14-1186-EL-RDR	Ohio Power	This case was resolved by settlement with residential customers receiving \$98 million in future bill reductions over the next few years.	13-1939-EL-RDR	Ohio Power	Smart Grid Expansion Project –The utility sought to expand its smart grid program, beginning in 2014. If approved as filed, it will cost customers approximately \$200 million over six years. Residential customer bills would increase by 34 cents per month the first year and incrementally increase to \$2.15 per month in year 6. Total gridSMART program are \$516 million.
14-1160-EL-UNC; 14-1161-EL-AAM	Duke Energy-Ohio, Inc.	Advanced Meter Charges – This case determined what customers will pay to keep a traditional electric meter instead of a new advanced meter. The PUCO issued a decision in April 2016. The PUCO approved a one-time charge of \$100 to remove an advanced meter and install a traditional meter, and a \$30 monthly charge (\$360 per year) for meter reading, even in those months when the meter is not read.	13-1892-EL-FAC	Ohio Power	This case was resolved by settlement with residential customers receiving \$98 million in future bill reductions over the next few years.
14-1158-EL-ATA	Ohio Power	Advanced Meter Charges – This case determined how much customers will pay to keep a traditional electric meter instead of a new advanced meter. A settlement between AEP and the PUCO Staff would allow AEP to charge customers a one-time fee of \$43 to remove an advanced meter and install a traditional meter. In addition, all customers who refuse to have an advanced meter would be charged \$24 per month (\$288 per year) for meter reading, even in those months in which the meter is not read.	12-3151-EL-COI	Commission Ordered Investigation	PUCO Investigation establishing a working group tasked with developing an operational plan for contract portability that would permit shopping customers to maintain their contract status with their current Marketer if they relocate from one address to another.
14-0457-EL-RDR	Duke Energy-Ohio, Inc.	Duke Energy Efficiency/Demand Response – In this case the PUCO was reviewing the rates to be charged customers for energy efficiency program costs, lost revenues from energy efficiency, and incentives (shared savings or profits) to be paid to the utility for 2014. The utility and the PUCO staff, in a settlement, agreed that customers should pay \$19.75 million to the utility for profit (shared savings). The settlement would overturn an earlier PUCO Order giving Duke no increased shared savings on its energy efficiency programs.	12-2050-EL-ORD	Commission Rules Review	Net Metering Rule Making – The PUCO is examining net metering rules. Net metering affects the terms and conditions under which customers are compensated for electricity they sell back to the utilities' grid from equipment (e.g. solar panels or wind turbines) they have installed at their business or home. Net metering is critical to consumers in supporting renewable energy requirements and developing an advanced energy industry.
			12-1924-EL-ORD	Commission Rules Review	OCC filed an application for rehearing asserting that the PUCO should make more information available to consumers. The availability of more information will make it easier for consumers to make informed choices.
			12-0426-EL-SSO; 12-0427-EL-ATA; 12-0428-EL-AAM; 12-0429-EL-WVR; 12-0672-EL-RDR	Dayton Power & Light Company	The Supreme Court of Ohio issued a decision that reversed the PUCO's approval of a \$330 million stability charge for DP&L customers. After the Court's decision, the PUCO ordered DP&L to stop charging customers a \$10 per month stability charge. DP&L sought to withdraw and terminate its electric security plan in response to the Court's decision. The PUCO permitted DP&L to withdraw its ESP, over OCC's (and others) objections.



# 2016 Case Activity

11-5906-EL-FAC; 12-3133-EL-FAC; 13-0572-EL-FAC; 13-1286-EL-FAC; 13-1892-EL-FAC	Ohio Power	Review of Utility Fuel Costs – In this case the PUCO is reviewing the fuel charges to customers for 2012–2014. There is also a separate audit of capacity costs collected from customers. The Auditor identified \$120 million of overcharges to customers related to capacity charges. As part of the global settlement agreement reached with AEP, this case has been resolved. Under one of the provisions of the global settlement customers who did not shop during the electric security plan term will receive a \$60 bill credit mid 2017.
11-4920-EL-RDR; 11-4921-EL-RDR	Columbus Southern Power	Proceeding on remand from the Supreme Court of Ohio. At issue is the calculation of carrying charges on deferred fuel costs from AEP's first SSO case. In addition to fuel costs and carrying charges already collected from consumers, AEP could collect another \$130 million from consumers. This case was resolved as part of the global settlement with AEP.
10-2929-EL-UNC	Columbus Southern Power; Ohio Power	This case was resolved by settlement with residential customers receiving \$98 million in future bill reductions over the next few years.
08-1094-EL-SSO; 08-1095-EL-ATA; 08-1097-EL-UNC; 08-1096-EL-AAM	Dayton Power & Light Company	OCC sought rehearing after the PUCO permitted the utility to implement its prior ESP rates, following a Ohio Supreme Court ruling that was adverse to DP&L, but beneficial to customers. The Supreme Court reversed the PUCO, and found that DP&L's stability charge was an unlawful transition charge. DP&L was ordered to stop collecting the transition charge of \$10 per month from customers, but was allowed to reinstate prior ESP rates that included a similar stability charge of \$6.05. So instead of getting reduced rates (of \$10 per month) for the remaining months of the ESP, customers will pay a \$6.05 monthly charge until rates are established in the next DP&L ESP case (Case No. 16-395-EL-SSO).

## Electricity Cases at the Supreme Court of Ohio

2014-1505	IEU v. PUCO	Appeal of PUCO Decision on DP&L's Electric Security Plan (PUCO Case No. 12-426-EL-SSO et al.) – OCC and others appealed the PUCO order charging customers for \$330 million in stability charges. The Court agreed with OCC and found that the stability charges were unlawful transition charges. The Court remanded the case to the PUCO. The PUCO ordered DP&L to stop charging customers \$10 per month in stability charges but allowed the utility to withdraw and terminate its electric security plan. The utility reinstated its prior electric stability rates, which contained a \$6.05 retail stability charge. These rates are in effect until the PUCO approves a new electric security plan for DP&L (Case No. 16-395-EL-SSO).
2012-2098; 2013-0228; 2013-0521	OCC v. PUCO IEU v. PUCO Kroger v. PUCO	The Supreme Court of Ohio issued a decision that reversed the PUCO's approval of a \$508 million stability charge for AEP's customers. The Court found the stability charge was an unlawful transition charge. The Court remanded the case back to the PUCO to determine the amount to be refunded to customers. The remand of this case was resolved by a global settlement of 14 AEP cases, with residential customers receiving \$98 million in future bill reductions over the next few years. The settlement was reached in December 2016.
2016-1325	OCC v. PUCO	Appeal of PUCO Decision on FE's Electric Security Plan (PUCO Case No. 14-1297-EL-SSO) – The decisions under appeal implement the PUCO's March 31, 2016 Opinion and Order where the PUCO approved FirstEnergy's electric security plan, and authorized a stability charge under which captive customers would subsidize uneconomic power plants that are owned by FirstEnergy's affiliate, FirstEnergy Solutions. The PPA was estimated to cost customers between \$3.6 and \$5.15 billion over 8 years. The appeal, which was taken out of an abundance of caution, was dismissed as not being ripe for appellate review.

# 2016 Case Activity

## Electricity Cases at the Federal Energy Regulatory Commission

ER17-179	PJM	PJM Transmission Planning Process - This case concerns proposed revisions to the PJM Tariff and Operating Agreement to provide changes and/or additional details regarding local transmission planning rules and processes.	EC16-173	Dayton Power & Light	DP&L has asked FERC for authority to transfer its generation assets to an affiliate, AES Ohio. DP&L also asked the PUCO to transfer more than \$1 billion of funds collected from captive Ohio retail consumers, through a non-bypassable rider, to its parent company, DPL, Inc., and, potentially, to its unregulated affiliate, AES Ohio. If both of DP&L's requests are granted, Ohio consumers may be forced to unlawfully cross-subsidize DPL, Inc., its shareholders, and/or its unregulated generation affiliate, AES Ohio.
EL17-13	AMP v. APC et al.	AMP Complaint on AEP ROE - American Municipal Power ("AMP") and other municipal and cooperative entities filed a complaint against the AEP East Operating Companies, including Ohio Power Company, and against the AEP East Transmission Companies, including AEP Ohio Transmission Company, challenging the 10.99% Return on Equity ("ROE") reflected in current transmission rates.	EL16-71	PJM	PJM Local Trans. Planning Process - FERC initiated complaint against the PJM Transmission Owners concerning possible revisions to the PJM Tariff and Operating Agreement regarding local transmission planning rules and processes.
ER16-1807; ER10-1453-004	FirstEnergy	As a result of the Complaint challenging FirstEnergy's PPA, FirstEnergy and its affiliates were directed by FERC to revise their tariffs to reflect that FERC had rescinded its previously-granted waiver of its affiliate power sales restrictions.	EL16-71	PJM	The FERC initiated this proceeding because it is concerned that the transmission planning process governed by the PJM Operating Agreement is not providing stakeholders with the opportunity for early and meaningful input and participation in the transmission planning process.
ER16-561	PJM	CAPS Funding - On February 29, 2016, FERC accepted a PJM proposed amendment to the PJM Tariff to provide a mechanism for funding the Consumer Advocate of PJM States ("CAPS"). CAPS is a non-profit organization specifically formed to coordinate the participation of State Consumer Advocate offices in the PJM stakeholder process. OCC is a member of the CAPS organization.	EL16-49	Calpine et al. v. PJM	The Complaint asks FERC to extend the application of PJM's Minimum Offer Price Rule ("MOPR"), a complex market rule designed to impose market discipline on generation resources to protect consumers by preventing certain uncompetitive market behavior.
ER16-372	PJM	PJM proposed Tariff revisions to its Hourly Offer/Fuel Cost Policies. The changes may impact the PJM market monitor's authority to mitigate market power on a real-time basis. OCC filed comments supporting the market monitor's ability to protect consumers. FERC approved PJM's proposal on February 3, 2017.	EL16-34	FirstEnergy	FirstEnergy PPA Decision - On April 27, 2016, the Federal Energy Regulatory Commission (FERC) issued its decision requiring FirstEnergy to submit for review and approval its PUCO-approved power purchase agreement for deregulated generation service. These above market subsidies would have been funded through non-bypassable surcharges to captive consumers. FirstEnergy elected not to file at FERC for review and approval of its PPAs. OCC's actions in this case saved FirstEnergy's customers between \$3.6 and \$5.15 billion.

# 2016 Case Activity

EL16-33	AEP Ohio	AEP-Ohio PPA Decision - On April 27, 2016, the Federal Energy Regulatory Commission (FERC) issued its decision requiring AEP-Ohio to submit for review and approval its PUCO-approved power purchase agreement for deregulated generation. These above market subsidies would have been funded through non-bypassable surcharges to captive consumers. AEP elected not to file at FERC for review and approval of its PPAs. OCC's actions in this case saved AEP's customers between \$1.9 and \$3.1 billion.
ER14-594-007; ER13-1896-010	AEP	As a result of the Complaint challenging AEP Ohio's PPA, AEP Ohio was directed by FERC to file notice in this docket that FERC has rescinded its previously-granted waiver of its affiliate power sales restrictions.

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

16-2069-GA-EDP	Columbia Gas of Ohio	Columbia filed an application for approval of an economic development project entitled the Sofidel Pipeline Project. Columbia will construct a gas pipeline to this industrial customer and seek to have its customers pay for this pipeline expansion.
16-2067-GA-ATA; 16-2068-GA-IDR	Columbia Gas of Ohio	Columbia proposes to incorporate a new rider known as the Infrastructure Development Rider into its tariff. This rider will, in the future on an annual basis, collect from customers the infrastructure development costs associated with economic development projects (not to exceed the product of two dollars multiplied by the aggregate number of the Utility's customers in Ohio).
16-1309-GA-UNC; 16-1310-GA-AAM	Columbia Gas of Ohio	Natural Gas Energy Efficiency - Columbia will charge customers \$210 million in program costs and utility profits (shared savings) over six years for energy efficiency.
16-1106-GA-AAM; 16-1107-GA-UNC	Duke Energy-Ohio, Inc.	Manufactured Gas Plants - Duke sought and received PUCO approval to defer (for future collection from customers) additional remediation costs for defunct MGP sites for an additional three years, 2017-2019.
16-0862-GA-ATA	Duke Energy-Ohio, Inc.	Duke filed a tariff requesting approval to charge its residential customers the avoided monthly fixed delivery service charged for the last eight months, where service has been discontinued at the request of the customer and that same customer requests that the service be reconnected. This could result in a customer paying up to \$264.24 for an eight month period during which they received no service from Duke.
16-0853-GA-WVR	United Energy Trading	Marketer Door-to-Door Soliciting - Kratos sought a waiver of PUCO rules to make it easier to enroll customers through door-to-door solicitations. The Marketer subsequently withdrew its application.
16-0653-GA-WVR	Columbia Gas of Ohio	Billing Information - Columbia must update its billing system to provide more detailed rate information to customers, including CHOICE customers.
16-0650-GA-UNC	Columbia Gas of Ohio	Bill Formatting - The form of Columbia's bills will be changed to make them easier for customers to understand

# 2016 Case Activity

16-0542-GA-RDR; 16-0543-GA-ATA	Duke Energy- Ohio, Inc.	MGP Rider Update – Duke will update its MGP rider rates to charge residential customers about \$725,000 for 2015 remediation costs. OCC continues to challenge these charges on appeal to the Ohio Supreme Court.	15-0050-GA-RDR	Duke Energy- Ohio, Inc.	Gas Storage Costs – Duke sought to modify its tariffs to charge marketers (and not other customers) for balancing services. Previously, customers taking standard service from Duke paid these expenses. The PUCO approved Duke's proposal. OCC supported Duke's proposal. Duke's Standard Service Offer (non-shopping) customers may see lower bills as a result.
16-206-GA-GCR; 16-209-GA-GCR; 16-212-GA-GCR	Brainard Gas	The OCC intervened to ensure the natural gas rates being charged to customers by the Brainard, Northeast and Orwell Natural Gas Companies are just and reasonable and that appropriate management practices are being followed to ensure that the utilities' procurement practices are not imprudent.	14-1622-GA-ALT; 15-1990-GA-RDR	Duke Energy- Ohio, Inc.	The PUCO denied Duke Energy Ohio, Inc.'s request to establish an Accelerated Service Line Replacement Rider to charge consumers at least \$320 million to replace certain non-leaking service lines. OCC and others opposed Duke's proposal.
15-1894-GA-UNC	Dominion East Ohio	Marketing practices of Quake Energy – In this case, the PUCO will be investigating the marketing practices of a gas marketer (Quake) in the Dominion East Ohio service territory. A Settlement was filed in the case, which OCC did not oppose. The Settlement increases the likelihood that Quake Energy's marketing practices will comply with PUCO standards.	14-1615-GA-AAM	Columbia Gas of Ohio	The PUCO approved Columbia's application to establish a regulatory asset to defer up to \$15 million annually to increase pipeline safety expenditures.
15-0637-GA-CSS; 14-1654-GA-CSS	Orwell Natural Gas Co. v. Orwell Trumbull Pipeline Co.	The PUCO ordered that Orwell-Trumbull Pipeline stop charging excessive rates to customers, and Orwell be allowed to find other pipelines to diversify the supply of gas to customers.	12-0925-GA-ORD	Commission Rules Review	OCC argued that the PUCO should make more information available to consumers. Making more information available to consumers will increase their ability to make informed choices. The PUCO rejected OCC's arguments.
15-0475-GA-CSS	Orwell Natural Gas Co. v. Orwell Trumbull Pipeline Co.	OCC signed a settlement that resolved the issues and ensured that customers would not be disconnected from the natural gas distribution network without the approval of the PUCO.	07-1080-GA-AIR	Vectren Energy Delivery of Ohio	OCC sought to decrease the \$100 rebate that 314,000 customers of Vectren Energy Delivery of Ohio, Inc. ("Vectren") pay (subsidize) for the participants (customers) in Vectren's Wi-Fi thermostat rebate program. The rebate program is part of the Utility's proposed natural gas Demand-Side Management ("DSM") Program Portfolio for 2016. The program allows up to three \$100 thermostat rebates (\$300 in total) per household.
15-0362-GA-ALT	Dominion East Ohio	Alternative Rate Plan – The PUCO approved Dominion's application to increase the monthly pipeline replacement charge by \$0.42 per year (for the years 2017 to 2021), raising the total residential customer monthly charge to \$1.85 in 2021.			
15-0218-GA -GCR	Duke Energy- Ohio, Inc.	Gas Cost Recovery Audit – The PUCO is auditing Duke's gas procurement costs for the period September 2012 through August 2015. Charges to customers under the gas cost recovery rider may increase.			



# 2016 Case Activity

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

16-2006-GE-UNC	Commerce Energy Inc., dba Just Energy	The OCC intervened in a proceeding where Just Energy was engaging in deceptive sales practices. The PUCO levied a \$125,000 forfeiture against Just Energy (with an additional \$50,000 held in abeyance pending completion of a compliance plan.
15-0298-GE-CSS	Lykins vs. Duke Energy-Ohio, Inc.	Customer Complaint – Relatives of deceased customers seek a PUCO ruling that Duke wrongfully disconnected electric service. Duke's disconnection policy is being examined.
15-0053-GE-ORD	Commission Ordered Investigation	Forecasting – The PUCO amended its long-term forecasting rules. Modifications to the rules could affect the information available about long-term plans for supplying natural gas and electricity to Ohio customers.
10-2326-GE-RDR	Duke Energy-Ohio, Inc.	Under terms of settlement (which OCC signed) in the mid-deployment review of Duke's smart grid plan, Duke was to file a distribution base rate case within one year after the PUCO staff determined that Duke's smart grid was fully deployed. The staff made its determination in October 2015, and thus the rate case should have been filed in October 2016. In September 2016, Duke sought an indefinite waiver of the rate case requirement, based on activities in two other proceedings. A waiver would delay consumers receiving approximately \$382.8 million in smart grid benefits over 20 years. However, In November 2016, the PUCO ordered Duke to file a base rate case application by March 2017.

## Natural Gas Cases at the Federal Energy Regulatory Commission

RP16-1097	KO Transmission (Duke Energy-Ohio, Inc.)	KO Transmission, an interstate natural gas pipeline company, proposed an \$11.5 million increase in revenues to go from \$0.365/Dth to \$3.596/Dth, to its firm transportation service rates. This rate will impact the utility bills of certain residential consumers in Ohio. Settlement discussion began in late 2016. The final rate impact on consumers is yet to be determined.
CP16-498	Columbia Gas of Ohio of Ohio	Columbia Gas Transmission, LLC (TransCanada) has filed for FERC's approval to update and modernize 40 miles of gas transmission lines for \$183 million in the Columbus area. OCC has intervened to monitor how these costs will affect residential natural gas customers.

# 2016 Case Activity

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## Telecommunications Cases at the Public Utilities Commission of Ohio

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14-1554-TP-ORD	Commission Rules Review	Withdrawal of basic service - This case is about the process and consumer protections in the event a telephone company withdraws customers' basic service.
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## Water Cases at the Public Utilities Commission of Ohio

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16-0907-WW-AIR	Aqua Ohio	Aqua Ohio, Inc. asked the PUCO for a rate increase for the water service it provides. Aqua and the PUCO Staff reached a settlement calling for a \$4.2 million, or 6.9% rate increase. The OCC did not support or oppose the settlement. The total revenue increase to the residential consumers is \$2.8 million. This represents a monthly increase between \$2.61 to \$3.38 per month for the average metered consumers, and between \$1.53 to \$4.32 per month for a flat rate consumer depending on the service area.
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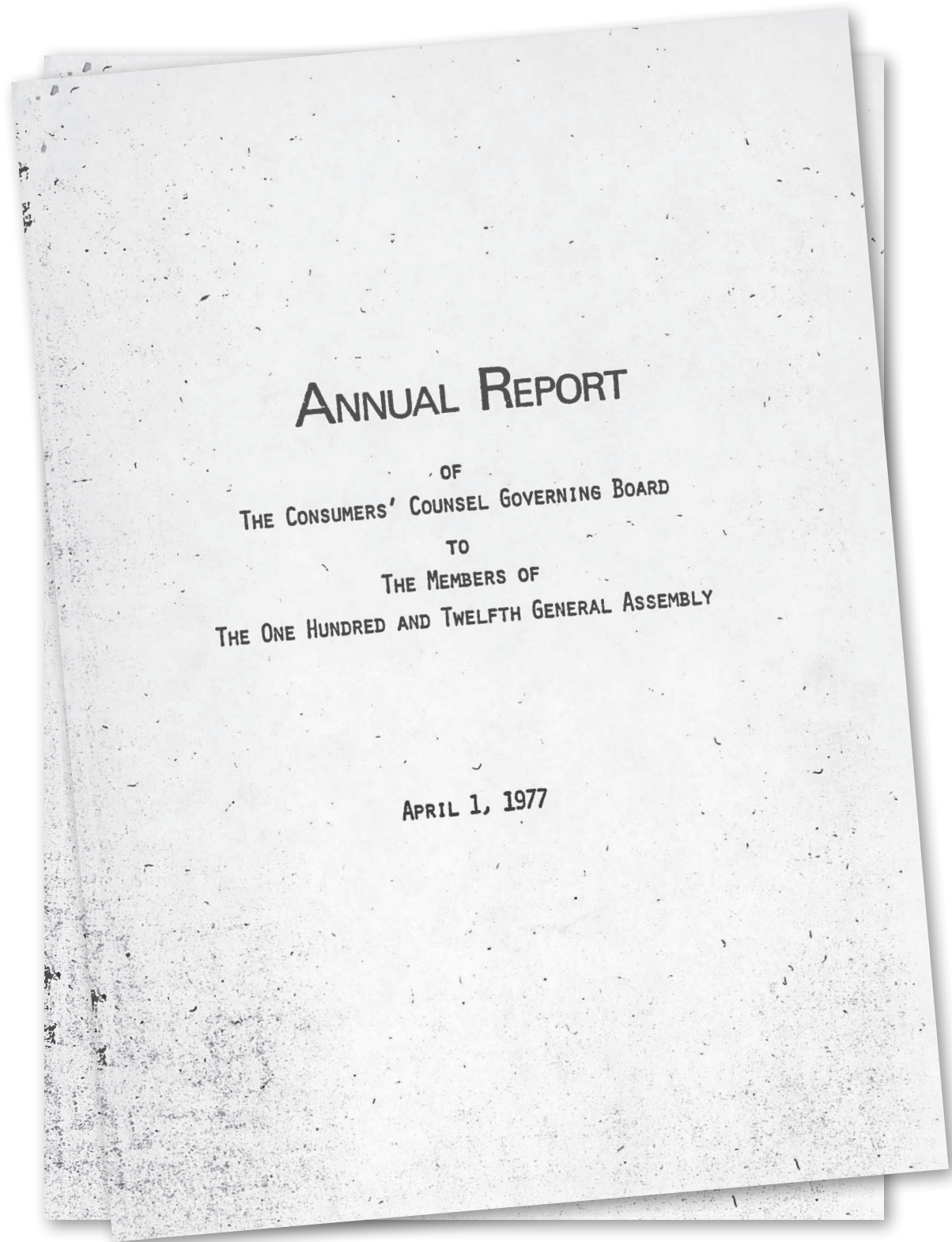
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## Cases with All Utilities at the Public Utilities Commission of Ohio

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15-1594-AU-COI	Commission Ordered Investigation	The PUCO is investigating whether submetering companies should be treated as public utilities so that submetering consumers may have the protections afforded customers of their local public utility under Ohio law.
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## Office of the Ohio Consumers' Counsel



### Office of the Ohio Consumers' Counsel

10 West Broad Street, Suite 1800  
Columbus, Ohio 43215-3485  
[www.occ.ohio.gov](http://www.occ.ohio.gov)

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