



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

# CONSUMERS' CORNER

A bi-monthly publication of the Office of the Ohio Consumers' Counsel

March/April 2010

## OCC advocates for water rate decrease in Ohio American Water case



Bill Ferriot

Testimony was heard by the Public Utilities Commission of Ohio at an open forum in Galloway, Ohio, among others.

Consumers of Ohio American Water (OAW) could see a decrease in their water rates if reductions found by the Office of the Ohio Consumers' Counsel (OCC) are accepted by the Public Utilities Commission of Ohio (PUCO). After careful review and analysis of OAW's request and PUCO staff recommendations, the OCC has asked the PUCO to reduce OAW's current water and wastewater rates by more than \$7.3 million.

The OCC's January recommendation also removes subsidies residential customers have been paying on behalf of industrial customers. "Residential customers should not have to pay more than their fair share to receive water service," said Consumers' Counsel Janine Migden-Ostrander.

If the OCC's suggested adjustments to the PUCO staff report are accepted by the Commission, average residential customers would see a decrease in their monthly bills for water service, not an increase as requested by OAW. An average water customer in OAW's Franklin and Portage districts using 6 Ccf of water per month would see a rate decrease of 6.38 percent.

Similarly, an average water customer using 10 Ccf in all other districts (Ashtabula, Lake White, Lawrence, Mansfield, Marion and Tiffin) would experience a rate decrease of 8.1 percent. The OCC's recommendations would result in a nominal increase to monthly wastewater rates of 75 cents for the average residential consumer.

(continued on page 3)



Paul E. Kostyu



Paul E. Kostyu

### Here's What You're Saying:

"In the early years we spent \$100 or less for every three months. Now, we pay \$125 per month. I've used every conceivable idea to save on our water rates."

*Richard Whitman  
Galloway*

"I believe a better solution can be found than to take more money from my paycheck. My average water bill for a family of three is \$90. Now raise that by 28% and this is an increase of \$25 a month! That's \$25 I don't have to buy a pair of needed shoes, a tank of gas, or other items I am struggling to afford now."

*Cheryl Daily  
Marion*

"When you pay \$202 a month, you shouldn't have to bathe your five-year-old child in brown water."

*Rochelle Myer  
Westerville*

"Nobody out here can afford to pay their mortgages and these high utility bills. I should know because I almost lost my home. I think if you guys want to hire these big ball attorneys, you should foot the bill. A 60 percent increase would mean my water bill would be \$450 a month. Can you tell me that water is worth that much?"

*Emma Johnson  
Galloway*

"Seniors here can't afford meds or food and can't pay their utilities. The rates are higher than they deserve for the quality. People are getting shut-off notices. They (OAW) get enough of our money."

*Rosemary Waddell  
Marion*

"Many will suffer needlessly and lose their homes. That includes me. When did conserving water, a natural resource, become a liability?"

*Sharon Ricker  
Westerville*

# Lighting label proposal for bulbs focuses on brightness rather than watts

Lighting Facts	
Per Bulb	
<b>Brightness</b>	870 lumens
<b>Estimated Yearly Energy Cost</b>	\$1.62
Based on 3 hrs/day and 11.4 ¢/kWh. Your cost will depend on your rates and use.	
<b>Life in Years</b>	5.5 yrs
Based on 3 hrs/day.	
<b>Color Appearance</b>	
<b>Energy Used</b>	13 watts
<b>Contains Mercury</b>	(Hg)
Manage according to local, state, and federal disposal laws. For information: <a href="http://epa.gov/bulbrecycling">epa.gov/bulbrecycling</a> or 1-800-XXX-XXXX.	

The Federal Trade Commission (FTC) has proposed changing information on lighting labels so consumers can more accurately understand high-efficiency light bulbs and choose the bulbs that meet their needs.

According to the proposal filed in the Federal Register, the label would be similar in appearance to the nutrition facts seen on all U.S. food packaging. It puts more emphasis on the brightness of light bulbs rather than the energy used. It also would include information related to yearly energy cost, color and life, and disclosures about mercury content.

Current labeling requires information about light output (measured in lumens), energy use (measured in watts) and life (measured in hours). It also includes a disclosure that says “to save energy costs, find the bulbs with the light output you need, then choose the one with the lowest watts.”

The Energy Independence and Security Act of 2007 mandates that light bulbs become more efficient than today’s incandescent versions beginning in 2012. With more high-efficient light options available, the effectiveness of current labeling requirements needed to be addressed.

Studies conducted by the FTC show there is confusion about what bulb characteristics consumers use to determine the proper brightness needed to light their homes. Consumers often incorrectly associated watts with the brightness of high-efficiency light bulbs. While this assumption is OK with incandescent bulbs, wattage and brightness between compact fluorescent light bulbs, light-emitting diodes (LEDs) and other lighting technologies can differ substantially and is not an accurate comparison.

The FTC must make a decision on its proposal by June 2010.

By Anthony Rodriguez

## Easy upgrade saves water and energy

As utility costs continue to rise, taking simple steps to save money is a smart thing to do. When it comes to showering, becoming more efficient helps save on multiple utilities.

Showering accounts for about one-fifth of the water used in an average household. Installing a high-efficiency showerhead is an easy and cost-effective way to lower water and energy costs while conserving an important resource.

If a showerhead has not been replaced in a while, now may be the time to do so. Before 1992, some showerheads used more than five gallons of water per minute, according to the

U.S. Department of Energy. Showerheads today are required to have flow rates of 2.5 gallons per minute (gpm) or less. To get maximum water efficiency, choose a showerhead with a flow rate less than 2.5 gpm. Quality products are available that can save 40 percent more water without sacrificing good showers.

Some utilities now offer rebates on high-efficiency showerheads as part of their energy efficiency programs. Consumers should contact their local utilities to see what energy efficiency programs are available to them to help lower energy costs.

By Anthony Rodriguez



Paul E. Kosyru



## AT&T rates increased in January, February

Telephone customers of AT&T saw their bills increase in January and February because of changes in local toll charges.

Effective Jan. 4, AT&T’s local toll per-minute rates increased as follows:

- ▶ Day rates - from 37 to 39 cents;
- ▶ Evening rates - from 33 to 35 cents; and
- ▶ Night/Weekend rates - from 31 to 33 cents.

In addition, effective Feb. 1, AT&T’s monthly fee for certain local toll services increased as follows:

- ▶ Anytime Rate plan – from \$4 to \$6;
- ▶ Area Wide Calling – from \$7 to \$9;
- ▶ Econo-Call Service – from \$4 to \$6;
- ▶ Peak/Off-Peak plan – from \$4 to \$6;
- ▶ Neighborhood Select – from \$4 to \$6;
- ▶ Saver Pack 60 – from \$12.50 to \$14;
- ▶ Saver Pack 120 – from \$18 to \$20; and
- ▶ Saver Pack 200 – from \$22 to \$24.

By Ryan Lippe



## Utility Questions? The OCC can help...

Have you ever had a question about your utility service or difficulty resolving a complaint? If you are billed for a service you did not order, experience a delay in obtaining service, encounter a meter reading problem, have difficulty contacting a utility or need assistance with other questions or concerns, OCC representatives are here to help.

Call the Office of the Ohio Consumers’ Counsel’s (OCC) toll-free hotline for assistance:

Toll-Free 1-877-PICKOCC (1-877-742-5622)

8 a.m. to 5 p.m. - Monday through Friday

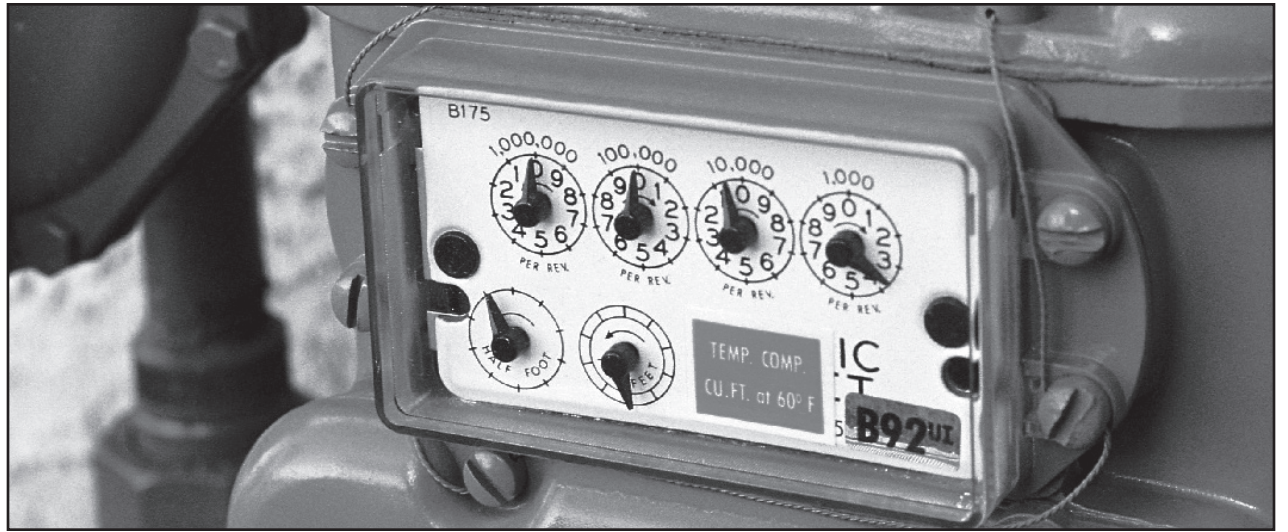
# Vectren customers will see lower gas bills

Vectren Energy Delivery of Ohio (VEDO) customers who continue purchasing their natural gas supply directly from the utility will see a 34 percent decrease in their bills beginning April 1.

The change is the result of VEDO's first retail auction, which was held Jan. 12. The auction produced a low bid of \$0.0155 per hundred cubic feet of natural gas (Ccf). This rate, called the retail price adjustment, is added to the actual price of natural gas listed monthly on the New York Mercantile Exchange. The current adder amount, which will expire March 31, is \$0.0235. The new adder will continue through March 2011.

For customers receiving the Standard Choice Offer (SCO), the price of the natural gas will be exactly the same no matter which supplier's name appears on the bill. Customers purchasing their gas from a retailer, rather than VEDO, will continue paying their contracted rate.

There will be no change or interruption to the way a customer's natural gas supply is delivered. VEDO will continue to transport the gas through its pipelines and be responsible for pipeline repair, meter reading, billing and other customer service issues.



With the SCO, customers will pay county sales tax instead of the gross receipts tax previously seen on their bills. The sales tax rate will be slightly higher, but will be offset by the decrease in the cost of the natural gas.

Customers on the Percentage of Income Payment Plan (PIPP) will see the new direct sales service rate, which includes the excise tax rate rather than the county sales tax. The cost of natural gas will be identical to the SCO.

The new SCO rate will replace the Standard Service Offer on monthly bills for VEDO customers who do not contract with a competitive supplier.

The new SCO was determined in a retail rather than wholesale auction, as was the case a year ago. This means that instead of bidding competitively for portions of VEDO's gas supply, suppliers were actually submitting bids for the right to have their names listed on customers' bills. The final bids at the Jan.12 auction were awarded to four retailers who submitted the lowest offers.

The OCC has updated its fact sheet, "Frequently asked questions: Vectren Standard Choice Offer," on its Web site, [www.pickocc.org](http://www.pickocc.org). Customers also can call toll-free (1-877-742-5622) to request a copy of this document and have questions answered.

By Marty Berkowitz

## OCC advocates for water rate decrease *(continued from page 1)*

Estimated Typical Monthly Water Bill for Residential Customers as Requested by OAW*		
Service Territory	Current Bill	April 2010
Blacklick, Timberbrook, Portage	\$44.82	\$57.09
Ashtabula, Tiffin, Lawrence County, Lake White, Mansfield, Marion	\$45.49	\$57.09
Marion w/softening surcharge	\$48.02	\$59.48
Lake Darby, Worthington Hills	\$49.03	\$61.11
Huber Ridge	\$53.17	\$67.58
OAW Wastewater - Franklin Co. Only	\$57.82	\$68.64

\*Based on 7 Ccf. The chart shows what rates would change to if OAW's rate increase request was granted in full.

The OCC also is seeking to maintain or improve water quality, improve low-income programs, properly address conservation plans and make other improvements that will adequately protect consumers. The OCC also addressed the need for an independent management audit of certain expenses incurred by the utility.

Consumers had their opportunity to tell the PUCO the impact OAW's proposed 71 percent to 78 percent increases would have on them at five public hearings held in late January and two in February. The PUCO is expected to make a decision on the water utility's request in early 2010.

By Anthony Rodriguez

# House bill would limit some water companies

The Ohio House of Representatives is considering legislation that would lower the amount of rate case expenses large investor-owned water utilities such as Ohio American Water (OAW) can recover from customers.

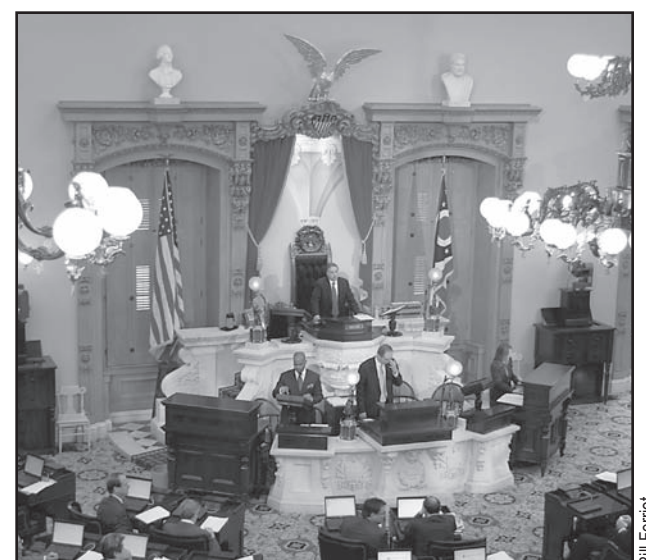
In Ohio, the rates a utility company may charge customers are set by the Public Utilities Commission of Ohio. This includes a review of all financial information submitted by a utility and incorporates the services of attorneys, consultants, expert witnesses and utility employees, and the presentation of studies and other evidence by the company. Currently, water companies request full recovery of this

"rate case expense" which is figured into the rates proposed to charge customers.

House Bill 344, introduced Nov. 4, would limit up to 50 percent of the amount of rate case expenses water and sewer utilities may recover from customers. OAW and Aqua Ohio, Inc. both have more than 15,000 customers and would be subject to this law.

The Office of the Ohio Consumers' Counsel worked with Reps. Jay Goyal (Mansfield) and Marian Harris (Columbus) to develop HB 344. Sens. Jim Hughes and David Goodman introduced a companion bill, Senate Bill 228.

By Anthony Rodriguez



Bill Ferrot

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Office of the Ohio Consumers' Counsel  
Residential Utility Consumer Advocate

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

Janine Migden-Ostrander, Consumers' Counsel

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1-877-PICKOCC (742-5622) toll free • www.pickocc.org

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**Request a speaker for your organization!**

The OCC can speak to your group about consumer protection issues, telephone services, natural gas choice and an overview of OCC. We also can tailor utility topics to fit your needs.

Name \_\_\_\_\_  
 Organization \_\_\_\_\_  
 Topic of interest \_\_\_\_\_  
 Address \_\_\_\_\_  
 City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_  
 County \_\_\_\_\_ Phone number \_\_\_\_\_

If you would like a specific date, please indicate and we will confirm your request.  
 Number of participants \_\_\_\_\_  
 (We speak to groups of 30 or more after 6:30 p.m.)

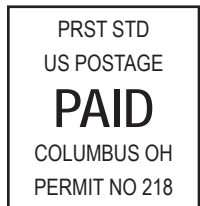
*The OCC will treat this information as confidential and will not provide it to others without your consent unless required to do so pursuant to Ohio law.*

**Cut out this form and mail it to:**  
 Attn: Outreach and Education  
**Office of the Ohio Consumers' Counsel**  
**10 W. Broad St., 18th Floor**  
**Columbus, OH 43215-3485**

Or call toll free 1-877-PICKOCC (742-5622) and press option 4  
 or fax this form to: (614) 466-9475



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**Learn about key utility issues at these FREE upcoming events:**

DATE	TIME	TOPIC	LOCATION	ADDRESS	CITY
5/3/10	1:00 PM	Consumer Protections	Senior Center	333 Fourth St.	Marietta
5/6/10	12:30 PM	Energy Saver	Marion Senior Center	2375 Harding Hwy. E.	Marion
5/17/10	11:00 AM	Energy Efficiency	Senior Center	202 Park Ave.	Ironton
5/18/10	12:00 PM	Elder Fraud	Senior Center	120 N. Main St.	Cadiz
5/19/10	10:00 AM	Overview of OCC	Pritchard-Laughlin Civic Center	7033 Glenn Hwy. SR 40	Cambridge
5/26/10	10:00 AM	Overview of OCC	Lorain Community College	1005 Abbe Rd. N.	Elyria

This is a sample of the presentations scheduled for the Office of the Ohio Consumers' Counsel. Please visit [www.pickocc.org](http://www.pickocc.org) and click on "Calendar" to view additional programs in your area.