



Your Residential
Utility Consumer
Advocate



The Office of the Ohio Consumers' Counsel

▶ **Mission**

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

▶ **Vision**

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

▶ **Core Values**

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 Michael Watkins

Governing Board Chair



The Governing Board of the Office of the Ohio Consumers' Counsel (OCC or Agency) appreciates this opportunity to present our 2018 Annual Report to the Ohio General Assembly. OCC continued its four decades of advocacy for residential utility consumers, seeking consumer protection in legislation and in regulatory proceedings. This Annual Report includes a record of the participation of the Agency on behalf of Ohio consumers in electric, natural gas, telephone, and water utility proceedings and an outline of other activities and expenditures.

The Board adopted two resolutions for consumer protection in 2018. The Board supported House Bill 247 (discussed below) and opposed House Bill 402 that was enacted to enable higher rates for Ohioans' basic phone service.

In the Ohio General Assembly, House Bill 247 was a notable consumer protection Bill. The Bill would have repealed the 2008 law allowing electric utilities to implement so-called "electric security plans" that have resulted in subsidies to utilities at Ohioans' expense. Significantly, H.B. 247 would also have corrected the current unfairness where the Ohio Supreme Court (Court) has barred refunds to consumers even when it finds that utility charges are unlawful or improper. The lack of refunds has cost consumers hundreds of millions of dollars over the years. Unfortunately for consumers, H. B. 247 was not enacted. We hope that similar legislation can be enacted in the new legislative session to give Ohioans lower electric rates and higher innovation from power plant competition and to enable refunds to utility consumers.

We appreciate that in 2018 the Ohio General Assembly rejected utility lobbying for legislation that would have undermined its 1999 electric deregulation law that enables Ohioans to benefit from a competitive market for power plants. There were five utility-supported legislative bills to subsidize coal or nuclear power plants. Fortunately for consumers, none were passed. This Annual Report includes a "subsidy scorecard" on the inside back cover, showing the subsidies paid by Ohioans for electric service since 2000.

OCC was active for consumer protection in numerous proceedings at the PUCO regarding consumers' utility services. A major consumer issue was converting the utilities' tax savings from the federal Tax Cuts and Jobs Act of 2017 into utility bill savings for Ohio consumers. Through settlements and litigation with various utilities, OCC and other stakeholders worked to secure over \$1 billion in tax cut benefits for utility consumers as a result of the lower federal corporate tax rate.

OCC continued its consumer advocacy regarding various proposals by electric, natural gas and water utilities to charge consumers for significant replacements of infrastructure (such as wires, pipes and meters). These charges should be contingent upon meeting ratemaking standards of usefulness to consumers and audits for prudence, among other consumer protections.

The Board thanks former Attorney General Mike DeWine and his staff for their services and support to the Board and Agency. We appreciate Governor-Elect DeWine's visit with the Board at our November public meeting. We look forward to working with Governor DeWine in 2019 for the benefit of Ohio residential utility consumers. We also welcome Attorney General Yost and look forward to working with him and his staff.

A message from Michael Watkins Governing Board Chair

The Board and I commend the dedicated public service of our appointees, Consumers' Counsel Bruce Weston and Deputy Consumers' Counsel Larry Sauer, and their hardworking staff. I thank Consumers' Counsel Weston for his leadership of OCC, for giving Ohioans a consumer voice among the many utility voices in the government processes that affect the prices and quality of utility services, and for applying his 40 years of utility-law experience to doing the right thing for millions of Ohio consumers. OCC has been a consistent voice for consumer protection, including by favoring competitive power plant markets over monopolies and subsidies. The Board also thanks the members of the Ohio General Assembly for their consideration of OCC's proposals.

Governing Board members, Vice-Chair Stuart Young and I have been honored to be part of the Agency's tradition of public service to Ohio consumers. We look forward to OCC's continued work with legislators, other public officials, and stakeholders for the benefit of millions of Ohioans in 2019.



Governor-Elect Mike DeWine visits with Consumers' Counsel Governing Board members at their November 2018 public meeting.

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.



Michael A. Watkins

Chair, 2017 – present
Vice-Chair, 2015 – 2017
Board member, 2010 – 2020
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 served six terms as president of FOP Lima Lodge No. 21 and currently serves as the recording secretary. 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.



Stuart Young

Vice-Chair, 2017 – present
Board member, 2012 – 2021
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 36 years. He previously served the Clark County Farm Bureau on the Board of Directors and as President. He has served on the Ohio Farm Bureau's State Policy Development committee as a delegate. He is a lifelong member of the American Jersey Cattle Association and the Ohio Cattlemen's Association.



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.



Beverlyn E. Johns

Board member, 2018 – 2019
Representing residential consumers
Hometown: Reynoldsburg

Beverlyn E. Johns has served the public for over 20 years in Franklin County. Currently serving in the Franklin County Data Center, she is responsible for overseeing service management quality, organization performance measurement, and organizational communications. Ms. Johns is involved in her community through various board appointments. Most recently, she sits on the Ohio County/Cities Information Technology board, Rebuild and Renew board and the Court-Appointed Special Advocates board. Ms. Johns has received honors such as being named Who's Who in Black Columbus and Biggest Supporter of Columbus Downtown High School.



Kelly C. Moore

Board member, 2015 – 2021
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 Worker's Compensation

Governing Board

committee and the Legislative committee. She is the former Chair and Vice Chair of the Zanesville NFIB Area Action Council. In addition, Mrs. Moore is the Chairperson of the NFIB/OH PAC.



J. Douglas Moormann

Board member, 2017 – 2020
Representing residential consumers
Hometown: Cincinnati

J. Douglas Moormann is the Vice President of Development Strategies Group, an economic development consulting firm that he launched in 2011. His firm focuses on advising both private development projects and local governments on economic development matters. Mr. Moormann has significant experience in legislative relations and state government. He served as the Vice President of Economic Development and the Vice President of Government Affairs during his nine-year tenure at the Cincinnati USA Regional Chamber from 2003-2011. Mr. Moormann has also spent time working in the Governor's office, the Office of Criminal Justice Services, and the Controlling Board, Office of Budget and Management. Mr. Moormann currently serves as Council member in the City of Madeira and is the immediate past Chair of the European American Chamber of Commerce of Greater Cincinnati, which he has served on since 2013. Other committees he has served on include: Agenda 360, Brent Spence Bridge Advisory Committee, Southwest Ohio Region Workforce Investment Board, and the Ohio Transportation Review Advisory Council.



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 1981 and as Business Manager since 2010. He previously served Local 396 for 24 years in officer positions including 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.



Andra Troyer

Board member, 2017 – 2020
Representing family farmers
Hometown: London

Andra Troyer, along with her husband and son Jared, manage RLT Farms, a 1,600-acre farm that specializes in growing corn and soybeans. For 12 years Ms. Troyer served as the Southwest Regional State Trustee for Ohio Farm Bureau, representing 20 counties regarding state and national issues that affect rural and urban America. As a trustee, she provided guidance on daily operations and budgets. Ms. Troyer served as a Board Member on the Ohio State University's C. William Swank Advisory Board, dealing with rural and urban interface issues. She also served in several advisory positions for Madison County, including Farm Bureau President, Chairman of the Madison County Soil and Water Conservation District, and Board Member for the Madison County Chamber of Commerce. Ms. Troyer currently serves on the Lake Choctaw Water Quality Committee. Ms. Troyer also works for the National Agricultural Statistics Service.



David J. Wondolowski

Board member, 2017 – 2021
Representing organized labor
Hometown: Broadview Heights

David J. Wondolowski is a labor leader who has served as Executive Secretary of The Cleveland Building and Construction Trades Council since 2013, which represents all of the building trades unions and over 10,000 highly skilled employees in Northeast Ohio. Additionally, Mr. Wondolowski serves on the Cleveland/Cuyahoga County Workforce Investment Board. He is Vice President of the United Labor Agency, a member of the Cuyahoga County Board of Elections, an Executive Board member for the North Shore AFL-CIO, and a member of the NOACXs Business Advisory Committee. Mr. Wondolowski also holds membership with the Greater Cleveland Partnership (GCP), where he is a Board member of their Commission on Economic Inclusion, and an Executive Board member of the Construction, Diversity, and Inclusion Committee. Formerly, Mr. Wondolowski served on Broadview Heights City Council from 2003-2007 and was a member of the Ohio Public Works Commission.

Senior Management



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 40 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 (where effective) and reliable service for Ohioans. Prior to joining the Agency for a second time in October 2004, Mr. Weston was in private law practice where 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 earned his law degree from The Ohio State University College of Law and served the Agency as a legal intern beginning in 1978. Upon graduation, 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 beginning in June 2010.



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 Agency's accounting, economic, and financial analyses associated with utility rate filings

and other matters that affect Ohio's residential utility consumers. He provides advice and recommendations for the Ohio Consumers' Counsel's consumer 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.

Ensuring that Ohio Consumers Receive Utility Bill Savings from the Utilities' Federal Tax Savings

The federal Tax Cuts and Jobs Act of 2017 became effective on January 1, 2018. The new law reduced the federal corporate tax rate applicable to utilities and other companies, from 35% to 21%. In 2018, OCC advocated that Ohio utilities' federal tax savings should result in utility bill savings for millions of Ohio utility consumers.

In January 2018, the PUCO opened a case (Case No. 18-47-AU-COI) to study the impacts of the federal tax cuts on regulated utilities and their customers. In 2018, OCC represented consumers in cases to recommend that the tax cuts for utilities should result in rate cuts for consumers. The PUCO Staff also recognized that customers should benefit from the utilities' reduced tax expense.

On October 24, 2018, the PUCO ordered Ohio utilities to file an application, by January 1, 2019, to adjust their current charges to consumers to reflect the impact of the tax reduction. The PUCO's order provided limited exceptions for very small utilities and utilities that had already agreed to return tax savings to consumers in separate PUCO cases.

A number of utilities made rate filings at the PUCO to reflect the tax decrease for consumers. These utilities included AEP Ohio, Columbia Gas of Ohio, Dayton Power and Light Company, Duke Energy Ohio, Dominion Energy Ohio, the FirstEnergy Utilities, Ohio Gas Company, and Vectren Energy Delivery of Ohio. As a result of these and other cases, Ohio's residential utility consumers will receive over \$1 billion through modified rates and refunds on customer bills.

On May 21, 2018, OCC and other state consumer advocates filed a recommendation at the Federal Energy Regulatory Commission (FERC) requesting refunds to consumers related to the federal tax decreases. OCC and other state consumer advocates recommended to FERC that federally regulated utilities should return to consumers all tax monies that were over-collected.

All Utilities: 18-47-AU-COI; AEP: 18-1007-EL-UNC; Columbia: 17-2374-GA-RDR, 17-2202-GA-ALT, 18-1701-GA-RDR; Dominion: 18-1908-GA-UNC, 18-1909-GA-ATA; DP&L: 15-1830-EL-AIR; Duke: 17-1263-EL-SSO, 18-1185-EL-UNC, 18-1186-EL-ATA; Duke: 18-1830-GA-UNC; FirstEnergy: 18-1604-EL-UNC, 18-1656-EL-ATA; Ohio Gas: 17-1139-GA-AIR, 18-1903-GA-WVR; Vectren: 18-298-GA-AIR; FERC Docket No. RM18-12-000



Consumers' Counsel Governing Board members discuss consumer issues at their public meeting.

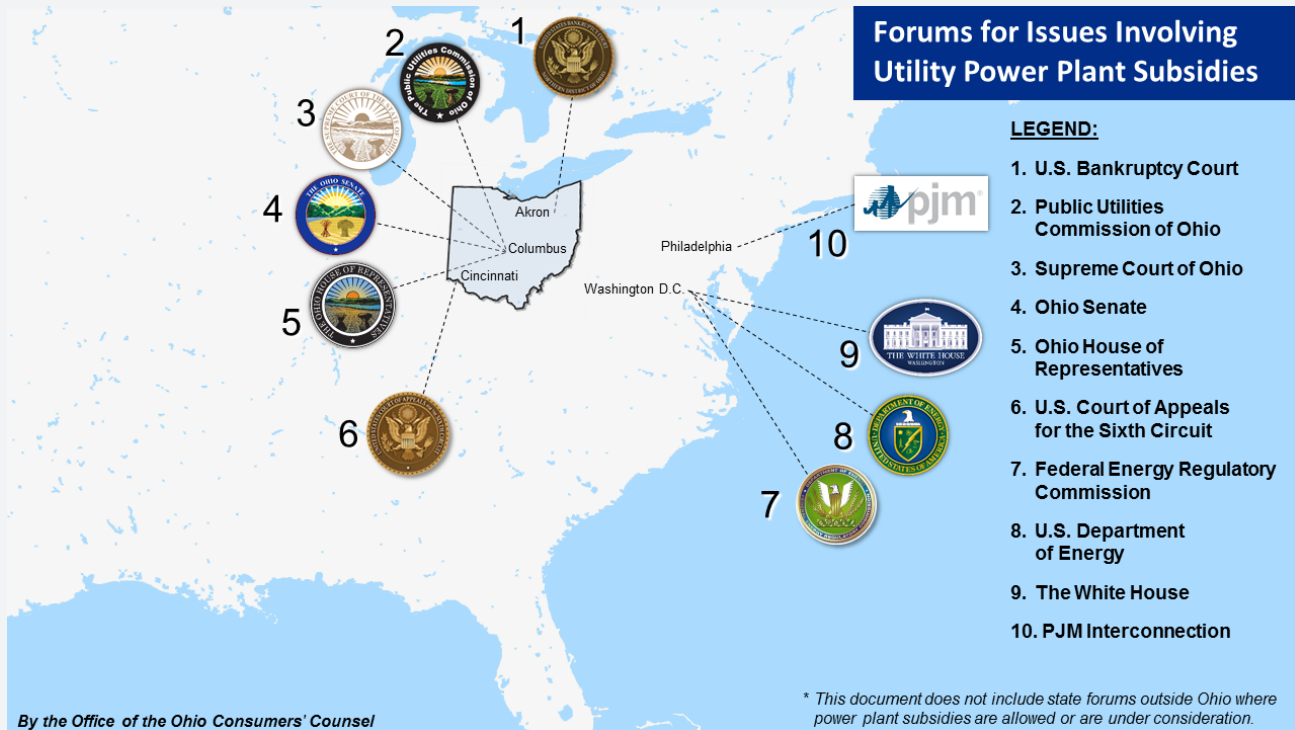
Issues for Electric Consumers



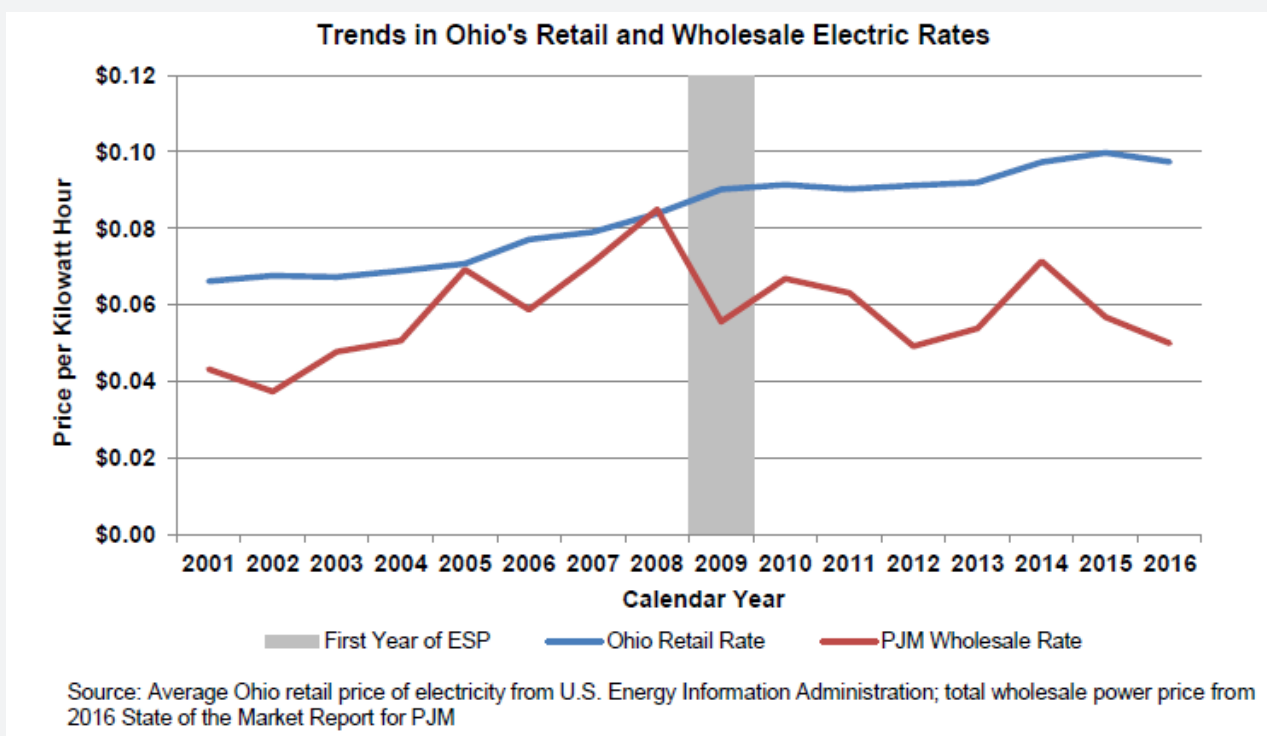
In 2018, OCC advocated for more than four million residential electric consumers in Ohio. OCC made consumer recommendations for lower rates, reliable service, and competition for power plants and smart grid services.

There were some familiar consumer issues in 2018. The Ohio General Assembly's 1999 vision for electric deregulation and power plant competition continued to be under duress from electric utilities seeking corporate welfare at Ohioans' expense. Nearly 20 years after Ohio's deregulation law, electric utilities continued to seek subsidies from their monopoly consumers. OCC's "Subsidy Scorecard" (on the inside back cover) displays a summary of the \$15.23 billion in above-market subsidies charged to Ohio consumers by their electric utilities since 2000. Utilities have sought these subsidies for their aging, uneconomic power plants at the General Assembly, the PUCO, and other forums.

Defending consumers from the electric industry's requests for subsidy money, OCC has advocated for serving consumers through competitive markets instead of monopolies, based on Ohio's 1999 deregulation law. The following map shows some of the forums where the utilities and/or other stakeholders have raised issues that directly or indirectly involve power plant subsidies related to Ohio consumers.



The chart below was developed by the Ohio Legislative Service Commission for the Fiscal Note on House Bill 247 (132nd G.A.). It shows how retail electric prices in Ohio have mostly (and unfortunately) increased since 2008 despite declines in wholesale electric prices. The year 2008 is when the energy law was enacted that H.B. 247 would largely repeal. Utilities and the PUCO have been using the 2008 law for making consumers pay subsidies and other charges.



At the General Assembly, bills were introduced that would have subsidized coal and nuclear power plants at consumer expense. None passed. The electric utilities continued to seek legislation for charging customers to subsidize two 60-year-old coal power plants, one of which is not even located in Ohio. Meanwhile, the PUCO authorized some electric utilities to charge customers to subsidize the two coal plants.

What follows are summaries of some of OCC's activities on behalf of electric consumers, with a full listing at the back of this Annual Report.

State Cases Affecting Electric Consumers

Consumers' Counsel and others negotiate a settlement with AEP Ohio to give consumers their share of AEP's federal corporate tax cuts

The federal tax savings of Ohio utilities should result in utility bill savings for Ohio utility consumers. On June 8, 2018, AEP Ohio filed at the PUCO to resolve what it owed to consumers for its tax savings. OCC and others negotiated with AEP for how much money in tax savings it should provide to consumers.

On September 26, 2018, OCC, AEP Ohio and other parties submitted to the PUCO a settlement for ensuring that customers receive appropriate electric bill reductions for AEP Ohio's tax savings. To AEP's credit, it proposed reducing consumers' electric bills without also proposing a corresponding bill increase for other costs (as some other utilities proposed). OCC's expert testified that the settlement will save residential consumers over \$292 million, with a total of \$541 million saved for all customers. On October 3, 2018, the PUCO approved the settlement.

AEP: 18-1007-EL-UNC

Consumers' Counsel seeks consumer protection regarding FirstEnergy's so-called distribution modernization charge

On October 12, 2016, the PUCO authorized FirstEnergy to charge consumers a subsidy of \$204 million per year for at least three years (despite OCC's objection) for a "Distribution Modernization Rider," with the possibility of a two-year extension. In Case 17-2280-EL-RDR, OCC recommended reducing this FirstEnergy charge to consumers to reflect the utility's federal tax savings. On February 28, 2018, the PUCO issued a decision to reduce the charge to about \$168 million annually from consumers.

In December of 2017, the PUCO opened Case 17-2474-EL-RDR to review FirstEnergy's Distribution

Modernization charge. OCC sought information from FirstEnergy about how it is spending the hundreds of millions of dollars in subsidies that it collected from consumers through the charge. FirstEnergy would not respond to OCC's inquiries. For transparency in state regulation, OCC then asked the PUCO to compel FirstEnergy to respond to OCC's discovery questions. Unfortunately, the PUCO sided with FirstEnergy for the time being, based on the PUCO's own audit of the utility not yet being finished, and denied OCC's motion to compel answers.

FirstEnergy: 17-2280-EL-RDR, 17-2474-EL-RDR

Consumers' Counsel acts to protect DP&L customers from paying a "distribution modernization" charge that DP&L could collect and spend on measures that are not strictly for distribution modernization

In its most recent electric security plan case, DP&L sought approval of a so-called Distribution Modernization charge. For reasons similar to OCC's objection to the FirstEnergy charge, in 2017, OCC objected to making Dayton-area consumers pay the charge. (Note that the poverty level for people in Dayton is about 35%.) On October 24, 2018, the PUCO authorized DP&L to charge consumers \$105 million per year for its Distribution Modernization charge.

According to the PUCO's October 20, 2017 Opinion and Order in DP&L's Electric Security Plan application, one purpose of the DMR is to "allow DP&L to make capital expenditures to maintain and modernize its distribution and transmission infrastructure." But money collected from customers through this charge is also used to pay interest obligations on existing debt at DP&L and its non-utility parent company, DPL Inc., and to make discretionary debt prepayments at DPL Inc. and DP&L.

The charge should have been denied as unlawful because it allows using distribution charges (money from monopoly customers) to pay for debt incurred through deregulated generation transactions. The name of the charge is also a misnomer, as it is used to pay off

debt instead of modernizing DP&L's distribution system for customers.

DP&L: 18-1388-EL-RDR, 16-0395-EL-SSO, 16-0396-EL-ATA, 16-0397-EL-AAM

Consumers' Counsel recommends the competitive market for renewable energy for Ohioans instead of AEP Ohio's unlawful proposal for customers to subsidize its re-monopolization of power plants

Under Ohio's deregulation law, a utility proposal to develop and charge monopoly customers to subsidize solar or any type of power plant would be unlawful – unless customers need the power to keep the lights on or the power is needed to meet the renewable mandates under Ohio law. In 2018, AEP filed a proposal asking the PUCO to find there is a need for 900 MWs of renewable power plants. At the same time AEP was making its Ohio consumers subsidize two coal plants, AEP requested that its customers also be made to subsidize solar plants. AEP made its subsidy proposal even though the solar power was not needed to serve consumers. And the power from the AEP solar plants that Ohioans would subsidize was not even to be dedicated for use by Ohioans; rather, the power would be sold into the multi-state PJM market.

In accordance with Ohio law, OCC, the PUCO Staff and others opposed AEP's proposal. OCC presented evidence at a hearing in January 2019 that the power is not needed by consumers. The PUCO Staff, the Ohio Manufacturers' Association and others presented similar testimony. Additionally, OCC witnesses testified that Ohio's competitive market is already providing AEP's customers with several dozen marketer offers for renewable energy. The case was pending at year-end.

AEP: 18-0501-EL-FOR, 18-1392-EL-RDR, 18-1393-EL-ATA

Consumers' Counsel sought to protect consumers from an unfair settlement and then, with NOPEC, negotiated a supplemental settlement with FirstEnergy and others to give consumers their fair share of federal corporate tax cuts and to address other issues

On October 30, 2018, FirstEnergy filed a case to share with customers the benefits of the federal tax cuts relating to its federal corporate tax reduction. Just ten days after that filing, on November 9, 2018, FirstEnergy, the PUCO Staff and others signed a settlement for tax-related rate cuts. But the settlement also allowed FirstEnergy to charge consumers hundreds of millions of dollars more for grid upgrades that offset the tax-related rate cuts.

A significant update for this 2018 activity is that, on January 25, 2019, after further negotiations by OCC and the Northeast Ohio Public Energy Council with FirstEnergy, the PUCO Staff and others, a Supplemental Settlement was filed. As compared to the first settlement (that OCC opposed), the new settlement would provide residential consumers an additional \$126 million in bill reductions for FirstEnergy's tax savings. OCC signed the Supplemental Settlement because it better converts FirstEnergy's federal tax savings into utility bill savings for 1.9 million residential consumers. OCC did not agree to the charges for grid upgrades, but did not oppose the charges considering that the Supplemental Settlement included more consumer bill reductions and additional consumer protections for review of the grid charges. The case was pending at year-end.

FirstEnergy: 18-1604-EL-UNC, 18-1656-EL-ATA, 17-2436-EL-UNC, 16-481-EL-UNC

Consumers' Counsel defends Ohio consumers and electricity markets from utility re-regulatory proposals

AEP Ohio, DP&L and Duke have requested and received approval from the PUCO to charge consumers for deregulated power plants. But under Ohio law, charges for power plant generation should be

determined by the competitive electricity market, not guaranteed by the government regulator.

Unfortunately for consumers, the PUCO approved proposals allowing the utilities to charge customers to subsidize utility interests in two 1950's coal power plants in Ohio and Indiana. These coal plants are known as the Ohio Valley Electric Corporation or "OVEC" plants. The utility charges were approved for the January 2017 through May 2018 timeframe but are expected to continue at least during the term of the current electric security plans.

OCC appealed some of these cases to the Supreme Court of Ohio, asking the Court to rule that the subsidies could not be charged to consumers. However, on November 27, 2018, the Supreme Court of Ohio ruled that AEP could charge its customers to subsidize the coal plants through a Power Purchase Agreement Rider. These opinions by the PUCO and the Supreme Court of Ohio allowing AEP to charge customers to subsidize old coal power plants could cost customers hundreds of millions of dollars.

AEP: 14-1693-EL-RDR, 14-1694-EL-AAM, 16-1852-EL-SSO, 16-1853-EL-AAM, 17-0030-EL-RDR, 17-0038-EL-RDR, 18-0230-EL-RDR; DP&L: 16-395-EL-SSO; Duke: 14-0841-EL-SSO

Consumers' Counsel and others negotiate a settlement in DP&L's rate case to give consumers their share of federal corporate tax cuts and to address other issues

The PUCO approved a settlement signed by OCC, PUCO Staff, DP&L, and others in DP&L's rate case. DP&L proposed a rate increase of \$65.8 million per year. The settlement has benefits for consumers, including: (1) cutting in half the utility's proposed rate increase from \$65.8 million to \$29.7 million; (2) guaranteeing the return to customers of all tax savings resulting from the federal tax reduction (with DP&L agreeing to a refund of not less than \$4 million per year for the first five years); (3) keeping DP&L's fixed monthly charges to a minimum (where the parties agreed to \$7.00 after DP&L initially proposed \$13.73); and (4) improved reliability for DP&L customers.

OCC vigorously opposed a proposal by marketers (the Retail Energy Supply Association and IGS Energy) who wanted to increase what consumers pay to DP&L for its standard offer generation service (for consumers who do not buy their electric generation service from marketers). The marketers' proposal was the latest version of their regulatory strategy against energy utilities' standard offers—and against Ohio consumers who benefit from the utilities' competitively bid standard offers. OCC recommends utilities' standard offers to consumers as a conservative, competitive option for saving money on their electric and natural gas bills.

In September 2018, the PUCO approved the settlement and rejected the marketers' proposal.

DP&L: 15-1830-EL-AIR, 15-1831-EL-AAM, 15-1832-EL-ATA

Consumers' Counsel acts in multiple cases to protect Duke customers

OCC recommended that the PUCO reject Duke's proposal for a distribution rate increase. Duke asked the PUCO to approve a \$15.4 million increase in the rates consumers pay for electric distribution service. Additionally, Duke asked the PUCO to increase the fixed charge on residential customers' monthly bills from \$6.00 to \$22.77, justifying the increase by proposing to decrease the usage-based distribution charge. Higher fixed charges are a consumer concern because they deny consumers the opportunity to save money by reducing their usage. The PUCO Staff recommended that the PUCO Commissioners should reject Duke's proposed rate increase and instead should reduce rates for consumers by between \$18.4 million and \$28.9 million. The PUCO Staff also recommended a much smaller increase to fixed charges for consumers.

Also, Duke sought to charge its customers hundreds of millions of dollars for new smart meter infrastructure, including the costs of replacing all its recently installed residential electric smart meters and related communications technology. OCC calculated the consumer cost of Duke's proposal to replace its meters at over \$494 million. This would be in addition to the

\$400 million already spent by Duke to install smart meter infrastructure over the past ten years. OCC opposed Duke's proposal to charge customers for a new "smart grid" because Duke just finished installing its current smart grid system four years ago. OCC questioned whether Duke was spending customers' money prudently. Duke charged more than 700,000 customers for a "smart grid" system that does not work effectively and that it plans to scrap. Customers should not be required to pay to replace the system.

Further, Duke sought authority to charge customers for the uneconomic 1950's coal power plants of the Ohio Valley Electric Corporation. OCC asked that the PUCO reject Duke's settlement that would allow it to do so. OCC calculated that Duke's customers will pay \$119 million in above-market charges to subsidize the old coal plants. On December 19, 2018, the PUCO approved Duke's settlement and the charges. The case was pending at year-end.

Duke: 16-1602-EL-ESS, 17-0032-EL-AIR, 17-0033-EL-ATA, 17-0034-EL-AAM, 17-1263-EL-SSO, 17-1264-EL-ATA, 17-1265-EL-AAM, 17-0872-EL-RDR, 17-0873-EL-ATA, 17-0874-EL-AAM

Consumers' Counsel seeks customer refunds for significantly excessive utility profits

One of the reasons that OCC supported House Bill 247 is that it would eliminate the 2008 energy law's authorization for electric utilities to charge Ohioans for excessive profits. The law merely barred utilities from charging consumers for "significantly" excessive profits. Unfortunately, even the law's minimal protection against consumers paying for significantly excessive utility profits has been difficult to enforce.

In May 2017, AEP Ohio filed Case 17-1230-EL-UNC for review of its 2016 profits. OCC's experts calculated that AEP Ohio had significantly excessive profits of \$53 million. OCC filed at the PUCO asking that this money be returned to customers. On February 27, 2019, the PUCO issued an Order finding that AEP Ohio did not have significantly excessive profits in 2016. Unfortunately, customers will not see a refund.



AEP Ohio also filed Case 18-0989-EL-UNC with the PUCO for review of its profits in 2017. According to AEP Ohio, its 2017 profits should only be considered significantly excessive if they exceeded 17.00%, which is a high profit level for a utility. OCC intervened to protect consumers.

FirstEnergy also filed Case 18-0857-EL-UNC with the PUCO to determine if any of the FirstEnergy distribution utilities had significantly excessive profits in 2017. OCC calculated that Ohio Edison's 1 million consumers should receive a refund of approximately \$42 million. Ohio Edison, the PUCO Staff, and others filed a proposed settlement in the case, that excluded counting the Distribution Modernization revenues as part of Ohio Edison's profits. The accounting in the settlement reduced the level of profit that Ohio Edison appeared to make. OCC recommended that Ohio Edison's Distribution Modernization revenues (a subsidy that customers pay) should be included in the PUCO's analysis of Ohio Edison's profits, which should result in a refund to consumers. The case was pending at year-end.

AEP: 17-1230-EL-UNC, 18-0989-EL-UNC; FirstEnergy (Ohio Edison): 18-0857-EL-UNC

Consumers' Counsel acts to protect AEP customers from infrastructure charges

Ohioans pay hundreds of millions of dollars every year on projects that are intended to upgrade the electric grid. This case involves the annual audit of AEP Ohio's gridSMART Phase 2 expenditures.

Under an earlier gridSMART Phase 1 program, AEP Ohio installed over 132,000 electric meters, known as advanced metering infrastructure (AMI) meters. Under Phase 2, the utility will install an additional 894,000 smart meters at a customer cost of approximately \$560 million.

One of OCC's recommendations in comments was that the PUCO should order an operational audit of AEP. The audit should assess how much operational savings AEP has gained and that should be shared with customers who paid for the grid investments that produce the savings. OCC noted that AEP's smart grid was projected to save \$200 million, but customers are currently receiving less than \$2 million per year in credits for operational savings. Shortly after OCC filed its comments recommending the operational audit, the PUCO opened Case 18-1618-EL-RDR and issued an RFP for an audit. OCC will continue to advocate for adequate customer bill reductions based on operational savings that utilities achieve from smart grid investments. The case was pending at year-end.

AEP: 17-1156-EL-RDR, 18-1618-EL-RDR

Consumers' Counsel recommends that the PUCO adopt consumer-oriented policies when implementing its PowerForward Initiative for modernization of the electric distribution grid

OCC appreciates the PUCO's interest in developing an electric grid that is useful to consumers. In 2018, OCC welcomed the opportunity to participate for consumers in the PUCO's PowerForward Initiative for grid upgrades. OCC's views include that utilities should provide customers with safe, reliable, and affordable service. The PowerForward Initiative should maximize the benefits that customers receive from investments in the electric grid, and should minimize the costs that customers pay for those investments.

After months of presentations from stakeholders, including OCC, the PUCO published PowerForward: A Roadmap to Ohio's Electricity Future (the "PowerForward Roadmap"). The PowerForward

Roadmap was intended to provide a starting point for Ohio utilities that are investing in grid modernization. The PUCO established three stakeholder groups to move the initiative forward: a PowerForward Collaborative, a Distribution System Planning Workgroup, and a Data and Modern Grid Workgroup. OCC is an active participant in these groups.

In the PowerForward Roadmap, the PUCO encouraged Ohio's electric utilities to file applications for investment in core grid architecture. The PUCO noted that in parallel with advanced meter deployment, electric utilities should propose Time-Of-Use rates for certain customers.

On December 21, 2018, DP&L was the first electric utility to file an application for grid modernization pursuant to the PUCO's directive in the PowerForward Initiative. DP&L filed its application in Case No. 18-1875-EL-GRD seeking approval of a Distribution Modernization Plan for authority to invest \$573 million in capital and \$69 million in Operations and Maintenance expenses to modernize its electric grid. (Generally, OCC's views include that electric utilities should not charge consumers more for grid modernization than what is useful to consumers for electric service.) Part of DP&L's proposal includes Advanced Metering Infrastructure (AMI) with a feature to allow remote connection and disconnection of consumers' electric service. As part of the case, DP&L is seeking a waiver of a PUCO rule which requires DP&L to provide a residential customer with personal notice on the day of service disconnection. (Generally, OCC advocates for consumer protections regarding remote disconnection of electric service.) The case was pending at year-end.

PowerForward: 18-1595-EL-GRD, 18-1596-EL-GRD, 18-1597-EL-GRD; DP&L: 18-1875-EL-GRD

Electric Consumer Issues Appealed to the Supreme Court of Ohio

Consumers' Counsel supports refunds to customers for FirstEnergy's over-priced renewables and urges transparency for renewable power purchases

This appeal relates to a 2011 case involving the FirstEnergy utilities buying renewable energy from their affiliate, FirstEnergy Solutions, at excessive, above-market prices. The PUCO ordered FirstEnergy to refund \$43 million of the charges to customers. The PUCO also ruled, at FirstEnergy's request, that information about the renewable power purchases (including OCC's recommended refund amount) should be kept secret from the public. Three appeals were taken of both these rulings, including one appeal by OCC. In an appeal by FirstEnergy, the Supreme Court overturned the PUCO. The Court adopted FirstEnergy's position and denied customers \$43 million of refunds after finding the refunds would be unlawful retroactive ratemaking. The Court also found that the PUCO failed to demonstrate why the renewable transactions should be kept secret, as OCC and another party advocated. <https://supremecourt.ohio.gov/rod/docs/pdf/0/2018/2018-ohio-229.pdf>

OSC 2013-2026 (PUCO Case No. 11-5201-EL-RDR)

Consumers' Counsel acts to protect consumers from paying power plant subsidies under AEP's electric security plan

In 2017, OCC and the Ohio Manufacturers' Association (OMA) appealed two PUCO cases to the Ohio Supreme Court to protect AEP Ohio's 1.5 million customers from paying subsidies to AEP for two coal power plants. The coal plants are held by the Ohio Valley Electric Corporation (OVEC), with owners including AEP Ohio, DP&L, Duke, and FirstEnergy Solutions.

In the first appeal, OCC, OMA and others sought to overturn the PUCO's approval of a "placeholder" rider that would allow collection of future coal plant



OCC attorney Maureen Willis representing consumers at the Supreme Court of Ohio.

subsidies from customers. This appeal was dismissed by the Court, after the Court found there was no harm to customers. <https://supremecourt.ohio.gov/rod/docs/pdf/0/2018/2018-ohio-4697.pdf>

In the second case, OCC and OMA appealed AEP Ohio's actual power plant subsidy charges to customers. The Court ruled that the subsidies were an allowable provision of a utility's electric security plan, with the result that the utility can charge consumers for the subsidy charges. <https://supremecourt.ohio.gov/rod/docs/pdf/0/2018/2018-ohio-4698.pdf>

OSC 2017-0749 (PUCO Case Nos. 13-2385-EL-SSO, 13-2386-EL-AAM) and 2017-0752 (PUCO Case Nos. 14-1693-EL-RDR, 14-1694-EL-AAM)

Consumers' Counsel defends consumers from FirstEnergy's so-called "distribution modernization" charge that FirstEnergy is not required to directly spend on distribution modernization

In FirstEnergy's electric security plan (2016-2019) the PUCO allowed FirstEnergy to charge customers hundreds of millions of dollars per year for unlawful charges called the Distribution Modernization Rider. Despite the name of the charge, the PUCO did not require that FirstEnergy's charges must be directly for its distribution modernization. OCC and three other parties appealed this issue to the Supreme Court of Ohio in November 2017. This case was pending at year-end.

OSC 2017-1664 (PUCO Case No. 14-1297-EL-SSO)

Consumers' Counsel supports limit on FirstEnergy's charges to customers for utility-run energy efficiency programs

OCC and the PUCO Staff recommended that the PUCO limit what FirstEnergy can charge customers for energy efficiency programs. The PUCO then capped charges to customers at \$107 million per year. FirstEnergy and environmental groups appealed the PUCO's decision, arguing that the PUCO has no authority to limit these utility charges to customers. In FirstEnergy's appeal, OCC and the PUCO urged the Court to uphold the limit on what FirstEnergy can charge customers for energy efficiency programs. The case was pending at year-end.

OSC 2018-0379 (PUCO Case No. 16-743-EL-POR)

Consumer's Counsel challenges Duke's charges to consumers for power plant subsidies

In Duke's electric security plan, the PUCO approved what is called a "placeholder" rider enabling Duke to charge customers a power plant subsidy in the future for the OVEC coal power plants. OCC and OMA appealed the PUCO's order claiming that it is not a lawful provision under a utility's electric security plan. The case was pending at year-end.

OSC 2018-0973 (PUCO Case No. 14-0841-EL-SSO)

Consumers' Counsel challenges PUCO order preventing refunds to customers of DP&L

In 2016, the Supreme Court of Ohio reversed a PUCO Order approving what it called a stability charge of \$330 million for DP&L customers to pay. After the Court's decision, the PUCO permitted DP&L to withdraw its electric security plan which allowed DP&L to avoid giving customers the full benefit of the court's decision. OCC and three other parties appealed the PUCO's decisions.

While the appeals were pending, DP&L filed for and received approval of its next electric security plan. On October 4, 2018, the Supreme Court of Ohio (in

a 4-3 decision) dismissed the appeals finding they were moot, meaning utility customers were denied a remedy. <https://supremecourt.ohio.gov/rod/docs/pdf/0/2018/2018-ohio-4009.pdf>

OSC 2017-0241, 2017-0204

Electric Consumer Issues at the Federal Energy Regulatory Commission and Other Federal Forums

Consumers' Counsel defends consumers against subsidies for power plants in PJM's generation capacity market

OCC continues to urge FERC to protect competitive electric markets and the consumers who benefit from those markets for power plant competition in the PJM region (that includes Ohio). OCC supported FERC's landmark decision to prevent subsidized power plants from participating in the regional interstate markets for electricity.

OCC supports FERC's pursuit of policies that will protect competition in PJM's wholesale electricity markets, and thereby protect consumers (in Ohio and elsewhere) from having to pay billions in additional subsidies to prop up aging, uneconomic power plants. OCC advocates that subsidies are fundamentally incompatible with the concept of power plant competition in wholesale markets for setting the price of electricity that consumers ultimately pay. The case was pending at year-end.

FERC Dockets EL16-49, EL18-178-000, ER18-1314-000, ER18-1314-001

Consumers' Counsel files to protect consumers in a complaint by OVEC coal-plant owners against bankrupt FirstEnergy Solutions

OVEC filed a complaint to obtain a FERC ruling that FirstEnergy Solutions (FES) is obligated to pay for its contractual share of the costs of OVEC's coal plants. In its

own filing OCC generally supported the OVEC complaint at FERC. Unfortunately for consumers, the bankruptcy court granted FES's request to allow it to withdraw from its agreement to pay for the coal plant charges. FES is FirstEnergy's unregulated generation subsidiary and filed for bankruptcy on March 31, 2018. OVEC stated that the bankruptcy court's allowance for FES to reject its cost-sharing agreement for the coal plants could mean that FES's share of the costs could be allocated to the other remaining owners. An OCC concern is that FES's share of the coal plant costs, amounting to many millions of dollars, might then be shifted to other utilities' customers to pay (such as Ohio customers of AEP, DP&L and Duke). FES expected to lose \$268 million over the 22 years remaining on its agreement to pay its share of the costs of the OVEC coal plants.

The fate of these legal issues at FERC are awaiting the results of appeals that FERC, OVEC, OCC and others have taken from the bankruptcy court's decisions.

FERC Docket No. EL18-135-000

Consumers' Counsel opposes AEP Transmission Company's attempt to retroactively charge Ohio consumers for costs related to transmission service

In 2018, AEP Transmission claimed that it had stranded costs associated with its transmission service, but AEP had not charged customers for these transmission costs. Unfortunately for electric consumers, AEP Transmission filed a request at FERC to amend its PJM tariff along with a request for waiver of FERC rules to make the tariff change retroactive to January 1, 2017. On August 6, 2018, OCC filed a Protest asserting that granting AEP Transmission's request to make the tariff change effective retroactively would harm consumers by violating FERC's filed rate doctrine and the prohibition against retroactive ratemaking. Thereafter, on September 13, 2018, FERC issued an Order denying AEP Transmission's request for waiver of FERC's rules. FERC stated: "The retroactive effective date sought by AEP Transmission is prohibited by the filed rate doctrine and the rule against retroactive ratemaking," just as asserted by OCC.

FERC Docket ER18-2019

Consumers' Counsel seeks to protect Ohio consumers from charges related to the bankruptcy of FirstEnergy Solutions and FirstEnergy Nuclear Operating Company

FirstEnergy Solutions (FES) and FirstEnergy Nuclear Operating Company (FENOC) announced, on March 31, 2018, that they filed for bankruptcy. FES and FENOC are subsidiaries of FirstEnergy Corp. FES generates and sells retail electricity, while FENOC owns and operates FirstEnergy's nuclear power plants.

FES has been struggling financially because of its ill-timed investment in a fleet of coal plants. It also asserts that its nuclear plants have been struggling to operate economically under current market conditions (that are lowering wholesale electric prices for consumers as a result of more competitive newer power plants).

OCC has made consumer protection recommendations to the bankruptcy court. OCC's recommendations include that consumers should be protected from bankruptcy actions that potentially could result in consumers having to subsidize FES's withdrawal from its obligations to pay for OVEC's coal power plants. FERC, OCC, OVEC and others have appealed to the U.S. Sixth Circuit Court of Appeals the decision of the bankruptcy court to allow FES to withdraw from its agreement to pay its share of the cost of the OVEC coal plants.

The bankruptcy court case and the appeal were pending at year-end.

FirstEnergy Solutions Bankruptcy: 18-0569-EL-UNC, Bankruptcy Court Case No. 18-50757 (Northern District of Ohio); U.S. Sixth Circuit Court of Appeals: 18-4107



In 2018, the Ohio Consumers' Counsel advocated for millions of Ohio natural gas consumers in a number of cases affecting their monthly natural gas bills. This discussion describes some of the significant consumer issues that OCC addressed. A full listing of the Agency's case activities can be found at the back of this Annual Report.

State Cases Affecting Natural Gas Consumers

Consumers' Counsel advocates for an end to the "monthly variable rate" and related marketer rip-offs of consumers in Dominion's service area

OCC filed a motion at the PUCO to protect residential natural gas consumers by asking that Dominion re-establish its Standard Choice Offer (SCO) as the default service for all residential customers and eliminate the Monthly Variable Rate (MVR). The MVR is a natural gas rate for customers whose natural gas marketer contract or aggregation program has expired and who have not selected a new source for their natural gas. Under the MVR, Dominion randomly assigns a marketer to provide natural gas supply at a rate set by the marketer. The MVR is typically a higher rate than Dominion's competitively bid standard offer. But worse, some rates charged by natural gas marketers have price-gouged consumers, as high as two to three times the market price of natural gas. OCC noted in its Motion that while the number of customers on the MVR may be few, the harm to those customers can be great. OCC recommends utilities' standard offers to consumers as a conservative, competitive option for saving money on their gas and electric bills.

Dominion East Ohio: 12-1842-GA-EXM, 18-1419-GA-EXM

Consumers' Counsel and others negotiate a settlement with Columbia Gas to give consumers their share of Columbia's federal corporate tax cut savings and to address other issues

Columbia filed an application in December 2017, and later filed an amended application in April 2018, to establish a capital expenditures charge (CEP Rider). The charge would allow Columbia to collect from customers certain expenses that had previously been deferred for later collection. Columbia also proposed sharing its federal corporate tax reduction savings with consumers.

In October 2018, after a period of negotiations, OCC, Columbia, the PUCO Staff, and others filed a Settlement that will affect the monthly bills of Columbia's 1.4 million natural gas customers. In the Settlement, OCC and others negotiated a rate reduction of \$284 million for consumers as a result of reduced federal taxes, plus a \$22.5 million credit to consumers for past tax over-collections. There also was a reduction related to about \$290 million for Columbia's past depreciation overcharges. The Settlement also addressed \$666.4 million in capital expenditure deferrals that Columbia could seek to collect from customers. However, OCC preserved its rights in the Settlement "to make any arguments" in the future for consumer protection as to the lawfulness, reasonableness, etc., regarding these capital expenditures. The PUCO approved the Settlement on November 28, 2018.

Columbia Gas of Ohio: 17-2202-GA-ALT

Consumers' Counsel advocates for fair rates for Vectren consumers

On February 21, 2018, Vectren filed an application with the PUCO to increase its rates to residential natural gas customers.

Under Vectren's proposal, a typical Vectren residential customer using 100 CCF per month would see an increase of about \$7.25 a month, which would be a 9.36% increase on that customer's total gas bill. Similarly, a typical Vectren residential customer using less gas, such as 60 CCF per month, would see an increase of about \$7.62 a month, which would be a 13.1% increase on that customer's total gas bill.

Among other things, OCC asked the PUCO to reject Vectren's proposal to increase its monthly fixed customer charge. Under Vectren's proposal, consumers would pay a monthly charge of \$35.41 even if they use no gas at all. This type of fixed charge is known, in utility language, as a "straight fixed variable rate." This case was pending at year-end.

Vectren: 18-0298-GA-AIR, 18-0299-GA-ALT



Photo by F. Ishak



The Agency advocated for telephone consumers in 2018. The OCC sought to protect consumers' access to basic telephone service that is reasonably priced and of adequate quality, as the telephone industry transitions from traditional wireline service to wireless and internet services. The major issues involving the Agency's work for telephone consumers in 2018 are described below. A full listing of the Agency's case activity can be found at the back of this Annual Report.

State Cases Affecting Telecommunications Consumers

Consumers' Counsel and others defend Ohio consumers from AT&T Ohio's proposal to end its discounted Lifeline programs for at-risk Ohioans

AT&T Ohio has requested the PUCO to allow it to stop providing Lifeline telephone service in all or parts of 118 of its 192 exchanges. OCC joined other consumer groups to file concerns in comments, asking the PUCO to delay action on AT&T Ohio's withdrawal of Lifeline until after the FCC's ruling on whether to remove Lifeline funding from resellers.

The Lifeline program helps low-income Ohioans obtain and maintain basic telephone service through discounts on monthly bills and exemptions from installation charges. Ohioans qualify for Lifeline if their household income is at or below 135% of the federal poverty guidelines, or if they participate in an eligible low-income assistance program. Under the law, AT&T Ohio can stop offering Lifeline only in the areas where



the PUCO determines that at least one other provider offers Lifeline service. In addition, the PUCO cannot approve AT&T Ohio's petition unless it safeguards that all customers affected by the petition will continue to have access to Lifeline service. AT&T Ohio's request to end its Lifeline program covers about 60% of its service territory and affects more than 7,000 at-risk customers. Many low-income Ohioans need the Lifeline program to help afford telephone service for their families. This case was pending at year-end.

AT&T: 17-1948-TP-UNC



Issues for Water Consumers

The Agency's advocacy included acting on behalf of Ohioans whose water utility service is provided by a submetering company (which is a company that resells a utility service to consumers). Legislation with consumer protections for submetered customers was under consideration, and OCC made recommendations for consumer protection. The consumer issue of submetering is discussed in more detail later in this Annual Report.

Under Ohio law, the PUCO regulates price and service quality for the investor-owned water and wastewater companies that provide utility service to consumers. Many water utilities in Ohio are operated by local governments, which the PUCO does not regulate. Aqua Ohio is the major water utility regulated by the PUCO. Aqua Ohio serves approximately 152,000 customers and approximately 6,000 wastewater customers. The PUCO also regulates six smaller water companies and six smaller wastewater companies, each serving fewer than 2,500 customers. The rates for water and wastewater services are regulated by the PUCO under traditional ratemaking standards found in O.R.C. Chapter 4909.

In 2018, OCC concluded its efforts in Aqua Ohio's 2016 application to increase its rates an additional \$3.00 to \$6.00 per month. Also, OCC opposed Aqua Ohio's proposed expansion of what consumers can be made to pay in a system improvement charge.

The Agency's work for consumers in an Aqua Ohio case is described below. A full listing of the Agency's case activity can be found at the back of this Annual Report.

State Cases Affecting Water Consumers

Consumers' Counsel advocates for consumer protection from Aqua Ohio's system improvement charge for water service

On March 1, 2018, Aqua Ohio filed an application for authority to collect a system improvement charge. The charge would be applicable for water service to consumers in its Lake Erie Division, Masury Division, and the service areas formerly served by Ohio American Water Company (Mohawk Utilities, Inc. and Tomahawk Utilities, Inc.). Aqua Ohio proposed to collect an additional \$19,041,151 from its monopoly customers. OCC made recommendations to the PUCO in this case to protect Aqua Ohio's customers. OCC recommended, based on



Ohio law, that the PUCO should further limit what Aqua Ohio could charge consumers for its water delivery system upgrades. The case was pending at year-end.

Aqua Ohio: 18-0337-WW-SIC

Legislative Summaries

In 2018, the OCC advocated on behalf of consumers with regard to a number of legislative issues. The 132nd Ohio General Assembly considered bills dealing with electric, natural gas, telephone, and water utility services and the consumers who depend upon those essential services. The Agency appreciated the opportunity to represent consumers before the Ohio General Assembly on utility issues affecting many Ohioans. This discussion describes some of the significant consumer issues that OCC addressed. A full listing of OCC's legislative testimony appears on the OCC website at www.occ.ohio.gov.

Electric Policy

Subsidies for Nuclear Power Plants (House Bill 178, House Bill 381, and Senate Bill 128)

FirstEnergy supported legislation that would bail out its nuclear power plants with subsidies. In 2017, the General Assembly introduced several bills (House Bill 178, House Bill 381, Senate Bill 128) that would have resulted in at least two million Ohioans subsidizing FirstEnergy's Davis-Besse and Perry nuclear power plants.

All three bills expired in committee when the 132nd General Assembly adjourned at the end of 2018. To protect residential utility consumers from higher electric bills, the OCC provided opponent testimony on House Bill 178 and Senate Bill 128. If these bills had passed, Ohioans would have paid hundreds of millions of dollars to bail out uneconomic nuclear power plants that are unable to compete in the deregulated energy market that the General Assembly established in 1999. Also, it is important to preserve the competitive market for power plants that provide benefits of competition to Ohioans through the utilities' "standard offers." (OCC recommends utilities' standard offers to consumers as a conservative, competitive option for saving money on their gas and electric bills.) In furtherance of the General Assembly's vision for a competitive power plant market, the OCC will continue to defend Ohioans from proposals that they subsidize power plants.

Subsidies for OVEC Coal Power Plants (House Bill 239 and Senate Bill 155)

Electric utilities in Ohio lobbied the General Assembly to pass legislation that would give utilities subsidies at consumer expense to bail out their uneconomic 1950's coal power plants owned through OVEC. The utilities sought the enactment of Senate Bill 155 and House Bill 239, introduced in April 2017, to make consumers subsidize OVEC power plants because they were once used for a project involving national security.

In the 1950's, OVEC was formed by utilities to provide electric service to uranium enrichment facilities. OVEC provided power from coal plants. In 2000, the U.S. Department of Energy provided notice to OVEC that it would be cancelling the agreement in 2003. Since 2003, the power produced from the OVEC coal plants has been sold into the competitive markets. With the abundance of competitive low-priced natural gas in Ohio and elsewhere, the OVEC power plants have become uneconomic.

OCC provided consumer protection testimony against the legislation. Both bills stalled in committee and expired when the 132nd General Assembly adjourned at the end of 2018. OCC supports competitive markets for power plants and opposes legislation that would require Ohioans to subsidize power plants by paying above-market rates for their electricity generation service.

Legislation to Restore Competition and Consumer Protections (House Bill 247)

In May 2017, State Representative Mark Romanchuk introduced House Bill 247 (H.B. 247), which would have reformed electric ratemaking in Ohio to protect consumers. Currently, Ohio's 2008 energy law favors electric utilities over consumers. H.B. 247 would have benefited electric consumers by eliminating electric security plans, which allow electric companies to “cherry pick” charges to add to consumers’ bills without a full rate review. Over the years, electric security plans have cost consumers hundreds of millions of dollars.

Also, H.B. 247 would have required electric utilities to refund money back to consumers when the Supreme Court of Ohio or the PUCO finds a utility charge to be unlawful. The Supreme Court has ruled that current law does not require the utility to refund charges that are later deemed unlawful. Consumers have lost hundreds of millions in dollars for a lack of refunds.

The Ohio Consumers’ Counsel supported the bill for the protections it would provide to consumers. In January 2018, the OCC testified in support of the bill, but the bill expired in the Ohio House of Representatives Public Utilities Committee without a vote when the 132nd General Assembly adjourned at the end of 2018.

Submetering Legislation (House Bill 249, Senate Bill 157)

Two bills, House Bill 249 (H.B. 249) and Senate Bill 157 (S.B. 157) were introduced in 2017 to regulate companies that resell public utility service to residential consumers, a practice also known as submetering. Some consumers who reside in condominiums or apartment complexes (among other arrangements) are provided one or more of their utility services through submetering companies. Submeterers are largely unregulated monopolies, whose consumers have fewer regulatory protections than consumer served directly by utilities. The Public Utilities Commission of Ohio has adopted some regulations to protect submetered consumers, but stronger regulations are necessary.

OCC supported H.B. 249 by State Representative Mike Duffey, which provided much needed protections for submetered consumers. However, OCC opposed S.B. 157 and provided recommendations for improving the bill to protect consumers. OCC devoted considerable effort toward trying to reach compromise legislation with submeterers, which was not achieved. Both bills expired in committee when the 132nd General Assembly adjourned at the end of 2018.

Renewable Energy, Energy Efficiency and Peak Demand Reduction Standards (House Bill 114)

In 2017, the Ohio House introduced House Bill 114 (H.B. 114), which would have modified energy efficiency and renewable energy standards. The Office of the Ohio Consumers’ Counsel participated in the legislative process, which included providing testimony on two separate occasions in 2018, focused on consumer advocacy. OCC supports protection for consumers from paying too much for utility energy efficiency programs, regardless of whether those programs are mandated or voluntary under the law. Ohioans should be protected from paying excessive utility profits on utility energy efficiency programs. The OCC recommended a four percent annual limit on the amount that utilities can charge customers for energy efficiency program costs, utility profits, and lost revenue.

Also, H.B. 114 included a provision that would have required the Ohio Development Service Agency to allocate 25% of Low-Income Home Energy Assistance Program (HEAP) funding to the Home Weatherization Assistance Program (HWAP). This would reduce the amount of funding for other HEAP programs, including the important purpose of bill payment assistance to keep consumers connected to essential heating in Ohio winters. The reduction in funding for bill payment assistance would harm at-risk Ohioans who struggle to pay their heating bills. In its testimony, OCC advocated to have this section of H.B. 114 removed in order to devote HEAP resources for the paramount goal of keeping at-risk Ohioans connected to energy services. H.B. 114 stalled in the Senate and expired once the 132nd General Assembly adjourned at the end of 2018.

Legislative Summaries

Natural Gas Policy

There was no major legislation on natural gas in 2018.

Telephone Policy

Consumers' Counsel defends consumers from legislation supported by telephone companies that undermines the affordability of Ohioans' Basic Local Telephone Service (House Bill 402)

During the lame duck session, the General Assembly passed Amended Substitute House Bill 402, which the telephone industry supported. To protect residential telephone consumers, the OCC, along with other consumer groups, opposed the bill and made recommendations in the legislative process for consumer protection. OCC testified for consumer protection. The bill allowed telephone companies to increase consumers' rates up to \$2.00 a month on an annual basis. Four years after the effective date of the Bill, telephone companies can ask the PUCO for an exemption from the \$2.00 limit, which will allow them to seek "full pricing flexibility" (meaning no limit on price increases) for basic telephone service. The bill was signed into law in December 2018.

Caller ID Spoofing (House Bill 597, Senate Bill 290)

In April 2018, the House and Senate introduced companion bills (House Bill 597, Senate Bill 290) to stop criminals from using false Caller ID information to defraud consumers. The Office of the Ohio Consumers' Counsel provided written testimony on both bills and advocated for additional language to strengthen these bills. Specifically, the OCC requested additional language in both bills that would prohibit telemarketers from using false Caller ID information to get Ohioans to answer the phone. Neither bill advanced and both expired when the 132nd General Assembly adjourned at the end of 2018.

Water Policy

Water Rates Regarding System Acquisitions (House Bill 422)

Despite opposition by the Ohio Consumers' Counsel, the General Assembly passed House Bill 422 in 2018. The bill eliminates some of the long-standing consumer protections in the law that would apply when a water utility purchases a municipal water-works or sewage disposal system. OCC provided opponent testimony for consumer protection.



Consumers' Counsel Bruce Weston testifies in the Ohio Senate.

Consumer Education

The Office of the Ohio Consumers' Counsel remains committed to providing Ohioans with a reliable source for objective information about their utility and competitive choices. Our consumer education is provided through OCC's website, fact sheets, social media, outreach presentations to consumers, and direct communication with consumers.

The Consumers' Counsel helped Ohioans make informed decisions for saving money

The OCC has Outreach and Education Specialists that travel the state to help consumers make informed decisions regarding their utility services. These specialists speak at various venues including senior centers, health fairs, food pantries, neighborhood meetings and community events to educate residential utility consumers. OCC specialists informed Ohioans about topics regarding consumer assistance programs, Ohio's energy choice programs, and how to save money by making homes more energy efficient.

With the encouragement of the OCC Governing Board, OCC has worked to have a presence at Ohio's fairs, including county fairs and the State Fair, in recent years. In 2018, OCC staffed information booths in fairs spanning across 24 counties; including the Farm Science Review (Madison County) and the Ohio State Fair.

The Public Affairs Department is available to assist Ohioans with inquiries. On OCC's website (www.occ.ohio.gov), consumers can view fact sheets and other information. Consumers may also follow OCC on Twitter @OhioUtilityUser to keep up to date on utility news and other OCC activities. Videos pertaining to choosing an energy supplier and other consumer topics can also be found on OCC's website and YouTube.



OCC education specialist Andrew Tinkham meets consumers at the Ohio State Fair.

The Consumers' Counsel sponsored the Low-Income Dialogue Group to work with other Consumer Groups to help at-risk Ohioans

As part of its mission to serve utility consumers, the Ohio Consumers' Counsel continued to coordinate the Low-Income Dialogue Group (LIDG) in 2018. This group, comprised of representatives from a number of Ohio's regional legal aid organizations, community action agencies, housing authorities, and other community-based organizations, has had monthly scheduled conference calls for more than ten years.

These meetings offer a forum to raise awareness and discuss solutions to the utility-related concerns that impact tens of thousands of at-risk Ohioans, especially those with fixed or limited incomes.

In particular, Group members analyzed and provided input on pending legislation, disconnection rules and rates, and reviewed the rules for the Percentage of Income Payment Plan program (PIPP Plus). Members proposed solutions to successfully transition customers who became income-ineligible for PIPP Plus to the Graduate PIPP Plus program and discussed practices to spread financial stability. As in previous years, the Low-Income Dialogue Group assessed the effectiveness of other low-income programs such as the Home Energy Assistance Program (HEAP), Emergency Home Energy Assistance Program (E-HEAP) and the Summer Crisis Program using data provided by the Ohio Development Services Agency. OCC looks forward to continuing the work of the Low-Income Dialogue Group in 2019.

Employee Recognition

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.



Maureen Willis

Selected as Employee of the Quarter for January-March 2018, Maureen Willis is a Senior Counsel. She was chosen for her excellent work for consumers on highly specialized cases and leadership among her peers during the time period. Maureen has been an assistant consumers' counsel with the OCC since 2004 and started with OCC as a legal intern in 1981. Maureen also worked for OCC from 1988 to 1993. Her work currently is focused on consumer advocacy in complex electric cases and appeals before the Supreme Court of Ohio; however, she has diverse legal experience across utility industries. Maureen also worked at the Office of the People's Counsel (the Washington, D.C. advocate for residential customers). She received her Juris Doctor degree from Capital University Law School. She graduated from the University of Dayton with a bachelor's degree in criminal justice.



Terry Etter

Selected as the Employee of the Quarter for April-June 2018, Terry Etter is an Assistant Consumers' Counsel. He was chosen for his excellent work for consumers on legislative matters and case assignments during the time period. Terry joined the OCC as an assistant consumers' counsel in April 1997. Terry focuses on consumer advocacy in complex electric and natural gas cases. Prior to joining the OCC, Terry was in the legal department of the National Association of Broadcasters.

He received a bachelor's degree in broadcast communications from Ohio University and his Juris Doctor degree from the Columbus School of Law at the Catholic University of America.



Christopher Healey

Selected as the Employee of the Quarter for July-September 2018, 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 major electric and natural gas cases, including cases where rate reductions for consumers due to the federal tax cuts were implemented. Prior to joining the Agency, Chris worked for the law firm of Jones Day. Chris earned his bachelor's degree in Math, Economics and Linguistics from Rutgers University and his Juris Doctorate from Duke University School of Law.



Andrew Tinkham

Selected as the Employee of the Quarter for October-December 2018, Andrew Tinkham is the Agency's Senior Outreach & Education Specialist. Andrew was recognized for his support for OCC's legislative issues during lame-duck session, while continuing to perform his Outreach duties. Before joining the OCC, Andrew worked in various positions at CoreComm and as a customer support clerk at AirTouch Cellular. Andrew earned a bachelor's degree in history with a minor in communications from Otterbein College.

2018 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 2018. 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 2018 expenditures

| | |
|----------------------------------|------------------------|
| Payroll and benefits | \$ 3,475,719.10 |
| Purchased personal services..... | \$ 867,277.11 |
| Supplies and maintenance..... | \$ 592,350.46 |
| Equipment..... | \$ 107,878.08 |
| Total | \$ 5,043,224.75 |



Governing Board Chair Michael Watkins (left) and Consumers' Counsel Bruce Weston (right) at a Board meeting.



Deputy Consumers' Counsel Larry Sauer (left) and Governing Board Vice-Chair Stuart Young (right) at a Board meeting.

2018 Case Activity

| Case Number | Party | Consumer Impact |
|---|---|--|
| Electricity Cases at the Public Utilities Commission of Ohio | | |
| 18-1656-EL-ATA; 18-1604-EL-UNC; 17-2436-EL-UNC; 16-0481-EL-UNC | FirstEnergy Grid Modernization – Tax Cut Cases Combined | The PUCO consolidated cases on two distinct consumer issues: (i) FirstEnergy's grid update proposals (\$516 million) and (ii) passing along to customers FirstEnergy's savings from the 2017 federal tax cuts (\$808 million). |
| 18-1649-EL-RDR | FirstEnergy | FirstEnergy filed tariff sheets to update the amount that it charges customers for its "Distribution Modernization Rider." As approved, not a penny of the revenue collected from customers must be used by FirstEnergy to upgrade the grid. |
| 18-1605-EL-RDR | Dayton Power & Light | Lost Distribution Revenues from DP&L's energy efficiency programs: DP&L seeks approval to charge customers \$11.3 million. Instead, OCC believes that customers should get a refund of \$10.6 million. |
| 18-1597-EL-GRD; 18-1596-EL-GRD; 18-1595-EL-GRD | PowerForward | PowerForward is a PUCO initiative for future grid update projects in Ohio. OCC is concerned that the cost to consumers for these upgrades may be significant. |
| 18-1451-EL-ATA; 18-1007-EL-UNC | AEP-Ohio Implementation of Tax Cuts & Job Acts | AEP filed this case to facilitate the implementation of the Federal Tax Cuts. OCC, AEP, PUCO Staff, and other parties reached an agreement that resulted in tax-related benefits to all consumers of more than \$541 million. The residential consumers saved over \$292 million. |
| 18-1393-EL-ATA; 18-1392-EL-RDR; 18-0501-EL-FOR | AEP-Ohio Long-Term Forecasting | AEP is asking the PUCO to find that there is a "need" for 900 MW of renewable power plants in Ohio (solar and wind), and ultimately, for AEP's monopoly customers to pay for those power plants. OCC advocated that the law does not allow for AEP's request and to charge its captive customers for the plants. |
| 18-1388-EL-RDR | Dayton Power & Light | DP&L filed tariffs to update its Distribution Modernization Rider to collect \$105 million for the second year of a three-year plan. As approved, not a penny of the revenue collected from customers must be used by DP&L to upgrade the grid. |
| 18-1371-EL-RDR | AEP-Ohio 2015 Vegetation Management | Enhanced Service Reliability Rider (tree trimming) rate for 2015. AEP rates reflect an over-collection from customers of approximately \$15 million during 2015. OCC requested that the PUCO immediately return consumers' money with interest. |

| Case Number | Party | Consumer Impact |
|-----------------------------------|--|---|
| 18-1309-EL-RDR | Dayton Power & Light | DP&L filed an application to charge customers up to \$20 million over the next six years for, among other things, Consumer Education Campaign, Green Pricing Programs, and Bill Format Redesign costs. DP&L requested \$0.45/month. |
| 18-1257-EL-WVR | Dayton Power & Light Limited Waiver - Code Red | Remote Consumer Disconnection: DP&L requested a waiver from the PUCO rule requirement that personal notice be provided to the customer at the customer premise prior to disconnecting service for certain customers (those who allegedly threatened the utility). |
| 18-1186-EL-ATA; 18-1185-EL-UNC | Duke Implementation of Tax Cut/ Jobs Act | Duke proposed to provide to customers all remaining benefits of the Federal Tax Cuts through a customer credit rider. |
| 18-1129-EL-AEC | Duke-University of Cincinnati - Unique Arrangement | The University of Cincinnati requests approval of a "Unique Arrangement" with Duke Energy. This arrangement would provide the University with an electric service discount paid by other customers. |
| 18-1036-EL-RDR | Duke DCI Rider | The PUCO reviewed Duke's Distribution Capital Improvement rider (for replacing aging infrastructure) intended to review investments made during the period July 1, 2017 through June 30, 2018. Duke requested approval to charge customers \$110 million. |
| 18-0989-EL-UNC | AEP-Ohio 2017 SEET | The PUCO will determine whether AEP Ohio charged its customers for "significantly excessive earnings" in 2017 as a result of its electric security plan. |
| 18-0976-EL-USF | ODSA USF Rider | The PUCO will approve rates that customers will pay for the Universal Service Fund ("USF") rider in 2019. The USF funds the electric Percentage of Income Payment Plan ("PIPP") and other programs that help hundreds of thousands of low-income Ohioans maintain their electric service. |
| 18-0941-EL-RDR | Duke Update Base Transmission Rate Rider | Duke updated its Base Transmission Rider to charge customers \$0.007068/kWh per month. |

2018 Case Activity

| Case Number | Party | Consumer Impact |
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| 18-0874-EL-RDR | AEP-Ohio Update EE Rider | 2017 Energy Efficiency Program Costs: AEP is permitted to charge customers up to \$20 million per year in profits (referred to as "shared savings") on energy efficiency programs. AEP also charges customers for the taxes it pays on those profits. AEP proposed a 35% tax rate for its 2017 profits, even though those profits will not be charged to customers until 2018, when the federal income tax rate is reduced to 21%. |
| 18-0857-EL-UNC | FirstEnergy SEET | Significantly Excessive Earnings Test: The PUCO is evaluating the 2017 ESP-related earnings of Ohio Edison for a potential refund to customers. |
| 18-0843-EL-EEC; 18-0842-EL-EEC; 18-0841-EL-EEC | FirstEnergy - Energy Efficiency & Peak Demand Reduction | 2017 Energy Efficiency Program Costs: FirstEnergy filed its annual energy efficiency status report, providing the PUCO an update on the amount it will charge customers, plus utility profits on these programs (referred to as "shared savings"). |
| 18-0838-EL-RDR | Duke Grid Modernization Rider | Duke Energy Ohio, Inc. seeks to charge consumers to update its electric distribution infrastructure. |
| 18-0743-EL-WVR | Astral Energy - Request for Waiver | Astral Energy sought a waiver to the electric marketing rules that would enable the offering of flat-rate pricing for competitive electric service to consumers. |
| 18-0713-EL-WVR | AEP-Ohio | Significantly Excessive Earnings Test: The PUCO is evaluating the 2017 ESP-related earnings of AEP Ohio for a potential refund to customers. |
| 18-0612-EL-ACP | AEP-Ohio Renewable Energy Portfolio Report | 2017 Renewable Energy Standards Compliance: AEP submitted its annual report regarding its compliance with renewable energy standards. Customers pay charges related to renewable AEP's energy compliance costs. |
| 18-0569-EL-UNC | FirstEnergy Solutions Bankruptcy | FirstEnergy Solutions (FES), a marketer and affiliate of FirstEnergy's Ohio utilities, filed for Chapter 11 bankruptcy protection in 2018. OCC is participating to protect customers from the potential adverse impacts of FES's bankruptcy. |
| 18-0450-EL-AEC | Duke/AK Steel - Unique Economic Arrangement | AK Steel filed an Application seeking approval of a reasonable arrangement with Duke Energy Ohio (Duke) that would provide up to \$25.8 million in rate reductions over seven years funded by all other consumers. |

| Case Number | Party | Consumer Impact |
|-----------------------------------|---|---|
| 18-0447-EL-RDR | Dayton Power & Light Transmission Cost Rider | The TCRR-N revenue requirement (cost for transmission and other RTO expenses) remains substantially unchanged for the period June 2018 through May 2019. |
| 18-0397-EL-RDR | Duke - Recovery of Program Costs, etc. | Duke seeks approval to charge residential customers around \$27 million for energy efficiency and peak demand reduction program costs and utility profits for such programs over a two-year period (2017 and 2018). |
| 18-0381-EL-RDR | Dayton Power & Light Storm Damage Rec. Req. | DP&L seeks approval to charge consumers \$2.8 million (or \$0.34 per residential customer per month for 12 months) for expenses related to major storms that occurred in 2017. |
| 18-0375-EL-RDR | AEP-Ohio PTBAR | "AEP seeks to charge residential customers over \$39 million for 2017 under its Pilot Throughput Balancing Adjustment Rider (the ""Decoupling Rider"") and to defer an additional \$31.9 million to potentially be charged to customers in the future." |
| 18-0374-EL-RDR | Dayton Power & Light Updated Economic Development Rider | DP&L seeks to collect subsidies from other customers to fund discounted electric rates for economic development programs provided to certain DP&L customers. |
| 18-0264-EL-RDR | Dayton Power & Light - DMR | The PUCO reviewed DP&L's Distribution Modernization Rider. As approved, not a penny of the revenue collected from customers must be used by DP&L to upgrade the grid. |
| 18-0230-EL-RDR | Commission Review of AEP DIR | The PUCO is conducting an annual audit AEP's Distribution Investment Rider ("Rider DIR"). Under Rider DIR, AEP seeks to collect a total of \$543.2 million from customers to improve service reliability. |
| 18-0109-EL-UNC | AEP-Ohio 2018 DIR Work Plan | Distribution Investment Rider: AEP Ohio proposes to spend \$200 million of customers' money on its distribution system. |
| 18-0080-EL-RDR; 15-1052-EL-RDR | AEP-Ohio Comm. Review of AEP Alt. Energy Recovery Rider | 2015-2017 Renewable Energy Standards Rider Review: The PUCO is reviewing AEP's cost to comply with renewable energy mandates. OCC is concerned that AEP's customers have, at times, been paying substantially more for renewable energy than customers of other Ohio utilities. |
| 18-0077-EL-RDR | Dayton Power & Light Recover Storm Restoration Costs | DP&L seeks approval to charge consumers \$1.8 million (or \$0.21 per residential customer per month for 12 months) for expenses related to major storms that occurred in 2016. |

2018 Case Activity

| Case Number | Party | Consumer Impact |
|----------------|---|--|
| 18-0046-EL-RDR | Duke Annual Rider Audit | Duke filed this case to recover 2017 charges for expenses associated with its competitively bid standard service offer and provisions of its electric security plan. |
| 17-2474-EL-RDR | FirstEnergy Rev. of DMR | This case involves the PUCO's engagement of a third-party monitor to assist PUCO Staff in evaluating the use by FirstEnergy of Rider DMR funds collected from customers. |
| 17-2344-EL-CSS | Duke Tree Trimming | Consumers' complaint against Duke for alleged illegal and unreasonable vegetation management practices that have a significant impact on the complainants and their properties. |
| 17-2280-EL-RDR | FirstEnergy DMR | FirstEnergy filed an updated Distribution Modernization Rider (DMR) tariffs to reflect the federal corporate tax cuts. |
| 17-2276-EL-RDR | FirstEnergy - Quarterly Update to AMI | Advanced Metering Infrastructure Rider: FirstEnergy proposes collecting charges from customers for grid updates including new meters. |
| 17-2275-EL-RDR | FirstEnergy Alternative Energy Rider | Renewable Energy Standards Compliance: FirstEnergy submitted its annual report regarding its compliance with renewable energy standards. Customers pay charges related to renewable FirstEnergy's energy compliance costs. |
| 17-2215-EL-RDR | Duke Alt. Energy Rider | Renewable Energy Standards Compliance: Duke submitted its annual report regarding its compliance with renewable energy standards. Customers pay charges related to renewable Duke's energy compliance costs. |
| 17-2132-EL-UNC | AEP-Ohio Acero Unique Arrangement | Acero Junction and AEP sought electric service discounts capped at \$48.4 million to be paid by all other customers. |
| 17-2088-EL-RDR | Duke Quarterly DCI Rider | Duke proposed to adjust the amount it charges consumers under its Distribution Capital Investment Rider ("DCI Rider") from 15.319% of the customer's applicable base distribution charges to 11.944%. Duke collected more than \$48 million during 2017 from customers under this Rider. |
| 17-2009-EL-RDR | FirstEnergy DCRR | This proceeding is an annual audit to determine whether FirstEnergy's 2017 charges are reasonable to collect from customers through the Delivery Capital Recovery Rider. |
| 17-1914-EL-RDR | AEP-Ohio Enhanced Service Reliability Rider (Tree Trimming) | The PUCO is reviewing the amount Ohioans were charged by AEP for vegetation management (tree trimming) in 2016 to determine if the spending was prudent and enhanced electric service reliability. |

| Case Number | Party | Consumer Impact |
|---|------------------------------------|--|
| 17-1403-EL-RDR | Duke DR-IM | The PUCO is reviewing the prudence of \$20.9 million in 2016 grid upgrade costs that Duke is collecting from customers. |
| 17-1381-EL-WVR; 17-1380-EL-WVR; 13-1938-EL-WVR | AEP-Ohio Disconnection Rules | PUCO Rules Waiver Request: AEP requested an extension of its existing waiver of the PUCO rules that require that customers are to be provided in-person notice on the day service is to be disconnected for nonpayment. |
| 17-1263-EL-SSO | Duke SSO | Electric Security Plan: Duke requested PUCO approval to set the rates that the utility's residential customers pay for electric service for the next six years for providing a standard service offer to its customers. |
| 17-1230-EL-UNC | AEP-Ohio - SEET | Significantly Excessive Earnings Test: The PUCO is evaluating the 2016 ESP-related earnings of AEP for a potential \$53 million refund to customers. |
| 17-1156-EL-RDR | AEP-Ohio gridSMART Phase 2 | The PUCO is reviewing AEP's 2017 costs invested in the expansion of the grid update (gridSmart) to be collected from consumers. |
| 17-1118-EL-RDR | Duke | The PUCO is conducting a review and audit of the amount Duke charged its consumers under its Distribution Capital Investment Rider. Duke was permitted to collect up to \$50 million for 2016. |
| 17-0974-EL-UNC | FirstEnergy Corporation Separation | The PUCO hired an independent auditor to determine if FirstEnergy was complying with its corporate separation obligations to keep its monopoly distribution utility business separate from its competitive electric generation business. |
| 17-0874-EL-AAM; 17-0873-EL-ATA; 17-0872-EL-RDR; 17-1265-EL-AAM; 17-1264-EL-ATA; 17-1263-EL-SSO; 17-0034-EL-AAM; 17-0033-EL-ATA; 17-0032-EL-AIR; 16-1602-EL-ESS | Duke Grid Modernization Rider | The PUCO combined four separate cases (which spanned 10 dockets) into a consolidated case. These cases are (i) Duke's proposed electric security plan, (ii) Duke's request for a base rate increase, (iii) Duke's request for customers to subsidize its interest in the Ohio Valley Electric Corporation (OVEC), and (iv) Duke's reliability standards. |
| 17-0781-EL-RDR | Duke EE | Duke seeks to adjust the rates that it charges customers for its energy efficiency programs, including the amounts that it charges customers for utility profits (shared savings) on these programs and lost distribution revenues. |

2018 Case Activity

| Case Number | Party | Consumer Impact | Case Number | Party | Consumer Impact |
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| 17-0030-EL-RDR | AEP-Ohio EE.PDR Audit Rider | The PUCO audited AEP Ohio's energy efficiency programs from 2011-2016 to determine whether costs charged to consumers were prudently incurred and whether the savings from the programs are verifiable. The audit report showed that from 2011-2016, AEP charged its customers over \$590 million for utility-run, energy-efficiency programs. | 15-1832-EL-ATA; 15-1831-EL-AAM; 15-1830-EL-AIR | Dayton Power & Light Rate Case | DP&L proposed a rate increase for electric distribution charges to be collected from all customers, including residential customers. |
| 16-2154-EL-RDR | AEP-Ohio | AEP filed to update its Enhanced Service Reliability (tree trimming) Rider charge to customers for costs incurred in 2015. | 15-1507-EL-EDI | Commission Investigation of AEP-Ohio POR | The PUCO is investigating the need for consumer protections associated with implementing a program whereby AEP would purchase receivables from Marketers. |
| 16-2143-EL-RDR | FirstEnergy Annual Rider Review | The PUCO is conducting an annual review of the charges customers paid in 2017 for uncollectible accounts, economic development, and auctions necessary to provide electric service to standard service offer customers. | 14-2074-EL-EDI | Market Development Working Group | The PUCO is investigating the need for consumer protection when Choice customers are moving their residence and must decide whether to accept or reject their contract with a Marketer upon relocation. |
| 16-1853-EL-AAM; 16-1852-EL-SSO | AEP-Ohio - ESP III | Electric Security Plan: AEP requested PUCO approval to set the rates that the Utility's residential customers pay for electric service for the through May 31, 2024 for providing a standard service offer to its customers. | 14-1696-EL-RDR | AEP-Ohio 2018 DIR Work Plan | PUCO review of the programs proposed to be implemented under the AEP Distribution Investment Rider and charged to consumers. |
| 16-0743-EL-POR; SC-2018-0379 | FirstEnergy Portfolio (Ohio Edison Company, The Cleveland Electric Illuminating Company, The Toledo Edison Company (FirstEnergy) | FirstEnergy seeks approval of an energy efficiency and peak demand reduction portfolio plan that will cost consumers nearly \$400 million over three years (2017-2019). | 14-1694-EL-AAM; 14-1693-EL-RDR | AEP-Ohio | AEP requested to establish a customer-funded subsidy under the PPA Rider for OVEC-related costs. Consumers could ultimately be charged hundreds of millions of dollars to subsidize uneconomic coal-fired generating plants. |
| 16-0664-EL-RDR | Duke Recovery of Program Costs | Duke seeks approval to charge customers for energy efficiency and peak demand reduction program costs and utility profits on these programs. | 14-0842-EL-ATA; 14-0841-EL-SSO | Duke ESP III | Duke's application for an electric security plan for charging rates to customers from 2015 through 2018 for providing a standard service offer. |
| 16-0576-EL-POR | Duke Portfolio | Duke seeks approval of an energy efficiency and peak demand reduction portfolio plan (the "Portfolio Plan") that could cost residential consumers over \$52 million in program costs, plus additional utility profits on these programs, over three years (2017-2019). | 12-3151-EL-COI | Commission Investigation - Electric Market Design | Among other Marketer practices, the PUCO is investigating the need for consumer protection when Choice customers are moving their residence and must decide whether to accept or reject their contract with a Marketer upon relocation. |
| 16-0397-EL-AAM; 16-0396-EL-ATA; 16-0395-EL-SSO | Dayton Power & Light ESP | Electric Security Plan: DP&L requested PUCO approval to set the rates that the Utility's residential customers pay for electric service for the next six years for providing a standard service offer to its customers. | | | |

2018 Case Activity

| Case Number | Party | Consumer Impact |
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| Electricity Cases at the Supreme Court of Ohio | | |
| 2018-1396 | AEP-Ohio ESP - PPA (16-1852-EL-SSO et al.) | OCC and others challenged the lawfulness of a number of subsidies that AEP customers were ordered to pay. Collectively, these subsidies could cost consumers hundreds of millions of dollars. The Court has not yet ruled. |
| 2018-0973 | Duke ESP III (14-841-EL-SSO et al.) | OCC and others appealed the PUCO's approval of Duke's electric security plan. The appeal was taken after the PUCO approved customer-funded subsidies for the uneconomic OVEC power plants. The Court has not yet ruled. |
| 2018-0379 | FirstEnergy v. PUCO - POR Cap Issue (16-743-EL-POR) | FirstEnergy appealed the PUCO ruling, arguing that the PUCO has no authority to order a cap on annual energy efficiency charges. The PUCO approved FirstEnergy's energy efficiency programs for 2017-2019 but ruled that FirstEnergy could charge customers a maximum of \$107 million per year (4% of FirstEnergy's operating revenues). The Court has not yet ruled on this appeal. |
| 2017-1664; 2017-1444 | FirstEnergy SSO (14-1297-EL-SSO) | OCC and the Ohio Manufacturers' Association appealed the PUCO approval of FirstEnergy's electric security plan. The consolidated appeals primarily addressed the PUCO approval of a so-called distribution modernization rider. Under this charge no money collected from customers (\$168 million per year for 3-5 years) has to be spent on modernization. A Court decision is pending. |
| 2017-0752 | AEP-Ohio ESP - Extension of PPA (14-1693-EL-RDR et al.) | This case involved the appeal of AEP's request to establish a charge under the PPA Rider. The PPA Rider as approved by the PUCO to collect OVEC-related subsidy charges from customers. The Court upheld the PUCO's decision. |
| 2017-0749 | AEP-Ohio ESP - Extension of PPA (13-2385-EL-SSO et al.) | This case involved the appeal from the PUCO's approval of AEP's third Electric Security Plan. The appeal predominately applied to AEP's PPA Rider that was approved by the PUCO to collect OVEC-related subsidy charges for consumers. The Court upheld the PUCO's decision. |

| Case Number | Party | Consumer Impact |
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| 2017-0241 | Dayton Power & Light ESP II (12-426-EL-SSO et al.) | OCC and other appealed DP&L's ESP III decision. However, because the PUCO authorized different charges than the replacement stability charge that DP&L was charging customers (after its withdrawal of ESP III), the appeals were deemed moot by the Court. |
| 2013-2026 | FirstEnergy AER (11-5201-EL-RDR) | FirstEnergy utilities bought renewable energy from their affiliate, FirstEnergy Solutions, at prices significantly above market prices. The PUCO ruled that the utilities were required to return \$43 million to customers because the prices that the utilities paid were unreasonable. FirstEnergy appealed the PUCO's decision. The Supreme Court found that even if the charges were unlawful, customers are not entitled to a refund because there was no language in FirstEnergy's rider tariff authorizing a refund. The Supreme Court, however, did rule that the PUCO erred when it prohibited OCC from publicly stating important information about the case. Among other things, OCC was not allowed to publicly state the amount that it believed customers were overcharged. On remand to the PUCO, FirstEnergy and OCC agreed that this and other information should be released to the public. |

Electricity Cases at the Bankruptcy Court Northern District of Ohio

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| 18-50757 (Bankr. N.D. Ohio.) | FirstEnergy Solutions Bankruptcy | FirstEnergy Solutions (FES), a marketer and affiliate of FirstEnergy's Ohio utilities, filed for bankruptcy in 2018. OCC's advocacy has focused primarily on (i) FES's attempt to avoid its obligations related to the Ohio Valley Electric Corporation (OVEC), which, if successful, could result in higher charges for Ohio consumers, and (ii) demanding that FES's public notices adequately inform customers about the bankruptcy proceeding. |
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2018 Case Activity

| Case Number | Party | Consumer Impact |
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U.S. Court of Appeals for the Sixth Circuit

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| 18-4107 | | As part of its bankruptcy case, FirstEnergy Solutions (FES) sought to be released from future obligations it has to the Ohio Valley Electric Corporation (OVEC). If the withdrawal from OVEC is allowed, other OVEC members might face increased costs (estimated to be \$268 million) that could potentially be charged (in part) to Ohio residential consumers. The bankruptcy court ruled that FES's request to reject the OVEC agreement could be approved under the bankruptcy law's lenient business judgment standard. On appeal, OCC argued that the Federal Energy Regulatory Commission (FERC) has jurisdiction over the OVEC contract. Thus, the public interest—which includes the interests of utility consumers—should be considered when deciding whether FES can reject the OVEC agreement. |
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Electricity Cases at the Federal Energy Regulatory Commission

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| ER18-2019 | AEP Retroactive Transmission Charge | In 2018, AEP Transmission discovered that it had millions of dollars in costs that AEP had not charged customers. OCC filed a Protest asserting that granting AEP Transmission's request to make the tariff change retroactively effective would violate the filed rate doctrine and the prohibition against retroactive ratemaking. Thereafter, on September 13, 2018, FERC issued an Order agreeing with OCC's arguments and denying AEP Transmission's request for waiver of FERC's rules. |
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| ER18-1314; ER18-1314-001; EL18-178; EL16-49 | PJM | OCC continues to urge FERC to protect competitive electric markets and the consumers who benefit from those markets for power plant competition in the PJM Interconnection, LLC's ("PJM") service area. OCC supported FERC's landmark decision to prevent subsidized power plants from participating in the regional grid manager's interstate markets for electricity. |
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| Case Number | Party | Consumer Impact |
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| ER18-2014; ER18-460; ER18-459 | PJM-OVEC Integration | In a filing with FERC, the Ohio Valley Electric Corporation (OVEC) has proposed to integrate into PJM, the regional grid operator. OCC has stated that integration of OVEC provides no known benefits for consumers in Ohio, or for consumers in any other state within PJM. OVEC's significant costs for transmission upgrades (hundreds of millions of dollars) could ultimately become the consumers' burden in the form of increased electric bills. FERC approved OVEC's application to integrate into PJM. |
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| EL18-135 | OVEC v. FES | In a complaint filed at FERC, OVEC sought to obtain a FERC ruling that FirstEnergy Solutions (FES) be obligated to pay for its contractual share of the costs incurred by OVEC under its owners' agreement (the OVEC Agreement). FES filed for bankruptcy on March 31, 2018. Specifically, OVEC states that rejection of the OVEC Agreement in bankruptcy court would mean that OVEC's costs could be allocated to the other remaining owners, shifting hundreds of millions of dollars to other utilities' customers (e.g. AEP, DP&L and Duke). |
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| RM18-12 | FERC Inquiry of the effects of the Federal Tax Cust & Jobs Act | To protect consumer from unwarranted charges OCC (with seven other state consumer advocates) filed a recommendation at the Federal Energy Regulatory Commission ("FERC") requesting refunds to consumers related to certain recent federal tax decreases. Generally, the consumer advocates recommended to FERC that all tax monies over collected from consumers, by federally regulated utilities, should be promptly and fully returned to consumers. |
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Natural Gas Cases at the Public Utilities Commission of Ohio

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| 18-1722-GA-ALT; 18-1721-GA-ATA; 18-1720-GA-AIR | Northeast Natural Gas, Brainard Natural Gas, Spelman Pipeline Holdings LLC, Orwell Natural Gas - Rate Increase | Northeast Ohio Natural Gas Corp. ("NEO") seeks to increase base gas distribution rates for their approximate 29,000 customers by \$3.5 million per year. As proposed, the average residential customer total bill increase is about \$8.00 or approximately 9.5%. NEO is proposing a fixed customer charge of \$20.00 to cover approximately 25% of its costs with the remaining 75% recovered via variable rates. |
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2018 Case Activity

| Case Number | Party | Consumer Impact |
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| 18-1589-GA-RDR | Dominion Energy Efficiency Rider Adjustment | Dominion consumers could pay up to \$9.5 million per year for natural gas energy efficiency programs through a rider on customer bills. Dominion asked the PUCO to rule that future applications will be automatically approved. OCC and the PUCO Staff opposed this recommendation, and the PUCO agreed. |
| 18-1296-GA-EDP | Columbia Gas - Economic Development Project - COMTEX Laundry | The PUCO approved an Economic Development Project ("EDP") for Columbia Gas ("Columbia") to support development of a commercial laundry facility in Ashland, Ohio. The PUCO authorized Columbia to increase its Infrastructure Development Rider ("IDR") to defray line extension costs incurred to bring new gas service to the new facility. The IDR Rider increased charge to consumers was within Columbia's \$1.50/month rate cap. |
| 18-1291-GA-ORD | GCR Rules Review - Purchased Gas Cost | This case involved the PUCO's mandated five-year review of the Purchased Gas Adjustment Clause rules, more commonly known as the Gas Cost Recovery or "GCR" rules. |
| 18-1207-GA-AAM; 18-1206-GA-ATA; 18-1205-GA-AIR | Suburban Rate Increase | Suburban applied to the PUCO for authority to increase distribution rates to support approximately \$3.4 million in increased revenue. Under the proposal, typical residential customers would see an approximate \$13.06 increase to their monthly bills. |
| 18-0837-GA-RDR | Duke Grid Modernization Rider | Duke filed its application for 2017 gas grid upgrade charges of \$3.1 million, or \$0.60/month for gas-electric customers and \$0.31/month for gas only customers. |
| 18-0762-GA-RDR | Vectren - Adjustment of Distribution Replacement Rider | The PUCO is performing its annual review of Vectren's Distribution Replacement Rider DRR. Vectren proposed a \$1.33/month increase in the DRR rate for residential customers to \$9.25/month. |
| 18-0524-GA-ATA | Columbia Gas - Revised Pipeline Capacity Assignments & Delivery Points | Columbia Gas applied to the PUCO for authority to modify its tariffs in order to incorporate changes to its upstream and city gate capacity contracts that went into effect on April 1, 2018. No rate changes were involved. |
| 18-0444-GA-RDR | VEDO - Energy Efficiency Adjustment Rider | Vectren customers pay approximately \$5.7 million per year for natural gas energy efficiency programs through a rider on their bills. |

| Case Number | Party | Consumer Impact |
|---|---|---|
| 18-0376-GA-RDR | Suburban National Gas - EE Program Pilot | On November 7, 2018, the PUCO approved a two-year energy efficiency program intended to help residential customers on the Percentage of Income Payment Plan Plus with weatherization services. Small general service customers, which includes residential customers, will collectively pay about \$70,000 each year to fund this program. |
| 18-0299-GA-ALT; 18-0298-GA-AIR; 18-0049-GA-ALT | Vectren Rate Case | Vectren applied to the PUCO for a base gas distribution rate increase of approximately \$34 million. Vectren's proposed increase would have raised a typical residential customer's monthly bill by \$7.25. Vectren, PUCO Staff, and other parties reached a settlement agreement calling, in part, for a \$22.7 million revenue increase for Vectren. OCC contested the Settlement. |
| 18-0295-GA-EDP | Columbia Gas - Economic Development Project Rider | Columbia Gas applied to the PUCO for approval of an Economic Development Project ("EDP") for new gas distribution infrastructure to support expansion of CertainTeed's asphalt shingle plant in Avery, Ohio. The resulting increase to Columbia's Infrastructure Development Rider ("IDR") did not cause the IDR to exceed the \$1.50 per customer monthly rate cap. |
| 18-0284-GA-ATA; 18-0283-GA-RDR; 17-0597-GA-ATA; 17-0596-GA-RDR; 16-0543-GA-ATA; 16-0542-GA-RDR; 15-0453-GA-ATA; 15-0452-GA-RDR; 14-0376-GA-ATA; 14-0375-GA-RDR | Duke MGP Cases | Duke's applications propose to increase its Manufactured Gas Plant ("MGP") remediation rider ("Rider MGP") for recovery of ongoing costs to cleanup two defunct MGP sites. Duke is proposing \$26.0 million in charges from 2013 to 2017. |
| 18-0218-GA-GCR | Duke MP Audit | This case involves the management performance audit of Duke Energy Ohio's gas purchasing practices and policies for supplying natural gas to its customers. Exeter Associates filed the audit report on January 24, 2019. |
| 17-2515-GA-IDR; 17-2514-GA-ATA | DEO - Infrastructure Development Rider | Dominion applied to the PUCO for authority to establish an Infrastructure Development Rider ("IDR") to collect from customers infrastructure costs incurred in support of economic development projects. By statute, the Rider is capped at \$1.50 per month for customers. OCC recommended that any revenue generated by new customers connecting to line extensions funded by the IDR will be credited back to consumers. |

2018 Case Activity

| Case Number | Party | Consumer Impact |
|-----------------------------------|--|---|
| 17-2374-GA-RDR | Columbia Gas IRP/DSM Riders | Columbia gas sought to update rates for its energy efficiency (demand side management) programs and infrastructure replacement program (IRP). The IRP charge proposed for the residential customer is \$8.91 per month. The Demand Side Management component of that rider charge to customers will increase the bill by \$1.88 per month for a residential customer using 10 Mcf. The PUCO approved Columbia's proposed charges. |
| 17-2358-GA-WVR | Direct Energy et al - Jt. Application for Waiver | PUCO Rules Waiver Request: Five gas marketers sought a waiver to avoid using an independent third party to verify enrollment of consumers who call the marketers. |
| 17-2319-GA-ATA; 17-2318-GA-RDR | Duke Adjust. To AMRP | Duke proposed a \$0.43/month decrease to its Accelerated Mains Replacement Program ("AMRP") rider for residential consumers. Rider AMRP was established to enable Duke to recover annual investments in its AMRP. |
| 17-2284-GA-SLF | VEDO Self Complaint | This case involved a self-complaint filed by Vectren involving whether Vectren must provide customer information to marketers that have not been approved by the utility to enroll customers in its retail choice program. To protect the financial interests and privacy of consumers, OCC successfully argued that only marketers who have complied with the utility requirements to operate on their system(s) should be given access to customer specific information. |
| 17-2202-GA-ALT | Columbia Gas Capital Expenditure Program | Columbia Gas applied to the PUCO to establish a new rider ("CEP Rider") to charge customers for expenses related to certain capital expenditures that had previously been deferred for later collection from customers. OCC, PUCO Staff, Columbia, and other parties to the case reached a settlement agreement calling for: (1) a \$290 million depreciation offset to Columbia's proposed CEP revenue requirement; (2) tax-related reductions of \$284 million; (3) rate caps on the CEP Rider ranging from \$4.56/month in 2019 to \$7.71/month in 2022; and (4) Columbia's commitment to file a base rate case in 2022. The PUCO approved the settlement agreement on 11/28/18. |
| 17-2177-GA-RDR | Dominion - Pipeline Infrastructure Replacement - PIR | Dominion sought authority to increase its Pipeline Infrastructure Replacement ("PIR") Rider from \$9.69/month to \$10.23/month. |

| Case Number | Party | Consumer Impact |
|--|-------------------------------------|--|
| 17-1945-GA-ORD | Comm. Gas Rules Review | This case involved the 5-year review of the PUCO rules governing the filing requirements and consideration of natural gas utility applications for alternative rate plans. |
| 17-1141-GA-AAM; 17-1140-GA-ATA; 17-1139-GA-AIR | Ohio Gas - Base Rate Increase | Ohio Gas requested a revenue increase of approximately \$3.2 million/year, which would have increased a typical residential customer's monthly bill by approximately \$5.46. |
| 17-0820-GA-ATA | Dominion East Ohio - Tariff Changes | Dominion sought pre-approval from the PUCO to reserve capacity on a pipeline that could serve customers in the Ashtabula area. |
| 17-0690-GA-RDR | Duke Adj. Grid Modernization | Duke sought to update charges to customers under its natural gas distribution system update rider. Duke proposed a decrease in the charge from \$0.80 per month to \$0.73 per month. |
| 16-2422-GA-ALT | Columbia Gas IRP Rider | Columbia requested PUCO approval to continue its Infrastructure Replacement Program Rider and increase the maximum rate that it can charge consumers under the rider. Columbia, PUCO Staff, and others entered into a settlement agreement (that OCC opposed), which allows Columbia to charge customers \$8.96 to \$16.20 per month over a five-year period. The PUCO issued an Order approving the settlement as proposed. |
| 16-1310-GA-AAM; 16-1309-GA-UNC | Columbia Gas Demand Side Management | Columbia's request for continued trade secret protection remains pending. Further, more than two years ago, OCC filed an application for rehearing opposing Columbia's non-low-income energy efficiency programs. This application for rehearing remains pending. |
| 14-1615-GA-AAM | Columbia Regulatory Assets | Columbia filed a request to establish a regulatory asset and to defer up to \$25 million annually to increase pipeline safety expenses. |

2018 Case Activity

| Case Number | Party | Consumer Impact |
|----------------|-------------------|--|
| 12-2637-GA-EXM | Columbia Gas Exit | Columbia provides a standard offer to those customers who do not want to shop for their natural gas with a marketer. Under an approved settlement from 2012, there was the possibility that Columbia would stop providing a standard offer if certain threshold requirements were met. The settlement had an initial term that ended March 31, 2018, but it also provided that the settlement would continue thereafter unless the PUCO orders otherwise. Certain parties to the settlement filed a motion in August 2018 to continue the settlement through December 2018. OCC opposed the motion as unnecessary, given that the settlement automatically continues. The PUCO ruled in favor of OCC. |
| 12-1842-GA-EXM | Dominion Exit | OCC initiated this case by filing a motion for Dominion to eliminate the Market Variable Rate ("MVR") for residential customers and to reestablish the Standard Choice Offer ("SCO") as the default service for all consumers in Dominion's service area. |

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

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| 18-1204-GE-UNC | Commission Winter Heating Disconnection | The special winter reconnection provisions for customers who are threatened with disconnection for non-payment between October 15, 2018 and April 15, 2019 are established by the PUCO. |
| 18-0604-GE-WVR | Constellation NewEnergy - "Chat" Technology Waiver | A marketer applied to the PUCO for waiver from the electric and natural gas enrollment rules that would permit customers to enroll through a chat line. OCC opposed the waiver request because the consumer protections were lacking compared to other methods that are available for consumers to enroll in Choice products and services. |
| 18-0382-GE-WVR | 18-0382-GE-WVR | PUCO Rules Waiver Request: Waiver of consumer protection requiring a door-to-door solicitation be verified through a phone call by an independent third-party. |
| 18-0372-GA-WVR; 18-0371-EL-WVR | AEP Energy - Waiver Third Party Verification | PUCO Rules Waiver Request: Waiver of consumer protection requiring a door-to-door solicitation be verified through a phone call by an independent third-party. |

| Case Number | Party | Consumer Impact |
|----------------|---|---|
| 17-2089-GE-COI | Comm. Investigation into Duke Disconnection Practices | The PUCO ordered an audit of Duke's disconnection practices and policies to determine whether Duke is violating PUCO rules. |

Telecommunications Case at the Public Utilities Commission of Ohio

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| 17-1948-TP-UNC | AT&T Lifeline - Relinquish Petition | Lifeline is a federal program that provides discounted telephone service to consumers whose income is less than 135% of the federal poverty level or who participate in certain low-income assistance programs. In September 2017 AT&T Ohio filed a petition at the PUCO asking for approval to stop providing Lifeline service to more than 7,000 low-income Ohioans by March 2018. |
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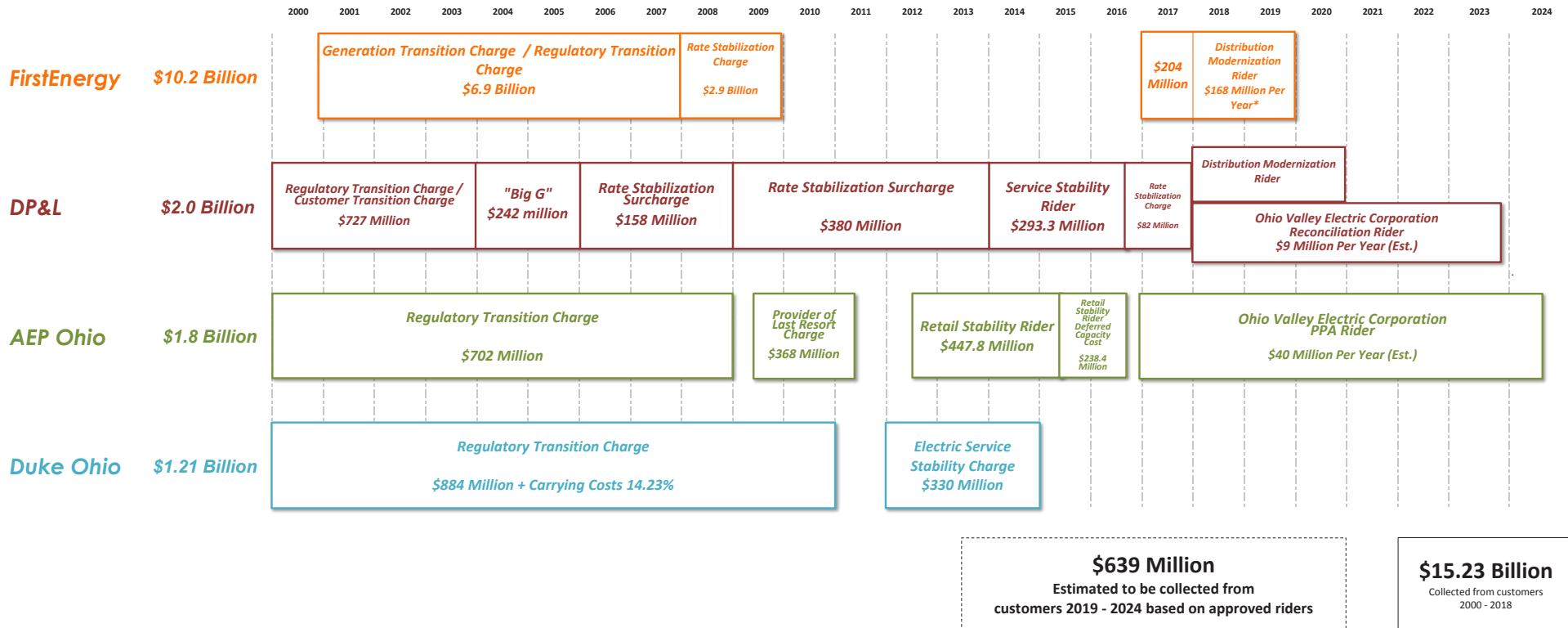
Water Cases at the Public Utilities Commission of Ohio

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| 18-0337-WW-SIC | Aqua Ohio - System Improvement Charge | Aqua filed for approval to collect 3.97% from water customers in its service territory for the costs of water system improvements. |
| 17-2193-WW-AEC | Aqua Ohio - Whirlpool Unique Arrangement | Aqua and Whirlpool entered into a contract in which Whirlpool will receive a discount on the amount it pays for water service. Customers of Aqua are likely to subsidize the discount. |

Cases with All Utilities at the Public Utilities Commission of Ohio

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| 18-0322-AU-ORD | Commission Rules Review of Motions for Protective Orders | The PUCO proposed to amend its rules and require the filing of an affidavit, and potentially scheduling a hearing, when the PUCO considers motions for protective treatment of confidential information filed in PUCO proceedings. |
| 18-0047-AU-COI | Commission Investigation - Tax Cuts and Job Act | The PUCO ordered an investigation for all regulated utilities regarding the Tax Cuts and Jobs Act of 2017. Under the federal tax cuts, corporate entities' federal income tax rates were reduced from 35% to 21%. Customers pay for utilities' federal income taxes, so the lower tax rate should result in lower charges for customers. |

SUBSIDY SCORECARD - ELECTRIC UTILITY CHARGES TO OHIOANS



* - FE has filed an application for an extension of the DMR for two years after the current DMR expires on December 2019.

** - DP&L has filed an application for an extension of the DMR for two years after the current DMR expires at the end of October 2020 and for an increase in the amount of collection from \$105 million to \$199 million.



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