



Office of the Ohio Consumers' Counsel

Your Residential Utility Consumer Advocate

CONSUMERS' CORNER

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

July/August 2010

OCC's advocacy limits rate increase for Ohio American Water customers

Ohio American Water's (OAW) residential customers are seeing a significantly smaller rate increase for water service than the 60 percent step-increase the utility proposed in 2009. The Public Utilities Commission of Ohio (PUCO) followed some of the recommendations of the Office of the Ohio Consumers' Counsel (OCC) which limited the overall rate increase to 7.1 percent.



Bill Feniot

Residents in Galloway express concern to the PUCO regarding OAW's frequent rate increases during one of many local public hearings.

Residential customers will now pay the following rates based on the rate changes approved by the PUCO (see charts at right).

In this rate case, the OCC argued for the exclusion of certain management fees, reduction of rate case expenses and denial of OAW's request to increase its customer charge, among other recommendations. In its decision, the PUCO denied OAW recovery of more than \$4 million in management fees, reduced OAW's recovery of rate case expenses by nearly \$300,000 and rejected OAW's proposal to increase the residential customer charge.

Ohio American Water will be subjected to a management audit that will be considered in

future rate cases and will have to continue certain water quality and customer service commitments agreed to in the last rate case approved in 2008.

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Estimated typical monthly water bill for Franklin and Portage County consumers – Based on 6 Ccf

Service Territory	Prior Bill	New Bill
Blacklick, Timberbrook, Portage	\$39.78	\$43.96
Lake Darby, Worthington Hills	\$43.38	\$47.40
Huber Ridge	\$46.93	\$52.95
OAW Wastewater - Franklin Co. Only*	\$59.07	\$62.52

* Customers who receive water and wastewater service should subtract \$9.51 for an estimate of their monthly wastewater charge. Ccf = Hundred Cubic Feet

Estimated typical monthly water bill for all other OAW consumers – Based on 10 Ccf

Service Territory	Prior Bill	New Bill
Ashtabula, Lawrence County, Lake White, Mansfield, Marion, Tiffin	\$70.42	\$75.70
Marion w/softening surcharge	\$74.10	\$79.12
Mansfield – unmetered bimonthly rates	\$78.70	\$84.75

Summer Crisis Program provides assistance to customers in need

The steamy, sticky summer months are once again upon us. For many Ohioans, this means higher electric bills as they hope their air conditioners can help keep them comfortable.

For thousands of residential households struggling to pay their electric bills or without the means to afford air conditioning, summer can be a dangerous time, particularly for those with health conditions.

One option to help these customers is the Summer Crisis Program. It is administered annually by the Ohio Department of Development (ODOD) to assist households with an annual income at or below 200 percent of the federal poverty guidelines. This aid is available to eligible consumers through a one-time payment of up to \$175 toward their electric bill. Depending on where the applicant resides, assistance with cooling equipment, such as an air conditioner or fan, also may be available.

The program is available from July 1 through Aug. 31 for consumers who risk losing electric

service due to non-payment, meet the income guidelines and have either a member of their household 60 years of age or older or with medical documentation from a physician. The funds are distributed by local community action agencies.



Paul E. Kostyu

Consumers can learn more about the Summer Crisis Program by contacting the Office of the Ohio Consumers' Counsel (OCC) at 1-877-742-5622 to obtain information about this program and consumer rights, payment plans, financial assistance funds and other alternatives that are available to help consumers avoid losing utility services. Consumers also can contact the

ODOD at 1-800-282-0880 or TDD 1-800-686-1557 or visiting its website, www.energyhelp.ohio.gov. Consumers also can find a local community action agency by visiting the ODOD website at www.odod.state.oh.us/cdd/ocs/locate.htm.

Additional summer cooling tips

There also are many ways for residential consumers to keep their homes reasonably cool during the summer. Planting trees and shrubs around the home, especially the south and southwest sides, which can shade sunlight during the day, can help regulate inside temperatures. It also is helpful to reduce the number of lights and appliances used during daylight hours. An oscillating or ceiling fan is a cost-efficient way of keeping a room cool while saving on the cost of air conditioning.

The OCC offers a fact sheet, *Beat the Heat Summer Cooling Tips*, on its website, www.pickocc.org. For more energy tips and information about energy efficiency throughout the year, contact the OCC toll free at 1-877-PICKOCC (1-877-742-5622).

By Marty Berkowitz

Smart grid to change way consumers use electricity

Ohio's electric utilities have taken steps to upgrade their electric delivery systems that will fundamentally change the way consumers interact with them. With these changes, utilities will be able to provide more reliable and efficient electricity to residential customers.

A modernized electric grid, or smart grid, will apply current information and communication technologies to a utility's electric delivery system to improve how electricity is delivered and used.

Currently, consumers are mostly passive participants in their use of electricity. They use electricity and pay the amount they owe on their monthly statements. As the smart grid becomes more prevalent, consumers will have more active involvement in their electric usage. This can lead to better management of energy consumption, fewer outages and energy efficiency and renewable energy use on a more personal level.

Consumers' most direct involvement with smart grids will come in the form of advanced meters and in-home displays. These devices will provide a new level of information to consumers that will put electric information

directly into their hands. This will enable them to make informed decisions about how they use energy, what it will cost and the impact electric use will have on the environment.

Smart grid projects are likely to take some time before there is full deployment by any one electric utility. Duke Energy Ohio and American Electric Power (AEP) are the furthest along as each has made strides to install advanced smart meters. Duke has set its plans in motion to install 140,000 smart meters and upgrade power lines. AEP started its project, of similar magnitude, at the beginning of 2010. Both utilities were awarded federal stimulus money that has helped jump-start their improvements.

Dayton Power and Light and FirstEnergy have not begun smart grid deployments but have submitted plans to the Public Utilities Commission of Ohio for approval.



Electric grid improvements will bring much needed reliability to electricity in Ohio. The Office of the Ohio Consumers' Counsel (OCC) will be closely involved in each utility's smart grid deployment to ensure any costs passed onto residential consumers are reasonable.

One important factor the OCC intends to advocate for is that the consumer benefits must exceed the costs of implementing smart grid. It also will be critical to establish several pricing options on a reasonable timeline that will give consumers the option to manage and control energy costs.

By Anthony Rodriguez

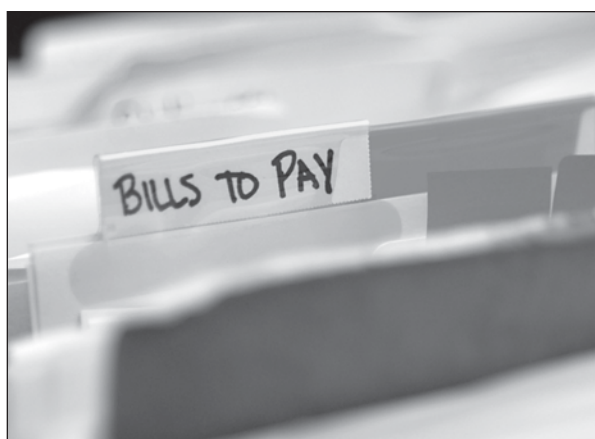
Technology makes paying utility bills easier and convenient, but for a price

It has never been easier for utility customers to make timely bill payments. The days of waiting in long lines at the post office to purchase stamps and send bills days in advance are gone.

Today, some convenient options are available such as making utility payments online or over the phone. As some utilities now have fewer local offices, third-party payment agencies may be taking on the task of receiving customers' payments and submitting funds to the utility. These quick and easy options can give peace of mind for customers able to take advantage of them, but there also is a cost.

Dominion East Ohio Gas, for example, offers several options for bill payment. Customers can call a toll-free number to make a payment, using a check, debit or credit card. Payments made before 3 p.m. Monday through Friday are posted to the account on the same day; on the next business day if it is received after that time. The fee for the service is \$3.95 per transaction. American Electric Power (AEP) provides a similar pay-by-phone option. The cost is \$2.95.

AEP and Columbia Gas of Ohio customers also have the ability to pay bills and manage their accounts online. Some banks may charge a fee for online bill payment. It generally takes one



Paul E. Kostyu

to two days for payments to be posted to the customer's account.

The Office of the Ohio Consumers' Counsel (OCC) offers fact sheets, *Paying Utility Bills: The Cost of Convenience*, which explains bill payment options for electric, natural gas and telephone customers. The OCC recommends that customers know the advantages and costs of these services before using them. For more information or to request a copy of this document, customers can call the OCC toll-free at 1-877-742-5622 or visit the OCC website, www.pickocc.org. Consumers who are interested in finding whether payment options are available should contact their local utility companies.

By Marty Berkowitz

OCC's advocacy limits rate increase for Ohio American Water customers

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The OCC presented evidence that showed residential customers have been subsidizing industrial customers and those with special contracts. The OCC argued that all customer classes should only pay their fair share for water and sewer service. The PUCO did not adopt the OCC's arguments, which would have resulted in rate decreases for residential customers, but said it will review all future extensions and new arrangements with a "critical eye" to ensure OAW is appropriately recovering costs from all of its customer classes. OAW attempted to regain \$5.8 million in the rate case, but was denied by the PUCO in June after the OCC showed the utility did not comply with the law regarding rehearing requirements. The new OAW rates went into effect May 19.

By Anthony Rodriguez

Do you want to receive this newsletter by e-mail?

If you would like to receive Consumers' Corner by e-mail instead of through the regular mail, send a message to: info-subscribe@occ.state.oh.us. Be sure to include your name, street address and e-mail address in the message.

Rain barrels provide old-fashioned savings

You know spring has arrived in Delaware when Mike Williams takes his two rain barrels out of winter storage. They collect rain run off from the front and back roofs of the Williams home and when filled provide 85 gallons of water Cindy Williams uses for her gardening.

The Williams family switched to an old-fashioned system once used extensively throughout the country to lessen their environmental impact.

"Rain water is better for the plants," said Cindy, who is the family's green thumb. It doesn't have the chlorine and other chemicals the city uses to purify the water.

Mike put the barrels together from scratch and admitted that it took a few trips to area stores to find the right parts. None of stores had all that he needed. The 30-gallon plastic barrel, which is stationed at the front of their home, he got free from a local drive-through business. He bought the 55-gallon plastic barrel from a Columbus container management company. It costs about \$60 to build a rain barrel from scratch, like the Williams' did.

Both set knee-high on layered cement blocks to provide access to spigots and add pressure to the water flow. There's enough pressure in the barrels so Cindy can attach a hose instead of using a watering can. She said the barrels fill rapidly after even a light rain.

The barrels have attracted the attention of neighborhood walkers who stop by often to ask how they were put together.

"People want to know about it," Mike said. He said he's not sure how much money he's saved in

water bills, because the barrels were installed just about the time their second child headed off to college. "That was the big savings," he said.

Rain Brothers, a Columbus firm that installed a cistern at the governor's residence, estimated that \$638 was saved in water costs in 2009 at an average Columbus residence with a 950-square-foot roof.

There are a number of websites that offer advice about constructing and using rain barrels. Local governments and organizations occasionally offer rain barrel workshops.

"Rain water is better for the plants." It doesn't have the chlorine and other chemicals the city uses to purify the water.

~ Cindy Williams

Most barrels are easy to install, but actual installation methods may vary depending on the size, type of the barrel, its location and how extensive a system is needed. Barrel kits are available for do-it-yourselfers. Those not so handy can get a ready-made barrel for \$70 to \$100 from some garden centers and by searching the Internet. Barrels come in a variety of shapes, sizes and colors, but many homemade units are just reused industrial food or soap plastic barrels that would otherwise go to a landfill. Those looking for an old-fashion look can find dealers selling reused oak whisky barrels.



Paul E. Kostyu

The savings come from collecting water instead of using tap water for lawns, in gardens and washing cars. It's not for drinking, however, because the water may contain microorganisms not suitable for human consumption. Rain water also should not be used on edible foliage, fruits or vegetables. Control products can be used in a barrel to kill mosquito larvae, mold and fungi.

Before the first freeze in the fall, a water barrel should be disconnected from its collection system and emptied to prevent the container from cracking. Cleaning the inside of the barrel before storage for winter is also a good idea.

Collecting water lessens the burden on storm water systems and helps protect rivers and streams from runoff. For the serious water user, above and below ground cisterns can range in size from 150 to 6,100 gallons, but should be installed by a professional.

By Paul E. Kostyu

Here's What You're Saying

In April, the PUCO held eight local public hearings for residential consumers to testify about FirstEnergy's Electric Security Plans. This is a sampling of what consumers said about the new rates:

"So to the Public Utilities Commission of Ohio, how can you justify a decision to raise rates this high when this company (FirstEnergy) ... last year made a billion dollars overall and FirstEnergy Solutions made \$577 million? That just doesn't seem right. Never, never have dividends been reduced by this company. So they're doing very, very well!"

Councilman George Sarantou
Toledo Public Hearing
April 19, 2010

"Please stop jamming rate increases down our throats. FirstEnergy has a guaranteed revenue stream, and the consumers do not. FirstEnergy is guaranteed a rate of return, and the consumers are not. We implore you to consider the needs of the consumer instead of trampling them under foot. We need the relief. FirstEnergy does not."

Councilman David Kos
Avon Lake
North Ridgeville Public Hearing
April 21, 2010

"Given the rush to resolution imposed by this ridiculously short timeline, it's remarkable that the OCC and other(s) ... were able to provide such comprehensive valuable testimony. It is incredible that ordinary citizens have submitted testimony; I heartily commend them."

Connie Kline
Willoughby Hills
Kirtland Public Hearing
April 27, 2010

Utility questions, concerns or complaints?

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

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

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

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



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Residential Utility Consumer Advocate

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

Janine Migden-Ostrander, Consumers' Counsel

Consumers' Corner Contributors:

Beth Gianforcaro, Editor; **Bill Ferriot**, Graphic Designer;
Paul E. Kostyu, Copy Editor; **Geoff Bonina**, Webmaster;
Linda Walls Rominski, Contributor

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

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Request a speaker for your organization!

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

Name _____

Organization _____

Topic of interest _____

Address _____

City _____ State _____ Zip _____

County _____ Phone number _____

If you would like a specific date, please indicate and we will confirm your request. Number of participants _____

(We speak to groups of 30 or more after 6:30 p.m.)

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

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

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



Office of the Ohio Consumers' Counsel
10 W. Broad St., Ste. 1800
Columbus, OH 43215-3485
1-877-PICKOCC (742-5622) toll free
www.pickocc.org

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Learn about key utility issues at these FREE upcoming events:

Visit our booth at this year's Ohio State Fair!



DATE	TIME	TOPIC	LOCATION	CITY
7/23/10	7:30 a.m. to 4:45 p.m.	Smart Money Choices	Wright Patterson AFB	Dayton
7/28/10 to 8/8/10	All Day	Visit OCC's Information Booth!	Ohio State Fair	Columbus
8/6/10	7:30 a.m. to 4:45 p.m.	Smart Money Choices	Concourse Hotel and Conference Center	Columbus
8/7/10	7:30 to 11:30 a.m.	Senior Fair	Grandview Heights Senior Center	Columbus
8/27/10	9:30 a.m. to 1:00 p.m.	Senior Safari	Cleveland Metroparks Zoo	Cleveland

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