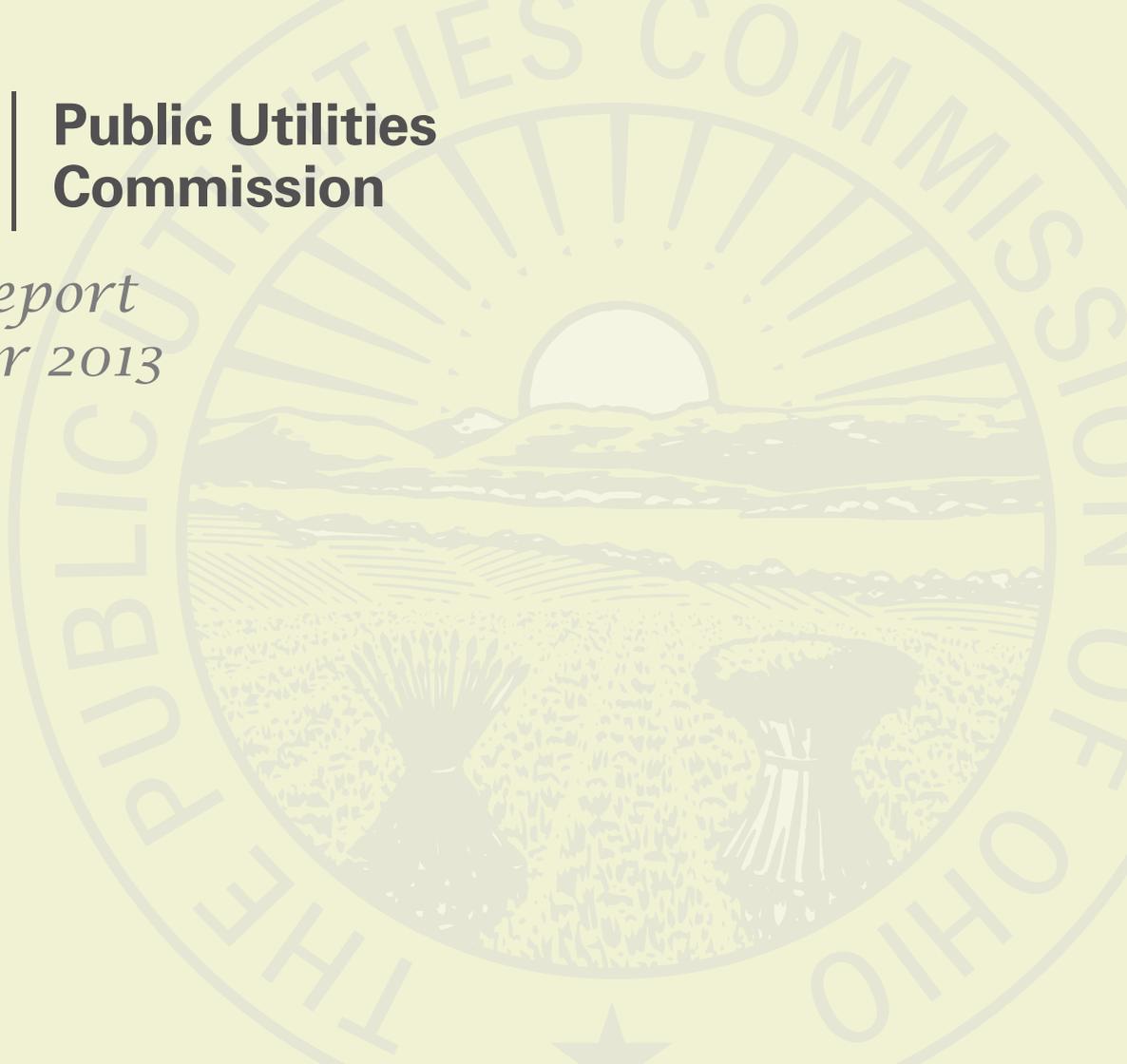


**Ohio**

**Public Utilities  
Commission**

*Annual Report  
Fiscal Year 2013*



To assure all residential and business customers access to adequate, safe and reliable utility services at fair prices, while facilitating an environment that provides competitive choices.

This mission is accomplished by:

- Mandating the availability of adequate, safe and reliable utility service to all business, industrial and residential consumers.
- Ensuring financial integrity and service reliability in the Ohio utility industry.
- Promoting utility infrastructure investment through appropriate regulatory policies and structures.
- Regulating utilities' rates and terms of service for monopoly and non-competitive services.
- Monitoring and enforcing compliance with rules and statutory protections against deceptive, unfair, unsafe and anti-competitive utility practices.
- Safeguarding the security of Ohio's regulated motor carrier and rail operations, through aggressive inspection, training, monitoring and education programs.
- Enhancing safety at all public highway-railroad grade crossings in Ohio through education and the installation of lights and gates and other safety devices.
- Resolving through mediation, arbitration and adjudication disputes between utilities and residential, commercial and industrial customers, as well as between competing utilities.
- Fostering competition by establishing and enforcing a fair competitive framework for all utilities.
- Utilizing advanced technology for monitoring and enforcing utility compliance, facilitating the provision of information to stakeholders, and sharing information between state and federal agencies.

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## *Todd A. Snitchler*

*Chairman*

Chairman Todd A. Snitchler was appointed to the Public Utilities Commission of Ohio by Governor John R. Kasich in March 2011.

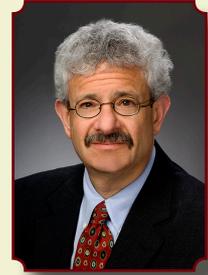
As chairman of the PUCO, Snitchler is the head of a 350-person agency that works to oversee the regulation of electric, natural gas, telecommunications, water and commercial transportation in the state of Ohio. He is also the chairman of the Ohio Power Siting Board that reviews, evaluates and approves the siting of electric generation plants and electric and natural gas transmission lines. Snitchler is a member of the National Association of Regulatory Utility Commissioners where he serves on the Board of Directors, is co-vice chair of the association's committee on gas, as well as on the committee on international relations. He also serves as second-vice-president of the Mid-Atlantic Conference of Regulatory Utilities Commissioners.

Before joining the Commission, Snitchler was elected to two terms in the Ohio House of Representatives, where he represented the 50th House District including parts of Stark County. In addition to serving in the Ohio Legislature, Snitchler was also an attorney in private practice. Snitchler is also a member of the Grove City College Alumni Council.

Chairman Snitchler received his bachelor's degree in history and secondary education/social science from Grove City College and his law degree from the University of Akron School of Law, where he served as executive editor of the Akron Law Review. He is a graduate of Leadership Stark County's 20th Class and an active member of The Chapel in North Canton.

Snitchler lives in Uniontown with his wife Melanie and their two children.

## *Steven D. Lesser* *Commissioner*



Commissioner Steven D. Lesser was appointed to the Public Utilities Commission of Ohio by Gov. Ted Strickland in 2010.

Commissioner Lesser has been very involved in utility regulation over the past 30 years, beginning his career at the PUCO in 1979. Prior to his appointment as commissioner, he served the PUCO as chief of staff, assistant director of the legal department, deputy director of the transportation department and administrative law judge/attorney examiner in the legal department. In his role as chief of staff, Lesser was instrumental in developing policy positions on legal and regulatory issues and was responsible for overseeing the daily operations of the agency. In addition, he played a critical role in the implementation of the new electric regulation bill and the “green” rules which encourage the development of alternative energy and energy efficiency in Ohio.

Commissioner Lesser has served on numerous state and federal committees, including the Alliance for Uniform Hazardous Materials Transportation Procedures and the Intelligent Transportation Advisory Committee. Additionally, he established the transportation civil forfeiture and enforcement section at the PUCO. Lesser also worked on consumer protection and safety legislation in the transportation division, developed national standards for hazardous material safety, created natural gas conservation programs and established minimum standards for the water industry. Commissioner Lesser currently serves on the National Association of Regulatory Utility Commissioners Committee on Energy Resources and the Environment and sits on the board of the Financial Research Institute. He also sits on the Harpur Law Council Steering Committee and has had numerous materials published in law review and industry publications.

Early in his career, Commissioner Lesser served as legal counsel to Lawyers Title Insurance Corporation and was law director for the Village of Hanover in Licking County, Ohio. He received his Juris Doctorate from Capital University Law School and his bachelor’s degree from State University of New York at Binghamton.



## *Asim Z. Haque*

*Commissioner*

Commissioner Asim Z. Haque was appointed to the Public Utilities Commission of Ohio by Governor John R. Kasich in 2013.

Commissioner Haque, an attorney, began his professional career at Ice Miller LLP (f/k/a Schottenstein, Zox & Dunn Co. LPA) where he represented a broad spectrum of clients in energy and utility matters. He represented municipalities and their residents, businesses, trade associations and competitive retailers while at Ice Miller and represented many of these client segments in proceedings before the PUCO.

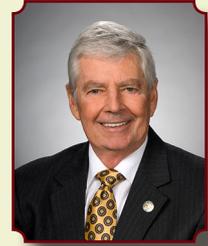
After six years of practicing at Ice Miller, Commissioner Haque took a position as legal counsel for Honda North America, Inc. There he continued to practice within the energy and utility space, also representing Honda's interests before the PUCO.

Commissioner Haque is passionate about public service and is heavily involved in his local community. He serves as president of the board of directors of the non-profit organization Community Research Partners. He is the president of The Columbus Academy Alumni Board and serves on the Academy's Board of Trustees. He is also a graduate of the FBI Citizens Academy, and has been a mentor in the Big Brothers/Big Sisters school-based mentor program.

Commissioner Haque is a graduate of Case Western Reserve University where he received a bachelors degree in chemistry and political science, and is also a graduate of The Ohio State University Moritz College of Law. He graduated cum laude with department honors from Case, and has been selected as an Ohio Super Lawyers Rising Star by Super Lawyers Magazine on multiple occasions.

Commissioner Haque resides in Springfield (Clark County) with his wife Dr. Huma Ansari Haque.

## *Lynn Slaby* Commissioner



Commissioner Lynn Slaby was appointed to the Public Utilities Commission of Ohio by Governor John R. Kasich in 2012.

Commissioner Slaby received both his Juris Doctorate Degree and Bachelor of Science Degree in Business Administration from the University of Akron. Slaby most recently served in the Ohio House of Representatives, representing the 41st District, which includes parts of Summit County. Prior to his term in the legislature, Slaby served on the Ninth District Court of Appeals. Before his appointment and election there, he served 14 years as the Summit County Prosecuting Attorney and as assistant law director and prosecutor for the cities of Akron and Cuyahoga Falls. Slaby has been a guest lecturer at both the University of Akron Business College and the College of Law, as well a presenter at the Ohio State Bar Association and the Akron Bar Association. In addition, he is the past president of both the National District Attorneys Association and the Ohio Prosecuting Attorneys Association.

Commissioner Slaby serves on the board of trustees for the Cleveland Christian Home for Children, West Side Ministries, Community Care Network and High Street Christian Church, serving as chairman of the latter two organizations. He has also served on various boards and foundations, including the Alumni Board of the University of Akron College of Law, the Business College Alumni Board of the University of Akron, the Cuyahoga Falls High School Alumni Foundation, the Ohio Judicial Conference and the Ohio Judicial College.

During his legal career, Representative Slaby was awarded the Ohio Forensic Leadership Award by the Ohio Department of Mental Health for his dedication and progressive efforts to study the insanity defense. Other awards include Outstanding Prosecutor of the Year, Resolution of Honor Award, Leadership Award from the Ohio Prosecuting Attorney Association and the President's Award from the National District Attorneys Association.

Commissioner Slaby's memberships include the Akron Bar Association, Ohio State Bar Association, American Bar Association, Cuyahoga Falls Masonic Lodge, Akron Tadmor Shrine, Akron Consistory and Past Master Counselor DeMolay.

He and his wife, State Representative Marilyn Slaby, have three children and four grandchildren.



## *M. Beth Trombold*

*Commissioner*

Commissioner M. Beth Trombold was appointed to the Public Utilities Commission of Ohio by Governor John R. Kasich in 2013. Commissioner Trombold is a member of the National Association of Regulatory Utilities Commissioners where she serves on the electricity committee. She also serves on the board of the Organization of PJM States, Inc.

Trombold most recently served as assistant director of the Ohio Development Services Agency (ODSA) where she focused on Ohio's economic and community development system and worked to strengthen Ohio's economy. Prior to ODSA, Trombold served in a variety of roles with the PUCO, most recently as director of Economic Development and Public Affairs.

During her 15-plus year career with the PUCO, Commissioner Trombold focused on high-level policy issues and agency communications. She also advised the chairman and commissioners in developing the biennial budget, defining objectives and policy positions, and strategizing economic and legislative initiatives. While with the PUCO, Trombold led legislative efforts on many important utility laws including electric restructuring, the establishment of natural gas choice and telecommunications regulatory reform. She has also testified before the Ohio General Assembly concerning PUCO policies.

Commissioner Trombold received her bachelor's degree in Business Administration from Ohio University, and her master's degree in Public Policy and Management from The Ohio State University John Glenn School of Public Affairs.

In 2002, Trombold was recognized by her PUCO peers and commissioners and awarded the Frank B. Richards Award for Excellence in Management and Public Services. In 2012, she received the Outstanding State Government Alumnus Award from the Voinovich School of Leadership and Public Affairs at Ohio University, recognizing her professional accomplishments and contributions to public service in Ohio.

Commissioner Trombold lives in Columbus, with her husband Eric, and their three children.

## Competitive markets

Over the previous year, the PUCO continued to transition Ohio’s electric distribution utilities towards a market based structure. With the approval of American Electric Power’s **electric security plan** in August 2012, three of Ohio’s four distribution utilities will provide default generation through a series of competitive auctions by the summer of 2015.

The PUCO also approved FirstEnergy’s **second electric security plan**.

Procurement Date	Tranches Procured	Delivery Periods			
		June-13	June-14	June-15	June-16
October-12	17	36 Month June 2013 thru May 2016			
January-13	17	36 Month June 2013 thru May 2016			
October-13	16		12 Month June 2014 thru May 2015		
	17		24 Month June 2014 thru May 2016		
January-14	16		12 Month June 2014 thru May 2015		
	17		24 Month June 2014 thru May 2016		
October-14	16			12 Month June 2015 thru May 2016	
January-15	16			12 Month June 2015 thru May 2016	

Pictured: The FirstEnergy companies’ auction schedule. The competitive bidding process separate the utility’s load over several auctions to minimize effects of market volatility. Results are blended to determine the final retail price of electricity.

In December 2012, the PUCO opened a case to **to review** the state of Ohio’s competitive electric market. The Commission solicited feedback and invited comment from stakeholders to determine what – if any – regulator changes could be made to improve the marketplace. The PUCO will hold a series of workshops in a collaborative effort to examine the market during the upcoming year.

In May 2013, the PUCO opened a similar review of the competitive natural gas market.

The PUCO continues to monitor and approve auctions used to set default service rates for Ohio’s electric and natural gas distribution utilities that have transitioned to competitive models. Auctions for **Columbia Gas of Ohio, Dominion East Ohio Gas, Duke Energy Ohio (2), FirstEnergy (2) and Vectren Energy Ohio** were approved throughout the previous year.

## *Competitive markets*

In January, the PUCO approved two natural gas utilities' applications to begin pilot programs to exit the merchant function. Traditionally, Ohio's gas utilities act as a pass through in supplying its customers with the natural gas commodity. **Dominion East Ohio** began a pilot program that removes their obligation to supply nonresidential customers. Instead, nonresidential customers must select a competitive supplier or automatically be assigned one. Dominion will still provide distribution service.

Columbia Gas of Ohio also received **conditional approval** of a similar structure, pending certain customer shopping levels.

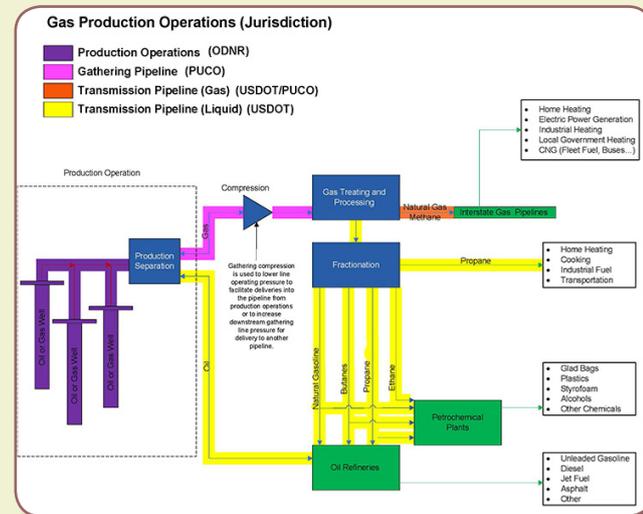
# Safety

Senate Bill 315 became effective in September 2012. SB 315 advanced Ohio's energy policy by updating regulations over natural gas pipelines and streamlines the infrastructure siting process.

Recently, Ohio has witnessed significant investment in its natural gas resources. To ensure the pipeline system is operating as safely as possible, SB 315 adds additional enhancements to the PUCO's **natural gas pipeline safety** oversight to "gathering lines." A gathering line is any pipeline upstream from a processing facility, any line carrying gas from a processing facility to a fractionation plant and any line carrying natural gas from a processing plant to an interstate or intrastate pipeline.

In December, the PUCO **issued** a \$500,000 fine to a natural gas distribution company and ordered the utility to take steps to show compliance with state and federal gas pipeline standards. The penalties are based upon the PUCO staff's investigation of a January 2011 series of fires in Fairport Harbor, Ohio in which 11 homes were severely damaged and 150 homes required appliance repair or replacement, causing an estimated \$1.3 million in property damage.

Throughout the previous year, the PUCO **awarded** 15 hazardous material **training grants** to state and local governments totaling more than \$472,000. The funds were used to train more than 5,500 public safety and emergency services professionals. The PUCO awards hazardous materials planning and training grants to local government subdivisions, educational institutions and state agencies in Ohio. Money for these grants comes from fines paid by hazardous material carriers and shippers. Individual grants are based upon applications to the PUCO and are awarded on a reimbursement basis.



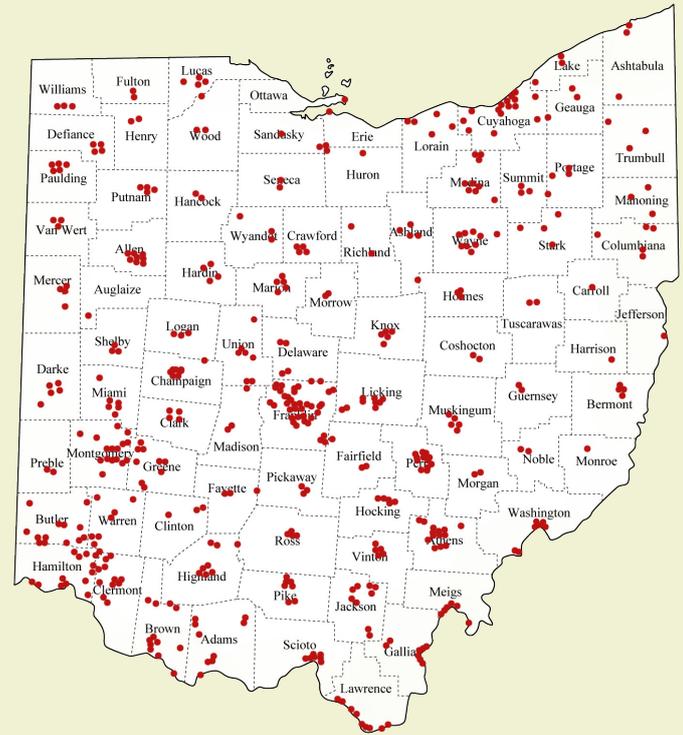
# Community Outreach

In recognition of Ohio's expanding electric and natural gas competitive markets, the PUCO recently staffed the new Office of Retail Competition. Four staff members travel the state to meet with local governments, businesses and residents to educate Ohioans about competitive energy suppliers. Over the previous year they have traveled to every county, conducting more than 600 educational presentations.

PUCO staff regularly travel the state to educate Ohioans on a variety of utility-related matters, from energy choice, energy bill savings, motor carrier regulations to renewable energy. Independently from the Office of Retail Competition, PUCO staff attended more than 140 events to assist community and consumer groups in learning more about their utilities.



Fairgoers visit the PUCO booth at the Ohio State Fair to learn about energy efficiency.



Office of Retail Competition outreach activity map

## Miscellaneous

The PUCO approved two applications for electric utilities to securitize deferred debt through the purchase of low-interest, long-term bonds. **FirstEnergy** recently completed its securitization transaction of \$445 million, expecting to save its customers \$106 million. **AEP** customers can expect to save approximately \$28.8 after completing securitization of \$298 million.

The PUCO is charged with certifying **renewable energy facilities** capable of delivering electricity to the state to meet Ohio's renewable portfolio standard. During fiscal year 2013, the PUCO certified 1,004 facilities with a total generating capacity of 770 megawatts (MW). Since 2009, the PUCO has approved a total of 5,932 facilities totaling 4,332.74 MW.

PUCO staff continues to support **combined heat and power** developers through a partnership with the U.S. Department of Energy. Several workshops were held throughout the year in an effort provide technical assistance to developers of possible CHP projects.

Each year the PUCO works closely with several international partners to better understand regulatory issues and best practices in various areas of the world. Exchanges typically involve roundtable discussions, utility site visits, internships and technical training. Partnerships included Armenia, the Republic of Georgia, Ghana, Mexico, Moldova and Ukraine.



PUCO commissioners and staff pose with staff from the National Commission for Energy State Regulation of Ukraine during a visit to Ukraine in 2013.

## *PUCO Call Center*

The PUCO employs a staff of professional customer service representatives who work to address issues customers have with their utility companies. The PUCO learns a great deal from customers who call in with questions and complaints. This information is used to ensure that companies engage in fair and reasonable practices. It also helps the PUCO to formulate rules and regulations.

Each year, the PUCO Call Center receives hundreds-of-thousands of contacts from customers. Many of these customers have a question that a representative can quickly handle. In other instances, issues require a closer examination. At that point, a PUCO investigator is assigned to look into the matter. Throughout fiscal year 2013, PUCO investigators have saved Ohio consumers more than \$545,000.

## *PUCO Staff*

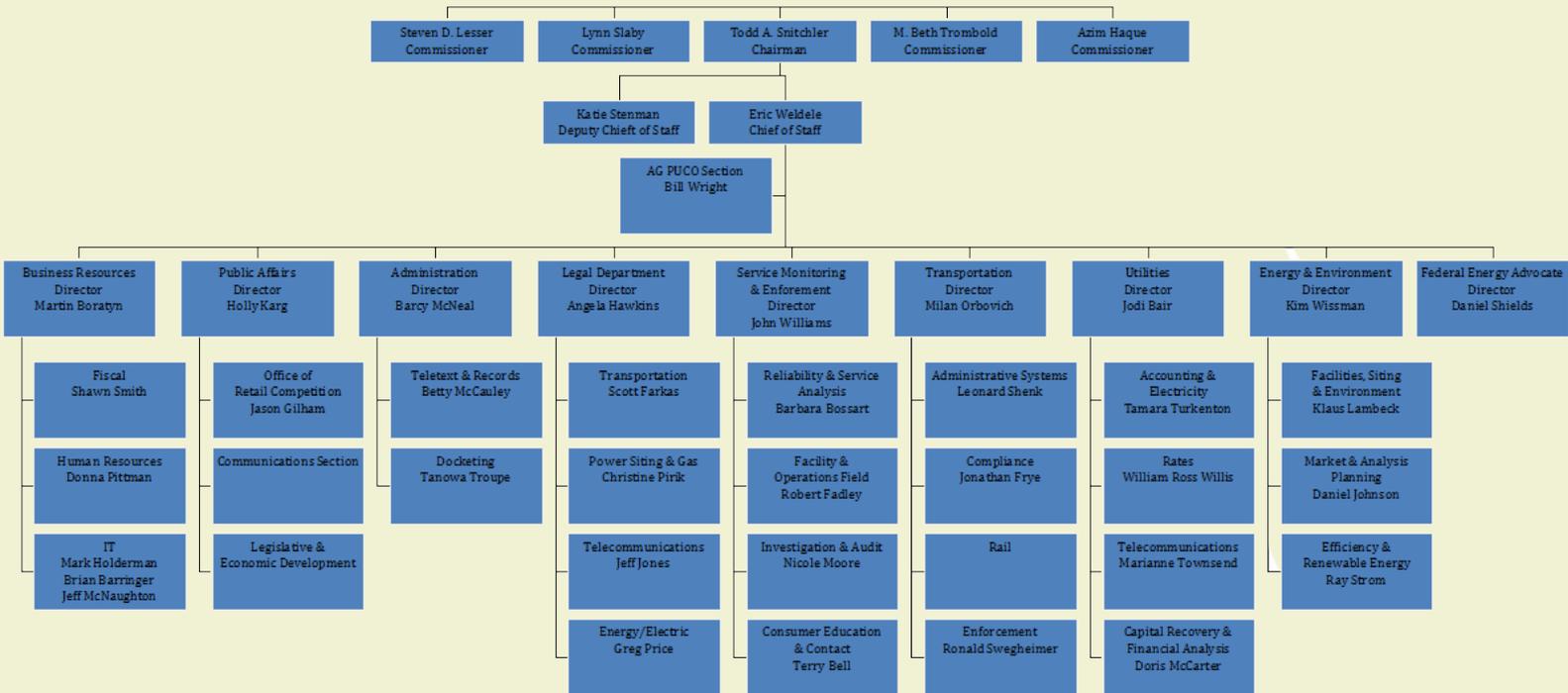
Each year PUCO staff participates in a number of charity drives, such as the Combined Charitable Campaign and Operation Feed, which raises money for the Mid-Ohio Foodbank. During the 2013 fiscal year PUCO staff contributed \$61,528 to the Combined Charitable Campaign and \$3,728 to the Mid-Ohio Foodbank.

The PUCO recognizes those employees who exceed the expectations of their job duties. The Chuck Tingley Employee of the Month award is given to an employee who goes above and beyond the normal expectations to fulfill the mission of the PUCO with hard work, integrity and dedication to the state of Ohio. Employees are nominated by their co-workers and chosen by a panel of staff members. The PUCO recognized Mike Fraizer, Matt Butler, Matthew Fancher, Shawn Smith, Jason Cross, Lowell Miller, Dennis Cramer and Jane Drumm for their outstanding dedication to public service.



Mike Fraizer (fourth from left) poses with commissioners after being named July 2012's Chuck Tingley Employee of the Month

# PUCO Table of Organization



## Revenues FY 13

Assessment to utilities.....	\$30,460,379
Federal commercial vehicle information system and network.....	671,853
Federal energy assurance.....	33,500
Federal gas pipeline safety.....	587,126
Federal motor carrier safety.....	6,942,651
Federal regulators assistance.....	227,000
Gas pipeline assessment.....	330,458
Hazardous materials and civil forfeitures.....	2,380,155
Miscellaneous revenues.....	609,038
Motor carrier registration.....	6,634,885
Power Siting Board.....	772,623
State grade crossing protection.....	1,200,000
Telecommunication relay service.....	3,684,262
Wireless 9-1-1 administration.....	25,785,359
<b>Total revenues received by the PUCO.....</b>	<b>80,319,289</b>

**Revenue contributed to the General Revenue Fund.....1,162,055**

## Expenditures FY 13

Personnel service - payroll.....	31,476,593
Purchased personal services.....	1,444,850
Supplies and maintenance.....	8,249,090
Equipment.....	512,890
Subsidies and shared revenue.....	2,205,767
Transfers.....	32,722,714
<b>Total expenditures by the PUCO.....</b>	<b>76,611,905</b>

*The Public Utilities Commission of Ohio  
180 East Broad Street  
Columbus, OH 43215*



*[www.PUCO.ohio.gov](http://www.PUCO.ohio.gov)*

*John R. Kasich, Governor  
Todd A. Snitchler, Chairman*

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