



The Public Utilities Commission of Ohio *Your one-stop utility resource*

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Governor Strickland appoints Steven D. Lesser as PUCO Commissioner

In April, the PUCO welcomed its newest commissioner, Steven D. Lesser. Mr. Lesser was appointed by Gov. Ted Strickland on Feb. 8, 2010. He was appointed to a five year term, beginning on April 11, 2010 and expiring on April 10, 2015.

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. Commissioner 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. He 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.

PUCO directs FirstEnergy to restore rate discounts for "all-electric" customers

This March, the PUCO provided rate relief to many of FirstEnergy's all electric customers. The all-electric discounts were previously made unavailable to new customers in 2007, and later reduced for existing customers during rate cases in 2009.

At the request of Governor Strickland, the PUCO clarified its March order and extended the restored discounts to all of FirstEnergy's all-electric customers. The discount will remain in effect through the end of the 2010-2011 winter heating season. While this latest all-electric discount restored by the PUCO is temporary, the Commission also ordered PUCO staff to investigate and file a report that outlines the appropriate long-term resolution to the issue.

Wind farm approvals usher in Ohio's renewable energy era

Wind turbines as tall as 500 feet may soon begin appearing across western Ohio farmland. In March, the Ohio Power Siting Board (OPSB) approved proposals to construct wind farms in Champaign and Hardin counties. Once constructed, the combined facilities will include nearly 300 wind turbines generating up to 480 megawatts (MW) of electricity.

The three wind farms, the first of their kind in Ohio, will generate clean, renewable power and help the state meet its new alternative energy portfolio standard.

By 2025, 25 percent of electricity sold in Ohio must be generated from alternative energy sources. At least half of this energy must come from renewable energy sources, including wind, and one half of the renewable energy facilities must be located in Ohio.

The OPSB reviews applications for construction of large electric and natural gas facilities in Ohio. The 11-member board is comprised of representatives of the PUCO, the Ohio Environmental Protection Agency, the state departments of Development, Natural Resources, Agriculture and Health, the Ohio General Assembly, and the public. The Chairman of the PUCO also chairs the OPSB.



The OPSB is currently evaluating three other wind farm proposals that span Crawford, Paulding, Richland and Van Wert counties. If approved, these projects could bring an additional 322 wind turbines and 600 MW of renewable energy to Ohio.

Additional information regarding these projects and Ohio's wind energy siting process is available on the Web at www.OPSB.ohio.gov.

Approved Wind Projects

Hardin Wind Farm

- 200 turbines
- 300 MW
- Construction: late-2010
- Operation: late-2011

Buckeye Wind Farm (Champaign County)

- 54 turbines
- 135 MW
- Construction: mid-2010
- Operation: mid-2011

Hardin County North Wind Farm

- 27 turbines
- 48 MW
- Construction: late-2010
- Operation: mid-2011

PUCO awards hazardous materials training grants

Last month, the PUCO awarded hazardous material training grants totaling more than \$300,000 to eight local government agencies and educational institutions in Ohio. The grants, funded through fines paid by hazardous material carriers and shippers, will be used to train public safety and emergency services personnel in the proper techniques for the management of hazardous materials transportation and spills.

This year's grant recipients included the City of Toledo, Bowling Green State University, the Summit County Special Operations Response Team, the Dayton Regional Hazardous Materials Response Team, the Medina County Emergency Management Agency, the Clearcreek Fire District, the Shawnee Township Fire Department, and The University of Findlay.

For more information about hazardous materials planning and training grants, please visit the motor carrier section of the PUCO Web site.

Ohio named a national leader in motor carrier compliance reviews

Ohio's Motor Carrier Safety Assistance Program (MCSAP) recently received an award from the Federal Motor Carrier Safety Administration (FMCSA) for having the most comprehensive and effective compliance review program among large states in 2009.

The FMCSA recognized states that conduct MSCAP work in four safety categories at the agency's annual leadership conference last week. Ohio received the award from Anne Ferro, the Administrator of the FMCSA and Deputy Secretary of Transportation, John Porcari.

A compliance review is a comprehensive audit of a motor carrier's business practices to ensure that they are complying with state and federal safety regulations. PUCO inspectors work in conjunction with the FMCSA to conduct reviews, reviewing documentation of areas such as hours of service, vehicle maintenance, financial responsibility, and driver qualifications. In the past, compliance reviews have been found to be one of the most effective tools to ensure motor carriers are operating safely.

The MCSAP is a Federal grant program that provides financial assistance to States to reduce the number and severity of crashes and hazardous materials incidents involving commercial motor vehicles. The goal of the MCSAP is to reduce commercial motor vehicle-involved crashes, fatalities, and injuries through consistent, uniform, and effective safety programs. During the 2009 fiscal year, the PUCO conducted 560 compliance reviews, including 172 hazardous materials carriers and 24 passenger carrying motor vehicles.

Summer Energy Savings Tips

We've weathered the icy storms of winter and it's finally time for sun and fun! Summer is just around the corner, and spring is a good time to ponder ways to cut costs on your electric bill. Try implementing these tips to stay cool and save money this summer:

- During the day block the heat from the sun by closing windows, doors and curtains.
- Turn the thermostat to 80 degrees when you are sleeping or away from home. Raising the temperature 5 degrees for eight hours can lower cost by 3-5 percent.
- Use appliances and air conditioning units that are ENERGY STAR approved.
- Turn off ceiling fans when you leave the room. Remember fans cool people, not rooms.
- Avoid placing lamps, TV's and other appliances that generate heat near the thermostat as the readings will cause the generation of more power.

- Install efficient lighting that runs cooler. According to the US Department of Energy only about 10–15 percent of the electricity that incandescent lights consume results in light—the rest is turned into heat.
- Run the clothes washer with a full load. Each load of laundry uses approximately 50 gallons of water.
- Take showers instead of baths. Baths can use 5-15 more gallons of water than a shower.
- Use a nozzle on your water hose to shut off or adjust the spray to fit the amount of water you need to water the lawn or wash your car.
- Mow your lawn using a higher lawn mower setting. Having longer grass will allow less evaporation and keep your lawn more hydrated.
- Prevent water evaporation by watering your lawn in the morning or evening.
- Use mulch to conserve moisture in your lawn.

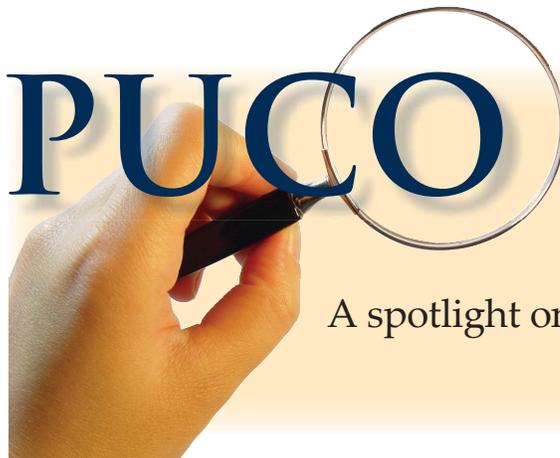
Taking these simple steps will not only lower your payments this summer but it will also go a long way towards making Ohio more energy efficient. For more tips to save money on cooling and water bills, visit the consumer info section of www.PUCO.ohio.gov.

PUCO Approves Frontier Communications – Verizon Merger

In February, the PUCO approved an agreement that would transfer Verizon's 4.8 million wireline customers to Frontier. Agreements reached with Frontier, Verizon, PUCO staff, the Office of the Ohio Consumers' Counsel, Cincinnati Bell Extended Territories, and Comcast settled several issues in the case. Under the terms of the agreements, Frontier will develop and implement a broadband program within its service territory. Frontier also committed to not increase Verizon's current basic local exchange rates during the broadband program.

Over the three years following the close of the merger, Frontier will make \$50 million in capital investments. To satisfy concerns for in-state presence, Frontier has committed to retain nearly 1,000 Verizon North employees in Ohio after the close of the merger.

On May 29, 2009, the companies filed the joint application seeking approval of a change in ownership in which Frontier would acquire control of Verizon North, Inc. and other Verizon subsidiaries. As a result of the merger, Verizon is now an indirect, wholly owned subsidiary of Frontier. The PUCO held six local public hearings throughout Verizon's service territory to provide customers an opportunity to testify on the merger application.



PUCO IN FOCUS

A spotlight on the latest news affecting Ohio utility consumers.

Customer Q&A: Columbia changes the way it buys gas

Columbia Gas of Ohio has changed the way it buys natural gas for customers who have not selected an alternative natural gas supplier or enrolled with a government aggregation buying group.

What has changed?

A: Columbia now buys gas from alternative suppliers and passes the price of that gas on to customers at a monthly rate called the Standard Service Offer (SSO). The SSO rate has replaced the Gas Cost Recovery (GCR) rate on customer bills.

What stays the same?

A: Columbia will continue to deliver natural gas to all customers, offer payment plans, such as budget billing and handle all emergency and customer service calls. Customers are still free to choose an alternative natural gas supplier, join a government aggregation buying group or remain with Columbia on the SSO rate.

How is the SSO rate determined?

A: Each February, alternative natural gas suppliers place bids in PUCO-monitored “auctions” held to provide Columbia with natural gas for its current GCR customers. The suppliers that place the lowest bid are selected to provide the natural gas that Columbia needs to serve customers who do not buy natural gas from alternative suppliers or through government aggregation programs.

Columbia buys gas from the winning suppliers each month and passes the price of that gas on to customers at the SSO rate. The SSO rate changes monthly based on the NYMEX month-end settlement price, plus a retail price adjustment that will be determined annually in each auction. The retail price adjustment is set at \$1.93 per thousand cubic feet (Mcf) from April 1, 2010 to March 31, 2011.

What is the NYMEX and the month-end settlement price?

A: The NYMEX, or New York Mercantile Exchange, is a “stock market” for energy and precious metal commodities. It sets a daily national market price for natural gas. Demand for natural gas is seasonal, and the NYMEX price can change dramatically from one month to the next. Variables including supply and demand and the weather can cause prices to fluctuate.

The NYMEX month-end settlement price is set on the third business day from the end of the previous month. Columbia customers can take that price and add to it the retail price adjustment to get a preview of the following month’s SSO rate. Customers can learn more about the NYMEX and obtain natural gas market wholesale prices online at www.nymex.com.

Will Choice customers be affected by the changes?

A: Choice customers who are enrolled with an alternative supplier are not affected by the changes – their contracts will remain the same. If a Choice customer’s contract expires, and the customer does not re-enroll or choose a new supplier, the customer will become a Columbia customer at the SSO rate. If a customer’s Choice supplier goes out of business, Columbia will provide service to its customers at the SSO rate. Choice customers will be able to choose to return to Columbia’s SSO at anytime, but should review their contract, if applicable, for any cancellation fees. Customers interested in choosing a Choice supplier can compare rate offers using the PUCO’s Apples to Apples comparison charts.

Do I have to choose a supplier?

A: No. Columbia customers are not required to choose an alternative supplier and will, as always, have several natural gas supply options. They may choose an alternative natural gas supplier, join a government aggregation buying group or remain with Columbia on the SSO rate.