



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

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The Public Utilities
Commission of Ohio

www.PUCO.ohio.gov
(800) 686-PUCO

Chairman:

Alan R. Schriber

Commissioners:

Ronda Hartman Fergus

Valerie A. Lemmie

Paul A. Centolella

Cheryl Roberto

180 E. Broad Street
Columbus, Ohio 43215-3793

New energy bill wins support of Senate, House, Governor

From Halloween to Earth Day to the one year anniversary

Gov. Strickland signed Substitute Senate Bill 221 into law on May 1, marking the one year anniversary of the date he unveiled his “Energy, Jobs, and Progress Plan” to ensure predictable and affordable electricity prices for years to come. After months of negotiations, lawmakers and the governor agreed to legislation that outlines a path for electric utilities to implement market-based pricing while still incorporating a system under which rates would be set by the PUCO.

Senate Bill 221 was introduced last fall by Sen. Robert Schuler (R-Cincinnati) at the request of Gov. Strickland. The bill was introduced based upon these principles from the governor’s plan:

- Ensuring transparency and accountability
- Making sure customers have equal footing with utilities
- Creating a strong renewable and advanced energy portfolio
- Modernizing Ohio’s electric infrastructure
- Reducing greenhouse gas emissions
- Establishing a balance between regulation and competitive markets

The bill received numerous hearings in the Senate Energy and Public Utilities Committee and underwent changes before being passed unanimously on the Senate floor on Halloween 2007.

Afterwards, the House of Representatives began its committee process by holding panel discussions on specific aspects of the legislation. After many months of hearings, Speaker Jon Husted (R-Kettering) unveiled a House

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Roberto joins Commission

In April, the PUCO welcomed its newest commissioner, Cheryl Roberto. Commissioner Roberto was appointed by Gov. Ted Strickland on March 7, 2008.

In her previous post as director of the city of Columbus Public Utilities Department, Roberto led a staff of 1,300 people, managed an operating budget of \$400 million, and directed a capital program of \$250 million. Working with elected officials, community activists, and business leaders, she restructured the city’s water and electricity rates, encouraged conservation, and created a regulatory compliance program.



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PUCO approves Columbia Gas riser plan

A new program approved by the PUCO will help remedy potential natural gas riser failures in the Columbia Gas of Ohio service area. The riser replacement program gives Columbia responsibility for the immediate repair or replacement of hazardous customer service lines and the replacement of prone-to-failure risers over a three-year period.

What is a natural gas riser?

A riser connects an above ground natural gas meter to the customer service line. The riser is installed by a builder or subcontractor when the home or building is constructed.

Why is the PUCO concerned about risers?

The PUCO opened an investigation in April 2005 after a series of gas leaks across Ohio were linked to faulty risers. The investigation examined the types of natural gas risers being used in Ohio, as well as their condition, installation, and overall performance. Following extensive testing by a laboratory in Akron, PUCO staff issued a report in November 2006 that outlined the potential circumstances under which natural gas risers may fail.

How do I know if I have a riser that could fail?

Columbia has surveyed all the risers in its service territory to identify those that could fail under certain circumstances. If the company has determined that you have a prone-to-failure riser, they will replace it at no direct cost to you.

Who is responsible for the repair or replacement of risers and natural gas service lines?

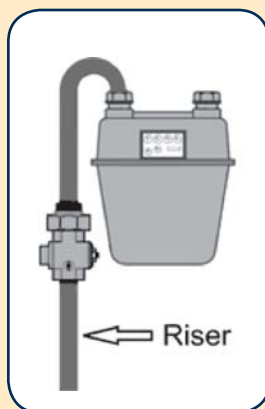
Historically, the owner of a home or building has been responsible for the repair or replacement of the riser and natural gas service line. Such work was to be done by an operator-qualified plumber, with the home or building owner responsible for the costs incurred. The infrastructure replacement program gives Columbia responsibility for the immediate repair or replacement of hazardous customer service lines and the replacement of prone-to-failure risers over a three-year period.

What if I don't want to wait for Columbia?

Customers who do not want to wait for Columbia to replace a prone-to-failure riser may arrange for repair or replacement through an operator-qualified plumber and seek reimbursement from Columbia. Customers are advised to contact Columbia before scheduling such work. Reimbursements are capped at \$385 for full riser replacement and \$330 for riser repairs. Customers must provide Columbia with receipts that document the work done and amounts paid.

What if I have already replaced my riser?

Customers who replaced a prone-to-failure riser between Nov. 24, 2006 and April 9, 2008 are eligible to seek reimbursement from Columbia. These reimbursements are capped at \$500, and customers must provide Columbia with receipts that document the work done and amounts paid.



Will this program result in higher natural gas rates for Columbia customers?

Columbia will spread the costs of replacing prone-to-failure risers and hazardous service lines among its customers through a fixed monthly charge called the infrastructure replacement program rider. The amount of the rider has not yet been determined.

What if I have a riser, but I'm not a Columbia customer?

The PUCO requires all of Ohio's local natural gas distribution companies to conduct and maintain a full inventory of natural gas risers in their service area. The companies must track all riser leak failures that occur in their service area and report these failures to the PUCO semi-annually. They must also incorporate riser installation procedures into their company operator qualification requirements. The PUCO is currently considering additional infrastructure issues in rate cases filed by Columbia, Dominion East Ohio, Duke Energy Ohio, and Vectren Energy Delivery of Ohio. ♦

SB 221, continued from cover

version of the legislation as Sub. SB 221. Gov. Strickland threatened to veto the substitute bill, because he believed the language would threaten Ohio's ability to keep and create jobs.

After further discussion, changes were made and a new House version of the bill emerged. The bill was voted on and passed by the House on Earth Day, April 22. The House-passed version of the bill includes language that applies a new earnings test on future utility income, requires that at least 25 percent of the state's electric power come from advanced or renewable sources by 2025, mandates significant use of energy efficiency technologies,

and grants the PUCO authority to set the path utilities will take to market-based rates.

The final version of Sub. SB 221 meets the objectives specified by the governor when he first detailed his energy goals. Without this law, most electric utilities in Ohio would be able to charge market prices for power at the beginning of 2009.

With the signing of Sub. SB 221, the PUCO now begins the work of implementing this important legislation. More information regarding the PUCO's role will become available at www.PUCO.ohio.gov in the coming months. ♦

PUCO wins award for leadership in commercial motor vehicle safety

At a conference held this spring in Denver, Colo., U.S. Secretary of Transportation Mary Peters presented the PUCO with the Motor Carrier Safety Assistance Program (MCSAP) Leadership Award. Ohio was recognized in the large state category for conducting the highest number of motor carrier compliance reviews during fiscal year 2007.

The national truck and bus fatality rate is at an all-time recorded low.

The PUCO conducts compliance reviews to ensure that motor carriers operate safely and responsibly. During each review, PUCO inspectors examine carrier documentation including driver hours of service, vehicle maintenance, and insurance coverage. The reviews allow the PUCO to determine if motor carriers are operating within federal and state regulations.

Ohio has participated in MCSAP since the mid-1980s. Since that time, the program has been acknowledged as extremely successful and is one of the key reasons why the national truck and bus fatality rate in the U.S. is the lowest it has been since the Department of Transportation began keeping records. ♦



Standing left to right, U.S. Secretary of Transportation Mary E. Peters; Captain Ron Ostler, Utah Highway Patrol; Captain Dan Meyer, Kansas Highway Patrol; Alan Martin, Deputy Director of Transportation, PUCO.

Roberto, continued from cover

Before life as a public sector executive, Commissioner Roberto enforced environmental and consumer protection laws as an assistant attorney general in the state of Ohio and as an assistant general counsel in the commonwealth of Pennsylvania. She also served as city legal counsel in Columbus and Erie, Penn. and lectured in political science at Pennsylvania State University.

Commissioner Roberto received her B.A. with honors from Kent State University and her Juris Doctorate from the Moritz College of Law at The Ohio State University. ♦

PUCO intercepts drug shipment

In March, PUCO Hazardous Materials Specialist Gary Peace stopped a truck at the Harrison Scales, near Cincinnati, for a routine vehicle inspection. The driver claimed to be hauling household goods from Reno, Nev. to East Point, Ga.

During the course of his inspection, Peace discovered the moving company did not have authority to operate, and the driver, who was under the required age of 21, did not possess a logbook. As a result of these violations, he placed the driver and vehicle out-of-service.

Specialist Peace, who received drug interdiction training several years ago, became suspicious of the driver's story and the route taken to deliver the furniture. He contacted the Hamilton County Sheriff's Office to advise them of the unusual circumstances. The Cincinnati Police Department Regional Narcotics Team dispatched a K-9 unit to the site and discovered 452 pounds of marijuana



packed into two antique piano cases which were part of the household goods in the truck.



PUCO specialists regularly conduct roadside inspections of commercial motor

vehicles. Each inspection follows a thorough process to ensure that the driver and vehicle meet state and federal regulations.

Inspectors collect driver documentation and operating permits, interview the driver, identify the motor carrier, check for the presence of hazardous materials, and explain the inspection process to the driver. They also check the condition of the driver for signs of fatigue and the use or possession of alcohol or illegal drugs.

Vehicles and drivers that fail to meet these regulations may be placed out-of-service and cannot continue operating until they comply. This thorough inspection process helps the PUCO monitor and enforce motor carrier safety on Ohio's highways. ♦

PUCO IN FOCUS



A spotlight on the latest news affecting Ohio utility consumers.

Dayton Power & Light goes green

Dayton Power & Light (DP&L) has joined Duke Energy Ohio, American Electric Power Ohio and FirstEnergy in offering its customers a green pricing option. A pilot program available through Dec. 31, 2009 will allow DP&L customers to support the generation of renewable energy by paying as little as \$2 more on their monthly bill.



Customers who choose to participate in the program will pay the same rates as non-participants, plus a \$1 charge per 100 kilowatt-hours (kWh). Customers must purchase a minimum of 200 kWhs per month, but may purchase additional 100 kWh blocks as interested.

Participating customers should not expect to receive “green” electricity, but participation will ensure that more electricity from alternative sources including wind, solar, and biomass is added to the electric grid. More information on the green pricing program is available online at www.dpandl.com or by calling (800) 433-8500. ♦

Suburban Gas rates set to rise

The PUCO recently granted Suburban Natural Gas Company a rate adjustment. The average residential customer in the company’s northern system will see a 2.8 percent increase on their total bill. Those in the southern system will see a 7 percent increase.

The PUCO also granted an increase in Suburban’s monthly customer charge for all customers to \$9.18 and an increase in the company’s bad check charge from \$15 to \$30. The company must also file plans with the PUCO for the replacement of prone-to-failure natural gas risers and aging pipelines.

Suburban operates two distribution systems in Ohio. The northern system serves 5,486 customers in Hancock, Henry, Lucas, and Wood counties. The southern system serves 9,396 customers in Delaware and Marion counties. ♦

Only Tap Water
Delivers

Drinking
Water Week
2008

In observation of National Drinking Water Week, May 4-10, 2008, the PUCO offers these conservation tips:

- Only run the dishwasher and washing machine when full.
- Install low-flow showerheads and toilets.
- Repair leaky faucets and toilets.
- Take short showers instead of baths.
- Turn off the water while brushing your teeth.
- Wash your car at the car wash instead of at home.
- Avoid over-watering your lawn and slow evaporation by watering in the morning or evening.
- Mow your lawn at a higher setting. Longer grass slows evaporation and keeps your lawn hydrated.
- Plant drought-resistant landscaping.
- Mulch to conserve moisture in your yard.
- Install rain barrels to catch storm water for watering your lawn and garden. ♦

Call Center saves customer \$60K

After nearly three months of effort, PUCO Customer Service Investigator Kelly Tucker saved an Ohio business \$60,000 in improperly billed telecommunications charges. The charges had been accumulating on the customer’s account since they cancelled a service known as ISDN Primary Rate Interface in 2006.

In 2007, the PUCO saved consumers nearly \$660,000.

Last year, the PUCO Consumer Call Center conducted nearly 12,500 investigations that helped save utility consumers \$659,387. If you have questions or concerns about your utility service, call the PUCO at (800) 686-PUCO or visit www.PUCO.ohio.gov. ♦