

FILE FAX

RECEIVED-DOCKETING DIV

2009 MAY 22 PM 3:27

BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO PUCO

In the Matter of the Commission's  
Investigation into the Value of Continued  
Participation in Regional Transmission  
Organizations

Case No. 09-90-EL-COI

---

COMMENTS OF THE CITIZENS COALITION

---

Now comes The Neighborhood Environmental Coalition, The Empowerment Center of Greater Cleveland, Cleveland Housing Network, and the Consumers for Fair Utility Rates who, through their counsel, hereby submit comments in response to the Public Utility Commission's March 4, 2009 entry in the above-referenced case. All four of the interveners are hereinafter referred to as "The Citizens Coalition."

Member Groups of the Citizens Coalition Provide the Unique Perspective of Low-Income Utility Customers. The member groups of the Citizens Coalition have long represented low-income populations in the Cleveland area in many capacities, including representation before the Public Utilities Commission of Ohio. These groups are uniquely situated to present the oft-neglected but critically important viewpoint of low-income families struggling to pay monthly utility bills.

This is to certify that the images appearing are an accurate and complete reproduction of a case file document delivered in the regular course of business.  
Technician SM Date Processed MAY 22 2009

The Neighborhood Environmental Coalition is dedicated "to protecting the created environment" and helping low income families meet their energy and heating needs in ways that will not harm the environment. The Empowerment Center—formerly the Greater Cleveland Rights Organization—has participated in numerous PUCO proceedings over the past several decades and is especially concerned with assisting low-income families in making optimal decisions to allow continued utility service on very limited budgets.

The Cleveland Housing Network works to "generate hope and healthy market forces in Cleveland's aging neighborhoods." It works with low-income residents in obtaining and maintaining affordable housing in the Cleveland area. Consumers for Fair Utility Rates specializes in working to obtain affordable utility rates for low-income households. This organization has also been involved in PUCO proceedings for the last several years.

The Citizens Coalition contributes a viewpoint unlike most other participants in PUCO cases—it represents individuals whose daily lives are profoundly affected by even small increases in utility rates. The dollar amount that appears on their utility bills each month affects their ability to pay their medical bills, pay their mortgage and feed their families while still receiving the utility services they cannot live without. It is with this perspective in mind that the following comments on regional transmission organizations are offered.

**Comment 1: Residential consumers lack adequate information to analyze the beneficial or harmful effect that RTO participation has on their monthly electric bill.**

Among the lofty goals of FERC's Order 2000, the primary interest of low-income consumers is the goal of ensuring "that electricity consumers pay the lowest price possible for reliable service." But as Paragraphs 5 and 6 of the Commission's March 4<sup>th</sup> entry make clear, reliable data on the performance and effect of RTO participation is not available. Neither the Commission nor the RTOs themselves seem able to quantify the impact that RTO participation has on Ohio consumers.

If the Commission is truly interested in the comments of residential consumers, these consumers need a means to make a simple comparison of what their electric bill would look like with RTO participation and without it. How much are RTOs costing or saving them per kilowatt-hour of electricity they use? The Citizens Coalition believes that any analysis of RTO participation is incomplete without this data and the Commission cannot consider itself prepared to make future decisions regarding RTO participation unless it has this data in front of it.

**Recommendation:** The Commission should extend the deadline for comments from interested parties in this case by 90 days and provide interested parties with the ability to request information from the RTOs and First Energy either voluntarily or through the discovery process.

**Comment 2:** Residential consumers lack adequate information to analyze the performance of RTOs and determine the extent to which they are conferring an optimal benefit to consumers?

Even assuming RTO participation provides cost savings to residential consumers, consumers have no way of determining whether an RTO is operating in manner that provides them with optimal cost-savings. RTOs face interests that compete with policies that assure residential customers will receive the lowest possible rates for their electrical service. However, customers have little access to the information that would allow them to determine if RTOs are operating with their best interests in mind. Availability of this information is critical to allowing residential consumers and the Commission to make assessments of the value of RTO participation.

**Recommendation:** Participating RTOs should be mandated by the PUCO to submit the activities of their organizations to the PUCO. Reporting should be quarterly beginning in the Fall of 2009. The PUCO should then digest the information provided by the RTOs and publish it to the public in ways that a common residential customer could understand. This published information must specifically set out any impact on the price of electricity for residential consumers that occurs as a result of the actions of the participating RTOs.

**Comment 3: Residential customers are not adequately represented among**

**RTO stakeholders and therefore decisions are seldom made with their interests in mind.**

As mentioned previously, no one is more profoundly affected by increases or decreases in utility rates than low-income residential consumers whose lives depend upon their ability to get affordable utilities. However, representation of residential customers,

particularly low-income residential customers, on RTO Boards of Directors and among RTO stakeholders is virtually non-existent. Supply-side representation dominates the decision-making processes of RTOs. Because demand-side representation among stakeholders is often split among competing interests, it makes it impossible for demand-side interests, including the interests of residential consumers, to compete against the unified front of supply-side representatives in the RTO decision-making process. The result is that the management of RTOs shifts toward the commercial interests of supply-side market participants, leaving the interests of residential consumers behind.

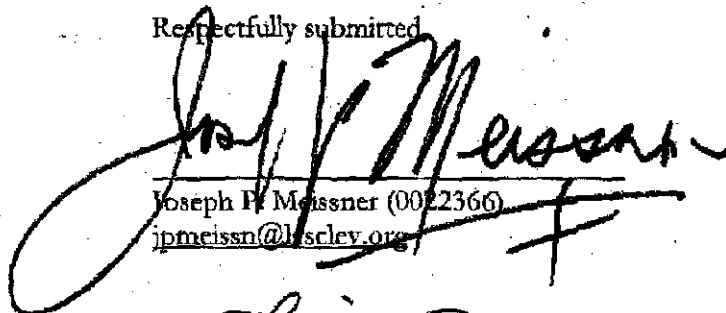
The Citizens Coalition believes that the Commission should not continue participation in RTOs without putting in place requirements regarding consumer representation on RTO Boards. Residential customers, who pay for approximately 40% of the costs of RTO operation, should have representation on RTO Boards equal, at least, to that percentage. Unless this happens, RTOs will continue to disregard the needs of residential customers for an affordable monthly electric bill in favor of the supply-side's desire for reliability and efficiency.

**Recommendation:** The PUCO should mandate that any participating RTO be structured so that the Board is composed of at least 40% residential consumer representatives by January of 2010. In the alternative, the Commission should pursue the construct of an Ohio-only RTO which would have a Board of Directors composed of at least 40% residential consumer representatives.

### Conclusion

The low-income consumers represented by the Citizens Coalition wish only for the *means* to participate in the determination of Ohio involvement in RTOs so that their needs are not ignored. By ensuring that these customers and their representatives have the information necessary to make judgments about the actions and effects of RTOs and by ensuring that residential customers have sufficient representation on RTO Boards the Commission can make this possible.

Respectfully submitted



Joseph P. Meissner (0022366)  
[jpmessn@lasclev.org](mailto:jpmessn@lasclev.org)



Matthew D. Vincel (0084422)  
[mvincel@lasclev.org](mailto:mvincel@lasclev.org)

The Legal Aid Society of Cleveland  
1223 West 6<sup>th</sup> Street  
Cleveland, OH 44113  
Telephone: (216) 687.1900, Ext. 5672, 5032  
(respectively)  
Fax: (216) 861-0704

Counsel for:  
Neighborhood Environmental Coalition,  
Consumers for Fair Utility Rates, Cleveland  
Housing Network and The Empowerment  
Center of Greater Cleveland