

Office of the Ohio Consumers' Counsel

Janine L. Migden-Ostrander Consumers' Counsel

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February 9, 2010

Ms. Renee Jenkins, Secretary Docketing Division Public Utilities Commission of Ohio 180 East Broad Street Columbus, Ohio 43215 2010 FEB -9 PM 4: 56

Re: <u>Dominion East Ohio Standard Choice Offer Auction</u>,

Case No. 07-1224-GA-EXM

Dear Ms. Jenkins,

Dominion East Ohio conducted two auctions today to establish the commodity price for standard choice offer customers (for non-Choice customers) and standard service offer customers (for Percentage of Income Payment (PIPP) and Choice ineligible customers).

OCC has supported the opportunity for residential customers to have the option of participating in the Dominion East Ohio Choice Program, or the opportunity to purchase gas from a local distribution company that was acquired using an auction process to provide the lowest cost option for natural gas. The standard choice offer auction conducted today yielded an adder price below the current adder price. OCC supports this pricing result and recommends approval by the Commission.

However OCC contends that it has never been demonstrated that the standard choice offer auction format provides greater value than a standard service offer auction. Today's results, with both the standard service offer and standard choice offer auctions posting the same adder price, demonstrates this point. When the higher sales tax rate for the standard choice offer is factored in, the result is customers are paying more under the standard choice format.

Therefore, OCC is by this letter, renewing its support for the continuation of wholesale auctions which provide savings to customers and voicing its opposition to the standard choice offer auction format because 1) the standard choice offer will impose a higher tax rate on customers, 2) there have been no tangible, objectively quantifiable benefits for residential customers as a result of the change from the

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standard service offer auction format to the standard choice offer format, and 3) the change to the standard choice offer (from the standard service offer) has resulted in considerable customer confusion from the sudden appearance of a Marketer's name on a customer's bill.

Sincerely,

Joseph P. Serio

Assistant Consumers' Counsel