10-3126-EL-UNC

From: "webmaster@puc.state.oh.us" To: "ContactThePUCO@puc.state.oh.us"

Subject: 57798

Sent: 1/29/2011 5:00:15 AM

Message:

WEB ID: 57798 AT:01-28-2011 at 08:46 PM

Related Case Number: 10-3126

TYPE: comment

NAME: Mrs. Jennifer Fenderbosch

CONTACT SENDER? Yes

MAILING ADDRESS:

City of Avon Lake

- Councilwoman Jennifer Fenderbosch
- 150 Avon Belden Road
- Avon Lake, Ohio 44012

USA

PHONE INFORMATION:

 Home: 440-933-4644 Alternative: 440-821-4617 • Fax: 440-930-4107

E-MAIL: ifenderbosch@avonlake.org

INDUSTRY: Electric

ACCOUNT INFORMATION:

Company: First Energy

 Name on account: Not Applicable Service address: Not Applicable • Service phone: Not Applicable Account Number: Not Applicable

COMMENT DESCRIPTION:

Case 10-3126-EL-UNC is before the PUCO that needs your attention. There is a benefit for the consumer and electrical industry from converting the tariff (invoicing) system to "decoupling". However, there is good decoupling and there is bad decoupling. Unfortunately, the business model in case 10-3126-EL-UNC is bad decoupling because it offers no incentive to conserve electrical usage. Regardless of the amount of electricity used, the main rate will stay the same.

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This is to certify that the images appearing are accurate and complete reproduction document dell This example is called "Straight Fixed Variable". It will raise the rates for all consumers. What it does is load a high charge on the front of all bills to recover the profit needed to grow a utility and then it adds a small variable for electrical usage.

The good decoupling is called "Volumetric Decoupling". There is a small variable added on the front for profit and then the larger profit variable is added to the usage. It offers an incentive to conserve electrical usage with the customer in control of their costs. Also, it adds a small margin (\$1 per invoice for example) to be used towards setting up a third party non-profit company that trains customers in conservation principles and manage energy efficiency installations. The more they conserve, the less the electrical costs. With all-electric homes, there would be a fixed tariff that freezes the discount to the property for the life of the all-electric usage.

Unfortunately, the PUCO calls both the good and bad decoupling "decoupling". I agree with the Ohio Consumer Council's support of good decoupling -- "Volumetric Decoupling" -- because it supports conservation incentives. I recommend that case 10-3126-EL-UNC be changed to a "Volumetric Decoupling" case that supports conservation incentives.

Sincerely, Councilwoman Jennifer Fenderbosch