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BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

PUCO

2011 FEB 11 PM 12:45

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In The Matter of Aligning Electric
Distribution Utility Rate Structure With
Ohio's Public Policies to Promote
Competition, Energy Efficiency, and
Distributed Generation)

Case No. 10-3126-EL-UNC

COMMENTS
FILED ON BEHALF OF THE
NEIGHBORHOOD ENVIRONMENTAL COALITION
THE EMPOWERMENT CENTER OF GREATER CLEVELAND,
UNITED CLEVELANDERS AGAINST POVERTY,
AND
THE CONSUMERS FOR FAIR UTILITY RATES

Now comes The Neighborhood Environmental Coalition (hereinafter "Coalition"), The Consumers for Fair Utility Rates (hereinafter "Consumers"), United Clevelanders Against Poverty, and The Empowerment Center of Greater Cleveland (hereinafter "Center") who (known together as "the Citizens Coalition"), through their counsel, hereby file the following Comments.

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COMMENT 1: The Citizens Coalition already has joined and fully endorses the Comments that are being filed on behalf of the OCEA. The Citizens Coalition supports the arguments, reasoning, conclusions, and recommendations of the OCEA and urges the PUCO to adopt and implement all of the recommendations as one package. This support also includes all the responses provided in the OCEA Comments to the Seven Questions presented in the PUCO Entry, dated December 29, 2010.

COMMENT 2: The Citizens Coalition is convinced that the overwhelming majority of both utility customers and the general public do not have the remotest knowledge and understanding about such concepts as "recovering lost revenues," "mitigating throughput incentive," "distributed generation," "straight fixed-variable (SFV)," and "decoupling."

Even when attempts are made to explain such arcane concepts, many people remain unconvinced that anything at all should be allowed which might increase their rates because of energy efficiency, et al. Much of this resentment and opposition surfaced during the general public discussions about the "light bulb program" or "CFL Program" over a year ago. People loudly objected that the light bulbs were overpriced, compared to what they could pay at Home Depot or Costco for comparable bulbs. They also felt they were being coerced into participating in this energy efficiency program. They never understood why "two bulbs and only two bulbs, but absolutely two bulbs," had to be distributed to everyone. Also they could not understand at all why the utility companies could claim and collect additional ratepayer money because of possible lost revenues. The Citizens Coalition is just waiting for the next story in the public media which will pose such questions as the following: What has happened to the CFL light bulbs? Are they still being stored at enormous rental costs by the Salvation Army? And what

will happen to these bulbs which coincidentally were manufactured outside America?

Moreover, who will pay for all of this? Perhaps the PUCO should prepare in advance its news releases in order to be ready for a possible "public revelation" about the light bulbs.

To return to this case, if the PUCO adopts any proposal, it must make certain that it adequately presents its decision to the customers and public along with its justification and materials to educate the public.

COMMENT 3: It must also be said that the Citizens Coalition and its members do not like the idea of allowing utility companies to recover "lost revenues," whether this is by decoupling or a straight fixed-variable rate structure, or some combination. Here are various comments and concerns which they have asked us as their counsel to convey::

a. "Why should the utility companies recover anything for when people decide to conserve and thus use less of the companies' product? When a century ago, people changed their main means of transportation from horse buggies to cars, should the new car owners have paid the manufacturers of buggy whips for their loss of revenue? This is part of capitalism, entrepreneurship, and changes in the economy. Let the chips fall where they may and let the utilities adjust."

b. Another question people ask is: "Why should our rates be increased when people conserve? Should not our rates actually decrease because there is less need for utility companies to add expensive new plant or to engage in new and expensive processes for serving customers?"

c. People ask: "If a customer decides, independent of any utility-sponsored program,

to conserve, will the utility companies be able to recover from customers for alleged 'lost revenues?'"

These are just a few of the issues that concern people when they initially learn about lost revenues, decoupling, and SFV. Again the PUCO must answer such concerns if it adopts any proposal.

COMMENT 4: Let us suppose that Energy Efficiency and related programs are successfully implemented. Let us suppose that people do reduce their wasteful usage. Let us suppose that expensive new plants and facilities do not have to be constructed. Should not this all lead to lower utility rates? Furthermore, let us suppose that by insuring that utility companies can make up their lost revenues, the companies thus become less risky and this leads to a reduced COE? Should not all of this result in lower utility rates? The Citizens Coalition requests that the PUCO should regularly and often review what is happening to the utility companies in order to ascertain whether our rates should be decreased because of the energy efficiency programs and that any rider actually becomes a credit on customer bills.

COMMENT 5: One assumption underlying this policy for making up the lost revenues, including through decoupling, is that utility companies will not only not subvert or even sabotage various economic efficiency programs, but that the utility companies will act positively in implementing and promoting these programs. This assumption, in the view of the Citizens Coalition, should be subject to verification. It should be possible after a few years to see whether this assumption is validated. The Citizens Coalition requests that the PUCO should

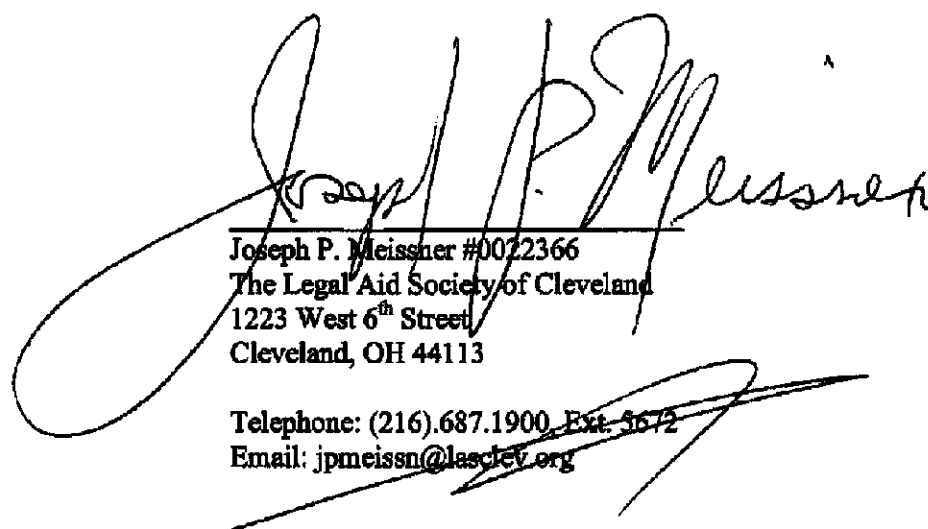
plan now various ways for validating this assumption and set up ways for collecting data to test this assumption.

COMMENT 6: The OCEA strongly recommends that the Commission adopts our Decoupling approach and the Citizens Coalition supports this. However, intimately involved with the decoupling proposal are a series of restrictions and protections for consumers proposed by OCEA. The Citizens Coalition very much supports the adoption of all these restrictions and consumer protections. Without these, the decoupling proposal is naked and unsupportable. The Citizens Coalition therefore backs the OCEA Decoupling approach with the understanding that all recommended restrictions and consumer protections must also be adopted by the Commission.

CONCLUSION: The Citizens Coalition (see FOOTNOTE 1 below) urges the PUCO to adopt the comprehensive and beneficial proposal for decoupling with its attendant and necessary restrictions and consumer protections as set forth in the Comments filed today by the OCEA.

FOOTNOTE 1: Additional Note: The Cleveland Housing Network is withdrawing its request to intervene in this proceeding. The Citizens Coalition, of course, with the other four groups will continue participating in this case.

Respectfully submitted,

A large, stylized handwritten signature in black ink, which appears to read "Joseph P. Meissner". The signature is written over a horizontal line that separates it from the printed contact information below.

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and
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CERTIFICATE OF SERVICE

I hereby certify that a copy of these Comments were served by email, or by First Class

Mail, postage prepaid, on this 11th day of February, 2011.



Joseph Meissner, Attorney