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BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Implementation of
Section 749.10 of Amended Substitute
House Bill 153

Case No. 11-5384-AU-UNC

**PUCO STAFF RECOMMENDATION ON THE DISTRIBUTION
METHODOLOGY FOR THE DECREASE IN THE AMOUNT OF THE
OCC ASSESSMENT**

Amended Substitute House Bill 153 (HB 153), the State of Ohio's biennial budget legislation, which took effect July 1, 2011, reduced the Ohio Consumers' Counsel's (OCC) operating budget from \$8.5 million to \$5.6 million the first fiscal year (FY2012) with an additional reduction to \$4.1 million the following fiscal year (FY2013). In addition, Section 749.10 of HB 153 provides that the Public Utilities Commission shall, on or before December 31, 2011, determine appropriate methods under which to ensure that the reduction in public utility assessments paid under section 4911.18 of the Revised Code for the OCC for fiscal year 2012 and fiscal year 2013 is distributed to the benefit of Ohio customers of those public utilities.

**CALCULATION OF THE REDUCTION IN THE AMOUNT OF
ASSESSMENTS**

On November 4, 2011, the OCC filed with the Commission in this docket the decrease in the amount of the OCC assessment from FY 2011 to 2012 for each

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telephone, electric light, gas, natural gas, pipeline, water works, heating, cooling, and sewage disposal system public utility.

OCC provided the PUCO with the names of the companies that paid a reduced amount in assessments for FY 2012 when compared to the amount of assessments paid for FY 2011 and indicated the amount of the reduction for each company. OCC worked with the PUCO Staff regarding the calculations. Based on OCC's calculations, the total amount of money to be distributed to the benefit of Ohio utility customers as a result of the reduction in public assessments paid under R.C. 4911.18 for OCC for FY 2012 is \$2,856,907.00.

DISTRIBUTION METHODOLOGY FOR THE DECREASE IN THE AMOUNT OF THE OCC ASSESSMENT

The Commission Staff was directed to propose a distribution methodology for the decrease in the amount of the OCC assessment. In doing so the Staff reviewed the numbers in the spreadsheet submitted to the PUCO in the docket on November 4, 2011.

The total decrease in OCC assessments is \$2,856,907.00 and the per company amounts range from a low of \$.08 to a high of \$463,692.12. Because of this wide range of assessment reductions, the Staff believes a one-time company-

issued customer credit would provide little, if any, impact on customer bills. In addition, staff weighed the costs of carrying out a one-time credit to customers. Taking into consideration the amount owed per company in relation to the number of customers, Staff believes the costs associated with issuing the credit may outweigh the one-time credit itself.

RECOMMENDATIONS

The Staff recognizes that the majority of Ohioans pay electric costs and, therefore, recommends that \$2,856,907.00 be credited in full to the electric Percentage of Income Payment Plan (PIPP) rider that is operated through the Ohio Department of Development (ODOD). The PIPP program allows qualifying households to pay a percentage of their monthly household income to maintain electric service. A credit to the electric PIPP program will provide a benefit to Ohio customers by paying down the PIPP rider, and in turn associated costs for non-PIPP qualifying households.

The companies should be required to submit the amount set forth in the November 4, 2011 spreadsheet to the ODOD within 60 days of a Commission Order, and file a compliance letter in this docket stating that the requirement has been met. Once the ODOD receives these monies and all of the compliance letters have been filed in this docket, we recommend the Commission issue an order in

this docket and the appropriate universal service fund (USF) docket authorizing ODOD to credit each electric companies' PIPP riders the equivalent percentage of the overall PIPP obligation of each electric company, and directing the electric companies to reduce their PIPP riders accordingly.

CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing Staff Recommendation submitted on behalf of the Staff of the Public Utilities Commission of Ohio was served by regular U.S. mail, postage prepaid, or hand-delivered to the following parties of record, this 22nd day of November, 2011.



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