

file



## CLERK OF COUNCIL

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PUCO

The following Resolution was adopted by the Council of the City of Cleveland

February 26, 2001.

Res. No. 339-01.  
By Councilmen Willis, Brady,  
McLena, Clinton and Jones.

An emergency resolution urging  
the PUCO to audit Dominion East  
Ohio and other gas companies and  
to hold public hearings in Cleveland;  
and urging Governor Taft to extend  
the moratorium on utility shut offs.

Whereas, Dominion East Ohio Gas  
Company has increased its rates to  
such an extent that the price of nat-  
ural gas places a tremendous bur-  
den on consumers in Cleveland who  
are facing the highest natural gas  
costs ever; and

Whereas, Dominion East Ohio's  
Gas Cost Recovery (GCR) rate in-  
creases have included large in-  
creases in the transportation charges  
assessed on consumers, and such  
increases have not been justified or  
explained fully; and

Whereas, the Gas Choice Program  
which began in Cleveland on Octo-  
ber 1, 2000, at the start of the heat-  
ing season when rates were already  
increasing and choices were de-  
creasing, has only provided rate  
relief to a small number of con-  
sumers in Cleveland; and

Whereas, the natural gas distribu-  
tion companies in the State have  
publicly stated their opposition to  
expanded choice or aggregation pro-  
grams which would enable many  
more consumers to take advantage  
of choice, unless the companies are  
allowed rate recovery of so-called  
"stranded costs"; and

Whereas, Cleveland City Council  
held a hearing on the gas crisis and  
heard from many consumers and  
their representatives that the in-  
creases are unfair to consumers,  
that the PUCO and State of Ohio  
should investigate the causes and  
take action to lower rates, and that  
the Choice Program is beset with  
unreasonable rules that exclude too  
many consumers from being able to  
participate, that the Program was  
poorly promoted and that consumers  
have had too few options for par-  
ticipation; and

Whereas, Ohio law declares (Sec-  
tion 4929.02 Ohio Revised Code) that  
it is the policy of the State of Ohio  
to "promote the availability to con-

sumers of adequate, reliable and  
reasonably priced natural gas ser-  
vices and goods," and to give "con-  
sumers effective choices over the  
selection of ... supplies and suppli-  
ers" of natural gas; and

Whereas, the Ohio Office of the  
Consumers Counsel ("OCC") has  
filed an action at the PUCO entitled  
a "Petition to Investigate the State  
of Ohio's Natural Gas Industry," ask-  
ing the Commission to investigate  
the gas companies in the State  
(Case No. 01-0152-GA-UNC); now,  
therefore,

Be it resolved by the Council of  
the City of Cleveland:

**Section 1.** That this Council urges  
the Public Utilities Commission of  
Ohio (PUCO) to immediately com-  
mence an audit of Dominion East  
Ohio and the other gas companies in  
the State, as requested by the OCC  
in Case No. 01-0152-GA-UNC, entitled  
a "Petition to Investigate the State  
of Ohio's Natural Gas Industry;" and  
that as part of this audit the PUCO  
should immediately investigate all  
of the following:

1. What alternatives are and  
should be made available for con-  
sumers who may not be eligible for  
low income assistance programs but  
still cannot pay their bills, includ-  
ing extending the moratorium on  
shutoffs;

2. The cause of rising natural gas  
prices and the cause of the rising  
transportation charges;

3. What the State of Ohio can do  
to prevent rising natural gas costs  
in the future;

4. The appropriateness of natural  
gas rates currently being charged to  
customers, and the appropriateness  
of the charges for gas transporta-  
tion being charged to both full ser-  
vice customers and Gas Choice cus-  
tomers by Dominion East Ohio and  
the other natural gas distribution  
companies in the State;

5. The appropriate management of  
the gas purchasing, transportation  
and procurement policies of Ohio's

four largest natural gas distribution  
companies;

6. The extent to which natural gas  
distribution companies have not  
been recovering through the Gas  
Cost Recovery (GCR) rate, or other-  
wise, any costs, including the cost  
of transportation reserved for cus-  
tomers who switch to alternative  
gas suppliers (which the distribu-  
tion companies claim may be  
"stranded" due to gas choice and/or  
aggregation), and the extent to  
which such "stranded costs" may  
exist now, or would occur in the  
future if aggregation is expanded;  
and

7. The current state of Ohio's nat-  
ural gas choice programs and  
options to improve the existing pro-  
grams and the promotion of such  
programs, including modification of  
the rules applying to applicants and  
participants; and

8. How meaningful natural gas  
choice options can help consumers  
better manage their gas costs in the  
future.

**Section 2.** That the PUCO hold  
public hearings in Cleveland and  
other cities throughout the State, at  
which the distribution companies  
should be required to present  
responses and answer questions on  
these issues; and

**Section 3.** That, as an act of com-  
passion for those citizens hardest  
hit by high utility bills, Governor  
Taft is strongly encouraged to  
extend a moratorium on utility shut  
offs.

**Section 4.** That this resolution  
shall be transmitted by the Clerk of  
Council and filed with the Public  
Utilities Commission of Ohio in Case  
No. 01-0152-GA-UNC and transmitted  
to Governor Taft.

**Section 5.** That this resolution is  
hereby declared to be an emergency  
measure and provided it receives the  
affirmative vote of two-thirds of all  
the members elected to Council, it  
shall take effect and be in force  
immediately upon its adoption and  
approval by the Mayor.

I, Margreat Jackson, Deputy Clerk of Council of the City of Cleveland, do hereby certify that the foregoing is a true and  
correct copy of Resolution No. 339-01 adopted by the Council of the City of Cleveland, February 26, 2001; Effective March 6,  
2001.

WITNESS my hand and seal at Cleveland, Ohio, this 7<sup>th</sup> day of March, 2001.

This is to certify that the images appearing are an  
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*Margreat Jackson*  
Deputy Clerk of Council