

# *Utilities*

## *Chapter 3*

## Public Utility Rates: Who's in Charge?

**Q:** *Who controls the rates I pay for public utility services such as telephone, gas, electricity, water, and sewer?*

**A:** The Public Utilities Commission of Ohio (PUCO) sets the rates for investor-owned utilities (IOUs), which provide most of the utility services in Ohio. These include companies like AT&T Ohio, Cincinnati Bell, Verizon North, Embarq, FirstEnergy, AEP, Duke Energy Ohio, Dayton Power & Light, Columbia Gas, Dominion East Ohio, Vectren Energy Delivery of Ohio, and many other private companies. Some cities and villages provide utility services—usually water and sewer; their rates are set by the city or village council. The remaining utility services are provided by non-profit associations—chiefly rural electric cooperatives (co-ops). Their rates are set by their members rather than by the PUCO.

While most basic telephone services from traditional telephone companies are set on the basis of cost of service, many non-basic telephone services are based upon market conditions. Cable television providers are not regulated by the PUCO, but are or will be issued video service authorizations by the director of the Department of Commerce. Some natural gas utilities are considering auctions to secure and price natural gas for their customers.

**Q:** *Can a customer “shop around” and buy a portion of his or her energy service from a non-utility?*

**A:** Yes. Currently, a gas customer who receives service from one of the four largest gas utilities (Columbia Gas, East Ohio Gas, Duke Energy Ohio, or Vectren Energy Delivery of Ohio) may qualify to choose his/her own third-party gas supplier. The gas supplier, or marketer, would charge the customer only for the gas itself. That supplier's rates are *not* regulated by the PUCO. However, comparison of such gas rates contained in an “Apples-to-Apples” chart is available by logging onto the PUCO's Web site ([www.puco.ohio.gov](http://www.puco.ohio.gov)) and clicking on the link for the topic, “Consumer Info.”

These programs that allow a customer to choose his/her own gas supplier are known as “customer choice” programs. Customers who participate in customer choice programs must continue to receive the actual physical delivery of natural gas from the public utility (such as Columbia Gas, Dominion East Ohio, or Duke Energy Ohio). Customers pay the utility *base rates* to cover the cost to transport the gas to the customer's premises. Not all gas companies offer customer choice programs and not all customer choice programs are available to every customer.

Some electric customers are able to choose their own generation supplier of electricity whose rates will not be regulated by the PUCO. However, electric customers who switch must continue to pay electric utilities' rates for the transmission and distribution of electricity as well as, in some cases, *transition charges* for the next few years.

Transmission, distribution, and transition charges will continue to be regulated by the PUCO; generation charges will not. Customers who do not “shop” or who “shop and return” to the electric distribution utility may purchase generation services at a Standard Service Offer based upon market prices. A customer who shops and returns may also be subject to a *minimum stay* provision that will require the customer to remain with the electric distribution utility for a period of time before shopping again.

***Q: What is the PUCO?***

**A:** The PUCO is a state agency located in Columbus that has responsibility for regulating the rates and services of Ohio's regulated utilities. It consists of five commissioners, each of whom is appointed by the governor for a five-year term from a list of candidates provided by a special nominating council. Each commissioner is required to have experience in the fields of economics, law, finance, accounting, engineering, or sciences. PUCO commissioners are assisted by a staff consisting of accountants, economists, engineers, rate analysts, attorneys, and other support staff members. The staff not only advises the commissioners, but also has a very important role in the rate-setting process.

***Q: Why do we need a PUCO?***

**A:** Most utility services are monopolies with no competitive market for setting prices or quality of service standards. In order to prevent a monopoly from over-charging customers, the Ohio legislature created the PUCO in 1913. The PUCO was empowered to regulate the rates and services of utilities by balancing the interests of utility customers with those of utility investors. Now, as some utility services are becoming competitive, the legislature is beginning to de-regulate them. For a utility company that is competing with others in the marketplace (much like any other company), the market would replace the need for regulation by the PUCO.

***Q: How does the PUCO set my utility rates?***

**A:** Rate cases at the PUCO usually are initiated by the public utility, although they may be initiated by customers or the PUCO itself. Generally, the utility begins the process by notifying the PUCO and the mayors of the affected areas of an intended rate increase. After the utility files a standardized application with numerous exhibits explaining why the increase should be approved, PUCO staff members analyze the information contained in the application and make field visits to review the utility's property, invoices, and accounting books.

Approximately five to seven months later, the PUCO staff files a document detailing its findings, conclusions, and recommendations. This is called a *staff report*. Other parties such as the Office of the Ohio Consumers' Counsel (a state agency representing residential consumers), commercial customers, industrial customers, cities, as well as the applicant utility itself, may file objections to the staff report. Hearings are then scheduled so that witnesses supporting the positions of the parties for and against the rate increase may be cross-examined.

At the end of the hearings, written arguments (briefs) are submitted. After reviewing the application, staff report, and the record of the hearing and briefs, the PUCO renders its decision to grant, modify, or deny the rate increase. The entire rate case process usually takes between 10 and 12 months. Any party dissatisfied with the PUCO's decision may appeal to the Supreme Court of Ohio. The appeal process may take more than a year.

*—by Stephen M. Howard, an attorney with the Columbus firm of Vorys, Sater, Seymour and Pease, LLP.*

## PUCO and Public Utility Rates: How Are They Set?

**Q: Is there a formula that is used in setting public utility rates?**

**A:** Yes. In the context of monopoly regulation, the Ohio legislature has prescribed by law the general formula that the Public Utilities Commission of Ohio (PUCO) must follow when deciding how much a utility may charge for its services. This formula is intended to produce rates based upon the public utility's cost of service. That formula is: Rate Base x Rate of Return + Allowable Test Year Expenses = Revenue Requirements.

The first component of the formula, known as the *rate base*, is the amount of dollars that the utility's owners have invested in the company. Rate base is reduced each year as it is used up or depreciated to provide the utility's services.

The second part of the formula is a reasonable and fair rate of return to investors of the utility. In recent years, it has been set at a rate of between eight percent and 13 percent. The rate base is multiplied by the rate of return to produce the level of *authorized income* that the PUCO deems appropriate.

The third part of the formula is the allowable level of expenses of the utility. These expenses include labor, operations and maintenance, insurance, depreciation, etc. Certain expenses are not allowed to be included, and others may be subject to adjustments.

The sum of the authorized income plus the allowable expenses equals the utility's *revenue requirement*. If the utility's current revenue levels are less than this revenue requirement, a revenue increase is necessary.

**Q: How does this revenue requirement translate into increases in rates on a consumer's bill?**

**A:** If the utility needs a revenue increase, the PUCO must determine how that revenue increase should be recovered from the various customer classes. Most utilities have more than one customer class (such as residential, commercial, industrial, etc.), and the costs of serving these various classes of customers may differ. The PUCO must determine the appropriate revenue responsibility of each class of customer and then must design specific rates for each class. The utility is then ordered to file new rates (called *tariffs*) that carry out the PUCO's directive.

**Q: Are all public utility rates based upon the public utility's cost of service?**

**A:** No. Non-basic telephone services, such as message toll long distance, are often based upon market prices. Natural gas and electricity customers in Ohio in many instances can purchase the natural gas itself or electric generation service from non-utility suppliers called *competitive retail natural gas providers* or *competitive retail electric service providers*, where the price is in part based upon market conditions. However, customers must still pay to the public utility the distribution rates (*i.e.*, the cost to bring the natural gas or the electricity to one's home or business), which is still based upon cost of service principles.

**Q: What is meant by an Electric Security Plan (ESP)?**

**A:** Under recent legislation, electric distribution utilities (such as FirstEnergy, AEP, Duke Energy Ohio and DP&L) may apply for approval of an Electric Security Plan that includes provisions relating to the supply and pricing of electric generation service. Such an ESP may provide for electric distribution companies to track and recover variations in

fuel costs and environmental costs, may allow for the recovery of construction work in progress projects, may allow for generation charges that must be paid for by all distribution customers, provisions that limit customer shopping for retail electric generation, automatic increase and decrease clauses, and provisions to recover costs related to economic development, job retention, and efficiency programs from all classes of customers. These Electric Security Plans must be approved by the PUCO.

*–by Stephen M. Howard, an attorney with the Columbus firm of Vorys, Sater, Seymour and Pease, LLP.*

## **Know about “Customer Choice” Programs When Selecting Your Gas Company**

Under customer choice programs for Duke Energy Ohio, Columbia Gas of Ohio, Dominion East Ohio and Vectren Energy Delivery of Ohio, you may choose your natural gas supplier. Your local natural gas utility will continue to deliver the gas to your home or business. The following provides more information about the customer choice programs and choosing a new supplier.

***Q: Who is responsible for overseeing the customer choice programs in the retail gas market?***

**A:** The Public Utilities Commission of Ohio (PUCO) is monitoring competition in the retail gas market’s customer choice programs, certifying competitive providers, providing dispute resolution services and providing educational services for small businesses as they seek information and guidance with the now competitive and highly technical but essential utility services.

***Q: What is natural gas choice?***

**A:** Natural gas choice is the result of voluntary programs developed by four Ohio gas companies: Duke Energy Ohio, Columbia Gas of Ohio, Dominion East Ohio and Vectren Energy Delivery of Ohio. Gas choice allows customers to select a supplier or continue to purchase natural gas from the local gas company. As a result of these choice programs consumers can shop and compare prices for natural gas, just as they would for any other goods or services.

***Q: How can a customer begin to explore options? Is there a deadline for making a decision?***

**A:** Customers can choose a supplier at any time, but should first learn about the natural gas choice program and consider available options. In order to make an informed decision, consumers should do some comparison shopping. Questions to ask each supplier can include:

- Are you a PUCO-certified supplier?
- What is the price per hundred cubic feet (ccf) or thousand cubic feet (mcf)?
- Is the price fixed or does it change?
- If it changes, how does it change?
- Does the price depend on how much I use or when I use natural gas?
- Will there be a switching fee?
- Is there a fee if I cancel the contract early?
- Are there any built-in price increases or decreases?
- Is there a customer incentive for signing up?
- Are there any special add-on services?
- How long will the rate remain in effect?
- What happens when my contract expires?
- Will I receive one or two bills a month?
- Who provides the billing?
- Is there a budget plan?
- Are current budget plan customers eligible to participate with the supplier?

***Q: What if a customer decides not to choose a particular gas supplier?***

**A:** If a customer does not choose a particular supplier, that customer remains with the local natural gas company, and the local company will continue to supply natural gas to the customer.

***Q: Will a customer save money by choosing a new natural gas supplier?***

**A:** There is no guarantee that every supplier offer will save a customer money each month. Gas choice programs allow for customers to seek opportunities to save money and for suppliers to promote competitive offers in hopes of attracting new customers. Many factors, including weather, gas usage and the natural gas company's regulated rate can impact potential savings. It is important to research the available offers and decide if choosing a supplier will save money.

***Q: Can local governments create buying pools and negotiate an offer to supply natural gas to customers in their community?***

**A:** Yes. This is called aggregation. Specifically, aggregation is the process by which consumers join together in a large group to buy a commodity such as natural gas. Ohio law allows communities—such as townships, cities and counties—to form the aggregated buying groups on behalf of their citizens. The governmental aggregator chooses an outside supplier for all of the customer-members in its group.

All governmental aggregators buying electricity must be certified by the PUCO. Communities that aggregate to buy natural gas are required to be certified by the PUCO unless they aggregate under an Ohio Constitution provision which allows *home rule* or the right of communities to take action under their own charters.

If an aggregator is going to provide natural gas buying services, it must be certified. Certification by the PUCO means strict requirements for doing business in Ohio have been met.

***Q: How does a consumer know if the supplier is a reputable company?***

**A:** The PUCO certifies the natural gas suppliers to ensure they are sound companies, and PUCO rules govern suppliers' marketing, solicitation and enrollment practices and ensure that contracts with consumers contain sufficient information to enable consumers to make informed choices.

***Q: Who can provide small businesses with more information on natural gas choice?***

**A:** The PUCO can provide consumers with information about the natural gas choice programs. The PUCO's "Natural Gas Choice" brochure is a guide to choosing a natural gas provider.

The PUCO also offers "Apples-to-Apples" comparison charts of rates between these suppliers on their Web site, [www.puco.ohio.gov](http://www.puco.ohio.gov). For information applicable to your area, look for the name of your serving incumbent gas company. Under the name of each company, you can click to obtain general information about natural gas service choices, a list of companies which have registered to participate in the current customer choice programs, and an Apples-to-Apples comparison chart of competitive providers' offers to allow you to compare rates of various companies providing gas service in your service territory.

PUCO Apples-to-Apples charts provide straightforward, unbiased information to assist consumers, and are the only charts in the state that require suppliers, under penalty, to provide accurate, up-to-date information about their latest offers. The PUCO can verify every offer listed.

To obtain a free copy of the Apples-to-Apples charts, or for additional information about choosing a natural gas supplier, contact the PUCO consumer call center at (800)686-7826 [TDD: (800)686-1570] or visit [www.puco.ohio.gov](http://www.puco.ohio.gov).

*–by Mary W. Christensen of the Columbus firm of Christensen Christensen Donchatz Kettlewell & Owens LLP. Updated by the Public Utilities Commission of Ohio.*

## Choosing A Local Telephone Company

**Q: *How can I choose a local telephone company now that there's competition?***

**A:** As new telephone technologies continue to emerge, there are more and more choices for consumers, including small businesses, to pick from when it comes to telephone service. Gone are the days of just one telephone company providing service in an area. Now, competitive wireline telephone companies, wireless, Internet and cable providers are offering telephone service packages to consumers, including businesses, all across Ohio. Because everyone has different calling needs, it is important to make sure that you pick the package of services that will best fit your telephone usage.

**Q: *How will my business decide which telephone company is best for us?***

**A:** Start by analyzing your calling needs. Before looking at the telephone options in your area, make a list of the services you need. Ask yourself:

- How many telephone calls do I typically make each day? Each month?
- What telephone numbers do I call most?
- What time of day do I typically make telephone calls?
- Do I need call waiting, caller ID or voicemail?
- Are there packages available that can provide services like Internet or cable in addition to telephone?

Next, research and compare plans. Once your calling needs have been identified, research all the telephone companies offering service in your area. There are several factors you should consider when researching and comparing telephone plans:

- **What is the monthly telephone service charge?**  
Many companies offer deals where several services, such as local and long distance calling, call waiting, caller ID, Internet and cable service and more are packaged together at discounted rates. Depending on your needs, a service package may or may not be the most cost-effective option. If you are only interested in basic telephone service, please keep in mind that the traditional local telephone company is required to make this service available by itself, not packaged with any other services. Competitors may not offer this option. In addition to charges for telephone service, you will also want to make sure that you understand any additional charges or fees including any surcharges, taxes and early termination fees for ending service before the end of a term agreement.
- **What calls are included in the monthly telephone service charges?**  
Most telephone service is based on some type of calling area, and you will want to make sure that the places you call the most are included in the calling plan that you select. Consumers may have to pay an additional charge for calls to phone numbers that fall outside of the calling area. Other plans offer unlimited local and long distance regardless of location.
- **How is the company's customer service and reliability?**  
Telephone reliability is important for everyone. If you are looking into a new company, be sure to ask about the company's maintenance, repair and outage policies. It is also important to know the company's customer service line hours. Traditional local telephone companies and their regulated wireline competitors

must follow Minimum Telephone Service Standards established by the PUCO, including local disconnection and reconnection policies. Wireless companies and Internet phone providers are not regulated by the PUCO.

- **Is 9-1-1 service included?**

Not all wireless, cable and Internet phone companies are equipped to offer 9-1-1 service where the callback number and location are automatically provided to emergency responders. Ask about 9-1-1 service capabilities before signing up with a telephone provider.

The PUCO understands that choosing from the many telephone service options available can be a confusing task. To learn more about your telephone options and how to choose a telephone supplier contact the PUCO consumer call center (800)686-PUCO (7826) [TDD: (800)686-1570] or visit the PUCO's Web site at [www.puco.ohio.gov](http://www.puco.ohio.gov).

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## Understanding a Local Telephone Bill

Consumer confusion over telephone bills has contributed to the growth of *slamming* (changing a customer's telephone provider without his/her permission), *cramming* (adding charges to a customer's bill for services he/she did not authorize), and other types of telecommunications fraud. The following information will help you understand the charges you may find on your telephone bill.

**Q: Why are there so many charges on a local telephone bill?**

**A:** In addition to charges for basic local service and calling features, there are several charges that the federal and state governments permit telephone companies to collect. Each charge is related to a specific program authorized by the Federal Communications Commission (FCC) or the Public Utilities Commission of Ohio (PUCO). To follow are the charges that appear on telephone bills:

- **Basic Local Service** - This charge is for your basic dial tone service, including any local usage package (*e.g.*, message, measured, or flat rates) and any regulated features you have chosen, such as call waiting or caller ID.
- **9-1-1** - This charge maintains the lines and database for 9-1-1 emergency services (such as fire and rescue).
- **Federal Excise Tax** - This three-percent tax is mandated by the federal government and imposed on all local calls. The federal excise tax is no longer imposed on long distance calls and wireless service.
- **(Federal) Subscriber Line Charge** - This charge is mandated by the FCC and helps cover the fixed cost of the local phone network, including the lines and equipment from the central office to the customer. Depending on your local telephone company, this charge may appear as: "FCC Charge for Network Access," "Federal Line Cost Charge," "Interstate Access Charge," "Federal Access Charge," "Interstate Single Line Charge," "Customer Line Charge" or "FCC-Approved Customer Line Charge." This is a per-line charge and the FCC caps the maximum price a company may charge. Customers with multiple lines may pay a higher subscriber line charge.
- **(State) Subscriber Line Charge** - This charge helps maintain the local phone network. It may appear as "Intrastate Access Fee" or "Access Recovery Charge." Not all local companies have this charge on the bill.
- **Local Number Portability Charge (LPN)** - This charge allows telephone companies to recover certain costs for providing residential and business telephone customers the ability to keep, at the same location, their existing local telephone numbers when they switch from one local telephone service provider to another. This is a fixed monthly charge, not a tax.
- **State and Local Municipal Tax** - This charge is placed by state, local and municipal governments on goods and services. For information about the state and local taxes listed on your telephone bill, you should contact your local and state taxation offices. These offices may be listed in the government section of your telephone directory.
- **Universal Service Fund (USF)/Universal Connectivity Fee** - This federal fee helps to make phone service affordable and available to all Americans, including consumers with low incomes, schools, libraries, rural health care providers, and those living in areas where the costs of providing telephone service is high.

***Q: What information must telephone companies include on bills?***

**A:** Customers should be able to easily understand their phone bill. A telephone company's bill must:

- identify the service provider associated with each charge;
- highlight any new service providers appearing on the bill along with a toll-free telephone number and a brief description of the service provided;
- identify current, past due, usage-sensitive, and one-time charges;
- identify and briefly describe taxes and any surcharges;
- explain any codes and abbreviations used on the bill;
- identify charges which must be paid to keep basic local service;
- provide a toll-free number for customers to call in order to make a complaint or obtain information.

***Q: What can I do to ensure I'm only paying for the services I've ordered and the fees approved by the FCC and PUCO?***

**A:** Treat your telephone service like any other major purchase. Review monthly telephone bills just as closely as you review your monthly credit card and bank statements. As you review your bill, ask yourself the following questions:

- Do I recognize the names of all the companies listed on my bill?
- What services did the listed companies provide?
- Does the bill include charges for calls I did not place and services I did not authorize?
- Are the rates charged by each company consistent with the rates that the company quoted to me?

If you do not understand a service charge listed on your telephone bill, ask the company that billed the charge to explain the charge to you *before* you pay the bill.

Carefully read all forms and promotional materials—including all fine print—before signing up for telephone services. If you change service providers, companies must send you a welcome packet within 10 days confirming service. Carefully check this over to make sure it is correct.

Companies can compete for your telephone business. Use your buying power wisely and shop around. If you think a company's charges are too high or its services do not meet your needs, contact other companies and try to get a better deal more suited for your needs.

***Q: Where can residential and small business customers get more information to better understand their telephone bills?***

**A:** The PUCO is the state agency charged with resolving utility complaints and disputes for residential and small business customers. To obtain a copy of PUCO fact sheets or any PUCO publication, or for assistance with utility questions, contact the PUCO at (800)686-PUCO (7826) [TDD: (800)686-1570] or visit [www.puco.ohio.gov](http://www.puco.ohio.gov).

*–Information provided by the Public Utilities Commission of Ohio.*

## Understanding Telephone Scams: Slamming and Cramming

***Q: What is slamming?***

**A:** Slamming is the illegal practice of changing your local or long distance telephone service without your permission. Before a telephone company can switch a customer, it must obtain the customer's permission through a written or electronic letter of agency, an electronic verification from the customer's telephone number, or an independent third-party verification.

***Q: What is cramming?***

**A:** Cramming is the illegal practice of adding charges to your telephone bill for services that you did not order.

***Q: What can I do if I discover that I have been slammed?***

**A:** Contact the company you believe slammed you, and tell them that you want the problem resolved. If you have not paid the bill, tell the company you will not pay the first 30 days charges after the date on which you were slammed, and request reimbursement for any charges you may have incurred from your local phone company for the unwanted switch.

Ask your local phone company to make sure you are switched back to their service. If your long distance was slammed, ask your local phone company to switch you back to the long distance company of your choice. They can also remove any disputed charges from the slamming carrier. Once you have been switched back, check into whether or not your local phone company can put a freeze on your local or long distance account to help prevent future slamming.

Contact your authorized phone company. Tell them you were slammed and want to be restored to your original calling plan and you want switching fees removed from your bill.

If you have already paid the bill for the calls that were slammed, ask your phone company how much credit you will be receiving.

***Q: Will I have to pay for disputed charges that result from slamming?***

**A:** You do not have to pay for service up to 30 days after being slammed if you **have not paid** your bill. This means you do not have to pay either your authorized telephone company or the slamming company.

If you **have paid** the unauthorized phone company, your authorized company will either credit you 50 percent of the charges you paid the slammer or, if you prefer, re-rate the charges based on its rates.

***Q: Can I register a complaint against the company that slammed me?***

**A:** Yes, you can register a complaint against the company you believe has slammed you. The Public Utilities Commission of Ohio (PUCO) is the state agency charged with resolving utility complaints and disputes for residential and small business customers. You can contact the PUCO consumer call center for help at (800)686-PUCO (7836) [TDD: (800)686-1570] or visit the PUCO's Web site at [www.puco.ohio.gov](http://www.puco.ohio.gov).

***Q: What types of charges can be crammed onto my telephone bill?***

**A:** Cramming charges can be almost anything, but usually involve some type of telecommunications-related service. These services may include, but are not limited to, non-regulated services such as voice mail, personal 800 numbers, paging service, and pay-per-use (“900”) calls. Services such as these are separate and distinct from your regulated local and long distance telephone service. Cramming may also include regulated local telephone service features such as call waiting or caller ID, which are offered by your local phone company.

***Q: Will I have to pay for disputed charges that result from cramming?***

**A:** If you find charges on your bill for services which you believe you did not order, contact your local phone company and ask that the charges be removed. Your local phone service cannot be disconnected for non-payment of crammed charges for *unregulated* services. Your local service may only be interrupted if charges for *regulated* local phone service are past due. If the cramming charges are for regulated service features offered by your local phone company, your phone service may be disconnected if the charges are not paid or placed in dispute.

***Q: What can I do to avoid being slammed or crammed?***

**A:** While there is no foolproof way to guarantee you will not be a slamming or cramming victim, there are steps you can take to protect yourself:

- Examine your monthly bill and make sure you understand every charge. Look for unfamiliar company names, calls you did not make, or services you did not order. If anything is unclear or there is a company name you have not seen before, call your local phone company for an explanation. Telephone companies must clearly highlight a change in telephone service providers.
- Keep a note pad by the telephone and write down each phone service (*e.g.*, voice mail) that you authorize, as well as any long distance calls and calls to informational or “900” services.
- Be careful of “activation codes” or answering “yes” to questions that may be intended to get you to authorize a service that you do not intend to authorize.
- Read fine print carefully.
- Be sure you know who has been using your telephone.
- Request appropriate blocking features such as a “900” call block, collect call block, or international call block.
- Ask telemarketers for written information about any service they offer you over the phone.

*–Information provided by the Public Utilities Commission of Ohio.*

## What To Know about Aggregation

**Q: *What is aggregation?***

**A:** Aggregation is when a group of customers join together to form a single, larger customer that buys energy for its members. A large buying group may be able to get a better price for the group members than an individual can alone.

**Q: *Does aggregation save consumers money?***

**A:** While there is no guarantee that consumers will save money through aggregation, this opportunity can reduce suppliers' marketing and administrative costs because they can market to an entire group rather than to individuals. These reduced costs can be passed on as savings to individual consumers in the buying group.

**Q: *What is governmental aggregation?***

**A:** Ohio law allows communities—such as townships, cities and counties—to form the aggregated buying groups on behalf of their citizens. The governmental aggregator chooses an outside supplier for all of the customer-members in its group. Aggregations can be formed to buy natural gas, electricity or both.

All governmental aggregators buying electricity must be certified by the Public Utilities Commission of Ohio (PUCO). Communities that aggregate to buy natural gas are required to be certified by the PUCO unless they aggregate under an Ohio Constitution provision which allows *home rule*, or the right for communities to take action under their own charters.

If an aggregator is going to provide natural gas and/or electric buying services, it must be certified separately for each industry. Certification by the PUCO means strict requirements for doing business in Ohio have been met.

**Q: *What is opt-in aggregation?***

**A:** Opt-in aggregation is a program that permits each customer to sign up individually to participate in the program. If the local government chooses opt-in aggregation, it can proceed to develop a plan and start signing up customers. The plan must include all rates and terms for customers to consider when deciding to join.

**Q: *What is opt-out aggregation?***

**A:** Opt-out aggregation is a program that automatically enrolls all local residents, unless they individually opt out of the program (choose not to be included). If a community chooses this form of aggregation, a number of steps are required:

- A majority of voters must authorize opt-out aggregation in an election. The issue appears on a primary or general election ballot for consideration.
- If authorized by a majority of the vote, the local government must form a plan of operation and management and hold at least two public hearings to allow customers to voice any concerns over the proposed plan.
- Once the local government has adopted the plan, all customers to be aggregated must be notified that they will be automatically enrolled in the program unless they specifically elect not to participate. This notification must also state the rates, charges, and other terms and conditions of enrollment in the program. The opt-out notice is usually a letter accompanied by a post card to be mailed back if

- the customer does not want to participate, or sometimes, a phone number to call or Web site to visit to opt out.
- The local government must allow anyone enrolled in the program an opportunity to opt out every two years without paying a switching fee.

***Q: Should I decide to opt in or opt out?***

**A:** When deciding to join an *opt-in* government aggregation or deciding whether to stay in an *opt-out* government aggregation, here are some things to think about:

- The goal of the buying group: Will the aggregator be looking for the lowest price, sources used to generate the electricity, or additional services when finding a supplier?
- Number of group members: Larger groups will usually have better “buying power.”
- Length of the contract: How long is the contract and how will it be renewed?
- Terms and conditions: Be sure you read and understand them, including membership requirements, how you will be billed, and any fees.

***Q: Who is eligible for aggregation?***

**A:** For both natural gas and electric aggregation, customers who are already enrolled in the Percentage of Income Payment Plan (PIPP - a payment plan for past-due bills) are not eligible. These customers will be aggregated as a separate group.

For natural gas aggregation, the only other customers who are not eligible to participate are those that are already under individual contracts with suppliers as part of a natural gas choice program. These customers will not appear on eligible customer lists provided to the governmental aggregator or the governmental aggregator’s chosen supplier.

For electric aggregation, all customers (other than PIPP customers) are eligible and their names will appear on customer lists provided to the governmental aggregator or its chosen supplier. It is important to note that, if you are already under a contract with a supplier and your community aggregates, you still may be switched to the aggregations’ supplier unless you actively opt out. That is a decision for you to make. If you are considering a switch to the aggregation’s supplier, you will want to talk to your chosen supplier to find out if there are any penalties for the early cancellation of your contract.

***Q: Where can consumers learn more about aggregation?***

**A:** If you have questions about your community’s aggregation plans, call your local official’s office: city, county or township.

The PUCO, the sole agency charged with regulating public utility service, can answer questions regarding aggregation. For more information, or to obtain copies of the regularly updated “Apples-to-Apples” electric or gas supplier comparison charts or the brochures contact the PUCO consumer call center at (800)686-PUCO (7826) [TDD: (800)686-1570] or visit the PUCO’s Web site at [www.puco.ohio.gov](http://www.puco.ohio.gov).

*–Information provided by the Public Utilities Commission of Ohio.*

## Telephone Customers Have Rights

The Public Utilities Commission of Ohio (PUCO) is a state agency that has authority over many aspects of the service provided by your telephone company including rates and quality of service.

***Q: I'm a small business owner. How can I find out what rights I have as a telephone customer?***

**A:** The PUCO "Telephone Customers' Bill of Rights" fully describes a telephone customer's rights and responsibilities under the PUCO's Minimum Telephone Service Standards (MTSS). For a copy of the Telephone Customers' Bill of Rights or any PUCO publication, call the PUCO consumer call center at (800)686-PUCO (7836) [TDD: (800)686-1570] or visit the PUCO's Web site at [www.puco.ohio.gov](http://www.puco.ohio.gov). This information is also required to be placed in the front of the directory and on the company's Web site.

***Q: Must telephone companies doing business in Ohio give customers a minimum level of service?***

**A:** Yes. All companies providing local and long-distance telephone service to Ohio residential and small business customers must comply with the state's MTSS. Customers may be entitled to credits toward their local telephone account if the telephone company does not follow these standards. Additionally, the PUCO can levy fines against companies that violate any part of the MTSS.

***Q: What if a customer has trouble getting telephone service installed?***

**A:** According to the MTSS, service must be established within five business days of a customer's request. With some limited exceptions, if service is not established within five business days, the customer is entitled to be credited one-half the installation charge. If service is not established within 10 business days, the full installation charge must be credited.

***Q: What if the telephone company makes an error in our business's white pages listing?***

**A:** If a local telephone company fails to include or makes an error in a customer's white pages listing, the customer is entitled to receive a credit equal to at least three months of monthly charges. The customer shall be given the option of taking the credit or pursuing other remedies.

***Q: What is the local telephone company's obligation if it misses a repair appointment?***

**A:** Telephone companies must provide customers a "not later than" date indicating when a repair will be made. The company must offer the customer a four-hour repair appointment window if the customer must be on-premise for the repair. If a local telephone company misses a repair appointment, a customer is entitled to receive credit for one-half of one month's charges for the service(s) that cannot be used.

***Q: What if our business's telephone line is out of service for 72 hours or more?***

**A:** Any customer with an outage of 72 hours or more is entitled to a credit of one full month's charges for the service(s) that cannot be used. Telephone companies can apply to the PUCO on a case-by-case basis for an exemption to these requirements due to an extreme weather-related event. If an exemption is granted, the MTSS requirement to restore service is extended by 48 hours.

***Q: How can our business avoid local telephone service disconnection?***

**A:** Disconnection can be avoided by paying any past due balance on or before the disconnection date, or by setting up a payment plan with the phone company to pay the past due balance.

***Q: Must telephone companies respond to customer complaints within a certain period of time?***

**A:** Yes. Telephone companies must resolve customer complaints within 10 business days or let customers know by phone or in writing what needs to be done and when the problem is expected to be resolved. Customers are not entitled to receive credit based on a violation of this part of the MTSS.

***Q: Where can residential and small business customers get more information and help in resolving their telephone company complaints?***

**A:** The PUCO is the state agency charged with resolving utility complaints and disputes for both residential and small business customers. If you have a question about your telephone bill or service, contact the telephone company first. If your concern is not resolved after contacting a customer service representative, ask to speak with a supervisor. If your problem still is not resolved, contact the PUCO consumer call center for help at (800)686-PUCO (7836) [TDD: (800)686-1570] or visit the PUCO's Web site at [www.puco.ohio.gov](http://www.puco.ohio.gov). The PUCO consumer call center staff will review rules with you, advise you of your rights, and if needed, will work with you and the company to try to solve your problem.

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