

FY 2022



Annual Report

MESSAGE FROM THE **CHAIR**

To Whom it May Concern,

The Public Utilities Commission of Ohio's mission is to assure all residential and business consumers access to adequate, safe and reliable utility services at fair prices, while facilitating an environment that provides competitive choices. The PUCO impacts every Ohioan every day by regulating essential utility services and monitoring commercial transportation safety.

The PUCO is funded through utility assessments, registrations and fees, and does not obtain any revenue support from Ohio's general revenue fund (GRF).

As directed by R.C. 4935.01 this report highlights emerging trends specific to Ohio's long-term energy needs.

Please do not hesitate to reach out to me with any questions about this report or the PUCO.

Sincerely,
Jenifer French

PUCO

COMMISSIONERS



Chair Jenifer French

Term ends: April 10, 2024



Commissioner M. Beth Trombold

Term ends: April 10, 2023



Commissioner Lawrence K. Friedeman

Term ends: April 10, 2025



Commissioner Daniel R. Conway

Term ends: April 10, 2027



Commissioner Dennis P. Deters

Term ends: April 10, 2026

CASES FILED IN FISCAL YEAR (FY) 2022

In a balanced and transparent manner, the PUCO decides matters ranging from rate cases to service complaints. Regulated utilities, consumers and interested parties regularly participate in the proceedings. During FY 2022, **1,027** cases were filed. Each category of utility, along with the number of formal cases opened in fiscal year 2022 in each category, is represented below.

Industry Code	Industry	Number
AU	More than two utilities	13
CC	Cooling company	1
CT	Competitive telephone	1
EL	Electric	461
GA	Gas	138
GE	Gas and electric	22
HT	Heating	5
PL	Pipeline	4
RR	Railroad	43
TP	Telephone	197
TR	Transportation	137
WS	Water and sewer	2
WT	Water transportation	1
WW	Waterworks	2
Total cases filed		1,027*

** No cases were filed in the following industry codes for FY2021: BR (Bridge); BT (Bus & Truck); DE (Depot); HC (Heating and Cooling); Non-regulated Industries; RC (Radio Common Carriers); ST (Sewage Treatment); and UN (Industry not regulated by the PUCO). Approximately 49 cases were voided, resulting in 978 total cases filed (compared to 1,232 from FY2021 and 1,387 from FY2020).*

All FY22 PUCO cases and related documents are available online on the [Docketing Information System \(DIS\)](#). DIS allows users to subscribe and receive notifications about specific cases as well as view daily reports and search previous cases.

FINANCIAL INFORMATION, FY 2022

Revenues FY 2022	
Assessment to utilities	\$34,851,706
Federal gas pipeline safety	\$1,023,843
Federal motor carrier safety	\$5,288,137
Federal railroad	-
Gas pipeline assessment	\$321,101
Harzardous materials and civil forfeitures	\$3,761,840
Fines and penalties - Attorney General collected	\$410,558
Miscellaneous revenues	\$1,460,963
Motor carrier registration	\$5,651,363
Power siting	\$1,593,567
State grade crossing protection	\$1,200,000
Telecommunication relay service	\$701,705
Underground facilities protection	\$826
Total revenues received by the PUCO	\$56,265,609
Revenue contributed to the General Revenue Fund	\$2,644,752

Expenditures FY 2022	
Personnel service - payroll	\$38,812,546
Purchased personal services	\$2,986,200
Supplies and maintenance	\$6,559,242
Equipment	\$2,491,795
Subsidies and shared revenue	\$1,425,238
Transfers	\$5,412,056
Total expenditures by the PUCO	\$57,687,077

PUCO OUTREACH

ONLINE OUTREACH

Online outreach is one of the key ways that the PUCO connects with consumers across Ohio. On Facebook, LinkedIn and Twitter, the PUCO regularly posts updates on cases, key consumer information and educational materials.



In FY22, the PUCO used its social media to provide critical information on coronavirus actions. With nearly **6,700** followers across all social platforms, consumers were able to watch virtual commission meetings, attend public hearings and contact the agency all from the safety of their own home.

In addition to social media, the PUCO website is one of the first places that consumers turn to when they need assistance. www.PUCO.ohio.gov received **347,064** visitors and more than **1.5 million** page views.

The PUCO also maintains the Ohio Power Siting Board website, which received **32,126** visitors, and the Energy Choice Ohio website, which received **555,362** visitors.

The PUCO also serves over **74,000** individual consumers and stakeholders through email lists with an average engagement rate of **62.6%**. These lists publish consumer updates, job opportunities and keep businesses informed on required filings.

PUCO CALL CENTER SAVES OHIOANS MONEY

Throughout FY 2022, the PUCO Call Center received **60,102** calls, emails, letters, faxes and walk-in inquiries from consumers. Many of these consumers have a question a representative can quickly handle. In other instances, issues require a closer examination. At that point, a PUCO investigator is assigned to look into the matter. In FY 2022, the PUCO Call Center saved Ohio consumers a total of **\$781,328**.



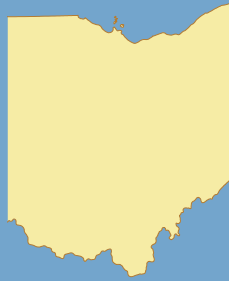
RATE CHANGE ALERTS

Customers of PUCO-regulated electric and natural gas companies can sign up to receive instant notification through text or email when their utility's default rate changes. Customers are on the default rate if they choose not to shop for an alternative supplier. These Rate Change Alerts are often sent monthly, quarterly or semiannually.

In FY22 alone, over **20,000** new individuals signed up to receive Rate Change Alerts. In total, Rate Change Alerts are sent to **40,751** consumers and have an average engagement rate of **47.1%**.

ACROSS THE STATE

As the state agency that regulates public services, the PUCO can, and often does, provide Ohioans with helpful information on a variety of utility issues.



Outreach events across the state focus on a variety of topics, from energy choice and government aggregation to motor carrier training.

Here are some of the ways that the PUCO reached out to consumers in FY21:

- **57** speeches and presentations
- **40** local public hearings
- **21** rules workshops
- **20** stakeholder meetings
- **18** public information meetings
- **7** exhibits at fairs and festivals

Consumers can always request a speaker or presentation from the PUCO online or through our Consumer Call Center.



PUCO EDUCATES CONSUMERS ON ENERGY PRICES

Rising energy costs in Ohio have many consumers concerned about their energy bills. The PUCO spearheaded a campaign in FY22 to help educate consumers on the causes behind rising prices. Consumers looking for assistance were directed to Energy Choice Ohio (www.energychoice.ohio.gov) to shop for suppliers and utility assistance programs to help pay bills.

Staff subject matter experts attended a public Commission meeting to speak about how electricity prices are determined and why costs may be trending higher. The live webcast of the meeting became one of the **most-viewed live PUCO events**. Media coverage of the discussion also drove **over 10,000** visits on one day to the Energy



Choice Ohio website – the highest amount of traffic to that site during FY22.

A News Bureau article published on the PUCO website further explaining the topic received over **700** visits and social posts about the article earned over **4,000** impressions.

KEY CASES

2022

AEP RATE CASE SETTLEMENT AGREEMENT

In FY22, the PUCO approved a settlement agreement establishing new base distribution rates for AEP Ohio. The settlement addressed several key issues for ratepayers, including reductions in base rates, reductions in rider costs and consumer pilot programs for electric vehicles and renewable generation. AEP Ohio's distribution rates were last revised in 2011.

The settlement reflected an annual revenue requirement of \$955 million, which was \$110 million lower than AEP Ohio's request.

Included in the settlement was an increase of \$1.60 to the fixed monthly customer charge, from \$8.40 to \$10. The increase was offset in customer bills because several riders were recovered through base rates and reset to \$0. The PUCO will review and audit any future costs to be included in any riders.

Additionally, a new plug-in electric vehicle program provides the opportunity for residential customers who charge electric vehicles during off-peak hours to save through their rates.

A distributed generation pilot program allows rate savings for customers who install on-site renewable energy generation for use during seasonal peak periods.

PUCO APPROVES UTILITY REFUNDS

FirstEnergy's Ohio utilities

The PUCO approved a settlement agreement and ordered FirstEnergy's three Ohio utilities (Cleveland Electric Illuminating Company, Ohio Edison and Toledo Edison) to refund customers \$306 million. The settlement agreement resolved 10 pending regulatory proceedings related to 2017-2020 annual earnings tests, a 4-year review of FirstEnergy's electric security plan, and 2014-2018 energy efficiency audits.

The agreement called for the utilities to refund \$96 million. Residential customers received a one-time bill credit of approximately \$27, while nonresidential customers were provided approximately \$2.60 per megawatt hour credit.

The remaining \$210 million will be refunded as a monthly bill credit yearly until 2025.

Duke Energy Ohio

Duke Energy Ohio's residential natural gas customers saw a one-time bill credit of \$133 due to a settlement agreement approved by the PUCO that resolved several natural gas regulatory cases.

The settlement agreement resolved proceedings related to Duke Energy Ohio's 2013-2019 expenses for environmental remediation of manufactured gas plants, and the implementation of the Tax Cuts and Jobs Act of 2017.

Approximately \$85 million in costs that would otherwise be billed to customers was eliminated and \$4.8 million in remaining insurance proceeds will be used to fund the utility's low-income and senior citizen bill assistance programs.

EMERGING TRENDS

2022

Per Ohio law, the PUCO provides the following information identifying emerging trends related to energy supply, demand, and costs of energy to consumers, and specifying statewide and regional energy needs.

Ohio is part of a regional electric market served by PJM Interconnection — the regional transmission operator. The region includes 13 states and the District of Columbia wherein PJM is responsible for maintaining the reliability of the grid, developing regional transmission expansion plans, and administering wholesale energy, capacity, and ancillary services markets.

Generally on an annual basis, PJM procures enough electric supply resources (capacity) to ensure reliability three years ahead. The reliability target includes an excess reserve margin to address unforeseen widespread outages. PJM's current projections indicate a 19.9% reserve margin beginning June 1, 2022 and a 20.3 percent reserve margin beginning June 1, 2023.

For purposes of meeting our statutory load forecasting requirement for fiscal year 2022, the PUCO expects Ohio's peak load, or maximum electric demand, to increase minimally by a total of 5.1% over the 20-year horizon (2020-2040). This is equivalent to a 0.26% electric demand increase per year. Ohio consumed 139.9 million MWh of electricity in 2020 and is forecasted to consume 148.4 million MWh in 2040.



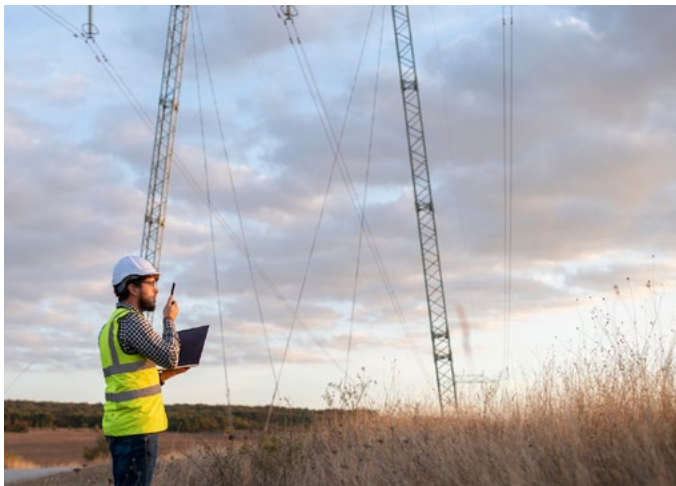
MONITORING SAFETY AND INFRASTRUCTURE

Ohio is home to more than 72,000 miles of regulated gas pipelines. and 88,000 miles of electric overhead distribution. The PUCO employs field inspectors who perform compliance inspections of gas pipelines and electric distribution facilities to ensure they are following design, construction, operation and maintenance safety regulations.

Each year, PUCO field inspectors work to ensure the safety of gas pipelines and electrical equipment all over the state. During FY22, staff worked **1,575** total days inspecting gas infrastructure and **1,077** total days inspecting electrical infrastructure.

The PUCO also annually inspects water and wastewater systems with most inspections occurring in the second half of a calendar year. In FY 2022, inspectors visited **45** water facilities and **16** wastewater facilities for a total of **61** inspections.

Additionally, the PUCO conducted **22** field inspections of telecommunications infrastructure.



OVERLAY PLAN FOR AREA CODE EXHAUSTS

In FY22, the PUCO approved a plan to overlay a new area code over the existing 513 area code in Cincinnati. The 513 area code is predicted to run out of available phone numbers in the fourth quarter of 2023. Upon implementation of the overlay, all new phone subscribers will be assigned the new 283 code.

An area code overlay usually requires a transition to 10-digit dialing; however, due to the nationwide implementation of the 988 National Suicide Prevention Line, customers in the 513 area are already moving to 10-digit dialing. The telecommunications industry will file implementation and communications plans to indicate when the overlay will take effect.

Additionally, the 440 area code is predicted to run out of available numbers in the third quarter of 2024. A PUCO docket was opened in June 2022 to begin planning for exhaust.

WINTER RECONNECT ORDER

The Winter Reconnect Order (WRO) allows customers who have had their home heating service disconnected for nonpayment or who have been threatened with disconnection the opportunity to pay a maximum of \$175, plus a reconnection fee, to restore or maintain their utility service. Customers who use the WRO are required to make payment arrangements with their natural gas or electric company on any outstanding balance.

During the 2021–2022 heating season, **187,432** consumers utilized the Winter Reconnect Order. Of the customers that used the WRO, **57,588** were PIPP Plus customers.

NATURAL GAS COMPLIANCE ACTIONS

When PUCO inspectors discover apparent violations of state or federal gas pipeline safety standards, a letter of probable noncompliance is issued, identifying the apparent violations and directs the operator to address the issue. In FY22, the PUCO has enforced compliance actions by issuing fines and ordering operational changes.



As a result of a PUCO investigation of equipment failure, Columbia Gas of Ohio will pay a **\$250,000** civil forfeiture for violations of safety regulations. Additionally, the company will conduct internal reviews of its management controls and training programs.

A PUCO gas pipeline safety audit alleged four violations of state and federal gas pipeline safety violations by Foraker Gas. The utility was then ordered to conduct leak surveys, install pipeline markers and protect above-ground pipelines to demonstrate compliance and waive a **\$50,000** civil forfeiture.

WATER RATE CASES BEFORE THE PUCO

In many parts of Ohio, water utility systems are regulated by local governments. In other instances, for-profit water and wastewater entities are regulated by the PUCO. During FY22, two water utility rate cases were before the PUCO.



In September 2022, the PUCO approved Christi Water System's application for an increase in rates. Christi Water System serves approximately 196 residents in the city of Defiance, Ohio and had previously established base rates in 2009.

Additionally in FY22, Aqua Ohio and Aqua Ohio Wastewater filed applications with the PUCO to increase their rates and charges.

A staff report was filed and public hearings were held in March 2022. The case remains open until a further Commission decision.

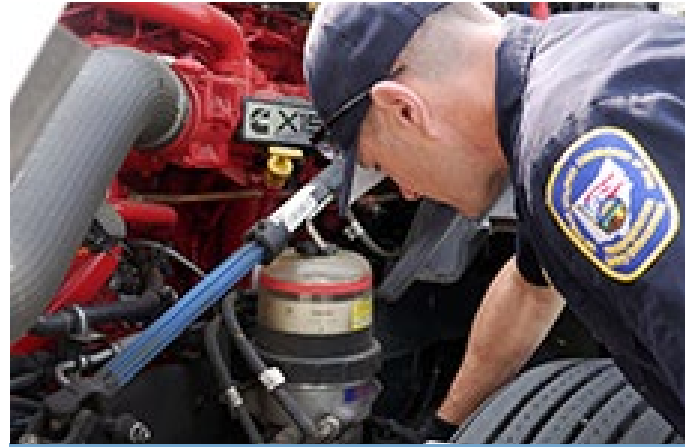
PUCO AWARDS HAZARDOUS MATERIALS TRAINING GRANTS

Throughout fiscal year 2022, the PUCO awarded nine hazardous materials training grants totaling **\$800,000**. The funds will be used to train more than **5,000** public safety and emergency services professionals in Ohio. The PUCO awards hazardous materials planning and training grants to local government subdivisions, educational institutions and state agencies. Funds for these grants comes from fines paid by hazardous material carriers and shippers. Individual grants are based upon applications to the PUCO and are awarded on a reimbursement basis. The grant funds are used for emergency response planning and proper techniques for the management of hazardous material releases.



RAIL CROSSING SAFETY UPGRADES AND INSPECTIONS

The PUCO ordered a total of **187** rail crossing safety upgrades during FY 2022, including the installation of lights and gates, supplemental assistance upgrades and circuitry upgrades. These upgrades are funded through federal, state and local monies. The rail division also conducted **970** federal rail safety inspections and 5,316 grade crossings in the state were inspected for state compliance. The number of train-motor vehicle crashes in Ohio in 2021 was 53.



PUCO KEEPS OHIO HIGHWAYS SAFE

The PUCO serves as the lead agency for the Motor Carrier Safety Assistance Program and in this capacity partners with the Ohio State Highway Patrol (OSHP) to ensure that commercial motor vehicles are safely traveling throughout Ohio. PUCO and OSHP inspectors conducted more than **63,086** driver/vehicle inspections during FY22. Each inspection follows a thorough process to ensure that the driver and vehicle meet necessary state and federal regulations. Vehicles, drivers and companies that fail to meet these regulations may be declared out-of-service and cannot continue operating until they comply. FY22 inspections resulted in **9,226** vehicles and **4,653** drivers being placed out-of-service due to severe violations.

Additionally, the PUCO conducted **512** motor carrier and shipper compliance reviews to ensure proper state and federal safety and hazardous materials regulations were followed. PUCO staff conducted **2,123** new entrant safety audits and worked with more than **1,500** motor carriers during FY22 to help them understand and comply with applicable safety and hazardous materials regulations.



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Columbus, Ohio 43215

www.PUCO.ohio.gov

Jenifer French, Chair
Mike DeWine, Governor
Jon Husted, Lt. Governor

The Public Utilities Commission of Ohio is an Equal Opportunity Employer and Service Provider.

Biographical Information



Jenifer French
Chair
Public Utilities Commission of Ohio
(PUCO)

Jenifer French was appointed to the commission and named chair by Governor Mike DeWine in 2021. Her term ends on April 10, 2024.

Prior to joining the PUCO, French served as a Franklin County Court of Common Pleas judge from 2015 through 2021, presiding over civil, criminal felony, and administrative matters. While on the court, she was a member of the Court's Criminal Law and Rules committees and served as a Judicial Board Member for the Franklin County Community Based Correctional Facility. French was named "Highly Recommended" in 2020 by the Columbus Bar Association.

French served as a member of Westerville City Council from 2011-2015. During this time, she served on the Westerville Planning Commission, and as vice mayor from 2013-2015. While serving at city council French worked collaboratively with citizens and stakeholders on important policy issues involving municipal utilities, zoning, planning and economic growth.

French earned her bachelor's degree in criminal justice from The Ohio State University, and her law degree from Thomas Jefferson School of Law.