

FY 2020



Annual Report

MESSAGE FROM THE **CHAIRMAN**

Members of the General Assembly and fellow Ohioans,

I am pleased to present the Public Utilities Commission of Ohio (PUCO) Fiscal Year 2020 Annual Report.

At the direction of the Ohio General Assembly, the PUCO supervises a variety of utility services and competitive services providers to ensure that the services available to the public are safe and reliable and available on a comparable and non-discriminatory basis. To varying degrees, it also functions as the economic regulator of entities providing non-competitive retail natural gas, electricity, communications, water, wastewater and transportation services. On an annual basis, about \$24 billion of intrastate commercial activity is directly or indirectly affected by or dependent upon how and when the PUCO performs its statutory responsibilities.

As an administrative agency, the PUCO operates, in all respects, within a legal framework that divides authority and responsibility between local, state and federal authorities, and strives to advance and protect the evolving public interest in safe, reliable and reasonably priced services using a mix of market-based and more traditional regulatory tools. The use of these tools is guided by the customer-centric policies that the General Assembly has set forth in R.C. sections 4927.02, 4928.02 and 4929.02.

During fiscal year (FY) 2020, the PUCO discharged its statutory responsibilities while looking forward prospectively to identify challenges or opportunities and working proactively to engage stakeholders to seek and implement actions that might better promote and advance the public interest. During this same period, the PUCO has convened stakeholders to take part in constructive conversations concerning such things as: (1) the significant and continuing increase in the price of electric transmission service which is subject to the exclusive jurisdiction of the Federal Energy Regulatory Commission (FERC); (2) how the demand response of retail customers might be leveraged to reduce utility bills, facilitate the ability of Ohio to compete in the global economy and meet operating and planning reliability objectives; and, (3) how Ohio might act to improve access to natural gas supply in those areas with inadequate or no access to such supply. The PUCO also proactively took action to protect the

public from abusive and unconscionable marketing practices of competitive retail providers of natural gas supply and electric generation supply while successfully conducting competitive bidding procedures to ensure that retail natural gas and electricity customers not served by a competitive provider benefit from markets that have worked to lower electric and natural gas prices. As FY 2020 was winding down, Ohio was compelled to create and operate entirely new systems and programs to mitigate the public health risks associated with the COVID-19 pandemic. As part of this larger Ohio effort and in addition to performing its more traditional duties, the PUCO proactively responded to help manage these risks while working to limit the economic harm to customers and regulated businesses alike.

Both during FY 2020 and since, it is my opinion that the PUCO has, thanks to its talented and dedicated staff and support from the Governor and the General Assembly, performed its statutory duties well and has dispatched its capabilities and competencies to advance and protect the evolving public interest. However, there are challenges ahead. The fiscal implications of the impact of COVID-19 on the State of Ohio have restricted hiring and accelerated retirements at the PUCO notwithstanding the fact that the PUCO is not funded from the General Revenue Fund. At the same time, the PUCO's workload and the complexity of that work is increasing. Going forward, it is my hope that we can help the Governor and General Assembly manage through these difficult circumstances while ensuring that the public interest mission of the PUCO can be maintained and improved.

Respectfully submitted,

Sam Randazzo

Chairman

Public Utilities Commission of Ohio

PUCO

COMMISSIONERS



Chairman Sam Randazzo

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, 2022



Commissioner Dennis P. Deters

Term ends: April 10, 2021

CASES FILED IN FISCAL YEAR (FY) 2020

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 2020, **1416** cases were filed. Each category of utility, along with the number of formal cases opened in fiscal year 2020 in each category, is represented below.

Industry Code	Industry	Number
AU	Two or more industries	9
CC	Cooling company	2
CT	Competitive telephone	1
EL	Electric	893
GA	Gas	166
GE	Gas and electric	22
HT	Heating	1
PL	Pipeline	6
RR	Railroad	49
TP	Telephone	174
TR	Transportation	82
WS	Water and sewer	8
WW	Waterworks	3
Total cases filed		1416

** No cases were filed under the following industry codes during FY 2020: BR (Bridge), BS (Bus), BT (Bus and Truck), DE (Depot), HC (Heating and Cooling), Non-Regulated Industries, RC (Radio Carrier), ST (Sewage Treatment) or WT (Water Transportation).*

All FY20 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 2020

Revenues FY 2020	
Assessment to utilities	\$19,320,313
Federal gas pipeline safety	\$960,126
Federal motor carrier safety	\$12,034,803
Federal railroad	\$52,803
Gas pipeline assessment	\$406,522
Civil forfeitures	\$2,113,384
Civil forfeitures - Attorney General collected	\$237,988
Miscellaneous revenues	\$623,269
Motor carrier registration	\$3,840,825
Power siting	\$578,646
State grade crossing protection	\$1,200,000
Underground facilities protection	\$10,119
Total revenues received by the PUCO	\$41,378,797
Revenue contributed to the General Revenue Fund	\$2,845,130

Expenditures FY 2020	
Personnel service - payroll	\$34,203,692
Purchased personal services	\$2,689,326
Supplies and maintenance	\$7,144,427
Equipment	\$3,404,852
Subsidies and shared revenue	\$1,001,198
Transfers	\$9,007,408
Total expenditures by the PUCO	\$57,450,903

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 FY20, the PUCO used its social media to provide critical information on coronavirus actions. With nearly **6,000** 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. Prior to the PUCO website update in June 2020, www.PUCO.ohio.gov received over **459,000** visitors and more than **1.78 million** page views.

The PUCO also serves over **55,000** individual consumers and stakeholders through email lists with an average engagement rate of **50%**. These lists publish consumer updates, job opportunities and keep businesses informed on required filings.

A new set of email and text alerts called *Rate Change Alerts* informed customers of changes in their utility prices. Over **12,800** consumers subscribed in less than a year to receive these updates.

PUCO CALL CENTER SAVES OHIOANS \$1 MILLION

Throughout FY 2020, the PUCO Call Center received **56,845** 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 2020, the PUCO Call Center saved Ohio consumers a total of **\$1,123,817**.



STAKEHOLDER FORUMS

In FY20, the PUCO started a forum series regarding access to natural gas. Stakeholders from across the industry submitted ideas, comments and proposals on how to bring natural gas to communities without existing infrastructure.

The PUCO also hosted stakeholder meetings that focused on supplemental transmission project spending and demand response. Participants in several of these meetings were able to receive continuing education credits.

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. Although COVID-19 limited in-person outreach events in FY20, staff was able to attend and host many virtual events.



Here are some of the ways that the PUCO typically reaches out to consumers, virtually or in-person:

- Public speaking engagements
- Fairs such as the **Ohio State Fair** and the **Farm Science Review**
- Senior outreach events like the **Older Adult Expo** and presentations at local service organizations
- Children's events like **Buckeye Boys State** and **Children's Water Festival**

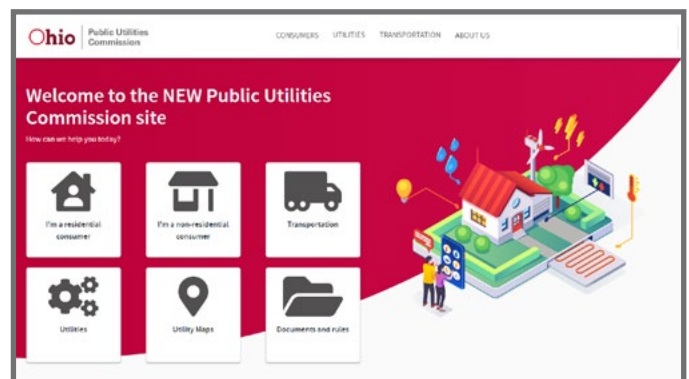


A NEW LOOK FOR THE PUCO WEBSITE

In June 2020, the PUCO migrated its website (PUCO.ohio.gov) to the InnovateOhio platform. The site was redesigned to be more intuitive for visitors to help them find what they are looking for. New features included an enhanced search and filtering functionality, which allowed consumers, stakeholder and industry professionals to quickly access information.

The Ohio Power Siting Board website (OPSB.ohio.gov) was also migrated to the InnovateOhio platform. Users on the OPSB site can now filter cases by application status or county location.

Finally, the PUCO migrated the employee-only intranet to the myOhio platform. PUCO employees are now able to view news, events and staff resources from any location.



KEY CASES

2020

PUCO ACTS IN RESPONSE TO COVID-19 ISSUES

Following Governor DeWine's state of emergency declaration, the PUCO took several actions to ensure maintained utility service while also keeping the public, utility representatives and its staff safe:

- Asked regulated entities to review policies regarding service disconnections and seek approval to suspend any policies that would impose a service continuity hardship or create an unnecessary risk of human contact.
- Extended the Winter Reconnect Order, allowing for a onetime fee to reestablish service or to prevent a disconnection.
- Halted door-to-door marketing, in-person meter reading and all non-essential work to limit social contact
- Issued hours-of-service waivers for motor carriers hauling fuel or pandemic relief supplies.

After the initial response, the PUCO had to adapt to maintaining its business in a new and virtual way. To continue with case work in an efficient manner, PUCO staff conducted virtual inspections, conferences and meetings. The PUCO also outlined a fair and transparent manner to conduct local public hearings, allowing the public to comment on cases before the Commission as they could if these meetings were held in person.

PUCO SETTLES WITH COMPANY OVER MARKETING VIOLATIONS

The PUCO is charged with adopting and enforcing regulations to protect consumers from any misleading or deceptive acts or practices by competitive retail electric and natural gas providers. In January 2020, after a staff investigation, the PUCO adopted a settlement agreement regarding alleged violations of marketing regulations by PALMco Energy OH, LLC. In the agreement, PALMco ceased enrolling new customers, exited the Ohio marketplace and credited customers approximately **\$385,000**. PALMco's current owners were also barred from doing business in the Ohio retail energy market for five years.

DOMINION ELIMINATES MONTHLY VARIABLE RATE IN SETTLEMENT

In a settlement agreement with the PUCO, Dominion Energy Ohio eliminated the monthly variable rate (MVR) for all customers. Previously, the MVR was an option for customers who did not enroll with a competitive supplier or government aggregation program. The standard choice offer (SCO) is now the default rate for eligible residential and non-residential customers using 200 Mcf or less annually. Customers using more than 200 Mcf annually will have the monthly retail rate (MRR) as their default service.

As a part of the settlement, Dominion notified customers served by the MVR and transferred them to either the SCO or MRR. Dominion, along with PUCO staff and stakeholders, developed a process to educate customers regarding the changes and their energy choice options.

Within three years, the MRR program will be evaluated by Dominion and PUCO staff.

EMERGING TRENDS

2020

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.

Each year, 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 23.3% reserve margin beginning June 1, 2020 and a 21.5 percent reserve margin beginning June 1, 2021.

For purposes of meeting our statutory load forecasting requirement for fiscal year 2020, the PUCO expects Ohio's peak load, or maximum electric demand, to increase minimally by a total of 4.0% over the 20-year horizon (2018-2038). This is equivalent to a 0.20% electric demand increase per year. Ohio consumed 149.8 million MWh of electricity in 2018 and is forecasted to consume 156.1 million MWh in 2038.



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 electric infrastructure all over the state. During FY20, staff conducted **210** audits of natural gas pipelines and worked **745** total days inspecting electric distribution facilities.

The PUCO also annually inspects water and wastewater systems with most inspections occurring in the second half of a calendar year. In FY 2020, inspectors visited **43** water facilities and **13** wastewater facilities for a total of **56** inspections.

Additionally, the PUCO conducted **23** field inspections of telecommunications infrastructure.

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. This year, due to the COVID-19 state of emergency, the PUCO extended the WRO from April 1 to May 1. During the 2019–2020 heating season, **196,715** consumers utilized the Winter Reconnect Order.

AREA CODE OVERLAY

In 2019, the PUCO approved an overlay plan to add an additional area code to the geographic area served by the existing 937 area code. With the help of a planning workgroup consisting of phone service providers and experts, the area code overlay was successfully executed in March 2020 with little disruption. New telephone lines or services are now being assigned the new 326 area code.

MINIMUM OFFER PRICE RULE EXPANSION

On Dec. 19, 2019, the Federal Energy Regulatory Commission (FERC) issued an order directing PJM Interconnection, in its capacity auctions, to expand its Minimum Offer Price Rule (MOPR) to any new or existing resource that receives a state subsidy. Simply put, PJM must set a minimum offer price that a capacity resource, an entity looking to sell energy to the grid, would be able to bid.

The order was issued in a case that had been pending for over three years in which Calpine, a power company with national and international operations, filed a complaint asserting that the wholesale capacity market operated by PJM was unjust and unreasonable because state resource payments were artificially suppressing capacity prices.

The PUCO was one of several entities that filed an application for rehearing. FERC issued rehearing orders on April 16, 2020 that clarified some exemptions. The PUCO continues to monitor the case as the expansion of MOPR works against state programs like those in HB 6 that seek to sustain the contributions of zero-emitting resources and against state programs that promote entry of demand-side or supply-side resources that are eligible to participate in PJM's capacity market.

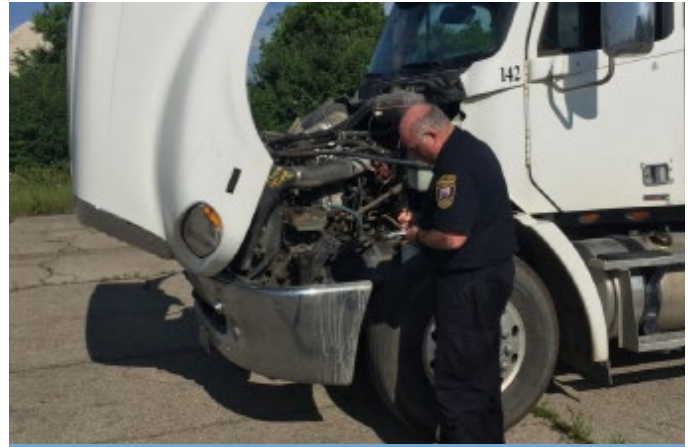
PUCO AWARDS HAZARDOUS MATERIALS TRAINING GRANTS

Throughout fiscal year 2020, the PUCO awarded nine hazardous materials training grants totaling **\$800,000**. The funds will be used to train more than **4,326** 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 **80** rail crossing safety upgrades during FY 2020, 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 **851** federal rail safety inspections and all 5,685 grade crossings in the state were inspected for state compliance. The number of train-motor vehicle crashes in Ohio in 2019 was 68.



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 **61,670** driver/vehicle inspections during FY20. 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. FY20 inspections resulted in **8,405** vehicles and **2,466** drivers being placed out-of-service due to severe violations.

Additionally, the PUCO conducted **445** motor carrier and shipper compliance reviews to ensure proper state and federal safety and hazardous materials regulations were followed. PUCO staff conducted **1,526** new entrant safety audits and worked with more than **1,187** motor carriers during FY20 to help them understand and comply with applicable safety and hazardous materials regulations.



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Sam Randazzo, Chairman
Mike DeWine, Governor
Jon Husted, Lt. Governor

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