

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Commission's)
Review of Time-Differentiated and) Case No. 12-150-EL-COI
Dynamic Pricing Options for Retail)
Electric Services.)

ENTRY

The Commission finds:

- (1) The Commission is initiating this proceeding to help assure that the pricing options available to consumers for competitive retail electric service are consistent with state policy as delineated in Section 4928.02, Revised Code.
- (2) The Commission is seeking comments on whether electric distribution utilities (EDUs) and/or competitive retail electric service (CRES) providers should offer pricing options for all consumers with advanced or interval meters that reflect the time-varying prices in wholesale electricity markets and additional dynamic pricing options such as pre-paid, indexed, and other variable rates. The Commission seeks to determine how information regarding such options might best be made available to these consumers. The Commission anticipates initiating a series of workshops on time-differentiated and dynamic pricing.
- (3) The Commission is also seeking comments on the development of a standardized approach to help consumers compare different types of retail pricing options for competitive services. Existing "price-to-compare" information may not permit consumers to readily compare fixed prices with time-differentiated or dynamic retail pricing. Among the options to be considered, the Commission is seeking comments on the development of an on-line bill-to-compare calculator that could help consumers compare the bill impacts of alternative retail service offerings and how best to inform consumers of the availability of this capability.
- (4) In taking these comments, the Commission may seek to evaluate and potentially expand the range of choices available to consumers and encourage more effective retail competition. This would include the development of innovative service offerings by CRES providers. By encouraging the development of time-differentiated

and dynamic pricing options, the Commission is seeking to provide consumers with additional tools to manage their electricity bills, improve utility asset utilization, and enhance the reliability and resilience of the power system.

- (5) The Commission is also seeking comments on whether EDUs and/or CRES providers should propose plans for educating eligible customers regarding the benefits, risks, and application of time-differentiated and dynamic pricing options and for marketing any newly proposed options. The Commission is requesting specific comments on what means EDUs or CRES providers would view as the most effective plans to educate consumers and whether such plans should include development of a comparison web page or alternate means to highlight the availability of comparable time-differentiated and dynamic pricing options and provide links to time-differentiated and dynamic pricing options available from the EDU and from certified CRES providers.
- (6) The Commission is not at this time seeking comments on whether to expand the deployment of advanced metering infrastructure. Rather, the Commission is focusing on pricing options for those consumers who have advanced or interval meters that could to take advantage of time-differentiated or dynamic pricing. Specifically, the Commission is seeking comments to address the following questions:
 - (a) Should EDUs offer consumers with advanced or interval meters time-differentiated or dynamic retail rates to ensure that such options are available to such consumers? In addition to or in conjunction with Commission-approved time of use programs, should such choices include dynamic pricing options that reflect time varying PJM Interconnection, LLC (PJM)¹ market prices?
 - (b) Should EDUs offer consumers with advanced or interval meters two-part dynamic pricing, such that the offer provides a dynamic price signal and a hedging or insurance component that addresses consumer risk aversion?

¹ PJM is a regional transmission organization which operates wholesale energy, capacity, and ancillary services markets.

- (c) Are there specific forms of dynamic or time-differentiated pricing which should be offered to different groups or classes of consumers who have the requisite metering?
 - (d) Should the Commission support well designed field tests by EDUs and/or CRES providers of additional time-differentiated or dynamic pricing options and various approaches to and combinations of consumer education, targeted messaging, information feedback, and/or enabling technology to better assess what options may work best for consumers and have the greatest beneficial impacts?
 - (e) What barriers, if any, are there to CRES providers offering dynamic pricing to consumers with advanced or interval meters? What steps, if any, should the Commission consider to encourage or to remove barriers to CRES providers offering packages that include dynamic pricing?
 - (f) Should EDUs and/or CRES providers develop and implement a plan to better inform eligible consumers regarding time-differentiated and dynamic pricing options? If so, what should such plans include?
- (7) The price-to-compare information currently disclosed on residential customer bills and by EDUs may not be sufficient to enable customers to readily compare fixed price products with innovative competitive service offerings and time-differentiated or dynamic pricing. Moreover, customers may find comparisons of representative bills to be more useful than comparisons to a price that is used in the calculation of one portion of their bills. To facilitate bill comparisons, the Commission is seeking comments on the development of a standardized approach for providing customers bill comparisons, including reports showing possible benefits of adoption of dynamic price offerings for consumers.
- (8) The Commission is also interested in the potential development of a secure on-line application with appropriate privacy protections that could make bill comparisons available to customers. Such an application could illustrate for customers how different price and service offerings might impact their overall electricity bills. Are there alternative approaches which the Commission should

consider that could provide customers comparable or superior capabilities for comparing different forms of pricing and different competitive retail service offerings? The Commission notes that there are open Commission dockets exploring considerations of consumer privacy protection and customer data access issues related to advance metering and Smart Grid (Case No. 11-277-GE-UNC, *In the Matter of the Review of the Consumer Privacy Protection and Customer Data Access Issues Associated with Distribution Utility Advanced Metering and Smart Grid Programs*) as well as cyber security related to advanced metering and Smart Grid (Case No. 11-5474-AU-UNC, *In the Matter of the Commission's Review of Cyber Security Issues Related to Entities Regulated by the Commission*). The Commission invites interested persons to comment, as appropriate, in these other two Commission dockets. With respect to the development of a bill comparison application, the Commission is seeking comment in this docket on the following questions:

- (a) Is the development of such an on-line application reasonable and practicable?
 - (b) Are comparable applications already commercially available? If so, what steps, if any, should the Commission consider to facilitate appropriate customer access to such applications?
 - (c) What elements would help make such an application useful to customers?
 - (d) Are there alternative approaches which the Commission should consider that could provide customers comparable or superior capabilities for comparing different forms of pricing and different competitive retail service offerings?
- (9) In order to provide interested parties additional information and an opportunity for an informal exchange to better explain or define specifically the questions posed prior to filing comments, the Commission will hold a technical conference prior to the deadline for filing comments. The Commission is also interested, through a workshop format, in engaging various stakeholders including, but not limited to, EDUs, CRES providers, technology and information service companies, consumer groups, and other interested persons in a dialogue concerning, among other issues, time-differentiated

and dynamic pricing options. The technical conference and any subsequent workshops will be scheduled by a subsequent examiner's entry in this proceeding. All interested parties should subscribe to this docket to receive notifications of scheduled workshops.


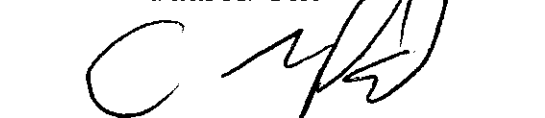
It is, therefore,

ORDERED, That all parties wishing to address the questions set forth above, file comments no later than March 14, 2012. It is, further,

ORDERED, That a technical conference and any future workshops be scheduled as set forth in finding (9). It is, further,

ORDERED, That notice of this entry be served upon all electric utilities, all certified competitive retail electric service providers, all governmental aggregators providing retail electric service, and all other interested parties via the Commission's electric-energy electric list serve.

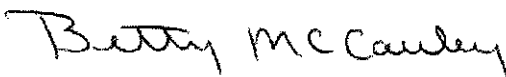
THE PUBLIC UTILITIES COMMISSION OF OHIO


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Entered in the Journal

JAN 11 2012



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