

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Commission's Review of the)
Natural Gas Retail Market Development.)

Case No. 13-1307-GA-COI

**COMMENTS
OF
THE NORTHEAST OHIO PUBLIC ENERGY COUNCIL**

INTRODUCTION

The Northeast Ohio Public Energy Council (NOPEC) respectfully submits these Comments to respond to the Commission's June 5, 2013 Entry opening this docket to obtain stakeholder views on a number of questions dealing with the development of Ohio's retail natural gas market.

By way of background, NOPEC is a regional council of governments established under Chapter 167 of the Ohio Revised Code. NOPEC is the largest governmental retail energy aggregator in the State of Ohio, and has been the largest one nationwide. Comprised of 162 communities in the ten (10) northeast Ohio counties of Ashtabula, Lake, Geauga, Cuyahoga, Summit, Lorain, Medina, Trumbull, Portage and Huron, NOPEC provides governmental aggregation natural gas service to approximately 250,000 retail natural gas residential and small commercial "choice" customers in Ohio, on the Dominion East Ohio and Columbia Gas of Ohio distribution systems.

At the outset, NOPEC believes that generally the Ohio retail natural gas market is competitive and offers residential consumers at least three options: SCO default gas commodity service with pricing set by market-driven auctions and the NYMEX; opt-out governmental aggregation in communities where voter approval has been obtained; and through bi-lateral

contracts with competitive retail natural gas providers. The existence of these three options for Ohio residential customers, together with a mature competitive market, as evidenced for example by consumer familiarity with “Apples to Apples” gas price comparisons, provides a good variety of consumer choices to residential consumers.

NOPEC believes strongly that there should be no changes made to the SCO auction price-driven default service model for Ohio’s residential customers. There has been no lack of gas suppliers bidding for tranches of supply into the SCO auctions, and the auctions have proven helpful to create a more competitive environment that has benefited Ohio’s gas customers.

To answer the Commission’s specific questions posed, NOPEC does not believe there is a need for any significant regulatory changes to support a fully competitive market in this state. NOPEC believes that the customer choice educational programs implemented by the Ohio LDC’s have been successful in educating Ohio retail gas customers of the options offered to them for purchasing retail natural gas service. NOPEC is not aware of material problems with the SCO auction mechanism not providing a level competitive playing field for SCO providers and competitive retail natural gas service providers. There does not appear to be any lack of natural gas suppliers participating in both the SCO auctions and in direct Ohio retail customer offers, based on reported auction results and the number of CRNGS certified by the Commission and actively marketing on the major Ohio LDC systems. Moreover, the SCO default service rate is only one variable price offer in the market. NOPEC does not believe that the SCO has created hardship or market barriers, by virtue of the extremely large number of active CRNG’s operating in the state. The SCO is functioning as one option for a monthly variable rate, but because gas customers have so many options in Ohio, it is by no means an impediment to full and effective retail natural gas competition in the state.

NOPEC appreciates the opportunity to provide comments in this proceeding and reserves the right to file reply comments.

CONCLUSION

NOPEC believes that Ohio's current retail natural gas market design is working relatively well, and no major changes are required. It is clear that governmental aggregation has been an important positive and viable part of customer choice in Ohio and has been very successful. NOPEC also believes that default "SCO" service produced from market-based auctions should continue.

Respectfully submitted,

A handwritten signature in cursive script, reading "Glenn S. Krassen", is written over a horizontal line.

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Summary: Comments of The Northeast Ohio Public Energy Council electronically filed by
Teresa Orahod on behalf of Glenn S. Krassen