

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Commission's)
Review of Chapter 4901:1-10, Ohio) Case No. 12-2050-EL-ORD
Administrative Code, Regarding)
Electric Companies.)

ENTRY

The Commission finds:

- (1) Section 119.032, Revised Code, requires all state agencies to conduct a review, every five years, of their rules and to determine whether to continue their rules without change, amend their rules, or rescind their rules. The rules in Chapter 4901:1-10, Ohio Administrative Code (O.A.C.), govern the minimum service and safety standards to be provided by electric utilities.
- (2) By entry issued November 7, 2012, the Commission stated its intent to review the rules contained in Chapter 4901:1-10, O.A.C. Additionally, the entry and attached revisions set forth the amendments to the rules recommended by the Commission's Staff (Staff) as well as specific issues for which the Commission sought comment. The entry requested comments from interested persons to assist in the review.
- (3) Staff has further evaluated the rules contained in Chapter 4901:1-10, O.A.C., and proposes additional amendments to Rules 4901:1-10-01 and 4901:1-10-5, O.A.C., as shown in Attachment A and Attachment B to this entry, respectively. The proposed additional amendments provide for an advanced meter opt-out and associated definitions.
- (4) In order to assist in the review required by Section 119.032(C), Revised Code, and Executive Order 2011-01K, the Commission seeks general comments on Staff's proposed additional amendments and specific comments on the issue of whether the advanced meter opt-out provisions should apply to commercial and residential customers, or only residential customers. Supplemental comments on the proposed additional amendments should be filed, via electronic filing or hard copy, by August 6, 2013. Reply comments should be filed by August 16, 2013.

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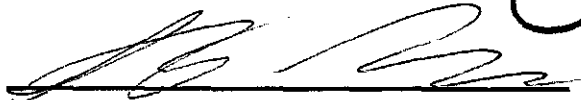
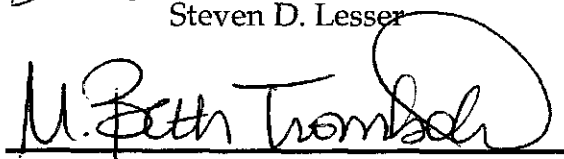
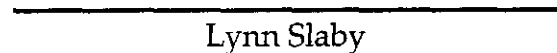
It is, therefore,

ORDERED, That all interested persons shall have until August 6, 2013, to file supplemental comments on the proposed additional amendments and revised BIA and until August 16, 2013, to file reply comments in accordance with Finding (4). It is, further,

ORDERED, That a copy of this entry with the attached additional amended rules and revised BIA be submitted to the Common Sense Initiative in accordance with Section 121.82, Revised Code. It is, further,

ORDERED, That an electronic notice or paper copy of this entry with the attached amended rules and revised BIA be served upon all electric utilities in the state of Ohio, all certified competitive retail electric service providers in the state of Ohio, the Electric-Energy industry list-serve, and all other interested persons of record.

THE PUBLIC UTILITIES COMMISSION OF OHIO


Todd A. Snitchler, Chairman
Steven D. Lesser
M. Beth Trombold
Lynn Slaby
Asim Z. Haque

MWC/dah

Entered in the Journal

JUL 10 2013



Barcy F. McNeal
Secretary

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4901:1-10-01 Definitions.

As used in this chapter:

- (A) "Advanced meter" means any meter that meets the pertinent engineering standards using digital technology to measure demand and/or usage and has the capability to communicate such measurements to the electric utility without a manual read.
- (B) "Advanced meter opt-out service" means a service provided by an electric utility under the terms and conditions of a commission-approved tariff, which allows a customer to take electric distribution service using a traditional meter.
- (AC) "Applicant" means a person who requests or makes application for service.
- (BD) "Commission" means the public utilities commission of Ohio.
- (CE) "Competitive retail electric service provider" or "CRES" means a provider of competitive retail electric service, subject to certification under section 4928.08 of the Revised Code.
- (DE) "Consolidated billing" means that a customer receives a single bill for electric services provided during a billing period for services from both an electric utility and a competitive retail electric service provider.
- (EG) "Consumer" means any person who receives service from an electric utility or a competitive retail electric service provider.
- (FH) "Critical customer" means any customer or consumer on a medical or life-support system who has provided appropriate documentation to the electric utility that an interruption of service would be immediately life-threatening.
- (GI) "Customer" means any person who has an agreement, by contract and/or tariff with an electric utility or by contract with a competitive retail electric service provider, to receive service.
- (HI) "Customer energy usage data" means energy usage information and data that is identifiable to a retail customer.
- (HK) "Customer premises" means the residence(s), building(s), or office(s) of a customer.

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- ~~(I)~~ "Customer energy usage data" means energy usage information and data that is identifiable to a retail customer.
- ~~(JL)~~ "De-identified energy usage data" means aggregated information and data that is not identifiable to an individual retail customer or could not be used to reasonably ascertain a customer's identity.
- (KM) "Director of the service monitoring and enforcement department" means the director of the service monitoring and enforcement department of the commission or the director's designee.
- ~~(LN)~~ "Electric distribution utility" or "EDU" shall have the meaning set forth in division (A)(6) of section 4928.01 of the Revised Code.
- (MO) "Electric light company" shall have the meaning set forth in division (A)(4) of section 4905.03 of the Revised Code.
- ~~(NP)~~ "Electric services company" shall have the meaning set forth in division (A)(9) of section 4928.01 of the Revised Code.
- ~~(OQ)~~ "Electric utility" as used in this chapter shall have the meaning set forth in division (A)(11) of section 4928.01 of the Revised Code.
- (PR) "Electric utility call center" means an office or department or any third party contractor of an electric utility designated to receive customer calls.
- (QS) "Fraudulent act" means an intentional misrepresentation or concealment by the customer or consumer of a material fact that the electric utility relies on to its detriment. Fraudulent act does not include tampering.
- (RT) "Governmental aggregation program" means the aggregation program established by the governmental aggregator with a fixed aggregation term, which shall be a period of not less than one year and no more than three years.
- (SU) "Major event" encompasses any calendar day when an electric utility's system average interruption duration index (SAIDI) exceeds the major event day threshold using the methodology outlined in section 4.5 of standard 1366-2003 adopted by the institute of electric and electronics engineers (IEEE) in "IEEE Guide for Electric Power Distribution Reliability Indices." The threshold will be calculated by determining the SAIDI associated with adding 2.5 standard deviations to the average of the natural logarithms of the electric utility's daily

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SAIDI performance during the most recent five-year period. The computation for a major event requires the exclusion of transmission outages. For purposes of this definition, the SAIDI shall be determined in accordance with paragraph (C)(3)(e)(iii) of rule 4901:1-10-11 of the Administrative Code.

(~~FV~~) "Mercantile customer" shall have the meaning set forth in division (A)(19) of section 4928.01 of the Revised Code.

(~~UW~~) "Outage coordinator" means the commission's emergency outage coordinator service monitoring and enforcement department director or the director's designee.

(~~VX~~) "Person" shall have the meaning set forth in division (A)(24) of section 4928.01 of the Revised Code.

(~~WY~~) "Postmark" means a mark, including a date, stamped or imprinted on a piece of mail which services to record the date of its mailing, which in no event shall be earlier than the date on which the item is actually deposited in the mail. For electronic mail, postmark means the date the electronic mail was transmitted.

(~~XZ~~) "Renewable energy credit" means the fully aggregated attributes associated with one megawatt hour of electricity generated by a renewable energy resource as defined in division (A)(35) of section 4928.01 of the Revised Code.

(~~YAA~~) "Slamming" means the transfer of or requesting the transfer of a customer's competitive electric service to another provider without obtaining the customer's consent.

(~~ZBB~~) "Staff" means the commission staff or its authorized representative.

(~~AACC~~) "Sustained outage" means the interruption of service to a customer for more than five minutes.

(~~BBDD~~) "Tampering" means to interfere with, damage, or by-pass a utility meter, conduit, or attachment with the intent to impede the correct registration of a meter or the proper functions of a conduit or attachment so far as to reduce the amount of utility service that is registered on or reported by the meter. Tampering includes the unauthorized reconnection of a utility meter, conduit, or attachment that has been disconnected by the utility.

(~~CCEE~~) "Third-party developer" means any person other than the electric utility,

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CRES provider, applicable regulatory authority, or independent system operator, that has an interest in or that uses customer energy usage data.

(FF) "Time differentiated rates" means rates that vary from one time period to another, which may be hourly, daily, or seasonally.

(GG) "Traditional meter" means any meter that is not an advanced meter.

~~(DD)~~(HH) "Transmission outage" means an outage involving facilities that would be included in rate setting by the federal energy regulation commission.

~~(EEI)~~ "Universal service fund" means a fund established pursuant to section 4928.51 of the Revised Code, for the purpose of providing funding for low-income customer assistance programs, including the percentage of income payment plan program, customer education, and associated administrative costs.

~~(FFI)~~ "Voltage excursions" are those voltage conditions that occur outside of the voltage limits as defined in the electric utility's tariffs and are beyond the control of the electric utility.

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4901:1-10-05 Metering.

- (A) Electric energy delivered to the customer shall be metered, except where it is impractical to meter the electric usage, such as in street lighting and temporary or special installations. The usage in such exceptions may be calculated or billed on a demand or connected load rate as provided in an approved tariff on file with the commission.
- (B) A customer's electric usage shall be metered by commercially acceptable measuring devices that comply with "American National Standards Institute" (ANSI) standards. Meter accuracy shall comply with the 2001-2008 version of ANSI C12.1 standards. No metering device shall be placed in service or knowingly allowed to remain in service if it does not comply with these standards.
- (C) Electric utility employees or authorized agents of the electric utility shall have the right of access to the electric utility's metering equipment for the purpose of reading, replacing, repairing, or testing the meter, or determining that the installation of the metering equipment is in compliance with the electric utility's requirements.
- (D) Meters that are not direct reading meters, such as meters with a multiplier equal to 1.0, shall have the multiplier plainly marked on or adjacent to the meter. All charts taken from recording meters shall be marked with the date of the record, the meter number, the customer name, and the chart multiplier. The register ratio shall be marked on all meter registers. The watt-hour constant for the meter shall be placed on all watt-hour meters.
- (E) The electric utility's meters shall be installed and removed by the electric utility's personnel or authorized agent. Before initial service to a service location is energized, the electric utility shall verify that the installation of the meter base and associated equipment has either been inspected and approved by the local inspection authority or, in any area where there is no local inspection authority, has been inspected by ~~an~~ a licensed electrician.
- (F) Metering accuracy shall be the responsibility of the electric utility.
 - (1) Upon request by a customer, the electric utility shall test its meter to verify its compliance with the ANSI C12.1 standards within thirty business days after the date of the request.

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- (2) The customer or the customer's representative may be present when the meter test is performed at the customer's request.
- (3) A written explanation of the test results shall be provided to the customer within ten business days of the completed test.
- (4) If the accuracy of the meter is found to be within the tolerances specified in this rule:
 - (a) The first test at the customer's request shall be free of charge.
 - (b) The electric utility may charge the customer an approved tariffed fee for each succeeding test conducted less than thirty-six months after the last test requested by the customer. Each electric utility shall notify the customer of such charge prior to the test.
- (5) If the accuracy of the meter is found to be outside the tolerances specified in this rule, the electric utility:
 - (a) Shall not charge a fee or recover any testing expenses from the customer.
 - (b) Shall recalibrate the meter or provide a properly functioning meter that complies with the ANSI C12.1 standards without charge to the customer.
 - (c) Shall, within thirty days, pay or credit any overpayment to the customer, in accordance with one of the following billing adjustments:
 - (i) When the electric utility or customer has established the period of meter inaccuracy, the overcharge shall be computed on the basis of metered usage prior and/or subsequent to such period, consistent with the rates in effect during that period.
 - (ii) When the electric utility and customer cannot establish the period of meter inaccuracy, the overcharge period shall be determined to be: the period since the customer's "on" date or the period since the date of most recent meter test performed, whichever is shorter. The applicable rates shall be those in effect during the period of inaccuracy in order to determine the appropriate credit or refund.

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Paragraph (F)(5) of this rule shall not apply to meter or metering inaccuracies caused by tampering with or unauthorized reconnection of the meter or metering equipment.

(d) Any undercharge shall be billed in accordance with Rule 4901:1-10-23 of the Administrative Code.

- (G) Each electric utility shall identify, by company name and/or parent trademark name and serial or assigned meter numbers and/or letters, placed in a conspicuous position on the meter, each customer meter that it owns, operates, or maintains.
- (H) Each electric utility shall maintain the following records regarding each meter that it owns, operates, or maintains, for the life of each such meter plus three years:
 - (1) Serial or assigned meter number.
 - (2) Every location where the meter has been installed and removed, together with the dates of such installations and removals.
 - (3) Date of any customer request for a test of the meter.
 - (4) Date and reason for any test of the meter.
 - (5) Result of any test of the meter.
 - (6) Meter readings before and after each test of the meter.
 - (7) Accuracy of the meter found during each test, "as found" and "as left".
- (I) Each electric utility shall comply with the following requirements regarding meter reading:
 - (1) The electric utility shall obtain actual readings of all its in-service customer meters at least once each calendar year. Every billing period, the electric utility shall make reasonable attempts to obtain accurate, actual readings of the energy and demand, if applicable, delivered for the billing period, except where the customer and the electric utility have agreed to other arrangements. Meter readings taken by electronic means shall be considered actual readings.
 - (2) In addition to the requirements of paragraph (I)(1) of this rule, the electric

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utility shall provide, upon the customer's request, two actual meter readings, without charge, per calendar year. The customer may only request an actual meter read if usage has been estimated for more than two of the immediately preceding billing cycles consecutively or if the customer has reasonable grounds to believe that the meter is malfunctioning.

- (3) An actual meter reading is required at the initiation and/or the termination of service, if the meter has not been read within the sixty calendar days immediately preceding initiation and/or termination of service and access to the meter is provided.
- (4) If the meter has most recently been read within the thirty-three to fifty-nine calendar days immediately preceding the initiation and/or termination of service, the electric utility shall inform the customer, when the customer contacts the electric utility, of the option to have an actual meter read at no charge to the customer.
- (5) If the meter has been read within the thirty-two calendar days immediately preceding the initiation and/or termination of service, the electric utility may estimate usage.

(I) Advanced meter opt-out service

- (1) A customer shall have the option to take electric service using a traditional meter and may request a traditional meter and opt out of advanced meter service by contacting the electric utility. An electric utility shall provide customers with the option to remove an installed advanced meter and replace it with a traditional meter, and the option to decline installation of an advanced meter and retain a traditional meter, including a cost-based, tariffed opt-out service.
- (2) The electric utility shall notify the customer of the following if a customer expresses interest in using a traditional meter:
 - (a) The customer will be required to pay the costs associated with the installation of the traditional meter, the ongoing costs associated with the manual reading of the traditional meter, and other fees and costs that may be assessed by the electric utility associated with the traditional meter.

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- (b) If the customer is currently enrolled in a product or service requiring an advanced meter as a condition of enrollment, the electric utility shall notify the customer that a different product or service must be chosen prior to installation of the traditional meter.
- (3) The electric utility shall have the right to refuse to provide opt-out service in either of the following circumstances:
 - (a) If such a service creates a safety hazard to consumers or their premises, the public, or the electric utility's personnel or facilities.
 - (b) If a customer does not allow the electric utility's employees or agents access to the meter at the customer's premises.
- (4) Tariffs
 - (a) The electric utility shall file a proposed tariff for opt-out service.
 - (b) Each electric utility shall have on file with the commission an approved tariff offering residential customers the option to remove an installed advanced meter and replace it with a traditional meter, and the option to decline the installation of an advanced meter and retain a traditional meter. Such tariff shall comply with the following requirements:
 - (i) In the event special tariff provisions are required due to circumstances not addressed in this rule, the electric utility shall address those circumstances in its tariff application, but shall maintain consistency with the rules herein. Should the electric utility deem it necessary to include tariff provisions that are not consistent with this rule, the electric utility shall identify any inconsistency and file a request for a waiver from the applicable rule provisions.
 - (ii) The tariff shall not be available to any customer taking generation service under a time differentiated rate.

An electric utility may establish certain fees for electing not to use an advanced meter. Such fees shall be calculated based upon the additional costs incurred to provide opt-out service as allowed by this rule.

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- (c) An electric utility may establish a one-time fee to recover the costs of removing an existing advanced meter and the subsequent installation of a traditional meter.
- (d) An electric utility may establish a recurring fee to recover costs associated with providing meter reading and billing services associated with the use of a traditional meter.
- (e) Costs incurred by an electric utility to provide the opt-out service shall be borne only by customers who elect to use a traditional meter instead of an advanced meter.

CSI - Ohio

The Common Sense Initiative

Business Impact Analysis

Agency Name:	Public Utilities Commission of Ohio (PUCO)
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	Angela.hawkins@puc.state.oh.us
	Attention: Greg Price, Electric Section Chief
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	Greg.price@puc.state.oh.us
Regulation/Package Title:	Electric Companies
Rule Number(s):	Chapter 4901:1-10, O.A.C.
Date:	7/10/13
Rule Type:	<input checked="" type="checkbox"/> New <input checked="" type="checkbox"/> 5-Year Review
	<input checked="" type="checkbox"/> Amended <input type="checkbox"/> Rescinded

The Common Sense Initiative was established by Executive Order 2011-01K and placed within the Office of the Lieutenant Governor. Under the CSI Initiative, agencies should balance the critical objectives of all regulations with the costs of compliance by the regulated parties. Agencies should promote transparency, consistency, predictability, and flexibility in regulatory activities. Agencies should prioritize compliance over punishment, and to that end, should utilize plain language in the development of regulations.

Regulatory Intent

1. Please briefly describe the draft regulation in plain language. *Please include the key provisions of the regulation as well as any proposed amendments.*

The proposed revisions to the rules in Chapter 4901:1-10, Ohio Administrative Code (O.A.C.), are in accordance with the State of Ohio's 5-year rule review procedures. Section 119.032, Revised Code, requires all state agencies to conduct a review, every five

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years, of their rules and to determine whether to continue their rules without change, amend their rules, or rescind their rules. The rules in Chapter 4901:1-10, O.A.C., set forth electric service and safety standards.

The proposed revisions to Chapter 4901:1-10, O.A.C., would create consumer safeguards for the protection of customer energy usage data, allow customers the option to opt out of advanced meter service, direct more accurate disclosure of environmental data and the approximate generation resource mix, create more clarity and consistency for net metering customer-generators, and create a rule to comply with the federal Public Utility Regulatory Policies Act of 1978 (PURPA).

2. Please list the Ohio statute authorizing the Agency to adopt this regulation.

The amendments to the rules in Chapter 4901:1-10, Administrative Code, are in response Section 119.032, Revised Code, which requires all state agencies to conduct a review, every five years, of their rules and to determine whether to continue the rules without change, with amendments, or with rescissions. The Public Utilities Commission of Ohio (PUCO) has determined that certain amendments to the rules are necessary.

All of the proposed rules in Chapter 4901:1-10, Administrative Code, will be adopted in accordance with the authority granted to the PUCO in Sections 4905.04, 4905.22, 4905.28, 4928.06, 4928.08, 4928.10, 4928.11, 4928.16, 4928.20, 4928.53, and 4928.67, Revised Code.

3. Does the regulation implement a federal requirement? Is the proposed regulation being adopted or amended to enable the state to obtain or maintain approval to administer and enforce a federal law or to participate in a federal program? *If yes, please briefly explain the source and substance of the federal requirement.*

Rule 4901:1-10-34 is being proposed to comply with the federal requirements set forth in the Public Utility Regulatory Policies Act of 1978 (PURPA), as amended by the Energy Policies Act of 2005. This federal requirement is to provide a market-based rate to small power producing and cogeneration qualifying facilities. The rule would require electric utilities to pay the standard market-based rate to qualifying facilities unless contracted otherwise.

4. If the regulation includes provisions not specifically required by the federal government, please explain the rationale for exceeding the federal requirement.

The rules in 4901:1-10 do not implement a federal requirement, with the exception of 4901:1-10-34. Rule 4901:1-10-34 is written to comply with PURPA, it is not written to exceed the federal PURPA requirement. In fact, the Federal Power Act (FPA) defines a

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small power production facility as a facility that uses certain types of technology and has a capacity up to 80 megawatts. See 16 U.S.C. 796(17)(A)(i)-(ii) (2000). The proposed rule to Chapter 4901:1-10 would limit the PURPA compliance requirements to facilities that generate up to 20 megawatts.

5. **What is the public purpose for this regulation (i.e., why does the Agency feel that there needs to be any regulation in this area at all)?**

The rules contained in Chapter 4901:1-10, O.A.C., are intended to promote safe and reliable service to consumers and the public, and to provide minimum standards for uniform and reasonable practices. The proposed revisions to the rules in this chapter comply with the public purpose for the regulation and provide greater consumer protections and safeguards.

6. **How will the Agency measure the success of this regulation in terms of outputs and/or outcomes?**

The rules contained in this chapter govern electric companies. The success of the regulation in terms of outputs and outcomes will be measured based upon customer and electric utility feedback.

Development of the Regulation

7. **Please list the stakeholders included by the Agency in the development or initial review of the draft regulation. *If applicable, please include the date and medium by which the stakeholders were initially contacted.***

The Commission conducted a workshop on August 17, 2012, at the offices of the Commission to receive feedback from interested stakeholders and the general public. The case number for the commission's review of Chapter 4901:1-10, O.A.C., is 12-2050-EL-ORD. The entry providing notice of the workshop was served upon all investor-owned electric utilities in the state of Ohio, all competitive retail electric service providers in the state of Ohio, and the Electric-Energy industry list-serve. Over 21 stakeholders signed the provided sign-in sheet for the workshop. The workshop was held in conjunction with other electric industry rules workshops, including the rules in chapters 4901:1-9, 4901:1-22, 4901:1-23, and 4901:1-25.

8. **What input was provided by the stakeholders, and how did that input affect the draft regulation being proposed by the Agency?**

Staff has adopted the recommendations provided by stakeholders at the workshop. While there was not significant stakeholder input on the rules in Chapter 4901:1-10 at the

workshop, a number of changes have been made to the rules as a result of stakeholder feedback over the past five years. The proposed revisions include:

- (a) New definitions for customer energy usage data and de-identified customer energy usage data. These definitions are being added to prohibit an electric utility from disclosing customer energy usage data without the customer's written or electronic authorization, or without a court or commission order, except in certain circumstances.
- (b) Clarifications to environmental disclosure to supplement the regional generation resource mix data provided by the regional transmission organization for unknown purchased resources. This should provide consumers with a greater understanding of the generation resource mix for the generation they purchase.
- (c) A clarified definition of customer-generators that recognizes that a customer who hosts or leases generation equipment on its premises is considered a customer-generator.
- (d) A clarification to the phrase "intend primarily to offset part or all of a customer-generator's requirements for electricity", as found in 4928.01(31)(a), Revised Code. The clarification to the definition would include a presumption that a customer-generator that generates less than one-hundred and twenty percent of the customer-generator's requirements for electricity intends "primarily to offset" part or all of the customer-generator's requirements for electricity. This presumption is proposed because the Commission and staff recognize that a customer-generator could generate in excess of the customer-generator's consumption while actually intending only to offset all of the customer-generator's requirements for electricity. The Commission and Staff further recognize the need to allow customer-generators to engage in energy efficiency measures without becoming excessive-generators.
- (e) A clarification to the definition of a customer-generator's requirements for electricity, which would recognize that a customer-generator's requirements for electricity is the customer-generator's average annual electricity consumption over the previous three years, using the annual period of June 1 to May 31.
- (f) A rule for the calculation of the credit for monthly excess generation and net excess generation. Under the proposed revisions, excess generation would be credited to the next month's bill. If the credit is not used in the next month, it's credit to a net excess generation account. That net excess generation account would then credit any months in which the generation from the prior month was insufficient. Net excess generation would accumulate for the twelve month

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period beginning on June 1 of each year and ending on the following May 31. If there exists net excess generation at the end of the twelve month period, the electric utility must issue a refund to the customer-generator for the net excess generation, calculated at the rate the customer-generator pays for generation and regardless of whether the customer-generator purchases generation from the electric utility or a competitive retail electric service provider.

- (g) A proposed revision to clarify the definition of the customer-generator's premises. The clarified definition would recognize that a customer-generator's premises includes lots or areas contiguous to the lots or areas owned, operated, leased, or otherwise controlled by the customer-generator.

9. What scientific data was used to develop the rule or the measurable outcomes of the rule? How does this data support the regulation being proposed?

No scientific data was provided or considered. In adopting any changes to Chapter 4901:1-10, O.A.C., the Commission takes into account feedback from stakeholders and the general public.

10. What alternative regulations (or specific provisions within the regulation) did the Agency consider, and why did it determine that these alternatives were not appropriate? If none, why didn't the Agency consider regulatory alternatives?

Alternative regulations considered by the Commission and which the Commission seeks comments from stakeholders but did not add to the proposed revisions, include whether rule 4901:1-10-28 should contain definitions of the acceptable technologies for net metering (such as microturbine), whether 4901:1-10-28 can include virtual net metering and aggregate net metering without violating Sections 4928.01 or 4928.67 of the Revised Code, and whether PURPA should be limited to less than 20 megawatts.

11. Did the Agency specifically consider a performance-based regulation? Please explain. *Performance-based regulations define the required outcome, but don't dictate the process the regulated stakeholders must use to achieve compliance.*

No performance-based regulations were considered. The proposed revisions contain electric service and safety standards. The standards are not performance-based or outcome-based.

12. What measures did the Agency take to ensure that this regulation does not duplicate an existing Ohio regulation?

The Agency has reviewed other Ohio regulations and found no duplicate. Furthermore, no duplicate has been identified by stakeholders.

13. Please describe the Agency's plan for implementation of the regulation, including any measures to ensure that the regulation is applied consistently and predictably for the regulated community.

Upon completion of the rulemaking process, the changes made to Chapter 4901:1-10, O.A.C., will be attached to the Commission's finding and order and served upon all investor-owned electric utilities in the state of Ohio, all competitive retail electric service providers in the state of Ohio, and the Electric-Energy industry list-serve.

Adverse Impact to Business

14. Provide a summary of the estimated cost of compliance with the rule. Specifically, please do the following:

a. Identify the scope of the impacted business community;

The scope of the business community impacted by the proposed revisions to Chapter 4901:1-10, O.A.C., includes all electric utilities in the state of Ohio and all customer-generators.

b. Identify the nature of the adverse impact (e.g., license fees, fines, employer time for compliance); and

The proposed revisions were drafted in an effort to minimize any adverse impact on business, while promoting the policies of the state of Ohio in Section 4928.02, Revised Code. Specifically, there are two policies of the state of Ohio that the proposed revisions promote particularly well.

Section 4928.02(F) states that it is the policy of this state to ensure that an electric utility's transmission and distribution systems are available to a customer-generator or owner of distributed generation, so that the customer-generator or owner can market and deliver the electricity it produces.

Section 4928.02(K) states that it is the policy of this state to encourage implementation of distributed generation access across customer classes through regular review and updating of administrative rules governing critical issues such

as, but not limited to, interconnection standards, standby charges, and net metering.

However, the chapter may impact the utility company business community in that there is a time cost involved in compliance with the rules if the utility companies need to program their billing systems and file additional tariffs to reflect the proposed rule revisions, particularly the proposed amendment to Rule 4901:1-10-05, O.A.C., requiring an advanced meter opt-out service.

- c. **Quantify the expected adverse impact from the regulation. *The adverse impact can be quantified in terms of dollars, hours to comply, or other factors; and may be estimated for the entire regulated population or for a “representative business.” Please include the source for your information/estimated impact.***

The Commission anticipates that, primarily, the revisions to this chapter, including the proposed revisions to Rule 4901:1-10-05, O.A.C., will have a positive impact on electric utilities' businesses. Because the proposed changes to Rule 4901:1-10-05, O.A.C., impact distribution, which remains regulated as a monopoly service, electric utilities will have the opportunity to earn a fair rate of return on assets needed to provide the proposed out-out service. Notably, by codifying the opt-out service in tariffs and requiring Commission approval, the proposed changes will ensure that costs to manually read meters and dispatch employees to terminate and initiate service manually are minimized and properly allocated to parties that cause those costs to be incurred. Thus, the electric utilities will be able to recover the incremental operational costs resulting from the opt-out revisions to Rule 4901:1-10-05, O.A.C. Further, the Commission notes that time cost due to filing of additional tariffs related to the revisions to Rule 4901:1-10-05, O.A.C., is expected to be minimal because electric utilities are already equipped to participate in the regulatory process as an ongoing business practice. It is not expected that new employees would need to be hired or resources would need to be diverted from other functions in order to file the tariffs required by the revisions to Rule 4901:1-10-05, O.A.C.

15. **Why did the Agency determine that the regulatory intent justifies the adverse impact to the regulated business community?**

The Commission stresses that, primarily, business impacts resulting from the proposed revisions to this chapter, including the revisions to Rule 4901:1-10-05, O.A.C., are expected to be positive impacts. However, as discussed above, there may be a time cost due to filing of additional tariffs related to the revisions to Rule 4901:1-10-1, O.A.C. However, the Commission believes that providing customers with the option to opt out of

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advanced meter service is a benefit that outweighs the minimal adverse impact to businesses. Additionally, the revisions provide due process for consumers in tariff proceedings that would otherwise be available only through a formal complaint process. The Commission believes that the revisions afford consumers transparency and the ability to challenge the cost structure of opt-out service.

Regulatory Flexibility

- 16. Does the regulation provide any exemptions or alternative means of compliance for small businesses? Please explain.**

No. Electric utilities are under the jurisdiction of the Public Utilities Commission of Ohio and may not be exempted from the requirements provided in Chapter 4901:1-10, O.A.C.

- 17. How will the agency apply Ohio Revised Code section 119.14 (waiver of fines and penalties for paperwork violations and first-time offenders) into implementation of the regulation?**

Not Applicable.

- 18. What resources are available to assist small businesses with compliance of the regulation?**

Commission Staff works with small businesses to ensure compliance with the rules. In Commission Case No. 12-2050-EL-ORD, stakeholders and the general public, including small businesses, were invited to participate in a workshop to explain to Commission Staff potential revisions to the rules to decrease or eliminate any negative effects on business. Small businesses may contact Commission Staff at any time and may comment on the proposed revisions during the open comment period once the proposed revisions have been released via Commission Entry.