

**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)	

**SUPPLEMENTAL COMMENTS OF DIRECT ENERGY SERVICES, LLC
AND DIRECT ENERGY BUSINESS, LLC**

Joseph M. Clark
Jennifer L. Lause
Direct Energy
21 E State Street
19th Floor
Columbus, OH 43215
joseph.clark@directenergy.com
Jennifer.Lause@directenergy.com

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Attorneys for Direct Energy Services, LLC
and Direct Energy Business, LLC

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I. INTRODUCTION

On January 7, 2013, Direct Energy Services, LLC and Direct Energy Business, LLC ("Direct Energy") filed Initial Comments in this docket. On February 6, 2013, Direct Energy filed Reply Comments in this docket. On July 10, 2013 the Commission issued an Entry with Staff's proposed amendments to the rules and set a supplemental comment deadline of August 6, 2013 and a reply comment deadline of August 16, 2013. Direct Energy now respectfully submits its Supplemental Comments in this proceeding. Direct Energy's decision not to address every aspect of each of the Initial Comments, Reply Comments, or Staff's proposed amendments should not be construed as agreement or disagreement with such comments.

II. SUPPLEMENTAL COMMENTS

Direct Energy supports Staff's proposed rules which permit a customer to opt-out of advanced metering service and require Ohio electric distribution utilities ("EDUs") to file a proposed tariff for advanced metering opt-out service. Specifically, Direct Energy supports the proposed rules in 4901:1-10-05(J)(4) that permit a utility to "establish certain fees for electing not to use an advanced meter" and that "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.” This proposed rule adheres to the general principal that cost allocation should follow cost causation; customers who choose to opt out of advanced meter service should be responsible for the costs of this choice. Further, the Commission rules should also address what happens when a customer who has elected not to use an advanced meter moves out of his residence and a new customer moves into the residence. In that situation, the Commission should direct an electric utility to install an advanced meter at no cost to the new customer, since the new customer should not be financial responsible for the decision of the prior resident to opt out of advanced meter service. Direct Energy suggests the Commission adopt a rule as follows:

If a new customer moves into a residence where the prior residential customer elected to remove an existing advanced meter or to decline the installation of an advanced meter and retain a traditional meter, the electric utility shall install an advanced meter at no cost to the new customer.

This additional rule would clarify that a new customer is not financially responsible for the decision of another customer to opt-out of advanced metering service and should be adopted by the Commission.

Because Staff’s proposed rules also include new definitions for the terms “customer energy usage data,” “de-identified energy usage data,” “third-party developer” and “time differentiated rates,” Direct Energy suggests that the Commission also consider additional rules that outline how an EDU receives authorization to disclose customer energy usage data and de-identified energy usage data to competitive retail electric service (“CRES”) providers.

Ohio’s energy policy was established in SB 221 which states, “it is the policy of this state to...encourage innovation and market access for cost-effective supply and demand-side retail electric service including, but not limited to, demand-side management, time differentiated pricing, and implementation of advanced metering infrastructure” Section 4928.01(D), Revised Code. To date, several Ohio EDUs have begun the process of implementing advanced metering

infrastructure. Specifically, Duke Energy Ohio leads the state in advanced meter deployment and is on track to have full deployment to more than 700,000 customers by the end of 2014. AEP Ohio has deployed approximately 110,000 advanced meters. First Energy's Cleveland Electric Illuminating Company had a one-year pilot program in 2011 that included 5,000 advanced meters and has plans to deploy approximately 40,000 additional meters by 2014. Dayton Power & Light does not currently have plans to implement advance metering infrastructure.¹

Obviously, deployment of advanced metering infrastructure is a necessary first-step in bringing time-differentiated rates to Ohio customers. While pilot programs such as those conducted by Duke Energy Ohio, AEP Ohio, and First Energy do provide a unique opportunity for EDUs to “test” customers’ response to time differentiated pricing, such programs are often unsustainable due to the costs of creating and maintaining such programs. Because of their expertise in product development, marketing, and customer engagement, Direct Energy believes that CRES providers, rather than EDUs, should be the entities that offer time differentiated (or time-of-use, “TOU”) products to Ohio customers. However, in order to develop, market, and enroll customers on TOU products, CRES providers must have access to both de-identified energy usage data and customer energy usage data.

By its definition, de-identified energy usage data is “not identifiable to an individual retail customer” and therefore such information should be treated differently than customer energy usage data because disclosure does not pose a threat to customers’ privacy. Such information is useful to CRES providers in understanding customers’ usage patterns on an

¹ <http://www.puco.ohio.gov/puco/index.cfm/consumer-information/consumer-topics/smart-grid-in-ohio/>

interval (hourly or 15-minute) basis and thus is essential to new product development and pricing. Direct Energy proposes that the Commission adopt a rule as follows:

Upon written request from a CRES provider, an electric utility that has installed and certified advanced meters shall disclose de-identified energy usage data, to the CRES provider via an electronic data interface (EDI) file, web portal, or other mutually-agreed upon format. Such de-identified energy usage data shall include 15-minute interval data provided to the CRES provider on a daily basis.

Establishing a clear framework for sharing de-identified energy usage data between EDUs and CRES providers is an essential step in the process of providing time differentiated pricing products to Ohio customers.

The Commission should also adopt a rule that outlines the process for disclosure of customer energy usage data to CRES providers. In order to appropriately bill a customer on a TOU rate, a CRES provider must have access to customer energy usage data. While an advanced meter certainly captures more data points than a traditional meter, the process for sharing customer energy usage data should be the same. Thus, Direct Energy proposes that the Commission adopt a rule as follows:

Upon a customer's enrollment with a CRES provider for a time differentiated pricing product, an electric utility shall disclose a customer's energy usage data to the customer's CRES provider via an electronic data interface (EDI) file, web portal, or other mutually-agreed upon format. Such energy usage data shall include 15-minute interval data provided to the CRES provider in real-time.

This proposed rule would ensure that customers of a CRES provider who enrolled on a time of use product could be properly billed based on their energy usage.

III. CONCLUSION

Direct Energy requests the Commission accept its suggested changes to the proposed amendments contained in the Commission's July 10, 2013 Entry.

Respectfully submitted,

/s/ Jennifer L. Lause

Joseph M. Clark
Jennifer L. Lause
Direct Energy
21 East State Street, 19th Floor
Columbus, Ohio 43215
(614) 220-4369 (office)
(614) 220-4674 (fax)
joseph.clark@directenergy.com
jennifer.lause@directenergy.com

Attorneys for Direct Energy Services, LLC
and Direct Energy Business, LLC

CERTIFICATE OF SERVICE

I certify this 6th day of August, 2013, that a copy of the foregoing document was served *via* electronic mail to the e-mail addresses below.

/s/ Jennifer L. Lause
Jennifer L. Lause

mhpetricoff@vorys.com
smhoward@vorys.com
mswhite@igsenergy.com
sgiles@hullinc.com
emma.berndt@opower.com
ricks@ohanet.org
tobrien@bricker.com
yost@occ.state.oh.us
vparisi@igsenergy.com
burkj@firstenergycorp.com
cdunn@firstenergycorp.com
haydenm@firstenergycorp.com
scasto@firstenergycorp.com
sellriott@metrocdengineering.com
judi.sobecki@dplinc.com
jeanne.kingery@duke-energy.com
Elizabeth.watts@duke-energy.com
bojko@carpenterlipps.com
callwein@wamenergylaw.com
jkeyes@kfwlaw.com
tculley@kfwlaw.com
tsiwo@bricker.com
mwarnock@bricker.com
stnourse@aep.com
mjsatterwhite@aep.com
nmcDaniel@elpc.org
nolan@theoec.org
annie@votesolar.org
nathan@buckeyeforestcouncil.org
trent@theoec.org
jfisher@ofbf.org
daniel.sawmiller@sierraclub.org
chitt@seia.org
dblair@rlcos.com

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Summary: Comments Supplemental Comments electronically filed by Ms. Jennifer L. Lause on behalf of Direct Energy Business, LLC and Direct Energy Services, LLC