BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

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

OHIO PARTNERS FOR AFFORDABLE ENERGY'S MEMORANDUM CONTRA

Ohio Partners for Affordable Energy ("OPAE") hereby respectfully submits to the Public Utilities Commission of Ohio ("Commission") this memorandum contra the applications for rehearing of Duke Energy Ohio ("Duke") and FirstEnergy Services Company ("FirstEnergy") filed in this docket to review Chapter 4901:1-10 of the Ohio Administrative Code ("O.A.C."). The Commission adopted additional amendments to Rules 4901:1-10-01 and 4901:1-10-5 to provide for advanced meter opt-out service and associated definitions. Rule 4901:1-10-05(J) identifies a new service called "advanced meter opt-out service" under which a customer has the option to use a traditional meter and opt out of advanced meter service by contacting the utility. The utility will provide the customer 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. The utility is also to file a cost-based, tariffed opt-out service under which the customer will be required to pay the costs associated with the re-installation of the traditional meter, the ongoing costs associated with the manual reading of the traditional meter, and other fees associated with the traditional meter. The utility may refuse to provide opt-out service if such service creates a safety hazard and/or if the customer does not allow the utility access to the traditional meter.

In its application for rehearing, Duke is mostly concerned that there may be additional costs associated with opt-out service. Duke imagines additional costs for relocating an advanced meter to another area of a customer's property, for an opt-out disrupting communications networks, and for re-installation of an advanced meter if a new customer at a location does not want to opt out. Duke also wants to deny opt-out service to a customer if security is involved or if a customer has an indoor meter. Duke also expresses concern that opt outs may disrupt a customer's relationship with a competitive retail electric service ("CRES") provider offering time of use rates.

While Duke is concerned that the opt-out service may create additional costs, Duke expresses no concern that an opt-out customer will be required to pay Duke's special advanced meter rider that includes all the costs associated with advanced meter installations until those costs are recognized in Duke's base distribution rates. If an electric utility like Duke has a separate rider to recover the costs associated with the new advanced meters, the opt-out customer should be able to avoid the rider as well as the advanced meter. This is consistent with the principal of cost causation. Customers not using the advanced meter and related infrastructure are not causing the cost.

If an electric utility's current distribution base rates already include costs associated with the traditional metering service, such as the cost of the traditional meter and the costs associated with reading the traditional meter, there should be no additional costs associated with the opt-out service. Under these circumstances, the continued costs of traditional meter service are already being paid by the customer through current base rates. Any charges made by a monopoly distribution utility should be cost based, and there should be no recovery of costs that are not incurred and no double recovery of costs.

FirstEnergy argues that the opt-out rules should not be adopted because a customer cannot dictate the type of equipment an electric distribution utility elects to use in the delivery of its service. FirstEnergy at 7. First Energy believes that customers have no right to select the meter that the distribution company chooses to install.

Under Ohio law, Revised Code Section 4928.04, the Commission may declare that metering, or billing and collection service, supplied to consumers within the certified territory of an electric distribution utility is a competitive retail electric service that the consumer may obtain from any supplier. The Commission may issue an order, after investigation and hearing, that metering is a competitive service if the Commission determines that there will be effective competition with respect to the service and that the customers of the service have reasonably available alternatives. R.C. Section 4928.04.

Therefore, although the Commission has not yet issued an order declaring metering service to be a competitive retail electric service in FirstEnergy's or Duke's certified territories, the Commission has the statutory authority to do so. Metering would then be a competitive retail service and customers would have the ability to select metering service among competing metering service providers. The distribution utilities should be concerned if the metering services they offer customers are unacceptable to customers for reasons of cost or privacy or security. Failure to accommodate a flexible approach to metering may result in alternatives to the metering service provided by the monopoly distribution utility.

While Duke has rushed to provide advanced metering to all customers within its certified territory and FirstEnergy has not, it cannot be said that these distribution utilities are forever guaranteed a monopoly on metering service within their certified territories. Competition for metering service cannot be discounted; and distribution utilities should not be so dismissive of customers' rights to determine what metering service is best for them.

Therefore, the applications for rehearing of Duke and FirstEnergy should be denied to the extent and for the reasons discussed herein.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Memorandum Contra was served electronically upon the persons identified below on this 25th day of November 2013.

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