BEFORE THE

PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Commission's Investigation of Ohio's Retail Electric Service Market	)))	Case No. 12-3151-EL-COI

REPLY COMMENTS OF THE DAYTON POWER AND LIGHT COMPANY

The Dayton Power and Light Company ("DP&L" or "Company"), hereby submits the following comments in reply to comments concerning the Public Utilities Commission of Ohio Staff ("Staff")'s Market Development Work Plan ("work plan") previously filed by interested participants in this proceeding. The lack of a reply comment with respect to some or any aspect of another participant's comments should not be construed as agreement with the comments. DP&L's reply comments focus on five general areas:

1. The scope of the Commission's Investigation into the health of Ohio's competitive retail market seems to have strayed from its original intent.
2. Customer privacy and protections must be a focal point of concern when considering changes to utility systems and processes.
3. While CRES Providers advocate for standardization among the EDUs, it is apparent from the comments filed in this case that there is significant disagreement among CRES Providers about what these "standards" should be, making a "one size fits all approach" unworkable.

4. All Commission-Ordered programs must be mandatory for CRES Providers, not optional.
5. Ohio should not rush-in to follow the model of other competitive states without first casting a critical eye toward the successes and failures of those models, and should instead wait to see the outcome of various "enhancements" and improve on oversights to create a market that provides the most value to customers.

The scope of the Commission's Investigation into the health of Ohio's competitive retail market seems to have strayed from its original intent.

DP&L agrees with Industrial Energy Users-Ohio ("IEU") that the Staff's work plan has wandered from its original intention of seeking comments and feedback from interested parties and incorporating those comments in its recommendations to the Commission. Furthermore in its initial Finding and Order in this case, dated December 12, 2012, the Commission found that "an investigation is appropriate regarding the health/strength/vitality of Ohio's retail electric service market." What began with the intent of determining the overall condition of Ohio's retail electric service market has turned into a forum for CRES Providers to lobby for improvements that greatly benefit themselves at the risk of significant additional costs to customers.

An investigation should be designed to first attempt to determine whether a project or process (in this case the competitive retail market in Ohio) is functioning the way it was intended. Only after it is first determined that the current project, process, or construct is not functioning properly should the investigation delve deeper into determining the issues affecting the functionality of the effort. As a final step, if needed, stakeholders collaborate to solve any issues that were determined through the initial steps of the investigation process. The path this

Commission Ordered Investigation has taken is one in which stakeholders are solving problems for issues that are unknown or that do not exist before first identifying those issues. The current investigation into the functionality of Ohio's existing competitive retail market has morphed into an initiative for many CRES Providers to push programs and process changes that have not been proven to provide any benefit, are not in line with the Governor's Common Sense Initiative, and may cost hardworking Ohio ratepayers who ultimately pay for these changes, tens of millions of dollars to "fix" a market that appears to already be working.

The Commission must be conscious of this fact when ordering Ohio's EDUs to implement system or process changes. In order to ensure ratepayer's hard-earned money is being spent wisely, all proposed changes should first be subject to a cost-benefit analysis conducted by the Commission to protect customers from unnecessary increases to their electric bills.

Customer privacy and protections must be a focal point of concern when considering changes to utility systems and processes.

The Commission should be focused on customer privacy and protections when evaluating proposals to enhance the competitive retail market in Ohio. Many of the proposals argued for by CRES Providers attempt to allow CRES Providers easier access to customer data; more specifically, the customer's account number to be used in enrollment. DP&L considers the customer account number Personal Identifiable Information and critical to the protection of customers. Direct Energy ("Direct") and the Retail Energy Supply Association ("RESA") both applaud Staff's efforts to allow easier customer enrollment and further urge the Commission in their comments to allow customers to provide permission to the CRES Provider to access the

customer's account number directly from the EDU. DP&L stresses that the customer should be the only party providing their account number to the CRES Provider in order to be enrolled as is the case today.

In their comments on Staff's work plan, consumer groups collectively agree that the costs for the programs and system changes proposed in the work plan be paid by the entities that are benefitting. Most, if not all programs and system changes being proposed greatly benefit CRES Providers, are of little to no benefit to customers and provide no benefit to utilities. DP&L agrees with consumer groups that Staff needs to detail the costs associated with each program or system change and a cost-benefit analysis needs to be completed to ensure benefits to customers outweigh the costs.

While CRES Providers advocate for standardization among the EDUs, it is apparent from the comments filed in this case that there is significant disagreement among CRES Providers about what these "standards" should be, making a "one size fits all approach" unworkable.

CRES Providers have been requesting standardization among EDU processes since day one of the workshops and subcommittee meetings held in this case, but have yet to agree with one another on what the "standard" for each process should be. There seems to be agreement on most issues raised in this case between the EDUs and consumer groups; however, there is little conformity among the CRES Providers who pose these concerns, on the appropriate way to address the alleged issues. Before EDUs are required to implement costly programs and system changes there must be consensus among all stakeholders in regard to the appropriate way to handle each individual change, and more importantly, whether or not actions need to be taken in

the first place. CRES Providers who argue in their comments for piecemeal or cafeteria programs must be aware that additional options equate to additional costs, which will ultimately be borne by customers.

The Commission should not require system changes until it clearly identifies the end goal. System and process changes are extremely expensive and should be well thought-out and planned out prior to initiating changes, or costly project overruns will be commonplace.

All Commission-Ordered programs must be mandatory for CRES Providers, not optional.

DP&L is concerned with allowing CRES Providers to pick and choose the EDU services they utilize, because allowing voluntary use of programs drives additional costs to ratepayers. While DP&L notes the merits of individual proposals, uniformity among what is being offered to CRES Providers is essential in keeping the costs to customers as low as possible, specifically in regards to purchase of receivables ("POR") programs and requiring CRES logos on EDU consolidated bills. A Commission Order requiring EDUs to implement a POR program or to place CRES Provider logos on consolidated bills should come with a requirement that all CRES Providers take advantage of these programs. As stated throughout these comments, more options translate to greater costs that are ultimately borne by customers; therefore, an all-in only option for CRES Provider participation would be a necessary component, if the Commission Order requires EDUs to implement a POR program or provide CRES Provider logos on consolidated bills.

Furthermore, DP&L points out conflicting positions of CRES Providers, in particular, FirstEnergy Solutions' ("FES") divergence from other CRES Provider's position on POR and

CRES Provider logos on the EDU consolidated bill. FES states in its comments on Staff's work plan:

> If the Commission accepts the recommendation, it is important that participation in the EDUs' POR programs be voluntary for any CRES provider that uses consolidated EDU billing, not mandatory. CRES Providers that have invested the necessary time, effort and resources in managing collections, some of which are among the earliest entrants in Ohio's competitive retail electric market, should not bear responsibility to pay for a program they do not need and which facilitates their competitors' operations.

Additionally, in its comments considering CRES Provider logos on EDU consolidated bills, FES argues:

> The Commission must reject the Plan's recommendations [for mandatory participation] because they would violate a non-consenting CRES providers' rights under federal trademark law, exceed the Commission's authority, and violate a non-participating CRES provider's right to free speech by requiring the non-participating CRES provider to pay for others.

DP&L is troubled with the fact that even though the Commission may order that these programs be mandatory, CRES Providers will decline to participate, considerably driving up costs for other CRES Providers, for the EDUs, and ultimately harming consumers through increased delivery and supply rates and/or fewer choices. If the EDUs are ordered by the Commission to make costly system changes to accommodate 35 suppliers (for example) and only 2 suppliers take advantage of that service, the cost of providing that service should be borne entirely by the 2 suppliers. Neither ratepayers nor utilities should be left holding the bag in the situation where the utility builds it and no one participates. The Commission should therefore reject any requirement for EDUs to place CRES Provider logos on its consolidated bills. If CRES Providers think there is a competitive advantage to having their logo on the bill, they have an option--they can invest in their own billing system and develop their own bill format they believe provides customers with clear information about the services they offer.

Ohio should not rush-in to follow the model of other competitive states without first casting a critical eye toward the successes and failures of those models, and should instead wait to see the outcome of various "enhancements" and improve on oversights to create a market that provides the most value to customers.

In reply to Staff's recommendation that EDUs offer seamless moves, which is yet another area of disagreement among CRES Providers, RESA and Interstate Gas & Supply ("IGS") contend that in addition to seamless moves, the Commission require EDUs to implement an "instant connect" option that is currently being evaluated in Pennsylvania. DP&L agrees with points made on this issue by the Toledo Edison, Ohio Edison, and the Cleveland Electric Illuminating Companies:

> …it will be of no value for the OEWG working group to work with its counterpart in Pennsylvania, as each Pennsylvania EDU just filed its individual plan at the end of December 2013. None have yet been approved or even gone to hearing. Until those plans are adjudicated and approved – and implemented –there would be little value for the OEWG to begin working with the Pennsylvania Seamless Move and Instant Contact Group.

Ohio should take a wait-and-see approach to the issues currently being vetted in other states so that mistakes can be fixed and the best competitive market can be shaped for Ohio consumers. These enhancements should be in the best interest of the consumer and not narrowly focused on the interests of CRES Providers; therefore, it is prudent for the Commission to evaluate customer satisfaction within other competitive states before requiring Ohio consumers to pay for programs from which they may realize little to no benefit.

CONCLUSION

DP&L respectfully submits its reply comments for consideration and appreciates the opportunity to comment and participate in the Commission's investigation in connection with this proceeding.

Respectfully submitted,

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Summary: Reply Comments of the Dayton Power and Light Company electronically filed by Mr. Tyler A. Teuscher on behalf of The Dayton Power and Light Company