

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

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

APPLICATION FOR REHEARING OF IGS ENERGY

On March 26, 2014, the Public Utilities Commission of Ohio ("Commission") set forth a Finding and Order ("March 26 Order") in the above captioned proceeding implementing measures that pertain to competitive retail electric service ("CRES") in Ohio. Pursuant to Section 4903.10, Revised Code, and Ohio Administrative Code ("OAC") 4901-1-35, IGS Energy ("IGS") hereby submits this Application for Rehearing on the following issues:

1. The Finding and Order is unlawful and unreasonable in that it fails to give clear guidance as to the type of smart meter data that electric distribution utilities ("EDUs") must make available to CRES providers;
2. The Finding and Order is unlawful and unreasonable in that it fails to clarify that EDUs shall not charge customers or CRES providers for access to customer energy usage data ("CEUD");
3. The Finding and Order is unlawful and unreasonable in that it fails to clarify that EDUs are required to implement a master data management system that will make available CEUD to CRES providers for those customers that consent to make that data available;
4. The Finding and Order is unlawful and unreasonable in that it fails to set forth a procedural mechanism by which interested stakeholders can give input on EDUs' CEUD tariffs;
5. The Finding and Order is unlawful and unreasonable in that it fails to require the Market Development Working Group ("MDWG") to make proposals on how a more diverse range of products and

services can be offered and billed to customers through the competitive market.

For the reasons more fully set forth in the attached Memorandum in Support, IGS requests rehearing on the above issues.

Respectfully submitted,

/s/ Matthew White

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MEMORANDUM IN SUPPORT

I. INTRODUCTION

In the March 26 Order the Commission approved a number of modest measures designed to help Ohio's retail electric markets become more competitive. IGS is encouraged that during this retail market investigation ("RMI") the Commission has been largely supportive of moving Ohio's competitive retail electric markets forward. The Commission should continue to encourage the development of Ohio's competitive electric markets as competition in electric markets has benefited, and will continue to benefit, all Ohio customers.

Probably the most important issue the Commission must grapple with in the future with respect to the development of competitive electric markets is the treatment of the default service product. While IGS is not filing for rehearing on this issue, it is important that in future proceedings the Commission takes steps to limit, and ultimately eliminate,

the favoritism the default rate product receives under Ohio's current regulatory structure.¹

There are some who wish to continue to hold out the default service as the preferred product in the market, and would even like to create more rules that would impede customers from leaving the default rate and push customers back to default service. This policy is short-sighted and will harm customers in the long run. Default service does not exist in virtually any other industry because default service discourages customer engagement and ultimately stifles innovation.² In other industries (auto, groceries, insurance, etc.), customers make decisions every day for products and services where there is no default service. Many of those services are required by law or are essential services.

With the introduction of competition into Ohio's electric markets, there is great potential to transform Ohio's electric markets with previously un-thought-of products and services. This will not happen, however, until customers make decisions in their own interest for electric generation service, just like they do for all other products and services.

¹ Ohio's current regulatory structure favors the SSO product in the market in that: 1) all new and legacy EDU distribution customers are enrolled on the SSO by default, 2) all new EDU distribution customers must remain on the SSO rate for a minimum period of two months before having the opportunity to switch to a competitive retail electric supplier ("CRES"), 3) the SSO product is not subject to the same regulatory rules (and costs associated with complying with those rules) as competitive products, 4) the SSO product is used as the comparison price in the market, where no other product in the market and 5) many costs associated with supplying the default generation rate are still recovered through distribution rates, which are paid for by all customers.

² If one product is granted favorable legal or regulatory treatment, or otherwise has an anti-competitive advantage in the market, all else being equal, customers will be more likely to purchase or enroll in that product. Thus the favored product will have less pressure to innovate and become more efficient, and other products that are not advantaged will be pushed out of the market. This rationale is the foundation for the enactment of anti-trust laws and is also a basic economic principal in a free market society.

IGS is appreciative of the efforts made by the Commission to move Ohio's competitive electric market forward. However, as Ohio's competitive electric markets evolve, it is important to keep in mind that no collaborative, regulation, working group or Commission proceeding can substitute for the power that competition has at driving innovation.

With this in mind, IGS respectfully requests that the Commission grant rehearing in this proceeding on the below issues.

II. TOPICS FOR REHEARING

A. The Commission Should Clarify the Type of Smart Meter Data that Must be Made Available to CRES Providers.

In the Finding and Order the Commission found that EDUs should file amended tariffs that specify the terms, conditions and charges associated with providing customer energy usage data ("CEUD").³ IGS supports the filing of EDU tariffs outlining the terms and conditions associated with provided CEUD to CRES providers, however, the Commission should add some additional clarity to the direction given to the EDUs with respect to the tariff filings.

The Commission should modify the March 26 Order to set forth minimum standards of data that must be made available to CRES providers if the customer consents to providing such data. EDUs should be required to provide CRES providers with peak load contributions ("PLCs") that are *individually calculated for each residential customer*. The March 26 Order references PLCs, but it is not clear in the Order that the PLCs must be individual for each customer and not an average or aggregate PLC for residential customers. Further, EDUs should make available to CRES providers, at a minimum,

³ March 26 Order, at 36.

hourly interval data, with the goal of enhancing the granularity of the data to fifteen minutes or less.

Individual PLCs and hourly interval data (or more frequent) are required in order to offer customers products with the most basic time-of-use (“TOU”) products, residential demand response and peak shaving. These types of products offer great benefit to customers and the environment in that they reduce the amount of energy used during peak periods, reducing energy consumption and thus saving money for customers. For these reasons, the Commission should take the necessary steps to allow CRES providers to make these product offerings available to customers.

B. The Commission Should Clarify the March 26 Order to Ensure that EDUs do not Charge CRES Providers or Customers for Access to CEUD Data.

IGS is concerned that the March 26 Order directs EDUs to file tariffs that include charges when providing interval CEUD data. IGS does not believe it is appropriate to charge customers or CRES providers for CEUD. Customers have paid for metering upgrades through distribution rates or smart grid riders, and thus there should not be any additional incremental charges each time data is provided to customers or a CRES provider. If EDUs are authorized to charge CRES providers for access to CEUD data each month, or on a per customer basis, this would raise a significant barrier to providing TOU and residential demand response products to customers.

For these reasons, the Commission should modify the March 26 Order to clarify that EDUs shall not charge customers or CRES providers for CEUD. At a minimum, the March 26 Order should clarify that any charges for CEUD should be nominal, should not be on a per customer basis, and should not reoccur each time a CRES provider receives data for its customers.

C. The Commission Should Clarify that EDUs Must Make Available a Master Data Management System to Manage Customer Smart Meter Data.

The Commission should clarify that EDUs must implement a master data management system (“MDMS”) that will enable CRES providers to access customer data for product development and billing via an electronic interface. Minimum MDMS capabilities should be put in place as soon as practicable, so that CRES providers can begin to market the most basic types of TOU rates and residential demand response products. More advanced MDMS capabilities should be considered during this initial phase so that the system can develop to accommodate transfer of more granular data and more advanced products in the future. The Commission should also direct the EDUs to work with all stakeholders to develop a MDMS that will allow efficient data access and exchange with CRES providers without inhibiting new product development.

D. The Commission Should Clarify the March 26 Order to Create a Procedural Mechanism that EDUs Must Follow for Approval of Their CEUD Tariffs.

The Commission should modify the March 26 Order to create a procedural mechanism that the EDUs must follow for approval of their CEUD tariffs. For instance the Commission should require that once the EDU files its tariffs, interested stakeholders should have an opportunity to file comments, objections, and proposed modifications. While IGS is not seeking a hearing for each tariff filing, given the newness of this issue, stakeholders should have an opportunity to give meaningful input into the EDU CEUD tariffs before being approved by the Commission.

E. The March 26 Order Should Require EDUs to Implement a Plan That Will Allow CRES Providers to Bill for a More Diverse Range of Products and Services.

In the March 26 Order the Commission required the formation of a market development working group (“MDWG”) to address issues that relate to the continued

development of Ohio's retail electric markets.⁴ The Commission directed the MDWG to consider topics such as seamless move, contract portability, bill formatting and easier enrollment for customers. While these are all important topics for the MDWG to focus on, the MDWG should also address means by which customers can be billed for a more diverse range of products and services by CRES providers.

Granting customers billing flexibility and multiple billing options is extremely important if additional products and services are to develop in the competitive market. Already today residential customers are able to purchase a number of different products from competitive suppliers in markets throughout the country including residential demand response, smart thermostats, solar panels, and energy efficiency to name a few. As product offerings evolve, it is quite possible in the not-too-distant future, that the commodity will be just one of many features customers receive with their energy service from CRES providers. One only need look at the telecommunications industry to see how this can happen.⁵

IGS believes that these types of advanced product offerings can be achieved in electric markets as well, with the proper billing functionality. Supplier consolidated billing would make the CRES providers the single bill provider for electric charges to the customer, and the CRES supplier would collect the receivables for the EDU's distribution charges. Generation charges already represent a greater portion of the customer's electric bill than distribution charges. Further, as the additional products and

⁴ Id. at 23.

⁵ Currently, voice charges are just one of the various components many customers pay on phone bills; other charges include text messaging, data charges and charitable donations, to name a few.

services grow, distribution charges could only be a very small portion of what the customer pays for energy service.

Of course, with supplier consolidated billing, failure to pay non-electric charges would not trigger disconnect for the customer. Disconnect would only be applicable to electric charges and be subject to the same laws and procedures as today. Further, the CRES providers would still be subject to the same billing requirements in the rules and statutes that the EDU is subject to today under the utility consolidated bill model.

For these reasons, IGS requests that the Commission modify the March 26 order to include as a topic for the MDWG “means by which CRES provider non-generation charges can be billed.” The Commission should also require that supplier consolidated billing be a topic specifically explored by the MDWG.

III. CONCLUSION

IGS thanks the Commission for giving it the opportunity to being a meaningful participant in this Ohio RMI proceeding. For the reasons stated herein, IGS requests that the Commission grant rehearing on the issues listed in its Application for Rehearing, and make the modifications to the March 26 Order as proposed in this Memorandum in Support.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I certify that a copy of this *Application for Rehearing of IGS Energy and Memorandum in Support* was served via electronic mail this 25th day of April 2014 on the parties listed below.

/s/ Matthew White

Matthew White

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Summary: App for Rehearing electronically filed by Helen Sweeney on behalf of IGS Energy