

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Amendment of)	
Chapters 4901:1-10 and 4901:1-21, Ohio)	Case No. 14-1411-EL-ORD
Administrative Code, Regarding Electric)	
Companies and Competitive Retail)	
Electric Providers.)	

**REPLY COMMENTS
BY
THE OFFICE OF THE OHIO CONSUMERS' COUNSEL**

I. INTRODUCTION

The Office of the Ohio Consumers' Counsel ("OCC") appreciates the opportunity to submit these reply comments on behalf of Ohio's 4.2 million residential electricity consumers. This case is a rulemaking for the requirement in Senate Bill 310 that electric utilities disclose to customers, on their monthly bills, the "costs" of the renewable energy, energy efficiency, and peak demand reduction programs arising from Ohio's 2008 energy law.

The Public Utilities Commission of Ohio's ("PUCO") received comments from a number of stakeholders on November 5, 2014. OCC filed several recommendations.¹ OCC's primary recommendation is that the PUCO should, in implementing the new disclosure, fulfill its time-honored goal of providing information to consumers that is

¹ For example, OCC recommended that the PUCO should require Ohio electric utilities to inform customers on their bills that energy efficiency and peak demand reduction programs can yield savings.

accurate and understandable.² That goal is codified in in Ohio Adm. Code 4901:1-10-22(B).

II. REPLY COMMENTS

A. **The PUCO Should Reject AEP Ohio’s Request In This Case To Allow Electric Utilities To Charge Customers Now For The Utilities’ Costs Of Implementing The Disclosure Requirement In Senate Bill 310.**

AEP Ohio proposes that electric utilities be permitted to “recover all costs for the work performed under these new rules through the existing Alternative Energy Rider and the Energy Efficiency and Peak Demand Reduction Rider.”³ The PUCO should reject AEP’s proposal. These alleged “costs” do not relate to alternative energy or energy efficiency/peak demand reduction programs. Including these costs in the alternative energy and energy efficiency/ peak demand reduction riders will artificially increase the costs of these riders on consumers’ bills. The costs are thus not includable in those riders for charging customers.

It is unlawful for the PUCO to approve new charges to customers in a rulemaking docket. There is no ratemaking authority in this rulemaking. There has been no properly filed utility application that seeks authority to increase rates or implement new charges to customers. Nor has AEP Ohio shown that that the costs are just and reasonable. Moreover, this rulemaking did not provide parties with an opportunity to conduct discovery under R.C. 4903.082, cross-examine witnesses, or review the costs allegedly incurred to comply with R.C. 4928.65 (Senate Bill 310).

² *In the Matter of the Amendment of Chapters 4901:1-10 and 4901:1-21, Ohio Administrative Code, Regarding Electric Companies and Competitive Retail Electric Providers*, Case No. 14-1411-EL-ORD, OCC Initial Comments at 1 (October 5, 2014).

³ AEP Ohio Comments at 1.

B. AEP Ohio's Proposal Is Reasonable For Utilities To Present Bill Information To Residential Customers In kWh And Not mWh.

AEP Ohio recommends that the calculation contained in Ohio Adm. Code 4901:1-10-35(B)(1) should not be displayed in megawatt hours, but should be displayed in a kilowatt-hour format.⁴ AEP Ohio reasons that “displaying a megawatt-hour cost on a residential customer’s bill would not display apples to apples cost comparison on the bill.”⁵ OCC agrees that using a kilowatt-hour basis is reasonable. Thus, this recommendation coincides with OCC’s primary recommendation in this case that the PUCO should, in implementing the new disclosure, fulfill its time-honored goal of providing information to consumers that is accurate and understandable.⁶ That goal is codified in in Ohio Adm. Code 4901:1-10-22(B).

C. It Is Reasonable For The PUCO And Stakeholders To Have The Opportunity To Review Bill Formats Implementing The New Rules Prior To Electric Utilities Sending The Bills To Consumers.

The Environmental Advocates⁷ suggest that the calculation of renewable energy, energy efficiency, and peak demand reduction compliance costs is a complicated task, and that the PUCO’s final rules will still leave some leeway as to exactly how a particular utility calculates the relevant costs and formats its bills.⁸ For this reason, the Environmental Advocates recommended that the PUCO require each electric utility

⁴ AEP Ohio Comments at 3.

⁵ Id.

⁶ *In the Matter of the Amendment of Chapters 4901:1-10 and 4901:1-21, Ohio Administrative Code, Regarding Electric Companies and Competitive Retail Electric Providers*, Case No. 14-1411-EL-ORD, OCC Initial Comments at 1 (October 5, 2014). Ohio Adm. Code 4901:1-10-22(B).

⁷ The “Environmental Advocates” include Sierra Club, Environmental Law and Policy Center, Ohio Environmental Council and Natural Resources Defense Council.

⁸ Environmental Advocates Comments at 10.

company to file a sample bill, and an accompanying sample calculation, for review and approval by the PUCO each year prior to the actual bills being issued to customers.⁹ This recommendation is reasonable and is consistent with the PUCO’s rule that utility bills must be accurate and understandable for consumers.¹⁰

Ohio Adm. Code 4901:1-10-33(F) currently requires that “any new consolidated bill format proposed by an electric utility shall be filed with the commission for approval. If an application for a consolidated bill format is not acted upon by the commission within forty-five calendar days after it is filed, the consolidated bill format shall be deemed approved on the forty-sixth day after filing.” Thus, an electric utility is required to file its proposed bill format implementing the PUCO’s new rules *prior* to the bill format going into effect. When the electric utilities file their respective bill formats related to the rule changes resulting from this proceeding, the PUCO should afford stakeholders with the opportunity to comment within the context of the PUCO review and approval process prior to the bills being issued to consumers. This will help to ensure that the information on consumers’ bills is accurate and does not lead to customer confusion.

D. The Charges That Consumers Pay To Fund The Utilities’ Discounts To Large Industrial Customers Who Take Electric Service On An Interruptible Rate Should Not Be Included In The Cost information That Is Presented On Monthly Utility Bills.

OMAEG points out that for the last three years, 12 percent of AEP Ohio’s energy efficiency/peak demand reduction rider costs consist of interruptible rate credits to large

⁹ Id.

¹⁰ Ohio Adm. Code 4901:1-10-22(B).

industrial customers that are paid for by all customers.¹¹ These credits (which reduce the bills of large industrial customers) are not part of utility energy efficiency/peak demand reduction program plans. Instead, these interruptible credits are subsidized by all customers under several legacy interruptible rate design offerings by electric utilities. Thus, it would be inaccurate to include the cost of interruptible credits as part of the disclosure of charges ascribed to energy efficiency/peak demand reduction programs on customers' bills. If the PUCO wants information conveyed to customers on the cost of the interruptible credits they are funding, then it should be identified as a separate item, apart from the energy efficiency/peak demand reduction program charges.

III. CONCLUSION

Under Substitute Senate Bill 310, the “costs” of renewable energy, energy efficiency, and peak demand resource programs are to be listed on each customer's monthly bill as a distinct line item. OCC and others have made recommendations to the PUCO to ensure that this new information is presented on Ohioans' electric bills in a format that will be understandable and accurate for them. These proposals should be adopted by the PUCO.

¹¹ OMAEG Comments at 7.

Respectfully submitted,

BRUCE J. WESTON
OHIO CONSUMERS' COUNSEL

/s/ Kyle L. Kern

Kyle L. Kern (Reg. No. 0084199)

Counsel of Record

Michael J. Schuler (Reg. No. 0082390)

Assistant Consumers' Counsel

Office of the Ohio Consumers' Counsel

10 West Broad Street, Suite 1800

Columbus, Ohio 43215-3485

Telephone: Kern Direct (614) 466-9585

Telephone: Schuler Direct (614) 466-9547

Kyle.kern@occ.ohio.gov

Michael.schuler@occ.ohio.gov

CERTIFICATE OF SERVICE

I hereby certify that a copy of these Reply Comments were served on the persons stated below via electronic service this 17th day of November 2014.

/s/ Kyle L. Kern

Kyle L. Kern

Assistant Consumers' Counsel

SERVICE LIST

William.wright@puc.state.oh.us
joseph.clark@directenergy.com
cdunn@firstenergycorp.com
mfleisher@elpc.org
swilliams@nrdc.org
trent@theoec.org
daniel.sawmiller@sierraclub.org

stnourse@aep.com
sam@mwncmh.com
fdarr@mwncmh.com
mpritchard@mwncmh.com
judi.sobecki@aes.com
Bojko@carpenterlipps.com
hussey@carpenterlipps.com

Attorney Examiner:

Mandy.willey@puc.state.oh.us

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