

**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of Application of Duke	)	
Energy Ohio, Inc. for Authority to	)	Case No. 14-841-EL-SSO
Establish a Standard Service Offer	)	
Pursuant to R.C. 4928.143, in the Form	)	
of an Electric Security Plan, Accounting	)	
Modifications, and Tariffs for Generation	)	
Service.	)	
	)	
In the Matter of Application of Duke	)	Case No. 14-842-EL-ATA
Energy Ohio, Inc. for Authority to Amend	)	
its Certified Supplier Tariff, P.U.C.O. No.	)	
20.	)	

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**REPLY BRIEF OF IGS ENERGY**

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## **I. INTRODUCTION**

The extensive record in this case<sup>1</sup> and the initial briefs submitted by a diverse group of customer parties (Staff, competitive retail electric service (“CRES”) providers, customers of varying usage, and environmental groups) confirm that Duke Energy Ohio, Inc.’s (“Duke”) proposal to establish the PSR and its other proposals that would materially inhibit competition are unlawful and unreasonable.

Despite the overwhelming record evidence and Ohio laws, Duke proposes that the Commission approve, among other things, three anticompetitive proposals. Duke requests approval to discriminate against CRES providers—specifically, Duke proposes to prohibit CRES providers for billing for non-commodity charges while allowing its affiliate, Duke Energy One, to do so. Duke requests that the Commission insulate its interest in two generation assets from the risk of the competitive market, through the deceptively named Price Stability Rider (“PSR”); clinging to the counterfactual claim that the PSR is a hedge and a good deal for customers. Finally, Duke requests that the Commission approve its request to approve an archaic default service structure that would bundle a portion of generation-related costs with distribution rates, contrary to Ohio law and policy.

As discussed in Interstate Gas Supply, Inc.’s (“IGS”) Initial Brief and further below, the Commission should reject Duke’s anticompetitive and unlawful proposals and adopt modifications to Duke’s electric security plan (“ESP”) recommended by IGS.

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<sup>1</sup> The record in these proceedings contains both confidential and non-confidential information. Confidential exhibits include the designation “a” after their number. Throughout this brief, IGS references only the public version of exhibits, though confidential information may be cited in the brief.

Also, IGS urges the Commission to adopt the proposals contained in the testimony and briefs of the Retail Energy Supply Association (“RESA”).<sup>2</sup>

## **II. ARGUMENT**

### **A. The Commission Should Reject Duke’s Proposal to Prohibit CRES Providers from Using the Bill-Ready Function to Bill for Non-Commodity Charges**

In its Initial Brief, IGS demonstrated that Duke’s proposal to amend its tariff so as to prohibit CRES providers from using the bill-ready function to bill for non-commodity charges is unreasonable. Specifically, IGS noted that it is important to enable CRES providers to offer a more diversified range of products and services that help customers use and consume energy more efficiently. Further, IGS explained that Duke is already allowing its affiliate company, Duke Energy One, to place non-commodity charges on the utility bill. Thus, it would be discriminatory and contrary to Ohio law to prohibit CRES providers from doing the same.<sup>3</sup>

In its Initial Brief, Duke claims that it is necessary to restrict non-commodity CRES charges from being on utility bill so that those charges are not included in the purchase of receivables program (“POR”).<sup>4</sup> However, as noted in IGS witness White’s testimony, if the Commission does not wish for non-commodity charges to be included in its POR program, the Commission can simply amend Duke’s tariff to exclude those

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<sup>2</sup> IGS’s silence on any issue should not be construed as agreement or acquiescence.

<sup>3</sup> IGS Ex. 10 at 8.

<sup>4</sup> Duke Initial Brief at 37.

charges from its POR program, without implementing a blanket prohibition against including the charges on the utility bill.<sup>5</sup>

Duke also claims in its Initial Brief that “(t)he Company's billing system does not accommodate a means by which to separate out such charges.” Duke provides no evidence supporting this conclusory statement.<sup>6</sup> However, as noted by Mr. White, the evidence clearly demonstrates that Duke *does* have the ability to differentiate between non-commodity charges and electric charges. In discovery Duke indicated that it already excludes the non-commodity charges Duke bills for Duke Energy One from its uncollectible expense rider and those charges cannot trigger customer disconnect.<sup>7</sup> Since Duke is already able to exclude its affiliate's non-commodity charges from its uncollectible expense rider, it would give every indication that Duke can do the same for CRES non-commodity charges.

Duke also indicated in its Initial Brief that it would be too costly to upgrade its systems to allow CRES providers to bill for non-commodity charges—again without providing any evidence in support of this statement.<sup>8</sup> But, in discovery, Duke indicated that it incurred no incremental cost to allow its affiliate Duke Energy One to bill for non-commodity charges.<sup>9</sup> Thus, it is highly suspect that there are no costs for Duke to allow its affiliate to bill for non-commodity charges, but it is somehow far more costly to allow CRES providers to the same.

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<sup>5</sup> IGS Ex. 10 at 9.

<sup>6</sup> Duke Initial Brief at 37.

<sup>7</sup> *Id.*

<sup>8</sup> Duke Initial Brief at 37.

<sup>9</sup> IGS Exhibit 5 (IGS-INT-02-005).

The much more plausible explanation is that Duke simply wishes to continue the preferential treatment it offers to its affiliate. However, it is contrary to Ohio law to provide preferential treatment to an affiliated company. Thus, the Commission should not approve Duke's proposed changes that would allow Duke to continue discriminatory access to the utility bill only to Duke's affiliated company. Rather, the Commission should require Duke to amend its tariff to explicitly allow CRES providers to bill for non-commodity charges, as explained by IGS witness White.

## **B. The Commission should reject the PSR**

Duke argues that the Commission should approve Duke's anti-competitive Price Stability Rider ("PSR") to mitigate against "anticipated, yet undefined, volatility in the wholesale market."<sup>10</sup> Duke claims that R.C. 4928.143(B)(2)(d) provides the Commission with authority to approve such a provision in an ESP. As discussed in IGS Energy's Initial Brief and further below, Duke is wrong on the law and the facts: (1) the PSR is not authorized by Ohio law; (2) the Commission is preempted by Federal Law from approving the PSR; (3) Duke's projections of the impact are wrong. Therefore, the Commission should reject the PSR.

### **1. The PSR is not authorized under Ohio law**

Duke claims that 4928.143(B)(2)(d) authorized the Commission to approve the PSR.<sup>11</sup> That section provides that an ESP may include:

Terms, conditions, or charges relating to limitations on customer shopping for retail electric generation service, bypassability, standby, back-up, or supplemental power service, default service, carrying costs, amortization

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<sup>10</sup> Duke Initial brief at 18.

<sup>11</sup> Duke Initial Brief at 18.

periods, and accounting or deferrals, including future recovery of such deferrals, as would have the effect of stabilizing or providing certainty regarding retail electric service.

Duke claims that the PSR meets the criteria of (B)(2)(d) for the following reasons:

1. The PSR is a term or charge;
2. The PSR relates to bypassability because it is a nonbypassable charge;
3. The PSR stabilizes retail electric service prices.<sup>12</sup>

It is generally not contested that the PSR relates to a term or charge. But Duke's remaining arguments do not hold water.

Duke incorrectly claims that the PSR satisfies the requirement that it relates to "bypassability" because it is a non-bypassable charge.<sup>13</sup> Duke's argument is contrary to rules against statutory interpretation in several ways.

As discussed in IGS's Initial Brief, R.C. 4928.143 includes two provisions—(B)(2)(b) and (c)—that authorize generation-related non-bypassable charges. Those provisions provide specific and clear authorization to include non-bypassable charges in an ESP under certain circumstances. Inclusion of a non-bypassable charge under those sections implies exclusion under other provisions. *Montgomery County Bd. of Com'n's v. Pub. Util. Comm'n of Ohio*, 28 Ohio St.3d 171, 175 (1986). Thus, the Commission cannot authorize a non-bypassable charge under (B)(2)(d).

Any doubt regarding the Commission's latitude to authorize a non-bypassable generation-related charge outside of (B)(2)(b) and (c) is eliminated by R.C. 4928.02(H). That section prohibits recovery of generation service costs (or products and service other than retail electric service) through non-bypassable charges.

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<sup>12</sup> Duke Initial Brief at 18.

<sup>13</sup> *Id.*

The General Assembly provided specific circumstances for approving a non-bypassable generation-related charge and specifically prohibited recovery of generation-related non-bypassable charges under any other circumstances. If the Commission could sidestep these provisions and approve a non-bypassable charge under B(2)(d), the standard would be meaningless and lead to absurd results. The Supreme Court has stated, “[t]he General Assembly will not be presumed to have intended to enact a law producing unreasonable or absurd consequences.” *Cooper v. Savor*, 153 Ohio St. 367, 371 (1950); *Columbia Gas Transmission Corporation v. Levin*, 2008-Ohio-511 ¶ 35. The Supreme Court has already rejected an overly broad interpretation of the ESP statute holding that it “would remove any substantive limit to what an electric security plan may contain, a result we do not believe the General Assembly intended.” *In re Application of Columbus Southern Power Co. v. Pub. Util. Comm’n of Ohio*, 2011-Ohio-1788 at ¶ 34.

Additionally, the PSR fails to satisfy the third criteria, i.e. providing stability or certainty with respect to retail electric service. Duke claims that the PSR intuitively provides a mechanism that will mitigate volatility in the wholesale energy market and against price increases in general.<sup>14</sup> Duke is wrong.

Initially, Duke has not demonstrated that the PSR pertains to retail electric service. The PSR involves Duke’s interest in a wholesale purchase power contract and the revenues and costs related to that contract in the wholesale energy market.<sup>15</sup> Such contracts do not pertain to retail electric service because no customers—default service

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<sup>14</sup> Duke Initial Brief at 24.

<sup>15</sup> At best, the PSR entails a product or service other than retail electric service.



or shopping—will receive any electricity under the contract.<sup>16</sup> Because the PSR does not relate to retail electric service, the PSR is not allowed under the third part of the Commission's test. Thus, the Commission need not address the question of whether the PSR provides any stability or certainty.

Even assuming that the Commission determines the PSR relates to retail electric service, the PSR does not satisfy the third criteria listed above because it provides no stability or certainty. Duke's claim that the daily wholesale energy markets may be volatile is a red herring. Customers do not purchase energy on an hourly basis in the wholesale energy markets.<sup>17</sup> Rather, customers have access to long-term fixed price contracts.<sup>18</sup> Pursuant to these contracts, a CRES provider can hedge customers' usage requirements years in advance of the delivery period. Thus, any volatility that may emerge in the wholesale energy markets during future delivery periods has no impact on customers. Last winter is a perfect example. The coldest temperatures in 87 years,<sup>19</sup> coupled with unusually high forced outages—coal plants experienced similar outage rates to natural gas plants—caused volatility in the daily energy markets.<sup>20</sup> But

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<sup>16</sup> Duke Ex. 2 at 10.

<sup>17</sup> Tr. Vol. II at 472-73. See, also, the Commission's Apples to Apples Chart applicable to Duke viewed at <http://energychoice.ohio.gov/ApplesToApplesCategory.aspx?Category=Electric>. Volatility does not exist in forward market prices. Tr. Vol. XII at 3446.

<sup>18</sup> *Id.*

<sup>19</sup> Sierra Club Ex. 2 at 2 (containing the Statement of Michael J. Kormos, Executive Vice President—Operations PJM Interconnection, L.L.C.).

<sup>20</sup> According to PJM, "overall the gas interruptions were not the major driver of the high forced outage rates experienced in the PJM region . . . equipment issues associated with both coal and natural gas units made up the far greater proportion of forced outages." Sierra Club Ex. 2 at 4.

customers were largely protected from these price fluctuations through fixed-price contracts.<sup>21</sup>

Indeed, the PSR injects an element of uncertainty and volatility into customers' electric bills because there is no way of knowing in advance whether it will be a charge or credit or the magnitude of either. Thus, Duke's proposal would undermine the stability and certainty that CRES providers already provide to their customers through fixed-price contracts.

Duke is also wrong that the PSR will mitigate future price increases. Duke witness Wathen claimed that the PSR should intuitively be a charge when market prices are low and a credit when market prices are high.<sup>22</sup> He admitted, however, that he performed zero analysis to support his claim.<sup>23</sup> Indeed, the Duke witnesses (and IGS's witness) that did in fact analyze the impact of the PSR conceded that *Mr. Wathen's intuition is wrong*.<sup>24</sup> Further, even if Duke were correct, the PSR proposed by Duke would not provide any meaningful change to a customer's bill. If it is a hedge, the OVEC Entitlement would hedge no more than 8.67% of Duke's total retail sales.<sup>25</sup> Thus, the impact would be only a few cents a month. As witness Taylor stated, "it's still not going to be a -- a major item that moves the needle." Tr. Vol. VII at 1919. Again, such a meager charge or credit will not stabilize anything.

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<sup>21</sup> Even monthly variable priced contracts do not reflect day to day price volatility in the wholesale electric prices. See PUCO Apples to Apples website with respect to terms and conditions.

<sup>22</sup> Duke Ex. 6 at 14.

<sup>23</sup> Tr. Vol. II at 589-91.

<sup>24</sup> See OCC Ex. 4; Tr. Vol. IX CONF 2516-2519 (cross-examination of Bryan Dougherty); Tr. Vol. I at 223, 225-26; see IGS Ex. 12 at CONF TH-7. See *also* IGS Ex. 12 at 11-16.

<sup>25</sup> Tr. Vol. II at 461-62; Tr. Vol. III at 607-08 (correcting the estimate provided in transcript pages 461-62).

Duke's statements regarding pending coal-fired generation retirements are irrelevant but also overstated. Initially, Duke concedes that this proceeding will have no impact on OVEC's continued operation.<sup>26</sup> Thus, the proceeding will not impact the generation mix in PJM. And, while there are coal retirements planned in PJM, most of these units are older (nearly 60-years old), smaller, less efficient units that lack environmental controls.<sup>27</sup> And there are over 66,000 MWs of generation in the generation interconnection queue to replace retiring units.<sup>28</sup> Coal will likely continue to be the dominant resource in PJM for the future—"continued reliance on steam (mainly coal) seems likely, despite retirements of coal units."<sup>29</sup>

In summary, Duke has not demonstrated that the PSR may be authorized under Ohio law. Therefore, the Commission should reject it.

## **2. The PSR is a bad deal for customers**

As discussed above, the PSR is not a hedge against rising prices or volatility. Additionally, Duke's own projections indicate that the PSR has a negative net present value through 2024.

Duke has attempted to improve upon its own projections through vague references to proposed changes to the PJM capacity market and potential impact

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<sup>26</sup> Tr. Vol. I at 67; see also IGS Ex. 12 at 10.

<sup>27</sup> "These units have an average age of 56.9 years, and an average size of 170.0 MW. This indicates that on average, retirements have consisted of smaller sub-critical coal steam units and those without adequate environmental controls to remain viable beyond 2015." IGS Ex. 1 at 367 (State of the Market Report for PJM, Q1 Monitoring Analytics (May 15, 2014)).

<sup>28</sup> IGS Ex. 1 at 362.

<sup>29</sup> IGS Ex. 1 at 361.

related to FERC regulation of demand response.<sup>30</sup> Again, Duke has overstated the impact of these changes.

Duke has not provided any analysis to demonstrate how the capacity performance proposal will impact its current projection of capacity prices—such lack of analysis indicates that it may not impact Duke’s forecast at all. Moreover, Duke focuses on the fact that the capacity performance initiative *may* increase capacity revenue for generation. Yet, Duke ignores the fact generators that fail to perform may pay penalties that dwarf their capacity revenues.<sup>31</sup> These losses would flow through the PSR. Or Duke may be required to increase its cost of operating OVEC in order to avoid penalties. Such costs would not be included in its current projections.

Also, Duke ignores that practical reality that the capacity performance proposal would reduce the volatility the PSR is designed to mitigate against (assuming that Duke is correct that customers buy energy in the daily and hourly energy markets, which they do not). Stated differently, if the capacity performance proposal reduces forced outages, it may reduce wholesale energy prices and volatility.

Duke also incorrectly claims that if FERC does not regulate demand response it will cause a large increase in capacity prices. Initially, there is no current order prohibiting FERC from regulating demand response in the capacity market. While FERC Order 745, which pertains to energy compensation for demand response, was overturned by the D.C. Circuit (in a split decision), that decision will be appealed to the

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<sup>30</sup> Duke Brief at 21-22.

<sup>31</sup> *Reforms to the Reliability Pricing Market and Related Rules in the PJM Open Access Transmission Tariff (“Tariff”) and Reliability Assurance Agreement Among Load Serving Entities (“RAA”)*, FERC Docket ER15-623, Application at 42-44 (Dec. 12, 2014).

Supreme Court of the United States.<sup>32</sup> Thus, it is hardly a foregone conclusion that the Supreme Court of the United States will determine that FERC lacks jurisdiction over demand response.

Moreover, in the event that FERC cannot regulate demand response, state commissions will establish mechanisms for incentivizing demand response. The demand response resources that participate in these state-approved markets can commit to reduce their peak demand, and their load can be removed from the forecast load requirements in PJM capacity market. As a result, PJM would procure less capacity to meet its load. Duke's own FERC expert, Ken Jennings, conceded that Duke's interruptible tariff could be used in this manner.<sup>33</sup> Because the current level of compensation for Duke's interruptible tariff (and FirstEnergy's and Ohio Power Company's) is greater than historical PJM RPM clearing prices, there is no reason why capacity prices would increase under state regulation of demand response. Indeed, if these state-approved mechanisms are expanded and compensation levels remain greater than RPM levels, state regulation of demand response could depress capacity prices.

### **3. The Commission should avoid a federal challenge**

Even if the Commission had authority to authorize the PSR under Ohio law, and it was a good deal for customers, the Commission should not authorize it because it is highly likely to be challenged in federal court. Although Duke insisted that it have the right to address this issue in rebuttal testimony, it failed to address it in its Initial Brief.

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<sup>32</sup> *Federal Energy Regulatory Commission v. Electric Power Supply Association, et al.*, Application No. 14A596 (granting an extension of the deadline to file a writ of certiorari) (Dec. 8, 2014).

<sup>33</sup> Tr. Vol. VI at 1731-33.

Therefore, IGS will limit its response to the Ohio Energy Group's ("OEG") Initial Brief. That being said, Duke should not be permitted to raise new arguments for the first time in its Reply Brief when it had the opportunity to address such arguments in its Initial Brief.

OEG claims that the PSR is not preempted by federal law because it involves a different structure than what was rejected Maryland and New Jersey.<sup>34</sup> Specifically, OEG claims that the PSR does not require the Commission to establish a supplemental wholesale rate and the PSR is permitted because it pertains to existing generation rather than newly constructed generation subject to the minimum offer price rule ("MOPR").<sup>35</sup> OEG is wrong.

Much like in New Jersey and Maryland,<sup>36</sup> the PSR requires Duke to sell power into the PJM wholesale markets. And the revenue produced by those sales would either be *supplemented* or *reduced* through a retail rider to match a different revenue requirement approved by the Commission. Thus, the PSR requires the Commission to approve a separate and supplemental rate.

It is irrelevant that the PSR pertains to existing generation resources not subject to MOPR. The violation of federal law occurs by establishing a supplemental rate for a generation resource. In so doing, the Commission would enter into a field of regulation that is completely occupied by the FERC. Stated differently, the Commission lacks

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<sup>34</sup> See Initial Brief of the Ohio Energy Group at 11-14.

<sup>35</sup> *Id.*

<sup>36</sup> *PPL Energy Plus v. Nazarian*, Case Nos. 13-2419, 13-2424 (4<sup>th</sup> Cir. Ct. Appeals) (2014); *PPL Energy Plus v. Solomon* at 24-29, Case No. 13-4330 (3<sup>rd</sup> Cir. Ct. Appeals) (2014).

authority to regulate wholesale pricing for existing and newly constructed generation. Thus, OEG's distinction lacks a difference.

Further, the negative impact on the wholesale market design is the same in this instance. As discussed in IGS's Initial Brief, PJM sets a *uniform* locational price.<sup>37</sup> PJM's uniform prices are intended to send transparent price signals to market participants regarding retirements and infrastructure investment.<sup>38</sup> Allowing the Commission to set a different wholesale price would undermine the uniform price signals issued by the wholesale market.<sup>39</sup>

#### **4. Duke should be required to transfer its OVEC Assets**

As discussed in IGS's Initial Brief, Duke has already committed to transfer its OVEC interest in its last ESP case. Rather than indulge Duke's request to approve the unlawful and anticompetitive PSR, the Commission should direct Duke to honor its ESP Stipulation obligation and accomplish full legal corporate separation. The Commission has already ordered Dayton Power and Light Company to use its best efforts to transfer its OVEC Assets.<sup>40</sup> There is no reason why the Commission should not do the same for Duke.

#### **C. The Commission Should not Approve an SSO that Does not Reflect the Full Cost of Providing SSO Service to Customers**

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<sup>37</sup> IGS Initial Brief at 21-22.

<sup>38</sup> *Id.*

<sup>39</sup> *Id.*

<sup>40</sup> *In the Matter of the Application of the Dayton Power and Light Company for Authority to Transfer or Sell Its Generating Assets*, Case No. 13-2420-EL-UNC, Finding and Order at 15 (September 17, 2014).

In its Initial Brief, IGS explained that residential customer participation in Duke's retail electric market is limited due to the favored regulatory treatment currently afforded to the standard service offer ("SSO) product. For these reasons, IGS made recommendations that the Commission take measures to limit the anti-competitive advantages and subsidies provided to SSO service.<sup>41</sup>

One of the measures IGS advocated for in its testimony is that the Commission should unbundle the costs required to support the SSO generation product that Duke currently recovers through distribution rates and charges and to recover those costs through the SSO price. IGS explained that this proposal is consistent with Ohio law which requires the utility SSO product to be "unbundled" and "comparable" to other retail electric products in the market.<sup>42</sup> As explained in IGS' Initial Brief, a retail electric product does not just consist of a pass-through of wholesale energy costs; rather there are a number of non-wholesale energy costs that are required to offer a retail electric product in the market.<sup>43</sup> Further, unbundling costs from distribution rates is consistent with the practices of other states with competitive retail electric markets. As noted in IGS' Initial Brief, Ohio is far behind in this regard.<sup>44</sup>

Despite the requirement in R.C. 4928.141(A) that the SSO service be comparable to other products retail products in the market, in its Initial Brief Duke claims that the Commission is not allowed to unbundle costs required to support the SSO that

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<sup>41</sup> IGS Initial Brief at 13-14.

<sup>42</sup> See R.C. 4928.02(B).

<sup>43</sup> IGS Initial Brief at 14.

<sup>44</sup> *Id.* at 15-17.



are recovered in distribution rates. Duke makes this spurious claim based on its interpretation that the SSO price can only contain generation costs which consist only of “energy, capacity, costs of procuring supply, costs for environmental compliance and emission allowances and costs for alternative energy resources”. However, Duke provides no cite to support its contention that the SSO can only contain the aforementioned components.<sup>45</sup> Accordingly, the Commission should not accept Duke’s restrictions on the costs that can be recovered through the SSO simply because Duke adopted that definition in its Initial Brief.

Moreover, as noted by IGS Witness White, there is much more that goes into providing retail electric service than just the components listed by Duke. Those costs include, but are not necessarily limited to:

Duke employee costs for the time Duke employees work to make the SSO rate available to customers; Duke infrastructure costs, including IT costs used to support the SSO and SSO customers; the cost of working capital Duke incurs to purchase SSO supply up-front, but bill SSO customers later; customer call center costs incurred when customers inquire about their SSO generation service; and allocation of a portion of overhead expense, because the SSO could not be made available to customers without the use of Duke's overhead.<sup>46</sup>

Because Ohio law requires that the SSO be comparable to other products in the market, those costs listed by Mr. White must be unbundled from distribution rates and reflected in the SSO price.

Duke also argues in its Initial Brief that the SSO is not required to reflect all of the costs of providing retail electric service because all customers have the ability to take

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<sup>45</sup> Duke Initial Brief at 46.

<sup>46</sup> IGS Ex. 10 at 22.

SSO service.<sup>47</sup> However, just because Duke is required to offer SSO service, does not mean that the SSO price should not reflect the full costs of providing that service. Under Duke's argument, SSO customers would also be eligible for wholesale electric subsidies through distribution rates. This clearly is not consistent with Ohio law, which requires a retail electric price to be a comparable product in the market. Ultimately, a subsidy is a subsidy, whether it's a wholesale electric subsidy or it is a subsidy of other costs required to provide SSO service. For these reasons IGS' unbundling proposal should be adopted.

## **II. CONCLUSION**

For the reasons stated herein, IGS requests the Commission reject the proposals in Duke's Application, which will undermine competition. The Commission should modify the proposed ESP as recommended below. Specifically, IGS requests that the Commission:

- Reject the PSR outright and order Duke to transfer its OVEC generation assets;
- Reject Duke's proposal to prohibit CRES providers from using the bill ready function to place non-commodity charges on the EDU bill; instead, the Commission should make the determination that CRES providers can bill for non-commodity charges on the EDU bill;
- Order that Duke is required unbundle the costs required to support the SSO and immediately initiate a proceeding to determine the costs that must be unbundled from the SSO.

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<sup>47</sup> Duke Initial Brief at 46.

- Adopt the recommendations contained in the testimony and briefs of RESA.

IGS appreciates the opportunity to participate in these important proceedings and to contribute to the development of the record.

Respectfully submitted,

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