

**BEFORE THE
PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Commission’s Investigation of)
Ohio’s Retail Electric Service Market) 12-3151-EL-COI

In the Matter of the Market Development Working)
Group Staff Report) 14-2074-EL-EDI

**COMMENTS OF OHIO EDISON COMPANY, THE CLEVELAND ELECTRIC
ILLUMINATING COMPANY AND THE TOLEDO EDISON COMPANY REGARDING
STAFF’S REPORT**

I. INTRODUCTION

On December 12, 2012, in Case No. 12-3151-EL-COI, the Commission initiated an investigation of Ohio’s Retail Electric Service Market. That investigation culminated in a work plan filed by Staff, which included Staff’s recommendations. On March 26, 2014, the Commission issued a Finding and Order (“March 26 Order”) adopting, in part, Staff’s recommendations. One of those recommendations was Staff’s proposal related to an operational plan to implement a seamless move process.¹ Specifically, the Commission ordered that Staff facilitate discussions with the Market Development Working Group (“MDWG”) to develop an operational plan for the purpose of implementing either a statewide seamless move, contract portability, instant connect or warm transfer process.² On July 14, 2015, Staff filed a Staff Report (“Report”) proposing to implement a warm transfer process (“Proposal”). On November 13, 2015, the Attorney Examiner, upon request of the Electric Distribution Utilities (“EDUs”),

¹ March 26 Order at ¶24.

² *Id.*

issued an Entry requesting comments by December 14, 2015. On December, 9, 2015, the Attorney Examiner extended the comment deadline to January 6, 2015.

Ohio Edison Company, The Cleveland Electric Illuminating Company and The Toledo Edison Company (“Companies”) appreciate the opportunity to comment on Staff’s Proposal. The Companies recognize Staff’s hard work in facilitating the MDWG and drafting the Report. Based on the options examined by the MDWG, the Companies agree with Staff that some form of a transfer program is the least cost option. However, as discussed below, the Companies stress that implementation of Staff’s proposal should be on an EDU by EDU basis because a “one size fits all” approach does not work given the differences in each EDU’s system and staffing capabilities. Nevertheless, based on their specific system and staffing capabilities, the Companies believe that they, for the most part, can accommodate Staff’s Proposal as described below with a few specific modifications discussed herein. The Companies request that the Commission, in issuing any order implementing Staff’s Proposal, specifically consider and adopt their comments and concerns.

II. THE IMPLEMENTATION OF STAFF’S PROPOSAL SHOULD BE DONE ON AN EDU BY EDU BASIS.

As Staff indicates in its Report, the transfer program should be “based upon functionality and limitations of the EDU’s network and telecom systems.”³ Staff also recognizes the importance to not “infringe on current EDU systems and processes” and to “keep implementation cost low.”⁴ Staff’s recognition is in accordance with the Commission in its March 26 Order wherein it stated:

Additionally, the Commission will consider the goal of consistency in making policy decisions; however, as urged by multiple commenters, in considering any

³ Report at 12.

⁴ *Id.* at 11.

specific issue or policy decision, the Commission will weigh the value of standardization against potential costs.⁵

In accord with the recognition that each EDU has unique system capabilities, the Companies urge the Staff and the Commission to afford each EDU with the flexibility to implement Staff's Proposal that is suitable for each EDU's systems and processes. Although Staff's Proposal provides a framework by which each EDU may operate, the appropriate solution would be for each specific EDU to work with Staff on its implementation, which will ultimately reduce the costs of implementation, as well as on-going costs, to the customers. This is especially true in light of the Joint Stipulation and Recommendation ("Stipulation") filed by Ohio Power Company ("AEP Ohio") in Case No. 14-1693-EL-RDR and 14-1694-EL-AAM whereby the parties agreed that AEP Ohio will file a proposal in this docket for a pilot program in the AEP Ohio service territory regarding a third-party agent call transfer process.⁶ Clearly, AEP Ohio's pilot program, which arises out of the AEP Ohio Stipulation, would only apply to AEP Ohio. The other EDUs and the Companies should be permitted to propose their own program as well. For those reasons, the Companies discuss below how they plan on implementing Staff's Proposal.

III. STAFF'S PROPOSAL

As indicated in its Report, Staff and the MDWG met eight times between June 2014 and March 2015 and several of those meetings concentrated on four types of operational plans.⁷ As a result of the discussion at those meetings, Staff recommended a warm transfer program.⁸ In accordance with that Proposal, the Companies are amenable to implementing the following

⁵ March 26 Order at ¶11

⁶ Case Nos. 14-1693-EL-RDR and 14-1694-EL-AAM, Joint Stipulation and Recommendation at 19 (December 14, 2015).

⁷ *Report* at 2.

⁸ *Id.* at 9; 11.

program. First, for residential customers⁹ who request either: 1) service to a new premise (“Move-In”); or 2) stopping service at a premise and requesting service at a new premise in the same call (“Transfer of Service”), the Companies, their contractor, or vendor will provide a brief scripting of the customer’s options as it relates to generation supply.¹⁰ The scripting should be brief and not unduly interfere with the Companies’ ability to meet the average answer time required by Rule 4901:10-09(B), O.A.C. The Companies, their contractor or vendor will provide the customer with the information needed to implement a switch if the customer chooses.¹¹

Then, when the customer requests to enroll with a specific CRES provider, the Companies, their contractor or vendor will transfer the customer to the customer’s CRES provider upon such request.¹² As discussed below, although Staff’s proposal also requires the EDU to stay on the line with the customer during the transfer for six rings or 30 seconds, the Companies should only be required to perform an unannounced transfer¹³ to the CRES provider.¹⁴ Likewise, as discussed below, the Companies are unable to transfer the customer to the governmental aggregator. Therefore, the Companies request two specific modifications to Staff’s Proposal: 1) elimination of the transfer to a governmental aggregator; and 2) elimination of the requirement that the Companies stay on the line after the Companies, their contractor or vendor makes an unannounced transfer to the CRES provider. For those reasons, and with those minor modifications, the Companies are amenable to implementing Staff’s Proposal as specifically described and modified above.

⁹ Although Staff’s Report does not specifically state only residential customers, given Staff’s direction to provide education on the Energy Choice Ohio website, the Companies understand that Staff’s proposal only applies to residential customers.

¹⁰ Report at 12.

¹¹ *Id.*

¹² *Id.*

¹³ An unannounced transfer is when the Companies, their vendor, or contractor physically transfer the call to the CRES provider but do not remain on the line or announce the transfer to the CRES provider.

¹⁴ *Id.*

IV. MODIFICATIONS TO STAFF'S PROPOSAL

A. Transfer to Governmental Aggregator

In its Report, Staff indicates that MDWG participants agree “that governmental aggregation customers will be able to participate within the same governmental aggregation program when a customer moves.”¹⁵ While the Companies fully support governmental aggregation, due to system constraints as well as the evolving nature¹⁶ of governmental aggregation, the Companies are unable to transfer customers to their governmental aggregator as Staff proposed in its Report.¹⁷ First, it is unclear as to whom Staff was referring as a “governmental aggregator.” The aggregator could be a third-party agent, CRES provider, or a specific municipality. A CRES provider supplies the retail customers in a governmental aggregation with competitive retail electric service. Therefore, it is ambiguous as to whom the Staff was referring when it used the term “governmental aggregator” in its Report.

Second, the Companies’ system generally does not identify the specific governmental aggregation within which a customer is currently taking service. If a customer calls the Companies to perform a Transfer of Service, the Companies’ system may have information regarding the customer’s specific governmental aggregator, if the CRES provider who supplies the customers in the governmental aggregation with CRES identified the customer in enrollment as a governmental aggregation customer. However, CRES providers are not required to do so and not all CRES providers identify those customers in enrollment. Third, the Companies

¹⁵ *Id.* at 2.

¹⁶ For example, a municipality can choose a certain CRES provider to serve its residents with an aggregation program under contract, and then choose a different CRES provider, under a different contract. These changes can be made without the EDU’s knowledge.

¹⁷ Report at 12, number 4.

would not know whether the customer is transferring service to a municipality that has a governmental aggregation program.

Last, removing the requirement to transfer customers to their governmental aggregator has less of an impact because governmental aggregation customers could be automatically enrolled with the governmental aggregation program through the normal course of business. Keep in mind however, while the Companies should not be required to transfer customers to a “governmental aggregator,” the Companies will transfer a governmental aggregation customer to his or her existing CRES provider, just like all other customers as contemplated by the transfer program, when the customer identifies the specific CRES provider servicing the governmental aggregation and requests a transfer to that CRES provider during the call. For the reasons described above, the Companies should not be required to identify the “governmental aggregator” for the governmental aggregation group the customer is currently participating, and then transfer the customer to that governmental aggregator.

B. Requirement to Maintain the Transfer for Six Rings or Thirty Seconds

Another element of Staff’s proposal that the Companies should not be required to implement is the requirement for the Companies to stay on the phone after the transfer to the CRES provider. In its Report, Staff states “[a]lternative phone numbers may be provided by the CRES providers to decrease the amount of time an EDU would need to remain on the line.”¹⁸ Staff also recommends that “[t]he EDU shall not be required to complete a Warm Transfer if the CRES provider service does not pick-up after 6 rings or the CRES call center representative does not answer the phone call within 30 seconds of connection with the interactive voice response unit.”¹⁹ Requiring the Companies to stay on the phone, wait six rings, or wait thirty seconds will

¹⁸ *Id.* at 12.

¹⁹ *Id.*

unreasonably increase the costs of implementation and potentially cause the Companies to exceed the average answer time required by Rule 4901:1-10-09(B), O.A.C. Under that rule, the Companies' average answer time cannot exceed ninety seconds. Answer time is measured from the first ring at the electric utility or at the point the caller begins to wait in queue, whichever comes first. Rule 4901:1-10-09(B)(2), O.A.C. If the Companies are staying on the phone for six rings or 30 seconds, as Staff proposes, answer time will be lengthened because employees who would be answering other calls will be spending more time on the phone with customers requesting a transfer to their CRES provider. Each call that is lengthened as a result of this process may cause the average answer time to exceed ninety seconds. Eliminating the six rings, or thirty second waiting period will alleviate this concern.

In addition, requiring the Companies to stay on the phone will also cost more than the estimate Staff used in its Report. The estimate used by Staff in its Report, which was based upon the Companies' estimate using a different set of terms and conditions for the transfer program, understates the estimated cost for Staff's Proposal. In its Report, Staff indicated a cost estimate of \$210,000 to implement its Proposal. While the Companies provided that estimate, it was provided as an estimate for the transfer program described above whereby the Companies would transfer a caller, unannounced, and not remain on the line.²⁰ Costs will increase if the Companies are required to stay on the line for several reasons, including infrastructure investment (call recording and telecom equipment, etc.) trunk-line time and additional staffing to support lengthier calls.

Staff's requirement to remain on the line may also cause customer confusion. The Companies, in making an unannounced transfer to the CRES provider as described above, would

²⁰ *Id.* at 10.

advise the customer that they are transferring the customer to the CRES provider and disconnecting the call with the EDU. If the EDU stays on the line and then disconnects the call once the CRES provider picks up, the customer will be confused as to why the EDU is not remaining on the line with the CRES provider. Such confusion will cause customer dissatisfaction with the transfer program.

Finally, the Companies should not be required to track the length of calls as part of the transfer program as Staff recommended. Such tracking would require the Companies to manually identify transfer program calls, manually pull the recordings of those calls and then manually time the length of the calls. All of this would require significant costs in ensuring that the Companies have the staffing necessary to conduct such a manual process. This requirement is not necessary especially if the requirement to stay on the line for six rings or thirty seconds is eliminated. For all of those reasons, the Commission should permit the Companies to implement the transfer program without the requirement to stay on the line for six rings or for thirty seconds or track call length.²¹

V. COST RECOVERY

As Staff indicated, there will be “on-going incremental labor and telecommunication related expenses.”²² However, Staff has not indicated how costs incurred by the Companies to implement and maintain the mandated transfer program will be recovered. For the Companies, appropriate cost recovery would be to permit the Companies full and timely recovery of all of the costs through a rider such as the Companies’ proposed Rider GDR in their fourth electric security plan case or a newly filed tariff or rider. Requiring the EDUs to seek cost recovery in their next distribution rate cases is unreasonable in light of the fact that the Companies recently

²¹ *Id.* at 12.

²² *Id.* at 10.

filed a Third Supplemental Stipulation in Case No. 14-1297-EL-SSO proposing to freeze base distribution rates until May 31, 2024.²³ For those reasons, should the Commission order that the Companies implement a transfer program, appropriate cost recovery through an existing or newly filed tariff or rider should be permitted.

VI. CONCLUSION

For all of the foregoing reasons, should the Commission require each EDU to implement a transfer program, the Companies request that they be permitted to implement the program as outlined above with the modifications proposed by the Companies.

Respectfully submitted,

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²³ *In the Matter of [the Companies] Application for Authority to Provide for a Standard Service Offer Pursuant to Section 4928.143, Revised Code in the Form of an Electric Security Plan*, Case No. 14-1297-EL-SSO, Third Supplemental Stipulation at 13 (December 1, 2015).

CERTIFICATE OF SERVICE

I certify that these Comments were filed electronically through the Docketing Information System of the Public Utilities Commission of Ohio on this 6th day of January 2015.

The PUCO's e-filing system will electronically serve notice of the filing of this document on counsel for all parties.

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Summary: Comments regarding Staff's Report electronically filed by Ms. Carrie M Dunn on behalf of The Toledo Edison Company and Ohio Edison Company and The Cleveland Electric Illuminating Company