

THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE APPLICATION OF
COLUMBIA GAS OF OHIO, INC. FOR A
WAIVER OF OHIO ADM.CODE 4901:1-13-
11(B)(9).

CASE NO. 16-653-GA-WVR

ENTRY

Entered in the Journal on July 20, 2016

I. SUMMARY

{¶ 1} The Commission grants, to the extent set forth in this Entry, Columbia Gas of Ohio, Inc.'s request for a waiver of Ohio Adm.Code 4901:1-13-11(B)(9). The waiver from the rule's requirements to display the rate for purchase of the gas or natural gas commodity, as set forth in Ohio Adm.Code 4901:1-13-11(B)(9), for Bill Ready and CHOICE Prepay customers will end after a temporary, two-year period or sooner, if possible, upon completion of implementing billing system changes.

II. DISCUSSION

{¶ 2} Columbia Gas of Ohio, Inc. (Columbia) is a public utility and natural gas company as defined in R.C. 4905.02 and 4905.03, respectively. Therefore, Columbia is subject to the Commission's jurisdiction.

{¶ 3} R.C. 4909.18 provides, in part, that a public utility may file an application to establish any rate, charge, regulation, or practice. If the Commission determines that the application is not for an increase in any rate and does not appear to be unjust or unreasonable, the Commission may approve the application without the need for a hearing.

A. Consideration of the Application and Comments

{¶ 4} On March 25, 2016, Columbia filed an application for a waiver from Ohio Adm.Code 4901:1-13-11(B)(9), which requires that bills issued by or for the gas or natural gas company display the rate for purchase of the gas or natural gas commodity, expressed in dollars and cents per thousand cubic feet (Mcf) or hundred cubic feet (Ccf), reflecting

either the gas cost recovery rate or the rate for the commodity service, if the company has been granted an exemption under R.C. 4929.04.

{¶ 5} Columbia explains that, in Case No. 12-2637-GA-EXM, Columbia, Staff, and other stakeholders agreed in a stipulation to implement billing enhancements for competitive retail natural gas service (CRNGS) suppliers participating in Columbia's CHOICE program. According to Columbia, two of the enhancements, Bill Ready and CHOICE Prepay, require Columbia to bill customers a charge, rather than a rate, provided by CRNGS suppliers. Columbia explains that Bill Ready is the billing method in which a CRNGS supplier provides charges to Columbia that are ready to be placed on the bill; CHOICE Prepay provides the customer an opportunity to prepay the supplier's commodity portion of the bill, after which a credit amount is provided by the supplier and applied to the customer's bill to offset supplier charges. Columbia emphasizes that parties to the stipulation agreed that, when billing enhancements conflict with Commission rules, Columbia will file an application requesting a waiver. Columbia also notes that the stipulation was approved by the Commission on January 9, 2013. *In re Columbia Gas of Ohio, Inc.*, Case No. 12-2637-GA-EXM (*Columbia Exemption Case*), Opinion and Order (Jan. 9, 2013).

{¶ 6} Regarding Bill Ready and CHOICE Prepay, Columbia contends that it cannot provide the CRNGS supplier's rate for service, because Columbia only receives from the supplier the total charges for service. In Columbia's opinion, the CRNGS supplier is in the best position to explain to customers the rates pursuant to the supplier's confidential customer contracts; consequently, Columbia is requesting a waiver from Ohio Adm.Code 4901:1-13-11(B)(9) for customers enrolled in Bill Ready or CHOICE Prepay service with a supplier. In addition to the waiver, Columbia proposes that, by August 1, 2016, it will provide Bill Ready customers with a bill message in which an average rate per Ccf is displayed and customers are encouraged to contact their supplier with questions. Columbia adds that it has not implemented CHOICE Prepay, but when it does so on or before April 1, 2017, it will utilize the same bill message. Finally, Columbia states it is revising the programming associated with its Bill Ready billing system. Under Bill Ready,

actual meter readings on customer bills are indicated as estimated; to correct this issue, Columbia is implementing software changes to take effect in June 2016.

{¶ 7} On April 20, 2016, the Ohio Consumers' Counsel (OCC) filed a motion to intervene in this proceeding. No memoranda contra were filed. The Commission finds that OCC's motion is reasonable and should be granted.

{¶ 8} On May 6, 2016, OCC filed comments in opposition to Columbia's waiver application. OCC contends that R.C. 4929.22 requires the Commission to adopt rules regarding the sale of any CRNGS, and also requires that bills for such service include price disclosure and disclosures of total billing units for the billing period, in addition to a separate listing of each service component to enable a customer to recalculate its bill for accuracy. OCC asserts that Ohio Adm.Code 4901:1-13-11(B)(9) implements the requirements of R.C. 4929.22(C)(2) by requiring that natural gas bills include the rate for purchase of the gas or natural gas commodity, expressed in dollars and cents per Mcf or Ccf. In OCC's opinion, the requirements of Ohio Adm.Code 4901:1-13-11(B)(9) cannot be waived, given that the Commission cannot waive requirements mandated by statute. OCC adds that, even if the Commission could grant Columbia's request, it should not do so, because customers of CRNGS suppliers are entitled under Commission rules to receive a bill that includes the rate for natural gas. OCC argues that customers need to know how a CRNGS supplier's rates and charges compare with competitors' options, including the standard choice offer (SCO) rate, which, according to OCC, should be included on the bill.

{¶ 9} OCC finds "helpful but incomplete" the bill message proposed by Columbia. OCC contends that the message does not provide customers with information regarding the marginal rate that might be paid with increased gas usage, and asserts that a customer's average rate per Ccf may differ depending on the customer's monthly usage. Thus, says OCC, the average rate may not assist a customer in determining whether to reduce or increase gas use. OCC contends that the absence of the SCO rate on the bill for comparison purposes further lessens the value of having the average rate indicated on a bill.

{¶ 10} Finally, OCC emphasizes that the stipulation approved by the Commission in the *Columbia Exemption Case* does not require Bill Ready billing, nor does it prohibit Columbia from receiving the CRNGS supplier's rate and including it on the bill. Rather, according to OCC, the stipulation only provides that Columbia will use best efforts to offer Rate Ready and/or Bill Ready billing by April 1, 2017. OCC concludes that Bill Ready billing should be suspended until Columbia has time to implement and test the needed software changes, so that customers receive accurate information concerning meter reading on their bills.

{¶ 11} On May 23, 2016, Columbia responded to OCC's comments. Columbia asserts that the Commission's review of a stipulation asks whether the stipulation violates any important regulatory principles or practices. Because the Commission approved the Bill Ready billing enhancement provision in the stipulation in the *Columbia Exemption Case*, emphasizes Columbia, it must be assumed that the Commission has no reservations about the legality of the new billing options; thus, a waiver of Commission rules regarding implementation of Bill Ready billing would not violate any statutes. Columbia also states that OCC was one of the parties that joined in the stipulation, and for OCC to raise any issues now is unfair and unreasonable.

{¶ 12} Second, asserts Columbia, although R.C. 4929.22(C) requires price disclosure and a separate listing of each service component, Ohio law does not define exactly what the word "price" means. While the Commission has defined "price" to mean a rate expressed in dollars per Mcf or Ccf, Columbia believes that the "price" of a CRNGS supplier's service is the total amount owed to that supplier. In sum, states Columbia, it is only asking for a waiver from the Commission's current interpretation of what information is included on the bill under R.C. 4929.22(C).

{¶ 13} Third, Columbia contends, the stipulation in the *Columbia Exemption Case* contemplated that a waiver of Commission rules might be needed to implement the CRNGS supplier billing provisions of the stipulation. Columbia adds that customers will still be provided the total commodity price, usage, and average rate for the billing period, as well

as a tailored bill message that contains the CRNGS supplier's name and contact information. Columbia notes that some products offered by CRNGS suppliers consist of a monthly price that is not based on a per Ccf rate and, therefore, including a per Ccf rate on a customer's bill would provide incorrect information. Further, states Columbia, it will provide customers with an average price per Ccf in the bill message section. Columbia also urges the Commission to reject OCC's request to include the SCO rate on customer bills and contends that any consideration of whether and how to put the SCO rate on customer bills should occur as part of a rulemaking proceeding.

{¶ 14} Finally, Columbia asserts, it has implemented a software correction for the first billing cycle of June 2016, to ensure that customer bills will correctly indicate whether a meter was actually read for a particular month or if the reading was an estimate. Therefore, Columbia notes that its Bill Ready billing system is working successfully and need not be suspended.

B. Commission Conclusion

{¶ 15} The Commission has reviewed Columbia's application for a waiver from Ohio Adm.Code 4901:1-13-11(B)(9), as well as OCC's comments and Columbia's response. Initially, we note that Ohio Adm.Code 4901:1-13-02(C) provides that the Commission may, upon an application or a motion filed by a party, waive any requirement of Ohio Adm.Code Chapter 4901:1-13, other than a requirement mandated by statute, for good cause shown. The Commission finds that Columbia has shown good cause for the requested waiver and that Columbia's proposal to provide a bill message displaying an average rate per Ccf is reasonable for customers with Bill Ready or CHOICE Prepay service. Although Columbia appears to request the rule waiver for an indefinite period of time, the Commission finds that the waiver should be granted for a two-year period from the date of this Entry, which we believe is a reasonable period of time in which Columbia should work with CRNGS suppliers to obtain the actual rate for commodity service, whether fixed or per Ccf, and reprogram its billing system to display the rate on customer bills.

{¶ 16} In approving the waiver on a temporary basis, the Commission recognizes the importance of the requirements specified by R.C. 4929.22(C)(1), which include price disclosure and disclosures of total billing units for the billing period. We also observe that, pursuant to R.C. 4929.22(C)(2), a customer bill must “[t]o the extent practicable [include a] separate listing of each service component to enable a customer to recalculate its bill for accuracy.” The Commission does not agree with OCC’s contention that a waiver from Ohio Adm.Code 4901:1-13-11(B)(9) is precluded by the statute. Columbia’s proposal to provide, on Bill Ready or CHOICE Prepay customer bills, the average price paid for the natural gas commodity per Ccf, along with the customer’s usage information, is not inconsistent with the statute and will enable the customer to recalculate the bill for accuracy. However, we agree with OCC’s assertion that all customers should receive detailed rate information, consistent with the requirements set forth in Ohio Adm.Code 4901:1-13-11(B)(9). With the foregoing in mind, the Commission recognizes that time is needed for any necessary software changes and for Columbia to obtain and determine how to provide rate information from CRNGS suppliers that is appropriate for Bill Ready and CHOICE Prepay service. Therefore, we find that a temporary, two-year waiver from Ohio Adm.Code 4901:1-13-11(B)(9), beginning on the date of the issuance of this Entry, is appropriate. Upon implementation of the billing system changes at the end of the two-year period or sooner if possible, Columbia should file, in this docket, correspondence confirming that the implementation has occurred consistent with this Entry.

{¶ 17} Finally, we decline, at this time, to approve OCC’s request to require inclusion of the SCO price on customer bills. This waiver case is not the appropriate forum for requesting such a requirement. Rather, OCC should make its request during the Commission’s periodic review of Ohio Adm.Code Chapter 4901:1-13 or any other applicable chapter of the Commission’s rules.

III. ORDER

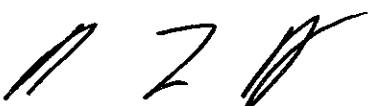
{¶ 18} It is, therefore,

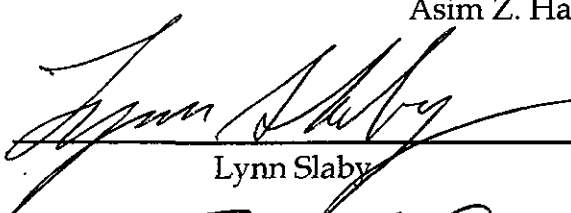
{¶ 19} ORDERED, That OCC's motion to intervene be granted. It is, further,


{¶ 20} ORDERED, That Columbia's application for waiver from the billing requirements of Ohio Adm.Code 4901:1-13-11(B)(9) with respect to Bill Ready and CHOICE Prepay bills be granted, for a period of two years from the date of this Entry, or upon implementation of the necessary billing system changes, whichever is sooner. It is further,

{¶ 21} ORDERED, That a copy of this Entry be served upon all parties of record.


THE PUBLIC UTILITIES COMMISSION OF OHIO


Asim Z. Haque, Chairman


Lynn Slaby


M. Beth Trombold


Thomas W. Johnson


M. Howard Petricoff

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JUL 20 2016


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Secretary