

**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.)	
In the Matter of the Market Development)	Case No. 14-2074-EL-EDI
Working Group.)	

**IGS ENERGY AND DIRECT ENERGY'S
MEMORANDUM CONTRA APPLICATIONS FOR REHEARING OF
AEP OHIO, DUKE ENERGY OHIO, AND OHIO CONSUMERS' COUNSEL**

On February 7, 2018, nearly four years after creating the Market Development Working Group (MDWG)¹, the Commission adopted a seamless move mechanism to allow electric customers to more easily transfer their CRES contracts to new addresses, without having to return to default service first.² On March 9, AEP Ohio and Duke, jointly, and OCC both filed applications for rehearing of that decision, arguing that the benefits of the mechanism may not be worth the cost and effort to upgrade each utility's system.

The arguments in each of these applications miss the point. The current systems in place favor default service to the detriment of shopping, despite the fact that default service is not a preferred product in the state. When a default customer moves within a utility's footprint, there is no delay in the ability to receive service at the expected rate. The same should be true for shopping customers. When a customer has contracted with a supplier to receive service at an agreed-upon rate, that customer should not be forced to go through the lengthy sign-up process all over again simply because the utility's antiquated systems do not allow for it.

¹ See Case No. 12-3151-EL-COI Finding and Order (March 26, 2014) (2014 Order).

² Finding and Order at 13 (Feb. 7, 2018).

Both OCC and AEP Ohio/Duke's applications focus primarily on cost. While it is important to consider the cost of implementation of new systems, this cannot be the only consideration. Creating a seamless move mechanism is a change from the current processes, yes, but progress and development require change; such progress will never occur if the Commission does not allow for it, even if it comes at a cost.

Even when considering the potential cost of the implementation, it is important to remember that the cost and participation estimates are based on discussions and speculation that took place years ago. The Commission in its Order recognized that the details of implementation and cost allocation still need to be worked out, which is why it has reserved those questions for future determination. Each utility will require different upgrades and processes, so it is premature to argue that the implementation will be cost prohibitive before those determinations have been made.

In its application, OCC also attempts to make the argument that there has been no determination that the seamless move mechanism has any benefit, so there cannot possibly be an order allowing just and reasonable costs for the implementation. This argument ignores the last several years of discussions, not to mention the Commission's order in Case No. 12-3151-EL-COI creating the MDWG in the first place.³ The Commission has already determined that there is a benefit to the development of some sort of transfer process of this sort; the fact that OCC seems to disagree with the end result does not negate that.

³ The Commission adopted Staff's proposal to develop an operational plan for "a seamless moves process" from which customers would "derive greater benefit" than other proposals such as contract portability; moreover, the Commission stated its preference for a process that allowed "shopping customers to maintain their status as shopping customers" with as little time back in the SSO as possible, if that step was even necessary. 2014 Order at 23, 25.

The Commission was right to adopt a seamless move mechanism, and while IGS and Direct would prefer that other potential mechanisms such as warm transfer be adopted as options as well, we must not go backwards and put off this step of market development any longer.

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Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Memorandum Contra was served by electronic mail this 19th day of March, 2018 to the following:

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Summary: Memorandum Contra Applications for Rehearing of AEP Ohio, Duke Energy Ohio, and Ohio Consumers' Counsel electronically filed by Ms. Rebekah J. Glover on behalf of Direct Energy Services, LLC and Direct Energy Business, LLC and Interstate Gas Supply, Inc.