BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Commission's Review of Chapter 4901:1-10 of the Ohio Administrative Code.	)))	Case No. 17-1842-EL-ORD

COMMENTS OF DUKE ENERGY OHIO, INC.

I. INTRODUCTION

By Entry dated July 17, 2019, the Public Utilities Commission of Ohio (Commission) proposed amendments to Ohio Administrative Code Chapter 4901:1-10 and invited interested parties to comment on the rules. Below are the comments of Duke Energy Ohio, Inc. (Duke Energy Ohio or the Company). Duke Energy Ohio appreciates the opportunity to comment on the proposed rules.

II. COMMENTS

Rule 4901:1-10-01 (T) Definitions

The Staff of the Public Utilities Commission of Ohio (Staff) proposes changes to the definition section that, *inter alia*, propose that transmission outages be included when reporting System Average Interruption Frequency Index (SAIFI) and Customer Average Interruption Frequency Index (CAIDI) for compliance. While Duke Energy Ohio does not oppose the concept of including transmission events for Major Event Day (MED) calculations and for annual reporting, including these transmission events will significantly impact future results when reported. Accordingly, the Company anticipates that for purposes of existing commitments made in various stipulations and pursuant to Commission orders, the Staff (and the Commission) will allow adjustment for these impacts to demonstrate compliance with commitments without including transmission events. Other than that significant concern, the Company does not oppose the concept generally.

Additionally, the Staff should note that transmission outages from year to year can be significantly more volatile that distribution outages. Accordingly, if standards are to be set including transmission outages, the consideration of a standard deviation should be more lenient. Changing these details will require each utility to need to reopen standards setting cases in order to reset standards.

Rule 4901:1-10-01 (W) Definitions

Staff proposes defining two new terms, "[n]on-commodity good" and "[n]on-commodity service," to refer to goods and services that are "neither a tariffed service . . . nor a competitive retail electric service," in order to prohibit such goods or services from appearing on bills in separate proposed provisions, 4901:1-10-22 (K) and 4901:1-10-33 (L). The Company urges Staff to delete both of these proposed prohibitions for reasons described below in their respective sections. Without the prohibitions, there is no reason to define the terms "[n]on-commodity good" and "[n]on-commodity service," as they are not used anywhere else in the chapter. Accordingly, Duke Energy Ohio urges Staff to delete these definitions, i.e. to delete the entirety of the new proposed subsection Rule 4901:1-10-01 (W).

Rule 4901:1-10-07 (A)(4) Outage Reports

This rule defines the term "outage" with specific requirements and makes important changes to the existing definition. The changes to the reporting thresholds that are proposed in sections (A)(1) through (A)(4) present a significant change to current requirements and are challenging for many reasons. Staff should understand the magnitude of the notifications they are now requesting. For example, for the first category of customers in (A)(1), the Company would have previously reported events in the neighborhood of 1-10 reports. This will now change to more like 100 reports. For circuit lock-out events, the Company might be required to report more than 500. This new regulatory requirement is extremely burdensome. There appears to be no purpose for reporting such events immediately since they are reported to the Commission annually. Such information on a real-time basis would seem to be of no use to Staff. Given that the requirement would impact each electric distribution utility, it is likely that the outage coordinator would be receiving multiple notifications every day.

Also, to the extent immediate data is required during major storms, it is difficult to spare personnel to manage reporting on lock-outs as many likely would occur during bad weather. The Company urges Staff to reconsider this requirement or at least offer some explanation as to its purpose.

Rule 4901:1-10-09 Minimum Customer Service Levels

Staff has not proposed any changes to this rule. The Company also does not propose any substantive changes to the rule. However, it would be helpful if Staff would consider clarifying the definitions contained therein, such as "new service installations" or "service upgrades." The Staff's intentions with respect to current language is relatively clear, but the actual application can be difficult at times. For instance, it is the Company's understanding that "new service" does not mean a customer who is entirely new to the Company, but rather is intended to cover all service initiations for any customer. This has created some confusion in the past.

Rule 4901:1-10-10 Distribution System Reliability

The Staff does not propose any changes to this rule, however Duke Energy Ohio urges Staff to consider changing requirements for reporting reliability under this rule. Historically, Staff has required electric distribution utilities to annually report System Average Interruption Frequency Index (SAIFI) and Customer Average Interruption Frequency Index (CAIDI) results. CAIDI is a measure of how long an average interruption lasts. CAIDI can be lowered by reducing the length of interruptions, but can also be lowered by increasing the proportion of short-than-average interruptions. Consequently, an increase in CAIDI does not necessarily mean that reliability is getting worse. If SAIFI and SAIDI are both going down, but SAIFI is going down faster than SAIDI, CAIDI will go up even though reliability is getting better. For purposes of understanding whether the customer experience is improving, SAIFI and SAIDI are far better standards to apply. SAIDI is a measure of how many interruption minutes an average customer will experience over the course of a year. For a fixed number of customers, SAIDI can be improved by reducing the number of interruptions or by reducing the duration of these interruptions. Since both of these reflect reliability improvements, a reduction in SAIDI indicates an improvement in reliability.

The customer reliability experience is a function of both the frequency of interruptions and the duration of interruptions. Although frequency and duration are reflected in SAIFI and CAIDI, this combination can be confusing since CAIDI can go both up and down as reliability improves. SAIDI captures both frequency and duration effects in a single metric, thereby avoiding this potential confusion. CAIDI is a confusing measure of reliability and should not be used for benchmarking. Utilities typically use SAIFI and SAIDI as benchmarks for performance. The Commission's tracking of utility progress should logically use the same measures which will better enable Staff to measure with accuracy, whether performance is improving.

Rule 4901:1-10-22 (K) Electric utility customer billing and payments

Duke Energy Ohio opposes Staff's proposal to add an unprecedented blanket prohibition against any "non-commodity goods or services" appearing on a utility customer's bill:

> (K) No bill format shall contain charges for non-commodity goods or services from a third-party supplier or the EDU.

This broad prohibition would exclude, among other things, non-commodity products directly related to the regulated services that an EDU provides. And it would eliminate existing flexibility for utilities to provide customers with innovative products offered by the utility or a third-party with such products included on a single bill. To the extent that utilities are able to provide such combined billing through their billing systems today, it is in the best interest of customers to receive a single bill instead of having to manage multiple bills that might have differing deadlines and payment directions.

Nothing in R.C. Chapters 4905 and 4928 offers any basis for prohibiting "non-commodity"[1] charges from appearing on a utility customer's bill. As long as utility bills are fully transparent regarding which charges are associated with each service, the inclusion of "non-commodity" charges is entirely consistent with Ohio statutes. Such combined bills offer the customer *more* context and transparency regarding his or her energy expenses, and therefore enable better-informed customer decision-making than separate bills would. If any concerns arise about how a particular utility is implementing such combined billing, existing statutory and regulatory requirements provide adequate guidance for the Commission to deal with any potentially problematic practices. There is no value in a rigid prohibition that takes no account of what may be optimal for customers in any particular scenario.

Prohibiting such combined billing for utilities would be especially unfair where there are no corresponding restrictions on supplier bills or supplier-consolidated bills. *See* Rules 4901:1-21-14 (Customer billing and payments) and 4901:1-21-18 (Consolidated billing requirements), respectively. Competitive retail electric service (CRES) providers who issue bills to customers currently remain free to include such non-commodity services on their bills. And indeed, the Commission has specifically acted to preserve CRES providers' ability to do so in at least one instance, stating that the "Commission's desired course for competitive suppliers" would "easily resolve how suppliers can bill for non-commodity goods and services that they wish to market and

[1] Duke Energy Ohio uses the term here solely to articulate its argument against the proposed prohibition, without accepting the validity of the proposed term or the distinction being made.

then bill to their customers."[2] Imposing Staff's proposed prohibition on utilities only would violate a basic principle underlying Ohio's deregulated market: nondiscriminatory, equal treatment for both EDU's and CRES providers.

Rule 4901:1-10-33 (L) Consolidated billing requirements

For substantially the same reasons as discussed above in relation to Rule 4901:1-10-22 (K), Duke Energy Ohio also opposes Staff's proposal to add a similar prohibition on "non-commodity goods or services" appearing on a utility customer's consolidated bill:

> (L) No consolidated bill format shall contain charges for non-commodity goods or services from a thirty party of the EDU.

Duke Energy Ohio respectfully submits the above comments and appreciates the Commission's invitation to provide them.

Respectfully submitted,

Rocco O. D'Ascenzo
Deputy General Counsel
Elizabeth H. Watts
Associate General Counsel
Larisa M. Vaysman
Senior Counsel
139 E. Fourth Street, 1303-Main
Cincinnati, Ohio 45202
(513) 287-4359 (telephone)
(513) 287-4385 (facsimile)
Rocco.D'Ascenzo@duke-energy.com
Elizabeth.Watts@duke-energy.com
Larisa.Vaysman@duke-energy.com
Attorneys for Duke Energy Ohio, Inc.

[2] *See In the Matter of The Commission's Review of the Purchase of Receivables Implementation Plan for Ohio Power Company*, Case No. 15-1507-EL-EDI, Finding & Order, ¶ 24 (Sept. 27, 2017) (requiring that suppliers be permitted to opt out of utility's purchase of receivables program where participation in the program would have precluded CRES providers from including non-commodity goods and services in their bill).