

**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Motion to Modify the :  
Exemption Granted to the East Ohio Gas : Case No. 18-1419-GA-EXM  
Company d/b/a Dominion Energy Ohio :

**PREFILED TESTIMONY  
OF  
Barbara Bossart**

RELIABILITY AND SERVICE ANALYSIS DIVISION WITHIN THE SERVICE  
MONITORING AND ENFORCEMENT DEPARTMENT  
ON BEHALF OF THE STAFF OF THE  
PUBLIC UTILITIES COMMISSION OF OHIO

**STAFF EX. \_\_\_\_**

**November 15, 2019**

1 1. Q. Please state your name and your business address.

2 A. My name is Barbara Bossart. My business address is 180 East Broad  
3 Street, Columbus, Ohio 43215.  
4

5 2. Q. By whom are you employed?

6 A. I am employed by the Public Utilities Commission of Ohio (PUCO or  
7 Commission).  
8

9 3. Q. What is your current position with the Commission and what are your  
10 duties?

11 A. I am Chief of the Reliability and Service Analysis Division (RSAD) within  
12 the Service Monitoring and Enforcement Department (SMED). My current  
13 duties include oversight of the development, investigation and enforcement  
14 of service reliability and consumer protection policies and rules for gas,  
15 water, electric, telephone, and competitive retail gas and electric services. I  
16 am also responsible for overseeing the review of competitive retail natural  
17 gas and retail electric service applications.  
18

19 4. Q. Briefly state your educational background and work experience.

20 A. I have a Bachelor of Arts degree from Marshall University and I have also  
21 completed additional classes at Ohio Dominican University toward a  
22 Master of Business Administration degree. I have been employed by the

1 PUCO since 1999. For six years I worked as an Investigator in the  
2 Investigation and Audits Division of the SMED. As an Investigator my  
3 duties included interacting with the consumer to investigate their concerns  
4 about utility companies and practices. In May 2005, I was promoted to  
5 Utility Specialist 2 in the RSAD of the SMED where I was responsible for  
6 analyzing service quality performance as well as for recommending and  
7 enforcing service quality and consumer protection policies and rules. In  
8 January 2013, I was promoted to Chief of the RSAD.

9  
10 5. Q. What is the purpose of your testimony?

11 A. The purpose of my testimony to is provide evidence that certain findings in  
12 the Commission's order in Case No. 12-1842-GA-EXM (2013 Order) are  
13 no longer valid.

14  
15 6. Q. What were the findings the Commission based it decision on in the 2013  
16 Order that are no longer valid?

17 A. Staff believes that the following findings from the 2013 Order<sup>1</sup> are no  
18 longer valid:

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<sup>1</sup> *In re Application to Modify, in Accordance with Section 4929.08, Revised Code, the Exemption Granted to The E. Ohio Gas Co. d/b/a Dominion E. Ohio in Case No. 07-1224-GA-EXM, Case No. 12-1842-GA-EXM (2013 Case), Opinion and Order (January 9, 2013) (2013 Order).*

- Exit for nonresidential will encourage innovation;<sup>2</sup>
- Customers will be protected by the market;<sup>3</sup> and
- With appropriate info and education, customers will be able to make informed decisions when SCO is discontinued.<sup>4</sup>

Although I will discuss all of the above findings, my testimony regarding the finding that customers will be protected by the market is only in regard to customer information or lack thereof.

7. Q. Please describe Dominion Energy Ohio's Choice program.

A. Dominion Energy Ohio's (Dominion or DEO) program, which provides and/or delivers natural gas commodity service to customers, is made up of different options based on the type of customer you are.

For example, all choice-eligible customers will be placed on the Standard Service Offer (SSO) for up to two months for a transition period.

Residential customers<sup>5</sup> who have not selected an Energy Choice provider or joined an aggregation within that transition period will default to the SCO service. Once a residential customer chooses a supplier (including opt-in governmental aggregation) and leaves the SCO, the customer must

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<sup>2</sup> 2013 Order at 14-15.

<sup>3</sup> *Id.* At 15.

<sup>4</sup> *Id.*

<sup>5</sup> These customers are new choice-eligible customers or previous opt-out aggregation customers.

1 affirmatively choose a new option before the contract ends or is cancel. If  
2 the residential customer does not do so, then DEO will place the customer  
3 back on the SSO service for two months and then randomly assign that  
4 customer to an MVR supplier. If the customer wants to avoid assignment to  
5 the MVR, they must affirmatively choose a different option prior to the end  
6 of their contract. A residential customer must affirmatively select the SCO  
7 to return to that service.

8 If non-residential customers (includes about 259 large volume residential  
9 customers<sup>6</sup>) do not choose a supplier during the transition period, DEO will  
10 assign that customer to an MVR supplier. The option of the SCO is not  
11 available to non-residential customers.

12  
13 8. Q. Has Dominion complied with the Commission Order to provide a complete  
14 comprehensive customer education program?

15 A. Yes, Staff believes that Dominion implemented a comprehensive education  
16 plan, as required. In addition, Staff is aware that since the 2013 Order,  
17 Dominion performed three research surveys. In April 2013, DEO  
18 conducted a non-residential communication study (2013 Survey) to  
19 determine the effectiveness of communications sent to those non-residential

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<sup>6</sup> Dominion Energy Ohio's response to Staff DR 1.

1 customers prior to being moved from the SCO to the Monthly Variable  
2 Rate (MVR) service tariff as a result of the 2013 Order.<sup>7</sup> A second survey  
3 was conducted by a third-party marketing research company in October of  
4 2014 (2014 Survey) to help determine all customer classes' level of  
5 awareness and perception of DEO's Energy Choice program, including all  
6 natural gas options of both residential and non-residential customers.<sup>8</sup>  
7 Finally, a third survey,<sup>9</sup> conducted by a third-party, was completed in 2017  
8 (2017 Survey), and was very similar to the 2014 Survey to help determine  
9 if DEO's education plan, as a result of the 2014 survey, helped improve  
10 customer's awareness of Energy Choice and their natural gas options.

11  
12 9. Q. Is Staff aware of whether DEO developed an education plan based on the  
13 results of those surveys?

14 A. Yes, DEO did work with Staff to develop an education plan for both  
15 residential and non-residential customers about their natural gas rate  
16 options and coordinated its customer education efforts with Staff.

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<sup>7</sup> Dominion East Ohio 2013 Non-Residential Communications Study (2013 Survey) (Attachment 1).

<sup>8</sup> Dominion East Ohio Energy Choice Survey, November 13<sup>th</sup>, 2014. (2014 Survey) (Attachment 2).

<sup>9</sup> Dominion Energy Ohio Energy Choice Tracking Surveys, August-September 2017 (2017 Survey) (Attachment 3).

10. Q. Does Staff believe that the education plans helped customers make informed decisions?

A. While the 2017 Survey indicated that customers were more aware than in the 2014 Survey that they have some options when selecting the rate they pay, it also shows that customers continue to be uninformed regarding those options. The 2017 Survey indicated that only 53% (up from 39% in 2014) of Energy Choice customers knew that they were energy choice customers.<sup>10</sup> In addition, 40% of MVR customers believed that they were Energy Choice customers, and 20% of non-residential customers did not know if they were Energy Choice customers. Another concerning factor is that in 2014 22% of MVR customers identified themselves as SCO customers, and in 2017 that number increased to 32%.<sup>11</sup>

Based on the customer survey results, Staff believes that many customers are still uninformed about what rate option provides their natural gas supply, which leads Staff to believe that the majority of customers are not making informed decisions.

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<sup>10</sup> 2017 Survey, page 20.

<sup>11</sup> 2017 Survey, page 27.

1 11. Q. Does Staff believe that DEO's education plan provided customers with  
2 appropriate information and educational materials to make informed  
3 decisions about their natural gas needs?

4 A. Yes, Staff believes that DEO provided customers with appropriate  
5 information and educational materials to make an informed decision.  
6 However, as noted above and in Staff Witness Magaziner-Tempesta's  
7 direct testimony, many customers are still uninformed and confused about  
8 which rate option plan currently provides for their natural gas supply.  
9

10 12. Q. Please explain the difference between the SCO and the MVR tariff service.

11 A. The SCO rate varies monthly and is determined by a set formula approved  
12 by the Commission. A competitive retail auction sets the retail price  
13 adjustment (RPA) which is added to the New York Mercantile Exchange  
14 (NYMEX) month end settlement price. The adder and formula is disclosed  
15 to the public through Commission entry, the Energy Choice website and  
16 bill messages. Although the NYMEX price is not set until the end of the  
17 month, the formula remains the same and the same price is billed to all  
18 SCO customers regardless of which CRNGS SCO provider serves the  
19 customers. The MVR is a monthly variable rate of the assigned  
20 Competitive Retail Natural Gas Service (CRNGS) provider, that varies  
21 from provider to provider.



1     13.    Q.     What does Staff believe customers need to make an informed decision?

2            A.     In order to make an informed decision, customers should know the price of  
3                    the natural gas service and what makes the price fluctuate, the terms and  
4                    conditions of service, in addition to the choice options that they have  
5                    available to them. The customer should be able to compare pricing models  
6                    to determine which will serve their natural gas needs the best. It is the  
7                    policy of this state to “[p]romote the availability of unbundled and  
8                    comparable natural gas services and goods that provide wholesale and retail  
9                    consumers with the supplier, price, terms, conditions, and quality options  
10                  they elect to meet their respective needs.”<sup>12</sup>

11                   Staff believes that the SCO meets this criterion because the results of the  
12                   competitive auctions, the formula that sets the price for the next 12-month  
13                   period, and the winning SCO bidders are disclosed. Furthermore,  
14                   regardless of the CRNGS provider assigned to directly provide customers  
15                   SCO service, the price is the same for all SCO customers.

16                   In contrast, the MVR is not set by formula and varies from CRNGS  
17                   provider to CRNGS provider. Because customers are randomly assigned to  
18                   an MVR provider, customers are not informed of the supplier or price prior  
19                   to that assignment. Therefore, the customer cannot make an informed  
20                   decision of whether that natural gas option would meet their need.

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<sup>12</sup> R.C. 4929.02(A)(2).

1 Although the MVR rates are posted on the Energy Choice website and  
2 DEO's website, a customer will not know the assigned CRNGS provider  
3 until the customer receives their bill.  
4

5 14. Q. Prior to the 2014 Survey did Dominion have an education plan for Phase 2?

6 A. Yes. As a result of the 2008 Order,<sup>13</sup> Dominion held monthly Energy  
7 Choice Customer Education meetings with stakeholders to design an  
8 extensive plan to educate customers that it was good to have choices.  
9

10 15. Q. Does the Commission's Call Center receive calls about the MVR that  
11 demonstrates customer confusion about their supply options?

12 A. Yes, Alla Magaziner-Tempesta will discuss the Commission Call Center  
13 complaints.  
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<sup>13</sup> See *In re Application of the E. Ohio Gas Co. d/b/a Dominion E. Ohio for Approval of a General Exemption of Certain Natural Gas Commodity Sales Services or Ancillary Services*, Case No. 07-1224-GA-EXM, Opinion and Order (June 18, 2008) at 3 (2008 Order).

1 16. Q. Is the Commission's second finding that customers will be protected by the  
2 market still valid?

3 A. No, it is not. As demonstrated by the survey results, Staff Witness  
4 Magaziner-Tempesta's direct testimony, and Staff Witness Benedict's  
5 testimony, many customers are not informed of the MVR option or rate that  
6 they will pay once assigned to the MVR provider and get stuck paying high  
7 rates for service.

8  
9 17. Q. Does Staff believe that assigning a customer to an MVR CRNGS provider  
10 at the provider-determined monthly variable rate engages the customer in  
11 the marketplace?

12 A. No. The customer is engaged when the customer is informed about the  
13 option available to them and responds based on that information. A  
14 customer calling the Commission Call Center or DEO because of confusion  
15 about their natural gas supply rate and listed supplier is not a productive  
16 way to engage the customer in the market. Many times, that customer has  
17 to bear the burden of a high variable rate for months before the customer  
18 can make an informed choice about their natural gas supply and the process  
19 to switch to a different option. Staff does not believe that is in the public  
20 interest.

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18. Q. Is the Commission’s finding that commercial exit will produce innovation still valid?

A. No. Staff has monitored the CRNGS offerings on its Energy Choice website and in the natural gas market in general. In 2012, the apple to apples chart offerings in all four local distribution companies (LDCs) indicated many of the same offerings that are offered today.<sup>14</sup> There are multi-year offerings, variable price offerings with a cap, monthly variable price offerings, quarterly rate offerings, carbon off-set offerings, a percentage off the utility’s price offering. Today, I see the same or similar offerings on the Energy Choice website and many company websites. I also see offerings for CRNGS combined with other product offerings such as programmable thermostats and Competitive Retail Electric Service (CRES). However, these offerings are offered in all LDC areas as well as electric distribution utility (EDU) service territories. No other natural gas or electric distribution service territory has eliminated the utilities competitively auctioned SCO or SSO (electric offer) options for commercial customers.

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<sup>14</sup> 2012 Apples to Apples Chart (Attachment 4).

1     19.     Q.     Can you summarize your testimony?

2             A.     Yes, my testimony demonstrates that, despite appropriate education by  
3                     DEO, customers continue to be confused about their natural gas supply  
4                     options. DEO has had an education plan since the implementation of Phase  
5                     2. DEO modified and increased its education plan efforts as a result of the  
6                     2013 Order. However, as the surveys and the customer contacts indicate,  
7                     customers are still uninformed about Dominion Energy Choice options and  
8                     the MVR service. The potential harm that the lack of information can have  
9                     on customers natural gas bills is not in the public interest. In addition, the  
10                    market has not protected the customers as the Commission believed nor  
11                    have new innovated products arisen from the elimination of the SCO for  
12                    non-residential customers.

13

14     20.     Q.     What is Staff's recommendation?

15             A.     Staff recommends the elimination of the MVR service and the  
16                     reinstatement of the SCO service for non-residential customers.

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1    21.    Q.    Does this conclude your testimony?

2            A.    Yes, it does. However, I reserve the right to submit supplemental testimony  
3                    as described herein, as new information subsequently becomes available or  
4                    in response to positions taken by other parties.

## PROOF OF SERVICE

I hereby certify that a true copy of the foregoing Testimony of Barbara Bossart was submitted on behalf of the Staff of the Public Utilities Commission of Ohio via electronic mail upon the following parties of record, this 15<sup>th</sup> day of November, 2019.

/s/Werner L. Margard III

**Werner L. Margard III**

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