

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Commission's Review)	
of the Minimum Gas Service Standards in Chapter)	Case No. 19-1429-GA-ORD
4901:1-13 of the Ohio Administrative Code.)	

**NORTHEAST OHIO PUBLIC ENERGY COUNCIL'S
INITIAL COMMENTS**

I. INTRODUCTION

The Northeast Ohio Public Energy Council ("NOPEC") is a regional council of governments established under R.C. Chapter 167, and is the largest governmental retail energy aggregator in Ohio. It is comprised of over 220 member communities throughout the state of Ohio. NOPEC provides natural gas aggregation service to nearly 400,000 retail natural gas customers, and has been an active participant in Ohio's competitive natural gas market since 2001.

NOPEC has a vital interest that the Commission's Minimum Gas Service Standards promote a competitive market that allows consumers to freely exercise their choice of natural gas suppliers. Indeed, the Ohio General Assembly requires as much (R.C. 4929.02(A)(3)) and, significantly, requires that this freedom of choice extend to residential customers who wish to receive their natural gas supply through governmental aggregation. R.C. 4929.02(A)(11). To this end, the rules must support the policies contained in R.C. 4929.02 and the specific governmental aggregation provisions of R.C. 4929.26 and 4929.27. NOPEC offers these comments to ensure that the proposed rules comply with the intent of these statutory provisions.

II. COMMENTS

A. **O.A.C. 4901:1-13-14(G): The Commission should adopt a uniform rescission letter.**

The natural gas companies' notice to customers that they can rescind their enrollment with a new supplier plays a pivotal role in customer protection. The purpose behind the letter is to alert customers that an unauthorized attempt to switch their account may have been made. NOPEC is concerned that current rescission letters for governmental aggregation customers do not, or do not clearly, recite that the customer is in a community that has adopted governmental aggregation, and may infer that the customer must personally provide consent for the switch of suppliers to take place. Based on NOPEC's experience, this results in confusion to the customer.

NOPEC proposes that the Commission adopt a uniform rescission letter that makes clear that it is appropriate for the customer's aggregated community to make the switch request, in conformity with R.C. 4929.26. The uniform letter would also make clear that the customer could rescind enrollment in the aggregation, if it desired. To this end, NOPEC proposes the following revision to O.A.C. 4901:1-13-14(G):

Within two business days after receiving a customer's request to rescind enrollment with the retail natural gas supplier or governmental aggregator, the gas or natural gas company shall initiate such rescission and inform the retail natural gas supplier or governmental aggregator that such action has been taken. The rescission letter shall be in the form prescribed by the commission.

In an effort to add clarity and uniformity to rescission letters, NOPEC proposes that the PUCO adopt the form of gas rescission letter provided in Attachment A.

B. O.A.C. 4901:1-13-11(B)(13): The “price to compare” language to be included on customers’ bills is unlawful and unreasonable.

Staff proposes a new rule, O.A.C 4901:1-13-11(B)(13), that would require natural gas companies to include the following specific “price to compare” language on customers’ monthly bills:

In order for you to save money by selecting a competitive retail natural gas provider, your price to compare, which is the standard choice offer (SCO) rate or the gas cost recovery (GCR) rate, is (dollar amount per Mcf) for this billing month. The SCO rate or GCR rate is approved by the public utilities commission.

While well intended, this proposed language is counterproductive as it is misleading for several reasons. First, the price to compare is a variable monthly rate. When listed on the customer’s bill, it provides the historical price that the customer paid for supply in the last billing cycle. It does not provide accurate information on the SCO rate that will be in effect in the next monthly period at the time the customer selects, or is enrolled in, another supplier’s product. This is because the SCO rate changes monthly. Thus, last month’s SCO rate does not provide an accurate comparison by which the customer can determine whether it will save money in future months by selecting another supplier. Indeed, suppliers offer a variety of products, including fixed rate offers for a term of years and introductory rate offers. However, the rule implies that the monthly price to compare is a valid apples-to-apples comparison of other rates, without recognizing their different tenor of contract and terms of service. The rule will be wildly confusing to customers and should not be adopted for this reason alone.

Moreover, the rule implies that the customers will “save money by selecting a competitive retail natural gas provider.” However, a customer who chooses a competitive supplier’s fixed rate product for a different tenor than monthly, *e.g.*, a period of one or more years, may or may not save money in the long run compared to the monthly variable SCO rate. Even if a

competitive supplier offers a monthly variable rate that is lower than the price to compare on the customer's bill for the prior month, the supplier's rate for future months could be based upon different indicia and be more expensive in the long term based upon factors such as market conditions or renewal term rates.

The rule's implication that customers necessarily will save money by choosing a competitive supplier conflicts with O.A.C. 4901:1-29-05(D), which prevents the making of misleading statements in marketing, soliciting and selling natural gas supply. NOPEC and other competitive suppliers are careful to comply with that rule so as not to represent in their marketing materials that an offering will save customers money, when market conditions make savings uncertain. For all of these reasons, the proposed rule violates the PUCO's own customer protections standards and should not be adopted.

- C. **O.A.C. 4901:1-12-11(B)(28): State policy requires that customers also be notified that they may obtain service through governmental aggregation programs. R.C. 4929.02(A)(3). Governmental aggregators, like NOPEC, should be included in a website listing on the Commission's energy choice webpage that displays the apples-to-apples comparison chart.**

Staff has proposed a rule that requires the customer's bill to contain:

A prominently displayed notice of the commission's energy choice website to view the gas or natural gas company's standard choice offer (SCO) rate or gas cost recovery (GCR) rate and other CRNGS rate offers, if the company has a choice program.

Governmental aggregation programs and their rates are not included on the Commission's energy choice website. The NOPEC natural gas aggregation program alone serves nearly 400,000 customers in Ohio, and is active in the most populous regions of the state. By failing to mention governmental aggregation programs on the Commission's energy choice website, customers moving to, or within, aggregated communities will be denied information on an important alternative to meet their natural gas supply needs if they look solely at the PUCO's

apples-to-apples website. Omitting governmental aggregation programs discriminates against governmental aggregations and the competitive providers that supply them by failing to give customers effective choices in selecting their supplier. R.C. 4929.20(A)(3).

Governmental aggregators, like NOPEC, should have access to the Commission's energy choice website. Specifically, NOPEC proposes that the governmental aggregator website be listed on the Commission's energy choice website that displays the apples-to-apples comparison chart. Access to governmental aggregation websites will provide a customer with information to compare its governmental aggregator's pricing, terms and conditions of service if the customer is located in an aggregated community. NOPEC proposes that the rule be revised to provide:

A prominently displayed notice of the commission's energy choice website to view the gas or natural gas company's standard choice offer (SCO) rate or gas cost recovery (GCR) rate and other CRNGS rate offers, including a listing of governmental aggregators' websites, if the company has a choice program.

NOPEC appreciates the opportunity to participate in this rulemaking.

Respectfully submitted,



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ATTACHMENT A: RESCISSION FORM LETTER

[UTILITY LOGO]

Postmark Date:

FOR SERVICE AT: SVC ADDR1

SVC ADDR2

ACCOUNT NUMBER:

CUSTOMER NUMBER:

THIS IS A CONFIRMATION LETTER FOR A CHANGE OF NATURAL GAS SUPPLIER

Dear _____:

This letter is simply a confirmation that <SupplierName> is becoming your natural gas supplier on your next meter reading, which is <SupplyStartDate>. The supplier may have been selected by you or your community, if your community has formed an aggregation group to buy natural gas. If this information is correct, you do not need to respond to this letter. Keep in mind if you are part of your community's aggregation program you will have the option to leave (or "opt-out") of the program at least every two years without charge.

However, if you do not want to change suppliers, please call our toll-free, automated Customer Care number at <UtilityContactNumber> by <RescindDate>.

No matter what company supplies your service, the <UtilityName> will still deliver your supply to you and respond to any questions or concerns you may have with your service.

If you have any questions about the <SupplierName> charges, please contact them directly at <SupplierConactNumber>. If you have questions about choosing suppliers or governmental aggregation programs, you can contact the Public Utilities Commission of Ohio at 1-800-686-7826 or visit www.PUCO.ohio.gov.

Sincerely,

<UtilityName>

CERTIFICATE OF SERVICE

In accordance with O.A.C. 4901-1-05, the PUCO's e-filing system will electronically serve notice of the filing of this document on the following parties. In addition, I hereby certify that a service copy of the foregoing Comments was sent by, or on behalf of, the undersigned counsel to the following parties of record this 17th day of January 2020.



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Summary: Text Northeast Ohio Public Energy Council's Initial Comments electronically filed by
Teresa Orahod on behalf of Dane Stinson