

**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

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

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**REPLY COMMENTS OF INTERSTATE GAS SUPPLY, INC.**

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**I. INTRODUCTION**

On January 17, 2020, stakeholders submitted comments regarding the proposed rules in Ohio Adm.Code Chapter 4901:1-13, including the Ohio Consumers’ Counsel (“OCC”), Columbia Gas of Ohio, Inc. (“Columbia”), the Retail Energy Supply Association (“RESA”), The East Ohio Gas Company d/b/a Dominion Energy Ohio (“Dominion” or “DEO”) and Vectren Energy Delivery of Ohio, Inc. (“Vectren” or “VEDO”) (jointly, “DEO/VEDO”), HomeServe USA Corp. (“HomeServe”), Northeast Ohio Public Energy Council (“NOPEC”), Direct Energy Services, LLC and Direct Energy Business, LLC (collectively, “Direct Energy”), Duke Energy Ohio, Inc. (“Duke”), Pivotal Home Solutions (“Pivotal”), and the Ohio Farm Bureau Federation (“OFBF”). Interstate Gas Supply, Inc. (“IGS” or “IGS Energy”) appreciates the opportunity to file these reply comments in response to these filings.

**II. COMMENTS**

**A. The comments not only demonstrate the benefits to customers provided by consolidated utility billing, but they also fail to present any evidence that a change in this practice is necessary.**

Only one commenter, OCC, supports the proposed prohibition on consolidated utility billing.<sup>1</sup> OCC believes only allowing commodity charges and tariff-approved distribution charges and services is “an important consumer protection.”<sup>2</sup>

However, aside from a handful of broad, general statements, OCC provides little support. Notably, OCC does not even allege the existence of abuse with this billing practice, nor that customers have somehow been harmed by this practice.

In contrast, eight stakeholders oppose the prohibition.<sup>3</sup> Many commenters highlighted the benefits provided by products and services and the convenience to customers that a consolidated utility bill provides. In fact, IGS and Pivotal both shared that based on their experiences about 2/3 of customers prefer receiving these charges on the utility bill.<sup>4</sup> Additionally, IGS, HomeServe, and Pivotal provided hard data to demonstrate the great harm to customers and businesses that would be caused if the Commission implements the proposed rule.<sup>5</sup> Further, Vectren and Dominion stated that they are not aware of any abuses with this billing practice.<sup>6</sup>

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<sup>1</sup> OCC Initial at 9, 11.

<sup>2</sup> *Id.* at 11.

<sup>3</sup> RESA Initial at 4-6; VEDO/DEO Initial at 7; Duke Initial at 2; Direct Initial at 13-14; IGS Initial at 2-9; HomeServe Initial at 3-6; and Pivotal Initial at 3-6.

<sup>4</sup> IGS Initial at 2-3; Pivotal Initial at 5.

<sup>5</sup> IGS Initial at 1-9; HomeServe Initial 1-3; and Pivotal Initial at 1-2, 5.

<sup>6</sup> VEDO/DEO Initial at 7.

Thus, with just one stakeholder recommending upsetting the status quo, no demonstration that the proposed rule change is necessary, and evidence of a strong consumer preference for this service, there is simply no justification to end this decade long practice. Should the Commission have concerns regarding consolidated utility billing, IGS recommends the Commission focus its consideration on the additional consumer protections identified by IGS in its Initial Comments.<sup>7</sup> Therefore, IGS urges the Commission to reject the proposed rule.

**B. A price-to-compare statement on natural gas bills is inappropriate and misleading.**

Only one stakeholder, OCC, supports the proposed requirement to include a Price-to-Compare (“PTC”) statement on natural gas bills.<sup>8</sup> OCC believes that this is a consumer protection. However, OCC’s comments demonstrate their continued misunderstanding of Ohio’s retail natural gas market.

Initially, OCC fails to acknowledge that the SCO changes every single month. For example, in describing the PTC statement, OCC states that “[a] marketer would have to beat that price in order for the customer to save money.”<sup>9</sup> This is simply incorrect. “That price,” or the SCO/GCR rate that would be listed as the PTC on a customer’s bill, would be the price from a previous month and have no bearing on future prices.

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<sup>7</sup> IGS Initial at 9-10.

<sup>8</sup> OCC Initial at 2-3.

<sup>9</sup> *Id.* at 2.

In fact, IGS is surprised by OCC's recommendations because the proposed PTC statement is misleading. As noted by the NOPEC, the proposed PTC statement would imply that customers will necessarily save money by either remaining on the SCO or choosing a Supplier.<sup>10</sup> However, Commission rules prohibit the use of misleading statements in the marketing and sale of natural gas supply.<sup>11</sup> Specifically, Suppliers are prohibited from advertising a "specific price advantage, savings, or guarantee exists if it does not."<sup>12</sup> As explained above, a stale PTC statement certainly cannot make any guarantees regarding rates. Thus, the use of the proposed PTC statement is actually inconsistent with already established consumer protections.

Additionally, IGS notes that OCC's fixation on the default service rate is contrary to state policy, which OCC is explicitly directed to follow.<sup>13</sup> It is inappropriate to hold the default service out as the preferred product, given the state policy in favor of transactions between willing buyers and sellers.<sup>14</sup> Further, OCC's constant focus purely on price is contrary to the state policy to "[p]romote diversity of natural gas supplies and suppliers..."<sup>15</sup> Continually promoting the SCO causes customers to focus exclusively on a comparison between their existing rate and the default service when there are other

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<sup>10</sup> NOPEC Initial at 3-4.

<sup>11</sup> See Ohio Adm.Code 4901:1-29-05(D),

<sup>12</sup> Ohio Adm.Code 4901:1-29-05(D)(8)(a).

<sup>13</sup> R.C. 4929.02(B).

<sup>14</sup> See R.C. 4929.02(A)(7).

<sup>15</sup> R.C. 4929.02(A)(3); see R.C. 4929.03(A)(2).

products available with potentially better prices, stability, or benefits, such as carbon-neutral gas. Therefore, the Commission should reject proposed Ohio Adm.Code 4901:1-13-11(B)(13).

**C. Shadow billing, as suggested by OCC, provides no value to customers.**

Similar to the PTC Statement, OCC continues to ignore the realities of the gas market in Ohio with its suggestion to require shadow billing statements on customer bills.<sup>16</sup> Shadow billing provides no value to customers. The data is irrelevant because it says nothing about future costs. In fact, like a PTC for natural gas rates, relying on shadow billing for any current or future decisions would be harmful to customers simply because they are not the most up-to-date rates.

Additionally, shadow billing fails to account for specific customer products, such as long-term fixed price offers and carbon-neutral gas. This means any attempts to compare the rates in the retail market to the rates for default service are misleading and incomplete, including OCC's suggestion to require a report comparing "aggregate customer savings or losses experienced as a result of shopping."<sup>17</sup> Finally, implementation of shadow billing would require updates to the LDC's IT systems,<sup>18</sup> the cost of which is not justified by any sort of benefit. Therefore, the Commission should reject this suggestion.

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<sup>16</sup> OCC Initial at 3-4.

<sup>17</sup> *Id.* at 4.

<sup>18</sup> See *In the Matter of the Application of Duke Energy Ohio, Inc. for Approval of Bill Format Changes*, Opinion and Order (December 18, 2019) at ¶ 35.

**D. Proposed additions to the summary of customer rights and obligations are contrary and inconsistent with the operation of Ohio's retail gas market.**

In its comments, OCC suggests required additions to an LDC's summary of customer rights and obligations.<sup>19</sup> Specifically, OCC proposes requiring information about "contract portability, the ability to block an unwanted service provider switch, selecting the lowest cost supply for natural gas, known scams (including spoofing), and potentially adverse contract provisions such as automatic renewals and teaser rates."<sup>20</sup> OCC believes this will assist customers when evaluating offers in the retail market.

Initially, IGS notes that it supports reasonable consumer protections and education in the retail gas marketplace. These efforts provide customers sufficient trust in the retail market so that they shop freely and with confidence for the product and services that best meet their needs. However, what OCC is suggesting goes above and beyond reasonable. For example, IGS is especially concerned with OCC's suggestion that "customers should be provided guidance in the written summary about what they could do if they notice that their natural gas charges are higher than the price to compare provided on the bill."<sup>21</sup> IGS questions what that "guidance" would be and who would be involved in its development. As demonstrated by the comments filed in this proceeding regarding the PTC,

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<sup>19</sup> OCC Initial at 5-6.

<sup>20</sup> Id. at 6.

<sup>21</sup> OCC Initial at 6.

stakeholders have varying opinions on the value, or lack thereof, of the information within the statement.

Further, as noted by VEDO & DEO, customers receiving these sorts of unsought messages from their LDC could lead them to view the LDC as an energy advisor, which is not the role of distribution utilities in Ohio.<sup>22</sup> The LDCs “should not be required to make subjective, predictive statements on bills that they have no reasonable way of verifying, and that could result in detrimental reliance by customers.”<sup>23</sup>

Moreover, OCC advocates for informing customers of “potential adverse contract provisions,” such as automatic renewals and teaser rates, yet neglects to recognize the potentially adverse impact to a customer by riding the volatility of a default service rate.<sup>24</sup>

IGS supports efforts to implement reasonable consumer protections in the retail market, but OCC’s proposal is not the solution. Instead, the Commission should continue its practice of enforcing existing consumer protection rules to suspend or eliminate non-compliant market participants.<sup>25</sup> This targeted approach will protect Ohioans while still allowing them to enjoy the benefits of the retail market.

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<sup>22</sup> VEDO/DEO Initial at 9.

<sup>23</sup> *Id.* at 4.

<sup>24</sup> OCC Initial at 6.

<sup>25</sup> See *In the Matter of the Commission’s Investigation into PALMco Power OH, LLC, dba Indra Energy and PALMco Energy OH, LLC dba Indra Energy*, Case Nos. 19-957-GE-COI & 19-2153-GE-COI and *In the Matter of the Commission’s Investigation into Verde Energy USA Ohio, LLC*, Case No. 19-958-GE-COI.

**E. Implementation of a customer block process is unnecessary and overly burdensome.**

In its comments, OCC recommends the adoption of Staff's proposed customer block.<sup>26</sup> OCC asserts that it is "often very expensive for consumers that have been slammed" and that the block would give customers the "peace of mind" that a Supplier will not switch their gas service without explicit authorization.<sup>27</sup> These statements are unsupported and should be rejected.

IGS seriously questions OCC's claim that it is often expensive for customers that have been slammed. Under the current rules, if a customer initiates a slamming complaint with Staff within 30 days of receiving a bill from the alleged slammer, the customer is not required to pay the disputed charges until Staff determines if the charge was proper.<sup>28</sup> If an unauthorized switch did occur, the customer reverts back to their previous natural gas supplier without penalty under the same original contract price and term.<sup>29</sup> Further, the Commission has explicit authority to order restitution for a customer complaint filed against a Supplier.<sup>30</sup> Thus, customers should not be suffering financial harm.

IGS also notes that customers should already have the peace of mind that a Supplier will not switch their service without explicit authorization. A Supplier is explicitly

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<sup>26</sup> OCC Initial at 7.

<sup>27</sup> *Id.*

<sup>28</sup> Ohio Adm.Code 4901:1-29-08(D)(3).

<sup>29</sup> See Ohio Adm.Code 4901:1-29-08(D)(5) & (6).

<sup>30</sup> R.C. 4929.24(B)(1).

prohibited from enrolling customers without consent from the customer and proof of that consent.<sup>31</sup> Thus, the lock is unnecessary.

Additionally, in response to this proposal, Columbia suggests that instead of requiring a customer to recite a pin or password to unlock the account, the LDC call center could instead just verify that the caller is the customer of record.<sup>32</sup> This recommendation is still problematic. The LDCs may still require IT changes.<sup>33</sup> There will still be confusion for the customer and Supplier in the sales process, and there is still no evidence that this is necessary.<sup>34</sup> Therefore, the Commission should reject Columbia's suggestion and proposed Ohio Adm. Code 4901:1-13-12(G) in its entirety.

**F. The Commission should initially focus on requiring all LDCs to provide contract portability prior to developing rules.**

IGS appreciates the Commission's recognition of contract portability in the proposed rules and supports efforts to offer this service to all Ohioans. However, IGS notes that this proposal does not actually require LDCs to provide contract portability. Thus, IGS believes the Commission should initially focus on requiring contract portability prior to implementing related rules. This will allow the Commission to explore the feature

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<sup>31</sup> See R.C. 4929.22(D)(3); Ohio Adm.Code 4901:1-29-06(B).

<sup>32</sup> Columbia Initial at 3.

<sup>33</sup> See VEDO/DEO Initial at 7; Duke Initial at 3.

<sup>34</sup> See VEDO/DEO Initial at 7-8.

as a whole and then streamline the rollout across each distribution utility's service territory.

Further, IGS disagrees with OCC's hefty revisions to the proposed rule. First, OCC claims its suggestions are "[t]o protect customers against slamming."<sup>35</sup> This is nonsense. Slamming is defined as "the transfer of or requesting the transfer of a customer's competitive natural gas service to another provider without obtaining the customer's consent."<sup>36</sup> With contract portability, there is no transfer of a customer's "gas service to another provider;" the customer remains with its current supplier. Thus, there is no risk of slamming.

Second, OCC asserts another concern with contract portability is the risk that customers enrolled on fixed rate contracts can have their contracts automatically renewed without explicit consent and be placed on month to month variable rates.<sup>37</sup> This is also absurd. Contract portability does not somehow change the provisions in a contract, aside from the service address. If the contract contains an automatic renewal clause, the Supplier must still follow the Commission rules which specifically address notice and consent requirements for contracts containing these clauses.<sup>38</sup>

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<sup>35</sup> OCC Initial at 8.

<sup>36</sup> Ohio Adm.Code 4901:1-13-01(T).

<sup>37</sup> OCC Initial at 8-9.

<sup>38</sup> See Ohio Adm.Code 4901:1-29-10(G).

Third, OCC continues to misunderstand the retail gas market by inserting requirements to provide stale PTC information, elevate the SCO and GCR, and place the LDC in an inappropriate advisory role. These suggestions will only overwhelm and confuse customers, and thus, should be rejected.

OFBF also provided a proposed revision regarding contract portability.<sup>39</sup> After review, IGS believes the ultimate goal of the OFBF is to provide a limited form of instant connect, or the ability to start service with a supplier on the first day of new service without the typical one to two billing cycle delay. IGS certainly supports this capability but does not believe it is properly characterized as “contract portability,” so it should not be included in its definition.

**G. Further incorporation Governmental Aggregations into the Commission’s Energy Choice Ohio website would be better addressed outside of this rulemaking.**

In its comments, NOPEC suggests an addition that would have the effect of requiring the inclusion of Governmental Aggregators’ websites that display the Commission’s Apples-to-Apples charts.<sup>40</sup>

Initially, IGS notes that Governmental Aggregations already have access to the Commission’s Energy Choice Ohio website, including a link to the electric and gas Government Aggregator maps.<sup>41</sup> These maps are especially helpful because customers can enter their address to determine if they are within an aggregation territory. In contrast,

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<sup>39</sup> OFBF Initial at 2-3.

<sup>40</sup> NOPEC Initial at 5-6.

<sup>41</sup> <http://www.energychoice.ohio.gov/Pages/What%20is%20Aggregation.aspx>.

the Apples-to-Apples charts are organized by distribution utility territories because all customers within that territory are eligible for the offers in the chart. IGS is concerned that because not all customers within the same distribution territory would be eligible for the Government Aggregations listed on the page, their addition could be confusing for customers.

Additionally, there are other differences between a Government Aggregator and a Supplier, such as the relationship between Suppliers and their customers and the relationship between a Government Aggregation and the customers served through the aggregation. Suppliers enter into contracts directly with customers and provide natural gas supply under those contracts. Customers served by a Government Aggregation, on the other hand, may not have entered into a contract with their Government Aggregator and the Government Aggregator is not the entity providing the natural gas supply service to the customers.<sup>42</sup> Further, Suppliers are required to provide certain information related to their offers for the Apples-to-Apples chart, but this would not extend to Government Aggregators.<sup>43</sup> Given these challenges, IGS does not believe further incorporation of Government Aggregations should occur through this rulemaking proceeding.

**H. OCC's suggested addition in Ohio Adm.Code 4901:1-13-14(H) should be rejected.**

In its comments, OCC suggests the following addition to Ohio Adm. Code

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<sup>42</sup> See Ohio Adm.Code 4901:1-29-06(B).

<sup>43</sup> See e.g. Ohio Adm.Code 4901:1-29-03(E).

4901:1-13-14(H)(1):

Any customer returning to the gas or natural gas company's commodity service due to default, abandonment, slamming, or certification rescission of a retail natural gas supplier or governmental aggregator, non-payment of competitive supplier charges, or enrollment in PIPP will not be liable for any costs associated with the switch.<sup>44</sup>

IGS is concerned with the proposed addition. First, this change would be inconsistent with Ohio Adm.Code 4901:1-29-06(K)(1) & (2) and 4901:1-29-13(D)(1) & (2). Second, IGS questions the application of this addition and its potential unintended consequences. IGS notes that other provisions under Section (H) apply to “switching fees,” while this provision is regarding “any costs associated with the switch.”<sup>45</sup> IGS is concerned that this broader term could encompass costs such as the customer’s unpaid supply charges. Not only would this create a loophole for customers to avoid paying these charges by simply bouncing between Suppliers and default service, it would also burden other customers by increasing the charges collected through the uncollectible expense rider. Thus, IGS recommends rejecting OCC’s proposal.

### **III. CONCLUSION**

For the foregoing reasons, IGS recommends that the Commission adopts IGS’ recommendations regarding the proposed rules of Ohio Adm.Code Chapter 4901:1-13.

*Respectfully submitted,*

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<sup>44</sup> OCC Initial at 10.

<sup>45</sup> Compare Ohio Adm.Code 4901:1-13-14(H)(1) with (H)(2), (3), & (5).

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