### BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

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

# REPLY COMMENTS ON STANDARDS FOR CONSUMERS' NATURAL GAS SERVICE BY THE OFFICE OF THE OHIO CONSUMERS' COUNSEL

Bruce Weston (0016973) Ohio Consumers' Counsel

Ambrosia E. Logsdon (0096598) Counsel of Record David Bergmann (0009991) Assistant Consumers' Counsel

### Office of the Ohio Consumers' Counsel

65 E. State Street, 7th Floor Columbus, Ohio 43215-3485 Telephone [Logsdon]: 614-466-1292 Telephone [Bergmann]: 614-466-9569 Ambrosia.Logsdon@occ.ohio.gov David.Bergmann@occ.ohio.gov (willing to accept service by e-mail)

### **TABLE OF CONTENTS**

		PA	GE			
I.	INTR	RODUCTION	1			
II.	REC	OMMENDATIONS	2			
	A.	With kudos to the PUCO Staff for finally recommending the gas price to compare that electric consumers have enjoyed for years, the PUCO should make some additional changes for consumer protection				
		1. The Marketers and Gas Utilities want the PUCO to deny consumers the benefit of a price to compare on their gas bills. <i>Electric</i> utilities have shown consumers a price to compare for years	3			
		2. OCC's recommended revision to Staff's proposed rule does not violate state policy and would protect consumers	5			
		3. The PUCO Staff's proposed price to compare language is accurate, correct, and will not mislead customers	7			
	В.	For consumer protection against slamming, customers should be permitted to request a supplier block be placed on their account	8			
	C.	The PUCO should provide additional consumer protections regarding marketer contract portability.	12			
	D.	The PUCO should adopt the proposed Staff rule limiting the types of charges that can appear on natural gas customers' bills to include only commodity charges and tariff-approved distribution charges or services.	15			
	E.	The PUCO should adopt NOPEC's recommendation for a uniform rescission letter.	18			
III.	CON	CLUSION	19			

### BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

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

# REPLY COMMENTS ON STANDARDS FOR CONSUMERS' NATURAL GAS SERVICE BY THE OFFICE OF THE OHIO CONSUMERS' COUNSEL

#### I. INTRODUCTION

The Public Utilities Commission of Ohio ("PUCO") invited comments and reply comments on proposed changes to the minimum gas service standards. The standards promote the availability of reliable and reasonably priced natural gas services and goods to millions of Ohio consumers.<sup>1</sup>

The Office of the Ohio Consumers' Counsel ("OCC"), after filing initial comments on January 15, 2020, appreciates this opportunity to reply to the comments of others. Among other things, there are important protections that need to be implemented for millions of Ohio consumers to achieve more savings and less losses of their hard-earned money.

\_

<sup>&</sup>lt;sup>1</sup> R.C. 4929.02(A)(1).

#### II. RECOMMENDATIONS

A. With kudos to the PUCO Staff for finally recommending the gas price to compare that electric consumers have enjoyed for years, the PUCO should make some additional changes for consumer protection.

A price to compare shows consumers, on their gas bills, that their utility has its own competitive price for gas.<sup>2</sup> While the price to compare does not solve all the challenges for consumers with energy choice, it can certainly help Ohioans save money on their gas bills.<sup>3</sup> Moreover, this important bill feature is already included on consumers' *electric* bills, as required by Ohio Adm. Code 4901:1-22(B).<sup>4</sup> Consumers deserve such information, among other needed protections against the challenges of buying natural gas. Therefore, the PUCO should adopt PUCO Staff's proposed rule, with OCC's recommended revision.<sup>5</sup>

Unfortunately for consumers, the Marketers<sup>6</sup> and most of the Gas Utilities<sup>7</sup> oppose the Staff's proposed rule<sup>8</sup> to include the price to compare on gas bills. That is a shameful avoidance of consumer protection. An exception thus far is Columbia Gas, which has not (yet) opposed the price to compare. And Columbia should be credited for

<sup>&</sup>lt;sup>2</sup> OCC Comments at 2-3.

 $<sup>^3</sup>$  Id.

<sup>&</sup>lt;sup>4</sup> *Id*.

<sup>&</sup>lt;sup>5</sup> *Id*. at 3.

<sup>&</sup>lt;sup>6</sup> Direct Energy Services, LLC and Direct Energy Business, LLC ("collectively "Direct Energy"), Interstate Gas Supply, Inc. ("IGS"), and the Retail Energy Supply Association ("RESA") (collectively the "Marketers").

<sup>&</sup>lt;sup>7</sup> Duke Energy Ohio, Inc. ("Duke"), The East Ohio Gas Company d/b/a Dominion Energy Ohio and Vectren Energy Delivery of Ohio, Inc. ("Dominion and Vectren") (collectively the "Gas Utilities"); Notably Columbia Gas, which has a Shadow Billing program, and provides a price to compare on its bills, did not file comments opposing this rule.

<sup>&</sup>lt;sup>8</sup> Ohio Adm. Code 4901:1-13-11(K).

its shadow billing that shows the massive losses consumers are sustaining by choosing marketer offers instead of Columbia's standard offer.

1. The Marketers and Gas Utilities want the PUCO to deny consumers the benefit of a price to compare on their gas bills. *Electric* utilities have shown consumers a price to compare for years.

Columbia Gas, which is the only natural gas company that currently provides shadow billing data, and a price to compare on its natural gas bills, did not file comments in opposition of this rule. The Marketers and most of the Gas Utilities,<sup>9</sup> however assert that using the standard choice offer or gas cost recovery rate as the benchmark to compare marketer service would have customers making "apples-to-oranges" comparisons.<sup>10</sup>

Specifically, the Marketers and Gas Utilities argue that the standard choice offer and the gas cost recovery rate are not proper benchmarks for comparing marketer rates because they are based on different pricing options (fixed versus monthly variable). 

They argue that Staff's proposal omits key information that a customer would need to understand the standard choice offer and alternatives. (Not surprisingly, the Marketers' list of informational examples does not include shadow billing information that OCC recommended and Columbia Gas declined to oppose in its comments. 

However, shadow billing would go a long way in helping consumers make informed decisions on

<sup>&</sup>lt;sup>9</sup> Direct Energy at 9-13; IGS at 12-15; RESA at 2-4; and Dominion and Vectren Joint Comments at 3-6 (January 17, 2020). Duke seemingly misunderstood (or had a typo) that the proposed rule suggests consumers can save money by choosing a marketer. Duke at 1-2. A proper reading of the rule indicates the opposite.

<sup>&</sup>lt;sup>10</sup> *Id*.

<sup>&</sup>lt;sup>11</sup> *Id*.

<sup>&</sup>lt;sup>12</sup> OCC Initial Comments at 3-4.

gas choices.)<sup>13</sup> Finally, they assert that even if a marketer offers a monthly variable rate that is lower than the price to compare for the prior month, the marketer's rate for future months could be based upon different factors such as market conditions or renewal term rates.<sup>14</sup>

Regardless of whatever value-added services a marketer may be offering, the product to compare is the rate for the gas commodity itself not market conditions that affect the prices that marketers offer and charge, renewal terms rates, free thermostats or lightbulbs, home warranties, etc. Moreover, the Energy Choice website comparison chart is called "Apples to Apples," not "Apples to Oranges," For Marketers to now claim they are not providing the same service with "extras" is misleading. On the one hand, the Marketers want their products to be considered the "same as" the default service, 15 yet when it is time to implement rules or restrictions on their behavior, they argue their product is different and not comparable to the default service offer. Marketers cannot have it both ways.

Contrary to what the Marketers and Gas Utilities argue, it is accurate and straightforward to state that the gas company is charging x (\$ per mcf or ccf) of gas (the actual commodity), but the marketer is charging x + y for the amount of gas, regardless of

<sup>&</sup>lt;sup>13</sup> RESA at 2 (RESA asserts that Examples of key missing information include: that the gas cost recovery and standard choice offer are variable rates, the price to compare is a snapshot based on historic standard choice offer and gas cost recovery rates, and the gas cost recovery and standard choice offer rates do not include components found in different marketer offers. The Staff's price to compare proposal also does not invite the customer to use the PUCO's energy choice website where apples-to-apples comparisons can be made.).

<sup>&</sup>lt;sup>14</sup> Direct Energy at 9-13, IGS at 12-15, RESA at 2-4, Duke at 1-2, and Dominion and Vectren Joint Comments at 3-6 (January 17, 2020).

<sup>&</sup>lt;sup>15</sup> *Id*.

whatever they are packaging with the commodity (y). If  $x \le x + y$ , you are going to save money if you choose x;<sup>16</sup> it is simple math.

Let's consider a fast food analogy. When one purchases a fast food value meal, one is adding extras like fries (market conditions, etc.) and a drink (renewal term rates, etc.), to the price of the sandwich (gas commodity).

Regardless as to whether you add the fries and drink, the sandwich is the sandwich and has a particular fixed cost. You have no way of knowing what price is charged for the drink and fries once it is bundled together; there is typically no breakdown of the charges. So, to make a true sandwich to sandwich comparison, you would need to compare the price of the sandwich from one supplier to another, and not the illusory added "value" of other extras bundled with the sandwich.

The same must be done for the charge for natural gas commodity. The PUCO should disregard this attempt by the Marketers and Gas Utilities to avoid pricing transparency by not disclosing a price to compare on natural gas bills. Gas customers should receive the same information and protection as electric customers receive under the PUCO rules.

# 2. OCC's recommended revision to Staff's proposed rule does not violate state policy and would protect consumers.

It is the policy of the state of Ohio to promote the availability of adequate, reliable, and reasonably priced natural gas services and goods.<sup>17</sup> It is also the policy of

-

<sup>&</sup>lt;sup>16</sup> Assuming y > 0.

<sup>&</sup>lt;sup>17</sup> R.C. 4929.02(A)(1).

the state to promote the diversity of natural gas supplies and suppliers, and to recognize the continuing emergence of marketers though flexible regulatory treatment.<sup>18</sup>

The Marketers provided the correct wording of the State policy but misapply it.

The Marketers claim that adding the Staff's price to compare language to natural gas bills is a PUCO "endorsement" of the default rates over marketer rates. <sup>19</sup> The Marketers assert that this alleged endorsement does not promote diversity of natural gas supplies and suppliers or recognize the continuing emergence of the competitive market through flexible regulatory treatment. <sup>20</sup>

But the Marketers are mistaken. The Staff's proposed price to compare rule does not violate state policy. Instead it extends the same protection to natural gas customers as electric customers have received for almost twenty years—the protection that the first line of the state policy endorses.<sup>21</sup> It is telling that the Marketers are not advocating that the nearly identical electric provision violates state policy. They cannot. Because there is no violation on the electric side there, nor is there a violation here.

Although the PUCO must promote diversity of natural gas supply and foster development of the competitive market, it is not required to do so at the expense of consumers. The proposed rule does not endorse the default service as the "better" service. It merely states a fact—that the PUCO approves the default service rate. The PUCO

<sup>&</sup>lt;sup>18</sup> R.C. 4929.02(A)(3) & (A)(6).

<sup>&</sup>lt;sup>19</sup> RESA at 3.

<sup>&</sup>lt;sup>20</sup> *Id*.

<sup>&</sup>lt;sup>21</sup> (A)(1) It is the policy of this state to, throughout this state: promote the availability to consumers of adequate, reliable, and reasonably priced natural gas services and goods.

should disregard the Marketers' arguments that including the price to compare on natural gas bills violates Ohio's policy. It cannot and does not.

### 3. The PUCO Staff's proposed price to compare language is accurate, correct, and will not mislead customers.

The Marketers and the Gas Utilities assert that the Staff price to compare language is inaccurate, incorrect, and misleading,<sup>22</sup> especially in territories where the gas company does not have a choice program or where the standard choice offer or gas cost recovery rate is not available.<sup>23</sup> Their concern is that the proposed rule suggests that a customer can save money by choosing the standard service offer or gas cost recovery rate rather than a marketer product.<sup>24</sup> They believe this suggestion is wrong and misleading.

The proposed rule suggests that a customer *will* save money by choosing the standard service offer or the gas cost recovery rate rather than a marketer product. The rule merely discloses the default *price* needed for consumers to save money. Nowhere does it state that a consumer *must choose* this rate to save money

This rule simply provides information to the consumer that permits the comparison to be made without seeking out the Energy Choice website, or spending hours calling different companies for quotes. It is information, not a decree. Moreover, electric consumers already have this information on their bill, it should be no different for gas consumers. The Marketer's and Gas Utilities' concerns are unfounded. The PUCO should adopt its Staff's proposed rule to add the price to compare to natural gas bills.

<sup>&</sup>lt;sup>22</sup> Direct Energy at 9-13, IGS at 12-15, RESA at 2-4, Duke at 1-2, and Dominion and Vectren Joint Comments at 3-6 (January 17, 2020).

<sup>&</sup>lt;sup>23</sup> RESA at 4.

<sup>&</sup>lt;sup>24</sup> Duke at 1: Dominion and Vectren at 3.

As the OCC explained in its initial comments, most gas marketer' rates listed on the PUCO's Energy Choice website exceed the utility standard choice offer or gas cost recovery rate. This is an easily verifiable fact. The emphasis should be on helping consumers understand their choice has financial ramifications. OCC suggested revisions to Staff's proposed rule would alleviate some of the concerns raised by the Marketers and Gas Utilities. OCC's suggestion clarifies that there is no guarantee that customers will save money but explains to consumers what comparison to make. Moreover, the OCC does not agree with the assertion that the rule's final sentence ("The standard choice offer rate or gas cost recovery rate is approved by the public utilities commission.") is inaccurate or inappropriate. It is a true statement, a fact. Accordingly, the PUCO should adopt OCC's recommended revision to Staff's proposed rule 4901:1-13-11(B)(13).

## B. For consumer protection against slamming, customers should be permitted to request a supplier block be placed on their account.

The PUCO Staff proposed the addition of Ohio Adm. Code 4901:1-13-12 (G). This rule would permit a customer to place a "supplier block" on their account to protect against slamming. Slamming occurs when a customer is switched to a competitive supplier without the customer's consent. A switching block prevents gas service from being switched without a customer-provided code or pin number. This is an important anti-slamming consumer protection that helps customers by preventing switching without explicit authorization.<sup>26</sup> The PUCO should adopt its Staff's proposed addition of Ohio Adm. Code 4901:1-13-12(G).

<sup>&</sup>lt;sup>25</sup> OCC Comments at 3.

<sup>&</sup>lt;sup>26</sup> OCC Comments at 7.

The Marketers and the Gas Utilities are opposed to the PUCO Staff's proposed supplier block rule.<sup>27</sup> They are concerned that the supplier block will frustrate consumer shopping and competition. They recommend alternatives that are less protective of customers; alternatives that are geared to a reactive not proactive approach to slamming.<sup>28</sup> Consumers deserve better.

For example, the Gas Utilities recommend that the more appropriate way to stop customers from being involuntarily switched is to aggressively monitor the marketers and punish the bad actors.<sup>29</sup> But this approach is deficient because the PUCO is already doing this. It is not working.

A more proactive process, such as a switching block, is needed to curb this bad anti-consumer behavior. The Gas Utilities also recommend that if there have been any abuses (there have), those issues should be dealt with directly by addressing the actor or the practice, not by a universal block.<sup>30</sup> But this view ignores the reality in Ohio—that there are bad actors engaging in deceptive marketing of gas utility service to customers and places the PUCO in a reactive, not proactive posture. Customers need to be protected from these bad actors and the best way to do so is through the Staff's proactive approach.

The Marketers assert that Staff's proposed block procedure is not a necessary or reasonable restriction on the competitive market.<sup>31</sup> They also suggest that customers already have tools available to them to protect against slamming such as blocking an

<sup>&</sup>lt;sup>27</sup> Columbia at 3; Duke at 3; Dominion and Vectren at 2, 7-8; Direct at 5-8; RESA at 9-11; IGS at 15-16.

<sup>&</sup>lt;sup>28</sup> *Id*.

<sup>&</sup>lt;sup>29</sup> Columbia at 3; Duke at 3; Dominion and Vectren at 2.

<sup>&</sup>lt;sup>30</sup> *Id*.

<sup>&</sup>lt;sup>31</sup> Direct Energy at 5-8; IGS at 15-16; RESA at 9-11.

enrollment by not providing their utility account number to the marketer representative, declining to answer any of the various questions asked by a marketer, and rescinding their enrollment.<sup>32</sup> But the Marketers are wrong. Customers may not know or understand that they can refuse to give their account number to the marketer. Moreover, if they provide the number to a bad actor, they may not ever receive their right to rescind letter. Customers may also be confused about whether the marketer is employed by the gas utility.

The Marketers also assert that should a customer need assistance, the PUCO rules provide a process for an informal complaint resolution through the PUCO Staff and a formal complaint proceeding before the PUCO.<sup>33</sup> But under this approach a consumer would have to suffer harm first. Then it would be up to the consumer or the PUCO to take remedial actions. And an exacerbating problem with this approach is that consumers rarely win at the PUCO according to an article published by the Columbus Dispatch and the Cleveland Plain Dealer.<sup>34</sup> The article describes the challenges that Ohioans encounter in processing complaints against powerful (lawyered-up) utilities.<sup>35</sup> The Plain Dealer's headline was aptly titled "Prepare to lose your case at PUCO: Consumers only win 4 cases over 10 years."<sup>36</sup> Again, this reactive approach is not protective of customers. The reality is that the tools currently available to consumers are not providing nearly enough

<sup>32</sup> *Id*.

<sup>&</sup>lt;sup>33</sup> Id.

<sup>&</sup>lt;sup>34</sup> Gearino, *Ohio consumers face difficulties filing complaints against utilities*, Columbus Dispatch (May 10, 2015) <a href="https://www.dispatch.com/article/20150510/NEWS/305109934">https://www.dispatch.com/article/20150510/NEWS/305109934</a>, ("If you are an Ohio consumer filing a complaint against a utility company, get ready for a long battle, and be prepared to lose."); Gearino, *Prepare to lose your case at PUCO*, Cleveland Plain Dealer (May 11, 2015) A1.

<sup>&</sup>lt;sup>35</sup> *Id*.

<sup>&</sup>lt;sup>36</sup> *Id*.

protection against slamming because it is still occurring. Consumers deserve better. The OCC agrees with the PUCO Staff's more proactive approach to protect consumers.

As an alternative to a block, Columbia recommends that a verified customer authorization should be utilized.<sup>37</sup> Columbia proposes that if a customer calls into Columbia's call center, then Columbia would verify that the caller is the customer of record.<sup>38</sup> And once verified, Columbia would be able to place a block on the account, with customer authorization, which would alleviate the customer from needing to remember a code or a pin number.<sup>39</sup> While OCC is not opposed to this proposal per se, it is only a half-step toward protecting customers. Staff's broader and complete approach, which requires a PIN, is a full step with better protection for consumers.

The PUCO should protect consumers against slamming by adopting its Staff's proposed rule which enables consumers to block unauthorized supplier changes on their accounts. 40 Ohio law prohibits switching suppliers without prior customer consent and the protections against unlawful slamming provided in the Staff proposed rules are reasonable. Slamming is confusing, stressful, inconvenient, and often very expensive for consumers.

The Gas Utilities and Marketers claim this rule will be too inconvenient for consumers and point to the current rules as appropriate remedies. They also assert that consumers can simply decline to speak with a marketer or refuse to provide their account

<sup>&</sup>lt;sup>37</sup> Columbia at 3.

<sup>&</sup>lt;sup>38</sup> *Id*.

<sup>&</sup>lt;sup>39</sup> *Id*.

<sup>&</sup>lt;sup>40</sup> OCC Comments at 7.

number. But these are "consumer protections" are not working. They also assert that they are unaware that there have been slamming issues. Perhaps they are unaware of the investigations against fellow marketers like Verde<sup>41</sup> and PALMco in Ohio, and the numerous issues with marketers in other states.<sup>42</sup> The fact is, there truly is a problem and there will continue to be a problem with marketer' abuses until consumer are provided with better tools (like blocking).

As OCC mentioned in its initial comments, local telephone customers have had the ability to block since 2003. <sup>43</sup> The PUCO should give gas consumers the same protection against slamming that local telephone consumers have had for over 16 years. To protect consumers against slamming, the PUCO should adopt the Staff proposed rule in Ohio Adm. Code 4901:1-13-12(G).

## C. The PUCO should provide additional consumer protections regarding marketer contract portability.

The PUCO Staff proposed a new rule in Ohio Adm. Code 4901:1-13-12(H) that requires a gas utility to advise customers cancelling service at one address and initiating service elsewhere in their service territory that their gas marketer will remain the same at the new address. The OCC does not support contract portability unless the practice and

<sup>&</sup>lt;sup>41</sup> See In re the PUCO's Investigation into Verde Energy USA Ohio LLC's Compliance with the OAC and Potential Remedial Actions for Non-Compliance, Case No. 19-0958-GE-COI.

<sup>&</sup>lt;sup>42</sup> A few specific examples: Maryland: <a href="https://www.baltimoresun.com/business/bs-bz-smart-one-fine-20190802-t2707ham25hebhdwnmzco53iva-story.html">https://www.baltimoresun.com/business/bs-bz-smart-one-fine-20190802-t2707ham25hebhdwnmzco53iva-story.html</a> and <a href="https://www.energychoicematters.com/stories/20190515bg.html">https://www.energychoicematters.com/stories/20190515bg.html</a>; Texas: <a href="https://www.khou.com/article/news/investigations/direct-energy-leads-state-in-electricity-slamming-refunds/65322482">https://www.khou.com/article/news/investigations/direct-energy-leads-state-in-electricity-slamming-refunds/65322482</a>; Pennsylvania: <a href="http://www.puc.pa.gov/about-puc/press-releases.aspx?ShowPR=3204">http://www.puc.pa.gov/about-puc/press-releases.aspx?ShowPR=3204</a>.

<sup>&</sup>lt;sup>43</sup> OCC Comments at 7.

specific details for how the transfer occurs is authorized by the PUCO in the gas utilities' tariffs, as it stated in its initial comments.<sup>44</sup>

The Gas Utilities comment that this rule is concerning because it implies the supplier will transfer a contract or that a customer *should* change their natural gas source in all instances. 45 Similarly, RESA comments that the gas company should not be "advising" the customer of what to do regarding marketer services. 46

The Gas Utilities and RESA are overreacting to the proposed rule. The proposed rule is not a guarantee or recommendation that a customer's contract will transfer. Nor will the Gas Utilities be in the position of "advising" a customer on what they should do. The Gas Utilities are merely providing information to the customer. However, as the OCC stated in its initial comments, the availability of contract portability should be prohibited unless the practice and details are authorized by the PUCO in the gas utility tariffs to protect customers against slamming.<sup>47</sup> Specifically, the continuation of service from a marketer at the new address cannot occur unless the customer consents and provides their account number to authorize the change.

The Farm Bureau provided comments that asks the PUCO to expand the term "contract portability."<sup>48</sup> The Farm Bureau explains that many agricultural operations may have an opportunity to expand their operations, resulting in locations that cannot be

<sup>&</sup>lt;sup>44</sup> *Id*. at 8.

<sup>&</sup>lt;sup>45</sup> Dominion and Vectren at 8.

<sup>&</sup>lt;sup>46</sup> RESA at 11.

<sup>&</sup>lt;sup>47</sup> OCC Comments at 7.

<sup>&</sup>lt;sup>48</sup> Farm Bureau at 1-2.

served by one meter.<sup>49</sup> The Farm Bureau recommends that provisions should be made for the customer to work directly with the gas company and contracted aggregator and/or marketer to ensure additional supplies can be delivered to a new and/or expanded location within the utility service area.<sup>50</sup> The Farm Bureau proposed that Staff's proposed term be amended to facilitate the addition of meters or additional service locations onto an existing contract. The OCC does not take issue with the Farm Bureau's request to expand the term "contract portability" to permit customers to have additional meters or service locations under the same contract. The customer should have the ability to choose a configuration that works best for them, so long as this is authorized by the PUCO and provided in the gas utility tariffs.

The OCC remains concerned that consumers who originally enrolled on fixed rate contracts could have their contracts automatically renewed without explicit consent and be forced onto a month to month variable rate. These variable rates are commonly three or four times the rate charged to standard choice offer or gas cost recovery rate customers. Contracts should not be transferred from one address to another without first informing customers both about the rates they are being charged under the current contract, and about other choices that will protect them from overpaying.

Natural gas utilities should be required to inform customers about the rate they paid for natural gas over a twelve-month period of time compared to the rate that was charged for the standard choice offer or gas cost recovery rate. The PUCO should adopt,

<sup>&</sup>lt;sup>49</sup> *Id*.

<sup>&</sup>lt;sup>50</sup> *Id*.

with OCC's recommended revisions provided in initial comments, 51 its Staff's proposed Ohio Adm. Code 4901:1-13-12 (H).

D. The PUCO should adopt the proposed Staff rule limiting the types of charges that can appear on natural gas customers' bills to include only commodity charges and tariff-approved distribution charges or services.

The PUCO Staff proposed a much-needed change in the natural gas billing rules in Ohio Adm. Code 4901:1-13-11 that helps consumers manage the complexity of their natural gas utility bill. Staff proposed a new rule (K) that identifies the specific types of charges that can be included on a natural gas bill to include either commodity charges for the natural gas supply and/or other distribution charges or services that are approved by the PUCO in the utility tariff.

This simple and straight-forward proposal by Staff facilitates using the regulated natural gas bill for its intended purpose: billing customers for natural gas charges and services. This is a significant improvement. Under the Staff's proposal utility bills to customers will include only those charges that are specific to natural gas service that are under PUCO oversight. Consumers still have access to the plethora of unregulated products and services available through the market; however, they are not bombarded with this information on their regulated gas bill.

The Gas Utilities oppose the Staff proposal to separate electric distribution and supply charges on the gas bill.<sup>52</sup> But many customers may not know the ins and outs about unregulated and regulated charges. Such customers would benefit by a definitive separation of these charges on their bills.

<sup>&</sup>lt;sup>51</sup> *Id*.

<sup>&</sup>lt;sup>52</sup> Duke at 4; Dominion and Vectren at 7; Direct Energy at 13; IGS at 3.

The Gas Utilities and Marketers also propose that utilities should have discretion over the addition of charges for unregulated products and services that are included on their bills.<sup>53</sup> But these comments do not recognize the exclusive jurisdiction that the PUCO maintains over the natural gas bill. This jurisdiction extends to the prohibiting of unjust and unreasonable charges on the bill.<sup>54</sup> In fact, the PUCO has specific rules governing the content of regulated gas utility bills and the requirements for clear and understandable form and language.<sup>55</sup>

The Marketers claim that there is no explanation for what is considered a commodity charge and therefore Staff and the utility would have full discretion to determine what price a supplier should charge. OCC made a similar comment and recommended that the PUCO adopt a definition for commodity charges. IGS specifically claims that there is no harm in having non-commodity charges on the bill because customers are not eligible for disconnection if these charges are not paid. However, many customers are not aware of different consumer protection rights that apply for unregulated charges that appear on a regulated natural gas bill.

IGS also asserts that consumers have protections related to the unregulated products and services on the gas bill under the Consumer Sales Practices laws.<sup>59</sup> But, again, many customers are likely unaware that they can and should bring their complaint

<sup>&</sup>lt;sup>53</sup> Dominion and Vectren at 7; Direct Energy at 13; RESA at 5.

<sup>&</sup>lt;sup>54</sup> R.C. 4905.22.

<sup>&</sup>lt;sup>55</sup> Ohio Adm. Code 4901:1-13-11(B).

<sup>&</sup>lt;sup>56</sup> Direct Energy at 13; RESA at 5.

<sup>&</sup>lt;sup>57</sup> OCC Comments at 11.

<sup>&</sup>lt;sup>58</sup> IGS at 3.

<sup>&</sup>lt;sup>59</sup> *Id*. at 4.

regarding unregulated products and services to the Attorney General and the courts under the Consumer Sales Practices laws. Customers have been educated to contact the PUCO and the OCC when they have questions or concerns with their utility bill.

HomeServ USA Corp. and HomeServ USA Management Corp. ("HomeServ") and Pivotal Home Solutions ("Pivotal")<sup>60</sup> also oppose the Staff proposed rule because they claim it will have a negative impact on consumers.<sup>61</sup> For example, changing the method in which consumers pay for these services upsets customer's expectations of being able to pay these charges along with their gas bill, and that providing these charges on the bill is more protective of credit card and other sensitive information.<sup>62</sup> But to the extent that customers find value in the unregulated products and services offered by HomeServ and similar providers, customers can easily arrange for the purchase of these services directly from the supplier.<sup>63</sup> And even though a regulated utility is billing for the charges, there is always the risk of inadvertent disclosure of sensitive customer information.

As stated in the OCC's initial comments, the PUCO Staff proposal limits the charges that can be imposed on a natural gas bill. Several commenters have opposed the change in the rules claiming the negative impact this will have on consumers. But as demonstrated in these reply comments, there is no reason for non-commodity charges to be on regulated natural gas bills. Providers for these types of unregulated goods and

<sup>&</sup>lt;sup>60</sup> They are third-party providers of unregulated goods and services that are billed on natural gas bills.

<sup>&</sup>lt;sup>61</sup> HomeServ at 3-5; Pivotal at 3-6.

<sup>&</sup>lt;sup>62</sup> *Id*.

<sup>&</sup>lt;sup>63</sup> *Id*.

services can bill customers separately for these products. This helps protect the integrity and accuracy of the natural gas bill. OCC supports this Staff proposal.

### E. The PUCO should adopt NOPEC's recommendation for a uniform rescission letter.

NOPEC proposed that the PUCO adopt a uniform rescission letter.<sup>64</sup> The rescission letter alerts customers that an unauthorized attempt to switch their natural gas account may have occurred.<sup>65</sup> NOPEC expressed concern that the current rescission letter for governmental aggregation does not clearly communicate that the customer is in a community that has adopted governmental aggregation.<sup>66</sup>

OCC agrees with NOPEC that this may confuse the customer in a governmental aggregation community because the customer may believe that they must provide consent for the switch of suppliers to occur.<sup>67</sup> OCC also agrees with NOPEC that the Gas Utilities' enrollment rescission letter plays a pivotal role in consumer protection and that in its current form can cause confusion to consumers.<sup>68</sup> The PUCO should adopt NOPEC's proposal for a uniform rescission letter that makes clear to the customer that their community made the switch in compliance with R.C. 4929.26, and that the customer has the right to rescind their enrollment if desired.

<sup>&</sup>lt;sup>64</sup> NOPEC Comments at 2.

<sup>&</sup>lt;sup>65</sup> *Id*.

<sup>&</sup>lt;sup>66</sup> *Id*.

<sup>&</sup>lt;sup>67</sup> Id.

<sup>&</sup>lt;sup>68</sup> *Id*.

#### III. CONCLUSION

OCC commends the PUCO Staff for its proposed rule changes that in large part help provide more protections for consumers of natural gas service. But there are additional protections that Ohio gas utility consumers need and deserve, as described above. Ohio consumers deserve reliable and reasonably priced natural gas services and goods. OCC's recommendations provide these needed protections for Ohio consumers. The PUCO should adopt OCC's recommendations to protect consumers.

Respectfully submitted,

Bruce Weston (0016973) Ohio Consumers' Counsel

/s/ Ambrosia E. Logsdon

Ambrosia E. Logsdon (0096598) Counsel of Record David Bergmann (0009991) Assistant Consumers' Counsel

Office of the Ohio Consumers' Counsel

65 E. State Street, 7th Floor Columbus, Ohio 43215-3485 Telephone [Logsdon]: 614-466-1292 Telephone [Bergmann]: 614-466-9569 Ambrosia.Logsdon@occ.ohio.gov David.Bergmann@occ.ohio.gov (willing to accept service by e-mail)

#### **CERTIFICATE OF SERVICE**

I hereby certify that a copy of these Reply Comments was served on the persons stated below via electronic transmission this 31st day of January 2020.

/s/ Ambrosia E. Logsdon
Ambrosia E. Logsdon
Assistant Consumers' Counsel

The PUCO's e-filing system will electronically serve notice of the filing of this document on the following parties:

### SERVICE LIST

<u>John.jones@ohioattorneygeneral.gov</u> <u>regulatory@infiniteenergy.com</u>

josephclark@nisource.com

Attorney Examiner: talexander@calfee.com

slesser@calfee.com

Sarah.parrott@puco.ohio.gov <u>khehmeyer@calfee.com</u>

Rocco.dascenzo@duke-energy.com

<u>Jeanne.Kingery@duke-energy.com</u> Larisa.vaysman@duke-energy.com

mpritchard@mcneeslaw.com

cendsley@ofbf.org

lcurtis@ofbf.org

amilam@ofbf.org

sdismukes@eckertseamans.com

dclearfield@eckertseamans.com

SStoner@eckertseamans.com

gkrassen@bricker.com

dstinson@bricker.com

dparram@bricker.com

Bethany.Allen@igs.com

Michael.Nugent@igs.com

viichaet.ivugent@igs.com

Joe.Oliker@igs.com

kennedy@whitt-sturtevant.com

fykes@whitt-sturtevant.com

Andrew.j.campbell@dominionenergy.com

mjsettineri@vorys.com

glpetrucci@vorys.com

This foregoing document was electronically filed with the Public Utilities

**Commission of Ohio Docketing Information System on** 

1/31/2020 4:48:10 PM

in

Case No(s). 19-1429-GA-ORD

Summary: Comments Reply Comments on Standards For Consumers' Natural Gas Service by The Office of The Ohio Consumers' Counsel electronically filed by Mrs. Tracy J Greene on behalf of Logsdon, Ambrosia E.