BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Seamless Move Operational Plan of Ohio Power Company.)	Case No. 19-2141-EL-EDI
In the Matter of the Application of The Dayton Power and Light Company for Approval of a Future Seamless Move Operational Plan.	Case No. 19-2144-EL-UNC
In the Matter of the Seamless Move Operational Plan of Ohio Edison Company, The Cleveland Electric Illuminating Company and The Toledo Edison Company.	Case No. 19-2150-EL-UNC
In the Matter of Duke Energy Ohio, Inc.) for Approval of an Operational Plan for) Seamless Move.)	Case No. 19-2151-EL-EDI

CONSUMER PROTECTION COMMENTS BY THE OFFICE OF THE OHIO CONSUMERS' COUNSEL

I. INTRODUCTION

As a result of the PUCO's investigation into the health, strength, and vitality of Ohio's competitive electricity market, the PUCO issued a Finding and Order that adopted the implementation of a "seamless move mechanism" as a statewide standard for what happens when a customer served by an energy marketer moves. The electric distribution utilities

¹ In re the Commission's Investigation of Ohio's Retail Electric Service Market, Case No. 12-3151-EL-COI, Finding and Order at 2-3 (February 7, 2018); In re the Market Development Working Group, Case No. 14-2074-EL-EDI, Finding and Order at 2-3 (February 7, 2018) ("Finding and Order").

companies ("EDUs") filed their proposed implementation plans on December 13, 2019 in response to the PUCO's order.²

But now Ohio, like the rest of the country, is in the middle of a major health pandemic and for many consumers-financial crisis. The OCC recently recommended in AEP's Emergency Plan filing that all "non-essential" services (and charges for them) that utilities provide should be suspended until a reasonable time after the emergency (or the PUCO decides otherwise based on a review and analysis of information available at that time).³

The PUCO's seamless move mechanism is an unnecessary (non-essential) and costly addition to utility service that benefits too few customers at too great a cost. OCC recommends that work on and charges for "non-essential" utility services such as the seamless move mechanism should be suspended until after the emergency ends (or the PUCO determines otherwise based on a review and analysis of information available at that time). But if the PUCO decides to proceed with its seamless move mechanism implementation (which it should not), it should require that all seamless move costs be borne by those who primarily benefit—the energy marketers.

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² See In re the Application of the Dayton Power and Light Company for Approval of a Future Seamless Move Operational Plan, Case No. 19-2144-EL-UNC (December 13, 2019) ("DP&L's Plan"); see also In re Ohio Power Company's Seamless Move Operational Plan, Case No. 19-2141-EL-EDI (December 13, 2019) ("AEP's Plan"); see also In re the Seamless Move Operational Plan of Ohio Edison Company, The Cleveland Electric Illuminating Company, and the Toledo Edison Company, Case No. 19-2150-EL-UNC (December 13, 2019) ("Fe's Plan"); see also In re the Application of Duke Energy Ohio, Inc. for Approval of an Operational Plan for Seamless Move, Case No. 19-2151-EL-EDI (December 13, 2019) ("Duke's Plan").

³ See In re the Application of Ohio Power for Approval of its Temporary Plan for Addressing the COVID-19 State of Emergency, Case No. 20-602-EL-UNC, et. al., Comments Regarding AEP's Temporary Plan Addressing the Coronavirus Emergency by the Office of the Ohio Consumers' Counsel at 3 (April 27, 2020).

II. RECOMMENDATIONS

A. To protect consumers, the PUCO should suspend work on and charges for "non-essential" utility services and activities until after the emergency ends or the PUCO determines otherwise.

Essential utility services are those necessary to make sure that the EDUs have necessary and adequate facilities to provide basic reliable service to customers. Non-essential services are those enhanced services that go beyond basic utility services, and generally include additional charges to consumers. As seamless move mechanism is the coordination process and electronic interfaces that are necessary to enable energy marketers to continue providing service to customers who end electric service at one address and initiate service at a new address within the same electric utility service territory. As the PUCO Staff pointed out in the Staff Report, there a very few customers who would even benefit from this enhanced service capability. For that reason alone, it is not an essential service. Non-essential seamless move activities should be suspended to protect consumers from paying additional (and possibly significant) charges related to these non-essential activities until some future time when the PUCO determines the activities are warranted.

B. To protect consumers, the PUCO should require energy marketers to pay for the implementation and ongoing costs related to seamless move when and if the PUCO moves forward with implementation of the seamless move mechanism.

Despite a nearly unanimous recommendation by commenters to reject the seamless move mechanism, even by energy marketers, the PUCO nevertheless chose it as the statewide standard

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⁴ See R.C. 4905.22.

for supporting the transfer of marketer contracts between customer addresses.⁵ If the PUCO decides to move forward with this non-essential seamless move activity, it should properly allocate all costs related to seamless move to the marketers who receive the primary benefit of the expenditures.

When the PUCO held workshops on this issue, the seamless move mechanism was—and still is—the worst of the options because of the cost and complexity of the timing issues that must be in place for a seamless move to successfully occur. It was the most expensive and the most difficult to implement of the proposed plans, yet it is the one the PUCO chose. Even the PUCO Staff opposed the seamless move mechanism in its Report to the PUCO because it was the costliest option, the most difficult option to implement, would require numerous PUCO rule waivers, and would only be available to 2.2% of all residential shopping customers. Costs were (and still are) mostly unknown, although some of the EDUs have provided rough estimates. AEP's proposed plan will cost approximately \$2.4 million and AEP recommends that energy marketers pay these costs. OCC agrees with AEP that this is a marketer cost that residential

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⁵ See Case No. 14-2074-EL-EDI, Staff Report at 9 (July 16, 2015); see also Application for Rehearing by the OCC (March 9, 2018); see also Comments by Dayton Power and Light at 2; see also Application for Rehearing by Ohio Power and Duke at 1-2 (March 8, 2018); see also Application for Rehearing by Interstate Gas Supply, Inc. and Direct Energy Services LLC and Direct Energy Business LLC at 2 (March 9, 2018).

⁶ See Finding and Order at 2-3.

⁷ See Staff Report at 7-9.

⁸ See Duke's Plan at 3 (Duke proposes that it include seamless move into its new CIS in 2022, and explains that if it must include it now, the costs will be approximately \$850,000 to \$1 million. Duke did not provide any cost allocation proposal); AEP's Plan at 6 (provided cost recovery recommendation of \$2.4 million with costs charged to the marketers, unless seamless move end prior to recovery of the full implementation costs then AEP will charge consumers through the Power Forward Rider); FE's Plan at 6 (FE provided no estimate of implementation costs, but provides that consumers should pay whatever the amount is through the Government Directives Recovery Rider); and DP&L did not provide any estimated implementation costs or recommendation for cost recovery).

⁹ See id.

customers should not pay. Duke's rough estimate is \$850,000 to \$1 million, but Duke did not include cost allocation recommendations.¹⁰ Neither FE nor DP&L provided cost estimates.¹¹

As the OCC has consistently advocated in previous comments, to protect consumers against unjust and unreasonable costs, the PUCO should determine that energy marketers should pay all of the costs for the implementation of seamless move. Marketers are the primary beneficiary of the seamless move technology, and in accordance with the principles of cost causation, marketers should fully shoulder the costs. Moreover, because seamless move contradicts state policy by stifling consumer choices that may be different at different addresses, the energy marketer who benefits from the transfer should pay for the capability to transfer contracts. Customers should not have to pay for a system where energy marketers decide if they will accept the customer under the same terms and conditions as the previous contract.

III. CONCLUSION

To best protect consumers in this challenging time, the PUCO should suspend further work on seamless move. If the PUCO decides to proceed with its seamless move mechanism, the PUCO should allocate all costs related to the implementation of seamless move to the energy marketers who get the primary benefit from the technology. Consumers should not have to pay more for costs that provide little, if any, benefit to a very small number of customers.

¹⁰ See id.

¹¹ See id.

¹² See Case No. 14-2074-EL-EDI, Application for Rehearing by the OCC (March 9, 2018); see also Comments by the OCC (March 9, 2018).

¹³ See R.C. 4928.02.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that a copy of these Comments were served on the persons stated below via electronic transmission, this 4th day of May 2020.

/s/ Ambrosia E. Wilson
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Summary: Comments Consumer Protection Comments by the Office of the Ohio Consumers' Counsel electronically filed by Ms. Deb J. Bingham on behalf of Wilson, Ambrosia E.