

**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 Duke Energy Ohio Inc. for Approval of an Operational Plan for Seamless Move.)))	Case No. 19-2151-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

**INITIAL JOINT COMMENTS
OF
DIRECT ENERGY BUSINESS, LLC, DIRECT ENERGY SERVICES, LLC,
AND
RETAIL ENERGY SUPPLY ASSOCIATION**

Direct Energy Business, LLC and Direct Energy Services, LLC (collectively, Direct) and the Retail Energy Supply Association (RESA) submit these joint comments in response to the Commission’s Entry of March 4, 2020 in Case Nos. 19-2141-EL-EDI, 19-2144-EL-ENC, 19-2151-EL-EDI, and 19-2150-EL-UNC. As explained below, the Seamless Move Operational Plans submitted by Ohio Power (AEP), Duke Energy Ohio (Duke), Dayton Power and Light (DP&L), and the FirstEnergy Utilities (FE) (Collectively, the “EDUs”) propose to implement seamless moves in a way that is anything but seamless. The Commission should order the EDUs to revise their Operational Plans in a manner consistent with these comments.

BACKGROUND

In 2012, the Commission opened an investigation into the health, strength and vitality of the competitive retail electric market in Ohio.¹ A Market Development Working Group (MDWG) was created to examine what was going right, what was going wrong, and what could be improved to facilitate customer engagement in the retail electric market. The MDWG concluded that forcing customers who relocate within an EDU's service territory to find a new supplier, or enter a new contract with their existing supplier, was unnecessarily burdensome for customers and therefore not healthy for positive customer engagement. The MDWG concluded that policies to promote "seamless moves" could address this problem.

Following issuance of a Staff Report and multiple rounds of comments, the Commission issued an order in February 2018 directing Ohio EDUs to develop an operational plan to "implement a statewide seamless move, contract portability, instant connect, or warm transfer process."² Each of the EDUs filed an Operational Plan on December 13, 2019 related specifically to seamless moves. After eight years, Direct and RESA appreciate the Commission finally moving this issue forward.

DISCUSSION

"Seamless moves" is essentially another term for describing contract portability; *i.e.*, for the customer-supplier relationship to remain intact during a move within the same EDU service territory. As a matter of contract law, there are no barriers to seamless moves. Cell phone contracts, streaming services, and many other household services feature the practical equivalent

¹ *In the Matter of the Commission's Investigation of Ohio's Retail Electric Service Market*, PUCO Case No. 12-3151-EL-COI, Entry at ¶ 5 (December 12, 2012).

² *In the Matter of the Commission's Investigation of Ohio's Retail Electric Service Market*, PUCO Case No. 12-3151-EL-COI Finding and Order at ¶ 5 (February 7, 2018).

of seamless moves. If the communications industry can figure out a way to allow customers to stay on their own cell phone plan despite a move across the country, then surely the retail electric industry can find ways to accommodate contract portability within utility service areas.

The barriers to implementing seamless moves in the retail electric market are mainly technical and administrative. The Operational Plans address some of these barriers.

Unfortunately, the plans also create unnecessary barriers. Certain eligibility requirements are too stringent. Requirements to demonstrate customer consent are redundant. Back-office procedures at the utility are overly complicated. Where seamless moves demand innovation, the Operational Plans deliver the status quo.

In deciding how to best implement seamless moves in Ohio, the Commission should be guided by the principles of simplicity, consistency, and cost effectiveness. These comments address each EDU's Implementation Plan in light of these principles.

A. Certain eligibility requirements or exclusions are too restrictive.

Seamless moves should be available to as wide a range of shopping customers as possible. The EDUs' proposed eligibility criteria will exclude a substantial number of customers with no justification.

AEP's Operational Plan requires customers to notify AEP within 30 days prior to the move by phone or via AEP's website and the gap between move in and move out is limited to three business days. AEP also proposes to exclude net metering and governmental aggregation customers from seamless move eligibility.³

Under Duke's Operational Plan, customers must have an active account in good standing with the utility company and an existing relationship with a supplier.⁴ Customers must remain in

³ Ohio Power Seamless Move Plan at 3.

⁴ Duke Seamless Move Plan at 4.

the same rate class along with maintaining the same supplier billing rate, billing option, and tax exemption percentage.⁵ Further, the customer cannot have a pending change to a new supplier and the account at the new premise has to be under the same customer name as the old premise.

For a customer to be eligible for seamless moves under the DP&L Operational Plan, the customer must have an active account, an existing relationship with a CRES provider, and no pending switch to a new CRES provider. Further, DP&L requires that the “relocation order and account close order must occur on the same customer contact[;]” the customer “type” and customer number must be the same at the new and old premise; and “[c]ustomers must have compatible metering capabilities to enable billing.”⁶ Finally, aggregation and net metered customers are not eligible to conduct a seamless move.

Under FE’s Operational Plan, the customer’s account must be active; the customer must have an existing relationship with the CRES provider; there cannot be a pending change to a new provider; the customer must provide at least one day advance notice of the Move; and the customer must use the same account name at the new premise. Additionally, the gap in service between old and new premise is limited to three business days; the customer must “remain within the same residential rate schedule or class, with compatible metering capabilities to enable billing[;]” and government aggregation participants are not eligible.

There are two main issues with the eligibility criteria proposed in the EDU’s Operational Plans. *First*, requirements that the customer contact the EDU within a certain amount of days (AEP); relocation and account close orders occur in the same day (DP&L); maintain the same customer number and type (DP&L); have the same billing rate, billing option and tax exemption percentage (Duke) are unnecessary – plans should not restrict when a customer may consent to a

⁵ Duke Seamless Plan at 4.

⁶ DP&L Seamless Move Plan at 5.

seamless move. There is no reason for these requirements. They will exclude customers for minor technicalities. The eligibility requirements should be simple, inclusive, and consistent across the EDUs.

Second, there is no reason to exclude net metered customers from seamless move eligibility. Each year, more customers turn to customer-owned solar and wind generation to supplement their electricity supply. Just because customers have generation on-site does not mean they should be precluded from bringing their CRES service to a new location when they move. AEP and DP&L propose to exclude net metered customers from seamless move eligibility but fail to justify their arbitrary exclusion. Excluding net metered customers is too restrictive. AEP and DP&L have not justified this exclusion, so it should not be allowed. The EDU's eligibility criteria for seamless moves should not arbitrarily exclude customers without justification. The current plans do just that.

B. Where a retail supply contract contains provisions allowing seamless moves, requiring consent at the time of a move is redundant and unnecessary.

All of the Operational Plans require the customer to contact the EDU to begin the seamless move process. The EDU representative is then given call scripts with questions to determine whether the customer wants to implement a seamless move or default to the SSO. If the customer answers in the affirmative, they are sent a rescission letter by the EDU, *again* confirming the customer's intent to remain under CRES contract. This process is drawn out and unnecessary. To simplify, if the CRES contract is on-point and allows seamless moves, the EDU should honor those contract provisions to ensure continuous service. If the customer agrees to a contract spelling out the process for a seamless move, the customer should not have to verify their consent if and when they actually move.

Under O.A.C. 4901:1-21-12, CRES contracts must disclose “in clear and understandable language... the terms and conditions of service, including any restrictions, limitations, contingencies, or conditions precedent associated with the service or product offered.” Suppliers who wish to offer contract portability must disclose the terms, conditions and process associated with an intra-service territory move. If the supplier and customer agree that the contract should “follow” the customer in the event of a move, there is no need for the customer to agree to this provision again if the customer moves. If the customer does not wish for the supplier contract to follow, the customer may simply cancel the contract in accordance with the applicable termination provisions.

The Operational Plans permit the EDUs to dictate how seamless moves will be processed, without regard to the supplier’s contractual provisions. Under the process envisioned by the EDUs, customers will effectively be required to re-enroll with their supplier. That is not a “seamless” move.

Direct and RESA do not expect every EDU to be familiar with the terms and conditions of every suppliers’ contracts. A simple flag or identifier could be developed for new customer enrollments under contracts featuring seamless moves. If the customer contacts the EDU about a move and the EDU’s records indicate that the customer has a portable supplier contract, the EDU can process the move as it would any other. There is no need for a completely separate process to handle seamless moves.

Seamless moves should also be simple and provide as much flexibility as possible for customers. If shopping customers want to remain with their CRES provider after moving to a new location, they shouldn’t have to navigate unnecessary barriers to do so.

The Plans offered by the EDUs are not seamless, simple, or flexible. For shopping customers to bring their CRES contract to their new premises, they must meet strict eligibility requirements and go through multiple unnecessary layers of consent.

Making EDU call center representatives responsible for discussing seamless moves with CRES customers is problematic for three primary reasons. The EDU should not be put in a position to advocate on behalf of the customer foregoing a seamless move to remain under default service. The simple fact that the EDU would be the one speaking with the customer may influence the customer to choose the SSO over remaining a shopping customer, regardless of whether the representative advocates for the SSO or not. Additionally, if EDU's are responsible for obtaining customer consent for seamless moves they could be opened up to additional liability. The EDU will be responsible for maintaining additional customer records and contract information exchanged between the supplier and customers, as well as providing access to these records. If the customer consents to a seamless move as part of their contract upon initial enrollment, that should be sufficient consent for the duration of the contract. Customers will maintain the opportunity to rescind as part of the normal utility enrollment at the new location, which a supplier must honor without penalty as part of the seamless move. If the customer does not want to consent to enrollment at the new premise, they have that option during the seven-day rescission period.

C. The seamless move process should be consistent across all EDU territories.

The seamless move process should be consistent across all the EDUs. Consistency will mitigate confusion for customers and CRES providers. There is little variation to process proposed in the EDUs Operational Plans.

The EDUs all propose to be the first-line contact and responsible for discussing the customer's seamless move options when they initiate the process. This is unnecessary. The account should be flagged for a seamless move when the shopping customer is initially enrolled. When the customer contacts the utility to move their account, a seamless move should occur automatically, pending the customer's choice to end the contract during the seven-day rescission period. Requiring the customer to essentially enroll twice is duplicative and a barrier to shopping customers remaining shopping customers. The plans place too strict a limit on who can participate and should be broadened. The Commission should strive for consistency.

D. Seamless move implementation plans should be cost effective and costs should be recovered through a traditional ratemaking proceeding or a Commission approved rider.

Seamless moves should also be cost effective and cost recovery should be fair. Each EDU already implements seamless moves within its utility footprint for default customers. The problem is that shopping customers do not get the same opportunity. The technological infrastructure is in place and there is no reason to reinvent the wheel to provide this long overdue service for shopping customers. The EDUs should maximize current systems to implement seamless moves for the short term until CIS upgrades can provide a long-term solution.

CRES providers should not have to pay for the EDUs long-overdue CIS upgrades. Upgrades will benefit all customers, not just shopping customers eligible for seamless moves. Duke, DP&L, and FE have proposed implementing seamless moves through future system upgrades. AEP, on the other hand proposed charging CRES providers directly to upgrade systems. While upgrades are needed and will be appreciated, fairness dictates that CRES providers should not be stuck with the bill. CRES providers pay switching fees, which should

already be sufficient to cover these costs. If the EDUs remove the conversations, call recordings, records retention, etc. from their plans, the costs of implementation and on-going O&M costs will be significantly less.

For seamless moves to be fair, current imbalances inherent in the system must be addressed. For a consumer to receive the electric supply, service, and price of his or her choosing, they must utilize the EDU's systems. A CRES supplier and its customers have no option to independently conduct a seamless move. When reviewing costs, it is important to acknowledge that there is a preference for default service inherent in the current systems. All customers pay for these systems. They are the sole avenue for a customer to receive the supply service and price of his or her choosing. A shopping customer who wishes to keep his or her contract with a supplier and not be disrupted may only do so when the utility system is designed to allow for it. The cost of seamless move implementation should be recovered as part of future system upgrades through a traditional rate proceeding or a Commission approved rider.

If the Commission requires Suppliers to share in the cost allocation, that share should be based on certain criteria. First, the total amount paid by suppliers should be capped. Suppliers must be able to plan for recovery and a cost cap will help by ensuring the fee ends once costs are fully recovered. Suppliers rely on future cost figures when pricing products and cost overruns can be detrimental.

Second, if the Commission requires a CRES fee, it should be per-use and not a flat total amount across all suppliers. The fee should also be capped to not be cost prohibitive. This will ensure that free ridership, where late entrants freely benefit from the early adopters that paid for the full system, does not occur. Finally, the per-customer cost should be considered in establishing the fee so that it is not prohibitive while also sufficient to ensure timely recovery of

system costs. As seamless move systems are implemented, costs should be reasonably capped and allocated fairly; shipping customers should not be asked to pay twice.

The EDUs diverge on how much their plans would cost and AEP's plan to recover the costs directly from CRES providers is untenable. Duke proposes to recover the costs of implementing seamless moves as part of CIS upgrades included in its PowerForward Rider application submitted in September of 2019. But the upgrades wouldn't be available until the Fall of 2022. If the Commission orders a quicker timeline for implementation, Duke asserts "it is anticipated that implementation of the plan as a stand-alone function [and not as part of future planned CIS upgrades] will incur costs of approximately \$850,000 to \$1 MM."⁷ Under this scenario, Duke claims the earliest the plan could be implemented would be mid-2021, but Duke fails to clarify how this second option would be paid for.

DP&L requested to implement a CIS upgrade as part of its Distribution Modernization Plan, filed in Case No. 19-1875-EL-GRD. Grid modernization discussions are ongoing in that case and DP&L has yet to project a price for implementation.

FE does not project a price for seamless move implementation but proposes that "all costs associated with the seamless move Operational Plan shall be fully recoverable through the Companies' Government Directives Recovery Rider."⁸ At least Duke, DP&L, and FE seek recovery of costs in some way other than charging CRES providers directly. AEP's proposal is untenable and will result in a direct price increase for CRES customers in AEP's utility footprint. This is highway robbery and the CRES providers should not be on the hook for AEP's overdue system upgrades. AEP projects that seamless moves will cost upwards of 2.4 Million with ongoing O&M costs. AEP estimates that "based on the most recent 12 month period

⁷ Duke Seamless Move Plan at 3

⁸ FE Seamless Move Plan at 6.

approximately 32,350 residential customers would have been able to participate in a seamless move if this feature had been available.”⁹ “AEP Ohio plans to recover this cost from all customers that are eligible to take advantage of this service [making] the approximate cost per eligible seamless move transaction [] \$24.02.”¹⁰ This cost would be recovered in its entirety directly from CRES providers. The 2.4 million price tag is too high and the projected \$24.02 per customer is cost prohibitive. This burden should not be shouldered by CRES providers. AEP should recover cost through a ratemaking proceeding, or through a commissioned approved rider, just like the other EDUs.

CONCLUSION

The EDUs Seamless Move Operational Plans should be simple, consistent, and cost effective. Direct and RESA appreciate the Commission adopting seamless moves as the Ohio standard and urges the commission to adopt these criteria to ensure the plans are seamless and available to as many customers a possible.

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Respectfully submitted,

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⁹ Ohio Power Seamless Move Operational Plan at 6.

¹⁰ *Id.*

CERTIFICATE OF SERVICE

The undersigned certifies that a copy of the foregoing document is being served via electronic mail this 4th day of May, 2020, upon the following:

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Summary: Comments Initial Comments electronically filed by Mr. Lucas A Fykes on behalf of the Retail Energy Supply Association, Direct Energy Business, LLC and Direct Energy Services, LLC