

**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 Ohio Power Company to Amend its Tariffs.))	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

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

I. INTRODUCTION

Direct Energy Business, LLC and Direct Energy Services, LLC (collectively, Direct) and the Retail Energy Supply Association (RESA) submits these joint reply comments in response to Initial Comments filed on April 4, 2020 on 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”).

Direct and RESA’s Initial Comments focused on the need to ensure that the EDU’s Plans are guided by the principles of simplicity, consistency, and cost effectiveness. Direct and RESA

would note that they do not address every comment filed; any silence should not be interpreted as support for any unaddressed comments.

II. REPLY COMMENTS

A. Seamless move costs should be shared by all customers.

Staff argues that CRES providers should be on the hook for “one hundred percent of the expense of the seamless move function[;]”¹ OCC contends “[t]he 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[;]”² and NOPEC asserts that “[t]he cost of the seamless moves should be borne by the CRES provider requesting it, not by all EDU customers not receiving a benefit from such moves.”³ What these parties characterize as “fairness” is anything but.

1. CIS upgrades benefit all customers and should be paid for by all customers.

None of the EDUs are proposing to update their CIS solely to accommodate seamless moves. These CIS upgrades are necessary to implement a host of new functionalities for both shopping and non-shopping customers. Direct and RESA merely request that seamless moves functionality be included in these upgrades. There is no evidence that seamless moves functionality will impose *any* incremental cost when done in conjunction with these other planned upgrades. Recognizing this, DP&L, Duke, and the FE Utilities are content to address cost recovery issues in a separate proceeding—which is how cost recovery is ordinarily addressed.

¹ Staff Comments at 4.

² OCC Comments at 3.

³ NOPEC Comments at 5.

CRES providers (and ultimately, shopping customers) should not be required to subsidize the EDUs' long overdue CIS upgrades, as recommended by Staff, OCC, and NOPEC. Upgrades to the EDUs' CIS will benefit *all* customers, not just those under contract with a CRES provider. Nearly all customers are eligible to shop. Seamless moves will be available to all customers, even if they choose not to shop. And shopping status is never fixed. Customers who do not shop today may choose to shop in the future. It follows that *all* customers should pay for system upgrades that provide functionality available to *all* customers.

As a practical matter, seamless moves already exist for non-shopping customers. IGS summed it up best: "When a default service customer moves within a utility's footprint, there is no delay in the ability to receive service at the expected rate."⁴ EDUs do not charge a fee when customers move within the same service territory. Whatever attention the utility must pay to updating the customers' information in CIS is necessary regardless of whether the customer shops. Updating a shopping customer's generation rate with information already contained in CIS at the time of the move imposes no incremental cost. Shopping customers are effectively being punished for no other reason than their decision to shop.

If the Commission requires CRES to pay the full cost of seamless moves, an already inherently biased system would be tipped further in favor of SSO default service customers. CRES providers already pay switching fees, which should be more than sufficient to recover costs that probably are not being incurred anyway. If a per-customer fee is imposed, it should be representative of the functionality it provides to CRES providers. RESA and Direct do not want to pay for a sub-par, over-priced system that does not provide the functionality needed.

⁴ IGS Comments at 5.

Requiring CRES customers to essentially pay the full price twice is duplicative and unfair – the Commission should not allow it.

Further, if CRES providers are required to foot the full bill of seamless moves, it will result in a direct price increase for CRES customers in each utility footprint. DP&L, Duke, and the FE Utilities got it right. The costs of upgrades to the EDUs' CIS should be recovered at a later date from all customers through a Commission approved rider or rate case. Staff proposes that “in the event that the seamless move program is not recovered from CRES suppliers and seamless move functionality has been implemented, Staff believes the Company should submit a new application for recovery.”⁵ Staff's alternative recommendation would be a more prudent and fair approach to cost recovery than simply levying charges in full to CRES providers.

1. If the Commission determines that suppliers must share in the cost allocation of seamless moves, that cost should be capped.

Direct and RESA echo IGS's argument that “if suppliers are ultimately asked to share in the cost allocation, [] the total amount paid by CRES providers should be capped.”⁶ 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. By shifting the burden to CRES providers, the Commission would be increasing the cost of market participation for shopping customers.

Additionally, Direct agrees with IGS that any “on-going compliance and operational costs [should] be recoverable from all customers, given that the program implementation ensures all customers retain their option of default or choice service.”⁷ As seamless move systems are

⁵ Staff Comments at 3.

⁶ IGS Comments at 6.

⁷ *Id.*

implemented, costs should be reasonably capped and allocated fairly; shopping customers should not be asked to pay twice.

B. Customer Education

Staff also recommends that EDUs' call centers "educate customers regarding the choices in energy suppliers, including governmental aggregation, shopping, and SSO service when customers contact the utility to initiate a seamless move."⁸ Similarly, NOPEC asserts that "[p]ursuant to the agreement in the MDWG, the script for EDU call centers to use should inform relocating customers that they have the option to: (1) remain with the current CRES provider, (2) take the standard service offer ("SSO"), (3) enroll with a governmental aggregator, if available, or (4) visit the Commission's Energy Choice website to view other CRES providers' offers."⁹ The Commission should reject this proposal.

The back-office procedures proposed in the EDUs' seamless move plans are already overly complicated. To add additional layers would be counterproductive. The purpose of a seamless move mechanism is to allow electric customers to more easily transfer their CRES contracts to new addresses, without having to first return to default service. Staff and NOPEC's recommendation would make transfer of service more complicated – not easier. As explained in Direct and RESA's Initial Comments, the proposed seamless move consent process is already too complicated, acting as a barrier to shopping customers remaining shopping customers. Staff has proposed that suppliers not only pay – outside of normal switching fees – for a clunky and likely ineffective process, but also pay for customers to leave the contracts they agreed to. EDU call centers representatives cannot be expected to understand *and educate* customers on the terms

⁸ Staff Comments at 3.

⁹ NOPEC Comments at 2.

of and distinctions between each CRES or governmental aggregation contract. Nor will they have any information regarding the CRES contract beyond the price charged on the prior bill. They will not know if the price is fixed, variable, or if the contract includes other items such as discount for dual commodity or other products beyond strict supply, which would be lost with the switch.

As Direct and RESA have already explained, consent for seamless moves can and should be addressed in supplier contracts. If the customer agrees to a contract spelling out the process for a seamless move, the customer should not have to repeatedly verify their consent if and when they actually move. Seamless moves should be simple and provide as much flexibility as possible. If shopping customers want to retain their CRES provider after moving to a new location, they shouldn't have to navigate unnecessary barriers to do so. As previously noted, customers can cancel their contract when they initiate the move without penalty or stop enrollment when they receive the rescission letter from the EDU. The Commission should reject Staff and NOPEC's additional requirements.

C. Governmental Aggregation eligibility for seamless moves.

According to NOPEC, "[s]eamless moves should be available to governmental aggregation customers moving within the same governmental aggregation program."¹⁰ Staff notes that Duke's Plan proposed "to transfer all customers who are a part of Governmental Aggregation to the supplier that was serving the Government Aggregation; however, according to Duke's plan, the customer will no longer be included in the Governmental Aggregation at the new premise."¹¹ Direct and RESA agree with Staff that this would be problematic. Most

¹⁰ *Id.*

¹¹ Staff Comments at 3.

governmental aggregation customers likely enroll because of the governmental entity managing the program – not based on who the supplier is. Staff contends that “[i]f Governmental Aggregation customers are allowed to participate in seamless move, the customer must remain within the Governmental Aggregation program that the customer is currently a part of, and continue to have the Governmental Aggregation indicator in [the EDU’s] CIS system.”¹²

As previously noted, Government Aggregations have strict municipal boundaries and the terms of those programs are dictated by the Government/Municipalities approved plans – not by the supplier or the utility. To place a customer with a supplier outside of the government aggregation boundaries or move a customer outside of the municipal boundaries of the aggregation would constitute slamming. A Government Aggregation contract is only valid for specific customers who meet the requirements of the Aggregation. To add Governmental Aggregation to seamless moves will increase costs and complexity beyond just moving a customer contract within a service territory.

Further, utility aggregation lists are far from perfect, which requires aggregators to scrub lists further for geographic boundaries. If the Commission allows this change, far more detail must be is necessary. Therefore, RESA and Direct do not believe seamless moves should be available to governmental aggregation participants.

D. Suspension of Charges for “non-essential” utility services.

OCC contends that “[t]he PUCO should suspend work on and charges for "non-essential" utility services and activities until after the emergency ends or the PUCO determines otherwise.”¹³ The PUCO has issued direction on what can and cannot be done during the Covid

¹² Staff Comments at 4.

¹³ OCC Comments at 2.

19 state of emergency, and each EDU filed individual plans. OCC's request may be proper for those dockets – but it is not proper here.

III. CONCLUSION

Direct and RESA appreciate the opportunity to comment on the EDUs' proposed Seamless Move Operational Plans. For the foregoing reasons, Direct and RESA respectfully request that the Commission act in accordance with its comments and reply comments.

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Respectfully submitted,

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CERTIFICATE OF SERVICE

Direct and RESA certify that a copy of the foregoing was served by electronic mail this 20th day of May, 2020 to the following:

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Summary: Comments Reply 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