

**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Commission's  
Review of Ohio Adm.Code Chapters  
4901:1-21, 4901:1-23, 4901:1-24,  
4901:1-27, 4901:1-28, 4901:1-29,  
4901:1-30, 4901:1-31, 4901:1-32,  
4901:1-33, and 4901:1-34 Regarding  
Rules Governing Competitive Retail  
Electric Service and Competitive  
Retail Natural Gas Service.

Case Nos. 17-1843-EL-ORD  
17-1844-EL-ORD  
17-1862-EL-ORD  
17-1845-GA-ORD  
17-1846-GA-ORD  
17-1847-GA-ORD  
17-1848-GA-ORD  
17-1849-GA-ORD  
17-1850-GA-ORD  
17-1851-GA-ORD  
17-1852-GA-ORD

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

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**I. INTRODUCTION**

On September 8, 2021, the Commission issued draft rules for comment covering eleven chapters of the Ohio Administrative Code, including Ohio Adm.Code Chapter 4901:1-21, which governs the relationship between a CRES provider and a customer. Interstate Gas Supply, Inc. ("IGS" or "IGS Energy") appreciates the opportunity to provide comments on these rules.

**II. ARUGMENT**

Throughout multiple proceedings over the last several years, the Commission has encouraged the electric distribution utilities ("EDUs") to make distribution grid modernization investments for the benefit of customers. One of these benefits that the Commission has emphasized is the ability to better align costs with the customers causing them.<sup>1</sup> To accomplish this, the Commission expressed the importance of the EDUs focusing on

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<sup>1</sup> *In the Matter of the Application of Duke Energy Ohio, Inc., for Approval of its 2021 Energy Efficiency and Demand Side Management Portfolio Programs and Cost Recovery Mechanism*, Case Nos. 20-1013-EL-POR, et al., Entry (June 17, 2020) at ¶ 9.

providing CRES providers with direct and comparable access to meter data, which can then be used to properly reflect cost-causation for things like generation capacity costs.<sup>2</sup>

Consistent with that policy, the Commission recently amended Ohio Adm.Code 4901:1-10-24(E)(3) in order to permit an to disclose a residential customer's interval usage data "as required for billing purposes."<sup>3</sup> This logical addition recognizes the need of a CRES provider to have access to its customers' data as a result of the updates to an EDU's wholesale settlement process and continued deployment of smart meters across the state.

However, in recent informal discussions with stakeholders, it has become apparent that proper application of this phrase is potentially unclear. Therefore, IGS believes this rulemaking is the appropriate forum to further solidify the Commission's intent through an addition to the rules. Specifically, IGS recommends the following new provision in the "Customer Information" rule in Ohio Adm.Code 4901:1-21-10:

Upon the successful enrollment of a customer, a CRES provider will have access to that customer's interval usage data as required for billing purposes.

Adoption of IGS Energy's recommendation would simply confirm that because a customer's hourly energy usage is now utilized to determine a customer's bill, and more specifically, the generation portion of a customer's bill, it has become required for billing purposes.

An examination of the wholesale settlement process, or the EDU's assessment of charges from PJM Interconnection LLC ("PJM") to CRES providers, demonstrates this. A portion of a customer's generation costs is for capacity. This charge is allocated to each customer based upon the individual customer's usage during PJM's five highest hours of

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

<sup>3</sup> See The Register of Ohio, "Filings for Rule Number 4901:1-10-24," accessible at <http://www.registrofohio.state.oh.us/rules/search/details/320508> (effective November 1, 2021).

demand during the previous June 1 through September 30 period, also known as a Peak Load Contribution (“PLC”).

However, prior to the deployment of advanced metering infrastructure, the majority of customers did not have their usage recorded every hour, so the customer’s contribution to these peak hour periods had to be estimated. To do so, the customer’s monthly electricity usage was applied to a load profile to create an estimate of when the customer used the electricity hour-by-hour based upon the usage patterns of similar customers. Then these estimated values were used to calculate the customer’s PLC for billing purposes. In other words, although the CRES provider is assessed a capacity charge for a customer based upon the customer’s PLC, that customer’s PLC was merely an estimate and did not reflect the customer’s actual behavior during peak times.

Advanced metering infrastructure, including smart meters, has changed this. Now a customer’s actual contribution to the peak load can be determined because usage is recorded more frequently. Three of the four Ohio EDUs have committed to utilizing these accurate PLC values when allocating capacity costs to CRES providers when available, with the fourth directed to address this capability in an open grid modernization proceeding. Reliance upon interval data to calculate these costs has made access to a customer’s interval data required for billing purposes.

A similar evolution has occurred in the calculation of a CRES provider’s load obligation. The PJM energy market is an hourly market, meaning the price for electricity varies based upon the time it is consumed. In the wholesale settlement process, a CRES provider is assigned an hourly energy obligation for every hour, which represents the amount of electricity used by its customers during the hour. Previously, load profiles were used to determine the CRES provider’s hourly supply obligation for customers without interval

meters. However, now that a reading is taken hourly, a customer's actual usage during each hour can be used to calculate the load obligations assigned to a CRES provider. Similarly, three of the four Ohio EDUs have committed to using the customer's actual hourly usage in the wholesale settlement process for calculating a CRES provider's load obligation, with the fourth addressing this in an open proceeding.

Adoption of IGS Energy's recommendation will simply confirm a CRES provider's ability to access to its current customers interval data so it again has the data necessary to calculate a customer's PLC and energy obligation. Without it, a CRES provider would be unable to verify that its being properly charged through the settlement process. It would also be unable to determine how a customer's PLC was calculated to ensure it is being properly calculated. This outcome is unreasonable, especially in a market where costs are assigned based upon hourly usage.

### **III. CONCLUSION**

Because a customer's hourly usage is now utilized to determine a customer's bill, and more specifically, the generation portion of a customer's bill, it has become required for billing purposes for these customers. Therefore, IGS Energy respectfully requests that the Commission adopt IGS Energy's recommendation regarding Ohio Adm.Code Chapter Adm.Code 4901:1-21-10.

Respectfully Submitted,

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### **CERTIFICATE OF SERVICE**

I certify that this Initial Comments of Interstate Gas Supply, Inc. was filed electronically through the Docketing Information System of the Public Utilities Commission of Ohio on October 8, 2021. The PUCO's e-filing system will electronically serve notice of the filing of this document on those subscribed to these proceedings.

/s/ Bethany Allen  
Bethany Allen

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Summary: Comments Initial Comments of Interstate Gas Supply, Inc. electronically filed by  
Bethany Allen on behalf of Interstate Gas Supply, Inc.