**BEFORE**

**THE PUBLIC UTILITIES COMMISSION OF OHIO**

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| In the Matter of the Commission’s  Investigation of Ohio’s Retail Electric Service Market. | )  )  ) | Case No. 12-3151-EL-COI |
| In the Matter of the Market Development Working Group. | )  ) | Case No. 14-2074-EL-EDI |

**INITIAL COMMENTS**

**BY**

**THE OFFICE OF THE OHIO CONSUMERS’ COUNSEL**

# INTRODUCTION

This is a case about assuring that Ohioans receive the benefits of retail competition as intended by the Ohio General Assembly. The Office of the Ohio Consumer’s Counsel ("OCC") respectfully submits these comments on the Staff Report, on behalf of the 4.6 million residential electric customers in Ohio. OCC appreciates the work of the Public Utilities Commission of Ohio (“PUCO”) Staff in coordinating the pre-Staff report activities and in preparing the Staff Report. OCC appreciate the opportunity to file these initial comments on behalf of Ohio consumers.

# BACKGROUND

In this docket the PUCO created a Market Development Working Group (“MDWG” or "Working Group"). That group was composed of stakeholders with diverse interests, and was tasked with developing an operational plan that would permit customers to maintain their status as shopping customers if they relocate from one address to another.

The Working Group considered a number of options including a statewide seamless move[[1]](#footnote-1), contract portability[[2]](#footnote-2), instant connect[[3]](#footnote-3), or “Warm Transfer” process.[[4]](#footnote-4) Each of these processes involve different methods in which customers can control or maintain their relationship with a Competitive Retail Electric Service (“CRES”) provider while initiating service or having electric service transferred from one address to another. Each process is intended to reduce or eliminate the amount of time customers are served under the Standard Service Offer (“SSO”) when initiating new service or for shopping customers to transfer CRES service between addresses.

On July 16, 2015, the PUCO Staff filed a Staff Report recommending a “Warm Transfer” process and included an operational plan for implementing this process for consumers. A “Warm Transfer” involves the EDU initiating a “three-way call” with the customer and the CRES supplier to coordinate the enrollment at the new address. As Staff stated, an alternative to the “Warm Transfer”, known as a “Cold Transfer”, would involve the shopping customer being informed by the EDU to contact their supplier to arrange CRES at the customer’s new address.[[5]](#footnote-5) While this alternative was preferred by the EDU’s and the OCC, the Staff noted concern with the “Cold Transfer” not being specifically referenced in the Commission Order.[[6]](#footnote-6)

# COMMENTS:

## A. The implementation details and consumer protection impacts associated with seamless moves, contract portability, and instant connect are cost prohibitive and not in the public interest and therefore should not be further considered by the Commission.

OCC agrees with Staff that the statewide implementation of seamless moves, instant connect and contract portability present barriers that are cost prohibitive and present significant consumer protection problems. Staff estimated the statewide costs for implementing seamless move or instant connect capabilities to be $3.5 million,[[7]](#footnote-7) not including costs associated with necessary CRES supplier system changes. The costs to implement contract portability were not specifically identified in the Staff Report;[[8]](#footnote-8) however, significant information technology changes would be required by both the EDU’s and CRES providers. Furthermore, the costs to consumers to modify existing contracts with new portability provisions could be significant and may not even be desired by CRES providers.[[9]](#footnote-9)

Customers should be able to affirmatively choose their supplier of electricity as they initiate service at a new address or move from one address to another. [[10]](#footnote-10) The SSO is one of these choices. Customers should have the ability to transition to and from the SSO based upon their particular needs as they initiate new service or move from one address to another. Seamless moves, instant connect, and contract portability can place limitations on customer choice because customers are unable to evaluate alternative competitive choices that may be available at their new residence.

## B. The PUCO Staff recommendation to implement a “Warm Transfer” capability should be rejected.

In the Staff Report, Staff recommends that the Commission approve a “Warm Transfer” capability in which customers who contact the EDU to request new service or to transfer service to a new address would be informed by the EDU about their choice to receive generation service from a CRES provider, government aggregator, or the SSO.[[11]](#footnote-11) Customers would also be informed about the “Energy Choice Ohio” website for obtaining more information about CRES offers.[[12]](#footnote-12) Also, customers would be provided with all necessary account information to initiate a switch in suppliers.[[13]](#footnote-13)

Under the “Warm Transfer” process, if a shopping customer requests to enroll with a specific supplier, the EDU would be responsible for completing a three-way call with the CRES provider to initiate the enrollment. OCC has concerns that at this stage of the transfer process, the customer may not be sufficiently educated to make such a service decision.

While OCC supports informing customers about their competitive choices, the call between an EDU and its customer to initiate service or to transfer service to another address may not be the most effective opportunity for educating consumers on energy choices. EDU’s are likely to be knowledgeable about the SSO competitive option and perhaps how the price to compare is determined, but far less informed about other competitive offers or aggregation programs that might be helpful to consumers.

In addition, CRES offers can be highly complex. Customers should have readily available information about other energy choices in their area and an ample opportunity to study and examine these different offers before they make a choice. Merely mentioning the Energy Choice Ohio website during a phone call is not necessarily helpful for customers in providing a meaningful resource should the customer decide to research other competitive choices. A three way call with the CRES provider being added to the call may unfairly pressure the customer or confuse the customer into selecting a CRES offer that does not provide the customer the best option for electric service.

## C. The PUCO should require the Working Group to develop an operational plan to support a cold transfer capability.

OCC recommends that the PUCO require the Working Group to develop an operational plan that supports a “Cold Transfer” capability. When customers who also have a CRES supplier contact the EDU to transfer their service from one address to another, the EDU should be required to provide customers’ contact information for their CRES supplier. The EDU should also provide the necessary information about the new account to arrange for a CRES enrollment at the new address. Customers can then call the CRES supplier directly to arrange an enrollment for CRES service at the new address.

OCC support’s the EDU’s providing information about competitive choices to customers when service is initiated. Such information could include the “Energy Choices Ohio” website, fact sheets, and any other available resources. In fact, Ohio Adm. Code 4901:1-10-12 requires each EDU to provide new customers with information about their rights and obligations.

While the current rules only support customers being informed about their right to obtain a list of CRES providers operating in the EDU service area,[[14]](#footnote-14) the content could be modified to include a reference to the Energy Choice Ohio website as well as other available consumer resources. The Working Group will be an appropriate forum for discussing helpful information for consumers that could be added to the rights and obligations summary.

# CONCLUSION

As reflected in the Staff Report, the implementation of seamless move, instant connect, and contract portability present a number of technical and consumer protection issues that cannot be implemented in a cost effective manner. The “Warm Transfer” alternative proposed by Staff has some merit, but there is no reason for an EDU to initiate three-way calls with customers and CRES suppliers to arrange for a CRES enrollment. The “Cold Transfer” alternative builds upon the Staff Report recommendation. EDU’s would be responsible for providing sufficient new account information to existing shopping customers so that they can arrange for CRES service if they choose. Customers though (and not an EDU) would be responsible for initiating the contact with the CRES provider. To help ensure customers have sufficient information to make an effective energy choice, the existing customer rights and obligations summary provided to new customers could be modified to include information about the Energy Choice Ohio website and other helpful resources. The Working Group provides an appropriate forum for discussing how the customer rights and obligations summary can provide more helpful choice information to consumers.

Respectfully submitted,

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**CERTIFICATE OF SERVICE**

I hereby certify that a copy of these Initial Commentswas served on the persons stated below via electronic transmission to the persons listed below, this 6th day of January 2016.

*/s/ William J. Michael\_\_\_\_\_\_\_*

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**SERVICE LIST**

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1. Seamless moves involve the capability for customers to have their existing CRES contract (with consent from the supplier) relocated from one service address to another during a move. The coordination between the supplier and customer to facilitate the seamless move would be a function of the Electric Distribution Utility (“EDU”). [↑](#footnote-ref-1)
2. Contract portability involves specific terms and conditions within a contract that enables CRES providers to relocate the supply of electricity from one address to another without affirmative customer consent. [↑](#footnote-ref-2)
3. Instant connect allows the capability for CRES to provide for the supply of electricity on the same day that distribution service is initiated by an EDU. [↑](#footnote-ref-3)
4. 12-3151-EL-COI, Finding and Order (March 26, 2014) at 23. [↑](#footnote-ref-4)
5. Staff Report at 9. [↑](#footnote-ref-5)
6. Id. [↑](#footnote-ref-6)
7. Staff Report at 15. [↑](#footnote-ref-7)
8. Id. [↑](#footnote-ref-8)
9. Staff Report at 11. [↑](#footnote-ref-9)
10. Case 12-3151-EL-COI, OCC Comments on PUCO Staff’s Market Development Work Plan, (February 6, 2014) at 27-32. [↑](#footnote-ref-10)
11. Staff Report at 11. [↑](#footnote-ref-11)
12. Staff Report at 12. [↑](#footnote-ref-12)
13. Id. [↑](#footnote-ref-13)
14. Ohio Adm. Code 4901:1-10-12(G). [↑](#footnote-ref-14)