BEFORE

**THE PUBLIC UTILITIES COMMISSION OF OHIO**

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| In the Matter of Application of Duke Energy Ohio, Inc. to File for Tariff Approval | ))) | Case No. 14-2209-EL-ATA |

**REPLY COMMENTS OF IGS ENERGY**

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 One year ago, the Commission directed all electric distribution utilities to file a tariff specifying terms and conditions for the transfer of interval data, as well as proposed formulas for calculating customers’ individual network service peak load (“NSPL”) and peak load contribution (“PLC”).[[1]](#footnote-1) Despite the Commission’s Order, Duke is still dragging its feet—its “compliance filing” fails to fulfil the Commission’s directive.

 The comments submitted by parties in this proceeding unequivocally support requiring Duke to make interval data available to CRES providers, as well as calculating customer-specific NSPLs and PLCs. As stated in IGS’s initial comments, the Commission should direct Duke to implement the following:

* Immediately invest in the necessary meter data management systems necessary to allow CRES providers to receive customer interval data through an electronic data interchange (“EDI”);
* Transition to calculating customers’ PLC based upon their actual usage;
* Transition to calculating NSPLs based upon actual peak usage on the Duke system during the coincident peak;
* Perform CRES provider settlements based upon actual meter data.

Implementing these steps will allow customers to begin receiving smart meter enabled products and services that will help them use and consume energy more efficiently.

 Every intervening party agrees that the above recommendations should be adopted. One intervenor, the Ohio Partners for Affordable Energy (“OPAE”), however, also claims that the cost of transferring interval data to CRES providers should be recovered “through supplier fees and charges if there are incremental costs for transmitting such data through electronic data interchange (“EDI”) billing protocols to individual suppliers.”[[2]](#footnote-2)

OPAE claims that CRES providers should have to pay for access to interval data for two reasons:

* Distribution consumers are typically required to pay the costs of smart meter systems. The extra steps of allowing suppliers access to this data, when there is additional cost to perform those steps, must be paid for by the individual suppliers who cause the extra steps to be taken. Customers do not cause those costs and should not be required to pay those costs.[[3]](#footnote-3)
* Requiring marketers to pay the costs of obtaining the data they need does not automatically mean the costs will be passed through to customers. Once a cost becomes an element of a competitive offer, the marketer may well discount the cost in order to more effectively compete. Not requiring marketers to shoulder the costs of obtaining the information they need to do business could erect a barrier to competition.[[4]](#footnote-4)

OPAE’s arguments should be rejected for multiple reasons.

First, Duke currently collects the cost of administering its own time-of-use rates through distribution rates. It would be unjust and unreasonable to charge CRES providers for interval data given that Duke collects all costs to offer its own time-of-use rates and smart meter enabled products through distribution rates.

 Second, the cost of meter and billing systems have always been collected through distribution rates. Customers pay for smart meters because they are related to metering and billing, which are classified as a non-competitive distribution service under Ohio law. R.C. 4928.04. Interval data is inextricably connected to this non-competitive service. As OPAE notes in its Comments, “[a]ccess to interval data is necessary for customers to have time-of-use products and services.”[[5]](#footnote-5) Duke is the only party that can meter data and bill for this service; thus, these services are non-competitive until such time as the Commission deems otherwise under R.C. 4928.04.[[6]](#footnote-6)

 Third, OPAE’s proposal appears to be contrary Ohio law, which favors recovery of smart grid-related costs through distribution rates. R.C. 4928.143(I) provides that an Electric Security Plan may include “[p]rovisions under which the electric distribution utility may implement economic development, job retention, and ***energy efficiency programs***, ***which provisions may allocate program costs across all classes of customers of the utility*** and those of electric distribution utilities in the same holding company system.” (emphasis added). R.C. 4928.66 provides that energy efficiency programs may include “Smart grid investment programs.” Thus, Ohio law appears to support recovery of costs related to transferring interval data from smart meters through distribution rates.

Finally, charging CRES providers for interval data will only create additional barriers to offering time-of-use products and ultimately result in fewer time-of use offerings to customers. OPAE merely assumes without record evidence that CRES providers will not be forced to pass along additional costs to customers. In fact, OPAE’s proposal would impose additional costs onto customers and suppliers to the detriment of an already troubled, fledgling market. Thus, the Commission should reject it.

Accordingly, the Commission should adopt the recommendations discussed in IGS’s Comments and Reply Comments to ensure that customers have access to smart meter enabled products and services.

Respectfully submitted,

***/s/ Joseph Oliker***

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**CERTIFICATE OF SERVICE**

 The undersigned hereby certifies that a copy of the foregoing *Reply Comments of IGS Energy* was served this 27th day of March 2015 via electronic mail upon the following:

*/s/ Joseph Oliker\_\_\_\_\_\_\_*

Joseph Oliker

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1. *In the Matter of the Commission’s Investigation of Ohio’s Retail Electric Service Market*,Case. No. 12-3151-EL-COI Finding and Order at 36 (Mar. 26, 2014) (hereinafter “*RMI Case*” or “RMI Order”); *RMI Case*, Entry on Rehearing at 19 (May 21, 2014). [↑](#footnote-ref-1)
2. OPAE Comments at 3. [↑](#footnote-ref-2)
3. *Id.* [↑](#footnote-ref-3)
4. *Id.* [↑](#footnote-ref-4)
5. OPAE Comments at 2. [↑](#footnote-ref-5)
6. R.C. 4928.04 states (emphasis added):

(A) The public utilities commission by order may declare that retail ancillary, **metering, or billing** and collection service supplied to consumers within the certified territory of an electric utility on or after the starting date of competitive retail electric service is a competitive retail electric service that the consumers may obtain from any supplier or suppliers subject to this chapter. The commission may issue such order, after investigation and public hearing, only if it first determines either of the following:

(1) There will be effective competition with respect to the service.

(2) The customers of the service have reasonably available alternatives. The commission shall initiate a proceeding on or before March 31, 2003, on the question of the desirability, feasibility, and timing of any such competition. [↑](#footnote-ref-6)