**BEFORE**

**THE PUBLIC UTILITIES COMMISSION OF OHIO**

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| In the Matter of the Application of Ohio Power Company for Approval of a Change in Bill Format. | )  )  ) | Case No. 20-1408-EL-UNC |

**Initial Comments OF INTERSTATE GAS SUPPLY, INC.**

1. **INTRODUCTION**

Although the Public Utilities Commission of Ohio (“Commission”) recently completed a five-year rule review regarding, among other things, the price to compare, Ohio Power Company (“AEP Ohio”) proposes to add a second Price-to-Compare (“PTC”) statement—that deviates from the Commission’s rules—at the top of the consolidated bills sent to shopping customers.[[1]](#footnote-2) Because AEP Ohio believes that some residential customers are overpaying for generation service, AEP Ohio states that it “would like to do more to help inform customers about their shopping rights and educate them on how to make the best decision for them given the opportunities available.”[[2]](#footnote-3) AEP Ohio believes a second PTC statement will “help ensure residential customers see and understand their options for shopping or not shopping.”[[3]](#footnote-4)

Interstate Gas Supply, Inc. (“IGS”) expresses its sincere concern for the approval of this Application. AEP Ohio is not simply requesting approval of a new bill message – it is requesting an improper expansion of the role of an EDU. Instead of educating a customer of their ability to choose, AEP Ohio seeks to advise the customer on what to choose based upon its own incomplete and incorrect definition of “value.” Further, the second PTC statement is improper, unnecessary, and unhelpful, especially as customers have access to more innovative offerings in the competitive retail electric services (“CRES”) market. Therefore, IGS urges the Commission to deny AEP Ohio’s Application.

1. **ARGUMENT**
   1. **It is not the role of the EDU to advise customers on selecting a generation supplier.**

Nowhere in the Ohio Revised Code does it obligate or even encourage an EDU to educate customers “on how to make the best decision for them given the opportunities available,” or to insert themselves into the relationship between a customer and their supplier. In fact, Ohio’s regulatory structure provides quite the opposite with a distinct separation of competitive and noncompetitive retail electric services.[[4]](#footnote-5) IGS submits that allowing an EDU “to do more,” such as opining on the offerings in the retail market is inappropriate and harmful for multiple reasons.

First, it is abundantly clear from AEP Ohio’s Application that it believes price—and, particularly, how a product compares to its standard price—is the only factor in determining “value” for electricity. AEP Ohio states, “based on the information the Company has,” that residential customers appear to be overpaying for generation service.[[5]](#footnote-6) Notably, the only information that AEP Ohio has is the charges from the CRES provider. AEP Ohio has no insight into the contract itself, including its terms and conditions, or the additional benefits provided within that rate, such as the stability of a fixed rate, renewable qualities, or extended contract length. Therefore, AEP Ohio is making its claims based upon price alone, which is an unreasonable and incorrect principle for customer education, as well as inconsistent with state policy as discussed below.

Second, some of “the opportunities available” actually come from AEP Ohio’s affiliate, AEP Energy. In order to prevent the potential for an unlawful undue preference or advantage to its competitive affiliate, AEP Ohio should not be opining on offerings in the competitive market.[[6]](#footnote-7) In addition, AEP Ohio’s pending application to offer a Green Tariff to its SSO customers will only further complicate things.[[7]](#footnote-8)

Finally, IGS notes the already prejudicial approach to AEP Ohio’s “education.” This message will only appear on the bills of shopping customers. Although AEP Ohio claims that “the Company endeavors to help its residential customers (and small commercial customers) get a better value for electricity,” it proposes no education for those customers on the SSO that could be getting a better “value” for electricity in the competitive market.

Any customer education should come from an entity able to present a competitively-neutral, complete view of Ohio’s retail electric market, such as the Commission. Not only does the Commission maintain a call center to field any questions from Ohioans, it also employs the Office of Retail Competition, which has “the foremost goal of educating Ohio's ratepayers as to how they can fully exercise their right of choice within Ohio's competitive retail electric and natural gas markets.”[[8]](#footnote-9) Therefore, the Commission should reject AEP Ohio’s Application.

* 1. **Consistent with a recent rulemaking, AEP Ohio’s proposed bill formatting change is improper and unnecessary.**

At the center of AEP Ohio’s proposal is its concern that it is not possible for AEP Ohio to determine the supplier’s effective per kWh charge for supply, which it believes must mean that customers also cannot determine this information.[[9]](#footnote-10) AEP Ohio states that “until such time that the Commission clarifies such matters through regulatory requirements imposed on CRES providers (which AEP Ohio would encourage), the Company lacks the ability to provide additional help to residential customers in this regard.”[[10]](#footnote-11) Despite this lack of information, AEP Ohio believes repeating the price to compare will be useful. This is incorrect.

AEP Ohio’s argument is based upon the incorrect assumption that the effective per kWh rate on a customer’s bill would provide an “apples-to-apples” comparison with the PTC.[[11]](#footnote-12) It simply does not. A CRES offering could include a multitude of additional benefits to the customer, which makes it unfair and unreasonable for AEP Ohio to present this information to customers as a direct comparison to SSO.

Indeed, AEP Ohio previously requested that the Commission to require CRES providers to include an effective kWh rate, and the Commission declined this proposal earlier this year. In the recent rule review of Ohio Adm.Code Chapter 4901:1-10 (“*ESSS Rule Review*”), in its Initial and Reply Comments, AEP Ohio recommended an addition to the billing standards that would require CRES providers charges on a utility consolidated bill to “be totaled, summarized in one price per kWh presentation such that the customer can readily compare the competitive service costs with the price-to-compare.”[[12]](#footnote-13) Because the Commission declined to adopt this provision, it must have also failed to see the value in this information.[[13]](#footnote-14) AEP Ohio’s attempt to push the issue here is effectively an untimely application for rehearing.

In fact, elevating a strict price comparison between the SSO rate and a shopping customer’s rate has been repeatedly rejected by the Commission.[[14]](#footnote-15) Most recently, also in the *ESSS Rule Review* proceeding, the Commission rejected the Ohio Consumers’ Counsel’s proposals to require shadow billing on utility bills.[[15]](#footnote-16) In doing so, the Commission recognized that the PTC is already on the customer’s bill, which allows the customer to calculate the total savings or spending themselves.[[16]](#footnote-17)

This exact reasoning can be applied to AEP Ohio’s proposed bill message. The PTC is already on the customer’s bill, and it remains unclear how this proposed bill message will provide any additional benefit to customers because, as AEP Ohio admits, the current PTC displays more information.[[17]](#footnote-18) It will only be used to further emphasize the PTC and encourage AEP Ohio’s misleading comparisons with CRES offerings. Therefore, the second proposed PTC message is unnecessary and should be rejected.

* 1. **Advanced rate offerings will only continue to minimalize the importance of the PTC.**

As noted above, adoption of AEP Ohio’s suggestion would further its mistaken belief that the only benefit customers receive from competition is a lower per kWh rate. This narrow view of electric choice is inconsistent with the state policy provided in R.C. 4928.02. The General Assembly clearly envisioned a more dynamic retail electric market when requiring the Commission to ensure diversity of suppliers and supplies and “encourage innovation and market access for cost-effective supply- and demand-side retail electric service...”[[18]](#footnote-19) Further, retail electric service should “provide consumers with the supplier, price, terms, conditions, and quality options they elect to meet their respective needs.”[[19]](#footnote-20) Reducing the benefits of the retail electric market to a simple price comparison unreasonably raises the importance of one benefit above the rest.

However, this approach to viewing customer benefits will become even more troublesome as the distribution grid continues to advance. Customers will have access to more offerings for time-of-use rates, prepaid electric service, and on-site generation, which do not neatly fall into AEP Ohio’s price-based comparison. For example, if the customer is currently on a rate that reflects its individual capacity contribution, the PTC could mislead the customer into higher prices for generation because of the class-based capacity allocation. The continued emphasis and elevation of the PTC will only create confusion. Thus, AEP Ohio’s Application is misleading and unreasonable and should be rejected.

1. **CONCLUSION**

Therefore, consistent with the arguments set forth above, IGS respectfully requests that the Commission deny AEP Ohio’s Application.

Respectfully submitted,

*/s/ Bethany Allen\_\_\_\_\_\_\_\_\_*

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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 November 2, 2020. The PUCO’s e-filing system will electronically serve notice of the filing of this document on the parties subscribed to these proceedings. Additionally, notice was provided to the parties listed below.

*/s/ Bethany Allen\_\_\_\_\_\_\_\_\_*

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1. Application at 1. [↑](#footnote-ref-2)
2. *Id.* at 2. [↑](#footnote-ref-3)
3. *Id.* at 1. [↑](#footnote-ref-4)
4. *See* R.C. 4928.03; R.C. 4928.17(A). [↑](#footnote-ref-5)
5. Application at 2. [↑](#footnote-ref-6)
6. *See* R.C. 4905.35(A); 4928.02(H); R.C. 4928.17(A). [↑](#footnote-ref-7)
7. *In the Matter of the Application of Ohio Power Company for Approval to Amend its Tariff,* Case Nos. 20-1603-EL-ATA, et al., Application (Oct. 16, 2020). [↑](#footnote-ref-8)
8. *In the Matter of the Commission’s Investigation of Ohio’s Retail Electric Service Market,* Case No. 12-3151-EL-COI, Finding and Order (Mar. 26, 2014) at 20. [↑](#footnote-ref-9)
9. Application at 2. [↑](#footnote-ref-10)
10. *Id.* [↑](#footnote-ref-11)
11. *See Id.* [↑](#footnote-ref-12)
12. *In the Matter of the Commission’s Review of the Electrical Safety and Service Standards Contained in Chapter 4901:1-10 of the Ohio Administrative Code (“ESSS Rule Review”)*, Case No. 17-1842-EL-ORD, Initial Comments of Ohio Power Company (Aug. 16, 2019) at 15; Reply Comments of Ohio Power Company (Aug. 30, 2019) at 7-8; Finding and Order (Feb. 20, 2020) at ¶ 9, 161-62. [↑](#footnote-ref-13)
13. *Id.* at ¶ 9, 162. [↑](#footnote-ref-14)
14. *See In the Matter of the Application of Duke Energy Ohio, Inc. for Approval of Bill Format Changes*, Case No. 19-1593-GE-UNC, Finding and Order (December 18, 2019) at ¶ 35; *In the Matter of the Regulation of the Purchased Gas Adjustment Clause Contained within the Rate Schedules of Duke Energy Ohio, Inc. and Related Matters*, Case Nos. 18-218-GA-GCR et al., Opinion and Order at¶ 57 (December 18, 2019); and *In the Matter of the Regulation of the Purchased Gas Adjustment Clause Contained within the Rate Schedules of Duke Energy Ohio, Inc. and Related Matters*, Case Nos. 15-218-GA-GCR et al.,Opinion and Order at ¶ 69. [↑](#footnote-ref-15)
15. *ESSS Rule Review,* Finding and Order at ¶ 159, 162. [↑](#footnote-ref-16)
16. *Id.* at ¶ 162. [↑](#footnote-ref-17)
17. Application at 1. (“The existing PTC message under the continued “Notes from AEP Ohio” section will remain unchanged as that message also includes a reference to the Commission’s Apples-to-Apples website and an additional instruction on how to use the PTC.”) [↑](#footnote-ref-18)
18. R.C. 4928.02(D). [↑](#footnote-ref-19)
19. R.C. 4928.02(B). [↑](#footnote-ref-20)