

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of Ohio)
Power Company to Amend its Supplier) Case No. 13-729-EL-ATA
Coordination Tariff and Related)
Contracts.)

**INITIAL COMMENTS
OF
DUKE ENERGY RETAIL SALES, LLC**

On March 22, 2013, Ohio Power Company (Ohio Power or Company) initiated this proceeding for the purpose of amending its supplier tariff, as well as the related “Electric Distribution Utility/Competitive Retail Electric Service Provider Agreement” (Agreement). The Company indicated that the application is not for an increase in rates. The attorney examiner’s entry of June 5, 2013, called for interested persons to file comments on Ohio Power’s proposed changes, with due dates of July 8, 2013, for initial comments, and July 22, 2013, for reply comments.

Duke Energy Retail Sales, LLC, (DER) is a competitive retail electric service (CRES) provider with residential, commercial, and industrial customers in Ohio Power’s service territory. Thus, the proposed changes directly impact DER’s business. In accordance with the Commission’s schedule, DER respectfully submits its brief comments.

General

Before discussing specific sections of the tariff, DER notes that the application in this proceeding was specifically filed as an application not for an increase in rates. Nevertheless, Ohio Power seeks to add new charges. Thus, this is actually a case that is considering a rate increase. As it does not comply with the requirements of R.C. 4909.15, and related sections and

rules, it should be denied. At the very least, any proposed change that would have the effect of increasing charges to CRES providers should be stricken.

Tariff Section 9 – CRES Provider Registration with the Company

Section 9, as proposed, sets forth the processes by which a CRES provider can register with Ohio Power. After setting forth a number of reasons why the Company might reject such registration, the proposal states that Ohio Power “shall not be required to provide services to a CRES Provider unless the CRES Provider is current in its payment of all charges . . .”

DER believes that a dispute resolution process should be required. If there is a dispute between Ohio Power and a CRES provider concerning a charge, Ohio Power should not automatically have the leverage of being allowed to cease providing services. This is especially true if the services that can be halted include billing services, as it is unlikely that a CRES provider would be able to prepare to do its own billing, without substantial notice.

Tariff Section 11 – Customer Enrollment Process

The tariffs proposed by Ohio Power would continue to provide for quarterly updating of the pre-enrollment customer information list. While DER is aware that this provision meets the minimum requirements of O.A.C. 4901:1-10-29(E), there is no reason why something more than the minimum cannot be attained. As the Commission is well aware, R.C. 4928.02 sets forth a number of state policies that have, as their consistent goal, encouraging competition and competitive choices for consumers. Unfortunately, old lists can have deleterious effects on customers. For example, if the pre-enrollment list is used for an aggregation and is already almost three months old when the list is requested, it may be four months old when aggregation letters are mailed. Some customers will almost certainly be missed. Only with current information can the CRES providers in Ohio effectively and efficiently communicate with those consumers who might wish to purchase their services. Although not universal, some of the other

electric utilities have moved to monthly updating. DER recommends that Ohio Power's tariff be amended to require monthly updates.

Also with regard to Paragraph 11, DER recommends certain modifications to the information that is provided on Ohio Power's Customer Information List. Specifically:

1. Currently when a customer switches to another supplier the load profile is changed to "N/A." The actual load profile should be maintained on the listing, even if the customer shops.
2. Ohio Power should provide the meter number(s) for the service addresses that are included on the listing. Currently no meter numbers are provided. This identification is used to match customer accounts by obtaining the meter number from the customer's bill and using that information to match up with the pre-enrollment data.
3. Ohio Power should add an indicator indentifying whether the service address is set up on Net Metering.
4. The formatting of the Peak Load Contribution and Network Service Peak Load values in the listing should be updated. Currently the listing only provides three digits. If the value is actually four digits, the first digit is truncated. For example, if the actual value is 39.32, the value listed in the pre-enrollment list is shown as 9.32, truncating the first digit. The full value needs to be shown on the listing.
5. The total Loss Factor value should be provided on the pre-enrollment list. This would include the transmission and the distribution losses for each service location.

6. Ohio Power should also include an indicator as to whether the consumer has already switched to a competitive provider.

All of these changes will assist CRES providers in making appropriate offers to appropriate consumers, thereby fostering competition in Ohio Power's territory.

Tariff Section 17 – Consolidated Billing by the Company

Ohio Power proposes, in Section 17, to begin charging CRES providers for consolidated billing. As noted above, this change is an increase in rates charged to CRES providers. As the application in this proceeding was an application not for an increase, this provision must be eliminated.

Furthermore, even if not eliminated, the proposed charge should be modified. Ohio Power is proposing to charge “no more than half of the total cost of bill print, insert and postage incurred” However, it must be understood that CRES providers have no ability to control the billing costs. Thus, the cap of no more than half of the cost is, in reality, no cap at all. And how would that “cost” be adjusted with regard to paperless billing? Rather than basing any charge for consolidated billing on the total cost, at most it should be based on the incremental cost that is caused by the inclusion of CRES provider charges.

This unwarranted charge proposed by Ohio Power would add an additional barrier to competition in Ohio. It should be deleted or, at least, modified severely.

Also in Section 17, Ohio Power would continue the current arrangement whereby Ohio Power has total control over switching a defaulting customer back to standard service. Because Ohio Power has not adopted a purchase of accounts receivable program, any arrearage still belongs to the CRES provider. Thus, the utility should have no ability to terminate the contract between the CRES provider and the customer, solely because the CRES provider's bill has not

been paid. This is especially important since the utility already has the right, under Commission rules, to disconnect customers for non-payment of utility charges. Ohio Power needs no further leverage. This paragraph should be deleted.

Tariff Section 18 – Metering and Load Profiling

Paragraph 5 of this section addresses the need for an interval-metered customer to have a dedicated, analog telephone line installed and operational before a CRES provider may serve the customer. DER proposes that Ohio Power follow the same approach as is used by Duke Energy Ohio, where the customer may simply sign an agreement to have the equipment installed before an enrollment request can be accepted for the customer. This allows the provider to begin supplying the customer as soon as possible, while the customer is waiting for the interval meter installation. This language, in Duke Energy Ohio’s supplier tariff, reads as follows:

If an Interval Meter is required, the End-use Customer must approve a work order for an Interval Meter installation before the Company will accept an enrollment DASR, For End-use Customers that will have an Interval Meter installed for the requested service, service may begin, assuming the Company has an approved work order for the Interval Meter installation. A Company load profile will be used for settlement. Consumption meter reads will continue to be used for billing. This will be the approach during the period between the End-use Customer's request for an Interval Meter and the Company's installation of such a meter.
(Duke Energy Ohio P.U.C.O. Electric Tariff No. 20, Sheet 38.2, Section 9.4(a).)

Tariff Section 20 – Liability and Indemnification

This section of Ohio Power’s proposal makes it clear that Ohio Power is attempting to absolve itself from any need to provide adequate service under its supplier tariff. In paragraph

(a), Ohio Power proposes that it has absolutely no duty or liability with regard to any CRES, until “it” is delivered to an interconnection point. This sentence, beyond indicating Ohio Power’s lack of all responsibility, is entirely unclear. What is “it,” that must be delivered prior to Ohio Power taking some responsibility? Subsequently, in that same paragraph, Ohio Power proposes that it would have absolutely no monetary responsibility for any damages that its actions or inactions might cause. Does Ohio law not require the provision of adequate service? How can service be adequate, if there are no responsibilities to be assumed?

Paragraph (c) in this section continues the same approach, although suggesting that the company might have some liability if it is “negligent” with regard to customer switching. It is unclear how this language would interact with Ohio Power’s refusal to accept any accountability, as described under paragraph (a).

Paragraphs (d) and (e) in this section attempt to define the division of responsibility between the Commission and the court system. As this issue is a matter of law and jurisdiction, it should be determined on a case-by-case basis, after a thorough review of the facts and circumstances. It should not be pre-set within the bounds of Ohio Power’s tariffs. DER believes that there is benefit to customers in having their concerns addressed by the Commission, as the Commission has both the efficiency and the expertise that are necessary in this complex area of the law.

Tariff Section 23 – Billing Services

Of all the problematic changes proposed by Ohio Power, this section includes one that is, perhaps, the most egregious. Here, Ohio Power suggests that it have the unilateral power to stop supplying consolidated billing services to a CRES provider (or all CRES providers), for any (or

no) reason whatsoever, and on just 30 days' notice. In a period of 30 days, it is unlikely that any CRES provider with more than just a few customers could possibly prepare to do its own billing.

This change is an enormous threat to the viability of the choice market in Ohio Power's territory. It must be eliminated.

Paragraph (b) of this section would allow Ohio Power to alter the frequency of its bills. Ohio Power proposes that it should have total control over the frequency and that it would have the ability to shorten or lengthen that period, at will. This provision appears to conflict with current Commission rules. O.A.C. 4901:1-10-22, applicable to bills with no CRES provider charges included, requires utilities to issue bills at monthly intervals. Analogously, O.A.C. 4901:1-10-33, applicable to consolidated bills, also requires issuance of the bills at monthly intervals. Thus, the Commission should not agree to a different standard for Ohio Power. All customers and all providers must be treated comparably, and this provision would certainly not encourage the development of the competitive market.

Continuing with the theme of avoiding responsibility, Ohio Power proposes language in paragraph (e) that would allow the company, in the event that a CRES provider's rate-ready charges are omitted from a bill, to simply put them on the next bill. Ohio Power is given no incentive, under this language, to use its best efforts to provide adequate consolidated billing services. This is unreasonable. Ohio Power should be committed to an identified level of service.

Paragraph (e) also seeks to impose a charge of \$95 per hour for administrative and technical support to institute "non-standard" rates. Like the billing charges, this is a rate increase and therefore cannot be granted within the bounds of this proceeding.

Paragraph (f), according to its title, addresses bill-ready billing services. However, in an apparent duplication of an objectionable provision above, this paragraph seeks to impose on CRES providers a charge of up to half the cost of billing, for either bill-ready or rate-ready services. As discussed previously, this charge must be eliminated.

The proposed language for Paragraph (k) would establish a new charge of \$50 for interval load data reports. Again, this is a rate increase and therefore cannot be granted without Ohio Power complying with the Commission's requirements for rate increases. There has been no justification of the need for this charge, or for the appropriateness of the level suggested by Ohio Power.

Tariff Section 24 – Customer payment Processing and Collections for Consolidated Billing

DER notes that the partial payment priority language in this section should be tied to Ohio Power's proposal that it have the right to return defaulting customers to standard service. The section should also clarify the ability, or lack thereof, of Ohio Power to negotiate payment plans for the total arrearage amount. Finally, as DER has discussed previously, the best practice in this area is for the utility to develop a purchase of accounts receivable program. DER suggests that the Commission encourage Ohio Power to do so.

Tariff Section 25 – CRES Provider Billing Terms and Conditions

This section again appears to authorize Ohio Power to alter the billing interval, unilaterally and in violation of the Ohio Administrative Code. This should be modified.

Tariff Section 26 – Default, Suspension, and Termination of a CRES Provider

Paragraph (e) of this section provides that the customers of a terminated CRES provider are to be returned to the standard service offer. It should also be made clear that such customers would not be subject to any minimum-stay requirement.

Agreement Article 6 – Load Profiles

Section 6.1 of the Agreement would state that load profile information will be for “informational purposes only” and that the Company makes no representations or warranties as to that information. As discussed with regard to the tariff, this is a blatant attempt by Ohio Power to refuse any and all responsibility for the quality of the services it provides. CRES providers develop pricing for customers on the basis of load profiles. The more accurate and transparent the data is, the lower the risk to the CRES providers in serving customers. And, with lower risk premiums to be included in the development of the pricing, those providers will be able to offer lower prices to consumers. Ultimately, uncertainty must always be baked into prices. Instead of allowing Ohio Power to provide load profiles that are merely informational, the Company should assist the market development by providing accurate, reliable, and transparent data.

The sentence should be eliminated.

Agreement Article 7 – Confidentiality of Information

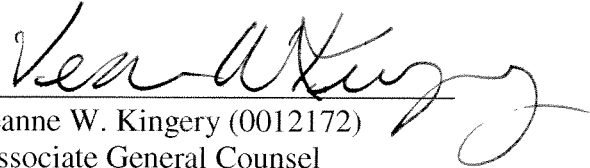
Section 7.2 specifies that information made available to the CRES providers, including load profile data, is confidential and may not be disclosed to any third party without the written consent of Ohio Power. This, as written, could have serious ramifications on competition. DER, as well as other providers, may wish to share such information with marketing consultants, such that analytical studies can be run. DER can only be successful on the basis of competent advice that results from real data. The permission of Ohio Power should not be a condition precedent to DER’s ability to compete effectively.

Agreement Article 16 – Limitation of Liability

Like the tariff, the language in section 16.1 seeks to limit Ohio Power’s liability for CRES, prior to their delivery to an interconnection point. Does this also mean that Ohio Power has no liability for enrollment errors? If the utility fails to enroll a customer with a CRES provider, then services are not being delivered to that customer and Ohio Power could, theoretically, have no liability. This should be clarified.

DER appreciates the opportunity to provide comments on Ohio Power’s proposed changes. DER also reserves the right to comment on additional topics in the proposed tariff and related documents, through reply comments filed in this docket.

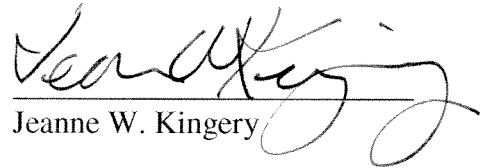
Respectfully submitted,
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CERTIFICATE OF SERVICE

I hereby certify that a true and accurate copy of the foregoing was delivered via U.S. mail (postage prepaid), personal, or electronic mail delivery on this the 8th day of July, 2013, to the parties listed below.


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