

FILE

BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

Application Not for an Increase in Rates)
Pursuant to Section 4909.18, Revised)
Code, of Columbus Southern Power) Case No. 10-424-EL-ATA
Company to Establish New Voluntary)
Experimental Rate Schedule)
Classifications for Residential and Small)
General Service Time of Day Rates and)
Residential Experimental Direct Load)
Control Rider.)

15
RECEIVED-DOCKETING DIV
2011 JAN -3 PM 4:13
PUCO

APPLICATION FOR REHEARING
BY
THE OFFICE OF THE OHIO CONSUMERS' COUNSEL

JANINE L. MIGDEN-OSTRANDER
CONSUMERS' COUNSEL

Terry L. Etter, Counsel of Record
Assistant Consumers' Counsel

Office of the Ohio Consumers' Counsel
10 West Broad Street, Suite 1800
Columbus, Ohio 43215-3485
(614) 466-8574 (Telephone)
etter@occ.state.oh.us

This is to certify that the images appearing are an
accurate and complete reproduction of a case file
document delivered in the regular course of business.
Technician Am Date Processed 1/3/11

TABLE OF CONTENTS

	PAGE
I. INTRODUCTION	1
II. STANDARD OF REVIEW	5
III. ARGUMENT	6
A. The Commission Did Not Ensure That Customers Are Provided Adequate Notice That They May Receive Their Cost, Savings and Energy Consumption Information on Their Monthly Bills.	6
B. The Commission Did Not Establish a Subgroup of CSP's GridSMART Working Group to Review the Materials the Company Develops to Educate Consumers About the Experimental Program.	8
IV. CONCLUSION.....	10

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

Application Not for an Increase in Rates)	
Pursuant to Section 4909.18, Revised)	
Code, of Columbus Southern Power)	Case No. 10-424-EL-ATA
Company to Establish New Voluntary)	
Experimental Rate Schedule)	
Classifications for Residential and Small)	
General Service Time of Day Rates and)	
Residential Experimental Direct Load)	
Control Rider.)	

**APPLICATION FOR REHEARING
BY
THE OFFICE OF THE OHIO CONSUMERS' COUNSEL**

In order to ensure that residential consumers of Columbus Southern Power Company ("CSP" or "Company") receive adequate service at reasonable rates, the Office of the Ohio Consumers' Counsel ("OCC") files this application for rehearing in response to the Finding and Order ("Order") issued by the Public Utilities Commission of Ohio ("Commission" or "PUCO") in this proceeding on December 1, 2010. OCC is authorized to file this application for rehearing under R.C. 4903.10 and Ohio Adm. Code 4901-1-35.

The Order authorized CSP to establish new voluntary experimental rate schedule classifications for residential and small general service time of day rates and a residential experimental direct load control rider as part of the Company's gridSMART pilot program. The Order was unjust and unreasonable in the following respects:

1. The Commission did not ensure that customers are provided adequate notice that they may receive their cost, savings and energy consumption information on their monthly bills.

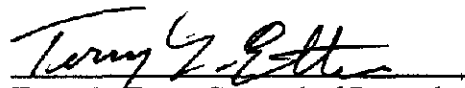
2. The Commission did not establish a subgroup of CSP's gridSMART working group to review the materials the company develops to educate consumers about the experimental program.

The grounds for this application for rehearing are set forth in the accompanying

Memorandum in Support.

Respectfully submitted,

JANINE L. MIGDEN-OSTRANDER
CONSUMERS' COUNSEL



Terry L. Etter, Counsel of Record
Assistant Consumers' Counsel

Office of the Ohio Consumers' Counsel
10 West Broad Street, Suite 1800
Columbus, Ohio 43215-3485
(614) 466-8574 (Telephone)
etter@occ.state.oh.us

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

Application Not for an Increase in Rates)	
Pursuant to Section 4909.18, Revised)	
Code, of Columbus Southern Power)	Case No. 10-424-EL-ATA
Company to Establish New Voluntary)	
Experimental Rate Schedule)	
Classifications for Residential and Small)	
General Service Time of Day Rates and)	
Residential Experimental Direct Load)	
Control Rider.)	

MEMORANDUM IN SUPPORT

I. INTRODUCTION

On April 1, 2010, the CSP filed an application with the Commission seeking to implement experimental time-of-day and direct load control rates for residential customers. The proposed experimental rates would apply to customers participating in CSP's gridSMART pilot program.¹

Under the proposal, eligible residential customers will be able to participate in two experimental schedules.² They are: the Experimental Residential Time-of-Day Service ("Schedule RS-TOD2") and the Experimental Direct Load Control Rider ("Rider DLC"). Residential customers on RS-TOD2 would pay 3.36203 cents per KWh for the generation and distribution portion of the rate during "low-cost" hours and 25.62251

¹ See Application, Exhibit A, Original Sheet Nos. 15-1 and 16-1.

² The Application also includes details regarding an Experimental Small General Service Time-of-Day rate that is available to customers with maximum demands less than 10 kW through one single-phase, multi-register meter capable of measuring electrical energy consumption during variable pricing periods. See Application, Exhibit B, Original Sheet No. 20-5.

cents per KWh for the generation and distribution portion during “high-cost” hours.³ The participating residential customers will also pay customer charges and other riders that do not change by period.⁴ Residential customers under Rider DLC will receive billing credits by authorizing CSP to control their central electric cooling units.⁵

On July 31, 2010, the PUCO Staff filed comments on the Application. The PUCO Staff recommended approval of the Application, but made several recommendations regarding the pilot program. The PUCO Staff recommended that the Company advertise and sufficiently educate eligible customers in the Phase 1 gridSMART project about the tariff and rider offerings so customers could understand the risks involved and to obtain sizable samples in order to evaluate the success of these options.⁶ The PUCO Staff also recommended that CSP make customers participating in the pilot aware of the availability of in-home displays and programmable thermostats as means of changing their consumption behavior.⁷ The PUCO Staff also recommended that CSP keep them advised of analytical method(s) developed and used in evaluating consumer behavior, with the results of any such studies to be shared with the PUCO Staff and ultimately filed with the Commission.⁸ The PUCO Staff also recommended that CSP file a peak time rebate and/or a critical peak pricing program for these customer classes

³ Id., Exhibit A, Original Sheet No. 15-1. High-cost hours are defined as the non-weekend hours between 1 p.m. and 7 p.m. during the period June 1 to September 30. Low-cost hours are all other hours during the year.

⁴ Id.

⁵ Id. at 3.

⁶ Staff Comments at 3.

⁷ Id.

⁸ Id. at 4.

by September 1, 2010, in order to bring additional value of the gridSMART investment to customers.⁹

On August 9, 2010, OCC filed Comments on the Application. OCC focused on the need to encourage more and sustained participation in the two experimental rates, as well as the need for the Commission to avoid any unreasonable reliance on results and findings from experiments that are insignificant or have very limited applicability to the residential customer class as a whole.¹⁰ OCC recommended that, before approving the experimental rate schedules, the PUCO should ensure that:

- customer education, training and support programs are already in place;
- different bill designs dedicated to providing customers with information and education will be used;
- an exit option is available for participating customers;
- more pricing options are available to meet different customers' needs as soon as practicably possible; and
- some terms and conditions of service are reviewed to ensure the effectiveness of the price signal sent to the residential customers through the proposed experimental schedules.¹¹

On August 12, 2010, the PUCO issued an Entry ordering the Company to present its comprehensive gridSMART plan to the Commission on August 18, 2010. CSP made its presentation on the scheduled date, and filed a copy of its presentation in this docket on August 20, 2010.

⁹ Id.

¹⁰ OCC Comments at 2.

¹¹ Id. at 2-3.

On September 7, 2010, OCC filed a letter in response to the presentation. While supportive of CSP's efforts to offer the time-of-day and direct load control programs to residential customers, OCC noted that CSP's proposal was inadequate to educate customers about the program and the benefits they could achieve.¹² OCC pointed out that CSP's presentation did not identify a strategy or the timing for the marketing and consumer education for the Company's initial two pilot programs, and did not identify a plan to address consumer concerns related to the Company's initial two pilot programs.¹³ OCC also objected to the sample bill CSP provided in its presentation because the bill would not provide enough information to customers regarding their monthly costs and savings.¹⁴

On September 17, 2010, CSP filed a letter responding to OCC's letter. The Company asserted that it has "a well-developed strategy and a detailed timing plan for marketing materials and consumer education on the two pilot programs."¹⁵ CSP also contended that neither the Commission nor OCC should "intervene in CSP's internal training process."¹⁶ The Company also claimed that the bill information OCC seeks was not included in the original cost of the project, and that an Internet portal would be a cheaper alternative to convey the information.¹⁷

On December 1, 2010, the Commission issued the Order in this proceeding. Instead of requiring CSP to provide OCC with training materials for review before they

¹² OCC Letter at 3.

¹³ Id. at 2.

¹⁴ Id.

¹⁵ CSP Letter at 1.

¹⁶ Id. at 2.

¹⁷ Id. at 2-3.

are implemented, the Commission directed CSP to work with Staff and the gridSMART working group, which may include OCC, to develop and review information and marketing materials to be provided to customers.¹⁸ The Commission rejected OCC's exit fee proposal, but adopted the one-year minimum stay period, with customers who pay more than they would on CSP's regular rates to receive a credit for the difference.¹⁹ In addition, rather than allowing customers to have detailed cost, savings and energy consumption information on monthly bills, the Commission allowed the Company to provide this information on its Internet portal.²⁰ Customers who do not have Internet access may have the information mailed to them, upon request.²¹

II. STANDARD OF REVIEW

Applications for rehearing are governed by R.C. 4903.10. The statute allows that, within 30 days after issuance of a PUCO order, "any party who has entered an appearance in person or by counsel in the proceeding may apply for rehearing in respect to any matters determined in the proceeding." OCC filed a motion to intervene in this proceeding on May 24, 2010, which was granted in the Order. OCC also filed comments regarding the original application, and comments regarding CSP's presentation to the Commission.

R.C. 4903.10 requires that an application for rehearing must be "in writing and shall set forth specifically the ground or grounds on which the applicant considers the

¹⁸ Order at 7-8.

¹⁹ Id. at 8-9.

²⁰ Id. at 9.

²¹ Id.

order to be unreasonable or unlawful.” In addition, Ohio Adm. Code 4901-1-35(A) states: “An application for rehearing must be accompanied by a memorandum in support, which shall be filed no later than the application for rehearing.”

In considering an application for rehearing, R.C. 4903.10 provides that “the commission may grant and hold such rehearing on the matter specified in such application, if in its judgment sufficient reason therefore is made to appear.” The statute also provides: “If, after such rehearing, the commission is of the opinion that the original order or any part thereof is in any respect unjust or unwarranted, or should be changed, the commission may abrogate or modify the same; otherwise such order shall be affirmed.” As shown herein, the statutory standard for modifying the Order is met here.

III. ARGUMENT

A. The Commission Did Not Ensure That Customers Are Provided Adequate Notice That They May Receive Their Cost, Savings and Energy Consumption Information on Their Monthly Bills.

Customers need to see on their bills how much they have consumed during different cost periods in addition to how the shift of their usage lowers their bills. They also need to see their dollar savings per month vis-à-vis their historical consumption on the standard service offer schedules.

CSP proposed to make this information available through a Company website. As OCC pointed out, however, not all potential participating customers have access to the Internet, or are technically capable to compile the necessary data from CSP websites (if available).²² OCC suggested that CSP should develop monthly bills that are specifically

²² See OCC Comments at 4.

designed to inform and educate customers of their monthly costs and savings, which would in turn encourage them to continue their participation in the experimental rates.²³ An absolute minimum would be a paper insert to the current bill that is dedicated to communicating to the participating customers information regarding their usage during peak and off peak periods, the change in the pattern of consumption in comparison to the previous months and to the same month in the previous year, and, above all, the dollar monthly savings resulting from their participation in schedules.²⁴ Further, should customers experience higher bills because they did not understand fully the price signals and the impact of the rates on their usage, the bill comparison will help educate customers about how to use the program to save money.²⁵

In the Order, the Commission allowed CSP to use the web portal to convey usage and savings information to customers. The Commission, however, acknowledged that some residential customers within the project area may not have Internet access, and directed CSP is directed to provide or mail the information available on the portal to gridSMART participants upon the customer's request.²⁶ The Commission also directed CSP to present the web portal information to its gridSMART working group for review and input to make the information understandable and useful for customers.²⁷

The Commission's Order, however, is inadequate to ensure that customers are sufficiently notified upon enrollment that they may request CSP to provide usage and

²³ Id.

²⁴ Id.

²⁵ Id.

²⁶ Order at 9.

²⁷ Id.

savings information by means other than the Internet. The Commission's directive would allow CSP, in an effort to save on "billing system programming costs, and stationary and postage expenses,"²⁸ to have the notice inconspicuously included in the written information that customers would receive. This could make participation in the program less attractive for some customers and thus undermine customer participation. In this regard, the Commission's Order is unjust and unreasonable.

The Commission should modify the Order and require CSP to prominently notify customers of the availability of usage and savings information through means other than the Internet. Oral disclosure should be required if customers are contacted about the pilot either by telephone or in person. Any written disclosure should be prominent enough for customers to be adequately notified of alternatives for receiving usage and savings information.

B. The Commission Did Not Establish a Subgroup of CSP's GridSMART Working Group to Review the Materials the Company Develops to Educate Consumers About the Experimental Program.

Both OCC and the PUCO Staff agreed that CSP should adequately advertise the gridSMART pilot and sufficiently educate eligible customers in the Phase 1 gridSMART project about the tariff and rider offerings, so that customers may better understand the characteristics of the proposed tariff schedules, their benefits and the risks involved.²⁹ OCC also stated that the PUCO should ensure that CSP has in place the necessary effective marketing materials that explain the value proposition to all potential participants with detailed educational programs on how to use and benefit from the

²⁸ Id.

²⁹ PUCO Staff Comments at 3; OCC Comments at 3.

schedules prior to their approval.³⁰ OCC also requested the opportunity to view and comment on the program-specific information and CSP's strategy before the information is delivered to customers.³¹

In the Order, the Commission denied OCC's request, stating that OCC's involvement is "unnecessary and overreaching...."³² The Commission, however, did state all interested stakeholders "may be actively involved in customer-related communications through the gridSMART working group...."³³

The gridSMART working group, however, does not afford adequate opportunity to effectively review CSP's training and marketing materials. The working group meets infrequently, and addresses numerous issues that may not allow sufficient time for the necessary review of the materials.

The success or failure of a smart grid program is largely dependent on whether customers decide to avail themselves of the program and how they then use it. As the advocate for residential customers, OCC has considerable expertise in working with consumers to educate them about complex issues in a manner that is useful to them. Having another set of eyes on the documents that are critical to the success of the program is not "unnecessary and overreaching" but is in fact an effort to work collectively to ensure the best outcomes for consumers and the program. There is no downside to OCC's review and only potential benefits that do not add cost or delay to the

³⁰ OCC Comments at 3.

³¹ OCC Letter at 2.

³² Order at 9.

³³ Id. at 10.

process. That the Commission should deny such a request to offer assistance to better ensure the success of these programs does not appear reasonable.

The Commission's Order thus is unjust and unreasonable. The Commission should modify the Order and require the Company to establish a subgroup of the gridSMART working group to specifically address the training and marketing materials.

IV. CONCLUSION

As discussed herein, the Order is unjust and unreasonable. The Commission should grant OCC rehearing and modify the Order as recommended by OCC.

Respectfully submitted,

JANINE L. MIGDEN-OSTRANDER
CONSUMERS' COUNSEL

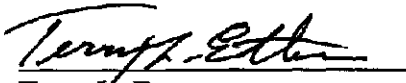


Terry L. Etter, Counsel of Record
Assistant Consumers' Counsel

Office of the Ohio Consumers' Counsel
10 West Broad Street, Suite 1800
Columbus, Ohio 43215-3485
(614) 466-8574 (Telephone)
etter@occ.state.oh.us

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Application for Rehearing by the Office of the Ohio Consumers' Counsel was served by first class United States Mail, postage prepaid, to the persons listed below, on this 3rd day of January 2011.


Terry L. Etter
Assistant Consumers' Counsel

SERVICE LIST

William Wright
Assistant Attorney General
Chief, Public Utilities Section
180 East Broad Street, 6th Floor
Columbus, Ohio 43215-3793

Stephen T. Nourse
American Electric Power Service Corp.
1 Riverside Plaza, 29th Floor
Columbus, Ohio 43215

David C. Rinebolt
Colleen L. Mooney
Ohio Partners for Affordable Energy
231 West Lima Street
Findlay, Ohio 45840