

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Commission's)
Investigation of Ohio's Retail Electric) Case No. 12-3151-EL-COI
Service Market.)

ENTRY

The Commission finds:

- (1) On December 12, 2012, the Commission initiated an investigation into the health, strength, and vitality of Ohio's retail electric service market. The investigation was intended to establish actions that the Commission can take to enhance the health, strength, and vitality of the market. In its entry initiating the investigation, the Commission presented a series of questions to stakeholders regarding market design and corporate separation. Stakeholders provided comments and reply comments to the questions presented by the Commission.
- (2) By March 1, 2013, 27 stakeholders had filed comments. By April 9, 2013, stakeholders had filed 20 sets of reply comments. Seven members of the public also filed public comments. The comments and reply comments addressed the questions raised by the Commission and represented a diverse set of views on Ohio's retail electric service market.
- (3) On May 29, 2013, the Commission established a series of stakeholder collaboration workshops for the purpose of continuing the investigation into the health, strength, and vitality of the market. The workshops will be used to identify and overcome market constraints, existing issues impacting the relationship between competitive retail electric service providers and electric distribution utilities, existing issues regarding market access, and other issues identified by stakeholders. In the entry, stakeholders were strongly encouraged to recommend changes that can be immediately implemented.

The Commission notes that, in the May 29, 2013, entry, a stakeholder collaboration workshop was scheduled for June 25, 2013. The Commission finds that the stakeholder collaboration workshop scheduled for June 25, 2013, shall be rescheduled for July 9, 2013, at 10:00 a.m., at the offices of the Commission, 180 East Broad Street, 11th Floor, Hearing Room B, Columbus, Ohio 43215. All other stakeholder collaboration workshops set forth in the May 29, 2013, entry shall be held as previously scheduled.

- (4) The Commission finds that to further the development of Ohio's retail electric service market, the following additional questions should be issued for stakeholders to file comments and reply comments. The Commission finds that the following questions should be addressed and notes that the questions do not imply that the Commission supports or opposes the ideas posed in the questions:

MARKET DESIGN

- (a) Comments were filed suggesting that the relationship between an incumbent electric distribution utility (EDU) and a customer should be neither terminated nor encouraged. Does this comment pertain to distribution service or to generation service?
- (b) If predatory pricing or other market factors become a barrier to a fully functional competitive retail electric service market, can and should the Commission regulate predatory pricing or other market factors?
- (c) In a fully functional retail market, with no merchant or wholesale based default service, should the Commission and/or an independent market monitor have the ability to regulate market power?
- (d) Regarding government aggregation, should the Commission require public disclosure of any information in addition to commodity

pricing, such as inducements or incentives related to commodity contracts? In general, should the Commission require public disclosure of any information in addition to commodity pricing, such as inducements, incentives, or broker commission related to commodity contracts?

- (e) Would a time-differentiated standard service offer (SSO) rate cause more shopping based upon customer preference for avoiding uncertainty?
- (f) Are competitive retail electric service providers better positioned to manage uncertainty in a retail market than EDUs that offer a flat SSO rate?
- (g) Is integrated resource planning compatible with a retail market construct? If yes, how can such planning be done, given the current construct of functionally separated business units? If no, how can investment in transmission, generation, and demand-management be co-optimized?
- (h) Could integrated resource plans be done on a statewide basis? If so, how would such planning be accomplished? Could the Commission be helpful in facilitating this type of planning?

CORPORATE SEPARATION

- (a) How can the Commission ensure that decisions made on behalf of the jurisdictional EDU are not providing preferential outcomes for non-regulated entities?
- (b) Is there a corporate structure that will ensure decisions made by non-EDU affiliates minimize costs to ratepayers of the EDU?

- (c) Since generation has been declared competitive in Ohio, should return on investment for EDUs be reduced in order to reflect lower risk?
 - (d) Should the capital structure of EDUs be more heavily weighted toward debt in light of the reduced risk associated with a wires-only company?
 - (e) FERC Order 1000 requires and/or enables regional transmission organizations to consider non-transmission options and merchant transmission options in their planning processes. Would a statewide integrated resource plan or shadow plan provide the market with guidance on where and/or how to make investments in conjunction with the PJM planning process?
 - (f) How could a competitive process be developed to provide all transmission developers, including incumbent transmission owners, with a fair chance to bid a transmission solution to a reliability problem identified by PJM?
 - (g) Should competitive bidding for transmission construction be considered in order to ensure the lowest possible cost?
 - (h) Does the current treatment of capacity injection rights adequately address units that retire and are later reactivated?
- (5) The Commission requests comments from interested stakeholders on the questions posed. Comments should be filed by July 8, 2013. Reply comments should be filed by July 22, 2013.

It is, therefore,

ORDERED, That the June 25, 2013, stakeholder collaboration workshop shall be rescheduled for July 9, 2013, in accordance with finding (3). It is, further,

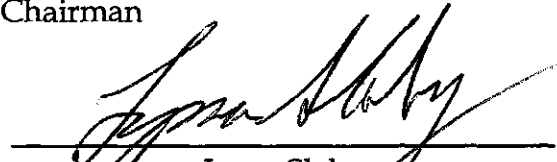
ORDERED, That all interested stakeholders shall have until July 8, 2013, to file comments to the questions posed and until July 22, 2013, to file reply comments in accordance with finding (5). It is, further,

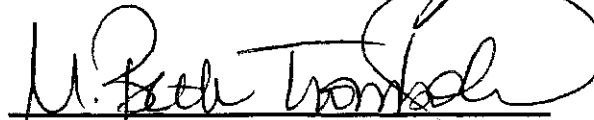
ORDERED, That notice of this entry be served upon all electric utilities, all certified competitive retail electric service providers, all governmental aggregators providing retail electric service, the Commission's electric-energy industry list serve, the Ohio EDI Working Group list serve, and all other interested parties.

THE PUBLIC UTILITIES COMMISSION OF OHIO


Todd A. Snitchler, Chairman


Steven D. Lesser

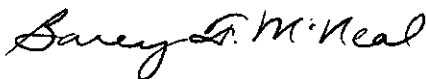

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Barcy F. McNeal
Secretary