



6100 Emerald Parkway Dublin, OH 43016 Phone: 877 923 4447 Fax: 614 659 5125 IGSenergy.com

Public Utilities Commission of Ohio
RE: Docket 13-1307-GA-COI

In reviewing the initial comments made in the above referenced investigation, it appears that while commenters may have very diverse perspectives there is fundamental agreement on two points:

1. The Standard Choice Offer ("SCO") is positioned as a competitive product in the market and further as the price to compare, or benchmark, against which all retail competitive offers are measured; and
2. The SCO structure enables the SCO suppliers to avoid numerous and significant components of participation in the retail market and their inherent costs, which cannot be avoided by any other Competitive Retail Natural Gas Supplier (CRNGS).

It is inarguable that the SCO is positioned as the benchmark and its structure allows for significant cost avoidance. As Hess correctly stated in its comments, as a wholesale provider, administrative costs, acquisition/marketing costs as well as enrollment and verification costs are avoided by SCO suppliers. While SCO customers are bundled into large load groups for the SCO suppliers, all other competitive suppliers are required to engage at a retail level and comply with all regulatory requirements which are waived for the SCO suppliers if they want to enroll even a single customer.

While there is agreement on the above, there is disagreement on the issue of whether it is proper to allow this cost avoidance. It is obvious to IGS that the provisions of Ohio Law which specifically prohibit subsidies for GCR default service should also apply to SCO default service. We respectfully ask the Commission to determine the following:

1. The Standard Choice Offer ("SCO") is perceived as a competitive product in the market and is positioned as the price to compare, or benchmark, against which all retail competitive offers are measured;
2. The SCO structure enables the SCO suppliers to avoid numerous and significant components of participation in the retail market as well as their inherent costs, which cannot be avoided by any other Competitive Retail Natural Gas Supplier (CRNGS) and as such this cost avoidance constitutes a subsidy;
3. The current SCO structure does not promote State policy in that a) cost avoidance constitutes a subsidy to the SCO and b) the subsidization impedes the development of effective competition; and
4. If the SCO is maintained as a default service the subsidies need to be eliminated.

Market efficiencies, product innovation, and customer engagement are all jeopardized by the continued subsidization of SCO default service. A subsidized SCO requires remedial action best addressed in the legislative process to ensure the SCO structure is consistent with State policy promoting effective competition.

Respectfully,

Scott White, President
IGS Energy

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Comments were served this 30th day of July 2013, on the parties listed below via email when an e-mail address is shown and via regular U.S. mail when no e-mail address is listed.


Gretchen L. Petrucci

On Behalf of AARP:

William Sundermeyer
Associate State Director, Advocacy
AARP Ohio
17 S. High Street, #800
Columbus, OH 43215

On Behalf of Hess Corporation:

David A. Cetola
Hess Corporation
One Hess Plaza
Woodbridge, NJ 07095
dcetola@hess.com

On Behalf of Buckeye Energy Brokers Inc.:

Thomas M. Bellish
Buckeye Energy Brokers, Inc.
8870 Darrow Rd. #F106
Twinsburg, OH 44087

On Behalf of The Northeast Ohio Public Energy Council:

Glenn S. Krassen
Bricker & Eckler LLP
1001 Lakeside Avenue East, Suite 1350
Cleveland, OH 44114
gkrassen@bricker.com

On Behalf of Columbia Gas of Ohio, Inc.:

Stephen B. Seiple
Brooke E. Leslie
200 Civic Center Drive
Columbus, OH 43216-00117
sseiple@nisource.com
bleslie@nisource.com

On Behalf of Ohio Consumers' Counsel:

Larry S. Sauer
Joseph P. Serio
Edmund Berger
Assistant Consumers' Counsel
Office of the Ohio Consumers' Counsel
10 West Broad Street, Suite 1800
Columbus, Ohio 43215-3485
sauer@occ.state.oh.us
serio@occ.state.oh.us
berger@occ.state.oh.us

On Behalf of Citizens Coalition:

Joseph P. Meissner
Joseph Patrick Meissner and Associates
5400 Detroit Avenue
Cleveland, OH 44102
meissnerjoseph@yahoo.com

On Behalf of the Ohio Oil and Gas Association:

W. Jonathan Airey
Gregory D. Russell
Vorys, Sater, Seymour and Pease
521E. Gay Street
Columbus, OH 43215
wjairey@vorys.com
gdrussell@vorys.com

On Behalf of The East Ohio Gas Company d/b/a
Dominion East Ohio:

Mark A. Whitt
Andrew J. Campbell
Gregory L. Williams
WHITT STURTEVANT LLP
88 East Broad Street, Suite 1590
Columbus, Ohio 43215
whitt@whitt-sturtevant.com
campbell@whitt-sturtevant.com
williams@whitt-sturtevant.com

On Behalf of the Ohio Poverty Law Center:

Michael R. Smalz
Joseph V. Maskovyak
Ohio Poverty Law Center
555 Buttles Avenue
Columbus, Ohio 43215-1137
msmalz@ohiopovertylaw.org
jmaskovyak@ohiopovertylaw.org

On Behalf of Communities United for Action:

Noel Morgan
Legal Aid of Southwest Ohio, LLC
215 East Ninth Street, Suite 500
Cincinnati, Ohio 45202
nmorgan@lascinti.org

On Behalf of Southeastern Ohio Legal Services:

Peggy Lee
Robert Johns
Southeastern Ohio Legal Services
964 East State Street
Athens, Ohio 45701
plee@oslsa.org
rjohns@oslsa.org

On Behalf of the Edgemont Neighborhood
Coalition:

Ellis Jacobs
Advocates for Basic Legal Equality, Inc.
130 West Second Street, Suite 700 East
Dayton, Ohio 45402
ejacobs@ablelaw.org

On Behalf of Vectren Energy Delivery of Ohio
Inc.:

Frank P. Darr
McNees Wallace & Nurick LLC
Fifth Third Center
21 East State Street, 17th Floor
Columbus, OH 43215
fdarr@mwncmh.com

On Behalf of The Legal Aid Society of Cleveland:

Julie Robie
Anne Reese
The Legal Aid Society of Cleveland
1223 West Sixth Street
Cleveland, Ohio 44113
julie.robie@lasclev.org
anne.reese@lasclev.org

On Behalf of Pro Seniors, Inc.:

Michael A. Walters
Pro Seniors, Inc.
7162 Reading Road, Suite 1150
Cincinnati, Ohio 45237
mwalters@proseniors.org

On Behalf of Legal Aid Society of Columbus:

Melissa Baker Linville
Legal Aid Society of Columbus
1108 City Park Avenue
Columbus, Ohio 43206
mkinville@columbuslegalaid.org

On Behalf of Ohio Partners for Affordable Energy:

Colleen L. Mooney
Ohio Partners for Affordable Energy
231 West Lima Street
PO Box 1793
Findlay, OH 45839-1793
cmooney@ohiopartners.org

This foregoing document was electronically filed with the Public Utilities

Commission of Ohio Docketing Information System on

7/30/2013 4:36:01 PM

in

Case No(s). 13-1307-GA-COI

Summary: Comments Comments from IGS electronically filed by Mrs. Gretchen L. Petrucci on behalf of Interstate Gas Supply Inc. d/b/a IGS Energy