

**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application	)	
of Duke Energy Ohio, Inc., to	)	Case No. 13-1141-GA-RDR
Adjust Rider DR-IM and Rider	)	
AU for 2012 Grid Modernization	)	
Costs.		

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**INITIAL COMMENTS OF  
DIRECT ENERGY SERVICES, LCC AND DIRECT ENERGY BUSINESS, LLC**

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**A. Introduction**

On June 28, 2013, Duke Energy Ohio filed an Application to Adjust Riders DR-IM and Rider AU for 2013 Grid Modernization Costs. On September 27, 2013, the Attorney Examiner issued an Entry granting Staff's motion for an extension of the procedural schedule. Direct Energy's motion to intervene was granted by the Attorney Examiner on October 23, 2014 and Direct Energy submits the following Initial Comments on Duke's Application.

**B. The Commission Should Order Duke Energy to Delay its Consumer Education Campaign.**

In support of its Application, Duke Energy Ohio offers Witness Duff's testimony which notes that increased participation in Duke Energy Ohio's time variant pricing pilots is a sign that the rate structures are appealing to customers and that customers may be becoming more aware and comfortable with the concept of time-differentiated rates.<sup>1</sup> Witness Duff's testimony also explains that Duke Energy Ohio is proposing a general education and awareness campaign that will last two years and has a total budget of \$850,000.<sup>2</sup> Unfortunately, Duke Energy Ohio is still in the process of developing its web portal and other procedures to allow CRES providers like

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<sup>1</sup> Application, Duff Testimony at p.8

<sup>2</sup> Id. at p.12

Direct Energy to access the interval data captured by AMI meters. Access to such data is a necessary first step in a CRES provider's development and marketing of TOU products to customers in Duke Energy Ohio's territory. Further, shopping customers, including customers of Direct Energy, are not eligible to participate in Duke Energy Ohio's pilot programs. Therefore, while all customers will potentially benefit from the general education and awareness campaign, only non-shopping customers will be eligible to enroll in a TOU rate.

Direct Energy does not dispute the fact that Riders AU and DR-IM are distribution services that are properly allocated to all distribution customers. However, it is untimely for Duke Energy Ohio to spend \$850,000 on a general education and awareness campaign targeted to all customers when Duke Energy Ohio is the only entity with access to the information necessary to provide smart-meter enabled products to customers. Therefore, Commission should order Duke Energy Ohio to delay implementation of its consumer education campaign to coincide with the launch of its web portal and the ability of CRES providers to access AMI meter data for customer billing.

**C. The Commission Should Order Duke Energy Ohio to Terminate its Time of Use Pilot Programs.**

Recently, FERC Chairman Jon Wellinghoff commented, "dynamic pricing, so consumers can respond to prices on the grid, depends on advanced meters. The only way that dynamic pricing will work is retail competition."<sup>3</sup> As directed by the Commission, Duke has offered time-differentiated rates in pilot programs since 2010.<sup>4</sup> However, once Duke Energy Ohio completes development of its web portal and other procedures are in place to allow CRES providers like Direct Energy to access the interval data captured by AMI meters, providing TOU and other

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<sup>3</sup> See <http://www.energyefficiencymatters.org/the-light-bulb-in-my-head-reflections-on-smart-grid-and-what-it-means-for-energy-efficiency/> and <http://www.utilitydive.com/news/ferc-chairman-explains-why-utilities-must-adapt-or-die/182406/>

<sup>4</sup> Application, Duff Testimony at p. 4

dynamic pricing products should be a function provided by the competitive market, not electric utilities<sup>5</sup>. Therefore, the Commission should direct Duke Energy Ohio to terminate its time of use pilot programs once it has launched its web portal and CRES providers are marketing TOU products to customers in Duke Energy Ohio's territory. Alternatively, if the Commission declines to direct Duke Energy Ohio to terminate its programs, it should order Duke Energy Ohio to transfer administration of these programs to a competitive supplier.

**D. Conclusion.**

Direct Energy respectfully requests that the Commission order Duke Energy Ohio to delay implementation of its consumer education campaign and to terminate its time of use pilot programs coincident with the launch of its web portal and the ability of CRES providers to access AMI meter data for customer billing.

Respectfully Submitted,

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<sup>5</sup> See Direct Energy's Supplemental Comments on August 6, 2013, Case No. 12-2050-EL-ORD, *In the Matter of the Commission's Review of Chapter 2901:1-10, Ohio Administrative Code, Regarding Electric Companies*.

## **CERTIFICATE OF SERVICE**

The undersigned hereby certifies that a true and accurate copy of the foregoing Initial Comments of Direct Energy Services, LLC and Direct Energy Business, LLC was served this 31<sup>th</sup> day of October, 2013 by electronic mail delivery upon the persons listed below.

/s/ Jennifer L. Lause

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Summary: Comments Initial Comments electronically filed by Ms. Jennifer L. Lause on behalf of Direct Energy Business, LLC and Direct Energy Services, LLC