

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

Now comes the Retail Energy Supply Association (“RESA”),¹ who timely files these Reply Comments in response to the Initial Comments to the Public Utilities Commission of Ohio (“Commission”) Staff’s Market Development Work Plan (“MDWP”).

The filing of the Reply Comments is the last procedural step listed as part of the Commission investigation of Ohio’s Retail Electric Service Market. The specific reply comments are organized to match the sections of the MDWP to assist the Attorney Examiner in the comparison of eighteen sets of comments that have been filed in response to the MDWP. The Commission-ordered investigation in this proceeding had a broad scope. The Commission stated that it would examine the competitive retail electric service (“CRES”) market and take the appropriate actions to further develop the market.² The Commission’s investigation order proclaimed that the Commission would take action to enhance the health, strength and vitality of the CRES market, and established workshops specifically to identify and overcome issues in the CRES

² Commission Entry at 2 (December 12, 2012) and Commission Entry at 1-2 (May 29, 2013).

market.³ After a year of comments, committee meetings, stakeholder discussions and innovative suggestions, the suppliers, social action groups, utilities and ordinary citizens look forward to the Commission's opinion and order, which hopefully will accomplish the expressed goal of removing the impediments to an open, well-functioning free market. The year-long investigation revealed several regulatory glitches, barriers to shopping, and failures to implement industry best practices which have been adopted in other jurisdictions. The Staff MDWP examined all the claims made by all interests, and suggested solutions. From RESA's perspective, the most important Staff recommendations are: 1) purchase of receivables ("POR"); 2) seamless enrollment⁴; 3) a standardized EDI/Data exchange with the formation of a data policy workgroup; and 4) some bill formatting changes. If the Commission took steps to implement these four recommendations, it will not only have addressed the expressed goal of the investigation to identify and remove significant barriers to market development, but it will also fulfill the instructions from the General Assembly codified in Section 4928.02(C), Revised Code, to ensure market choices to all retail customers.

As discussed more fully below, many of the initial comments claim that the Commission lacks authority to order implementation of best industry practices in Ohio or that due process entitles additional notice and extended hearings before the Commission can act. In response, RESA notes that the General Assembly has granted plenary authority to the Commission to supervise and regulate the electric distribution utilities ("EDUs") in Ohio. *See*, Sections 4905.04, 4905.05 and 4905.06, Revised Code. That plenary authority was not diminished by the advent of Senate Bill 3 and/ or Senate Bill 221, which set up the CRES market. As for due process, it demands notice and an opportunity to be heard.⁵ If the year-long record in this proceeding failed to put a utility,

³ *Id.*

⁴ This combines the thoughts of contract portability and immediate enrollment.

⁵ The opportunity to be heard must occur at a meaningful time and in a meaningful manner. *Mathews v. Eldridge* (1976), 424 U.S. 319, 333, 96 S. Ct. 893, 47 L. Ed. 2d 18; *State v. Hochhausler* (1996), 76 Ohio St.3d 455, 459, 1996

supplier or social action group on notice as to possible changes, and the multiple sets of comments, plus the Commission's *en banc* hearing failed to provide a reasonable opportunity to be heard; then, the Commission should provide for both notice and comments on an expedited time table in a new proceeding. Specifically, since the Commission Staff has recommended the adoption of a POR program for the EDUs as part of their consolidated billing programs, if the Commission now decides that all the comments and the *en banc* hearing which addressed this very issue are insufficient, it should issue a show cause order to each EDU that does not have a POR program⁶ or has not applied for a POR program⁷ and give such EDUs one month to present all legal and factual arguments to support an exemption from the type of POR program provided for in the Staff MDWP. The goal of the show cause proceeding ought to be a decision on whether a POR plan should be instituted. That decision should be issued during the second quarter of 2014, so that a more or less standardized POR can be implemented by the June 2015 round of Electric Security Plans. Due process allows for a chance to be heard and claims considered; it is not a right to endless delay.

A similar procedure could be followed as to the Staff's recommendation for enrollments without account numbers and standardization of data. In regards to Seamless Moves and bill format changes, the Commission has clear regulatory authority over the EDI working group that, under Staff's recommendation, would work on a Seamless Move program, and the Commission has clear statutory authority over utility bill changes.⁸ No delay in implementation from the time of the Opinion and Order is necessary to address the claimed lack of authority or due process.

Ohio 374, 668 N.E.2d 457. This applies to administrative proceedings too. *Doyle v. Ohio Bur. of Motor Vehicles* (1990), 51 Ohio St.3d 46, 52, 554 N.E.2d 97.

⁶ Duke Energy Ohio, Inc. ("Duke") is the only Ohio EDU with an active POR program.

⁷ Ohio Power Company ("AEP Ohio") has proposed to implement a POR program. *See, In the Matter of the Application of Ohio Power Company for Authority to Establish a Standard Service Offer Pursuant to R.C. 4928.143, in the Form of an Electric Security Plan*, Case Nos. 13-2385-EL-SSO et al.

⁸ *See*, Section 4905.22, Revised Code, wherein the EDUs are required to impose only just and reasonable charges for electric service; and Sections 49028.10(C) and 4928.11, Revised Code, wherein the Commission has express statutory authority to establish minimum requirements for customer bills and noncompetitive services.

In sum, the time for discussion and contemplation is over, it is now time for the Commission to take the important next steps to transition from regulated pricing to market pricing for power in Ohio.

II. Electronic Data Interchange

Electronic Data Interchange (“EDI”) is one area where there was extensive agreement among the interested stakeholders – the Staff’s proposed policy working group should be established. The commenters saw value in having a working group that addresses policy issues so that not only can discussions take place in a cooperative fashion, but decisions can be made in a cooperative fashion. In addition, there was cross-industry agreement (RESA and AEP Ohio)⁹ that the working group’s mission should not be limited to just EDI matters. The Commission should adopt this additional recommendation for the policy working group because the industry has tackled issues beyond EDI and will continue to do so in the future. One example where the policy working group could be of assistance beyond EDI is related to the second issue set forth in these Reply Comments (addressed below) regarding efforts to standardize the EDUs’ practices and processes. The first meeting of the new policy working group should be scheduled within one month of the Opinion and Order.

III. Standardizing the Retail Electric Service Market

There was also extensive agreement among the interested stakeholders on the Staff’s endorsement for standardization. All commenters who addressed this issue agreed with the Staff as to the importance of standardizing the practices, processes and market rules in the Ohio CRES market.¹⁰ Simply put, it is in the public interest that inconsistencies among EDUs’ shopping

⁹ RESA Initial Comments at 8; AEP Ohio Initial Comments at 5-6.

¹⁰ Duke Initial Comments at 2-3; AEP Ohio Initial Comments at 1; Ohio Consumers’ Counsel (“OCC”) Initial Comments at 13; Ohio Manufacturers’ Association Energy Group (“OMAEG”) Initial Comments at 1; Duke Energy Retail Sales LLC and Duke Energy Commercial Asset Management Inc. (“DER/DECAM”) Initial Comments at 2;

programs be minimized. The challenge for the Commission is not the goal of having all the EDUs standardized to the best industry practices, but rather, setting forth the timing for accomplishing that goal. Since each EDU has its own system now, each will have to make changes to achieve a standard system, but some of the standardizations may take longer or cost more than others. The key is for the Commission to set realistic goals of standardization and then enforce compliance.

During the subcommittee meetings, RESA presented details to the Commission addressing a number of specific practices and processes used by the EDUs. The “big picture” shows that Ohio’s EDUs are like sovereign nations each acting without regard for the other. While such a policy maybe justifiable for an individual EDU to its stockholders, but it is not justifiable for the Commission when the public’s interest is best served when businesses operating across the state can use standardized purchasing programs. Today, CRES providers must learn and follow each EDU’s rules and practices, and the Commission’s call center must have four sets of answers when the public has questions about shopping. During the Investigation, RESA presented detailed charts showing each EDU’s data system(s), and the different set of customer-specific information each EDU provides. This lack of uniformity across Ohio’s EDUs makes CRES less efficient and CRES service more costly for everyone. RESA has advocated for a variety of changes designed to standardize the EDUs’ practices and processes, and to bring the industry’s best practices to Ohio. Among RESA’s recommendations were specific upgrades to EDI transactions, such as an enhancement for cancellations/rebills, consistent process for obtaining Peak Load Contribution and Network Service Peak Load values via EDI, and having net-metering consumption data available via EDI. Also, RESA has advocated use of a web-based portal system, through which CRES providers can access critical account-level information in a consistent web-based format, in real-

Constellation NewEnergy Inc. and Exelon Generation Company LLC (“Exelon”) Initial Comments at 3; Ohio Partners for Affordable Energy and nine other social action groups (collectively “OPAE”) Initial Comments at 5; and RESA Initial Comments at 2.

time. To illustrate the need for standardization in relation to web portals, below is the current state of portals in Ohio:

Duke	AEP Ohio	DP&L	FirstEnergy EDUs
Web portal was launched in 2013. Additional features are being added.	Web portal was to be launched in May 2014, but a large portion of the portal was launched early.	In September 2013, the Commission ordered that a web portal be implemented. No details are known yet.	No web portal exists and one is not in development.

Thus, for this one example, the EDUs are all in different states of “being.” Moreover, based on RESA members’ use of the Duke and AEP Ohio portals, those portals have different formats for certain data and AEP Ohio’s portal does not yet include interval data at all. Thus, the existing portals in Ohio are different from one another in important ways. CRES providers cannot consistently access critical account-level information (e.g., meter numbers, meter reading cycle dates, interval data, etc.) or access the information in the same manner, such as through a web portal. Additionally, there has been no collaboration between utilities to standardize the presentation of data in the portals in accordance with best practices or with stakeholder input. This is certainly detrimental to CRES providers. However, it is also detrimental to customers, including those who have offices in different EDU service locations because this *ad hoc* structure prohibits a coordinated means for working with the customers.

The only remaining question is related to the cost of implementing the changes. Costs of standardization are for the betterment of the CRES market as whole and, as a result, are for the betterment of all EDU customers. Other interested stakeholders have argued otherwise, stating that

such costs should be paid for by CRES suppliers only.¹¹ However, the Commission recently addressed the very question of cost recovery for enhancements to the CRES market and determined that the costs should not be recovered from CRES providers; rather, cost recovery could be sought in a distribution rate case.¹² No different policy conclusion should apply for standardization enhancements.

The Commission should establish specific, uniform items for standardization, starting with RESA's list. Within six months, the EDUs should file a plan demonstrating how they will standardize their specific practices and processes, timelines for each standardization project, and how much each will cost. Cost-recovery should be considered in the context of the EDUs' future electric security plans or distribution rate cases, depending on the timing of those future cases.

IV. Ohio Retail Electric Service Market Definition and Measurements

The Commission sought to bring the stakeholders together to focus on the market as a whole and to determine how to evaluate it in the future. The subcommittee meetings on this topic fulfilled that purpose and RESA concurs with the Staff's recommendations. Staff's proposed definition of "effective competition" and the eight proposed measurements can be used going forward. Nothing presented in the other commenters' initial comments warrants rejection of the Staff's proposed definition of "effective competition" or the eight proposed measurements.

V. Confidentiality of Supplier Information

The Commission can meet its statutory needs¹³ and accomplish its goals without publicly disclosing the identity of every CRES supplier and linking it with its associated market share (by number of customers served and by load in megawatt-hours). The General Assembly recognized, in

¹¹ E.g., OCC Initial Comments at 13.

¹² *In the Matter of the Application of The Dayton Power and Light Company for Approval of its Electric Security Plan*, Case Nos. 12-426-EL-SSO et al., Opinion and Order at 38-39 (September 6, 2013).

¹³ Section 4928.06(G), Revised Code.

1999, the competitively sensitive nature of this type of information. In Section 4928.06(F), Revised Code, the EDUs are required to provide all information that the Commission deems necessary to monitor and evaluate the CRES market, among other things. The General Assembly specifically required the Commission to “take such measures as it considers necessary to protect the confidentiality of any such information.” This is a direct and clear instruction for the guarding of competitively sensitive market information. Identifying a CRES supplier’s market share and linking it to a particular supplier is the epitome of competitively sensitive market information. The Commission has been able to successfully study and discuss the health, strength and vitality of the CRES market since 1999. Not only is it questionable that the Commission can legally disclose the confidential market share information, but it simply is not necessary to implement a complete reversal of the long-established practice. Also, nothing has changed to warrant a complete reversal of the long-established practice.

Additionally, the Staff presented no reason as to why the identity of every CRES supplier must be publicly linked with its associated market share. In fact, Staff did not name the “other industries” in which it claims that market share information is not kept confidential.¹⁴ RESA is not aware of any competitive market in which the identity of a participant is not kept confidential when market stratification is analyzed. Moreover, RESA notes that the Commission has kept confidential the identity of every competitive retail natural gas service supplier when discussing their market shares. For that industry, the Commission has been able, likewise, to successfully study and discuss that market.¹⁵ Publicly linking the gas supplier’s identity with its market share has not been necessary.

¹⁴ Staff MDWP at 12.

¹⁵ Most recently, the Commission reviewed the competitive retail natural gas market in *In the Matter of the Commission’s Review of the Natural Gas Retail Market Development*, Case No. 13-1307-GA-COI, Entry (February 13, 2014).

Finally, reversal of the Commission's policy to keep the identity of the CRES supplier confidential when discussing market shares will be harmful to Ohio's CRES market. RESA members keep the information about their market share confidential, especially when delineated by customer class and load amount, because competitors may use the information negatively. Publicly disclosing this information could alter the competitive landscape in Ohio in a very negative way. The Commission should reject this recommendation from the Staff.

VI. Standard Service Offer as the Default Service

RESA has previously stated its belief that, in the end, fully competitive retail markets should not have a single default provider. In other words, competitive markets should not rely on a utility-provided default service.¹⁶ This is important for the long-term development of the CRES market.

VII. Purchase of Receivables / Consolidated Bill Allocations

In other markets, failure to pay for a good or service results in the customer being barred from receiving the good or service. In the electric market, however, there is a different approach for various reasons, including humanitarian concerns and the fact that the delivery system, though no longer the power, may be a natural monopoly. Thus, only EDUs are able to shut-off electric service for failure to pay and EDUs must follow the Commission's shut-off rules, which limit shut-offs to circumstances involving medical and human need concerns, and to promote repayment plans. This limitation on the ability to terminate electric service has caused certain problems for CRES providers when collecting payments from customers. Collection problems have existed from the very beginning of Ohio's CRES market, and unfortunately, those problems have continued to today.

The FirstEnergy EDUs, OPAE and OCC are advocating that the current payment priority system is sufficient to address all issues related to customer payments.¹⁷ RESA has explained and

¹⁶ RESA Initial Comments at 4, 16-19 (March 1, 2013).

¹⁷ FirstEnergy Initial Comments at 19-20; OCC Initial Comments at 25-26; and OPAE Initial Comments at 10.

amply demonstrated in its comments¹⁸ and in the workshops and subcommittee meetings how the existing payment priority system has been imperfect, even from the time it was first approved in 2003.¹⁹ That imperfect system continues to cause problems for CRES suppliers and the EDUs have not consistently and fully worked cooperatively with the CRES suppliers to eliminate the imperfections.

Ohio is not the only state in which collection problems have occurred for competitive providers. In Pennsylvania, for instance, its Public Utilities Commission has recognized that POR programs can solve payment problems.²⁰ Maryland and New Jersey have required POR programs as well.²¹ Staff has correctly recommended POR programs for all of Ohio's EDUs. The Staff presented fixes for the payment priority system as an alternative to POR. Such an alternative is not sufficient; however, the Staff alternatives are essential until POR is fully implemented. This is a point that RESA made in its Initial Comments (at 6-7). RESA wishes to elaborate. Even with the implementation of POR programs, customers and CRES providers should have the option for dual billing. This is particularly true for commercial and industrial accounts where (a) the rate plans may involve demand charges or incorporate demand response programs and (b) the complexity of the transactions favors dual billing. The problem with consolidated billing today, without POR, is that the EDUs do not supply all the information necessary on a consolidated bill, particularly if there has been a payment plan established with the customer. As a result, in addition to POR, the Staff's

¹⁸ RESA Initial Comments at 5, 23-26 (March 1, 2013); RESA Reply Comments at 12-13 (April 5, 2013).

¹⁹ The current payment priority system was first established following approval of a settlement. *WPS Energy Services Inc. et al. v. FirstEnergy Corp. et al.*, Case No. 02-1944-EL-CSS, Opinion and Order (August 6, 2003). The payment priority system was later included in the Commission's rules. See, Rules 4901:1-10-33(H) and 4901:1-21-18(H), Ohio Administrative Code.

²⁰ *In the Matter of the Application of Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company for Authority to Provide a Standard Service Offer Pursuant to R.C. §4928.143 in the Form of an Electric Security Plan*, Case No. 12-1230-EL-SSO, Hearing Transcript I at 250.

²¹ *Id.* at Transcript II at 18.

recommendation in the MDWP for fixing the allocation process and the information flow should be adopted.

The Commission should require all EDUs without a POR program to present within one month (a) a POR program proposal and the specific fixes for the payment priority system, (b) a timeline for implementation, and (c) how much the program and fixes will cost; or, if an EDU does not file a POR program proposal within one month, the EDU must file a statement showing cause as to why a POR requirement should not be imposed on it. Cost-recovery should be considered in the context of the EDUs' future electric security plans or distribution rate cases, depending on the timing of those future cases. RESA notes that AEP Ohio has proposed a POR program in *In the Matter of the Application of Ohio Power Company for Authority to Establish a Standard Service Offer Pursuant to R.C. 4928.143, in the Form of an Electric Security Plan*, Case Nos. 13-2385-EL-SSO et al. AEP Ohio's pending proposal should be considered and addressed in that other docket.

VIII. Seamless Moves/Contract Portability/Instant Connect

In Ohio, a brand new customer or a moving-within-the-territory customer has no choice but to take the EDU's standard service offer for at least one to two billing periods, even if better offers are available to the customer or if better offers could be arranged. This keeps customers out of the competitive marketplace and certainly is not a pro-competition structure. For this reason alone, RESA supports the Staff's recommendation to implement Seamless Moves²² in Ohio. However, Instant Connect²³ is a related and integral component to a successful marketplace as well, and Instant Connect should be part and parcel to the changes in this area.²⁴

²² Seamless Moves allows a supplier, whose customer moves to a new in-territory address, to continue to serve the customer without interruption.

²³ Instant Connect allows a new customer to elect a CRES supplier upon initiating electric distribution service with the EDU.

²⁴ If a moving customer must be designated as a "new" customer, Instant Connect will allow the customer to select a CRES supplier upon establishment of service at the new service location. Similarly, Instant Connect will allow a customer who is new to the EDU service territory to select a CRES supplier upon establishment of distribution service.

For several reasons, the Commission should accept Seamless Moves and Instant Connect for Ohio. First, Staff correctly noted that capacity concerns are not an impediment to Seamless Moves. Those parties who argued against Seamless Moves have stated that the moving CRES customer's capacity needs could be significantly more at the new location than at the customer's old location.²⁵ As a result, they argue that the moving customer should return to the EDU's standard service offer and not be able to maintain CRES with the moving customer's desired provider.²⁶ Capacity needs may vary from customer location to location. However, it is foolish to assume that capacity needs would always increase significantly when a customer moves. Moreover, if the customer remains with the CRES supplier, capacity will be arranged for and paid by the CRES supplier. Therefore, capacity concerns should not be accepted as an impediment to Seamless Moves, or even for Instant Connect.

Second, the Commission should "see through" other opposition raised in response to the Staff's proposal for Seamless Moves. For example, FE presented conflicting arguments in response to the Staff's recommendation for Seamless Moves. FE argued, on the one hand, that Seamless Moves cannot be implemented in the short-term and that it does not exist.²⁷ Then, FE argued, on the other hand, that the EDUs have to propose separate plans for Seamless Moves and it would cost FE \$3-4 million to implement.²⁸ FE's own comments show that Seamless Moves is capable of being implemented. More importantly, however, is the fact that FE's claim is incorrect -- Seamless Moves does exist in Illinois, where Commonwealth Edison ("ComEd") allows for uninterrupted supply when a customer with demand over 100 kilowatts moves.²⁹ Another example is OCC's

²⁵ FE Initial Comments at 23; OCC Initial Comments at 31.

²⁶ *Id.*

²⁷ FE Initial Comments at 22.

²⁸ *Id.* at 23.

²⁹ If a supplier wants to retain the moving customer in ComEd's territory, the supplier must ask its customer to contact a ComEd Customer Service Representative (CSR) at least seven days prior to the requested connect date. The CSR is able to give the new account number to the customer, and the customer must then provide the new account number and

claim that Seamless Moves categorically will not protect customers, which implies that customers will be harmed. Seamless Moves *allows* customers to keep the supplier that they have affirmatively chosen, and *allows* customers to not be forced to take another service (the EDU's standard service) because the customer moves to a new in-territory location. RESA observes that, under the status quo, customers are being harmed when they are prevented from receiving the service they have selected from the CRES provider of their choice. Thus, the suggested change prevents harm. OCC is arguing against Seamless Moves even though Seamless Movers will actually allow the customer's affirmative selection to remain intact. Furthermore, OCC has consistently conflated ending and beginning service on the same day with the concept of Seamless Moves. As we have repeated throughout this proceeding, Seamless Moves pertains to any eligible shopping customer stopping service and beginning new service within a reasonable amount of time, be it the same day or a week later. The Commission Staff recommends that the working group define the specific construct of the program and RESA concurs.

Third, Seamless Moves and Instant Connect are possible, they are in the public interest, are consistent with the goals of the competitive market, and will enhance the CRES market in Ohio. The Commission should require all EDUs to present within six months (a) a plan for implementing Seamless Moves with Instant Connect in Ohio, (b) a timeline for implementation, and (c) how much Seamless Moves and Instant Connect will cost. Cost-recovery should be considered in the context of the EDUs' future electric security plans or distribution rate cases, depending on the timing of those future cases.

the connect date to the RES at least seven calendar days prior to the scheduled connect date. The supplier submits an Emergency DASR to ComEd, requesting a "seamless move" for the over 100kW customer. ComEd's Retail Electric Suppliers Handbook at 5, at https://www.comed.com/Documents/customer-service/rates-pricing/retail-electricity-metering/Res_Ch_04_Customer_Switch.pdf.

IX. Bill Format

A. CRES Supplier Logos on the Bills

Generally, the current EDU bills do not provide the billing information as well as can be. This is no secret because customers regularly are confused by their electric bills, including the EDU-consolidated electric bills. Since CRES providers have the ability to include their logos on their bills when they use dual billing, this issue of provider confusion does not arise in instances where a CRES provider uses dual billing. In contrast, the issue does arise in instances where a CRES provider uses EDU- consolidated billing.

Including the supplier's logo on the EDU-consolidated bills is common sense and educational for such a fundamental document used in the provision of electric service. Supplier logos will repeatedly give the customers consistent and clearer information as to who provides the various services which the bill covers -- namely, both CRES supplier charges and EDU charges. Failure to include a CRES provider's logo on the bill can result in the customer not knowing who is providing a significant part of their service, which appears to be the opposite of customer education. The EDU's logo always appears on consolidated bills, which potentially adds to customer confusion because it erroneously appears as though the EDU provides the supply.

All of the arguments raised against having CRES supplier logos on the EDU-consolidated bill (cost, spacing, ink colors, paper stock, and constitutional and federal law violations) have been raised before. Nothing new was presented. These arguments ignore the fact that billing is a regulated function of the EDUs,³⁰ and that the Commission has decided the content of the EDU bills for decades. RESA is sympathetic to concerns related to the design and the costs of adding active

³⁰ See, e.g., Section 4905.22, Revised Code, wherein the EDUs are required to impose only just and reasonable charges for electric service; and Sections 49028.10(C) and 4928.11, Revised Code, wherein the Commission has express statutory authority to establish minimum requirements for customer bills and noncompetitive services.

CRES supplier logos to EDU-consolidated bills, but those concerns can be addressed appropriately in cost-effective manners.

The Commission should require all EDUs to present within six months (a) a plan for including the active CRES supplier logos³¹ on their consolidated bills, (b) a timeline for implementation, and (c) how much the change will cost. Cost-recovery should be considered in the context of the EDUs' future electric security plans or distribution rate cases, depending on the timing of those future cases.

B. Price-to-Compare on the Bills

RESA recognizes the flaws in the current methodologies used by the EDUs to calculate the price-to compare ("PTC"). A PTC based on only the prior month's billing will not really assist customers who are considering long-term or fixed-rate service offers because one month's billing reflects too short a period of time from which to draw conclusions. A PTC based on an annualized calculation also is not ideal because that methodology inherently includes assumptions that may not be true for future usage or for making comparisons.

RESA joins those commenters who want a standardized PTC so that CRES suppliers, social action groups, and the Commission's call center all have the same basis and understanding of how the PTC was derived. RESA recognizes that establishing a standard for the PTC will not be an easy task, but it is one that must be done. After all, the law requires the EDU-consolidated bill for residential customers to include the PTC. Rule 4901:1-10-33(C)(18), Ohio Administrative Code.

The Commission should require all EDUs and other interested stakeholders to present within six months (a) one or more proposals for calculating the PTC on the EDU residential bills and (b) a

³¹ RESA reiterates its earlier comments that "active" CRES suppliers in this context should mean all CRES suppliers actively soliciting customers in the service territory and who are using EDU-consolidated billing. (RESA Initial Comments at 12)

illustration of how the PTC would appear on the residential bill if it had been included for a small sample of residential customer bills.

X. Customer Enrollment -- Obtaining Account Numbers

With regard to customer enrollment, RESA disagrees with Staff's view of the customer account number. RESA's first point on this issue is that the customer's electric account number is not the high security measure that the Staff (and some other stakeholders)³² seems to believe it is. Today, slamming can be accomplished by any unscrupulous CRES supplier using the account number of any current or former CRES customer because (except for AEP Ohio) the customer account number is tied to the service location and stays the same regardless of who is the customer of record.

Second, RESA points out that other states have acknowledged that the customer account number is not an effective security measure to prevent slamming. Some states include the customer account number on the eligible-customer lists.³³ RESA is not requesting that Ohio customer accounts numbers be included on the eligible-customer lists; RESA is simply pointing out that other open-access states have allowed the CRES suppliers to have greater access to customer account numbers, and in doing so have not opened the "slamming floodgates." In the interest of allowing the customer enrollment process to proceed efficiently and effectively, the Commission should not consider the Staff's recommendation as a real "fix."

Third, many stakeholders commented on Staff's proposal to allow customers to obtaining the customer account numbers through EDU websites.³⁴ Across all the representatives, concerns were stated. This fact alone should raise a red flag and justify cautious consideration of Staff's

³² OCC Initial Comments at 35-36; OPAE Initial Comments at 10.

³³ Pennsylvania is one state that includes the customer account number on that state's eligible-customer lists.

³⁴ OCC Initial Comments at 36-37; OPAE Initial Comments at 10-11; Direct Energy Initial Comments at 6-7; Duke Initial Comments at 11-12; AEP Ohio Initial Comments at 7; and DP&L Initial Comments at 8.

recommendation. RESA believes that the comments stated multiple, legitimate concerns with Staff's proposal to allow customers to obtain the customer account numbers through EDU websites.

As Direct Energy suggests,³⁵ Staff's proposal here is not a *better* means of resolving the continuing enrollment issues. The Staff's recommendation would still require a customer to obtain the customer account number, albeit possibly through a new means, and it still would include the known risk for human error by the customer.

A better resolution is available: allow certified CRES suppliers the authority to look-up the account number after a customer has given consent for the look-up (with the advance consent documented). The CRES suppliers regularly interact with the EDUs and have satisfied the security requirements. Moreover, this look-up will create a documented history of who accesses the customer account number and when, which will be available in the event of later concerns regarding the enrollment.

The Commission should require all EDUs to present within six months (a) a plan for establishing an account number look-up function for CRES providers, (b) a timeline for implementation, and (c) how much the change will cost. Cost-recovery should be considered in the context of the EDUs' future electric security plans or distribution rate cases, depending on the timing of those future cases.

XI. Advanced Metering Infrastructure, Data Access, and Time-Differentiated Rates

Data access should not be delayed and further discussed (again). This area is a prime example of how regulatory hesitation/lag is harming the further development of the competitive market in Ohio. AMI has been deployed at the encouragement and with the approval of the

³⁵ Direct Energy Initial Comments at 6-7.

Commission to hundreds of thousands of Ohio customers.³⁶ The AMI data should be available to the CRES suppliers so that they can develop new supply offers using that data and so that customers have greater options.

The EDUs (Duke, DP&L, and AEP Ohio)³⁷ and the CRES suppliers agree that the EDUs should not be required to offer time-differentiated rates. Let the competitive market provide such service offerings, as the market participants who actually offer services to the public are wanting it to do.

The Commission should require all EDUs with AMI deployed to present within six months (a) a proposed tariff allowing access to AMI data in Ohio, (b) a timeline for implementation of any new means of access to AMI data, and (c) how much any new means of access to AMI data will cost. Cost-recovery should be considered in the context of the EDUs' future electric security plans or distribution rate cases, depending on the timing of those future cases. All EDUs that do not have AMI deployed should be required to include with any future deployment plan (a) a proposed tariff allowing access to AMI data in Ohio, (b) a timeline for implementation of such access, and (c) how much the means of access will cost.

³⁶ For instance, a smart grid deployment program was approved by the Commission for AEP Ohio in its first electric security plan proceeding, *In the Matter of the Application of Ohio Power Company for Approval of its Electric Security Plan*; and an Amendment to its Corporate Separation Plan, Case Nos. 08-918-EL-SSO, et al, Opinion and Order at 37-38 (March 18, 2009). Also, a pilot AMI program was approved by the Commission for the FirstEnergy EDUs in *In the Matter of the Application of Ohio Edison Company, The Cleveland Electric Illuminating Company, and the Toledo Edison Company for Approval of Ohio Site Deployment of the Smart Grid Modernization Initiative and Timely Recovery of Associated Costs*, Case Nos. 09-1820-EL-ATA et al.. The Commission approved a modernization plan, which included advanced meters, for Duke in *In the Matter of the Application of Duke Energy Ohio, Inc., for Approval of an Electric Security Plan*, Case No. 08-920-EL-SSO, Opinion and Order at 16-17, 38 (December 17, 2008). Also, the Commission created an incentive for DP&L to implement AMI by linking AMI with an ability for DP&L to obtain additional revenues through an extension of its Service Stability Rider. *In the Matter of the Application of The Dayton Power and Light Company for Approval of its Electric Security Plan*, Case Nos. 12-426-EL-SSO et al., Opinion and Order at 28 (September 4, 2013).

³⁷ Duke Initial Comments at 13; and DP&L Initial Comments at 8-9. AEP stated that the competitive market (not it) should offer time-differentiated offers in *In the Matter of the Ohio Power Company to Initiate Phase 2 of Its gridSMART Project and to Establish the gridSMART Phase 2 Rider*, Case No. 13-1939-EL-RDR, Application at 6. FE elected not to comment on this topic. (FE Initial Comments at 28)

XII. Conclusion

RESA has elected not to address the initial comments filed by others in this matter regarding the Staff's recommendations involving corporate separation and a multi-state collaborative. No inferences should be drawn from RESA's decision not to address those comments in this document. Similarly, there were other initial comments that were filed which are not the subject of this set of Reply Comments. No inferences should be taken -- RESA's decision not to comment represents neither endorsement nor support of such comments.

For the foregoing reasons, RESA respectfully requests that the Commission adopt many of the Staff's recommendations in its MDWP as detailed in RESA's Initial Comments (filed on February 6, 2014), modify/clarify certain Staff recommendations as detailed in both RESA's Initial Comments and Reply Comments so as to avoid known problems, and also adopt a requirement that Instant Connect be required for the Ohio CRES market.

Respectfully Submitted,



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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and accurate copy of the foregoing Initial Comments was served this 20th day of February 2014 by electronic mail, upon the persons listed below.



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This foregoing document was electronically filed with the Public Utilities

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2/20/2014 5:11:14 PM

in

Case No(s). 12-3151-EL-COI

Summary: Reply Comments electronically filed by Mrs. Gretchen L. Petrucci on behalf of
Retail Energy Supply Association