

In the Matter of the Commission's)
Review of Chapter 4901:1-13 of the) Case No. 13-2225-GA-ORD
Ohio Administrative Code, Regarding)
Minimum Gas Service Standards.)

I. INTRODUCTION

This important case involves a review of the Minimum Gas Service Standards (“MGSS”) that impact the quality of the natural gas service that millions of Ohioans rely on, on a daily basis. The Public Utilities Commission of Ohio (“PUCO”) invited interested persons to file Comments and Reply Comments on the minimum gas service standards contained in Ohio Admin. Code 4901:1-13.

The Office of the Ohio Consumers' Counsel ("OCC") filed Initial Comments on March 28, 2014. Other parties filing Initial Comments were: Duke Energy Ohio Inc. ("Duke") and; The East Ohio Gas Company d/b/a Dominion East Ohio ("Dominion"), Vectren Energy Delivery of Ohio ("Vectren"); and Columbia Gas of Ohio, Inc. ("Columbia") (together "Joint Utilities").

OCC appreciates the opportunity to file these Reply Comments on behalf of all residential natural gas consumers in Ohio. The PUCO should adopt the recommendations in OCC's Initial Comments and Reply Comments, toward the result of better service quality, safety, and reliability for Ohio residential natural gas consumers.

II. COMMENTS

A. The PUCO should adopt Ohio Admin. Code 49801:1-13-02(J) as proposed by the PUCO Staff.

The PUCO should adopt Ohio Admin. Code 4901:1-13-02(J) as proposed by the PUCO Staff. That new provision would prohibit Local Distribution Companies (“LDCs”) from including exculpatory clauses in their tariffs in an attempt to limit LDCs’ liability associated with the provision of natural gas service.¹ The PUCO Staff explained that the new proposed rule was intended to ensure consistency with the Electric Service and Safety Standards in Ohio Admin. Code 4901:1-10-02(G). OCC supports the PUCO Staff’s proposed amendment.

The Joint Utilities propose changes to that proposed rule.² Those changes should be rejected by the PUCO. The use of exculpatory language within a tariff is unreasonable considering that the PUCO will ultimately determine if an LDC was negligent in its provision of natural gas service through a complaint case pursuant to Ohio Revised Code 4905.26 or other regulatory proceeding. Inclusion of exculpatory language in the tariff can be misleading for customers who may assume that the LDCs have no liability in certain situations, when in fact, that is not the case. In addition, an LDC can be held responsible for damages that exceed direct damages pursuant to Ohio Revised Code 4905.61. While the LDCs could seek PUCO approval to charge the costs of these damages to customers through a rate case, there is no guarantee that customers will be required to pay these additional costs in rates. The PUCO should disregard the

¹ Entry at 3 (February 26, 2014).

² Joint Utilities Comments at 4 (March 28, 2014).

amendments proposed by the Joint Utilities to the Staff proposed Ohio Admin. Code 4901:1-13-02(J).

B. The PUCO should approve the three business day standard proposed by the PUCO Staff for initiating new service requests.

The PUCO Staff proposed an amendment to Ohio Admin. Code 4901:1-13-05(A)(1)(a) that requires LDCs to complete ninety percent of the new service requests within three business days after the premise is ready for service as opposed to five days. OCC supports the PUCO Staff's proposed amendment.

Duke objected to the proposal arguing that it would be “unreasonably burdensome.”³ Yet Duke offered no statistical analysis or cost data to support its allegation. The Joint Utilities also claim that the proposed rule change will increase costs.⁴ However, like, Duke, the Joint Utilities failed to provide any supporting analysis for their allegations of increased costs, and made no attempt to quantify the alleged increased costs. When routine analytical support is not furnished, it is difficult to evaluate or quantify any alleged impact. It is also possible to surmise that the failure to provide such analysis is because the actual information could run counter to that commenter's argument. Finally, it is possible that in some circumstances, the additional revenues that are obtained from selling natural gas sooner, may off-set any increase in cost.

While OCC recognizes that LDCs may have some scheduling difficulties as a result of the proposed standards, those “difficulties” need to be contrasted against the needs for customers to not have to wait for five business days to obtain vital natural gas

³ Duke Comments at 4 (March 28, 2014).

⁴ Joint Utilities Comments at 7 (March 28, 2014).

service. The PUCO rules mandate that the vast majority of customers (ninety-nine percent) obtain their electric service within three business days.⁵ Having to wait an additional two business days for natural gas service is not reasonable and can cause undue hardship for customers -- especially for customers that need natural gas service during the winter heating season.

The Joint Utilities aver that consistency between the electric and natural gas service standards is not necessary⁶ should be rejected. There is no justification for the PUCO to mandate that customers that use electricity to heat their home get service in three days, while customers who rely on natural gas to heat their homes have to wait five days.

The Joint Utilities position that five days is a more reasonable time period because of the seasonal increases for service that occur in the fall that are associated with college students requesting new service and the special PUCO Winter Reconnection Order⁷ should also be rejected. While there may be an increase in the number of new service requests in the fall months, the rule allows for this seasonal variance by only requiring that ninety percent of the new service requests be completed within three business days. That is, Duke and the Joint Utilities arguments fail to acknowledge the open-ended rule that **all** new service installations beyond the 90 percent threshold can still be executed in **excess** of the three-day requirement.

⁵ Ohio Admin. Code 4901:1-10-09(A)(1).

⁶ Joint Utility Comments at 5 (March 28, 2014).

⁷ Duke Comments at 4 (March 28, 2014).

C. The PUCO should reject Duke's proposal to include weather as a reason for waiving missed service standards.

Duke recommended that the PUCO consider modifying Ohio Admin. Code 4901:1-13-05(A)(5) to include extreme weather as a condition that would excuse the Utility from meeting its service requirements.⁸ Currently, missed service installations that were caused by military action, war, insurrection, riot or strike, or failure of a customer access to the premise are not included in the monthly calculations that are used to determine if the Utility complied with ninety percent of the new service installations standard.⁹ While inclement weather conditions might cause additional difficulties for the Utility to comply with the MGSS, the brevity of these inclement weather events should not result in the Utility from being excused from its obligation to fulfill its service standards. In addition, Duke provided no information in its comments to support how an extreme weather event would be determined or defined, or how this has impacted its ability to meet the service standards in the past.

On the other hand, extreme weather can have a tremendous impact on individual customers and their need for natural gas service to heat their homes. The PUCO should reject this Duke proposal.

⁸ Duke Comments at 4 (March 28, 2014).

⁹ Duke Comments at 4 (March 28, 2014).

D. The PUCO should adopt the PUCO Staff’s proposed rule in regard to the rescheduling of service appointments (proposed Ohio Admin. Code 4901:1-13-05(C)(3)(c)).

The PUCO should adopt the PUCO Staff’s proposed rule (Ohio Admin. Code 4901:1-13-05(C)(3)(c)) that would require LDCs to reschedule service appointments that are cancelled by the customer either as a four hour window appointment within forty-eight hours or a next day appointment without an expected arrival time. The Joint Utilities and Duke’s arguments against that rule¹⁰ are without merit and should be rejected.

OCC notes that there can be many reasons why customers may need to reschedule an appointment including medical issues or unforeseen family emergencies, and a customer’s failure to meet an appointment should not be held against a customer. In contrast, the Joint Utilities question “why customers who fail to make themselves properly available for an initial appointment should receive **favored** treatment and priority rescheduling”¹¹ warrants no response from the PUCO. LDCs should be working with their customers to schedule initial service appointments and reappointments when necessary on terms that are agreeable with the customer.

While the Joint Utilities and Duke contend that the proposed rule will allow these customers who did not meet an appointment to jump ahead of other customers who have scheduled appointments,¹² there is no support for this argument. If customers have to cancel an appointment, the Utility can redirect resources to another appointment until a reappointment can be scheduled. LDCs should be able to re-direct resources to prioritize

¹⁰ Joint Utilities Comments at 9 (March 28, 2014), Duke Comments at 4 (March 28, 2014).

¹¹ Joint Utilities Comments at 9-10 (March 28, 2014).

¹² Joint Utilities Comments at 9 (March 28, 2014), Duke Comments at 4-5 (March 28, 2014).

service establishment appointments where customers would benefit from obtaining service at the earliest possible time. Finally residential customers have already paid millions of dollars via rate increases for service modernization upgrades ostensibly to enable LDCs to more efficiently and effectively serve their customers.¹³ Customers should now realize the benefits of those increase charges.

E. The PUCO should adopt rules that require gas companies to maintain and make available a handbook of customer rights and obligations and provide all new customers with a current version of the customer rights and obligations.

The PUCO Staff proposed a new rule (Ohio Admin. Code 4901:1-13-06(A)) that makes gas/natural gas companies responsible for maintaining and making available a handbook of customer rights and obligations. OCC supports this PUCO Staff proposed rule.

In addition, the PUCO Staff proposed a modification to the proposed Ohio Admin. Code 4901:1-13-06(B) that would require gas/natural companies to provide new customers with a copy of the customer obligations and rights summary if the current version was not previously provided to that customer.¹⁴ The current rule requires a new customer to be provided with a customer rights and obligations summary if they have not received one in the preceding year.

¹³ For example see, *In the Matter of the Application of the Annual Application of Columbia Gas of Ohio, Inc. for an Adjustment to Rider IRP and Rider DSM Rates*, Case No. 12-2923-GA-RDR; *In the Matter of the Application of Vectren Energy Delivery of Ohio, Inc. for Authority to Adjust its Distribution Replacement Rider Charges*, Case No. 13-1121-GA-RDR; *In the Matter of the Application of Duke Energy Ohio, Inc. for an Adjustment to Rider AMRP Rates to Recover Costs Incurred in 2012*, Case No. 13-2231-GA-RDR; *In the Matter of the Application of The East Ohio Gas Company d / b / a Dominion East Ohio to Adjust its Pipeline Infrastructure Replacement Program Cost Recovery Charge and Related Matters*, Case No. 12-3125-GA-RDR; *In the Matter of the Application of The East Ohio Gas Company d/b/a Dominion East Ohio for Approval of Tariffs to Adjust Its Automated Meter Reading Cost Recovery Charge to Recover Costs Incurred in 2013*, Case No. 13-2319-GA-RDR.

¹⁴ Joint Utilities Comments at 13 (March 28, 2014).

Based on the comments of the Joint Utilities,¹⁵ attempting to determine if a customer has received a copy of the “current version” may cause unnecessary costs and confusion. Specifically, the Joint Utilities claim that, if the PUCO Staff’s proposed change to the definition of a “new customer” is adopted, then their information systems would have to be modified to track which version of the document, if any, was previously provided to that customer.¹⁶ Given the importance of the information contained in the customer rights and obligations summary, and the possible confusion from the PUCO Staff’s proposed modification to the definition of a “new customer,” the PUCO should reject the PUCO Staff’s proposed changes to the definition of a “new customer.” Instead, the PUCO should amend the proposed Ohio Admin. Code rule 4901:1-13-06(B) to simply require gas/natural gas companies to provide all new customers with a current copy of the customer rights and obligations summary. OCC recommends that the PUCO amend Ohio Admin. Code 4901:1-13-06(B) as follows:

(B) Each gas or natural gas company shall prominently post on its web site and shall provide new customers, upon application for service, and existing customers upon request, a written summary information detailing who to contact concerning of their rights and obligations responsibilities under this chapter. This summary information shall be in clear and understandable language and delivered to customers. Each gas or natural gas company shall submit the initial version of the summary information and notice of each subsequent amendment thereafter to the director of the commission's service monitoring and enforcement department or the director's designee in writing for review prior to the first mailing of that version of the summary information to its customers. For purposes of this rule, “new customer” means a customer who opens a new account. ~~and has not received such summary information within the preceding year.~~

¹⁵ Joint Utilities Comments at 13 (March 28, 2014).

¹⁶ Joint Utilities Comments at 13 (March 28, 2014).

F. The PUCO should adopt the PUCO Staff's amendment that would provide for a twenty-one day due date for bills that are issued from outside the State of Ohio.

The PUCO Staff proposed an amendment in Ohio Admin. Code 4901:1-13-11(C) that provides for a twenty-one day due date for bills that are issued from outside the State of Ohio. OCC supported Staff's proposed amendment in its initial comments and recommended further amendments to add clarity the due date requirements.¹⁷ OCC also supported the consistency between the due dates for electric and natural gas bills. The Joint Utilities objected to the twenty-one day due date on the basis of a major financial impact on LDC's.¹⁸ The Joint Utilities claim there will be an impact on cash flow, an increase in the uncollectible rider, and more arrearages.¹⁹ However, once again the Joint Utilities have failed to quantify any of these impacts, or to provide any supporting analysis on the specifics of such alleged impacts.

While it might be possible (as claimed by the Joint Utilities) to implement out of state billing so that there is no timing impact on customers, the PUCO should rule in favor of giving customers as much time as possible to pay their natural gas bill without incurring fines and penalties. Bills that are issued from outside the state can incur additional processing time and delay. Accordingly, the PUCO should adopt the PUCO Staff's proposed amendment to Ohio Admin. Code 4901:1-13-11(C) as modified by OCC in its Initial Comments. Such a rule will clearly provide residential customers with twenty-one days to pay a bill issued outside Ohio.

¹⁷ OCC Comments at 16-17 (March 28, 2014).

¹⁸ Joint Utilities Comments at 15 (March 28, 2014).

¹⁹ Joint Utilities Comments at 15 (March 28, 2014).

G. The PUCO should reject the Duke Energy proposal to revise Ohio Admin. Code 4901:1-13-11(E)(1) and (E)(4) to eliminate reference to payments made to company business offices.

Duke recommends that the PUCO modify Ohio Admin. Code 4901:1-13-11(E)(1) and (E)(4) to eliminate the reference to business offices because some companies no longer have business offices where customers can pay their bills.²⁰ However, many of the smaller LDC's in Ohio continue to have local business offices where customers can pay their gas bill. Removal of the reference to the business offices in the rules is premature.

As was stated by OCC in its Initial Comments, customers are now incurring additional charges of \$2.00 per month to pay their gas bill at authorized agents because many larger LDCs have elected to close their business offices. OCC recommends that the requisite analysis be performed to determine the consequences these additional charges are having on consumers. Moreover, the PUCO should consider reducing these charges or requiring business offices to be available for customers to pay their gas bills without incurring more charges.²¹

III. CONCLUSION

OCC appreciates the opportunity to file these Reply Comments and to recommend improvements in the natural gas minimum service standards for the benefit of residential utility consumers in Ohio.

²⁰ Duke Comments at 7 (March 28, 2014).

²¹ OCC Comments at 17 (March 28, 2014).

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that a true copy of the Reply Comments have been served upon the persons listed below this 11th day of April, 2014.

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