

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of Interstate)	Case No. 14-1740-EL-WVR
Gas Supply, Inc. for a Waiver of Rules)	
4901:1-10-29(D)(6)(b) and 4901:1-21-)	Case No. 14-1741-GA-WVR
06(D)(1)(h) of the Ohio Administrative Code.)	

**APPLICATION FOR A WAIVER
OF RULE 4901:1-29-06(D)(6)(b) and 4901:1-21-06(D)(1)(h) OF THE OHIO
ADMINISTRATIVE CODE
OF INTERSTATE GAS SUPPLY, INC.**

Interstate Gas Supply, Inc. (“IGS”) respectfully requests that the Public Utilities Commission of Ohio (“Commission”) grant IGS a waiver of the requirements set forth in Ohio Administrative Code (“OAC”) 4901:1-29-06 and 4901:1-21-06 with respect to third-party verifications (“TPVs”) as more fully described in this Application. In further support of its request, IGS states as follows:

1. The Commission has the authority to establish the standards by which competitive retail natural gas (“CRNG”) and competitive retail electric service (“CRES”) suppliers enroll customers under section 4901:1-10-29-06 and 4901:1-21-06 of the Administrative Code.
2. The current CRNG rules set forth in 4901:1-29-06(D)(6)(b) require that at least 50% of a CRNGs door-to-door enrollments must have TPVs accompanied with the enrollments. 4901:1-29-06(D)(6)(b) was revised (“Revised 4901:1-29-06(D)(6)(b)”) in Case No. 12-0925-GA-ORD to require 100% TPVs for CRNG door-to-door enrollments.¹

¹ Although Revised 4901:1-29-06(D)(6)(b) was approved by the Commission, the final rule has not been approved by the Ohio Joint Committee Agency on Rule Review (“JCARR”). IGS expects the rule to be finalized by JCARR shortly.

3. Currently, there is no requirement to obtain TPVs for CRES door-to-door enrollments; however, in Case No. 12-0924-EL-ORD the Commission approved 4901:1-21-06(D)(1)(h) (“Revised 4901:1-21-06(D)(1)(h)”) which requires CRES providers to obtain 100% TPVs for door-to-door enrollments. Like Revised 4901:1-29-06(D)(6)(b), IGS expects Revised 4901:1-21-06(D)(1)(h) will receive approval from JCARR and will be effective in the near future.

4. Revised 4901:1-29-06(D)(6)(b) states:

An independent third-party verification shall be conducted to ensure the validity of enrollment. The third-party verifier must successfully contact and survey at least fifty per cent of all customers enrolled by door-to-door solicitation. The verification process should be performed prior to submitting the enrollment information to the incumbent natural gas company. The retail natural gas supplier or governmental aggregator must provide a copy of the survey to the incumbent natural gas company or the commission upon request within three business days of any such request. If the third-party verification does not confirm that the residential customer enrolled with the retail natural gas supplier or governmental aggregator, then the retail natural gas supplier or governmental aggregator shall not submit the enrollment information of that residential customer to the incumbent natural gas company.

And Revised 4901:1-21-06(D)(1)(h) states:

CRES providers conducting contract sales to residential customers through door-to-door solicitation shall provide for independent third party verification (TPV) to ensure the validity of the enrollment prior to submission to the electric utility. The TPV shall be conducted in accordance with paragraph (D)(2)(a) of rule 4901:1 - 21-06 of the Administrative Code, excluding paragraph (D)(2)(a)(vi) of rule 4901:1-21-06 of the Administrative Code and the process shall include the following:

- a. The sales agent shall contact the party responsible for the TPV at the conclusion of the sales transaction and provide the necessary contract tracking information to initiate the TPV process.
- b. The independent third-party verifier must confirm with the customer that the sales agent has left the property of the customer.
- c. The sales agent is not to return before, during or after the TPV process.
- d. The independent third-party verifier shall structure the TPV interview to give the customer adequate time to respond to questions and shall not lead the customer in their response.

- e. The CRES provider must retain the audio recording of the customer's enrollment for one year after the contract with the customer is terminated.
- f. The CRES provider must provide a copy of the independent third party verification to staff within three business days of any such request.

5. Traditionally door-to-door sales are conducted by independent contracted sales agents being compensated with a fee for sale, with little, if any, compensation from base pay. Often these agents proceed randomly through a neighborhood trying to solicit sales from residences. A traditional door-to-door sale is almost always a singular experience and there is no further contact with the customer after the sale. In this situation, the consumer protections provided by the TPVs are necessary.

6. IGS has developed a process for customer enrollment that utilizes IGS employee Home Energy Consultants (“HEC”) equipped with sophisticated technology that enables customer enrollment at the home of the customer (“HEC Enrollment”).

7. HEC Enrollment is not a type of customer enrollment currently contemplated under either the CRES or CRNG rules given it uses technology that was not available when the CRES and CRNG rules were created, nor was the technology contemplated at the time of the development of CRES and CRNG rules. The HEC Enrollment conducts an electronic enrollment with the customer via a mobile internet protocol. Specifically, with an HEC Enrollment:

- (a) The customer enrolls in a CRES or CRNG products through the HEC’s tablet computer;
- (b) The tablet computer has a GPS mechanism that allows IGS to track the exact time and location of a customer enrollment and retain detailed records of the same;

- (c) The GPS in the tablet computer also allows IGS to track the time and location of all customer solicitations made by the HEC, regardless of whether the sale to the customer is effectuated;
- (d) When a sale is effectuated, the tablet computer utilized with an HEC Enrollment verifies the customer's consent to the terms and conditions via an electronic signature of the customer;
- (e) The tablet computer also verifies via an electronic signature that the customer consents and acknowledges the specific statements set forth in OAC 4901:1-29-06(D)(6)(A) acknowledgement form;
- (f) The HEC Enrollment process also gives the customer the option to receive a physical copy of the terms and conditions and applicable acknowledgement form. The consented to terms and conditions are either physically provided to the customer at the time of sale or, upon the customers verified consent, emailed to the customer's inbox immediately upon the customer enrolling in the CRES and CRNG product.

8. In addition to the processes described above, the HEC Enrollment process also contains the following enhanced consumer protections beyond what is required in the CRES and CRNG rules:

- (a) The IGS HECs are direct employees of IGS and not independent contractors;
- (b) The IGS HECs are compensated primarily with base pay (including benefits) and sales commission only represents a small portion of the HEC total compensation;
- (c) The IGS HECs are assigned to specific geographic sales territories in which they are responsible for making sales only in those territories;

- (d) Customers that enroll in a CRNG or CRES product after an HEC Enrollment receive a follow-up phone call from IGS requesting feedback on the HEC Enrollment process including asking specific questions about the HEC and the HEC sales presentation;
 - (e) After each HEC solicitation the HEC leaves behind a business card with information on how the customer can provide specific feedback on the HEC at the IGS webpage.
- 9. The HEC Enrollment process also is in compliance with all other consumer protection rules and requirements set forth in 4901:1-29, 4901:1-21 and all other applicable state and federal consumer protection rules and statutes.
- 10. Based on the heightened consumer protection procedures IGS has implemented for its HEC Enrollment process which creates enhanced consumer protection and a better customer experience, IGS is requesting that the Commission waive for the HEC Enrollment process the requirements set forth Revised 4901:1-29-06(D)(6)(b) and 4901:1-21-06(D)(1)(h) and any other Commission rules that may require TPVs.
- 11. IGS further states that this waiver will benefit customers in that:
 - (a) Through its own customer satisfaction surveys, IGS has found that with a knowledgeable HEC, the customer satisfaction statistics show that customer feels the third-party TPV is redundant and time consuming, given that TPVs often take more than ten minutes and ask for information already provided to the HEC during the sale;
 - (b) A waiver of the TPV requirements for the HEC Enrollment process will encourage the development of a long term HEC customer relationship rather than just a single interaction as often the case with traditional door-to-door sales. Longer term customer relationships create greater accountability for the sales agents and facilitate the

offering of value added products and services, in addition to natural gas and electric commodity;

- (c) A waiver of the TPV requirements for IGS' HEC Enrollment will encourage CRES and CRNG providers such as IGS to utilize technology that enhances consumer protection and improves the customer experience. Further, a waiver of the TPV rules for HEC Enrollment will encourage CRES and CRNG providers such as IGS to otherwise adopt consumer protections that go above and beyond what is currently required in the CRES and CRNG rules;

12. IGS further states that it is seeking waiver of rules set forth in Revised rules 4901:1-29-06(D)(6)(b) and 4901:1-21-06(D)(1)(h) only for the HEC Enrollment process and only for IGS enrollments that follow the procedures and contain the enhanced consumer protections set forth in this Application. IGS is not seeking waiver of the TPV rules for traditional door-to-door enrollments. Further, IGS is not seeking waiver of the TPV enrollments rules, on behalf of, or that would be applicable to, other CRES and CRNG providers.

WHEREFORE, IGS respectfully requests that the Commission:

- Approve this application and issue a Finding and Order, waiving the requirements for a third-party verification set forth in Revised 4901:1-29-06(D)(6)(b) and 4901:1-21-06(D)(1)(h), for IGS' HEC Enrollments as more fully described in this Application;
- And, while IGS does not expect there to be any material alteration to revised rules 4901:1-29-06(D)(6)(b) and 4901:1-21-06(D)(1)(h) before the rules are finalized; to the extent necessary, IGS also asks that the Commission's waiver of 4901:1-29-06(D)(6)(b) and 4901:1-21-06(D)(1)(h) for IGS be applicable to any material alterations that may occur to revised rules 4901:1-29-06(D)(6)(b) and 4901:1-21-06(D)(1)(h).

Respectfully Submitted,

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Summary: Application electronically filed by Helen Sweeney on behalf of IGS Energy