

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Commission's)	
Investigation of Ohio's Retail Electric)	Case No. 12-3151-EL-COI
Service Market.)	
 In the Matter of the Market Development)	
Working Group.)	Case No. 14-2074-EL-EDI

**INITIAL COMMENTS
OF
IGS ENERGY**

IGS Energy ("IGS") hereby submits the following comments to the Public Utility Commission of Ohio ("Commission") in the above captioned proceeding. In an effort to save judicial resources and to not be duplicative IGS also incorporates by reference into its comments the comments filed by the Retail Energy Supply Association ("RESA").

As an initial matter IGS would like to recognize the efforts of the Commission Staff ("Staff") to facilitate the Ohio Market Development Working Group ("MDWG") process. The MDWG process has been going on for nearly two years and Staff has hosted numerous, and in some cases lengthy, MDWG meetings. Staff has worked hard to ensure that all view-points were heard and the appropriate topics were discussed. IGS' critiques about the recommendations filed in the Staff Report on July 16, 2015 ("Staff Report") are not intended to be reflective of Staff's efforts throughout the MDWG process.

That said IGS is disappointed in the recommendations filed in the Staff Report on July 16, 2015 ("Staff Report"). The establishment of the MDWG, in the Opinion and Order on

March 26, 2014 (“COI Order”), represented an opportunity to make progress in the continuing development of retail electric markets in Ohio. The COI Order directed Staff and participants in the MDWG to explore (among other items) proposals to implement contract portability, seamless move, instant connect and warm transfer for Ohio’s electric utilities. With all of the efforts put forth by parties that attended the lengthy MDWG meetings, it was IGS’ hope that the Staff Report would recommend meaningful proposals that could advance competition. Unfortunately, the recommendations made in the Staff Report would do little to move competitive retail electric markets forward.

Currently Ohio’s electric market operates under a regulatory construct where all new and legacy electric generation customers are automatically enrolled in the utility generation service by default (a.k.a. default service). The existence of default service is, in and of itself, a barrier to competition. Nearly all other products and services that are offered in a competitive marketplace (e.g. insurance, banking, telephone) require customers to make an affirmative election of a provider in order to receive that service. Default service does not exist for other products and services because default service breeds customer complacency, stifles innovation and requires substantial regulatory resources to administer.

Because Ohio currently maintains a default service construct (which creates barriers to competition) it is extremely important that the Commission to, at a minimum, minimize all other barriers for customers to affirmatively enroll in a retail electric product. Unfortunately, there still are a number of barriers (beyond default service) that interfere with a customer’s ability to enroll with a competitive supplier. Those barriers include:

- Currently customers cannot immediately enroll in electric generation service with a competitive retail electric service (“CRES”) provider. Customers must be on default SSO service for a period of time before they can take service from a CRES;
- CRES customers that move cannot take their contract with them, or otherwise remain on CRES service at their new residence; those customers must switch back to the SSO and relinquish the terms of their contract once they move from their premises;
- Many customers currently are not aware of the alternative electric products and services that are available to them in the market beyond default service.

The contract portability, seamless move and instant connect proposals are designed to remedy some of the current barriers to customer Choice in Ohio. Contract portability and seamless move would allow the CRES contract to move with the customer if the customer moved within the utility service territory. Instant connect would allow customers to enroll with a CRES upon initiation of electric generation service. Unfortunately, the Staff Report dismissed many of these proposals, and simply recommended implementing a watered-down warm transfer proposal that does little to enable customers to exercise their rights to choose a CRES provider.

IGS will defer to the RESA comments for the details as to why the dismissal of the contract portability, seamless move and instant connect proposals are unreasonable. However, the Staff Report largely dismissed these proposals citing too much additional costs and difficulty to implement. Staff’s analysis about the implementation costs of these proposals is penny wise and pound foolish.

Customers greatly benefit from the innovation and increased efficiencies brought by the development of competition in the retail electric market. The cost to implement contract

portability, seamless move and instant connect proposals would represent a de minimis amount on the average customer's electric bill, particularly if these costs were allocated over a period of years. Further, while the costs will be incurred over a fixed period of time, the benefits will be lasting, as these proposals will enhance the customer's ability to choose for an indefinite period of time.

It should also be noted that efforts to lower the barriers to competition by measures such as contract portability, seamless move and instant connect are moving forward in the State of Pennsylvania. Pennsylvania has also successfully implemented a customer referral program for all its electric utilities that is designed to educate customers about their competitive options in the marketplace. Thus many of the purported reasons cited in the Staff Report and by other parties in the MDWG against implementation of these measures are largely illusory.

For these reasons, IGS respectfully requests that the Commission reject the warm transfer recommendation made in the Staff Report and require a state-wide implementation of seamless move, contract portability and instant connect as more fully explained in the comments filed by RESA.

Respectfully submitted,

/s/ Matthew White
Matthew White (0082859)
Counsel of Record
Email: mswhite@igsenergy.com
Interstate Gas Supply, Inc.
6100 Emerald Parkway
Dublin, Ohio 43016
Telephone: (614) 659-5000

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Summary: Comments electronically filed by Mr. Matthew White on behalf of IGS Energy