

**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

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**REPLY COMMENTS  
OF  
THE RETAIL ENERGY SUPPLY ASSOCIATION**

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**I. Introduction**

The Retail Energy Supply Association ("RESA")<sup>1</sup> files these reply comments in accordance with the schedule established by the Attorney Examiner by Entry issued on December 9, 2015. RESA appreciates the opportunity to submit reply comments in response to the initial comments filed by the Ohio Consumers' Counsel ("OCC"), Ohio Power Company ("AEP Ohio"), the FirstEnergy Companies,<sup>2</sup> Duke Energy Ohio, Inc. ("Duke"), The Dayton Power and Light Company ("DP&L") and IGS Energy. The fact that RESA has not addressed every initial comment filed on January 6<sup>th</sup> does not necessarily mean that RESA agrees or opposes such comments. RESA stands by its initial comments filed on January 6<sup>th</sup> and urges the Commission to reject the Staff's recommendation for the warm transfer process and instead require that instant connect and seamless moves be implemented in Ohio.

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<sup>1</sup> The comments expressed in this filing represent the position of RESA as an organization but may not represent the views of any particular member of the Association. Founded in 1990, RESA is a broad and diverse group of more than twenty retail energy suppliers dedicated to promoting efficient, sustainable and customer-oriented competitive retail energy markets. RESA members operate throughout the United States delivering value-added electricity and natural gas service at retail to residential, commercial and industrial energy customers. More information on RESA can be found at [www.resausa.org](http://www.resausa.org).

<sup>2</sup> The FirstEnergy Companies are Ohio Edison Company, The Cleveland Electric Illuminating Company and The Toledo Edison Company.

## **II. Reply Comments**

### **A. The goal of each of the four processes under consideration is to remove current artificial market barriers.**

In its initial comments, OCC maintains that each of the four options considered by the Working Group is intended to “reduce or eliminate the amount of time customers are served under the Standard Service Offer (“SSO”) when initiating new service or for shopping customers to transfer competitive retail electric service (“CRES”) between addresses.”<sup>3</sup> This is simply not true.

The purpose of each of these four processes is to allow customers who want to enroll with CRES providers the opportunity to do so by removing artificial market barriers that are currently in place. Currently, when a customer initiates service or moves into a new service territory, the customer can only have SSO service. This is contrary to the entire premise of developing an open marketplace where customers are free to choose their own CRES supplier. OCC’s comments about the intention or purpose of each process are wrong and should not be considered by the Commission.

### **B. A statewide program is the better approach to enhance the health, strength and vitality of the market and improve the customer experience with shopping in Ohio.**

In their initial comments, the FirstEnergy Companies argue that the “one size fits all” approach does not work given the differences in each electric distribution utility (“EDU”) system and staffing capabilities.<sup>4</sup> Likewise, Duke argues that “one size will not fit all” and that the Staff’s Recommendation failed to recognize these facts.<sup>5</sup>

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<sup>3</sup> OCC Initial Comments at 3.

<sup>4</sup> FirstEnergy Initial Comments at 2.

<sup>5</sup> Duke Energy Ohio Initial Comments at 3.

Contrary to the positions taken by the FirstEnergy Companies and Duke, the Commission directed the Staff to facilitate discussion within the Market Development Working Group to develop an operational plan for the purpose of implementing a statewide program and directed the Working Group to discuss the seamless move, contract portability, instant connect or warm transfer processes.<sup>6</sup> In addition, the Commission directed that the Working Group meetings be scheduled so that efforts should be taken to standardize the practices, processes and market rules of the Ohio EDUs in order to streamline CRES market policies to, in turn, increase competition, cost efficiency, and potential savings for customers. The Commission indicated that it would weigh the value of standardization against potential costs.<sup>7</sup> RESA urges the Commission to mandate a standardized statewide program so that competition, cost efficiency and potential savings can be realized for all Ohio customers. RESA continues to believe that statewide standardization will result in the best programs for Ohioans. RESA also understands that implementation may vary from EDU to EDU based on the utility's operational capabilities.

**C. The Commission should adopt the instant connect approach for at least Ohio mercantile customers and build upon the experience of FirstEnergy in Pennsylvania.**

Despite the sweeping comments dismissing instant connect, it would be beneficial to all Ohioans who want to select a CRES provider upon initiating electric service. It will be a significant convenience to customers and eliminate today's artificial delay. Moreover, although the Staff noted that instant connect would be beneficial where mercantile customers who are only changing their company name and not their physical address (which would require a new account number with many of the EDUs),<sup>8</sup> instant connect can be particularly convenient for new mercantile customers. Mercantile customers regularly work with the EDUs and CRES

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<sup>6</sup> March 26, 2014 Finding and Order at Finding 24.

<sup>7</sup> March 26, 2014 Finding and Order at Finding 10.

<sup>8</sup> Staff Report at 4.

providers in advance of establishing electric service due to the nature of their business needs. Mercantile customers typically have their own EDUs and CRES service representatives, well in advance of the establishment of the electric service account. Thus, these advance working relationships avoid the typical complications associated establishing CRES on day one (i.e., peak load contribution development and meter reading concerns). As a result, there is a particularly unique opportunity to improve the Ohio business customer experience with shopping by allowing mercantile customers the ability, if they choose, to initiate CRES on the same day as initiating electric service with the EDU via instant connect. This would, therefore, enhance the health, strength and vitality of the competitive marketplace.

The Pennsylvania Public Utility Commission has required FirstEnergy to implement instant connect in that state by September of 2016.<sup>9</sup> Thus, a neighboring state has recognized the benefits of instant connect. There is simply no reason why all of the technological, management, customer service, etc. work being done to implement instant connect in Pennsylvania could not be transferrable to Ohio. Given the likelihood that FirstEnergy personnel involved in implementing instant connect in Pennsylvania are likely located in Ohio, this will be a logical and available resource for working through the details of an instant connect program. RESA urges the Commission to focus on solutions rather than hurdles and to avail itself of the opportunity to study the Pennsylvania instant connect process and implement it in Ohio.

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<sup>9</sup> *In the Matter of the Joint Plan of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, West Penn Power Company for Seamless Moves and Instant Connects*, Docket Nos. M-2014-2401130, et al., Final Order (October 1, 2015).

**D. The AEP Ohio pilot proposal is a step in the right direction, although a permanent seamless move program must be put in place.**

In its initial comments, AEP Ohio offered a pilot proposal involving a third-party process to address the warm transfer issue.<sup>10</sup> The pilot proposal is a step in the right direction inasmuch as it would provide an incremental improvement relative to the status quo, enhancing the ability of the moving customers to retain their CRES providers, increasing customer education regarding shopping opportunities for all customers, and providing guaranteed savings to customers through a standard discount option. That being said, the AEP Ohio pilot proposal would not enhance the health, strength and vitality of the market and improve the customer experience with shopping in Ohio to the same degree as the seamless move approach would. A seamless move is a process whereby a current shopping residential customer who moves within the EDU's service territory is permitted to retain its current CRES supplier. Currently, when a shopping customer moves within the EDU service territory, a new customer account number is assigned. This new account number triggers a drop in CRES enrollment, a reversion to the Standard Service Offer, and the need for a brand new CRES enrollment process/request.

It is estimated that nearly 100,000 residential customers would be eligible under the seamless moves process.<sup>11</sup> It is clear that numerous shopping customers would benefit from the option of having a seamless move. Again, FirstEnergy is already implementing seamless moves in Pennsylvania. The Commission should adopt the seamless move program for residential customers in Ohio and avail itself of the experience in Pennsylvania that is already taking place.

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<sup>10</sup> Ohio Power Initial Comments at 4-7.

<sup>11</sup> Staff Report at 7.

**E. Staff's proposed warm transfer process does not correspond with the Commission's directives and could tie up telephone trunk lines.**

The Staff's operational plan for warm transfer will not "enhance the health, strength and vitality of the market." Instead, the recommended warm transfer process will add to customers' frustration and may unduly tie up EDU telephone lines as pointed out by the FirstEnergy Companies and AEP Ohio in their initial comments.<sup>12</sup> Instead, the Commission should adopt the seamless moves program, which will improve the process of retaining shopping customers and will enhance the health, strength and vitality of the Ohio market.

**F. The cold transfer approach should be rejected.**

In its initial comments, OCC recommends that the Commission should require the Working Group to develop an operational plan to support a cold transfer capability.<sup>13</sup> Duke also recommended that EDU transfers should be "cold" as opposed to "warm".<sup>14</sup> The cold transfer approach advocated by OCC and Duke should be rejected. The cold transfer approach is not a shopping enhancement for customers. Cold transfer will not increase competition, cost efficiency and potential savings for customers. The Commission also did not set forth the cold transfer approach as an option to be considered. The Commission should not adopt the cold transfer approach.

**III. Conclusion**

It is important to focus on solutions to potential issues rather than use potential issues as an excuse to implement less-effective programs. Instant connect and seamless moves are more effective programs that will enhance the customer experience in Ohio. The Commission should

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<sup>12</sup> FirstEnergy Initial Comments at 6-8; AEP Ohio Initial Comments at 8-9.

<sup>13</sup> OCC Initial Comments at 6-7.

<sup>14</sup> Duke Initial Comments at 3.

reject the Staff's recommended warm transfer process and instead require that instant connect and seamless moves be implemented in Ohio, which truly will benefit customers.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Michael J. Settineri", written over a horizontal line.

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## CERTIFICATE OF SERVICE

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Summary: Reply Comments electronically filed by Mrs. Gretchen L. Petrucci on behalf of  
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