

**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	)	 Case No. 14-2074-EL-EDI
Working Group.	)	

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**REPLY COMMENTS  
OF  
IGS ENERGY**

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**I. INTRODUCTION**

IGS hereby submits these reply comments to the initial comments filed by other parties in this proceeding. In an effort to save judicial resources and not be duplicative, IGS supports, and adopts by reference the reply comments filed by the Retail Energy Supply Association (“RESA”) in this proceeding.

**II. REPLY COMMENTS**

**A. The Commission Should Adopt AEP’s Referral Program Proposal**

In its initial comments AEP recommended rejecting proposals to implement contract portability, seamless move and instant connect. Rather, as an alternative, AEP recommends adopting a Standard Discount Rate Option ( aka “referral program”) by which customers that call

in to enroll in electric service are referred to a percent off Standard Service Offer (“SSO”) product offered by a competitive retail electric supplier (“CRES”).<sup>1</sup>

IGS believes that contract portability, seamless move and instant connect should be adopted by the Commission. That said, the Commission should also adopt AEP’s Standard Discount Rate Option as it will help educate customers about the competitive options in the market and encourage customer engagement.

Currently Pennsylvania has a referral program similar to AEP’s proposed Standard Discount Rate Option for all the major EDUs. The Pennsylvania referral programs have led to tens of thousands of additional customers shopping and has also helped customers save money had they otherwise been required to take service from the utility default rate. Further, Ohio would not need to reinvent the wheel to implement referral programs as it can look to Pennsylvania to adopt best practices.

It should also be noted that this concept was previously raised by RESA witness Dwayne R. Pickett in AEP Ohio’s ESP III Proceeding in Commission Case 13-2385-EL-SSO. Mr. Pickett called his proposal the Market Energy Program and based it in part on a similar program offered in Pennsylvania.

While IGS supports AEP’s Standard Discount Rate Option, it should not be the only measure adopted by the Commission in this proceeding. As IGS noted in its Initial Comments, there are a number of barriers in Ohio to allowing customers to make a Choice for their electric supply. Two of those barriers include: customers must automatically enroll in SSO service immediately upon enrollment with an EDU; and customers cannot take their CRES contracts

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<sup>1</sup> AEP Initial Comments at 7.

with them when they move within the EDU service territory. AEP's referral program proposal will not remedy these problems. For these reasons, the Commission should also invest in moving Ohio's competitive retail electric markets forward by adopting contract portability, seamless move and instant connect for all Ohio EDUs.

**B. The Total Costs of Implementing the Seamless Move and Instant Connect are Outweighed by the Long Term Benefits**

In its initial comments, OCC cites Staff's cost estimate of \$3.5 million statewide to implement instant connect and seamless move proposals as a reason not to move forward with these proposals.<sup>2</sup> OCC's rationale for opposing proposals that would improve the shopping experience for Choice customers is short-sighted.

\$3.5 million across all Ohio customers represents *less than \$1 per customer*. These costs spread over a period of 5 years amounts to *only 20 cents per year, per customer*. However, the benefits to implementing seamless move and instant connect will continue indefinitely. Enabling customers to elect the CRES supplier of their choice and keep their CRES contract with them when they move is surely worth more than 20 cents to a customer. For these reasons any additional costs to implement seamless move and instant connect are far outweighed by the benefits given to customers.

**C. It is the Policy of the State of Ohio to Promote Competition**

Duke claims that a warm transfer process would change the role of the electric distribution utility because "[t]hroughout the fifteen years of electric choice, EDUs have not been responsible for promoting choice . . . ." Duke further claims that it should not transfer a customer call to a CRES provider because "[i]f a customer is handed off to a CRES provider and receives less than optimal service, there is no regulation to protect the customer." Finally, Duke

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

claims that if a warm transfer process is adopted, it may be to the detriment to its third party vendors Bridgevine and AllConnect. Each of Duke's arguments lack merit.

Initially, the state policy embodied in R.C. 4928.02 favors retail electric choice, including the requirement to promote customer education regarding electric choice. Specifically, R.C. 4928.02(C) provides that it is the state policy to “[e]nsure diversity of electricity supplies and suppliers, by giving consumers effective choices over the selection of those supplies and suppliers.” R.C. 4928.02(E) provides that it is the state policy to “[e]ncourage cost-effective and efficient access to information regarding the operation of the transmission and distribution systems of electric utilities *in order to promote both effective customer choice of retail electric service.*” Emphasis added. Similarly, R.C. 4928.02(G) provides that it is the state policy to “[r]ecognize the continuing emergence of competitive electricity markets through the development and implementation of flexible regulatory treatment.” Clearly, it is the policy of this state to encourage retail electric choice and to empower customers with education necessary to exercise their right to choose electric supplier products and services that fit their needs.

Duke's claim that CRES providers are not subject to Commission regulation is also not accurate. CRES providers are subject to extensive compliance and consumer protection requirements contained in Chapter 4901:1-21 Ohio Administrative Code. That Chapter contains 19 separate subsections that allow the Commission to regulate CRES providers, including sections that relate to solicitations, advertising, and marketing. Thus, Duke's claim that a warm transfer process would leave a dissatisfied customer without any form of recourse must be rejected.

Finally, Duke claims that a warm transfer process may diminish customers' ability to get offers from Bridgevine and AllConnect regarding "new water, sewer, telephone, cable, TV, and satellite TV service . . . ." It appears as if Duke uses these vendors to refer customers to other competitive products such as telephone and cable.

It is ironic that Duke objects to referring a customer to regulated CRES providers when Duke already refers customers to third parties providers of TV and telephone (via Bridgevine and AllConnect) that are not regulated by the Commission. Moreover, it's difficult to reconcile how Duke favors advocating for retail choice with respect to the TV and telecommunications industry when it refuses to do so for retail electric choice. Customers call Duke regarding the movement or commencement of *electric service* and thus Duke should take no issue with connecting those customers to competitive providers like it does for TV and telephone.

### **III. CONCLUSION**

Competitive retail electric markets spur on innovation in the marketplace, increase efficiencies and create a more knowledgeable and engaged customer. That is why it is important for the Commission to make investments that continue to move Ohio's competitive retail electric markets forward. For these reasons IGS respectfully asks that the Commission adopt the recommendations contained herein.

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



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