

In the Matter of the Application of)
Columbia Gas of Ohio, Inc. for a Waiver) Case No. 16-653-GA-WVR
of Ohio Administrative Code Section)
4901:1-13-11(B)

To ensure that customers receive bills that are accurate, clear, and understandable, the Ohio Administrative Code ("OAC") provides a list of 29 items that must be included on customer bills. *See* OAC 4901:1-13-11(B). OAC 4901:1-13-11(B)(9) requires natural gas companies, like Columbia Gas of Ohio, Inc. ("Columbia"), to include the following on all customer gas bills: "The rate for purchase of the . . . natural gas commodity, expressed in dollars and cents per Mcf or Ccf" In this case, Columbia seeks permission to exclude this information from customer bills and instead to provide only the gross supplier charge.¹

The Office of the Ohio Consumers' Counsel ("OCC"), on behalf of Columbia's 1.4 million residential natural gas customers, opposes Columbia's request and respectfully requests that the Public Utilities Commission of Ohio (the "PUCO") deny Columbia's Application.

The Ohio Revised Code requires the PUCO to adopt rules regarding natural gas billing to protect customers. *See* R.C. 4929.22 ("For the protection of consumers in this

¹ See Application of Columbia Gas of Ohio, Inc. ¶¶ 3-4 (Mar. 25, 2016) (the "Application").

state, the public utilities commission shall adopt rules . . . regarding the marketing solicitation, sale, or provision, directly or through its billing and collection agent, of any competitive retail natural gas service . . ."). The Revised Code requires natural gas bills to include "price disclosure and disclosures of total billing units for the billing period." *See* R.C. 4929.22(C)(2). It also requires bills to include, "to the maximum extent practicable, separate listing of each service component to enable a customer to recalculate its bill for accuracy." *See* R.C. 4929.22(C)(2). OAC 4901:1-13-11(B)(9) implements these statutory requirements by requiring natural gas bills to include the rate for purchase of the natural gas commodity, in dollars and cents per Mcf or Ccf. With this information, customers can recalculate their bills for accuracy. Without it, they cannot.

The PUCO does not have the authority to waive the requirement of OAC 4901:1-13-11(B)(9) because it is a statutory mandate. The PUCO "may, upon an application or a motion filed by a party, waive any requirement of [chapter 4901:1-29], other than a requirement mandated by statute, for good cause shown."² Because OAC 4901:1-13-11(B)(9) is mandated by Revised Code 4929.22(C), the PUCO cannot grant Columbia the waiver that it requests in its Application. On this basis alone, the Application must be denied.

B. Columbia should not be permitted to avoid complying with a rule that is designed to protect customers by providing them with detailed rate information.

Even if the PUCO had the authority to waive the requirements of OAC 4901:1-13-11(B)(9), it should not do so in this case. Under the PUCO rules, customers are entitled to bills that include the rate that they pay for natural gas. *See* OAC 4901:1-13-

² *See* OAC 4901:1-29-02(C) (emphasis added).

11(B)(9). This requirement is not limited to those customers who receive the standard choice offer (the "Standard Offer"). It applies equally to those customers who choose to receive their natural gas from competitive retail natural gas service suppliers ("Marketers"). Customers that choose to receive gas through a Marketer need clear, accurate, and understandable information to decide whether a Marketer will save them money as compared to the Standard Offer.

Columbia claims that with enhancements that have been made to its billing system to provide suppliers with Bill Ready and CHOICE Prepay functionality, the rate for the commodity service will no longer be placed on customers' bills. Rather than Columbia calculating the total supplier charges on the bill, both Bill Ready and CHOICE Prepay involve the suppliers providing the total charges to Columbia. Columbia then simply places that number on the bill.

Customers need to know how their Marketer's rates and charges compare with other competitive options available from the market, including the Standard Offer. As was recently reported by the Columbus Dispatch, Columbia customers have paid \$1.36 billion more in obtaining natural gas from Marketers than they would have paid for the same commodity service through the Standard Offer. *See* Columbus Dispatch, Ohio Customers Losing Big on Unregulated Natural Gas Plan (Apr. 5, 2016).³ These customers continue to pay more for natural gas, despite choosing their own provider. They need more information — not less, as Columbia proposes — so that they can review, on a month-by-month basis, their choice to use a Marketer instead of receiving natural gas through the Standard Offer.

³, http://www.dispatch.com/content/stories/business/2016/04/05/1-customers-losing-big-on-unregulated-natural-gas-plans.html?fb_comment_id=1005957776159533_1006193682802609#f108ece6c38f784.

Without the actual supplier rate per Ccf being listed on the bill, customers have less information about how they are potentially being over-charged for natural gas through a Marketer and how their natural gas charges compare to other market options. This is contrary to Ohio policy, which explicitly promotes the availability of unbundled and comparable natural gas goods and services. *See* R.C. 4929.02(A)(2) ("It is the policy of this state to, throughout this state: . . . [p]romote the availability of unbundled and comparable natural gas services and goods that provide wholesale and retail consumers with the supplier, price, terms, conditions, and quality options they elect to meet their respective needs.").

The PUCO should deny the waiver request and instead require Marketers to disclose their rate per Ccf for both Bill Ready and CHOICE Prepay services for inclusion on the Columbia bill.

C. The bill should include the Standard Offer rate so that customers can compare their rate and determine whether they are saving money by using a Marketer.

Columbia has proposed an additional bill message where an average rate per Ccf is calculated and customers are told to contact their supplier with any questions. The average rate per Ccf information is helpful but incomplete. It may tell a customer what his or her average rate is, but it does not provide the customer with information regarding the marginal rate that he or she might pay with increased natural gas usage. The customer's average rate per Ccf may differ materially depending on the customer's monthly usage. Thus, average rate may not inform the customer's decision to reduce or increase natural gas usage and may not provide any insight on the value that the customer receives through its Marketer as compared to the Standard Offer.

The average rate is also much less useful if, as Columbia proposes, the Standard Offer rate is not also included for purposes of comparison. The PUCO should require Columbia to include a bill message on all residential customer bills that discloses the Standard Offer rate on a monthly basis. This bill message is similar in form and content to information that electric utilities currently provide all residential customers on a monthly basis.⁴

If customers receive monthly disclosure of both the rate that they pay through their Marketer and the prevailing Standard Offer rate, then they will have sufficient information available on the bill to easily determine if their Marketer rate is saving or costing them money.

D. Bill Ready billing does not prohibit Columbia from including the rate so that customers will remain informed.

In its Application, Columbia cites a stipulation from Case Number 12-2637-GA-EXM⁵ and asserts that it is required to implement Bill Ready and CHOICE Prepay under that stipulation.⁶ Columbia states that Bill Ready and CHOICE Prepay "require Columbia to bill customers a charge, not a rate, provided by suppliers."⁷ Columbia also claims that it "cannot provide the suppliers' rate for service, as it is only receiving from the suppliers the total charges for service."⁸ Nothing in the stipulation, or otherwise, prevents Columbia from receiving the rate from the Marketer and including it on the bill.

⁴ See OAC 4901:1-10-22(B)(24) (requiring electric utility bills to include the "price-to-compare notice . . . and a notice that such customers can obtain a written explanation of the price-to-compare from their electric utility").

⁵ See Amended Joint Motion to Modify Orders Granting Exemption, Joint Exhibit No. 2, Case No. 12-2637-GA-EXM (Nov. 27, 2012) (the "Stipulation").

⁶ See Application ¶ 3.

⁷ *Id.*

⁸ *Id.* ¶ 4.

The stipulation cited by Columbia, in fact, does not require Bill Ready billing at all. Rather, it provides that Columbia will use best efforts to offer "rate ready and/or bill ready billing by individual customer" by April 1, 2017.⁹ Nothing in the Stipulation requires Marketers to provide only a Bill Ready charge, nothing in the Stipulation prohibits Marketers from providing the rate to Columbia, and nothing in the Stipulation prohibits Columbia from including both the Bill Ready charge and the rate structure on the customer's bill. Thus, the use of Bill Ready and CHOICE Prepay in no way inhibits Columbia's ability to comply with OAC 4901:1-13-11(B)(9) by including the rate that the customer pays.

E. Columbia should suspend Bill Ready billing because it currently provides incorrect meter reading information to customers.

In its Application, Columbia acknowledges that its billing software does not work properly such that "actual meter readings show as estimated meter readings on customer bills."¹⁰ Columbia claims that software programming is underway to address this issue by June 2016.¹¹ Bill Ready billing should be suspended indefinitely until Columbia has sufficient time to implement and test the needed software changes. Given the significant money that customers have spent on Automated Meter Reading technology across Columbia's service territory (at least \$79 million to date¹²), customers should not be provided with inaccurate information concerning meter reading on their bills.

⁹ See Stipulation ¶ 44 (emphasis added).

¹⁰ Application ¶ 6.

¹¹ *Id.*

¹² See Application, *In re Annual Application of Columbia Gas of Ohio, Inc. for an Adjustment to Rider IRP and Rider DSM Rates*, Case No. 15-1918-GA-RDR (Feb. 26, 2016) (showing total plant in service related to AMR of \$79,581,132).

F. Conclusion

By law, Columbia cannot obtain a waiver of the disclosure requirement under OAC 4901:1-13-11(B). Such a waiver is against the best interests of Columbia's customers. Customers have lost well over a billion dollars by choosing Marketers over the Standard Offer, and they will continue to lose money if they cannot make informed decisions. Customers' monthly bills should include (a) the rate that they pay for natural gas through their Marketer and (b) the Standard Offer rate. Then, at the very least, customers can compare what they pay for natural gas to the Standard Offer rate to determine whether they are saving or losing money by using a Marketer. OAC 4901:1-13-11(B) is designed to protect consumers by providing them with detailed rate information. Columbia's proposed waiver makes customers less informed and increases the likelihood that customers will continue to pay natural gas bills that are significantly higher than they need to be. To protect the interests of consumers, the PUCO should deny Columbia's Application and should require Columbia to comply with OAC 4901:1-13-11(B).

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that a copy of these Comments was served on the persons stated below via electric transmission this 6th day of May 2016.

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Summary: Comments Opposition to the Application of Columbia Gas of Ohio, Inc. by The Office of the Ohio Consumers' Counsel electronically filed by Ms. Jamie Williams on behalf of Healey, Christopher Mr.