

**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Regulation of the )	
Purchased Gas Adjustment Clause Contained )	Case No. 15-218-GA-GCR
Within the Rate Schedules of Duke Energy )	
Ohio, Inc. and Related Matters. )	

In the Matter of the Percentage of Income )	
Payment Plan Rider of Duke Energy Ohio, Inc. )	Case No. 15-418-GA-PIP
. )	

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**OHIO PARTNERS FOR AFFORDABLE ENERGY'S  
REPLY BRIEF**

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Ohio Partners for Affordable Energy ("OPAE") submits this reply brief in response to the post-hearing brief filed by the Retail Energy Supply Association and Interstate Gas Supply, Inc., ("Marketers") in these proceedings before the Public Utilities Commission of Ohio ("Commission") considering the regulation of the Purchased Gas Adjustment Clause ("GCR") contained within the rate schedules of Duke Energy Ohio, Inc., ("Duke"). Contrary to the Marketers' arguments, the Commission should adopt the recommendation made by the Office of the Ohio Consumers' Counsel ("OCC") that Duke provide comparisons of its GCR price to the weighted average marketers' prices for natural gas to customers on at least an annual basis. Marketers Brief at 20.

The Marketers claim that customers already have the Commission's Apples-to-Apples website to compare marketers' offers with the GCR rate. The Marketers claim that because the Apples-to-Apples website compares multiple, existing supplier offers with the GCR, the website contains more accurate price information than an averaged price as recommended by OCC. The Marketers

also cite their hearing exhibit that shows supplier offers on the Apples-to-Apples website were lower than the GCR price shown on the exhibit. Id.

Duke's customers face a choice between receiving natural gas service from Duke's GCR or from a marketer. The Apples-to-Apples website is one source of information for customers, but the Commission should provide other readily available sources of information. The Apples-to-Apples website contains no historic data; it contains current marketer offers and the current GCR. To make their choice, consumers should have the opportunity to know how their historic decisions to purchase marketers' gas compared to Duke's GCR rates.

The Audit Report contains a finding that, since 2007, Duke's GCR customers saved \$7 million when compared to the weighted average cost of gas charged to customers being served by marketers. Audit Report at 45. OCC provided testimony that this information should be a continuing calculation, made at least annually. OCC Ex. 1 at 3. The information should be made available in ways that are likely to be noticed by consumers. Duke could continue to develop the information the way it was presented in the Audit Report or Duke could develop the comparison information similar to the way Columbia Gas of Ohio performs its shadow billing.

The information should be available to customers so that they know whether they have been saving or losing money with their choice of a natural gas supplier or choice to stay with the GCR. In the absence of sufficient current and historic information for consumers to make informed choices about natural gas offers, natural gas choice may not work for consumers. Just as the Audit Report

discussed customer savings since 2007, Duke should be ordered to inform customers how much money Duke's GCR rate saved consumers annually over what the natural gas would have cost if purchased from an average of marketer offers. OCC Ex. 1 at 8. If consumers have saved money from marketer offers, consumers should know this. If marketer offers have not saved money for consumers, then consumers should know that before they make a purchasing decision. Providing customers with this information will help them make an informed decision when reviewing a marketer offer.

Marketers also claim that OCC's proposal for a weighted average price would not value individual products offered by marketers that provide savings to customers. Marketers' Brief at 20. The Marketers point to "value-added products" such as fixed and variable term contracts and "fuel points and smart thermostats bundled with retail natural gas service". Id. at 21. The value of these products would not be reflected in a straight price comparison, given that the GCR only reflects the commodity price. Marketers' Brief at 21.

Customers being offered added value by marketers should be able to judge the added value. If some value other than a lower commodity price is being offered, this other value still needs to be weighed fairly. The Marketers refer to anticompetitive practices, but an offer whose value is not transparent will not advance competition. Historic bill information can enhance price transparency and sharpen competition for the benefit of consumers. Consumers should be receiving value from retail energy markets. Information showing the

value customers have received (or not received) from the market should not be hidden from customers.

## **II. Conclusion**

The Stipulation filed by Duke and the Commission's Staff should be modified to provide customer benefits. First, the Commission should order Duke to issue a Request for Proposals ("RFP") for the Percentage of Income Payment ("PIPP") pool to determine if the RFP results in a lower rate for PIPP customers than Duke's GCR rate. Second, the Commission should require Duke to file a report identifying the estimated cost increase that could impact consumers from the KO Transmission rate case and showing how Duke managed its role in the rate case. Third, the Commission should require Duke to provide annually comparisons of its GCR price to the weighted average marketers' prices and also information on how much customers saved or lost by choosing the GCR over an average of marketer offers.

Respectfully submitted,

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## **CERTIFICATE OF SERVICE**

The Commission's e-filing system will serve a copy of the foregoing Reply electronically upon the following electronically subscribed persons identified below in this case on this 10th day of June 2016.

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**This foregoing document was electronically filed with the Public Utilities**

**Commission of Ohio Docketing Information System on**

**6/10/2016 11:57:02 AM**

**in**

**Case No(s). 15-0218-GA-GCR, 15-0418-GA-PIP**

Summary: Reply Brief electronically filed by Colleen L Mooney on behalf of Ohio Partners for Affordable Energy