BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

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

APPLICATION FOR REHEARING
BY
THE OFFICE OF THE OHIO CONSUMERS' COUNSEL

Ohioans have a right to know the rate they are paying when they purchase natural gas. This information is important because Ohio Law (R.C. 4905.22) requires a customer's natural gas bill to include, "[t]o the maximum extent practicable, separate listing of each service component to enable a customer to recalculate its bill for accuracy." The rules enabling this provision of the Code require natural gas companies, like Columbia Gas of Ohio, Inc. ("Columbia"), to include on each customer's bill "[t]he rate for purchase of the . . . natural gas commodity, expressed in dollars and cents per Mcf or Ccf."[1] *See* Ohio Admin. Code ("OAC") 4901:1-13-11(B)(9). This rule is helpful to customers because it is intended to provide accurate, clear, and understandable information to customers.

In its application in this case, Columbia sought a waiver of this requirement for an indefinite period of time.[2] During that indefinite period of time, Columbia proposed that

[1] *See* Entry ¶ 16, Case No. 16-653-GA-WVR (July 20, 2016) (the "Entry").

[2] *See* Application of Columbia Gas of Ohio, Inc., Case No. 16-653-GA-WVR (Mar. 25, 2016) (the "Application").

customer bills include only the gross supplier charge.[3] The gross supplier charge s do not include the rate per Ccf of natural gas.

In its July 20, 2016 Entry, the Public Utilities Commission of Ohio (the "PUCO") properly concluded that "all customers should receive detailed rate information, consistent with the requirements set forth in Ohio Adm. Code 4901:1-13-11(B)(9)."[4] The PUCO, however, granted Columbia's waiver request allowing it to not comply for a period of two years. The Office of Ohio Consumers' Counsel ("OCC") files this application for rehearing so that the PUCO can set a more reasonable timeframe for Columbia to take steps necessary to comply with OAC 4901:1-13-11(B)(9).

The PUCO's Entry was unreasonable and unlawful in the following respects:

ASSIGNMENT OF ERROR 1: The PUCO's Entry, is in error because it allows Columbia to not comply with Ohio Revised Code 4929.22(C)(2).

ASSIGNMENT OF ERROR 2: The PUCO's Entry is in Error because it fails to sufficiently detail the reasons prompting the decision as required by Ohio Revised Code 4903.09.

ASSIGNMENT OF ERROR 3: The PUCO's Entry is unreasonable and unlawful because the entry granted the waiver without COH showing good cause for granting the waiver of OAC 4901:1-13-11(B)(9), as required by OAC 4901:1-29-02(C).

The reasons in support of this application for rehearing are set forth in the accompanying Memorandum in Support. The PUCO should grant rehearing and abrogate or modify its Entry as requested by OCC.

[3] *See* Application ¶¶ 3-4.

[4] *See* Entry ¶ 16.

Respectfully submitted,

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MEMORANDUM IN SUPPORT

The Ohio Revised Code ("R.C.") and Ohio Administrative Code ("OAC") seek to protect natural gas consumers by requiring detailed rate information on customers' bills. With the rate information, customers have some hope of knowing what they are paying for and can verify that their bills are accurate. In this case, Columbia Gas of Ohio, Inc. ("Columbia") seeks a waiver of certain statutory and regulatory requirements that would result in customers receiving bills that lack the specificity required under Ohio law and PUCO rules. Columbia's proposed bill format would provide a gross supplier charge and an average charge per Ccf but would not include the actual rate that the supplier is charging the customer.

The PUCO correctly concluded that "all customers should receive detailed rate information, consistent with the requirements of Ohio Adm. Code 4901:1-13-11(B)(9)."[5] The PUCO Entry, however, is unlawful and unreasonable because (i) it permits Columbia to issue bills to customers that do not enable them to recalculate their bills for accuracy, (ii) there is no evidence that supports the PUCO giving Columbia two years to implement changes to its billing system so that it can comply with the requirements of R.C.

[5] *See* Entry ¶ 16, Case No. 16-653-GA-WVR (July 20, 2016) (the "Entry").

4929.22(C) and OAC 4901:1-13-11(B)(9) for two-years[6], and (iii) Columbia did not demonstrate good cause for its waiver request. Accordingly, the PUCO should grant rehearing.

Upon rehearing, the PUCO should deny Columbia's waiver request. In the alternative, the PUCO should open the record in this case to determine (i) whether Columbia is currently capable of providing rate information from competitive retail natural gas suppliers ("Marketers") and if not, then (ii) a reasonable amount of time for Columbia to develop that capability. After all, since the inception of customer choice, Columbia's billing systems have been capable of providing rate information on bills that are rendered with supplier charges. Consumers should not be subjected to billing statements that lack sufficient information for a period of two years for Columbia.

I. STANDARD OF REVIEW

An intervenor in a proceeding before the PUCO has a statutory right to "apply for rehearing in respect to any matters determined in the proceeding."[7] OCC intervened and participated in this proceeding.[8] In considering an application for rehearing, "the commission may grant and hold such rehearing on the matter specified in such application, if in its judgment sufficient reason therefor is made to appear." If the PUCO determines that the order, or any part of the order, "is in any respect unjust or

[6] R.C. 4929.22(C)(2) requires a customer's natural gas bill to include, "[t]o the maximum extent practicable, separate listing of each service component to enable a customer to recalculate its bill for accuracy").

[7] *See* R.C. 4903.10.

[8] *See* Entry ¶ 19 (granting OCC's motion to intervene).

unwarranted, or should be changed," then the PUCO "may abrogate or modify" the order.[9]

For the reasons describe in this application for rehearing, the PUCO should conclude that the Entry is unjust and unreasonable under R.C. 4903.10. The PUCO should protect consumers by granting OCC's application for rehearing. It should abrogate or modify the Entry, consistent with OCC's recommendations in this application for rehearing.

II. ERRORS

ASSIGNMENT OF ERROR 1: The PUCO's Entry, is in error because it allows Columbia to not comply with Ohio Revised Code 4929.22(C)(2).

Ohio law establishes minimum service requirements for natural gas companies to comply. With regards to content for customer billing statement, R.C. 4929.22(C)(2) states: [t]o the maximum extent practicable, separate listing of each service component to enable a customer to recalculate its bill for accuracy. However, as Columbia states in its Application, a customer's billing statement will not include the rate that the customer pays for service.[10]

Instead, Columbia will provide only the "total charges for service."[11] In other words, the Marketer provides Columbia with the total commodity charge, and Columbia then simply places that number on the bill. Columbia will also provide the customer with the total amount of natural gas (Ccf) that the customer consumes.[12] Columbia then

[9] *Id.*

[10] *See* Application ¶ 4.

[11] *Id.*

[12] *See* Application ¶ 5.

divides the Marketer charge by the number of Ccfs and includes that number on the bill as an "average per Ccf rate."[13] However, knowing the average rate per Ccf says nothing about the accuracy of the Marketer charge. It simply shows, for purposes of a rough comparison, about how much the customer paid per Ccf, even if the customer's rate is not a fixed per Ccf rate.

There is no way for a customer to recalculate its bill for accuracy based solely on the number of Ccfs consumed and the total supplier charge. The customer can multiply the number of Ccfs on his or her bill by the average rate provided by Columbia and confirm that the product is equal to the Marketer charge on the bill. But this is meaningless. All this does is reverse engineer the exact calculation that Columbia performed to arrive at the average rate. If the Marketer charge is incorrect, then Columbia will use that incorrect charge when calculating the average rate. The only way that a customer can recalculate his or her bill for accuracy is if the Marketer's rate, and not just the total charge, is included on the bill. Accordingly, the PUCO erred when it concluded that by providing the average rate, Columbia has enabled customers to recalculate their bills, as required by R.C. 4929.22.

The granting of the waiver for two years is going in the opposite direction from what consumers should be shown on their bills. In addition to the actual rate that the Marketer is charging the consumer for his/her commodity service, a price-to-compare identifying the standard choice offer ("SCO") should be included on the bill. Including the SCO on the bill the SCO that the consumer could compare to Marketer offers to help consumers save money should be included on the bill. The PUCO requires a price-to-

[13] *Id.*

compare be shown to electric customers on their bills. The PUCO should be require the same for natural gas customers as is done for electric to help customers natural gas customers and should not be granting a waiver to allow even les info to be shown to Columbia's 1.4 million customers.

PUCO should require Columbia to modify its bills as soon as possible so that Columbia can comply with R.C. 4929.22(C)(1). As discussed above, Columbia's proposed bill format does not enable customers to recalculate their bills for accuracy. R.C. 4929.22(C)(1), however, requires them to be able to do so "to the maximum extent practicable." The phrase "maximum extent practicable" means that the PUCO should not grant a waiver that is longer than absolutely necessary.

ASSIGNMENT OF ERROR 2: The PUCO's Entry is in Error because it fails to sufficiently detail the reasons prompting the decision as required by Ohio Revised Code 4903.09.

The PUCO incorrectly found that Columbia's proposed bills "will enable the customer to recalculate the bill for accuracy."[14] There is no factual basis to support this holding. The PUCO violated R.C. 4903.09 in this regard.

The PUCO granted Columbia's request for a waiver for a period of two years from the date of the Entry (*i.e.*, until July 20, 2018).[15] While OCC agrees with the PUCO's decision to deny Columbia a permanent waiver of OAC 4901:1-13-11(B)(9) (which is designed to protect natural gas consumers), the two-year waiver period is arbitrary and lacks a factual basis. The PUCO violated R.C. 4903.09 in allowing the two

[14] *See* Entry ¶ 16.

[15] Entry ¶ 15.

year waiver without record support for the decision and without including reasons prompting the decision.

The PUCO decided to grant a two-year waiver, stating that two years "is a reasonable period of time in which Columbia should work with Marketers to obtain the actual rate for commodity service, whether fixed or per Ccf, and reprogram its billing system to display the rate on customer bills."[16] The PUCO however, failed to detail the reasons prompting its decision that two years is a "reasonable period" for the waiver. Neither Columbia nor any other party to this proceeding submitted evidence demonstrating how long it should reasonably take Columbia to reprogram its billing system.

If the PUCO believes that a temporary waiver is appropriate, it should open the record in this case and Columbia should bear the burden of proving (a) that good cause exists and (b) a reasonable time period for compliance with OAC 4901:1-13-11(B)(9). As required by R.C. 4903.09, the PUCO must provide a complete record, including findings of fact when issuing written opinions. The Ohio Supreme Court recently remanded a case to the PUCO because the PUCO failed to explain its decision.[17] AEP complained that the PUCO "failed to explain its decision."[18] The Supreme Court agreed with AEP, finding that "[t]he commission never offered a response to AEP's claims and thus failed to explain its decision. This was an error."[19] In this case, the PUCO failed to explain why a two-year waiver is reasonable.

[16] Entry ¶ 15.

[17] In re Application of Columbus S. Power Co., Slip Opinion No. 2016-1608 at ¶66.

[18] Id.

[19] Id.

There is no evidence in the record in this case to support a conclusion that the very best that Columbia can do is to comply after two years. Indeed, in a related case involving Columbia's bill formats, Columbia demonstrated that it has the ability to modify its bills and implement those modifications in far less than two years. On the same day that Columbia filed its Application in this proceeding (March 25, 2016), Columbia filed a separate application to modify its general bill formats.[20] Columbia and OCC collaborated to address certain issues that OCC had identified with Columbia's 14-day termination notice.[21] On June 21, 2016, Columbia filed an application in which it agreed to implement six different changes to its bill format.[22] Columbia proposed in this application that the bill formatting updates be approved on the 46th day after filing of the application (*i.e.*, August 6, 2016). Columbia, therefore, demonstrated that it has the ability to reprogram its billing system in a matter of weeks or months, not years.

The two year waiver period granted to Columbia is without record support and appears to be arbitrary.

ASSIGNMENT OF ERROR 3: The PUCO's Entry is unreasonable and unlawful because the entry granted the waiver without COH showing good cause for granting the waiver of OAC 4901:1-13-11(B)(9), as required by OAC 4901:1-29-02(C).

The PUCO erred by concluding that Columbia showed good cause for the waiver request.[23] Columbia did not provide any evidence that it is currently unable to comply with OAC 4901:1-13-11(B)(9). Nor did Columbia provide any evidence that it will be unable to comply with OAC 4901:1-13-11(B)(9) for two more years. In fact, Columbia

[20] Case No. 16-650-GA-UNC.

[21] *See* Application, Case No. 16-1444-GA-UNC (June 21, 2016).

[22] Case No. 16-1444-GA-UNC.

[23] *See* Entry ¶ 15.

has provided Marketer rate information on bills since the inception of customer choice in the mid-1990s. For the reasons discussed above, Columbia did not show "good cause" for any waiver, let alone a two-year waiver.

III. CONCLUSION

OCC appreciates the PUCO's effort to protect consumers by denying Columbia's request for a permanent waiver of OAC 4901:1-13-11(B)(9). That rule is designed to ensure that consumers receive bills that provide detailed rate information. Consumers deserve to know what they are paying for when they receive their natural gas bills.

At the same time, however, the PUCO's Entry is unreasonable and unlawful because (a) it allows Columbia to use bills that do not enable customers to recalculate their bills for accuracy, as required by statute, (b) it concludes that a two-year waiver is appropriate, even though there is no record evidence supporting this conclusion, and (c) Columbia failed to show “good cause” for the two year waiver.

Accordingly, the PUCO should grant rehearing and find that:

- Columbia's proposed bills, which would include only the total Marketer charge and not the Marketer rate, do not enable customers to recalculate their bills for accuracy.
- A two-year waiver does not satisfy the statutory requirement that customers be able to recalculate their bills for accuracy "to the maximum extent practicable."
- Columbia has not shown "good cause" for a two-year waiver of the disclosure requirements under OAC 4901:1-13-11(B)(9).

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Application for Rehearing was served on the persons stated below via electronic transmission, this 19th day of August 2016.

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Summary: App for Rehearing Application for Rehearing by The Office of the Ohio Consumers' Counsel electronically filed by Ms. Jamie Williams on behalf of Healey, Christopher Mr.