

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Filing by Ohio Edison)
Company, The Cleveland Electric Illuminating)
Company, and The Toledo Edison Company of) Case No. 16-481-EL-UNC
a Grid Modernization Business Plan.)

In the Matter of the Filing by Ohio Edison)
Company, The Cleveland Electric Illuminating)
Company, and The Toledo Edison Company) Case No. 17-2436-EL-UNC
Application for Approval of a Distribution)
Platform Modernization Plan.)

In the Matter of the Application of Ohio Edison)
Company, The Cleveland Electric Illuminating)
Company, and The Toledo Edison Company to) Case No. 18-1604-EL-UNC
Implement Matters Relating to the Tax Cuts and)
Jobs Act of 2017.)

In the Matter of the Application of Ohio Edison)
Company, The Cleveland Electric Illuminating)
Company, and The Toledo Edison Company for) Case No. 18-1656-EL-ATA
Approval of a Tariff Change.)

REPLY BRIEF OF INTERSTATE GAS SUPPLY, INC.

I. INTRODUCTION

On November 9, 2018, as supplemented on January 25, 2019, Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company (“FirstEnergy”) and a diverse group of parties, including Interstate Gas Supply, Inc. (“IGS”), filed a Stipulation and Recommendation (“Stipulation”) regarding the tax savings associated with the Tax Cuts and Jobs Act of 2017 and the implementation of the first phase of FirstEnergy’s distribution modernization endeavor (“Grid Mod Phase I”). On March 1, 2019, parties filed initial briefs in these proceedings. In this Reply Brief, IGS

responds to arguments presented by The Smart Thermostat Coalition (“STC”) and jointly, the Environmental Law & Policy Center, Natural Resources Defense Council and Ohio Environmental Council (“Environmental Groups”).

II. ARGUMENT

A. Any smart thermostat rebate program should be made available on a nondiscriminatory basis.

In their Initial Briefs, STC and the Environmental Groups express support for a smart thermostat rebate and installation proposal.¹ While IGS generally supports non-discriminatory access to smart thermostat rebates, IGS must express its concern with one element of the proposal of the opponents of the Stipulation.

As indicated by IGS witness Childers at the hearing, IGS is generally supportive of smart thermostat rebates.² However, these rebates must be made available in a nondiscriminatory manner and in a way that allows CRES providers to easily take advantage of them on behalf of their customers.³ Yet under Ms. Dzubay’s proposal, the rebates would only be available through “the Companies’ online marketplace and at other qualifying online and brick-and-mortar retailers.”⁴ Should the Commission find it appropriate to modify the Stipulation to include funding for smart thermostat rebates, IGS urges the Commission to require the rebates be available on a nondiscriminatory basis, including other channels not identified by STC and the Environmental Groups. The Commission should not preclude a CRES provider’s ability to bundle a smart thermostat

¹ STC Initial Brief at 18-21; Environmental Groups at 34-36.

² Tr. Vol. I at 190.

³ *Id.*

⁴ STC Ex. 4 at 17; STC Initial Brief at 19.

with other energy management products and services to create a more educated and engaged customer, and a customer's opportunity to receive a smart thermostat with no upfront costs.

B. Challenges to the withdrawal of FirstEnergy's standard service offer (SSO) time-of-use (TOU) rate are premature.

In its Initial Brief, STC challenges the Stipulation's provisions regarding the withdrawal of FirstEnergy's SSO TOU rate offering.⁵ IGS responds that these arguments are premature. The Stipulation establishes a collaborative process for a smooth transition from a TOU rate for non-shopping customers to reliance on the market for time-varying products, but that transition will require additional Commission approval at a later date.⁶ At that time, STC may raise any potential concerns. Thus, IGS recommends the Commission decline to adopt STC's suggested modifications to these provisions.

III. CONCLUSION

For the reasons provided in its Initial Brief, IGS recommends that the Commission find that the Stipulation is the product of serious bargaining, in the public interest, and does not otherwise violate any regulatory policy or principle. Thus, IGS believes the Commission should approve the Stipulation without any modification. However, should the Commission determine modifications are necessary, IGS requests that any changes maintain or improve the Stipulation's positive contributions to the development of the competitive markets and availability of innovative products and services.

⁵ STC Initial Brief at 21-27.

⁶ Stip. at 17-18.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I certify that this *Reply Brief of Interstate Gas Supply, Inc.* was filed electronically through the Docketing Information System of the Public Utilities Commission of Ohio on March 12, 2019. The PUCO's e-filing system will electronically serve notice of the filing of this document on all parties of record.

/s/ Bethany Allen

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Summary: Reply Reply Brief of Interstate Gas Supply, Inc. electronically filed by Bethany Allen on behalf of Interstate Gas Supply, Inc.