BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Duke Energy Ohio, Inc. for Approval of Bill Formatting Changes.	)))	Case No. 19-1593-GE-UNC

INITIAL COMMENTS OF INTERSTATE GAS SUPPLY, INC.

On August 27, 2019, Duke Energy Ohio, Inc. ("Duke") filed an application ("Initial Filling") for approval of changes to its customer bill formats in this proceeding. Subsequently, on October 4, 2019, Duke filed a "Correspondence Clarifying Sample Bill Formats" ("Supplemental Filing"). In the Supplemental Filing, Duke states that it has resubmitted the bill formats to ensure clarity and completeness of the record. Interstate Gas Supply, Inc. ("IGS" or "IGS Energy") submits these comments regarding Duke's "Price to Compare" ("PTC") provision regarding electric service ("PTC Statement") contained in the proposed bill formats.

In the Initial Filing, Duke proposes changes to its customer bills, including revisions to the language contained in its PTC Statement. However, in Duke's Supplemental Filing, the proposed changes to the PTC Statement are removed and Duke proposes to retain the PTC Statement it currently utilizes on customer bills. In response, IGS files these comments in support of the retention of Duke's current PTC Statement. The bare PTC Statement included in the Initial Filing highlights IGS' concern regarding the presentation

of the PTC as residential customers become exposed to more innovative generation rates in the market.[1]

Currently, three electric distribution utilities ("EDUs"), including Duke, have committed to pursue wholesale market settlements for individual customers based upon actual hourly energy usage as part of their grid modernization efforts. This enhancement will allow CRES providers to offer products and services, including retail electric generation service, that better align a customer's behavior to their underlying costs to serve. In the retail market, actual data will replace the generic data currently used as the foundation to formulate pricing. However, as residential customers gain the ability to choose from more sophisticated offers, IGS expresses concern that the PTC Statement will no longer represent the true "price to compare," and instead, without context, could potentially mislead customers in their decision making.

For example, capacity charges are allocated to a customer based upon that customer's demand at specific points of time during the previous year. Currently, for almost all residential customers in Ohio, instead of using the customer's actual usage during those times, the EDU uses a generic load profile. This translates into the same capacity allocation to all residential customers in the EDU's territory. However, when the EDU calculates wholesale market settlements for individual customers, the capacity charges will be allocated to those customers based upon their actual usage behavior. Thus, the PTC will include a capacity component based on a generic load profile, while the CRES provider could be offering a rate with the capacity component based on the

[1] IGS also supports the current PTC Statement because the PTC Statement in the Initial Filing removes the reference to the Commission's Apples to Apples website.

customer's actual usage. This creates a variance from one of the components within the PTC.

Moreover, the standard service offer ("SSO") product recovers capacity costs through kilowatt hour-based charges. In reality, capacity costs are fixed. If a CRES provider provides a customer with an offer based upon an actual assignment of capacity costs (whether fixed or kilowatt hour-based), it may create an apples-to-oranges comparison that does not appropriately evaluate whether savings exist.

Similar concerns apply for energy charges. An SSO customer is charged the same rate per unit of electricity regardless of when the electricity is consumed. In contrast, the price of the electricity purchased in the wholesale market varies based on the time of day. With individual wholesale settlements, a CRES provider can offer rates that align with the time-varying wholesale prices. This simply a different "product" than the SSO.

While IGS believes neither of the proposed PTC Statements properly recognize the limitations of the PTC when compared to offerings using customer-specific usage data, IGS believes Duke's current PTC Statement is more appropriate. Its utilization of the phrase "for the same usage that appears on this bill" signals to customers that generation rates vary based on the customer's usage in that month, which is a step in the right direction. Additionally, IGS encourages the Commission to consider revisions to the messaging and emphasis surrounding the PTC to ensure customers understand the purpose, scope, and limitations of its application.

Respectfully submitted,

/s/ Bethany Allen

Bethany Allen (0093732)
Email: Bethany.Allen@IGS.com
Joseph Oliker (0086088)
Email: Joe.Oliker@IGS.com
Counsel of Record
Interstate Gas Supply, Inc.
6100 Emerald Parkway
Dublin, Ohio 43016
Telephone: (614) 659-5000
Facsimile: (614) 659-5073

Attorneys for Interstate Gas Supply, Inc.

CERTIFICATE OF SERVICE

I certify that this *Initial Comments of Interstate Gas Supply, Inc.* was filed electronically through the Docketing Information System of the Public Utilities Commission of Ohio on November 6, 2019. The PUCO's e-filing system will electronically serve notice of the filing of this document on the following parties:

Rocco.dascenzo@duke-energy.com Elizabeth.Watts@duke-energy.com andy.shaffer@ohioattorneygeneral.gov	Ambrosia.logsdon@occ.ohio.gov John.Jones@ohioattorneygeneral.gov

/s/ Bethany Allen
Bethany Allen

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Commission of Ohio Docketing Information System on

11/6/2019 5:24:51 PM

in

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