

# THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE APPLICATION OF  
DUKE ENERGY OHIO, INC. FOR  
APPROVAL OF BILL FORMAT CHANGES.

CASE NO. 19-1593-GE-UNC

## FINDING AND ORDER

Entered in the Journal on December 18, 2019

### I. SUMMARY

{¶ 1} The Commission approves the application filed by Duke Energy Ohio, Inc. regarding its universal bill format as part of the Customer Connect Program, subject to the modifications in this Finding and Order.

### II. DISCUSSION

{¶ 2} Duke Energy Ohio, Inc. (Duke or the Company) is an electric distribution utility as defined by R.C. 4928.01(A)(6), a natural gas company as defined by R.C. 4905.03, and a public utility as defined in R.C. 4905.02, and, as such, is subject to the jurisdiction of this Commission.

{¶ 3} Ohio Adm.Code 4901:1-13-11(D) provides that a gas or natural gas company proposing a new bill format shall file its proposed bill format with the Commission for approval. If the Commission does not act upon an application for a new bill format approval within 45 days, the proposed bill format shall automatically be approved on the 46th day.

{¶ 4} Ohio Adm.Code 4901:1-10-22(C) provides that an electric utility proposing a new bill format shall file its proposed bill format with the Commission for approval. If the Commission does not act upon an application for a new bill format approval within 45 days, the proposed bill format shall automatically be approved on the 46th day.

{¶ 5} On August 27, 2019, Duke filed an application seeking approval of a new universal bill format as part of its Customer Connect Program. Duke represents that it received feedback from customers, employees, and Commission Staff and subsequently created the new proposed bill format to remove confusing content, simplify information,

and make the bill more digestible and visually pleasing. In addition, Duke states that, while the new bill looks different, the Company has maintained all of the information its customers value and all of the information required by the Commission. Duke notes that a sample proposed bill format is attached to the application. Lastly, Duke requests that the Commission approve the proposed bill format as filed.

{¶ 6} On September 16, 2019, the Ohio Consumers' Counsel (OCC) filed a motion to intervene and to suspend the automatic approval process of Duke's proposed bill format application.

{¶ 7} On September 20, 2019, Interstate Gas Supply, Inc. (IGS) filed a motion to intervene in this proceeding.

{¶ 8} On October 2, 2019, Duke filed a memorandum contra OCC's motion to intervene and to suspend the automatic approval process, along with a motion for leave to file the memorandum contra one day beyond the filing deadline. The Commission finds that Duke's motion for leave to file its memorandum contra is reasonable under the circumstances and should be granted.

{¶ 9} On October 4, 2019, Duke submitted an updated bill format to ensure clarity and completeness of the record.

{¶ 10} On October 9, 2019, OCC filed a reply in support of its motion to intervene and to suspend the automatic approval process.

{¶ 11} The Commission finds that the motions to intervene in this proceeding filed by OCC and IGS are reasonable and should be granted, as the motions comply with the requirements of R.C. 4903.221 and Ohio Adm.Code 4901-1-11.

{¶ 12} By Entry issued October 10, 2019, the attorney examiner suspended the automatic approval process for Duke's proposed bill format application.

{¶ 13} By Entry issued October 23, 2019, the attorney examiner, among other things, solicited comments from intervenors regarding Duke's application.

{¶ 14} On November 6, 2019, OCC, Staff, and IGS timely filed initial comments.

{¶ 15} On November 13, 2019, Duke, OCC, and IGS timely filed reply comments.

{¶ 16} On November 15, 2019, Staff filed correspondence regarding Duke's request for a waiver of specific sections of the Ohio Administrative Code, which the Company filed in Case No. 19-1863-EL-WVR. In the letter, Staff notes that the waiver request coincides with the bill format revisions proposed in the present case. Staff recommends that the Commission grant the requested waivers of Ohio Adm.Code 4901:1-13-11(B)(3), 4901:1-10-22(B)(3), and 4901:1-10-22(B)(5). Staff recommends the requested waiver of Ohio Adm.Code 4901:1-10-22(B)(8) be granted only for bills containing interval-billed rates.

*A. Summary of Intervenors' Comments*

{¶ 17} The Commission specifically requested comments regarding Duke's proposed bill format. We have considered all of the recommendations raised in the filed comments and address them below. Any recommendation or comment that is not specifically discussed herein has been thoroughly and adequately considered by the Commission and should be denied.

{¶ 18} OCC filed comments relating to several alleged deficiencies within Duke's proposed bill format, including inaccurate information about tariff charges, lack of information to customers if they do not pay charges to a marketer, failure to prominently display important information, and inadequate notice of an upcoming disconnection.

{¶ 19} With respect to tariff charges, OCC states that Duke's proposed bill format states the reconnection fee is \$25 for electric, \$17 for natural gas, and \$38 for both; Duke's tariff, however, authorizes Duke to charge customers \$10 to reconnect electric service that can be reconnected remotely and \$69 for an electric meter that cannot be reconnected

remotely. In response to OCC's allegation, Duke contends that the filed bill formats were initially developed in 2018, prior to the amended reconnection fee and associated tariff. Duke represents that the reconnection message on the back of the bill will be updated to reflect the current, approved tariff. Additionally, as new tariffs are amended and approved by the Commission, Duke represents that it will make appropriate updates to the Company's bills.

{¶ 20} OCC believes the Commission should amend Duke's proposed bill format to provide accurate information to customers about the potential impacts of not paying charges to a marketer. In support of this request, OCC states that the proposed bill format incorrectly states: "[f]ailure to pay charges for a competitive retail service may result in the loss of your contract and disconnection of service from the respective retail electric supplier." OCC infers that this statement violates R.C. 4928.10(D) and Ohio Adm.Code 4901:1-10-10(E)(2), because customers cannot be disconnected for failure to pay a marketer.

{¶ 21} In response to OCC's contention, Duke states that OCC overlooks the legal and regulatory requirements that already govern this type of situation. Duke believes its statement is clear, but the Company is willing to revise the statement on the back of the bill to make it clear to customers that their contract with the supplier will be canceled in situations where charges for competitive retail service are not paid. The revised statement will be: "[f]ailure to pay charges for a competitive retail service may result in cancellation of your contract with the respective retail electric supplier. You will then be returned to Duke Energy Ohio's standard offer for generation services."

{¶ 22} OCC contends that Duke's proposed bill format should more prominently display the price-to-compare (PTC) message. OCC asserts that the PTC statement is extremely important to help customers determine if a marketer offer can help them save money compared to the utility's standard service offer (SSO) for electric service. Additionally, OCC avers that Duke's proposed bill format buries the PTC statement toward the end of the bill, where it is less noticeable by consumers. OCC believes the Commission

should require Duke to use its “condensed bill” format as the model for all types of bills issued by Duke because the PTC statement is prominently placed on the front of the bill.

{¶ 23} IGS also filed comments regarding Duke’s PTC provision regarding electric service contained in the proposed bill formats. IGS specifically notes that Duke initially revised the language contained in its PTC statement in its August 27, 2019 filing; however, in Duke’s supplemental correspondence filed on October 4, 2019, the proposed changes to the PTC statement are removed, and Duke proposes to retain the PTC statement it currently utilizes on customer bills. IGS supports the retention of Duke’s current PTC statement and avers that the current PTC statement, as opposed to the proposed PTC statement filed on August 27, 2019, is more appropriate because of specific language signaling to customers that generation rates vary based on the customer’s usage in that month. IGS adds that the initially proposed PTC statement also would remove the reference to the Commission’s Apples to Apples website. IGS encourages the Commission to consider revisions to the messaging and emphasis on the PTC to ensure customers understand the purpose, scope, and limitations of its application. In reply, IGS states that OCC’s emphasis on the PTC further supports its concerns raised in its initial comments. IGS recommends the Commission deny OCC’s suggestions to further emphasize the PTC because, without proper messaging surrounding the scope and application of the PTC, customers could potentially be misled in their decision making.

{¶ 24} In response to OCC’s request that the Commission amend the Company’s proposed bill format to more prominently display the PTC statement, Duke states that the Company’s goal with the new bill format is to help customers more easily view and understand their bill and energy usage. Duke adds that providing PTC information on page one of a detailed bill is not meaningful for customers since they will need to view the detailed pricing information on page three to relate the message to the charges on their bill. Additionally, the Company maintains that it has made a conscious effort to provide messaging on bills next to the relevant content to ensure they are not overlooked.

{¶ 25} OCC next argues that the Commission should amend Duke's proposed bill format to more prominently display any disconnection notice that may be included along with the bill. OCC states that Duke's proposed bill format makes the disconnection notice look like all of the other information contained on the bill.

{¶ 26} Additionally, OCC argues that Duke's proposed bill format does not specifically separate past due natural gas charges from past due electric charges. Under Ohio Adm.Code 4901:1-18-09(A), residential customers of a combination utility company that provides both natural gas and electric service have the option to choose to retain or have reconnected either natural gas or electric service, in the event of disconnection or pending disconnection of both gas and electric service. OCC believes that Duke should separately display the past due electric and past due natural gas charges on any combined utility customer bills containing a disconnection notice.

{¶ 27} In response, Duke avers that the Company has been intentional in the design of the bill to ensure that information is easily located. Specifically, the disconnect bill highlights disconnection information using a variety of means including: the display of the words "Disconnection Notice" on the top left side, next to Billing Summary in large, bold print; the display of the disconnect notice amount and pay by date in bold print; and the update of the payment coupon to reflect the amount needed and pay by date in bold print. Regarding the recommendation to provide separate past due natural gas charges and past due electric charges, the Company believes this would be harmful to customers. While a customer has the right to chose to retain either natural gas or electric service over the other, Duke avers that a phone call is required to ensure that the appropriate billing actions are performed to retain the selected service. By providing the past due natural gas and electric charges separately on the bill, Duke contends that there is an increased risk of service being disconnected if the customer chooses to pay one of the past due amounts without calling to request the separation of service option.

{¶ 28} Lastly, OCC avers that, as soon as the Company's billing system is capable, the Commission should require Duke to amend its proposed bill format to include additional information that would be helpful for consumers, including a PTC message for shopping natural gas customers that contains the gas cost recovery (GCR) price, as well as a shadow-billing message on customer bills for shopping natural gas and electric customers. OCC states that a shadow-billing message would provide shopping customers with comparison information about what they would have paid for electric and natural gas services if they were taking service under Duke's SSO or GCR.

{¶ 29} Duke avers that OCC's exact arguments with respect to GCR pricing were made by OCC in Duke's GCR proceeding for 2018 GCR adjustments. *In re Duke Energy Ohio, Inc.*, Case No. 18-218-GA-GCR, Direct Testimony of Michael P. Haugh (Sept. 3, 2019). Duke states that the issue is fully briefed in that proceeding and is more appropriately dealt with there since that is the appropriate proceeding for GCR policy concerns.

{¶ 30} IGS agrees with Duke and recommends that the Commission decline to adopt OCC's suggestions relating to GCR and shadow-billing messages. IGS states that the Commission has previously rejected the requirement of a natural gas PTC message on several occasions as it is an imperfect indicator of market rates, as well as unnecessary. IGS also believes shadow billing provides little value to customers, and relying on shadow billing for any current or future decisions would be harmful to customers because it does not depict the most up-to-date rates. Additionally, IGS argues that shadow billing fails to account for specific customer products, such as long-term fixed-price offers.

#### **B. Summary of Staff's Comments**

{¶ 31} Staff filed comments regarding Duke's proposed bill format. While Staff does not oppose Duke's application as modified on October 4, 2019, Staff is concerned that the proposed disconnection notice does not separate the amount due for disconnection by utility type, either electric or natural gas. Staff notes that the Company has expressed its intent to update this notice in a subsequent bill format update following billing system

changes in 2022. At such time, Staff recommends that Duke make Staff's recommended changes to separate the natural gas disconnection amount from the electric disconnection amount on the disconnection notice. Additionally, Staff requests that a revised disconnection notice be filed in the docket by the end of 2022 with Staff's recommended changes.

{¶ 32} As a final matter, Staff understands that Duke's proposed current bill format is contingent upon the approval of Duke's waiver application in Case No. 19-1863-EL-WVR. With respect to the proposed waiver of Ohio Adm.Code 4901:1-10-22(B)(8), Staff represents that the waiver of the beginning and ending meter reads on the consolidated bill will be applied to time-of-use customers only; customers not on a time-of-use rate will have the beginning and ending meter reads included on their bills.

{¶ 33} As a general matter, OCC believes that the Commission should reject Staff's recommendations and implement the consumer protections that OCC recommended instead. Additionally, OCC believes that Duke should be required to separate delinquent natural gas and electric charges on its bills within 90 days of an order in this proceeding.

{¶ 34} In response to Staff's recommendations, Duke reiterates its previous arguments about separating past due natural gas charges from past due electric charges. Duke states that the Company does not believe it is in the best interest of its customers to provide the past due electric and natural gas amounts separately on the customer's bill. Additionally, Duke clarifies Staff's understanding regarding the requested waiver of Ohio Adm.Code 4901:1-10-22(B)(8) as it relates to providing the beginning and ending meter readings for interval-billed rates to allow the Company to provide usage information only on the monthly bill. Duke states that the inclusion of meter readings was more meaningful under traditional rate structures; however, with advanced metering infrastructure meters and interval usage data comes more dynamic pricing structures. Therefore, Duke avers that the beginning and ending meter readings are no longer relevant to customers billed under



those structures, and those customers will receive information regarding usage that occurs during relevant bill periods, such as on/off-peak, shoulder, and demand.

**C. Commission Conclusion**

{¶ 35} After review of Duke's application and updated bill formats, as well as the comments, the Commission finds that Duke's application for approval of a new bill format is reasonable and should be approved, consistent with this Finding and Order. Specifically, the Commission approves the bill formats as revised by Duke on October 4, 2019. IGS' concerns with the PTC statement proposed by Duke in the August 27, 2019 bill format application are, therefore, moot. With respect to OCC's concerns about GCR pricing and shadow billing information being displayed on the bills of shopping customers, OCC itself recognizes that billing system changes are required before such information can be provided on a bill. OCC's recommendations on these issues are premature at this point. In regard to OCC's issue with the reconnection charges, Duke has indicated, and the Commission expects, that the Company will ensure that the bill format is consistent with its current tariff. Duke has also agreed to remove the reference to disconnection for failure to pay competitive charges.

{¶ 36} Additionally, the Commission believes, and as Duke points out, it is logical to keep the PTC statement next to relevant content on the bill to ensure it is not overlooked. With respect to OCC's contention that the disconnection notice is not prominently displayed, the Commission notes that the disconnection notice, as proposed on October 4, 2019, clearly displays: the words "Disconnection Notice" on the top left side, next to "Billing Summary" in large, bold print; the disconnect notice amount and pay by date in bold print; and the amount needed to pay "to avoid disconnection" and pay by date in bold print in the payment coupon. On the separate listing of past due charges for natural gas and electric, the Commission directs Duke to consult with Staff regarding Staff's recommended changes to separate the natural gas disconnection amount from the electric disconnection amount on the disconnection notice. Duke shall file a revised disconnection notice for the

Commission's review in a new docket following implementation of the Company's billing system changes, but by the end of 2022 at the latest, with Staff's recommended changes. Notwithstanding, Duke is not precluded from incorporating additional information in its bill format to make clear that the customer has the right to choose to retain either natural gas or electric service over the other, but a phone call is required to ensure that the appropriate billing actions are performed to retain the selected service.

{¶ 37} As a final matter, we note that Duke's bill format application in this case is being modified and approved in conjunction with our granting of the Company's waiver request in Case No. 19-1863-EL-WVR by separate Entry.

### III. ORDER

{¶ 38} It is, therefore,

{¶ 39} ORDERED, That Duke's application for approval of a new bill format be approved in accordance with this Finding and Order. It is, further,

{¶ 40} ORDERED, That the motions for intervention filed by OCC and IGS be granted. It is, further,

{¶ 41} ORDERED, That Duke's motion for leave to file its untimely memorandum contra OCC's motion for intervention and suspension be granted. It is, further,

{¶ 42} ORDERED, That a copy of this Finding and Order be served upon all interested persons and parties of record.

COMMISSIONERS:

*Approving:*

Sam Randazzo, Chairman

M. Beth Trombold

Lawrence K. Friedeman

Daniel R. Conway

Dennis P. Deters

LLA/hac

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Summary: Finding & Order that the Commission approves the application filed by Duke Energy Ohio, Inc. regarding its universal bill format as part of the Customer Connect Program, subject to the modifications in this Finding and Order. electronically filed by Docketing Staff on behalf of Docketing.