

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of Duke Energy Ohio, Inc., for Authority to Adjust its Power Forward Rider.)	Case No. 19-1750-EL-UNC
)	
In the Matter of the Application of Duke Energy Ohio Inc. for Approval to Change Accounting Methods.)	Case No. 19-1751-GE-AAM
)	

**REPLY COMMENTS
OF
DIRECT ENERGY BUSINESS, LLC
AND DIRECT ENERGY SERVICES, LLC**

INTRODUCTION

Direct Energy Business, LLC, and Direct Energy Services, LLC (collectively, Direct) submit these Reply Comments in response to Initial Comments filed on April 15, 2020.

Direct’s Initial Comments focused primarily on: (1) the availability of Customer Energy Usage Data to CRES providers as part of Duke’s proposed CIS system upgrade, (2) Duke’s failure to include Supplier Consolidated Billing in its proposal, and (3) a need for clarification that EV charging stations will not be owned by Duke. These Reply Comments will first address other parties’ comments on the issues. Direct will then address certain parties’ comments on other proposals not addressed in Direct’s Initial Comments. Any initial comments by other parties not addressed in the following should not be interpreted as an agreement or disagreement on those issues.

COMMENTS

A. Reply to comments on proposals addressed in Direct Initial Comments

1. Customer Connect

a. Customer Energy Usage Data Access for CRES

Duke proposes to build a \$900 million Customer Connect system that will utilize “[e]lectric meters and associated components [with] the capability of recording more granular data [to] create personalized opportunities for customers according to their preferences, whether in the form of rate options or other usage-related services.”¹ Duke’s application fails to articulate how it will use this information and, more importantly, whether CRES providers will have access to this data for the purpose of actually supplying and billing customers.

IGS observes that “Duke should not be able to use its position as a regulated distribution utility to unilaterally sift through customers’ granular usage data (without permission) to gain unique and preferential advantages in marketing campaigns.”² Direct agrees. “Rider PF is a distribution rider applicable to all customers [that] should not provide funding to support Duke’s marketing efforts for competitive products and services.”³ Therefore, “[a]ll marketing associated with competitive services should be bypassable for customers that shop.”⁴

Direct also agrees with a point made by The Ohio Environmental Counsel and Sierra Club: “any investment in Customer Connect must support, not hinder, access to CEUD for competitive retail energy suppliers (CRES) providers and customer authorized third parties.”⁵

¹ Duke App. at 7.

² IGS Initial Comments at 10.

³ *Id.*

⁴ *Id.*

⁵ The Ohio Environmental Counsel and Sierra Club Initial Comments at 2.

Equal access to data is necessary for shopping customers to realize the benefits of the new CIS system.

The Commission should note that for supply of energy products which require settlement and billing functionality, there may be certain access needs specific to those aspects of energy supply. For customers to receive the full benefit of Duke's new CIS system, CRES providers must be able to use the information to bill customer designed energy products or to properly settle the supply. As proposed, the system will provide these capabilities to Duke. The Commission should order Duke to include this functionality for CRES providers as well.

OCC stands alone on Customer Connect, arguing that the Commission should reject the new CIS proposal at this time because it is not "grid modernization", but instead should be considered a "distribution utility investment."⁶ OCC's request to kick the can on Duke's long overdue update to its CIS is untenable. Duke's inclusion of a new CIS as part of Rider PF is in accordance with the terms of the Stipulation in 17-0032-EL-AIR *et al.* Staff agrees: "Duke was directed by the Commission to include a proposal to upgrade its CIS in the current case and recover the costs through Rider PF."⁷ The Stipulation was specific – Duke was to "include a proposal to upgrade the Company's Customer Information System."⁸ The Commission determined that this is the proper proceeding to address this issue, not a future rate case.

b. Supplier Consolidated Billing

Duke failed to include Supplier Consolidated Billing in its new CIS proposal, in direct contravention of the stipulation and Order approving Rider PF. Nor has Duke explained its failure to do so.

⁶ OCC Initial Comments at 1.

⁷ Staff Review and Recommendation at 4.

⁸ 17-0032-EL-AIR *et al.*, Stipulation at 17.

As pointed out by IGS, “Duke did not make any attempt whatsoever to assess the effort and costs to implement SCB into the proposed CIS. Duke did not review the design or structure of AEP Ohio’s SCB Program. Duke did not explore whether any of the other 760 utilities already utilizing its CIS platform have implemented this function.”⁹ Neither did Duke “reach out to [] any supplier[s] regarding the answers it would need to move forward.”¹⁰ Direct would have appreciated the opportunity to provide input on SCB implementation, but never got the chance.

Staff echoed IGS and Direct’s concerns “regarding the lack of detailed information on what is needed to accommodate supplier consolidated billing in the proposed CIS plan, including any estimates around the cost of implementation.”¹¹ When Staff requested more information about Duke’s attempt to implement SCB through discovery, Duke had nothing to offer.¹²

Not only should the Commission require Duke to implement Supplier Consolidated Billing – it should require Duke to do it openly, transparently, and with concrete deadlines. If the Commission does not require Duke to implement SCB at this time, Direct agrees with IGS that, “at a minimum,” Duke should be required “to undertake a collaborative process to obtain additional details to properly design an SCB program and submit that proposal in a formal docketed proceeding.”¹³

The Commission and suppliers are entitled to know now, not later, that Customer Connect will accommodate supplier consolidated billing and should order Duke to build the system using AEP and DP&L as the foundation.

⁹ IGS Initial Comments at 3.

¹⁰ *Id.* at 4.

¹¹ Staff Review and Recommendation at 5.

¹² *Id.*

¹³ IGS Initial Comments at 4.

2. EV Proposal

Direct maintains its position that Duke must clarify what is means by EV “infrastructure.” This term could be interpreted in various ways. The Commission should require Duke to clarify that “infrastructure” means distribution equipment needed to supply electricity to EV charging stations but *excludes* the actual charging stations. Kroger, Inc. also argues that Duke should not be allowed “to own or operate EV services.”¹⁴ Direct reiterates that Duke should not own the charging stations.

Staff recommended modification of the proposal “to change the proposed DCFC, Electric Transit Bus, and Commercial Level II charger programs to rebate programs that provide direct incentives for investing in EV charging infrastructure, instead of providing incentives for ‘make-ready’ work.” Direct agrees that utilizing rebates would be beneficial to customers.

B. Reply to additional comments.

Comments have been filed to propose additional changes to Duke’s Infrastructure Modernization Plan that were not addressed in Direct’s Initial Comments. Below is Direct’s reply.

1. Non-Commodity Charges

Direct Energy agrees with IGS that in order to “promote competition and fairness[,]” Duke should follow the Commission’s guidance pursuant to Adm.Code 4901:1-10-33 and “allow the customer’s CRES provider, on an open and nondiscriminatory basis, access to the consolidated bill to list the newly termed, ‘non-jurisdictional services’ charges.”¹⁵ Duke will

¹⁴ Kroger, Inc. Initial Comments at 4.

¹⁵ IGS Initial Comments at 5.

have functionality to offer non-jurisdictional services on electric and natural gas bills issued by *Duke*. CRES providers should have the same opportunity. And shopping customers should have the same benefit.¹⁶ Direct agrees that the “Commission should direct to Duke to modify its Infrastructure Modernization Plan to include this capability.”¹⁷

2. Seamless Moves

IGS “supports the inclusion of seamless move capability for Duke’s electric and natural gas customers in its Infrastructure Modernization Plan.”¹⁸ Direct agrees that Customer Connect should provide the capability for customers to perform a “seamless move” when moving service from one location to another. Duke proposed to implement seamless moves as part of Customer Connect in the Implementation Plan filed in Docket No.19-2151-EL-EDI. The details can be worked out in that docket, but Duke should Commit to providing seamless moves here.

3. Grid Modernization Collaborative

IGS “recommends the establishment of a Grid Modernization Collaborative to provide status updates and promote transparency during the implementation process.” Direct agrees that a Collaborative would be a helpful tool to ensure that commitments are completed in a timely manner.

4. Time of Use Rates

Armada Power argues that a residential time of use (TOU) should be implemented as part of Duke’s filing with a year-round on-peak from 5pm - 8pm, with the proposed on-peak

¹⁶ *Id.*

¹⁷ *Id.* at 6.

¹⁸ *Id.* at 11.

rate set at \$0.1393 and the proposed off-peak rate set at \$0.011314. Duke implemented TOU as part of Case No. 17-0032-EL-AIR. It follows that TOU is not an appropriate topic for this proceeding. This case should be focused on the new CIS and grid modification to ensure that CRES providers have equal access to data, and shopping customers have access to more innovative products. The Commission should reject this proposal.

CONCLUSION

Direct respectfully requests that any revisions to Duke's Infrastructure Modernization Plan reflect the comments contained here and in their Initial Comments.

Dated: May 15, 2020

Respectfully submitted,

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CERTIFICATE OF SERVICE

Direct Energy Business, LLC and Direct Energy Services, LLC certifies that a copy of the foregoing was served by electronic mail this 15th day of May, 2020 to the following:

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Summary: Comments Reply Comments electronically filed by Mr. Lucas A Fykes on behalf of Direct Energy Business, LLC and Direct Energy Services, LLC