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BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO

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In the Matter of the Commission's Review )  
Of its Rules for Market Monitoring, ) Case No. 02-1411-EL-ORD  
Chapter 4901:1-25 of the Ohio )  
Administrative Code. )

REPLY COMMENTS  
OF THE OHIO CONSUMERS' COUNSEL

I. INTRODUCTION

Robert S. Tongren in his capacity as the Ohio Consumers' Counsel ("OCC") hereby replies to the comments filed by other parties regarding Staff's proposed revisions to the Rules for Market Monitoring. OCC responds to comments filed by First Energy Corp. ("FirstEnergy") and Cincinnati Gas & Electric Company ("CG&E"). The fact that OCC does not address an issue in these Reply Comments should not be construed as OCC's acquiescence to a party's position.

II. FIRSTENERGY'S COMMENTS

FirstEnergy argues that the Staff's proposed new reporting requirement under Rule 4901:1-25-02(A)(2)(b) that requires electric distribution companies ("EDUs") to report the number of monthly MW peak, the peak day of the month, the peak day of the week, and the peak hour of the month by rate class schedule, is unnecessary. FirstEnergy claims that this reporting is unnecessary because it will not assist the Staff or the Commission in determining whether any customer class has met the 20% shopping level that would permit the end of the market development period in the FirstEnergy service

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territories. FirstEnergy points out that under its Electric Transition Plan stipulation the 20% threshold is based upon kWhs, not monthly MW information. FirstEnergy Comments at 1.

The Rules for Market Monitoring authorized under S.B. 3 were not enacted solely to determine when the 20% shopping threshold has been obtained. Those rules are intended to “ensure that the policy specified in section 4928.02 or the Revised Code is effectuated.” Ohio Revised Code Section 4928.06(A). Or in other words, the rules are meant to measure the degree to which effective competition has been established and is continuing in Ohio. As mentioned in our initial comments, the peak information reported by schedule will provide important information regarding the degree to which prices are reflecting costs of service. OCC Comments at 1. The degree to which prices reflect cost of service document whether the competitive markets are functioning appropriately. Therefore, because the Staff’s new proposed reporting requirements will contribute significantly to ensuring that effective competition is being established in Ohio, they should be adopted.

### **III. CG&E’S COMMENTS**

CG&E also complained about the proposed peak- reporting requirement under Rule 4901:1-25-02(A)(2)(b). First, CG&E notes that the proposed requirement is ambiguous. CG&E asked if the Commission wanted the data at the time of the class peak rather than at the time of the system peak. CG&E Comments at 1. A careful reading of the language shows that the EDUs are required to report the data at the time of system peak. The new language merely requires that the total system peak be broken down and

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reported by schedule. It does not require the reporting of additional peak data.

Clarification is not necessary.

Second, CG&E insisted that collection of this peak information would be too costly. CG&E assumed that the reporting of this information would be too costly since it would have to be actual data obtained through meters, rather than estimates obtained through models. CG&E Comments at 2. The use of actual data obtained through meters is not necessary as currently the EDUs rely upon estimated data to determine load responsibility among suppliers using their systems. The use of such estimated data has a significant impact on both suppliers and the EDUs and must be considered reliable if these parties are willing to rely on it. Accordingly, EDUs can also rely on similar estimates to fulfill the Staff's new proposed peak reporting requirements.

Third, CG&E admitted that it could estimate the peak monthly demand by customer class but complained that obtaining those estimates monthly for quarterly reporting is too expensive. CG&E Comments at 2. CG&E claimed that it takes the company three to four months to collect data from survey meters, store the information, analyze it and run the necessary statistical models to arrive a reasonable load shape. It is difficult to understand why these mostly electronic activities would take so much time without further explanation. Moreover, if this methodology of obtaining peak estimates takes so much time, it could not be the same methodology CG&E uses to estimate hourly load data to determine load responsibility among suppliers. Perhaps CG&E should consider using a methodology to determine the new peak reporting requirements that is similar to the methodology it uses to determine load responsibility.

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Fourth, CG&E recommended an alternative reporting requirement. The alternative relies upon a methodology for obtaining averaged switched demand of switched customers that would satisfy the Commission's need to track the twenty percent switching by revenue class. However, as mentioned above under the first section, market monitoring information is meant to provide the Commission with information regarding the effectiveness of the competitive retail electric markets in Ohio and not just track the switching by revenue class. For that reason, CG&E's recommended alternative would not provide the information that the Staff's proposed peak reporting requirements would and should not be adopted.

Finally, significantly no EDUs other than CG&E complained about the feasibility or cost of providing the peak information by class schedule. Because of this, it appears that no other EDU finds the new requirement burdensome and thus, the Staff proposed reporting requirements should be adopted.

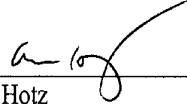
#### **IV. CONCLUSION**

For the reasons stated above, OCC respectfully urges the Commission to adopt the Staff's proposed rule revisions.

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Respectfully submitted,

ROBERT S. TONGREN  
CONSUMERS' COUNSEL

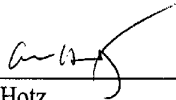
  
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Ann Hotz  
Assistant Consumers' Counsel

**Ohio Consumers' Counsel**  
10 W. Broad Street, Suite 1800  
Columbus, Ohio 43215-3485  
(614) 466-8574 – Phone  
(614) 466-9475 – Facsimile

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**CERTIFICATE OF SERVICE**

I hereby certify that a copy of the Reply Comments of the Ohio Consumers' Counsel have been served upon the following parties by first class mail this 23rd day of July 2002.

  
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Ann Hotz  
Assistant Consumers' Counsel

**PARTIES**

**MICHAEL J. PAHUTSKI**  
Cincinnati Gas & Electric Company  
139 East Fourth Street  
Cincinnati, OH 45201

**STEVEN DEERWESTER**  
Public Utilities Commission of Ohio  
180 East Broad Street  
Columbus, OH 43215