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Regulation of Competitive Retail Electric (CRES) Providers



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Oversight of CRES Providers

- Discuss state development and enforcement of consumer protection standards as energy markets are restructured.
- The most effective consumer protections are properly functioning wholesale and retail energy marketers.
- The focus will be on the relationship between consumers and competitive energy suppliers and particularly on oversight of competitive suppliers.
- Also focus on oversight of suppliers' interactions with smaller customers. It has been our experience that larger industrial and commercial customers prefer to rely on contractual protections rather than on government oversight.



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Consumer Perspectives

- Generally like the concept of deregulation if it saves them money, but they are also confused.
- Sometimes don't understand what is being "deregulated." (e.g. Will I have new pipes or wires running to my house?)
- Often ask why deregulate? The utility has served them reliably for decades.
- Often reluctant to choose an alternative supplier
 - Fear reprisal by distribution utility
 - Afraid suppliers are not reliable
 - Like and trust the incumbent utility
 - Do not understand competitive suppliers' offers
 - Suppliers do not offer significant savings



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Competitive Supplier Perspectives

- Typically margins are very thin especially for residential and small commercial customers
- Must keep transaction costs down in order to protect margins (high volume/low cost)
- Can be inexperienced and unprepared to deal with smaller customers
- Enjoy a large information advantage over smaller, less sophisticated customers
- There is an incentive to cut corners to maximize volume and lower transaction costs



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Utility Perspectives

- Typically inexperienced with deregulation
- Ultimate goal is to protect shareholder interests
- May or may not support deregulation activities
- “Competes” with marketers (i.e. standard service offers) and often has an affiliated competitive supplier somewhere in the corporate family
- Is the gate keeper in the restructured market (i.e., possesses all the customer information, processes customer switches, continues to provide distribution service, etc.



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Certification for Consumer Protection

- PUCO certifies all electric suppliers
- Suppliers are reviewed for:
 - technical capabilities
 - financial capabilities
 - managerial capabilities
- Ensures these companies are qualified to do business in Ohio



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Certification

- Required per §4928.08 and §4929.20(A) of the Ohio Revised Code (ORC)
- Required for any retail service supplier and certain governmental aggregators providing competitive retail service to residential and small commercial customers
- The certification application process is covered in §4901:1-24 and §4901:1-27 of the Ohio Administrative Code (OAC), on forms authorized by the Commission



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Electric Supplier Certification Rule

Objectives:

- Streamlined certification process to ease market entry.
- Comply with legislative objectives and requirements.
- Minimize administrative burden on suppliers.
- Establish timely, efficient, and fair enforcement processes.



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Application Types

Retail Supplier, Provider, or Marketer (CRS)

Assumes the contractual and legal responsibility for the sale and provision of CRNGS (Certified Retail Natural Gas Supplier) or CRES (Certified Retail Electric Supplier) to a retail natural gas or electric customer in this state and having title to the natural gas or electricity at some point during the transaction

Broker/Aggregator (AGG)

Assumes the contractual and legal responsibility for the sale and/or arrangement for the supply of CRNGS or CRES to a retail customer in this state without taking title to the natural gas or electricity

Governmental Aggregator (GAG)

The legislative authority of a municipal corporation, the board of township trustees of a township, or a board of county commissioners of a county that aggregates the citizens of a municipal corporation, township, or unincorporated areas of a county in accordance with §4928.20 or 4929.20 of the Revised Code for the purpose of purchasing electric generation service or retail natural gas on an aggregated basis



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Application Review

Applications are reviewed to assure that the applicant is fit and capable of providing the services it intends to provide and that it meets the requirements in these three areas:

- Managerial
- Technical
- Financial



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The Public Utilities Commission of Ohio

PUCO USE ONLY		
Date Received	Case Number	Version
	- EL-CRS	August 2004

CERTIFICATION APPLICATION FOR RETAIL GENERATION PROVIDERS AND POWER MARKETERS

Please print or type all required information. Identify all attachments with an exhibit label and title (Example: Exhibit A-13 Company History). All attachments should bear the legal name of the Applicant. Applicants should file completed applications and all related correspondence with the Public Utilities Commission of Ohio, Docketing Division; 180 East Broad Street, Columbus, Ohio 43215-3793.

This PDF form is designed so that you may input information directly onto the form.
You may also download the form, by saving it to your local disk, for later use.

A. APPLICANT INFORMATION

A-1 Applicant intends to be certified as: (check all that apply)

- ☐ Retail Generation Provider ☐ Power Broker
☐ Power Marketer ☐ Aggregator

A-2 Applicant's legal name, address, telephone number and web site address

Legal Name _____
Address _____
Telephone # _____ Web site address (if any) _____

A-3 List name, address, telephone number and web site address under which Applicant will do business in Ohio

Legal Name _____
Address _____
Telephone # _____ Web site address (if any) _____

A-4 List all names under which the applicant does business in North America

A-5 Contact person for regulatory or emergency matters

Name _____
Title _____
Business address _____
Telephone # _____ Fax # _____
E-mail address (if any) _____

A-6 Contact person for Commission Staff use in investigating customer complaints

Name _____
Title _____
Business address _____
Telephone # _____ Fax # _____
E-mail address (if any) _____

A-7 Applicant's address and toll-free number for customer service and complaints

Customer Service address _____
Toll-free Telephone # _____ Fax # _____
E-mail address (if any) _____

A-8 Applicant's federal employer identification number # _____

A-9 Applicant's form of ownership (check one)

- ☐ Sole Proprietorship ☐ Partnership
☐ Limited Liability Partnership (LLP) ☐ Limited Liability Company (LLC)
☐ Corporation ☐ Other _____

A-10 (Check all that apply) Identify each electric distribution utility certified territory in which the applicant intends to provide service, including identification of each customer class that the applicant intends to serve, for example, residential, small commercial, mercantile commercial, and industrial. (A mercantile customer, as defined in (A) (19) of Section 4928.01 of the Revised Code, is a commercial customer who consumes more than 700,000 kWh/year or is part of a national account in one or more states).

- | | | | | |
|--|--------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| <input type="checkbox"/> First Energy | <input type="checkbox"/> Residential | <input type="checkbox"/> Commercial | <input type="checkbox"/> Mercantile | <input type="checkbox"/> Industrial |
| <input type="checkbox"/> Ohio Edison | <input type="checkbox"/> Residential | <input type="checkbox"/> Commercial | <input type="checkbox"/> Mercantile | <input type="checkbox"/> Industrial |
| <input type="checkbox"/> Toledo Edison | <input type="checkbox"/> Residential | <input type="checkbox"/> Commercial | <input type="checkbox"/> Mercantile | <input type="checkbox"/> Industrial |
| <input type="checkbox"/> Cleveland Electric Illuminating | <input type="checkbox"/> Residential | <input type="checkbox"/> Commercial | <input type="checkbox"/> Mercantile | <input type="checkbox"/> Industrial |
| <input type="checkbox"/> Duke Energy | <input type="checkbox"/> Residential | <input type="checkbox"/> Commercial | <input type="checkbox"/> Mercantile | <input type="checkbox"/> Industrial |
| <input type="checkbox"/> Monongahela Power | <input type="checkbox"/> Residential | <input type="checkbox"/> Commercial | <input type="checkbox"/> Mercantile | <input type="checkbox"/> Industrial |
| <input type="checkbox"/> American Electric Power | <input type="checkbox"/> Residential | <input type="checkbox"/> Commercial | <input type="checkbox"/> Mercantile | <input type="checkbox"/> Industrial |
| <input type="checkbox"/> Ohio Power | <input type="checkbox"/> Residential | <input type="checkbox"/> Commercial | <input type="checkbox"/> Mercantile | <input type="checkbox"/> Industrial |



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- | | | | | |
|--|--------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| <input type="checkbox"/> Columbus Southern Power | <input type="checkbox"/> Residential | <input type="checkbox"/> Commercial | <input type="checkbox"/> Mercantile | <input type="checkbox"/> Industrial |
| <input type="checkbox"/> Dayton Power and Light | <input type="checkbox"/> Residential | <input type="checkbox"/> Commercial | <input type="checkbox"/> Mercantile | <input type="checkbox"/> Industrial |

A-11 Provide the approximate start date that the applicant proposes to begin delivering services

PROVIDE THE FOLLOWING AS SEPARATE ATTACHMENTS AND LABEL AS INDICATED:

- A-12 **Exhibit A-12 "Principal Officers, Directors & Partners"** provide the names, titles, addresses and telephone numbers of the applicant's principal officers, directors, partners, or other similar officials.
- A-13 **Exhibit A-13 "Corporate Structure,"** provide a description of the applicant's corporate structure, including a graphical depiction of such structure, and a list of all affiliate and subsidiary companies that supply retail or wholesale electricity or natural gas to customers in North America.
- A-14 **Exhibit A-14 "Company History,"** provide a concise description of the applicant's company history and principal business interests.
- A-15 **Exhibit A-15 "Articles of Incorporation and Bylaws,"** if applicable provide the articles of incorporation filed with the state or jurisdiction in which the applicant is incorporated and any amendments thereto.
- A-16 **Exhibit A-16 "Secretary of State,"** provide evidence that the applicant has registered with the Ohio Secretary of the State.

B. APPLICANT MANAGERIAL CAPABILITY AND EXPERIENCE

PROVIDE THE FOLLOWING AS SEPARATE ATTACHMENTS AND LABEL AS INDICATED:

- B-1 **Exhibit B-1 "Jurisdictions of Operation,"** provide a list of all jurisdictions in which the applicant or any affiliated interest of the applicant is, at the date of filing the application, certified, licensed, registered, or otherwise authorized to provide retail or wholesale electric services.
- B-2 **Exhibit B-2 "Experience & Plans,"** provide a description of the applicant's experience and plan for contracting with customers, providing contracted services, providing billing statements, and responding to customer inquiries and complaints in accordance with Commission rules adopted pursuant to Section 4928.10 of the Revised Code.

B-3 **Exhibit B-3 "Summary of Experience,"** provide a concise summary of the applicant's experience in providing the service(s) it is seeking to be certified to provide (e.g. number and types of customers served, utility service areas, amount of load, etc.).

B-4 **Exhibit B-4 "Environmental Disclosure,"** provide a detailed description of how the applicant intends to determine its (a) generation resource mix, and (b) environmental characteristics, including air emissions and radioactive waste. This information shall include sufficient discussion so as to detail both the annual projection methodology and the proposed approach to compiling the quarterly actual environmental disclosure data. Additional details on this requirement may be obtained by referring to 4901:1-21-09.

B-5 **Exhibit B-5 "Disclosure of Liabilities and Investigations,"** provide a description of all existing, pending or past rulings, judgments, contingent liabilities, revocation of authority, regulatory investigations, or any other matter that could adversely impact the applicant's financial or operational status or ability to provide the services it is seeking to be certified to provide.

B-6 Disclose whether the applicant, a predecessor of the applicant, or any principal officer of the applicant have ever been convicted or held liable for fraud or for violation of any consumer protection or antitrust laws within the past five years.

- ☐ No ☐ Yes

If yes, provide a separate attachment labeled as **Exhibit B-6 "Disclosure of Consumer Protection Violations"** detailing such violation(s) and providing all relevant documents.

B-7 Disclose whether the applicant or a predecessor of the applicant has had any certification, license, or application to provide retail or wholesale electric service denied, curtailed, suspended, revoked, or cancelled within the past two years.

- ☐ No ☐ Yes

If yes, provide a separate attachment labeled as **Exhibit B-7 "Disclosure of Certification Denial, Curtailment, Suspension, or Revocation"** detailing such action(s) and providing all relevant documents.

C. APPLICANT FINANCIAL CAPABILITY AND EXPERIENCE

PROVIDE THE FOLLOWING AS SEPARATE ATTACHMENTS AND LABEL AS INDICATED:

C-1 **Exhibit C-1 "Annual Reports,"** provide the two most recent Annual Reports to Shareholders. If applicant does not have annual reports, the applicant should provide similar information in Exhibit C-1 or indicate that Exhibit C-1 is not applicable and why.



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- C-2 **Exhibit C-2 “SEC Filings.”** provide the most recent 10-K/8-K Filings with the SEC. If applicant does not have such filings, it may submit those of its parent company. If the applicant does not have such filings, then the applicant may indicate in Exhibit C-2 that the applicant is not required to file with the SEC and why.
- C-3 **Exhibit C-3 “Financial Statements.”** provide copies of the applicant’s two most recent years of audited financial statements (balance sheet, income statement, and cash flow statement). If audited financial statements are not available, provide officer certified financial statements. If the applicant has not been in business long enough to satisfy this requirement, it shall file audited or officer certified financial statements covering the life of the business.
- C-4 **Exhibit C-4 “Financial Arrangements.”** provide copies of the applicant’s financial arrangements to conduct CRES as a business activity (e.g., guarantees, bank commitments, contractual arrangements, credit agreements, etc.).
- C-5 **Exhibit C-5 “Forecasted Financial Statements.”** provide two years of forecasted financial statements (balance sheet, income statement, and cash flow statement) for the applicant’s CRES operation, along with a list of assumptions, and the name, address, e-mail address, and telephone number of the preparer.
- C-6 **Exhibit C-6 “Credit Rating.”** provide a statement disclosing the applicant’s credit rating as reported by two of the following organizations: Duff & Phelps, Dun and Bradstreet Information Services, Fitch IBCA, Moody’s Investors Service, Standard & Poors, or a similar organization. In instances where an applicant does not have its own credit ratings, it may substitute the credit ratings of a parent or affiliate organization, provided the applicant submits a statement signed by a principal officer of the applicant’s parent or affiliate organization that guarantees the obligations of the applicant.
- C-7 **Exhibit C-7 “Credit Report.”** provide a copy of the applicant’s credit report from Experian, Dun and Bradstreet or a similar organization.
- C-8 **Exhibit C-8 “Bankruptcy Information.”** provide a list and description of any reorganizations, protection from creditors or any other form of bankruptcy filings made by the applicant, a parent or affiliate organization that guarantees the obligations of the applicant or any officer of the applicant in the current year or within the two most recent years preceding the application.

- C-9 **Exhibit C-9 “Merger Information.”** provide a statement describing any dissolution or merger or acquisition of the applicant within the five most recent years preceding the application.

D. APPLICANT TECHNICAL CAPABILITY

PROVIDE THE FOLLOWING AS SEPARATE ATTACHMENTS AND LABEL AS INDICATED:

- D-1 **Exhibit D-1 “Operations.”** provide a written description of the operational nature of the applicant’s business. Please include whether the applicant’s operations will include the generation of power for retail sales, the scheduling of retail power for transmission and delivery, the provision of retail ancillary services as well as other services used to arrange for the purchase and delivery of electricity to retail customers.
- D-2 **Exhibit D-2 “Operations Expertise.”** given the operational nature of the applicant’s business, provide evidence of the applicant’s experience and technical expertise in performing such operations.
- D-3 **Exhibit D-3 “Key Technical Personnel.”** provide the names, titles, e-mail addresses, telephone numbers, and the background of key personnel involved in the operational aspects of the applicant’s business.
- D-4 **Exhibit D-4 “FERC Power Marketer License Number.”** provide a statement disclosing the applicant’s FERC Power Marketer License number. (Power Marketers only)

Signature of Applicant and Title

Sworn and subscribed before me this _____ day of _____, _____
Month Year

Signature of official administering oath

Print Name and Title

My commission expires on _____



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AFFIDAVIT

State of _____;

_____ ss.
(Town)

County of _____;

_____, Affiant, being duly sworn/affirmed according to law, deposes and says that:

He/She is the _____ (Office of Affiant) of _____ (Name of Applicant);

That he/she is authorized to and does make this affidavit for said Applicant.

1. The Applicant herein, attests under penalty of false statement that all statements made in the application for certification are true and complete and that it will amend its application while the application is pending if any substantial changes occur regarding the information provided in the application.
2. The Applicant herein, attests it will timely file an annual report with the Public Utilities Commission of Ohio of its intrastate gross receipts, gross earnings, and sales of kilowatt-hours of electricity pursuant to Division (A) of Section 4905.10, Division (A) of Section 4911.18, and Division (F) of Section 4928.06 of the Revised Code.
3. The Applicant herein, attests that it will timely pay any assessments made pursuant to Sections 4905.10, 4911.18, or Division F of Section 4928.06 of the Revised Code.
4. The Applicant herein, attests that it will comply with all Public Utilities Commission of Ohio rules or orders as adopted pursuant to Chapter 4928 of the Revised Code.
5. The Applicant herein, attests that it will cooperate fully with the Public Utilities Commission of Ohio, and its Staff on any utility matter including the investigation of any consumer complaint regarding any service offered or provided by the Applicant.
6. The Applicant herein, attests that it will fully comply with Section 4928.09 of the Revised Code regarding consent to the jurisdiction of Ohio Courts and the service of process.
7. The Applicant herein, attests that it will comply with all state and/or federal rules and regulations concerning consumer protection, the environment, and advertising/promotions.
8. The Applicant herein, attests that it will use its best efforts to verify that any entity with whom it has a contractual relationship to purchase power is in compliance with all applicable licensing requirements of the Federal Energy Regulatory Commission and the Public Utilities Commission of Ohio.
9. The Applicant herein, attests that it will cooperate fully with the Public Utilities Commission of Ohio, the electric distribution companies, the regional transmission entities, and other electric suppliers in the event of an emergency condition that may jeopardize the safety and reliability of the electric service in accordance with the emergency plans and other procedures as may be determined appropriate by the Commission.
10. If applicable to the service(s) the Applicant will provide, the Applicant herein, attests that it will adhere to the reliability standards of (1) the North American Electric Reliability Council (NERC), (2) the appropriate regional reliability council(s), and (3) the Public Utilities Commission of Ohio. (Only applicable if pertains to the services the Applicant is offering)

11. The Applicant herein, attests that it will inform the Commission of any material change to the information supplied in the application within 30 days of such material change, including any change in contact person for regulatory purposes or contact person for Staff use in investigating customer complaints.

That the facts above set forth are true and correct to the best of his/her knowledge, information, and belief and that he/she expects said Applicant to be able to prove the same at any hearing hereof.

Signature of Affiant & Title

Sworn and subscribed before me this _____ day of _____, _____
Month Year

Signature of official administering oath

Print Name and Title

My commission expires on _____



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Certification Process

- 30-day auto approval timeline, effective on the 31st day
- If there are any issues that cannot be resolved in the 30-day review timeframe, the application will either be:
 - suspended to provide time for the issues to be corrected, or
 - the application withdrawn
- If suspended, the Commission then has 90 days to approve or deny the application
- Once approved, the applicant is issued a numbered certificate
- Certification is effective for two years
- If the company intends to continue to do business in Ohio, applicants then need to submit a renewal application



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Electric Marketer Certificate Example



Commissioners
Cheryl Roberto
Steven D. Lasser
Andre T. Porter
Lynn Slaby

PUBLIC UTILITIES COMMISSION OF OHIO

Revised

Certified as a Competitive Retail Electric Service Provider

Certificate Type

Certificate
Number

Certificate Number:
12-616E(1)

Issued Pursuant to Case Number(s):

Case Number

Applicant

12-3002-EL-CRS

Effective
Date

A certificate as a Competitive Retail Electric Service Provider is hereby granted to, **Discount Energy Group, LLC** whose office or principal place of business is located at **22809 Pacific Coast Highway, Malibu, CA 90265** to provide **power marketer** services within the State of Ohio effective **December 17, 2012**.

The certification of competitive retail electric suppliers is governed by Section 4901:1-24-(01-13) of the Ohio Administrative Code, Section 4901:1-21-(01-15) of the Ohio Administrative Code, and Section 4928.08 of the Ohio Revised Code.

This Certificate is revocable if all of the conditions set forth in the aforementioned case(s) are not met.

Subject to all rules and regulations of the Commission, now existing or hereafter promulgated.

Witness the seal of the Commission affixed at Columbus, Ohio.

Dated: **12/21/2012**

By Order of

PUBLIC UTILITIES COMMISSION OF OHIO

Barcy F. McNeal, Secretary
Betty McCauley, Acting Secretary
Tanowa M. Troupe, Acting Secretary

Certificate Expires: **December 17, 2014**

This is to certify that the images appearing are an accurate and complete reproduction of a case file document delivered in the regular course of business.
Technician _____ Date Processed **DEC 21 2012**

180 East Broad Street
Columbus, Ohio 43215-3793

(614) 466-3016
www.PUCO.ohio.gov



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Renewal Applications

Must be submitted:

- No more than 60 days prior and no less than 30 days prior to expiration of their certification for electric applications
- No more than 90 days prior and no less than 30 days prior to expiration of their certification for natural gas application
- Rule change has been proposed to make the natural gas rule be 60 days prior to expiration to match the electric rule



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Electric Consumer Protection Rules – Enforcement

The PUCO has a number of tools to enforce compliance with its rules, including:

- Assessing forfeitures of up to \$10,000.00 per day for violations
- Suspending, rescinding or conditionally rescinding a supplier's certificate
- The authority to rescind customer contracts and order restitution to customers



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Electric Consumer Protection Rules – Due Process

- Prior to taking an enforcement action or suspending, rescinding or conditionally rescinding a supplier's certificate, the Commission provides the supplier notice and the opportunity for a hearing.
- Commission decisions are can be appealed to the Supreme Court of Ohio.



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Three Main Areas of Oversight

Ohio Administrative Code

- 4901:1-21-05 Marketing and Solicitation
- 4901:1-21-06 Customer Enrollment
- 4901:1-21-12 Contract Disclosure



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Electric Consumer Protection Rules

In keeping with the legislative policies, the PUCO's objectives, and our experience with the gas choice programs, the PUCO's consumer protection rules are built around "thou shalt provide information" and "thou shalt not mislead."

Key features of the rules include:

Requirements of uniform price disclosure(price/kWh) to assist customers in comparing offers. *Apples to Apples* charts.



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Marketing and Solicitation

Ohio Administrative Code 4901:1-21-05

- Each CRES provider that offers retail electric generation service to residential or small commercial customers shall provide marketing materials that accompany a service contract.
- Marketing materials are required to provide sufficient information for customers to make intelligent cost comparisons against offers they receive from other CRES providers .
- CRES providers can extend fixed-rate offers or variable-rate offers to customers.



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Marketing and Solicitation

Fixed-rate offers shall include:

- The cost per kilowatt hour for generation service
- The amount of any other recurring or nonrecurring CRES provider charges
- Statement that the customer will incur additional service and delivery charges from the electric utility
- Statement of contract contingencies



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Marketing and Solicitation

Variable-rate offers shall include:

- A clear and understandable explanation of the factors that will cause the price to vary, including how often the price can change and an explanation of the discount and the basis on which any discount is calculated
- The amount of any recurring or nonrecurring CRES provider charges
- Statement that the customer will incur additional service and delivery charges from the electric utility
- Statement of any contract contingencies or conditions precedent



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Marketing and Solicitation

Based on complaints received from consumers, PUCO staff investigates and addresses concerns related to:

- Telephone solicitation initiated by CRES providers
- Violations of the “do not call” list
- Confusing contract language
- Misleading direct solicitation language



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Customer Enrollment

Ohio Administrative Code 4901:1-21-06

CRES providers may enroll residential and commercial customers through the following methods:

- Mailings, facsimiles and direct solicitation
- Telephonically
- Internet



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Customer Enrollment

- CRES providers must coordinate customer enrollment with the electric utility
- CRES providers are prohibited from enrolling potential customers without their consent and proof of consent
- Before obtaining a signature from the applicant, CRES providers shall give each customer a reasonable opportunity to read all enrollment documents and shall answer any and all questions posed by the applicant
- Immediately upon obtaining the customers signature, CRES providers shall provide the applicant a legible copy of the signed contract
- Percentage of income payment plan customers (PIPP) will be coordinated exclusively by the Ohio Development Services Agency



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Customer Enrollment

Where enrollment occurs by direct solicitation, customers shall be advised both verbally and in the contract that:

- The electric utility will be sending a confirmation notice of the transfer of service
- They are allowed a seven day period to rescind the contract
- The customer should contact the electric utility to rescind the contract



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When CRES providers enroll residential and commercial customers telephonically, they shall make a date and time stamped audio recording verifying before the completion of the telephone call the following:

- CRES provider's identity and exact purpose of the call
- A verbal statement acknowledging that the call is being recorded
- A verbal question and customer acknowledgement that the customer's local distribution utility is authorized to switch providers by the customer of record
- The services and associated price of the services that will be provided
- Length of the contract term and the contract termination date
- The approximate service commencement date
- Any fees or costs to the customer
- Who will bill for the provider's service
- A toll-free telephone number the customer may call to cancel the contract
- A unique enrollment confirmation number



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In addition to adhering to the requirements for other forms of enrollment, internet enrollment websites shall also include the following:

- A conspicuous prompt for the customer to print or save a copy of the contract
- The CRES provider shall send an electronic enrollment request to the electric utility within three calendar days following completion of the enrollment transaction
- Any electronic version of the contract shall be identified by version number, in order to ensure the ability to verify the particular contract to which the customer assents
- The CRES provider shall provide a mechanism by which both the submission and receipt of the electronic customer consent form are recorded by time and date
- Customers shall be provided with a confirmation number



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Contract Disclosure

Ohio Administrative Code 4901:1-21-12

All CRES provider customer contracts shall include the following:

- A notification that the electric utility may charge switching fees to the customer
- A notification that the customer has the right to request from the CRES provider, twice within a twelve month period, up to twenty-four months of the customer's payment history without charge
- The services to be provided by the CRES
- The number of days a customer has to cancel the contract without penalty and the methods for customers to take to make such cancellation by contacting the utility



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Contract Disclosure

- A notification that the CRES provider may terminate the contract with at least fourteen calendar days written notice should the customer fail to pay the bill or fail to meet agreed upon payment arrangements
- Any conditions under which a customer can terminate without penalty
- All terms and conditions of service, including any restrictions, limitations, or conditions precedent associated with the service or product offered
- Billing intervals and late payment fees
- Any credit, deposit, and collection procedures



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Contract Disclosure

Procedures for handling complaints and disputes,
including the following statement:

If your complaint is not resolved after you have called your electric supplier and/or your electric utility, or for general utility information, residential and business customers may contact the Public Utilities Commission of Ohio (PUCO) for assistance at 1-800-686-7826 (toll free) from eight a.m. to five p.m. weekdays, or at www.PUCO.ohio.gov.



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Non-Compliance Process

- Staff monitors for compliance with the CRES and CRNGS rules in a number of ways.
 - Monthly review of call center contacts
 - Investigation of specific cases referred by the call center
 - Media questions and inquiries
 - Marketer complaints via email or phone
- When RSAD staff determines if there are compliance issues, there are a number of means to address them.
 - Informal contact (phone, email, meeting)
 - Data Request
 - Letter of Probable Non-Compliance
 - Staff Report and Formal Complaint Case



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Electric Apples to Apples Charts

Offer Input Process

- Suppliers send information on new offers and/or updates to current offers by email.
- Electric *Apples to Apples* webpage table of offers is updated weekly on Mondays.
- Unlike Natural Gas, electric rate comparison is based on the customer's specific price to compare, that is provided on their monthly bill.



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Electric Apples to Apples Charts

Price to Compare

- Calculated based on the total amount a customer would no longer pay their utility company for the generation portion of their electric supply if they choose another supplier, divided by the kilowatt hours used.



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Electric Apples to Apples Charts

Price to Compare

- In order for the customer to save money, the new supplier's rate needs to be lower than the Price to Compare rate shown on the customer's bill.
- In general, the generation portion of the bill is about 50% of the total monthly charges.
- So any potential savings are only applicable to about half the customer's total monthly costs.
- For example, if a supplier offers a rate that is 10% less than the customer's price to compare, and their bill is \$100, they will save about \$5 off their total bill.



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Electric Apples to Apples Charts

Electric Apples to Apples Chart

Current Supplier Rate Offers

The chart below reflects the current supplier rate offers provided by the suppliers to residential customers in the AEP, Dayton Power and Light, Duke Energy and First Energy service areas.

Please refer to your most recent bill for your current price to compare.

Price to Compare

In order for you to save money, the new supplier's rate needs to be lower than the Price to Compare rate shown on your bill. The Price to Compare is calculated based on the total amount you would no longer pay your utility company for the generation portion of your electric supply if you choose another supplier, divided by the kilowatt hours used.

The calculation determining the Price to Compare varies by utility company. As always, you will still be responsible for the utility company distribution charges and any related riders on your utility bill. Please consult the utility's web site for specific information. As with any contract, read and understand all terms and conditions before signing up with a supplier.

Electric Apples to Apples Charts

Publication Date: May 14, 2012

Published offers are subject to change without prior notice. Consumers should verify offers with the supplier before signing a contract. As with all contracts, consumers should carefully read and understand all terms and conditions before signing any forms or agreeing to enroll with a supplier for electric service.

Before choosing a supplier, please review the information on the Choosing an Electric Supplier page.

The PUCO is not responsible for selections you make based on the information contained herein.

Step 1: Compare the supplier offers contained in the chart with the "Price to Compare" shown on your electric bill.

Note: The "Tariff" code referenced in some of the Offer Details can be found on your monthly electric bill, under the charges from the utility.

Step 2: In order for you to save money, the new supplier's rate needs to be lower than the Price to Compare rate shown on your bill.



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Electric Apples to Apples Charts

Price to Compare – AEP Bill Information Example

Service Address:
AEP OHIO CUSTOMER
123 ANY ADDRESS
ANY CITY, OH 45784-5111

Rate Tariff: Residential Service-014

Account Number	Total Amount Due	Due Date
070-999-999-9-9	\$67.62	Oct 12, 2010

Meter Number	Cycle-Route	Bill Date
999999999	20-01	Sep 24, 2010

Previous Charges
Total Amount Due At Last Billing \$ 267.35

Price-to-Compare: For tariff 014, in order to save you money a new supplier must offer you a price lower than 6.5 cents for KWH for the same usage that appears on this bill. You may contact AEP at the phone number shown on this bill to receive additional information, including a written explanation, about this Price-to-Compare.

calling AEP at the number printed on this bill. This brochure includes information about customer rights and responsibilities as required by PUCO.

Do Not Tamper - Tampering with an energized electric meter can cause serious injury or death. If you suspect a problem with your meter, call the customer service number listed on your electric bill for assistance. In addition, meter tampering is illegal and can result in fines and/or imprisonment.

Pursuant to state law, the Universal Service Fund rider rate has been adjusted effective with this bill.

Flip the Switch and turn off your paper bill. You will gain the benefit of receiving an email when your bill is ready to be viewed and the results of electric line health inspections.

Distribution Service 27.11
Customer Charge 4.52
Current Electric Charges Due \$ 67.62
Total Amount Due \$67.62
Due Date Oct 12

Price-to-Compare: For tariff 014, in order to save you money a new supplier must offer you a price lower than 6.5 cents for KWH for the same usage that appears on this bill. You may contact AEP at the phone number shown on this bill to receive additional information, including a written explanation, about this Price-to-Compare.

Meter Number	Service Period From To	Meter Reading Detail			
		Previous	Code	Current	Code
999999999	08/25 09/24	45931	Actual	46487	Actual
Multiplier 1		Metered Usage: 556 KWH			
Next scheduled read date should be between Oct 22 and Oct 27					

12 Month Usage History Total KWH for Past 12 Months is 8,268

Price to Compare
Information

Regulated Company List

Share This Page:



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Aggregator	74
Broker	96
Marketers -Large Industrial (non-jurisdictional)	56
Marketers -Residential & Small Commercial	65
Government Aggregator	135
Local Distribution Company	24
Gas Distribution	7

"Competitive Retail Electric Provider" selected

The following list contains companies from these industries:

Competitive Retail Electric Provider

Competitive Retail Electric Supplier

In order to supply Competitive Retail Electric Service (CRES), all providers are required to become certified by the Public Utilities Commission of Ohio. These providers differ depending on the type of CRES that the applicant will provide.

Broker / Aggregator

Brokers are a person who assumes the contractual and legal responsibility for the sale and/or arrangement for the supply of retail electric generation service to a retail customer without taking title to the power supplied. Aggregators are an entity that contracts with customers to combine the customers electric load for the purpose of purchasing retail electric generation service on an aggregated basis but does not include a governmental aggregator.

Generating Company

Generating companies supply electric generation service to retail customers.

Marketer

Persons who assumes the contractual and legal responsibility for the sale and provision of retail electric generation service to a retail customer who had title to the electric power provided at some point during the transaction.

Government Aggregator

The legislative authority of a municipal corporation, the board of township trustees of a township or a board of county commissioners of a county that aggregates the citizens of a municipal corporation, township or unincorporated areas of a county in accordance with Section 4928.20 of the Revised Code for the purpose of purchasing retail electric generation service on an aggregated basis.

Competitive Retail Electric Provider has 652 companies. [Export Data](#)

Broker / Aggregator

Broker / Aggregator

5 Buy 5 Holdings LLC
6018 Carter St
Hubbard, OH 44425

5LINX Enterprises Inc
275 Kenneth Dr
Rochester, NY 14623

ABA Energy Partners Inc
9435 Waterstone Blvd
Ste 140
Cincinnati, OH 45249

AEC Energy Choice LLC
165 Remsen St
Brooklyn, NY 11201

AEP Energy Inc
225 W Wacker Dr
Cincinnati, OH 45202

<http://www.puco.ohio.gov/puco/index.cfm/docketing/regulated-company-list/>



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Today's competitive marketplace

Typical types of offers in the Ohio market today:

- Fixed price
- % off utility's Standard Service Offer
- Variable price
- Purchase from renewable sources
- Contract term length
 - Month-to-month
 - 6, 12, 24 months
 - One supplier even offered a 7 year contract

Summary of Switch Rates from EDUs to CRES Providers in Terms of Sales For the Month Ending September 30, 2013							(MWh)
Provider Name EDU Service Area		Quarter Ending Year		Residential	Commercial	Industrial	Total Sales
Cleveland Electric Illuminating Company CRES Providers Total Sales EDU Share Electric Choice Sales Switch Rates	CEI	30-Sep	2013	111898	47911	5074	222189CRES
	CEI	30-Sep	2013	358218	523740	474952	1357224
	CEI	30-Sep	2013	470116	571651	525697	1579413
	CEI	30-Sep	2013	23.80%	8.38%	9.65%	14.07%
	CEI	30-Sep	2013	76.20%	91.62%	90.35%	85.93%
Duke Energy Ohio CRES Providers Total Sales EDU Share Electric Choice Sales Switch Rates	DUKE	30-Sep	2013	329319	91944	11014	440694
	DUKE	30-Sep	2013	345453	496710	436008	1400139
	DUKE	30-Sep	2013	674772	588654	447022	1840833
	DUKE	30-Sep	2013	48.80%	15.62%	2.46%	23.94%
	DUKE	30-Sep	2013	51.20%	84.38%	97.54%	76.06%
AEP - Ohio CRES Providers Total Sales EDU Share Electric Choice Sales Switch Rates	AEP	30-Sep	2013	874661	275607	345055	1500235
	AEP	30-Sep	2013	325115	1022450	955226	2308353
	AEP	30-Sep	2013	1199776	1298057	1300281	3808588
	AEP	30-Sep	2013	72.902%	21.232%	26.537%	39.391%
	AEP	30-Sep	2013	27.098%	78.768%	73.463%	60.609%
The Dayton Power and Light Company CRES Providers Total Sales EDU Share Electric Choice Sales Switch Rates	DPL	30-Sep	2013	254084	57535	6656	364050
	DPL	30-Sep	2013	177866	279354	309108	845241
	DPL	30-Sep	2013	431950	336889	315764	1209291
	DPL	30-Sep	2013	58.82%	17.08%	2.11%	30.10%
	DPL	30-Sep	2013	41.18%	82.92%	97.89%	69.90%
Ohio Edison Company CRES Providers Total Sales EDU Share Electric Choice Sales Switch Rates	OEC	30-Sep	2013	219097	53694	140288	423767
	OEC	30-Sep	2013	548204	541379	576174	1666528
	OEC	30-Sep	2013	767301	595073	716462	2090295
	OEC	30-Sep	2013	28.55%	9.02%	19.58%	20.27%
	OEC	30-Sep	2013	71.45%	90.98%	80.42%	79.73%
Toledo Edison Company CRES Providers Total Sales EDU Share Electric Choice Sales Switch Rates	TE	30-Sep	2013	62029	17576	119115	202940
	TE	30-Sep	2013	156872	161823	407940	726681
	TE	30-Sep	2013	218901	179399	527055	929621
	TE	30-Sep	2013	28.34%	9.80%	22.60%	21.83%
	TE	30-Sep	2013	71.66%	90.20%	77.40%	78.17%

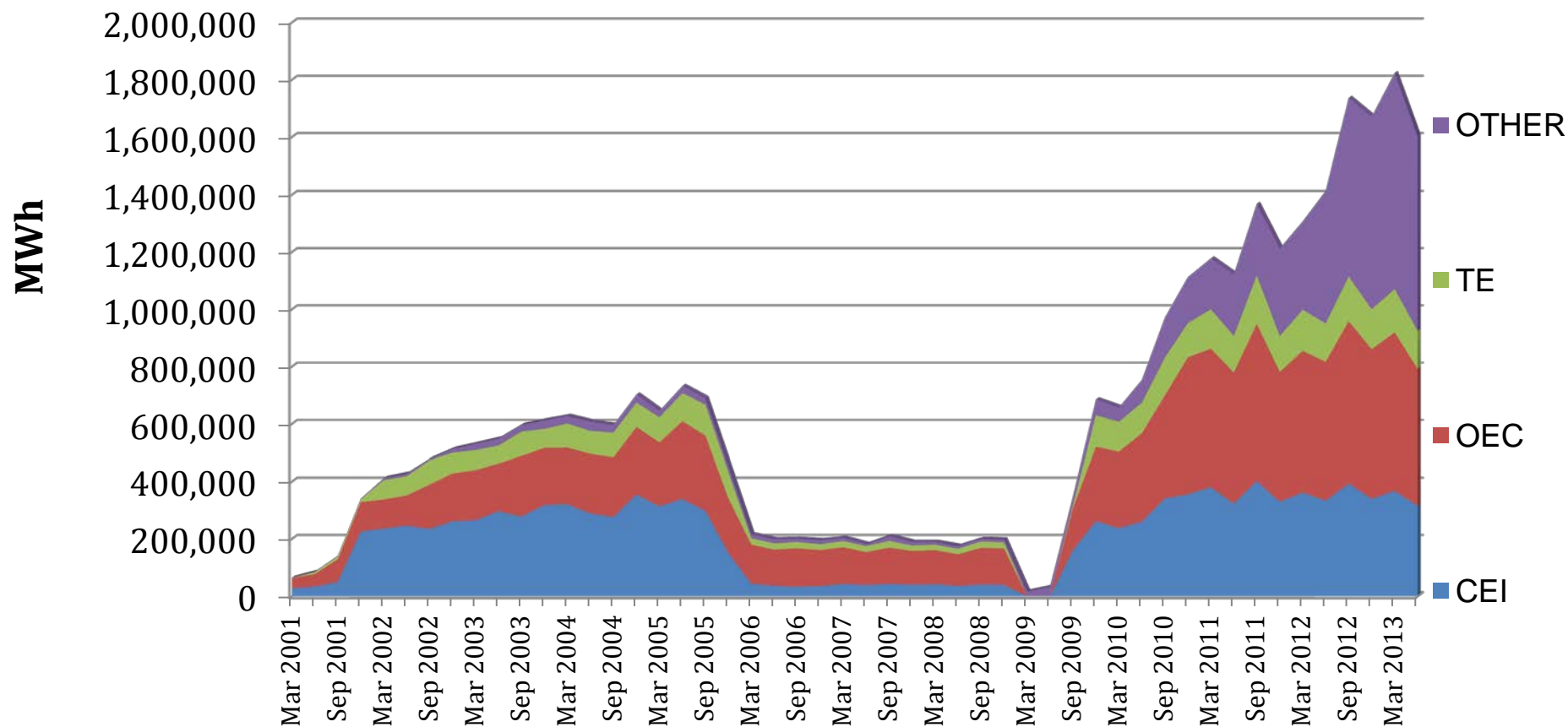


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Electric Choice RESIDENTIAL MWh Switching January 2001 - June 2013



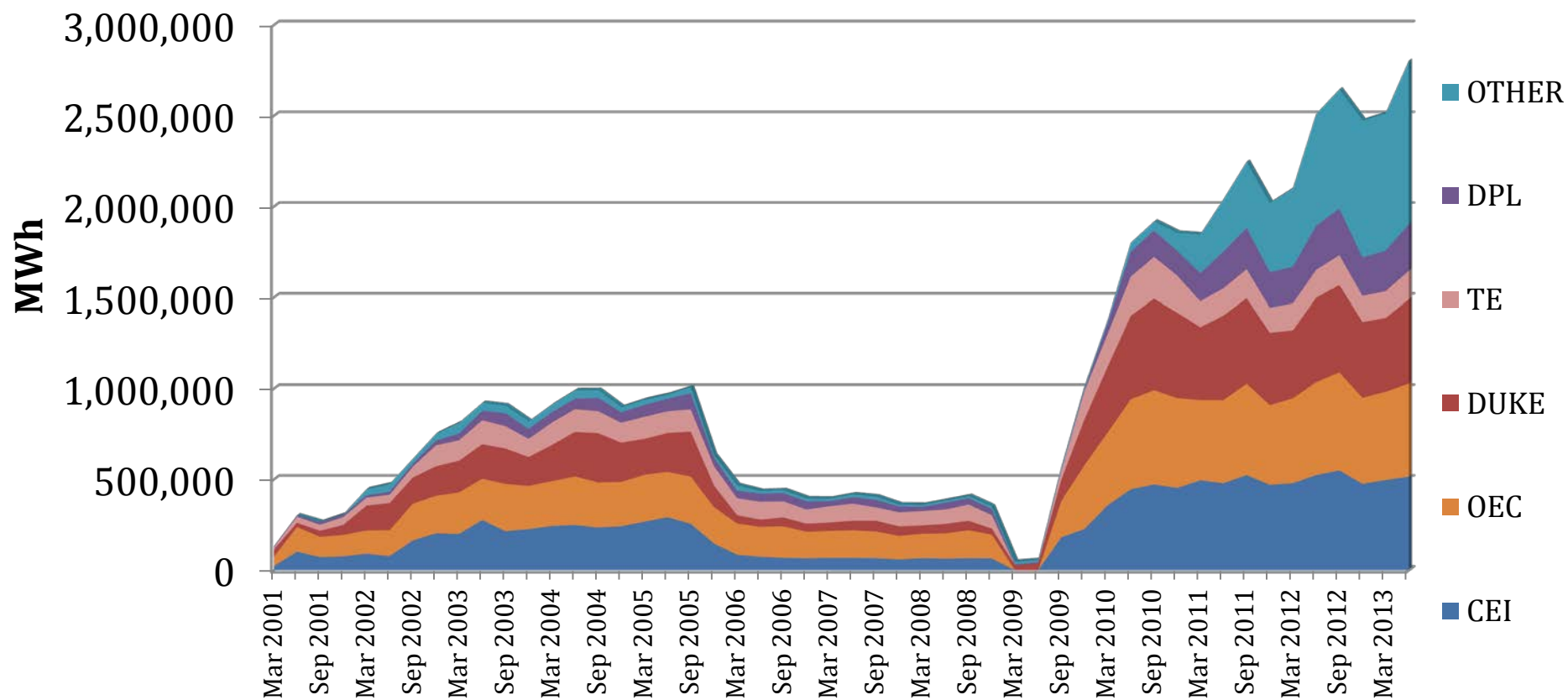


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Electric Choice COMMERCIAL MWh Switching January 2001 - June 2013



Other = AEP/Ohio Power Only as of March 2012

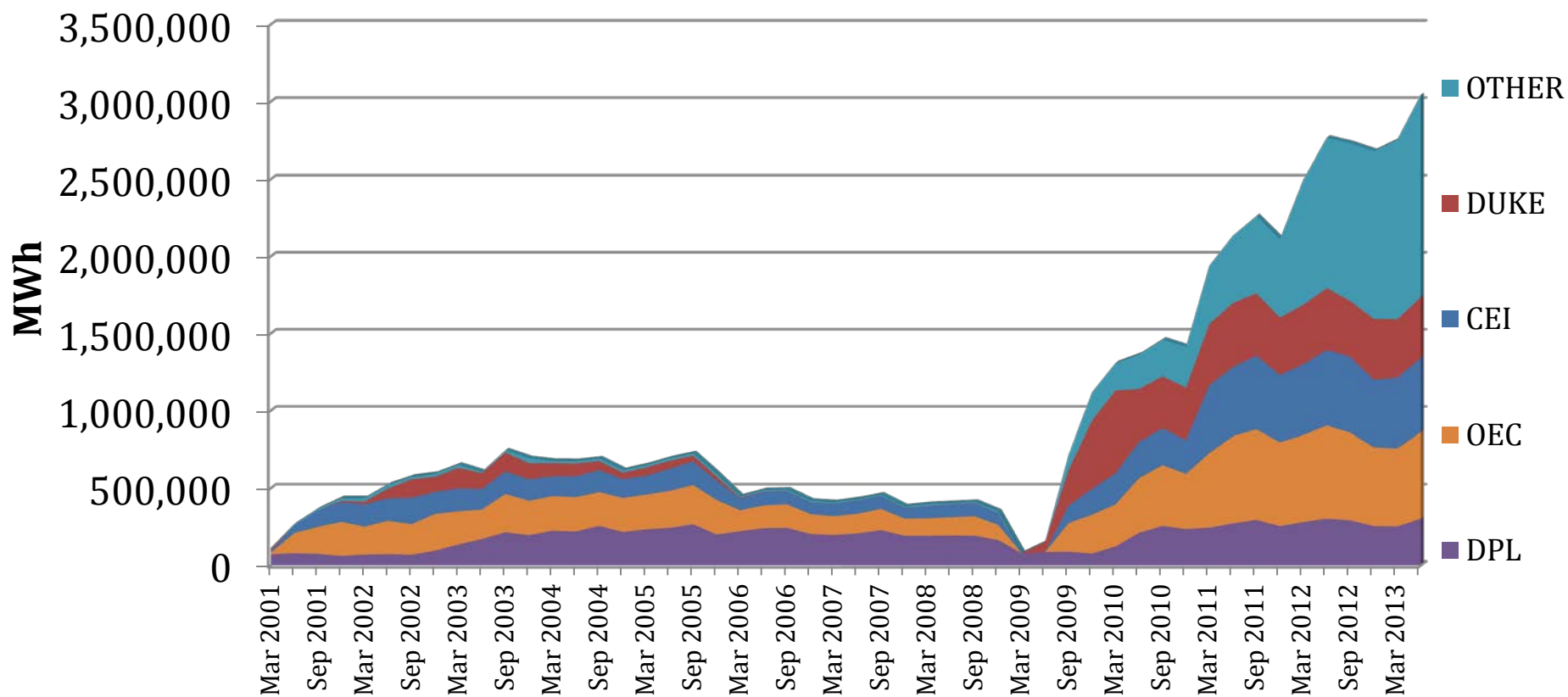


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Electric Choice INDUSTRIAL MWh Switching January 2001 - June 2013

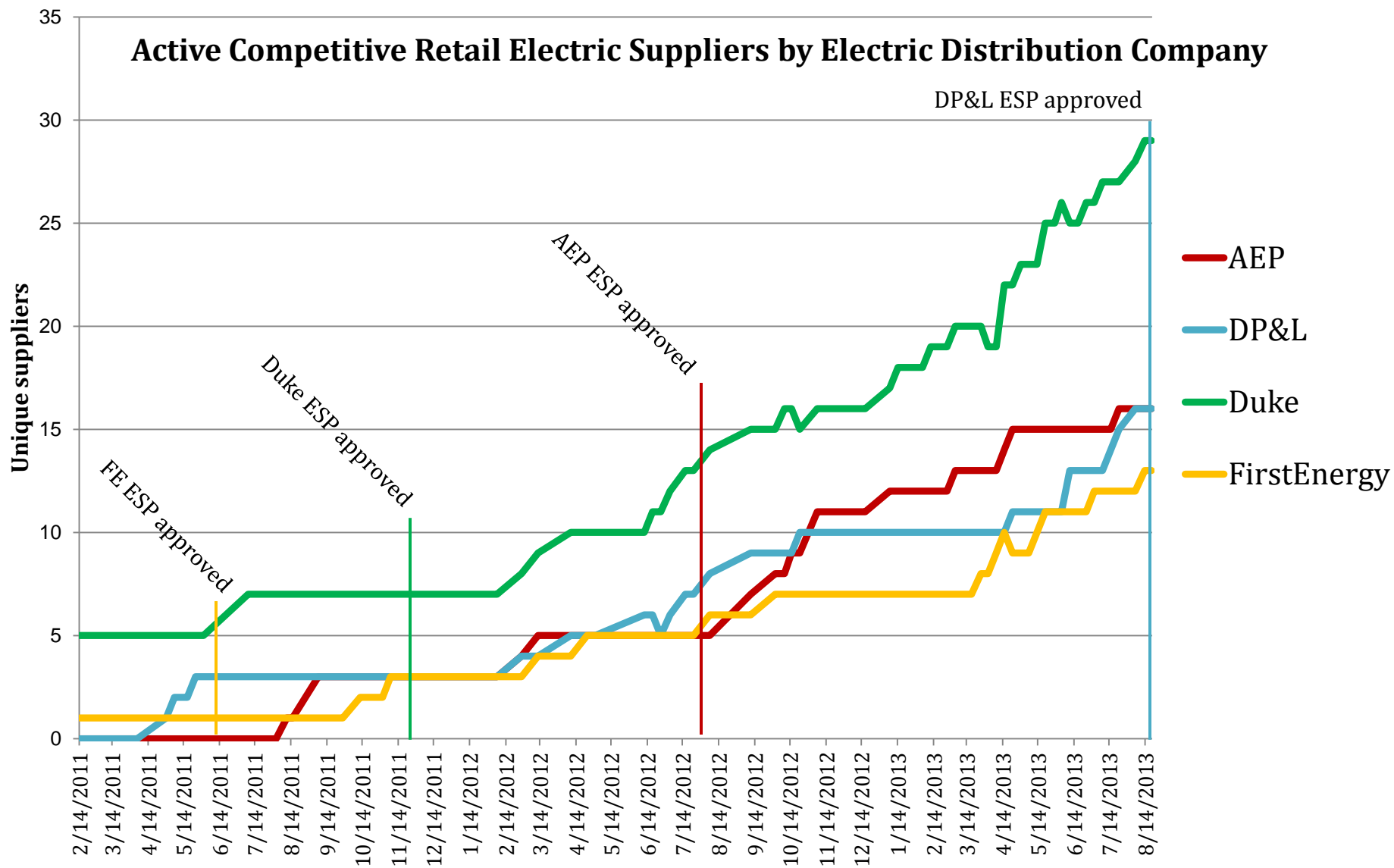




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Applicable Rules

Ohio Administrative Code

For retail suppliers, brokers, and aggregators:

- §4901:1-21 Rules for Competitive Retail Electric Service
<http://codes.ohio.gov/oac/4901%3A1-21>
- §4901:1-23 Electric Reliability, Customer Service, and Safety
<http://codes.ohio.gov/oac/4901%3A1-23>
- §4901:1-24 Application for Certification to Operate as a Provider of Competitive Retail Electric Services
<http://codes.ohio.gov/oac/4901%3A1-24>
- §4901:1-25 Market Monitoring
<http://codes.ohio.gov/oac/4901%3A1-25>



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Summary: what we think we learned

- The best consumer protections come from well functioning wholesale and retail energy markets.
- Given the level of consumer inexperience and confusion surrounding energy deregulation and the substantial information imbalance between the competitive suppliers and customers, the energy market is not perfect and some level of oversight is warranted.



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Summary: what we think we learned

- One government agency should be vested with clear authority to oversee the actions of competitive suppliers.
- We believe that the proper agency to police competitive energy suppliers is the state utility commission due to its traditional experience and expertise in regulating utilities and the utilities' role as gate keepers during the development of energy markets.



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Summary: what we think we learned

- The state legislature should authorize the utility commission to license/certify competitive suppliers regarding their financial, technical, and managerial fitness to provide service.
- The state legislature should grant the utility commission broad authority to craft rules to meet changing market conditions but also be specific regarding consumer protections to avoid questions of legislative intent.



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Summary: what we think we learned

- When adopting rules, the utility commission must be ever mindful of the thin margins faced by the supplier serving residential and small commercial customers. Numerous and overly complex rules can add substantially to transaction costs.
- Using the utility to police the competitive market does not work.



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THANK YOU!