

H. B. No. 427

As Introduced

_____ moved to amend as follows:

In line 1 of the title, delete the second "section" and insert 1
"sections 4928.081," 2

In line 2 of the title, after "4928.106" insert ", 4933.51, 4933.52, 3
4933.54, 4933.56, 4933.58, and 4933.59" 4

In line 4 of the title, after "customers" insert "and create the 5
Consumer Choice Billing Program" 6

In line 5, delete the second "section" and insert "sections 7
4928.081," 8

In line 6, after "4928.106" insert ", 4933.51, 4933.52, 4933.54, 9
4933.56, 4933.58, and 4933.59" 10

After line 32, insert: 11

"Sec. 4928.081. The public utilities commission and the 12
electric distribution utilities and competitive retail electric 13
service suppliers that elect to participate in the consumer 14
choice billing program are subject to the requirements 15
established for that program under sections 4933.51 to 4933.59 16



<u>of the Revised Code."</u>	17
In line 81, delete " <u>The commission may approve a performance</u>	18
<u>incentive for"</u>	19
Delete lines 82 and 83	20
In line 84, delete " <u>(L)</u> "	21
After line 90, insert:	22
 <u>"Sec. 4933.51. As used in sections 4933.51 to 4933.59 of</u>	23
<u>the Revised Code:</u>	24
 <u>(A) "Applicant" means a supplier that has applied for</u>	25
<u>certification under the consumer choice billing program</u>	26
<u>established under sections 4933.51 to 4933.59 of the Revised</u>	27
<u>Code.</u>	28
 <u>(B) "Consumer" means a residential, commercial, or</u>	29
<u>industrial customer of retail electric service.</u>	30
 <u>(C) "Competitive retail electric service" and "electric</u>	31
<u>distribution utility" have the same meanings as in section</u>	32
<u>4928.01 of the Revised Code.</u>	33
 <u>(D) "Supplier" means a supplier of competitive retail</u>	34
<u>electric service.</u>	35
 <u>Sec. 4933.52. (A) There is created the consumer choice</u>	36
<u>billing program, which shall be administered by the public</u>	37
<u>utilities commission. The purpose of the program is to do the</u>	38
<u>following:</u>	39
 <u>(1) Permit suppliers to offer consumers consolidated</u>	40
<u>billing of retail electric services for all electric charges,</u>	41
<u>including an electric distribution utility's distribution and</u>	42
<u>transmission charges;</u>	43

(2) Enhance consumer protections for consumers who select 44
a supplier and elect to be billed by that supplier for all 45
charges for electric service; 46

(3) Increase competition in supplier marketplaces; 47

(4) Develop direct and transparent relationships between 48
consumers and suppliers. 49

(B) The commission shall adopt rules to authorize consumer 50
choice billing and accomplish the purposes described in division 51
(A) of this section. 52

Sec. 4933.54. (A) The public utilities commission shall 53
adopt rules to implement the consumer choice billing program 54
created under section 4933.52 of the Revised Code. The rules 55
shall require a supplier to do the following: 56

(1) Apply for a new or amended certification under section 57
4928.08 of the Revised Code that also authorizes the supplier's 58
participation in the consumer choice billing program; 59

(2) If the applicant is applying for an amended 60
certification, maintain a current, valid certification under 61
section 4928.08 of the Revised Code and, prior to offering or 62
providing consumer choice billing, submit to the commission a 63
statement affirming that the applicant will not offer or provide 64
consumer choice billing without such certification and 65
commission authorization to provide such billing under the 66
program; 67

(3) Maintain the following, in addition to meeting 68
applicable financial assurances required under section 4928.08 69
of the Revised Code: 70

(a) Bonding or financial assurances with the commission 71

for sales of electricity in the amount of two hundred fifty 72
thousand dollars or ten per cent of the applicant's annual gross 73
receipts, whichever is greater; 74

(b) Bonding or financial assurances with each electric 75
distribution utility where the applicant plans to offer consumer 76
choice billing in an amount equal to the sum of the two highest 77
months of utility receivables in the previous twelve months. 78

(4) (a) Certify that the applicant has not had its 79
certification under section 4928.08 of the Revised Code revoked 80
during the previous five-year period; 81

(b) Certify that, for bills that include supplier charges 82
and electric distribution utility charges, the applicant will 83
comply with the standards for billing practices and minimum 84
service requirements under section 4928.10 of the Revised Code; 85

(c) Demonstrate that the applicant is able to meet the 86
demands of increased consumer service and dispute resolution 87
functions, including the operation of call centers, support of 88
complex billing requirements, responsible execution of 89
collections functions, quality assurance, and recordkeeping 90
necessary to handle electric distribution utility charges that 91
contribute to potential electric service disconnections; 92

(d) Attest to the applicant's ability to comply with 93
applicable requirements related to payment plans for utility 94
service and to assist consumers with other payment plan options 95
by employing new or existing consumer assistance programs prior 96
to initiating the process for service termination; 97

(e) Agree to purchase the receivables for regulated 98
charges of an electric distribution utility; 99

<u>(f) Agree to timely inform the commission of any material</u>	100
<u>change or the cancellation of the bonding or assurances required</u>	101
<u>under division (A) (3) of this section;</u>	102
<u>(g) Agree to comply with Ohio administrative rules</u>	103
<u>regarding standards of conduct for suppliers and disclosures,</u>	104
<u>marketing, and sales practice requirements for suppliers.</u>	105
<u>(B) The commission also shall adopt rules that do the</u>	106
<u>following:</u>	107
<u>(1) Establish a process for an applicant to petition the</u>	108
<u>commission for authorization to provide consumer choice billing</u>	109
<u>through a third party if the applicant meets the qualifications</u>	110
<u>under divisions (A) (3) and (4) of this section;</u>	111
<u>(2) Authorize a mechanism to create a bypassable billing</u>	112
<u>service charge that:</u>	113
<u>(a) Is wholly based on the fully unbundled direct and</u>	114
<u>indirect costs of an electric distribution utility's billing</u>	115
<u>system;</u>	116
<u>(b) Guarantees the recovery of all prudent investments in</u>	117
<u>billing infrastructure;</u>	118
<u>(c) May be imposed only after a commission-imposed</u>	119
<u>prudency review that occurs prior to the implementation of</u>	120
<u>consumer choice billing.</u>	121
<u>(3) Require an electric distribution utility to provide a</u>	122
<u>consumer's data in a standard format and in as close to real</u>	123
<u>time as possible, and within not more than ten minutes, to</u>	124
<u>suppliers participating in the consumer choice billing program;</u>	125
<u>(4) Create a standardized form of consumer notice to be</u>	126
<u>used when a supplier ceases to provide a particular type of</u>	127

<u>billing or other service;</u>	128
<u>(5) Establish a consumer choice billing working group for</u>	129
<u>stakeholders to draft tariff provisions, collect data, design</u>	130
<u>business processes, configure electronic transactions, review</u>	131
<u>similar consumer choice billing programs in other states, define</u>	132
<u>a comprehensive consumer choice billing education program to</u>	133
<u>support the launch of consumer choice billing in the state, and</u>	134
<u>consider any other relevant matters, including the process for</u>	135
<u>disconnection or termination of utility service;</u>	136
<u>(6) Establish an electronic data exchange working group to</u>	137
<u>develop proposed electronic transactions for an electric</u>	138
<u>distribution utility or supplier to exchange necessary</u>	139
<u>consumption, billing, payment, and related data;</u>	140
<u>(7) Prohibit an electric distribution utility from</u>	141
<u>requiring a supplier to purchase a consumer's arrears from the</u>	142
<u>electric distribution utility;</u>	143
<u>(8) Prohibit an electric distribution utility from</u>	144
<u>utilizing consumer information to do the following:</u>	145
<u>(a) Market the standard service offer for electric</u>	146
<u>service;</u>	147
<u>(b) Research or market other electric distribution utility</u>	148
<u>services;</u>	149
<u>(c) Share information the electric distribution utility</u>	150
<u>acquires through electronic transactions that facilitate</u>	151
<u>consumer choice billing with unregulated affiliates of the</u>	152
<u>electric distribution utility or any other nongovernmental</u>	153
<u>entity.</u>	154
<u>(9) Establish the terms and conditions for the following:</u>	155

<u>(a) A supplier to change a consumer's billing method to or</u>	156
<u>from consumer choice billing and the corresponding content and</u>	157
<u>timing of notifications to consumers;</u>	158
<u>(b) For a consumer that is on budget billing with an</u>	159
<u>electric distribution utility at the time of the switch to</u>	160
<u>consumer choice billing;</u>	161
<u>(c) A supplier's purchase of an electric distribution</u>	162
<u>utility's receivables, including prioritization for partial</u>	163
<u>payments and a dispute resolution process;</u>	164
<u>(d) Nonpayment by a consumer choice billing consumer,</u>	165
<u>including the content of collection notices, purchase of</u>	166
<u>arrears, unpaid charges, and limitations.</u>	167
<u>(10) A consumer choice billing consumer's participation in</u>	168
<u>the percentage of income assistance program under section</u>	169
<u>4928.53 of the Revised Code.</u>	170
<u>(C) In addition to the penalties described in divisions</u>	171
<u>(A) (1) and (2) of section 4933.59 of the Revised Code, the</u>	172
<u>commission shall adopt rules to establish fines or other</u>	173
<u>penalties for violations of requirements established under</u>	174
<u>sections 4933.52 to 4933.58 of the Revised Code.</u>	175
<u>(D) Notwithstanding any provision of section 121.95 of the</u>	176
<u>Revised Code to the contrary, a regulatory restriction contained</u>	177
<u>in a rule adopted under section 4933.54 of the Revised Code is</u>	178
<u>not subject to sections 121.95 to 121.953 of the Revised Code.</u>	179
<u>Sec. 4933.56. (A) Not later than forty-five days after the</u>	180
<u>effective date of this section, the public utilities commission</u>	181
<u>shall issue an order requiring electric distribution utilities</u>	182
<u>to prepare a consumer choice billing implementation plan, which</u>	183

shall be subject to commission approval. Each electric 184
distribution utility shall submit its implementation plan to the 185
commission not later than one hundred eighty days after the 186
commission has adopted the consumer choice billing rules 187
pursuant to section 4933.54 of the Revised Code. 188

The implementation plan shall demonstrate how the electric 189
distribution utility will meet the consumer choice billing 190
requirements established by rule pursuant to section 4933.54 of 191
the Revised Code and shall include all tariffs, agreements, 192
processes, proposed cost recovery mechanisms, and other 193
components that will require commission approval in accordance 194
with the commission's consumer choice billing order. 195

If necessary, the commission may approve an implementation 196
plan on an expedited basis. 197

(B) An electric distribution utility shall maintain a 198
record of recoverable consumer choice billing costs as 199
regulatory assets. Such regulatory assets shall be recovered in 200
the utility's next rate case application under section 4909.18 201
of the Revised Code. 202

Sec. 4933.58. Not later than one year after the effective 203
date of the consumer choice billing rules adopted pursuant to 204
section 4933.54 of the Revised Code, the public utilities 205
commission shall issue a consumer choice billing report to the 206
standing committees of the house of representatives and the 207
senate with primary responsibility for utility legislation. The 208
report shall detail the status of the consumer choice billing 209
program in the state and shall include the following information 210
regarding the program: 211

(A) Statistics for the number of consumers who shop for 212

<u>retail electric service;</u>	213
<u>(B) The number and description of consumer complaints;</u>	214
<u>(C) The number of billing disputes;</u>	215
<u>(D) The number of service terminations;</u>	216
<u>(E) Any other information needed to determine whether</u>	217
<u>modifications to consumer choice billing qualifications or</u>	218
<u>requirements are necessary to improve shopping for retail</u>	219
<u>electric service in the state.</u>	220
<u>Sec. 4933.59. (A) If a supplier violates a provision of</u>	221
<u>the consumer choice billing program under sections 4933.51 to</u>	222
<u>4933.58 of the Revised Code, the public utilities commission may</u>	223
<u>impose any of the following penalties, subject to notice and a</u>	224
<u>hearing:</u>	225
<u>(1) A suspension or revocation of the supplier's</u>	226
<u>participation in the consumer choice billing program;</u>	227
<u>(2) A suspension or revocation of the supplier's</u>	228
<u>certification under section 4928.08 of the Revised Code, as</u>	229
<u>applicable;</u>	230
<u>(3) A fine in an amount determined and imposed by the</u>	231
<u>commission, on a supplier for marketing practices that are</u>	232
<u>fraudulent, deceptive, or otherwise unlawful.</u>	233
<u>(B) A supplier shall be responsible for fraudulent,</u>	234
<u>deceptive, or other unlawful marketing acts performed by an</u>	235
<u>agent of the supplier. The commission may impose on the supplier</u>	236
<u>the penalties described in division (A) of this section if the</u>	237
<u>agent of a supplier violates a provision of the consumer choice</u>	238
<u>billing program under sections 4933.51 to 4933.58 of the Revised</u>	239
<u>Code.</u>	240

(C) The commission may impose penalties on an electric 241
distribution utility that violates requirements adopted pursuant 242
to section 4933.54 of the Revised Code." 243

The motion was _____ agreed to.

SYNOPSIS 244

Consumer Choice Billing Program 245

R.C. 4928.081, 4929.201, 4933.51, 4933.52, 4933.54, 246
4933.56, 4933.58, and 4933.59 247

Creates the Consumer Choice Billing Program (CCBP), which 248
is administered by the Public Utilities Commission (PUCO), for 249
various purposes, such as, for example, allowing competitive 250
retail electric service (CRES) to offer consumers consolidated 251
billing of retail electric services. 252

Requires PUCO to adopt rules that establish various 253
requirements for suppliers, including, for example, that a 254
supplier must apply for a new or amended CRES certification, as 255
applicable, that authorized the supplier's CCBP participation. 256

Requires PUCO to adopt numerous other rules related to the 257
CCBP, including, for example, rules to (1) authorize a mechanism 258
to create a bypassable billing service charge; (2) require an 259
electric distribution utility (EDU) to provide a consumer's 260
billing data in a standard format and in as close to real time 261
as possible, and within not more than ten minutes, to 262
participating suppliers; and (3) prohibit an EDU from utilizing 263
consumer information for certain purposes. 264

Requires EDUs to prepare a CCBP implementation plan, which	265
is subject to PUCO approval.	266
Requires PUCO, not later than one year after the date the	267
CCBP rules are adopted, to issue a CCBP report containing	268
certain information to the standing committees of the House of	269
Representatives and the Senate with primary responsibilities for	270
utility legislation.	271
Allows PUCO to impose penalties for violations of the CCBP	272
law.	273
Voluntary demand response program performance incentive	274
R.C 4928.106(K)	275
Removes from the bill the ability of PUCO to approve a	276
performance incentive for a utility with a voluntary demand	277
response program based on program savings.	278