

# Understanding Energy Choice Ohio

November 14 2023



# Rates and Regulation

- Utility rates set the price the consumer pays for service
  - Distribution and Transmission – Regulated distribution utility
  - Generation Services – Wholesale market
- Utility Rates:
  - “fair, reasonable, and not unduly discriminatory”
  - relate to the cost of providing service
  - must produce the revenue for which they are designed
- Retail (consumer) electric and gas rates are regulated at the state level:
  - Ohio - Public Utilities Commission Of Ohio (PUCO)
- Wholesale rates (sales to municipalities, cooperatives, or other utilities) are under the jurisdiction of the Federal Energy Regulatory Commission (FERC)



# Rates and Regulation

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- Rate schedules are predicated upon the supply of service:
  - to **one premise**
  - at **one standard voltage**
  - at **one delivery point**
  - through **one meter** for the ultimate use by one customer
- When service supplied on one premise involves more than one service classification, standard voltage, or delivery point; each such service shall be separately metered and billed unless the rate schedule or rider specifically provides for more than one voltage and the combining of the meter readings, or when the service is supplied in such a manner for Duke Energy's operating convenience or to meet legal requirements.

# Definitions

- **Tariff** - Governs how an energy provider (electric or natural gas) charges the customer for their energy and natural gas usage.
- **Customer charge** - Fixed amount, customer-related costs

Duke Energy Ohio  
139 East Fourth Street  
Cincinnati, Ohio 45202

P.U.C.O. Electric No. 19  
Sheet No. 20.3  
Cancels and Supersedes  
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## ELECTRIC SERVICE REGULATIONS

### SECTION I - SERVICE AGREEMENTS

#### 1. Application for Service.

When a customer desires electric service, application shall be made to the Company, specifying the date service is desired and the place where service is to be furnished. An oral application may be accepted by the Company, although a written application or agreement may be required at the option of the Company at the time of application or at any later time.

When a customer requests to be enrolled in the Customer Choice program he or she shall do so in accordance with the guidelines established in Section III, Customer Choice Enrollment and Participation Guidelines.

#### 2. Customer's Right to Cancel or Suspend Service.

A customer may terminate electric service by giving the Company reasonable notice, but not less than three (3) business days prior to termination. The Company will accept such notice as a cancellation of service, except as may be provided in a signed service agreement, rate schedules, or elsewhere in these ELECTRIC SERVICE REGULATIONS.

#### 3. Company's Right to Refuse or to Disconnect Service

The Company, in addition to all other legal remedies, may terminate the service agreement and refuse or discontinue service to an applicant, consumer or customer, for any of the following reasons:

- Upon the request of the customer for temporary disconnection of service for maintenance or other reasons. A residential customer residing in a single family home should contact the Company approximately four (4) hours in advance of the time of requested disconnection. All other residential and non-residential customers shall contact the Company at least three (3) business days in advance of date of the requested disconnections. Note: If any rewiring or change in electric service is being done during the disconnection period, other Company requirements must be met before electric service will be reconnected;
- When the customer has moved from the premises, neglected to request disconnection of service, and an investigation by the Company indicates that service is no longer required;
- When continued service would jeopardize the life or property of the customer, the Company, or the public, service may be disconnected without notice to the customer;
- When supplying electricity to any consumer or customer creates a dangerous condition on the consumer's or customer's premises or where, because of conditions beyond the consumer's or customer's premises, termination of the supply of electricity is reasonably necessary. Service will not be restored until such dangerous condition or conditions have been corrected;

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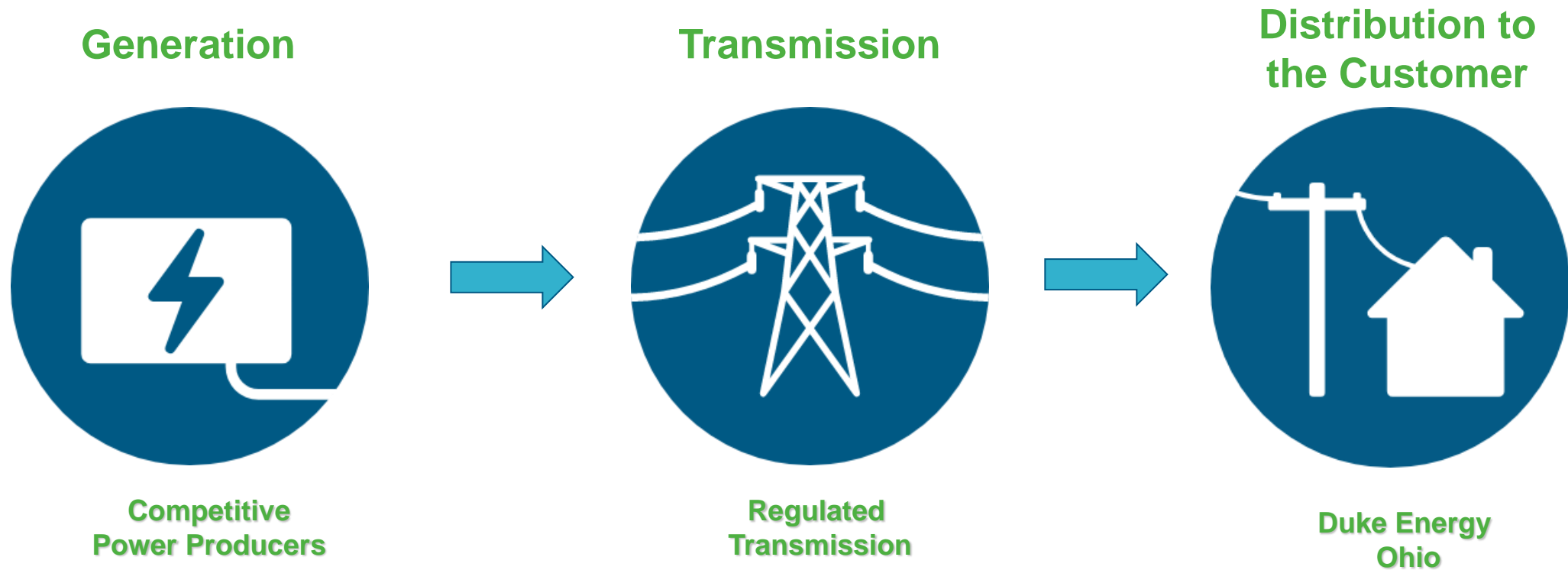
Issued by Amy B. Spiller, President



# Generation

Duke Energy Ohio

# Restructured Electric Utility Industry (Ohio 1999 SB3)



- Requires electric distribution utilities to serve customer load through the wholesale market; the regulated utility can no longer own generation
- Duke Energy Ohio, like all other electric distribution utilities in Ohio, procures load from PJM
- Bottom-line amount on customer bills includes detailed charges for each service



# Standard Service Offer (SSO) Generation

- Duke Energy Ohio procures SSO generation from the wholesale market (PJM) for customers who do not purchase generation services from a Certified Electric provider
- The Company holds auctions throughout the year to procure the generation services
- Auction follows a descending clock format:
  - Delivery periods and auctions staggered
  - At least two auctions for each delivery period
  - Charles River & Associates manage auction process
- Full-requirements, load following for 100% of SSO or non-shopping load
- Duke Energy Ohio does not earn any profits for providing generation services



# Energy Choice Ohio: Price To Compare (PTC)

- Price To Compare (PTC) is a method to evaluate an offer for generation services from a Certified Retail Electric Service (CRES) provider
- When purchasing from a CRES provider, the four SSO generation riders (RC, RE, SCR, and AERR) no longer appear on the electric bill—they are replaced by the CRES generation charge
- PTC is calculated by adding up the dollars associated with the SSO generation riders and dividing the total by the kWh on the bill






# Price To Compare (PTC) Example

- Assume:
  - Rate DM
  - Monthly bill has usage of 3,000 kWh
  - September 2023 rates
- Calculation:

■ Rider RC:	\$10.06
■ Rider RE:	\$317.43
■ Rider SCR:	(\$9.91)
■ Rider AERR:	\$1.43
■ Total SSO:	\$319.01
- Price To Compare:  $\$319.01 / 3,000 \text{ kWh} = \$0.11 \text{ per kWh}$
- You will **save money** by switching to a CRES provider for your generation **if CRES offer is lower than the PTC**
- We suggest that you **perform this calculation for multiple months** because the PTC can change depending on season and monthly kWh usage

# Price To Compare – *Apples to Apples*

- Energy Choice Ohio: [www.energychoiceohio.gov](http://www.energychoiceohio.gov)



The screenshot shows a web browser window with the URL <https://energychoiceohio.gov/applestoapples.aspx>. The page features the Energy Choice Ohio logo (powered by choice.) and a navigation menu with links for Home, Compare Offers, About Choice, Electric, Natural Gas, FAQs, and Contact Us. The main content area is titled "Apples to Apples: Choose Your Utility" and includes a sub-header: "The PUCO provides a regularly updated *Apples to Apples* comparison chart of the certified suppliers' offers and information. Please choose your utility below to proceed to the comparison chart." Below this text are two buttons: "ELECTRIC ▶" and "NATURAL GAS ▶". A circular icon with three apples is positioned below the buttons. A "Disclaimer" section is located at the bottom of the page, providing detailed information about the comparison charts and the PUCO's role.

**Disclaimer**

The PUCO produces the *Apples to Apples* charts to provide a snapshot comparison of current natural gas and electric supplier price options and contract terms. The charts list only the certified natural gas and electric suppliers and aggregators that are actively enrolling new customers. The *Apples to Apples* charts display live-feed comparisons of current supply offers in random populating order. Suppliers are responsible for the accuracy of their own offers and these offers can change at anytime. Therefore, 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 natural gas or electric service. Be certain when signing up for service that you will be receiving the offer price of which you anticipate. Please be advised that if you are currently enrolled in the Percentage of Income Payment Plan (PIPP PLUS), you are not eligible to enroll with or switch to an alternate supplier. If you are currently enrolled with an alternate supplier, and want to enroll with a different supplier prior to the expiration of your current contract, you may be subject to an Early Termination Fee.

# Price To Compare – What to know

- Energy Choice Ohio [Fact Sheet](#)
- It's your choice to:

 Shop for offers

 Stay with Duke Energy


- Do your research before switching to a CRES Provider
  - No guaranteed savings
  - Fixed rates vs variable rates
  - Monthly fees
  - Cancellation fees
  - Promotional offers
  - Contract length & renewal

## Energy Choice Ohio


Making sense of your options

**It's your choice**

Energy Choice Ohio is a statewide program that allows many customers to shop for the energy they use at home or work. Before learning the ins and outs of the program, you should understand the difference between energy supply and energy delivery. These are broken out on your Duke Energy bill and are the two biggest contributors to your monthly energy charges.

 **SUPPLY**

You can choose a third-party company or Duke Energy to supply your energy.

 **DELIVERY**

Duke Energy delivers energy right to your home and provides billing services.

**ENERGY SUPPLY**


Energy supply is simply the amount of energy you use at your home or business. For example, supply represents the kilowatt-hours (kWh) of electricity it takes to keep your lights on or the centum cubic feet (Ccf) of natural gas needed to heat your water. For a typical residential electric customer, energy supply accounts for roughly half of your monthly power bill.

With Energy Choice Ohio, you're able to choose from a variety of companies, including Duke Energy, to provide your energy supply. If you choose Duke Energy for your supplier, we'll acquire energy on your behalf at competitive prices and pass along the charges, dollar for dollar, to you via your monthly bill.

Duke Energy does not make or lose money on the energy supply portion of customers' bills, and we will continue to provide safe and reliable service regardless of which company you choose for your energy supply.

**ENERGY DELIVERY**

The other component of your monthly energy bill is energy delivery. This includes the fixed and usage-based fees that Duke Energy charges for delivering energy to your home or business: maintaining poles, wires and pipes; handling billing and payment; responding to outages and emergencies; and more.



**MONTHLY FEES**

You may find a third-party energy company offer with very low rates per kWh or Ccf, and then come to learn that the company also charges a monthly fee for the plan. Use the historic energy usage data listed on your monthly bill to calculate whether the offer makes financial sense.

**CANCELLATION FEES**

Some third-party energy companies will charge you a fee if you cancel your agreement or switch to another supplier before the end of your contract. Be sure to understand the written terms of your current and prospective agreements before signing up.

**PROMOTIONAL OFFERS**


Third-party energy companies often offer various promotions to entice new customers to sign up. For example, a customer may be able to qualify for gift cards, rewards programs, discounts, sweepstakes or low "starter" rates when signing up. While these offers may be appealing, always pay attention to the rate being offered, whether it's a fixed or variable rate, the contract length, and any monthly or cancellation fees that may apply.


**CONTRACT LENGTH & RENEWAL**


Energy supply contracts can span anywhere from one month to three years. Before committing to a contract, understand the length of the agreement and what happens when it ends. Many contracts will automatically renew under different terms and prices, so be sure to know the renewal terms as well as when and how you can cancel without having to pay a fee.

**Additional information**

**Energy Choice Ohio**  
Official website: [energychoice.ohio.gov](http://energychoice.ohio.gov)

 A kilowatt-hour (kWh) is a measure of the energy used by a 1,000-watt appliance in one hour. A 10-watt LED lightbulb would take 100 hours to use 1 kWh.

 One centum cubic foot (Ccf) is the amount of natural gas in a 100-cubic-foot space. If you have a standard oven, it would take about 20 hours to use 1 Ccf of natural gas.

 **PROTECT YOURSELF**  
Never share your Duke Energy bill or account number with anyone you don't know or trust.

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