

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Commission's)	
Review of Chapter 4901:1-10, Ohio)	Case No. 12-2050-EL-ORD
Administrative Code, Regarding)	
Electric Companies)	

**INITIAL COMMENTS OF
OHIO POWER COMPANY**

Introduction

By entry dated July 16, 2012 the Commission initiated a workshop held on August 17, 2012 to elicit feedback regarding the current Electric rules from interested stakeholders. Based on feedback from stakeholders, an entry dated November 7, 2012, seeks comments from interested parties to review the various rules related to utility matters found in OAC 4901:1-10, Electric Companies and file comments no later than January 7, 2013 and file reply comments by February 6, 2013.

Ohio Power Company (dba AEP Ohio) submits the following comments below in response to the Commission's invitation for feedback. In addition to the rule review comments, the Commission asked for general comments regarding other various Electric Company rules; AEP Ohio has included comments regarding those items at the end of this document.

4901:1-10-01 (I) Definitions:

AEP Ohio has a recommendation for the newly created "Customer energy usage data" definition. As currently worded, it could be interpreted to include 'energy usage data' and 'data that is identifiable to a retail customer' (i.e., customer data that has nothing

to do with usage). AEP Ohio's suggested edit below simply revises wording to ensure any rules that reference this definition only cover energy usage data, as presumably intended. Therefore, AEP Ohio recommends the removal of the word information from the definition as shown below.

(I) "Customer energy usage data" means energy usage information and data that is identifiable to a retail customer.

4901:1-10-01 (S) Definitions:

AEP Ohio recommends that the definition for "Major Event" be updated to reflect the 2012 version of the IEEE 1366 which has been recently revised. Therefore, AEP Ohio suggests the following rule change:

(S) "Major event" encompasses any calendar day when an electric utility's system average interruption duration index (SAIDI) exceeds the major event day threshold using the methodology outlined in section ~~4.5~~ 3.5 of standard ~~1366-2003~~ 1366- 2012 adopted by the institute of electric and electronics engineers (IEEE) in "IEEE Guide for Electric Power Distribution Reliability Indices." The threshold will be calculated by determining the SAIDI associated with adding 2.5 standard deviations to the average of the natural logarithms of the electric utility's daily SAIDI performance during the most recent five-year period. The computation for a major event requires the exclusion of transmission outages. For purposes of this definition, the SAIDI shall be determined in accordance with paragraph (C)(3)(e)(iii) of rule 4901:1-10-11 of the Administrative Code.

4901:1-10-04 (A) Equipment for voltage measurements and system voltage and frequency requirements:

Due to the quality of today's voltage measuring instruments, AEP Ohio believes that an annual accuracy verification test is no longer needed. Therefore, AEP Ohio suggests the following language change to the existing rule:

(A) Portable indicating instruments (e.g., electro-mechanical indicating,

electronic indicating, and electronic indicating and recording) used to test or record service voltage at the customer's premises in response to a customer inquiry or complaint shall be checked for accuracy against a recognized standard. For transmission facilities within the commission's jurisdiction, the voltage measuring equipment accuracy and testing requirements shall comply with the requirements of the transmission system operator. Accuracy checks shall be conducted as recommended by the manufacturer or ~~annually~~ once per calendar year if no period is specified. The most recent accuracy test record shall be kept with each such instrument, or at a central location for the electric utility and/or transmission owner.

4901:1-10-04 (B)(2) Equipment for voltage measurements and system voltage and frequency requirements:

Staff has updated language in regards to the ANSI standards of C84.1 for the 2012 edition under paragraph (2); AEP Ohio could only find the 2011 edition available at the current time. Therefore, AEP Ohio recommends changing the 2012 edition to the 2011 edition.

(2) Each electric utility shall file with the commission, as part of its tariffs, the nominal service voltage available to customers, including the number of phases and service configurations and the voltage variations for each available service configuration. The nominal service voltage shall be based on the ~~2004 version~~ 2012 2011 edition of the "American National Standards Institute" standard C84.1, electric power systems and equipment voltage ratings, or as subsequently amended.

4901:1-10-07 (B) Outage reports:

AEP Ohio supports the change in language to (B): *"Each electric utility shall immediately report each outage to the commission's outage coordinator in a format prescribed by the outage coordinator."* AEP Ohio has worked with Staff to test a new web based design which will allow outage reporting to be less complicated and fully supports Staff's efforts in designing a modernized easy to use system to report

outages. The system being tested currently is what AEP Ohio assumes is contemplated by this rule. The Company would ask the Commission to assure the industry that the rule does not provide the unilateral ability to change the system in a manner that will require expensive updates to the utility system without assurance of cost recovery. The proposed rule will be approved broadly and AEP Ohio requests that the Commission include some level of reasonableness in the order approving the suggested change to ensure the impacts of any future changes are considered if the outage coordinator prescribes a new format that fits the coordinators needs.

4901:1-10-09 (A) & (B) Minimum customer service levels:

Currently the minimum customer service levels are measured on a monthly basis, AEP Ohio recommends reporting these on an annual basis to recognize seasonal realities. For new service installations, AEP Ohio encounters months where there are either many small storms which are not excluded because they do not reach the major event threshold, or sends crews out of town to assist other utilities in power restoration activities which do not count as exclusions. Although AEP Ohio endeavors to meet the goal each month, these external situations make it difficult. The same difficulty is encountered with the varying influx of calls in the call center. In months with a lot of minor storms a monthly goal may be hard to meet. Also AEP Ohio has started receiving many calls during certain months due to marketing from CRES and it is difficult to anticipate or prepare for such an influx in call volume as the Company has no control over the marketing efforts of CRES providers. In addition, it can be difficult to train new call center staff quickly in order to adapt to an increased call volume. For all these reasons, AEP Ohio requests that reporting be

done on an overall annual basis to eliminate the anomalies that may exist under a monthly standard. AEP Ohio recommends the following changes:

(A) On ~~a calendar monthly~~ an annual basis, each electric utility shall complete the installation of new service or upgrade of service as follows:

(B) On ~~a calendar monthly~~ an annual basis, each electric utility's average (arithmetic mean) answer time for telephonic customer service calls shall not exceed ninety seconds. An electric utility shall set its queue to minimize the number of disconnected calls and busy signals.

(C) Electric utilities shall comply with the following reporting requirements:

- (1) When an electric utility fails to meet any minimum service level, as set forth in paragraph (A) or (B) of this rule, for any ~~two months within any~~ twelve-month period, the electric utility shall notify the director of the service monitoring and enforcement department in writing within thirty calendar days after such failure. The notification shall identify any factors that contributed to such failure, as well as any remedial action taken or planned to be taken or rationale for not taking any remedial action. Any failure to report the lack of compliance with the minimum service levels set forth in paragraphs (A) and (B) of this rule constitutes a violation of this rule.

4901:1-10-09 (A)(1)(a) & (c) Minimum customer service levels:

AEP Ohio is concerned with the rule change regarding new reporting requirements around new service installations for AMI meters. In order to accomplish this new rule requirement, a change to the current reporting methodology will need to occur which will cause not only additional cost, but also take additional resources to implement. AEP Ohio currently has only a small percentage of customers in its service territory who have these types of meters installed within the AEP Ohio gridSMART pilot program. For AEP Ohio, this change to the rule will cost more than the benefit the customers will see. AEP Ohio recommends implementing this rule for those utilities with significant meters of this type, i.e. those whose service territory has at least 25% of these meter types installed.

AEP Ohio also seeks clarification around the statement regarding ‘*meters that are capable of starting and stopping service remotely*’ if this means all meters that have the capability, enabled to do such, or all meters which successfully complete a remote start and stop of the meter. AEP Ohio at times experiences circumstances whereby a condition at the meter site blocks the signal and a truck must be dispatched to complete the order.

AEP Ohio recommends the following addition of (1)(d):

- (1) Ninety-nine per cent of new service installations requiring no construction of electric facilities shall:

(d) Companies who have less than 25% of their customers with meters that are capable of starting and stopping service remotely, do not have to report on these meters separately.

4901:1-10-09 (A)(3) Minimum customer service levels:

Communication methods over the past several years have advanced with cell phone technology being a commonly used communication tool providing both verbal communication and handheld access to e-mail. AEP Ohio recommends the removal of the word ‘written’ in the below paragraph to allow for communication flexibility with customers. At times AEP Ohio prefers to call customers with the updates and restricting communication to a letter can be burdensome. Therefore AEP Ohio recommends the following change:

- (3) If an applicant or customer, complies with all pertinent tariff requirements and the electric utility cannot complete the requested service installation or service upgrade as set forth in paragraph (A)(1)(a), (A)(1)(b), (A)(2)(a), or (A)(2)(b) of this rule, then the electric utility shall promptly notify the applicant or customer of the delay, the reasons for the delay, the steps being taken to complete the work, and the probable completion date. The electric utility shall make a reasonable attempt to provide such notification at least one business day prior to the end of the prescribed time interval. If a rescheduled

completion date cannot be met, the applicant or customer shall be promptly notified. If the rescheduled completion date is delayed more than two business days, ~~written~~ notification shall be given, stating the reason(s) for the delay, the steps being taken to complete the work and the new rescheduled completion date. This notification process shall be repeated as necessary. Each subsequent missed completion date shall count as a missed service installation or upgrade pursuant to paragraph (A)(1) or (A)(2) of this rule.

4901:1-10-11 (F) Distribution circuit performance:

AEP Ohio supports the language change in section (F), but would like to have additional verbiage added. In cases where a circuit has been on the list for two consecutive years due to mostly one cause code, and the company has effectively averted most of those outages in the third year, but the circuit appears on the list in the third year due to a different possibly non-preventable cause concerns the Company in that this constitutes a possible violation of the rule that is not intended due to the different nature of the cause previously addressed. Therefore, AEP Ohio would like to suggest the following language addition:

(F) Electric utilities shall take sufficient remedial action to ~~cause each listed circuit to be removed from the list within two years~~make sure that no circuit is listed on three consecutive reports **due to the same preventable outage causes**. The inclusion of a given circuit in the report under paragraph (C) of this rule for three consecutive reporting periods shall create a rebuttable presumption of a violation of this rule.

4901:1-10-12 Provision of customer rights and obligations:

Staff has proposed changes to the existing language in regards to sending customers handbooks to customers opening a new account who have not received the latest version of the customer rights summary. AEP Ohio is concerned that this will require utilities to start keeping track of all versions of the customer handbook

and store that information with the customer data. This change would incur a cost to implement and become more labor intensive to check each version which has been sent to customers. AEP Ohio recommends a change to the rule to avoid sending new handbooks to customers who, for instance, move annually (such as college students) and continue to receive a new handbook each year.

In addition to the above mentioned item, AEP Ohio at times encounters customers who request an electronic version of the handbook, therefore AEP Ohio suggests the removal of the term ‘mailing’ and replace it with the word ‘sending.’ Therefore, customers can elect to have the handbook sent to them via mail or e-mailed to them if they prefer.

In order to simplify the language AEP Ohio recommends the following:

Each electric utility shall provide to ~~new~~ customers new to the utility, upon application for service, and existing customers upon request, a written summary of their rights and obligations under this chapter. This written summary shall also be prominently posted on the electric utility’s website. The summary shall be in clear and understandable language. Each electric utility shall submit the summary or amendments thereto to the chief of the reliability and service analysis division for review at least sixty calendar days prior to ~~mailing~~ sending the summary to its customers. For purposes of this rule “customers new to the utility” means a customer who opens a new account and has not received such a customer rights summary within the preceding two years. The summary shall include, but not be limited to, the following:

4901:1-10-12 (D)(1) Provision of customer rights and obligations:

Due to safety concerns for employees, AEP Ohio no longer maintains public utility offices which customers can visit to read over the current rates and tariffs. AEP Ohio suggests adding language that a customer can instead request a copy be

sent to them, either by mail or e-mail. Because of this, AEP Ohio suggests that language be stricken from the rule:

- (1) A statement that the electric utility's rates and tariffs are available for review ~~at the electric utility's office~~, on the electric utility's website, ~~and on the commission's website, or the customer can request a copy be sent to them.~~

4901:1-10-12 (F)(3) Provision of customer rights and obligations:

It is very important that the utility be able to maintain current operations without adding additional barriers to normal business. AEP Ohio currently provides customer information to various contractors and vendors in regard to programs AEP Ohio offers customers, such as DSM management. Adding additional requirements around individual customer authorization would add additional cost and labor to current operations. In order to include this type of situation, AEP Ohio recommends adding the following language:

(F)(3)(f) Contractors and vendors who manage various programs for the electric utility and have a contract with the utility to maintain customer data privacy.

4901:1-10-14 (C)(1)(b) Establishment of credit for applicants and customers:

Staff has proposed language which AEP Ohio believes is duplicated in item (C)(1) and (C)(1)(b) regarding the verification for residential applicants. AEP Ohio recommends the following change:

- (1) The electric utility verifies that the applicant is a creditworthy property owner or verifies the applicant's creditworthiness in accordance with legally accepted practices to verify credit. ~~Verification methods for residential applicants shall include, but not be limited to, consideration of the applicant's~~

~~employer and length of service, reference letters, and substantive credit cards;~~

- (a) The company may request the applicant's social security number in order to obtain credit information and to establish identity, however if the applicant elects not to provide his/her social security number, the utility company may not refuse to provide service.
- (b) If the applicant declines the utility company's request for a social security number, the utility company shall inform the applicant of all other options for establishing creditworthiness; the electric utility verifies that the applicant is a creditworthy property owner or verifies the applicant's creditworthiness in accordance with legally accepted practices to verify credit. **Verification for residential applicants shall include, but not be limited to, consideration of the applicant's employer and length of service, reference letters, and substantive credit cards.**

4901:1-10-14 (G)(1) Establishment of credit for applicants and customers:

The current language in G states: “Deposit to reestablish creditworthiness for tariffed service” but continues into (G)(1) to discuss an initial deposit which may be confusing to customers. Therefore, AEP Ohio recommends the following change:

(G) Deposit to reestablish creditworthiness for tariffed service.

- (1) An electric utility may require a customer to make ~~an initial~~ a deposit or additional deposit, not to exceed one hundred thirty percent of the estimated annual average monthly bill for the customer's tariffed service for the ensuing twelve months, on an existing account, as set forth in this rule, to reestablish creditworthiness for tariffed service based on the customer's credit history on that account with that electric utility.

4901:1-10-14 (G)(2)(a) Establishment of credit for applicants and customers:

AEP Ohio strongly believes that holding Industrial and Commercial accounts to the same deposit rules as residential customers, adds a negative impact to customers. At times AEP Ohio encounters Industrial and Commercial customers who haven't yet missed a payment but encounters a time prior to default when their credit goes bad. When that occurs AEP Ohio asks that the Commission consider allowing

utilities to charge a deposit in order to ensure payment, which could be substantial in some cases. Therefore AEP Ohio recommends the following:

(2) A deposit may be required if the residential customer meets one of the following criteria:

- (a) ~~The customer has not made full payment or payment arrangements by the due date for two consecutive bills during the preceding twelve months~~After considering the totality of the customer's circumstances, a utility company may require a deposit if the customer has not made full payment or payment arrangements for any given bill containing a previous balance for regulated service provided by that utility company.
- ~~(b) The customer has been issued a disconnection notice for nonpayment on two or more occasions during the preceding twelve months.~~
- (b) The customer has had service disconnected for nonpayment, a fraudulent practice, tampering, or unauthorized reconnection during the preceding twelve months.

(3) A deposit may be required if the non-residential customer meets one of the following criteria:

- (a) After considering the totality of the customer's circumstances, a utility company may require a deposit if the customer has not made full payment or payment arrangements for any given bill containing a previous balance for regulated service provided by that utility company.
- (b) The customer has had service disconnected for nonpayment, a fraudulent practice, tampering, or unauthorized reconnection during the preceding twelve months.
- (c) The customer's credit rating falls to unacceptable levels or a C rating on a national rating system.

4901:1-10-17(B) Payment schedule and disconnection procedures for nonpayment by nonresidential customers:

AEP Ohio does not believe that residential and non-residential customers should be treated the same with respect to disconnection protection procedures. Staff's proposed language for limiting the disconnection of non-residential customers after 12:30 P.M. causes great concern to AEP Ohio. Non-residential customers have

much more access to make payments electronically to prevent disconnection and should not be allotted the same timeframe and considerations as residential customers are. Therefore AEP Ohio recommends the following change:

(B) The utility may disconnect service, after at least five days notice, during normal business hours. However, no disconnection for nonpayment shall be made after twelve-thirty p.m. on the day preceding a day on which all services necessary for the customer to arrange and the utility company to perform reconnection are not regularly performed

4901:1-10-23 (B) Billing adjustments:

AEP Ohio agrees with the addition of a proposed cap in regard to non-residential undercharge recovery, although, because in most cases the undercharge occurs due to circumstances beyond the company's control, AEP Ohio suggests the length be moved to a 5-year limit, instead of a 3-year limit. Therefore AEP Ohio recommends the following language:

- (A) When an electric utility has undercharged any nonresidential customer as the result of a meter or metering inaccuracy, billing problem, or other continuing problem under the electric utility's control, unless the customer and the electric utility agree otherwise, the maximum portion of the undercharge that may be billed to the customer in any billing month, based upon the appropriate rates, shall be determined by dividing the amount of the undercharge by the number of months of undercharged service. The electric utility shall only bill the customer for the amount of the total undercharge amount rendered in the ~~thirty-six month~~ **five-year** period immediately prior to the date the company remedies the metering inaccuracy. Each electric utility shall state the total amount to be collected in the first bill under this rule. This rule shall not affect the electric utility's recovery of regular monthly charges.

4901:1-10-24 (E)(3) Customer safeguards and information:

It is very important that the utility be able to maintain current operations without adding additional barriers to normal business. AEP Ohio provides customer

information to various contractors and vendors in regard to programs AEP Ohio offers customers, such as DSM management. Adding these additional requirements would add additional cost and labor to be needed for current operations. In order to include this type of situation, AEP Ohio recommends the following addition:

(F)(3)(f) Contractors and vendors who manage various programs for the electric utility and have a contract with the utility to maintain customer data privacy.

4901:1-10-27 (E)(4) Inspection, maintenance, repair, and replacement of transmission and distribution facilities (circuits and equipment):

AEP Ohio is greatly concerned with the deletion of the language ‘likely to cause an outage’. AEP Ohio currently makes notations on a large amount of very minor items during inspections such as broken pole tags which are to be addressed when appropriate. But the cost to implement a formal system to not only track each one of these very minor items but also continually report on the progress of their possible replacement would be very costly. This change would require additional resources to manage this large amount of data. In addition, this change would require the utilities to take action on every minor non-performance related defect noted and treat them on the same level of importance as performance related issues. This rule change has no benefit on improvement for the customer, yet increases the cost significantly. Such an outcome also chills utilities from keeping track of minor notations as a matter of practice. This type of rule incents utilities to not take note of those minor items so they are not considered as ‘deficiencies’ when inspecting equipment. AEP Ohio strongly recommends keeping the phrase ‘likely to cause an outage’ within the current text. If this phrase is removed ratepayers would incur additional cost for little

to no benefit. Therefore AEP Ohio recommends the following change:

(E)(4) Each electric utility and transmission owner shall maintain records sufficient to demonstrate compliance with its transmission and distribution facilities inspection, maintenance, repair, and replacement programs as required by this rule. Each electric utility and transmission owner shall record all deficiencies revealed by inspections or tests and all actions taken to correct those deficiencies. Lines and equipment with recorded defects that could reasonably be expected to endanger life or property shall be promptly repaired, disconnected, or isolated. All remaining deficiencies likely to cause an outage shall be corrected ~~within one~~ by the end of the year of following the completion of the inspection or testing that originally revealed such deficiencies. The electric utility shall document all deficiencies that are not corrected within the designated time, including the reason for not taking corrective action.

4901:1-10-27 (E)(4) Inspection, maintenance, repair, and replacement of transmission and distribution facilities (circuits and equipment):

AEP Ohio asks for clarification around the language “All remaining deficiencies shall be corrected by the end of the year following the completion of the inspection or testing that originally revealed such deficiencies.” Is it Staff’s expectations that corrections must occur the year after the deficiencies are found by December 31st, or that they must be corrected within a year of finding the deficiency?

4901:1-10-28 (B)(6) Net metering

A customer is a net user of electricity and a generator is net producer of electricity. As noted in 4928.01(31) (d) of the ORC, the generating facilities are “Intended primarily to offset all or part of the customer generator’s electricity requirements.” it is not intended for it to be a net producer of electricity. It is recognized that a customer’s electricity needs vary from month to month due to changes such as heating and cooling, but that variation is normally not significant

over the course of a year, unless the customer has taken intentional specific actions. AEP Ohio believes that the proposed threshold of 120% is excessive, particularly for nonresidential customers and could reflect a sizeable cumulative payment to a generator claiming to be a customer. AEP Ohio often encounters customers making application for interconnection with systems in excess of their electrical needs. Customers have expressed their intentions for such systems were for creating an on-going revenue stream and/or as a means to expedite the payback period for their investment. AEP Ohio is opposed to allowing excessive generation by intentional design; however, recognizes electric usage can change over the life of a generator. Therefore, AEP Ohio recommends a more reasonable threshold of 110% for residential and 105% for nonresidential customers to prevent customers from installing systems for reasons other than the original intent of complying with net metering as allowed in the ORC.

- (6) A customer-generator must intend primarily to offset part or all of the customer-generator's requirements for electricity. A customer-generator that annually generates less than one hundred and ~~twenty~~ ten percent of its requirements for electricity for residential customers and one hundred and five percent of its requirements for electricity for nonresidential customers is presumed to be primarily intending to offset part or all of its requirements for electricity.

4901:1-10-28 (B)(8)(b) Net metering:

AEP Ohio believes that the ORC and OAC states that any costs to accommodate a generator that will operate in parallel the EDU's distribution system (i.e. interconnection), which would include net metering installations, will be borne by the customer-generator. Furthermore, there is no difference between reprogramming or setting up an existing metering and an existing electrical meter that is not capable of

measuring the flow of electricity in each direction, as noted in paragraph (8). Therefore, no costs associated with metering to accommodate participation in a voluntary net metering tariff option should be absorbed by the EDU nor should it be socialized and recovered via all other rate payers. AEP therefore recommends that section (8) (b) be removed.

~~(8) (b) If a customer's existing meter needs to be reprogrammed or set up for the customer to become a customer generator or to accommodate net metering, the electric utility shall not charge the customer for the reprogramming or setup of the existing meter.~~

4901:1-10-28 (B)(9)(c) Net metering:

The current, OAC – 4901:1-10-28, section (9)(c) language reads:

“(c) If the customer generator feeds more electricity back to the system than the electric utility supplies to the customer generator, only the excess generation component shall be allowed to accumulate as a credit until netted against the customer generator’s bill, or until the customer generator requests in writing a refund that amounts to, but is no greater than, an annual true-up of accumulated credits over a twelve-month period.”

What has been lost in staff’s rewording of this section is that net metering customers are to be credited with only the generation component of unbundled rates in the case of negative net monthly usage. This came about as the result of an Ohio Supreme Court ruling in the case *FirstEnergy Corp. v. Pub. Util. Comm.* (2002), 95 Ohio St.3d 401. While AEP Ohio doesn’t think the PUCO Staff is trying to circumvent the court ruling, the new language makes the rules for billing such customers much less clear. Someone unfamiliar with the existing language would likely interpret the new staff-proposed language much differently.

In addition, Staff’s reworded paragraph does not address credit to be applied to

the current month's billing and also unnecessarily complicates credit balances to be carried forward by requiring the utility to both record a "credit in the amount of the excess generation...for the next monthly billing period" as well as to "credit an account for net excess generation" if the credit is not used up in the next billing period. In order to clarify and simplify paragraph 9(c), AEP-Ohio recommends the following:

(9)(c) If the customer generator feeds more electricity back to the system than the electric utility supplies to the customer generator, only the excess generation component of unbundled rates shall be allowed to accumulate as a credit. If the customer-generator has excess generation during a monthly billing period, any excess generation credit shall be used to reduce the customer's current monthly charges. If the full amount of the credit is not used in the current monthly billing period, any remaining amount shall be credited to an account for net excess generation in the customer-generator's name. Any unused amount in the net excess generation account shall be carried forward from month to month and applied to the customer's bill in subsequent billing months.

4901:1-10-28 (B)(10) Net metering:

Staff's revised language states that the electric utility is responsible for annual refunds to be made to customers with remaining credit for excess generation "regardless of whether the customer-generator is receiving generation from the electric utility or a competitive retail electric service provider." To clarify that the refund is only for the excess generation credit earned by the customer-generator for the billing periods during which the customer-generator was taking service under the EDU's SSO net metering tariff during the twelve-month period prior to the annual true-up, AEP Ohio recommends the following:

(10) The electric utility shall issue a refund to the customer-generator for the amount of the credit remaining in the net excess generation account at the end of the twelve month period of June 1 to May 31, regardless of whether the customer-generator is receiving generation from the electric utility or a competitive retail electric service provider at the end of the

twelve-month period. This refund shall be equivalent to an annual true-up of net excess generation **that was earned by the customer-generator while participating in the electric utility's SSO net metering tariff** and should be calculated at the rate the customer-generator pays for generation. The refund should be issued to customer-generators by July 1 of each year.

4901:1-10-28 (B)(14)(c) Net metering:

Since meters of most residential customer-generators are capable of registering the flow of electricity in both directions and in turn only capture the net kWh's, it would require changing the meters to capture delivered and received kWh's in order to provide the total kWh's supplied to customer-generators by the utility. In turn, this would add a cost to the customer-generators. It is believed that the commission can achieve a comparable analysis by utilizing the net kWh's supplied and AEP Ohio recommends the following language change:

(14)(c) The estimated total net kilowatt hours supplied to customer-generators by the electric utility.

4901:1-10-28 (C)(6)(b) Net metering:

Hospital net metering is different than standard net metering in that billing is handled more like it is for a co-generation customer. All electricity flowing from the utility to the hospital customer is billed under a standard tariff with no netting taking place. Any energy generated by the hospital customer and transmitted to the utility grid is measured by a separate meter (or separate meter register) and paid a credit for the value of that energy. The hospital customer's monthly bill may be a net of charges for electricity flowing from the utility, offset by any credit for energy flowing back to the utility from the customer. AEP Ohio is concerned with the current language and how it is stated since a customer could erroneously think he is

entitled to credit for all energy generated, including that consumed by the customer.

Therefore AEP Ohio recommends the following change:

(b) All electricity generated by the hospital **and delivered to the utility grid** shall be credited at the market value as of the time the hospital generated the electricity.

4901:1-10-31 (D)(3)(a) & (b) Environmental disclosure:

AEP Ohio sends approximately 1 million paper bills to customers each month. Environmental Disclosure Inserts when done 5 times a year adds 5 million pieces of paper to bills each and every year, and that accounts for AEP Ohio only. AEP Ohio asks that an alternative be available to customers to view their Environmental Disclosure information on-line via a website which will be updated and archived with the last three years of Environmental Disclosure data. While AEP Ohio knows that some customers may not be able to view this information electronically, Staff has already addressed this in their new changes in 4901:1-10-12 (L): “A statement that customers have the right to obtain the approximate generation resource mix and environmental characteristics in accordance with Rule 4901:1-10-31. The statement shall include a notification that customers shall be provided a hardcopy of the data upon request at no cost to the customer.” Therefore, AEP Ohio recommends the following change:

(a) Annual projection.

Consistent with the schedule presented in paragraph (C)(4) of this rule and the format depicted by appendix A of this rule, the most recent projection of environmental disclosure data shall be provided to each customer of the standard offer for generation service either via bill insert, separate mailing, or website address. If a website address is used, the information regarding the website address must be placed in the customers bill message section consistent with paragraph (C)(4) of this

rule and must state that a customer may request a hardcopy by contacting the company.

- (b) Quarterly comparisons of actual to projected environmental disclosure data.

The comparison of actual to projected environmental disclosure data shall be provided to customers on a quarterly basis consistent with both the schedule presented in paragraph (C)(4) of this rule and the format as depicted by appendix B to this rule.

These items will be disclosed to customers via bill inserts, by separate mailing, or website address. If a website address is used, the information regarding the website address must be placed in the customers bill message section consistent with paragraph (C)(4) of this rule and must state that a customer may request a hardcopy by contacting the company. ~~The quarterly environmental disclosure can be accomplished electronically if a customer agrees to such an approach.~~

4901:1-10-33 (C)(17) & (D)(4) Consolidated billing requirements:

AEP Ohio suggests the following language be stricken from the existing rule:

(17) At a minimum, definitions for the following terms, or like terms used by the company, if applicable: customer charge, delivery charge, estimated reading, generation charge, kilowatt hour (kWh), ~~shopping incentive or shopping credit, and~~ late payment charge, ~~and transition charge.~~

(4) Specific tariffed charges to the extent applicable: customer charge, delivery charge, ~~transition charge, shopping incentive or shopping credit,~~ and other conceptually similar tariffed charges.

AEP Ohio's General Comments Section

Item #8

AEP Ohio largely agrees with the Staff's proposed edits to the ESSS Rules related to safeguarding the disclosure of customer energy usage data. AEP Ohio has offered some additional comments related to this topic, such as the need for utilities to provide customer energy usage data to Energy Efficiency contractors, with appropriate safeguards.

Regarding other measures that the Commission may wish to consider in order to offer further consumer protections, AEP Ohio notes that there is currently virtually no restrictions on the use, sale, or other disclosure of customer data by CRES providers or Governmental Aggregators. Customer information is provided to registered CRES Providers via the marketing lists provided by the utilities. Governmental Aggregators also receive customer data as a result of the aggregation process. Once a customer enrolls with a CRES Provider or through a Government Aggregation initiative, additional customer data is available to these entities. In at least some instances, this data could potentially include 15-minute interval data derived from advanced meters, which could heighten customer privacy sensitivities.

While this data can obviously be used for the intended purpose of solicitation and sale of electricity service, there are no restrictions on these entities using this data for other unintended purposes, selling the information to consumer database or marketing companies, or other interests of governmental entities, such as law enforcement. Reasonable standards on the use and further disclosure of customer information obtained by these entities as a result of the competitive service of electricity, perhaps similar to those restrictions placed on utility regarding use of the data, seems prudent to avoid

unintended consequences.

In addition, AEP Ohio believes that a restriction should exist on utilities to provide to CRES providers and Municipal Aggregators only monthly meter reading data for residential customers that would have advanced metering in place. Once a customer has consented to provide additional information regarding the smart meter data, then and only then, should the utility provide that data to a third party.

Item #9

AEP Ohio believes supplementing the regional generation resource mix for unknown purchased resources will have little effect on customer choices.

Item #10

a) AEP Ohio believes that the proposed revisions to clarify that any customer that hosts or leases generation equipment on its premises should be considered a customer generator is needed and is now adequately addressed in the proposed revisions.

b) AEP Ohio believes that a more reasonable threshold of 110% for residential and 105% for nonresidential customers to prevent customers from installing systems for reasons other than the original intent of complying with net metering as allowed in the ORC would be better suited than the flat 120% proposed. AEP Ohio addresses this in the comments section under 4901:1-10-28 (B)(6).

c) AEP Ohio believes that more definitive parameter was needed due to annual usage variations, so the proposed revision to clarify a customer-generator's "requirements for electricity" is a reasonable approach.

d) AEP Ohio believes the proposed revision regarding the calculation of the credit for monthly excess generation and net excess generation is more complex than necessary. AEP Ohio offers suggested language that addresses current month billing credit and also

simplifies the calculation of unused net excess generation in its comments under in section 4901:1-10-28 (B)(9)(c).

e) In regards to the proposed revision to clarify the definition of the customer generator's premises, AEP Ohio believes this clarification was needed and fully supports the proposed language.

f) While AEP Ohio currently has only a few small microturbines, a definition for microturbine technology regarding parameters could help avoid future issues as this segment grows in population.

g) AEP Ohio strongly opposes virtual net metering and aggregate net metering, the addition of these items would be very costly and labor intensive to implement. Meter aggregation would require either unduly complicated, burdensome, and costly manual billing or expensive system upgrades in order to commingle and offset readings from multiple different locations that often are subject to multiple different tariffs. AEP Ohio believes that this topic is very complex and deserves its own forum for discussion.

Item #11

AEP Ohio at this time has no additional comments regarding this section.

Conclusion

For the foregoing reasons, the AEP Companies recommend the above changes be adopted by the Commission in finalizing its rule review.

Respectfully submitted,

//ss// Matthew J. Satterwhite

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