

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Commission’s Review of)	
its Rules for the Establishment of Credit for)	
Residential Utility Services and the)	
Disconnection of Gas, Natural Gas, or)	Case No. 13-274-AU-ORD
Electric Services to Residential Customers)	
Contained in Chapters 4901:1-17 and)	
4901:1-18 of the Ohio Administrative Code.)	

**INITIAL COMMENTS OF
VECTREN ENERGY DELIVERY OF OHIO, INC.**

In accordance with the Commission’s June 11, 2013 Entry in this case, Vectren Energy Delivery of Ohio, Inc. (“VEDO”) hereby files its initial comments to Staff’s proposed revisions of Ohio Adm. Code Chapters 4901:1-17 and 4901:1-18, and its responses to Staff’s Energy Conservation Questions. While VEDO appreciates the opportunity to comment on each of the Commission’s proposed rules, VEDO’s initial comments are limited to specific rules in Ohio Adm. Code Chapters 4901:1-17 and 4901:1-18; VEDO, nonetheless, reserves its right to reply to comments by any interested party on any proposed rule.

I. COMMENTS ON OHIO ADM. CODE CHAPTER 4901:1-18

A. Rule 4901:1-18-01

1. Paragraph (O)

The proposed definition of “Like account” means accounts in the same customer’s name with same class of service. The proposed definition, however, specifically excludes PIPP Plus accounts, which may not be considered “like accounts.” VEDO believes that the proposed rule, when read together with Rule 4901:1-18-04(C) (on which VEDO comments below), is unclear with regard to transfers to and from PIPP Plus accounts for the same customer. VEDO believes that this proposed definition needs clarification.

2. Paragraph (P)

The proposed definition redefines the meaning of “On-time payments” in the natural gas context from payments received on or before the due date to payments “received prior to the date that the next bill is issued.” VEDO believes that “prior to the date that the next bill is issued” is vague and may create confusion in situations of cancel/rebills or short bill cycles. This rule change will result in significant costs and require significant time to implement the system modifications necessary to comply.

Moreover, this definition contradicts the conclusion referenced in the PIPP Plus Data Analysis Report concerning the customer who paid their PIPP Plus installments and received incentive credits. Specifically, VEDO refers to section 3, paragraph 2, on page 11 of the PIPP Plus Program Data Analysis Report, “Comparison of the Gas and Electric PIPP Plus Program,” which was filed in this docket on February 8, 2013:

A review of the data shows that in 2011, 72 percent of active natural gas and 71 percent of active electric PIPP Plus customers who paid their installments received incentive credits. During the second year of the program, the electric customers were made aware that they had additional time to pay and still receive credits. The data from January through November 2012 shows that 75 percent of the natural gas PIPP Plus customers who timely paid their bill received incentive credits compared to 68 percent of the active electric PIPP Plus customers who paid monthly. The data suggests that customers are more likely to pay on time when given a specific due date.

VEDO recommends that the Commission not adopt the proposed changes to this definition.

3. Paragraph (R)

The proposed definition was revised to specifically refer to “PIPP Plus” instead of “PIPP,” but VEDO believes that additional, clarifying changes are required. VEDO suggests that Rule 4901:1-18-01(R) read as follows: “ ‘PIPP Plus Anniversary date’ means the calendar date used to calculate when any missed PIPP Plus payments are due for continued PIPP Plus

participation. The anniversary date shall be every twelve months from the date the customer was enrolled in PIPP Plus.”

VEDO believes the above suggested definition more clearly explains the term “PIPP Plus Anniversary Date” and matches the changes made to Rule 4901:1-18-12(D)(2).

4. Paragraph (T)

The proposed definition was revised to specifically refer to “PIPP Plus” instead of “PIPP,” but VEDO believes that additional, clarifying changes are required. VEDO suggests that Rule 4901:1-18-01(T) read as follows: “ ‘PIPP Plus Reverification date’ means the calendar date by which the PIPP Plus customer must document his or her household income and household size to continue participation in the PIPP Plus program or participate in the Graduate PIPP Plus program.”

VEDO believes the above suggested definition more clearly explains the term “PIPP Plus Reverification Date” and matches the changes made to Rule 4901:1-18-12(D)(1).

B. Rule 4901:1-18-04

Paragraph (C)

The proposed rule states that the utility may not transfer balances to or from PIPP Plus accounts. But VEDO can envision several situations where the application of this rule is unclear. For example, may a utility transfer a PIPP Plus balance if an active PIPP Plus customer moves from one address to another? May a utility transfer the final PIPP Plus balance from an inactive account to an active PIPP Plus account? While the rule indicates PIPP Plus balances are not transferrable, it does not indicate they are not collectible. Without the transfer of outstanding balances, it forces the inactive account into collection activity immediately.

Moreover, VEDO believes that the as-proposed rule may have unintended, negative financial consequences for customers. With regard to PIPP Plus customers, for example, if an

arrears is not transferred then the incentive credits are reduced or eliminated. Balances will be paid through a collection effort rather than through the incentive process.

VEDO believes the proposed rule should be revised to more clearly indicate acceptable transfers.

C. Rule 4901:1-18-06

1. Paragraph (D)

The proposed rule addresses meter accessibility issues when the utility receives a disconnection request from the customer of record. Subsection (1) indicates that if the property owner does not allow access, the utility may disconnect. But VEDO is unsure why this subsection is needed. Paragraph (D) as a whole addresses disconnection and makes subsection (1) superfluous. The intent of this subsection must be clarified.

Subsection (2) indicates that a utility can use provisions in Rule 4901:1-18-08 to provide 10-day notice to tenants. But VEDO is unclear on who is responsible for the 10 days in between the requested disconnection date and the 10-day notice to tenants. Subsection (3) indicates that the customer of record will not be responsible after “the date of move-out” date. But “move-out” date is vague, and VEDO is unclear about whom to hold responsible for any usage. For example, is the move-out date the date of requested disconnection? If so and no access is provided by the customer of record, will the property owner be held responsible?

VEDO believes this rule must be clarified.

2. Paragraph (F)

This proposed rule states that a landlord or property owner may elect to leave service on at a particular location for their convenience. Subsection (3) indicates that the consumer becomes financially responsible for the utility service consumed from the date of “move-in” as indicated in the terms of the lease agreement. But VEDO is unclear about exactly how to

determine the “move-in” date. For example, what if the tenant does not contact the utility to provide their personal information and apply for service? VEDO believes this may contradict Red Flag rules. What if there is no verifiable lease? Without customer contact or a verifiable lease, is the landlord or property owner still responsible for service?

To whatever extent this rule requires the utility to interpret or verify a lease agreement, VEDO believes this adds an unnecessary burden on the utility and raises significant enforcement issues. Will the utility be required to interpret lease agreements concerning utility requirements as defined in the lease? How will the utility enforce any particular interpretation of the lease; the utility does not have enforcement power for lease agreement. Rather, VEDO believes that interpreting and verifying leases should remain a civil matter between property owner and tenant.

VEDO believes this rule must be clarified.

D. Rule 4901:1-18-07

Paragraph (E)

This proposed rule states that there is a rebuttable presumption that “the person in possession or control of the meter” is responsible in cases of tampering and unauthorized connection of services, and is “the party obligated to pay for the service rendered through the meter.” But VEDO can envision several situations where the application of this rule is unclear. For example, what if a tenant is determined to be “in possession” of the meter. The tenant is therefore obligated to pay for service consumed and the utility may deny service until payment is received. May the utility deny service to the property owner until tenant pays all charges? If so, VEDO believes that there would be a financial impact to both the property owner and the utility if it cannot turn on the meter until those payments are received in full.

VEDO believes this rule needs clarification.

E. Rule 4901:1-18-13

1. Paragraph (C)

The proposed rule changes the PIPP Plus payment posting requirements to require that money provided on a monthly basis (the utility allowance) will apply to account. The as-proposed rule further states that if those payments result in a credit balance, the money must be refunded. But VEDO believes that this rule raises problematic issues regarding tracking payments by a specific funding source. For example, VEDO currently does not have the ability to track payments by funding source. To whatever extent this rule requires the utility to determine who submits the payment, VEDO believes this to be an unnecessary, additional burden as such an inquiry is a labor intensive, manual process.

VEDO believes this rule needs clarification.

2. Paragraph (D)

The proposed rule changes how overpayments are applied and requires that they go toward the next PIPP Plus installment. VEDO believes that this may have a negative impact to customers to the extent it affects the on-time incentive. If an overpayment is applied to the next installment and the application of that payment pays the next installment in full, then the customer will not receive an incentive credit for that next payment because no payment is due. That is, if the PIPP Plus customer is not billed an installment amount, an incentive credit will not be provided. Moreover, the as-proposed rule negates the intent of the PIPP Plus rules to encourage consistent *monthly* payments. See page 2, paragraph 2, “PIPP Plus,” of the PIPP Program Data Analysis (Feb. 8, 2013).

VEDO believes that this rule change will result in significant costs and require significant time to implement the system modifications necessary to comply. VEDO recommends that the Commission not adopt the proposed rule.

F. Rule 4901:1-18-14

1. Paragraph (B)

The proposed rule changes the incentive-credit posting for customers who have a credit balance. While VEDO agrees with the apparent intent of the proposed rule, it has concerns about the impact on reporting and system updates and therefore believes it needs clarification. For example, what is the time frame for determining the “credit balance”? Is it when a bill is generated or when payment is made? If customer has small credit balance at the time a bill is generated for him or her, it may negate a large delta credit that will result in an additional arrearage amount. This rule change will result in significant costs and require significant time to implement the necessary system modifications, and VEDO recommends that the Commission not adopt this proposed change.

VEDO also believes “result of an incentive credit” is vague and may create a labor-intensive, manual process to determine how the credit balance was created for refunds. VEDO believes that the burden of determining the amount of incentive credits received compared to customer payments will increase the later in the program year it is. VEDO believes that there should be time-frame or dollar-amount parameters in place in order to make a determination of whether the credit is the result of incentive credits to prevent this potentiality.

2. Paragraph (C)

The proposed rule now requires the review of any credit balance for Grad PIPP. But VEDO is unclear about what specifically to review. For example, is it specific to Grad PIPP Payment incentives payments only or to a combination of PIPP Plus and Grad PIPP? Or, is the rule exclusive to when a customer completes twelve months of Grad PIPP or if the customers’ requests to come off the program? Additionally, VEDO is unclear about how far back to review

for these credits. VEDO believes that “credit balance is a result of incentive credits” needs clarification.

G. Rule 4901:1-18-15

Paragraph (G)

The proposed rule creates a new post-PIPP Plus payment plan. VEDO notes its comments on the definition of “Like accounts” and the effect it may have on this new program. VEDO believes that a customer has no reason to pay post-PIPP if PIPP Plus balances cannot be transferred. VEDO believes that this rule change will result in significant costs and require significant time to implement the system modifications necessary to comply.

VEDO is also unclear about how to implement the new plan as the rule does not address several issues. For example, the rule does not speak to verifying the new address or what happens if customer defaults on payment plan. Moreover, VEDO is unclear about how to calculate the one-twelfth incentive. Is incentive calculated at time of starting payment plan or recalculated monthly as payments are made?

Finally, VEDO believes that a new post-PIPP program would require system changes to administer a new program, while the need for such a plan seems unnecessary based on the average arrearage amounts. As indicated on page 7 of Attachment D to the June 11 Entry, “the average annual customer arrearage owed to natural gas utility companies has decreased by approximately 45 percent.”

VEDO recommends that the Commission not adopt this proposed rule.

II. COMMENTS ON OHIO ADM. CODE CHAPTER 4901:1-17

Rule 4901:1-17-04

Paragraph (B)

The proposed rule allows a utility company to require a deposit and requires that deposit information be on all payment invoices or payment arrangements. VEDO is not clear, however, whether this rule applies to disconnection bills only or all non-PIPP invoices “containing a previous past due balance for regulated service provided by the utility company.” VEDO is also unclear whether the rule requires a general statement regarding deposit information or a specific dollar amount. VEDO believes that this rule must be clarified.

III. RESPONSES TO THE ENERGY CONSERVATION QUESTIONS

A. Response to Question 1.

VEDO agrees that any opportunity to promote energy conservation is a benefit to all customers. VEDO further believes that there is value in promoting energy efficiency to customers at any point in the PIPP Plus program. It is VEDO’s opinion that the program will not be effective if the customer continues to pay a fixed amount, and it questions why the program would be limited to only customers who have reduced their arrearage.

All low-income customers are currently eligible to participate in VEDO’s existing whole-house weatherization program. This program, “Project TEEM,” is available to customers with a household income of up to 300% of the federal poverty guideline. Generally, VEDO has allowed any eligible residential customer to participate in other VEDO conservation programs. With respect to a new process for PIPP Plus payment design, VEDO believes that a new process design that provides incentive for the customer to conserve energy with link to the customer payment amount would also be beneficial.

B. Response to Question 2.

VEDO believes that offering a percentage off of the monthly bill would provide the customer a greater incentive to conserve energy. Energy efficiency related to rental property has to be considered in any program design because of the split incentive of the property owner and the occupant of rental property.

C. Response to Question 3.

There are several program design elements that the utility must implement, as well as several other factors that the utility and the program participant must consider. Initially, utility system and process changes are required. Moreover, the considerations include: (1) the design of the appropriate discount amount, which may be determined by the commodity price of gas and other economic factors that impact the customer; (2) the design of an education program to transition customers from the existing program design to a new program design, as well as what behavioral actions the customer can take to better manage their bill; and, critically, (3) the ability for low-income customers to easily access programs and be able to make energy-efficiency investments in order to manage their bill.

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Respectfully submitted,

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Summary: Comments Initial Comments on proposed revisions to Ohio Adm. Code Chapters 4901:1-17 and 4901:1-18 electronically filed by Mr. Gregory L. Williams on behalf of Vectren Energy Delivery of Ohio, Inc.