

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 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 SUPPLEMENTAL COMMENTS OF
OHIO POWER COMPANY**

Introduction:

Ohio Power Company (AEP Ohio) submits these supplement comments for Commission consideration. By entry dated January 13, 2013 the Commission initiated a workshop held on March 5, 2013 to elicit feedback regarding the current Establishment of Credit and Disconnection Rules for residential Customers from interested stakeholders. Based on feedback from stakeholders, an entry dated June 11, 2013, seeks comments from interested parties to review the various rules related to utility matters found in OAC 4901:1-17, Establishment of Credit for Residential Service, and 4901:1-18 Termination of Residential Service and file comments no later than June 12, 2013 and file reply comments by August 2, 2013. AEP Ohio respectively submits the following comments.

I. Section 4901: 1-17-04 (B)

The new language suggested in this section which states, "All payment invoices or payment arrangements shall give the customer notice that a deposit may be required," needs additional clarification. The proposed reading could be read different ways. It could be read that any bill rendered would need a statement which says a deposit may be required for failure of payment which could be stated on the back of the bill for every customer. It could also be read that the deposit requirement is meant only for customers who are in danger of having a deposit applied to their account if they fail to meet an additional payment requirement. The second reading appears more logical to AEP Ohio. In addition, clarification is needed to determine if utilities have a choice on placing this language on either the bill or payment arrangement letters since the language states 'or' instead of an 'and' in the sentence. AEP Ohio seeks additional clarification on the intent of this new rule.

II. 4901: 1-18-04 (C)

The new rule states, "The utility company may transfer the balance of a delinquent account to any like account held in the customer's name. A utility company may not transfer balances to or from PIPP Plus accounts." This language is counterintuitive to the function of the PIPP Plus program. When a customer applies and is accepted as a PIPP Plus customer, past due balances are transferred to the customer's PIPP Plus account. In addition, when a customer signs up as a PIPP Plus customer AEP Ohio cannot always immediately find old accounts for that customer, so the ability to take past due arrearages from that customer and transfer them to the PIPP Plus account for that customer becomes

essential. If a customer is held for that previous debt outside of PIPP Plus, then customers will see a very large bill and negate the reason of PIPP Plus.

III.4901:1-18-06 (C)(3)(h)

The current rule allows for customers to use a medical certificate three times within a 12 month period. AEP Ohio suggests taking this down to two times within a 12 month period, or three times within an 18 month period. Customers have learned to use the three medical certificates to avoid disconnection during the summer months by using them every other month and then using the Winter Reconnect Order to either restart service or keep service on. AEP Ohio understands the Commission's intentions in providing medical certifications and the policy behind the Winter Reconnect Order, but to the extent customers are taking advantage of the assistance provided by the Commission to avoid payment a correction is appropriate. By either lowering the medical certificates which can be used or lengthening the time would help prevent customers from "gaming" the rules and keep service without paying for it.

ENERGY CONSERVATION QUESTIONS

- 1) AEP Ohio has seen that typically PIPP Plus customers consume more energy than other customers. This could be a factor of various items including less energy efficient appliances, less insulated homes, and household size. While these factors apply, there also is no incentive for PIPP Plus customers to use less electricity since their payment amount is flat and they do not see a direct correlation between less energy consumption and a lower bill. Therefore, AEP Ohio agrees that a program to encourage energy consumption for these customers would be beneficial for not only

the customer, but also the utilities. AEP Ohio would also like to see a way to encourage customers who have not paid off their entire arrearage to conserve energy as well, any step in that direction would be supported by AEP Ohio.

- 2) The program which offers a fixed percentage off a customer's bill to reduce energy usage is an interesting one. This program would be similar to the West Virginia 20% program which AEP serves. Programming for AEP Ohio to implement such a program could potentially be minimal. Having a bill tied to actual usage for these customers would help customers tie usage to payments and encourage energy conservation. AEP Ohio can support moving to such a model.
- 3) Barriers to implementation would include programming for multiple percentages off scenarios and tying that to specific customers, swings in seasonal variations may confuse or hurt these customers with fixed incomes, also meter estimations may be more difficult for these customers if AEP Ohio needs to re-bill for any reason. Customer education will also need to be a large part of this type of program. One issue to consider in this type of program would be customer perception. A customer who diligently pays their PIPP Plus payments on time and in full and who goes to a zero arrearage would get placed on this program. This customer now has the potential to pay a higher bill than before and must now manage their usage, while another customer may only pay their PIPP Plus installments 75 percent of the time and they get to stay on a flat rate payment plan and do not have to manage their usage. To some customers, this may look unfair since not all customers will be held to the same standard. Good paying customers may view this treatment negatively. Perhaps all

customers must move to this type of program after 3-4 years regardless of paying off past arrearages so all customers are treated the same and learn to conserve energy.

Conclusion

For the foregoing reasons, AEP Ohio respectfully requests that the Commission consider the above comments. AEP Ohio reserves the right to file reply comments.

Respectfully submitted,

//ss//Matthew J. Satterwhite

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Certificate of Service

I certify that a copy of the above comments were electronically filed this 12th day of July 2013 with the Docketing Division of the Public Utilities Commission of Ohio.

/ss/Matthew J. Satterwhite
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Summary: Comments Initial Supplemental Comments electronically filed by Mr. Matthew J Satterwhite on behalf of Ohio Power Company