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 Electric Services to Residential Customers Contained in Chapters 4901:1-17 and 4901:1-18 of the Ohio Administrative.	)))))))	Case No. 13-274-AU-ORD

REPLY COMMENTS OF THE DAYTON POWER AND LIGHT COMPANY

The Dayton Power and Light Company ("DP&L" or "the Company") hereby submits comments in reply to initial comments previously filed by interested participants in this proceeding.[1] The lack of reply comment with respect to some or any aspect of another participant's comments should not be construed as agreement with the comments. DP&L's reply comments with respect to changes to the proposed PIPP Plus rules outlined in Sections 4901:1-18 and 122:5-3 OAC are presented in section I. DP&L's reply comments addressing non-PIPP Plus rules contained in Chapters 4901:1-17 and 4901:1-18 OAC are presented in section II.

I. DP&L Reply Comments addressing PIPP Plus rules contained in Chapters 4901:1-18 and 122:5-3, Ohio Administrative Code.

122:5-3

First Energy's (FE) comment at page 3 states:

> "The changes required by the proposed rules will require the Companies to expend significant resources and time to complete all necessary changes to their

[1] For ease of citation, references to other participants' Initial Comments omit the words "Initial Comments of." Citations are in the form [party name or abbreviation] at [page number].

> computer system and prepare and conduct training for company personnel involved in the administration of the PIPP Plus program for the Companies."

DP&L agrees with FE's comment. DP&L's estimated cost for the proposed rules as written is in the range of $250,000 to $300,000. That said, DP&L does not support all of the new rules or rule changes as proposed. The Company agrees with FE that the billing system modifications required to support any new and changed rules should be recovered through the Universal Service Fund rider (USF) or another applicable rider. DP&L also agrees that utilities be allotted sufficient time to implement the proposed rules.

122:5-3-02

Duke Energy Ohio ("Duke") at page 6 recommends that the provisions of Sections 122:5-3-02(H)(1)(b)(i) and 122:5-3-02(H)(1)(b)(ii) remain within the Ohio Development Services Agency ("ODSA") area of responsibility. DP&L agrees with Duke's comment. The proposed rule is placing the burden and expense on the utilities to notify and monitor treatment of the PIPP Plus customers who are not current as of their anniversary date. ODSA has the statutory duty to administer the PIPP Plus program, with the cost of the administration to be paid for through the USF. A modification to the current rules to require the customer to be up to date on payments on the anniversary date does not change the statutorily-imposed responsibility for the administration of the PIPP Plus program.

122:5-3-03

Referencing Section 122:5-3(C), Duke at page 8 states:

> "Section (1) of this rule again refers to creating a PIPP Plus installment charge for customers when they are not receiving service. This is not a viable option for Duke Energy Ohio and implementation of this rule will not be possible absent significant system changes, if at all. Likewise, it seems unjust to impose a PIPP installment on a customer during months when the customer is not receiving utility services.

> Clarification is also needed with respect to the phrase: "Not meeting the terms of the program." Will all remove reasons be required to pay usage charges for the time they are off the PIPP Plus program? Do PIPP Plus installments and PIPP Plus payments have the same meaning?"

DP&L agrees with Duke's comment that this proposed rule will require significant system changes to create and track pseudo PIPP Plus installments for the months customers do not have service.

122:5-3-04

In regard to Section (A)(2), Duke states the following at page 8:

> "With respect to this rule, Duke Energy Ohio requests clarification as to whether or not the utility should reject the record if it comes with a zero installment. If this is the intended result, this too will require system changes for Duke Energy Ohio."

DP&L agrees with Duke and respectfully requests the validation be added within ODSA's OCEAN system to prevent a zero PIPP installment. This would prevent the expense at every utility and be the low cost approach to implementing the proposed change.

In addition, DP&L would add that Section 122:5-3-04(A)(3) would introduce a new payment posting priority allocation that would be burdensome and costly to implement and, furthermore, there is no way to positively identify a utility allowance payment made by a public or private agency, therefore making this rule impossible to implement with any degree of integrity.

II. DP&L Reply Comments addressing non-PIPP Plus rules contained in Chapter 4901:1-17 and Chapter 4901:1-18 Ohio Administrative Code.

4901:1-17

DP&L agrees with FE's comments at page 7, Subsection C, discussing potential conflicts between the proposed rules and existing rules in Chapter 4901:1-10. Creating a requirement for electric utilities to also comply with Chapter 4901:1-17 would give rise to conflicts with the company's tariffs that have been in place for years. Further, DP&L agrees that the simple solution for the Commission would be to merely maintain its previous decision that Chapter 4901:1-17 should not be applicable to electric utilities, especially since similar rules exist in Chapter 4901:1-10. In order to provide more detail in support of this recommendation, DP&L also agrees with FE's comments at page 8, Subsection D regarding written credit procedures. If electric utilities are made to comply with this proposed rule it will give rise to a conflict with their current requirements contained in 4901:1-10-14(A) OAC. Currently, Rule 4901:1-10-14(A) requires each electric utility to establish written procedures to determine creditworthiness of applicants and customers for service based on the customer's or applicant's creditworthiness and must submit the procedures to the PUCO staff upon request. It also requires the utility, upon request of the customer/applicant, to provide a copy of 4901:1-10-14 OAC, whereas, 4901:1-17-02(D) requires the utility, upon request of the applicant/customer, its current credit procedures. These procedures can be technical in nature and will result in customer confusion as well as increased burden on the utilities related to both cost of training and the printing of materials. DP&L further agrees with FE in that the Company is unaware of complaints or other problems related to the existing rules that would suggest a change is warranted.

DP&L again agrees with FE at page 9, regarding the requirement set forth in Section 4901:1-17-03(A)(3) in assessing an applicant's creditworthiness. The Company agrees that broadening the electric utilities' responsibility to assess applicants' creditworthiness by tracking down their credit histories with any other utility across the United States will put undue administrative burden on the utilities. FE at page 10 describes another requirement that is not currently in place in Rule 4901:1-10-14. Subsection (A)(3) would require an electric utility to provide payment history information within five business days after a customer's request. DP&L agrees with FE that the current rule does not impose this requirement and that utilities respond to customers as promptly as possible and the Company is unaware of any complaints that would render the current rule ineffective. DP&L agrees that introducing this time limit is unnecessary.

DP&L concurs with FE at page 12 that the proposed Rule 4901:1-17-06(B) conflicts with the current Rule 4901:1-10-14(I)(3). Currently, utility companies review each account holding a deposit or a guarantor agreement and release the deposit or guarantor if service has not been disconnected for nonpayment, fraudulent practice, tampering or unauthorized reconnection. The proposed rule seeks to limit the scope and exclude disconnection for fraudulent practice, tampering and unauthorized reconnection which gives rise to conflict between the rules.

In addition to DP&L's initial comments concerning Section 4901:1-17-06(E), the Company agrees with FE at page 12 that the proposed rule would require a new process. If the guaranteed account is not past due, has not received a disconnection notice, is not disconnected for nonpayment or does not have a final bill balance, a guarantor should have the right to terminate the guarantor agreement and the guaranteed customer should be made to provide another form of security. To require a specific 30 day notification period is unnecessary and overly burdensome.

4901:1-18

DP&L agrees with the new provisions to Section 4901:1-18-03 proposed by FE at page 14. The Company concurs that the additional amendments will have the effect of reducing uncollectible expenses.

At page 39, the Consumer Groups propose to add to Section 4901:1-18-05(B) a "One-Twelfth plan" as another payment plan option for customers. DP&L strongly disagrees with adding a One-Twelfth plan to the payment plans that are already available for customers who are behind on their payments. Currently, the One-Ninth plan is very difficult to administer because of the fluctuations associated with determining a realistic budget bill amount and because the customer may still have a balance at the end of nine months even if the customer makes every payment that is necessary to fulfill the terms of the One-Ninth plan. To add a One-Twelfth plan based on the same concept just extends the amount of time the customer can build up more debt and leads to the greater risk of uncollectible expense for the utility.

DP&L also disagrees with the Consumer Groups at page 40 regarding their proposal to limit the payment amount for customers participating in a payment plan to $50 per month in addition to current charges. This is unrealistic and does not take into consideration the amount of the past due debt and the length of time since the customer's last payment. There is no evidence to support the perceived value of a cap on the amount the customer should or could pay in addition to the current bill charges. Furthermore, this cap approach would be problematic to program and would further increase the risk of uncollectible expense. It will not provide the customer a clear plan of paying off past due charges since it is recommended that it apply to all regulated payment plans. DP&L believes that this approach would likely extend the One Sixth plan several more months. As worded, the Consumer Groups' comment states that this change would help prevent customers from accumulating a "large build-up of arrears" as it would "ensure that utilities are managing collections". DP&L does not agree that a capped payment plan approach would help reduce a "large build-up of arrears" on an account because arrears can be built up for a number of reasons outside the control of the utility (extended collection timelines, medicals, Winter Reconnect Order, etc.) and are not a result of a lack of collection management. For the reasons stated above, DP&L recommends that the Commission reject the Consumer Groups' proposal for a payment plan cap.

The proposed rule at Section 4901:1-18-06(C) requires that the medical certification form be posted on the Commission's website. DP&L agrees with Duke at page 12 in that numerous customers rely on the medical option to delay having to make payment for electric service. DP&L agrees that reducing the number of certifications to two per year will still provide customers with a medical emergency option and give sufficient time to take the necessary action to make payment arrangements on customers' electric bills. Within Section 4901:1-18-06(C)(1), the Consumer Groups recommend the following addition:

> (c) IF THE DISCONNECTION OF SERVICE WOULD BE ESPECIALLY DANGEROUS TO AN ELDERLY OR HANDICAPPED PERSON WHO IS A PERMANENT RESIDENT OF THE PREMISES.

DP&L notes that this proposal is not necessary since Section 4901:1-18-06(C)(1)(a) already protects elderly and handicapped customers. The current rule is stated below:

> (a) If the disconnection of service would be especially dangerous to the health of any consumer who is a permanent resident of the premises.

For this reason, DP&L urges the Commission to reject the Consumer Groups' proposal, as it is unnecessary.

DP&L also strongly disagrees with the Consumer Groups' proposed modifications to Attachment 1, the medical certificate. The proposed amendments to the certificate would remove all language in the medical certification affirming that the customer has a medical condition. This would so loosen any limitations so as to make the certificate itself nearly pointless. In essence, any customer who occasionally sees a doctor—for any reason—

could avoid disconnection. This would represent a departure from the very legitimate goals of protecting at-risk customers underlying the 30-day medical certifications, and now make the process ripe for abuse. It will lead to a larger pool of customers accruing arrears that they will be unable to pay.

In reference to Section 4901:1-18-06(F), the Consumer Groups state at page 42 that utilities should be required to provide some notice to the tenant that the utility has a reversion agreement with the landlord. DP&L disagrees. If the tenant or potential tenant is aware of such an agreement, the tenant or potential tenant may be less apt to contact the utility for service or to discontinue service. Without knowledge of the agreement, the tenant or potential tenant will assume the service will be turned on or turned off on the requested date and, therefore, be more likely to contact the utility to apply for service or take service out of their name.

Staff proposed a new Section 4901:1-18-06(F)(3) that states:

> Under the circumstance where the new resident becomes a consumer of the electric, gas, or natural gas service that was left on by virtue of the landlord/reversion agreement, the consumer will be financially responsible for the utility service consumed from the date of move-in, as indicated in the terms of the lease agreement.

DP&L agrees with FE at page 18 in that this proposed rule will unduly burden the utilities and potentially cause greater uncollectible expenses. FE further argues that this rule would put the burden on the utility to know terms of a private lease agreement and also determine when the customer of record should change from the landlord to the tenant. DP&L also supports the deletion of Subsection (F)(3). If, however, the Commission finds it necessary to establish financial responsibility for the circumstance where the new resident becomes a consumer of the electric, gas, or natural gas service that was left on by virtue of the landlord/reversion agreement, DP&L finds the Consumer Groups' recommendation below reasonable.

> Under the circumstance where the new resident becomes a consumer of the electric, gas, or natural gas service that was left on by virtue of the landlord/reversion agreement, the consumer will be financially responsible TO THE UTILITY COMPANY for ONLY the utility service consumed from the date THAT THE TENANT ESTABLISHES AN ACCOUNT WITH THE UTILITY COMPANY.

The Consumer Groups at page 44 recommend the following amendment to Section 4901:1-18-08(E)(1):

> With the goal of making the escrow provision more realistic, the Consumer Groups propose amending the escrow rule by reducing the number of tenants required from "fifty percent or more of the tenants of the occupied dwelling units in a multi-unit dwelling" to "the lesser of 20 tenants or twenty-five percent" of those tenants.

DP&L disagrees with the Consumer Groups' recommended change and suggests leaving the wording as originally drafted. From the Company's experience these dwellings are typically smaller, having 3 to 8 residents. With the proposed changes, a dwelling of four or less residents would require only one signature on the form.

At page 45, the Consumer Groups propose a modification to Rule 4901:1-18-08(K)(1) regarding landlord/tenant provisions. The current rule requires the utility to provide the tenant a ten day shut-off notice and the Consumer Groups recommend this requirement be extended to a 30 day notice. DP&L disagrees with the Consumer Groups' proposal. Property owners already express concern over having to provide a 10-day notice. Extending this timeframe to 30-days would require property owners to pay for additional service used by their tenant and may discourage property owners from using Landlord/Tenant agreements.

III. Conclusion

DP&L appreciates the opportunity to provide reply comments and urges the Commission to adopt the recommendations set forth above.

Respectfully submitted,

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