

**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of Ohio       )  
Power Company for Approval of a               ) Case No. 14-2119-EL-UNC  
Change in Bill Format.                               )

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**MOTION TO INTERVENE,  
MOTION TO SUSPEND AUTOMATIC APPROVAL  
AND  
INITIAL COMMENTS  
BY  
THE OFFICE OF THE OHIO CONSUMERS' COUNSEL**

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transmission

**February 4, 2015**

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The Office of the Ohio Consumers' Counsel ("OCC") moves to intervene<sup>1</sup> in this case where AEP Ohio, Inc. ("AEP" or "the Utility") is seeking to implement changes to its electric utility customers' bills. OCC is filing this Motion on behalf of the approximately 1.2 million residential utility customers of AEP who must have clear and understandable utility bills. OCC also moves<sup>2</sup> to suspend the automatic approval of AEP's Application for Approval of Changes to Bill Format ("Application") so that changes can be made to the bill format for the benefit of customers.

In its Application, filed November 21, 2014, the Utility proposed modifications to its customers' bills. AEP will implement the billing system and website functionality changes approximately six months after the Public Utilities Commission of Ohio ("PUCO") approves the Application.

On December 22, 2014, AEP filed an "updated bill format proposal for consideration in this case." It claims that the changes to its original November 21, 2014

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<sup>1</sup> See R.C. Chapter 4911, R.C. 4903.221 and Ohio Adm. Code 4901-1-11.

<sup>2</sup> See Ohio Admin. Code 4901:1-10-22(C).

Application was made, based on input from the PUCO Staff.<sup>3</sup> According to the Ohio Administrative Code 4901:1-10-22(C), if an application for a sample bill is not acted upon within forty-five calendar days, the sample shall be deemed approved on the forty-sixth day. With the filing of the updated bill format proposal, the forty-five calendar days began to run from December 22, 2014. That means that if the updated bill format proposal is not acted upon by the PUCO by February 5, 2015, it will become effective on February 6, 2015.

AEP's updated bill format proposal should be suspended until such time as the PUCO has considered OCC's proposed modifications to the bill format<sup>4</sup> and the consequences of AEP's proposal. Suspending automatic approval of AEP's Application would also be consistent with the way the PUCO has recently treated similar Applications to modify customers' bills.

The reasons the PUCO should grant OCC's Motions are further set forth in the attached Memorandum in Support, which includes comments on AEP's Application.

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<sup>3</sup> AEP Amended Application at 1 (December 22, 2014).

<sup>4</sup> See discussion *supra*.

Respectfully submitted,

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**MEMORANDUM IN SUPPORT OF MOTIONS  
AND  
INITIAL COMMENTS**

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**I. BACKGROUND**

On December 12, 2012, the PUCO opened an investigation into the vitality of Ohio's competitive retail electric service market. The PUCO presented a series of questions to stakeholders about the market design and corporate separation as they impact the competitive generation market.<sup>5</sup> On March 26, 2014, the PUCO adopted, in part, the recommendations in the Staff's Market Development Work Plan. The PUCO issued its final Entry on Rehearing on May 21, 2014. In that Entry the PUCO directed electric distribution utilities to file applications, within six months, to revise to their bills to customers to conform to Ohio law<sup>6</sup> and the PUCO findings in the Retail Market Investigation Case.<sup>7</sup>

On November 21, 2014, AEP filed an Application requesting approval of the proposed changes to the Utility's bill format. Specifically AEP requests PUCO approval of the following modifications to customers' bills: 1) inclusion of CRES providers' logos, 2) modified price-to-compare language, 3) addition of asterisks next to charges included

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<sup>5</sup> *In the Matter of the Commission's Investigation of Ohio's Retail Electric Service Market*, Case No. 12-3151-EL-UNC, Entry on Rehearing at 1 (May 21, 2014) ("*Retail Market Investigation Case*").

<sup>6</sup> See R.C. 4928.02, 4928.07, 4928.10.

<sup>7</sup> *Retail Market Investigation Case*, Entry on Rehearing at 16 (May 21, 2014).

in the bill total, and 4) new language under the total amount to explain the charges that have asterisks.

At the time of this filing, AEP stated that the billing format changes are not significant enough to be collected; however, it reserved the “right to recover such costs and explicitly reserves the right in any future case to seek recovery through retail rates of these compliance costs.”<sup>8</sup> The proposed costs that AEP reserves the right to collect from customers would likely be non-bypassable charges, paid for by all customers, including AEP’s 1.2 million residential customers. On December 22, 2014, the Utility filed an updated bill format proposal for the PUCO to consider. In the updated proposal AEP added language stating that customers can obtain a written explanation of the price-to-compare by calling AEP Ohio.

The OCC respectfully requests that the PUCO grant it intervention. Additionally, the PUCO should suspend the automatic approval of AEP’s Application. This is because OCC has recommendations for the bill format that will help to ensure that the customer bills contain clear and understandable language, consistent with Ohio Admin. Code 4901:1-10-22(B).

## **II. MEMORANDUM IN SUPPORT OF MOTION TO INTERVENE**

R.C. 4903.221 provides, in part, that any person “who may be adversely affected” by a PUCO proceeding is entitled to seek intervention in that proceeding. The interests of AEP’s residential customers<sup>9</sup> may be “adversely affected” by this case, especially if the customers were unrepresented in a proceeding where the Utility has proposed changes to

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<sup>8</sup> AEP Application at 2 (November 21, 2014).

<sup>9</sup> OCC has authority under law to represent the interests of AEP residential utility customers pursuant to R.C. Chapter 4911.

customers' electric utility bills. Customers' utility bills, by rule, must contain "clear and understandable form and language." The proposals of the Utility could adversely affect customers who have to decipher and pay electric utility bills. Thus, this element of the intervention standard in R.C. 4903.221 is satisfied.

R.C. 4903.221(B) requires the PUCO to consider the following criteria in ruling on motions to intervene:

- (1) The nature and extent of the prospective intervenor's interest,
- (2) The legal position advanced by the prospective intervenor and its probable relation to the merits of the case,
- (3) Whether the intervention by the prospective intervenor will unduly prolong or delay the proceeding, and
- (4) Whether the prospective intervenor will significantly contribute to the full development and equitable resolution of the factual issues.

First, the nature and extent of OCC's interest is representing the residential customers of the Company in this case involving AEP's proposed changes to customers' bills. OCC's interest is that any proposed changes should be clear and understandable allowing customers to easily differentiate between supplier charges and distribution charges. This interest is different than that of any other party and particularly different than that of the Utility whose advocacy includes the financial interest of stockholders.

Second, OCC's advocacy for residential customers will include advancing the position that customers' bills should be accurate, contain clear and understandable form and language, and should permit customers to easily differentiate between supplier charges and distribution charges.<sup>10</sup> OCC's position is therefore directly related to the

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<sup>10</sup> Ohio Admin. Code 4901:1-10-22(B).



merits of this case that is pending before the PUCO, the authority with regulatory control of public utilities' rates and service quality in Ohio.

Third, OCC's intervention will not unduly prolong or delay the proceedings. OCC, with its longstanding expertise and experience in PUCO proceedings, will duly allow for the efficient processing of the case with consideration of the public interest.

Fourth, OCC's intervention will significantly contribute to the full development and equitable resolution of the factual issues. OCC will obtain and develop information that the PUCO should consider for equitably and lawfully deciding the case in the public interest.

OCC also satisfies the intervention criteria in the Ohio Administrative Code (which are subordinate to the criteria that OCC satisfies in the Ohio Revised Code). To intervene, a party should have a "real and substantial interest" according to Ohio Adm. Code 4901-1-11(A)(2). As the advocate for residential utility customers, OCC has a very real and substantial interest in this case where AEP-Ohio has proposed changes to its customers' bills.

In addition, OCC meets the criteria of Ohio Adm. Code 4901-1-11(B)(1)-(4). These criteria mirror the statutory criteria in R.C. 4903.221(B) that OCC already has addressed and that OCC satisfies.

Ohio Adm. Code 4901-1-11(B)(5) states that the Commission shall consider the "extent to which the person's interest is represented by existing parties." While OCC does not concede the lawfulness of this criterion, OCC satisfies this criterion in that it uniquely has been designated as the state representative of the interests of Ohio's residential utility customers. That interest is different from, and not represented by, any other entity in Ohio.

Moreover, the Supreme Court of Ohio confirmed OCC's right to intervene in PUCO proceedings, in deciding two appeals in which OCC claimed the PUCO erred by denying its interventions. The Court found that the PUCO abused its discretion in denying OCC's interventions and that OCC should have been granted intervention in both proceedings.<sup>11</sup>

OCC meets the criteria set forth in R.C. 4903.221, Ohio Adm. Code 4901-1-11, and the precedent established by the Supreme Court of Ohio for intervention. On behalf of Ohio residential customers, the PUCO should grant OCC's Motion to Intervene.

### **III. MEMORANDUM IN SUPPORT OF MOTION FOR SUSPENSION**

Ohio Admin. Code 4901:1-10-22(C) provides:

Any new bill format proposed by an electric utility shall be filed with the commission for approval. If an application for sample bill approval is not acted upon within forty-five calendar days, said sample shall be deemed approved on the forty-sixth day after the filing.

Under the rule, the proposed change in bill format will be automatically approved if not acted upon by the PUCO by. It is premature to approve the proposed changes to the bill format requested by AEP without first establishing that the proposed modifications will lead to a clear and understandable electric bill for customers. Before allowing these changes, the PUCO must consider whether, according to Ohio Admin. Code 4901:1-10-22(B), "[c]ustomer bills issued by or for the electric utility shall be accurate, shall be rendered at monthly intervals, and shall contain clear and understandable form and language...."

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<sup>11</sup> See *Ohio Consumers' Counsel v. Pub. Util. Comm.*, 111 Ohio St.3d 384, 2006-Ohio-5853, ¶¶13-20 (2006).

The PUCO recently suspended the automatic approval request of Dayton Power and Light Company and Duke Energy of Ohio to change their bill format and request for deferral authority, finding “that additional information and investigation is necessary to thoroughly review the application.”<sup>12</sup>

#### **IV. INITIAL COMMENTS**

##### **A. AEP Should Modify Its Bill Format By Further Delineating Between Supplier And Commodity Charges To Make Customers’ Bills Clear And Understandable.**

While AEP’s proposed bill format provides customers with information that may helpful to customers understand their electric bill, OCC recommends two additional modifications that will further the PUCO’s goals as set forth in the Retail Market Investigation Case: Greater differentiation between the AEP Delivery charge and the Suppliers commodity charge, and including significant Riders like the Distribution Investment Rider (“DIR”) and Storm Damage Rider (“SDR”) as separate items in the bill.

In the Retail Market Investigation case, the PUCO stated “once the EDU has divested its generation assets and moved to 100 percent market-based rate” that the staff should work with the market development working groups to revise bill formats to reference supply and delivery charges in different sections of the bill.<sup>13</sup> AEP will move to 100% market-based rates by May 31, 2015, therefore, now is the time to more clearly delineate between the Utility’s demand charges and a Supplier’s commodity charges.

This will help customers better understand the charges. R.C. 4928.10 states that customer bills, to the maximum extent practicable, should separate the listing of each

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<sup>12</sup> *In the Matter of Dayton Power and Light Company et al.*, Case No. 14-2042-EL-UNC, Entry at 1 (December 23, 2014), *In the Matter of Duke Energy of Ohio et al.*, Case No. 14-2128-EL-UNC, Entry at 1 (January 5, 2015).

<sup>13</sup> *Retail Market Investigation Case*, Finding and Order at 27 (March 26, 2014).

service component to enable a customer to recalculate the bill for accuracy.

OCC recommends that AEP modify its bill language to reference supply and delivery charges in different sections of the bill. Making this change in the bill format now will avoid the potential need for additional bill format changes in the near future, when 100% of AEP's load will be at market prices for generation.

Attachment 1 is a red line version of AEP's proposed bill format with OCC's suggested addition to help further delineate between the Utility's demand charges and the Supplier's commodity charges. In the alternative, OCC suggests that shading could also be used to further differentiate between the Utility's demand charges and the Supplier's commodity charges.

**B. AEP Should Modify Its Bill Format To Include Distribution Investment Ride And Storm Damage Ride As Separate Items In The Bill To Better Inform Customers About The Charges On Their Bill.**

Second, AEP's proposed bill format does not completely set forth the different components that make up the Utility's demand charges. Although it would not be practical to list all of AEP's 25 different Riders separately, certain Riders are significant enough -- both in cost and importance to customers -- to warrant inclusion. For example the DIR and the SDR are two significant charges that are not listed as separate items on the bill.

Customers are currently charged \$5.74 per month for the DIR and \$2.38 a month for the SDR.<sup>14</sup> These are not insignificant charges and customers should have this information so that they can better understand what they are being asked to pay for on

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<sup>14</sup> Based on 1,000 Kwh per month usage. See AEP Ohio Bill Calculator at [https://www.aepohio.com/account/bills/rates/AEPOhioRatesTariffsOH.aspx\\_](https://www.aepohio.com/account/bills/rates/AEPOhioRatesTariffsOH.aspx_)

their electric bill and also to enable calculating their own bill for accuracy.<sup>15</sup> Moreover, the amount of these rider charges could increase based on the Utility's Application in the pending ESP case (Case No. 14-2385-EL-SSO). The PUCO should require AEP Ohio to separately set forth charges such as the DIR and SDR. Customers benefit when there is better disclosure and more transparency about the charges for separate services and riders that they are being asked to pay for on their monthly electric bill.

**C. The PUCO Should Reject AEP's Claim That It Is Not Waiving Its Right To Recover Costs Associated With The Bill Format Changes.**

In addition to these two modifications, the PUCO should reject AEP's claim that it is not waiving its right to recover costs associated with the bill format changes in any future case, even though AEP acknowledged that that projected costs associated with this new regulatory requirement are not significant enough to be discretely collected in a separate charge."<sup>16</sup> Claiming that it does not waive the right to recover costs is not the equivalent of seeking a deferral of the costs and later seeking collection of the costs. The PUCO advised EDUs that they could file applications to defer expenses related to the bill format changes.<sup>17</sup> Nonetheless, AEP made no request to defer any expenses. Because AEP made no deferral request in its Application, no deferral authority can be granted. The PUCO should reject AEP's request.

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<sup>15</sup> R.C 4928.10(B)(2).

<sup>16</sup> AEP Application at 2 (November 21, 2014).

<sup>17</sup> Retail Market Investigation Case, Entry on Rehearing at 10-11 (May 21, 2014).

**D. The PUCO Should Not Force Customers To Pay For Bill Format Change Costs That Benefit Competitive Retail Market Suppliers.**

OCC does not object to AEP's proposal to include the CRES logo, or to the price-to-compare language on customer's bills. However, the OCC recommends that the PUCO deny that portion of the Utility's Application reserving its right to seek to collect bill formatting costs from customers in any future case. To the extent that any particular bill format changes are offered to meet CRES providers' billing or marketing objectives, CRES providers and not customers should be charged the cost of such bill format changes.

These costs are caused by and benefit CRES providers, not customers. They represent a cost of business that the CRES providers should bear. And the PUCO should suspend approval of the requested bill format changes to consider OCC's recommended bill format changes.

**V. CONCLUSION**

OCC meets the standards for intervention in this proceeding. The PUCO should grant OCC's Motion to Intervene. The PUCO should also suspend automatic approval of AEP's Application.

The PUCO should adopt the OCC's recommendations to better differentiate between the Utility's delivery charges and Suppliers commodity charges. The PUCO should require the Utility to include significant Riders such as the DIR and SDR as separate items so that the customers can better understand their bill. The PUCO should also reject AEP's request to reserve the right to collect expenses pertaining to changing their formatting of customers' bills in any future case. Finally, the PUCO should not

permit AEP to charge customers for the costs associated with bill format changes that benefit CRES providers.

Respectfully submitted,

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/s/ Joseph P. Serio

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*\* Will receive pleadings via electronic transmission*

### **CERTIFICATE OF SERVICE**

I hereby certify that a copy of this *Motion to Intervene, Motion to Suspend Automatic Approval and Initial Comments* was served on the persons stated below via electronic transmission this 4<sup>th</sup> day of February 2015.

/s/ Joseph P. Serio

Joseph P. Serio  
Assistant Consumers' Counsel

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Account Number  
070-000-000-0-0  
CY 07  
6800

<b>\$130.94</b> Total Amount Due	\$ _____ Amount Enclosed
Due Date Aug 25	

Send Inquiries To:  
PO BOX 24401  
CANTON, OH 44701-4401  
R-07-99999999

20334-1  
070020334 01 AV 0.381



AEP OHIO OAD CUSTOMER  
1214 RD NE  
ANY CITY, OH 49999-9999

☐ The Neighbor to Neighbor program helps disadvantaged customers pay their electric bill. I want to help. My payment reflects my gift of \$ \_\_\_\_\_

Make Check Payable and Send To:  
AMERICAN ELECTRIC POWER  
PO BOX 24404  
CANTON OH 44701-4404



0000189600000189600100000000000702950141307082508007900007

Please tear on dotted line

Return top portion with your payment

Service Address:  
AEP OHIO OAD CUSTOMER  
1214 RD NE  
ANY CITY, OH 49999-9999

Rate Tariff: Residential Service-820

Page 1 of 2

Account Number	Total Amount Due	Due Date
070-000-000-0-0	\$130.94	Aug 25, 2014
Meter Number	Cycle-Route	Bill Date
99999999	07-09	Aug 7, 2014

**Previous Charges:**

Total Amount Due At Last Billing	\$	106.83
Payment 08/01/14 - Thank You		-106.83
<b>Previous Balance Due</b>	\$	.00*

**Delivery Charges**

**Current AEP Ohio Charges:**

**Tariff 820 - Residential Service** 08/07/14

Service Delivery Identifier: 0014000000000000

Distribution Service	\$	46.85
Customer Charge		3.82
Retail Stability Rider		4.62
Deferred Asset Phase-In Rider		1.81
Phase-In Recovery Rider		3.67
<b>Current AEP Ohio Delivery Charges Due</b>	\$	60.77*

**Supplier Charges**

**Current Champion Energy Services Charges**  
(888-254-6359):

Supplier Account Number - 44444444

Service Delivery Identifier Number : 0014000000000000 08/07/14

10% Off Price-To-Compare (77.97 - 10%)	\$	70.17
<b>Current Supplier Charges Due</b>	\$	70.17*



**Total Amount Due** **\$130.94**

**\*Charges make up the "Total Amount Due"**

**Due Date Aug 25**

**Price-to-Compare:** For tariff 820, in order for you to save money off of your utility's supply charges, a supplier must offer you a price lower than AEP Ohio's price of x.xx cents per kWh for the same usage that appears on this bill. To review available competitive supplier offers, visit the Public Utilities Commission of Ohio's "Energy Choice Ohio" website at [www.energychoice.ohio.gov](http://www.energychoice.ohio.gov). Customers can obtain a written explanation of the price-to-compare by calling AEP Ohio at the number listed above.

For Billing, Outage or Service Inquiries,  
Call: 1-800-672-2231  
Pay By Phone: 1-800-611-0964

**AEP Ohio Messages**

In case number 12-2627-EL-RDR, the PUCO approved an adjustment to increase its Distribution Investment Rider, effective with this bill. This rider, which is adjusted quarterly, recovers capital costs associated with distribution infrastructure. A residential customer using 1,000 kWh of electricity will see an increase of \$0.53 per month.

As a participant in the AEP Ohio Customer Choice Program, your electric energy is being supplied by Champion Energy Services. This bill reflects AEP Ohio charges for distribution of the electric energy and all electric energy supply charges AEP has received from your supplier as of the Billing Date shown on this bill. For questions about your electric energy supply charges please contact Champion Energy Services at 1-888-653-0090. Please note that the failure to pay charges for competitive retail electric services (CRES) may result in loss of those products and services, the cancellation of your contract with the CRES provider, and your return to AEP Ohio's Standard Offer for generation services.

Visit us at [www.AEPOhio.com](http://www.AEPOhio.com)  
Due date does Not Apply to the previous balance due  
See other side for Important Information



**This foregoing document was electronically filed with the Public Utilities**

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Summary: Motion Motion to Intervene, Motion to Suspend Automatic Approval and Initial Comments by the Office of the Ohio Consumers' Counsel electronically filed by Patti Mallarnee on behalf of Serio, Joseph P.