

**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Applications of Ohio	)	Case No. 13-1938-EL-WVR
Power Company for a Limited Waiver of	)	Case No. 17-1380-EL-WVR
Ohio Adm. Code 4901:1-18-06(A)(2).	)	Case No. 17-1381-EL-WVR

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**OHIO POWER COMPANY’S MEMORANDUM CONTRA  
THE OFFICE OF THE OHIO CONSUMERS’ COUNSEL’S  
APPLICATION FOR REHEARING**

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**I. INTRODUCTION**

With the installation of advanced metering infrastructure (“AMI”) at residences in Ohio Power Company’s (“AEP Ohio” or the “Company”) gridSMART territory, AEP Ohio is able to disconnect and reconnect electric service remotely. As a result, it is no longer necessary for the Company to incur the substantial cost of dispatching a technician in a company vehicle to an AMI residence to physically disconnect service for nonpayment. To take advantage of this considerable cost-saving feature of the AMI technology and decrease costs to its customers, AEP Ohio requested – and the Commission approved – a limited waiver of the personal notice requirements of Ohio Adm. Code 4901:1-18-06(A)(2) within the gridSMART Phase 1 project area to facilitate a two-year remote disconnection pilot program in 2015. Case No. 13-1938-EL-WVR, Entry at 12-13 (Mar. 18, 2015). Since customers are receiving a \$1.6 million annual rate credit to reflect operational cost savings associated with AMI,<sup>1</sup> waiver is appropriate to ensure that the Company is realizing cost savings through this more efficient functionality. In approving the remote disconnect waiver, the Commission also provided that substantial customer notice procedures and protections remained in place to ensure that customers are fully informed

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<sup>1</sup> See Case No. 13-1939-EL-RDR, Opinion and Order at ¶ 34, 66 (Feb. 1, 2017).

of the consequences of nonpayment and their right to dispute charges and to avoid disconnection on the basis of economic or medical hardship. *Id.*

The record in these proceedings demonstrates that the remote disconnect pilot has been a success. *See, e.g.* AEP Ohio Initial Cmts. (Sept. 18, 2017); AEP Ohio Reply Cmts. (Oct. 2, 2017). Accordingly, on June 1, 2017, AEP Ohio requested a permanent waiver or indefinite extension of the waiver within the gridSMART Phase 1 service area and sought to expand the waiver to include AMI to be installed within the gridSMART Phase 2 service area in cases 17-1380-EL-WVR and 17-1381-EL-WVR, respectively. By Finding and Order issued April 11, 2018, the Commission reasonably and lawfully approved AEP Ohio's waiver extension and expansion requests. In doing so, the Commission continued to ensure that the following significant, and expanded, customer notice and protection procedures remain in place throughout the gridSMART territory. Now, a customer who is subject to remote disconnection for nonpayment will receive the following notice:

1. The Company calls the customer for the 10-day disconnect notice, consistent with the prior process.
2. If the Company is unable to reach the customer on the first two attempts of the 10-day disconnect notice call:
  - a. The Company will schedule its third call around 6 pm to attempt to reach the customer.
  - b. If the Company is unable to reach the customer by telephone for the 10-day disconnect notice after three attempts, the Company will send the 10-day disconnect notice by mail.
  - c. In order to avoid possibly also not reaching the customer for the 48-hour telephone call prior to disconnection, the Company will send an additional notice to the customer five days prior to disconnection. This additional notice, which AEP Ohio will develop with Staff, would typically be received by the customer about 2 days prior to disconnection.

- d. The Company will still attempt to contact the customer by telephone approximately 48 hours prior to disconnection regardless of an additional letter being sent to the customer.
  - e. If the first two 48-hour notice telephone calls to the customer are unsuccessful, the Company will attempt a call around 6 pm to reach the customer.
3. If the Company is able to reach the customer during the 10-day disconnection telephone call the current process, as implemented in the original waiver, will remain.

Finding and Order at ¶ 36 (Apr. 11, 2018). In other words, before a customer is remotely disconnected, AEP Ohio will provide notice of the disconnection through up to six telephone calls (and messages, where a recording system answers) and two mailings. As the Commission correctly recognized, this process is “an effective means of attempting to notify [a] customer” of a scheduled disconnection. *Id.* at ¶ 21.

The Office of the Ohio Consumers’ Counsel (“OCC”) has applied for rehearing of the Commission’s April 11, 2018 Finding and Order arguing – again – that it is unlawful and unreasonable for the Commission to permit disconnection without personal notice. OCC AFR at 3-9. OCC has already raised the arguments that it advances multiple times in these proceedings; first, with regard to the Commission’s initial waiver in 2015, and again in its initial and reply comments filed last fall. OCC offers nothing new in its most recent reprise of this theme that justifies rehearing and, in any event, its arguments are meritless. The Commission should deny OCC’s application for rehearing in its entirety.

## **II. LAW AND ARGUMENT**

### **A. Customers in the waiver area are not being disconnected for non-payment at a disproportionately high rate.**

OCC continues to claim, without basis, that customers that are subject to remote disconnection for nonpayment are being disconnected at a disproportionately high rate compared to customers outside of the Company’s gridSMART territory. *Id.* at 3-6. OCC has already made

identical arguments on this point, and it offers nothing new in its application for rehearing. *See, e.g.,* OCC Initial Cmts. at 4-5; OCC Reply Cmts. at 3-7. AEP Ohio fully addressed and responded to each of OCC's assertions on this issue, demonstrating that OCC's speculative conclusion lacks any support and, moreover, that customers in the waiver area are in fact not being disconnected at a disproportionate rate. *See* AEP Ohio Reply Cmts. at 6-7. Staff agrees. Staff Review and Recommendation at 3 (Sept. 18, 2017). In the interest of not repeating itself again, AEP Ohio relies upon and incorporates its prior briefing on this point.

Moreover, as the Commission correctly recognized in its April 11, 2018 Finding and Order, "all the same consumer protections available prior to implementation of the pilot remain in place and available to all customers to avoid disconnection of service or facilitate the reconnection of service \* \* \*." Finding and Order at ¶ 18. OCC ignores this fact. It also ignores that the waiver goes to the means of complying with disconnection notice requirements, not to the issue of a residential account's eligibility for disconnection. *Id.* OCC has offered nothing more than a rehash of a well-worn and unsubstantiated claim that the Commission has already evaluated and rejected. The weight of the evidence before the Commission reflects that customers within the waiver area were disconnected at a proportionate rate.

**B. The 48-hour automated call prior to disconnection provides sufficient notice to customers prior to disconnection.**

OCC also repeats its contention that the 48-hour automated telephone call prior to disconnection does not provide sufficient notice to customers prior to disconnection. OCC AFR at 6-7. Again, OCC has already made this flawed argument, and it offers nothing new on rehearing. *See, e.g.,* OCC Initial Cmts. at 6-7. AEP Ohio has already fully responded to it – demonstrating, contrary to OCC's assertion (*see* OCC AFR at 7 n.20), that the record reflects that only 14% of calls were unsuccessful in reaching the customer. *See* AEP Ohio Reply. Cmts.

at 3, 7; *see also* Staff Review and Recommendation at 2. And the Commission, again, has already fully considered and rejected OCC's arguments on this point. *See* Finding and Order at ¶ 21.

Moreover, OCC's contention that 76% of disconnected customers did not receive "direct notice" of a scheduled disconnection within 48 hours of disconnection is misleading and unfairly assumes that customers who did not answer a telephone call (1) did not already know why AEP Ohio was calling them and/or (2) did not receive the voice message that AEP Ohio left during that call if a recording system answered. Thus, the assumption that unanswered telephone calls resulted in no notice to customers is unfounded. Moreover, OCC has offered no evidence that customers who did not answer telephone calls would have answered the door for an in-person notification. One can logically anticipate, however, that more people would answer their telephone than answer their door. In sum, OCC has offered nothing to justify the Commission's reconsideration of its correct conclusion that the 48-hour automated telephone call is an effective means of attempting notice.

**C. The Commission properly declined Staff's recommendation that AEP Ohio provide in-person notice when the 48-hour automated call is not answered by either a live person or a recording system.**

OCC criticizes the Commission's reasoned decision to decline Staff's suggestion that AEP Ohio dispatch an employee to provide in-person notice when the 48-hour automated call is not answered, reprising again its claim that automated telephone calls are an insufficient means of notice. OCC AFR at 8-9. OCC again offers nothing to support its criticism beyond a misstatement of the data developed during the initial pilot waiver program. As the Company has already discussed, there is simply no basis for OCC to speculate that because a customer did not answer their telephone, they received "no notice whatsoever in the 48 hours before their service

was disconnected.” *Id.* at 9. Moreover, as set forth in Section I above, however, the Commission balanced providing robust notice to customers, through up to 8 different contacts, with the advancement of AMI technology and the attendant cost savings associated with remote disconnection, and the significant cost and confusion associated with providing in-person notice under the limited circumstances in which Staff proposed it. Finding and Order at ¶ 37; *see also* AEP Ohio Reply Cmts. at 1-6.

### **III. CONCLUSION**

OCC’s application for rehearing fails to raise any respect in which the Commission’s Finding and Order was unjust or unreasonable, or to make any new argument that the Commission has not already fully considered and rejected in this case. For the reasons set forth above, therefore, the Commission should deny OCC’s application for rehearing in its entirety.

Respectfully submitted,

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### **CERTIFICATE OF SERVICE**

In accordance with Rule 4901-1-05, Ohio Administrative Code, the PUCO's e-filing system will electronically serve notice of the filing of this document upon the following parties. In addition, I hereby certify that a service copy of the foregoing Reply Comments were sent by, or on behalf of, the undersigned counsel to the following parties of record this 21st day of May, 2018, via electronic transmission.

/s/Christen M. Blend

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Summary: Memorandum - Ohio Power Company's Memorandum Contra The Office of the Ohio Consumers' Counsel's Application for Rehearing electronically filed by Ms. Christen M. Blend on behalf of Ohio Power Company