

**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

<b>In the Matter of the Commission's</b>	)	
<b>Review of Chapter 4901:1-10 of the</b>	)	<b>Case No. 17-1842-EL-ORD</b>
<b>Ohio Administrative Code</b>	)	

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**REPLY COMMENTS  
OF  
REPUBLIC STEEL**

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**I. Introduction**

The Public Utilities Commission of Ohio (Commission) issued for comment on July 17, 2019 proposed rule amendments to Ohio Administrative Code Chapter 4901:1-10, regarding the minimum electric service standards for investor-owned electric utilities and transmission owners. The Commission directed interested persons to file comments and reply comments regarding the proposed amendments to the rules contained in Ohio Administrative Code Chapter 4901:1-10 on August 16, 2019 and August 30, 2019, respectively.<sup>1</sup> Initial comments were filed by several parties, including Ohio Power Company (AEP). More specifically, AEP proposed revisions to the existing rules governing credit and disconnection for nonresidential customers, i.e., Ohio Administrative Code 4901:1-10-14(E)(1), 4901:1-10-14(G)(1), and 4901:1-10-15(G). Although Staff did not propose to revise the rules, AEP asks the Commission to increase the amount of deposit required by non-residential customers if the customer is establishing tariffed service or reestablishing creditworthiness and to redefine what constitutes a bona fide dispute.<sup>2</sup>

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<sup>1</sup> Id. at ¶ 1, 10.

<sup>2</sup> AEP Comments at 9-10.

Republic is a large customer of AEP that operates two steelmaking facilities in AEP's service territory and would be subject to the unjust, unreasonable, and unduly burdensome revised rules governing credit and disconnection requirements proposed by AEP in AEP's service territory and throughout Ohio.

Republic thanks the Commission for the opportunity to provide comments on the proposed rules and rule amendments and requests that the Commission reject the proposed rule amendments sought by AEP in its initial comments.

## **II. Reply Comments**

### **A. AEP's request to increase the amount of deposit for non-residential customers should be rejected.**

AEP recommends that the deposit amount for non-residential customers be increased to 200% of a typical bill from the current 130%. Proposed Rules 4901:1-10-14(E)(1) and 4901:1-10-14(G)(1). The only rationale provided by AEP is that the disconnection process takes two months to physically disconnect a customer so a customer may owe for two months of service. But AEP's rationale is misguided as the credit requirement is for when a customer is establishing service or reestablishing service. The credit cannot be instantly applied to the account that received a disconnection notice and the credit is required to be returned to the customer after the first two years of service for which a deposit is being held if certain conditions are met. The credit can only be applied to a customer's account after service is terminated or disconnected. Thus, assuming the customer is in good standing and remains with the utility for at least two years, the credit will be returned to the customer.

For a large non-residential customer, the current credit requirement is quite onerous and burdensome and requires the customer to put forth that credit for two years. For a large customer,

like Republic, the current credit amount could equal hundreds of thousands of dollars and even millions of dollars—funds that AEP gets to hold for two years. If a large customer, like Republic, has multiple facilities, the burden is even greater. Increasing the amount of the credit as proposed by AEP will only exacerbate the burden to a large customer. Providing large sums of money or a large letter of credit for AEP to hold for a minimum of two years will negatively affect the customer, its financials, and its credit.

Furthermore, AEP's concerns are unfounded and without merit. AEP's reference to a customer owing 60 days' worth of charges is curious given the Commission's disconnection procedures and the fact that a non-residential bill is due 21 days from the date of the postmark on the bill. Ohio Administrative Code 4901:1-10-17. Additionally, AEP fails to mention that even if a customer is past due on a bill, AEP assesses and collects late payment fees. This compensates AEP for any delay in payment while an account may be pending disconnection, and directly benefits AEP if the customer ultimately pays its bill a few days late.

Increasing the financial burden of non-residential customers to require a deposit equal to 200% of a typical bill instead of 130% is not an insignificant change. Holding a greater amount of customers' funds will not change the disconnection process and will only further burden customers, creating greater out-of-pocket costs. AEP's proposed revisions are unwarranted, unjust, unreasonable, and unduly burdensome. Accordingly, AEP's requested revisions to Proposed Rules 4901:1-10-14(E)(1) and 4901:1-10-14(G)(1) should be rejected.

**B. AEP's request to redefine what constitutes a bona fide dispute should be rejected.**

AEP also proposes to revise the rule regarding disconnections of nonresidential service. Ohio Administrative Code 4901:1-10-15(G) prohibits a utility from disconnecting a customer if its

utility bill is in bona fide dispute. This is a consumer protection as the possibility of errors on utility bills can and does occur. If a customer disputes a portion of its charges (which it should have the right to do), it should not be disconnected while the charge is being investigated or negotiations regarding the dispute are occurring. The current rule allows a customer to register a complaint with the PUCO's call center or to file a formal complaint with the Commission which reasonably asserts a bona fide dispute in order to avoid an immediate disconnection. Without a sound basis to do so, AEP is asking the Commission to modify the process and redefine what constitutes a bona fide dispute, forcing all non-residential customers, such as Republic, to file a formal complaint to avoid disconnection. The only rationale stated by AEP is that a non-residential customer should not be able to avoid disconnection if they "simply submit a question or an informal complaint to the PUCO."<sup>3</sup>

First, the current rule does not allow a customer to avoid disconnection if the customer "simply submit[s] a question." The current rule requires a customer to register a complaint with the Commission's call center or to file a formal complaint with the Commission *which reasonably asserts a bona fide dispute*. A question would not reasonably assert a bona fide dispute.

Second, filing a formal complaint takes time. Non-residential customers are required to be represented by an attorney. Ohio Administrative Code 4901-1-08. A customer, such as Republic, would have to contact an attorney and work out terms of engagement prior to filing a formal complaint. The attorney would then have to collect the facts and evidence and draft a complaint to the Commission. This would all be difficult to accomplish within the short 21-day window that a bill is due and a disconnection notice is pending. It would also leave virtually no time for

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<sup>3</sup> Id. at 10.

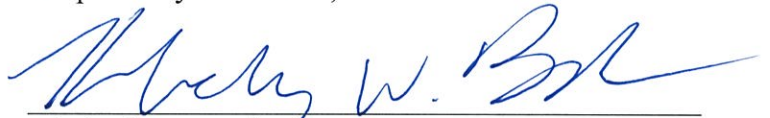
Republic to investigate the billing error and attempt to resolve the dispute with its utility representative prior to being forced to file a formal complaint to avoid disconnection.

Finally, AEP's suggestion eliminates good faith discussions to resolve complaints informally without the need for the Commission to intervene in the dispute. Realizing that an error exists and questioning charges or errors with a utility's customer service representatives within the 21-day period to pay your bill may be difficult. And then attempting to resolve your issue will likely take even longer. Requiring a customer to forego that process and immediately file a formal complaint in order to avoid disconnection to prevent loss of production is unreasonable, unduly burdensome, and will waste resources and cause unnecessary complaints to be filed. It is also contrary to Ohio Administrative Code 4901-9-01, which requires (except in unusual circumstances) a customer with a billing problem to first contact the public utility to attempt to resolve the problem and then encourages the customer to contact the Commission's call center prior to filing a formal complaint. AEP's proposed revisions are unwarranted, unjust, unreasonable, and unduly burdensome. Accordingly, AEP's requested revisions to Rule 4901:1-10-15(G) should be rejected.

### III. Conclusion

For the aforementioned reasons, Republic respectfully submits that AEP's proposed amendments to Ohio Administrative Code 4901:1-10-14(E)(1), 4901:1-10-14(G)(1), and 4901:1-10-15(G) are unjust, unreasonable, and unduly burdensome to non-residential customers like Republic and should be rejected. AEP's proposals will increase the financial burden on Republic and other customers with no real benefits. AEP has failed to demonstrate that its proposals are just, reasonable, and warranted. Republic, therefore, respectfully requests that the Commission reject the proposed rule modifications proposed by AEP as set forth herein.

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read 'Kimberly W. Bojko', is written over a horizontal line.

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**CERTIFICATE OF SERVICE**

I hereby certify that a true and accurate copy of the foregoing was served via electronic mail on all parties of record on August 30, 2019.

  
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Kimberly W. Bojko

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Summary: Reply Comments of Republic Steel electronically filed by Mrs. Kimberly W. Bojko  
on behalf of Republic Steel