BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Proper Procedures and Process for the Commission's Operations and Proceedings During the Declared State of Emergency and Related Matters.	))))	Case No. 20-599-GE-UNC

SECOND MOTION OF DUKE ENERGY OHIO, INC., TO SUSPEND CERTAIN LIMITATIONS ON PAYMENT PLAN OFFERINGS IN OHIO ADMINISTRATIVE CODE SECTION 4901:1-18-05

Comes now Duke Energy Ohio, Inc. (Duke Energy Ohio or Company), pursuant to the directives of the Public Utilities Commission of Ohio (Commission) in Case No. 20-591-AU-UNC and hereby moves the Commission for approval to proactively offer residential customers additional options for managing their utility bills. Specifically, the Company requests that the Commission suspend certain limitations on payment plan offerings in Ohio Administrative Code (O.A.C.) 4901:1-18-05 as a result of the state of emergency declared in Ohio pursuant to Executive Order 2020-01D (Executive Order), as applied to certain residential customers with arrearages.

Duke Energy Ohio submits the following memorandum in support of its motion.

Respectfully submitted,

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MEMORANDUM IN SUPPORT

I. PROCEDURAL HISTORY

On March 9, 2020, Ohio Governor Mike DeWine issued Executive Order No. 2020-01D, which directed, among other things that "[a] state of emergency is declared for the entire State to protect the well-being of the citizens of [] Ohio from the dangerous effects of COVID-19."[1] The Executive Order also directed that "[s]tate agencies shall develop and implement procedures, including suspending or adopting temporary rules within an agency's authority . . . to prevent or alleviate this public health threat."[2]

Pursuant to the Executive Order and also its emergency authority under R.C. 4909.16, the Commission issued an Entry on March 12, 2020, in Case No. 20-591-AU-UNC (First Entry), directing utility companies to review their disconnection policies and recommend changes for the duration of the emergency:

- "review their service disconnection policies, practices, and tariff provisions and identify areas where it may be prudent to suspend, for the duration of the emergency, otherwise applicable requirements that may impose a service continuity hardship on customers or create unnecessary risks of social contact";

- "promptly seek any necessary approval, for the duration of the emergency, to suspend otherwise applicable requirements that may impose a service continuity hardship on residential and nonresidential customers or create unnecessary COVID-19 risks associated with social contact"; and

- "coordinate and communicate with local community action agencies and other community-based organizations to ensure that utility service to customers is maintained during the state of emergency"[3]

The Commission has directed that filings made pursuant to the second of the three above directives "shall be deemed approved on an emergency basis for a period of at least 30 days effective as of

[1] Executive Order, p. 3.
[2] *Id.*
[3] First Entry, p. 3.

the filing date or until such date as the Commission may otherwise specify, which shall not be less than 30 days." The Commission also noted that "if disconnection to a customer is necessary to prevent or resolve a presently or imminently hazardous situation, the customer's service should be disconnected in accordance with standard practices."[4] On March 13, 2020, the Commission issued an Entry in the same case (Second Entry), expanding this directive to request that utility companies similarly address service ***re***connection.

To address service interruptions, as directed by the Commission, on March 19, 2020, Duke Energy Ohio filed its motion to "Suspend Certain Requirements for the Duration of the State of Emergency Declared in Executive Order 2020-01D" (Motion).[5] In its Motion, the Company described the actions it had taken in response to the Commission's March 12 and March 13 Entries; including, but not limited to, suspending all disconnections for non-payment, waiving all late-payment fees, waiving electronic payment fees (credit cards, debit cards, electronic checks) for residential customers (collectively "the Fees"), as well as other actions intended to minimize customer contact.[6]

Although the Company's suspension of disconnections for non-payment and waiver of late-payment fees have provided customers with temporary relief, such actions have also reduced the incentives for customers to timely pay their utility bills. Indeed, the Company is seeing an increase in arrearages as a number of customers are not paying their current utility bills. If this continues, these customers will continue to accumulate substantial arrearages during this time which may become insurmountable and put them at risk of disconnection at that time when the

[4] *Id.*
[5] *In the Matter of the Proper Procedures and Process for the Commission's Operations and Proceedings During the Declared State of Emergency and Related Matters*, Case No. 20-599-GE-UNC, Motion of Duke Energy Ohio, Inc., to Suspend Certain Requirements for the Duration of the State of Emergency Declared in Executive Order 2020-01D (March 19, 2020).
[6] *Id.*

Company reinstitutes presently suspended disconnection-related actions. If no mitigating measures are taken, customers who relied on the suspension of disconnections to maintain service or to avoid paying their utility bill will eventually come due for disconnection.

II. THE COMPANY SEEKS SUSPENSION OF CERTAIN PORTIONS OF RULE 4901:1-18-05 IN ORDER TO MORE EFFECTIVELY MITIGATE THE RISK OF DISCONNECTING CUSTOMERS FALLING INTO ARREARS DURING THE EMERGENCY.

The Company would like to begin proactively contacting eligible residential customers that have already accumulated arrearages and are not already on a payment plan, and offering them payment plans to mitigate the risk of this buildup of arrearages now, in order to minimize the number of customers who may be ultimately faced with disconnection after the suspension period ends. Currently, Rule 4901:1-18-05 limits the Company's ability to proactively offer its residential customers extended payment plan options by restricting the utility to two or three options for proactive offers, depending on the time of year.[7] Suspension of these limitations would allow the Company to exercise greater flexibility in assisting customers and to more effectively mitigate the risks to both customers and the Company, of a buildup of arrearages during the disconnection suspension. In the current emergency state, the limitations of Rule 4901:1-18-05 pose a hardship to service continuity.

The Company believes that, in the absence of affirmative outreach, the current suspension of disconnections will produce unusually high arrearages for many customers and result in unnecessary disconnections after the suspension period ends. Accordingly, the Company wishes to begin proactively reaching out to customers to discuss flexible payment arrangements.

[7] *See* O.A.C. 4901:1-18-05(B).

Duke Energy Ohio seeks permission to suspend the language in Rule 4901:1-18-05 that limits it to offering residential customers only the one-sixth, one-ninth, and (during winter heating season) the one-third payment plans.[8] Instead, the Company seeks permission to: be able to offer any payment terms that are mutually acceptable to both the customer and the Company, with a repayment period of up to nine months. For example, in addition to the payment plans listed in the rule, the Company would be able to offer customers one-fourth, one-fifth, or one-seventh payment plans. The Company requests to be able to exercise flexibility in these unusual circumstances to not only accept payment terms proposed by the customer (as the Rule already permits), but also to proactively offer individual customers payment plans based on their individual circumstances, with any repayment period length of up to and including nine months and any payment distribution over that period.

The Company limits its requests for the above-described suspensions to apply only to eligible residential customers who are, or become, 30 days or more in arrears during Ohio's declared state of emergency and are not already on a payment plan. This is the category of customers that the Company believes is most at risk for imminent post-suspension disconnection.

The Company wishes to emphasize that although it is not disconnecting customers for non-payment during this time, customers are recommended to continue paying their utility bills to the extent they can. The Company will not require eligible customers to enter into a payment arrangement under its proposal, but is merely attempting to assist eligible customers by smoothing the transition back to business as usual, and to hopefully avoid the risk of eventual disconnection for non-payment of bills once the moratorium on disconnections for non-payment is eventually lifted. The Company's ability to engage in proactive outreach to smooth this transition under the

[8] O.A.C. 4901:1-18-05(B).

requested suspension should not be construed as an obligation to offer alternative payment arrangements.

The Company believes that its requested suspension of portions of Rule 4901:1-18-05 will enable it to smooth eligible at-risk customers' transition back to paying filed rates after the period of disconnect suspension ends and reduce the number of disconnects that occur. Accordingly, the Company respectfully submits that this is an "area[] where it may be prudent to suspend . . . otherwise applicable requirements that may impose a service continuity hardship on customers,"[9] and that automatic approval pursuant to the First Entry is appropriate.[10]

Respectfully submitted,

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[9] First Entry, p. 3.
[10] *Id.*

CERTIFICATE OF SERVICE

I certify that Duke Energy Ohio, Inc.'s Second Motion of Duke Energy Ohio, Inc., to Suspend Certain Limitations on Payment Plan Offerings in Ohio Administrative Code Section 4901:1-18-05 was served by First-Class U.S. Mail or electronic delivery upon counsel identified below for all parties of record this 4th day of May, 2020.

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