

**BEFORE**

**THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Commission's	)	
Investigation of the Disconnection	)	
Practices and Policies of Duke Energy	)	Case No. 17-2089-GE-COI
Ohio, Inc.	)	

---

**COMMENTS OF DUKE ENERGY OHIO, INC.**

---

**I. Introduction**

On October 11, 2017, the Public Utilities Commission of Ohio (Commission) directed its Staff to issue a request for proposal to obtain an auditor to conduct an investigation into the disconnection practices and policies of Duke Energy Ohio, Inc. (Duke Energy Ohio or Company). On November 29, 2017, the Commission selected Northstar Consulting Group (Northstar) to conduct the audit. Northstar's Compliance Audit and Review of the Disconnection Practices and Policies of Duke Energy Ohio, Inc., (Audit Report) was prepared and submitted on March 14, 2018. Pursuant to an Entry, initial comments on the Audit Report are to be filed on April 27, 2018 and Reply comments are due May 18, 2018. Duke Energy Ohio submits herein its initial comments on the Audit Report.

**II. Discussion**

To initiate this docket, the Commission provided the history of a previous case wherein the Commission found that Duke Energy Ohio failed to comply with the winter heating season disconnection requirements of Rule 4901:1-18-06(B), O.A.C. Based upon this single isolated outcome, the Commission undertook the investigation in this proceeding. In initiating the investigation, Northstar was directed to perform an audit that conformed to the Staff's request for proposal (RFP). The scope of the audit was set forth in the RFP and included a directive to

determine if Duke Energy Ohio was in compliance with provisions of the Commission's regulations, a waiver that was granted by the Commission, as well as the disconnection process performance relevant to the Commission's Opinion and Order in Case No.15-298-GE-CSS.

However, in addition to compliance requirements related to the above specified concerns, the RFP also directed the auditor to "Compare the disconnection notice process of other utilities, including utilities with advance metering infrastructure, and report on best practices for noticing customers of a pending disconnection." Additionally, the RFP specified that the auditor should "Review Duke's current disconnection timelines and report on their adequacy and responsiveness in comparison with utility best practices." Thus, the auditor in this proceeding was directed to perform an audit that not only reviewed whether or not the Company was in compliance with Commission regulation, but rather, provided a comprehensive far-reaching overview of every aspect of interaction with customers. In doing so, the RFP directives went far beyond the Commission's originally stated purpose for the audit and instead formed the basis for the resulting report which contains recommendations that go far beyond any compliance requirements. Instead, the Audit Report contains recommendations that are much better suited to a rule-making docket where its more creative findings may be applied equally to all Ohio electric distribution utilities. Likewise, in a rule-making docket, some of the recommendations can be considered in light of the additional costs that may be incurred to implement changes as necessary.

Thus, although Duke Energy Ohio appreciates the more comprehensive review and is pleased that the results establish compliant customer interactions, especially with respect to disconnection, the Company respectfully submits that some of the auditor's findings should be deferred to other proceedings where they may be addressed fairly in the appropriate context. To

the extent the Company takes exception to those findings in these comments, it should be understood that such exception only relates to the legal and procedural manner in which such recommendations are considered.

### **III. Comments On the Audit Report**

The following comments are organized consistent with the Audit Report broad headings, Section III, B through H.<sup>1</sup>

#### **B. Provisions of Customer Rights and Responsibilities**

The Commission Staff recently audited the Company's communications with customers related to rights and responsibilities. On February 2, 2018, Staff informed the Company that it was in compliance with relevant regulations, including those related to the code sections cited in the Audit Report under this section. Likewise, the Auditor found no non-compliance. Therefore the Company has no further comment in regard to these provisions.

#### **C. Billing and Payment**

The auditor found no compliance issues in this section, therefore the Company has no comment.

#### **D. Notification Timeline**

In the recommendations portion of this section, the Auditor made 8 recommendations. The first recommendation directs the Company to "determine the root cause for the account with a 20-day payment due, resolve any system issues and inform the PUCO staff as to the resolutions. The Company respectfully submits that this recommendation arises out of a misunderstanding with respect to the misreading of the date on a particular bill and that there is no problem that requires attention. The second recommendation related to ensuring that holidays

---

<sup>1</sup> Section III A contains a summary of the Auditor's Findings.

are considered has in fact already been addressed by the Company during the time the audit was underway.

The fourth recommendation states that the Company should “Investigate and address the frequency and cause of account actions that interrupt the automated collections timeline.” The recommendation further states that the Company should “Inform the PUCO staff of the causes and resolution to mitigate future issues.”

Account actions that interrupt the automated collection timeline include when a performer manually pushes out the date for a disconnect for non-payment date. This can occur for example, when a customer has an appointment with an agency during Winter Rule periods. In the specific example described by the Auditor, the landlord was not notified. The Company has already taken steps to correct this problem.

Remaining recommendations in this section do not indicate any violation of Commission regulations.

#### **E. Disconnect Notification Language**

The Auditor made a number of recommendations in this section related to the Auditor’s concept of process improvements. While some of these may provide a basis for further discussion, these ideas are more properly dealt with in the context of a rulemaking proceeding.

As there is no finding of a rule violation, the Company has no additional comment.

#### **F. Extended Payment Plans**

The Auditor found no violation of the Commission’s regulations in this section but made recommendations to update procedures. The Company has already updated some of its procedures since the Audit. Since there is no rule violation, the Company has no additional comment.

## **G. Outreach and Education**

This section of the Audit Report contains a thorough overview of the community assistance available to customers. The Auditor has suggested ways in which the Company might communicate these programs more effectively to customers. The Company appreciates the Auditor's policy recommendations and respectfully suggests that the Commission address such policy concerns in a generic docket or a rulemaking docket as needed. To the extent the Commission believes the public must be made more aware of these assistance programs, all electric distribution utilities and stakeholders should be given an opportunity to comment.

Since there is no rule violation, the Company has no additional comment.

## **H. Waiver Pilot Effectiveness**

This section of the Audit Report is provided as review of the Company's experience as the result of changes in operations. The Company was granted a waiver from the requirement of Rule 4901:1-18-06(A)(2), to provide residential customers with personal notice on the day of disconnection.<sup>2</sup> Instead, the Company now provides notice using alternative notification processes. The Auditor observes "it appears customers are responding to the increased messaging..." and "overall, the results of the pilot waiver campaign appear to show improvement in lowering the overall average monthly disconnections for electric residential customers." The Company has no additional comment.

## **IV. Conclusion**

As noted above, the Audit Report generally demonstrates that Duke Energy Ohio's customer service is robust, efficient, and compliant. The Company appreciates the Auditor's recommendations that go beyond compliance and looks forward to discussing such

---

<sup>2</sup> *In the Matter of the Application of Duke Energy Ohio, Inc., for a Waiver*, Case No.16-1096-EL-WVR, Finding and Order, (March 8, 2017).

recommendations in rule-making proceedings involving a diverse group of stakeholders so that such policy changes may be implemented on a state-wide basis.

Respectfully submitted,

Duke Energy Ohio, Inc.

/s/ Elizabeth H. Watts

Rocco O. D'Ascenzo (0077651)  
Deputy General Counsel (Counsel of Record)  
Elizabeth H. Watts (0031092)  
Associate General Counsel  
Duke Energy Business Services LLC  
139 East Fourth Street, 1303-Main  
Cincinnati Ohio 45202  
513-287-4359 (telephone)  
513-287-4385 (facsimile)  
Rocco.D'Ascenzo@duke-energy.com  
Elizabeth.Watts@duke-energy.com

## CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and accurate copy of the foregoing document was served this 27<sup>th</sup> day of April 2018, by U.S. mail, postage prepaid, or by electronic mail upon the parties listed below.

/s/ Elizabeth H. Watts  
Elizabeth H. Watts

[terry.etter@occ.ohio.gov](mailto:terry.etter@occ.ohio.gov)  
[Bryce.mckenney@occ.ohio.gov](mailto:Bryce.mckenney@occ.ohio.gov)  
[amy.botschner.obrien@occ.ohio.gov](mailto:amy.botschner.obrien@occ.ohio.gov)  
[bojko@carpenterlipps.com](mailto:bojko@carpenterlipps.com)  
[william.wright@ohioattorneygeneral.gov](mailto:william.wright@ohioattorneygeneral.gov)  
[Erica.Faaborg@cincinnati-oh.gov](mailto:Erica.Faaborg@cincinnati-oh.gov)  
[Andrea.yang@cincinnati-oh.gov](mailto:Andrea.yang@cincinnati-oh.gov)  
[slessor@calfee.com](mailto:slessor@calfee.com)  
[jang@calfee.com](mailto:jang@calfee.com)  
[talexander@calfee.com](mailto:talexander@calfee.com)  
[mkeaney@calfee.com](mailto:mkeaney@calfee.com)  
[abutler@lascinti.org](mailto:abutler@lascinti.org)  
[nmorgan@lascinti.org](mailto:nmorgan@lascinti.org)  
[cmooney@ohiopartners.org](mailto:cmooney@ohiopartners.org)