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**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

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In the Matter of the Commission's Review of)
Chapters 4901:1-17 and 4901:1-18 and Rules)
4901:1-5-07, 4901:1-10-22, 4901:1-13-11,)
4901:1-15-17, 4901:1-21-14, and 4901:1-29-12)
Of the Ohio Administrative Code.)

Case No. 08-723-AU-ORD

REPLY COMMENTS OF VECTREN ENERGY DELIVERY OF OHIO, INC.

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I. INTRODUCTION

On June 25, 2008, the Public Utilities Commission of Ohio ("Commission") issued an Entry requesting comments on Commission Staff's ("Staff") proposed revisions to the Commission's rules and appendices related to credit and collections, extended payment programs and low-income payment programs, namely the percentage of income payment plan ("PIPP") program. The proposed rules also suggest the elimination of payday lenders as authorized payment centers for utility bills. Initial comments were filed on September 10, 2008. Vectren Energy delivery of Ohio, Inc. ("VEDO") respectfully submits its reply comments for the Commission's review. The failure of VEDO to specifically address every issue raised in the initial comments of other parties should not be construed as endorsement or agreement with those comments.

II. REPLY COMMENTS

Many of the changes recommended by consumer advocates would require utilities to customize programs for individual customers taking into account information that is neither readily available to utilities nor the type of information utilities are typically

required to collect, consider and maintain.¹ Many of the changes would also require utilities to reassess data and/or provide duplicative information to customers on more frequent intervals than contemplated in the current or proposed rules. These types of proposed changes which would require extensive information technology changes, costly mailings and significant resources to implement and maintain, are offered without a demonstration of need or support; and, do not reflect a necessary balancing of issues. As importantly, since PIPP customers' payments are fixed, any incremental costs of serving PIPP customers impose additional cost responsibility on other customers. Accordingly, as noted in VEDO's initial comments, VEDO asks that the Commission be mindful that the system modifications required to accomplish fundamental modifications will be expensive, time-consuming, and administratively burdensome. The utilities should not be required to initiate any program modifications unless and until they are demonstrated to be fair and necessary, and the utilities are permitted to recover the costs of the system modifications.

A. Rule 4901:1-18-14(C) – Energy Efficiency Arrearage Credits

The proposed rule would grant PIPP customers and Graduate PIPP customers an arrearage credit for reducing energy usage by 10 percent in the previous 12 month period. The Consumer Groups recommend that the rule only require a four percent usage reduction and that the credit be applied every six months as a PIPP payment

¹ See Comments of AARP-OHIO, Coalition on Homelessness and Housing in Ohio, Ohio Association of Community Action Agencies, Ohio Association of Second Harvest Foodbanks, and Ohio Partners for Affordable Energy (hereinafter collectively "Ohio Consumer Advocates" or "OCA") and Initial Comments by the Office of the Ohio Consumer's Counsel, the Appalachian People's Action Coalition, Cleveland Housing Network, Empowerment Center of Greater Cleveland, The Neighborhood Environmental Coalition, Consumers for Fair Utility Rates, United Clevelanders Against Poverty, Supports to Encourage Low-Income Families, Cleveland Tenants' Association, Citizens United for Action, May Dugan Center, Pro-Seniors, Harcatus Tri-County Community Action Organization, Ohio Interfaith Power and Light, The Ohio Farm Bureau Federation, The Ohio Farmers' Union, and the Edgemont Neighborhood Coalition (hereinafter collectively "Consumer Groups").

decrease instead of a credit to the customer's arrearages.² This is an example of a proposed change that has the effect of both increasing the cost responsibility of other customers and increasing the programming changes by increasing the frequency of the data review and credit.³ Without additional support and authorization for cost recovery for the changes necessary to support such a program, this recommendation should be rejected.

B. Rule 4901:1-18-05(B) – Extended Payment Plans for Non-PIPP Customers

Staff's proposed rule would add a modified one-sixth plan as well as a one-twelfth plan to the extended payment plan options that must be presented to non-PIPP customers. The Consumer Groups and OCA encourage the Commission to require utilities to attempt to customize a payment plan before resorting to the standard payment plans as well as suggest language mandating that a customer's ability to pay be considered when establishing a payment plan.⁴

As noted in initial comments, VEDO currently offers a host of payment plans for its customers, including, among others, budget bill annualized payments and customized payment plans. VEDO does not believe there has been a demonstration that there is customer demand for the Staff proposed plans, let alone additional required payment plans. Moreover, new programs will require extensive programming changes to VEDO's Banner system. Accordingly, VEDO recommends that the Commission reject the proposed payment plans.

² Initial Comments of Consumer Groups at 41-43, 123-124.

³ As noted by OCA, PIPP customers move much more often than non-PIPP customers and, thus, from a practical standpoint, trying to match credits to customers more frequently would compound the difficulty of this task.

⁴ Initial Comments of Consumer Groups at 43-48, 86-88; OCA comments at 13.

C. Customer Disconnection Bill of Rights

The Consumer Groups request that the Commission require utilities to provide “Customer Disconnection Bill of Rights” for distribution to new residential customers and to all residential customers at the beginning of the winter heating season.⁵ The Customer Disconnection Bill of Rights would include information on payment arrangements, disconnection of service, and reconnection of service, most of which is already included in the new customer information packet distributed to all new residential customers. VEDO does not believe that the value in sending duplicative information outweighs the cost of a separate mailing that would be required.

D. OSCAR Report

The Consumer Groups’ call for the Commission to levy penalties for not timely filing OSCAR Reports and assert that the OSCAR Reports should be publicly filed.⁶ The Consumer Groups also recommend a workshop to define the terms in each matrix.⁷ Finally, the Consumer Groups suggest adding over 40 columns to Staff’s proposed revised OSCAR Report. These recommendations come despite the acknowledgement that the Commission has not conveyed the usefulness of this data in analyzing these programs; and, the value of expanding this data collection effort is unclear. Nonetheless, the Consumer Groups recommend that the utilities be required to collect obscure data for which they have not identified any use. For example, the Consumer Groups would have the utilities gather data on the “number of customers on life support.” The utilities cannot gather this information except to the extent it has received

⁵ *Id.* at 49-53.

⁶ *Id.* at 57-58.

⁷ *Id.* at 57.

the proper medical certification form. Even then, it is not clear why utilities should use resources to sort and report this type of information.

Finally, VEDO notes that the Commission already has the power to assess forfeitures against utilities not complying with its rules.⁸ Accordingly, VEDO urges the Commission to reject expanding the OSCAR report and also reject the addition of a duplicative specific rule identifying the Commission's existing power to assess forfeitures.

E. Rule 4901:1-18-01(C) – Definitions

The proposed rules would add a new definition for a "bona fide dispute" to clarify the Commission's rule related to insufficient reasons for refusing service or disconnecting service. The Consumer Groups recommend adding a complaint registered with the Office of the Ohio Consumers' Counsel ("OCC") call center to the definition of a bona fide dispute.⁹ The Commission should not include OCC in the definition of a bona fide dispute. The Commission, not OCC, has the statutory authority to resolve complaints by consumers and the addition of this language might confuse customers into thinking that OCC has the statutory authority and consequent ability to resolve disputes. Further, OCC should not be given the discretion to decide what inquiries to its call center constitute a complaint about service and, therefore, prevent a utility from refusing to serve or disconnect a customer.¹⁰ OCC does not currently have

⁸ Section 4905.54, Revised Code.

⁹ *Id.* at 78.

¹⁰ VEDO similarly objects to all other instances in which the Consumer Groups propose to insert OCC's name or contact information into the proposed rules. See, for example, Initial Comments of Consumer Groups at 76, 99, 119.

this authority and the Commission does not have the statutory authority to delegate this authority to OCC.

F. Rule 4901:1-18-03(F) – Reasons for Disconnecting Residential Electric, Gas, or Natural Gas Service

The Commission's current rules permit utilities to disconnect service to customers for repairs without notice except for maintenance-related service disruptions lasting longer than six hours.¹¹ Consumer Groups request that the rule be changed to require 24 hour notice to customers who will be interrupted for any length of time for scheduled maintenance.¹² While VEDO endeavors to give customers notice when doing any scheduled maintenance, it would be impractical to impose such a restrictive mandate in all circumstances. Accordingly, VEDO urges the Commission to reject this recommendation.

G. Rule 4901:1-18-15(H) – General PIPP Provisions

Consumer Groups propose a new paragraph that would require the utility to provide each PIPP customer with an annual statement of the PIPP customer's account.¹³ Similar to others discussed above, this request would require an additional mailing and would not provide information that is not already provided on PIPP bills. Further, Consumer Groups do not acknowledge the information technology costs that would be incurred to produce the statements. As Consumer Groups have not demonstrated that the information would be useful or that there is a customer demand, VEDO requests that the Commission reject the suggestion to provide PIPP customers with duplicative information.

¹¹ Rule 4901:1-18-02(H), Ohio Administrative Code.

¹² Initial Comments of Consumer Groups at 84.

¹³ *Id.* at 130.


H. Disconnection and reconnection of customers with AMR meters

OCA recommends that the Commission eliminate fees or charges associated with disconnection and reconnection when the customer receives service via automated meter reading ("AMR") equipment because OCA argues the costs are "effectively embedded in the cost of AMR equipment."¹⁴ OCA does not provide any support for its assertions. As the costs are separate and distinct, VEDO urges the Commission to reject OCA's recommendation.

III. CONCLUSION

For the reasons discussed herein, VEDO respectfully requests that the Commission incorporate its suggestions in its initial and reply comments into the proposed rules.

Respectfully submitted,



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¹⁴ OCA Comments at 16.