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BEFORE THE
PUBLIC UTILITIES COMMISSION OF OHIO

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)
and 4901:1-21-14, 4901:1-29-12 of the)
Ohio Administrative Code.)

Case No. 08-723-AU-ORD

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COLUMBUS SOUTHERN POWER COMPANY'S
AND OHIO POWER COMPANY'S
APPLICATION FOR REHEARING
AND MEMORANDUM IN SUPPORT

Pursuant to §4903.10, Ohio Revised Code, Columbus Southern Power Company and Ohio Power Company (AEP Ohio) file this application for rehearing of the Commission's December 17, 2008 Finding and Order in this docket. The Commission's order adopted revisions to the rules covering the establishment of credit for residential utility service, the termination of service, and percentage of income payment plan for natural gas service.

AEP Ohio files this application concerning the Commission's findings in relation to Rules 4901:1-18-07. AEP Ohio contends that this rule is in part unlawful and/or unreasonable because it denies AEP Ohio the ability to recover from customers its expenses incurred seeking to recover past due charges from customers facing disconnection of service. AEP Ohio sets out the rationale for rehearing in the following memorandum in support, and asks that the rules be modified on rehearing.

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MEMORANDUM IN SUPPORT OF REHEARING

AEP Ohio filed initial comments on September 10, 2008 and reply comments on October 14, 2008 in this docket. AEP Ohio commented on a number of issues and appreciates the efforts of the Commission to incorporate the issues raised in those comments. AEP Ohio respectfully requests that the Commission consider this issue that arises from the Commission's interpretations in its Finding and Order. AEP Ohio seeks rehearing to further address this issue and clarify the intent of the rules.

Rule 4901:1-18-07(C)

The Commission's Finding and Order advances an interpretation of Rule 4901:1-18-07(C), O.A.C. based on comments offered by the Consumer Groups. Finding and Order at 46. The Commission agreed with the Consumer Groups that "a collection charge is only justified if there is a premise visit to perform a disconnection that is averted by payment or proof of payment." *Id.* The Commission's interpretation of the rule limits the universe of collection charges to only one circumstance. In contrast, the actual language of the proposed rule provides this option, but does not preclude the collection of other valid collection charges.

The Commission's interpretation in the Finding and Order, not the rule itself, has the effect of removing recovery of legitimate collection costs by limiting collection efforts to the final interaction with a customer at disconnection and only if the customer actually pays.

The current version of the rule found in 4901:1-18-06(C), allows companies to assess a collection charge against the customer causing the need for the collection effort, if the collection effort was part of the company's approved tariff.

Existing 4901:1-18-06(C): The company shall not assess a reconnection charge unless the company has actually disconnected the service. The company may, however, *assess a collection charge if a collection charge is part of the company's approved tariff.* (Emphasis added).

The basis of the collection charge is that a trip to disconnect a customer that does not end in a disconnection still has a cost. At the request of the Commission's staff AEP Ohio currently delays scheduled disconnections under extenuating circumstances where disconnection of service could affect the welfare of the customer. In those circumstances AEP Ohio can leave an extra two-day notice giving the customer one last chance to avoid disconnection by paying its past due charges or securing a medical certification. The existing rule allows AEP Ohio to charge customers the tariffed costs of providing those customers the benefits of the extra notice and more time to pay unpaid charges. These measures taken by AEP Ohio are not required by the rules and would need to be reevaluated if the rule is not changed on rehearing.

The Commission's new rule found in 4901:1-18-07(C), and the Commission's interpretation of that rule could limit recovery of collection efforts to the one-time an individual is dispatched to officially turn off the service, as long as payment or proof of payment is received. AEP Ohio is confused by the Commission's intent in imposing this limitation. The absence of a customer with proof of payment does not negate the expense of providing an opportunity for the customer to avoid disconnection of service. The Commission's changes and interpretation of the rule could decrease both the opportunities to collect charges and inform customers of pending disconnections.

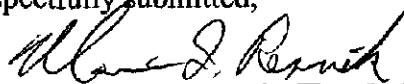
AEP Ohio has worked with the Commission's staff over the years to ensure that customers receive a full opportunity to avoid disconnection of service by paying past due charges or by obtaining a medical certification. But there are costs associated with providing customers with these opportunities. AEP Ohio puts those charges in tariffs and assesses them against the party causing the need for the trip. Any interpretation of these rules that prevents AEP Ohio from continuing to recover the costs associated with its attempts to provide customers the opportunity to avoid disconnection should be carefully reconsidered by the Commission. AEP Ohio recommends that the Commission restore the rule to its previous parameters. Specifically, the Commission should approve the following wording:

The utility company shall not assess a reconnection charge unless the utility company has actually disconnected the service. The utility company may, however, assess a collection charge if ~~the utility company employee or agent sent to perform a disconnection receives either payment or proof of payment in lieu of disconnection and~~ if the collection charge is part of the utility company's approved tariff.

AEP Ohio is confident that the enumerated clarifications and changes will alleviate confusion, benefit customers, and assist in the effective implementation of the rules.

Therefore, AEP Ohio requests that the Commission grant this Application for Rehearing.

Respectfully submitted,



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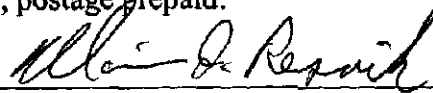
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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Columbus Southern Power Company's and Ohio Power Company's **APPLICATION FOR REHEARING AND MEMORANDUM IN SUPPORT** was served this 16th day of January 2009 upon the following individuals, by regular first class mail, postage prepaid:



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