



Office of the Ohio Consumers' Counsel

Your Residential Utility Consumer Advocate

Janine L. Migden-Ostrander
Consumers' Counsel

May 1, 2009

Matthew J. Satterwhite
Counsel- Regulatory Services
American Electric Power
1 Riverside Plaza - 29th Floor
Columbus, Ohio 43215

RECEIVED-DOCKETING DIV
2009 MAY -1 AM 10:43
PUCO

Re: Electric PIPP/Home Energy Level Payment Program ("HELPP")

Dear Mr. Satterwhite:

The Office of the Ohio Consumers' Counsel ("OCC") read, with great interest, your April 23, 2009 letter to Janet Stoneking with the Ohio Department of Development ("ODOD"), which was ultimately filed with the Public Utilities Commission of Ohio ("PUCO" or "Commission") in Case No. 08-723-AU-ORD.¹ In your letter you state that "it is highly unlikely" that AEP Ohio will "have the system ready" to accomplish ODOD's recent changes to electric PIPP (now known as HELPP) for the 2009-2010 winter heating season. Your letter asserts that the changes will take 1 year and 8 months (20 months) to complete. OCC assumes that the "system changes" are billing system and other programming changes. It also appears that with the implementation plan proposed by AEP Ohio, the electric PIPP changes will also not be implemented for the 2010-2011 winter heating season. OCC is surprised to learn of the magnitude of the work involved and queries why this was not raised at the time of the rule making. OCC is troubled by this extensive delay in providing necessary relief to Ohio's poorest electric customers.

AEP asserts that its "Rewrite" would require 11,000 hours of "work hours" to implement HELPP. OCC considers the implementation requirements proposed in your letter to be breathtaking in its scope. It is difficult to imagine that AEP will be dedicating the equivalent of 5 person years to making changes that will allow HELPP reform to take root. Further troubling is that the table provided with your letter indicates that the listed hours are for "Dev" hours only.² This implies that even more system change hours are in store. Curiously absent from your letter or attachment is any approximation of the costs AEP Ohio wishes to pass on to its customers for the attendant system changes, "Dev" hours, and other still hidden costs. We assume that the PUCO or ODOD will perform an independent review of these costs and that such review will be available for public review long before AEP seeks recovery in rates.

¹ *In the Matter of the Commission's Review of Chapters 4901:1-17 and 4901:1-18 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.* These rules deal with the natural gas Percentage of Income Payment Plan ("PIPP"), establishment of service and disconnection.

² OCC is unsure what "Dev" hours are, although presumes it to stand for "development."

Your letter asserts that it is "appropriate" that AEP's unsubstantiated costs should be paid for through the Universal Service Fund ("USF"). AEP's assertion is not supported by the record. It is not clear what the appropriate forum is for determining how alleged administrative costs should be recovered for the implementation of HELPP, which is administered by ODOD.

In consideration of the lack of supporting data system change detail, and the absence of associated costs, OCC requests that AEP Ohio provide the following information to OCC, the Commission and ODOD:

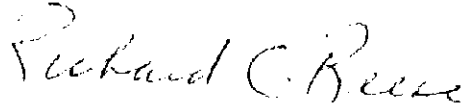
- Detail regarding the specific tasks associated with each of the 10 requirements listed on the Timeline.
- The projected costs associated with each of the 10 requirements listed on the Timeline.
- The projected costs of any additional hours dedicated to "system changes" not listed on the Timeline.
- The projected costs associated with any software or hardware purchase made by AEP Ohio to implement HELPP.
- Any projected miscellaneous costs to be incurred by AEP Ohio in implementing HELPP.
- The total projected costs for AEP Ohio to fully implement HELPP. Please include initial and recurring costs.³

Only with the provision of the information listed above will all parties be able to make informed decisions regarding what next steps are needed to enable low-income consumers to lower their monthly payments and reduce or eliminate their arrearages. The parties to the proceedings at the PUCO and ODOD are not mere bystanders in the reform of PIPP. Ohio residential ratepayers deserve having the up front knowledge of what these system changes are going to cost and the impact on rates. Low-income consumers are depending on the PIPP changes to make the program more viable in protecting access to essential utility services. Given the current economic problems seen in Ohio and elsewhere, a twenty month implementation delay at the possible costs suggested by AEP Ohio's Timetable could have dire consequences.

³ This information should also be made available to the other participants in the PUCO and ODOD proceedings.

Matthew J. Satterwhite
May 1, 2009
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Very truly yours,

A handwritten signature in cursive script that reads "Richard C. Reese". The signature is written in dark ink and is positioned above the printed name and contact information.

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