BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Commission's Review of Its Rules for the Establishment of Credit For Residential Utility Services and the Disconnection of Gas, Natural Gas, or Electric Services to Residential Customers Contained in Chapters 4901:1-17 and 4901:1-18 of the Ohio Administrative Code.	)))))))	Case No. 13-274-AU-ORD

REPLY COMMENTS OF THE EAST OHIO GAS COMPANY D/B/A DOMINION EAST OHIO

I. INTRODUCTION

In accordance with the Commission's June 11, 2013 Entry in this case, The East Ohio Gas Company d/b/a Dominion East Ohio ("DEO") files its reply comments regarding the Commission's proposed changes to Chapters 4901:1-17 and 4901:1-18 of the Ohio Administrative Code.

II. REPLY COMMENTS

DEO would note that it does not address every comment filed; any silence in that regard should not be taken as support for the unaddressed comment.

A. Rule 4901:1-17-03

1. Subsection (A)

The Consumer Groups make several recommendations with which DEO disagrees.

First, the Consumer Groups recommend that the Commission should not allow the credit check to be used as the primary criterion for determining financial responsibility. (Consumer Groups Comments at 33–34.) But performing a credit check is the most expedient and efficient means of assessing a customer's ability to pay in order to establish service, and it is a standard method used by companies that grant credit to customers. The Consumer Group's recommendation is impractical and would likely cause a delay in the initiation of service for

those customers otherwise willing to submit to the credit check due to the time that may be involved in using other means to demonstrate financial responsibility. This proposal should be rejected.

The Consumer Groups also recommend that utilities perform periodic "privacy impact assessments," which are meant to "demonstrate that a utility has consciously incorporated privacy protections throughout the process of collecting and using customer information." (*Id.* at 34.) But utilities are already required to adhere to consumer-credit laws and regulations, many of which are designed to ensure the privacy of customer information. There is no need for the Commission to multiply these regulatory requirements and put the burden of periodic "privacy impact assessments" on the utilities. To the extent review of the utility's policies and procedures concerning customer privacy is necessary, it can be provided in response to specific inquiries by the Commission Staff.

2. Subsection (A)(2)

The Consumer Groups recommend that the Commission prohibit utilities from using a customer's Social Security Number ("SSN") as the primary means for establishing identity. (*Id.* at 34–36.) But the Consumer Groups misunderstand what is meant by using the SSN "as a primary means for applicants to establish their identity." The Consumer Groups provide an excerpt from the Social Security Administration's website that urges organizations to avoid the use of the SSN "as the primary identifier for their record keeping systems." DEO has no issues with this instruction; it does not identify customers by SSN, but by their assigned, unique account number. But identification in records is not the issue here. Utilities need to obtain a customer's SSN to perform credit checks and to confirm that customers are who they claim to be. The likely outcome of the Consumer Group's recommendation would be a slower, more costly credit process.

3. Subsection (A)(5)

The Dayton Power and Light Company ("DP&L") makes two recommendations that DEO supports. First, DP&L recommends that the Commission modify the proposed rule to disqualify guarantors who are themselves on PIPP Plus, Grad PIPP, or have PIPP arrearages. (DP&L Comments at 6.) The rules rightly contemplate that guarantors must be creditworthy, and DEO believes that the recommended limitation is a sensible addition.

DP&L also recommends that the guarantor agreement should include language that prohibits the guarantor from canceling the agreement if a guaranteed account is past due, subject to a disconnection notice, has been disconnected, or has a final balance. (*Id.*) This is another sensible proposal, and DEO strongly recommends that the Commission incorporate this recommendation into its proposed rules.

B. Rule 4901:1-17-05

1. Subsection (A)

DP&L recommends that the amount required to establish credit should be increased from one-twelfth of the estimated charge for 12 months of service, plus 30 percent, to essentially one-sixth of the estimate (that is, 60 days of service). (*Id*. at 7.) DEO agrees that a deposit equal to sixty days of service is more likely to cover the delinquent balance of customers who do not pay and, accordingly, protects good-paying customers from having to cover that debt in the event of charge-off. DEO supports this recommendation.

C. Rule 4901:1-17-06

1. Subsection (E)

DP&L recommends that guarantors be prohibited from terminating the guarantor agreement if the guaranteed account is past due, has received a disconnection notice, has been disconnected for nonpayment, or has a final bill balance. (*Id*. at 8.) Assuring payment in such

circumstances is the very reason customers arrange a guarantor, and the guarantor should not be permitted to avoid its obligation at those times. DEO supports this recommendation.

D. Rule 4901:1-18-05

1. Subsection (B)

The Consumer Groups here make two recommendations that DEO disagrees with. First, they recommend that the Commission require utilities to offer a one-twelfth payment plan in addition to those currently offered. (Consumer Groups Comments at 40.) DEO disagrees. The extended payment plans currently being offered to consumers, along with the PIPP Plus program, are sufficient. As currently stated, the rule requires utilities to offer several specified payment plans *and* allows utilities discretion to work out suitable payment arrangements with customers. More required plan offerings are unnecessary.

The Consumer Groups also recommend that the Commission adopt a "hard cap" of $50 on the amount any customer must pay in addition to their regular monthly bill, irrespective of the payment plan that customer selects to become current on his or her past-due balances. (*Id*.) This recommendation should be rejected. This cap would severely limit the ability of payment plans to adequately collect arrearages; indeed, in many instances, the cap would effectively supersede the existing menu of payment plans. The Consumer Groups assert that such a cap would avoid "the large build-up of arrears" (*id.*), but the opposite appears true. The cap would lengthen the pay-back period and thus *exacerbate* the build-up of arrears.

This is not a sensible recommendation, but even if it were, it would be burdensome to reprogram utility billing systems to incorporate such an exception into each existing payment plan.

E. Rule 4901:1-18-06

1. Subsection (D)(3)

The Consumers Groups support a proposed rule change that appears to absolve customers of any responsibility for service consumed following the date of any move out. (*Id.* at 41–42.) DEO reiterates its opposition to this change. The rule neither requires advance notice of the request for disconnection nor customer cooperation in granting appropriate access. It is not clear why customers who provide little to no advance notice of departure or who refuse to provide access should avoid responsibility for service that *they* established in the first place. The rule does not provide proper incentives and would make other parties bear the consequences of customer inaction.

The Commission should maintain the status quo; this situation should remain covered by the utilities' tariffs. If the Commission does adopt this rule, it must be amended to include appropriate conditions, including at a minimum requirements that the customer timely request disconnection and cooperate in providing access.

2. Subsection (F)(1)

The Consumer Groups propose that utility companies should be required to notify the tenant that the utility company has a reversion agreement with the landlord. (*Id*. at 43.) DEO disagrees and believes that this is unnecessary. The reversion agreement is between the landlord and the utility solely for the landlord's convenience and is only applicable when the tenant vacates the premises; when such an agreement comes into play, it is because there is no tenant. There is no reason to provide notice to a tenant of the landlord's plan for service at the premises upon the tenant's termination of service. This recommendation should be rejected.

3. Subsection (H)

DP&L comments that giving a utility only one business day to respond to a Staff inquiry regarding disconnection would hinder a utility's ability to provide an adequate investigation and response. (DP&L Comments at 10.) DEO agrees with this comment. While DEO strives to respond quickly to Staff inquiries, DEO also acknowledges that there may be valid reasons why a response within one day is not possible. The two-day response time should be left intact.

F. Rule 4901:1-18-07

1. Subsection (A)

Regarding the reconnection of service, FE notes that the amount in arrears that caused the disconnection is not always the same as the amount in arrears at the time of reconnection. (FE Comments at 19; *see also* DP&L Comments at 10.) Thus, simply requiring the "amount as stated on the disconnection notice" may be insufficient to cure the arrearage. FE recommends amending this rule to require the amount stated on the disconnection notice "plus any amounts for which service was not disconnected, but is now past due at the time of reconnection." (*Id*.) DEO agrees.

2. Subsection (E)

Vectren Energy Delivery of Ohio, Inc. ("VEDO") comments that this rule is unclear and that it can envision several situations where it may impose a financial impact to both the property owner and the utility if the meter cannot be turned on until certain payments are received in full; it recommends clarifying the rule. (VEDO Comments at 5.) DEO does not necessarily disagree with VEDO's request for clarification—DEO proposed a clarification itself. DEO would stress, however, that the rule should continue to condition the restoration of service on the utility's receipt of full payment for unauthorized usage and the other items listed in the rule.

G. Rule 4901:1-18-08

1. Subsections (K) & (L)

The Consumer Groups recommend that the Commission expand the shut-off notice requirement from 10 days to 30 days. (Consumer Groups Comments at 45.) DEO disagrees. Contrary to the Consumer Groups' assumption, termination of service is not always for reason of eviction. The current 10-day notice period provides the residential tenant with sufficient time to place the utility service in his or her name, and expanding the notice period would make the landlord liable for utility service consumed during the incremental, extended period. And if termination was based on an eviction, it is hardly fair to increase the landlord's burden while the tenant relocates. Indeed, the tenant's incentive to promptly do so would be lessened under the Consumer Groups' proposal.

H. Rule 4901:1-18-12

1. Subsection (D)(1)

The Consumer Groups recommend that the Commission should provide customers with a minimum of 90 days after the annual PIPP verification date to reverify income before being removed from the program. (*Id*. at 4.) DEO disagrees. The Consumer Groups point out that there was a decrease from 2011 to 2012 in the number of customers dropped for failure to re-verify. (*Id*.) They go on to state that "this dramatic decrease indicates that customers now better understand the annual re-verification requirements for PIPP Plus and are learning how to better comply with these requirements" and that "there seems to be little harm in providing these customers some additional time to re-verify." (*Id*.)

This recommendation could be paraphrased, "the rules aren't broken, so fix them." The Consumer Groups fail to account for the likely fact that customers' improved performance and understanding is *because* the new rules are working. The reverification rules were just

implemented in late 2010; the fact that they appear to be working as planned is no reason to change them, much less so soon.

2. Subsection (D)(2)

The Consumer Groups recommend that the Commission should extend the amount of time that a customer has to make any missed PIPP Plus payments to remain eligible for the program to within 90 days of the customer's anniversary date. (*Id*. at 5–7.) DEO disagrees. The 2010 rule changes allowed a decrease in the amount of the required PIPP Plus payment (from ten to six percent of household income) in exchange for tightening up other payment requirements, such as the timing requirement that the Consumer Groups recommend loosening. The rules have been in place for less than two years and, again, appear to be having the desired effects. They should not be relaxed now.

I. Rule 4901:1-18-13

1. Subsection (A)(1)

The Consumer Groups recommend that the Commission amend its proposed rule to include a waiver of the minimum $10 PIPP Plus payment for 180 days, similar to the ODSA's current rule. (*Id*. at 19.) DEO disagrees and recommends that the minimum $10 payment be retained. This minimum payment has not proven to be excessively burdensome to gas utility customers and enables those subject to the minimum payment to receive incentive credits. Indeed, the requirement that PIPP Plus customers pay *something* towards their monthly gas bill was a positive change in the last rule review and encourages responsible payment behavior consistent with the purposes of the PIPP Plus program. This minimal requirement should not be eliminated.

J. Rule 4901:1-18-15

1. Subsection (G)

The Consumer Groups recommend that the proposed new payment plan (allowing customers to retire an entire balance by paying one-fifth of it) should provide for a payment term of 24 or 36 months, instead of 12. (*Id*. at 12.) DEO offered recommendations against this new plan in its initial comments, and it disagrees with this recommendation, too. A PIPP Plus customer who receives a final bill for the reasons stated in the proposed rule should be required to continue to make its PIPP Plus payment for 12 months, the same period allowed for Graduate PIPP Plus, and should not be given an extended period of time to pay arrearages beyond 12 months. With on-time payments, the entire balance will be forgiven through incentive credits in 12 months. This recommendation should be rejected.

K. Rule 4901:1-18-16

1. Subsection (G)

The Consumer Groups recommend that the Commission increase the availability of the Graduate PIPP Plus program from 12 to 18 months following the customer's leaving PIPP Plus. (*Id*. at 23.) DEO disagrees. The Commission should maintain the current 12-month duration of the Graduate PIPP Plus program. Increasing the program's duration will increase the burden on ratepayers and reduce the customer's responsibility to pay for his or her usage. The Consumer Groups' recommendation should be rejected.

III. CONCLUSION

DEO appreciates the opportunity to offer its reply to comments by others on the Commission's proposed rules in this case. It respectfully requests that the Commission incorporate DEO's comments in reviewing and amending the rules in this case.

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Respectfully submitted,

/s/ Andrew J. Campbell

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Summary: Reply Comments electronically filed by Mr. Andrew J Campbell on behalf of The East Ohio Gas Company d/b/a Dominion East Ohio