

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Commission's)	
Investigation of Ohio's Retail)	Case 12-3151-EL-COI
Electric Service)	

OHIO POWER COMPANY'S REPLY COMMENTS

Filed February 20, 2014

AEP Ohio Reply Comments

Ohio Power Company (AEP Ohio) hereby submits its reply comments regarding the Staff Report. Failure to address any particular recommendation or comments by other parties should not be interpreted as agreement by AEP Ohio.

A. OPAE, AARP, etc.

Standardization

Comments made by OPAE, AARP, The Ohio Poverty Law Center, Edgemont Neighborhood Coalition, Pro Seniors, Southeastern Ohio Legal Services, Legal Aid Society of Columbus, Legal Aid of Cleveland, Communities United for Action, and the Citizens Coalition (Low Income Advocates) state:

“However, the Plan does not identify the specific initiatives or costs that would be required to implement further consistency. Consumers recommend that any mandate for consistency be implemented only after the costs and benefits to ratepayers are identified and established through a Commission proceeding. Marketers, under the principal of cost-causation, should pay the bulk of EDI costs that primarily benefit marketers.”

Low Income Advocate Comments at 5. AEP Ohio supports the intention that for changes made which may have little benefit to the customer but benefits mostly generation suppliers, that the costs to implement such items be paid for by those receiving the benefit.

POR

In comments provided by OPAE, AARP, etc., the groups suggest that if a POR program is adapted by all utilities that the EDU should not be allowed to disconnect customers for amounts which would exceed the cost of the utilities’ SSO rates.

“If a POR program is implemented by all EDUs, Consumers recommend two conditions to the adoption of any POR program. First, the EDU should not be allowed to disconnect service for any amount that would exceed what the customer would have paid for the SSO.”

Low Income Advocate Comments at 10. This not only would be impossible for the utilities to implement, it also goes against a primary benefit of a POR program. Utilities would not be able to calculate each individual customer's bill at an SSO rate and compare it to the rates the customer is receiving from a generation supplier. In addition, under a POR program the utility owns all the receivables on the bill and must be able to have full authority to collect unpaid debt. If the Commission were to allow customers to not be disconnected due to a delta variance in billing amounts, the unpaid debts could grow significantly which in turn would burden all other ratepayers to cover that loss.

Customer Enrollment

The Low Income Advocates address privacy issues related to customers logging onto a provider's device and allowing a provider to store that log-in for use at a later date.

“Once that information is logged into the CRES provider's device, it could be available to the CRES provider in a manner unauthorized by the customer and potentially used for other purposes.”

Low Income Advocate Comments at 11. AEP Ohio agrees that there is a potential risk with regard to customer information. A provider might even place a small disclaimer on their screen stating that logging into this device authorizes consent to use the information provided, thus a

customer would unknowingly provide consent to providers to view information without knowingly have consented to do so. Once a customer's data is shared, utilities would have little control over limiting its use for various functions or from the sharing of that information with other parties.

B. Constellation NewEnergy, INC and Exelon Generation Company, LLC

Definitions and Measurement

Constellation and Exelon state that it should be the EDUs which educate customers regarding choice.

“EDU programs that educate consumers about their choice for competitive supply before they become utility default customers is a simple and cost effective tool that can prevent utility status quo bias from occurring in the first place.”

CNE/Exelon Comments at 4. AEP Ohio believes that EDU's which are going to a 'wires only' design are not the appropriate people to educate customers on the benefits of choice in the market. Utilities do not want to be placed in a position where they could unduly influence customers in any decisions they make in the choice market. In addition, the PUCO already has a division which does customer education and enforcing utilities to do the same work would be an inefficient cost to ratepayers.

C. Direct Energy

Customer Enrollment

Direct Energy proposes (at 7) that utilities should be allowed to share account number or SDI information with suppliers who gain customer consent. Currently the rules do not allow

utilities to disclose account numbers without the customer's written or electronic consent (O.A.C. 4901:1-10-12.) While most generation suppliers would be honest about receiving customer consent, it is harmful to utilities when a supplier may not have received consent from customers to gain such information and would put the utilities in violation of the current rules. Even if the utilities were provided with a copy of the consent, it would be difficult for the utility to verify that it was genuine or obtained by proper means and notification. Without additional customer protections to be put in place or more stringent penalties for generation suppliers, AEP Ohio suggests not allowing generation suppliers to have access to customer account information.

D. RESA

POR

In comments made by RESA, they suggest that utilities do more reporting work and cause more customer confusion when utilities offer POR programs.

“The EDUs should provide the necessary data that suppliers need to perform their collections, even when a POR program is offered. Also, all EDUs should adopt similar final-bill language that, when triggered, advises customers that outstanding supplier charges will be collected by the supplier, even when a POR program is offered.”

RESA Comments at 4. By suggesting that EDU's send supplier's information on customer payments even when a POR program is in place is absurd and eliminates major benefits of a POR program. When the EDU's pay suppliers for that customer, the supplier no longer should be concerned with the customer's payments, it is at that point owned by the EDU. In addition, by asking that outstanding supplier charges would still be collected by suppliers, even after they received their money from the EDU for that customer under a POR program would cause

customers at times to double pay. Once a supplier is on a POR program with a utility, they should no longer be involved with customer payments since it is owned by the utility at that point. Any additional involvement on the behalf of a supplier would cause greater customer confusion and eliminate any benefit of a POR program for the customer.

Customer Enrollment

RESA recommends (at 12) that customers should be permitted to delegate to the CRES suppliers the task of looking up the account number. AEP Ohio has concern because the current rules only allow EDU's to share customer account numbers when the customer has given the utility consent and in changing these practices may place utilities at risk of non-compliance with the rules. In addition, while most suppliers would not take advantage of such a system, AEP Ohio does get complaints of existing marketing practices which cause great concern. Customers could be harmed by those few suppliers who unwittingly gain customer consent for account look up and switch customers potentially causing early termination fees for those customers. AEP Ohio suggests that if any consideration be given to this type of practice, that additional measures be put in place to protect customers and ensure CRES providers have a structured enforcement policy.

E. IGS

Standard Service Offer

IGS urges the Commission (at 13) to require newly enrolled customers be allowed to start with a choice supplier immediately when initiating service. While there may be a handful of customers who know what supplier they would want, many are moving into a different sized

house or facility in a territory they are possibly unfamiliar with; asking customers to choose a supplier the minute they initiate service has several drawbacks. First, a customer may not know what a typical cost under the SSO rate is; they may just choose a supplier randomly from the list and end up paying a higher price than under SSO rates. Second, today's suppliers often charge early termination fees, so customers who make split second decisions around their suppliers may be stuck in a costly contract they cannot get out of. Switching immediately does not give customers time to evaluate and review a suppliers terms and conditions of service and sign an agreement with a supplier. Third, this does not give customers time to receive or read about special supplier promotions or rates before signing a contract. Fourth, customers who wish to switch to a supplier immediately are only required to have their switch request in 12 days prior to their meter read date, and in 12 days they would be served by a generation supplier. Because of these important points AEP Ohio recommends that the current situation allows customer to fully investigate supplier's rates before making a choice and will give customers a better experience.

Bill Format

IGS suggests (at 14) that in addition to the price to compare section of a customer's bill that additional language be added to show how many suppliers are offering rates lower than that of a customer's SSO rate be included. Since suppliers can change their offers daily, it would be unthinkable to track and be able to report on how many current offers are lower than the current SSO rate. In addition, for customers who receive a paper bill, the offers could have changed by the time the letter reaches a customer's home. Suppliers may also have a shorter introductory pricing which at first appears much lower, but then jumps up after a period of time.

Programming such a request would be impossible and would have a daily expiration of the content reflected.

F. Ohio Environmental Council

Bill Format

The Ohio Environmental Council recommends (at 7) that each utility should offer financing to commercial and industrial customers for energy efficiency and renewable projects and that these projects would be paid back on an on-bill repayment (OBR) method. AEP Ohio does not oppose the concept of financing for energy efficiency measures, however does not believe that it should be the vehicle for such arrangements. Consumer lending is not the core competency of AEP Ohio. Even if third-party lenders provide the financing, it is an administrative burden for AEP Ohio to handle the loan repayment procedures. AEP Ohio systems are not designed to process consumer loan payments, and they are not staffed to handle such activity. Implementing such arrangements would require investment in systems, processes and staff resources, all of which would need recovered in rates. Also, the commingling of customer bill payments and loan repayments creates both procedural and administrative challenges related to credit and collections, service disconnection procedures that the Commission already has in place, and other complicating issues. For these reasons, AEP Ohio asserts it is best for its customers to avail themselves of the many consumer lending arrangements that are available to them for their financing needs from providers with such expertise.

G. Sierra Club

Corporate Separation

The Sierra Club recommends (at 4) to the Commission that EDUs should fully divest regulated and non-regulated businesses and believes that structural corporate separation does not work. Since AEP Ohio does not own a competitive generation supplier, AEP Ohio believes that the Commission does not have the authority to order the non-regulated parent company to sell pieces of its business. Therefore, asking the Commission to consider such a plan is inappropriate. Since there are existing code of conduct rules in place to address issues of corporate separation, adding additional measures is not needed.

CONCLUSION

AEP Ohio appreciates the opportunity to provide these comments to the Commission regarding the Retail Market Investigation. Again, the failure to comment on specific ideas or concepts should not be interpreted as agreement. AEP Ohio is simply providing comment on a subset of the comments offered. The Company would urge the Commission to consider these comments filed by the Company.

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CERTIFICATION OF SERVICE

I hereby certify that a copy of the Ohio Power Company's Reply Comments was served on the persons stated below by electronic mail, this 20th day of February 2014.

//s/ Steven T. Nourse

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Summary: Comments -Reply Comments of Ohio Power Company electronically filed by Mr. Steven T Nourse on behalf of Ohio Power Company