

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of)
Ohio Power Company for a Limited) Case No. 13-1938-EL-WVR
Waiver of Rule 4901:1-18-06(A)(2), Ohio)
Administrative Code.)

**ADDITIONAL COMMENTS ON OHIO POWER’S WAIVER REQUEST TO
ALLOW DISCONNECTION OF RESIDENTIAL CUSTOMERS’ ELECTRIC
SERVICE BY REMOTE CONTROL
BY
THE OFFICE OF THE OHIO CONSUMERS’ COUNSEL**

I. INTRODUCTION

This case is about whether customers of Ohio Power Company (“Ohio Power”) will keep consumer protections regarding disconnection of service found in the rules of the Public Utilities Commission of Ohio (“PUCO”). Electric, gas and natural gas companies must provide in-person notice to customers on the day they are being disconnected for nonpayment.¹ Ohio Power seeks a waiver of this basic consumer protection for that part of its service territory where advanced meters have been installed.² Ohio Power has proposed that the waiver last two years.³ If the PUCO grants the waiver, instead of receiving in-person notice on the day of disconnection, customers’ last contact from Ohio Power would be an automated telephone call 48 hours before disconnection.⁴

¹ Ohio Adm. Code 4901:1-18-06(A)(2).

² See Request for Waiver of Ohio Power Company (September 13, 2013) (“Application”) at 3-6, as amended by a letter docketed on September 5, 2014.

³ See September 5, 2014 Letter.

⁴ See Application at 6.

On December 2, 2014, the PUCO issued an Entry seeking comment on Ohio Power's proposal. In response to the Entry, the Office of the Ohio Consumers' Counsel ("OCC") submits these Additional Comments.⁵ The PUCO should not reduce consumer protections concerning disconnection of service.⁶ Hence the PUCO should deny Ohio Power's waiver request and retain the in-person notice requirement.

II. BACKGROUND

Ohio Adm. Code 4901:1-18-06(A)(2) requires electric companies to provide a customer with in-person notice on the day the customer's service is to be disconnected. If the customer is not at home, the electric company must provide the in-person notice to an adult consumer at the premises. If neither the customer nor an adult consumer is at home, the electric company must attach written notice to the premises in a conspicuous location prior to disconnecting service. The effect of the rule is to give customers face-to-face contact with personnel from the electric company on the day service is to be disconnected. This affords customers facing disconnection one last opportunity to keep their electric service on by making a payment to the company or making other arrangements to pay.

Ohio Power wants to deprive its customers who have advanced meters of this last opportunity for personal contact with the utility's personnel to avoid disconnection. Instead, the last contact those customers would have from Ohio Power would be an automated telephone call two days before their electric service is to be shut off. An Ohio

⁵ On October 18, 2013, OCC filed objections to the original application concomitant with its motion to intervene. After Ohio Power filed its letter modifying the original application, OCC filed joint comments with Appalachian Peace and Justice Network and Ohio Partners for Affordable Energy opposing the amended application on September 22, 2014.

⁶ See R.C. 4933.122.

Power representative would not come to the customer's home to disconnect service; disconnection would occur by remote control through the advanced meter.

The scope of Ohio Power's waiver request is unclear because the proposal is contained in multiple documents. Ohio Power's original request stated that only those residential customers whose residence is equipped with an advanced meter would be affected.⁷ But it was unclear whether the waiver would affect only those 132,000 residential customers who already have an advanced meter through Ohio Power's gridSMART Phase I, or if it would also include those residential customers who would receive an advanced meter through future phases of gridSMART deployment.⁸ Ohio Power also stated that it would not disconnect service to "vulnerable" customers by remote control.⁹

Ohio Power amended its waiver request in a letter filed September 5, 2014. There, Ohio Power labeled the waiver a "pilot" that would last two years in order to test two winter heating seasons. In addition, Ohio Power stated that the number of residential customers to be denied existing consumer protections would be limited to the 132,000 residential customers in gridSMART Phase I.

Also in the September 5, 2014 letter, Ohio Power stated that it will "aim" to remotely disconnect customers' electric service "at or around 10:00 am." Ohio Power also stated it will waive any overtime reconnection fees for the customers in the remote

⁷ See Application at 1.

⁸ *In the Matter of the Application of Ohio Power Company to Initiate Phase 2 of Its gridSMART Project and to Establish the gridSMART Phase 2 Rider*, Case No. 13-1939-EL-RDR, Application (September 13, 2013).

⁹ See Application at 2-3. OCC incorporates by reference its concerns regarding Ohio Power's definition of "vulnerable" expressed in previous filings in this case. See OCC Motion to Intervene and Objections (October 18, 2013) at 6-8.

disconnect pilot area. And Ohio Power stated it will work with the PUCO Staff “to provide data that will allow both the Staff and the Company to analyze the success of the pilot.”

The public interest would not be served by eroding the consumer protections of personal notice to customers before electric service is disconnected. The PUCO should deny Ohio Power’s waiver request.

III. DISCUSSION

A. In-person notice on the day of disconnection is fundamental to residential customers keeping their electric service on.

In-person notice on the day of disconnection is extremely important for residential customers. The PUCO has stated that the purpose of the in-person notice requirement is to notify customers that disconnection is about to occur and to “allow the customer one last chance to prevent disconnection by making payment.”¹⁰ As the PUCO noted, “Without personal notification, or the display of notice, it is possible that customers may be unaware of the pending disconnection, or may believe that the lack of service is the result of an outage.”¹¹

The PUCO has recognized that advanced meters should not undermine the requirement of in-person notice by electric company personnel on the day a customer’s service is to be disconnected. In 2010, Duke sought a waiver of the same notice requirement as Ohio Power and for the same purpose as Ohio Power – to avoid sending

¹⁰ *Application of Duke Energy Ohio for a Waiver of Certain Sections of the Ohio Administrative Code for Smart Grid Pilot Programs*, Case No. 10-249-EL-WVR, Entry (June 2, 2010) at 8.

¹¹ *Id.*

personnel to a customer's home when service is to be disconnected.¹² The PUCO found that the requirements set forth in the rule should remain in force, and denied Duke's request for a waiver of the rule.¹³ The PUCO should also deny Ohio Power's request.

Ohio Power has not provided the PUCO with ample basis for granting the waiver. Ohio Power states that out of a "sample" of 10,102 customers, "only 5.8% of those customers requested a 1 hour extension to pay their bill at the time of disconnect, although not all of those customers were able to pay and hence avoid disconnection."¹⁴ That means more than 500 customers in Ohio Power's small sample took advantage of that "one last chance to prevent disconnection by making payment." Ohio Power issued more than 2.1 million disconnection notices for the year ending May 31, 2014.¹⁵ Thus, based on the result of Ohio Power's "sample," more than 121,000 customers likely took advantage of the in-person notice to attempt to make a final payment. And although some were unable to avoid disconnection,¹⁶ others were able to keep their electric service connected. Ohio Power would deprive them of that opportunity.

The use of advanced meters by electric utilities tends to cause an increase in disconnections for nonpayment. Since Duke Energy Ohio began installing advanced meters in 2010, its disconnections for nonpayment have increased from less than 70,000

¹² See *id.*, Application (February 26, 2010) at 7.

¹³ *Id.*, Entry (June 2, 2010) at 8.

¹⁴ Application at 4.

¹⁵ See *Ohio Power Company's Service Disconnection for Nonpayment Report*, Case No. 14-846-GE-UNC (June 30, 2014).

¹⁶ Application at 4.

in 2010 to more than 80,000 in the 2014 reporting year.¹⁷ Similar results have occurred elsewhere.¹⁸

Customers should have every opportunity to keep their electric service on. The PUCO should not undermine the important consumer protections in the requirement that Ohio Power give in-person notice of disconnection. The PUCO should deny Ohio Power's waiver request.

B. Ohio Power's proposal does not adequately protect customers from disconnection of service.

In its September 5, 2014 letter, Ohio Power included three additional amendments to its original waiver request. First, Ohio Power said it will give, on a year-round basis, the extra ten-day notice of disconnection required during the winter heating season under Ohio Adm. Code 4901:1-18-06(B)(1). Second, Ohio Power stated it will "aim" to remotely disconnect customers' electric service "at or around 10:00 am." Third, Ohio Power stated it will waive any overtime reconnect fees for the customers in the remote disconnect pilot area. None of these is an adequate substitute for the in-person notice requirement.

Although the extra ten-day notice may provide customers an additional warning that disconnection will occur, it does not have the urgency associated with the in-person notice on disconnection day. The extra ten-day notice does not offer customers that one last chance to avoid disconnection provided by the in-person notice.

¹⁷ See *In the Matter of the Application of Duke Energy Ohio, Inc., to Adjust Rider DR-IM and Rider AU for 2013 Grid Modernization Costs*, Direct Testimony of James D. Williams (December 31, 2014) at 9-12.

¹⁸ See, e.g., "Power shutoffs increase with rise in smart meters" (July 14, 2010), <http://abc7news.com/archive/7555472/>; "Consumer groups blame Hydro-Quebec smart meters for rise in power cutoffs" (November 13, 2014), <http://www.cbc.ca/news/canada/montreal/consumer-group-blames-hydro-qu%C3%A9bec-smart-meters-for-rise-in-power-cutoffs-1.2834439>.

As for Ohio Power's goal to disconnect a customer's service by remote control at or around 10 a.m., Ohio Power does not explain why this benefits customers. A customer still would not know whether the power is off due to disconnection or to an outage.

In addition, Ohio Power's offer to waive overtime charges to reconnect service is hollow. Advanced meters allow electric companies to disconnect *and* reconnect by remote control. Overtime charges should not be an issue, because Ohio Power personnel do not have to be sent to the customer's home.

Ohio Power's proposal removes essential consumer protections without providing customers with similar protections. The PUCO should deny the waiver request.

C. The "pilot" proposed by Ohio Power has no defined goals, metrics or means of evaluation, and thus is meaningless.

In its September 5, 2014 letter, Ohio Power stated it will work with the PUCO Staff "to provide data that will allow both the Staff and the Company to analyze the success of the pilot." But Ohio Power did not explain the purpose of the pilot, especially what the pilot is intended to measure and evaluate. Without defined goals, metrics, and an evaluation process, a pilot is meaningless.

The proposed pilot seems to be nothing more than a ploy to allow Ohio Power to remove essential consumer protections that allow customers to avoid disconnection of service. Ohio Power should provide more details regarding the purpose of the pilot, the goals of the pilot, and how the success of the pilot will be measured and evaluated. These details should be docketed, either in this case or another proceeding, and the public should then have an opportunity to comment on the pilot.

IV. CONCLUSION

Advanced meters have made it easier for utilities to disconnect customers for nonpayment. The waiver request in this case would make the process even easier for Ohio Power, at the expense and detriment of customers. But the PUCO has already determined that customers need to have one last chance to avoid disconnection, and that need outweighs the need of utilities to disconnect service by remote control. The PUCO should make the same determination here.

Ohioans who have advanced meters should have all the consumer protections in the PUCO's rules. The PUCO should deny Ohio Power's waiver request.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that a copy of these Comments was served on the persons stated below via electronic transmission this 6th day of January 2015.

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Summary: Comments Additional Comments on Ohio Power's Waiver Request to Allow Disconnection of Residential Customers' Electric Service by Remote Control by the Office of the Ohio Consumers' Counsel electronically filed by Patti Mallarnee on behalf of Etter, Terry L Mr.