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February 17, 2015

Ms. Barcy F. McNeal, Secretary  
Public Utilities Commission of Ohio  
180 East Broad Street  
Columbus, Ohio 43215

RE: Case No. 12-1858-EL-GAG

Dear Ms. McNeal:

The city of Delphos recently selected AEP Energy to provide CRES service under its government aggregation program. Enclosed for filing is The City of Delphos, Ohio Municipal Electric Aggregation Program, Amended Plan of Operation and Governance. Additionally, the city would like to update the following contact information in its renewal application:

A-5 Contract person for regulatory or emergency matters

Name: Madelon Kuchera  
Title: Vice President Regulatory Affairs, AEP Energy, Inc  
Business Address: 225 West Wacker Drive, Suite 700, Chicago, Illinois 60606  
Telephone: (312) 628-8613 Fax: (312) 628-8612  
E-mail address: [mkuchera@aepenergy.com](mailto:mkuchera@aepenergy.com)

A-6: Contact person for Commission Staff use in investigating customer complaints

Name: Nancy Williams  
Title: Director, Customer Care  
Business Address: 225 West Wacker Drive, Suite 700, Chicago, Illinois 60606  
Telephone: (312) 488-5194 Fax: (312) 488-5153  
E-mail address: [care@aepenergy.com](mailto:care@aepenergy.com)

A-7: Applicant's address and toll-free number for customer service and complaints

Customer Service address: 155 W. Nationwide Blvd, Suite 500, Columbus, Ohio 43215  
Toll-free Telephone: (877) 726-0214 Fax# (312) 628-8663  
E-mail address: [care@aepenergy.com](mailto:care@aepenergy.com)

If you have any questions, please feel free to contact me.

Sincerely,



Andrew C. Emerson

This is to certify that the images appearing are an accurate and complete reproduction of a document as generated delivered in the regular course of business. Technician AND Date Processed 2/17/15

# **City of Delphos, Ohio Municipal Electric Aggregation Program**

## **Amended Plan of Operation and Governance**

April 2015

## **Overview**

At the November 8, 2011 general election, local residents authorized the City of Delphos ("the City") to create a municipal opt-out electric aggregation program ("the Aggregation Program") as provided under Section 4928.20 of the Ohio Revised Code. Under the opt-out electric aggregation program, all eligible electric consumers within the City's corporation limits will be automatically included in the Aggregation Program initially. However, all consumers will also be given the opportunity to opt out of or decline participation in the Aggregation Program as detailed herein.

The City's purpose in creating and continuing the Aggregation Program is to represent local consumer interests in emerging competitive electricity markets by aggregating electric loads within corporation limits and negotiating affordable, reliable electric supplies and other related services on behalf of local consumers.

Many small commercial and residential electric consumers lack the knowledge and leverage to effectively negotiate power supply rates and services. A governmental aggregation program provides them with an option for professional representation and the bargaining power of a larger, more diverse consumer group that may be more attractive to suppliers, allowing them to effectively participate in the competitive process and achieve benefits.

The Aggregation Program is designed to reduce the amount a consumer pays for electric energy, and to gain other favorable economic and non-economic terms in service contracts. The City will not buy and resell power, but will represent collective consumer interests to set terms and conditions for service. Through a negotiation process, the City will develop a contract with a Competitive Retail Electric Services Provider (CRES Provider) or Providers for firm all-requirements electric service. The contract will run for a fixed term (i.e., one to five years). Once the contract has been finalized, it will be submitted to the City of Delphos for approval.

Initially, each eligible consumer within the City's corporation limits will be automatically included in the Aggregation Program on a non-discriminatory basis. However, prior to actual enrollment, each consumer will receive a notice from the City detailing the Aggregation Program's rates, terms and conditions.

Each consumer will then have a 21-day period to opt out of or decline to participate in the Aggregation Program without charge. Consumers opting out of the program will remain on Ohio Power's (AEP's) Standard Offer Generation Service until such time as they select an approved CRES Provider. A similar opt-out period will be offered every two years during which time consumers can leave the Aggregation Program without paying a switching fee.

Participants who leave the Aggregation Program and wish to return, as well as consumers who move into the City after the initial opt-out period will be afforded the opportunity to enroll in the Aggregation Program. However, the City cannot guarantee rates, terms and conditions to consumers enrolling in the Aggregation Program after the initial 21-day opt-out period.

Participants who relocate within the City limits will be allowed to continue in the Aggregation Program at their new location under the same terms and conditions as at their former location, provided the AEP (AEP or Utility) rate classification is the same at both locations, and subject to any switching fees imposed by AEP.

The City will contract with a CRES Provider to implement and operate the Aggregation Program. Contracts for power supply and other related services will be negotiated, recommended, and monitored for compliance by the City on behalf of local consumers.

The Aggregation Program covers the power supply or generation portion only of a participant's electric bill. AEP will continue to deliver electricity to Aggregation Program participants' homes and businesses through its electric transmission and distribution system as a monopoly function regulated by the Public Utilities Commission of Ohio (PUCO). AEP will also continue to install, operate and maintain its system of poles, wires, transformers and other electric distribution components. Aggregation Program participants should continue to call AEP if their power goes out or if they have billing questions. The PUCO will continue to oversee AEP's electric safety and reliability service standards.

#### **Initial Plan of Operation and Governance**

The City developed the initial Plan of Operation and Governance in compliance with Ohio law regarding municipal opt-out aggregation of electric consumers, including at least two public hearings prior to its adoption.

The Delphos City Council approved through resolution or ordinance the Aggregation Program's initial Plan of Operation and Governance in accordance with Ohio Revised Code Section 4928.20.

#### **Amended Plan of Operation and Governance**

Amendments to the Plan of Operation and Governance may be subject to Delphos City Council approval and filing with the PUCO.

After adoption of the Amended Plan of Operation and Governance ("Amended Plan"), the City, or its designee, will file it with the PUCO. The Amended Plan will supersede prior electric Plan of Operation and Governance for the City of Delphos.

#### **Aggregation Program Management**

Oversight of the Aggregation Program will be the responsibility of the Safety Service Director or Safety Service Director designee, who shall report to the Mayor. The Safety Service Director or Safety Service Director designee will have the authority to develop specifications for the Aggregation Program, to appoint an Aggregation Program Manager, and to select, hire and manage the CRES Provider.

The CRES Provider and the Aggregation Program Manager will work under the direction of the Safety Service Director or Safety Service Director designee with the advice and counsel of the Law Director.

Due to the complexity of the electric utility industry and the uncertainties of its associated restructuring activities, the Safety Service Director or Safety Service Director designee may contract with a consultant or consultants to provide the necessary expertise to represent the City's interest in legislative and regulatory matters and/or to serve as the Aggregation Program Manager. Such services may include, but are not limited to facilitating consumer enrollment and opt-out, assisting with consumer education, addressing consumer questions and concerns, providing reports on program operation, enrollment and savings, negotiating future CRES Provider contracts, and representing the City in dealings with CRES Providers, AEP, the Ohio Legislature, the PUCO and the OCC.

The CRES Provider's rates may include an administrative fee, which shall (if implemented) be collected on behalf of the City to fund the implementation and administration of the City's Aggregation Program. The administrative fee will be adjusted annually to cover the City's cost of administering the program. The fee will be reviewed annually to ensure that the amounts collected do not exceed the cost of administering the aggregation program.

### **Selection of a CRES Provider**

The City will not buy and resell power to Aggregation Program participants. The City will negotiate with potential CRES Providers to provide affordable, reliable electric supplies and other electric related services on behalf of local consumers.

Through a negotiation process, the City will develop a contract with a CRES Provider for firm, all-requirements service. The City will contract only with a CRES Provider or Providers that meet at a minimum the following criteria:

1. Certified CRES Provider by the PUCO
2. Registered with AEP
3. Have a service agreement under AEP's Open Access Transmission Tariff
4. Successfully completed Electronic Data Interchange (EDI) computer system testing with AEP and that CRES Provider's EDI computer system is capable of effectively processing Aggregation Program EDI transactions in a timely manner
5. Meet standards of creditworthiness established by the City
6. Have a customer call center capable of effectively handling participants' questions, concerns and disputes in a timely manner using a toll-free telephone number
7. Hold the City harmless from any financial obligations arising from offering electricity and/or energy-related services to Aggregation Program participants

The CRES Provider's contract will run for a fixed term (i.e., one to five years) and contain all pricing, charges, switching fees, etc. in clear and easily understood terms.

The City will require any CRES Provider to disclose any subcontractors that it uses in fulfillment of the services described herein.

The City will approve the contracts entered into by the City with the CRES Provider.

### **Electric Supply Charges**

The City will aggregate electric loads within the City's corporation limits (including municipal facilities) and negotiate mutually agreeable price terms with CRES Providers for affordable, reliable electric supplies and other related services on behalf of local consumers. The City may pursue this purpose individually or in cooperation with other entities. CRES Providers will supply information on electric supply charges by AEP customer rate classification or other appropriate pricing category as approved by the City. All electric supply charges will be fully and prominently disclosed in consumer enrollment materials.

### **AEP's Regulated Customer Classifications and Rates**

AEP assigns customer rate classifications, character of service and associated regulated rates subject to PUCO approved tariffs. In addition to the CRES Provider's generation charges, consumers will continue to be billed for AEP's service and delivery charges. Although the City may participate in regulatory proceedings and represent the interests of consumers regarding these regulated rates, it cannot assign or alter customer rate classifications.

It is the intention of the City to offer its aggregation program to eligible customers in any and all customer classifications, and in all rate categories, for which the CRES Provider can offer a savings compared to the AEP's default rate.

### **Developing the Pool of Eligible Accounts**

The City shall request AEP to provide current customer information for all customers within the municipal boundaries. The provided information shall include:

- > Customer name;
- > Customer service address;
- > Customer billing address;
- > EDU customer account number;
- > EDU rate code;
- > EDU PIPP code;
- > Customer load data;
- > Whether or not a customer has a present contract with a CRES Provider;
- > Whether or not a customer has a special service contract with the EDU.

From this information, the City and the CRES Provider will develop the pool of customers eligible to participate in the aggregation program.

### **Initial Consumer Notification and Enrollment**

After contract approval by the City, the CRES Provider will work with the City and AEP to identify all eligible consumers within the City's corporation limits.

All eligible consumers will be notified in writing of the rates, charges and other terms and conditions of participation in the Aggregation Program and that they will be automatically enrolled in the Aggregation Program unless they opt out of or decline participation in the program. Consumers will be given twenty-one (21) days from the postmark date of the opt out letter in which to notify the City that they wish to opt out of, or decline participation in, the Aggregation Program. Consumers opting out of the program will remain on AEP's Standard Offer Generation Service, until such time as they select an approved CRES Provider.

Consumers may use one or more of the following methods to opt out of the program:

- 1) Returning a post card or other form provided in the opt-out letter
- 2) Telephone

After the initial 21-day opt out period has elapsed, all eligible consumers who have not notified the City of their desire to opt out of the Aggregation Program will be enrolled by the CRES Provider at the earliest date practicable.

Consumers ineligible to participate in the Aggregation Program include those customer accounts that are located outside the City's municipal boundaries, customers who are in contract with a CRES provider, or customers in a "special rate" contract with AEP and Percentage of Income Payment Plan (PIPP) consumers. The Aggregation of PIPP Customers is under the direction of the State of Ohio.

Consumers enrolled in the Aggregation Program by the CRES Provider will receive a letter from AEP notifying them of their enrollment. Consumers will have seven calendar days to notify AEP of any objection to their enrollment in the Aggregation Program. AEP will notify the CRES Provider of consumer objections or any reason that a consumer was not enrolled in the Aggregation Program, and CRES Provider will maintain a list of customers who have opted out under the program rules. The CRES Provider will report to the City the status of Aggregation Program enrollment on at least a monthly basis.

### **Leaving the Aggregation Program**

Participants who wish to leave the Aggregation Program may do so:

- During the initial 21-day opt-out period
- During subsequent opt-out period offered by the City at least every two years
- At any other time; however an early termination fee may be assessed

In addition to the initial 21-day opt-out period described above, each participant will be given an opportunity to opt out of the Aggregation Program every two years without paying an early termination fee. Consumers who choose to opt out of the Aggregation Program at any time other

than during the initial 21-day opt-out period or during subsequent opt-out periods offered by the City may be subject to an early termination fee.

Any consumer who opts out of the Aggregation Program will be returned to AEP's Standard Offer Generation Service until such time as the consumer selects another approved CRES Provider.

### **CRES Provider Responsibilities**

The CRES Provider will build and maintain a database of all Aggregation Program participants. The database will include the name, address, AEP service delivery identification (SDI) number, and may include other pertinent information as agreed upon by the City and the CRES Provider. Such information may include the CRES Provider's account number (if different from AEP's SDI number), rate code, rider code (if applicable), most recent 12 months of kWh consumption and kW demand, and meter reading cycle. The Aggregation Program database will be updated at least quarterly. The City will have the right to access information in the database for purposes of auditing.

The CRES Provider will provide and maintain the required Electronic Data Interchange (EDI) computer system to effectively process Aggregation Program enrollments, opt outs, billing, etc, with AEP.

The CRES Provider will provide a local or toll free telephone number for participant questions and concerns about enrollment, opt-out provisions, billing and other Aggregation Program issues.

The CRES Provider will develop internal controls and processes to help ensure that the City remains in good standing as a governmental aggregator that complies with all laws, rules and regulations regarding the same as they may be periodically amended.

### **New and Returning Participants**

Participants who leave the Aggregation Program and wish to return, participants who initially opt out of the program and later wish to join, and consumers who move into the City after the initial opt-out period will be afforded the opportunity to enroll in the Aggregation Program. However, the City cannot guarantee rates, terms and conditions to consumers enrolling in the Aggregation Program after the initial 21-day opt-out period. Consumers may contact the office of the Safety Service Director or Safety Service Director designee to obtain current enrollment information.

Participants who relocate within the City limits will be allowed to continue in the Aggregation Program at their new location under the same terms and conditions as at their former location, provided the AEP rate classification is the same at both locations, and subject to any switching fees imposed by AEP.

The CRES Provider will comply with all local, state and federal rules and regulations regarding discontinuing service to Aggregation Program participants.



### **Billing**

The City plans to utilize AEP's consolidated billing service in which each consumer account receives one bill itemizing the CRES Provider's electric supply charges and AEP's delivery, transition and other PUCO-approved charges. The billing statement will be consistent with applicable PUCO rules and regulations. The City will consider other billing options, including CRES Provider consolidated billing, if and when they become available and if it appears advantageous to do so.

### **Questions and Concerns**

The Aggregation Program only impacts the source of generation or power supply. AEP will continue to deliver the electricity purchased through the Aggregation Program to participants' homes and businesses through its electric transmission and distribution system. Participants with question or concerns regarding service delivery or safety, such as a power outage, a downed power line, sparking power lines or equipment, low voltage, etc. should continue to contact AEP at 800-277-2177. Meter reading or other billing questions should also be directed to AEP at 888237-5566. Questions regarding Aggregation Program enrollment, opting out and operation should be directed to the Aggregation Program Manager.

Question or Concern	Contact	Phone Number/e-mail
Power outage or interruption	AEP	800-277-2177
Turn power on or off	AEP	800-277-2177
Meter reading/billing	AEP	888-237-5566
To enroll in or opt out of the Aggregation Programs	CRES Provider	877-726-0214
Aggregation Program Questions or concerns	CRES Provider	877-726-0214
Unresolved disputes (residential customers)	Ohio Consumer's Counsel	877-742-5622 (toll free) occ@occ.state.oh.us
Unresolved disputes (all customers)	Public Utilities Commission of Ohio	(800)-686-7826 (voice) (800)-686-1570 (TDD)

### **Reliability and Indemnification of Consumers**

Electric service reliability is essential to Aggregation Program participants. The City will strive to provide high-quality service and reliability through provisions of the CRES Provider contract, through traditional proceedings related to AEP's regulated transmission and distribution services, and through direct discussions with AEP concerning specific or general problems related to quality and reliability of its transmission and distribution system.

If for any reason a CRES Provider fails to provide uninterrupted service, the City will attempt to acquire an alternative power supply. If this attempt fails, participants will default to AEP's Standard Offer Generation Service. In no case will participants be without power as the result of the CRES Provider's failure to provide uninterrupted service. The City will seek to minimize this risk by contracting only with reputable CRES Providers that demonstrate reliable service.

The City also intends to include conditions in its CRES Provider contract that will indemnify participants against risks or problems with power supply service and price.

### **Participant Rights**

All Aggregation Program participants shall enjoy the protections of law afforded to consumers as they currently exist or as they may be amended from time to time. These include rights to question billings or service quality or service practices. All program participants shall also enjoy the individual right to decline participation in the Aggregation Program subject to the terms and conditions contained herein.

All Aggregation Program participants will be treated equitably. They will be guaranteed the right to raise and resolve disputes with the CRES Provider, be provided all required notices and information, and always retain the right to opt out of the Aggregation Program or switch suppliers subject to the terms and conditions contained herein.

All consumers within the City's corporation limits shall be eligible to participate in the Aggregation Program on a non-discriminatory basis subject to the terms and conditions described herein, Ohio law, PUCO rules and regulation governing electric service, and AEP's approved tariffs.

Service under the Aggregation Program shall include all eligible customer classes in adherence with universal service principles and requirements, and the traditional non-discriminatory practices of local government. CRES Provider contracts shall contain provisions to maintain these principles and equitable treatment of all customer classes.

Low-income consumers shall remain subject to all provisions of Ohio law and PUCO rules and regulations as they may be amended from time to time regarding their rights to return to AEP's Standard Offer Generation Service and participation in the Aggregation Program.

### **Participant Responsibilities**

Aggregation Program participants are subject to the same standards and responsibilities as other electric consumers, including payment of billings and access to metering and other equipment necessary to carry out utility operations.

### **Termination of the Aggregation Program**

The Aggregation Program may be discontinued upon the termination or expiration of the CRES Provider contract without any extension, renewal or subsequent contract being executed. In the event of Aggregation Program termination, each participant will receive notification 90 days prior to such program termination and could return to AEP's Standard Generation Offer Service or select another approved CRES Provider.

### **Definitions**

*Aggregation*

Combining the electric loads of multiple customers for the purposes of supplying or arranging for the supply of competitive retail electric service to those customers.

*Aggregation Program Manager*

The person or entity designated by the Safety Service Director or Safety Service Director designee to oversee the operation and management of the City of Delphos's Municipal Electric Aggregation Program.

*Competitive Retail Electric Service (CRES)*

A component of retail electric service that is deemed competitive under the Ohio Revised Code or pursuant to an order of the PUCO. This includes but is not limited to the services provided by competitive retail electric service providers, power marketers, aggregators and governmental aggregators.

*Competitive Retail Electric Service Provider (CRES Provider)*

A person or entity certified by the PUCO and registered with AEP who supplies or offers to supply a competitive retail electric service over AEP's electric transmission and/or distribution system. This term does not apply to AEP in its provision of standard offer generation service.

*Consumer*

Any person or entity that is an end user of electricity and is connected to any part of AEP's electric transmission or distribution system within the City of Delphos's corporation limits.

*Delivery Charge*

Charge imposed by AEP for delivering electricity to a consumer's home or business. The charge includes meter reading, billing, transition costs, maintaining electric system reliability and responding during emergencies and outages (also called the distribution charge).

*Distribution*

The delivery of electricity to a consumer's home or business over AEP's local poles, wires, transformers, substations, and other equipment. AEP's distribution system operations will remain regulated by the PUCO.

*Electric Related Service*

A service that is directly related to the consumption of electricity at a consumer's home or business. This may include, but is not limited to, the installation of demand side management measures at a consumer's premises, the maintenance, repair or replacement

of appliances, lighting, motors or other energy-consuming devices at a consumer's premises, and the provision of energy consumption measurement and billing services.

*Electric Supply Charge*

All charges related to the generation of electricity by the CRES Provider.

*Governmental Aggregator*

An incorporated village or city, township or county acting as an aggregator for the provision of a CRES under authority conferred under Section 4928.20 of the Ohio Revised Code.

*Kilowatt (kW)*

A kilowatt is 1,000 watts.

*Kilowatt-hour (kWh)*

A kilowatt-hour is 1,000 watts of electricity used for one hour. For example, a 1,000-watt appliance operating for one hour or a 100-watt light bulb operating for ten hours will consume one kilowatt-hour of electricity. Consumers are charged for electricity in cents per kilowatt-hour.

*Ohio Consumers' Counsel (OCC)*

The Ohio Consumers' Counsel (OCC) was established by the Ohio Legislature in 1976 to represent the interests of Ohio's four million residential utility customers served by investor-owned utilities in proceedings before the PUCO, other regulatory agencies and in the courts. The OCC also educates consumers about utility issues and resolves complaints individuals have with investor-owned utility companies.

*Participant*

A consumer enrolled in the City of Delphos's Municipal Electric Aggregation Program.

*Public Utilities Commission of Ohio (PUCO)*

The state agency charged with assuring all consumers (residential, commercial, and industrial) served by investor-owned utilities have access to adequate, safe, and reliable utility services at fair prices. The PUCO regulates a wide variety of investor-owned utilities, including electric, natural gas, pipeline, heating/cooling, local telephone, long distance telephone, waterworks, wastewater, railroad, water transportation, hazardous materials carriers, and commercial transportation carriers.

*Standard Offer Generation Service*

The electric generation service a consumer will receive from AEP (the default electric service provider) if the customer does not choose a CRES Provider.