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August 19, 2016

Docketing Division  
Public Utilities Commission of Ohio  
180 East Broad Street  
Columbus, Ohio 43215

RE: *In the Matter of the Application of Duke Energy Ohio, Inc. for a Waiver,*  
*Case No. 16-1096-EL-WVR*

Dear Docketing Division:

Enclosed please find Staff's comments in regards to the application filed by Duke Energy Ohio, Inc. for waiver of 4901:1-18-06(A)(2), Ohio Administrative Code, Case No. 16-1096-EL-ESS.

Barbara Bossart  
Chief, Reliability and Service Analysis Division  
Public Utilities Commission of Ohio

Enclosure  
cc: Parties of Record

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**Duke Energy Ohio, Inc.**  
**Case No. 16-1096-EL-WVR**

**Introduction**

On March 13, 2016 in Case No. 16-1096-EL-WVR, Duke Energy Ohio, Inc. (Duke or Company) filed an application (application) for a limited waiver of O.A.C. 4901:1-18-06(A)(2) (rule), which addresses personal notice of pending disconnection of residential utility service for nonpayment. Specifically, the rule states the following:

*On the day of disconnection of service, the utility company shall provide the customer with personal notice. If the customer is not at home, the utility company shall provide personal notice to an adult consumer. If neither the customer nor an adult consumer is at home, the utility company shall attach written notice to the premise in a conspicuous location prior to disconnecting service.*

On July 22, 2016, Duke filed an amended application (amended application) for waiver of the rule. The request for waiver is limited only to the requirements of O.A.C. 4901:1-18-06(A)(2) and if approved, would have no impact upon any other rule or regulation.

**SmartGrid Program**

On October 10, 2015 in Case No. 10-2326-GE-RDR, Staff filed notice of its determination that the Duke SmartGrid program had achieved full deployment. Part of Duke's SmartGrid implementation included installation of advanced metering infrastructure (AMI) meters. Customers who have an AMI meter can be remotely disconnected and remotely reconnected, thus eliminating the need for a company employee to physically visit the premises to disconnect and reconnect service.

**Alternative Notification**

In the application, Duke proposes replacing the personal notice on the day of disconnection with a text and/or telephone message on the day of disconnection. The text message would include a link allowing the customer to make a payment online, if so desired. Duke also proposes to attempt to contact the customer via telephone two hours prior to the scheduled disconnection time to relay an automated message informing the customer of the pending disconnection and advising that payment may be made to avoid disconnection.

Per O.A.C. 4901:1-18-06(B), companies are required to provide customers with an additional written notice ten days prior to disconnection (10-day notice) during the winter heating season. Duke proposes sending the 10-day notice to customers year-round. In the amended application, Duke further proposes an additional text message and/or telephone call two business days prior to the scheduled disconnection. Finally, customers will be advised with a one-time bill insert of the change in process and that a personal visit to the premises will no longer be made on the day of disconnection. Similar language will be included on all disconnection notices as well, and call center respondents will remind customers who contact the company regarding pending disconnection that there will be no personal notice on day of disconnection.

### **Critical Care customers**

Duke states in the application that customers who've been classified as "Critical Care" will continue to receive personal notice on the day of disconnection. Duke defines "Critical Care" customers as those residential customers who complete the enrollment and annual verification process referenced in O.A.C. 4901:1-10-08(I). Duke states that if the Company learns that a residential customer who meets the definition of Critical Care has been remotely disconnected, that customer's service will be restored as soon as practicable and the customer will be provided with information necessary to request the Critical Care classification on their account.

### **Pilot scope and analysis**

In the amended application, Duke proposes limiting the length of the pilot to two years so as to encompass two winter heating seasons. Data points collected by the company are outlined in both the original and amended application, and Duke proposes providing this data to Staff on a monthly basis for monitoring and analysis so that Staff may evaluate the effectiveness of the alternative notification process and the pilot program in general. Duke proposes that at the conclusion of the two-year period, the pilot continue until such time that Staff completes its evaluation and makes a recommendation regarding the waiver's extension to the Commission, unless the Commission issues an order prior to the conclusion of the two-year period instructing Duke to terminate the pilot.

### **Ohio Power Company waiver**

On September 13, 2013 in Case No. 13-1938-EL-WVR, Ohio Power Company (OPC) requested a limited waiver of O.A.C. 4901:1-18-06(A)(2) for the 132,000 customers in OPC's gridSMART Phase 1 project area. OPC's application included the results of a study of disconnection procedures conducted at the end of 2012. Those results showed that of a sample of over 10,000 customers who OPC made personal notice to when disconnecting for nonpayment, 5.8% requested a one-hour extension to pay their bill to avoid disconnection, and not all of those customers actually made a payment and were therefore disconnected anyway. 21% of customers made a payment after a collection phone call.

In its application, OPC proposed replacing the personal notice of pending disconnection with a 10-day notice year-round as well as an automated phone call 48 hours prior to the scheduled disconnection date. Per Entry on March 18, 2015, the Commission found that OPC's proposed alternative methods of notification constituted reasonable notice per O.R.C. 4933.122.

OPC's use of the approved alternative methods of notification commenced in September, 2015. Similar to what Duke has proposed in its application, OPC has provided and continues to provide monthly data collected by the company demonstrating performance of the alternative methods of notification.

**Staff Recommendations**

Staff believes that Duke's proposed alternative methods of notification, i.e. additional 10-day notice, automated phone call and/or text message two business days prior to scheduled disconnection, and automated phone call and/or text message on day of scheduled disconnection, constitute reasonable notice and are collectively appropriate for review on a two-year pilot basis as a replacement for personal notice on the day of disconnection.

Staff recommends that Duke collaborate with Staff on text of notices to be sent to customers prior to the pilot program beginning as well as text of notifications to be included on disconnection notices. Staff also recommends that Duke collaborate with Staff on content of text messages and automated voice messages prior to implementation.

Finally, Staff recommends that Duke collaborate with Staff on the substance, format, and timing of data provided monthly.