

BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Ohio)
Power Company for a Limited Waiver of) Case No. 17-1381-EL-WVR
Ohio Adm. Code 4901:1-18-06(A)(2))

OHIO POWER COMPANY’S MOTION FOR
EXPANSION OF AN EXISTING WAIVER

As detailed herein, Ohio Power Company (“AEP Ohio”) respectfully requests that the Commission expand the waiver granted in in Case No. 13-1938-EL-WVR, which is set to expire August 1, 2017 (a companion filing was made today in Case No. 17-1380-EL-WVR to extend the temporary waiver to being permanent or indefinite). A courtesy copy of this filing is being provided to parties from the 13-1938 case and a Memorandum in Support providing further detail on this motion is attached.

Respectfully submitted,

/s/ Steven T. Nourse
Steven T. Nourse
American Electric Power Service
Corporation
1 Riverside Plaza, 29th Floor
Columbus, Ohio 43215
(614) 716-1608
Fax: (614) 716-2950
Email: stnourse@aep.com

Counsel for Ohio Power Company

MEMORANDUM IN SUPPORT OF
OHIO POWER COMPANY'S MOTION

The Commission in Case No. 13-1938-EL-WVR approved Ohio Power Company's (AEP Ohio or the Company) application for a limited waiver of Ohio Adm. Code 4901:1-18-06(A)(2) regarding personal disconnection notice on the day of disconnect. The approved waiver allowed for a two-year pilot of remote disconnection (Pilot) which was limited to approximately 132,000 customers located within the Company's gridSMART Phase 1 project area. In the order for Case No. 13-1938-EL-WVR, the Commission stated that if AEP Ohio wanted to continue or expand the Pilot, the Company must file the request with the Commission and notify the parties to that proceeding by June 1, 2017. AEP Ohio seeks to expand the scope of the current waiver of Ohio Adm. Code 4901:1-18-06(A)(2) so it applies to the next phase of AMI meter installations (Phase II). AEP Ohio would continue to adhere to all other notifications as required by the Ohio Adm. Code.

The current waiver granted AEP Ohio a two-year Pilot that is scheduled to end August 1, 2017. AEP Ohio asks the Commission to allow the Company to expand the current waiver for the next AMI installation project of 894,000 meters. Installation of these meters will start in the Summer of 2017 with the project expected to be complete in four years.

The Pilot has demonstrated 20 months of successful implementation of the approved limited waiver of Ohio Adm. Code 4901:1-18-06(A)(2). During the Pilot, AEP Ohio received a total of only two informal customer complaints/concerns regarding remote disconnection from an area serving approximately 132,000 residential customers. AEP Ohio remotely disconnected meters 63,839 times without personal contact on the day of disconnection. The Pilot has shown

that customers have adapted to the technology and the additional notices and protections implemented to ensure customer safeguards.

AEP Ohio proposes the following customer notifications for customers impacted by the expansion of the remote disconnection waiver.

1. *Initial postcard.* AEP Ohio will notify affected customers of the process change 60 days prior to implementation of remote disconnection without personal notice on the day of disconnection. This postcard would include the updated disconnection notice practices ensuring customers will be aware of AEP Ohio communication methods under this process. The postcard will also notify the customer of the beginning month of the remote disconnection process. AEP Ohio will work with Staff to finalize this communication to ensure clear messaging to customers and make certain customers understand the communication is not a notice of disconnection.
2. *Second postcard.* AEP Ohio will send affected customers a reminder postcard 30 days prior to the process implementation. This postcard will have the same information as the initial postcard with a possible different layout in case the initial postcard was overlooked by the customer. This postcard will be a reminder that the new process would start the following month and encourage customers to call AEP Ohio if they have any concerns or questions. AEP Ohio will work with Staff to finalize this communication to ensure clear messaging to customers and make certain customers understand the reminder postcard is not a notice of disconnection.

3. *Permanent bill message.* AEP Ohio will place a permanent bill message which will be shown on every affected customer bill when the remote disconnection process has been implemented. This permanent bill message will state:

“A smart meter is installed on your premise. If service is to be disconnected due to non-payment, service will be remotely disconnected and no written notice will be left at your service address. On day of disconnection, service is likely to be shut off at approximately 10:00 a.m.”

4. *Disconnection notice language.* AEP Ohio will include language on the disconnect notice to ensure it is clear to customers that a personal visit on the day of disconnection will not occur. The message on the disconnection notice will state:

“A smart meter is installed on your premise. If service is to be disconnected due to non-payment, service will be remotely disconnected and no written notice will be left at your service address. On the day of disconnection, service is likely to be shut off at approximately 10:00 a.m.”

5. *Ten Day Disconnection Notice.* AEP Ohio will provide affected customers a year-round, ten day disconnection notice. Currently under the rules, a ten day notice is only required during the winter months from November 1 to April 15. The Company will provide a year-round ten day disconnection notice call to the affected customers, and if the Company is unable to reach the customer via phone, then a ten day disconnection notice will be sent to the customer.

6. *48-hour phone call.* AEP Ohio will provide a call to affected customers eligible for disconnection prior to remote disconnection. The Company will make a 48-hour phone call to customers prior to disconnection of service. Since the beginning of the Pilot, AEP Ohio’s additional 48-hour phone call resulted in

59,607 instances of customers paying their bill after receiving the 48 hour phone call and avoiding disconnection.

AEP Ohio intends to implement an enhancement to the customer communications. During the Pilot, AEP Ohio included a bill insert and a postcard to affected customers notifying them of the new process under the waiver. With the expansion, AEP Ohio will send two postcards as described above rather than the bill insert postcard as sent to Pilot customers initially. Because customers sometimes overlook additional information in their bills and some customers automatically pay their bills on-line, customers could potentially miss a bill insert. As outlined above, AEP Ohio would send affected customers two postcards through the mail instead of the bill insert and postcard as in the Pilot. The postcards will be very visible and customers would have a good chance of noticing the postcards. Therefore, AEP Ohio is not seeking to reduce any customer notifications from the Pilot, but instead will improve notifications by using a different method.

Based on feedback from customers during the Pilot, AEP Ohio suggests an additional improvement to the customer experience. Customers in good standing in the Pilot were confused or concerned when they received postcards informing them about changes to the disconnection process. Several customers expressed concern that AEP Ohio might have been sending them notices about changes to the disconnection procedures because AEP Ohio had not received their most recent payment. AEP Ohio believes that notifying all customers about the disconnection policy changes could create customer confusion. For example, customers enrolled in checkless bill payment who may not review their monthly bill may be alarmed by receiving an unexpected postcard informing them about AEP Ohio disconnection policy changes. AEP Ohio strives to

improve customer communication and understanding by providing clear and transparent information that is targeted where appropriate.

Customers in good standing tend to have concerns when they receive notices that do not apply to them. As a result, AEP Ohio is recommending that the customer communications described above would apply to a more targeted customer base to avoid customer concerns. The communications would be sent to the following affected customers:

1. Any customer who was late paying a bill by more than 30 days in the last 3 years.
2. Any customer who received a notice of disconnection within the last 3 years.
3. Any new customer that has had service in their name less than 4 months.

While AEP Ohio is willing to send postcards to all residential customers affected by this process change, AEP Ohio recommends providing more targeted messaging. This recommendation is in response to feedback indicating that customers want more targeted messaging because they are inundated with information in today's society.

Most AEP Ohio customers are in good standing and may be confused when they receive communications from the Company regarding disconnection. Any customer that does not receive the initial communication as outlined above prior to the process change and experiences a change in circumstance resulting in a possible disconnection for non-payment, will be presented the information on the disconnect notice, and the permanent bill message which informs customers of the process. Targeting communications for customers who would be impacted by the process changes facilitates open and understandable communications which benefits customers and allows AEP Ohio to target their messaging towards such customers.

In addition to continuing the notification processes used during the Pilot, AEP Ohio will continue to exclude vulnerable customers from remote disconnections without personal contact.

These ‘at risk’ customers will continue under the current disconnection process to ensure their wellbeing. AEP Ohio will continue to send a field representative to a customer’s residence when such customer has been identified as an ‘at risk’ or vulnerable customer to prevent a disconnection of service that would cause extreme harm to the customer.

Customers who are identified as vulnerable customers include elderly customers or customers with a mental-impairment who have difficulty understanding their bill, do not understand disconnection procedures, or have issues comprehending bill payment procedures. Field representatives will continue to visit these residences prior to disconnection to determine if it is prudent to proceed with the disconnection. In instances that the AEP Ohio field representative discovers a vulnerable customer who does not appear to have any other capable adults to assist them, the representative would not proceed with the disconnection for non-payment until a responsible adult can be contacted to assist the vulnerable customer.

As an additional customer safeguard, AEP Ohio notifies local agencies that may be able to assist the vulnerable, ‘at risk’ customers, ensuring they are protected.¹

As additional customer protections, customers who have life support documents signed by their doctor and customers with 30-day medical certifications signed by a medical professional are excluded from disconnection procedures including remote disconnection without personal contact, as long as the certificate remains in effect.

AEP Ohio will continue to offer extended payment arrangements to customers in disconnect status enabling them to have their service restored and give them additional time to bring their account current.²

¹ Some counties do not have agencies who can be contacted to assist when AEP Ohio finds a senior citizen who is in crisis.

AEP Ohio will continue to provide customers information about additional programs designed to provide assistance to customers who are having difficulty paying their bills. These programs include PIPP Plus and HEAP. During the winter months, AEP Ohio offers customers use of the Winter Reconnect Order (WRO) which allows a customer to start service, avoid a disconnection, or restore service for \$175. These customers are then placed on an extended payment arrangement regardless of any past payment arrangement defaults with the company. These programs will remain in place to help customers avoid disconnection.

Remote disconnection without personal contact for affected customers will occur starting at 10:00 am. AEP Ohio will provide notification of the time disconnections start on the customers' permanent bill message and on the disconnect notices. Having the time of disconnection will help ensure customers recognize that they have been disconnected for non-payment versus experiencing a power outage.

AEP Ohio also proposes that customers who are disconnected under the remote disconnect notice expansion waiver would pay only a \$53 reconnection fee regardless of the time of day or day of the week reconnection occurs. Currently, customers who request reconnection after hours would pay \$98 and \$119 on weekends and/or holidays. Keeping a flat rate of \$53 for reconnection provides a benefit to customers in keeping their costs for reconnection of service lower while being able to be reconnected at any time once they pay the required amount. During the Pilot, there have been 4,606 instances when customers would have normally paid a \$98 reconnection fee but were reconnected for \$53, saving those customers at least \$207,270.³

² Payment plans are also available to customers who have not already defaulted on a payment arrangement plan.

³ While customers might have paid on a Sunday or Holiday making the fee \$119 instead of \$98, AEP Ohio did not distinguish between these customers and normal after-hour reconnections in the dollar amount shown.

Because Phase II of AMI meter deployment covers a larger group of customers, AEP Ohio expects the cost savings to customers based on the reconnection fee to triple over the same length of time.

Because AEP Ohio is seeking approval of a waiver expansion at approximately the same time customers will be receiving their new AMI meters, the Company has developed a plan to implement the remote disconnection without personal contact in a way to minimize the impact on affected customers. As part of AEP Ohio's customer communication plan, customers will begin receiving information about the new meter installation prior to receiving an AMI meter. AEP Ohio does not want customers to simultaneously receive notifications regarding remote disconnection without personal contact, resulting in potential customer confusion. AEP Ohio proposes a two part phased approach to convert customers to the remote disconnection without personal contact over a few months after the initial AMI meter is installed.

For the first part of the phased approach, AEP Ohio proposes that customers are initially converted to the remote disconnection process during specific months in which the temperatures are not extreme. This reduces the potential to cause harm to customers as they learn the new disconnection process. Customers initial transfer to remote disconnection without personal contact process during the months of March, April, May, September, October, and November. After the initial transition, customers will remain on the new remote disconnection process. AEP Ohio proposes this approach as a safeguard for customers who would transition to the new process during potential extreme temperature months, which adds an additional layer of customer protection.

For the second part of the phased approach, AEP Ohio would begin notifying affected customers based on which month they would be eligible to transition to the new waiver.

Customers would receive the first notifications no earlier than the second month following AMI meter installation. This approach would prevent customers from receiving their new AMI meter communications at the same time of the remote disconnection waiver postcards. For timing around customer communications and implementation, see Table 1 below.

| Table 1: Customer Communication/Implementation Timeline⁴ | | | |
|--|---------------------------------------|---------------------------------------|--|
| Customer Receives AMI Meter | Customer Receives 1st Postcard | Customer Receives 2nd Postcard | Customer Switched to Remote Disconnect Waiver Process |
| January | February | March | April |
| February | March | April | May |
| March | July | August | September |
| April | July | August | September |
| May | July | August | September |
| June | July | August | September |
| July | August | September | October |
| August | September | October | November |
| September | January | February | March |
| October | January | February | March |
| November | January | February | March |
| December | January | February | March |

Operational cost savings from this waiver will benefit all AEP Ohio customers. Timely approval of the remote disconnect with expansion waiver ensures that customers will receive the full operational cost savings benefit for smart meter installations. AEP Ohio has implemented a mechanism to return benefits of advanced meters to customers through a credit to the Phase II

⁴ This table reflects an approximate timeframe and customers might be shifted forward to accommodate programming needs, i.e. a customer with a meter installed in January, might be pushed forward to the February schedule. Customers will not move back in the schedule.

rider. These savings will begin in the first quarter of 2018. Part of ongoing operational savings benefits includes reducing the cost associated with sending an AEP Ohio representative to each residence to perform a disconnection of service for nonpayment. These cost savings are important to customers to ensure they are receiving the full benefit from the technology they are paying for. There will be an external audit of the Phase II deployment operational savings to determine the savings from the technologies to be credited to the rider for the benefit of AEP Ohio customers. In order to make the most beneficial use of this technology and produce the expected savings, the Commission must approve this waiver.

CONCLUSION

AEP Ohio seeks to expand the current waiver which is scheduled to end August 1, 2017 to an ongoing limited waiver for the new AMI meter installation territories. AEP Ohio has proposed a customer communication plan that is comprised of multiple customer communications. This enhanced customer communication plan is aligned with the current Pilot process with modifications including eliminating a bill insert and adding a postcard. The current customer protections and benefits proposed regarding the vulnerable customer exclusions as well as the standard \$53 reconnect fee are in alignment with the Pilot. AEP Ohio's implementation under the Pilot resulted in a successful Pilot only two customer complaints out of 132,000 affected customers.

AEP Ohio's two-step proposal for transitioning new customers to the new remote disconnect process ensures clear customer communication; avoids multiple communications regarding different topics within the same month(s); and provides additional customer protections by not transitioning affected customers to the remote disconnection process during extreme temperature months.

It is clear that under the current Pilot framework, which AEP Ohio seeks to continue through this expansion waiver, customers have adapted well to the additional disconnection notices. Customers today live in an ever-changing environment. They have learned the changes in communications, business models, business delivery, and technology are always evolving to offer them a better experience than what they had before. Because customers do not distinguish between a utility and other businesses that they deal with on a daily basis, customers have learned to adapt to the expanded disconnection notices and understand, if not embrace, the new technology around remote meter disconnection. Customers have been used to phone companies and cable companies being able to ‘flip a switch’ to start or stop services for years. As demonstrated with the Pilot, this technology did not take AEP Ohio’s customers by surprise, instead, AEP Ohio has caught up to our customers’ expectations.

Respectfully submitted,

/s/ Steven T. Nourse
Steven T. Nourse
American Electric Power Service
Corporation
1 Riverside Plaza, 29th Floor
Columbus, Ohio 43215
(614) 716-1608
Fax: (614) 716-2950
Email: stnourse@aep.com

Counsel for Ohio Power Company

This foregoing document was electronically filed with the Public Utilities

Commission of Ohio Docketing Information System on

6/1/2017 3:31:51 PM

in

Case No(s). 17-1381-EL-WVR

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