

**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Applications of Ohio	)	Case No. 13-1938-EL-WVR
Power Company for a Limited Waiver of	)	Case No. 17-1380-EL-WVR
Ohio Adm. Code 4901:1-18-06(A)(2).	)	Case No. 17-1381-EL-WVR

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**OHIO POWER COMPANY’S INITIAL COMMENTS REGARDING THE  
EVALUATION OF THE REMOTE DISCONNECTION PILOT**

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**I. INTRODUCTION**

Ohio Power Company (“AEP Ohio” or the “Company”) hereby submits comments in regards to the evaluation of its remote disconnection pilot through August 1, 2017. As set forth herein, the pilot has been a success and has led to customer savings, increased customer awareness and understanding of the disconnection process, an overall reduction in the number of monthly disconnections within the pilot area, and increased safety for AEP Ohio employees. The initial pilot’s success also serves as a strong basis for the Public Utilities Commission of Ohio (“Commission”) to approve the Company’s requests to extend and expand the pilot in Case Nos. 17-1380-EL-WVR and 17-1381-EL-WVR.

**II. BACKGROUND**

On March 18, 2015, in Case No. 13-1938-EL-WVR (“*Waiver Case*”), the Commission approved AEP Ohio’s request for a limited waiver of the personal notice requirements of Ohio Adm. Code 4901:1-18-06(A)(2) within the gridSMART Phase 1 project area to facilitate a two-year remote disconnection pilot program (“Pilot”). *Waiver Case*, Entry at 12-14 (Mar. 18, 2015). The Commission further directed that, following the Pilot, the Commission and the parties would “have the opportunity to evaluate the success of the pilot and consider revisions to the remote disconnection process if the process is continued or expanded.” *Id.* at 13. The Commission

granted the waiver through August 1, 2017, or until otherwise ordered by the Commission, and directed AEP Ohio to file any request to continue or expand the Pilot by June 1, 2017. *Id.*

On June 1, 2017, the Company filed a motion in Case No. 17-1380-EL-WVR (“*Waiver Extension Case*”) to permanently or indefinitely extend the limited waiver granted in the *Waiver Case*. See *Waiver Extension Case*, Mot. for Extension of Limited Waiver (June 1, 2017). Contemporaneously with that motion, AEP Ohio filed a motion in Case No. 17-1381-EL-WVR (“*Waiver Expansion Case*”) to expand the waiver to include the Company’s next advanced metering infrastructure (AMI) installation project, through which the Company plans to install an additional 894,000 meters over four years beginning in Summer 2017. See *Waiver Expansion Case*, Mot. for Expansion of Existing Waiver (June 1, 2017).

Consistent with its March 18, 2015 Entry in the *Waiver Case*, the Commission issued its Procedural Entry on July 12, 2017, establishing a procedural schedule to evaluate the Pilot, with initial comments due by September 18, 2017, and reply comments due by October 2, 2017. See Procedural Entry at ¶ 21 (July 12, 2017).

### **III. REMOTE DISCONNECTION PILOT OVERVIEW**

AEP Ohio conducted a limited remote Pilot disconnection process for residential customers located in the gridSMART Phase 1 pilot area starting in September 2015. This project area covered approximately 130,000 total customers and will be evaluated for the data through the end of July of 2017.

AEP Ohio’s intention in applying for the remote disconnection waiver was to fully balance customer protections and customer cost saving benefits with the usefulness of newly-deployed advanced technology (AMI meters). Based on those priorities, AEP Ohio designed the Pilot to include additional customer notifications to ensure customer protection while the Company develops a system that will result in cost saving to customers over the longer term.

Specifically, the Pilot added the following six additional customer notification steps to ensure that customers were informed of the changes due to Pilot and that customers had the correct expectations around the remote disconnection process:

- 1) Postcard- A postcard was sent to all customers that notified them of the new disconnection process and date of that process's implementation. The postcard also encouraged customers to call AEP Ohio if they had any questions.
- 2) Bill Insert- All customers in the Pilot area received a bill insert regarding the remote disconnection process.
- 3) Bill Message- All customers in the Pilot area had a permanent bill message placed on their bill informing them that if service was disconnected, it would be done remotely, and that no written notice would be left at their property on the day of disconnection.
- 4) Disconnection Notice Language- For all customers in the Pilot area who received a disconnect notice, AEP Ohio added language to the disconnect notice that reminded customers that they could be remotely disconnected and that no written notice would be left at their property on the day of disconnection.
- 5) Ten Day Disconnect Notice- Each customer in the Pilot who was eligible for disconnection received a year-round ten day disconnection notice, which was in addition to the standard fourteen day disconnection notice.
- 6) 48-hour telephone call- In addition to all other notification measures, AEP Ohio customers located in the Pilot area received a telephone call 48 hours before disconnection.

The inclusion of the six additional customer communications set forth above contributed to a successful Pilot program for the remote disconnection process. These six additional

consumer protections render the Pilot more of an alternative regulatory regime than a waiver of rules. Indeed, although AEP Ohio remotely disconnected 70,488 customers during the Pilot's term, the Company received only 2 complaints from customers regarding the remote disconnection of service. AEP Ohio attributes this to the fact that its original communications regarding the change in the disconnection process within the Pilot area was clearly communicated to customers, and that the Company's ongoing continual communications to customers through bill message, ten-day disconnection notices, and 48-hour telephone calls ensured that customers knew what to expect in case of a disconnection. The lack of customer complaints regarding the process demonstrates customer acceptance of the remote disconnection technology and reflects that the Company properly communicated the change in the disconnection process, both in terms of the frequency of communications and the communication channels used. On that basis, the Company considers the program a success worthy of extension and expansion.

The addition of a 48-hour telephone call has been a positive addition to the disconnection communication process. During the Pilot, AEP Ohio made 135,148 calls to customers 48 hours prior to disconnection. The Company was able to reach 116,907 customers by telephone – through either a live person answering or through voicemail – thus achieving an over 86 percent success rate in reaching customers through this one communication channel. 66,220 customers made payment after receiving one of the 116,907 successful 48-hour telephone calls and avoided disconnection during the Pilot. An additional 20,451 customers made a partial payment after receiving the telephone call but did not make the full payment required and were disconnected. This means that 74% of customers contacted attempted to make a payment to avoid

disconnection after receiving the 48 hour pre-disconnection telephone call. The high rate of customers responding to the additional communication demonstrates that it is effective.

Customers participating in the Pilot have also benefitted by knowing when to expect disconnection of service. Disconnection of service in the Pilot area was to occur at or shortly after 10:00 am on a weekday. Performing multiple disconnections during this mid-morning time allows for several customer benefits:

- School age children would be out of the house during the school year.
- This timeframe is during a part of the day when there is daylight in case a customer needs to walk or drive to make a payment.
- Household members who work an early morning job shift would have time to prepare to leave for the day.
- Customers know they have additional time on the morning of disconnection to allow for payment and possibly avoid disconnection of service.
- Businesses who take payments would be open at this time and accessible to customers.
- Banks are generally open by 10:00 am, if a customer needs banking services to pay a bill.
- Having a known timeframe for remote disconnection lowers the chance that customers will think they are experiencing a power outage when disconnection occurs.

For additional customer protection, AEP Ohio has a program that excludes vulnerable customers from being remotely disconnected. There was one customer within the Pilot area who was on the vulnerable customer list and thus was not remotely disconnected. AEP Ohio also

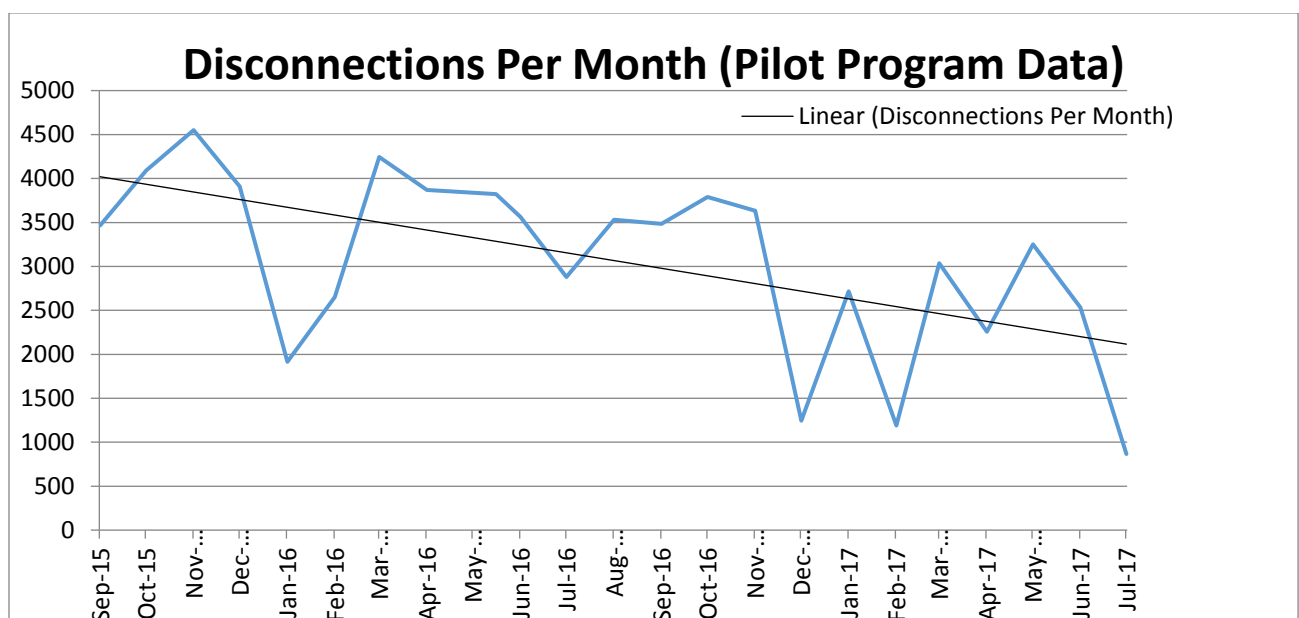
does not remotely disconnect customers during extreme temperature conditions. In addition, AEP Ohio sent out communications to customers promoting the program and explaining that family members or friends could sign-up to receive any disconnect notices (with the customer's permission) and therefore be advised of any possible loss of service for any at-risk family members. These significant additional customer protections helped to ensure a successful Pilot program and avoid customer complaints.

It is important to note that other additional customer protections also remain in place for customers who live in the Pilot area. Programs such as payment arrangements, the budget plan, the AMP plan, PIPP Plus, use of medical certificates, and the Winter Reconnect Order all remain in effect to help customers who are at risk for disconnection. During the Pilot term, customers were eligible for disconnection over 157,000 times, but less than half of those – 45 percent – were actually disconnected. The programs listed above contribute to helping customers avoid disconnection of service and possibly finding a plan that allows them to catch up with any unpaid bills.

AEP Ohio also considers the Pilot a success due to the amount of money it saved customers during the two years of implementation. During the Pilot, 5,121 customers who would otherwise have been subject to a \$98 fee to be reconnected after normal working hours paid a lowered reconnection fee of \$53. Each of those 5,121 customers thus saved at least \$45 in their reconnection fee. This saved this group of AEP Ohio customers a total of \$230,445. These saving could potentially be even higher than \$230,455, as AEP Ohio did not separately track customers who would have paid an even higher amount to be reconnected on a holiday or Sunday. The lower reconnection fees represent real cost savings for AEP Ohio customers, especially those already struggling to pay their bills.

Customers in the Pilot area have adapted to and accepted the remote disconnection process, as a comparison of data from 2016 and 2017 demonstrates. From January – July of 2016 AEP Ohio disconnected 22,942 customers. During that same time period (January – July) in 2017, AEP Ohio only disconnected 15,848 customers. Although one might expect that the remote disconnection process would lead to a higher number of disconnections, the Pilot results actually demonstrate just the opposite. Indeed, the entire presentation of data in Graph 1 (below) shows a distinct and measurable decline in monthly disconnections over the September 2015 – July 2017 period. AEP Ohio believes that customers in the Pilot area have been better able to manage their finances and make necessary decisions as a result of having specific and clear expectations regarding their disconnection date and time. For the first 6 months of the Pilot, AEP Ohio disconnected an average of 3,430 people a month. For the last 6 months of the Pilot, AEP Ohio disconnected an average of 2,188 customers a month – in other words, 1,242 fewer customers a month. Graph 1 below depicts the trend in the monthly disconnections within the Pilot area over the Pilot’s term.

**Graph 1**



#### **IV. THE REMOTE DISCONNECTION PILOT HAS BEEN A SUCCESS.**

For the reasons discussed above, AEP Ohio considers the remote disconnection pilot to be a success. Although success in this program was not defined before the Pilot's implementation, AEP Ohio believes it can be defined through four critical aspects:

1. Customer experience,
2. Customer knowledge,
3. Customer benefit, and
4. Customer engagement.

Customer experience should be measured as a success because the Company received no formal customer complaints and only two informal complaints. Customers who have had a bad experience generally would complain regarding the new process. Customer experience also includes AEP Ohio's protections around excluding vulnerable customers and avoiding remote disconnections during extreme temperature conditions discussed above. AEP Ohio did not receive negative feedback from customers regarding the Pilot during the two years it was in place; therefore, AEP Ohio determines the customer experience to be a success.

AEP Ohio also believes that customer knowledge should be measured as a success. Customer knowledge can also be determined through complaints or inquires. AEP Ohio sent customers multiple initial and ongoing communications regarding the implementation of the Pilot program throughout its term. Customers did not complain about not understanding the process or program, nor did they call the Company to inquire about the Pilot process. Therefore, AEP Ohio determines this to be a success.

Customer benefit should also be considered a success here. As discussed above, AEP Ohio customers have benefitted by saving money through the Pilot. Over 5,000 customers saved



over \$45 in reconnection fees, paying approximately half what they otherwise would have to be reconnected after normal working hours. The benefit of being able to have service reconnected at any time of the day and pay a flat fee is a great benefit to customers in this Pilot. The cost savings and convenience for customers associated with remote disconnection reflect that the Pilot was a success.

Finally, customer engagement demonstrates that the Pilot was a success. Customer engagement is reflected in the lower numbers and rates of disconnections in the Pilot area. Customers have shown that they have adapted to the Pilot and have become engaged in this new disconnection process, learning what they need to do to avoid disconnection in the Pilot area. The significantly lower number of disconnections occurring during the second half of the program reflects that customers are engaged and benefitting from the program.

Although AEP Ohio has focused mainly on the benefits to customers in these comments, it is important to also mention that the Pilot also provides significant benefits to the Company. AEP Ohio employees are safer because of this Pilot. Employees did not have to travel on the roads to perform disconnections, thereby avoiding possible vehicle accidents. Employees did not have to physically visit customers' property, thereby avoiding possible trips, slips, and falls on unknown terrain and deal with other safety and security issues. Employees avoided potentially being bitten by dogs by not needing to visit the customer's meter for disconnection purposes. AEP Ohio considers the increased safety of its employees to be yet another measure of the Pilot's success.

## V. CONCLUSION

For all of the foregoing reasons, AEP Ohio respectfully submits that the Commission should determine that the remote disconnection pilot was a success over its initial two-year term. Additionally, for the same reasons, the Commission also should approve the Company's requests to extend and expand the Pilot in Case Nos. 17-1380-EL-WVR and 17-1381-EL-WVR.

Respectfully submitted,

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### **CERTIFICATE OF SERVICE**

In accordance with Rule 4901-1-05, Ohio Administrative Code, the PUCO's e-filing system will electronically serve notice of the filing of this document upon the following parties. In addition, I hereby certify that a service copy of the foregoing Initial Comments were sent by, or on behalf of, the undersigned counsel to the following parties of record this 18th day of September, 2017, via electronic transmission.

/s/ Christen M. Blend

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Summary: Comments - Ohio Power Company's Initial Comments Regarding the Evaluation of the Remote Disconnection Pilot electronically filed by Ms. Christen M. Blend on behalf of Ohio Power Company