

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application 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

**COMMENTS EVALUATING THE PILOT PROGRAM FOR REMOTE
DISCONNECTION OF CUSTOMERS' ELECTRIC SERVICE
BY
THE OFFICE OF THE OHIO CONSUMERS' COUNSEL
AND
OHIO PARTNERS FOR AFFORDABLE ENERGY**

I. INTRODUCTION

These cases will decide whether more Ohioans will be denied rights to an in-person visit to their homes on the day their electric service is to be disconnected for nonpayment. Ohio Adm. Code 4901:1-18-06(A)(2) (“Rule 6(A)(2)”) requires electric companies to provide residential customers with personal notice on the day their electric service is to be disconnected for nonpayment. Someone from the electric company must go to the customer’s residence and provide in-person notice to the customer. If the customer is not at home, the electric company must give the in-person notice to an adult consumer at the residence. 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 before disconnecting service.

In 2015, the Public Utilities Commission of Ohio (“PUCO”) granted Ohio Power Company (“AEP Ohio”) a waiver of the in-person notice requirement as a two-year pilot

program, ending August 1, 2017.¹ The waiver was limited to the 132,000 customers in AEP Ohio's gridSMART Phase 1 area who have advanced electric meters on their homes. AEP Ohio sought the waiver so it could use the remote disconnection function of the advanced meters in lieu of the in-person visit required by Rule 6(A)(2).² Now, AEP Ohio seeks to continue the waiver in the Phase 1 area³ and expand the waiver to the gridSMART Phase 2 area.⁴

In an Entry issued on July 12, 2017, the PUCO asked for interested parties to file comments evaluating the remote disconnection pilot. The Office of the Ohio Consumers' Counsel ("OCC") and Ohio Partners for Affordable Energy submit these Comments in response to the PUCO's Entry.

Consumers who lost the protections of Rule 6(A)(2) were harmed during the pilot. They were disconnected for nonpayment at a disproportionately high rate compared to AEP Ohio customers outside the pilot area who continue to get in-person disconnection notices. In addition, AEP Ohio identified only one "vulnerable" consumer in the pilot area who received the in-person notice required by Rule 6(A) during the pilot.⁵ Given that 132,000 customers were in the pilot, the number of "vulnerable" customers who

¹ *In the Matter of the Application of Ohio Power Company for a Limited Waiver of Rule 4901:1-18-06(A)(2), Ohio Administrative Code*, Case No. 13-1938-EL-WVR, Entry (March 18, 2015) ("March 2015 Entry").

² *See id.*, Application (September 13, 2013) at 2-3.

³ *In the Matter of the Application of Ohio Power Company for a Limited Waiver of Rule 4901:1-18-06(A)(2), Ohio Administrative Code*, Case No. 17-1380-EL-WVR, Motion for Extension of a Limited Waiver (June 1, 2017).

⁴ *In the Matter of the Application of Ohio Power Company for a Limited Waiver of Rule 4901:1-18-06(A)(2), Ohio Administrative Code*, Case No. 17-1381-EL-WVR, Motion for Expansion of an Existing Waiver (June 1, 2017).

⁵ AEP Ohio defined "vulnerable" as a residential customer who is over the age of 60 and has problems understanding AEP Ohio's policies, who has a history of mental impairments, who is on life support and/or has medical certificates, or who has otherwise been identified as vulnerable. *See* March 2015 Entry, ¶2.

received an in-person disconnection notice is unrealistically small. The PUCO should discontinue the waiver. In addition, the PUCO should determine whether the \$53 charge for reconnecting customers' service remotely is just and reasonable, given that AEP Ohio has not determined the actual cost of remote reconnection.⁶

II. EVALUATION AND RECOMMENDATIONS

A. **Consumers in the disconnection waiver pilot area are being disconnected for nonpayment at a disproportionately high rate compared to customers who receive in-person notice on the day their electric service is to be disconnected.**

The March 2015 Entry granting the limited, temporary waiver required AEP Ohio to gather data to measure the success or failure of the pilot.⁷ Under the July 12, 2017 Entry in these cases, intervenors received the data that AEP Ohio provided the PUCO Staff on a monthly basis during the pilot.⁸ Disconnection data provided by AEP Ohio show that customers are being harmed by the waiver.

During the course of the pilot, disconnection of residential customers' service for nonpayment has increased dramatically overall in AEP Ohio's service territory. Each June, electric distribution utilities must file a report with the PUCO showing, among other things, the number of residential customers disconnected for nonpayment during the period from June 1 of the previous year through May 31 of the year the report is filed. The following table shows the number of AEP Ohio residential customers who were

⁶ AEP Ohio's response to OCC INT-1-17 (attached).

⁷ See March 2015 Entry, ¶33.

⁸ Case No. 13-1938-EL-WVR, et al., Entry (July 12, 2017), ¶21. AEP Ohio has informed parties to the case that because of a "technical issue" the pilot did not begin until September 2015, and thus there is no data from the pilot for August 2015.

disconnected for nonpayment for each 12-month period covered by the last eight annual reports.

AEP Ohio Disconnections for Non-payment (2010-2017)⁹

Year	Disconnections
2010	87,162
2011	68,526
2012	110,224
2013	98,917
2014	88,390
2015	96,456
2016	135,872
2017	118,447

The 2016 reporting year (June 1, 2015 to May 31, 2016) includes the first nine months of the waiver pilot. As shown above, during this reporting year AEP Ohio disconnected 135,872 residential customers for nonpayment, compared to 96,456 during the previous reporting year. AEP Ohio disconnected 39,416 more residential customers for nonpayment after the waiver became effective than it did the previous reporting year, a 41 percent increase. Although the number of residential customers disconnected for nonpayment decreased in the 2017 report, the number was still 20 percent above the last pre-waiver year (2015).

In addition, the data available in the gridSMART Phase 1 area show that AEP Ohio customers who have advanced meters are being disconnected at a disproportionately higher rate than customers outside the pilot area who do not have advanced meters. According to data supplied by AEP Ohio, 40,299 (29.7 percent) of the

⁹ The table is comprised of data included in AEP Ohio's annual reports filed in Case No. 10-1222-GE-UNC, Case No. 11-2682-GE-UNC, Case No. 12-1449-GE-UNC, Case No. 13-1245-GE-UNC, Case No. 14-846-GE-UNC, Case No. 15-882-GE-UNC, Case No. 16-1224-GE-UNC, and Case No. 17-1069-GE-UNC.

total number of AEP Ohio customers who were disconnected for non-payment during that reporting year resided in the gridSMART Phase 1 area.¹⁰

Approximately 132,000 residential customers in the gridSMART Phase 1 area have advanced meters and are thus subject to the disconnection waiver. This is about 11 percent of AEP Ohio's 1.2 million residential customers. Therefore, the 11 percent of AEP Ohio's residential customers in the pilot area accounted for 29.7 percent of all AEP disconnections for nonpayment in the 2016 reporting year. The disconnection rate in the gridSMART Phase 1 area is disproportionately high.

There are similar results for the 2017 reporting year. The data from the pilot show that 34,567 residential customers in the gridSMART Phase 1 area were disconnected for nonpayment between June 2016 and May 2017.¹¹ This is about 29.2 percent of the total disconnections of residential customers' service in AEP Ohio's service territory for the 2017 reporting year. Once again residential customers in the waiver pilot area were disconnected at a disproportionately high rate.

The disconnection data provided by AEP Ohio in response to July Entry suggest that customers in the gridSMART Phase 1 area are not being properly protected regarding disconnection of service for nonpayment. To allow more consumers to retain service and to avoid disconnections, the PUCO should deny the requests to extend the waiver in the gridSMART Phase 1 area and expand it to the gridSMART Phase 2 area.

¹⁰ *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, Direct Testimony of James D. Williams (July 22, 2016) at 20. The June through August 2015 data were not included in the data provided in response to the July 2017 Entry, but were included in Mr. Williams's testimony in the gridSMART Phase 2 rider case.

¹¹ See AEP Ohio Credit Disconnect Waiver Monthly Report ("AEP Ohio Monthly Report"), Line 10.

B. The use of an automated phone call 48 hours before the customer's electric service is to be disconnected for nonpayment is an inadequate substitute for the consumer protections of in-person contact on the day of disconnection required by Rule 6(A)(2).

Under the waiver, AEP Ohio's last attempt to contact a residential customer before the customer's electric service is to be disconnected is an automated telephone call 48 hours before disconnection.¹² Data provided by AEP Ohio in response to the July Entry show that this is not an adequate substitute for the Rule 6(A)(2) requirement of in-person notice on the day service is to be disconnected.

Under Rule 6(A)(2), every residential customer whose electric service is about to be disconnected for nonpayment receives notice either in person or through the notice being posted in a conspicuous place at the residence. In other words, 100 percent of residential customers receive day of disconnection notice under Rule 6(A)(2). But the data provided by AEP Ohio show that only 24 percent (32,608 out of) of the automated phone calls made 48 hours before disconnection were actually answered by a person.¹³ This means that 76 percent of residential customers in the pilot area whose service was about to be disconnected did not directly receive notice through the automated phone calls.

The data also show that 18,241 of the automated calls were unanswered, either by a person or a machine.¹⁴ Thus, 13.4 percent of the 135,148 residential customers whose electric service was about to be disconnected – about one customer out of every seven – received *no notice whatsoever* in the two days before their electric service was

¹² See March 2015 Entry, ¶2.

¹³ See AEP Ohio Monthly Report, Lines 2a through 2c.

¹⁴ *Id.*, Line 2c.

disconnected for nonpayment.¹⁵ This would not happen under Rule 6(A)(2). Further, more than 6,600 of the unanswered calls occurred during the winter heating months of November through March.¹⁶

Customers in the pilot area received less notice of the imminent disconnection of their electric service. The data show that the disconnection process used in AEP Ohio's pilot is not an adequate substitute for the consumer protections provided by in-person notice on the day electric service is to be disconnected. The PUCO should discontinue the pilot.

C. The number of “vulnerable” customers in the disconnection pilot area is extremely low for the number of customers eligible for disconnection during the pilot.

In its waiver application, AEP Ohio stated that it would still provide in-person notice to “vulnerable” customers on the day service is to be disconnected for nonpayment.¹⁷ According to AEP Ohio's data, just one “vulnerable” customer in the gridSMART Phase 1 area received a disconnection notice during the pilot and was given in-person notice on the day service was disconnected.¹⁸ But 157,019 residential customers in the gridSMART Phase 1 area were “eligible” for disconnection during the

¹⁵ AEP Ohio's responses to OCC INT-1-006 (attached) show that only one customer in the pilot area received an in-person disconnection notice during the pilot. That apparently was the “vulnerable” customer identified on Line 1 of the AEP Ohio Monthly Report.

¹⁶ See AEP Ohio Monthly Report, Line 2c. The total for those months is 6,668. The PUCO's winter heating season runs from November 1 through April 15 each year. See Ohio Adm. Code 4901:1-18-06(B). The data provided by AEP Ohio, however, is not broken down into partial months, so there is no data for April 1 through 15 of 2016 and 2017. Hence, more residential customers were likely disconnected for nonpayment during the winter months than is shown in the data.

¹⁷ See March 2015 Entry, ¶2.

¹⁸ Monthly Report, Line 1.

pilot.¹⁹ It doesn't seem statistically probable that only one customer out of 157,019 would meet the definition of "vulnerable."

Data from the U.S. Census Bureau show that approximately 11.3 percent of the population in Franklin County is over the age of 65.²⁰ There is no reason to believe that similar age demographics would not exist in northeast Franklin County, which is where the disconnection pilot area is located. In addition, a disability planning group study shows that approximately 14.3 percent of the people over the age of five in Franklin County are disabled.²¹ It is illogical to assume that fewer persons with disabilities live in the pilot area.

R.C. 4928.02(L) specifically identifies the policy of Ohio in protecting at-risk populations. Yet, AEP Ohio is apparently doing nothing to identify "vulnerable" customers in the pilot area and continue to provide them with the protections of Rule 6(A)(2), i.e., in-person notice on the day their electricity to be disconnected.

To protect "vulnerable" customers of AEP Ohio, the PUCO should discontinue the pilot and examine AEP Ohio's process for identifying "vulnerable" customers. If AEP Ohio disconnected "vulnerable" customers for nonpayment during the pilot without the in-person notice required by Rule 6(A)(2), the PUCO should order AEP Ohio to refund reconnection fees to those customers. The PUCO should also assess forfeitures against AEP Ohio for any violations of Rule 6(A)(2) regarding those customers.²² Because some of the customers may have severe medical conditions that could have been

¹⁹ *Id.*, Line 11.

²⁰ <https://www.census.gov/quickfacts/fact/table/franklincountyohio/PST045216>

²¹ http://disabilityplanningdata.com/site/county_population_table.php?cntyname=Franklin&state=ohio

²² R.C. 4905.54.

exacerbated by an unlawful disconnection, they should also be allowed to seek treble damages in court for any violations of Rule 6(A)(2) by AEP Ohio.²³

D. The PUCO should examine the costs associated with the reconnection charges customers paid.

As part of the pilot, AEP Ohio charged customers in the pilot area who had been disconnected a \$53 reconnection charge. AEP Ohio did not charge extra for after-hours disconnections during the pilot.²⁴ According to AEP Ohio, the \$53 charge reflects cost savings associated with not providing in-person notice under Rule 6(A)(2).²⁵ But AEP Ohio apparently cannot identify the total costs or the individual costs that comprise the savings.²⁶ Hence, AEP Ohio cannot quantify the so-called benefit to customers.

AEP Ohio is likely overcharging customers for reconnecting their service. More than 63,000 residential customers in the pilot area paid the \$53 reconnection charge during the two-year pilot.²⁷ This means that over \$3.3 million that could have been used to help pay customer electric bills was instead used to bolster AEP Ohio earnings.

Before the PUCO can determine if customers benefit from the reconnection charge, it should determine the costs and corresponding consumer charges associated with reconnecting electric service via advanced meter architecture. In addition, the PUCO should determine whether residential customers in the pilot area were overcharged for reconnections. And, of course, affected customers should be refunded any overcharges.

²³ R.C. 4905.61.

²⁴ See March 2015 Entry, ¶23.

²⁵ See AEP Ohio's responses to OCC INT-1-13 and INT-1-15 (attached).

²⁶ AEP Ohio's response to OCC INT-1-14, INT-1-16, and INT-1-17 (attached).

²⁷ See AEP Ohio Monthly Report, Line 3.

III. CONCLUSION

The data AEP Ohio has provided from the disconnection waiver pilot show that removing the protections of Rule 6(A)(2) has harmed consumers. Some “vulnerable” customers might also have been harmed. The PUCO should protect consumers by discontinuing the pilot. And to make sure that residential customers are not overcharged for reconnections, the PUCO should examine AEP Ohio’s costs associated with remote reconnections through advanced meters.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Comments was served on the persons stated below via electronic transmission this 18th day of September 2017.

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**OHIO POWER COMPANY'S RESPONSE TO
THE OFFICE OF THE OHIO CONSUMERS' COUNSEL'S
DISCOVERY REQUEST
PUCO CASE 17-1380-EL-WVR
FIRST SET**

INTERROGATORY

INT-1-006 Of the 63,839 disconnections mentioned on page 3 of the Motion, how many were accomplished without giving the in-person notice required by Ohio Adm. Code 4901:1-18-06(A)(2)?

RESPONSE

63,838.

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INTERROGATORY

INT-1-013 If the response to OCC INT-1-012 is affirmative, what is the nature of the cost savings realized by AEP Ohio?

RESPONSE

Cost savings would be attributed to the reduced labor costs associated with providing the notice as well as the associated travel costs to perform that work.

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INTERROGATORY

INT-1-014 What is the total dollar amount for the pilot period of the cost savings identified in AEP Ohio's response to INT-1-013?

RESPONSE

The Company does not have this data available.

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FIRST SET**

INTERROGATORY

INT-1-015 Did AEP Ohio pass any these cost savings along to residential customers? If so, how?

RESPONSE

Yes. The reduced disconnection/reconnection fees in AEP Ohio's Tariffs have been reduced to reflect this cost savings for all customers.

**OHIO POWER COMPANY'S RESPONSE TO
THE OFFICE OF THE OHIO CONSUMERS' COUNSEL'S
DISCOVERY REQUEST
PUCO CASE 17-1380-EL-WVR
FIRST SET**

INTERROGATORY

INT-1-016 Please itemize the costs AEP Ohio incurs to disconnect a customer's electric service through the remote disconnection function of advanced metering infrastructure and provide the dollar amount of each cost.

RESPONSE

While there are costs associated with remotely disconnecting an advanced meter such as back office support, IT programming and system maintenance, etc., the Company has not itemized such costs.

**OHIO POWER COMPANY'S RESPONSE TO
THE OFFICE OF THE OHIO CONSUMERS' COUNSEL'S
DISCOVERY REQUEST
PUCO CASE 17-1380-EL-WVR
FIRST SET**

INTERROGATORY

INT-1-017 Please itemize the costs AEP Ohio incurs to reconnect a customer's electric service through the remote disconnection function of advanced metering infrastructure and provide the dollar amount of each cost.

RESPONSE

While there are costs associated with remotely reconnecting an advanced meter such as back office support, IT programming and system maintenance, etc., the Company has not itemized such costs.

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Summary: Comments Comments Evaluating the Pilot Program for Remote Disconnection of Customers' Electric Service by the Office of the Ohio Consumers' Counsel and Ohio Partners for Affordable Energy electronically filed by Ms. Deb J. Bingham on behalf of Etter, Terry L.