



**Public Utilities
Commission**

Asim Z. Haque, Chairman

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Commissioners

M. Beth Trombold
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2017 SEP 19 AM 9:57

PUCO

September 19, 2017

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

RE: *In the Matter of the Application of Ohio Power Company for a Limited Waiver of Ohio Adm. Code 4901:1-18-06(A)(2).*

Dear Docketing Division:

Attached please find a copy of the Staff's Review and Recommendations to be filed in Case No. 13-1938-EL-WVR. The Staff's Review and Recommendations were timely filed yesterday in Case Nos. 17-1380-EL-WVR and 17-1381-EL-WVR and, inadvertently, Case No. 13-1938-EL-WVR was not included. Thank you for your attention to this matter.

Respectfully submitted,

Barbara Bossart

Chief, Reliability and Service Analysis Division
Service Monitoring and Enforcement Department

This is to certify that the images appearing are an accurate and complete reproduction of a case file document delivered in the regular course of business.
Technician AK Date Processed SEP 19 2017

180 East Broad Street
Columbus, Ohio 43215-3793

(614) 466-3016
www.PUCO.ohio.gov

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Ohio Power Company
Case Nos. 17-1380-EL-WVR & 17-1381-EL-WVR

Background

On September 13, 2013 in Case No. 13-1938-EL-WVR, Ohio Power Company (AEP Ohio or Company) filed an application (2013 application) for a limited waiver of Ohio Adm.Code 4901:1-18-06(A)(2) (rule), which addresses personal notice of pending disconnection of residential utility service for nonpayment. In relevant part, 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.

Under the provisions of the 2013 application, the waiver would affect only the approximately 132,000 customers whose residences were equipped with advanced metering infrastructure (AMI) meters, also known as “smart” meters. At the time of application, such customers were located within what is commonly referred to as the gridSMART Phase 1 area.

On March 18, 2015, the Commission issued an Opinion and Order approving the 2013 application on a pilot basis with certain modifications (Phase 1 pilot), for the period August 1, 2015 through August 1, 2017, or until otherwise ordered by the Commission. Further, the Commission stated that should AEP Ohio wish to continue or expand the Phase 1 pilot, AEP Ohio must file a request with the Commission and notify the parties by June 1, 2017.

Phase 1 Extension

On June 1, 2017 in Case No. 17-1380-EL-WVR, AEP Ohio filed an application for either permanent or indefinite extension of the waiver approved in Case No. 13-1938-EL-WVR. The Company stated that the application for extension of the waiver, originally set to end August 1, 2017, would not require any changes to the existing process.

Phase 2 Expansion

On June 1, 2017 in Case No. 17-1381-EL-WVR, AEP Ohio filed an application to expand the waiver approved in Case No. 13-1938-EL-WVR to the next phase of AMI meter installations, commonly referred to as gridSMART Phase 2. As part of the application, the Company proposes three adjustments to the process approved for the Phase 1 pilot. These adjustments would impact only the initial communications to customers, advising them of the procedural changes resulting from approval of the request for waiver:

1. Customers would receive two postcards notifying them of the new process as opposed to receiving one postcard and one bill insert.
2. During the Phase 1 pilot, AEP Ohio found that some customers in good standing were confused when they received notice about changes in the disconnection. Therefore, the Company

proposes targeting notifications to only those customers who've paid a bill late by more than 30 days or received a notice of disconnection in the last three years, as well as any new customer who has had service in their name for less than four months.

3. Due to the timing of the next phase of AMI meter installations combined with the timing of the request to expand the waiver to gridSMART Phase 2, the Company proposes a two-part phased approach such that a customer who has received an AMI meter will not be subject to the waiver until three to six months later.

Continuation of Phase 1

On July 12, 2017, the Commission issued an Entry stating that the parties to Case No. 13-1938-EL-WVR should be afforded an opportunity to evaluate the success of the Phase 1 pilot. In order to avoid customer confusion, the Commission determined that the Phase 1 pilot should continue beyond August 1, 2017 until the Commission specifically orders otherwise.

Phase 1 Metrics

On September 5, 2014 following the filing of the 2013 application, AEP Ohio filed correspondence in Case No. 13-1938-EL-WVR which included a commitment to work with Staff to provide data which would allow both the Company and Staff to evaluate the success of the pilot. The Company began the pilot on September 8, 2015, and provided its first report of agreed-upon metrics to Staff the following month. Subsequent reports were submitted to Staff monthly on or around the 15th of each month. When necessary, Staff followed up with questions and/or requested additional metrics.

Staff has received and reviewed metrics monthly from September 2015 through August 2017. Upon review and analysis of the data, Staff notes the following:

- Approximately 49% of automated calls made 48 hours prior to disconnection resulted in the customer making a payment and thus avoiding disconnection.
- Approximately 14% of automated calls were unsuccessful (busy, fax, no answer, network announcement).
- Three informal complaints were received by either AEP Ohio or PUCO regarding disconnection without personal notice.
- Zero complaints were received by either AEP Ohio or PUCO regarding having to pay a reconnection charge when no technician was dispatched.
- Less than 1% of reconnections failed automated remote reconnection and required either manual remote reconnection or dispatch of a field technician.

Disconnection Rates

Under R.C. 4933.123, all energy companies such as AEP Ohio are required to file an annual written report on service disconnections for nonpayment each year on or before June 30. The report includes, among other metrics, the total number of service disconnections for nonpayment and total number of

residential customers for the 12-month period ending on the preceding May 31. AEP Ohio filed its most recent report on June 21, 2017 in Case No. 17-1069-GE-UNC.

Staff examined the company's 2017 report as well as reports filed in previous years¹ and compared the data to the Phase 1 metrics. Upon review and analysis, Staff notes the following:

- Approximately 10% of AEP Ohio customers are located within the gridSMART Phase 1 area.
- Prior to approval of the Phase 1 pilot, disconnections for nonpayment in the Phase 1 area accounted for approximately 19% of disconnections system-wide.
- Since the approval of the Phase 1 pilot, disconnections for nonpayment in the Phase 1 area has accounted for approximately 30% of disconnections system-wide.

As one of the efficiencies made possible by smart meters is the ability to remotely disconnect service, Staff is not surprised to observe that disconnections for nonpayment in the Phase 1 area are proportionately higher than disconnections for nonpayment system-wide. Furthermore, as waiving the requirement to provide personal of pending disconnection eliminates the need to dispatch a service technician to the premises, Staff expected that disconnections in the Phase 1 pilot area would increase.

However, the Company is expected to comply with all other rules and regulations applicable to the termination of residential service.

Staff Recommendations

In the 2013 application, AEP Ohio referenced a study of disconnection procedures in which the Company found that of a sample of customers who received personal notice on the day of disconnection, 5.8% requested a one-hour extension to pay their bill. Not all of those customers actually paid and thus avoid disconnection. Of customers who received a collection phone call, 21% made a payment to avoid disconnection.

Staff believes that the data provided by AEP Ohio demonstrates that customers are more responsive to the methods of alternative notification approved on a pilot basis in Case No. 13-1938-EL-WVR.

Phase 1 Extension

Staff recommends that the extension of the waiver requested in Case No. 17-1380-EL-WVR is approved subject to the following conditions:

1. If the automated call made 48 hours prior to disconnection is not successful, that is, is not answered by either a live person or a recording system, AEP Ohio will send an employee to the premises to provide personal notice on the day of disconnection.

¹ See *In re the Annual Report of Service Disconnections for Nonpayment Required by R.C. 4933.123*, Pub. Util. Comm. No. 16-1224-GE-UNC; and *In re the Report of Service Disconnections for Nonpayment Required by Section 4933.123*, Revised Code Pub. Util. Comm. No. 15-0882-GE-UNC

2. AEP Ohio will continue to collect the monthly metrics as was agreed upon in Case No. 13-1938-EL-WVR. AEP Ohio will provide this data to Staff on an annual basis, on or around July 1st each year, or when otherwise requested by Staff.

Phase 2 Expansion

Staff recommends that the expansion of the waiver requested in Case No. 17-1381-EL-WVR is approved, subject to the following conditions:

1. If the automated call made 48 hours prior to disconnection is not successful, that is, is not answered by either a live person or a recording system, AEP Ohio will send an employee to the premises to provide personal notice on the day of disconnection.
2. AEP Ohio will continue to collect the monthly metrics as was agreed upon in 13-1938-EL-WVR. AEP Ohio will provide this data to Staff on an annual basis, on or around July 1st each year, or when requested by Staff.
3. AEP Ohio will send two postcards to all customers, advising them of the change in disconnection procedures. AEP Ohio will collaborate with Staff on the text of the postcards as well as any other proposed means of communication such as the permanent bill message.