BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Commission's Review of Chapter 4901:1-10 of the Ohio Administrative Code	)))	Case No. 17-1842-EL-ORD

REPLY COMMENTS OF OHIO EDISON COMPANY, THE CLEVELAND ELECTRIC ILLUMINATING COMPANY, AND THE TOLEDO EDISON COMPANY

Respectfully submitted,

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INTRODUCTION

Pursuant to the Commission's Entry of July 17, 2019 ("Entry"), Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company (collectively, the "Companies"), respectfully submit these Reply Comments on the Commission's review of and the Commission Staff's proposed revisions to the Rules contained in Chapters 4901:1-10 of the Ohio Administrative Code ("OAC").[1] The Companies respectfully request the Commission adopt the recommendations in these Reply Comments as well as the Companies' Comments filed on August 16, 2019.

REPLIES TO COMMENTS

I. OAC 4901:1-10-01: Definitions.

As stated in initial Comments[2], the Companies urge the Commission to reject Commission Staff's proposed change to the definition of "major event" in OAC 4901:1-10-01(T). The Companies support the comments of Duke[3], AEP[4] and DP&L[5] opposing Commission Staff's proposed amendment. While the Companies would prefer that the definition of "major event" in OAC 4901:1-10-01(T) not be modified, if Commission Staff's proposed change is adopted, the Companies agree with Duke[6] and DP&L[7] that the reliability performance standards in OAC 4901:1-10-10 will need to be revised to reflect that change.

[1] The Companies are replying to the Comments filed by Ohio Power Company ("AEP"), Duke Energy Ohio ("Duke"), The Dayton Power and Light Company ("DP&L"), The Office of the Ohio Consumers' Counsel ("OCC"), The Retail Energy Supply Association ("RESA") and Direct Energy ("Direct").
[2] Companies Comments at 2-3.
[3] Duke Comments at 1-2.
[4] AEP Comments at 1-2.
[5] DP&L Comments at 1.
[6] Duke Comments at 1-2.
[7] DP&L Comments at 1.

The Companies strongly disagree with OCC's proposed amendments to OAC 4901:1-10-01 and 4901:1-10-10 to adopt a definition for the term "momentary outage" and require utilities to meet reliability standards for momentary outages.[8] First, OCC's proposal assumes that all electric distribution utilities ("EDU") have the ability to track all momentary outages, which they do not. Also, the proposed change is unwarranted and would introduce an unnecessary standard for a subset of outages. Moreover, important work such as an EDU's efforts to resolve sustained outages can cause momentary outages. Tracking and reporting momentary outages will skew the results and penalize EDUs for undertaking work to improve overall reliability. OCC's proposal should be rejected.

Several parties commented on Staff's proposed definition of a non-commodity good or non-commodity service. In Comments, the Companies urged the Commission to clarify the definition in new section 4901:1-10-01(W) to recognize that the Companies can continue to operate under their Commission-approved Corporate Separation Plan.[9] RESA and Direct Energy mistakenly assert that R.C. 4928.17(A)(1) prohibits an electric distribution utility from offering "non-commodity goods or services."[10] To the contrary, R.C. 4928.17(A)(1) allows the offering of such goods and services if the electric distribution utility is operating under a Commission-approved Corporate Separation Plan. If Staff's definition is adopted, the Commission should also adopt the Companies' suggested addition to ensure that the rule is consistent with the statute and the Companies' Corporate Separation Plan and tariff provisions.

[8] OCC Comments at 1-4.
[9] Companies' Comments at 3.
[10] RESA & Direct Comments at 10.

Finally, the Companies support AEP's proposed change to the definition of "traditional meter" in OAC 4901:1-10-01(HH).[11] This change eliminates confusion about the definition of a traditional meter as smart meters come into greater use in Ohio.

II. OAC 4901:1-10-05: Metering.

The Companies support several proposed changes to OAC 4901:1-10-05. The Companies agree with AEP's proposed change to subparagraph (A)[12], specifying that the electric utility should be responsible for determining if it is impractical to meter electrical energy delivered to a customer. This change simplifies the analysis and gives the utility an appropriate amount of discretion. The Companies also support AEP's proposed change to subparagraph (B)[13], clarifying that the correct ANSI C12.1 standard is the 2014 standard, not the 2015 standard. In addition, the Companies support AEP's proposed change to subparagraph (E)[14] to eliminate the word "both," which simplifies this provision and eliminates confusion. Further, the Companies support AEP's addition of a new subparagraph (G)[15] as more and more customers take advantage of net metering at their premises. The Companies also support AEP's proposed modification to OAC 4901:1-10-10(J)(4)[16] to give electric utilities the right to refuse to provide advanced meter opt-out service if a customer (1) presents a safety hazard to utility employees, contractors, or representatives, the public, or to utility equipment; or (2) is being served under a net metering tariff. These changes support safe and efficient operations.

However, the Companies do not support AEP's proposed modification to OAC 4901:1-10-10(J)(1)[17], which would prohibit the installation of and require electric distribution utilities to

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[11] AEP Comments at 2.
[12] AEP Comments at 3.
[13] *Id.*
[14] *Id.*
[15] *Id.*
[16] *Id.* at 4.
[17] *Id.* at 3-4.

remove from service metering equipment that is not currently manufactured for the U.S. market. This proposal is not supported by any meaningful rationale, and would negatively impact the Companies, which currently have meters in service that are no longer manufactured. This proposed change should be rejected. The Companies also oppose OCC's suggestion that EDUs should be required to perform a meter reading on each meter at least four times a year.[18] In the Companies' experience when conducting meter reading, unsuccessful attempts to take an actual meter reading are the result of safety concerns or inadequate access, not a lack of effort. OCC's proposal ignores the operational realities EDUs face when attempting to read meters and the Commission should not adopt it.

III. OAC 4901:1-10-07: Outage reports.

As stated in their initial Comments[19], the Companies oppose Commission Staff's proposed changes to the definition of "outage" in OAC 4901:1-10-07(A), which would expand the number of interruptions of service that qualify as an "outage." The Companies support the Duke[20], DP&L[21], and AEP[22] comments that similarly oppose this proposed change.

The Companies also support AEP's[23] proposed changes to OAC 4901:1-10-07(B) and (C), which would remove "immediately" from the reporting obligations for outages, and remove "immediately" and "within thirty minutes" from the reporting obligations for accidents. The Companies agree that these modifications will eliminate possible confusion and ensure prompt and compliant communication because the notification still must be done as soon as practical under

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[18] OCC Comments at 7.
[19] Companies' Comments at 3-4
[20] Duke Comments at 2-3.
[21] DP&L Comments at 3.
[22] AEP Comments at 4-5.
[23] *Id.* at 5.

the circumstances. The Companies also support DP&L's[24] recommendation to clarify that "accident" as it is used in subparagraph (C) does not include vehicle accidents. The Companies share DP&L's practical concerns related to HIPAA laws about including vehicle accidents, and would note that removing vehicle accidents from this Rule would be consistent with the approach taken in other states in which FirstEnergy utilities operate.

IV. OAC 4901:1-10-08: Electric utility emergency plans and coordination for restoration of electric service.

The Companies oppose OCC's proposed change to OAC 4901:1-10-08(A)[25], which would require electric distribution utilities to include in their emergency plans a listing of "the circumstances that warrant implementation of the plan(s)." This change does not add any meaningful value to this Rule, and developing an exhaustive list of circumstances is overly burdensome, if it is even possible. The Companies also oppose OCC's proposed change to subparagraph (B), which would require electric distribution utilities to provide their emergency plans to the Commission, rather than making them available to the Commission for review upon request. The Companies' emergency plans and supporting documentation contain confidential information in a database that is regularly updated. OCC's proposal does not offer a meaningful benefit beyond the current procedure for sharing these plans with the Commission and would create undue burden on the EDUs to provide ongoing updates to the Commission each time there is an update to the plan, even non-substantive updates. The current process is sufficient and this proposal should be rejected.

In addition, the Companies oppose OCC's proposals regarding OAC 4901:1-10-08(I), which would increase the frequency with which electric distribution utilities are required to update

[24] DP&L Comments at 3.
[25] OCC Comments at 9.

and verify lists of critical customers from annually to quarterly and require electric distribution utilities to prioritize restoration service for critical customers following sustained outages. Quarterly outreach to verify critical customers is an unnecessary intrusion and inconvenience for the Companies' customers. In most cases, a customer's medical equipment is permanent, and the customer's critical status continues indefinitely. The current requirement of annual outreach and verification is a much more reasonable approach for both the Companies and their customers. Moreover, priority restoration for individual critical customers would be complex and may slow restoration for all customers affected by a sustained outage. The Companies make every reasonable effort, given enough advanced notice, to notify critical customers who could possibly be impacted by a significant weather event to advise them of the likelihood of an extended outage and to consider a back-up plan for any electrically operated life-support equipment. OCC's proposed changes are impractical and unnecessary and should be rejected.

V. OAC 4901:1-10-09: Minimum customer service levels.

As stated in the Companies' initial Comments[26], the Commission should reject Commission Staff's proposed addition to OAC 4901:1-10-09(A)(5), which would require electric utilities to notify the Director whenever the utility "activates outage messaging on its system," because it is overly burdensome. The Companies support AEP's Comments[27] which are consistent with the Companies' position. The Companies oppose DP&L's proposed solution of defining "outage messaging," because this only increases the burden of the Commission Staff's proposal. The Companies urge the Commission to reject Commission Staff's and DP&L's proposed change to OAC 4901:1-10-09(A)(5).

[26] Companies' Comments at 4.
[27] AEP Comments at 5-7.

VI. OAC 4901:1-10-10: Distribution system reliability.

The Companies oppose Duke's proposal[28] that the Commission adopt SAIDI in place of CAIDI for reporting reliability under this Rule. Each reliability statistic—SAIDI, SAIFI, and CAIDI—is simply a value calculated using the other two values. For instance, SAIFI x CAIDI = SAIDI. There is no benefit to implementing Duke's proposed change. It should be rejected.

The Companies support AEP's proposed changes to this Rule[29]. The Companies agree that subparagraph (B)(4)(c) should be modified to provide that planned outages and outages as a result of public acts should be excluded from the calculation of the indices, proposed standards, and revised performances standards in subparagraph (B) of this Rule. The Companies also support AEP's amendments to subparagraph (B)(8) to provide that a waiver request for revised reliability standards will be deemed granted if the Commission does not act within 45 days of the waiver request because this amendment reduces administrative burdens. Further, the Companies support AEP's proposal to remove the reporting requirement for transmission outages from subparagraph (C)(1). The Companies agree that requiring utilities to report every transmission outage imposes a significant burden on all distribution companies, since transmission outages are tracked differently than distribution outages. Each of these proposals should be adopted.

VII. OAC 4901:1-10-11: Distribution circuit performance.

The Companies support AEP's proposal[30] that OAC 4901:1-10-11(C) be modified so that electric utilities are required to identify the worst five percent of the utility's distribution circuits, rather than the worst eight percent. The Companies agree with AEP that five percent is a more accurate reflection of a utility's worst performing circuits, and that lowering the number in this

[28] Duke Comments at 3-4.
[29] AEP Comments at 7-8.
[30] *Id.* at 8-9.

way would allow utilities to focus on the circuits that are truly in need of repairs or upgrades. AEP's proposal should be adopted.

The Companies oppose OCC's proposed change[31] to OAC 4901:1-10-11(F), which would reduce the period for circuits to be improved and subsequently removed from the eight percent worst performing circuit reports, from the current three-year period to only two years. OCC's proposal would not allow sufficient time to remediate the circuits, and would greatly increase the cost for electric distribution utilities to comply with the Rule. In addition, there are already customer focused programs outside of the worst performing circuit report process to address specific customer reliability situations. OCC's proposal is overly burdensome and unnecessary. It should be rejected.

VIII. OAC 4901:1-10-12: Provision of customer rights and obligations.

OCC proposes to require EDUs to provide written notice to customers of their rights and obligations when a customer initially applies for service and annually thereafter.[32] OCC also proposes to require EDUs to inform customers about alternative rates and service options.[33] Both of these proposals should be rejected. The Companies remind customers annually that this information can be found on the Companies website. All of this information is publicly available and the Companies have customer service personnel that are available to answer any customer questions. Additional unsolicited mailings of printed materials contradicts sustainability goals, and OCC does not explain why the current practices are lacking. OCC's additions should be rejected.

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[31] OCC Comments at 12.
[32] *Id.* at 12-13.
[33] *Id.* at 13.

RESA and Direct also propose to add a requirement to this section, that EDUs adopt RESA and Direct's preferred messaging to customers.[34] This suggestion overlooks the Companies' current customer bill of rights, which is clearly aligned with Ohio's current policy and the Commission's responsibility to educate consumers.[35] It should be rejected.

IX. OAC 4901:1-10-14: Establishment of credit for nonresidential applicants and customers

The Companies support AEP's recommendation that the deposit amount for non-residential customers be increased to 200%.[36] The Companies also support DP&L's edits to this section to ensure it only applies to nonresidential customers.[37]

X. OAC 4901:1-10-15: Reasons for denial or disconnection of nonresidential service.

The Companies support AEP's proposal that would allow the EDU to disconnect service when a nonresidential customer moves out of a service location. This change would stop the flow of electricity to vacant properties.The rule should be clear that this would apply only when the customer moves out of a location and a new applicant is not on record.

XI. OAC 4901:1-10-16: Notice of disconnection of nonresidential service.

The Companies agree with AEP that electronic mail should be an option when notifying nonresidential customers of disconnection.[38] In the Companies' experience, Electronic mail accurately reflects the reality of today's communications and is more cost effective.

XII. OAC 4901:1-10-17: Payment schedule and disconnection procedures for nonpayment by nonresidential customers & OAC 4901:1-10-20: Fraudulent act, tampering, and theft of service

[34] RESA & Direct Comments at 2.
[35] https://www.firstenergycorp.com/content/dam/customer/get-help/files/brochures/ohio-rights-obligations.pdf
[36] AEP Comments at 9-10.
[37] DP&L Comments at 6.
[38] *Id.* at 11.

The Companies support AEP's Comments on these rules.[39] AEP's recommended additions recognize the emergence of smart meters' ability to remotely disconnect and reconnect.

XIII. OAC 4901:1-10-22: Electric utility customer billing and payments

The Companies oppose OCC's recommendation to require EDUs to provide customers with all electric costs for the preceding 12 months and to calculate shadow-billing data.[40] Both of these proposals are unwarranted and should be completely rejected. Cumulative energy costs and shadow-billing are tasks a customer is more than capable of completing without putting undue burden on EDUs, which would be required to incur costs to implement these two new proposals.

The Companies also disagree with OCC's proposal to identify all riders on bills separate from base rates, as doing so would create confusion for the customer and would not be an efficient use of time and resources. Adopting this recommendation would likely result in increased call traffic at the call center and increases in costs to process, print, and mail bills to customers. Like OCC's recommendation for shadow-billing, the customer would be responsible for these increased costs through the appropriate ratemaking proceeding. Further, all the information contemplated by OCC's recommendation can be found in the utilities' tariffs, which are publicly available, so replicating much of that information on the customers' bills would be a duplicate and unnecessary effort.

XIV. OAC 4901:1-10-24 Customer safeguards and information.

[39] *Id.* at 11-13.
[40] OCC Comments at 15.

The Companies oppose OCC's recommendation that the Commission adopt a new rule to require EDUs to perform an annual privacy assessment.[41] OCC's recommended annual assessment would be unduly burdensome and costly and OCC fails to offer a compelling reason to require it. The Commission should reject this recommendation.

XV. OAC 4901:1-10-26: Annual system improvement plan report.

The Companies support AEP's proposed amendment providing that electric utilities' annual system improvement plan reports are subject to FERC and RTO processes.[42] AEP's clarification will ensure that EDUs' reports acknowledge other plans which have not gone through the PJM review process and are therefore not included in the reports. Additionally, AEP's clarification would recognize that an EDU's ability to report on future projects is limited due to the future addition of FERC guidelines.

XVI. OAC 4901:1-10-27: Inspection, maintenance, repair, and replacement of transmission and distribution facilities (circuits and equipment).

The Companies support AEP's comments[43] explaining why Commission Staff's proposed changes should be rejected and OAC 4901:1:10-27(D)(1) remain unchanged. The Companies agree that it is confusing and unnecessary to include "above ground facilities associated with the operation of underground circuits" in the list of distribution facilities subject to inspection in this section of the Rule. Commission Staff's proposed change to OAC 4901:1:10-27(D)(1) should be rejected.

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[41] *Id.* at 17-18.
[42] AEP Comments at 19-20.
[43] *Id*. at 20.

CONCLUSION

The Companies encourage the Commission to appropriately modify the rules as the Companies recommend above and in their initial Comments.

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<u>CERTIFICATE OF SERVICE</u>

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<u>/s/ Scott J. Casto</u>

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