



An AEP Company

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Legal Department

American Electric Power
1 Riverside Plaza
Columbus, OH 43215-2373
AEP.com

March 24, 2020

Samuel C. Randazzo
Chairman, Public Utilities Commission of Ohio
Public Utilities Commission of Ohio
180 East Broad Street
Columbus Ohio 43215-3793

Steven T. Nourse
Vice President - Legal
(614) 716-1608 (P)
(614) 716-2014 (F)
stnourse@aep.com

Re: In the Matter of the Application of Ohio Power Company for Approval of its Temporary Plan for Addressing the COVID-19 State of Emergency, Case No. 20-602-EL-UNC; In the Matter of the Application of Ohio Power Company for Waiver of Tariffs and Rules Related to the COVID-19 State of Emergency, Case No. 20-603-EL-WVR; In the Matter of the Application of Ohio Power Company for Approval of Certain Accounting Authority, Case No. 20-604-EL-AAM

Chairman Randazzo:

On March 17, 2020, Ohio Power Company (AEP Ohio) filed an Application in the above proceedings to establish an emergency plan and waiver process for the COVID-19 crisis, consistent with the Commission's directives in Case No. 20-591-EL-UNC.

In Paragraph G of the Application, AEP Ohio reserved the right to update its plan as the crisis unfolds and/or to respond to additional directives of the Commission. The Company hereby submits the enclosed Amended Application to update its emergency plan and waiver process, in the following respects:

- Making clarify edits to Section C
- Adding to Section D a funding mechanism to support Ohio hospitals in the Company's service territory
- Creating a new Section G (prior Section G becomes Section H) for Field Operations Restrictions, Call Center Provision and Supply Chain Provision

Thank you for your attention to this matter.

Respectfully Submitted,

//s/ Steven T. Nourse

cc: Parties of Record

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

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| In the Matter of the Application of Ohio |) | |
| Power Company for Approval of its |) | Case No. 20-602-EL-UNC |
| Temporary Plan for Addressing the |) | |
| COVID-19 State of Emergency |) | |
| | | |
| In the Matter of the Application of Ohio |) | |
| Power Company for Waiver of Tariffs and |) | Case No. 20-603-EL-WVR |
| Rules Related to the COVID-19 State of |) | |
| Emergency |) | |
| | | |
| In the Matter of the Application of |) | |
| Ohio Power Company for Approval of |) | Case No. 20-604-EL-AAM |
| Certain Accounting Authority |) | |

AMENDED APPLICATION OF OHIO POWER COMPANY

Steven T. Nourse (0046705), Counsel of Record
Christen M. Blend (0086881)
American Electric Power Service Corporation
1 Riverside Plaza, 29th Floor
Columbus, Ohio 43215

Counsel for Ohio Power Company

I. INTRODUCTION

On March 12, 2020, the Public Utilities Commission of Ohio (“Commission”) initiated Case No. 20-591-AU-UNC, *In the Matter of the Proper Procedures and Process for the Commission’s Operations and Proceedings During the Declared State of Emergency and Related Matters*, and issued an Entry that, due to the declaration of a state of emergency, “directs all public utilities under its jurisdiction to review their service disconnection policies, practices, and tariff provisions and to promptly seek any necessary approval to suspend otherwise applicable requirements that may impose a service continuity hardship on residential and non-residential customers or create unnecessary COVID-19 risks associated with social contact.” (*State of Emergency Proceeding*, March 12 Entry at ¶ 1.) On March 13, 2020, the Commission issued an Entry that, due to the declaration of a state of emergency, “directs all public utilities under its jurisdiction to review their service reconnection policies, practices, and tariff provisions and to promptly seek any necessary approval to suspend otherwise applicable requirements that may impose a service restoration hardship on residential and non-residential customers or create unnecessary COVID-19 risks associated with social contact.” (*State of Emergency Proceeding*, March 13 Entry at ¶ 1.)

Ohio Power Company (“AEP Ohio” or the “Company”) commends the Commission’s swift action to protect customers and stands ready to implement the Commission’s directives in order to minimize any service continuity hardship or service restoration hardship on customers while avoiding unnecessary COVID-19 risks associated with social contact. To that end, AEP Ohio proposes a comprehensive plan for implementation during the state of emergency (“Plan”) and seeks Commission approval of the Plan and the associated relief set forth in this Application. Unless otherwise indicated, the operational components of the proposed Plan are intended to be

in effect during the declared state of emergency, starting on March 12, 2020, and lasting for the entire duration of the declared emergency. The Company seeks affirmative Commission approval of its plan and associated relief, although some or all of this Application may be automatically “deemed approved on an emergency basis for a period of at least 30 days effective as of the filing date or until such date as the Commission may otherwise specify, which shall not be less than 30 days.” (*State of Emergency Proceeding*, March 12 Entry at ¶ 7(b); *State of Emergency Proceeding*, March 13 Entry at ¶ 6(b).) Accordingly, the Company intends to commence implementation of the Plan immediately, subject to further direction from the Commission.

II. AEP OHIO’S PLAN FOR THE COVID-19 STATE OF EMERGENCY

AEP Ohio hereby conveys its consent for the Commission to exercise its emergency ratemaking authority under R.C. 4909.16, for the following Plan to implement the Commission’s March 12 Entry and March 13 Entry in the *State of Emergency Proceeding*:

A. Temporary Cessation of Disconnection of All Residential and Non-Residential Customers, Except Customer Requests or Disconnections Necessary to Prevent or Resolve a Presently or Imminently Hazardous Situation

Immediately following the Commission’s March 12 Entry in the *State of Emergency Proceeding*, AEP Ohio initiated system changes needed to suspend disconnections for all customers other than those necessary due to an imminently hazardous situation or a customer request. These changes will remain in place during the declared state of emergency. Because more extensive IT system changes would be needed to suspend all disconnection notices, customers will continue to receive disconnection notices under the circumstances they otherwise would during the normal course of business for the paper disconnect notices that are delivered through the mail. The Company will begin suspending disconnection messages via phone and

electronic copies of disconnect notices. Understanding the potential confusion that could occur due to the receipt of such notices, the Company will use various channels of communication with customers to explain that such notices can be disregarded during the declared state of emergency. Such channels of communication include the Company's website, bill messages, the customer call center and social media. The disconnection moratorium does not, by itself, avoid any services charges from being charged, accumulating, or otherwise continuing to exist in arrears until paid. But there are components of the Plan that will help customers avoid certain charges or obtain assistance, to the extent specified herein.

Regarding Percentage of Income Payment Plan (PIPP) customers, it is the Company's understanding that all non-reverification drops will be halted on the ODSA end of the process. AEP Ohio is implementing IT modifications needed to ensure that PIPP customers maintain their eligibility status at their anniversary date during the state of emergency and that any dropped customers are reenrolled. While this process may result in additional costs and potential future USF rate impacts, it should help avoid disconnections and maintain assistance for eligible customers that could help them from falling further into arrears. PIPP customers may still be dropped if the customer asks to be dropped or when former PIPP Plus customers' request to go on budget/AMP plans.

As with the Commission's March 12 Entry in the *State of Emergency Proceeding*, the disconnection suspension component of the Plan is a primary feature that will convey immediate benefits to a broad range of customers, including customers adversely affected by COVID-19. As further explained below, there are certain components of the Plan that may help a customer avoid or defer certain charges. The costs that are not covered through PIPP or Neighbor-to-

Neighbor bill assistance and are not collected from affected customers will be deferred for subsequent recovery.

B. Temporary Avoidance of Deposits and Reconnection Fees for Customers, Late Payment Fees for Commercial and Industrial Customers, and Payment Plans – With Uncollected Costs Deferred for Subsequent Recovery

Upon receiving the March 13 Entry in the *State of Emergency Proceeding*, the Company extended the winter reconnect order (Case No. 19-1472-GE-UNC) through May 1. As an additional Plan component to minimize any service continuity hardship or service restoration hardship on customers while avoiding unnecessary COVID-19 risks associated with social contact, the Company has begun to temporarily forego customer deposits and reconnection fees for customers that have been recently disconnected. Upon getting a customer contact to the call center, AEP Ohio will begin reconnection for customers that are currently disconnected for nonpayment. The reconnection fee will not be charged on such accounts. The customer will be notified that reconnection fees, as well as deposits, may be assessed on a future bill when payment terms are determined. For AMI customers, the system should automatically reconnect within a few hours. For non-AMI customers, the Company will put the work request through as soon as possible. Of course, if a hazardous condition exists, reconnection will not be initiated. This additional component is the Company's plan for prudent suspension of service restoration requirements, in accordance with Paragraph 6(a) of the March 13 Entry.

In addition, the Company is temporarily suspending disconnection for customers that have not met the requirements of a new accounts such as payment of a past due amount, deposits due as well as lease and ID requirements that would process the account from pending to active. These accounts will be tracked and monitored in order to meet these requirements in the future.

Moreover, the Company will not charge late fees to commercial and industrial customers during the declared state of emergency, but amount of those foregone charges will be deferred as a regulatory asset for subsequent recovery.

As part of the Plan, the Company will work with customers on a case-by-case basis to determine reasonable payment plans based on the current past due balance. The specific terms will depend on the customer's ability to pay, available bill assistance, the arrearage balance, and other factors. After the declared state of emergency ends, deposits will be reassessed as appropriate and deferred payments that are not already subject to a payment plan will be addressed through billing or additional payment plans. The waived reconnection and late fees will be deferred for subsequent cost recovery. Elevated uncollectible amounts resulting from these measures will be addressed through Part F of the Plan or the cost deferral.

C. Minimum Demand Charges for Commercial and Industrial Customers Reset at Lower Usage Levels During the State of Emergency

As an additional component of the Plan, the Company will temporarily eliminate or offset through a bill credit the minimum billing demand charges for transmission and distribution services, in order to help those customers avoid demand ratchet wires charges as a consequence of operational curtailments during the declared emergency. The Company is working to develop process and system modifications to implement this component of the Plan. The resulting costs of charges avoided by customers will be added to the financial deferral for future recovery.¹

D. Expansion of AEP Ohio's Neighbor-to-Neighbor Program to Minimize Service Continuity Hardships and Service Restoration Hardships, While Avoiding Unnecessary Social Contact, and Proposed Additional Funding for Ohio Hospital Association

¹ AEP Ohio clarifies that it will not seek recovery of any carrying charges on the deferral during the duration of the emergency.

As an additional Plan component to minimize any service continuity or restoration hardship on customers while avoiding unnecessary COVID-19 risks associated with social contact, the Company plans to expand eligibility and funding opportunities for its existing Neighbor-to-Neighbor (NTN) program. As a baseline, the current rules associated with the NTN plan will continue based on the current funding levels. But the Company also plans communications regarding the expanded NTN program, in order to foster additional donations from customers that are able and willing to contribute to the COVID-19 portion of the NTN program. This could result in additional funding and relief for customers in need during this crisis.

Expanded eligibility for the grants will also be implemented. Customers that have experienced a hardship where COVID-19 has impacted their employment will be eligible for a grant during the crisis. The customer should be prepared to work with the agency to verify COVID-19 hardship through either unemployment or sickness. In order to ensure that the quantity of funds can reach the maximum number of customers in need, the Company will review funding balances and determine the grant amounts available going forward. For example, the Company is considering a special grant for nurses and nursing assistants that are involved with COVID-19 patients.

To reduce social contact, the Company will work with the community agencies that help administer the program to encourage applications to be made either over the phone, by mailing a paper copy, or online.

In addition, the Company proposes to repurpose a pre-existing regulatory liability in order to make funds accessible to the Ohio Hospital Association (OHA) for coordination of energy-related challenges to hospitals during the COVID-19 crisis. The approximately \$2.1

million regulatory liability is the final over-collection balance associated with the Phase-In Recovery Rider, which is being held as a regulatory liability in accordance with the Commission's February 27, 2019 Entry in Case Nos. 09-872-EL-FAC *et al.* If approved as part of a Commission order approving the Company's emergency COVID-19 plan, the Company proposes to work with OHA and make this funding available to benefit hospitals within its service territory as an additional resource in managing the crisis; to the extent the available funds are not fully expended as part of that effort, they would remain in the regulatory liability until further directed by the Commission. Specifically, OHA informs AEP Ohio that there are two significant crisis response efforts underway that could immediately benefit from such funding: (a) a program that will support logistics for distribution, sanitization and reuse of personal protective equipment and testing kits for hospital workers; and (b) a program to help facilitate any changes required to the environment of care due to an increased demand to care for patients, including expansion of negative pressure treatment rooms within hospitals for safer treatment of COVID-19 patients. Funding would be used for these and/or other COVID-19 specific purposes to assist hospitals in dealing with the crisis. In that context, the Company also commits to keep Staff updated with regular updates of those activities and provide a final report to the Commission in the future.

E. Communications to Encourage Electronic Bill Payment or Payment by Mail and Discourage In-Person Payment Stations, and Communications Regarding Scams

There are more than 300 payment stations in AEP Ohio's service territory that collect and forward customer payments to the Company, but all of them operate within another business (typically a retail store, grocery store or a bank, etc.) It is not practical or effective to cut off the bill payment service within a business that continues to operate during the declared state of emergency, especially if a customer already traveled to the payment location to hand over a

payment. Of course, if the business has been forced to close due to the state of emergency, those payment centers will not be processing payments. But if the business remains open for other reasons, collecting payments will not create or expand social contact. Nonetheless, the Company will take the following additional measures to help minimize social contact relating to payment centers.

Through customer communication channels (*e.g.*, website, bill messages, electronic communications, social media), the Company will encourage customers to make online payments or electronic bill payments through their bank. Similarly, the Company will discourage use of payment centers through such communication channels.

Finally in this regard, in order to further encourage online payment, the Company is working with its vendors to pursue a potential solution to avoid credit card fees for customers that pay with a credit card when they are being reconnected. The resulting costs associated with any foregone or reduced charges that are paid or reimbursed by the Company will be tracked and deferred for recovery under the Plan.

The Company will also continue to monitor customer scams and increase awareness through communications to our customers during the crisis.

F. Contingency for Potentially High Uncollectible Debt Level and Incremental Operational Costs

As a result of the above-described components of the Plan, the Company anticipates that its uncollectible level will increase to a level above that which is reflected in base rates. Thus, as part of the package of emergency ratemaking measures under R.C. 4909.16, the Company proposes to implement a rate mechanism to track, defer, and recover uncollectible costs that exceed the current pre-emergency level (approximately \$25.2 million), which is already higher than what is reflected in its base rates (approximately \$22.1 million). Additionally, the Company

may be incurring incremental operational costs in protecting the health and safety of our employees and/or customers that are directly related to COVID-19 and another component of the Plan is to track and defer such costs for future cost recovery.

G. Field Operations Restrictions, Call Center Provision and Supply Chain Provision

As part of the Plan to avoid unnecessary COVID-19 risks associated with social contact, the Company implemented restrictions on field activities including but not limited to in-person actual meter readings of non-AMI and non-AMR meters, particularly where such activities would involve in-person social contact, and curtailing other field activities. On March 20, the Commission issued an Entry in the *State of Emergency Proceeding* limiting in-person meter reading and other non-essential field activities that involve social contact such as home energy audits. The Commission clarified that functions that are necessary to initiate new service where service is not presently available or to ensure the continuity of service should be deemed essential and should continue during the state of emergency, although the Commission encouraged the utility companies in carrying out their essential functions to take appropriate social distancing and other measures to protect against the spread of COVID-19. The Commission further clarified that nothing in its March 20 Entry was intended to inhibit utilities from continuing to comply with their obligation to furnish and maintain necessary and adequate service and facilities under R.C. 4905.22.

The Company has reviewed its field activity restrictions and will continue to comply with the Commission's directives and proactively take actions to eliminate unnecessary social contact with its customers and protect the health and safety of its employees. To the extent commercial and industrial customers that would otherwise get relief from demand ratchet charges under Section C of the Plan outlined above, the Company will work to resolve that impact through self-

reported meter readings, subsequent bill adjustments or another safe workaround. As a corollary to the foregoing set of activities and restrictions (and consistent with ¶12 of the Commission's March 20 Entry), the Company seeks a waiver of all applicable tariff and OAC rule provisions (actual meter reading regulations, field equipment inspection requirements, etc.)

AEP Ohio seeks a temporary waiver of applicable OAC requirements related to answer time for customers calling the customer call centers. The waiver request is for the duration of the emergency and until further notice. Spring is a natural time of turnover in the call center industry and AEP Ohio is no exception. AEP Ohio has training sessions planned for a new group of call center specialists but is concerned it will not be able to gather those employees together and perform adequate training. The Company is also concerned with the inherent risk associated with the gathering of its current employees working in the call center. Even after the emergency is over the call center function will be stressed. It is appropriate to temporarily waive these requirements to allow the utility to manage resources and comply with the preventative measures provided by the state and federal government. The Company remains committed to communicating with its customers and making sure they stay informed. The Company is using all available channels to share the Commission's and Company's message. However, the reality is that the emergency will impact call center answer times and a waiver is an appropriate measure to allow AEP Ohio management to organize and align resources in a safe and practical manner. The Company seeks this waiver during the pendency of the emergency and until further notice for a period after as plans are made to properly recover from the emergency.

Another developing area that may present significant challenges during the crisis is the Company's supply chain, especially for network facilities and equipment (as well as labor for installation, repair and restoration). During normal operations, AEP Service Corporation

(AEPSC) facilities efficient and timely procurement activities for AEP operating companies such as AEP Ohio and AEP Ohio Transco, which activities draw upon on both local and national supply chain resources. As part of an effective and efficient response during the crisis, AEP Ohio requests confirmation that it can transfer equipment and supplies between affiliates and share labor resources as needed to manage through the crisis. In doing so, the Company would maintain records of such transfers and transactions, including records that explain the reasons for the transfer/transaction, and otherwise document the resource sharing through appropriate billing and accounting records. On that basis, the Company requests waiver of any regulatory or tariff requirements necessary to share equipment and inventory among affiliates during the crisis.

H. Reservation to Make Changes to the Plan, Including During the Remaining Period of the State of Emergency

The Company reserves the right to modify or supplement its Plan, based on developing conditions during the declared state of emergency. In doing so, the Company commits to seeking advice from and consulting with the Commission Staff. As a related matter, if the Commission revises the Plan set forth herein, the Company reserves the right to propose additional components going forward. The Company looks forward to cooperatively working with the Commission and the State of Ohio to do its part in helping to manage this crisis.

III. REQUESTED RELIEF

WHEREFORE, AEP Ohio requests that the Commission find and order, to the extent not already automatically approved, as follows:

1. That the Company's Application and requested relief shall be granted;
2. That any provision of the Company's tariffs that is inconsistent with, or conflicts with, the Plan shall be waived;
3. That any provision of the Ohio Administrative Code that is inconsistent with, or conflicts with, the Plan shall be waived;

4. That the Company be granted accounting authority to track all costs associated with the Plan not already reflected in rates and to establish a regulatory asset for future recovery of those costs, which may be sought from the Commission as the state of emergency continues;
5. That the Commission issue such other orders as may be just and proper.

Respectfully submitted,

/s/ Steven T. Nourse

Steven T. Nourse (0046705), Counsel of Record
Christen M. Blend (0086881)

American Electric Power Service Corporation
1 Riverside Plaza, 29th Floor
Columbus, Ohio 43215

Telephone: (614) 716-1608
(614) 716-1915

Fax: (614) 716-2950

Email: stnourse@aep.com
cmblend@aep.com

(willing to accept service by email)

Counsel for Ohio Power Company

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 *Amended Application* was sent by, or on behalf of, the undersigned counsel to the following parties of record this 24th day of March 2020, via electronic transmission.

/s/ Steven T. Nourse _____

Steven T. Nourse

EMAIL SERVICE LIST

mpritchard@mwncmh.com;
rglover@mcneeslaw.com;

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3/24/2020 3:35:41 PM

in

Case No(s). 20-0603-EL-WVR

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