

# THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE APPLICATION OF  
OHIO POWER COMPANY FOR A WAIVER  
OF OHIO ADM.CODE 4901:1-10-  
33(C)(13).

CASE NO. 19-1389-EL-WVR

## SECOND FINDING AND ORDER

Entered in the Journal on October 7, 2020

### I. SUMMARY

{¶ 1} The Commission conditionally grants Ohio Power Company d/b/a AEP Ohio's request to modify its original waiver of Ohio Adm.Code 4901:1-10-33(C)(13) and an extension of that waiver for a limited period of six months, consistent with this Second Finding and Order.

### II. DISCUSSION

{¶ 2} Ohio Power Company d/b/a AEP Ohio (AEP Ohio or the Company) is an electric distribution utility, as defined in R.C. 4928.01(A)(6), and a public utility, as defined in R.C. 4905.02, and, as such, is subject to the jurisdiction of this Commission.

{¶ 3} Ohio Adm.Code 4901:1-10-33(C) identifies information which an electric utility must include in a customer's bill. Specifically, about a bill's due date, Ohio Adm.Code 4901:1-10-33(C)(13) states that "the due date shall not be less than fourteen days from the date of the postmark." With regard to "residential bills being issued from outside the state of Ohio the due date shall be no less than twenty-one days."

{¶ 4} Ohio Adm.Code 4901:1-10-02(C) permits the Commission, upon an application or motion by any party, to waive any requirement of Ohio Adm.Code Chapter 4901:1-10 not mandated by statute for good cause shown.

{¶ 5} In our previous Finding and Order dated September 26, 2019, we approved a one-year waiver, upon AEP Ohio's request, of Ohio Adm.Code 4901:1-10-33(C)(13) to allow the Company to move its bill print and mailing function out-of-state to Indianapolis, Indiana but not extend the bill due date to 21 days. However, we directed Staff to monitor customer

complaints during the year for any issues emerging from AEP Ohio's transition and to file comments, if appropriate, prior to the end of the one-year period. We also encouraged the Office of the Ohio Consumers' Counsel (OCC) and Ohio Partners for Affordable Energy, who had intervened in these proceedings, to file comments, if appropriate, prior to the end of the one-year period. Finally, we directed, AEP Ohio to file a motion requesting an extension of the waiver indefinitely at the end of the period.

{¶ 6} On August 5, 2020, AEP Ohio filed a motion to update its existing waiver of Ohio Adm.Code 4901:1-10-33(C)(13) and a request for expedited approval. AEP Ohio states it was recently notified that its third-party vendor responsible for the printing and mailing of its bills will move its operations to Omaha, Nebraska from Indianapolis, Indiana. AEP Ohio represents this change will allow 8.1 percent of its customers to keep receiving bills in two days while 91.9 percent will receive their bill in three days. According to AEP Ohio, no area in Ohio should be outside of a three-day window. AEP Ohio further indicates this timeline is not any different than when its bills were mailed within the state of Ohio.

{¶ 7} AEP Ohio identifies various supporting reasons for amendment and extension of the existing waiver. First, under the Company's proposed new process, AEP Ohio represents customers will actually receive their bills one day sooner after issuance once the bill print and mail functions are moved to Nebraska, thereby invalidating the need to extend the bill due date. Second, AEP Ohio notes that in addition to billing for electric delivery and standard service offer services, in many cases it bills for competitive retail electric service (CRES) provider supply services. AEP Ohio states that delaying the due date for AEP Ohio receivables will also delay the payment of CRES provider receivables, for which AEP Ohio provides consolidated billing. Third, AEP Ohio states changing the due date from 14 to 21 days may confuse customers facing disconnection for non-payment. With a delayed payment date, AEP Ohio posits that it is likely a customer will receive a disconnect notice, noting the amount to avoid disconnection, and shortly afterwards receive a second bill, which will become due and payable before the disconnect date. AEP Ohio contends this will increase the amount that a customer must pay to avoid disconnection to equal two or

more months of bills, which may confuse and frustrate the customer, and increase the likelihood that the customer will have their electric service disconnected.

{¶ 8} On August 12, 2022, OCC filed a memorandum contra AEP Ohio's motion for amendment and extension of the existing waiver, opposing the Company's request on both fronts. OCC argues that a 21-day due date is appropriate here to protect consumers and AEP Ohio, instead of consumers, should bear the burden of moving its operations to another state within a year of requesting the original waiver. Further, OCC argues that moving the billing function even further from Ohio increases the likelihood for more billing delay. OCC believes the financial and health risks posed by the pandemic also supports a 21-day due date. Finally, OCC notes that AEP Ohio's proposal fails to consider the current financial difficulties being faced by the United States Postal Service (USPS) and the reality of mail delivery delays being experienced in Ohio and across the nation. Based on these reasons, OCC requests the Commission to deny both of AEP Ohio's requests.

{¶ 9} On September 15, 2020, Staff filed correspondence in this docket, also opposing AEP Ohio's requests. Initially, Staff advises the Commission that it has monitored customer complaints related to the initial waiver granted last year. Staff reports that the Commission's call center received five contacts over an eleven-month time period from customers regarding the timely receipt of their bills, which does not represent a major concern to Staff. In addition, Staff states, the Company has received no direct customer complaints regarding mail delays over the last eleven months.

{¶ 10} However, Staff believes the change in circumstances since AEP Ohio's initial request for waiver of the out-of-state due date requirement is substantial and its review of contacts for when the bills were being mailed from Indiana provides little value to determine concerns related to moving bill print operations to Nebraska. Further, Staff disputes AEP Ohio's assertion regarding the absence of delays associated with mailing bills from Nebraska. According to Staff, the USPS website indicates that first class mail originating from Omaha, Nebraska would take three days for delivery compared to two

days from Ohio or Indiana. Staff explains that while it was initially unopposed to the waiver request because expected mail delivery times from Indiana are the same as from Ohio, Staff has now concerns because of additional mail delays associated with the move to Nebraska.

{¶ 11} Staff also notes, the Company recently proposed a residential late charge in its base distribution case, Case No. 20-585-EL-AIR. The lack of a residential late charge contributed to Staff's initial comfort with the temporary waiver because if customers received their bill late, they were not penalized for it. Staff explains that when a bill is mailed from outside Ohio, customers are provided with additional time to ensure ample time to pay and avoid any late fees. Staff believes that with the possible initiation of a residential late charge, those additional days provided under Ohio Adm.Code 4901:1-10-33(C)(13) are essential because of the financial consequences to the customers, considering the additional mailing time and the increased possibility of longer delays due to weather or staffing concerns related to the USPS. In conclusion, Staff does not believe that the Company has shown good cause for a waiver of Ohio Adm.Code 4901:1-10-33(C)(13), either on a temporary or permanent basis. Furthermore, Staff recommends discontinuing the current temporary waiver of Ohio Adm.Code 4901:1-10-33(C)(13).

{¶ 12} On September 18, 2020, AEP Ohio filed reply comments. AEP Ohio explains that when its bill print operations were in Ohio, customers would receive their bills in three days. Consequently, AEP Ohio argues that moving its bill print operations to Nebraska would result in customers receiving bills within the same three-day window. Further, AEP Ohio finds Staff's concerns regarding the residential late charge proposed by the Company in Case No. 20-585-EL-AIR premature. At a minimum, AEP Ohio states, the waiver in this case should be continued until the issues in Case No. 20-585-EL-AIR are resolved. AEP Ohio also notes that Staff failed to address its earlier arguments related to CRES provider receivables. In sum, AEP Ohio requests the Commission to grant a one-year temporary waiver for the Nebraska mailings.

{¶ 13} Finally, on September 25, 2020 OCC filed comments pursuant to our previous Finding and Order in this proceeding, reiterating its previous arguments raised in its August 12, 2020 memorandum contra. Additionally, OCC argues that if the Nebraska waiver is granted, the tracking of customer issues related to the waiver will only have been in effect a few months prior to the resolution of AEP Ohio's base distribution case in which the decision on the residential late fee will be considered. OCC does not believe this is enough time to consider the impact of the Nebraska waiver on customers.

{¶ 14} With regard to AEP Ohio's argument that changing the due date to 21 days will confuse customers facing disconnection for non-payment, OCC urges AEP Ohio to modify its credit and collection practice timeline. OCC explains that AEP Ohio, pursuant to R.C. 4933.121 and Ohio Adm.Code 4901:1-18-06(A), must provide customers with a minimum 14-day notice prior to disconnecting service for non-payment. In practice, AEP Ohio provides this 14-day notice along with the customer bill. OCC argues that if receipt of the bill is delayed due to out-of-state processing, then so is the 14-day disconnection notice. Therefore, OCC states AEP Ohio may need to adjust the disconnection timeline to account for this delay or mail the 14-day notice separately from the bill.

{¶ 15} OCC also suggests AEP Ohio modify its agreements related to payment of CRES provider receivables to account for the additional delay associated with out-of-state billing. OCC notes that Ohio Adm. Code 4901:1-10-29(B) requires AEP Ohio to establish a supplier tariff with the terms and conditions of service including billing and payment of supplier receivables. OCC believes AEP Ohio's decision to relocate its bill print function out-of-state does not negate its responsibilities pursuant to the tariff. Consequently, OCC recommends that AEP Ohio modify its supplier tariff to account for the delay in paying CRES providers for their receivables to ensure costs are not indirectly passed on to customers via CRES providers.

{¶ 16} Upon consideration of AEP Ohio's motion, OCC's memorandum contra and comments, Staff's correspondence, and AEP Ohio's reply comments, the Commission finds

that AEP Ohio's request to modify its original waiver and an extension of that waiver should be granted for a limited period of six months. Furthermore, while this six-month waiver is in effect, the Company is directed to not charge residential customers a late fee. We are cognizant of the concerns raised by OCC and Staff related to AEP Ohio moving its bill print and mailing function from Indianapolis, Indiana to Omaha, Nebraska. However, at this point, there is no data to support that AEP Ohio customers will indeed suffer from delays associated with the move and alleged USPS issues noted by OCC and Staff. We direct Staff to monitor customer complaints related to issues emerging from AEP Ohio transitioning its bill print and mailing function to Nebraska. If any concerns are noted, Staff should file comments in this docket by April 7, 2021. We also direct OCC to file comments if it identifies concerns during this six-month period. Upon review of the docketed comments at the end of the six-month period, the Commission will decide whether AEP Ohio's motion should be granted for a full 12-month period. The Commission's conditional approval of this six-month waiver is contingent upon AEP Ohio's continued compliance with all other requirements imposed by Title 49 of the Revised Code and the Commission's rules. The Commission may suspend or terminate the waiver, at the Commission's sole discretion, for good cause.

### III. ORDER

{¶ 17} It is, therefore,

{¶ 18} ORDERED, That AEP Ohio's motion for amendment and extension of the previous waiver of Adm.Code 4901:1-10-33(C)(13) be conditionally granted for period of six months subject to the parameters identified in Paragraph 16. It is, further,

{¶ 19} ORDERED, That a copy of this Second Finding and Order be served upon all interested persons of record in these matters.

COMMISSIONERS:

*Approving:*

Sam Randazzo, Chairman

M. Beth Trombold

Lawrence K. Friedeman

Daniel R. Conway

Dennis P. Deters

AS/mef

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Summary: Finding & Order conditionally granting Ohio Power Company d/b/a AEP Ohio's request to modify its original waiver of Ohio Adm.Code 4901:1-10-33(C)(13) and an extension of that waiver for a limited period of six months, consistent with this Second Finding and Order electronically filed by Heather A Chilcote on behalf of Public Utilities Commission of Ohio