

**BEFORE THE
PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of)	
Ohio Power Company for a Waiver)	Case No. 19-1389-EL-WVR
Of Rule 4901:1-10-33(C)(13), Ohio)	
Administrative Code)	

ADDITIONAL REPLY COMMENTS

On July 2, 2019 AEP Ohio filed an Application for a waiver in this case, demonstrating good cause as to why the twenty-one day deadline should not be triggered. First, any delay related to the United States Postal Service's ("USPS") serious degradation across the country in maintaining delivery times of one to three days affected all Ohio utilities, not just AEP Ohio. Second, AEP Ohio proactively worked with Commercial customers who received a delayed payment charge during that time. Lastly, whether the customer bills are mailed from Nebraska or Ohio, they will still receive the bills in three days.

The Commission, on September 26, 2019, granted the waiver on a temporary basis implementing a time for additional information to be filed. On August 5, 2020, AEP Ohio filed a motion to update the temporary Waiver as it related to changing the mailing location from Indianapolis, Indiana to Omaha, Nebraska. On October 7, 2020, the Commission granted a 6-month waiver directing Staff to file comments in this docket by April 7, 2021 noting any concerns from Staff after monitoring customer complaints related to issues emerging from AEP Ohio transitioning its bill print and mailing function to Nebraska (Order at 6). In addition, the Commission directed OCC to file comments if it identified concerns during this six-month period (Order at 6). As of April 7, 2021, no

comments were filed in the docket. On April 26, 2021, the Company filed to extend the waiver.

On May 10, 2021, Staff filed a letter recommending that the waiver not be approved and that the Company be allowed six months in order to address system changes that will be necessary to move the due date from its current date of fourteen days, to twenty-one days. The Company files its response to the Staff's recommendation. Staff identified eight contacts of customer concerns as they related to timely receipt of the bills through the mail or timely receipt of payments made through the mail. Staff also recognized that the postal delivery times for all Ohio utility customers have increased due to the USPS experiencing a serious degradation across the country in maintaining delivery times of one to three days (Staff letter page 1). The concern noted by the Staff would have occurred regardless of the area in which the bills were mailed and indeed created delays for the utilities mailing bills inside the State of Ohio.

The Company was aware of the temporary delay in delivery of mail and verified with the vendor that the bills for AEP Ohio were printed and mailed timely and the result was from the temporary slowdown of mail service. The USPS has released results of its delivery performance as of March 2021 with service performance reaching 83.69%. This was after the winter storms, holiday season peak as well as the impact of COVID-19 ([Overall USPS Mail Delivery Performance Recovers from Severe Winter Storms; Peak Holiday Demand - Newsroom - About.usps.com](#))

The Company informed Staff of the delay in the postal service when notified by the USPS. The Company also informed Staff of its efforts to work with customers that were subject to a delayed payment fee and waive those fees based on the slowdown of

both receiving bills and payments by mail late. The Company was proactive in this approach and worked with the customers to remedy the delayed payment fees due to the delay from the USPS.

The purpose of the rule for which AEP Ohio requests waiver is to ensure that mailing bills outside of the state of Ohio does not create a delay in the timeframe to which customers would receive their bills, resulting in less time to make a timely payment. The temporary delay in the USPS delivery times should be the measure by which the decision is made in this case. As mentioned previously, the USPS has indicated that its delivery times have rebounded and more importantly, that delay was not based on AEP Ohio bills being mailed outside the state of Ohio.

The service delivery issues affected all utilities, and the delays would have occurred even if the Company were mailing from Ohio. The Staff has ignored the changes to the operations of AEP Ohio in terms of the number of days a customer would receive their bill versus if the Company were still mailing bills from within the State of Ohio. The USPS process from the Canton mailing facility included customers receiving their bills within three days— one day for pick up and sorting and two days for mailing. The change to Omaha did not alter this three day timeline. Because Omaha is a USPS Mail Consolidation Center (whereas Canton is not), the one day needed for pickup and sorting is eliminated. The Omaha mailing dates, as shown by the Company in its updated waiver request, show that customers receive their bill within three days, right back in line with the process when bills were mailed from Ohio.

The Commission should consider that granting the waiver as requested by the Company does not harm customers as there is no difference in the times for which

customers would receive their bills from the Omaha mailing to when customers would receive their bills when mailing inside the State of Ohio. If the Company were to change back to mailing inside the state of Ohio, the printing costs associated would be borne by only AEP Ohio customers whereas the current printing costs are shared among the AEP operating companies.

More importantly, customers would receive their bills in the same timeframe as they are currently receiving the bills. There is not a change to the dates for which customers would receive their bills if the Company mailed within the State of Ohio or if the Company mails from Omaha. The request of the Company addresses the spirit of the OAC and does not create a difference in the timeline that a customer would receive their bill if mailed from Ohio versus the current process of mailing from Omaha.

Staff has indicated that the Settlement in the current base distribution case, Case No. 20-585-EL-AIR, implemented a delayed payment fee for residential customers. The terms of the Stipulation in that case provided a seven-day grace period from the proposed assessment of a delayed payment charge after fourteen days to twenty-one days. However, it is unclear in Staff's letter how their recommendation would affect the Stipulation. Staff's letter recommended that the Commission deny the Company's request for a waiver and instead provide six months in order for the Company to make the appropriate changes to its customer billing system to change due dates from fourteen days to twenty-one days.

Under this recommendation, it is unclear if the agreement reached in the Stipulation will continue to provide a seven day grace period from the due date, i.e. would the delayed payment fee be assessed on the 29th day after the bill issued (due date

of 21 days as proposed by Staff) or on the 22nd day as it is currently in the Stipulation. The Stipulation mentioned by Staff has already addressed this concern. Staff's recommendation is that the customer have 21 days to pay the bill, under the Stipulation, the due date remains at fourteen days but no harm will come to the customer if they make the payment within twenty-one days. The Staff's suggested change gets us back to where we are today and allows for a customer to pay up to twenty one days prior to being assessed a late payment fee.

Staff notes that it has concerns that any delay in receiving the bill may harm customers due to the customer only having fourteen days from the postmark to make a payment. However, Staff correctly notes that through the Stipulation, the seven-day grace period that was included with the implementation of the delayed payment charges would provide the customer the twenty one days that Staff is suggesting here before any delayed payment fee would be assessed. The Stipulation has already addressed this concern as customers will have twenty-one days to pay the bill prior to any delayed payment fee being assessed.

The change as suggested by Staff will also require changes to the disconnection notices sent by the Company to customers that have not made payment. Currently a disconnection notice is sent with the subsequent bill issued after a bill that was previously unpaid with the total amount due as well as the disconnection date if the amount due is not paid within a certain timeframe. An increase of the due date from fourteen days to twenty-one days will delay the disconnection process and require substantial customer billing changes in order to update the due date.

As noted above, a seven-day grace period is included in the stipulation prior to assessing the delayed payment charge, which will effectively provide the customer with 21 days before the bill is delinquent. Additionally, increasing the due date from fourteen to twenty-one days will require a significant amount of IT work and adversely affect other customer bill related processes. Multiple data fixes will be required to update existing processing schedules that control meter reading, billing, due dates, credit, collections and deposit processes are required to accommodate the additional seven days. Verification and updating of the Checkless Payment Plan batch triggers is also required.

These changes all require significant User Acceptance Testing to ensure the changes are working properly. IT changes to bill processing timing are particularly complicated when they are made in the middle of a calendar year—Staff’s proposal would have an implementation date of October 6, 2021. Extension of the billing date would also have an adverse impact on the days sales outstanding metrics used to calculate carrying costs for receivables sold to AEP Credit. Finally, the increase of seven days would also cause a delay in receivables from Choice customers for AEP Ohio and the CRES providers.

CONCLUSION

Based on the factors discussed above, AEP Ohio recommends a permanent waiver of Ohio Administrative Code section 4901:1-10-33(C)(13) be granted because the customer is effectively given 21 days to make their payment before their bill is delinquent once the delayed payment charge is in effect and therefore is not adversely affected by the granting of the waiver. Due to the IT issues explained above, if a permanent waiver is not granted, AEP Ohio requests at a minimum that the waiver be extended to January 1,

2022 to coincide with its bill processing calendar. But the permanent waiver should be granted as it is fully justified based on good cause shown and does not adversely impact customers as explained in detail above.

Respectfully submitted,

/s/ Steven T. Nourse

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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.

/s/ Steven T. Nourse

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Summary: Comments -Additional Reply Comments electronically filed by Mr. Steven T Nourse
on behalf of Ohio Power Company