



Public Utilities Commission

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October 7, 2021

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

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

Dear Docketing Division:

Enclosed please find a Staff letter in the Matter of the Application of the Ohio Power Company for a Waiver of Rule 4901:1-10-33(C)(13), Ohio Administrative Code, Case No. 19-1389-EL-WVR.

A handwritten signature in cursive script that reads "Barbara Bossart".

Barbara Bossart
Chief, Reliability and Service Analysis Division
Service Monitoring and Enforcement Department
Public Utilities Commission of Ohio

Enclosure

Cc: Parties of Record

October 7, 2021

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

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

Dear Honorable Attorney Examiner:

On July 2, 2019, the Ohio Power Company (Company) requested a waiver of Rule 4901:1-10-33(C)(13) of the Ohio Administrative Code with the Public Utilities Commission of Ohio (Commission). The rule in part states “[t]he due date shall not be less than fourteen days form the date of postmark. For residential bills being issued from outside the State of Ohio the due date shall be no less than twenty-one days.” The rule provides either a 14 or a 21 day for payment of a bill before the payment is deemed late depending upon the location of the mailing (in-state or out of state). The Company prior to the waiver request issued mail from Canton, Ohio. The initial application stated that the bills would be issued from Indianapolis, Indiana with most customers receiving no change in delivery time from the Canton location.

On August 12, 2019, Commission Staff (Staff) in this proceeding provided a letter supporting the waiver based on the processing time for mail from Indianapolis, Indiana to Ohio.

On August 13, 2019, the Office of the Ohio Consumers’ Counsel (OCC) filed comments opposing the waiver.

On September 26, 2019, The Commission issued a Finding and Order for a limited waiver for one year.

On August 3, 2020, the Company filed a Motion to update the temporary waiver request. A substantial change to the update was to move the billing location from Indianapolis, Indiana to Omaha, Nebraska.

On September 15, 2020, Staff provided a letter detailing the Commission’s Call Center experience (five customer contacts over last year regarding delayed bills) that included a recommendation to deny another temporary or a permanent waiver of the rule.

On September 18, 2020, the Company filed reply comments to Staff’s letter.

On September 25, 2020, OCC filed comments opposing the waiver.

On October 7, 2020 the Commission issued a Second Finding and Order granting a limited period of six months and another six months unless OCC or Staff identify concerns during the initial six months. Neither OCC nor Staff filed concerns as of April 7, 2021.

On April 26, 2021, the Company requested the additional six-month waiver as well as an indefinite waiver of the rule.

On May 10, 2021, Staff filed a letter updating the Commission's Call center experience (eight customer contacts over six months regarding late bills and two customer contacts regarding late receipt of payment) as well as supporting the additional six-month waiver to prepare for billing system updates. Staff did not support a continuing the waiver after these six months.

On June 24, 2021, the Company filed reply comments to Staff's recommendation. Detailing three rationales for continuing the waiver. The Company suggests that the degradation of delivery times related to the United States Postal Service (USPS) is universal to all utilities, that the Company has worked with commercial customers regarding delayed payment charges, and that bills mailed from Nebraska or Ohio will still take three days.

On September 17, 2021, the USPS issued a statement regarding new service standards for First-Class mail and Periodicals on 10/1 that can be found at

<https://about.usps.com/newsroom/statements/09172021-usps-to-implement-new-service-standards-for-first-class-mail-and-periodicals.htm>. The statement reads, in part:

"On October 1, the Postal Service will implement new service standards for First-Class Mail and Periodicals. These new service standards will increase delivery reliability, consistency, and efficiency for our customers and across our network."

Most First-Class Mail (61 percent) and Periodicals (93 percent) will be unaffected by the new service standard changes. Standards for single-piece First-Class Mail traveling within a local area will continue to be two days.

The Postal Service will increase time-in-transit standards by 1 or 2 days for certain mail that are traveling longer distances. By doing so, the Postal Service can entrust its ground network to deliver more First-Class Mail, which will lead to greater consistency, reliability, and efficiency that benefits its customers.

Staff reviewed the Commission's call center contacts for the Company since the continuance of the temporary waiver for complaints arising from the Company's transitioning its bill printing and mailing functions to Nebraska. The Commission's call center received one contact between April 1, 2021 and September 15, 2021 from a customer who expressed concerns regarding the timely receipt of their bills through the mail and four contacts from customers who expressed concerns regarding the timely receipt of other notices such as rescission letters. Staff also notes that the Companies residential customers are currently not charged a late payment fee which generally is the impetus for customers to complain about delayed billing.

The lack of customer complaints to the Commission's call center, however, does not reflect the upcoming impact of the changes at the USPS. Local area delivery times will continue to be two days. A customer whose bill is mailed from Ohio will continue to receive two-day service. Time in Transit for non-local mail will increase by one or two days. Thus, a

customer whose bill is mailed from Nebraska may receive their mail in four or five days. This change in out of state mailing times further convinces Staff that the waiver should be denied. Admittedly, the degradation of postal delivery times experienced last year as a result of COVID 19 did impact both local and out of state in transit times for mail and all utilities were impacted. The recent change in USPS time in transit standards, however, will only impact utilities that choose to locate their billing and mailing functions outside the State of Ohio. In addition, the changes at USPS no longer makes the third rationale by the Company that bills mailed from Nebraska or Ohio will take three days. Today mail from Nebraska may take five days. The Company's assurance that delivery times have rebounded and that a delay is not based on bills being mailed outside the state of Ohio is no longer true.

Customers are provided with additional time when the bill is mailed from out of state to ensure that the customers receiving them will have ample time to pay and avoid any late fees, disconnection in service or assessment of a deposit to reestablish creditworthiness. Staff believes that twenty-one days is a reasonable amount of time for residential customer to be allowed to pay considering the additional mailing time and the increased reality of longer delays due to changes in out of state in transit times with the USPS. Staff still has concerns that any delay in the mail, given that the customer only has 14-days from the post mark date to make a payment by the due date, may cause harm to the customer. Staff recognized in its previous letter in May that the Company may have to make changes to its billing systems to extend the due dates to twenty-one days from the bill date which is why Staff was not opposed to a temporary six-month waiver to allow the Company time to update its billing system to reflect the extended due date period.

For the above reasons, Staff believes that the Company's request to extend the waiver of Ohio Adm.Code 4901:1-10-33(C)(13) should be denied for the purpose intended and that the Company should comply with Ohio Adm.Code 4901:1-10-33(B)(13) and 4901:1-10-22(B)(10). The Company's initial application requested this waiver when the billing was mailed from Indianapolis, Indiana. Today, the billing is from Omaha, Nebraska and the USPS has increased the in-transit time for non-local first-class mail by an additional one to two days. Staff believes these additional facts do not support the Companies request for waiver.

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Case No(s). 19-1389-EL-WVR

Summary: Comments Staff letter update electronically filed by Mr. Craig E. Smith on behalf of PUCO Staff