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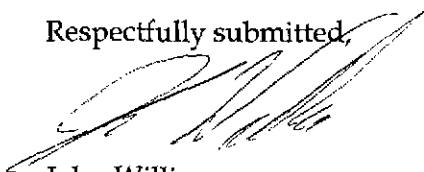
In the Matter of the Commission's	)	
Review of Chapters 4901:1-17 and	)	
4901:1-18, and Rules 4901:1-5-07,	)	Case No. 08-723-AU-ORD
4901:1-10-22, 4901:1-13-11,	)	
4901:1-15-17, 4901:1-21-14,	)	Case No. 13-274-AU-ORD
and 4901:1-29-12 of the	)	
Ohio Administrative Code.	)	

To the Honorable Commission:

The Commission in the April 1, 2009 Entry on Rehearing stated its intent to evaluate the restructured Percentage of Income Program ("PIPP program") after two years of accumulating data, to determine if further program adjustments were necessary. The Commission also directed its Staff to analyze the program data and report the results with conclusions and recommendations.

The enclosed PIPP program data analysis report, along with its conclusions and recommendations, are presented to the Commission for its consideration. This report does not purport to reflect the views of the Commission, nor should any party consider the Commission as bound in any manner by the findings and recommendations set forth herein.

Respectfully submitted,



John Williams  
Director  
Service Monitoring and  
Enforcement Department

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## PIPP Plus Program Review

### Introduction

In its April 1, 2009, Entry on Rehearing, which adopted new and amended rules in Chapters 4901:1-17 and 4901:1-18, Ohio Administrative Code (O.A.C.), the Public Utilities Commission of Ohio (Commission), stated its intent to review the rules, specifically those around the restructured Percentage of Income Payment Plan (PIPP), within two years of their implementation.<sup>1</sup> As part of this review, the Commission charged its staff with developing new utility reporting requirements that would include an opportunity for stakeholders input on what they believed to be valuable in assessing the PIPP program.<sup>2</sup> Staff was also charged with analyzing the data and reporting to the Commission the results, including conclusions and recommendations on the PIPP program.

Staff informally obtained input from stakeholder groups and worked with the natural gas and electric utilities to fashion new reporting requirements. Improved reporting requirements by the natural gas and electric utility companies, specifically on past due accounts and collection activities, have allowed staff to monitor payment frequency, usage, and arrearages. The following PIPP program review includes an analysis of data collected from November 1, 2010 through November 30, 2012, after the changes in the PIPP rules. Unless otherwise noted, all data was collected from the PIPP Metrics Database, which contains the information collected by staff from the utilities. Staff believes this data is valuable and its continued collection will allow trends in PIPP customer payment and usage patterns to emerge. Staff recommends that the natural gas and electric utilities continue to provide data for the PIPP Metrics Database.

### PIPP Plus

The PIPP rules found in Chapter 18, O.A.C.,<sup>3</sup> constitute a payment plan that allows income eligible customers to maintain their gas and electric service by paying a percentage of their monthly household income toward their energy usage. Customers remain responsible for the dollar difference between their PIPP payment and their actual bill; this accumulating difference in dollar amount is referred to as the customer's arrearage. Also as part of the PIPP program, customers have been required to apply for energy assistance. Although rules requiring the natural gas and electric utilities to offer PIPP have existed since 1983,<sup>4</sup> it was not until the most recent rule revision that the

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<sup>1</sup> *In the Matter of the Commission's Review of Chapters 4901:1-17 and 4901:1-18, Ohio Administrative Code, et al.*, Case No. 08-723-AU-ORD, Entry on Rehearing at 47 (April 1, 2009).

<sup>2</sup> *Id.* at 46.

<sup>3</sup> Historically the rule outlining PIPP was found under Rule 4901:1-18-04(B), O.A.C., Extended Payment Plans.

<sup>4</sup> *In the Matter of the Investigation into Long-Term Solutions Concerning Disconnection of Gas and Electric Service in Winter Emergencies*, Case No. 83-303-GE-COI, Opinion and Order (November 23, 1983).

Commission adopted new rules that provide incentives for PIPP customers to maintain their payment plan commitments, as well as to pay off their accrued arrearages. The new rules added a Plus<sup>5</sup> to the basic PIPP program. The PIPP Plus rules for natural gas utilities are administered by the Commission, and those for the electric utilities are administered by the Ohio Development Services Agency (ODSA).<sup>6</sup> Both sets of rules became effective on November 1, 2010.

The PIPP Plus program is designed to help low-income customers avoid disconnection of their gas and electric utility services while encouraging consistent monthly payments by the customer. The overall goal of the restructured PIPP Plus program is to generate positive financial benefits to all ratepayers by addressing the payment issues of low-income customers.<sup>7</sup> The table below (Figure 1) highlights the differences between the original PIPP program and the restructured PIPP Plus program.

**Figure 1**  
**Comparison of the Original PIPP Program and the New PIPP Plus Program**

<b>Topic</b>	<b>Former PIPP Program</b>	<b>PIPP Plus</b>
<b>Payment Percentage</b>	PIPP customers were required to pay 10% of their monthly household income for the primary heat source and 5% of their monthly household income for the secondary heat source. All electric households were required to pay 15% of their monthly household income.	Customers pay 6% of their monthly household income for the primary heat source and 6% for electric base load usage. All-electric households pay 10% of their monthly household income.
<b>Year-Round Program</b>	Electric customers were required to pay PIPP installments during winter months. During the summer months, customers were required to pay the PIPP installment or the current bill, whichever was higher. Natural gas customers were required to pay 10% of their monthly household income year-round.	Electric and natural gas PIPP Plus customers pay the installment amount year-round.

<sup>5</sup> PIPP Plus is a working reference to the following rules in the O.A.C.: Rule 4901:1-18-12, O.A.C., Percentage of Income Payment Plan Program Eligibility for Gas Utility Service; Rule 4901:1-18-13, O.A.C., Payment Requirements for PIPP Customers; Rule 4901:1-18-14, O.A.C., Incentive Programs for PIPP and Graduate PIPP Customers; Rule 4901:1-18-15, O.A.C., General PIPP Provisions; Rule 4901:1-18-16, O.A.C., Graduate PIPP; Rule 4901:1-18-17, O.A.C., Removal from or Termination of Customer Participation in the PIPP.

<sup>6</sup> The rules for Electric PIPP Plus are found in Chapter 122:5-3, O.A.C.

<sup>7</sup> *In the Matter of the Commission's Review of Chapters 4901:1-17 and 4901:1-18, Ohio Administrative Code, et al.*, Case No. 08-723-AU-ORD, Entry at 6 (June 25, 2008).

<b>Zero Income</b>	Customers who had no "countable" household income were not required to make a payment. These customers were required to reverify their household income every 90 days.	The minimum payment for both the electric and natural gas programs is \$10 per month and customers are now required to reverify income annually. However, the electric program allows for a waiver of the minimum payment up to 180 days once within a 5-year period.
<b>Graduate PIPP Plus</b>	Customers who were no longer income eligible for PIPP could go on a company-specific arrearage crediting program to pay the accrued arrearages. The income ineligible arrearage crediting program allowed customers the opportunity to receive assistance from the utility company on their remaining debt. Both the natural gas and electric utility companies were required to offer arrearage crediting programs. These programs varied in payment amount and length of time a customer could participate.	Graduate PIPP Plus is a 12-month program. It allows customers who are no longer eligible to participate in PIPP Plus, as a result of an increase in the household income or a change in the household size, to continue to receive a reduction in their outstanding arrearages in return for making timely payments. Payments for natural gas customers is based on the customer's most recent PIPP Plus installment, plus a budget plan amount (established by the utility company) divided by two. This is called the transition installment amount. Electric customers may choose one of three payment plans which involves paying either a transition installment amount, a budget payment plan amount, or the current bill.

### Payment Patterns

As stated above, a primary goal of the PIPP Plus program is to generate positive financial benefits to all ratepayers by addressing the payment issues of low-income customers. In order to improve payment patterns and encourage responsible payment behavior, the Commission created incentives for customers to pay monthly installments on-time and in-full. Each month that a PIPP Plus customer pays his/her installment on-time and in-full, he/she receives a 1/24<sup>th</sup> arrearage credit on the total account balance, plus any difference between the installment amount and the actual usage amount is forgiven.

Graduate PIPP Plus is available to customers who are no longer income eligible or no longer wish to participate in PIPP Plus.<sup>8</sup> Customers can be enrolled on Graduate PIPP Plus for 12 months immediately following removal from PIPP Plus. Each month that a Graduate PIPP Plus customer pays his/her installment on-time and in-full, he/she

<sup>8</sup> Rule 4901-18-16, O.A.C., Graduate PIPP program.

receives a 1/12<sup>th</sup> arrearage credit on the total account balance, plus any difference between the installment amount and the actual usage amount is forgiven.

During the first six months of PIPP Plus, 71 percent of the active electric PIPP Plus customers and 65 percent of the active natural gas PIPP Plus customers were making consistent monthly payments.<sup>9</sup> By the end of the first year of the program, 75 percent of the electric and 67 percent of the natural gas PIPP Plus customers were making installment payments each month. The percentage of customers making consistent monthly payments has continued to increase in the second year of PIPP Plus. In 2012, an average of 79 percent of electric PIPP Plus customers and 68 percent of the natural gas PIPP Plus customers paid their monthly installments.

The Graduate PIPP Plus program also experienced an increased level of customers making monthly payments. During the first six months of Graduate PIPP Plus, 57 percent of electric and 73 percent of natural gas customers made monthly installment payments. By the end of 2011, payment levels had slightly increased to 69 percent of electric and 74 percent of natural gas customers. By the end of 2012, the overall number of Graduate PIPP Plus customers making payments had risen for electric (75 percent) and dropped slightly for natural gas (72 percent).

These statistics show that a greater percentage of customers are making payments each month when compared to payments made prior to the implementation of PIPP Plus. Staff attributes this change to the payment requirements of the revised PIPP Plus program, which require a lower percentage of income payment (6 percent for natural gas and 6 percent for electric base load<sup>10</sup>), a consistent year-round percentage of payment, and rewards customers for making payments by the due date. This also makes the programs easier to explain and for PIPP Plus customers to understand.

### **Responsible Energy Consumption**

The PIPP Plus program does not contain an energy conservation requirement. In the Entry on Rehearing establishing the rules for the PIPP Plus program, the Commission stated that it would consider conservation incentive programs for PIPP and Graduate PIPP customers in the future.<sup>11</sup> Though the Commission did not implement an incentive energy credit, it stated that it would “look for an opportunity for a gas utility company to implement a pilot program to provide additional information to explore and develop a conservation incentive program.”<sup>12</sup> Staff continues to believe it is important that PIPP Plus customers have an incentive to conserve their natural gas and

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<sup>9</sup> The natural gas percentage reflects the total PIPP Plus accounts per month and the electric percentage reflects the total number of PIPP Plus monthly bills issued.

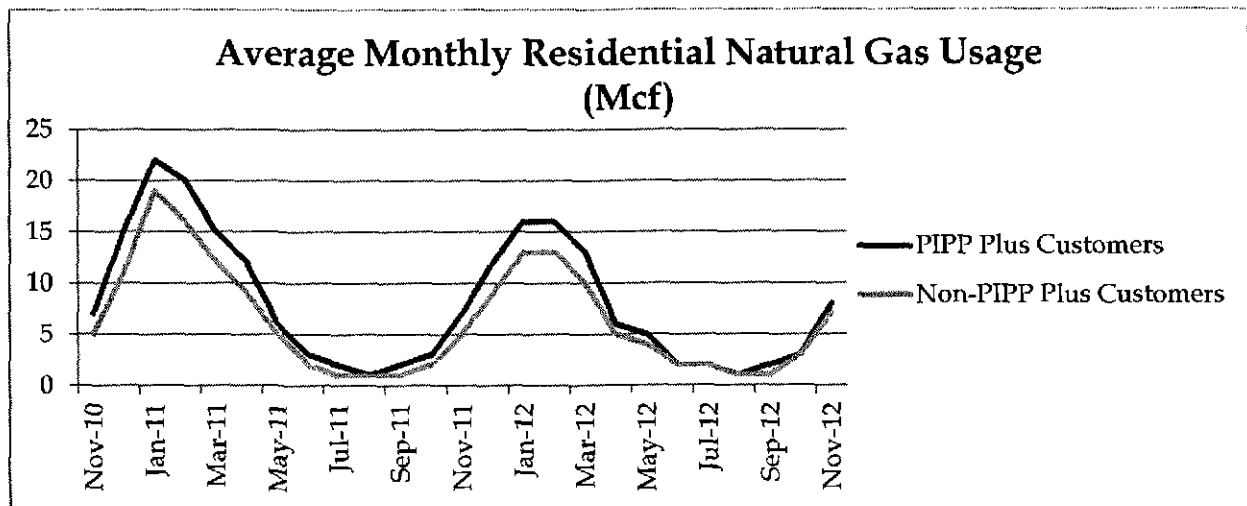
<sup>10</sup> Rule 122:5-3-01, O.A.C., Electric base load residence means a residence for which electricity is not the primary source of heating.

<sup>11</sup> *In the Matter of the Commission's Review of Chapters 4901:1-17 and 4901:1-18, Ohio Administrative Code, et al.*, Case No. 08-723-AU-ORD, Finding and Order at 67 (December 17, 2008).

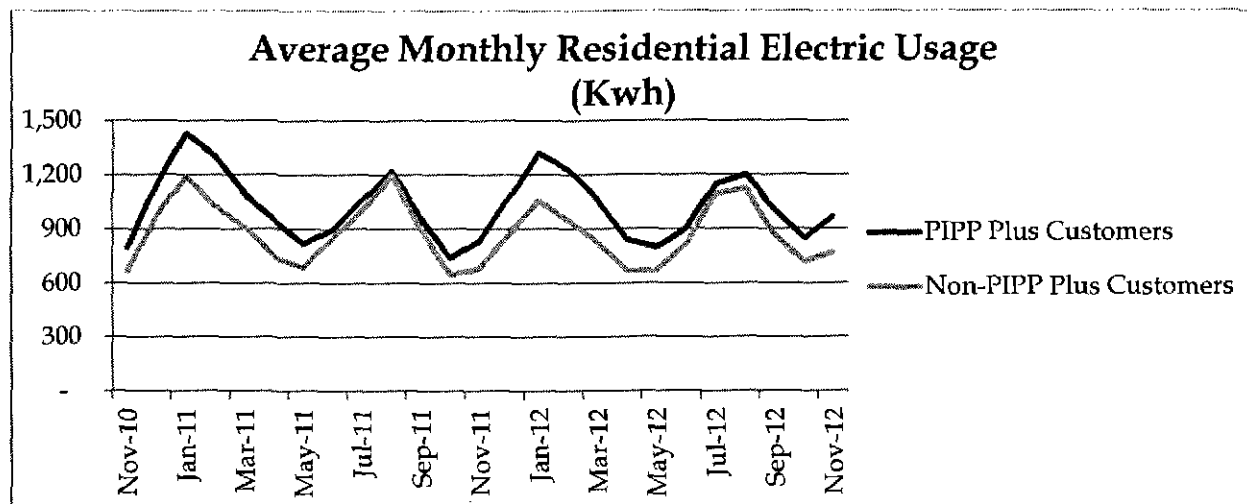
<sup>12</sup> *Id.* at 68.

electric usage. The data collected since the beginning of the PIPP Plus program shows that electric PIPP Plus customers use more electricity than non-PIPP Plus customers, regardless of the season. Natural gas PIPP Plus customers also use more natural gas than other residential customers, except during the summer billing months (June through August). The charts below (Figures 2 and 3) trend natural gas and electric usage for all residential customers compared to those who participate in the PIPP Plus program.

**Figure 2**  
**Comparison of Gas PIPP Plus vs. Non-PIPP Plus Usage<sup>13</sup>**



**Figure 3**  
**Comparison of Electric PIPP Plus vs. Non-PIPP Plus Usage<sup>14</sup>**



<sup>13</sup> PIPP Metrics Database.

<sup>14</sup> *Id.*

PIPP Plus customers use more natural gas and electricity than non-PIPP Plus residential customers for several reasons, including the quality of house construction and the lack of or poor quality insulation. The Home Weatherization Assistance Program (HWAP)<sup>15</sup> weatherized approximately 7,100 low-income homes in program year 2008. HWAP received an increase in funding in 2009 to weatherize additional low-income homes in Ohio. In 2009, HWAP also raised the eligibility guidelines to offer weatherization to households with incomes from 150 percent up to 200 percent of the Federal Poverty Level. For program years 2009 through 2012, approximately 13,500 homes were weatherized annually. Although the funding has been reduced, HWAP anticipates that 3,841 homes will be weatherized during the 2012-2013 program year.<sup>16</sup> Demand for HWAP services continues to be high.

Staff recommends exploring energy conservation as part of the PIPP Plus program review in the upcoming rulemaking for Chapters 17 and 18.<sup>17</sup> As part of the rule review process, stakeholders will be afforded the opportunity to suggest options to accomplish this goal.

### **The Winter Reconnect Order and PIPP Plus Customers**

The Winter Reconnect Order (WRO) is an annual Commission order which provides an opportunity for all residential customers to maintain or restore natural gas or electric service during the winter heating season with a payment of \$175.<sup>18</sup> Of the approximately 3.1 million natural gas and 4.2 million electric residential customers, less than 1 percent utilized the WRO to maintain service or prevent disconnection during the 2011 and 2012 winter heating season.

During the 2009-2010 (last winter heating season under the old PIPP rules) 129,773 PIPP customers used the WRO to maintain or reconnect service. During the first heating season (2010-2011) under the new PIPP Plus rules, Staff saw a reduction of WRO utilization by PIPP Plus customers of 8 percent (118,907). During the 2011-2012 winter heating season, the number of customers decreased to 110,260, a further reduction of 7 percent (see Figure 4). Since PIPP Plus customers are paying more consistently, the need to utilize the WRO to maintain natural gas and electric service has decreased.

The data also shows that the majority of the customers who utilize the WRO are non-PIPP Plus customers. Without the benefit of the special reconnect order, these

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<sup>15</sup> HWAP is a federally funded program administered by ODSA's Office of Community Assistance.

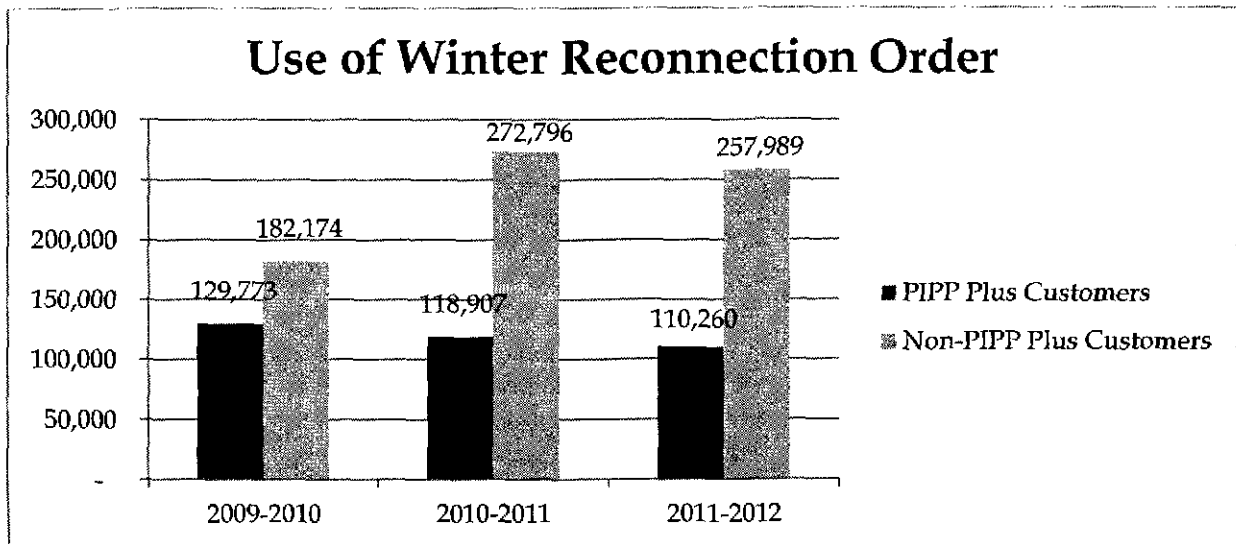
<sup>16</sup> Information provided by ODSA.

<sup>17</sup> *In the Matter of the Commission's Review of its Rules for the Establishment of Credit for Residential Utility Services and the Disconnection of Gas, Natural Gas or Electric Services to Residential Customers Contained in Chapters 4901:1-17 and 4901:1-18 of the Ohio Administrative Code*, Case No.13-274-AU-ORD.

<sup>18</sup> The most recent WRO was issued in *In the Matter of the Commission's Consideration of Solutions Concerning the Disconnection of Gas and Electric Service in Winter Emergencies for 2012-2013 Winter Heating Season*, Case No. 12-2382-GE-UNC, Finding and Order (September 5, 2012).

customers would have either lost their utility service or been unable to have service reconnected without full payment of the past due amount. The WRO continues to be a safety net for all residential customers in the state of Ohio.

**Figure 4**  
**Comparison of PIPP Plus Customers to Non-PIPP Plus Customers Using the WRO<sup>19</sup>**



### Seasonal Variations in PIPP Plus Customer Behavior

In order to effectively evaluate the PIPP Plus program, the Commission directed the natural gas and electric utilities to provide monthly data regarding PIPP Plus customer payment patterns and their ability to maintain service including: use of extended payment plans, disconnections, and reconnections. The evaluation of this data through the PIPP Metrics Database has assisted staff in determining customer payment behavior during certain times of the year. The data has shown, for example, that electric PIPP Plus customers are more likely to utilize medical certificates<sup>20</sup> at various times throughout the year, while natural gas PIPP Plus customers tend to utilize medical certificates during the summer months. Of the 44,000 electric medical certificates obtained in 2012, 49 percent were electric PIPP Plus customers. In 2012, of the 22,443 residential natural gas medical certificates used, 27 percent were used by PIPP Plus customers. Sixty four percent of the medical certificates used by these PIPP Plus customers were used between the months of May 2012 and October 2012; a trend that may show that natural gas PIPP Plus customers use medical certificates in the warmer months to ensure that the gas service is maintained.

<sup>19</sup> PIPP Metrics Database.

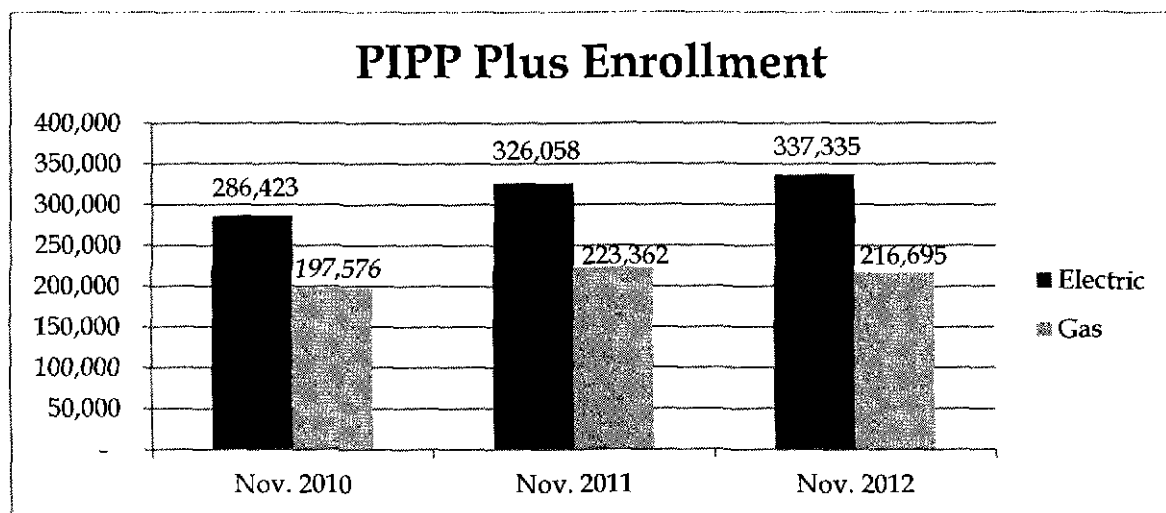
<sup>20</sup> Rule 4901:1-18-06(C), O.A.C., allows a residential customer facing disconnection of service to maintain for 30 days natural gas or electric service, if they obtain a medical certification from specified medical professionals.



## Costs of the PIPP Plus Program

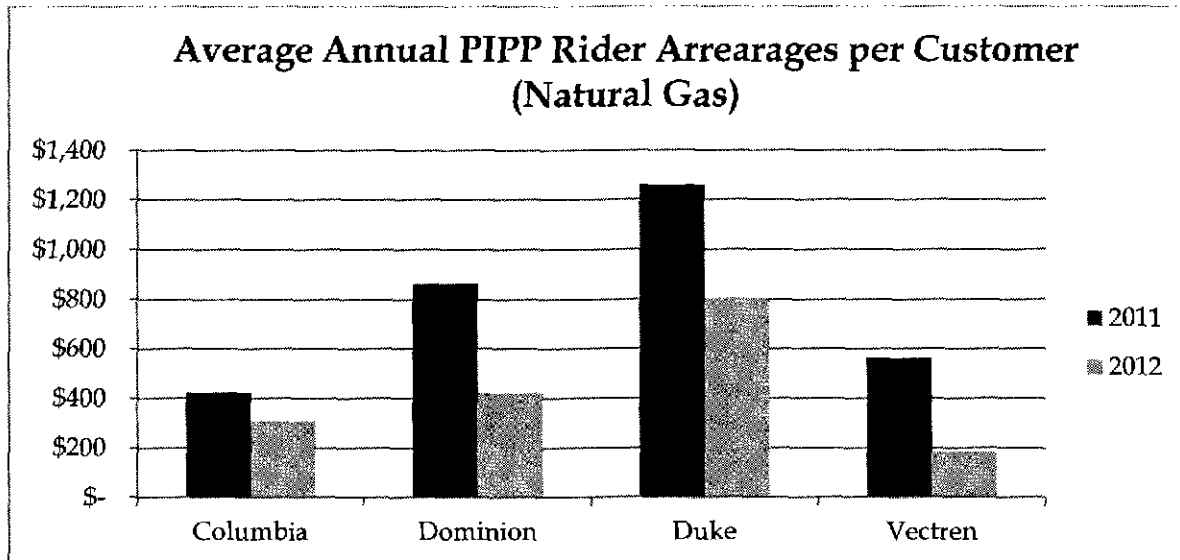
The PIPP Plus program is funded through natural gas PIPP riders and electric Universal Service Fund (USF) riders. The cost of these programs is borne by all ratepayers. Overall, the number of customers enrolled in PIPP Plus (both PIPP Plus and Graduate customers) has increased by 14 percent since the beginning of the new program. During the period from November 2010 to November 2012, natural gas PIPP Plus enrollment increased by 10 percent, while electric PIPP Plus enrollment increased by 18 percent over the same time period (Figure 5).

**Figure 5**  
**Comparison of Annual Enrollment Numbers for the PIPP Plus Program**

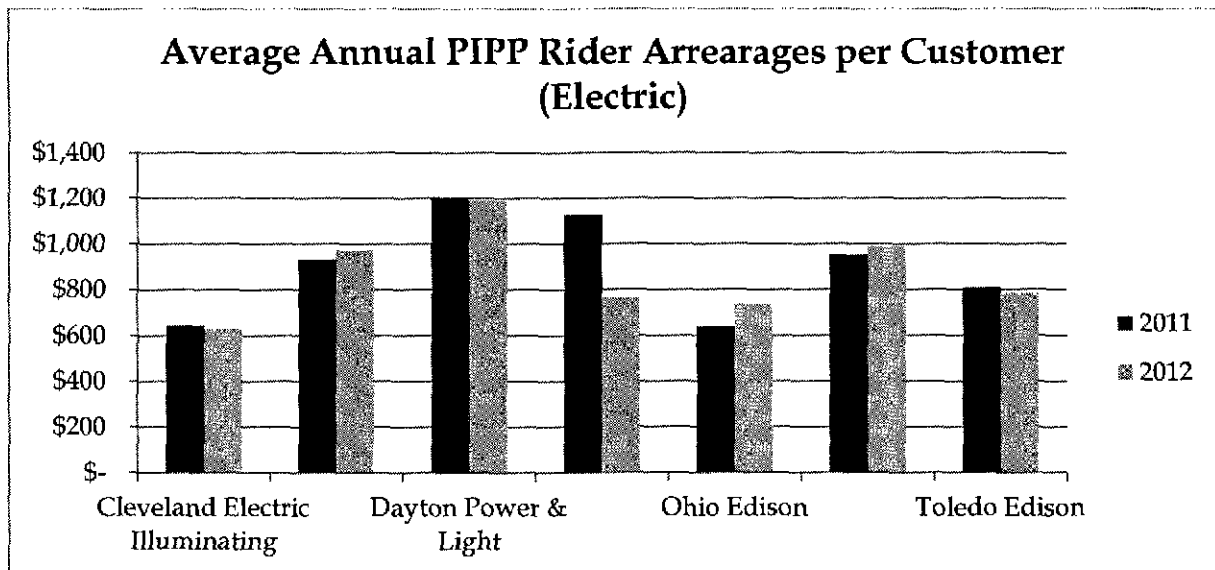


The amount of PIPP arrearages recovered annually through the PIPP and the USF riders is an overall indicator of the cost of the program. In 2011, the natural gas companies' average annual per customer PIPP rider arrearage was \$777.76. In 2012, this average per customer arrearage fell to \$430.41. Figure 6 below illustrates each natural gas company's annual average PIPP rider recoverable per PIPP Plus customer for both 2011 and 2012. The electric companies' 2011 average annual USF arrearage recoverable per PIPP Plus customer was \$1,018.38. The average in 2012 was \$976.44 (Figure 7). These arrearages include both PIPP Plus and Graduate PIPP Plus customer arrears.

**Figure 6**  
**Comparison of Gas Arrearages Recoverable Through the PIPP Plus Riders**



**Figure 7**  
**Comparison of Electric Arrearages Recoverable Through the USF Riders**



From 2011 to 2012, the electric PIPP Plus arrearages decreased by 4 percent while natural gas PIPP Plus arrearages decreased by 45 percent. The slight decrease in electric PIPP Plus arrearages could be a result of several factors such as electric utility rate increases, weather (a hotter than normal summer), or the move to paying the PIPP Plus installment amount on a year-round basis. The decrease in natural gas arrearages could be a result of lower natural gas prices, a warmer than normal winter of 2011-2012, or an increased payment frequency by PIPP Plus customers.

## Comparison of the Gas and Electric PIPP Plus Programs

There are nine areas where the natural gas and electric PIPP Plus programs have different rules. Below is a description of both the PIPP Plus natural gas and electric programs:

- (1) **Anniversary Date** – The original PIPP program allowed customers to remain on the program as long as they were income eligible. Both the natural gas and electric programs created requirements to encourage customers to make regular payments to maintain participation in PIPP Plus. The natural gas program uses the Anniversary Date to encourage regular monthly payments. All natural gas PIPP Plus customers must be current on PIPP Plus installment payments as of their Anniversary Date.<sup>21</sup> Customers have 30 days after the Anniversary Date to make up the missed payments or the natural gas company will automatically remove the customer, bill all arrearages, and charge the customer the full amount due for actual usage going forward.

For calendar year 2011, 39,879 gas accounts were removed from the PIPP Plus program for failure to bring the account current (make 12 payments) at the Anniversary Date. For January through November 2012, 36,886 gas accounts (approximately 19 percent) were removed from the program at the Anniversary Date. This data suggests that the vast majority (over 80 percent) of all natural gas PIPP Plus customers are able to make the required payments to remain on the program at the Anniversary Date.

The electric PIPP Plus program does not have a requirement for removal at the Anniversary Date. In accordance with the electric rules, ODSA may direct an electric utility to remove a PIPP Plus customer from the program, if the customer misses two consecutive payments.<sup>22</sup>

- (2) **Post PIPP Plus**<sup>23</sup> – The electric Post PIPP Plus option allows an electric customer who closes his/her account with the electric utility and has a final bill with an arrearage to earn Post PIPP Plus arrearage credits for the immediate 12-month period following the closure of the account. The customer must pay at least 1/60<sup>th</sup> of the customer arrearage each month. The electric utility will credit the customer's arrearage by 1/12<sup>th</sup> for each payment received. There is no parallel option for Post PIPP Plus natural gas customers.

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<sup>21</sup> Rule 4901:1-18-12(D)(2), O.A.C.

<sup>22</sup> Rule 122:5-3-02(H)(1)(b), O.A.C.

<sup>23</sup> Rule 122:5-3-04(B)(5)(c), O.A.C.

- (3) On-time Payment Definition – Natural gas PIPP Plus customers must pay their PIPP Plus installment by the billing due date to be eligible for arrearage crediting.<sup>24</sup> The due date is usually 14 days after the postmark on the bill. The electric PIPP Plus customers must pay their PIPP Plus installment on time to be eligible for arrearage credits.<sup>25</sup> According to ODSA, this means the installment payment must be paid before the next bill prints. Since the utility companies print bills approximately 30 days apart, electric customers may have approximately two additional weeks to pay their bill and still receive the incentive credits.

A review of the data shows that in 2011, 72 percent of active natural gas and 71 percent of active electric PIPP Plus customers who paid their installments received incentive credits. During the second year of the program, the electric customers were made aware that they had additional time to pay and still receive credits. The data from January through November 2012 shows that 75 percent of the natural gas PIPP Plus customers who timely paid their bill received incentive credits compared to 68 percent of the active electric PIPP Plus customers who paid monthly. The data suggests that customers are more likely to pay on time when given a specific due date.

- (4) Heating source eligibility – Natural gas PIPP Plus customers must have natural gas as the heating source to be eligible to participate in the PIPP Plus program.<sup>26</sup> Under the old PIPP rules, electricity was required to be a secondary heat source, meaning that the heat source's thermostat was controlled by electric. Without electricity to the thermostat, the heat source would not work. The new electric PIPP Plus rules allow the customer to either have an electrically heated residence (primary source of heat) or an electric base load residence (not the primary source of heat).<sup>27</sup> There is no data to show how many electric customers became eligible for PIPP Plus under the new rules. As of November 2010, when the new rules went into effect, 286,423 electric customers were enrolled in the program. Two years later, as of November 2012, 337,335 electric customers were enrolled in PIPP Plus, which is an increase of 18 percent.
- (5) Overpayment of monthly installment – As a policy practice, the natural gas PIPP Plus program requires that any excess installment payments be applied directly to the customer's arrearage balance. The electric program allows any overpayments of installments to be held to be credited against future installments. There is no data to track how frequently customers make

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<sup>24</sup> Rule 4901:1-18-14(A)(1), O.A.C.

<sup>25</sup> Rule 122:5-3-04(B)(3), O.A.C.

<sup>26</sup> Rule 4901:1-18-13(A)(1), O.A.C.

<sup>27</sup> Rule 122:5-3-01, O.A.C.

overpayments and how much the arrearages were reduced by these overpayments.

- (6) Reenrollment after removal for not reverifying income timely - Both natural gas and electric customers removed from PIPP Plus for not reverifying income timely are required to pay any missed PIPP Plus installments due at the time of removal and reverify income. Natural gas PIPP Plus customers must also pay any full bills for the months the customer received service but was not enrolled on PIPP Plus.<sup>28</sup> In contrast, electric PIPP Plus customers must pay missed PIPP Plus installments for the months the customer was not enrolled on the program.<sup>29</sup> Since the reverification process for both natural gas and electric PIPP Plus occurs at the same time (either during a visit to the Community Action Agency or by completion of the joint HEAP/PIPP Plus application), it can be confusing to customers that the reenrollment processes are not the same. There is no data to show which option is more beneficial for the customer.
- (7) Reenrollment after removal upon disconnection for non-payment - Natural gas PIPP Plus customers must pay all missed PIPP Plus installments due at the time of disconnection and pay PIPP Plus installments for the months the customer was without service, up to the amount of the arrears, and pay a reconnect fee.<sup>30</sup> Electric PIPP Plus customers must pay all missed PIPP Plus installments due at the time of disconnection and pay a reconnection charge.<sup>31</sup> Some natural gas customers who lose service in the spring are likely to remain without service throughout the summer. These customers often have PIPP Plus arrearages. The goal of PIPP Plus is for customers to maintain service with regular monthly payments including the summer months when the natural gas PIPP Plus installment payment is possibly larger than the customer's actual summer gas bill. Those customers who elect not to pay the monthly installment and forgo service during the summer are receiving benefits via incentive credits during the winter but are not helping to reduce the gas PIPP Plus rider by paying into the program in the summer. There is no data to track which method encourages payment or prevents disconnection. Electric customers are allowed to pay less to be reconnected than natural gas customers.
- (8) Self-sufficiency for customers who declare zero income - Prior to the restructured PIPP Plus program, PIPP customers who had zero income were not required to make a monthly payment. Meanwhile, these customers continued to build an arrearage. These customers were required to reverify their income every 90 days.

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<sup>28</sup> Rule 4901:1-18-17(B), O.A.C.

<sup>29</sup> Rule 122:5-3-03(C)(1), O.A.C.

<sup>30</sup> Rule 4901:1-18-12(D)(4), O.A.C.

<sup>31</sup> Rule 122:5-3-02(H)(1)(a), O.A.C.

The electric PIPP Plus program allows zero income customers to waive the minimum payment for 180 days every five years.<sup>32</sup> During the electric waiver period, customers do not receive incentive credits, but do accrue additional arrearages and must reverify their income after the 180-day period. Natural gas customers do not have a waiver option. Natural gas customers can reduce their arrearages and not incur additional arrearages with a timely payment of \$10, and must reverify income annually. This allows zero-income customers to immediately participate in arrearage reduction and prevent the accumulation of new arrears for a \$10 on-time minimum payment.

- (9) Graduate PIPP Plus - The natural gas program has one option (the transition installment) for customers who are no longer income eligible or choose to leave PIPP Plus. The electric program grandfathered previous arrearage program participants who elected to remain with the company-specific arrearage crediting program. Additionally, electric customers can choose from three Graduate PIPP Plus plan options. Customers can elect to pay a budget payment plan, the current bill or the transition installment amount (customer's most recent PIPP Plus installment plus a budget plan amount divided by two).

#### **Staff Recommendations**

- (1) Staff recommends that the natural gas and electric utilities continue to provide data for the PIPP Metrics Database.
- (2) Staff recommends exploring energy conservation as part of the PIPP Plus program in the upcoming rulemaking for Chapters 17 and 18.
- (3) Staff recommends that the PIPP Plus natural gas and electric rules and programs be aligned to reduce customer confusion and encourage timely, regular customer payments. Staff further recommends that stakeholders be provided with the opportunity for input on the best methods for accomplishing this goal.

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<sup>32</sup> Rule 122:5-3-04(2), O.A.C.