

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

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 ) Case No. 13-274-AU-ORD  
Electric Services to Residential Customers )  
Contained in Chapters 4901:1-17 and )  
4901:1-18 of the Ohio Administrative )  
Code. )

ENTRY

The Commission finds:

- (1) Section 119.032, Revised Code, requires all state agencies to conduct a review, every five years, of their rules and to determine whether to continue their rules without change, amend their rules, or rescind their rules. At this time, the Commission is reviewing the rules contained in Chapters 4901:1-17 and 4901:1-18 of the Ohio Administrative Code (O.A.C.).
- (2) Section 119.032(C), Revised Code, requires that the Commission determine:
  - (a) Whether the rules should be continued without amendment, be amended, or be rescinded, taking into consideration the purpose, scope, and intent of the statute under which the rules were adopted;
  - (b) Whether the rules need amendment or rescission to give more flexibility at the local level;
  - (c) Whether the rules need amendment to eliminate unnecessary paperwork; and

- (d) Whether the rules duplicate, overlap with, or conflict with other rules.
- (3) In addition, on January 10, 2011, the Governor of the state of Ohio issued Executive Order 2011-01K, entitled "Establishing the Common Sense Initiative," which sets forth several factors to be considered in the promulgation of rules and the review of existing rules. Among other things, the Commission must review its rules to determine the impact that a rule has on small businesses; attempt to balance the critical objectives of regulation and the cost of compliance by the regulated parties; and amend or rescind rules that are unnecessary, ineffective, contradictory, redundant, inefficient, or needlessly burdensome, or that have had negative, unintended consequences, or unnecessarily impede business growth.
  - (4) Additionally, in accordance with Section 121.82, Revised Code, in the course of developing draft rules, the Commission must evaluate the rules against the business impact analysis (BIA). If there will be an adverse impact on businesses, as defined in Section 107.52, Revised Code, the agency is to incorporate features into the draft rules to eliminate or adequately reduce any adverse impact. Furthermore, the Commission is required, pursuant to Section 121.82, Revised Code, to provide the Common Sense Initiative (CSI) office the draft rules and the BIA.
  - (5) The Commission notes that rules regarding Ohio's Percentage of Income Payment Plan (PIPP) program are contained in both the Commission's rules for gas utilities, Chapter 4901:1-18, O.A.C., and in the Ohio Development Services Agency's (ODSA) rules for electric utilities, Chapter 122:5-3, O.A.C. While considering potential changes to the rules for the PIPP program, the staffs of the two agencies have been coordinating their review of the rules in order to establish clear and consistent rules for both the gas and electric utilities.
  - (6) Accordingly, a joint workshop was held by the Commission and ODSA on March 5, 2013, to engage stakeholders on

appropriate revisions to Commission Chapters 4901:1-17 and 4901:1-18, O.A.C., and ODSA Chapter 122:5-3, O.A.C.

- (7) The Commission's Staff evaluated the rules contained in Chapters 4901:1-17 and 4901:1-18 O.A.C., as well as all stakeholder feedback provided at the March 5, 2013, workshop, and recommends amendments to several rules, as shown in the attachment to this entry. In addition, in Attachment E, Staff seeks written feedback on energy conservation measures that are not a part of the proposed rule revisions. The proposed revisions are summarized as follows:
- (a) Staff recommends, in Rule 4901:1-17-03, O.A.C., that guarantor agreements be posted on the Commission's website.
  - (b) In Rule 4901:1-17-04, O.A.C., Staff proposes language requiring that all payment invoices provide customers with notice that a deposit may be required.
  - (c) In Rule 4901:1-18-06, O.A.C., Staff proposes a new provision to address circumstances where a utility is unable to gain access to the premises in order to disconnect service. In addition, Staff suggests an additional provision providing guidelines for landlords or property owners who elect to leave utility service on, in accordance with landlord reversion agreements.
  - (d) Staff proposes the inclusion of a rebuttable presumption that, whenever a utility disconnects a meter due to alleged tampering, the person in possession or control of the meter at the time of the tampering shall be responsible to pay for service rendered through the meter.
  - (e) In Rule 4901:1-18-08(G), O.A.C., Staff reorganizes the rule to make more clear and easier to comprehend.

- (f) In Rule 4901:1-18-13, O.A.C., Staff suggests that any overpayment of PIPP Plus or Graduate PIPP Plus payments shall be applied to a customer's arrearage, if applicable, or once any default balance has been paid, overpayments shall be applied towards future PIPP Plus or Graduate PIPP Plus payments.
  - (g) Staff clarifies the credit balance provisions contained within Rule 4901:1-18-14, O.A.C.
  - (h) Staff proposes that any PIPP Plus customer who voluntarily leaves PIPP Plus and later rejoins after 12 months would be required to pay any missed PIPP Plus payments for the number of months not enrolled in the program in Rule 4901:1-18-15, O.A.C. Staff also adds a provision on final bill payment agreements.
  - (i) Staff adds language to Rule 4901:1-18-16, O.A.C., explaining that any active or former graduate PIPP Plus customer that meets the income qualifications may reenroll in PIPP Plus at any time.
  - (j) In Rule 4901:1-18-17, O.A.C., Staff includes new language addressing fraudulent acts.
- (8) Staff's proposed changes to Chapters 4901:1-17 and 4901:1-18, O.A.C. (Attachments A and C) and the BIA for these chapters (Attachment B and D) and Staff's energy conservation questions (Attachment E), are posted at: [www.puco.ohio.gov/puco/rules](http://www.puco.ohio.gov/puco/rules). To minimize the expense of this proceeding, the Commission will serve a paper copy of only this entry. All interested persons are directed to download the proposed rules and BIA from the above website or to contact the Commission's Docketing Division to request a paper copy.

- (9) At this time, the Commission requests comments from interested persons, regarding the proposed changes to this chapter and the BIA. As stated previously our staff has been working closely with the staff of ODSA to coordinate not only the substance of the rules for both agencies, but also the process to be implemented for issuance of the rules for comment. To that end, consistent with the Commission's issuance of Staff's proposed revisions to the rules in this docket, ODSA is issuing its rules contained in Chapter 122:5-3, O.A.C., for comment. In order to facilitate an efficient and less burdensome comment process for persons interested in commenting on the PIPP Plus provisions contained within the rules of both the Commission and ODSA, the agencies agree that interested persons should adhere to the following process:
- (a) All comments for the Commission Chapters 4901:1-17 and 4901:1-18, O.A.C., and ODSA Chapter 122:5-3, O.A.C., should be contained in one document.
  - (b) Recognizing that Chapters 4901:1-18 and 122:5-3, O.A.C., contain both PIPP Plus rules that relate to the Commission and ODSA, as well as non-PIPP Plus rules, the comments should be organized into three sections as follows:
    - (i) Section I should address the PIPP Plus rules contained in Chapters 4901:1-18 and 122:5-3, O.A.C. This section should be organized to address the rules unique to the Commission and ODSA separately, and those rules in common between the two agencies jointly. All comments in Section I should include references to the specific PUCO or ODSA rule provision.
    - (ii) Section II should address the non-PIPP Plus rules contained in the Commission's Chapter 4901:1-17, O.A.C.

- (iii) Section III should address the non-PIPP Plus rules contained in ODSA's Chapter 122:5-3.

This organization of the comments will make it easier for commenters to structure their overall comments, after which the Commission and ODSA will individually review and address the comments relevant to their agency.

- (c) Comments should be filed in this case via one of the following methods:
  - (i) hard copy, mailed to or delivered to: Public Utilities Commission of Ohio, Docketing Division, 180 East Broad Street, Columbus, Ohio 43215;
  - (ii) electronic filing on the PUCO website;
  - (iii) Consumers may also submit comments electronically on the PUCO website by accessing electronically on the PUCO website by accessing <https://www.puc.state.oh.us/secure/PicForm/index.cfm?intype=comment>

All comments must clearly state in the header that they are to be filed in this case, Case No. 13-274-AU-ORD.

- (a) Comments should be filed by July 12, 2013. Reply Comments should be filed by August 2, 2013.

It is, therefore,

ORDERED, all interested persons or entities wishing to file comments and/or reply comments regarding the proposed rules and the BIA do so in accordance with finding (9) by July 12, 2013, and August 2, 2013, respectively. It is, further,

ORDERED, That a copy of this entry, with the attached rules and the BIA, be submitted to CSI in accordance with Section 121.82, Revised Code. It is, further,

ORDERED, That a copy of this entry be sent to the gas-pipeline, electric, and water/wastewater list serves and served upon all electric distribution companies, gas or natural gas companies, waterworks and/or sewage disposal companies, certified competitive retail electric service providers and certified competitive retail natural gas service suppliers, the Ohio Gas Association, the Petroleum Council, the Ohio Oil and Gas Association, the Office of the Ohio Consumers' Counsel, ODSA, and any other interested persons of record.

THE PUBLIC UTILITIES COMMISSION OF OHIO

\_\_\_\_\_  
Todd A. Snitchler, Chairman

\_\_\_\_\_  
Steven D. Lesser

\_\_\_\_\_  
Lynn Slaby

\_\_\_\_\_  
M. Beth Trombold

JJT/sc

Entered in the Journal

JUN 11 2013

\_\_\_\_\_  
Barcy F. McNeal

Barcy F. McNeal  
Secretary

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**4901:1-17-01 Definitions.**

For purposes of this chapter, the following definitions shall apply:

- (A) "Applicant" means any person who requests or makes application with a utility company for any of the following residential services: electric, gas, natural gas, waterworks, or sewage disposal.
- (B) "Class of service" means a description of utility service furnished to a customer used to denote its use either as residential or nonresidential.
- (C) "Consumer" means any person who is an ultimate user of the electric, gas, natural gas, waterworks, or sewage disposal utility services.
- (D) "Customer" means any person who enters into an agreement, whether by contract or under a tariff, to purchase: electric, gas, natural gas, waterworks, or sewage disposal utility service.
- (E) "Fraudulent act" means an intentional misrepresentation or concealment by the customer or consumer of a material fact that the gas, natural gas, waterworks, or sewage disposal system utility company relies on to its detriment. "Fraudulent act" does not include tampering.
- (F) "Past due" means any utility bill balance that is not paid by the bill due date.
- (G) "Percentage of income payment plan plus" (PIPP Plus) means the income-based payment plan for low-income, residential customers served by a regulated gas or natural gas utility company.
- (H) "Regulated service" means a service offering regulated by the commission.
- (I) "Tampering" means to interfere with, damage, or by-pass a utility meter, conduit, or attachment with the intent to impede the correct registration of a meter or the proper functions of a conduit or attachment so as to reduce the amount of utility service that is registered on the meter. Tampering includes the unauthorized reconnection of a an electric gas, natural gas, or waterworks meter or a conduit or attachment that has been disconnected by the utility company.
- (J) "Utility company" means all persons, firms, or corporations in the business of providing electric, gas, natural gas, waterworks, or sewage disposal service to consumers as defined in division (A)(6) of section 4928.01, division (A)(4) of



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section 4905.03, division (G) of section 4929.01, and divisions (A)(7) and (A)(13) of section 4905.03 of the Revised Code, respectively. ~~Rules for the establishment of credit for an electric utility company are included in Chapter 4901:1-10 of the Administrative Code.~~

**4901:1-17-02    General provisions.**

- (A) The rules in this chapter apply to all electric, gas, natural gas, waterworks, and sewage disposal utility companies who provide service to residential customers.
- (B) Nothing contained in this chapter shall in any way preclude the commission from any of the following:
  - (1) Altering, or amending, in whole or in part, these rules and regulations.
  - (2) Prescribing different standards for the establishment of credit for utility service as deemed necessary by the commission in any proceeding.
  - (3) Waiving any requirement, standard, or rule set forth in this chapter for good cause shown, as supported by a motion and supporting memorandum. The application for a waiver shall include the specific rule(s) requested to be waived. If the request is to waive only a part or parts of a rule, then the application should identify the appropriate paragraphs, sections, or subsections to be waived. The waiver request shall provide sufficient explanation, for each rule provision sought to be waived, to allow the commission to thoroughly evaluate the waiver request.
- (C) The rules of this chapter supersede any inconsistent provisions, terms, and conditions of utility company tariffs. A utility company may adopt or maintain tariffs providing greater protection for customers or consumers.
- (D) Each utility company shall establish and maintain written credit procedures consistent with these rules that allow an applicant for residential service to establish, or an existing residential customer to reestablish, credit with the utility company. The procedures should be equitable and administered in a nondiscriminatory manner. The utility company, without regard to race, color, religion, gender, national origin, age, handicap, or disability, shall base its credit procedures upon the credit risk of the individual as determined by the utility company without regard to the collective credit reputation of the area in which the residential applicant or customer lives. The utility company shall make its

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current credit procedures available to applicants and customers upon request and shall provide this information either verbally or in writing, based upon the applicant's or customer's preference. ~~The utility company may also provide its applicants or customers with a summary of the utility company's credit procedures, which shall be written in plain English. This summary must be reviewed and approved by commission staff before distribution to the utility company's applicants or customers.~~

- (E) The rules of this chapter allow the use of electronic transactions and notices, if the customer and the utility company are both in agreement with such use, and such use is consistent with commission requirements or guidelines.

**4901:1-17-03    Establishment of credit.**

- (A) Each utility company may require an applicant for residential service to satisfactorily establish financial responsibility. If the applicant has previously been a customer of that utility company, the utility company may require the residential applicant to establish financial responsibility pursuant to paragraph (C) of rule 4901:1-17-04 of the Administrative Code. Each utility company may use a credit check, pursuant to paragraph (A)(2) of this rule, as the first criterion by which an applicant may establish financial responsibility. If the results of the credit check, at the time of the application do not establish financial responsibility for the applicant or the applicant refuses to provide his/her social security number, each utility company shall then advise the applicant of each of the remaining criteria available under this rule to establish financial responsibility. If the utility company requires an applicant to provide additional information to establish financial responsibility, such as identification or written documentation, then the utility company shall confirm with the applicant when it receives the requested information. An applicant's financial responsibility will be deemed established if the applicant meets any one of the following criteria:
- (1) The applicant is the owner of the premises to be served or of other real estate within the territory served by the utility company and has demonstrated financial responsibility under either of the following conditions:
- (a) With respect to that property, if the applicant owns only the premises to be served.
- (b) With respect to any other real estate within the service territory served by the utility company, if the applicant owns multiple properties.

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- (2) The applicant demonstrates that he/she is a satisfactory credit risk by means that may be quickly and inexpensively checked by the utility company. Under this provision, the utility company may request the applicant's social security number in order to obtain credit information and to establish identity. The utility company may not refuse to provide service if the applicant elects not to provide his/her social security number. If the applicant declines the utility company's request for a social security number, the utility company shall inform the applicant of all other options for establishing creditworthiness.
- (3) The applicant demonstrates that he/she has had the same class and a similar type of utility service within a period of twenty-four consecutive months preceding the date of application, unless utility company records indicate that the applicant's service was disconnected for nonpayment during the last twelve consecutive months of service, or the applicant had received two consecutive bills with past due balances during that twelve-month period and provided further that the financial responsibility of the applicant is not otherwise impaired.

When an applicant requests a copy of his/her payment history to satisfy paragraph (A)(3) of this rule, each utility company shall provide a customer, at his/her request, written information reflecting the customer's payment history. The utility company shall provide this information within five business days of this request.

- (4) The applicant makes a cash deposit to secure payment of bills for the utility company's service as prescribed in rule 4901:1-17-05 of the Administrative Code. Utility companies are prohibited from requiring percentage of income payment plan customers to pay a security deposit.
- (5) The applicant furnishes a creditworthy guarantor to secure payment of bills in an amount sufficient for a sixty-day supply for the service requested. If a third party agrees to be a guarantor for a utility customer, he or she shall meet the criteria as defined in paragraph (A) of this rule or otherwise be creditworthy. The guarantor and/or the utility company shall also comply with the following:
  - (a) The guarantor shall be a customer of the utility company.
  - (b) ~~The guarantor shall sign a written guarantor agreement that shall~~

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~~include, at a minimum, the information shown in the appendix to this rule. The guarantor shall sign the written guarantor agreement provided by the commission in Appendix A, which will also be posted on the commission's website in the forms section. Since a utility company may seek recovery of any unpaid arrearage from ratepayers, both residential and nonresidential, continuation of the current rules may assist in further reducing any unpaid arrearages; thus, benefitting the ratepayers.~~ The utility company shall provide the guarantor with a copy of the signed agreement and shall keep the original on file during the term of the guaranty.

- (c) The utility company shall send to the guarantor a copy of all disconnection notices sent to the guaranteed customer.
- (d) The utility company shall send a notice to the guarantor when the guaranteed customer requests a transfer of service to a new location. The transfer of service notice shall display all of the following information:
  - (i) The name of the guaranteed customer.
  - (ii) The address of the current guaranteed customer's service location.
  - (iii) A statement that the transfer of service to the new location may affect the guarantor's liability.
  - (iv) A statement that, if the guarantor does not want to continue the guaranty at the new service location, the guarantor must provide thirty days' written notice to the utility company to end the guaranty.
- (e) Under the circumstances where a guarantor's utility service is subject to disconnection, the utility company shall, within ten calendar days, advise the customer who provided the guarantor that the guarantor's responsibility to the customer's account will end by a specific date (thirty days from the date of the notice to the guaranteed customer). The utility company shall also advise the customer that, prior to the specific end date stated in the notice, he/she must reestablish credit through one of the alternate means set forth in paragraph (A) of this rule, or be subject to disconnection according to the applicable disconnection rules in

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Chapter 4901:1-15 of the Administrative Code (waterworks and/or sewage disposal) and Chapter 4901:1-18 of the Administrative Code (electric, gas and natural gas).

- (B) The establishment of credit under the provisions of these rules, or the reestablishment of credit under the provisions of rule 4901:1-17-04 of the Administrative Code, shall not relieve the applicant or customer from compliance with the regulations of the utility company regarding advance payments and payment of bills by the due date, and shall not modify any regulations of the utility company as to the discontinuance of service for nonpayment.
- (C) Upon default by a customer who has furnished a guarantor as provided in paragraph (A)(5) of this rule, the utility company may pursue collection actions against the defaulting customer and the guarantor in the appropriate court, or the utility company may transfer the defaulting customer's bill to the guarantor's account. The defaulted amount transferred to the guarantor's account shall not be greater than the amount billed to the defaulting customer for sixty days of service or two monthly bills. After thirty days from the transfer, the utility company may make the guarantor subject to disconnection procedures, if the amount transferred still remains unpaid.
- (D) An applicant who owes an unpaid bill for previous residential service, whether the bill is owed as a result of service provided to that applicant or is owed under a guarantor agreement, shall not have satisfactorily established or reestablished his/her financial responsibility as long as the bill remains unpaid.

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**4901:1-17-03 Appendix**  
**Guarantor Agreement**

I, (name of guarantor), agree to be the guarantor for the (utility type) service provided by (name of utility company) for (customer's name) at the service address of (location).

As the guarantor for (customer's name), I agree to be obligated for charges for the (type of utility) services provided to the guaranteed customer, (customer's name), through the date of termination of the guaranty.

I understand that the utility company will send a notice to me when the customer requests to transfer service to a new location.

I understand that the utility company will also send to me all disconnection notifications sent to (name of customer).

If (customer's name) defaults on the account, I will be held legally responsible for and agree to pay the defaulted amount. As guarantor, I understand that the defaulted amount may be transferred to my account and that my service may be subject to disconnection, if the transferred amount remains unpaid for thirty days. I understand that this amount will not be more than the amount of the bill for sixty days of service or two monthly bills.

I understand that I may terminate this guarantor agreement upon thirty days' written notice to (name of utility company). I also understand that, if I terminate this guarantor agreement, (customer's name) may be required to reestablish creditworthiness when I terminate the guaranty.

I understand that the utility company shall annually review the account history of each customer who has provided a guarantor. Once (customer's name) satisfies the requirements for the release of a guarantor, as stated in Rule 4901:1-17-06, of the Ohio Administrative Code, (name of utility company) shall, within thirty days, notify me in writing that I am released from all further responsibility for the account.

I agree to be a guarantor for (customer's name).

(signature of guarantor)

(date)\_\_\_\_\_

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**4901:1-17-04      Deposit to reestablish creditworthiness.**

- (A) A utility company may require a customer to make a deposit or an additional deposit on an account, as set forth in this rule and pursuant to rules 4901:1-17-03 and 4901:1-17-05 of the Administrative Code, to reestablish creditworthiness for tariffed service based on the customer's credit history on that account with that utility company. The utility company may require a customer whose service has been disconnected to pay a deposit, in addition to any charges under the applicable reconnection rules in Chapter 4901:1-15 of the Administrative Code (waterworks and/or sewage disposal) and Chapter 4901:1-18 of the Administrative Code (electric, gas and natural gas).
- (B) After considering the totality of the customer's circumstances, a utility company may require a deposit if the customer has not made full payment or payment arrangements for any given bill containing a previous past due balance for regulated services provided by that utility company. All payment invoices or payment arrangements shall give the customer notice that a deposit may be required.
- (C) A utility company may require a deposit if the applicant for service was a customer of that utility company, during the preceding twelve months, and had service disconnected for nonpayment, a fraudulent act, tampering, or unauthorized reconnection.

**4901:1-17-05      Deposit administration provisions.**

- (A) No utility company, as defined in this chapter shall require a cash deposit to establish or reestablish credit in an amount in excess of one-twelfth of the estimated charge for regulated service(s) provided by that utility company for the ensuing twelve months, plus thirty per cent of the monthly estimated charge. Each utility company, upon request, shall furnish a copy of rules 4901:1-17-03 to 4901:1-17-06 of the Administrative Code, to the applicant/customer from whom a deposit is required. If a copy of rules 4901:1-17-03 to 4901:1-17-06 of the Administrative Code is provided to the applicant/customer, the utility company shall also provide the name, address, website address, and telephone number of the public utilities commission of Ohio.
- (B) Upon receiving a cash deposit, the utility company shall furnish to the applicant/customer a receipt that displays all of the following information:

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- (1) The name of the applicant/customer.
  - (2) The address of the premises to be served.
  - (3) The billing address for the service.
  - (4) The amount of the deposit and a statement that the rate of interest to be paid on the deposit will be not less than three per cent per annum if the deposit is held for one hundred eighty days or longer.
- (C) Each utility company shall accrue interest at a rate of at least three per cent per annum per deposit held for one hundred eighty days or longer. Interest shall be paid to the customer when the deposit is refunded or deducted from the customer's final bill. A utility company shall not be required to pay interest on a deposit it holds for less than one hundred eighty days. No utility company shall be required to pay additional interest on a deposit after discontinuance of service, if the utility company has made a reasonable effort to refund the deposit. A utility company shall dispose of any unclaimed deposit, plus accrued interest, in conformity with Chapter 169. of the Revised Code.

**4901:1-17-06    Refund of deposit and release of guarantor.**

- (A) After discontinuing service, the utility company shall promptly apply the customer's deposit, including any accrued interest, to the final bill. The utility company shall promptly refund to the customer any deposit, plus any accrued interest, remaining, unless the amount of the refund is less than one dollar. A transfer of service from one customer location to another within the service area of the utility company does not prompt a refund of the deposit or a release of the guarantor.
- (B) The utility company shall review each account holding a deposit or a guarantor agreement every twelve months and promptly refund the deposit, plus any accrued interest in accordance with paragraph (A) of this rule, or release the guarantor, if the account meets the following criteria:
- (1) The customer has paid his/her bills for service for twelve consecutive months without having had service disconnected for nonpayment.
  - (2) The customer has not had more than two occasions in the preceding twelve months on which his/her bill was not paid by the due date.



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- (3) The customer is not delinquent in the payment of his/her bills at the time of the review.
- (C) The utility company shall promptly return the deposit, plus any accrued interest in accordance with paragraph (A) of this rule, upon the customer's request at any time the customer's credit has been otherwise established or reestablished, in accordance with this chapter of the Administrative Code.
- (D) Once the customer satisfies the requirements for release of the guarantor, pursuant to paragraph (B) of this rule, the utility company shall notify the guarantor in writing, within thirty days, that the guarantor is released from all further responsibility for the account.
- (E) If a guarantor submits a written request to the utility company for a release of financial responsibility related to a customer's account, the utility company shall, within ten calendar days, advise the customer who provided the guarantor that the guarantor's responsibility to the customer's account will end by a specific date (thirty days from the receipt of the guarantor's request). The utility company shall also advise the customer that prior to the specific end date of the guarantor's responsibility, he/she must reestablish creditworthiness through an alternate means as prescribed by paragraph (A) of rule 4901:1-17-03 of the Administrative Code, or be subject to disconnection according to the applicable disconnection rules in Chapter 4901:1-15 of the Administrative Code (waterworks and/or sewage disposal) and Chapter 4901:1-18 of the Administrative Code (gas and natural gas).

**4901:1-17-07 Record of deposit.**

~~Until the deposit is refunded or otherwise disposed of in accordance with applicable law, each~~Each utility company holding a cash deposit shall maintain, for at least one year after the deposit is refunded or otherwise disposed of in accordance with applicable law, a record that displays all of the following information:

- (A) The name and current or last known billing address of each depositor.
- (B) The amount and date of the deposit.
- (C) Each transaction concerning the deposit.

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**4901:1-17-08 Applicant and/or customer rights.**

- (A) Each utility company that requests a cash deposit shall notify the applicant/customer of all options available to establish credit as listed in paragraph (A) of rule 4901:1-17-03 of the Administrative Code.
- (B) If an applicant for gas or natural gas service indicates that his/her household income is such that the applicant may be eligible for the gas percentage of income payment plan (PIPP) program, the gas or natural gas utility company shall advise the applicant that he/she may apply for the gas PIPP program, in accordance with rule 4901:1-18-12 of the Administrative Code.
- (C) If a utility company requires a cash deposit to establish or reestablish service and the applicant/customer expresses dissatisfaction with the utility company's decision, the utility company shall inform the applicant/customer of the following:
  - (1) The reason(s) for its decision and how the deposit was calculated.
  - (2) How to contest the utility company's decision ~~and show creditworthiness.~~
  - (3) The right to have the utility company's decision reviewed by an appropriate utility company supervisor.
  - (4) The right to have the commission staff verify whether the utility company's decision complies with these rules reviewed by the commission staff, and provide the applicant/customer the toll-free and TTY numbers, number, address, and the website address of the public utilities commission of Ohio as stated below:

"If you wish to ~~contest~~ have the commission staff review the company's decision for a security deposit, you may call the Public Utilities Commission of Ohio for assistance at 1-800-686-7826 (toll free) or for TTY at 1-800-686-1570 (toll-free) from 8:00 a.m. to 5:00 p.m. weekdays, or at ~~www.PUCO.ohio.gov~~ <http://www.puco.ohio.gov/puco>. Hearing or speech impaired customers may contact the PUCO via 7-1-1 (Ohio relay service)."
- (D) Upon request, each utility company shall send the information required by paragraph (C) of this rule to the applicant/customer, in writing, within five business days of the request.

# CSI - Ohio

## The Common Sense Initiative

### Business Impact Analysis

**Agency Name:** Public Utilities Commission of Ohio (PUCO)  
Attention: Chris Pirik, Chief, Gas & Power Siting Section  
Phone: 614-644-8955 Fax: 614-728-8373  
Christine.pirik@puc.state.oh.us

**Regulation/Package Title:** Chapter 4901:1-17 / Establishment of Credit for Service

**Rule Number(s):**

4901:1-17-01	Definitions
4901:1-17-02	General Provisions
4901:1-17-03	Establishment of Credit
4901:1-17-04	Deposit to Re-establish Creditworthiness
4901:1-17-05	Deposit Administration Provisions
4901:1-17-06	Refund of Deposit and Release of Guarantor
4901:1-17-07	Record of Deposit
4901:1-17-08	Applicant and/or Customer Rights

**Date:** June 12, 2013

**Rule Type:**

<input type="checkbox"/>	New	<input checked="" type="checkbox"/>	5-Year Review
<input checked="" type="checkbox"/>	Amended	<input type="checkbox"/>	Rescinded

The Common Sense Initiative was established by Executive Order 2011-01K and placed within the Office of the Lieutenant Governor. Under the CSI Initiative, agencies should balance the critical objectives of all regulations with the costs of compliance by the regulated parties. Agencies should promote transparency, consistency, predictability, and flexibility in regulatory activities. Agencies should prioritize compliance over punishment, and to that end, should utilize plain language in the development of regulations.

**Regulatory Intent**

**1. Please briefly describe the draft regulation in plain language.**

Chapter 4901:1-17, Ohio Administrative Code (O.A.C.), governs the establishment of credit for residential electric, gas, natural gas, waterworks, and sewage disposal utility services for customers of utilities regulated pursuant to Section 4905.04 of the Ohio Revised Code.

**2. Please list the Ohio statute authorizing the Agency to adopt this regulation.**

Sections 4905.04, and 4905.28, Revised Code.

**3. Does the regulation implement a federal requirement? Is the proposed regulation being adopted or amended to enable the state to obtain or maintain approval to administer and enforce a federal law or to participate in a federal program?**

This chapter does not implement a federal requirement, nor is it being amended to enable Ohio to obtain or maintain approval to administer or enforce a federal law.

**4. If the regulation includes provisions not specifically required by the federal government, please explain the rationale for exceeding the federal requirement.**

Not applicable. This chapter implements state requirements and is not required by the federal government.

**5. What is the public purpose for this regulation (i.e., why does the Agency feel that there needs to be any regulation in this area at all)?**

The public purpose of these regulations is to maintain clear and consistent rules for residential customers across the State of Ohio to establish credit for residential services, as well as rules for the disconnection of residential utility service. In addition, the rules ensure that the Public Utilities Commission of Ohio (PUCO) is providing open and transparent regulatory guidance for Ohio utility companies regarding the procedures and practices contained within the rules.

**6. How will the Agency measure the success of this regulation in terms of outputs and/or outcomes?**

The rules contained in this chapter govern utility companies. The success of the regulation in terms of outputs and outcomes will be measured based upon residential customer and utility company feedback.

**Development of the Regulation**

**7. Please list the stakeholders included by the Agency in the development or initial review of the draft regulation.**

The PUCO conducted a workshop on March 5, 2013, at the offices of the PUCO to receive feedback from interested stakeholders and the general public. The case number for the PUCO's review of Chapter 4901:1-17, O.A.C., is 13-274-AU-ORD. The entry providing notice of the workshop was served upon all electric distribution companies, gas and natural gas companies, waterworks and sewage disposal companies, certified competitive retail electric service providers and certified competitive retail natural gas service suppliers, the Office of the Ohio Consumers' Counsel, the Ohio Development Service Agency, and any other interested persons of record, including members of the general public, who have subscribed to the PUCO's electronic mailing list.

**8. What input was provided by the stakeholders, and how did that input affect the draft regulation being proposed by the Agency?**

Several utility companies suggested revising medical certification guidelines to reduce the number of medical certifications a residential customer may receive in order to prevent utility disconnection from three to one. Stakeholders also provided feedback on customer crediting programs as well.

**9. What scientific data was used to develop the rule or the measurable outcomes of the rule? How does this data support the regulation being proposed?**

No scientific data was taken into account. In adopting any changes to Chapter 4901:1-17, O.A.C., the PUCO takes into account feedback from stakeholders and the general public to the rules in effect prior to the proposed changes. Stakeholder and public feedback can be made directly to the PUCO by filing comments.

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- 10. What alternative regulations (or specific provisions within the regulation) did the Agency consider, and why did it determine that these alternatives were not appropriate? If none, why didn't the Agency consider regulatory alternatives?**

No alternative regulations were considered; however, the PUCO did include an appendix to its proposed rules with several questions for stakeholders to respond to, and, depending on the filed comments, will consider revising the proposed regulations.

- 11. Did the Agency specifically consider a performance-based regulation? Please explain.**  
*Performance-based regulations define the required outcome, but don't dictate the process the regulated stakeholders must use to achieve compliance.*

No. The proposed rules are based upon the statutory requirements under Sections, 4905.04, 4905.06, 4905.28, and 4933.122, Revised Code.

- 12. What measures did the Agency take to ensure that this regulation does not duplicate an existing Ohio regulation?**

No concerns of duplicate regulation were raised at the rules workshop, and as the PUCO is the state agency responsible for the regulation of utility service, it is highly unlikely that there are any existing duplicate regulations in Ohio.

- 13. Please describe the Agency's plan for implementation of the regulation, including any measures to ensure that the regulation is applied consistently and predictably for the regulated community.**

The PUCO's plan for implementation of the proposed changes to Chapter 4901:1-17 O.A.C., is for the Service Monitoring and Enforcement Division of the PUCO to implement and adopt measures that will ensure consistent and predictable application of the regulation for both residential utility customers and utility companies.

**Adverse Impact to Business**

**14. Provide a summary of the estimated cost of compliance with the rule. Specifically, please do the following:**

**a. Identify the scope of the impacted business community;**

Rules in Chapter 4901:1-17 O.A.C., apply to all electric, gas, natural gas, waterworks, and sewage disposal utility companies providing service to residential customers.

**b. Identify the nature of the adverse impact (e.g., license fees, fines, employer time for compliance); and**

As this chapter prescribes the relationship between residential customers and the utility companies serving them, the primary identified business community is the utility companies. The chapter may impact the identified business community in that there is a time cost involved in compliance with the rules if the utility companies need to program their billing systems to reflect the proposed rule revisions. However, in light of the fact that the majority of modifications clarify the rules contained within the chapter, and that the major substantive amendments occurred during the previous five-year rule review, it is improbable that any utility companies will need to significantly upgrade any programs or revise internal protocols. In addition, while unlikely, there may be nominal costs associated with including bill insert messages within residential utility bills. As a result of the continuation of these rules without substantive amendment, the nature of any adverse impact is minimized.

- c. **Quantify the expected adverse impact from the regulation. *The adverse impact can be quantified in terms of dollars, hours to comply, or other factors; and may be estimated for the entire regulated population or for a “representative business.” Please include the source for your information/estimated impact.***

The impact in terms of time will, in most instances, be minimal, as utility companies already adhere to Chapter 4901:1-17 O.A.C., and the proposed revisions are unlikely to add any additional burden on business.

- 15. Why did the Agency determine that the regulatory intent justifies the adverse impact to the regulated business community?**

The need for clear and consistent credit and disconnection rules outweighs any potential time that may be associated with compliance with the rules, as the rules contained within Chapter 4901:1-17, O.A.C., protect the regulated business community by allowing for utility companies to request financial assurance before providing service, as well as providing several options for the regulated community to disconnect service to residential customers, if necessary.

#### **Regulatory Flexibility**

- 16. Does the regulation provide any exemptions or alternative means of compliance for small businesses? Please explain.**

The regulations offer several options for small businesses to allow for regulatory flexibility. Specifically, Rule 4901:1-17-02, O.A.C., allows companies to seek waivers of any requirement, rule, or standard within the chapter if good cause is shown. Further, Chapter 4901:1-17, O.A.C., grants discretion to utility companies to request an applicant for residential service to establish financial responsibility prior to provide any utility service.

- 17. How will the agency apply Ohio Revised Code section 119.14 (waiver of fines and penalties for paperwork violations and first-time offenders) into implementation of the regulation?**

There are no fines or penalties imposed under these chapters; therefore, Section 119.14, Revised Code, is inapplicable.



**18. What resources are available to assist small businesses with compliance of the regulation?**

The PUCO works with small businesses to ensure compliance with the rules. In PUCO Case No. 13-274-AU-ORD, stakeholders and the general public, including small businesses, were invited to participate in a workshop to discuss potential revisions to the rules to decrease or eliminate any negative effects on business. Small businesses may contact the PUCO at any time and may comment on the proposed revisions during the open comment period once the proposed revisions have been released via PUCO Entry. Further, the rules and other applicable regulations are accessible to small business owners in an open and transparent manner through the PUCO website.

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**4901:1-18-01     Definitions.**

For purposes of this chapter, the following definitions shall apply:

- (A) "Applicant" means any person who requests or makes application with a utility company for any of the following residential services: electric, gas, or natural gas.
- (B) "Arrearages" means for each percentage of income payment plan plus (PIPP Plus) customer such customer's current bill balance, plus the customer's accrued arrearage at the time the customer enrolls in the PIPP Plus program, but does not include past due monthly PIPP Plus payments.
- (C) "Bona fide dispute" means a complaint registered with the commission's call center or a formal complaint filed with the commission's docketing division.
- (D) "Collection charge" means a tariffed charge assessed to a residential customer by a utility company when payment or proof of payment is given to a utility company ~~employee or~~ authorized agent or employee sent to disconnect the service and who is authorized to accept payment in lieu of disconnection.
- (E) "Commission" means the public utilities commission of Ohio.
- (F) "Consumer" means any person who is an ultimate user of electric, gas, or natural gas utility service.
- (G) "Customer" means any person who enters into an agreement, whether by contract or under a tariff, to purchase: electric, gas, or natural gas utility service.
- (H) "Customer premise" means the service address where the customer receives the residential electric, gas, or natural gas utility service.
- (I) "Default" means the failure to make the required payment on an extended payment plan by the due date.
- (J) "Extended payment plan" means an agreement between the customer and the company that requires the customer to make payments over a set period of time to the company on unpaid amounts owed to the company.
- (K) "Former percentage of income payment plan plus customer" (former PIPP Plus customer) means a customer that remains within the electric gas or natural gas utility company's service territory who elects to terminate participation in the percentage of income payment plan plus program or is no longer eligible to participate in the percentage of income payment plan plus as a result of an

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increase in the household income or change in the household size and is not in a graduate percentage of income payment plan plus.

- (L) "Fraudulent act" means an intentional misrepresentation or concealment by the customer or consumer of a material fact that the electric, gas, or natural gas utility company relies on to its detriment. "Fraudulent act" does not include tampering.
- (M) "Graduate percentage of income payment plan plus customer" (graduate PIPP Plus customer) means a customer who was previously enrolled in a percentage of income payment plan plus and who meets the requirements, as set forth in rule 4901:1-18-16 of the Administrative Code, to participate in the transitional phase of the income-based payment plan for low-income, residential customers served by regulated electric, gas, and natural gas utility companies.
- (N) "Household income" has the meaning attributed to it by the Ohio department of development, office of community services, in the administration of the home energy assistance program.
- (O) "Like account" means any accounts in the same customer's name providing the same tariffed service rate class. PIPP Plus accounts may not be considered like accounts.
- (P) "On-time payment" means for the purpose of applying incentive credits, a PIPP Plus installment received by the gas or natural gas company prior to the date that the next bill is issued.
- (Q)(~~Q~~) "Percentage of income payment plan plus" (PIPP Plus) means the income-based payment plan for low-income, residential customers served by regulated electric, gas, and natural gas utility companies.
- (R) (~~P~~) "PIPP Plus anniversary date" means the calendar date by which the PIPP Plus customer must document his or her household income and household size to continue participation in the PIPP Plus program or participate in the graduate PIPP Plus program. The anniversary date shall be every twelve months from when the customer was enrolled in PIPP Plus.
- (S) (~~Q~~) "PIPP Plus customer" means the customer currently enrolled in PIPP Plus.
- (T) (~~R~~) "PIPP Plus reverification date" means the actual date on which the PIPP Plus customer documented his or her household income and household size to continue participation in the PIPP Plus program or graduate PIPP Plus

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program. This date is used to calculate when any missed PIPP Plus payments are due for continued PIPP Plus program participation.

(U)(S)–"Tampering" means to interfere with, damage, or by-pass a utility meter, conduit, or attachment with the intent to impede the correct registration of a meter or the proper functions of a conduit or attachment so as to reduce the amount of utility service that is registered on the meter. Tampering includes the unauthorized reconnection of an electric, gas, or natural gas meter, or a conduit or attachment that has been disconnected by the utility company.

(V)(T)–"Utility company" means all persons, firms, or corporations engaged in the business of providing electric, gas, or natural gas service to consumers as defined in division (A)(1406) of section 4928.01, division (A)(4) of section 4905.03, and division (G) of section 4929.01 of the Revised Code, respectively.

(W)(U)–"Winter heating season" means the time period from November first through April fifteenth.

**4901:1-18-02     General provisions.**

- (A) The rules in this chapter apply to all electric, gas, and natural gas utility companies that provide service to residential customers, including residential consumers in master-metered premises, and residential consumers whose utility services are included in rental payments.
- (B) Nothing contained in this chapter shall in any way preclude the commission from any of the following:
  - (1) Altering, or amending, in whole or in part, the rules and regulations in this chapter.
  - (2) Prescribing different standards for the disconnection and reconnection of electric, gas, or natural gas service as deemed necessary by the commission.
  - (3) Waiving any requirement, standard, or rule set forth in this chapter for good cause shown, as supported by a motion and supporting the memorandum. The application for a waiver shall include the specific rule(s) requested to be waived. If the request is to waive only a part or parts of a rule, then the application should identify the appropriate paragraphs to be waived. The waiver request shall provide sufficient explanation, by rule, to allow the commission to thoroughly evaluate the waiver request.

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- (C) Except as set forth in this rule, the rules of this chapter supersede any inconsistent provisions, terms, and conditions of electric, gas, and natural gas companies' tariffs. Electric, gas, and natural gas companies may adopt or maintain tariffs providing greater protection for customers or consumers.
- (D) The rules in this chapter allow the use of electronic transactions and notices, if the customer and the utility company are both in agreement ~~of~~ regarding such use and such use is consistent with commission requirements or guidelines. The utility company shall advise the customer that if he/she chooses this option, the disconnection notice will only be provided electronically.

**4901:1-18-03      Reasons for disconnecting residential electric, gas, or natural gas service.**

Electric, gas, or natural gas utility companies under the jurisdiction of the commission may disconnect service to residential customers only for the following reasons:

- (A) When a customer/consumer uses electricity, gas, or natural gas in a manner detrimental to the service to other consumers.
- (B) When providing service is in conflict or incompatible with any order of the commission, court of law, laws of the state of Ohio or any political subdivision thereof, or of the federal government or any of its agencies.
- (C) When the customer has moved from the service location, and the property owner is subject to notice under paragraph (A)(3)(d) of rule 4901:1-18-06 of the Administrative Code.
- (D) When supplying electricity, gas, or natural gas creates a safety hazard to consumers or their premises, the public, or to the company's personnel or facilities or where, because of conditions beyond the consumer's premises, disconnection of the supply of electricity, gas, or natural gas is reasonably necessary. The company shall not restore service until the hazardous condition(s) has been corrected.
- (E) When a customer, consumer, property owner, landlord or his/her agent does any of the following:
  - (1) Prevents utility company personnel from reading the meter for a year or more.
  - (2) After notice and a reasonable period of time, prevents utility company

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personnel from accessing calibrating, maintaining, or replacing the utility company's meter, metering equipment, or other utility company property used to supply service.

- (3) Resorts to any fraudulent act to obtain electric, gas, or natural gas service, is the beneficiary of the fraudulent act, or tampers with the utility company's meter, metering equipment, or other property used to supply the service. If ~~the customer does not contest the disconnection, under the circumstances stated in this paragraph the company need not restore service until the consumer or customer has completed each of the following:~~
- ~~(a) (a) Given satisfactory assurance that the fraudulent or tampering act has been discontinued.~~
  - ~~(b) (b) Paid to the utility company an amount estimated by the company to be reasonable compensation for unauthorized usage obtained and not paid for at the time of disconnection.~~
  - ~~(c) (c) Paid for any damage to property of the utility company including any cost to repair the damage.~~
  - ~~(d) (d) Paid all other fees and charges authorized by tariff resulting from the fraudulent act or tampering.~~
- (F) For repairs, provided that notice to customers is given prior to scheduled maintenance interruptions in excess of ~~six~~ four hours.
- (G) Upon the request of the customer. If the customer is a landlord, then the provisions of paragraph (K) of rule 4901:1-18-08 of the Administrative Code, shall also apply.
- (H) For nonpayment of regulated services provided by the utility company, including nonpayment of security deposits.
- (I) For good cause shown.

**4901:1-18-04      Delinquent bills.**

- (A) Individually metered residential service accounts will be considered delinquent and subject to the utility company's disconnection procedures for nonpayment if the account meets one of the following criteria:
- (1) The customer has not made full payment or arrangements for payment by

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the due date, for any given bill containing a previous balance for regulated services provided by the utility company.

- (2) The customer is in default on an extended payment plan.
- (3) The customer fails to make the initial payment on an extended payment plan.
- (B) The minimum payment necessary in order to avoid the disconnection procedures shall not be greater than the delinquent amount, i.e., that portion of the bill that represents a previous balance for regulated services provided by the utility company.
- (C) The utility company may transfer the balance of a delinquent account to any like account held in the customer's name. A utility company may not transfer balances to or from PIPP Plus accounts.

**4901:1-18-05      Extended payment plans and responsibilities.**

- (A) Upon contact by a customer whose account is delinquent or who desires to avoid a delinquency, the utility company shall inform the customer that it will make reasonable extensions or other extended payment plans appropriate for both the customer and the utility company. If the customer proposes payment terms, the utility company may exercise discretion in the acceptance of the payment terms based upon the account balance, the length of time that the balance has been outstanding, the customer's recent payment history, the reasons why payment has not been made, and any other relevant factors concerning the customer including health, age, and family circumstances.
- (B) If the customer fails to propose payment terms acceptable to the utility company, the utility company shall then advise the customer of the availability of all of the following extended payment plans and the percentage of income payment plan plus (PIPP Plus). If a customer requests additional information about PIPP Plus, the utility company shall inform the customer of the eligibility requirements as set forth in paragraphs (B) and (C) of rule 4901:1-18-12 of the Administrative Code (gas PIPP Plus) or to Chapter 122:5-3 of the Administrative Code (electric PIPP Plus), and provide the customer with a copy of PIPP Plus literature and direct the customer to the local community action agency:
  - (1) One-sixth plan - A plan that requires six equal payments on the arrearages past due balances in addition to full payment of the current bill.
  - (2) One-ninth plan - A plan that requires nine equal monthly payments on the

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~~arrearages-past due~~ balances in addition to a budget payment plan for the projected monthly bills, which will end nine months from the initial payment. The budget portion of the payments may be adjusted periodically during the nine-month period as needed.

- (3) Winter heating season plan - In addition to the one-sixth and one-ninth plans in this paragraph, during the winter heating season, the utility company shall offer to any customer not already on a payment plan, the one-third payment plan for any bills that include any usage occurring from November first to April fifteenth of each year. The one-third plan requires payment of one-third of the balance due each month (~~arrearages-past due~~ balances plus the current bill). For any outstanding balance remaining after the last one-third bill has been rendered, the utility company shall remove the customer from the one-third payment plan and shall offer the customer the option to pay the balance, or to enter into one of the other plans in this paragraph, or to enroll in PIPP Plus, provided that he/she meets the qualifications for that PIPP Plus plan.
- (C) A customer who is in default on an agreed-upon extended payment plan in paragraph (A) of this rule shall be offered the payment plans in paragraph (B) of this rule and PIPP Plus, provided that he/she meets the qualifications for that plan. A customer who is in default on one of the extended payment plans in paragraph (B) of this rule shall be offered PIPP Plus, provided that he/she meets the qualifications for the PIPP Plus plan. If a customer is having difficulty complying with any payment plan and requests that the utility company review that payment plan, the utility company may agree to modify the payment plan to meet both the customer's and utility company's needs.
- (D) For customers without arrearages, the utility company shall also offer a budget plan (a uniform payment plan).
- (E) If a customer informs the utility company of a medical problem, the utility company shall inform the customer of the medical certification program as provided in paragraph (C) of rule 4901:1-18-06 of the Administrative Code.
- (F) A customer's failure to make any payment under one of the payment plans in paragraph (B) of this rule or PIPP Plus shall entitle the utility company to disconnect service in accordance with the procedures set forth in rule 4901:1-18-06 of the Administrative Code.
- (G) The utility company shall advise the customer, who enters into an extended



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payment plan, that it will provide the customer with the terms of the plan in writing. The utility company shall also advise the customer that failure to make a payment under the extended payment plan may result in the disconnection of service in accordance with the procedures set forth in rule 4901:1-18-06 of the Administrative Code.

- (H) No utility company shall charge late payment fees to customers that are current on the payment plans identified in paragraph (A) or (B) of this rule or PIPP Plus.

**4901:1-18-06      Disconnection procedures for electric, gas, and natural gas utilities.**

- (A) If a residential customer is delinquent, as defined in paragraph (A) of rule 4901:1-18-04 of the Administrative Code, in paying for regulated services, the utility company may, after at least fourteen days' notice, disconnect the customer's service during normal utility company business hours in compliance with all of the following conditions.

- (1) No disconnections for nonpayment shall be made after twelve-thirty p.m. on the day preceding a day on which all services necessary for the customer to arrange and the utility company to perform reconnection are not regularly performed.
- (2) On the day of disconnection of service, the utility company shall provide the customer with personal notice. If the customer is not at home, the utility company shall provide personal notice to an adult consumer. If neither the customer nor an adult consumer is at home, the utility company shall attach written notice to the premises in a conspicuous location prior to disconnecting service.
- (3) Third-party or guarantor notification.
  - (a) Each utility company shall permit a residential customer to designate a third party to receive notice of the pending disconnection of the customer's service and any other ~~credit~~delinquent payment reminder notices sent to the customer. If the customer has a guarantor, the guarantor shall receive notice of the pending disconnection of the guaranteed customer's service and any other ~~credit~~delinquent payment reminder notices sent to the guaranteed customer, pursuant to rule 4901:1-17-03 of the Administrative Code. The utility company shall notify the third party or the guarantor at least fourteen days prior to disconnecting the customer's service.

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- (b) The utility company shall inform the third party that his/her receipt of such notices does not constitute acceptance of any liability by the third party for payment for service provided to the customer unless the third party has also agreed, in writing, to be a guarantor for the customer.
- (c) In compliance with division (E) of section 4933.12 and division (D) of section 4933.121 of the Revised Code, if the utility company plans to disconnect the residential utility service of a customer for the nonpayment of his/her bill, and that customer resides in an Ohio county in which the department of job and family services has provided the utility company with a written request for notification of residential service disconnection prior to the disconnection, then the utility company shall provide, during the period of the fifteenth of November to the fifteenth of April, the appropriate county department of job and family services with a listing, electronically if feasible, of those customers whose service will be disconnected for nonpayment. This information will include at a minimum, the customer's first name, middle initial, last name, service address, and county of residence, and shall be made available to the county department of job and family services simultaneous with the generation of any ten-day disconnection notices being distributed to customers. The county department of job and family services may use this information to assist customers in the payment of delinquent utility bills in an effort to avoid disconnection of service.
- (d) Upon the request of a property owner or the agent of a property owner, each utility company shall provide the property owner or the agent of a property owner with at least three days' advance notice when service to his/her property is to be disconnected either at the request of a residential customer who is a tenant or for nonpayment.
- (4) Utility company employees or agents of the utility company who disconnect service at the premises may or may not, at the discretion of the utility company, be authorized to make extended payment arrangements. Utility company employees or agents who disconnect service shall be authorized to complete one of the following:
  - (a) Accept payment in lieu of disconnection.
  - (b) Dispatch an employee to the premises to accept payment.
  - (c) Make available to the customer another means to avoid disconnection.
- (5) The disconnection notice may be mailed separately or included on the

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regular monthly bill. If the notice is included on the regular monthly bill, it shall be prominently identified as a disconnection notice. The following information shall be clearly displayed either on the disconnection notice or in documents accompanying the disconnection notice:

- (a) The delinquent billing account number, the total amount required to prevent disconnection of the regulated services provided by the utility company and/or any security deposit owed at the time of the notice.
- (b) The earliest date when disconnection may occur.
- (c) The local or toll-free number and address of the utility company's office for customers to contact about their account.
- (d) The following statement:

"If you have a complaint in regard to this disconnection notice that can not be resolved after you have called (name of utility company), or for general utility company information, residential and business customers may contact the public utilities commission of Ohio (PUCO) for assistance at 1-800-686-7826 (toll free) eight a.m. to five p.m. weekdays, or at <http://www.puco.ohio.gov>. Hearing or speech impaired customers may contact the PUCO via 7-1-1 (Ohio relay service).

The Ohio consumer counsel (OCC) represents residential utility customers in matters before the PUCO. The OCC can be contacted at 1-877-742-5622 (toll free) from eight a.m. to five p.m. weekdays, or at <http://www.pickocc.org>."

- (e) A statement that the customer's failure to pay the amount on the disconnection notice at the utility company's office or to one of its authorized agents before the date specified on the disconnection notice may require payment of a security deposit and a charge for reconnection. The statement shall also include the amount of the security deposit and the reconnection charge.
- (f) If applicable, a statement that the failure to pay charges for nontariffed products or services may result in the loss of those products and/or services.
- (g) An explanation of the payment plans and options available to a customer whose account is delinquent, as provided in this rule and rule 4901:1-18-05 of the Administrative Code, and percentage of income

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payment plan (PIPP Plus), pursuant to rule 4901:1-18-12 of the Administrative Code, and, when applicable, rule 4901:1-18-09 of the Administrative Code.

- (h) If disconnection of service is to occur as a result of nonpayment, a statement that a medical certification program and forms are available from the utility company for customers or consumers where the disconnection of service would be especially dangerous to the health of those persons.
  - (i) A statement that a listing of the utility company's authorized payment agents is available by calling the utility company's toll-free customer service number.
- (B) During the period of November first through April fifteenth, if payment or payment arrangements are not made to prevent disconnection before the disconnection date stated on the fourteen-day disconnection notice, the utility company shall not disconnect service to residential customers for nonpayment unless the utility company completes each of the following:
  - (1) Makes contact with the customer or other adult consumer at the premises ten days prior to disconnection of service by personal contact, telephone, or hand-delivered written notice. Utility companies may send this notice by regular, U.S. mail; however, such notice must allow three calendar days for mailing. This additional notice shall extend the date of disconnection, as stated on the fourteen-day notice required by paragraph (A) of this rule, by ten additional days.
  - (2) Informs the customer or adult consumer that sources of federal, state, and local government aid for payment of utility bills and for home weatherization are available at the time the utility company delivers the notice required in paragraph (B)(1) of this rule, and provides sufficient information to allow the customer to further pursue available assistance.
  - (3) Informs the customer of the right to enter into any of the payment plans set forth in paragraph (B) of rule 4901:1-18-05 of the Administrative Code, or to enroll in PIPP Plus. If the customer does not respond to the notice described in paragraph (B)(1) of this rule, or refuses to accept a payment plan or fails to make the initial payment on a payment plan referenced in this paragraph, the utility company may disconnect service after the ten-day notice expires.
- (C) Medical certification

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- (1) In accordance with the certification requirements of this rule, the utility company shall not disconnect residential service for nonpayment for either of the following situations:
  - (a) If the disconnection of service would be especially dangerous to the health of any consumer who is a permanent resident of the premises.
  - (b) When the disconnection of service would make operation of necessary medical or life-supporting equipment impossible or impractical.
- (2) The medical condition or the need for medical or life-supporting equipment shall be certified to the utility company by a licensed physician, physician assistant, clinical nurse specialist, certified nurse practitioner, certified nurse-midwife, or local board of health physician.
- (3) The utility company shall act in accordance with the following medical certification requirements:
  - (a) Upon request of any residential consumer, the utility company shall provide a medical certification form to the customer or to any of the health care professionals identified in paragraph (C)(2) of this rule. The utility company shall use the medical certification form ~~provided in the appendix to this rule~~ posted on the commission's website.
  - (b) The certification of the medical condition or the need for the medical or life-supporting equipment required by paragraph (C)(1) of this rule shall be in writing and shall include the name of the person to be certified; a statement that the person is a permanent resident of the premises in question; the name, business address, and telephone number of the certifying party; ~~the nature of the medical condition; an explanation a~~ statement of the need for the medical or life-supporting equipment, if applicable; and a signed statement by the certifying party that disconnection of service will be especially dangerous to the health of a permanent resident of the premises.
  - (c) Initial certification by the certifying party may be by telephone if written certification is forwarded to the utility company within seven calendar days.
  - (d) Certification shall prohibit disconnection of service for thirty calendar days.

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- (e) If a medical certificate is used to avoid disconnection, the customer shall enter into an extended payment plan prior to the end of the medical certification period or be subject to disconnection. The initial payment on the plan shall not be due until the end of the certification period.
  - (f) If service has been disconnected for nonpayment within twenty-one calendar days prior to the certification of either a special danger to the health of a qualifying resident or the need for medical or life-supporting equipment, the utility company shall restore service to that residence once the certifying party provides the required certification to the utility company and the customer agrees to an extended payment plan.
  - (g) If certification is provided to the utility company prior to three-thirty p.m., the utility company shall restore the customer's service within the same day. If the certification is received after three-thirty p.m., the utility company shall reconnect service by the earliest time possible on the following business day. Also, if the certification is received after three-thirty p.m. on a day that precedes a day on which all services necessary for the customer to arrange and the utility company to perform reconnection are not regularly performed, the utility company shall make an effort to restore service by the end of that day.
  - (h) A consumer may renew the certification two additional times (thirty days each) by providing additional certificates to the utility company. The total certification period may not exceed ninety days per household in any twelve-month period.
- (4) The electric utility company shall give notice of availability of medical certification to its residential customers by means of bill inserts or special notices at the beginning of the winter heating period and at the beginning of the summer cooling period. The natural gas utility company shall give notice of the availability of medical certification to its residential customers by means of bill inserts or special notices at the beginning of the winter heating period.
- (D) This provision is to address circumstances where an electric, gas, or natural gas utility company cannot gain access to disconnect service at a particular service location after receiving a request for disconnection from the customer of record.
- (1) If the property owner or landlord does not allow the utility company access to disconnect service, the utility company may subsequently disconnect the utility service in accordance with the provisions of paragraph (I) of rule 4901:1-18-03 of the Administrative Code.

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- (2) If the property in question is a multi-unit dwelling, then the electric, gas, or natural gas utility company shall comply with the provisions of rule 4901:18-08 of the administrative code.
- (3) The customer of record requesting termination of service will not be financially responsible for the utility service consumed from the date of move-out.
- ~~(D)~~ (E) This provision is to address circumstances where an electric, gas, or natural gas utility company elects to leave the utility service on at a particular service location for the utility company's convenience after receiving a request for disconnection from the customer of record.
  - (1) If the new resident does not contact the utility company to establish service, the utility company may subsequently disconnect the utility service in accordance with the fraud provisions in paragraph (C) of rule 4901:1-10-20 of the Administrative Code (electric) and paragraph (C) of rule 4901:1-13-09 of the Administrative Code (gas and natural gas).
  - (2) Under the circumstance where the new resident becomes an applicant for service and is required to pay a deposit to establish financial responsibility, the utility company must advise the applicant of the date that the utility service may be disconnected for nonpayment of the deposit.
  - (3) Under either circumstance above where the new resident becomes a consumer of the electric, gas, or natural gas service that was left on by the utility company, the consumer will be financially responsible for the utility service consumed from the date of move-in.
- (F) A landlord/property owner may elect to leave the utility service on at a particular service location for the landlord/property owner's convenience under the provisions of a landlord reversion agreement with the electric, gas, or natural gas utility.
  - (1) The landlord/property owner shall be given a copy of the relevant terms and conditions of the landlord reversion agreement, including specific terms identifying when the service will revert to the landlord/property owner's name, and any costs of such service.
  - (2) Under the circumstance where a new resident becomes an applicant for service and is required to pay a deposit to establish financial responsibility, the utility company must advise the applicant of the date that the utility service may be disconnected for nonpayment of the deposit.

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- (3) Under the circumstance where the new resident becomes a consumer of the electric, gas, or natural gas service that was left on by virtue of the landlord/reversion agreement, the consumer will be financially responsible for the utility service consumed from the date of move-in, as indicated in the terms of the lease agreement.
- ~~(E)~~—(G) Upon request of the customer, the utility company shall provide an opportunity for review of the initial decision to disconnect the service. The utility company shall review the circumstances surrounding the disconnection, escalate the review to an appropriate supervisor if requested, and inform the customer of the decision upon review as soon as possible. At the customer's request, the utility company shall respond in writing.
- ~~(F)~~—(H) The utility company when contacted by the commission's staff shall respond to an inquiry concerning a ~~pending~~ an imminent disconnection or actual disconnection within ~~two~~ one business ~~days~~ day. At the request of commission staff, the utility company shall respond in writing. Commission staff will notify the customer of the utility company's response.
- ~~(G)~~—(I) The utility company shall include in its tariff its current standard practices and procedures for disconnection, including any applicable collection and reconnect charges. Any utility company proposing changes to its disconnection notice shall submit a copy to commission staff for review.

**4901:1-18-07      Reconnection of service.**

- (A) Upon payment or proof of payment of the delinquent amount as stated on the disconnection notice, or of an amount sufficient to cure the default on an extended payment plan or the percentage of income payment plan plus (PIPP Plus), applicable reconnection charge, the utility company shall reconnect service that has been disconnected for nonpayment pursuant to the following provisions:
- (1) For customers disconnected from service for ten business days or less, the utility company may assess a reconnection charge and shall reconnect service by the close of the following regular utility company working day. Pursuant to rule 4901:1-18-05 of the Administrative Code, the amount sufficient to cure the default for customers on extended payment plans shall include all amounts that would have been due and owing under the terms of the applicable extended payment plan, absent default, on the date that service is reconnected. Under paragraph (D)(2)(b) of rule 4901:1-18-12 of the



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Administrative Code, the amount sufficient to cure the default for PIPP Plus customers includes all amounts that would have been due for any missed PIPP Plus payments, but not more than the arrearage balance.

- (2) For customers disconnected from service for more than ten business days, the utility company may treat the customers as new customers and connect service consistent with the timeframes in rules 4901:1-10-09, 4901:1-13-05 and paragraph (C) of rule 4901:1-17-04 of the Administrative Code. In addition, the utility company may assess the customer a reconnection charge in accordance with approved tariffs. Pursuant to paragraph (D)(2)(b) of rule 4901:1-18-12 of the Administrative Code, PIPP Plus customers shall be required to pay any missed PIPP Plus payments but not more than the arrearage balance. PIPP Plus customers shall not be required to pay a deposit pursuant to rule 4901:1-18-15 of the Administrative Code.
- (B) If service is disconnected for nonpayment for no more than ten business days, ~~and the customer wishes to guarantee the reconnection of service the same day on which payment is rendered:~~
  - (1) The customer must provide proof of payment, as required in paragraph (A)(1) of this rule to the utility company no later than twelve-thirty p.m.
  - (2) If the customer requests that reconnection occur after normal business hours, and such service is offered by the utility company, the utility company may require the customer to pay or agree to pay the utility company's approved tariff charges for after-hours reconnection. The utility company may collect this fee prior to reconnection or with the customer's next monthly billing.
- (C) The utility company shall not assess a reconnection charge unless the utility company has actually disconnected the service. The utility company may, however, assess a collection charge if the collection charge is part of the utility company's approved tariff. A collection charge shall not be assessed more than once per billing cycle.
- (D) If the utility company accepts a guarantor in order to reestablish service, it shall follow all of the requirements of paragraph (A)(5) of rule 4901:1-17-03 of the Administrative Code.
- (E) This provision addresses cases of tampering and unauthorized reconnection of services. When a utility company has disconnected a meter in connection with alleged tampering, or unauthorized reconnection of a gas, or electric meter,

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conduit, or attachment of a utility, there shall be a rebuttable presumption that the person in possession or control of the meter, conduit, or attachment at the time the tampering or reconnection occurred is the party obligated to pay for the service rendered through the meter, conduit, or attachment. If the responsible party does not contest the disconnection under the circumstances stated in this paragraph or rule 4901:1-18-03(E)(3) of the Administrative Code the company need not restore service until the party has completed each of the following:

- (1) Given satisfactory assurance that the fraudulent or tampering act has been discontinued.
- (2) Paid to the utility company an amount estimated by the company to be reasonable compensation for unauthorized usage obtained and not paid for at the time of disconnection.
- (3) Paid for any damage to property of the utility company including any cost to repair the damage.
- (4) Paid all other fees and charges authorized by tariff resulting from the fraudulent act or tampering.

**4901:1-18-08 Landlord-tenant provisions.**

This rule is to address circumstances where the utility company knows that the customer is the landlord for a multi-unit dwelling (i.e., tenants who receive master-metered services) or for a single-occupancy dwelling where the utilities are included in the rent. A utility company may disconnect the utility service of these consumers, for nonpayment by the landlord, only in accordance with the following:

- (A) The utility company shall give a notice of disconnection of service to the landlord/agent at least fourteen days before the disconnection would occur. If, at the end of the fourteen-day notice period, the customer has not paid or made payment arrangements for the bill to which the fourteen-day notice relates, the utility company shall then make a good faith effort by mail, or otherwise, to provide a separate ten-day notice of pending disconnection to the landlord/agent, to each unit of a multi-unit dwelling (i.e., each tenant who receives master-metered service), and to single-occupancy dwellings where the utilities are included in the rent. This ten-day notice shall be in addition to the fourteen-day notice given to the landlord/agent. This notice requirement shall be complied with throughout the year. In a multi-unit dwelling, written notice shall also be placed in a conspicuous place.

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- (B) The utility company shall also provide all of the following information in its ten-day notice:
- (1) A summary of the remedies tenants may choose to prevent disconnection or to have service reconnected.
  - (2) A statement to inform tenants that a list of procedures and forms to prevent disconnection or to have service reconnected are available from the utility company upon request. A model form of the tenants' ten-day notice is attached as appendix A to this rule.
- (C) The utility company shall inform any consumer inquiring about the notice, posted pursuant to paragraph (A) of this rule, of the amount due for the current month's bill and that the disconnection of service may be prevented if the consumer(s) makes a single payment to the utility company in the amount of the current month's bill.
- (D) The utility company shall credit to the appropriate account any payment made by tenants equal to or exceeding the landlord's current bill for those premises. The utility company is under no obligation to accept partial payment from individual tenants. The utility company may choose to accept only a single payment from a representative acting on behalf of all the tenants.
- (E) No utility company shall disconnect service to master-metered premises, or to a single-occupancy dwelling where utilities are included in the rent, when all of the following actions take place:
- (1) A tenant delivers to the utility company a copy of the written notice required by division (A) of section 5321.07 of the Revised Code, signed by fifty per cent or more of the tenants of the occupied dwelling units in a multi-unit dwelling, or the tenant in a single-occupancy dwelling, which notice shall designate the imminent disconnection of utility service (as shown by the disconnection notices received) as a reason for the notice.
  - (2) A tenant informs the utility company in writing of the date of the last day on which rent may be paid before a penalty is assessed or the date on which default on the lease or rental agreement can be claimed.
  - (3) The tenants timely invoke the remedies provided in divisions (B)(1) and (B)(2) of section 5321.07 of the Revised Code, including but not limited to:
    - (a) Depositing all rent that is due and thereafter becomes due to the landlord, with the clerk of the municipal or county court having

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jurisdiction.

- (b) Applying to the court for an order to use the rent deposited to remedy the condition or conditions specified in the tenant's notice to the landlord (including but not necessarily limited to payment to the utility company rendering the disconnection notice).
- (F) Each utility company that delivers notice pursuant to paragraph (A) of this rule shall provide to each tenant, upon request, the procedures to avoid disconnection or to have service reconnected as described in appendix B to this rule. The forms referenced in appendix B to this rule shall be made available by the utility company and also will be available on the commission's website at [http:// www.puc.ohio.gov/PUCO/rules](http://www.puc.ohio.gov/PUCO/rules) or by contacting the commission's call center at 1-800-686-7826 (toll free) from eight a.m. to five p.m. weekdays. Hearing or speech impaired customers may contact the commission via 7-1-1 (Ohio relay service). The utility company shall also identify for the tenant any resources in the community where he/she can obtain assistance in pursuing his/her claim, including but not limited to:
- (1) The telephone number(s) of the local legal services program (in cities over one hundred thousand served by that utility company).
  - (2) The toll-free number(s) for the Ohio state legal services association.
  - (3) The toll-free number(s) of the office of consumers' counsel.
  - (4) The telephone number(s) of the local bar association.
  - (5) The telephone number(s) of the local tenant organization(s).
- (G) If a utility company disconnects service to consumers whose utility services are included in rental payments or who are residing in master-metered premises, the company shall comply with the following: ~~the utility company, upon inquiry, shall inform the consumer that service will be reconnected upon payment of the amount due for the current month's bill plus any reconnection charge if the payment is made within fourteen days of disconnection. The utility company shall continue service at the premises as long as the tenant's representative continues to pay for each month's service (based upon actual or estimated consumption) by the due date of the bill for that service. The utility company shall also reconnect service for those consumers who, within fourteen days of the disconnection of service, invoke the provisions of section 5321.07 of~~

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~~the Revised Code, as specified in paragraph (E) of this rule. If the consumers choose to have their service reconnected by paying the current month's bill and payment is not made by the due date each month, the utility company shall post the notice in a conspicuous location on the premises and make a good faith effort by mail or otherwise to notify each household unit of a multi-unit dwelling, or tenant receiving service in the master-metered premises, or tenant in a single-occupancy dwelling, of the impending service disconnection. The utility company is not required to reconnect service pursuant to this paragraph where the landlord resides on the premises.~~

- (1) The utility company, upon inquiry, shall inform the consumer that service will be reconnected upon payment of the amount due for the current month's bill plus any reconnection charge if the payment is made within fourteen days of disconnection.
  - (2) The utility company shall continue service at the premises as long as the tenant's representative continues to pay for each month's service (based upon actual or estimated consumption) by the due date of the bill for that service.
  - (3) The utility company shall also reconnect service for those consumers who, within fourteen days of the disconnection of service, invoke the provisions of section 5321.07 of the Revised Code, as specified in paragraph (E) of this rule.
  - (4) If the consumers choose to have their service reconnected by paying the current month's bill and payment is not made by the due date each month, the utility company shall post the notice in a conspicuous location on the premises and make a good faith effort by mail or otherwise to notify each household unit of a multi-unit dwelling, or tenant receiving service in the master-metered premises, or tenant in a single-occupancy dwelling, of the impending service disconnection. The utility company is not required to reconnect service pursuant to this paragraph where the landlord resides on the premises.
- (H) The utility company shall provide service to a master-metered premise only if the customer is the landlord/owner of the premises. Company acceptance of new applications for service to master-metered premises requires the landlord/owner to provide to the company an accurate list specifying the individual mailing addresses of each unit served at the master-metered premises.

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- (I) The utility company may charge the landlord/owner of the master-metered premises, or of a single-occupancy dwelling, a reasonable fee, as set forth in the utility company's tariffs, designed to pay the utility company's incurred cost for providing the notice to tenants required by paragraph (A) of this rule.
- (J) The utility company has the burden of collecting from the landlord/owner any billed amounts unpaid at the next billing cycle.
- (K) If a customer, who is a property owner, landlord, or the agent of a property owner, requests disconnection of service when residential tenants reside at the premises, the utility company shall perform both of the following actions:
  - (1) Provide at least a ten-day notice prior to the disconnection of service by mail to the residential tenants or by posting the notice in conspicuous places on the premises.
  - (2) Inform such customer of the customer's liability for all utility service consumed during the ten-day notice period.
- (L) Notwithstanding any notice requirement for a utility company under paragraph (K) of this rule and paragraph (A)(3)(d) of rule 4901:1-18-06 of the Administrative Code, a utility company will not be found to have violated these rules if either the following occurs:
  - (1) The utility company uses reasonable efforts to determine the status of the customer/consumer as either a property owner, landlord, the agent of a property owner, or a tenant.
  - (2) The customer/consumer misrepresents the status of the customer/consumer as the property owner, the landlord, the agent of a property owner, or a tenant.
- (M) If service is disconnected without notice where the utility is not made aware of a landlord-tenant situation, the utility company shall promptly restore service and provide proper notification as required by the rules in this chapter.

**4901:1-18-08 APPENDICES**

**Appendix A:** TEN-DAY SERVICE DISCONNECTION NOTICE TO TENANTS  
[http://www.puc.state.oh.us/emplibrary/files/legal/rules/appends/4901\\$1-18-08-AppendixA.pdf](http://www.puc.state.oh.us/emplibrary/files/legal/rules/appends/4901$1-18-08-AppendixA.pdf)

**Appendix B:** NOTICE OF YOUR RIGHTS AS A TENANT TO AVOID

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DISCONNECTION OF UTILITY SERVICE

[http://www.puc.state.oh.us/emplibrary/files/legal/rules/appends/4901\\$1-18-08-AppendixB.pdf](http://www.puc.state.oh.us/emplibrary/files/legal/rules/appends/4901$1-18-08-AppendixB.pdf)

**Appendix C: NOTICE OF LANDLORD'S BREACH OF OBLIGATION and Related forms**

[http://www.puc.state.oh.us/emplibrary/files/legal/rules/appends/4901\\$1-18-08-Forms.pdf](http://www.puc.state.oh.us/emplibrary/files/legal/rules/appends/4901$1-18-08-Forms.pdf)

**4901:1-18-09      Combination utility companies.**

- (A) The residential customers and consumers of a combination utility company that provides both natural gas and electric service shall have the same rights pursuant to Chapter 4901:1-18 of the Administrative Code as customers and consumers who are served by separate natural gas and electric companies. In the event of disconnection or pending disconnection of both gas and electric services, a residential customer of a combination utility company has the right to choose to retain or have reconnected both utility services or one service, either gas or electric.
- (B) A combination utility company shall apply the payments from residential customers to their gas and electric accounts separately and shall apportion the payments based on the total balance for each service, including any arrearage plus the current month's charge(s). For purposes of applying these payments:
  - (1) For customers billed only for services provided by the combination utility company, the utility company shall apply payments first to past due amounts, then to current regulated charges, and finally to any nontariffed charges.
  - (2) For customers billed by the combination utility company for any competitive services provided by either a competitive retail natural gas supplier and/or a competitive retail electric provider, the utility company shall apply payments as provided for under paragraph (H) of rule 4901:1-10-33 of the Administrative Code.
- (C) Whenever a residential customer receiving both gas and electric service from a combination utility company has received a disconnection of service notice, the utility company shall give the customer each of the following options:
  - (1) An extended payment plan for both gas and electric as provided for in rule 4901:1-18-05 of the Administrative Code.

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- (2) An extended payment plan to retain either gas or electric service as chosen by the customer. Such extended payment plan shall include an extended payment plan as provided in rule 4901:1-18-05 of the Administrative Code.
- (D) If a residential customer of a combination utility company who has entered into one extended payment plan for both gas and electric service receives a disconnection of service notice and notifies the utility company of an inability to pay the full amount due under such plan, the utility company shall offer the customer, if eligible pursuant to paragraph (B) of rule 4901:1-18-05 of the Administrative Code, another payment plan to maintain both services. The utility company shall give the customer the opportunity to retain only one service by paying the defaulted payment plan portion for either the gas or electric service, as selected by the customer.
- (E) If both the gas and electric service of a residential customer of a combination utility company have been discontinued for nonpayment, the utility company shall reconnect both services, or either service, as designated by the customer, pursuant to rule 4901:1-18-07 of the Administrative Code.
- (F) The combination utility company shall in its disconnection of service notice, as provided for in Chapter 4901:1-18 of the Administrative Code, advise combination residential customers of their rights to select the service(s) for retention or reconnection as provided for in paragraphs (C), (D), and (E) of this rule. The notice shall state with specificity the conditions under which customers may exercise their rights and shall state the telephone number and business address of a utility company representative to be contacted to inquire about those rights.
- (G) For a customer who has received a disconnection of service notice and who contacts the combination utility company, the utility company shall inform the customer of the total past due amount for each service, and with respect to the extended payment plans available under this rule, the monthly payment due on the past due amount for each service.

**4901:1-18-10      Insufficient reasons for refusing service or for disconnecting service.**

The utility company shall not refuse service to or disconnect service to any applicant/customer for any of the following reasons:

- (A) Failure to pay for service furnished to a former customer unless the former customer and the new applicant for service continue to be members of the same household.



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- (B) Failure to pay for nonresidential service.
- (C) Failure to pay any amount which is in bona fide dispute. Where the customer has registered a complaint with the commission's call center or filed a formal complaint with the commission that reasonably asserts a bona fide dispute, the utility company shall not disconnect service if the customer pays either the undisputed portion of the bill, if known or can reasonably be determined, or the amount billed for the same billing period in the previous year.
- (D) Failure to pay any nontariffed service charges, including competitive retail electric service.

**4901:1-18-11      Restrictive language prohibition.**

Except as provided in Chapter 4901:5-37 and rule 4901:5-25-06 of the Administrative Code, or other commission-approved curtailment provisions, no gas, natural gas, or electric utility company shall deny service to a prospective customer or discontinue service to a present customer because the utility company would be or is providing only auxiliary, stand-by or emergency service as an alternative energy source.

Upon application to and approval by the commission, a gas, natural gas, or electric utility company may file a separate applicable tariff containing rates which reflect the costs incurred by that company to provide such services.

**4901:1-18-12      Percentage of income payment plan program plus eligibility for gas utility service.**

- (A) Rules 4901:1-18-12 to 4901:1-18-17 of the Administrative Code, apply to the ~~percentage of income payment plan (PIPP Plus)~~ for residential service from a gas or natural gas utility company. PIPP Plus rules and requirements for residential electric utility service are located in Chapter 122:5-3 of the Administrative Code.
- (B) A customer is eligible for PIPP Plus if the customer meets one of the following criteria:
  - (1) The household income for the past three months, if annualized, would be less than or equal to one hundred fifty per cent of the federal poverty guidelines.
  - (2) The annualized household income for the past three months is more than one hundred fifty per cent of the federal poverty guidelines, but the

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customer has a household income for the past twelve months which is less than or equal to one hundred fifty per cent of the federal poverty guidelines.

- (C) If the customer meets the income eligibility requirements, as set forth in paragraph (B) of this rule, to participate in PIPP Plus, the customer must also:
- (1) Apply for all public energy assistance for which the customer is eligible.
  - (2) Apply for and accept all weatherization programs for which the customer is eligible.
  - (3) Sign and submit a release to the Ohio ~~department of development~~ service agency and the affected jurisdictional gas or natural gas utility company giving permission for that entity to receive information from any public or private agency that provides income or energy assistance to the customer, or from any member of the customer's household, and/or from any public or private employer of the customer or member of the customer's household as it relates to PIPP Plus eligibility.
  - (4) Notify the local agency designated by the Ohio ~~department of development~~ service agency, within thirty days, of any change in income or household size.
- (D) In addition to the requirements set forth in paragraphs (B) and (C) of this rule, a PIPP Plus customer must also periodically reverify his/her eligibility.
- (1) All PIPP Plus customers must provide proof of eligibility to the Ohio ~~department of development~~ service agency of the household income at least once every twelve months at or about the customer's PIPP Plus ~~anniversary~~ reverification date. The customer shall be accorded a grace period of sixty days after the customer's PIPP Plus ~~anniversary~~ reverification date to reverify eligibility.
  - (2) Except as provided in this paragraph, the PIPP Plus customer must be current on his/her income-based PIPP Plus payments at the customer's PIPP Plus ~~anniversary~~ reverification date to be eligible to remain on PIPP Plus for the subsequent twelve months. The customer will have one billing cycle after the PIPP Plus ~~anniversary~~ reverification date to pay any missed PIPP Plus payments before being removed from the program. Missed PIPP Plus payments include:
    - (a) Any delayed payments as a result of the customer's prior use of a medical certificate in accordance with paragraph (C) of rule 4901:1-18-06

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of the Administrative Code.

- (b) Any missed payments, including PIPP Plus payments which would have been due for the months the customer is disconnected from gas utility service. ~~These missed PIPP payments must be paid prior to the restoration of utility service.~~ The amount of the PIPP payments due shall not exceed the amount of the customer's arrearage and shall be paid prior to the restoration of utility service.
- ~~(3) All PIPP customers must also provide proof of eligibility to the gas or natural gas utility company upon request. No gas or natural gas utility company shall request such proof without justification.~~
- (34) PIPP Plus customers who have been dropped from the PIPP Plus program due to nonpayment or not meeting the terms of the program (e.g. failure to reverify or to bring account current at the anniversary date), may re-enroll in the program after all missed PIPP Plus payments, from the time of enrollment or the PIPP reverification date, up until re-enrollment, have been cured and monthly charges for any months the customer was not enrolled in the program but maintained service (less any payments made by the customer). This includes PIPP Plus payments for any months in which the customer was disconnected. The amount due shall not exceed the amount of the customer's arrearage.
- (4) All PIPP Plus customers must also provide proof of eligibility to the gas or natural gas utility company upon request. No gas or natural gas utility company shall request such proof without justification.
- (E) Upon the customer's enrollment in PIPP Plus and at reverification, the gas or natural gas utility company shall provide the customer with a copy of PIPP Plus literature including, at a minimum, the customer's monthly payment, service address, ~~arrears~~ current arrearages at plan initiation, nonrecurring fees, timely payment incentives, reverification requirements including the customer's anniversary date, and customer responsibilities when the customer is no longer eligible for the program.

**4901:1-18-13      Payment requirements for percentage of income payment plan plus customers.**

- (A) The payment requirements for a percentage of income payment plan plus (PIPP Plus) or graduate PIPP Plus customer, as referenced in Chapter 4901:1-18 of the Administrative Code, shall be calculated as follows:

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- (1) PIPP Plus. Each PIPP Plus customer shall be billed six per cent of his/her household income or ten dollars, whichever is greater, per billing cycle by the jurisdictional gas or natural gas utility company that provides the customer with his/her source of heat.
  - (2) Graduate PIPP Plus. Each graduate PIPP Plus customer shall be billed the average of the customer's most recent PIPP Plus income-based payment and the customer's budget bill amount, per billing cycle by the jurisdictional gas or natural gas utility company that provides the customer with his/her source of heat.
- (B) Customers who are also enrolled in the PIPP Plus program for their electric utility service should refer to Chapter 122:5-3 of the Administrative Code for the applicable payment requirement(s).
- (C) Any money provided to the jurisdictional gas or natural gas utility company by a public or private entity for the purpose of paying utility bills shall not be considered as household income when calculating PIPP Plus eligibility.
- (1) Home energy assistance program (HEAP). Money provided from HEAP, or a similar program, shall not be counted as part of the monies paid by the customer to meet the monthly PIPP Plus income-based payment requirement. These monies shall first be applied to the customer's arrearages and then held to be applied to future arrearages. Monies shall not be directly remitted to PIPP customers.
  - (2) Money other than HEAP or emergency HEAP (E-HEAP). Money provided on an irregular or emergency basis by a public or private agency shall first be applied to the customer's defaulted income-based payment, if any, then applied to the customer's current bill and, lastly, shall be applied to the customer's arrearages. Money provided on a monthly basis (e.g. utility allowance) by a public or private agency shall be applied to the PIPP Plus payment amount, then to the balance of the current billing cycle that is not covered by the installment payment, and to the customer's arrearages if applicable. If such monies result in a credit balance and the account is finalized the company shall refund the credit balance to the customer.
- (D) Overpayment of payments. Any overpayment of PIPP Plus or Graduate PIPP Plus payments shall be applied to future PIPP Plus or Graduate PIPP Plus payments once any default balance have been paid.

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- (A) Percentage of income payment plan plus (PIPP Plus) and graduate PIPP Plus customers shall be provided the incentive of a reduction in their outstanding arrearages in return for making timely payments.
- (1) PIPP Plus customer. Each time the PIPP Plus customer makes his/her required income-based on-time payment or more, as determined pursuant to rule 4901:1-18-13 of the Administrative Code, to the gas or natural gas utility company ~~by the due date~~, the gas or natural gas utility company shall reduce the customer's account arrearage by the difference between the amount of the required income-based payment and the current monthly bill plus one twenty-fourth of the customer's accumulated arrearages, as calculated at the time of enrollment or in the event of late or missed payments, at the anniversary date~~time of reverification~~.
- (2) Graduate PIPP Plus customer. Each time the graduate PIPP Plus customer makes his/her required payment or more, as determined pursuant to rule 4901:1-18-13 of the Administrative Code, to the gas or natural gas utility company ~~by the due date~~, the gas or natural gas utility company shall reduce the customer's account arrearage by the difference between the amount of the required payment and the current monthly bill plus one-twelfth of the customer's accumulated arrearages, as calculated at the time of enrollment in the graduate PIPP Plus program.
- (B) ~~PIPP and graduate PIPP customers are not eligible to have any credit balance appearing on his/her account refunded to the customer. When a PIPP or graduate PIPP customer's account is finalized, any credit balance on the customer's account shall first be applied to the customer's arrearage and then as an offset to the gas or natural gas utility company's PIPP rider. When a PIPP or graduate PIPP customer transfers service to a new address within the company's service area, any credits on the customer's account shall be applied to service at the new address.~~If a PIPP Plus customer's account balance becomes a credit balance, the customer will no longer be eligible for incentive credits until such time that the account balance is no longer a credit.

If the credit balance is not a result of any incentive credits, the credit balance may be refunded to the customer upon request. At the time of such refund, the gas or natural gas utility company shall remove the account from PIPP Plus and inform the customer of the availability of a more suitable payment plan option (e.g. budget payment plan). If the customer wishes to re-enroll in PIPP Plus, the company shall follow the requirements set forth in rules 4901:1-18-15(F) of the Administrative Code.

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(C) At the completion of the graduate PIPP Plus plan, the gas or natural gas company shall review the account to determine if a credit balance appears. If the credit balance is a result of incentive credits as outlined in rule 4901:1-18-14(A) of the Administrative Code the gas or natural gas utility company shall apply those credits as an offset to the PIPP Plus rider.

**4901:1-18-15      General percentage of income payment plan plus provisions.**

- (A) A PIPP Plus customer who is current on his/her PIPP Plus payments shall not be disconnected, refused reconnection, or denied a transfer of service to a new address, based solely on outstanding arrearages accrued while in the PIPP Plus program.
- (B) No gas or natural gas utility company shall require a deposit on PIPP Plus customer accounts or new or reconnected accounts where the customer has signed up for PIPP Plus. The gas or natural gas utility company may assess the customer the deposit if it is determined that the customer is ineligible for PIPP Plus. Any deposit paid by a customer prior to signing up for PIPP Plus, to initiate, retain or restore service, shall, upon enrollment in PIPP Plus, be credited to the customer's outstanding arrearage.
- (C) No gas or natural gas utility company shall apply late fees to a PIPP Plus customer's account.
- (D) The gas or natural gas utility company shall include the PIPP Plus customer's anniversary date on each monthly bill.
- (E) A PIPP Plus customer who is income eligible, voluntarily leaves PIPP Plus, and then within twelve months re-enrolls in PIPP Plus must pay the PIPP Plus payments due for the months the customer received service but was not on the program, less payment made by the customer during the same time period.
- (F) A PIPP Plus customer who is income eligible, voluntarily leaves PIPP Plus, and then re-joins PIPP Plus after twelve months and has no outstanding balance, the customer would be required to pay his or her first PIPP Plus payment. If the customer re-joins PIPP Plus after twelve months and has an outstanding balance, the customer would be required to pay the missed PIPP Plus payments for the number of months that he or she was not enrolled in PIPP Plus, less any payments made by the customer up to the amount of the customer's arrearages.
- (G) Post PIPP Plus. The gas or natural gas utility company shall offer on the final

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bill a payment agreement for PIPP Plus customers with arrearages who are closing their utility account due to:

- (1) Moving beyond the gas or natural gas company's service territory,
- (2) Transferring to a residence where utility service is not in the former PIPP Plus customer's name, or
- (3) Moving to a master-metered residence.

The monthly payment shall be no more than the total accumulated arrearage divided by sixty. Each time the former PIPP Plus customer makes his or her required payment by the due date, the company shall reduce the account arrearage by one-twelfth. This payment agreement is available to the former PIPP Plus customer for twelve months from the time the account is final billed.

**4901:1-18-16 Graduate percentage of income payment plan plus program.**

- (A) Percentage of income payment plan plus (PIPP Plus) customers that remain within the gas or natural gas utility company's service territory shall automatically be enrolled in the graduate PIPP Plus program when one of the following occurs:
  - (1) The customer elects to terminate participation in the PIPP Plus program.
  - (2) The customer is 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.
- (B) PIPP Plus customers removed from the program due to fraudulent enrollment in the PIPP Plus program are not eligible to participate in graduate PIPP Plus.
- (C) Any graduate PIPP Plus customer who tampers with the gas or natural gas utility company's meter, metering equipment or other property, or is the beneficiary of such act, shall comply with the requirements of paragraphs (E)(3)(a) to (E)(3)(d) of rule 4901:1-18-03 of the Administrative Code. ~~Any former PIPP customer determined by the Ohio department of development or the gas or natural gas utility company to have been fraudulently enrolled in the PIPP program shall be required to pay the gas or natural gas utility company the difference between any PIPP income based payments made and the actual bill amount and to pay any arrearage credits accrued for timely payments during the period the customer was fraudulently enrolled in PIPP and the graduate PIPP program. The gas or natural gas utility company shall credit such amounts received to the company's PIPP rider. For a period of twenty four months, the~~

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~~gas or natural gas utility company shall treat such customer as subject to rules 4901:1-18-01 to 4901:1-18-11 of the Administrative Code, should the customer return to the gas or natural gas utility company.~~

- (D) To be enrolled in graduate PIPP Plus, a former PIPP Plus customer must be current with his/her income-based payments on the gas or natural gas utility company account or cure any missed PIPP Plus payments within one billing cycle of the customer's enrollment in graduate PIPP Plus.
- (E) Upon enrollment in graduate PIPP Plus, the gas or natural gas utility company shall provide the graduate PIPP Plus customer with a copy of the graduate PIPP Plus participation requirements including, at a minimum, the customer's monthly payment plan over the next twelve months, service address, mailing address, the account arrearage at graduate PIPP Plus initiation, applicable fees, if any, arrearage credit, and the customer's responsibilities.
- (F) Graduate PIPP Plus customers shall be provided the incentive of a reduction in their outstanding arrearages in return for continuing to make timely payments of the amount due, as set forth in rule 4901:1-18-14 of the Administrative Code.
- (G) The graduate PIPP Plus customer shall be billed the average of his/her income-based PIPP Plus payment and the customer's budget bill amount, calculated using the utility company's normal methodology,  $([\text{PIPP Plus payment} + \text{budget bill amount}] \div 2)$  for the twelve billing cycles following enrollment in the program. The ~~income-based transition~~ payment shall be based on the income and household size immediately prior to the PIPP Plus customer becoming ineligible for PIPP Plus or electing to terminate participation in PIPP. After twelve billing cycles, the graduate PIPP Plus customer is no longer eligible for arrearage credits. Any remaining arrearage on the customer's account may become due and the customer may be placed on one of the extended payment plans in rule 4901:1-18-05 of the Administrative Code. If the arrearage remains on the customer's account and the customer fails to make extended payment arrangements, the gas or natural gas utility company may initiate disconnection procedures for failure to pay the remaining arrearage.
- (H) An active or former graduate PIPP Plus customer may re-enroll in PIPP Plus at any time, provided that he or she meets the income qualifications. The active or former graduate PIPP Plus customer must be current with his or her graduate PIPP Plus payments or cure any missed graduate PIPP Plus default prior to re-enrollment in PIPP Plus.
- (IH) No gas or natural gas utility company shall require a deposit on graduate PIPP Plus customer accounts while the customer is enrolled in graduate PIPP Plus.



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The gas or natural gas utility company may assess the customer a deposit, pursuant to rule 4901:1-17-04 of the Administrative Code, if the customer elects to terminate participation in graduate PIPP PIPP Plus or the customer's participation in PIPP Plus is terminated.

- (I) No gas or natural gas utility company shall apply late fees to a graduate PIPP Plus customer's account.

**4901:1-18-17      Removal from or termination of customer participation in the percentage of income payment plan plus.**

- (A) The gas or natural gas utility company shall remove a percentage of income payment plan plus (PIPP Plus) customer from PIPP Plus when the customer fails to comply with the requirements set forth in paragraph (B), (C), or (D) of rule 4901:1-18-12 of the Administrative Code.
- ~~(B) After removal from PIPP for failure to timely reverify eligibility, the former PIPP customer may re-enroll in PIPP and must make any missed income-based payments to bring the account current.~~
- (B) If a customer is removed from PIPP Plus for failure to timely reverify eligibility and fails to reverify and re-enroll in PIPP Plus or to qualify for graduate PIPP Plus pursuant to paragraph (D) of rule 4901:1-18-16 of the Administrative Code, the entire account arrearage will become due. The gas or natural gas utility company shall offer the customer an extended payment plan pursuant to paragraph (B) of rule 4901:1-18-05 of the Administrative Code. If the customer fails to make payment under the agreed payment plan, the former PIPP Plus customer's service may be subject to disconnection in accordance with rules 4901:1-18-03 to 4901:1-18-06 of the Administrative Code.
- (C) Fraudulent act. The gas or natural gas utility company shall terminate a customer's participation in PIPP Plus or graduate PIPP Plus when it is determined by the gas or natural gas utility company that the PIPP Plus or graduate PIPP Plus customer was fraudulently enrolled in the program or when the customer is found to be non-compliant by the Ohio development services agency. The customer shall be required to pay the income-based payments made and the actual bill amount and to pay any arrearage credits accrued for timely payments during the period the customer was fraudulently enrolled in PIPP Plus and/or graduate PIPP Plus. The gas or natural gas utility company shall credit such amounts received to the company's PIPP Plus rider. The customer shall not be eligible to participate in PIPP Plus, graduate PIPP Plus, or to receive any other benefits available to PIPP Plus customers or graduate PIPP

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Plus customers for twenty-four months from when the customer is removed from PIPP Plus or graduate PIPP Plus and until any demand for restitution is satisfied. For this twenty-four month period, the gas or natural gas utility company shall treat such customer as subject to rules 4901:1-18-11 of the Administrative code, should the customer return to the gas or natural gas utility company.

- (D) A PIPP Plus customer who is income eligible, voluntarily leaves PIPP Plus, and then within 12 months re-enrolls in PIPP Plus, must pay the difference between the PIPP Plus payments due for the months the customer received service but was not on the program, less payment made by the customer during the same time period.
- ~~(D) Fraud. The gas or natural gas utility company shall terminate a customer's participation in PIPP when it is determined that the PIPP customer was fraudulently enrolled in the program. The customer shall be required to pay the gas utility the actual bill for gas that the customer consumed during the period in which the customer was fraudulently enrolled minus previously paid PIPP payments. Any arrearage credits which accrued to the customer's account shall be reversed. The customer shall not be eligible to participate in PIPP, graduate PIPP, or to receive any other benefits available to PIPP customers or graduates for twenty four months from when the customer is removed from PIPP.~~
- (E) Any PIPP Plus customer who tampers with the gas or natural gas utility company's meter, metering equipment or other property, or is the beneficiary of such act, shall comply with the requirements of paragraphs (E)(3)(a) to (E)(3)(d) of rule 4901:1-18-03 of the Administrative Code. Furthermore, to clarify the application of paragraph (E)(3)(b) of rule 4901:1-18-03 of the Administrative Code, the amount of the arrearages generated by the unauthorized usage shall be removed from the customer's arrearages and shall be paid by the customer before service is restored. Any usage charges previously credited to the customer as a result of the arrearage crediting program shall be reversed and are also due before service shall be restored.

# CSI - Ohio

## The Common Sense Initiative

### Business Impact Analysis

**Agency Name:** Public Utilities Commission of Ohio (PUCO)  
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**Regulation/Package Title:** Chapter 4901:1-18 / Termination of Residential Service

**Rule Number(s):**

4901:1-18-01 Definitions  
4901:1-18-02 General Provisions  
4901:1-18-03 Reasons for Disconnecting Residential Electric, Gas, or Natural Gas Service  
4901:1-18-04 Delinquent Bills  
4901:1-18-05 Extended Payment Plans and Responsibilities  
4901:1-18-06 Disconnection Procedures for Electric, Gas, and Natural Gas Utilities  
4901:1-18-07 Reconnection of Service  
4901:1-18-08 Landlord-Tenant Provisions  
4901:1-18-09 Combination Utility Companies  
4901:1-18-10 Insufficient Reasons for Refusing Service or for Disconnecting Service  
4901:1-18-11 Restrictive Language Prohibition  
4901:1-18-12 Percentage of Income Payment Plan Program Plus Eligibility for Gas Utility Service.  
4901:1-18-13 Payment Requirements for Percentage of Income Payment Plan Plus Customers.  
4901:1-18-14 Incentive Programs for Percentage of Income Payment Plan Plus and Graduate Percentage of Income Payment Plan Plus Customers.  
4901:1-18-15 General Percentage of Income Payment Plan Plus Provisions  
4901:1-18-16 Graduate Percentage of Income Payment Plan Plus Program  
4901:1-18-17 Removal from or Termination of Customer Participation in the Percentage of Income Payment Plan Plus.

**Date:** June 12, 2013

**Rule Type:**

☐ New ☒ 5-Year Review  
☒ Amended ☐ Rescinded

**The Common Sense Initiative was established by Executive Order 2011-01K and placed within the Office of the Lieutenant Governor. Under the CSI Initiative, agencies should balance the critical objectives of all regulations with the costs of compliance by the regulated parties. Agencies should promote transparency, consistency, predictability, and flexibility in regulatory activities. Agencies should prioritize compliance over punishment, and to that end, should utilize plain language in the development of regulations.**

**Regulatory Intent**

**1. Please briefly describe the draft regulation in plain language.**

Chapter 4901:1-18, Ohio Administrative Code (O.A.C.), includes regulations on Ohio's percentage of income payment plus (PIPP Plus) plan, an income-based payment plan for low-income, residential customers, served by regulated gas and natural gas utility companies. The rules regarding Ohio's PIPP Plus plan are not only contained in the rules of the Public Utilities Commission of Ohio (PUCO) for gas utilities, Chapter 4901:1-18, O.A.C., but also in the Ohio Development Services Agency's (ODSA) rules for electric utilities, Chapter 122:5-3, O.A.C. While considering potential changes to the rules for the PIPP Plus Plan, the two agencies have been coordinating their review of the rules in order to establish clear and consistent rules for both the gas and electric utilities. The proposed changes to these chapters include: nonsubstantive amendments intending to clarify the existing rules applicable to establishing residential service, as well as the disconnection procedures for regulated utilities; and the removal of unnecessary requirements. In addition, the proposed changes further align the PUCO's PIPP Plus rules for residential gas customers with the rules proposed by the ODSA for residential electric customers.

**2. Please list the Ohio statute authorizing the Agency to adopt this regulation.**

Sections 4905.04, 4905.06, 4905.28, and 4933.122, Revised Code.

- 3. Does the regulation implement a federal requirement? Is the proposed regulation being adopted or amended to enable the state to obtain or maintain approval to administer and enforce a federal law or to participate in a federal program?**

This chapter does not implement a federal requirement, nor is it being amended to enable Ohio to obtain or maintain approval to administer or enforce a federal law.

- 4. If the regulation includes provisions not specifically required by the federal government, please explain the rationale for exceeding the federal requirement.**

Not applicable. This chapter implements state requirements and is not required by the federal government.

- 5. What is the public purpose for this regulation (i.e., why does the Agency feel that there needs to be any regulation in this area at all)?**

The public purpose of these regulations is to maintain clear and consistent rules for residential customers across the State of Ohio to establish credit for residential services, as well as rules for the disconnection of residential utility service. In addition, the rules ensure that the PUCO is providing open and transparent regulatory guidance for Ohio utility companies regarding the procedures and practices contained within the rules.

- 6. How will the Agency measure the success of this regulation in terms of outputs and/or outcomes?**

The rules contained in this chapter govern utility companies. The success of the regulation in terms of outputs and outcomes will be measured based upon residential customer and utility company feedback.

**Development of the Regulation**

**7. Please list the stakeholders included by the Agency in the development or initial review of the draft regulation.**

The PUCO and ODSA conducted a joint workshop on March 5, 2013, at the offices of the PUCO to receive feedback from interested stakeholders and the general public. The case number for the PUCO's review of Chapters 4901:1-17 and 4901:1-18, O.A.C., is 13-274-AU-ORD. The entry providing notice of the workshop was served upon all electric distribution companies, gas and natural gas companies, waterworks

and sewage disposal companies, certified competitive retail electric service providers and certified competitive retail natural gas service suppliers, the Office of the Ohio Consumers' Counsel, ODSA, and any other interested persons of record, including members of the general public, who have subscribed to the PUCO's electronic mailing list.

**8. What input was provided by the stakeholders, and how did that input affect the draft regulation being proposed by the Agency?**

Stakeholders provided input on PIPP Plus eligibility verification and payment provisions contained in Chapter 4901:1-18, O.A.C., recommending that the rules provide more leeway to PIPP Plus customers, noting there are not many missed PIPP payments. In addition, several consumer groups note that there are definitions within ODSA's rule definitions that are not defined in the PUCO's rule definitions, and encourage the PUCO to align the definitions when practical. In response to the stakeholders' feedback, Staff of the PUCO drafted rule definitions in an effort to more closely align the PUCO's rules with ODSA's rules. In addition, while some feedback that was solicited did not fit into the PUCO Staff's draft regulations, the current regulations are effective in many instances, as noted in the PIPP Plus program data report referred to below.

**9. What scientific data was used to develop the rule or the measurable outcomes of the rule? How does this data support the regulation being proposed?**

PUCO Staff developed a PIPP Plus program data report demonstrating the effectiveness of the current PUCO rules, as well as pointing out the importance of aligning PUCO regulations with ODSA regulations, when practicable.

**10. What alternative regulations (or specific provisions within the regulation) did the Agency consider, and why did it determine that these alternatives were not appropriate? If none, why didn't the Agency consider regulatory alternatives?**

No alternative regulations were considered; however, the PUCO did include an appendix to its proposed rules with several questions for stakeholders to respond to, and, depending on the filed comments, will consider revising the proposed regulations.

**11. Did the Agency specifically consider a performance-based regulation? Please explain.**  
*Performance-based regulations define the required outcome, but don't dictate the process the regulated stakeholders must use to achieve compliance.*

No. The proposed rules are based upon the statutory requirements under Sections, 4905.04, 4905.06, 4905.28, and 4933.122 Revised Code.

**12. What measures did the Agency take to ensure that this regulation does not duplicate an existing Ohio regulation?**

To the extent ODSA oversees the rules and regulations for PIPP Plus programs for electric residential customers and the PUCO oversees rules and regulations relating to PIPP Plus programs for gas and natural gas customers, representatives from both agencies coordinated a series of meetings following the agencies' joint rules workshop to ensure there was no duplication of regulations. Furthermore, no concerns of duplicate regulation were raised at the rules workshop, and, as the PUCO is the state agency responsible for the regulation of utility service, it is highly unlikely that there are any existing duplicate regulations in Ohio.

**13. Please describe the Agency's plan for implementation of the regulation, including any measures to ensure that the regulation is applied consistently and predictably for the regulated community.**

The PUCO's plan for implementation of the proposed changes to Chapter 4901:1-18, O.A.C., is for the Service Monitoring and Enforcement Division of the PUCO to implement and adopt measures that will ensure consistent and predictable application of the regulation for both residential utility customers and utility companies.

**Adverse Impact to Business**

**14. Provide a summary of the estimated cost of compliance with the rule. Specifically, please do the following:**

**a. Identify the scope of the impacted business community;**

Rules in Chapter 4901:1-18, O.A.C., apply to all electric gas, natural gas, waterworks, and sewage disposal utility companies providing service to residential customers.

**b. Identify the nature of the adverse impact (e.g., license fees, fines, employer time for compliance); and**

As this chapter prescribes the relationship between residential customers and the utility companies serving them, the primary identified business community is the utility companies. The chapter may impact the identified business community in that there is a time cost involved in compliance with the rules if the utility companies need to program their billing systems to reflect the proposed rule revisions. However, in light of the fact that the majority of modifications clarify the rules contained within the chapter, and that the major substantive amendments occurred during the previous five-year rule review, it is improbable that any utility companies will need to significantly upgrade any programs or revise internal protocols. In addition, while unlikely, there may be nominal costs associated with including bill insert messages within residential utility bills. As a result of the continuation



of these rules without substantive amendment, the nature of any adverse impact is minimized. It should also be noted that, since the inception of the current rules, which are being recommended for continuation herein, the average annual customer arrearage owed to natural gas utility companies has decreased by approximately 45 percent.

(<http://dis.puc.state.oh.us/TiffToPDF/A1001001A13B08B60930G64265.pdf>)

Since the utilities companies may seek recovery of any unpaid arrearage from ratepayers, both residential and nonresidential, continuation of the current rules may assist in further reducing any unpaid arrearages; thus, benefitting the ratepayers. In addition, the substantive revisions allow for the PUCO to more closely align its natural gas PIPP Plus rules with ODSA's electric PIPP Plus rules, which benefits companies like Duke Energy Ohio that provide both natural gas and electric service to customers, by allowing for clear and consistent rules that will minimize any regulatory burden and costs.

**c. Quantify the expected adverse impact from the regulation.**

*The adverse impact can be quantified in terms of dollars, hours to comply, or other factors; and may be estimated for the entire regulated population or for a "representative business." Please include the source for your information/estimated impact.*

The impact in terms of time will, in most instances, be minimal, as utility companies already adhere to Chapter 4901:1-18, O.A.C., and the proposed revisions are unlikely to add any additional burden on businesses.

**15. Why did the Agency determine that the regulatory intent justifies the adverse impact to the regulated business community?**

The need for clear and consistent credit and disconnection rules outweighs any potential time that may be associated with compliance with the rules, as the rules contained within Chapter 4901:1-18, O.A.C., protect the regulated business community by allowing for utility companies to request financial assurance before providing service, as well as providing several options for the regulated community to disconnect service to residential customers, if necessary.

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**Regulatory Flexibility**

**16. Does the regulation provide any exemptions or alternative means of compliance for small businesses? Please explain.**

The regulations offer several options for small businesses to allow for regulatory flexibility. Specifically, Rule 4901:1-18-02, O.A.C., allows companies to seek waivers of any requirement, rule, or standard within the chapter if good cause is shown. Further, Rule 4901:1-18-03, O.A.C., provides multiple means of justification for the disconnection of residential electric, gas or natural gas service.

**17. How will the agency apply Ohio Revised Code section 119.14 (waiver of fines and penalties for paperwork violations and first-time offenders) into implementation of the regulation?**

There are no fines or penalties imposed under these chapters; therefore, Section 119.14, Revised Code, is inapplicable.

**18. What resources are available to assist small businesses with compliance of the regulation?**

The PUCO works with small businesses to ensure compliance with the rules. In PUCO Case No. 13-274-AU-ORD, stakeholders and the general public, including small businesses, were invited to participate in a workshop to discuss potential revisions to the rules to decrease or eliminate any negative effects on business. Small businesses may contact the PUCO at any time and may comment on the proposed revisions during the open comment period once the proposed revisions have been released via PUCO Entry. Further, the rules and other applicable regulations are accessible to small business owners in an open and transparent manner through the PUCO website.

Energy Conservation Questions

- (1) PIPP Plus customers pay a percentage of their income as their required monthly payment and are awarded incentive credits for making on-time and in-full payments. These incentive credits help PIPP Plus customers reduce old debt and prevent any new debt from accruing. After 24 months of timely in-full payments, it is possible for a PIPP Plus customer to have no debt and go forward debt free. The PIPP Plus payment amount is tied to a customer's income and not usage. After the PIPP Plus customer has had the opportunity to do away with his or her arrearages, should a new process be in place which encourages this customer to conserve energy, thus decreasing his or her usage?
- (2) Would a program that offers the PIPP Plus customer a fixed percentage off the monthly bill be a reasonable way to encourage the customer to conserve energy? The percentage off could be higher for those customers with lower income. For example: A customer's monthly bill is \$100, the customer fixed percentage off is 20%, the customer would receive a \$20 credit. The customer would pay \$80. If the customer's bill was \$130, the customer would receive a \$26 credit and would pay \$104. The customer could lessen the required bill amount by decreasing one's usage, thus decreasing one's bill.
- (3) What barriers may exist to creating a fixed percentage off type program as described above?