

FILE

FAX

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 )  
 Electric Services to Residential Customers )  
 Contained in Chapters 4901:1-17 and )  
 4901:1-18 of the Ohio Administrative Code. )

Case No. 13- 0714 -AU-ORD

COMMENTS OF THE CITIZENS COALITION  
 ON RULES REVIEW FOR  
 PERCENTAGE OF INCOME PAYMENT PROGRAM (PIPP)

PUC

2013 JUL 11 PM 3:00

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Now Come the Citizens Coalition who file the following comments in this proceeding through their attorney.

1. The PUCO and the Ohio Development Services Agency have called for comments on various PIPP Plus Rules (as well as other non-PIPP rules and regulations) and proposed changes in these rules.

2. The Citizens Coalition is aware that these agencies have called for specific comments which are to be divided into three sections according to a Letter from ODSA dated June 14, 2013. The Citizens Coalition is joining other advocates in filing such specific comments, which are comprehensive and substantial. However, the Citizens Coalition did want to file the following general comments on PIPP and PIPP Plus because it is our view that this "grand view" can be very helpful in crafting and implementing any specific proposed rule changes.

3. It is very appropriate for the Citizens Coalition to file these general

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comments. The Coalition is the successor to some of the original community groups who advocated for PIPP during the early 1980's when Ohio did not have such program. Some of the people now involved in the Citizens Coalition (we refer to them as "the ancient ones") were among those individuals who proposed and litigated to help the PUCO in establishing PIPP.

4. Some individuals have criticized PIPP as "another welfare program," implying it should be eliminated. That criticism is absolutely not true. People on PIPP have to pay a monthly bill like just like all utility customers. This payment is based on a percent of their income, so that as their income increases, so does their required payment. That is quite unlike virtually every "welfare program." Even at a minimum for families with "zero" income, they still must pay Ten Dollars. To some "Ten Dollars" may not seem like much, but if your family is poor and has no income, a "Ten Dollar" debt can seem to be like a "Thousand Dollar" debt.

5. Furthermore if PIPP customers do not pay their monthly percentage amount for their bill, they are subject to being disconnected just like any other customer.

6. While on PIPP, it is true customers may accumulate an arrearage. Sometimes for a family that has considerable economic difficulties, the arrearages can be substantial. Moreover, it is true they cannot be disconnected while on PIPP for these arrearages. But they still owe these. Furthermore, when they "graduate" from PIPP and times get better for them, they must then make arrangements to pay these arrearages. If they do not satisfy their payment schedule, they can be disconnected. This counsel himself had a family come to his office two days ago seeking help. They had graduated from PIPP this past year and been trying to make the required payments. When they could not pay the bill (partly because IRS has held up their tax refund due to identity theft), they were

disconnected and now must find ways to regain utility service. This is quite unlike any "welfare program."

7. So what are "PIPP" and "PIPP PLUS"? Here is the answer. PIPP and PIPP Plus are actually an insurance program similar in various ways to Workers' Compensation and Unemployment Compensation. Under both of the latter two widely-accepted programs, moneys in effect come from the wages of workers and are paid into a pool, rather than paid to these workers. These pools of funds then are available to help the workers during various times of crisis. For example, if a worker is injured on the job and is no longer receiving a paycheck, then Workers Compensation is there to help while she/he is recovering. If a worker is laid off and meets certain eligibility requirements, he/she receives receive money to make up their paycheck while they use their time to search for and find other employment.

9. Both PIPP and PIPP Plus operate in similar fashion to Workers Compensation and Unemployment Compensation. All customers through a rider on their monthly bills are paying into the PIPP fund. Then if a financial problem "hits" this family--like a factory closing or job cutbacks--and they can no longer pay the full monthly utility bill, they still can maintain their utility services by paying a monthly amount based on a percent of their income. Also the PIPP Pool from the rider is there to compensate the utility companies for the arrearages. This in effect is an insurance program complete with premiums—the monthly riders and amounts paid by customers—and a pay-out to the utility companies to make up the arrearages.

10. When a family's income situation improves, the family "graduates" from PIPP. They then make arrangements to take care of their arrearages. Also as utility customers, their bills include the rider to pay into the PIPP pool, thus in effect replenishing

the PIPP pool for what that family had to use during their hard times.

11. Last year some 397,000 Ohio families were enrolled in the PIPP Plus Program. They often needed this help in order to maintain essential utility services during Ohio's brutal winters. We are talking "survival."

12. Our PIPP program is probably the largest in the country. It is actually a model for other States. The Program is also self-sustaining in that the customers of each utility company—including the poor customers—financially support it rather than looking to the Ohio General Assembly for tax payer funding.

13. Why does the Citizens Coalition mention all of these general comments? Partly because there are many, even those expert on utility matters, who do not realize the "insurance" aspects of PIPP nor fully understand how every customer is involved in the financial support of PIPP and every customer can benefit from PIPP.

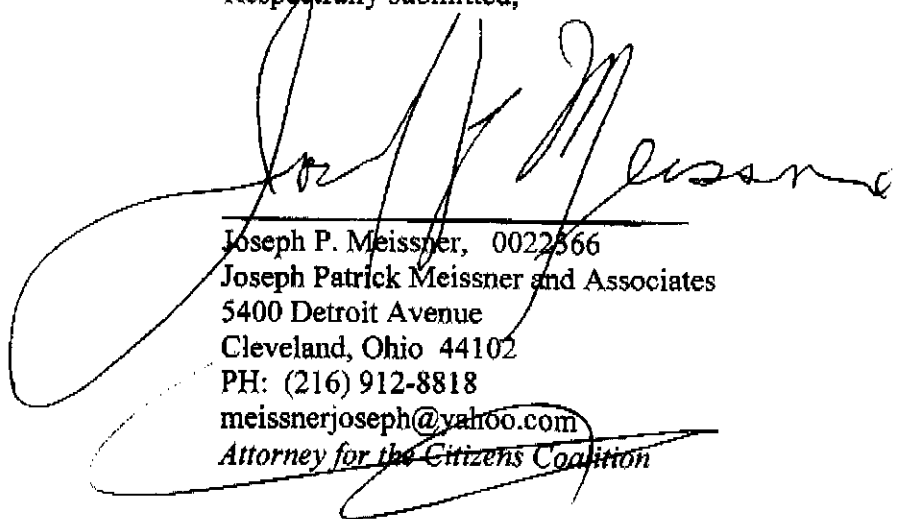
14. Just as important, it is essential to keep in mind both the purposes and goals of the PIPP and PIPP Plus and the key roles these play in our State of Ohio whenever we are considering changing these programs or composing new regulations or modifying old ones for these programs.

15 PIPP and PIPP Plus are beneficial not only to all the customers, including the poor, but also they are beneficial in many ways to the utility companies themselves. . There is a social benefit for the companies and society generally. Rather than anyone having to bear the burden of shutting off some poor family's gas service in the winter who then unsafely burn wood or charcoal, or shutting off somebody's electricity who then resort to dangerous candles and lanterns, PIPP and PIPP Plus provide ways to avoid such risky situations. Financially, the companies also benefit because there is a reasonable payment and collection system along with a stable financial backup system with riders and PIPP

pools.

16. So as we continue this process for reviewing the PIPP Plus Rules, let us remember this "grand view" of the PIPP-PIPP PLUS program, how it first began, how many people it has helped in our State, and how this program will continue to be needed in the future.

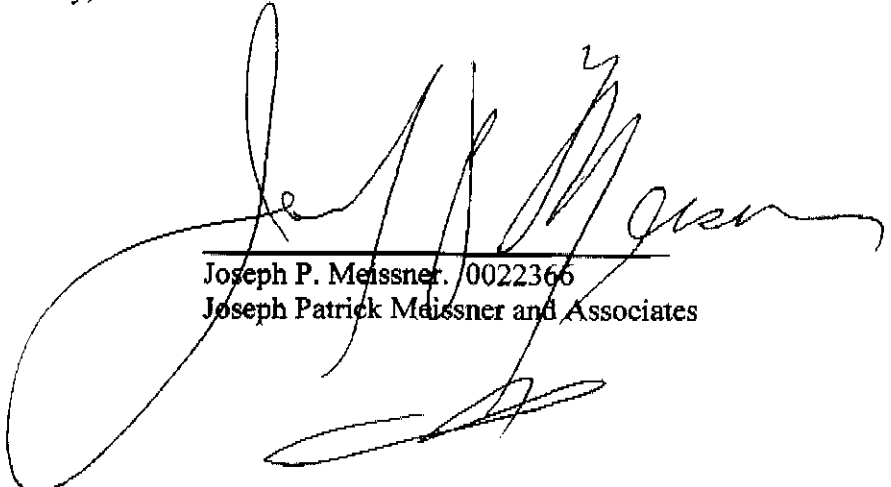
Respectfully submitted,



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**CERTIFICATE OF SERVICE**

A Copy of this Legal Pleading has been filed with the PUCO. Other copies will be sent by email to all those who file comments in this proceeding on this 11<sup>th</sup> day of July, 2013.



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