

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 Ohio Adm.Code Chapters)
4901:1-17 and 4901:1-18.)

ENTRY ON REHEARING

The Commission finds:

- (1) R.C. 111.15 and R.C. 119.032 require the Commission to conduct a review, every five years, of its rules to determine whether to continue its rules without change, amend its rules, or rescind its rules. The rules in Ohio Adm.Code Chapters 4901:1-17 and 4901:1-18 address the establishment of credit for residential utility services, the disconnection of gas, natural gas or electric service to residential customers, and the percentage of income payment plan (PIPP) program for gas and natural gas residential customers.
- (2) On June 4, 2014, the Commission issued a Finding and Order, in which we adopted a number of revisions to our current rules contained in Chapters 4901:1-17 and 4901:1-18. As we noted in our Order, the rules regarding Ohio's percentage of income payment plan (PIPP) program are contained in both the Commission's rules for gas utilities, Ohio Adm.Code Chapter 4901:1-18, and in the Ohio Development Services Agency's (ODSA) rules for electric utilities, Ohio Adm.Code Chapter 122:5-3. In our review of the rules in this case, the Commission took into consideration the necessity to establish clear and consistent rules for both the gas and electric utilities.
- (3) R.C. 4903.10 allows any party who has entered an appearance in a Commission proceeding to apply for rehearing with respect to any matters decided. Any such applications for rehearing are required to be filed within 30 days of the entry of the decision upon the Commission's journal.

- (4) On July 7, 2014, Ohio Edison Company, The Cleveland Electric Illuminating Company, and Toledo Edison Company (jointly referred to as the FE Companies); Advocates for Basic Legal Equality, Citizens Coalition, Legal Aid Society of Cleveland, Legal Aid Society of Columbus, Legal Aid Society of Southwest Ohio, the Ohio Consumers' Counsel, Ohio Partners for Affordable Energy, Ohio Poverty Law Center, Pro Seniors, Inc., and Southeastern Ohio Legal Services (jointly referred to as the Consumer Advocates); Duke Energy Ohio, Inc. (Duke); and The East Ohio Gas Company d/b/a Dominion East Ohio (Dominion) filed applications for rehearing of the Commission's June 4, 2014 Order in this case. On July 17, 2014, Columbia Gas of Ohio, Inc. (Columbia), the FE Companies, Dominion, and the Consumer Advocates filed memoranda contra various applications for rehearing.

Ohio Adm.Code Chapter 4901:1-17 - Establishment of Credit for Residential Service.

- (5) General - In their first assignment of error, the FE Companies assert that, by subjecting the electric distribution companies (EDUs) to Ohio Adm.Code Chapter 4901:1-17, the Commission's Order is unreasonable and unlawful in that it adopts rules that are redundant and inconsistent with the electric service and safety standard rules (ESSS Rules) contained in Ohio Adm.Code Chapter 4901:1-10 in violation of R.C. 119.032 and Executive Order 2011-01K. In support of their position, the FE Companies note that, currently: Ohio Adm.Code 4901:1-17 only applies to the establishment of credit for residential service for gas, natural gas, waterworks, and sewage disposal services; and EDUs are covered under the ESSS Rules. The FE Companies maintain that subjecting the EDUs to both sets of rules is redundant.
- (6) The Consumer Advocates disagree with the FE Companies stating that having a single set of rules makes sense. They assert that, when it comes to establishing service, there should be no variations between gas and electricity. Customers should be able to find these rules in a central repository.
- (7) Contrary to the assertions of the FE Companies, a comparison of the two Chapters at question proves that our inclusion of the EDUs in Ohio Adm.Code Chapter 4901:1-17 does not create an

inconsistency with the ESSS Rules. As we stated in our Order, it is appropriate to include the EDUs in Ohio Adm.Code Chapter 4901:1-17, so there is one consolidated chapter that addresses all regulated utilities. We continue to believe it would be more confusing to not address the credit for residential service for electric utilities in this Chapter. Moreover, the Commission believes there should be no new costs associated with this rule change, as no new processes are being required. There is no doubt that there will be a transition period for the two Chapters until such time as we are able to revise the ESSS Rules to delete any rules that mirror the ones in Ohio Adm.Code Chapter 4901:1-17. However, given that the five-year review for both Chapters coincide, in order to ensure there is no gap between the phase out of the applicable ESSS Rules and the effective date of Ohio Adm.Code Chapter 4901:1-17, such a transition period is unavoidable. The Commission is committed to initiating a review of the ESSS Rules at the appropriate time in the near future wherein we will consider whether changes are needed in order to clarify the applicability of the rules. However, at this time, the Commission finds that the EDUs should be included in Ohio Adm.Code Chapter 4901:1-17. Therefore, the FE Companies' first assignment of error should be denied.

Ohio Adm.Code 4901:1-17-03 - Establishment of credit.

- (8) Paragraph (A)(2) - This paragraph, which is currently in effect, allows residents to establish financial responsibility by providing their social security numbers (SSNs) to complete a credit check.
- (9) In their first assignment of error, the Consumer Advocates reiterate their concern that this provision puts consumers at risk of identity theft by allowing utilities to require consumers to provide their SSNs to establish identities. The Consumer Advocates submit that there are other, safer, means for customers to establish their identities, *e.g.*, driver's licenses or other government-issued identification cards. Therefore, they assert that the SSN should not be used as the primary means for an applicant to establish his/her identity.
- (10) The FE Companies oppose the Consumer Advocates' request, noting that the rule provides that a utility must offer other

options for an applicant to apply for service, including establishing identity and creditworthiness. Dominion states the Consumer Advocates have provided no reason to modify the rule, noting that the SSN provide an efficient, cost-effective way to determine a customer's identity, and it enables utilities to take advantage of fraud alerts and other protections provided by credit bureaus. Moreover, Dominion offers that the utilities already adhere to consumer credit laws and regulations.

- (11) The Commission finds that the Consumer Advocates have raised nothing on rehearing that we did not thoroughly review and consider in our Order. We believe it is essential that, as the rules provide, a utility not be permitted to refuse service because an applicant declines to provide an SSN. The utility is required to provide information regarding other methods to establish the consumer's identity, as well as creditworthiness. It is clear from the rule that the consumer may decline to provide his/her SSN; all of the other methods to establish identity and credit are available to the consumer. Therefore, we find that the concern of the Consumer Advocates is unfounded and this assignment of error should be denied.
- (12) Paragraph (A)(5)(b) - The FE Companies state, in their second assignment of error, that this paragraph needs to be revised so that it is consistent with Ohio Adm.Code 4901:1-10-14(M)(2) adopted by the Commission's Entry on Rehearing in *In re Review of Chapter 4901:1-10, Ohio Administrative Code*, Case No. 12-2050-EL-ORD, Second Entry on Rehearing (May 28, 2014) (*ESSS Rule Review Case*). The FE Companies note that, in the Second Entry on Rehearing in *ESSS Rule Review Case*, the Commission revised the rule to provide that the EDU shall keep "a copy of the original" signed agreement, which may include an electronic copy.
- (13) The Consumer Advocates note that the FE Companies have given the Commission nothing additional that would warrant a reversal of its original decision.
- (14) As the Commission stated in our Order, nothing in the rules should be construed as preventing a utility from using modern technologies for executing and storing the prescribed form electronically. It appears the FE Companies believe that an

actual hard copy of the agreements must be maintained by the utility. However, we addressed their concern in the Order by clarifying that, despite having a prescribed form for the guaranty agreements, the utility may identify the best method for storing such agreements, which may not be via hard-copy files. Upon comparison of this paragraph with the paragraph adopted in the *ESSS Rule Review Case*, the Commission finds that the only slight difference is that this paragraph does not clarify that the utility need only provide the guarantor a copy of the signed agreement "upon request." Therefore, while we find that the FE Companies' second assignment of error should be denied, we will revise this paragraph to include the words "upon request" in order to ensure the rules are consistently applied.

Ohio Adm.Code Chapter 4901:1-18 - Termination of Residential Service

Ohio Adm.Code 4901:1-18-01- Definitions.

- (15) Paragraph (O) - In its first assignment of error, as well as its sixth assignment of error that addresses Ohio Adm.Code 4901:1-18-14(A), Duke disagrees with the Commission's adoption of Staff's proposal to add a definition for "on-time payment," which means, for the purpose of applying incentive credits, a PIPP plus installment received by the utility prior to the date that the next bill is issued. According to Duke, this change is inconsistent with current practices and creates a different set of payment rules for a class of customers. Duke argues that changing the definition of on-time payments to something other than the due date will be confusing and necessitate costly system changes.
- (16) In response, the Consumer Advocates note that Duke provides no support for its bald assertions. They assert that the definition of on-time payment adopted in the Order will provide great benefits to customers on the PIPP plus program and it is consistent with the longstanding definition adopted by ODSA. Moreover, the Consumer Advocates contend the Commission should not accept the mere assertion that compliance with the rules will be cost-prohibitive, stating that the customers pay for these billing systems in base rates.

- (17) On rehearing, Duke raises no new issue that was not already taken into consideration in our Order. The Commission continues to find that the definition proposed by Staff is appropriate and aligns the Commission's rules with the rules administered by ODSA. Therefore, we find that Duke's first and sixth assignments of error should be denied.

Ohio Adm.Code 4901:1-18-04 - Delinquent bills.

- (18) Paragraph (C) - As proposed by Staff, this paragraph allowed the utility to transfer the balance of a delinquent account to any like account held in the customer's name, but specifically excluded transfers to or from PIPP plus accounts. Upon consideration of the comments, the Commission determined, in its Order, that the ESSS Rules, Ohio Adm.Code 4901:1-10-22(I), sufficiently addresses the situations where the transfer of balances occurs; therefore, the Commission deleted Staff's proposed language and the definition for "like account" in Staff's proposed Ohio Adm.Code 4901:1-18-01(O).
- (19) In their second assignment of error, the Consumer Advocates argue the Commission should adopt Staff's proposed paragraph, noting that, while the ESSS Rules may have language covering this issue, those rules are not applicable to gas and water utilities; therefore, gas PIPP plus customers are unprotected.
- (20) In response, the FE Companies state that the Commission's rejection of Staff's proposed paragraph is not unreasonable. The FE Companies point out that, currently, the FE Companies transfer any delinquent balances from the former PIPP and PIPP plus accounts to a like account, including a PIPP plus account. They then work with the customers to pay off that arrearage and any recovery is credited back to the appropriate riders; thus, reducing costs for customers. Therefore, the FE Companies believe this is a good policy and the Commission should not prohibit such transfers. However, should the Commission wish to accept the rule on rehearing, the FE Companies recommend the Commission adopt Ohio Adm. Code 4901:1-10-22(I) as adopted in the *ESSS Rule Review Case*. Dominion agrees the Commission properly declined to adopt the balance transfer rule, as well as the definition of like account, proposed by Staff, because the rule and definition

were overbroad and could have been read to prohibit balance transfers that are necessary in the ordinary course of business.

- (21) The Commission finds that the Consumer Advocates' argument that the deletion of this rule left PIPP plus customers unprotected is unfounded. The PIPP plus program offers protections and other benefits for income-eligible customers. In addition, all residential customers, including PIPP plus customers, have the protection of Ohio Adm.Code 4901:1-18-10(B), which prohibits the denial of new service or disconnection of service for failure to pay for nonresidential service. Finally, as pointed out by Dominion, the transferring of the balance to or from PIPP plus accounts is necessary in the ordinary course of business. Therefore, we find that it is impractical to excluded PIPP plus customer balance transfers. Accordingly, the Commission concludes that the Consumer Advocates' second assignment of error should be denied.

Ohio Adm.Code 4901:1-18-05 - Extended payment plans and responsibilities.

- (22) Paragraph (B) - This paragraph, as currently in effect, provides that, if the customer fails to propose payment terms acceptable to the utility, the utility is required to inform the customer and provide information regarding the one-sixth plan, one-ninth plan, winter heating season plan, and PIPP plus.
- (23) In their third assignment of error, the Consumer Advocates reiterate their proposal that the rule should allow customers the option to use a one-twelfth payment plan; noting that the rules allow, but do not require, utilities to offer customers a one-twelfth payment plan. According to the Consumer Advocates, customers, not utilities, should have the choice of a one-twelfth payment plan option. Contrary to the Commission's view set forth in the Order, the Consumer Advocates see the current rules as a ceiling and not a baseline; thus, while the utilities may offer a one-twelfth plan, they will not. They advocate that the consumers should have more options to avoid disconnection of service. As support for a one-twelfth plan, the Consumer Advocates point to R.C.

4933.28(C),¹ which addresses the situation where a utility has undercharged a customer for service and provides that the time period over which the undercharge may be collected is 12 consecutive months.

- (24) In response, Columbia and the FE Companies state that the Consumer Advocates have failed to provide any evidence that the existing payment plans are insufficient. Columbia believes that offering a one-twelfth plan will not help customers with their delinquent balances, but will cause customers to still be paying off the previous winter's arrearages when the next winter begins. In addition, Columbia and the FE Companies assert that the utilities would incur expensive programming costs to implement a one-twelfth plan. As for the Consumer Advocates' assertion that R.C. 4933.28(C) serves as a statutory basis for the plan, the FE Companies disagree, arguing that statute only applies to undercharges, which is not an issue contemplated in the rules at question in this case. Furthermore, Dominion argues that the extended payment plans currently offered to consumers, along with the PIPP plus program, are sufficient to protect customers; therefore, more required plans are unnecessary.
- (25) The Commission understands that the Consumer Advocates do not agree with our determination that the current required plans are sufficient to act as a baseline. We believe that a one-twelfth plan should not be mandated at this time. However, we will continue to encourage the utilities to adopt plans designed to assist customers in taking care of delinquent balances, which may include a one-twelfth plan. Therefore, the Consumer Advocates raised no new issue and their third assignment of error should be denied.

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

- (26) Paragraph (C)(5) - This paragraph, as proposed by Staff and adopted by the Commission, provides that, if there is an outstanding balance for a returned check on a customer's account, the utility may refuse the medical certification, as long

¹ The Consumer Advocates and the FE Companies refer to R.C. 4928.33(C) for the provision referenced in their filings; however, the correct cite is to R.C. 4933.28(C). Therefore, the Commission will refer to the latter section.

as the customer is given notice. As stated in the Order, this paragraph was added to the rules in response to comments submitted by utilities related to reducing fraudulent activities and customers taking advantage of the system, in order to codify the practice of denying medical certification to customers with outstanding balances related to returned checks. See Order at 36

- (a) In its second assignment of error, Duke states that, currently, if a customer writes a bad check, the utility considers that action to constitute fraud. According to Duke, this new rule would require a special notice, which would be a different process from the ones where other types of fraud have been perpetrated and it would single out this type for special treatment. Therefore, Duke submits the new rule is unduly burdensome on the utility and does not provide any benefit for the customer.
- (b) The Consumer Advocates disagree with Duke, noting that there are reasons beyond the customer's control that would cause a check to be returned.
- (c) Initially, the Commission notes that the rule is not requiring a special notice be sent to a customer who writes a bad check. According to the fraud notice provision, the utility must provide a description of the fraudulent act. The rule only requires that the fraud notice advise customers that, if there is a returned check balance on the account, the utility may deny the customer's use of a medical certificate. Therefore, the additional language can be added to the fraud notice and should not be unduly burdensome to the utility. Accordingly, Duke's second assignment of error should be denied.
- (d) The Consumer Advocates, in their fourth assignment of error, submit that this paragraph should be deleted, arguing that nothing in the record in this proceeding connected returned check fees with fraudulent activities or customers

taking advantage of the system. The Consumer Advocates assert that the new rules place a presumption of intent or guilt on the customer; however, returned check fees are often the result of honest mistakes with no intent to defraud.

- (e) The FE Companies submit that the Consumer Advocates are mistaken in their assertion that the rule punishes individuals who mistakenly or without intent accrue outstanding balances for returned checks, noting that the rule clearly provides that medical certification can only be denied for outstanding balances. If a customer is in error, then it is not unreasonable for him/her to correct the error prior to receiving a medical certification. In addition, Dominion states that, contrary to the assertions of the Consumer Advocates, the rule does not punish innocent customers, it merely requires them to make up bad-check balances before receiving medical certification.
 - (f) The Commission finds that the Consumer Advocates' argument on rehearing is unfounded. The purpose of requiring notice to the customer is to provide him/her an opportunity to correct any error that may have occurred regarding returned checks. If the error is an honest mistake, the customer may then correct the situation before requesting medical certification. Therefore, we find that the Consumer Advocates' fourth assignment of error should be denied.
- (27) Paragraph (F)(3) - As proposed by Staff and adopted by the Commission, this paragraph provides that, where a new resident becomes a consumer of 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.
- (28) In its first assignment of error, Dominion submits that this paragraph combines a questionable policy with impossible and

costly compliance burdens. Dominion notes that, to comply with this rule, a utility will need to obtain copies of the leases between the landlords and tenants; however, the utility is not a party to these leases, and it does not maintain records of these leases and there is no cost-effective way to do so. Dominion disagrees with the Commission's conclusion in the Order that this paragraph does not impose any responsibility on the utility as it relates to the landlord/tenant relationship; rather, Dominion insists that the rule requires the utility to apportion financial responsibility for service among two parties. However, the proper parties to be responsible, the landlords and tenants, are given no responsibility. According to Dominion, the landlord should be responsible for ensuring the tenant contacts the utility and, if the landlord fails to do so, the landlord should be responsible for the bills. If the tenant fails to contact the utility, the landlord's recourse is to terminate service. The FE Companies support Dominion's request for rehearing on this issue.²

- (29) The Commission believes that an individual should be allowed to present evidence that he/she is not the responsible party for the service usage in question. We note that this is a similar concept to the requirements in Ohio Adm.Code 4901:1-18-06(E)(3), whereby the utility may ask for the lease agreement to determine the move-in date and allow the individual to provide evidence that he/she is not the responsible party. Therefore, we do not believe that this paragraph creates an undue burden. Accordingly, the Commission finds that Dominion's first assignment of error should be denied.

Ohio Adm.Code 4901:1-18-08 - Landlord-tenant provisions.

- (30) Paragraph (K) - This paragraph, which is currently in effect, provides the steps a utility must take when a customer, who is a property owner, landlord, or agent of a property owner, requests disconnection of service when residential tenants reside at the premises. The rule requires the utility to give the tenant a 10-day shut-off notice.

² In their application for rehearing, the FE Companies cite to Dominion's request for rehearing of Ohio Adm.Code 4901:1-18-03(F)(3); however, the correct rule citation is Ohio Adm.Code 4901:1-18-06(F)(3). Therefore, the Commission will consider the response under the latter rule.

- (31) In their fifth assignment of error, the Consumer Advocates restate their request that this rule be amended to expand the 10-day notice to 30 days.
- (32) Columbia, the FE Companies, and Dominion disagree. Columbia states that expanding the required notice to tenants of a master metered building is unwarranted, noting that expanding the requirement will place an increased burden on the landlord, who will bear the responsibility for the utilities consumed during the expanded period. The FE Companies argue it is not appropriate for a utility to hold a landlord responsible for service when the landlord has requested the services be turned off; if a tenant requires additional time to vacate, then the tenant can pay the charges to maintain service.
- (33) As we stated in our Order, there is no quantifiable information on the record which supports a finding that the time frame should be extended. The Consumer Advocates raised no issue on rehearing that would cause us to reconsider our determination; therefore, their fifth assignment of error should be denied.

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

- (34) Paragraph (D)(1) - This paragraph, which is currently in effect, provides that a customer must provide proof of eligibility of the household income at least once every 12 months. The customer is given a 60-day grace period after the reverification date to reverify eligibility.
- (35) In their sixth assignment of error, the Consumer Advocates reiterate their request that the 60-day grace period be extended to 90 days.
- (36) In response, Dominion states that the Consumer Advocates have failed to support their recommendation; they have not shown that two months is not enough time to reverify. In fact, Dominion opines that adding more time could actually have a negative impact on customer behavior by eliminating or counteracting incentives to take timely action.

- (37) The Commission continues to find that the 60-day grace period is appropriate. Therefore, the Consumer Advocates' sixth assignment of error should be denied.
- (38) Paragraph (D)(2) - This paragraph, which is part of the currently effective rules, provides that the customer must be current on his/her income-based PIPP plus payments at the customer's PIPP plus anniversary date to be eligible to remain on PIPP plus for the next 12 months.
- (39) In its third assignment of error, Duke comments that the proposed changes to this rule would require Duke to drop a customer who has missed two PIPP installments, which places an undue burden on the utility.
- (40) The Consumer Advocates state that Duke provides no support for its assertions.
- (41) Initially, the Commission notes that Duke failed to raise any concerns on this paragraph in its comments filed in this case and is now raising this issue for the first time on rehearing. Moreover, while Duke infers that the Commission adopted changes to this paragraph that would create a burden, this paragraph is in the current rules; thus, the changes Duke is referring to are nonexistent. However, notwithstanding Duke's misunderstanding, the Commission continues to find that the paragraph is reasonable and appropriate as adopted. Therefore, Duke's third assignment of error is without merit and should be denied.
- (42) Paragraph (D)(3) - This paragraph, which is part of the currently effective rules, provides the necessary payments a customer must make to reenroll in PIPP plus, once being disconnected due to nonpayment. In addition to the nonpayment, Staff proposed and the Commission adopted language that would also include "not meeting the terms of the program," as a reason for being dropped from the PIPP plus program. In addition, we adopted Staff's proposal requiring the payment of monthly charges for any months the customer was not enrolled in the program but maintained service, less any payments made by the customer, in addition to missed PIPP plus payments before the customer can reenroll.

- (43) In its fourth assignment of error, Duke reiterates its position that the changes proposed by Staff will require Duke to charge a customer for missed PIPP installment payments, regardless of the length of time the customer has been off the utility's service. Noting that Duke does not create billing charges for customers who are not receiving service, Duke asserts that this proposal would require costly changes to Duke's system.
- (44) The Consumer Advocates, in response, note that Duke certainly tracks whether it is owed money by a previous customer and requires the debt to be paid off before service can be established. This situation is no different, except that a PIPP plus payment must be made up in order to obtain service.
- (45) As we stated in our Order, contrary to Duke's assertions, customers currently are, and will still be, required to pay PIPP plus installments for those months in which the customers were disconnected. Thus, Duke's argument that there have been changes to this paragraph that would result in costly changes to its system are clearly unfounded and without merit. Therefore, Duke's fourth assignment of error should be denied.

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

- (46) Paragraph (C)(2) - As adopted, this paragraph has been amended to set forth how any money provided on a monthly basis by a public or private agency would be credited to a customer's arrearages.
- (47) In its fifth assignment of error, Duke asserts that this paragraph would require the utility to create a priority payment process such that money received from a public or private agency would first be applied to the customer's current default monthly payment obligation, then to the customer's current monthly income-based payment obligation, and, lastly, to arrearages. According to Duke, it does not have the resources to discern different sources of customer payments; thus, it is not possible to create different priorities for payment credits for these particular funds.
- (48) In response, the Consumer Advocates state that Duke provides no support for its assertions.

- (49) Initially, the Commission notes that this paragraph, while reworded for clarification purposes, has essentially always required the utilities to discern different sources of customer payments. The Commission finds that Duke fifth assignment of error is without merit and should be denied.
- (50) Paragraph (D) - As proposed by Staff and adopted by the Commission, this paragraph provides that 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 has been paid.
- (51) In its second assignment of error, Dominion reiterates its concern that this provision would require significant costs and time to implement. Submitting that this may not be a good policy decision, Dominion states that this rule effectively permits PIPP customers to prepay their monthly obligations. Dominion believes that the current rules, which were implemented in 2010 and encourage monthly payment patterns, have seemed to succeed; therefore, it is unwise to veer in another direction so soon. Dominion also questions how this new rule would work with other PIPP rules, *e.g.*, what happens if a customer with a credit balance in the PIPP receivables is dropped from PIPP for reverification.
- (52) In response, the Consumer Advocates support the current rule, stating that customers should be encouraged to make payments and should not see dollars of their limited incomes disappear because an overpayment occurs. The Consumer Advocates assert that Dominion has provided no cost estimates for implementation of this rule, nor has Dominion provided any timeline for compliance that might justify a waiver.
- (53) Recognizing that there needs to be coordination between this paragraph and Ohio Adm.Code 4901:1-18-13(C), in order to avoid any conflict, we will not make this a rule requirement. However, we believe that, as ODSA does for the electric utilities, it is a sound business practice to apply customer overpayments to the future PIPP plus installment amounts. Therefore, the Commission will strongly request that the gas utilities, upon a customer's request, apply a customer's overpayment of the PIPP installment amount to his/her future

monthly PIPP installment amount. Accordingly, Dominion's second assignment of error should be granted.

Ohio Adm.Code 4901:1-18-14 - Incentive programs for percentage of income payment plan plus and graduate percentage of income payment plan plus customers.

- (54) Paragraph (B) - As proposed by Staff and adopted by the Commission, this paragraph provides that, 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 the account balance is no longer a credit. Furthermore, it provides that, if the credit is not a result of any incentive credit, the credit balance may be refunded to the customer upon request.
- (55) In its seventh assignment of error, Duke asserts that this paragraph is unreasonable because it requires a refund to a customer and removal of customers from the PIPP program. Duke notes that its current process does not permit a refund check to be issued when a customer's account is active and on PIPP plus. As an alternative, Duke proposes that it be permitted to treat the customer as a new enrollment instead of a PIPP reinstated customer.
- (56) The Consumer Advocates note that Duke cites no statute that supports its assertions prohibiting the refund and removal; therefore, Duke's rehearing request should be denied.
- (57) The Commission notes that Duke failed to raise this concern in its comments and, instead, raises it for the first time on rehearing. However, the Commission will provide clarification that Duke can remove the customer from the PIPP plus program prior to issuing a refund check or credit on the customer's bill, as long as the process is done within the same billing cycle. With this in mind, the Commission finds that the paragraph, as adopted, is reasonable, appropriate, and in the public interest. Therefore, Duke's seventh assignment of error should be denied.

Ohio Adm.Code 4901:1-18-15 - General percentage of income payment plan plus provisions.

- (58) Paragraph (F) - As proposed by Staff and adopted by the Commission, this paragraph provides the actions a utility may take if a customer, who has voluntarily left PIPP plus with or without outstanding arrearages and who was otherwise eligible for PIPP plus, then rejoins PIPP plus after 12 months.
- (59) In its eighth assignment of error, Duke states that this proposed change is unreasonable because it requires significant system changes with no benefit to customers. Duke notes that the paragraph requires that, if the customer rejoins after having left with an arrearage, the customer must pay missed PIPP plus payments for all months the customer was not receiving service.
- (60) The Commission finds that the paragraph, as adopted, is reasonable. Duke has raised no new issue on rehearing that would indicate that our initial determination to address, in this paragraph, the issue of customers who want to go on and off of PIPP plus when it is advantageous to do so by paying less than the installment amount owed was appropriate. Therefore, we find that Duke's eighth assignment of error is without merit and should be denied.
- (61) Paragraph (G) - As proposed by Staff and adopted by the Commission, this paragraph addresses post PIPP plus, requiring that the utility offer, on the final bill, a payment agreement for PIPP plus customers with arrearages who are closing their utility account due to: moving beyond the utility's service territory; transferring to a residence where utility service is not in the former PIPP plus customer's name; or moving to a master-metered residence. The paragraph states that the monthly payment shall be no more than the total accumulated arrearage divided by 60 and, each time the former PIPP plus customer makes his/her payment by the due date, the utility shall reduce the account arrearage by one-twelfth. Finally, the payment agreement would be available to the former PIPP plus customer for 12 months from the time the account finals.

- (62) In its third assignment of error, Dominion again offers that this provision would require significant costs and time to implement. Dominion reiterates its position that this rule does not seem to make the customer fairly responsible for his/her consumption and seems to make good-paying customers make up the difference. According to Dominion, the policy merit of this rule is doubtful. Dominion proposes that the customers covered under this rule should continue to make payments in accordance with their last verified PIPP payment amount in order to receive the one-twelfth credit each month.
- (63) The Consumer Advocates support the rule, as approved by the Commission, stating that customers who are on PIPP plus are able to eliminate all arrearages so they do not owe the utility money and customers who are not on PIPP plus also benefit from the rule because additional payments are made into the program, which reduces costs. In addition, they state that Dominion has provided no cost estimates for implementation of this rule, nor has Dominion provided any timeline for compliance that might justify a waiver.
- (64) Initially, the Commission notes that, although a previous customer is eligible for post PIPP, he/she may still be at or below 150 percent of the poverty level. This rule is to encourage and assist those customers, who are still struggling to pay their utility bills, continue to make payments on their debt and ultimately lessen the debt of the utility. If the customer does not take advantage of this program that is only offered for the 12 months immediately after the account is final, he/she is still responsible for the remaining arrearages. Moreover, we find that this program is consistent with the electric post PIPP plus program as required by ODSA. Accordingly, Dominion's third assignment of error should be denied.

Ohio Adm.Code 4901:1-18-16 - Graduate percentage of income payment plan plus program.

- (65) Paragraph (G) - This paragraph, which is currently in effect, sets forth the calculation regarding what the Graduate PIPP plus customer will be billed. Under this paragraph, the calculation is for the 12 billing cycles following enrollment in the program.

- (66) In their seventh assignment of error, the Consumer Advocates once again encourage the Commission to direct Staff to evaluate expanding the eligibility for Graduate PIPP plus to 18 months after a customer is no longer eligible for PIPP plus because of an increase in income.
- (67) As we stated in our Order, we find that, given the incentives while enrolled on PIPP plus, 12 months is a sufficient amount of time to pay to be enrolled on Graduate PIPP plus. While the Commission will continue to review the PIPP plus program as a whole and all associated time frames, we find no need to specifically reference a review of the 12-month time frame in this rule. Therefore, we find that the Consumer Advocates raised no issue that the Commission did not thoroughly consider in the Order, and their seventh assignment of error should be denied.

It is therefore,

ORDERED, That the applications for rehearing be granted, in part, and denied, in part, to the extent set forth herein. It is, further,

ORDERED, That, as set forth in findings (14) and (53), the attached revised amendments to Ohio Adm.Code Chapters 4901:1-17 and 4901:1-18 be adopted. It is, further,

ORDERED, That the rules as adopted in the June 4, 2014 Order, as revised in this Entry on Rehearing, be filed with the Joint Committee on Agency Rule Review, the Secretary of State, and the Legislative Service Commission in accordance with divisions (D) and (E) of R.C. 111.15. It is, further,

ORDERED, That the final rules be effective on the earliest date permitted. Unless otherwise ordered by the Commission, the five-year review date for Ohio Adm.Code Chapters 4901:1-17 through 4901:1-18 shall be in compliance with R.C. 119.032. It is, further,

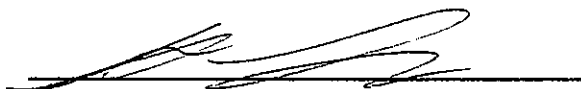
ORDERED, That a copy of this Entry on Rehearing be sent to the gas-pipeline, electric, and water/wastewater list serves. It is, further,

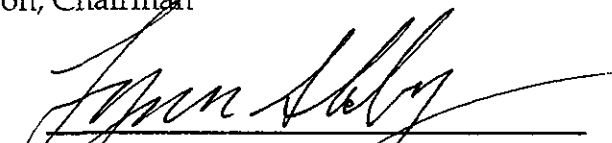
ORDERED, That a copy of this Entry on Rehearing be served upon all electric distribution companies, gas or natural gas companies, waterworks and/or sewage disposal companies, certified competitive retail electric service providers and certified competitive retail natural gas service suppliers, the Ohio 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


Thomas W. Johnson, Chairman


Steven D. Lesser



Lynn Slaby


M. Beth Trombold


Asim Z. Haque

CMTP/vrm

Entered in the Journal
AUG - 6 2014


Barcy F. McNeal
Secretary

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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.
 - (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

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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 the written guarantor agreement that shall include, at a minimum, the information shown in the appendix to this rule. provided by the commission in Appendix A, which will also be posted on the commission's website in the forms section.~~ The utility company shall provide the guarantor with a copy of the signed agreement upon request 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.

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- (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 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).
 - (f) The guarantor shall not be on the PIPP plus, graduate PIPP plus, or have PIPP arrearages. If a guarantor enrolls in these programs, the customer no longer qualifies to be a guarantor and the previously guaranteed customer will be required to provide another form of security.
- (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

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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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4901:1-18-13 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:
- (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 or money~~ provided on a monthly on an irregular or emergency basis by a public or private agency for the purpose of paying utility bills shall first be applied to the customer's defaulted current monthly payment obligation, if any, then applied to the customer's current monthly income-based payment

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obligation, if any, then applied to the customer's current bill and, lastly, shall be applied to the customer's arrearages.