

THE PUBLIC UTILITIES COMMISSION OF OHIO

## ENTRY

- (1) On December 17, 2008, the Commission issued its Opinion and Order (Order), adopting amended and new rules in Chapters 4901:1-17 and 4901:1-18, Ohio Administrative Code (O.A.C.), and concluding that the proposed amendments to Rules 4901:1-5-07, 4901:1-10-22, 4901:1-13-11, 4901:1-15-17, 4901:1-21-14, and 4901:1-29-12, O.A.C.,<sup>1</sup> (jointly, payment agent rules) were not necessary and, therefore, the revisions to the payment agent rules were not adopted. The rules adopted in this proceeding include the extensively amended and revised gas Percentage of Income Payment Plan (PIPP) rules at Rules 18-12 to 18-16.
- (2) Numerous applications for rehearing of the Order were filed by various interested parties. On April 1, 2009, the Commission issued its Entry on Rehearing (EOR), granting in part and denying in part, the various applications for rehearing.
- (3) As part of the Order and the EOR, the Commission considered a request to waive the new and amended Percentage of Income Payment Plan (PIPP) requirements for small gas and natural gas companies that do not have a PIPP rider (See Order at 51 and EOR at 45). Ultimately, the Commission determined that:

<sup>1</sup> Hereinafter, the rules in Chapters 4901:1-17 and 4901:1-18, O.A.C., will be referred to by chapter and rule number only. In other words, Rule 4901:1-18-14, O.A.C., will be abbreviated to Rule 18-14.

requiring them to offer the PIPP program. However, the Commission does expect these companies to continue to work with their customers to help the customer retain utility service, just as the companies do today.

(EOR at 45).

- (4) Further, after considering the extensive revisions and amendments made to the rules and the training and programming necessary to implement the new and amended rules, by entry issued June 3, 2009 (June 3 Entry), the Commission determined that the rules adopted in Chapters 17 and 18, O.A.C., would be effective November 1, 2010.
- (5) On September 17, 2009, Ohio Cumberland Gas Company (Cumberland) filed a motion for a waiver from the gas PIPP program. More specifically, Cumberland states that the company serves 1,709 customers of which five are PIPP customers. Cumberland requests that the company no longer be required to offer the current PIPP or to implement the new gas PIPP program to be effective November 1, 2010. Cumberland proposes that it be permitted to commence an arrearage repayment program for the five current PIPP customers to commence on November 1, 2009. The company proposes that as of the initiation of the special repayment program, Cumberland would work with current PIPP customers to pay off accrued arrearages by August 31, 2011. Further, Cumberland also states that its goal would be to work with other customers who may have been eligible for PIPP to ensure the repayment of arrearages accrued over the 2009-2010 winter heating season by August 31, 2010, so the customer would be eligible for the budget payment plan for the winter 2010-2011. Cumberland states that it would continue to offer its customers the one-third (first payment is one-third of account balance and subsequent payments are one-third of arrearage balance plus current), one-sixth (first payment is one-sixth of account balance and subsequent payments are one-sixth of the arrearage plus the current amount due), one-ninth (first payment is one-ninth of account balance and subsequent payments are one-ninth of the arrearage plus the current amount due) payment plans and a personalized payment plan as determined to be mutually agreeable by Cumberland and

the customer. Cumberland states that it will continue to accept vouchers for the Home Energy Assistance Program, abide by the Commission's Winter Reconnect Order, and notify customers of assistance available locally and via government assistance programs.

- (6) Pursuant to Rule 4901-1-12(B)(1), O.A.C., any memoranda contra Cumberland's motion were due by October 5, 2009. No memorandum contra the motion was filed.
- (7) The Commission reaffirms its decision in the Order and EOR that Cumberland, and other gas or natural gas companies, with less than 15,000 customers without a PIPP rider shall not be required to implement the adopted gas PIPP program to be effective November 1, 2010. However, after considering Cumberland's motion and the proposal to address the outstanding arrearages of the company's five current PIPP customers, the Commission hereby clarifies its decision. As stated above, while we will not require Cumberland to implement the adopted PIPP program to be effective November 1, 2010, we find that the company's current PIPP program shall be retained for the company's current PIPP customers. Cumberland, however, will not be required to offer the current PIPP program to any additional customers as of the date this entry is issued. While Cumberland's special repayment program would offer current PIPP customers a reasonable repayment period for accrued arrearages, Cumberland's proposal did not sufficiently address how the company's current PIPP customers would maintain gas utility service. For this reason, the Commission finds that the current PIPP program shall be grandfathered for the company's current PIPP customers.

For Cumberland's current PIPP customers to continue to participate in the grandfathered PIPP program, the PIPP customer shall: (a) reverify his/her eligibility annually or sooner when there is a change in household size or income, and be eligible for PIPP as determined by the Ohio Department of Development; and (b) make the required monthly PIPP payment of 10 percent of the household income. If the customer's service is disconnected for nonpayment, the customer will not be eligible to re-enroll in the grandfathered PIPP program. However, the Commission expects the

company to work with the customer to develop a reasonable payment plan for accrued arrearages to facilitate the restoration of utility service. If the Ohio Department of Development determines that the PIPP customer is ineligible for PIPP, participation in the grandfathered PIPP program shall be terminated. Further, to assist customers that find it difficult to maintain their gas utility service, as of the effective date of the grandfathered PIPP program, the company shall at least offer all customers the one-third, one-sixth, and one-ninth payment plans as set forth in adopted Rule 18-05 and the personalized payment plan.<sup>2</sup>

- (8) For the Staff's review, Cumberland shall file proposed amendments to its credit and collections policies and procedures to incorporate the limited continuance of the current PIPP program. Cumberland shall also file a notice to be provided to its current PIPP customers explaining the requirements to continue participation in the current PIPP program, as well as a notice, bill message, or bill insert, to inform non-PIPP customers that the company will no longer offer PIPP. After the amendments and notices are filed in the docket, Staff will have 30 days to review, revise, or suspend the proposed customer notices and amended credit and collections policies to incorporate the grandfathered PIPP program. If the Staff takes no action by the 30<sup>th</sup> day after the filing to suspend the proposed customer notices and/or amended credit and collection policies and procedures, on the 31<sup>st</sup> day the amendments and notices shall be automatically approved and Cumberland may issue the appropriate customer notices. The amended credit and collection policies and procedures to implement the grandfathered PIPP program shall become effective no sooner than 30 days after notice is sent to all the company's PIPP customers.

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<sup>2</sup> The Commission notes that Cumberland's description of the payment plans is different from the plans required pursuant to Rule 18-04(A), O.A.C., or adopted Rule 18-05(B). Currently, the one-sixth plan requires six equal monthly payments on the arrearages in addition to full payment of the current bill. The one-third plan, which is only available during the winter heating season, requires a payment of one-third of the balance due, the arrearage plus current bill, each month. As adopted at Rule 18-05(B), the one-ninth payment plan was added to be effective November 1, 2010. The Commission directs Cumberland to ensure that its payment plans are consistent with and not more stringent on customers than the Commission's requirements.

**Other Small Gas Companies**

- (9) The Commission is aware that there are other gas and natural gas companies serving less than 15,000 customers that do not have a PIPP rider but serve PIPP customers. By March 1, 2010, such small gas or natural gas companies are directed to file proposed amendments to their credit and collections policies and proposed customer notices to either retain the PIPP program for its current PIPP customers, or file another proposal for the Commission's consideration. Any small gas or natural gas company that wishes to grandfather the current PIPP program, as the Commission directed in this case, should follow the process below:

- (a) By March 1, 2010, file an application in this docket indicating, at a minimum, the number of PIPP customers served as of the filing date, number of total customers served, and without revealing the customer's name or service address, each PIPP customer's accumulated arrearage, and a statement that the company would like to retain the current PIPP program for its existing PIPP customers. The company shall also submit its proposed customer notices to inform its PIPP customers of the requirements of the grandfathered PIPP program; a notice, bill message, or bill insert to non-PIPP customers to inform such customers that the program will be discontinued; and the company's proposed amended credit and collection policies and procedures to account for the grandfathered PIPP program.
- (b) If the Staff takes no action by the 30<sup>th</sup> day after the filing to suspend the proposed customer notices and/or amended credit and collection policies and procedures, on the 31<sup>st</sup> day the amendments and notices shall be automatically approved. If review of the application is suspended, no further processing on the matter shall be

taken until the Commission orders otherwise.

- (c) After approval, the small gas or natural gas company shall issue the appropriate customer notices. The company shall send the approved customer notice by direct mail or bill insert to PIPP customers. The amended credit and collection policies and procedures to implement the grandfathered PIPP program shall become effective no sooner than 30 days after notice is sent to all the company's PIPP and non-PIPP customers.

It is, therefore,

ORDERED, That Cumberland's request to implement a special repayment program for current PIPP customers be denied. It is, further,

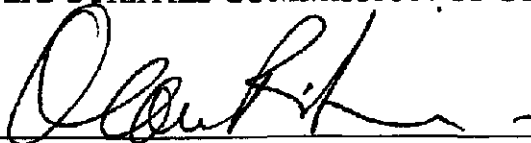
ORDERED, That Cumberland is directed to continue the current PIPP program, except as specifically modified herein, for its current PIPP customers and shall not be required to offer the PIPP program to any additional customers as of the date this entry is issued. It is, further,

ORDERED, That Cumberland file proposed amendments to its credit and collections policies and procedures and customer notices to retain the current PIPP program for a limited number of customers as discussed herein. It is, further,

ORDERED, That other small gas companies file an application to either retain the current PIPP program for a limited number of customers, or file another proposal for the Commission's consideration by March 1, 2010, as discussed in finding 9. It is, further,

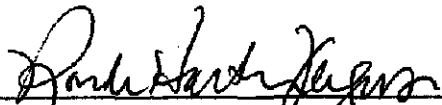
ORDERED, That a copy of this entry be served upon all gas and natural gas distribution companies and all other interested persons of record in this case.

THE PUBLIC UTILITIES COMMISSION OF OHIO

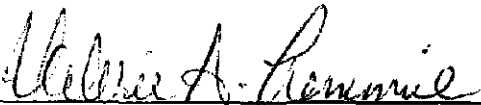


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Entered in the Journal

DEC 09 2009



Renee J. Jenkins  
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