

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Commission’s Review)
of Ohio Adm.Code Chapters 4901:1-17) Case No. 19-52-AU-ORD
and 4901:1-18.)

INITIAL COMMENTS OF INTERSTATE GAS SUPPLY, INC.

I. INTRODUCTION

On June 19, 2019, the Commission issued amended rules for comment regarding, among other things, the natural gas Percentage of Income Payment Plan (“PIPP”) Plus program. On June 27, 2019, the Ohio Development Services Agency (“ODSA”), the agency responsible for the electric PIPP Plus rules in Ohio Adm.Code Chapter 122:5-3, filed a notice in the docket. The notice states that all comments related to the PIPP program rules, natural gas and electric, should be filed together on July 19, 2019, in the Commission’s docket. As discussed further below, Interstate Gas Supply, Inc. (“IGS”) appreciates the opportunity to provide comments and recommends a minor addition to the PIPP rules to recognize Supplier Consolidated Billing (“SCB”).

II. COMMENTS

For decades, the PIPP program has provided assistance to low-income Ohioans by offering manageable monthly utility payments and forgiveness of past arrearages. This combination enables residential customers to maintain service while eliminating any past debts. Over the many years that the PIPP program has been available, the electric

industry has evolved and advancements in technology have spurred new opportunities for Ohioans. One of these new opportunities is SCB.

Traditionally, the electric distribution utility (“EDU”) collects payment for the distribution service provided by the EDU and the generation service either provided by a Competitive Retail Electric Service (“CRES”) provider¹ or the Standard Service Offer through the mailing of single monthly bill. Once collected, the EDU passes along the CRES provider’s portion of the customer payments.² With SCB, the responsibility of billing and collecting for both services is placed on the CRES provider, instead of the EDU.

Currently, two Ohio EDUs have committed to implementing SCB Pilot Programs.³ In approving the programs, the Commission has made clear that its “desired course for competitive suppliers in the Ohio retail market is to implement either SCB or dual billing.”⁴ Additionally, the Commission has recognized that SCB is consistent with the state policy of promoting customer choice in R.C. 4928.02(B), (C), and (E), and will provide benefits to all customers.⁵

¹ In Ohio Adm.Code Chapter 122:5-3, a CRES provider is included in the definition of an “electric services company.” See Ohio Adm.Code 122:5-3-01(T).

² With the exception of instances where the EDU purchases the receivables of the CRES provider.

³ See *In re AEP Ohio*, Case Nos. 16-1852-EL-SSO, et al., Opinion and Order (Apr. 25, 2018) (“*AEP ESP 4*”) at ¶ 119; *In re DP&L*, Case Nos. 16-395-EL-SSO, et al., Opinion and Order (Oct. 20, 2017) (“*DP&L ESP 3*”) at Page 15.

⁴ *AEP ESP 4* at ¶ 221, citing *In re Ohio Power Co.*, Case No. 15-1507-EL-EDI, Finding and Order (Sept. 27, 2017) at ¶ 24; *DP&L ESP 3* at ¶ 68.

⁵ *AEP ESP 4* at ¶ 221; *DP&L ESP 3* at ¶ 69-70.

Because the Commission has repeatedly expressed its desire to move toward SCB, IGS believes this is an appropriate time to incorporate a minor variance in the current PIPP procedures in order to accommodate SCB. While the implementation of SCB will leave a majority of the PIPP program unaffected, the change in the billing and collection role will shift the holder of the customer's pre-PIPP arrearages. Therefore, IGS recommends an addition to the PIPP rules to acknowledge this scenario.

A. Proposed Provision in Ohio Adm.Code 122:5-3-04(B).

Currently, if a shopping customer becomes a PIPP customer, upon enrollment, the EDU seeks reimbursement from the Universal Service Fund ("USF") for both the EDU's and the CRES provider's pre-PIPP arrearages associated with that customer. Once the EDU receives the funds from the USF, the EDU transfers, to the CRES provider, its portion of the funds except in instances where the EDU is purchasing the receivables of the CRES provider.⁶

Under SCB, because the responsibility of billing has changed, so has the entity which holds the pre-PIPP arrearages. To complement the law that requires disbursements from the USF to any supplier that provides retail electric services to customers participating in low-income assistance programs,⁷ IGS recommends incorporating a process into the rules for the reimbursement of pre-PIPP arrearages in the narrow instance of SCB. Therefore, IGS suggests the following addition to Ohio Adm.Code 122:5-3-04(B):

⁶ See Ohio Adm.Code 4901:1-10-29(I).

⁷ R.C. 4928.51(A).

“Supplier consolidated billing. For those customers served by an electric services company prior to enrollment in the PIPP plus program and who received a single electric bill sent by the electric services company for services from both an electric utility and the electric services company, the electric services company shall receive reimbursement from the fund for the customer’s pre-PIPP arrearages. The electric services company shall seek reimbursement in the form and substance as required by the director. When the electric services company is not purchasing the receivables of the affected electric utility, the electric services company will transfer the pre-PIPP arrearages of the electric utility received from the fund to the electric utility, unless otherwise agreed to by the electric services company and the electric utility.”

IGS believes this addition to the rule provides a path for reimbursement, while equipping ODSA with the flexibility to develop a remittance process that may evolve over time as SCB expands.

B. The proposed provision amplifies state law and policy.

Initially, it is important to emphasize that this proposed provision is not approving the recovery of any new costs. As noted above, CRES providers currently recover pre-PIPP arrearages through the EDU, which makes requests to ODSA on their behalf. Further, CRES providers will only seek and receive reimbursement for accrued arrearages for the same electric services currently sought and received by the EDUs. Thus, IGS’ proposed provision is simply focused on the process for reimbursement in the limited circumstances when SCB is involved.

Additionally, IGS notes that the proposed provision is consistent with the law that provides for the disbursements from the fund to CRES providers that have provided retail electric service to customers enrolled in the PIPP program. R.C. 4928.51(A) states “[d]isbursements from the fund shall be made to any supplier that provides a competitive retail electric service or a noncompetitive retail electric service to a customer who is

approved to receive assistance under a specified low-income customer assistance program...”

Further, IGS recognizes that the dollar amount of the PIPP customer’s pre-PIPP arrearages is used to calculate the PIPP Plus program credits. Thus, IGS is prepared to work with our EDU partners to share this dollar amount through a timely and reasonable method. Notably, under Ohio Adm.Code 122:5-3-05(D)(1), any revenue collected by the EDU from a customer with respect to arrearages that have already been reimbursed by the USF are remitted back to the USF by the EDU. The same can continue to apply to the arrearage revenue received by the EDU from PIPP customers formerly on SCB. The EDU will have already been reimbursed for the pre-PIPP arrearages, so these funds should also return to the USF.

Finally, as noted above, the Commission has stated that SCB supports the state policy of promoting effective choices. IGS believes implementation of the proposed provision would marry the benefits of SCB with the additional state policy of protecting at-risk populations.⁸ By providing a clear path for reimbursement from the fund, Ohioans will be assured that PIPP customers are receiving the full benefits of the program including the forgiveness of past arrearages. The proposed language ensures that all pre-PIPP arrearages will be collected from the USF, and not from the customers themselves through a formal collections process.

⁸ See R.C. 4928.02(L).

III. CONCLUSION

For the foregoing reasons, IGS recommends that the Commission and ODSA adopt the proposed revision to Ohio Adm.Code 122:5-3-04(B).

Respectfully submitted,

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Summary: Comments Initial Comments of Interstate Gas Supply, Inc. electronically filed by Bethany Allen on behalf of Interstate Gas Supply, Inc.