

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of Duke)
Energy Ohio, Inc., for a Waiver.) Case No. 22-1004-GE-WVR

APPLICATION FOR WAIVER OF DUKE ENERGY OHIO, INC.

I. INTRODUCTION

Duke Energy Ohio, Inc., (Duke Energy Ohio or the Company), an electric utility as defined in R.C. 4905.02(1) and a natural gas company as defined in R.C. 4905.03(E)(F), seeks a limited waiver of Rule 4901:1-18-13(A) (installment amounts for PIPP plus and Graduate PIPP plus customers), and Rule 4901:1-18-14(A) (incentives for on-time payments for PIPP plus and Graduate PIPP plus customers), of the Ohio Administrative Code, which describe how installment payments and on-time incentive credits are to be calculated and applied for percentage of income payment plan (PIPP) Plus customers and for Graduate PIPP Plus customers.

In recent months, Duke Energy Ohio experienced technical issues which resulted in approximately 5,600 PIPP Plus or Graduate PIPP Plus customers (Impacted Customers)¹ having on-time incentive credits and/or HEAP credits applied to their installment amount due instead of their PIPP Plus arrearage balance in one or more of the following billing months: August, September, and October (Impacted Months). This, in turn, resulted in the Impacted Customers' bills displaying lower balances, and in some cases, zero or credit balances, for a period of time, causing confusion and frustration. Some customers may have received recalculated bills for June and July when the incorrect August bill was generated. Thus, the billing month of August could

¹ Only 52 of the Impacted Customers were on Graduate PIPP Plus.

have impacted customers' understanding of the installment amounts due at that time (including any balance from previous months) and customers could have been confused about whether it was necessary to make an installment payment for these months.

The Company has completed system repairs to resolve the technical issues that caused this and corrected the bills by moving the credits from the customers' installment balances to their arrearages balances. This created a higher-than-usual installment balance for some customers, reflecting the installments that had accumulated during the period impacted. The Company believes further steps should be taken to eliminate any further challenges for the Impacted Customers and to restore them to the usual billing cycle and rhythm to which they are accustomed.

For these reasons and for the reasons described more fully below, Duke Energy Ohio respectfully requests that the Commission grant these necessary waivers to accomplish the following:

- Permit the Company to move unpaid accumulated installment balances, as of the end of the Impacted Months, to the Impacted Customers' arrearage balance. The moved amounts would be treated as arrearages in all respects, including for purposes of cost recovery;
- Permit the Company to grant on-time incentive credits (including both delta credit and 1/24 or 1/12 arrears credit) to Impacted Customers for all of the months that each customer's account was impacted, as if the customer had made an on-time payment during that time.

II. DISCUSSION

A. Duke Energy Ohio Requests A Waiver Of Rule 4901:1-18-13(A) To Move Unpaid Accumulated Installment Balances To Arrearage Balances For The Impacted Customers.

Ordinarily, Rule 4901:1-18-13(A) provides that "[E]ach PIPP plus customer shall be billed five per cent of his/her household income or ten dollars, whichever is greater," and "[e]ach 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." The remaining cost of a customer's usage is placed each month into the customer's arrearage balance, which the customer is not required to pay as long as he or she remains in the PIPP plus or Graduate PIPP plus program. The structure of the installment payment requirement not only makes natural gas service affordable for low-income or lower-income customers, but it also provides such customers with certainty about how much they will owe each month, making it easier for them to manage their finances and setting them up for success towards continuing to meet the requirements to stay in the program.

The unexpected accumulation of multiple months of unpaid installments is not something that ordinarily occurs for PIPP Plus or Graduate PIPP Plus customers. Ordinarily, the first missed installment would be evident on the next month's bill, in the customer's "Amount Due" box, which would display a past due carry over installment from the previous bill. However, because of the technical issues that occurred in this instance, the Impacted Customers received bills indicating that their installment balance was lower, zero, or even a net credit, and did not receive the usual warning signs that would alert them to an overdue installment.

To minimize any additional confusion and to return the Impacted Customers to the level of certainty to which they are ordinarily accustomed under the PIPP plus and Graduate PIPP plus programs, Duke Energy Ohio proposes to place these customers in the position of only having to pay their ordinary installment balance for the current month. Thus, the Company seeks this waiver in order to be authorized to move any unpaid accumulated installment balances as of the end of the Impacted Months, to the Impacted Customers' *arrearage* balance.

If the Company is permitted to move these unpaid accumulated installment payment amounts to the Impacted Customers' arrearage balances, the Impacted Customers would find themselves owing only a single installment payment, for their current month, and would proceed

in the ordinary manner going forward. As for the moved amounts, they would be treated as arrearages going forward, for all intents and purposes, including payment priority, on-time incentive credit application, and cost recovery, such that they would be eligible for possible eventual recovery through the Rider PIPP.²

For the reasons above, the Company respectfully requests waiver of Rule 4901:1-18-13(A) to move the Impacted Customers' unpaid accumulated installment balances, as of the end of the Impacted Months, to their arrearage balances.

B. Duke Energy Ohio Requests A Waiver Of Rule 4901:1-18-14(A) To Award On-Time Incentive Credits To Impacted Customers For Impacted Months.

Rule 4901:1-18-14(A) provides that PIPP plus and Graduate PIPP plus customers receive incentives “[e]ach time” they make an installment payment. A number of the Impacted Customers did not make installment payments for bills generated during the Impacted Months, which in some cases may have been due to receiving bills showing a zero or credit balance and therefore believing no installment was due. Impacted Customers have not received on-time incentive credits for months during which they did not make installment payments. The Company seeks authorization for a limited waiver of Rule 4901:1-18-14(A) to award on-time incentive credits to the Impacted Customers for the Impacted Months. This would include both the delta credit and the 1/24 or 1/12 arrearages credit (1/24 for PIPP plus, 1/12 for Graduate PIPP plus, as applicable).³

² P.U.C.O. Gas No. 18, Sheet No. 63.19.

³ See, e.g., Rule 4901:1-18(14)(A)(1) (“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, 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.”) (the first bolded item is the delta credit and the second is the 1/24 credit) (emphasis added). Rule 4901:1-18(14)(A)(1) contains similar language for Graduate PIPP plus customers, except the fraction is 1/12).

In general, the Company's experience is that the vast majority of PIPP plus and Graduate PIPP plus customers do make their payments on time in any given month, and therefore the Company believes it is appropriate, fair, and reasonable, to give the Impacted Customers the benefit of the doubt and award them the on-time incentive credits they would have received if they had paid their installments on time during the Impacted Months.

C. Duke Energy Ohio Has Obtained Authorization From The Ohio Department of Development To Move Unpaid Accumulated Installments To Arrearages And Grant On-Time Incentive Credits To Impacted Customers In The Electric PIPP Plus And Graduate PIPP Plus Programs.

As a combination utility, Duke Energy Ohio administers the PIPP Plus program and the Graduate PIPP plus program (PIPP plus programs) for both natural gas and electric customers. The electric PIPP plus programs are governed by rules in Chapter 122:5-3 and overseen by the Ohio Department of Development (Development). Duke Energy Ohio therefore requires the authorization of Development to deviate from Chapter 122:5-3 for the electric PIPP programs. This includes the following rules:

- Rule 122:5-3-04(A) (describing how the monthly installment amount must be calculated for PIPP plus customers and how payment must be made to the utility);
- Rule 122:5-3-04(B) (providing that monthly payment amounts not be counted as arrearages for on-time payment credits or cost recovery, stating that on-time incentive credits be awarded when an on-time installment payment is received, and setting out how installments and on-time credits must be handled for Graduate PIPP plus customers).

As demonstrated in the attached Exhibit A, the Company has received authorization from Development to take the following steps with regards to the electric PIPP Plus program and Graduate PIPP Plus program for the Impacted Customers:

- 1. Unpaid installment balances accumulated during the period impacted by these technical issues (August, September, and/or October billing months, depending on the customer) would be moved to the customer's arrearage balance. The moved amounts would be treated as arrearages in all respects, including for purposes of cost recovery.*
- 2. On-time incentive credits would be granted for all of the months that a customer was impacted, as if the customer had made an on-time payment during that time.⁴*

The Company has also committed to Development that, upon receiving the required authorizations from both agencies, it would “take the above-listed steps and also send a letter to all impacted customers, explaining what occurred and what the customers should expect to see on forthcoming bills,” as well as “work with our community action agency partners to ensure they are aware of the issue and resolution.”⁵

D. If This Waiver Is Granted, The Company Will Communicate With Impacted Customers And Agencies For A Smooth Implementation.

To minimize any customer confusion and smooth implementation of the above-described steps, Duke Energy Ohio will be proactive in its communications if this waiver Application is granted. Specifically, the Company will:

- send a letter to all impacted customers, explaining what occurred and what the customers should expect to see on forthcoming bills;
- communicate out to community action agency partners to make them aware of the resolution of this issue; and

⁴ Exhibit A, pg. 1-2.

⁵ *Id.* at pg. 2.

- instruct its customer service representatives as to the resolution of this issue and the appropriate messages to deliver to any Impacted Customers who call in with questions.

The Company believes these steps will assist both customers and agencies in returning to the ordinary rhythm of the PIPP plus and Graduate PIPP plus programs.

III. CONCLUSION

For the above reasons, Duke Energy Ohio respectfully requests that the Commission approve this Application for waiver of the above-described rules and issue an entry consistent with this Application.

Respectfully submitted,

/s/ Larisa M. Vaysman

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Attorneys for Duke Energy Ohio, Inc.

CERTIFICATE OF SERVICE

The Public Utilities Commission of Ohio's e-filing system will electronically serve notice of the filing of this document on the parties referenced on the service list of the docket card who have electronically subscribed to the case. In addition, the undersigned hereby certifies that a copy of the foregoing document is also being served via electronic mail on the 28th day of October, 2022, upon the persons listed below.

/s/ Larisa M. Vaysman

Larisa M. Vaysman

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Vaysman, Larisa

From: Brandy.Kolattukudy@development.ohio.gov
Sent: Wednesday, October 26, 2022 3:40 PM
To: Vaysman, Larisa; Megan.Meadows@development.ohio.gov; Keri.Harris@development.ohio.gov
Cc: D'Ascenzo, Rocco; Kirk.Jones@development.ohio.gov; Carmosino, Mitch; Schenck, Carolyn Mae; Barbara.Bossart@puco.ohio.gov; Luke.Stedke@development.ohio.gov; tonja.stewart@puco.ohio.gov
Subject: [EXTERNAL] RE: PIPP Discussion

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Hi Larisa,

After speaking with our legal counsel, we do authorize Duke to continue with the proposed plan below.

If you need an official letter from Development, please let me know.

Thank you,



Brandy Kolattukudy
Deputy Chief, Office of Division Support

77 South High Street
Columbus, Ohio 43215
O: 614.466.1863

Brandy.Kolattukudy@development.ohio.gov

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From: Vaysman, Larisa <Larisa.Vaysman@duke-energy.com>
Sent: Tuesday, October 25, 2022 6:52 PM
To: Meadows, Megan <Megan.Meadows@development.ohio.gov>; Kolattukudy, Brandy <Brandy.Kolattukudy@development.ohio.gov>; Harris, Keri <Keri.Harris@development.ohio.gov>
Cc: D'Ascenzo, Rocco <Rocco.D'Ascenzo@duke-energy.com>; Jones, Kirk <Kirk.Jones@development.ohio.gov>; Carmosino, Mitch <Mitch.Carmosino@duke-energy.com>; Schenck, Carolyn Mae <Carolyn.Schenck@duke-energy.com>; Bossart, Barbara <Barbara.Bossart@puco.ohio.gov>; Stedke, Luke <Luke.Stedke@development.ohio.gov>; Stewart

Shaw, Tonja <tonja.stewart@puco.ohio.gov>

Subject: RE: PIPP Discussion

Megan, Brandy, Keri,

Thank you for meeting with us today regarding the recent technical issues that resulted in approximately 5,600 PIPP Plus customers having on-time incentive credits and/or HEAP credits applied to their installment amount due instead of their PIPP Plus arrearage balance. Pursuant to our conversation, here is a summary of our proposed response to the recent PIPP billing issues discussed. As discussed, Duke would need a waiver from PUCO and authorization from ODOD to take the steps below.

1. Unpaid installment balances accumulated during the period impacted by these technical issues (August, September, and/or October billing months, depending on the customer) would be moved to the customer's arrearage balance. The moved amounts would be treated as arrearages in all respects, including for purposes of cost recovery.
2. On-time incentive credits would be granted for all of the months that a customer was impacted, as if the customer had made an on-time payment during that time.

Upon receiving the required authorizations from PUCO and ODOD, Duke would take the above-listed steps and also send a letter to all impacted customers, explaining what occurred and what the customers should expect to see on forthcoming bills. We would also work with our community action agency partners to ensure they are aware of the issue and resolution.

Thank you again for your time and we look forward to your feedback on our proposal.

Best regards,
Larisa

Larisa M. Vaysman
phone: 513-287-4010
fax: 513-287-4385

-----Original Appointment-----

From: Schenck, Carolyn Mae <Carolyn.Schenck@duke-energy.com>

Sent: Monday, October 24, 2022 4:41 PM

To: Schenck, Carolyn Mae; Schenck, Carolyn Mae; Megan.Meadows@development.ohio.gov; Brandy.Kolattukudy@development.ohio.gov; Luke.Stedke@development.ohio.gov; Vaysman, Larisa; Barbara.Bossart@puco.ohio.gov; Carmosino, Mitch

Cc: D'Ascenzo, Rocco; Keri.Harris@development.ohio.gov; Kirk.Jones@development.ohio.gov

Subject: PIPP Discussion

When: Tuesday, October 25, 2022 3:00 PM-4:00 PM (UTC-05:00) Eastern Time (US & Canada).

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duke-energy@m.webex.com
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in

Case No(s). 22-1004-GE-WVR

Summary: Application Application For Waiver of Duke Energy Ohio, Inc.
electronically filed by Mrs. Tammy M. Meyer on behalf of Duke Energy Ohio Inc.
and D'Ascenzo, Rocco and Vaysman, Larisa and Kingery, Jeanne and Akhbari,
Elyse Hanson