

# THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE APPLICATION OF  
DUKE ENERGY FOR A LIMITED WAIVER  
OF OHIO ADM.CODE 4901:1-18-13(A);  
4901:1-18-14(A).

CASE NO. 22-1004-GE-WVR

## FINDING AND ORDER

Entered in the Journal on November 16, 2022

### I. SUMMARY

{¶ 1} The Commission grants Duke Energy Ohio, Inc. a limited waiver of Ohio Adm.Code 4901:1-18-13(A) and 4901:1-18-14(A), consistent with this Finding and Order.

### II. DISCUSSION

{¶ 2} Duke Energy Ohio, Inc. (Duke or Company) is an electric distribution utility, as defined in R.C. 4928.01(A)(6), a natural gas company, as defined in R.C. 4905.03, and a public utility, as defined in R.C. 4905.02. As such, Duke is subject to the jurisdiction of this Commission.

{¶ 3} The Commission administers the gas Percentage of Income Payment Plan (PIPP) Plus and the Graduate PIPP Plus programs, payment assistance programs for utility customers with a household income at or below 175 percent of the federal poverty guidelines. The provisions governing the gas PIPP programs are set forth in Ohio Adm.Code 4901:1-18-12 et seq.

{¶ 4} Ohio Adm.Code 4901:1-18-13(A) provides that PIPP Plus customers will be billed at five percent of their household income or ten dollars, whichever is greater per billing cycle by their jurisdictional gas or natural gas utility provider. Further, the rule states that Graduate PIPP Plus customers are 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 their gas or natural gas utility provider.

{¶ 5} Ohio Adm.Code 4901:1-18-14(A) provides that PIPP Plus and Graduate PIPP Plus customers are provided the incentive of a reduction in their outstanding arrearages in return for making on-time payments. The rule further states that each PIPP Plus customer who makes their required income-based on-time payment or more to the gas or natural gas utility, the utility will reduce the customer's account arrearage by the difference between the amount of the required income-based payment and the current monthly bill plus 1/24 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. In addition, the rule provides that each time Graduate PIPP Plus customers make their payments to the gas or natural gas utility, the utility will reduce the customer's account arrearage by the difference between the amount of the required payment and the current monthly bill plus 1/12 of the customer's accumulated arrearages, as calculated at the time of enrollment in the Graduate PIPP Plus program.

{¶ 6} October 28, 2022, Duke filed an application seeking a limited waiver of Ohio Adm.Code 4901:1-18-13(A) (installment amounts for PIPP Plus and Graduate PIPP Plus customers), and Ohio Adm.Code 4901:1-18-14(A) (incentives for on-time payments for PIPP Plus and Graduate PIPP Plus customers). Duke states that, due to technical issues, approximately 5,600 PIPP Plus or Graduate PIPP Plus customers' (Impacted Customers) bills erroneously displayed lower balances, and in some cases, credit or zero balances for one or more of the following billing months: August, September, and October of 2022 (Impacted Months). Duke notes that some customers have received recalculated bills for June and July, when the August bill was generated. The Company noted that as a result, the billing month of August could have confused Impacted Customers regarding installment amounts due at that time. Duke completed system repairs to resolve the technical issues that caused this error and corrected Impacted Customers' bills by moving the credits from the customers' installment balances to their arrearages balances. In turn, this created a "higher-than-usual" installment balance for some customers, reflecting the installments that accumulated during the Impacted Months. Duke believes that additional

steps should be taken to restore Impacted Customers to the usual billing cycle and rhythm to which they are accustomed. (Duke Application at 1-2.) Duke requests that the Commission grant waivers to accomplish the following:

- a. 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;
- b. 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.

(Duke Application at 2.)

{¶ 7} Duke explains that due to the technical issues experienced, Impacted Customers received bills indicating their installment balance was lower, zero, or a net zero and did not receive the usual warning signs that would alert them to an overdue installment. To minimize any additional confusion for Impacted Customers, Duke proposes to place this customer group in the position of only having to pay their ordinary installment balance for the current month and proceed in the ordinary manner going forward. To implement this solution, Duke requests an authorized waiver to move any unpaid accumulated installment balances as of the end of the Impacted Months to the Impacted Customers' arrearage balance, and then Impacted Customers would proceed in the ordinary manner after paying for the current month's balance. (Duke Application at 3-4.)

{¶ 8} Duke also notes that several Impacted Customers did not pay installment payments for bills generated during the Impacted Months, which in some cases may have been caused by the bills showing a zero or credit balance. This incident may have resulted in Impacted Customers believing no installment payments were due. Consequently,

Impacted Customers have not received on-time incentive credits for months during which they did not make installment payments. Therefore, Duke seeks a limited waiver of Ohio Adm.Code 4901:1-18-14(A), which provides that Impacted Customers receive incentives every time they make an installment payment. Duke requests the authorization 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). Duke stated that it believes it is “appropriate, fair, and reasonable” to award Impacted Customers the on-time incentive credits they would have received if they paid timely installments during the Impacted Months. (Duke Application at 4-5.)

{¶ 9} Lastly, Duke raises the fact that it has already obtained authorization from the Ohio Department of Development (ODOD) to move unpaid accumulations to arrearages and grant on-time credits to Impacted Customers in the electric PIPP Plus and Graduate PIPP Plus programs. Duke notes that under Ohio Adm.Code 122:5-3, ODOD’s authorization is required to deviate from PIPP requirements for electric PIPP Plus programs. Duke stated that ODOD authorized Duke to take the following steps:

- a. 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.
- b. 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 payments during that time

(Duke Application at 5-6.)

{¶ 10} Duke committed to ODOD that upon receiving the required authorizations from the Commission and ODOD, the Company would implement the abovementioned steps and send a letter to all Impacted Customers explaining the incident and what customers should expect to see on forthcoming bills. In addition, the Company promised to work with its community action agency partners to ensure they are aware of the issue and its resolution. (Duke Application at 6.)

{¶ 11} On November 8, 2022, Staff filed a recommendation (Staff Report). Staff notes that it has reviewed Duke's application and the resulting Service Monitoring and Enforcement Department's customer contacts from the Company's billing issues. Staff believes that Duke's waiver request should be granted in order to reverse any harm PIPP Plus customers experienced due to Duke's billing error. (Staff Report at 3.)

{¶ 12} On November 14, 2022, Ohio Consumers' Counsel (OCC) filed a motion to intervene. As of the date of this order, no memorandum contra was filed. The Commission finds that OCC's motion to intervene is reasonable and, therefore, should be granted.

{¶ 13} The Commission finds that Duke's application for a limited waiver of Ohio Adm.Code 4901:1-18-13(A) and 4901:1-18-14(A) should be granted to allow for Duke to 1) move unpaid accumulated installment balances, as of the end of the Impacted Months, to the Impacted Customers' arrearage balances, with the moved amounts being treated as arrearages in all respects, including for purposes of cost recovery, and 2) grant on-time incentive credits, including the delta credit and 1/24 or 1/12 arrearages credit, to Impacted Customers for all of the months that each customer's account was affected, as if the customer had made an on-time payment during that time. The Commission also directs Duke to take the proactive steps detailed in its application regarding communications about the waivers, which includes (1) sending a letter to all Impacted Customers, explaining what occurred and what the customers should expect to see on forthcoming bills; (2) communicating with community action agency partners to make them aware of the resolution of this issue; and (3) instructing 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 Commission's approval of these limited waivers are contingent upon the Company's compliance with the requirements set forth in this Finding and Order. Notwithstanding Duke's compliance, the Commission may suspend, terminate, or amend the Company's waivers, at the Commission's sole discretion, for good cause. Accordingly, the application for limited waivers is reasonable and should be approved.

### III. ORDER

{¶ 14} It is, therefore,

{¶ 15} ORDERED, That OCC's motion to intervene should be granted. It is, further,

{¶ 16} ORDERED, That Duke's application for limited waivers of Ohio Adm.Code 4901:1-18-13(A) and 4901:1-18-14(A) be approved, consistent with this Finding and Order. It is, further,

{¶ 17} ORDERED, That a copy of this Finding and Order be served upon all interested persons of record.

#### COMMISSIONERS:

##### *Approving:*

Jenifer French, Chair  
Lawrence K. Friedeman  
Dennis P. Deters

MJS/IMM/dmh

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Summary: Finding & Order grants Duke Energy Ohio, Inc. a limited waiver of Ohio Adm.Code 4901:1-18-13(A) and 4901:1-18-14(A), consistent with this Finding and Order electronically filed by Heather A. Chilcote on behalf of Public Utilities Commission of Ohio