



Ohio Administrative Code

Rule 122:5-3-04 Payment and crediting arrangements and responsibilities.

Effective: February 15, 2015

(A) Customer payments.

(1) Monthly PIPP plus installment amount. For a PIPP plus customer with an electric baseload residence, the monthly PIPP plus installment amount shall be the greater of six per cent of such customer's monthly household income, as determined based on current income information provided by the PIPP plus customer at the time of application or subsequent income verification, or the minimum monthly PIPP plus installment amount described in paragraph (C) of rule 122:5-3-02 of the Administrative Code. For a PIPP plus customer with an electrically heated residence, the monthly PIPP plus installment amount shall be the greater of ten per cent of such customer's monthly household income, as determined based on current income information provided by the PIPP plus customer at the time of application or subsequent income verification, or the minimum monthly PIPP plus installment amount.

(2) Payment to electric utility. PIPP plus customers shall be required to remit their monthly PIPP plus installment amounts directly to electric distribution utilities each month. Subject to commission rules applicable to customer billing, paragraph (G) of rule 4901:1-10-22 of the Administrative Code (or any successor rule of substantially the same effect), and any agreements between the director and electric distribution utilities regarding PIPP plus procedures, the monthly PIPP plus installment amounts will be shown on monthly bills for electric service. Customer payments shall be credited to the accounts of PIPP plus customers by each electric distribution utility in accordance with payment crediting rules of the commission. Consistent with the commission rule as set forth in paragraph (C) of rule 4901:1-18-15 of the Administrative Code (or any successor rule of substantially the same effect), electric distribution utilities shall not charge late payment fees to any PIPP plus customer as long as such customer continues to be an active PIPP plus customer and no late fees shall be charged to or payable from the fund.

(3) Money other than HEAP, emergency HEAP, or money provided on a monthly 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 (this could be PIPP plus default, graduate PIPP plus default, or extended payment plan default), if any, then applied to the customer's current monthly income-based payment obligation (this could be PIPP plus installment, graduate PIPP plus installment, or extended payment plan obligation), and lastly, shall be applied to the customer's arrearages.

(B) Customer arrearages.

(1) Customer arrearages paid from fund. Since the administration of the PIPP plus program was transferred to the development services agency pursuant to section 4928.53 of the Revised Code, electric distribution utilities have been paid for customer arrearages from the fund. Accrued arrearages have generally been charged to the director and paid to the affected electric distribution utility upon enrollment of an eligible customer in the PIPP plus program. Current bill balances have been charged to the director monthly and paid from the fund. From and after the effective date of this rule, the director shall continue to pay from the fund accrued arrearages upon initial enrollment of an eligible customer in the PIPP plus program and monthly current bill balances according to the payment procedures described in rule 122:5-3-05 of the Administrative Code. Each electric distribution utility will maintain accurate records of all customer arrearages paid or reimbursed to the utility through any percentage of income payment plan mechanism, and such records shall be maintained in a form that such electric distribution utility can readily report customer arrearages on a per customer and aggregate basis. Electric distribution utilities shall not be paid any amount included in any customer arrearages that has previously been paid or reimbursed to the utility through any percentage of income payment plan mechanism.

(2) Monthly payment amounts not counted as arrearages. Electric distribution utilities shall not be entitled to recover from the fund, and they shall not charge to the director, any deficiencies accruing as a result of a PIPP plus customer's failure to pay monthly PIPP plus installment amounts. Such deficiencies also shall not be counted as customer arrearages for purposes of the arrearage crediting program provided by this rule.

(3) Arrearage credits for eligible customers. Each PIPP plus customer who makes an on-time payment of the monthly PIPP plus installment amount shall receive a credit applied in the same month as the on-time payment against customer arrearages as described in this paragraph. The



amount of the arrearage credit that may be earned by a PIPP plus customer each month for making an on-time payment of the monthly PIPP plus installment amount shall be the sum of the current bill balance, plus an accrued arrearage credit determined by the electric distribution utility as provided in this rule. The accrued arrearage credit shall be the amount that would reduce the PIPP plus customer's accrued arrearages to zero over a twenty-four month period assuming on-time payment of all monthly PIPP plus installment amounts during that period. The amount of the accrued arrearage credit will be determined initially based on the customer's accrued arrearages at the time the customer enrolls in the PIPP plus program. The electric distribution utility shall calculate the customer's arrearage credit amount upon the customer's enrollment in the PIPP plus program and provide such customer's PIPP plus arrearage credit amount to the office of community assistance via an electronic data transfer. The accrued arrearage credit amount shall be reviewed annually by the electric distribution utility at or about the customer's PIPP plus anniversary date and, for each PIPP plus customer who has not made each monthly payment on-time during the prior year, adjusted to account for months for which the on-time payment credit was not earned by the customer. The recalculated accrued arrearage credit shall be an amount equal to one twenty-fourth of the customer's accrued arrearages, including any accrued arrearage amount for which a credit was not earned during the prior year and any current bill balance(s) for which a credit was not earned during the prior year, but not including any missed monthly PIPP plus installment amounts. The electric distribution utility shall provide such customer's recalculated PIPP plus arrearage credit amount to the office of community assistance via an electronic data transfer. For a PIPP plus customer who made each monthly payment on-time during the prior year, the accrued arrearage credit amount shall remain the same as during the prior year. For a PIPP plus customer with no accrued arrearage, the monthly arrearage credit would be an amount equal to the customer's current bill balance for that billing cycle. Arrearage credits will be applied against customer arrearages only. PIPP plus customers may not earn arrearage credits pursuant to this rule for any missed monthly PIPP plus installment amounts. Arrearage credits may not be accumulated on a customer account that is current and applied against future service.

If a PIPP plus customer's account balance becomes a credit balance, the customer will no longer be eligible for the incentive credits until such time that the account balance is no longer a credit. If the credit balance is not the result of any incentive credits, the credit balance may be refunded to the customer upon request. At the time of such refund, the electric utility shall remove the account from PIPP plus and inform the customer of the availability of a more suitable payment plan option.



(4) Notice of accrued arrearage credit amounts. The customer's accrued arrearage credit shall be noted on the customer's utility bill promptly after it is received from the electric distribution utility via the electronic data transfer described in paragraph (B)(3) of this rule. Such electric distribution utility shall apply arrearage credits for such customer beginning with the next billing cycle after the calculation or recalculation of such customer's accrued arrearage credit amount. Electric distribution utilities shall apply arrearage credits to each bill for which an on-time payment of the monthly PIPP plus installment amount is made.

(5) Graduate PIPP plus transition assistance and post-PIPP plus arrearage credits. If a customer ceases to participate in the PIPP plus program voluntarily (which does not include being dropped from the PIPP plus program for failing to provide information necessary to complete periodic eligibility re-verification or comply with other PIPP plus program requirements) or because the customer is no longer eligible to participate based on income, such customer may nevertheless receive transition assistance and arrearage credits against customer arrearages accumulated but not paid at the time such customer ceases to participate in the PIPP plus program. To qualify for graduate PIPP plus transition assistance and post-PIPP plus arrearage credits, a customer must pay all missed monthly PIPP plus installment amounts, if any, owed to the electric distribution utility for which transition assistance or arrearage credits will be provided. A customer will be eligible to receive graduate PIPP plus transition assistance and post-PIPP plus arrearage credits under this rule based on payments made during the twelve months immediately following the last billing cycle during which the customer ceases to participate in the PIPP plus program. Graduate PIPP plus transition assistance and post-PIPP plus arrearage credits under this rule will be applied only against customer arrearages accumulated at the time the customer ceases to participate in the PIPP plus program. Arrearage credits may not be accumulated on a customer account that is current and applied against future service.

(a) Graduate PIPP plus - customer continues electric service. A graduate PIPP plus customer continues to receive electric service from the same electric distribution utility after ceasing to be enrolled in the PIPP plus program. A graduate PIPP plus customer will be eligible to receive arrearage credits under this rule if the customer makes regular payments for electric service in an amount that is the average of the customer's most recent monthly PIPP plus installment and the customer's budget bill amount if the customer were placed on a twelve-month budget plan. If such



customer's graduate PIPP plus transition installment amount would not reduce each current monthly bill balance to zero, then during the twelve-month period under this rule, the electric distribution utility shall apply a credit to the graduate PIPP plus customer's account for the difference between the transition installment amount and the actual cost of service and may submit such credit amount to the fund for reimbursement as transition assistance. The graduate PIPP plus arrearage credit will be earned and shall be applied to such customer's account for each month during the twelve-month period that the customer makes an on-time payment for electric service to the electric distribution utility until the customer arrearage has been fully credited. If the customer fails to make twelve on-time payments for electric service during the twelve-month graduate PIPP plus arrearage credit period, the uncredited balance of the customer arrearage shall remain on the customer's account. This remaining arrearage may become due and the customer may be placed on one of the extended payment plans in rule 4901:1-18-05 of the Administrative Code. Upon notice from the office of community assistance to the electric distribution utility that the customer has ceased to participate in PIPP plus, the utility shall determine the customer arrearages as of the effective date of such notice and calculate the monthly arrearage credit as an amount equal to one-twelfth of such customer arrearages, but not including any missed monthly PIPP plus installment amounts. The electric distribution utility shall notify the office of community assistance of the monthly graduate PIPP plus arrearage credit amount, and the utility shall apply the graduate PIPP plus arrearage credit as provided in this paragraph.

(b) Customers on company-specific arrearage crediting payment plans as of the effective date of this rule. For customers on company-specific arrearage crediting payment plans as of the implementation date of this rule, such former PIPP plus customer shall be enrolled in and receive graduate-PIPP plus arrearage credits as described in paragraph (A) of this rule provided that such customer makes regular payments for electric services under a budget plan offered by the electric distribution utility or for the cost of electric service as billed.

(c) Post-PIPP plus - customer account closed. When an electric distribution utility closes the account of a PIPP plus customer (i.e., account "finaled"), the utility shall report to the office of community assistance the amount of any customer arrearage for which the utility was previously paid by the fund or through any other percentage of income payment plan mechanism. Each electric distribution utility shall notify such PIPP plus customer that post-PIPP plus arrearage credits will be available during the next twelve-month period to reduce the customer's final bill amount and request that such



customer contact the utility company for additional information. Each electric distribution utility shall enter into a payment arrangement with any former PIPP plus customer who will agree to make payments against such customer's arrearage on a finalized account. A post-PIPP plus customer who makes payments against the customer's arrearage on a finalized account as provided in this rule will be eligible for post-PIPP plus arrearage credits. In order to receive a post-PIPP plus arrearage credit, the amount of the customer payment must be at least one-sixtieth of the customer arrearage on the finalized account. The post-PIPP plus customer will earn an arrearage credit for each such payment made to the electric distribution utility during the twelve-month period after the customer's account is closed. The post-PIPP plus arrearage credit shall be calculated by the electric distribution utility as one-twelfth of the customer arrearage on the finalized account, and the electric distribution utility shall apply the credit against the customer arrearage each time that a customer payment is made as described in this paragraph. If a post-PIPP plus customer fails to make payments against customer arrearages on a finalized account during the twelve-month post-PIPP plus arrearage credit period, the uncredited balance of the customer arrearage shall remain on the customer's account.

(6) Limitations on arrearage credits. The arrearage credits provided in paragraph (B) of this rule apply only to customer arrearages for which electric distribution utilities have been paid through a percentage of income payment plan mechanism. Arrearage credits provided in paragraph (B) of this rule may not be earned based on payments made from federal funds administered by the office of community assistance.

(C) Evaluation of program effectiveness. The director shall periodically review and analyze data collected in connection with the administration of the PIPP plus program and evaluate the payment and arrearage crediting arrangements, the operation and performance of the PIPP plus program as a means of assisting low-income households to maintain electric service and the fiscal implications of the PIPP plus program for ratepayers, generally.