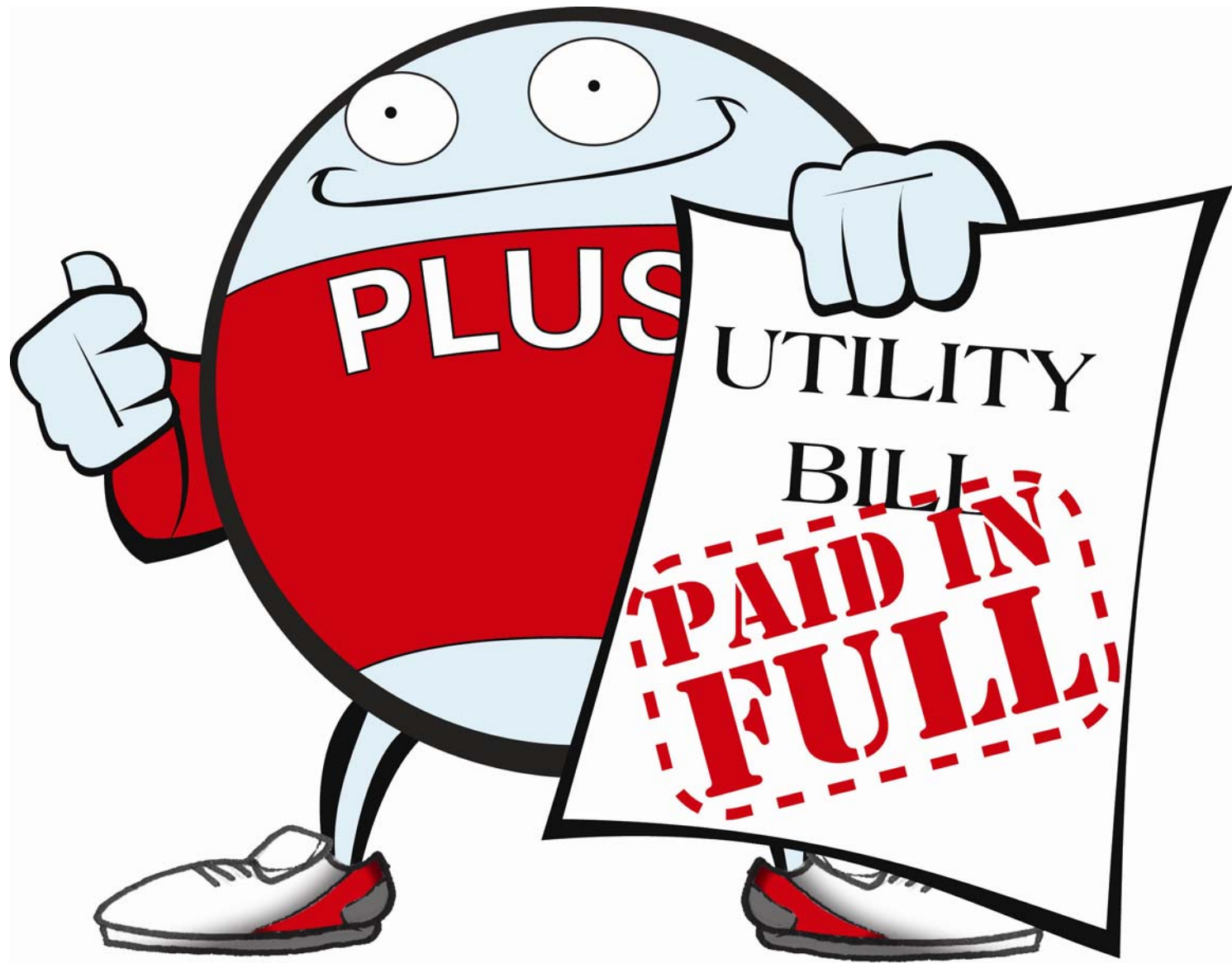




Percentage of Income Payment Program Plus



Why Change PIPP?

Make the program more manageable

Make PIPP payments standardized and more affordable for participants

Maximize participants participation while minimizing the burden on other rate payers

Promote the financial viability of the Universal Service Fund

PIPP Historical Data

<u>Historical Item</u>	<u>Initial Year</u>	<u>Most Recent</u>	<u>Percent Change</u>
Cost of PIPP	50,142,349	138,599,803	176.41%
PIPP Enrolment	137,399	288,630	110.07%
Utility bills paid by PIPP customers	67.58%	61.49%	- 6.08%

PIPP Plus Features

Standard year round monthly installments

A credit of 1/24th of accumulated arrearage

Remaining balance of the current utility bill also paid each month installment is paid on time in full

PIPP Plus Features

Monthly PIPP Plus Installments are participants responsibilities.

Coordination between PIPP Plus and other programs (HWAP, EPP, ETC.) to provide services.

PIPP Plus participants are **required** to participate in these usage reduction programs.

PIPP Plus Terminology

Account default	Former PIPP
Accrued arrearage	Graduate PIPP Plus
Active PIPP customer	Inactive PIPP customer
Arrearage credit amount	Low-income customer assistance programs (<i>LICAP</i>)
Current bill balance	Monthly PIPP installment amount
Customer arrearages	Municipal electric utility (<i>Muni</i>)
Customer payment	PIPP Plus anniversary date
Electrically heated residence	PIPP Plus annual verification date
Electric baseload residence	PIPP Plus re-verification date
Electric cooperative – (<i>Co-Op</i>)	Post-percentage of income payment plan customer
Electric distribution utility – (<i>EDU</i>)	Transition period
Electric Partnership Program - (<i>EPP</i>)	Universal Service Fund (<i>USF</i>)
Eligible customer	Universal service rider (<i>Rider</i>)
Energy Efficiency and weatherization services	

PIPP Plus Installments

The monthly PIPP Plus installment shall be based upon -

Whichever is the greater of

6 percent of the customer's monthly income for Gas

6 percent of the customer's monthly income for Electric

which equals 12 percent total of the customer's monthly income.

An all electric household would pay 10 percent.

PIPP Plus Installments

or

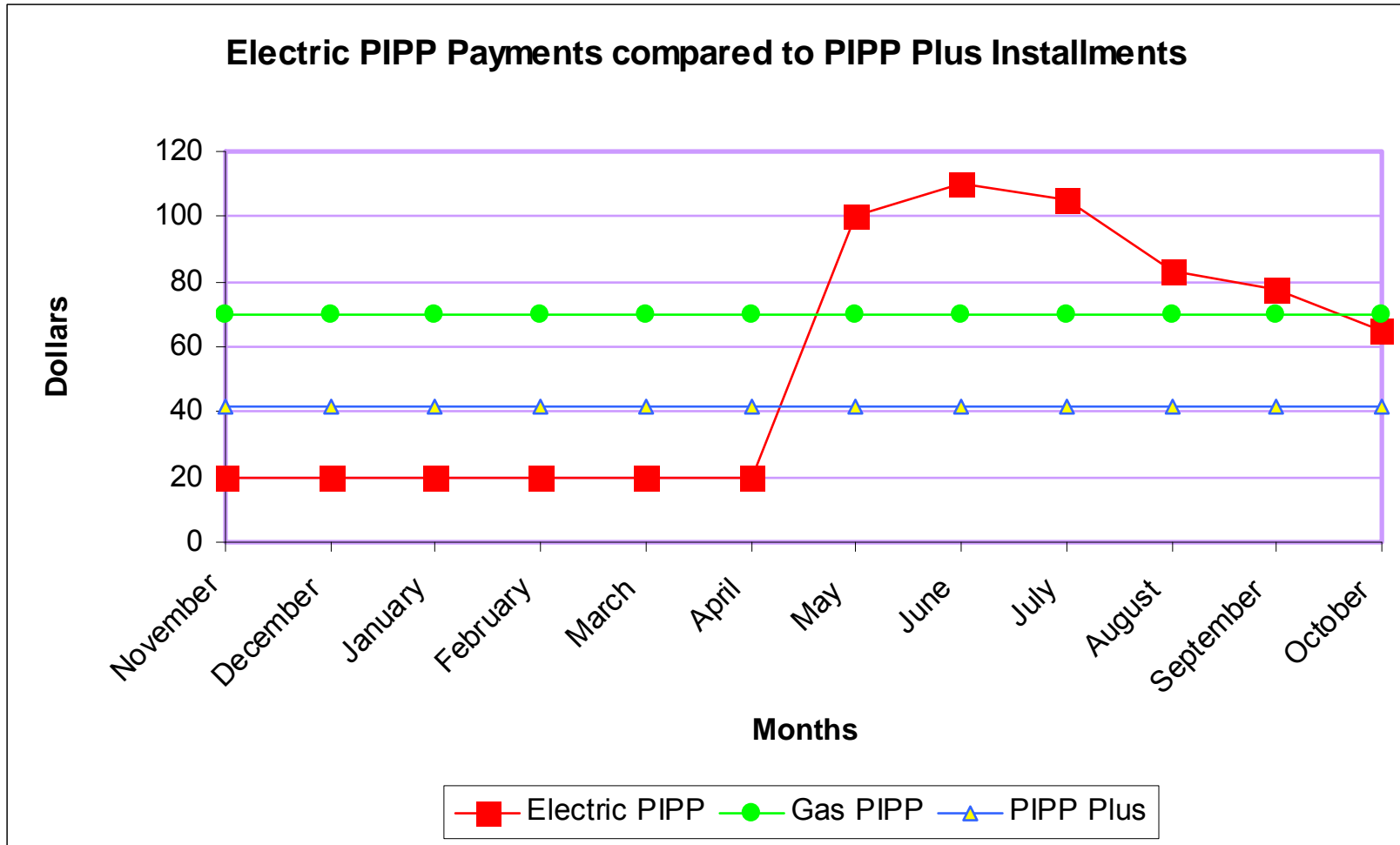
\$10 minimum payment for gas

\$10 minimum payment for electric

for a total minimum payment of \$20

The participant **must** pay the PIPP Plus installment every month that they are on the program

Asked-to-Pay Amount



On Time Payment Pluses

Arrearage Example \$2400	← This will be calculated by the Electric Utility at the first billing cycle in November 2010
Monthly Bill Example \$90	← The customer's usage charges each month
PIPP Plus Installment Example \$40	← What the participant must pay each month in full and on time
Current Bill Balance Example \$50	← This is the current bill balance that is credited
Arrearage Credit Example \$100	← This is the arrearage credit
Arrearage Remaining after one year of on time full payment of installments \$1200	← What one year of on-time, in-full payments would do to reduce the participant's arrearage.

PIPP Plus Installments

Number in Household	Annual Income	% of Poverty	5%	10%	6%	12%
1	6795.68	↓100	28.00	57.00	34.00	68.00
2	8542.86	↓75	36.00	71.00	43.00	86.00
3	9260.05	↑50	39.00	77.00	46.00	92.00
4	10551.20	↓50	44.00	88.00	53.00	106.00
5	11999.66	↓50	50.00	100.00	60.00	120.00

Failure To Pay

Missing installments may result in –

The participant being **removed** from the program

This could result in the customer's utilities being **shut off**

Then the customer's entire account balance may become due

Failure To Pay

Gas participants will be dropped if missed installments are not paid by anniversary date or if service is disconnected for non-payment

Electric participants may be dropped for two consecutive missed installments or if service is disconnected for non-payment

Failure To Pay

For example –

If the participant failed to pay three PIPP Plus installments

Then customer's service was disconnected

The customer could be required to pay the **Arrearage** plus the PIPP Plus **Installments** plus the remaining Current Bill **Balances** to have service restored **and** re-enroll in the PIPP Plus program.

So by using the information from the previous chart -

$$\text{\$2400} + 3(\text{\$40} + \text{\$50}) = \text{\$2670 [3-month example]}$$

Failure To Re-Verify

If a participant does not **re-verify** his/her gross monthly household income at least **every 12 months**, they will be **removed** from PIPP Plus.

For a gas PIPP Plus participant, they will have 30 days from their PIPP Plus anniversary date to make up any missed installments, or they will be **removed** from PIPP Plus.

Baseload Heating

Participant has utility service that is not associated with space heating -

For natural gas participant this must be the primary heating source.

Electric participant is not required to use utility service as a primary or secondary heating source.

Participants

Current

New

Graduate

Post

Returning

Current Participant

Current Electric PIPP customers will be converted to PIPP Plus automatically

Gas companies will be sending letters to their customers informing them of the new payment amounts

ODOD will be sending letters to electric customers informing them of the new payment amounts

Participant with no countable income

Zero PIPP ends October 31, 2010

Minimum payment for both Electric and Gas is \$10.00

Electric only allows an exception for an 180 day waiver of the minimum payment which is only good once every five year period – this is not a cumulative 180 day period!!!!

There are no arrearage credits during the waiver period so the arrearages continue to grow

New Participant

Customers who enroll in PIPP Plus on or after November 1, 2010

Must enroll through agency or OCS

Must make first installment

Graduate PIPP Plus

Installments must be paid up to date (in good standing)

Income level exceeds 150% FPG or customer request

Utility as well as Agency or OCS may enroll

Gas has one payment option

Electric has three payment options

Graduate PIPP Plus

Gas participants will make a payment that is the average of the PIPP Plus installment and the budget billing amount (Transition Installment Amount – TIA)

Participants who are current Gas Utility PAC customers are automatically transferred to the gas Graduate PIPP Plus program – they will earn arrearage credits in the amount of 1/12 of the account balance for every in-full and on-time installment made

Graduate PIPP Plus

Electric participants will have three options –

- 1) Transition Installment amount which is the average of the PIPP Plus installment and the budget billing amount
- 2) Budget billing amount
- 3) Electric service charges as billed

Electric participants who are current Electric Utility PAC customers have 90 days to choose to transfer to the electric Graduate PIPP Plus program – if they so choose participants will earn arrearage credits in the amount of 1/12 of the account balance for every in-full and on-time payment made.

Graduate PIPP Plus

Participants have 12 months to be on Graduate PIPP Plus and retire their arrearages

For every full, on-time installment the participant makes they receive an arrearage credit equal to 1/12 of the arrearage plus the accruing arrearage (if any).

Post PIPP Plus

Installments are paid up to date (in good standing)

Electric customers only (Except in the Duke service area)

Leaving service territory or terminating service

Utility will notify customer of program and automatically enroll them

Post PIPP Plus

Participants have 12 months to earn arrearage credits

For every payment of $\frac{1}{60}$ of the arrearage, the participant earns an arrearage credit equal to $\frac{1}{12}$ of the arrearage

Returning Participant

As of November 1, 2010 former PIPP participants who wish to enroll in PIPP Plus shall be treated as new participants

After November 1, 2010 a PIPP Plus participant who wishes to re-enroll must meet all requirements of making up payments and installments per the rule

Participant Tasks

Transition

Verification

Enrollment

Transition from PIPP to PIPP Plus

As previously stated

Current Electric PIPP customers will be converted to PIPP Plus automatically

Gas companies will be sending letters to their customers informing them of the new payment amounts

ODOD will be sending letters to electric customers informing them of the new payment amounts

Transition From PIPP to PIPP Plus

OCS should receive data from Utilities related to PIPP customers (currently with service) by September 1, 2010.

File should contain customer demographics, re-verification date, billing date and new PIPP Plus installment amounts based upon their current PIPP amounts.

Transition From PIPP to PIPP Plus

OCS will process this data and will send letters to all active PIPP customers sometime in September informing them of their new payment amounts.

Participants who will need to re-verify prior to January 15, 2011, will be instructed to contact their local agency or OCS to re-verify their income eligibility for PIPP Plus.

Transition From PIPP to PIPP Plus

Process in Duke Service Area Effective 10/16/10

Agencies will enroll customers in PIPP as usual in OCEAN

These will not be sent through the nightly file.

Agencies will need to inform customers that their PIPP Plus amount will be 6% once they are enrolled

Transition From PIPP to PIPP Plus Process in Duke Service Area Effective 10/16/10

OCS will notify Duke that these are PIPP Plus customers

Duke will place a hold on the account to prevent disconnection.

OCS will send the records to Duke 11/1/10 through the nightly file.

Transition from PIPP to PIPP Plus Arrearage Credits

Companies calculate the PIPP Plus arrearages effective at conversion

The 1/24 arrearage credit will appear on the first bill received after November 1, 2010

Conversion from PIPP to PIPP Plus

2010-2011 Winter Crisis Program

The Winter Crisis Program will work about the same way for the 2010-2011 heating season as in the past for electric PIPP participants.

Anniversary Date

Gas participants will have 30 days after their anniversary date in which to make up missed installments from the past 12 months

Failure to make up missed installments for Gas PIPP Plus will result in being dropped from the program

Gas Utilities will print the Anniversary Date on participants bills

Re-verification

Re-verification will be an automated, year-round process.

OCS will not send out applications to those who need to re-verify but will do re-verifications from mail-in applications for HEAP or from a participant request for a mail-in application

30 days before re-verification date, a letter will be sent to participants to re-verify their income at a HEAP agency.

Re-verification

60 days later the second letter is sent if the participant has not re-verified. This letter will advise him/her that the utility will be notified to drop them for failure to re-verify.

30 days after that letter, the participant is dropped from PIPP Plus.

Participants who are over income for PIPP Plus will be encouraged to re-verify in order to apply for Graduate PIPP Plus.

PIPP Plus Fraud and Fraud, Tampering or Theft

Participants shall be dropped from PIPP Plus upon discovery of fraudulent enrollment (24 month minimum)

Gas Utilities can drop a participant for utility fraud, theft of service, tampering

Electric Utilities can drop a participant for utility fraud, theft of service, tampering

Enrollment

If payment is not made, it will be added to the first PIPP Plus bill and participant will miss first months arrearage credits.

If customer is using the Crisis fund to pay the first PIPP Plus installment, the intent **must be** for that amount **only**.

Re-enrollments

Customers who were previously on PIPP Plus but were dropped for failure to adhere to program provisions or became ineligible, or requested to be removed from program and now want to be back on PIPP Plus.

Customers **must be** in good standing to re-enroll in PIPP Plus, i.e. they must correct the situation that caused the drop -

- Pay missed installments, current bills, utility fees and charges

- Re-verify

- Correct fraud situation

- Accept energy efficiency services

Re-enrollment

If service is disconnected due to failure to make payments or if participant is dropped from program and service is maintained –

Gas customer must pay all installments owed prior to being dropped and the installment amount for those months that they were not enrolled in the program (not to exceed the account balance).

Re-enrollment

If service is disconnected due to failure to make payments or if participant is dropped from program and service is maintained –

Electric customer must pay all installments owed prior to being dropped and the current monthly charges for service for those months that the customer was not enrolled in the program (not to exceed the account balance).

Re-enrollment

If the participant was dropped for failure to re-verify –

Gas customers must re-verify and pay all installments owed prior to being dropped and the current monthly charges for service for those months that the customer was not enrolled in the program.

Re-enrollment

If the participant was dropped for failure to re-verify –

Electric customers must re-verify and pay all installments owed prior to being dropped and the installment amount for those months that they were not enrolled in the program.

What are your
questions
about

Ohio | PIPP **PLUS**