



Office of the Ohio Consumers' Counsel

Your Residential Utility Consumer Advocate

CONSUMERS' FACT SHEET

Utility questions, concerns or complaints?

CALL TOLL FREE:

1-877-PICKOCC

(1-877-742-5622)

or (614) 466-8574

Office of the Ohio Consumers' Counsel

10 West Broad Street
Suite 1800, Columbus, OH
43215-3485

E-MAIL:

occ@occ.state.oh.us

WEB SITE:

www.pickocc.org

2009-2010 PERCENTAGE OF INCOME PAYMENT PLAN: PIPP GUIDELINES



The Percentage of Income Payment Plan (PIPP) is an extended payment program for income-eligible customers of Ohio's investor-owned electric and natural gas utility companies. Customers of rural electric co-ops, municipal utilities or users of delivered fuel are not eligible for PIPP.

The PIPP program is undergoing revisions that will become effective in November 2010. The changes will effect the electric and natural gas PIPP payment levels. As part of the changes, many of Ohio's small natural gas companies will not offer PIPP.

Types of PIPP Payments

Natural Gas

Currently under the PIPP program, consumers who use natural gas as the primary source to heat their home pay to the natural gas company 10 percent of their total monthly income (before taxes) and 5 percent to the electric company during the winter heating season (Nov. 15 through April 15). The natural gas PIPP amount is paid all year. From May through October, consumers pay their current electric bill or PIPP payment, whichever is higher.

Under the new PIPP program changes, the natural gas payment level will be reduced to 6 percent of monthly household income from the current 10

percent level. Natural gas PIPP will have a minimum payment requirement of \$10 per month.

Electric

Currently under the PIPP program, consumers who live in an all-electric home pay 15 percent of their total monthly income to the electric company during the winter heating season. Electric PIPP customers pay their PIPP amount or their current electric bill, whichever is more in the summer.

When the revisions become effective, the electric PIPP payment level will change to 6 percent of monthly household income and will be paid on a year-round basis opposed to the current requirement where the actual bill is paid during summer months. All electric PIPP customers will pay 10 percent of their monthly income. Electric PIPP will have a minimum payment requirement of \$10 per month.

Payment Example: Mr. and Mrs. Smith have four people living in their home and a total monthly income before taxes of \$1,200. According to the PIPP income guidelines, their income is below 150 percent of the poverty level so they are eligible to receive assistance. Depending on the source of energy used to heat their homes, under the following scenario they would pay:

2009 - 2010
PERCENTAGE OF INCOME
PAYMENT PLAN:
PIPP GUIDELINES

CONSUMERS'
FACT
SHEET



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Mr. & Mrs. Smith's Sample Budget

Primary Heating Source	PIPP payment example using a monthly income of \$1,200 <small>This is only an example; a customer's PIPP payment will be based on their income.</small>
Natural Gas	\$120 to the natural gas company each month PLUS \$60 to the electric company during the winter months, \$60 or the current electric bill, whichever is <u>higher</u> , during the summer months.
Electric	\$180 to the electric company during the winter months, \$180 or the current electric bill, whichever is <u>higher</u> , during the summer months.
Customers of Duke Energy or an all-electric home	\$180 to the company during the winter months, AND \$180 or the current electric bill, whichever is <u>higher</u> , during the summer months.

Three Percent PIPP

Consumers who use natural gas as their primary heating source and are at or below 50 percent of the poverty level pay 10 percent of their total monthly income to the natural gas company and 3 percent to the electric company. Three percent PIPP only applies during the winter heating months. The rest of the year, customers pay the entire PIPP payment or their electric bill, whichever is higher. Customers of Duke Energy pay the entire 13 percent to Duke Energy. Cleveland Electric Illuminating and Toledo Edison do not offer 3 percent PIPP.

Zero-Income PIPP

Natural gas customers who are verified as having no income are not required to pay anything for service as long as they remain at zero income. Electric customers who are verified as zero income are not required to pay anything during the winter heating season. However, during the summer months zero-income electric customers must pay their current electric bill or the PIPP amount, whichever is higher. All customers who are on zero-income PIPP are required to verify their income every 90 days. PIPP customers can do so at their local community action agency. When the revisions to PIPP become effective, a minimum payment of \$10 is required regardless of income.

How to Qualify for PIPP

Consumers must:

- ▶ Be a customer of a state-regulated utility company for their primary or secondary heating source (a listing of these companies can be found on the next page);
- ▶ Have utility service in their name;
- ▶ Have a total household income at or below 150 percent of the federal poverty level; and
- ▶ Apply for all available assistance programs, such as the Home Energy Assistance Program (HEAP).

How to Apply for PIPP

Consumers can apply for this program at any time during the year. To find out if you qualify, contact your natural gas utility company, your local community action agency or the OCC toll free at 1-877-PICKOCC (1-877-742-5622).

Consumers should be sure to have proof of income for the past three months from every member of the household who is 18 years or older. This amount is used to determine if the household meets the income guidelines. Income is defined as the total earnings of the household.

Types of income information needed:

- ▶ Adoption assistance;
- ▶ Alimony;
- ▶ Child support;
- ▶ Disability;
- ▶ Estate and trust settlements;
- ▶ Immigrant relocations funds;
- ▶ Military family allotments;
- ▶ Pensions/retirement;
- ▶ Social Security income;
- ▶ Social Security Disability Income (SSDI);
- ▶ Supplemental Security Income (SSI);
- ▶ Strike benefits;
- ▶ Unemployment benefits;
- ▶ Welfare;
- ▶ Workers' compensation;
- ▶ Veteran's pensions or disability; and
- ▶ Employment (through a copy of the most recent paycheck or a self-employment quarterly tax estimate form).

In addition to income verification, a copy of your most recent utility bill is needed when applying. Consumers who have questions about additional sources of income that can be used to verify eligibility or types of income that are excluded should contact the Ohio Department of Development (ODOD) toll free at 1-800-282-0880 or their local community action agency.

Consumers should apply for PIPP at their local community action agency or when completing the Home Energy Assistance Program (HEAP) application. To locate the nearest agency, consumers can call the ODOD toll free 1-800-282-0880 or contact the OCC toll free at 1-877-PICKOCC (1-877-742-5622).

Staying on PIPP

To stay on any of the PIPP programs, consumers are required to pay their monthly PIPP payment and report any

change in their income or the number of people living in the house within 30 days to their local community action agency. If there is no change in household income, customers only are required to verify their income every 12 months. Consumers on zero-income PIPP must verify their income status every 90 days.

If a PIPP customer has been disconnected, the consumer can be placed back on PIPP once he or she has paid any missed PIPP payments and any applicable reconnection fees. During the winter heating months, the Winter Reconnect Program allows consumers to have their service reconnected for a one-time fee of \$175 and a reconnection charge of no more than \$20. Natural gas customers also may have to pay a security deposit before their service is reconnected.

How to Verify Your Income

Electric heat customers must go to their local community action agency to verify their income. Natural gas heat customers should contact their utility company or the local community action agency to find out how to verify their income.

If a consumer fails to pay his or her utility bill, report changes in income or household members, or verify their eligibility, the utility company may disconnect service.

Consumers are responsible for any unpaid portions, or "arrearages," on their bill once they leave the PIPP program, become ineligible for PIPP or are disconnected for missed payments.

Arrearage Crediting

Arrearage crediting provides consumers a way to pay off their arrearage, or debt, when they are no longer eligible for PIPP. Each utility company offers a different arrearage assistance program to help consumers pay any balance. Consumers should contact their local utility for specifics about its arrearage crediting program.

Ohio utility companies that offer PIPP

Electric

- ▶ American Electric Power
- ▶ Cleveland Electric Illuminating
- ▶ Dayton Power & Light
- ▶ Duke Energy Ohio
- ▶ Ohio Edison
- ▶ Toledo Edison

Natural Gas

- ▶ Arlington
- ▶ Brainard
- ▶ Columbia Gas
- ▶ Constitution
- ▶ Dominion East Ohio Gas
- ▶ Duke Energy Ohio
- ▶ Eastern
- ▶ Foraker
- ▶ Gasco
- ▶ KNG
- ▶ Orwell
- ▶ Oxford
- ▶ Piedmont
- ▶ Pike
- ▶ Sheldon
- ▶ Southeast
- ▶ Suburban
- ▶ Swickard
- ▶ Vectren Energy Delivery of Ohio
- ▶ Verona
- ▶ Waterville

**2009 - 2010
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FACT
SHEET**

The Office of the Ohio Consumers' Counsel (OCC), the residential utility consumer advocate, represents the interests of 4.5 million households in proceedings before state and federal regulators and in the courts.

The state agency also educates consumers about electric, natural gas, telephone and water issues and resolves complaints from individuals.

To receive utility information, brochures, schedule a presentation or file a utility complaint, residential consumers may call 1-877-PICKOCC (1-877-742-5622) toll free in Ohio or visit the OCC Web site at www.pickocc.org.



The Office of the Ohio Consumers' Counsel is an equal opportunity employer and provider of services.

The arrearage crediting plans also will change in November and will provide the opportunity to eliminate any debt that occurs while on PIPP, provided that payments are made on time. Contact the OCC or your community action agency later this summer for more specific information.

Additional Programs

PIPP Balanced Payment Plan

This plan is only offered by electric companies and companies that provide both electric and natural gas, such as Duke Energy, and provides customers the option of budgeting monthly electric bills so their PIPP payment does not dramatically increase during the summer months.

The PIPP Balanced Payment Plan is based on the customer's winter PIPP payments and actual summer usage. Consumers should contact their local utility company or community action agency for more information.

**2009 - 2010 PIPP
Income Guidelines**

A household whose total income is less than the following income guidelines may qualify for PIPP assistance.

Size of household	Total household income	
	for 3 months	for 12 months
1	\$4,061	\$16,245
2	\$5,464	\$21,855
3	\$6,866	\$27,465
4	\$8,269	\$33,075
5	\$9,671	\$38,685
6	\$11,074	\$44,295

** For households with more than six members, add \$1,402.50 per person for 3 months and \$5,610 per person for 12 months.*

Additional Contact Information

American Electric Power
1-800-277-2177

Cleveland Electric Illuminating
1-800-589-3101

Columbia Gas of Ohio
1-800-344-4077

Dominion East Ohio Gas
1-800-362-7557

Dayton Power & Light
1-800-433-8500

Duke Energy Ohio
1-800-544-6900

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(1-877-742-5622)

Ohio Department of Development
1-800-282-0880

Ohio Edison
1-800-633-4766

Toledo Edison
1-800-447-3333

Vectren Energy Delivery of Ohio
1-800-227-1376