



## 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

**WEBSITE:**  
www.pickocc.org

# KNOW THE FACTS: PIPP Plus



## Percentage of Income Payment Plan (PIPP Plus)

Every day, consumers are faced with bills for the various services they receive. As the costs of bills increase, and utility bills are no exception, many incomes are not keeping up. There is help. Many programs are available that can help income-qualified consumers stay connected to their utility services.

One program that does this is the Percentage of Income Payment Plan. This plan, often referred to as PIPP, is an extended payment arrangement for income-qualified consumers of regulated electric and natural gas utilities. Beginning November 2010, important changes were made in the PIPP program, along with the name being changed to PIPP Plus.

Consumers who qualify for PIPP Plus are required to pay a percentage of their monthly household income (before taxes) to the electric or natural gas utilities, or both. Consumers pay 6 percent of their household income to either or both utility or \$10 per month, whichever is **greater**. Payments made by the Home Energy Assistance Program (HEAP) will not count toward the minimum monthly PIPP Plus payment.

Consumers who have an all-electric home pay 10 percent of their income as their monthly PIPP Plus payment or \$10, whichever is **greater**.

Electric customers who are verified to have zero income can apply for a waiver to the \$10 minimum payment for up to 180 days, but not more than once per five-year period. After the 180 days, customers are required to resume regular monthly PIPP Plus payments. If income changes during the 180 days, the customer is required to notify his or her community action agency as soon as practicable to calculate a new PIPP Plus payment. Customers on the waiver do not obtain credits toward arrearages.

This program does not exclude consumers from responsibility for the debt that is built up while in PIPP Plus. Consumers begin paying this debt, or arrearage, once they end participation in PIPP Plus, become income-ineligible or are disconnected for missed payments. There are incentives that can reduce this debt if monthly PIPP Plus payments are made on time. (See "Paying off PIPP Plus" on Page 5 for more information about incentives.)

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PIPP Plus customers will not be required to pay a deposit to establish utility service. If a deposit has been paid prior to enrolling in the plan, the deposit will be credited to the customer's outstanding debt.

Remember: PIPP Plus payments are made for both electric and natural gas services for the entire year.

**Consumers cannot selectively participate in PIPP Plus for certain months of the year when payments may be lower than the actual bill and then switch back to PIPP Plus when the actual bill is higher than the PIPP Plus installment amount. You must pay your PIPP payment each month throughout the year to remain on PIPP.**

### Ohio utility companies that offer PIPP Plus

#### Electric

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

#### Natural Gas

- ▶ Columbia Gas of Ohio
- ▶ Dominion East Ohio
- ▶ Duke Energy Ohio
- ▶ Vectren Energy Delivery of Ohio

*If you have a natural gas utility other than the ones listed, please contact the utility for information about its PIPP Plus program as it may be different.*

### How to qualify for PIPP Plus

PIPP Plus qualification checklist

- Do you have a state-regulated utility company providing your primary or secondary heating source (this includes all regulated electric utilities and large natural gas utilities)?
- Do you have utility service in your name?
- Do you have a total household income at or below 150 percent of the federal poverty level? (*see Page 8*)
- Have you applied for all assistance programs, such as the HEAP and the Home Weatherization Assistance Program (HWAP) for which you are eligible when they are available?

If you answered yes to all four points, you qualify for PIPP Plus. Contact a local community action agency for further assistance or complete an Energy Assistance Application and mail it to:

**Office of Community Services/  
Home Energy Assistance Program  
P.O. Box 1240, Columbus, OH 43216**

The Office of Community Services in the Ohio Department of Development (ODOD), the program administrator, and the Office of the Ohio Consumers' Counsel (OCC) are able to provide information about PIPP Plus by calling:



**Ohio**

Department of  
Development

**1-877-PICKOCC (742-5622)**

**1-800-282-0880**

### How to apply for PIPP Plus

Applying for PIPP Plus requires income verification. Once a consumer meets all of the qualification requirements, applying for PIPP Plus can be done at any time. Consumers can apply for PIPP Plus by going to a local community action agency or by completing an Energy Assistance Application.

Proof of income for at least the past three months is needed for every member of the household who is age 18 or older. This amount is used to determine if the total earnings of the household meet the federal

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poverty level. (See “Where do you get your household income” below for examples of what household income information should be included in the application.) For a complete list of the types of income, call your local community action agency. You must provide any and all types of income with proper documentation with an Energy Assistance Application.

In addition to income verification, a recent utility bill and applications to all qualifying assistance programs are needed when seeking to enroll in PIPP Plus.

### Where do you get your household income

Do you have any of the following types of income?

- ▶ Alimony
- ▶ Child support
- ▶ Disability
- ▶ Employment
- ▶ Pensions/retirement
- ▶ Social Security income
- ▶ Social Security Disability Income (SSDI)
- ▶ Unemployment benefits
- ▶ Welfare
- ▶ Workers’ compensation

You must provide proper documentation for any and all types of income on an Energy Assistance Application. For a complete list of the types of income you need to include with your Energy Assistance Application, call the OCC (1-877-742-5622).



### PIPP Plus Payment Example

Mr. and Mrs. Smith have four people living in their home, heat with natural gas and earn a monthly household income of \$1,200 before taxes. Their earnings put them below 150 percent of the federal poverty level, making the Smiths eligible for the PIPP Plus payment plan.

If both electric and natural gas utilities are placed in PIPP Plus, the Smiths would need to pay 6 percent of their household income for each bill, which would be \$72 for natural gas PIPP Plus and \$72 for electric PIPP Plus.

Consumers are eventually responsible for paying the balance between their actual electric and natural gas bills and the amount paid as a PIPP Plus installment.

## Energy Assistance Application

### Types of income you need to include:

- ▶ Alimony
- ▶ Child support
- ▶ Disability
- ▶ Employment
- ▶ Pensions/retirement
- ▶ Social Security income
- ▶ Social Security Disability Income (SSDI)
- ▶ Unemployment benefits
- ▶ Welfare
- ▶ Workers’ compensation

### For the most current PIPP Plus guidelines, call or visit:

- ▶ **Office of the Ohio Consumers’ Counsel (OCC)**  
1-877-PICKOCC  
(1-877-742-5622)  
[www.pickocc.org](http://www.pickocc.org)
- ▶ **Ohio Department of Development (ODOD)**  
1-800-282-0880  
[www.energyhelp.ohio.gov](http://www.energyhelp.ohio.gov)



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However, if the PIPP Plus installment payments are made on time and in full, the unpaid balance will be credited to the customer every month. (See “Paying off PIPP Plus” on Page 5 for more information about incentives.)

### Staying on PIPP Plus

Monthly payments and yearly updates are needed to keep PIPP Plus. PIPP Plus has strict guidelines consumers must follow to stay enrolled in the program. Consumers must:

- ▶ Pay their PIPP Plus payment every month;
- ▶ Verify their income yearly. Customers must reverify within 12 months from the previous **reverification date**. Because the customer is required to reverify any change in household size and income, the customer’s reverification date may change from year to year; and
- ▶ Report any changes in income or the number of people in the home within 30 days to a local community action agency.

Natural gas PIPP Plus customers must be current with their payments by their **anniversary date**, the date when they started in PIPP Plus, or could be removed from the program. Customers have one billing cycle to become current with any missed payments. A missed payment includes any payments that are delayed because of a prior medical certificate or missed payments that resulted in disconnection.

For electric PIPP Plus customers, missing two payments in a row could result in removal from the program. The Office of Community Services, a division of the Ohio Department of Development, will send a written notice of past due amounts. The PIPP Plus customer has 30 days to pay the delinquent bills prior to disconnection.

Should a consumer on PIPP Plus be disconnected, he or she can get back into the program once they have paid missed PIPP Plus payments and other applicable fees that have been approved by the Public Utilities Commission of Ohio. There are other programs available that can help get services reconnected. Contact the OCC for more information about these programs (1-877-742-5622).

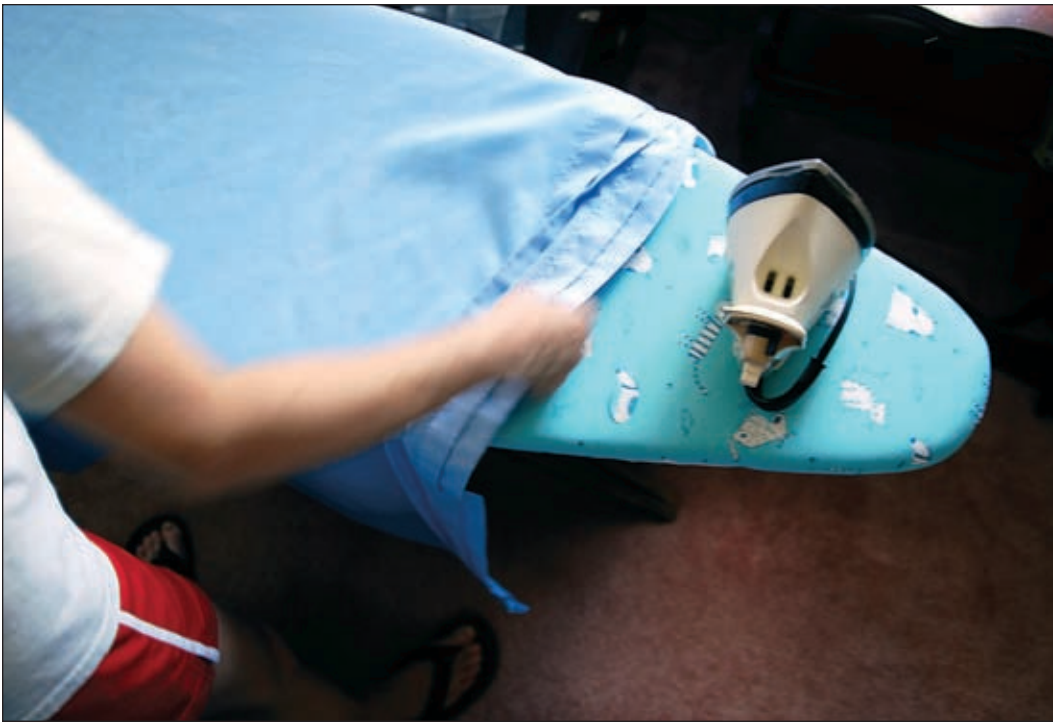
### Transitioning to full utility payments

If consumers are no longer eligible for PIPP Plus because of income or because they leave the program voluntarily, there are programs that can help ease them into paying regular utility payments. The **Graduate PIPP Plus** program is a new transitional payment program designed to help electric and natural gas PIPP Plus consumers move toward full monthly utility payments.

In the program, consumers pay an average of their most recent PIPP Plus payment and a 12-month budget bill amount determined by the utility. To enroll in the program, customers must be current with their PIPP Plus payments or pay all missed payments within one billing cycle after enrolling in the Graduate PIPP Plus program.



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Electric customers enrolled in the Graduate PIPP Plus program have additional payment options to choose from that are not available to natural gas customers. In addition to the payment option above, electric consumers can:

1. Pay a budget payment amount under a 12-month budget bill plan; or
2. Pay electric charges as they are billed.

Consumers should carefully weigh their electric usage history over the last 12 months to decide which payment option could be most advantageous for them. Consumers also can contact the OCC at 1-877-742-5622 for assistance.

Customers will receive credits for making payments on time and in full. *(For more information about incentives, see "Paying off PIPP Plus.")* After 12 months, incentive credits will stop. Any remaining debt may be due to the utility at that time. An extended payment arrangement can be made.

Consumers cannot be charged deposits or late fees while enrolled in the Graduate PIPP Plus program.

Eligible electric customers who have closed their accounts (i.e. moved from

the utility's service area) also have an option to enroll in a post-PIPP Plus program. In this program, the customer pays at least one-sixtieth per month of the remaining debt on the closed account over 12 months. If all 12 payments are made on time and in full, all remaining debt is forgiven.

### **Paying off PIPP Plus**

Making PIPP Plus payments on time has incentives. PIPP Plus customers are responsible for the arrearages on their bill and must pay this debt. New rules have created incentives that will result in elimination of this debt if PIPP Plus payments are made on time and in full. These debt reduction incentives are available for PIPP Plus and Graduate PIPP Plus customers. PIPP Plus payments made on time will eliminate any balance left over from the current bill and reduce one-twenty-fourth of the PIPP Plus debt per month.

Similarly, customers in the Graduate PIPP Plus program will have the

## **STAYING ON PIPP Plus**

### **Consumers must:**

- ▶ Pay their PIPP Plus payment every month;
- ▶ Verify their income yearly. Customers must reverify within 12 months from the previous reverification date. Because the customer is required to reverify any change in household size and income, the customer's reverification date may change from year to year; and
- ▶ Report any changes in income or the number of people in the home within 30 days to a local community action agency.



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remaining balance of their current utility bill plus one-twelfth of the PIPP Plus debt forgiven with each on time payment.

PIPP Plus customers who make 24 consecutive on-time and in full payments can have all PIPP debt forgiven. Graduate PIPP Plus customers can obtain credits over 12 months if they make consecutive payments on time each month.

**Example:** A family of four earning \$1,200 per month is eligible for PIPP Plus. The family has accrued a \$2,400 PIPP Plus debt. Under the incentive program, the family's current monthly natural gas bill is \$150. If they make their \$72 PIPP Plus payment on time, the remaining \$78 of the current charges will be forgiven. Any balance left over from the current bill is eliminated with the new incentives. Additionally, a \$100 credit (one-twenty-fourth of the old debt) will be provided each month that payments are made on time and in full.

### PIPP Plus FAQ

**Is PIPP Plus the best program available for me to stay connected to my utility services?**

Not necessarily. While PIPP Plus is often the best alternative, some consumers may be better off making payment arrangements with the utility to use the one-third, one-sixth or one-ninth payment plans or budget billing.

**Will I pay less for utility service while I am on PIPP Plus?**

Maybe. For some households, the monthly utility bill may be less than the PIPP Plus payment.

Check with the OCC, your community action agency or utility company for eligibility requirements and what the best option may be to stay connected.

**If I enroll in PIPP Plus, do I need to apply for other programs?**

Yes. If you participate in PIPP Plus, you must apply for all assistance programs you may be eligible for, such as HEAP and HWAP, when they are available.

**Once I am enrolled in PIPP Plus, am I in the program until further notice?**

Not necessarily. You are required to verify your PIPP Plus eligibility every 12 months or if you have a change in income or household size. This date can change from year to year if you report a change in income or reverify for crisis HEAP funds. If you do not reverify, you may be dropped from the program. You have a 60-day grace period to re-verify your eligibility before you are in jeopardy of being dropped from the program.



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**If my income changes, do I need to report this change right away?**

Yes. You are required to update your income at the time it changes. This may affect your PIPP Plus payment by either decreasing or increasing it, or making you ineligible for the program.



**If I make all PIPP Plus payments on time and in full, will I owe the utility any more money?**

No. As long as you make all PIPP Plus payments on time and in full, you will have no debt after 24 months. You are responsible for all parts of your monthly utility bill. However, there are incentive programs that can help you pay off the debt faster through a series of on time and in full payments and debt forgiveness (see “Paying off PIPP Plus” on Page 5). PIPP Plus helps keep your utilities connected. Any difference between the PIPP Plus payment and the monthly bill will add up. You will be responsible for the balance once you leave PIPP Plus.

**Can I pay my monthly bill instead if it is lower than my PIPP Plus payment?**

No. You must pay your PIPP Plus payment or \$10 every month, whichever is greater, even if your actual bills are lower. You may be disconnected if you do not pay your PIPP Plus payment.

**I have a credit with my natural gas utility. Can I skip my PIPP Plus payment?**

No. You must pay your PIPP Plus payment every month, even if you have a credit. If you don't, you may be disconnected.



## RESOURCES

### Community Resources

Office of the Ohio Consumers' Counsel (OCC)  
[www.pickocc.org](http://www.pickocc.org)  
**1-877-PICKOCC (742-5622)**

Ohio Department of Development  
[www.energyhelp.ohio.gov](http://www.energyhelp.ohio.gov)  
**1-800-282-0880**

### Utility Telephone Numbers

American Electric Power (AEP)  
**1-800-272-2177**

Cleveland Electric Illuminating (CEI)  
**1-800-589-3101**

Columbia Gas of Ohio  
**1-800-344-4077**

Dayton Power & Light (DP&L)  
**1-800-433-8500**

Dominion East Ohio  
**1-800-362-7557**

Duke Energy Ohio  
**1-800-544-6900**

Ohio Edison  
**1-800-633-4766**

Toledo Edison  
**1-800-477-3333**

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

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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 website at [www.pickocc.org](http://www.pickocc.org).



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



**If I leave PIPP Plus, will the utility require me to pay my debt right away?**  
No. PIPP Plus has transition programs available that will help you gradually return to paying your utility bills. If you are eligible for the Graduate PIPP Plus program, you will pay an average of your PIPP Plus payment and a budget bill amount (electric has multiple payment options) for 12 months. During the 12 months, you also will be eligible for debt credit incentives for each month you pay on time and in full. Payment arrangements may be made for any debt remaining at the conclusion of the Graduate PIPP Plus program.

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## 2010-2011 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.*

