
PUBLIC UTILITIES COMMISSION

- Changes, from mandatory to permissive, the authority to aggregate Percentage of Income Payment Plan (PIPP) program customers for the purpose of a competitive procurement process for the supply of retail electric service for these customers.
- Transfers this authority from the Director of Development to the Public Utilities Commission (PUC).
- Removes the provision requiring PUC to design, manage, and supervise the competitive procurement process upon written request of the Director.
- Changes, from the Director to PUC, the rulemaking authority regarding the competitive procurement process for aggregated PIPP program customers.
- Requires PUC to inform the Director, if PUC decides to aggregate PIPP program customers and requires that to be done as soon as possible after the decision is made for the Director's consideration of possible universal service rider adjustments allowed under ongoing law.
- Specifies that the design for the competitive procurement process may include full or partial auctions of PIPP program customers to the extent necessary to transition these customers to the applicable standard service offer (SSO) price for retail electric service.
- Repeals the law that requires winning bids under a competitive procurement process for PIPP program customers to be designed to provide reliable competitive retail electric service to these customers, reduce PIPP program costs relative to the otherwise applicable SSO, and result in the best value for those paying the universal service rider.

Percentage of Income Payment Plan (PIPP) program

(R.C. 4928.54, 4928.543, and 4928.544; repealed R.C. 4928.542)

The bill changes the law to *permit* the PUC to aggregate percentage of income payment plan (PIPP) program customers to establish a competitive procurement process for the supply of competitive retail electric service for those customers. Currently, the law *requires* the Director of Development to aggregate PIPP program customers.

The bill requires PUC, rather than the Director, to adopt rules to implement the aggregated competitive procurement process for the aggregation. It also repeals the requirement that PUC design, manage, and supervise the competitive procurement process upon written request of the Director. Presumably, PUC would continue to be responsible for the design, management, and supervision of the process (and may adopt rules for this purpose), but without the requirement that PUC receive a written request from the Director before that could occur.

Under the bill, if PUC decides to aggregate PIPP program customers, PUC must inform the Director of the decision as soon as possible after making the decision. PUC must inform the

Director of the decision for the Director's consideration of possible universal service rider adjustments.

The bill implicitly allows the transition of PIPP program customers from a competitive procurement process to the applicable SSO price for electric service under ongoing competitive retail electric service law. To the extent necessary to transition PIPP customers, the bill expressly allows the design for the competitive procurement process to include full or partial auctions of PIPP program customers.

Repealed by the bill are requirements for winning bids selected through the competitive procurement process. Under the bill, the law will no longer expressly state that winning bids must meet the following requirements:

- Be designed to provide reliable competitive retail electric service to PIPP program customers;
- Reduce the cost of the PIPP program relative to the otherwise applicable SSO established in the competitive retail electric service law;
- Result in the best value for persons paying the universal service rider.

Background

In Ohio, low-income customers, for their electric utility service, may participate in the PIPP program administered by the Department of Development. Upon enrollment and proof of income eligibility, PIPP program customers pay lower monthly payments that, if paid on time and in full each month, reduce the customers' outstanding balances.⁷⁶ The program is funded by universal service revenues collected from (1) electric distribution customers through the universal service rider, a rider on retail electric distribution rates as determined by PUC and (2) PIPP program customer payments. PUC may make adjustments to the universal service rider after the Director petitions PUC for an increase in the rider. The Director must consult the Public Benefits Advisory Board before petitioning PUC for an adjustment.⁷⁷

⁷⁶ [Percentage of Income Payment Plan \(PIPP\)](http://development.ohio.gov), available at the Department of Development's website: development.ohio.gov.

⁷⁷ R.C. 4928.51 and 4928.52, not in the bill.