



Office of the Ohio
**Consumers'
Counsel**

Your Residential Utility
Consumer Advocate

CONSUMERS' CORNER

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Low-income PIPP program undergoes major changes; new program now known as PIPP Plus

Consumers who are enrolled in the Percentage of Income Payment Plan (PIPP) should be aware that major changes to the program will go into effect Nov. 1.

The program will now be known as PIPP Plus, and among the changes included are revised monthly payments. Consumers who qualify for PIPP Plus will be required to pay 6 percent of their monthly income or \$10 per month to both electric and natural gas utilities, whichever is greater. All-electric customers on PIPP Plus will pay 10 percent of their income or \$10 as their monthly payment, whichever is greater.

Debt reduction incentives

The new PIPP Plus will provide customers who make their payments on time with incentives. These incentives will help forgive electric or natural gas debt when prompt payments are made each month. PIPP Plus payments made on time and in full will erase the remaining balance of the current bill plus one-twenty-fourth of electric or natural gas debt. If the customer makes 24 consecutive payments, in full and on time, the entire debt will be forgiven.

Changes to special PIPP programs

Other PIPP programs, available to people who demonstrate extreme hardship, will change or be eliminated. The 3 percent PIPP program, which was available to consumers at or below 50 percent of the poverty guidelines, will be eliminated. This program only was available during the winter heating months and allowed eligible consumers to pay a reduced electric PIPP payment.

Eligible PIPP customers verified to have zero income will see changes as well. A zero-income PIPP program available to both electric and natural gas eligible customers will now be available for electric customers only.



Paul E. Kostyu

Electric PIPP Plus customers can apply for a waiver of the \$10 minimum payment for up to 180 days, but not more than once in any five-year period.

Graduate PIPP Plus

The changes also have created a program intended to help consumers transition from paying PIPP Plus costs to paying their full

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Consumer advocates speak out against credit reporting by utilities

Public utilities should not be allowed to share their customers' monthly energy payment histories with credit reporting agencies, according to a resolution adopted in June by the National Association of State Utility Consumer Advocates (NASUCA).

The practice, known as full file credit reporting, often is used by creditors and mortgage lenders. Currently, most electric and natural gas utilities limit such reporting to accounts which have been closed or written off as uncollectible.

The resolution supports statewide regulation of this activity as well as other bill collecting and reporting procedures by utilities. Further, NASUCA recommended that states allowing full file credit reporting should give customers the option of whether they wish to participate.

"The OCC wholeheartedly supports the action taken by NASUCA," Consumers' Counsel Janine Migden-Ostrander said. "Customers' bill-paying



Paul E. Kostyu

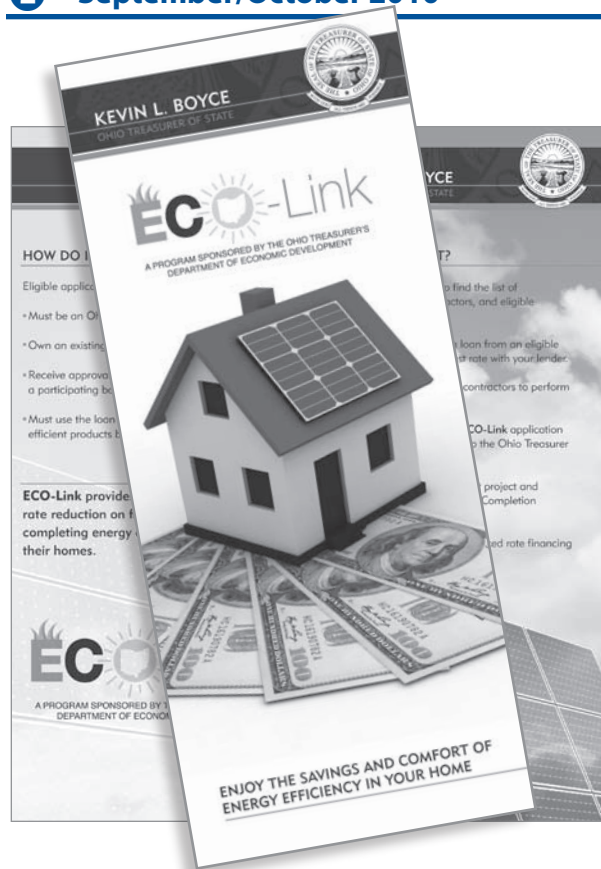
history should not be used as a tool against them, particularly during harsh economic times. Utilities already have the option of assessing fees on late-paying customers.

"Those having difficulty managing their household budgets should not have the additional worry that a negative report for a late utility bill payment will result in a higher interest rate when attempting to make a major purchase."

The issue drew the attention of the Office of the Ohio Consumers' Counsel (OCC) and other advocacy organizations in 2009, when Dayton Power & Light announced plans to begin reporting customers who were 30 days late in making payments to Experian, one of the country's three major credit bureaus. Several negative news reports and inquiries by the OCC and Advocates for Basic Legal Equality resulted in DP&L's decision to postpone its plans.

In December 2009, the National Consumer Law Center issued a report analyzing the effect of full file credit reporting on low-income utility customers. The findings indicated that seniors and other low-income residential consumers would be adversely affected by the practice. The center warned that the data collected might be flawed because of differences in state utility credit and collection rules.

By Marty Berkowitz



Eco-Link program helps consumers pay for home improvements

The Ohio Treasurer of State is partnering with banks to provide reduced-rate loans to residential consumers for energy efficiency projects. The state treasurer has developed the Energy Conservation for Ohioans (EcoLink) program, which offers homeowners a 3 percent rate reduction on five-year bank loans for energy efficiency home improvements and renewable energy projects. During the loan payback period, the consumer pays the bank, which then returns the money to the treasurer's office.

Qualifying home improvements meet the U.S. Department of Energy guidelines and carry

the Energy Star rating, including insulation, duct sealing, weather strips, windows, doors, appliances and heating, cooling and water systems. Qualifying renewable energy projects includes biomass stoves, geothermal heat pumps, solar photovoltaic, solar thermal and small wind turbines. The state treasurer's office can provide a list of eligible contractors in a consumers' area of Ohio.

More information can be obtained by visiting <http://ecolink.ohio.gov> or by calling 1-800-228-1102.

By Ryan Lippe

Wireless Lifeline an option for income-eligible consumers

As more consumers use wireless telephones to communicate, prepaid wireless companies have sought to offer what was once only marketed by traditional landline telephone companies: Lifeline service.

Lifeline is a federal program designed to make local telephone service more affordable and accessible to residential consumers. Lifeline programs are funded by the federal Universal Service Fund, a program supported through charges on consumers' monthly local and long-distance telephone bills.

Income-eligible customers may qualify for wireless Lifeline provided they do not receive a Lifeline discount on their landline telephone account. Customers must be at or below 150 percent of the federal poverty guidelines, for example, \$33,075 for a family of four. Consumers may also qualify through their participation in one of several government aid programs, including Medicaid, the Home Energy Assistance Program and Ohio Works First.

Prepaid wireless companies have begun to request eligibility to receive money collected through the Universal Service Fund. While traditional providers typically offer discounts off the price of local telephone service, the prepaid wireless companies use the discount to cover the cost of a wireless handset and a specified number of minutes each month.

As of June 2010, TracFone has been approved by the Public Utilities Commission of Ohio to offer wireless Lifeline service through its Safelink program in Ohio. Safelink customers receive a free wireless handset, caller ID, voice mail and text messaging capability. Each month, the customer receives 68 free minutes of airtime. Because the allotment of minutes is minimal, TracFone offers additional minutes on a pre-paid basis for 20 cents per minute.

Two other companies – Nexus and Virgin Mobile – have pending applications to offer wireless Lifeline in Ohio. If approved, Nexus' program would offer a handset with 68 minutes per month. Virgin Mobile would offer a handset with 200 minutes per month.

The trend toward wireless communication has been noticed by National Association of State Utility Consumer Advocates (NASUCA), of which the Office of the Ohio Consumers' Counsel is a member. In June, NASUCA adopted a resolution asking the Federal Communications Commission to ensure benefits offered to low-income wireless customers are adequate. For example, NASUCA proposed requiring a minimum number of monthly minutes to be offered and setting a maximum price of additional minutes available for purchase. Ultimately, NASUCA's request would require wireless companies to show that those paying into the fund – including residential ratepayers – are getting their money's worth.

By Ryan Lippe

PIPP Plus Low-income PIPP program undergoes major changes

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monthly utility bills. The Graduate PIPP Plus program was made for consumers who are no longer income eligible for PIPP Plus or voluntarily left the program. While 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. For example, a natural gas PIPP Plus payment of \$72 with a budget bill amount of \$120 would result in an average monthly Graduate PIPP Plus bill of \$96.

Electric customers have additional payment options. Consumers in this program also can take advantage of incentives to have their debt forgiven.

Income verification

Consumers in the PIPP Plus program must continue to verify their eligibility every year but will have a 60-day grace period after their anniversary date to re-verify their income. The anniversary date will be printed on each bill as a reminder of this requirement.

For more information about the changes to the PIPP program, contact your local community action agency or call the Office of the Ohio Consumer's Counsel at 1-877-742-5622, Monday-Friday, 8 a.m. to 5 p.m. The program is administered by the Public Utilities Commission of Ohio and Ohio Department of Development. They can be reached toll free at 1-800-686-7826 and 1-800-282-0880, respectively.

By Anthony Rodriguez



Utility questions, concerns or complaints?

Have you ever had a question about your utility service or difficulty resolving a complaint? If you are billed for a service you did not order, experience a delay in obtaining service, encounter a meter reading problem, have difficulty contacting a utility or need assistance with other questions or concerns, OCC representatives are here to help.

Call the Office of the Ohio Consumers' Counsel's (OCC) toll-free hotline for assistance:

Toll-Free 1-877-PICKOCC (1-877-742-5622)

8 a.m. to 5 p.m. - Monday through Friday

ENERGY STAR certification undergoing makeover

The blue and white ENERGY STAR logo has become a staple of many consumers' requirements when they shop for energy efficient items, such as electronics, appliances and compact fluorescent light bulbs.

Earlier this year, the U.S. Government Accountability Office released the results of a nine-month investigation into the ENERGY STAR rating system and discovered it is vulnerable to abuse. The program has been largely dependent on self-verification by manufacturers instead of third-party testing and accreditation. Other news reports showed that some manufacturers were manipulating their products to earn the ENERGY STAR label.

The U.S. Environmental Protection Agency (EPA) and the U.S. Department of Energy, which jointly administer the program, are now taking steps to tighten the certification process to make certain only products that will save consumers money receive the ENERGY STAR logo. An audit by the EPA's inspector general found that 98 percent of all tested products met ENERGY STAR requirements.

Among the changes made, or that will be made, are: automatic ENERGY STAR certifications have been halted; a new product review process has been established; and mandatory verification testing will be created to ensure continued compliance with ENERGY STAR requirements.

The ENERGY STAR certification modifications are scheduled to be in full effect by the end of 2010.



Beth Gianforcaro

What do consumers get with ENERGY STAR products?

ENERGY STAR products meet efficiency guidelines that in some instances can save hundreds of dollars per year in energy costs. According to the energy department and EPA, products earn the ENERGY STAR label if they reduce greenhouse gas emissions by increasing energy efficiency and save consumers money without sacrificing performance, features and comfort.

The ENERGY STAR website, www.energystar.gov, includes key criteria and program requirements for various products that will qualify them as efficient ENERGY STAR models.

Products that earn this label, on average, will save between 10 to 25 percent more energy than

those that do not. With the average electric and natural gas bills for Ohioans nearing \$2,200 per year, replacing worn-out products with ENERGY STAR-rated alternatives can help reduce energy bills and save money.

An ENERGY STAR clothes washer can save about \$135 annually on utility bills compared to a regular washer; replacing an old refrigerator from the 1980s with a new ENERGY STAR-rated model can save \$100 per year on utility bills; and one of the biggest savers, compact fluorescent light bulbs, can save consumers \$30 per bulb over their lifetimes. And with the average home packed with 45 light bulbs, changing a light bulb is among the most economical ways to save money on energy.

By Anthony Rodriguez

Aqua customers will see slight increase in their water bills



Bill Ferriot

Customers of Aqua Ohio will not pay as much of a rate increase as the company wanted due to the efforts of the Office of the Ohio Consumers' Counsel (OCC). The OCC negotiated an agreement with Aqua and the staff of the Public Utilities Commission of Ohio (PUCO) that will reduce significantly a proposed rate increase from 19 percent to 9.71 percent.

The agreement will affect rates paid by about 32,000 customers in Aqua's Lake Erie Division, which covers portions of Ashtabula, Geauga, Lake, Summit and Williams counties.

The average residential customer's bill will increase by about \$3 per month, based on usage of 735 cubic feet of water. Had the PUCO approved the full increase as requested by Aqua, bills would have increased by nearly \$6 per month.

"This is a win for consumers at a time when all customers need a break from significantly higher household expenses," said Consumers' Counsel Janine Migden-Ostrander. "By successfully reducing or removing several potential costs from Aqua's proposed rate increase, we are keeping water bills as low as possible."

During negotiations with the company and the PUCO staff, the OCC sought to lower the proposed increase by arguing to decrease or remove costs in such areas as property taxes, insurance and labor, as well as reducing the proposed profit level of Aqua's Lake Erie division.

As a result of the agreement, Aqua will take additional measures to address and investigate all consumer water quality and service complaints. Aqua has agreed to file quarterly

reports about customer complaints at the PUCO, which will provide more insight into issues experienced by Aqua's customers.

Approval of the agreement was still pending at the PUCO in late August.

Earlier, this year, the OCC negotiated an agreement with Aqua affecting about 1,400 customers in the utility's Masury Division. The utility had asked for an 80.83 percent rate increase. The OCC succeeded in lowering this percentage of increase as well as convincing Aqua to agree to a four-year phase-in that would lessen the immediate effect of the increase on customers. The utility agreed also to contribute \$5,000 to assist low-income customers having difficulty paying their bills.

Aqua customers may contact the OCC's Consumer Service Division at 1-877-PICKOCC (1-877-742-5622) for assistance making payment arrangements or with questions or concerns about any utility matters.

By Marty Berkowitz

Do you want to receive this newsletter by e-mail?

If you would like to receive Consumers' Corner by e-mail instead of through the regular mail, send a message to: info-subscribe@occ.state.oh.us. Be sure to include your name, street address and e-mail address in the message.

Office of the Ohio Consumers' Counsel
 "Your Residential Utility Consumer Advocate"

September/October 2010

Consumers' Corner is the free bi-monthly newsletter of the Office of the Ohio Consumers' Counsel, the residential utility consumer advocate serving as a resource for consumers who have questions or would like more information about the services provided by their electric, natural gas, telephone and water companies.

Janine Migden-Ostrander, Consumers' Counsel

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1-877-PICKOCC (742-5622) toll free • www.pickocc.org

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Request a speaker for your organization!

The OCC can speak to your group about consumer protection issues, telephone services, natural gas choice and an overview of OCC. We also can tailor utility topics to fit your needs.

Name _____

Organization _____

Topic of interest _____

Address _____

City _____ State _____ Zip _____

County _____ Phone number _____

If you would like a specific date, please indicate and we will confirm your request. Number of participants _____

(We speak to groups of 30 or more after 6:30 p.m.)

The OCC will treat this information as confidential and will not provide it to others without your consent unless required to do so pursuant to Ohio law.

Cut out this form and mail it to:
 Attn: Outreach and Education
Office of the Ohio Consumers' Counsel
10 W. Broad St., 18th Floor
Columbus, OH 43215-3485

Or call toll free 1-877-PICKOCC (742-5622) and press option 4
 or fax this form to: (614) 466-9475



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Learn about key utility issues at these FREE upcoming events:

DATE	TIME	TOPIC	LOCATION	CITY
10/5/10	11 a.m.	Stay Connected	Ironton Senior Center	Ironton
10/8/10	9 a.m.	About OCC	Orange Senior Center	Pepper Pike
10/14/10	11:15 a.m.	Managing Your Utility Bills	Seneca County Commission on Aging	Tiffin
10/22/10	10 a.m.	Weatherization Hands-on	Flushing Senior Center	Flushing
10/27/10	11:30 a.m.	Energy Efficiency	Council for Older Adults	Delaware
10/27/10	12:30 p.m.	Energy Efficiency	Council for Older Adults	Delaware

This is a sample of the presentations scheduled for the Office of the Ohio Consumers' Counsel. Please visit www.pickocc.org and click on "Calendar" to view additional programs in your area.