



# Top 10 PIPP Myths

## Percentage of Income Payment Plan

While the Percentage of Income Payment Plan (PIPP) helps many Ohioans each year stay connected to their electric and natural gas service, the program can be confusing. PIPP is a program that allows low-income consumers who are at or below 150 percent of the federal poverty level the opportunity to pay no more than 15 percent of their monthly household income toward their monthly natural gas and/or electric bills. Below are the top myths that the Office of the Ohio Consumers' Counsel (OCC), the residential utility consumer advocate, encounters each year and the fact about each one.

**Myth #1:** *PIPP is the best program to help me stay connected to my electric or natural gas service.*

**Fact:** While often PIPP is the best alternative, some consumers may be better off looking at payment arrangements such as the 1/3 or 1/6 payment plan or participating in a budget billing program. For example, for a household with four people, the monthly PIPP payment for natural gas would be about \$282 based on an annual salary of \$25,000, which may be more than the household's monthly natural gas bill.

**Myth #2:** *It doesn't matter if I understand the application process or how the program works as long as I continue receiving electric and natural gas service.*

**Fact:** You should always know how to apply for PIPP and how the program is run. This is especially true because you ultimately will be responsible to pay the accrued difference between your PIPP payment and your actual usage charges. Contact the OCC and ask a representative to explain the process to you if you have questions.



**Myth #3:** *I always will pay less each month for my utility service while I am on PIPP.*

**Fact:** For some families the monthly utility bill may be less than the PIPP payment, especially in winter for electric users. Check with a community action agency, your utility company or the OCC for eligibility requirements and what the best option is for your household to stay connected to your utility services.

**Myth #4:** *If I receive PIPP, I don't need to apply for any other program.*

**Fact:** If you want to participate in the PIPP program, you are required to apply for the Home Energy Assistance Program, a federally-funded program that provides a one-time payment per year toward your utility bills, and any other programs for which you may be eligible.

**Myth #5:** *Once I am enrolled in the program, I am on it for good.*

**Fact:** Customers on PIPP are required to verify their eligibility each year, either with a local community action agency or through the utility company. If you do not verify you may be dropped from PIPP. If you are on zero-income PIPP, you must verify every 90 days. If at some point you decide that you do not want to be on the PIPP program, you may leave the program.

**Myth #6:** *If the income level or the number of people in my household change, I can just wait until my yearly reverification to notify the company.*

Fact: You are required to notify your local community action agency as soon as the change occurs. This may affect your payment amount by *either increasing or decreasing it.*

**Myth #7:** *As long as I pay my PIPP payment, I won't owe the utility company any additional money.*

Fact: Through PIPP, you pay a percentage of your income toward your utility payments. Any difference between what you actually pay and the amount you owe for actual usage continues to add up. You are responsible for this balance once you leave the PIPP program.

**Myth #8:** *I can pay the amount due for actual usage instead of my PIPP payment.*

Fact: For natural gas PIPP, you must pay your PIPP payment every month or you may be disconnected even if your actual usage charges are lower. Electric PIPP customers must pay their PIPP amount during the winter heating season and their actual usage amount during the summer or their PIPP amount, whichever is higher.

**Myth #9:** *If I have a credit with the utility company, I can skip my PIPP payment for a month.*

Fact: While you are on PIPP, you must make your required payment every month. You may be disconnected if you do not send your required amount due even if you have an account credit.

**Myth #10:** *Once I leave PIPP, I will be responsible for paying any outstanding balances right away.*

Fact: Most companies have crediting programs or payment arrangements available to help you pay off your balance. Customers of Columbia Gas, Dominion East Ohio and Vectren Energy Delivery of Ohio can reduce the balance they will owe by paying their bills on time and in full each month while they are on PIPP. These customers automatically enter a program. If you are a customer of Duke Energy or are interested in programs to pay off your electric PIPP balance, contact the OCC or your utility company for more information.

For answers to questions about PIPP, you can call your utility company, the OCC at 1-877- PICKOCC (1-877-742-5622) or your local community action agency. For questions about electric PIPP you also may call the Ohio Department of Development at 1-800-282-0880

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**For additional information from the Office of the Ohio Consumers' Counsel:**

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