

**Virginia State Corporation Commission  
eFiling CASE Document Cover Sheet**

240430353

**Case Number (if already assigned)** PUR-2020-00117

**Case Name (if known)** Ex Parte: Establishing the rates, terms and conditions of a universal fee to be paid by the retail customers of Appalachian Power Company

**Document Type** APLA

**Document Description Summary** Appalachian Power Company's proposed update to the rates, terms, and conditions for the universal service fee to fund the PIPP, and request for expedited consideration

**Total Number of Pages** 54

**Submission ID** 30346

**eFiling Date Stamp** 4/12/2024 4:15:01PM



BOUNDLESS ENERGY

Legal Department

April 12, 2024

**By Electronic Filing**

Hon. Bernard J. Logan, Clerk  
State Corporation Commission  
Document Control Center  
1300 East Main Street  
Richmond, Virginia 23219

James G. Ritter  
Senior Counsel - Regulatory  
Services  
(804) 698-5544 (P)  
(804) 698-5526 (F)  
jritter@aep.com

**Re: *Ex Parte: Establishing the rates, terms and conditions of a universal fee to be paid by the retail customers of Appalachian Power Company***  
**Case No. PUR-2020-00117**

Dear Mr. Logan:

Attached for filing in the above-referenced proceeding is Appalachian Power Company's proposed update to the rates, terms, and conditions for the universal service fee to fund the Percentage of Income Payment Program as well as the Company's request for expedited consideration.

Sincerely,

James G. Ritter

Attachment

cc: Arlen K. Bolstad  
Raymond L. Doggett, Jr.  
Andrew F. Major  
C. Meade Browder, Jr.  
Noelle J. Coates  
Service List

American Electric Power  
1051 E Cary Street, Suite 1100  
Richmond, Virginia 23219  
AEP.com

24343053

COMMONWEALTH OF VIRGINIA  
STATE CORPORATION COMMISSION

APPLICATION OF

APPALACHIAN POWER COMPANY

CASE NO. PUR-2020-00117

For approval of a proposed update to the rates,  
terms, and conditions of a universal service fee to be  
paid by retail customers to fund the PIPP

**APPALACHIAN POWER COMPANY'S  
PROPOSED UPDATE TO THE RATES, TERMS  
AND CONDITIONS FOR THE UNIVERSAL  
SERVICE FEE TO FUND THE PERCENTAGE OF  
INCOME PAYMENT PROGRAM**

**APRIL 12, 2024**

## Executive Summary

Appalachian Power Company (“APCo” or the “Company”) files this Application to request approval of an updated Universal Service Fee (“USF”) to fund the Percentage of Income Payment Program (“PIPP”) of \$0.00132 per kilowatt-hour (“kWh”) effective June 1, 2024. To support this effective date, the Company requests that the State Corporation Commission of Virginia (“Commission”) give expedited consideration to this request and issue a final order in this matter by May 15, 2024.

The PIPP was established as part of the Virginia Clean Economy Act (“VCEA”), originally passed in 2020, as a mechanism designed to limit the electric utility payments of persons or households participating in certain specified public assistance programs, based upon a percentage of their income, for customers of APCo and Dominion Energy Virginia (“Dominion”). The General Assembly further addressed the PIPP, its funding, and implementation, as part of the 2021 legislative session with the passage of Chapter 308 of the 2021 Virginia Acts of Assembly.

The Commission issued its final order on July 29, 2021 (“July 2021 Order”), in the initial PIPP proceeding directing, among other things, that APCo begin collecting the PIPP fee from statutorily designated customers to fund the estimated start-up costs the Department of Social Services (“DSS”) and the Department of Housing and Community Development (“DHCD”) needed to establish the PIPP; calculate a PIPP fee on a per kWh basis to recover \$0.6 million on an annual basis; file tariffs reflecting such fee with the Commission; begin making payments to the state treasury to enable DSS to undertake the actions necessary to establish the PIPP; and defer its PIPP administrative costs until they were more accurately determined.<sup>1</sup>

Additionally, the July 2021 Order requires the Company to file certain reporting and filing requirements, within 60 days after the DSS rules or guidelines are promulgated. The DSS rules or guidelines were promulgated on June 26, 2023, and are provided as an exhibit with this filing designated Attachment 1.

The Company and DSS are working toward a launch of the PIPP application process on June 26, 2024. Thus, the Company is making this filing (“2024 PIPP Update”) requesting to implement the proposed update of the USF prior to the start of the program.

## Introduction

The VCEA establishes, inter-alia, a PIPP for the Commonwealth, designed to limit the electric utility payments of persons or households participating in certain, specified public assistance programs to a specified percentage of their income. APCo and Dominion customers are eligible to participate in the PIPP program. Section 56-576 of the Code of Virginia (“Code”

---

<sup>1</sup> *Establishing the rates, terms and conditions of a universal service fee to be paid by the retail customers of Appalachian Power Company pursuant to §56-585.6 of the Code of Virginia*, Case No. PUR-2020-00117, Doc. Con. Cen. No. 210730124, Final Order at 4 and 5 (July 29, 2021).

or "Va. Code") defines a PIPP-eligible utility customer as, "any person or household whose income does not exceed 150 percent of the federal poverty level."

Va. Code § 56-585.6 A directs as follows:

The Commission shall, after notice and opportunity for hearing, initiate a proceeding to establish the rates, terms, and conditions of a non-bypassable universal service fee to fund the Percentage of Income Payment Program (PIPP). Such universal service fee shall be allocated to retail electric customers of a Phase I and Phase II Utility on the basis of the amount of kilowatt-hours used and be established at such level to adequately address the PIPP's objectives to (i) reduce the energy burden of eligible participants by limiting electric bill payments directly to no more than six percent of the eligible participant's annual household income if the household's heating source is anything other than electricity, and to no more than 10 percent of an eligible participant's annual household income on electricity costs if the household's primary heating source is electricity; (ii) reduce the amount of electricity used by the eligible participant's household through participation in weatherization or energy efficiency programs and energy conservation education programs; and (iii) reduce the amount of energy, regardless of primary heating source, used by the eligible participant's household through participation in weatherization or energy efficiency programs and energy conservation education programs. The annual total cost of any programs implemented pursuant to clauses (i), (ii), and (iii) shall not exceed costs, including administrative costs, in the aggregate of (a) \$25 million for any Phase I Utility...in any rate year in which such program costs are incurred.

Code § 56-585.6 B further directs:

The Commission shall determine the reasonable administrative costs for the investor-owned utility to collect the universal service fee and remit such funds to the Percentage of Income Payment Fund established in subsection E, and any other administrative costs the investor-owned utility may incur in complying with the PIPP, and shall determine the proper recovery mechanism for such costs. A Phase I and Phase II Utility shall not be eligible to earn a rate of return on any equity or costs incurred to comply with the program requirements or implementation. The Commission shall initiate proceedings to provide for an annual true-up of the universal service fee within 60 days of the commencement of the PIPP and on an annual or semiannual basis thereafter. As part of any annual true-up case, each Phase I and Phase II Utility shall report to the Commission any data or forecasting required by the Commission regarding the participation by PIPP participants in utility energy reduction programs.

### **Reporting Requirements**

In its July 2021 Order, the Commission made a ruling in paragraph 7 establishing reporting requirements to be provided in any future PIPP proceedings. In accordance with the July 2021 Order, the Company has provided the information requested and intends to continue doing so in future PIPP proceedings.

**1. The number of PIPP participants enrolled in the program (broken down by primary heating source)**

As the Company has not yet implemented its PIPP program, there are no customers currently participating in the program. The Company has estimated program participation based on current customer participation in other energy assistance programs. In total, it is estimated that about 30,500 customers will participate in PIPP. Of these customers, approximately two-thirds primarily use electricity for heating while the remaining one-third use alternative means as their primary heating source. This information is provided in Table 1 below as well as Attachment 2.

Table 1

Electric Space Heating	
Yes	19,783
No	10,721
Total	30,504

**2. Total Bill Credits Applied**

The Company has not yet made its PIPP program available to customers. As such, no credits have been supplied to customers. The Company estimates an annual total PIPP benefits cost of approximately \$13.5 million per year.

**3. Average Bill Credits Applied**

The Company has not yet made its PIPP program available to customers. As such, no credits have been supplied to customers and this data is not currently available. Based on Company estimates, customers would, on average, receive an annual benefit of about \$441. This averages to a monthly benefit of about \$37 per participating customer shown in Attachment 2. This represents the benefit of both credits customers would receive on their bills for the difference between their PIPP payment and their monthly bill as well as the 1/12 credit towards their outstanding balance when they began the program. The Company also notes that this is net of all other assistance customers received in the previous year.

**4. Company Administrative Costs, Including a Breakdown and Description of Major Cost Categories**

The Company does not have an estimate for internal costs associated with administration of PIPP, but will include one in future filings as the nature of the on-going administrative functions is better understood. For implementation costs, the Company has currently incurred development costs to implement the PIPP program that have been deferred up to this point. These costs have been split into three categories, Financing Costs, Information Technology, and Business Unit Development. These three categories currently total \$807,827.25 in PIPP development costs. As required by statute, no rate of return has been added to these development charges. The

calculations supporting these figures are shown in Attachment 3. The Company proposes to recover these costs over one year.

**5. Department Of Social Services Costs to Administer PIPP**

As of April 8, 2024, DSS uses about \$2.7 million of the \$3 million estimate for administrative costs (DHCD receives the other \$.3 million). The Company notes that DSS intends to increase this cost estimate to \$5.5 million going forward. As such, the Company used this \$5.5 million figure to estimate the Company's share of DSS and DHCD administrative costs going forward.

Should DSS and DHCD not increase their cost estimates to the \$5.5 million, those funds will remain available in the PIPP fund for customer benefit or may be trued-up in a future PIPP rate case at the Commission's discretion.

**6. Number of PIPP Participants That Took Part in a Utility-Sponsored Energy Efficiency Program**

As the Company has not yet begun to administer PIPP, this information is not currently available. This information will be provided once participation has begun, and information has become available. The Company has concerns regarding this reporting requirement, discussed later in the 2024 PIPP Update.

**7. The Average Energy Savings for PIPP Participants that Participated in a Utility-Sponsored Energy Efficiency Program**

As the Company has not yet begun to administer PIPP, this information is not currently available. This information will be provided once participation has begun, and information has become available.

**8. A List of Federal, State, Local, and Non-profit Energy Efficiency and Weatherization Programs Available to PIPP Participants**

DSS and DHCD currently plan on utilizing weatherization and energy efficiency programs being offered by APCo and Dominion.

**9. Aggregate Energy Usage of PIPP Participants Before and After Enrollment**

As the Company has not yet begun administering its PIPP to customers, this information is not yet available. The Company will begin to provide this information in the next filing once customers have begun to participate and receive their PIPP benefits.

**10. PIPP Participant Arrearage Balances, on Average and/or in the Aggregate**

As the Company does not have any current PIPP participants, this information is not presently available. Should all customers make their PIPP payments on time and in full for 12

months after joining the program, it is estimated that about \$7 million of presently due balances would be paid off.

### Proposed Updates

#### 1. Updated revenue requirement for the PIPP program.

APCo currently estimates that customers would receive about \$13.6 million in benefits from PIPP. Of these benefits, the Company projects most customer benefits will be disbursed during the winter months, primarily November through February when usage is likely to be higher. The Company also seeks to add \$5 million to the currently proposed revenue requirement. Adding an additional \$5 million will help ensure that the PIPP fund has adequate money available to benefit participating customers should the projections be incorrect and costs higher than expected without exceeding the \$25 million statutory cap.<sup>2</sup> The primary purpose of this is to avoid a difficult situation for the Company, PIPP customers, and DSS should the PIPP lack funding without costs reaching the current statutory cap. All collected funds through the USF would still go into the PIPP fund and will be trued-up in the next PIPP case either six or twelve months from the Company's start date at the Commission's discretion.

APCo proposes to collect \$20,368,241.46 from its customers for its PIPP related costs. The Company then applies the Virginia jurisdictional allocator approved in its most recent triennial base case, PUR-2023-00002, to calculate the revenue requirement for Virginia jurisdictional customers. This results in a Virginia jurisdictional revenue requirement of \$19,252,260.69. Support for this calculation is shown in Attachment 3.

The current PIPP USF is \$0.0000407/kWh. The Company requests an increased USF of \$0.00132/kWh to collect its proposed revenue requirement from Virginia jurisdictional customers. Please see Attachment 3 for the calculations supporting this USF rate. For typical residential customers using 1,000kWh per month, this represents an increase of \$1.28.

#### 2. When does the Company Propose to Implement the Increased PIPP Rates

APCo proposes an annual PIPP Rate year of June 1, 2024 to May 31, 2025. With PIPP implementation currently scheduled to begin June 26, 2024, the Company proposes a rate year to begin a month early to build the PIPP fund, so money is immediately available to participants when the program begins. As such, the Company requests that this PIPP filing be given expedited treatment to build the fund prior to the Company's June 26, 2024 implementation date.

#### 3. Is the Company Proposing a True-Up for DSS PIPP Start-up Costs in this Proceeding?

No; however, the Company understands that DSS and DHCD will utilize all the \$3 million currently annually allocated for the start-up and initial implementation of PIPP. Additionally, as previously mentioned, the Company does include an increase in projected O&M/ administrative costs for DSS and DHCD to a \$5.5 million annual total. Using the Commission's previously

---

<sup>2</sup> Va. Code § 56-585.6 A.



approved allocator for administrative costs in the July 2021 Order, APCo's portion of these costs totals \$1.1 million.

#### 4. PIPP Customer Participation in Energy Efficiency and Weatherization Programs.

In the Commission's December 23, 2020 order, it was determined that participation in weatherization and energy efficiency programs is a requirement for customers to participate in the PIPP program.<sup>3</sup> APCo notes that in Attachment 1, DSS has determined that "Failure to have the audit completed or to install the additional energy efficiency measures will not impact PIPP eligibility."<sup>4</sup>

The Company notes that these are two conflicting statements and could significantly affect PIPP customer participation in weatherization and energy efficiency programs. As there are currently no weatherization or energy efficiency targets associated with PIPP participation, there is no clear way to estimate how this might affect PIPP participation or availability in the future, but may explain low participation in energy savings and weatherization programs for PIPP customers when reported in future filings.

#### Conclusion

APCo provides this PIPP update pursuant to the Commission's directives set forth in the July 2021 Order. The Company seeks to increase the PIPP charge on June 1, 2024 to build the PIPP fund prior to implementation and ensure the program will be properly funded for participants in the future without risk of underfunding while remaining under the statutory cap. As this is the beginning of the program, the Company lacks significant information to correctly adhere to its reporting requirements and a significant amount of information has been projected using historical customer data and estimating future customer bills.

There are also concerns regarding one of the reporting requirements and how energy savings may not be realized as participation in energy efficiency and weatherization programs is not a requirement under the current DSS guidelines.

In summary, APCo seeks to:

1. Increase the USF to \$0.00132/kWh intended to recover a revenue requirement of \$19,252,260.69 from Virginia Jurisdictional customers.
2. Obtain expedited approval of the increased USF by May 15, 2024 and implement new rates effective June 1, 2024.

---

<sup>3</sup> *Establishing the rates, terms and conditions of a universal service fee to be paid by the retail customers of Appalachian Power Company pursuant to §56-585.6 of the Code of Virginia, Case No. PUR-2020-00117, Doc. Con. Cen. No. 201230196, Final Order at 9 and 10 (December 23, 2020).*

<sup>4</sup> Attachment 1 at 36.

3. Seeks clarification on whether participation in energy efficiency and weatherization programs is optional for PIPP customers and the effect this has on customer participation in the program and/or APCo reporting requirements.

VIRGINIA DEPARTMENT  
OF SOCIAL SERVICES

PERCENTAGE OF INCOME PAYMENT PROGRAM

01/24

TABLE OF CONTENTS, PAGE 1

SUBJECT	PAGE
PERCENTAGE OF INCOME PAYMENT PROGRAM	
1. Legal Base	1
2. Purpose	2
3. Confidentiality of Client Information	2
4. Outreach and Public Information	2
5. Applications	3
6. Pre-Application Eligibility Determination/Discussion	
Prohibited	4
7. Retention of Records	4
8. Eligibility	5
Household Definition and Composition	5
Citizenship and Alien Status	6
Other Non-Financial Eligibility Criteria	11
Income Limits	11
Determining, Calculating, and Verifying Income	13
Exempt Income	16
Income Disregards	18
9. Resources	19
10. Payments	19
Payment for Electric Utility Account	19
Payment for Energy Audit	20
11. Appeals	20
Definitions	21
Appeal Request	21
Denial or Dismissal of the Hearing Request	22
Preparation for Hearing	22
The Hearing	23
Hearing Activities	24
The Hearing Decision	24
12. Fraud	25
Monitoring	26
Improper Payments	27
Reporting Errors	28
Refunds	28
13. Client Responsibilities	28
First PIPP Payment	29
While Active on PIPP	29
Reverification of Income	30

TRANSMITTAL #24-1

24-1

VIRGINIA DEPARTMENT  
OF SOCIAL SERVICES

PERCENTAGE OF INCOME PAYMENT PROGRAM

01/24

TABLE OF CONTENTS, PAGE 2

2  
4  
3  
4  
5  
3

SUBJECT

PAGE

PERCENTAGE OF INCOME PAYMENT PROGRAM

	PIPP Case Closure	31
	Resuming PIPP after PIPP Case Closure	32
14.	Energy Conservation Education	32
15.	Energy Audit	33

1. **LEGAL BASE**

Chapters 1193 (HB1526) and 1194 (SB 851) of the 2020 Virginia Acts of Assembly, known as the Virginia Clean Economy Act (VCEA), become effective on July 1, 2020. The VCEA, among many other things, established the Percentage of Income Payment Program (PIPP), which is designed to limit the electric utility payments of persons or households participating in certain, specified public assistance programs, based upon a percentage of their income. Changes to the PIPP were completed during the 2021 Special Session I of the Virginia General Assembly and were updated in the Code of Virginia at §§ 56-576 and 56-585.6.

The VCEA established two overarching objectives for PIPP:

- Reduce the energy burden of eligible participants by limiting electric bill payments directly to
  - no more than six percent of the eligible participant's annual household income if the household's heating source is anything other than electricity, or to
  - no more than 10 percent of an eligible participant's annual household income on electricity costs if the household's heating source is electricity.
- Reduce the amount of electricity used by the eligible participant's household through participation in weatherization or energy efficiency programs and energy conservation education programs.

Per the legislation, only customers of a Phase I Utility (Appalachian Power Company [APCo] or a Phase II Utility (Dominion Energy [DE]) can be eligible to receive PIPP assistance. (Note: APCo is also known as American Electric Power [AEP] in Virginia.) The State Corporation Commission (SCC) is directed to set the rates, terms, and conditions of a non-by passable universal service fee (USF) that will be collected from Dominion Energy and APCo residential customers to fund the PIPP. The USF will be based on kilowatt hours used. The universal service fee may be revised annually or semi-annually as part of a true-up process conducted by the SCC to ensure that the fee is appropriate.

Households will receive an arrearage credit (of 1/12 of their arrearage balance) each month when a PIPP payment is made on-time and in-full. If a household misses a monthly payment, they will be allowed the opportunity to make up the payment before leaving the program so there will not be an additional burden of increased arrearages placed on the household after leaving the program.

The Department of Housing & Community Development (DHCD) will receive referrals of PIPP participants from the Virginia Department of Social Services (VDSS) and provide information on the current weatherization provider network. Every PIPP participant may request an energy audit but is not required to do so to participate in the PIPP. Those who have already received an audit or weatherization will be verified by DHCD and not placed on a list to receive the audit.

VIRGINIA DEPARTMENT  
OF SOCIAL SERVICESPERCENTAGE OF INCOME PAYMENT PROGRAM

01/24

PAGE 2

24043053

- As a current requirement of weatherization services, DHCD provides energy education to participants on the use and maintenance of installed energy efficient measures (i.e., thermostats, ASHRAE fans, smoke detectors, water heaters) and practical ways to reduce household energy consumption.
- The Energy Assistance Program (EAP) provides energy efficiency/conservation tips with an annual mailer to potential Fuel Assistance applicants (about 80,000 households).
- Participants in PIPP will be given education materials at the time of their application and when they receive an energy audit. Additionally, the SCC website also contains online resources for consumers in the area of financial literacy.

2. PURPOSE

The PIPP provides funding to reduce the energy burden of eligible participants by limiting electric utility bill payments directly to:

- no more than six percent (6%) of the eligible participant's annual household income if the household's heating source is anything other than electricity, and
- no more than 10 percent (10%) of an eligible participant's annual household income on electricity costs if the household's heating source is electricity.

Note: Benefits received through the PIPP will not be counted as income in determining Supplemental Nutrition Assistance Program (SNAP), Energy Assistance Program (EAP), public assistance, or Medicaid eligibility.

3. CONFIDENTIALITY OF CLIENT INFORMATION

Virginia law (Section 63.2-102 and 63.2-104 of the Code of Virginia) provides that all client records and statistical registries of the State Department of Social Services and of the local boards and other client information shall be confidential and shall not be disclosed except to persons explicitly authorized by statute and to persons having a legitimate interest in the information contained in social service records. The Privacy Protection Act of 1976 (Chapter 26 of Title 2.1) mandates that all local departments of social services (LDSS) ensure that all personal information collected is accurate, relevant, and necessary; and that appropriate safeguards are maintained to prevent unauthorized disclosure of the information collected.

4. OUTREACH AND PUBLIC INFORMATION

Outreach services and public information will be provided. These may include the distribution of new releases, the publicizing of websites and public service announcements, the distribution of informational brochures, fact sheets, posters, and a referral to a toll-free assistance line, government entity or community based organization. The availability of public information at the state and local level will increase program visibility and public access across the state.

TRANSMITTAL#24-1

VIRGINIA DEPARTMENT  
OF SOCIAL SERVICES

PERCENTAGE OF INCOME PAYMENT PROGRAM

01/24

PAGE 3

By making program information available, the Program will be reaching low-income persons who have transportation problems, have frequent changes of residence, or have communication problems. For the hearing and speech -impaired, no cost service is available through the Virginia Relay Center, by dialing 7-1-1. This service will assure that the information on the program is available to eligible households.

Local Department of Social Service (LDSS) should assume the lead in identifying and planning for the utilization of other available LDSS and community resources. For example, community groups may be able to assist LDSS by providing outreach or transportation and completing applications for homebound individuals. The 211 VIRGINIA Information & Referral program is available; the scope of services offered is statewide, providing assistance to those individuals requesting health and human services information and the database includes many community partners, action agencies, and nonprofits across the Commonwealth. LDSS must coordinate services provided with community agencies and other nonprofit organizations to assure that energy and emergency needs are met and that services are not duplicated.

5. APPLICATIONS

An opportunity to apply must be given to all individuals during their initial contact with the LDSS.

An application may be completed by the applicant or an authorized representative (a person authorized in writing by the client to act on his/her behalf) and may be submitted at the time of initial contact or returned at a later date.

Applications may be received by mail, in person, by fax, or online (through CommonHelp). The LDSS must affix a date received to each application. In order for an application to be considered valid, it must be signed by the applicant or an authorized representative. The date of the application will be the date the signed application is received in the LDSS.

To complete an application, the applicant will need:

- Household income documentation for the calendar month prior to the month of application (Note: this period may be longer for those who have irregular income and/or are self-employed);
- If a non-household adult is applying on behalf of the client, an Authorized Representative form will need to be completed (Note: documentation of Power of Attorney, Representative Payee from SSA, or legal guardianship can be accepted);
- If not a citizen of the United States, proof of immigration status; and
- A copy of their most recent residential electric utility bill to confirm the account name and number.
- Note: It may be determined by the LDSS that additional information that is not listed above is needed to determine eligibility for the PIPP.

TRANSMITTAL#24-1

LDSS will be responsible for processing the application for the PIPP. This will include securing all information needed to determine eligibility and ensuring that the correct information is in the eligibility system so a determination of eligibility can be completed.

LDSS are responsible for reviewing all applications for completeness and consistency.

The LDSS must inform the applicant in writing of any verifications or other information (e.g. income verification) that are required. A deadline of 10 calendar days is to be provided for the return of verifications or information.

Assistance necessary to obtain verifications will be provided by the LDSS.

Required verifications and information may be submitted in various ways including in-person, by mail, by a third party, by fax or over the phone.

Once the applicant provides all of the necessary verifications, an eligibility determination should be completed as soon as possible. If the applicant fails to provide the needed information prior to, or any time the day of, the deadline, it will be denied. An eligibility decision must be made on all applications within 30 calendar days from the date of application.

A Notice of Action must be provided to the client when an application is approved or denied, when an approved case closes, and at the time of reverification of PIPP eligibility. A copy of all notices will be retained in the case file within the eligibility system.

6. **PRE-APPLICATION ELIGIBILITY DETERMINATION/DISCUSSION PROHIBITED**

PIPP eligibility guidance must be applied to the facts of a specific application submitted by a household; any additional information supplied by an applying household; and, when applicable, the interview with the household based on the submitted application. Prior to receipt of an application, LDSS employees must not provide advice or answers to hypothetical situations from applicants, potential applicants, or those acting on behalf of others. Until a completed application is received by the LDSS and verifications are received, the LDSS cannot be sure it has all the relevant facts. It is appropriate, however, to explain program eligibility criteria.

7. **RETENTION OF RECORDS**

PIPP documents must be maintained for a minimum of three years from the month of the last benefit issuance or benefit determination of ineligibility. Some records require a longer retention period. This includes, but is not limited to, situations involving audits,



investigations, and fraud. The retention period is dependent on the record type and activity related to the record. Annual systematic purging of material unrelated to legal, fiscal, administrative, or program administration is recommended.

Certification records must be retained for a minimum of three years from the month of origin of each record. Certification records may include any material that documents the basis for a determination of eligibility, ineligibility, and the benefit level. This includes documentation of verifications requested in order to process the application. Records needed to support claims collection activity must be kept until three years after the overpayment has been repaid in full.

#### 8. **ELIGIBILITY**

To participate in the PIPP, an applicant must be a residential electric utility energy customer of a Virginia Phase I or Phase II Utility. (As defined in the Code of Virginia, subdivision A.1 of § 56-585.1., a Phase I Utility is an investor-owned incumbent electric utility that was, as of July 1, 1999, not bound by a rate case settlement adopted by the Commission that extended in its application beyond January 1, 2002, and a Phase II Utility is an investor-owned incumbent electric utility.)

- APCo is a Virginia Phase I utility.
- DE is a Virginia Phase II utility.

Please note that DE is implementing the PIPP on January 2, 2024. APCo will be implementing the PIPP later in 2024. Until APCo has also implemented the PIPP, only customers of DE can be eligible for the PIPP.

Applicants who are both already enrolled on a budget plan *and* do not have an arrearage balance will not be eligible for the PIPP. Note: An arrearage balance is not required to participate in the PIPP.

#### **HOUSEHOLD DEFINITION AND COMPOSITION**

For the PIPP purposes, a household is defined as any individual or group of individuals who are living together and function as one economic unit for whom residential energy is customarily purchased in common.

The household may be homeowners or renters. If electric utilities are included in the rent payment, the household is not eligible for the PIPP.

A household living in a unit within a multi-family structure may eligible if the electric utility service is metered and billed separately.

VIRGINIA DEPARTMENT  
OF SOCIAL SERVICES

## PERCENTAGE OF INCOME PAYMENT PROGRAM

01/24

PAGE 6

240430053

<b>Counting Household Members</b>		
<b>Examples</b>	<b>Counted</b>	<b>Not Counted</b>
Tax dependents living in the household	X	
Household members in military service	X	
Household members temporarily (6 months or less) in a hospital/nursing home		X
Household members in a hospital/nursing home for more than 6 months or permanently		X
Children of divorced/separated couples if person/persons who has/have LEGAL custody	X	
Children of divorced/separated couples if JOINT custody, person/persons who claim/claims children for tax purposes	X	
Children of divorced/separated couples if joint taxes filed, the household that applies for PIPP assistance first	X	
Foster/Temporary Kinship/Temporary Guardianship (as defined by a court document) children/foster adults		X
Adoption/Permanent Kinship/Permanent Guardianship children	X	
Household members in prison/jail for an extended term (6 months or more)		X
Foreign students (on a student visa) living in the household. *Foreign students may not apply as separate households		X
College students claimed as dependents for tax purposes.	X	
College students that are not claimed as dependents for tax purposes. *College students not claimed may apply for assistance for their own household.		X
Live-in Aide *Documentation verifying Live-in Aide designation is required.		X
Undocumented Alien*		X

\*Non-citizens, those who are not a Legal Resident or not a Qualified Alien in the home shall have their income counted but not their household membership.

The applicant's statement or declaration is accepted for the following items: residence, age, social security number, citizenship, Medicare premium, and living arrangement. The actual living arrangement should be questioned when more than one living arrangement is indicated on the application. Contact with the applicant should clarify these situations.

**CITIZENSHIP AND ALIEN STATUS**

Household members to be either a United States citizen or an alien in a qualified immigration status. An individual is not counted in the PIPP household size, if he/she does not meet either of these criteria. However, his/her income is counted in the PIPP household's total income. Alien status must be verified.

TRANSMITTAL #24-1

VIRGINIA DEPARTMENT  
OF SOCIAL SERVICESPERCENTAGE OF INCOME PAYMENT PROGRAM

01/24

PAGE 7

24043053

Eligible PIPP household members must meet one of the following statuses.

a. Citizen - An individual is a United States (U.S.) citizen if he/she is:

- 1) born in the U.S., regardless of the citizenship of his/her parents; or
- 2) born outside of the U.S. of U.S. citizen parents (the mother if born out of wedlock);  
or
- 3) born outside the U.S. of alien parents and has been naturalized as a U.S. citizen. A child born outside the U.S. of alien parents automatically becomes a citizen after birth if his/her parents (the mother if born out of wedlock) are naturalized before he becomes age 16.

b. "Qualified" Alien - The Qualified alien statuses are listed below.

- 1) Lawful Permanent Resident - An alien who is lawfully admitted for permanent residence under the Immigration and Nationality Act (INA).
- 2) Asylee - An alien granted asylum under Section 208 of the INA.
- 3) Refugees admitted to the U.S. under section 207 of the INA.
- 4) Alien admitted as an Amerasian immigrant.
- 5) Conditional Entrant - An alien admitted as conditional entrant under section 203(a)(7) of the INA as in effect prior to April 1980.
- 6) Parolee - An alien paroled into the U.S. under section 212(d)(5) for a period of at least one year.
- 7) Deportee--Deportation Withheld - An alien whose deportation is withheld under section 243(h) (as in effect prior to April 1, 1997) or section 241(b)(3) of the INA.
- 8) Cuban or Haitian Entrant - An alien who is a Cuban-Haiti entrant as defined in section 501(e) of the Refugee Education Assistance Act of 1980.
- 9) An alien, and/or alien parent of a child battered or subjected to extreme cruelty, and/or alien child of a battered parent who is battered or subjected to extreme cruelty, while in the U.S.

TRANSMITTAL #24-1

VIRGINIA DEPARTMENT  
OF SOCIAL SERVICES

## PERCENTAGE OF INCOME PAYMENT PROGRAM

01/24

PAGE 8

24043053

The applicant must indicate on the application that all individuals in the household have declared their citizenship/alien status. As long as the signed application reflects an unquestioned status of all household members, it will be considered accurate and current. Refusal by the applicant to declare the status of any individual will result in ineligibility for that individual. Any member of the household who has not declared his/her status or has been found ineligible for a reason below will not be included in the number of household members eligible for assistance. However, the gross income of that person will be counted in determining income eligibility for the household unit.

Ineligible Aliens - Any individual admitted into the United States who does not have a "qualified" alien status as defined by the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) Pub. L 104-193, 110 stat. 2105 enacted August 22, 1996 is not eligible for the PIPP.

Aliens must meet a qualified status to be eligible for the PIPP. Alien status must be verified. "Qualified" alien statuses and documentation of these statuses are listed below.

1) Lawful Permanent Resident (LPR) - An alien who is lawfully admitted for permanent residence under the Immigration and Nationality Act (INA).

Documents verifying LPR status include:

- Alien Registration Receipt Card (Form I-151 or AR3a or I-551); or
- an unexpired temporary I-551 stamp on foreign passport; or
- an Arrival Departure Card (I-94).

A LPR who is an American Indian born in Canada and covered by Section 289 of the USCIS will have:

- Form I-551 with the code "S13"; or
- a letter or other tribal document certifying at least 50% American Indian blood combined with a birth certificate or other evidence of birth in Canada.

Note: Form I-151, Form AR-3, and AR3a are earlier versions of the I-551. Aliens with these versions should be referred to USCIS to apply for the I-551.

2) Asylee - An alien granted asylum under Section 208 of the INA. Documents verifying an alien granted asylum include:

- Form I-94 with a stamp showing grant of asylum under Section 208 of INA; or
- Employment Authorization Card (I-688B) bearing "Provision of Law" citation 274a. 12 (a) (5); or
- Employment Authorization Document (I-766) annotated "A5"; or
- Grant letter from the Asylum Office of USCIS; or
- an order of an immigrant judge granting asylum.

TRANSMITTAL #24-1

## 3) Refugees admitted to the U.S. under section 207 of the INA.

Documents verifying these refugees include:

- I-94 annotated with a stamp showing admission under section 207 of the INA; or
- Employment Authorization Card (I-688B) bearing "Provision of Law" Citation 274a12(a)(3) or (4);
- Employment Authorization Document (I-766) annotated "A3"; or
- Refugee Travel Document (I-571).

## 4) Alien admitted as an Amerasian immigrant.

Documents verifying an Amerasian immigrant include:

- I-94 coded AM1, AM2, or AM3; or
- I-551 coded AM6, AM7, or AM8; or
- an unexpired temporary I-551 stamp in foreign passport.

## 5) Conditional Entrant - An alien admitted as conditional entrants under section 203(a)(7) of the INA as in effect prior to April 1980.

Documents verifying a conditional entrant include:

- I-94 with a stamp showing admission under Section 203(a)(7) of the INA; or
- Employment Authorization Card (I-688B) annotated "274a12(a)(3)"; or
- Employment Authorization Document (I-766) annotated "A3".

## 6) Parolee - An alien paroled into the U.S. under section 212(d)(5) for a period of at least one year.

Documents verifying these Parolees include:

- an I-94 with a stamp showing admission for at least one year under Section 212(d)(5) of the INA. (Alien cannot aggregate periods of admission for less than one year to meet the one-year requirement.)

## 7) Deportee--Deportation Withheld - An alien whose deportation is withheld under section 243(h) (as in effect prior to April 1, 1997) or section 241(b)(3) of the INA.

Documents verifying these deportees include:

- Employment Authorization Card (I-688B) annotated "274a12(a)(10)"; or
- Employment Authorization Document (I-766) annotated "A10"; or
- an Immigration Judge's order showing deportation withheld under section 243(h) of the INA, or removal withheld under section 241(b)(3) of the INA.

8) Cuban or Haitian Entrant - An alien who is a Cuban-Haitian entrant as defined in section 501(e) of the Refugee Education Assistance Act of 1980.

Documents verifying a Cuban-Haitian Entrant include:

- Alien Registration Receipt Card (I-551) with the code CU6, CU7, or CH6; or
- an unexpired temporary I-551 stamp in foreign passport; or
- an I-94 with stamp showing parole as "Cuba-Haitian Entrant" under 212(d)(5) of INA or with one or more of the following notations: humanitarian parole; public interest parole; or section 212(d)(5) parole; or
- Form I-589 filed.

9) An alien, and/or alien parent of a child battered or subjected to extreme cruelty, and/or alien child of a battered parent who is battered or subjected to extreme cruelty, while in the U.S.

The perpetrator is a spouse, parent or other household member of the spouse or parent's family who was residing in the home at the time of the incident but is no longer in the home.

The alien must not now be residing in the same household as the individual responsible for the battery or extreme cruelty.

The spouse or parent of the battered person consented or acquiesced to such battery or cruelty and the alien did not actively participate in such battery or cruelty.

The alien has a petition approved by or pending with INS for one of the following:

- status as an immediate relative (spouse or child) of a U.S. citizen;
- classification changed to immigrant;
- status as the spouse or child of lawful permanent resident alien (LPR); or
- suspension of deportation and adjustment to LPR status based on battery or extreme cruelty by a spouse or parent who is an U.S. citizen or LPR alien.

VIRGINIA DEPARTMENT  
OF SOCIAL SERVICES

PERCENTAGE OF INCOME PAYMENT PROGRAM

01/24

PAGE 11

24043053

<b>Proof of U.S. Citizenship</b>		<b>Proof of Legal Residency/Qualified Alien</b>
Birth Certificate/Hospital Birth Records		Naturalization Papers/Certifications of Citizenship
Indian Census Record		INS ID Card
Military Service Record		Alien Registration Cards/Re-entry Permits
Baptismal Records (only when place and date of birth is shown)		INS Form I-151 or I-551 (Form I-151 will not be valid after August 1, 1993)
U.S. Passport		INS Form I-94 if annotated with either: a) Sections 203(a)(7), 207, 208, 212(d)(5), 243(h), or 241(b)(3) of the Immigration and Nationality Act: or b) One or a combination of the following terms: One or a combination of the following terms: Refugee, Parolee, or Asylee
Verified Citizenship for OWF Program		Permanent Visa
Voter Registration Cards		INS Form G-641, "Application for verification of Information from INS Records", when annotated at bottom by INS representative as lawful admission for humanitarian reasons
Social Security Cards administered by the SSA (Social Security Cards that are valid for work authorization status only, will not be accepted for citizenship verification)		Documentation that alien is classified pursuant to Sections: 101(a)(2), 203(a), 204(a)(1)(a), 207, 208, 212(d)(5), 241(b)(3), 243(h), or 244(a)(3), of the Immigration and Nationality Act
		Court order stating that deportation has been withheld pursuant to Section 241(b) (3) or 243(h) or of the Immigration and Nationality Act. INS Form I-688

**OTHER NON-FINANCIAL ELIGIBILITY CRITERIA**

The household must reside in Virginia.

The household must reside in the Virginia locality in which the PIPP application is submitted.

The household must have residential electricity service from either DE or APCo for the physical address where the household resides.

TRANSMITTAL #24-1

VIRGINIA DEPARTMENT  
OF SOCIAL SERVICES

## PERCENTAGE OF INCOME PAYMENT PROGRAM

01/24

PAGE 12

240436053

A social security number must be provided for all household members who are 18 years of age or older that are not receiving public assistance and/or social security benefits, and/or do not hold a Qualified Alien status. All other household members for whom a social security number is not provided will not be counted in the PIPP household; however, the income of such individuals must be included when calculating the total income used to determine household eligibility for the PIPP.

If electric utilities are included in the rent payment, the household is not eligible for the PIPP.

Households that do not have an arrearage balance *and* are already enrolled in a budget plan at the time of application will not be eligible for the PIPP.

Households who participate in Solar or Retail Choice programs can be eligible for the PIPP.

Households who participate in the Energy Assistance Program can be eligible for the PIPP.

**INCOME LIMITS**

The household income shall not exceed 150% of Federal Poverty Guidelines (FPG) by household size.

MAXIMUM INCOME LIMITS						
Household Size	Annual Maximum	Monthly Maximum		Household Size	Annual Maximum	Monthly Maximum
1	\$21,870	\$1,822.50		11	\$98,970	\$8,247.50
2	\$29,580	\$2,465.00		12	\$106,680	\$8,890.00
3	\$37,290	\$3,107.50		13	\$114,390	\$9,532.50
4	\$45,000	\$3,750.00		14	\$122,100	\$10,175.00
5	\$52,710	\$4,392.50		15	\$129,810	\$10,817.50
6	\$60,420	\$5,035.00		16	\$137,520	\$11,460.00
7	\$68,130	\$5,677.50		17	\$145,230	\$12,102.50
8	\$75,840	\$6,320.00		18	\$152,940	\$12,745.00
9	\$83,550	\$6,962.50		19	\$160,650	\$13,387.50
10	\$91,260	\$7,605.00		20	\$168,360	\$14,030.00

For households at 150 percent of HHS poverty guidelines with more than 20 members add \$7,710 yearly (\$642.00/month) for each additional member.

TRANSMITTAL #24-1



**DETERMINING, CALCULATING, AND VERIFYING INCOME**

To be eligible, the total household Countable Income must be equal to or less than 150% of the Federal Poverty Guidelines (FPG). The gross income, both earned and unearned, of each member of the household is to be considered in determining eligibility. The gross income of an individual who, due to a court order, is not included in the number of household members eligible for assistance is to be counted in determining eligibility for the household unit. Money that is paid to a household member by another household member is not considered income.

The household countable Income is the gross income amount before taxes for all household members age 18 years or older less any applicable deductions for the PIPP. Income earned by a dependent minor (less than 18 years of age) in the household is excluded from the total household income calculation.

To determine eligibility, a household must provide documentation for the calendar month prior to application for all income types except Self-employment, Seasonal, and Other Countable Income which must provide up to 12 months of income documentation.

Each household member's total monthly income is rounded to the nearest dollar amount in determining gross amounts. Forty-nine cents (49¢) and under will be rounded to the lower dollar and fifty cents (50¢) and up will be rounded to the higher dollar amount.

Households claiming no income for all household members will be required to provide a written statement from a reliable source. The LDSS may require a notarized statement from the applicant if a reliable source is unobtainable.

An applicant's statement will be accepted for income over the maximum income level. If it is questionable that the income is over or it appears the income is under the maximum income level, verification must be obtained.

The income received by each household member will be verified as follows:

**1) Regular Income**

Regular earned and unearned income is scheduled predictable income for which a set pattern can be established. All income, including self-employment or seasonal income that meets this definition is considered regular income. NOTE: The income of school employees is considered regular earned income

Whenever income is anticipated for every pay period in a month and it is received on a weekly or biweekly basis, the worker must convert the income to a monthly amount by multiplying the average weekly amount by 4.3 and average biweekly amount by 2.15.

Pay received on a daily basis must be converted to a weekly or biweekly amount and then converted to a monthly amount by multiplying the average weekly amount by 4.3 and the average biweekly amount by 2.15.

NOTE: Households receiving monthly or semi-monthly income, such as a state or federal assistance payment, or semi-monthly pay checks, must have the income assigned to the normal month of receipt, even if mailing cycles, weekends, or holidays cause the income to be received in a different month.

Verify and count regular income received in the calendar month prior to the month of application.

## 2) Irregular Income

Irregular earned and unearned income is unscheduled, erratic, unpredictable income for which no set pattern can be established. A monthly amount will be determined based on the average gross income received over a period immediately prior to application. The LDSS must inform the applicant of the method used to determine the income counted. If no reasonable period of averaging can be determined, the income received will be exempt.

Verify irregular income by using two or more calendar months prior to the month of application.

## 3) Countable Income

Anticipated receipt of earned or unearned income will not be used to determine eligibility. Countable income must be the combined total monthly income received by all members of the household. For example, if one household member has regular income and another has irregular income, the irregular income would be averaged to obtain a monthly amount and added to the monthly income of the household member who has regular income.

- a) Gross earned income or gross pay (not the "take home" pay) regardless of deductions or garnisheed wages, withholding, or work expenses is the countable income.
- b) Profit from self-employment is the countable income. Profit from self-employment means the total income received less the allowable business expenses directly related to producing the goods or services and without which the goods or services could not be produced.
- c) Gross unearned income (regardless of deductions such as recoupments) received by individuals is the countable income.

## 4) Verification of Income

a) Earned income is verified by pay stubs, pay envelopes, or written statements from employers. If none of the aforementioned verifications can be obtained, telephone verification may be used. Adequate documentation must be recorded in the case file.

VIRGINIA DEPARTMENT  
OF SOCIAL SERVICES

PERCENTAGE OF INCOME PAYMENT PROGRAM

01/24

PAGE 15

If the household is missing one pay stub but has provided otherwise consecutive pay stubs, the worker may verify the missing pay stub information by utilizing the year-to-date difference.

b) Self-employed individuals are permitted to deduct Internal Revenue Service (IRS) allowable business expenses when determining income for program eligibility.

Self-employed individuals may provide a copy of their most recent filed IRS Form 1040 and Schedule 1. For example, the amount listed on line 12, 17 and/or 18 for the 2018 return or line 3, 5 and 6 for the 2019 return must be used to determine business income. Individuals submitting Form 1040 do not need to complete a Self-Employment Income and Expense Form.

Self-employment profit can be determined as follows:

1) Income from individuals (meals only)

An individual that takes meals in another individual's home but does not reside there and is not included in the economic unit. Profit is the monthly gross income from an individual or individuals, less a \$194.00 food allowance per person. The individual may furnish verification of the payment or household records may be used.

2) Income from renters/roomers

A renter/roomer resides in the individual's home but takes meals elsewhere and is not part of the economic unit. If heat is furnished, profit is 65% of the monthly payment received from each renter/roomer. If heat is not furnished, the profit is 75% of the monthly payment received from each renter/roomer. The renter/roomer may furnish verification of the payment or the applicant's records may be used.

3) Income from roomers/boarders

A roomer/boarder takes meals and resides in the individual's home but is not included in the economic unit. To determine the profit from roomers/boarders, subtract \$194.00 food allowance per roomer/boarder from the monthly payment received and multiply the balance by 65% if the applicant furnishes heat or 75% if heat is not furnished. Verification of the amount paid may be obtained from the roomer/boarder or the applicant's records may be used.

4) Rental property

Income received from renters, roomers/boarders residing in rental property other than the applicant's home will be verified by the renter/roomer/boarder or the individuals' records may be used.

5) Income from children in family day care

When this service is provided in an individual's home to children other than those living in that home the cost of meals and snacks that were provided during the period the income was earned is not counted. Allow \$1.56 for breakfast for each child; \$2.94 for lunch/supper for each child; and \$0.87 per snack for each child per day.

## 6) Other self-employment income

Verify the individual's gross income from self-employment bookkeeping records or Agriculture Stabilization and Conservation Service (ASCS) records, tax return or other appropriate information. Determine profit by subtracting business expenses or the cost of production from the gross income.

## Business expenses do not include:

- payments on the principal of the purchase price of and loans for capital assets such as, real property, equipment, machinery and other goods of a durable nature;
- the principal and interest on loans for capital improvement of real property;
- net losses from previous periods;
- federal, state, and local taxes;
- money set aside for retirement purposes;
- personal expenses, entertainment expenses, and personal transportation; or
- depreciation on equipment, machinery, or other capital investments necessary to the self-employment enterprise.

c) Unearned income includes all other income received by the household that is not received in exchange for labor, services, or produce. Some examples of unearned income are: Social Security benefits, alimony and child support, cash contributions, lottery winnings, retirement benefits, and unemployment compensation.

Social Security and other benefits will be verified by an award letter, a benefit check, the SDX (State Data Exchange), SVES (State Verification Exchange System), and SPIDeR (Systems Partnering in a Demographic Repository).

Statutory income received by a designated payee and disbursed to a non-household member in its entirety, or the mandatory portion thereof is not counted as income in the payee's household. Statutory income is defined as income, which has been authorized to an individual by a legislative enactment, such as Social Security and Veteran's benefits.

Other cash income will be verified by documents in the applicant's possession or by a statement from the person or agency making the contribution.

**EXEMPT INCOME**

The following exemptions will be applied in establishing eligibility for the PIPP:

- 1) Home produce of the assistance unit utilized for their own consumption.
- 2) The value of SNAP benefits.
- 3) The value of foods donated under the U.S.D.A. Commodity Distribution Program,

VIRGINIA DEPARTMENT  
OF SOCIAL SERVICESPERCENTAGE OF INCOME PAYMENT PROGRAM

01/24

PAGE 17

24043053

including those furnished through school meal programs.

- 4) Any payment received under Title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970.
- 5) Any benefits received from the Community Service Employment Program (previously the Older Americans Act of 1965, as amended).
- 6) Wages, allowances, or reimbursement for transportation and attendant care costs provided by Vocational Rehabilitation (VR) for persons participating in Vocational Rehabilitation Programs. The disregard is not applicable to benefits provided by VR to the family of the participating individual.
- 7) Reimbursements and cash advances for expenses paid to participants in the Virginia Initiative for Education and Work (VIEW).
- 8) Payments to Vista Volunteers under Title I; payments for services or reimbursement for out-of-pocket expenses made to individual volunteers serving as foster grandparents, senior health aides, senior companions, or to persons serving in the Service Corps of Retired Executives (SCORE) and Active Corps of Executives (ACE) or other programs under Titles II and III, of Public Law 93-113, the Domestic Volunteer Service Act of 1973.
- 9) Allowances, earnings and payments to individuals participating in programs under the Workforce Investment Act (WIA) of Public Law 105-220.
- 10) Payments or benefits received under the Energy Assistance Program.
- 11) Income tax refunds, including the Earned Income Tax Credit (EITC).
- 12) The value of supplemental food assistance received under the Child Nutrition Act of 1966. This includes all school meal programs; the Women, Infants and Children (WIC) program; and the Child Care food programs.
- 13) Loans. Loans are funds provided to an individual with the understanding that the money will be repaid. Note: The HUD-Insured Home Equity Conversion Mortgage (HECM) commonly known as a reverse mortgage is considered a loan for PIPP purposes.
- 14) Scholarships, grants, or work study.
- 15) Part B and D Medicare Premiums when deducted from Social Security or Railroad Retirement checks or when the household member is responsible for payment of the premium. Note: The client's statement is accepted as to the amount of the premium.

TRANSMITTAL#24-1

- 16) Reimbursement for expenses incurred in employment, such as job travel expenses reimbursed by the employer.
- 17) Reimbursement for incurred expenses, such as insurance payments for medical bills.
- 18) Payments made to others on the household's behalf.
- 19) Non-recurring one-time income such as gifts, one-time earnings, or insurance payments.
- 20) Earned income (regardless of amount) of dependent children under 18 years of age (in or out of school) living with a parent or guardian.
- 21) Patient pay amount for an individual who is a recipient of home and community based care through the Medicaid Program. The actual patient pay amount will be exempted from the individual's gross income.
- 22) Allowances paid directly to the household to assist with utility or rental costs.
- 23) Benefits received for attendant care from the Veterans Administration as an Aid and Attendance Allowance.
- 24) Foster care payments.
- 25) Income, both earned and unearned, that is considered exempt in the Supplemental Nutrition Assistance Program.
- 26) The value of childcare paid under the Child Care and Development Block Grant (CCDBG).
- 27) Payments through the Department of Veteran Affairs to children of Vietnam veterans who are born with congenital spina bifida and payments to children of female Vietnam veterans who are born with certain birth defects (P.L. 104-204 and P.L. 106-419).

**INCOME DISREGARDS**

\$50.00 per elderly or disabled individual is deducted from the total gross income of the household for out-of-pocket medical expenses. This medical deduction is considered a programmatic income disregard and is applicable only to the PIPP. If an individual is both aged and disabled, only one \$50 deduction will be given for that individual.

- An elderly person is a person who is 60 years of age or older.
- A disabled individual is a person who is receiving Social Security disability, Railroad Retirement disability, Supplemental Security Income as disabled, 100% Veterans Administration disability benefits, or who has been certified as permanently and totally

disabled for Medicaid purposes. Disability status is verified by the receipt of: social security disability, a Social Security Administration letter determining a disability exists, railroad retirement disability, supplemental security income (SSI) as disabled, 100% veterans administration disability, or certification as permanently and totally disabled for Medicaid purposes

Note: A widow or child may receive survivor's benefits for a deceased spouse/parent, but they are not disabled and should not be considered as disabled.

9. **RESOURCES**

There is no resource test or limit for this program; resources are not evaluated.

10. **PAYMENTS**

**PAYMENT FOR ELECTRIC UTILITY ACCOUNT**

All PIPP payments for electric utility service for the household will be sent directly to DE and APCo via ACH. No payments will be made directly to clients.

The maximum payment amount due from the household for the electric utility account will be based on household income. The household will make all payments directly to DE or APCo as appropriate.

The payment amount to be paid with PIPP funds will be determined each month through a secure data exchange with electricity provider. The electricity provider will confirm the account information including current charges (less any payments received from any source including, but not limited to, assistance programs such as LIHEAP), arrearage balance, and incentive credits to be applied to the account. Incentive credits are received each month that the customer pays his/her PIPP Amount (i.e., the portion of the electric bill that the customer is responsible to pay each month) in-full and on-time. The credits reflect 1) the difference between the current bill amount and the PIPP Amount due and 2) a 1/12th credit of the arrearage/past due balance (as calculated at the time of enrollment in the PIPP).

The amount paid for the household by PIPP funds will be communicated via the secure data exchange to the electricity provider. This amount will be shown in the eligibility system.

If PIPP funds have been exhausted, DE, APCo, and the approved PIPP households will be notified that requested payments cannot be made. No additional PIPP payments will be made, and no additional applications will be approved for the PIPP until the PIPP fund has received additional funding that is sufficient to resume the program.

240430053

**PAYMENT FOR ENERGY AUDIT**

PIPP payments for the completion of a PIPP energy audit conducted by a Weatherization agency will be sent directly to the DHCD via ACH for an agency-to-agency transfer. The amount to be paid will be based on a previously established fee for the PIPP audit as agreed to by the VDSS, the DHCD, and the electricity providers participating in the PIPP.

Note: LDSS are not responsible for calculation or tracking of these payments. The LDSS is only responsible to refer interested PIPP customers to the DHCD.

11. **APPEALS**

At the time of application, every applicant shall be informed in writing, of the right to a fair hearing, of the method by which a hearing may be obtained and of the right to be represented by others or by themselves.

The LDSS worker has the responsibility of informing the client orally of the right to appeal if the client is dissatisfied with any action taken by the LDSS or the failure to act in relation to his/her eligibility.

A household has the right to appeal and receive a fair hearing if the household does not agree with the action taken on their application or case.

When an applicant is denied assistance, he/she must be offered the opportunity to request an agency conference. Upon receipt of a request for such a conference, the LDSS must schedule the conference within ten working days from the date of the request. The client's failure to request a local agency conference has no affect upon the right to appeal. At the conference, an authorized representative, legal counsel, relative or friend may represent the client. The conference may be attended by the eligibility worker but must be attended by an eligibility supervisor or the superintendent/director and the client or his/her representative. The conference with the LDSS is designed to allow the client to request and receive an explanation of the action taken. The intent of the conference is to avoid a lack of understanding on the part of the applicant. The applicant should be given the opportunity to verbalize his/her reasons for disagreeing with the LDSS. The LDSS shall respond to each reason given by the client, based on current guidance. The conference should reveal that the action is appropriate or that the action is inappropriate.

The local agency conference may or may not result in change in the LDSS decision regarding action. Regardless of the result of the conference, the client must be provided with the opportunity to request a fair hearing or, if an appeal has been filed, make a written withdrawal of the request. The client must be advised in writing of the LDSS decision. If the client is not satisfied with the LDSS action following the conference and wishes to request a fair hearing, the fact that the conference was held will in no way affect the appeal process.



**DEFINITIONS**

- a. Claimant - A person who files an appeal.
- b. Hearing Officer - An impartial representative of the State Agency to whom appeals are duly assigned and by whom they are heard. He/she must not have been involved in any way with the LDSS action on appeal. The hearing officer is given the authority to conduct and control hearings and to decide appeal cases.
- c. State Hearing Authority - A comprehensive term used to designate the State Agency decision-maker in appeal cases; as such it includes the Commissioner and duly qualified hearing officers, including the Hearing and Legal Services Manager, of the State Department of Social Services, in whom the Commissioner has given full authority to make decisions in appeal cases in the name of the State Hearing Authority.

Upon the request of either the applicant or the LDSS, the Commissioner may review a decision by a hearing officer.

- d. State Agency - This term, for purposes of Appeals, refers to the Home Office and to the five Regional Offices of the State Department of Social Services. It is the responsibility of the State agency to assure that appeal provisions are correctly administered and that decisions in appeal cases are consistent with established policies.
- e. Hearing and Legal Services Manager - An individual who determines, promulgates and assures compliance with internal procedures, including processes for maintaining the Commissioner's review of fair hearings. This individual also trains and supervises the hearing officers, holds hearings, and renders decisions for the Commissioner.

**APPEAL REQUEST**

A fair hearing may be requested by a claimant or by a person acting as his/her authorized representative (such as a relative, friend, or attorney), if he/she wishes the opportunity to present his/her case to a higher authority because of dissatisfaction with the decision by an LDSS. This request must be in writing.

The Appeal to State Department of Social Services form is to be made available to the applicant when an appeal is requested. LDSS must help the claimant submit the request and prepare the case, if necessary. Although appeals to the State agency will normally be by use of the Appeal Form, a written request sent directly to the State agency by a claimant or his authorized representative, clearly indicating the wish to present his/her case to a higher

VIRGINIA DEPARTMENT  
OF SOCIAL SERVICESPERCENTAGE OF INCOME PAYMENT PROGRAM

01/24

PAGE 22

24043053

authority will be considered a fair hearing request. The request may be submitted to the LDSS or directly to:

Hearing and Legal Services Manager, Appeals and Fair Hearings Unit, Virginia  
Department of Social Services, 801 East Main Street, Richmond, VA 23219-3301.

Upon request, the LDSS shall make available information from the case file for the applicant to determine whether a hearing should be requested or to prepare for a hearing, provided that confidential information is protected from release.

An appeal of the LDSS action must be made within 30 days following receipt by claimant of the written Client Notice of Action informing him/her of the action on his case.

The requirement of filing within the time limit is met if the request for appeal is received in the state or local department of social service or is postmarked by the end of the 31st day following the date of the LDSS notice.

**DENIAL OR DISMISSAL OF HEARING REQUEST**

A request for a hearing not filed within 30 days will be denied.

Every valid appeal shall be disposed of by a written decision, except in the following instances:

- a. The claimant or his/her representative acting in his/her behalf may withdraw an appeal in writing.
- b. The claimant may abandon an appeal. An appeal is considered abandoned if neither the claimant nor his/her representative appears at the time and place scheduled for the hearing without good cause. When the claimant or the representative fails to appear, the hearing officer will write to the claimant giving him/her an opportunity to explain why he/she did not appear. If there was a reasonable basis for the failure to appear, the hearing officer will arrange another hearing date.
- c. Death of claimant in a one-member household constitutes abandonment of an appeal.

Such disposition of an appeal must be entered in the case file.

**PREPARATION FOR HEARING**

The appeal request, upon receipt by the Hearing and Legal Services Manager shall be assigned to a Regional hearing officer who will validate the appeal and acknowledge the request by letter to the claimant with a copy to the claimant's representative and the LDSS.

TRANSMITTAL#24-1

When the request is determined valid, the appropriate LDSS shall prepare a Summary of Facts of the case to be forwarded to the hearing officer no fewer than seven days prior to the hearing. A general outline of this summary follows, although the content may vary to fit the particular case situation. All statements made should be factual and phrased in a way not objectionable to the claimant.

The Summary of Facts includes the following:

Identifying Information

a. Name of LDSS

Name, address, and case number of claimant and persons included in the household

Name, age, relationship to claimant of other persons in household

b. Date of Request and Reason for Appeal (quote claimant's own words in requesting hearing).

Statement of Agency Action

1) Give a brief, factual statement of the reason for LDSS action, or failure to act, and the nature and date of LDSS action. If the claimant requested a local agency conference, include date and result of conference. If LDSS error, negligence, or administrative breakdown was involved, say so.

2) Give citation and quotation from the PIPP Manual of the guidance statement on which LDSS action was based.

c. The summary is to be signed and dated by the director or his/her authorized representative. The LDSS will retain a copy of the summary, which is the official document for presentation of its case at the hearing.

The LDSS shall mail to the claimant or his/her representative, when it is submitted to the hearing officer, a copy of the summary and any other documents and records which are to be used at the hearing.

**THE HEARING**

The hearing will be conducted by telephone unless a face-to-face hearing is requested at a time, date, and place convenient to the claimant(s). Adequate preliminary written notice will be given of the hearing. The claimant will be requested to advise the LDSS immediately if the scheduled date is inconvenient, but, without such notification it is assumed the arrangements are convenient.

Any material from the case file must be made available upon written request to the claimant and/or his/her representative. Confidential or other information, which the applicant or his/her representative does not have an opportunity to hear, see, and respond to, shall not be introduced at the hearing, nor shall it become a part of the hearing record. It is within the discretion of the hearing officer to designate what is pertinent to an issue on appeal and admissible as evidence

during the hearing, including the entire case file, if appropriate. Evidence admissible at the hearing shall be limited to data having bearing on the LDSS action or inaction on an application. No other issues or evidence shall be considered.

The claimant shall have the right to introduce evidence at the hearing. If the claimant was required by guidance to produce documentation or verification of eligibility criteria and the LDSS acts upon the question of eligibility where the claimant has failed to produce such documentation or verification, the LDSS shall not be reversed upon the basis of such documentation or verification being produced by the claimant at the hearing unless the LDSS:

- a. was responsible for securing the evidence or information, but did not;
- b. should not have acted without the evidence or information;
- c. placed a demand on the claimant for evidence or information that it was beyond the capacity of the claimant to provide.

If, during the hearing process, need for adjustment in eligibility status in favor of claimant becomes evident, reconsideration or modification of the former decision will be made by the LDSS. For instance, an error may have occurred in computation of countable income.

#### **HEARING ACTIVITIES**

The hearing must be attended by an LDSS representative and the claimant or a representative. The client may also bring relatives or friends along if the client so chooses. The hearing officer has the authority to limit the number of persons present. The hearing officer will coordinate the activities at the hearing.

The LDSS will have the opportunity to clarify or modify its statements contained in the summary and to question the claimant, his representative, or witnesses. The LDSS has the same rights as the claimant to examine documents, bring witnesses, advance arguments, question evidence and submit evidence.

#### **HEARING DECISION**

The decision of the hearing officer or the Commissioner as appropriate shall be based exclusively on evidence and the findings and conclusions of the hearing officer. This constitutes the exclusive record for decision and such record shall be available to claimant or his/her representative at any reasonable time at the State Regional Office serving the LDSS. Except as follows the decision of the hearing officer shall be rendered within 60 days following the date the appeal request is received in Home Office. When the claimant or his/her representative requests an extension or otherwise occasions a delay in the hearing, the time limit is extended by the number of days the hearing is delayed. The maximum period of delay is 30 days. The hearing officer determines whether the provision of extension or delay is being abused and reserves the right to set a date beyond which the hearing and decision will not be further delayed. This constitutes prompt and definitive administrative action.

The claimant and the LDSS shall each be notified of the decision by a copy of the written official report of the decision.

At the time the official decision report is received, the claimant, the claimant's representative and the LDSS shall be given written notice of the right to request a review of the hearing officer's decision by the Commissioner. A request for review from a LDSS must be submitted by the director or his/her designee. To be timely the request for review must be received in Home Office or postmarked no later than the 12th calendar day following the date of the hearing decision. The request must include a statement of arguments. New evidence shall not be submitted since it will not be considered in reviewing the decision of the hearing officer.

A copy of the request shall be sent to the other party of the appeal and any representative when the request for review is submitted to Home Office. The other party must have any counter arguments in Home Office or postmarked within seven days of the date of the request for review. Only those counter arguments received timely will be considered during the review.

The State Hearing Authority, within a reasonable time, may reconsider any decision it has made if there is new evidence that the original decision was not a valid one. In this regard, the hearing officer's decision is also subject to review by the Hearings Manager.

All decisions are available for inspection and copying; if identifying names and addresses of individuals in the specific case and other members of the public are kept confidential.

12. **FRAUD**

Fraud is defined as a material representation relating to a past or an existing fact which is: false; made with knowledge of its falsity; or in reckless disregard of the truth.

With respect to receipt of PIPP benefits, fraud may consist of withholding information which would affect eligibility for the PIPP. Fraud may also include giving false information in order to obtain or use benefits from the PIPP. In either case, the criterion is the intent of the action or failure to act. To determine that fraud exists, it must be established that the giving of false information was done with knowledge of its falsity or that the withholding of information which would affect eligibility for assistance, or the amount thereof was deliberate, with knowledge of its implications.

In relation to fraud, the local department has the following specific responsibilities:

1) The LDSS must ensure and document that a clear and full explanation is given to the client of the eligibility requirements for the type of assistance he is requesting or receiving; of his

responsibility to give complete and accurate information related to his eligibility; and of the provisions of the law with respect to giving false information knowingly or deliberately withholding information which would affect his eligibility for assistance or the amount thereof. The worker must explain fully to the recipient what types of changes in his or her circumstances would affect his or her eligibility. The client has the responsibility to report any of these changes within five days of occurrence.

2) When an applicant or recipient of PIPP provides incorrect information or withholds information which would affect eligibility for assistance or the amount thereof, it is the responsibility of the LDSS director or designee (i.e. fraud investigator) to determine whether or not there is deliberate misrepresentation with intent to defraud, and to assure the methods of investigation do not infringe on the legal rights of person(s) involved and are consistent with the principles recognized as affording due process of law.

The LDSS director or designee has a responsibility to cause a warrant or summons to be issued for every violation of which he/she has knowledge. In discharging this responsibility, the LDSS director may seek the advice of the local Commonwealth's Attorney to determine whether a violation occurred. The LDSS director or designee is to act upon the advice of the Commonwealth Attorney as to whether a charge of fraud is or is not justified by the evidence, but in the absence of such advice, the LDSS director or designee must decide whether the evidence requires him or her to cause a warrant or summons to be issued. The warrant or summons does not need to be signed by the LDSS director or designee personally but may be signed by the person having direct knowledge of the case and facts.

A determination as to whether fraud occurred must be based on a careful consideration of the particular circumstances. Among the factors to be considered in deciding whether there is deliberate misrepresentation on the part of the client are:

- a. the incorrect or unreported information affected eligibility;
- b. the correct information was, in fact, known to the client; and
- c. the client fully understood the eligibility requirements and his responsibility for reporting information, or
- d. whether his failure to report facts was unintentional.

### MONITORING

During the course of the Program, the VDSS will monitor localities' compliance with Program policies and procedures by reading case files and reviewing locality statistical reports. At the recommendation of VDSS staff, an LDSS Corrective Action Plan may be necessary. LDSS are responsible for correcting areas of concern to ensure that the program is effectively and efficiently administered at the local level.

**IMPROPER PAYMENTS**

A payment is improper when:

- 1) The household does not meet the eligibility criteria.
- 2) The payment is greater or less than the amount for which the household is eligible.
- 3) The vendor has requested and received an amount to which he/she is not entitled.
- 4) Payment has been made to the wrong vendor due to an improper authorization.

Improper payments may occur as a result of LDSS errors or because of erroneous or incomplete information supplied by the client or the vendor. Improper payments may be revealed by several sources, including: LDSS Reviews, case readings, State Program Reviews, or Hearings.

**Responsibility for Error Correction****1) Client/Vendor Error**

The LDSS must recover overpayments from the client or vendor when the improper payment is the result of an error on the part of the client or vendor.

The LDSS must also recover monies from the client in appeal cases. The LDSS will make arrangements for voluntary repayment of the amount of the overpayment. If this fails, the LDSS will initiate action in accordance with the Code of Virginia, to collect the amount as a debt, unless the administrative cost of such action would exceed the amount of the overpayment.

The LDSS will not correct underpayments for the household based on client error. In cases of client fraud, the LDSS will follow the recovery procedures prescribed by the court.

**2) LDSS Error**

Provisions adopted by the Virginia General Assembly in the Appropriations Act require localities to reimburse the VDSS for payments made as a result of LDSS error. The standard procedures for reimbursement found in the VDSS Finance Guidelines Manual for LDSS will be followed upon identification of an improper payment by the VDSS or the LDSS.

If an LDSS error caused a payment to be less than the household's correct benefit, the LDSS must correct the payment with a local check payable to the PIPP. The household will not be required to reimburse the VDSS or LDSS for improper payments resulting from LDSS error.

When the Program is responsible for the overpayment, the LDSS or VDSS may request reimbursement but cannot take action against the household to obtain reimbursement if the household chooses not to repay.

The LDSS must repay the PIPP for LDSS caused overpayments.

**REPORTING ERRORS**

- 1) Overpayments - Complete a Correction of Payment Errors (COPE) form and a PIPP Case Payment Adjustments form.

If the overpayment is a result of an LDSS error, a local check made payable to the Treasurer of Virginia and a Case Payment Adjustment form must accompany the COPE form. The COPE form and Case Payment Adjustment form must be completed in triplicate. The original COPE form, the PIPP Case Payment Adjustments form and the check for the overpayment should be sent to the Division of Finance. A copy should be retained by the LDSS for their records and a copy should be sent to the PIPP Consultant.

- 2) Underpayments - Complete a COPE form.  
A copy of the local check, made payable to the PIPP correcting the error must accompany the COPE form. A copy of the COPE form and a copy of the check are sent to the PIPP Consultant. The LDSS should retain a copy of the COPE form and the local check for their records.

**REFUNDS**

All vendor refunds will be sent to the PIPP Consultant for the locality in the Division of Benefit Programs. The LDSS will attach a PIPP Case Payment Adjustments form indicating the state fiscal year for which the refund applies. Refunds will be sent to the Division of Finance at the VDSS Home Office.

**13. CLIENT RESPONSIBILITIES**

PIPP payment amounts will be set at 10% of the household's countable income in the calendar month prior to the PIPP application for households that heat with electricity and 6% for households with a different main heating source. If the countable income in the calendar month prior to application is not reflective of the household's annual income, a longer period of income will be evaluated to determine the household's PIPP payment amount/responsibility.

Households with no income must pay a minimum installment of \$10 towards their electric utility bills.

Households that pay the monthly PIPP payment amount on-time and in-full will receive a credit for the remaining balance of the monthly electric utility bill and a 1/12<sup>th</sup> portion of any outstanding electric utility balances (arrears) for that month. (The credit amounts will be paid to the appropriate electricity provider via an ACH payment based on confirmation of the credit amounts from the appropriate provider via a monthly electronic file exchange. The credit amount that was paid will be automatically entered into the eligibility system and cannot be changed by the LDSS worker.)



**FIRST PIPP PAYMENT**

The household client must pay the first PIPP payment amount in-full and on-time to the electric utility company by the due date of the current bill. If the due date of the current bill has passed and the household has not made a payment, the household will be required to make two full installment payments by the due date of the next bill. The household will not receive an arrearage credit for the first month if the first PIPP payment is not made in-full and on-time by the current bill date.

**ONCE ACTIVE ON PIPP**

Households that make PIPP payments in-full and on-time will not be responsible for the balance of the monthly billed amount (the difference between the PIPP payment and the actual bill). Note: if the PIPP funds are exhausted while the household is participating in the PIPP, the household will become responsible for payment of the entire bill and arrearage balance. Participating households will be notified if PIPP funds are exhausted.

A PIPP payment is considered on-time, if a household makes the payment before their next electric utility bill is issued. Any payments made after the new bill is issued are considered late for the prior bill, and the household will not receive a credit for the difference between their PIPP amount and their actual billing amount or outstanding electric utility bill balance (arrearage credits) for that month.

Additionally, the household will receive credits for any outstanding electric utility bill balances (arrearages) when all payments are made on-time and in-full payments for 12 consecutive months. The household will also receive a 1/12<sup>th</sup> credit toward the outstanding electricity bill balance each month that the PIPP payment amount is paid on-time and in-full. If on-time and in-full payments are made for 12 consecutive months, all outstanding balances (arrearages) will be eliminated.

Fees will not be assessed for late payments; however, the household will not receive credit on the outstanding bill balance for that month.

Households are responsible for staying current with all PIPP payment amounts.

Households must report any changes in the household income or household members within 5 days of the change. The information will then be reported from the VDSS to DE or APCo, as appropriate, as part of the daily secure data file exchange process.

Households must reverify their household income and eligibility for the PIPP at least annually.

Households must reverify their eligibility for the PIPP if they move during PIPP participation.

If households are noncompliant with the PIPP program, they may be removed from the program for 12 months. The household will be responsible for any outstanding balances (arrearages) due on their electric accounts and may be billed for all credits received by the household for making in-full and on-time payments.

**REVERIFICATION OF INCOME**

In order to remain on the PIPP program, eligible households must pay on-time and in-full each month, reverify eligibility annually, and reverify when their income or number of household members changes as well as when they move.

The household's Reverification Date will be printed on the household's electricity bill. The Reverification Date is the date the household's application/renewal was processed and the date by which they must verify their household size and household income each year.

Households are required to reverify their PIPP eligibility annually or at any point throughout the year if they have a change in their household income, a change in the number of household members, or the household moves.

Households will be notified by mail 30 days prior to their Reverification Date. The letter will remind the household of their Reverification Date and the information required to reverify. It will also state that household may be removed from the program if they do not reverify by their Reverification Date.

**PIPP CASE CLOSURE**

The household will be removed from the PIPP and the case closed due to any of the following actions:

<b>Household Voluntarily Leaves PIPP Due To:</b>
Joined Utility/Electricity Payment Plan
Utility/Electric bill is less than the PIPP amount
PIPP amount may be less than the actual bill, but more than the household can pay
Switching to 3rd Party Suppliers
Household request
Household enrolled in error
Finalized account; moved, or put in different name

<b>Household Is Removed From PIPP Due To:</b>
Over Income
Household Failed to Reverify
Household Disconnected for 2 Consecutive Months (Account Default)
Theft of Service
Tampering
Household Not Current with PIPP Installments (Account Default)
Shared (Master) Meter (Master Meter - A utility/electricity meter installed in a multi-unit dwelling. The utility/electric company codes these accounts commercial. If the household in a master-metered situation is responsible for paying utility/electricity cost separately from rent costs, each household is eligible for a separate energy assistance benefit up to the annually adjusted maximum amount. Accounts that are coded commercial are not eligible for enrollment in the PIPP program.)
PIPP Funds are Exhausted

**RESUMING PIPP AFTER PIPP CASE CLOSURE**

The household may reapply for PIPP at any time after closure of the case. The household must complete the following actions to be approved for the PIPP after case closure:

<b>Circumstances</b>	<b>To Resume PIPP</b>
Household voluntarily left PIPP and wants to re-enroll within 12 months	Must pay all PIPP installments for the time he/she was not on PIPP minus any payments made during that same time period up to the household's arrearages
Household voluntarily left PIPP and wants to re-enroll after 12 months, and has no outstanding arrearages	Required to pay the first PIPP installment
Household voluntarily left PIPP and wants to re-enroll after 12 months, and has outstanding arrearages	Required to pay missed PIPP installments for the number of months he/she was not on the program, minus payments made during that period, up to the household's arrearages in addition to the first PIPP installment
Case closure was due to the disconnection of service	Any past due installments, installments for months they were not on the program, including the time they were disconnected, plus reconnection fees, minus payments made, not to exceed the account balance
Case closure was due to all other non-voluntary removal reasons	All missed PIPP installments plus monthly charges for those months that the service was on, minus any payments made, up to the account balance
Case closure was due to noncompliance removal	Household may be banned from PIPP for 12 months and may have to pay back accrued and accruing credits household received

14. **ENERGY CONSERVATION EDUCATION**

For PIPP participants, being an informed consumer is important. There are many actions that can be incorporated into a household's daily living to reduce energy consumption and potentially lower utility bills. The PIPP contains an educational component to provide useful information and guidance for participants.

The purpose of these educational efforts is to share energy saving tips, simple low cost or no cost 'do-it-yourself' measures and other tools that will aid participants in reducing their energy burden and making their homes warmer in the winter, cooler in the summer and safer year round. Information may also be distributed on household budgeting to help a participant to stay current on their PIPP utility payments and avoid future arrearages or involuntary removal from the PIPP.

When enrolling in the PIPP, a participant must agree to receive information and learning tools through a variety of media. This may include printed materials, mailers, bill inserts, or electronic information sent through email or social media postings distributed at various points in time.

These contacts may be generated by the participant's electric utility company, the VDSS, or the Virginia Department of Housing and Community Development (DHCD).

15. **ENERGY AUDIT**

PIPP participants will reside in a variety of housing units. Eligible participants may be homeowners or renters. Participants may live in a variety of housing types including single family units, duplexes, multi-family buildings or manufactured housing units.

All PIPP participants will have an opportunity to receive an energy audit of their housing unit based on the type of housing. The audit will be provided at no cost to the PIPP participant and will be conducted by a qualified individual contracted through the DHCD to provide the service. At the time of the PIPP approval, the VDSS may refer the case to the DHCD for scheduling of the audit. DHCD will provide confirmation to the VDSS via a secure data file exchange to confirm when an energy audit has been completed. At that time, the VDSS will provide payment to the DHCD for the audit; payment will be based on a previously established fee as agreed to by the VDSS, the DHCD, DE, and APCo.

The audit will involve a visual inspection of all levels of the home, attic, basement or crawl space and will result in a report of suggested measures that, if completed, will increase the energy efficiency and/or safety of the home.

Based on the type of unit, assessment and condition of the unit, the PIPP participant may also be referred to receive additional energy efficiency measures at no cost. These services will be provided through a network of established non-profit organizations across the State. The programs are provided using various federal, State and utility resources and include energy efficiency measures such as light bulbs, insulation, air sealing, furnace clean and tune, water heater wraps, ASHRAE fans for air circulation, smoke and carbon monoxide detectors.

There may be extenuating circumstances that could prohibit either the assessment, installation of the additional energy efficiency measures, or both. Such circumstances may include, but are not limited to:

- Illegal drugs or drug use visible on the property;
- Threatening language, actions or behavior by the resident to the contractor;
- Physical conditions that prohibit the contractor from safely moving through the unit (i.e., boxes, trash, furniture, etc.);
- Building conditions that may compromise the integrity of any installed energy efficiency measures (roof damage, plumbing leaks);
- If the unit was previously weatherized using federal funds after September 30, 1994, federal law prohibits re-weatherization with additional federal weatherization resources; or
- Resident's failure to keep appointments.

Failure to have the audit completed or to install the additional energy efficiency measures will not impact PIPP eligibility.

# Data Summary



Total Projected Bills	\$	62,979,715.60
Total Balances Owed	\$	7,139,357.85
Total Amount Due	\$	70,119,073.45
PIPP Payments	\$	32,405,449.16
Total Less PIPP Payments	\$	37,713,624.29
Other Energy Assistance	\$	(24,253,210.08)
Total PIPP Payout	\$	13,460,414.21

	Space Heating	
Yes		19783
No		10721
Participating customer estimate		30504
Min Income	\$	-
Max income	\$	38,730.00
Total Benefit	\$	13,460,414.21
Benefit per customer	\$	441.27
Monthly Benefit	\$	36.77

# Revenue Requirement Calculation

APCo Exhibit No. \_\_\_\_\_

Attachment 3

Page 1 of 1

240430053

A	Total DSS and DHCD Admin. Costs	\$	5,500,000.00
B	APCo Share		20%
C = A * B	APCo Share Calculation	\$	1,100,000.00
D	Information Technology Expenses	\$	692,808.88
E	Bussiness Unit Expenses	\$	76,961.31
F = D + E	Combined Expenses	\$	769,770.19
G	Weighted Cost of Debt		4.94%
H = G * F	Total Financing Cost	\$	38,057.05
I = H + F	Total Development Cost	\$	807,827.25
J	Projected Customer Benefits	\$	13,460,414.21
K = J + I	Total Revenue Requirement	\$	15,368,241.46
L	Reserve PIPP Fund Amount	\$	5,000,000.00
M = L + K	Proposed Revenue Requirement	\$	20,368,241.46
N	VA Jurisdictional Allocator		94.5210%
O = M * N	VA Jurisdicitonal Revenue Requirement	\$	19,252,260.69

## Rate Calculation

P	VA Jurisdictional Usage (mWh)		14556877.21
Q = O / P	Proposed kWh Rate	\$	0.00132



VA. S.C.C. TARIFF NO. 27

**NBP RIDER P.I.P.P.**  
**(Percentage of Income Payment Program)**

This Rider is designed to collect the Universal Service Fee (USF) to fund the Percentage of Income Payment Program in accordance with Section 56-585.6 of the Code of Virginia.

**AVAILABILITY OF SERVICE**

The Universal Service Fee will be applied to all customer service rendered under the Applicable Schedules or special contracts. The USF shall be calculated by multiplying the customer's kWh by ~~0.00407~~0.007132 ¢ per kilowatt-hour.

The Percentage of Income Payment Program shall remain in effect until such time as modified by the Commission.

Issued: July 22, 2022  
Pursuant to Final Order  
Dated: July 15, 2022

Effective: June 1, 2024

Case No. PUR-2021-00206 & PUR-2020-00117

V.A. S.C.C. TARIFF NO. 27

NBP RIDER O.A.D. -P.I.P.P.

(Open Access Distribution – Percentage of Income Payment Program)

This Rider is designed to collect the Universal Service Fee (USF) to fund the Percentage of Income Payment Program in accordance with Section 56-585.6 of the Code of Virginia.

**AVAILABILITY OF SERVICE**

The Universal Service Fee will be applied to all customer service rendered under the Applicable Schedules or special contracts. The USF shall be calculated by multiplying the customer's kWh by ~~0.00407~~ 0.00407132 ¢ per kilowatt-hour.

The Percentage of Income Payment Program shall remain in effect until such time as modified by the Commission.

Issued: July 22, 2022  
Pursuant to Final Order  
Dated: July 15, 2022  
Case PUR-2021-00206

Effective: June 1, 2024

V.A. S.C.C. TARIFF NO. 27

NBP RIDER F.O.A.D. -P.I.P.P.

(FRR Open Access Distribution – Percentage of Income Payment Program)

This Rider is designed to collect the Universal Service Fee (USF) to fund the Percentage of Income Payment Program in accordance with Section 56-585.6 of the Code of Virginia.

**AVAILABILITY OF SERVICE**

The Universal Service Fee will be applied to all customer service rendered under the Applicable Schedules or special contracts. The USF shall be calculated by multiplying the customer's kWh by ~~0.00407~~0.0047132 ¢ per kilowatt-hour.

The Percentage of Income Payment Program shall remain in effect until such time as modified by the Commission.

Issued: July 22, 2022

Pursuant to Final Order

Dated: July 15, 2022

Case No. PUR-2021-00206 & PUR-2020-00117

Effective: September 7, 2021

VA. S.C.C. TARIFF NO. 27

**NBP RIDER P.I.P.P.**  
**(Percentage of Income Payment Program)**

This Rider is designed to collect the Universal Service Fee (USF) to fund the Percentage of Income Payment Program in accordance with Section 56-585.6 of the Code of Virginia.

**AVAILABILITY OF SERVICE**

The Universal Service Fee will be applied to all customer service rendered under the Applicable Schedules or special contracts. The USF shall be calculated by multiplying the customer's kWh by 0.132 ¢ per kilowatt-hour.

The Percentage of Income Payment Program shall remain in effect until such time as modified by the Commission.

Issued: July 22, 2022  
Pursuant to Final Order  
Dated: July 15, 2022

Effective: June 1, 2024

Case No. PUR-2021-00206 & PUR-2020-00117

VA. S.C.C. TARIFF NO. 26

NBP RIDER O.A.D. - P.I.P.P.

(Open Access Distribution - Percentage of Income Payment Program)

This Rider is designed to collect the Universal Service Fee (USF) to fund the Percentage of Income Payment Program in accordance with Section 56-585.6 of the Code of Virginia.

**AVAILABILITY OF SERVICE**

The Universal Service Fee will be applied to all customer service rendered under the Applicable Schedules or special contracts. The USF shall be calculated by multiplying the customer's kWh by 0.132 ¢ per kilowatt-hour.

The Percentage of Income Payment Program shall remain in effect until such time as modified by the Commission.

**V.A. S.C.C. TARIFF NO. 27**

**NBP RIDER F.O.A.D. -P.I.P.P.**

**(FRR Open Access Distribution – Percentage of Income Payment Program)**

This Rider is designed to collect the Universal Service Fee (USF) to fund the Percentage of Income Payment Program in accordance with Section 56-585.6 of the Code of Virginia.

**AVAILABILITY OF SERVICE**

The Universal Service Fee will be applied to all customer service rendered under the Applicable Schedules or special contracts. The USF shall be calculated by multiplying the customer's kWh by 0.132 ¢ per kilowatt-hour.

The Percentage of Income Payment Program shall remain in effect until such time as modified by the Commission.

**Issued: July 22, 2022  
Pursuant to Final Order  
Dated: July 15, 2022  
Case PUR-2021-00206**

**Effective: June 1, 2024**

CERTIFICATE OF SERVICE

I hereby certify that on this 12<sup>th</sup> day of April 2024 a true copy of the foregoing was delivered by electronic mail to the following:

Raymond L. Doggett, Jr.  
Arlen K. Bolstad  
Andrew F. Major  
Office of General Counsel  
State Corporation Commission  
*raymond.doggett@scc.virginia.gov*  
*arlen.bolstad@scc.virginia.gov*  
*andrew.major@scc.virginia.gov*

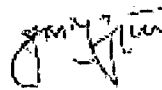
C. Meade Browder, Jr.  
John E. Farmer, Jr.  
Justin I. Bell  
Ellen R. Malenke  
Division of Consumer Counsel  
Office of the Attorney General  
*mbrowder@oag.state.va.us*  
*jfarmer@oag.state.va.us*  
*jbelle@oag.state.va.us*  
*emalenke@oag.state.va.us*

Nathaniel H. Benforado  
Southern Environmental Law Center  
*nbenforado@selcva.org*

Matthew L. Gooch  
William T. Reisinger  
ReisingerGooch, PLC  
*matt@reisingergooch.com*  
*will@reisingergooch.com*

Timothy G. McCormick  
Louis R. Monacell  
Edward L. Petrini  
Christian & Barton, LLP  
*epetrini@cblaw.com*  
*lmonacell@cblaw.com*  
*tmccormick@cblaw.com*

Shaun C. Mohler  
Stone Mattheis Xenopoulos & Brew, PC  
*scm@smxblaw.com*



---