

Second Regular Session
Seventy-fifth General Assembly
STATE OF COLORADO

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 26-0061.01 Christopher McMichael x4775

SENATE BILL 26-002

SENATE SPONSORSHIP

Kipp and Exum,

HOUSE SPONSORSHIP

Willford,

Senate Committees

Transportation & Energy
Appropriations

House Committees

A BILL FOR AN ACT

101 **CONCERNING ENERGY AFFORDABILITY, AND, IN CONNECTION**
102 **THEREWITH, ESTABLISHING A PERCENTAGE-OF-INCOME**
103 **PAYMENT PLAN PROGRAM FOR INCOME-QUALIFIED UTILITY**
104 **CUSTOMERS.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)

The bill requires an investor-owned electric utility (utility) to submit a proposal to the public utilities commission (PUC) that establishes a first allotment of residential electricity service (FARE

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words or numbers indicate deletions from existing law.

service) program.

The FARE service program provides a minimum level of electricity at a marginal cost rate for income-qualified utility customers. A FARE service proposal that a utility submits to the PUC must include:

- The amount of electricity that qualifies as a minimum level of electricity for an average income-qualified utility customer based on monthly usage to support a customer's basic needs;
- A marginal cost rate on a per-kilowatt-hour basis for delivering electricity to a customer, which marginal cost rate must be lower than the residential customer rate that the income-qualified utility customer would normally be charged; and
- A description of the process by which an income-qualified utility customer may enroll in the FARE service program.

The PUC shall approve a utility's FARE service proposal if the PUC determines that the proposed FARE service would be in the public interest.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1. In Colorado Revised Statutes, add 40-3-122 as**
3 **follows:**

4 **40-3-122. Energy affordability - percentage-of-income**
5 **payment plan program - eligibility and participation - cost recovery**
6 **- definitions - rules.**

7 **(1) Definitions. AS USED IN THIS SECTION, UNLESS THE CONTEXT**
8 **OTHERWISE REQUIRES:**

9 **(a) (I) "ADMINISTRATIVE COSTS" MEANS A UTILITY'S DIRECT COSTS**
10 **FOR LABOR, INCLUDING APPLICABLE BENEFIT LOADINGS, MATERIALS, AND**
11 **OTHER VERIFIABLE EXPENDITURES DIRECTLY RELATED TO THE**
12 **ADMINISTRATION AND OPERATION OF A PIPP PROGRAM.**

13 **(II) ADMINISTRATIVE COSTS MUST NOT EXCEED TEN PERCENT OF**
14 **THE TOTAL AMOUNT OF THE FIXED CREDITS APPLIED TO CUSTOMER BILLS**
15 **FOR CURRENT USAGE AND PRE-EXISTING ARREARAGES, OR TEN THOUSAND**

1 DOLLARS, WHICHEVER AMOUNT IS GREATER.

2 (b) "AFFORDABLE PERCENTAGE OF INCOME" MEANS THE AMOUNT
3 OF A PARTICIPANT'S ANNUAL BILL THAT IS DEEMED AFFORDABLE BASED ON
4 A PARTICIPANT'S ANNUAL HOUSEHOLD INCOME, AS DETERMINED
5 PURSUANT TO SUBSECTIONS (4)(b) AND (4)(c) OF THIS SECTION.

6 (c) "ARREARAGE" MEANS THE PAST-DUE BALANCE OWED BY A
7 PARTICIPANT IN A PERCENTAGE-OF-INCOME PAYMENT PLAN PROGRAM FOR
8 UTILITY SERVICE, AS SHOWN ON THE MOST RECENT BILL RECEIVED BY THE
9 PARTICIPANT BEFORE THE PARTICIPANT ENROLLS IN THE PIPP PROGRAM.

10 (d) (I) "FIXED CREDIT" MEANS AN ANNUAL BILL CREDIT THAT IS
11 CALCULATED BY A UTILITY AT THE BEGINNING OF A PARTICIPANT'S
12 PARTICIPATION IN THE UTILITY'S PIPP PROGRAM EACH YEAR AND IS
13 DELIVERED AS AN EQUAL MONTHLY CREDIT ON THE PARTICIPANT'S
14 MONTHLY UTILITY BILL.

15 (II) THE FIXED CREDIT IS EQUAL TO THE PARTICIPANT'S TOTAL
16 PROJECTED FULL ANNUAL BILL MINUS THE PARTICIPANT'S AFFORDABLE
17 PERCENTAGE OF INCOME PAYMENT.

18 (e) "FULL ANNUAL BILL" MEANS THE PROJECTED ELECTRICITY
19 CONSUMPTION OF A PARTICIPANT IN ONE CALENDAR YEAR BILLED AT
20 STANDARD RESIDENTIAL RATES BEFORE ANY FIXED CREDIT AMOUNT OR
21 OTHER CREDITS OR DISCOUNTS ARE APPLIED TO THE BILL.

22 (f) "INCOME-QUALIFIED UTILITY CUSTOMER" HAS THE MEANING
23 SET FORTH IN SECTION 40-3-106 (1)(d)(II).

24 (g) "INVESTOR-OWNED UTILITY" OR "UTILITY" MEANS A RETAIL
25 ELECTRIC UTILITY OR A COMBINED RETAIL ELECTRIC AND GAS UTILITY IN
26 THE STATE THAT IS REGULATED BY THE COMMISSION AND IS NOT A
27 COOPERATIVE ELECTRIC ASSOCIATION OR A MUNICIPALLY OWNED UTILITY.

1 (h) "PARTICIPANT" MEANS AN INCOME-QUALIFIED UTILITY
2 CUSTOMER WHO IS APPROVED FOR PARTICIPATION IN A UTILITY'S
3 PERCENTAGE-OF-INCOME PAYMENT PLAN PROGRAM.

4 (i) "PERCENTAGE-OF-INCOME PAYMENT PLAN PROGRAM" OR "PIPP
5 PROGRAM" MEANS A PAYMENT PLAN PROGRAM FOR RESIDENTIAL
6 PARTICIPANTS IN WHICH A PARTICIPANT'S UTILITY BILL DOES NOT EXCEED
7 AN AFFORDABLE PERCENTAGE OF INCOME.

8 (j) "PIPP CHARGE" MEANS A FEE CHARGED TO AN
9 INVESTOR-OWNED UTILITY'S CUSTOMERS IN ACCORDANCE WITH
10 SUBSECTION (7) OF THIS SECTION TO RECOVER COSTS ASSOCIATED WITH
11 THE UTILITY'S PIPP PROGRAM.

12 (k) "UNAFFORDABLE PORTION" MEANS THE AMOUNT OF A
13 PARTICIPANT'S ESTIMATED FULL ANNUAL BILL THAT EXCEEDS THE
14 AFFORDABLE PERCENTAGE OF INCOME PAID BY THE PARTICIPANT.

15 **(2) Percentage-of-income payment plan program.**

16 (a) AN INVESTOR-OWNED UTILITY SHALL ESTABLISH A
17 PERCENTAGE-OF-INCOME PAYMENT PLAN PROGRAM FOR RESIDENTIAL
18 INCOME-QUALIFIED UTILITY CUSTOMERS.

19 (b) AN INVESTOR-OWNED UTILITY SHALL USE CONSISTENT NAMING
20 FOR THE PIPP PROGRAM IN TARIFFS, RATES, CUSTOMER COMMUNICATIONS,
21 AND BILL STATEMENTS, WHICH NAME MUST INCLUDE THE WORDS
22 "PERCENTAGE-OF-INCOME PAYMENT PLAN PROGRAM".

23 (c) AN INVESTOR-OWNED UTILITY SHALL PUBLISH THE FOLLOWING
24 INFORMATION RELATED TO THE PIPP PROGRAM ON THE UTILITY'S PUBLIC
25 WEBSITE:

26 (I) THE INCOME ELIGIBILITY CRITERIA FOR THE PIPP PROGRAM;

27 (II) AN EXPLANATION OF WHAT THE PIPP PROGRAM DOES;

1 (III) THE APPLICATION AND ENROLLMENT PROCESSES;

2 (IV) AN ESTIMATED TIME FRAME FOR WHEN AN APPLICANT WILL
3 RECEIVE NOTICE OF THEIR ACCEPTANCE INTO OR DENIAL FROM THE PIPP
4 PROGRAM;

5 (V) AFFORDABLE PERCENTAGE OF INCOME AMOUNTS FOR
6 DIFFERENT TYPES OF CUSTOMERS, AS DESCRIBED IN SUBSECTION (4) OF
7 THIS SECTION;

8 (VI) PIPP CHARGE AMOUNTS; AND

9 (VII) THE TERMS AND CONDITIONS FOR THE UTILITY'S PIPP
10 PROGRAM.

11 **(3) Eligibility and participation.**

12 (a) AN INCOME-QUALIFIED UTILITY CUSTOMER IS ELIGIBLE TO
13 PARTICIPATE IN THE PERCENTAGE-OF-INCOME PAYMENT PLAN PROGRAM
14 IF THE CUSTOMER:

15 (I) MEETS THE INCOME ELIGIBILITY CRITERIA, AS DETERMINED BY
16 THE COMMISSION BY ORDER OR BY RULE;

17 (II) EITHER:

18 (A) SUBMITS AN APPLICATION TO THE INVESTOR-OWNED UTILITY
19 TO PARTICIPATE IN THE PIPP PROGRAM; OR

20 (B) IS REFERRED BY ANOTHER INCOME-ELIGIBLE ASSISTANCE
21 PROGRAM OFFERED BY THE DEPARTMENT OF HUMAN SERVICES, CREATED
22 IN SECTION 26-1-105; THE COLORADO ENERGY OFFICE, CREATED IN
23 SECTION 24-38.5-101; THE ORGANIZATION DEFINED IN SECTION 40-8.7-103
24 (4); OR OTHER ENERGY ASSISTANCE PROGRAM APPROVED BY THE
25 COMMISSION; AND

26 (III) LIVES IN THE SERVICE AREA OF AN INVESTOR-OWNED UTILITY
27 THAT HAS ESTABLISHED A PIPP PROGRAM.

1 (b) (I) AN APPLICANT THAT SUBMITS A PIPP PROGRAM
2 APPLICATION TO AN INVESTOR-OWNED UTILITY MAY SUBMIT
3 DOCUMENTATION WITH THE APPLICATION VERIFYING THAT THE APPLICANT
4 MEETS THE INCOME ELIGIBILITY CRITERIA, INCLUDING:

5 (A) DOCUMENTATION THAT THE APPLICANT IS ENROLLED IN
6 ANOTHER INCOME-ELIGIBLE ASSISTANCE PROGRAM OFFERED BY THE
7 DEPARTMENT OF HUMAN SERVICES, CREATED IN SECTION 26-1-105; THE
8 COLORADO ENERGY OFFICE, CREATED IN SECTION 24-38.5-101; THE
9 ORGANIZATION DEFINED IN SECTION 40-8.7-103 (4); OR OTHER ENERGY
10 ASSISTANCE PROGRAM APPROVED BY THE COMMISSION; OR

11 (B) A SELF-ATTESTATION, THROUGH A PROCESS ESTABLISHED BY
12 THE UTILITY FOR THE PIPP PROGRAM, OF THE APPLICANT'S INCOME
13 ELIGIBILITY.

14 (II) IF AN APPLICANT'S HOUSEHOLD INCOME IS ZERO DOLLARS, THE
15 UTILITY MAY ESTABLISH A PROCESS THAT VERIFIES THE APPLICANT'S
16 HOUSEHOLD INCOME ON A MORE FREQUENT THAN ANNUAL BASIS.

17 (c) AN APPLICANT IS NOT REQUIRED TO MAKE A PAYMENT ON THE
18 APPLICANT'S ACCOUNT AS A CONDITION OF ACCEPTANCE INTO A PIPP
19 PROGRAM.

20 (d) AN INVESTOR-OWNED UTILITY SHALL ESTABLISH APPLICATION
21 AND PARTICIPATION PROCEDURES THAT ARE EFFICIENT, AVAILABLE TO
22 APPLICANTS IN PLAIN LANGUAGE, AND INTENDED TO MAXIMIZE
23 PARTICIPATION IN THE UTILITY'S PIPP PROGRAM.

24 (e) (I) WITHIN THIRTY DAYS AFTER RECEIVING A PIPP PROGRAM
25 APPLICATION FROM AN INCOME-QUALIFIED UTILITY CUSTOMER, AN
26 INVESTOR-OWNED UTILITY SHALL APPROVE OR DENY THE
27 INCOME-QUALIFIED UTILITY CUSTOMER'S APPLICATION.

1 (II) IF THE INVESTOR-OWNED UTILITY APPROVES AN
2 INCOME-QUALIFIED UTILITY CUSTOMER'S APPLICATION FOR PARTICIPATION
3 IN THE PIPP PROGRAM, THE UTILITY SHALL PROVIDE AN EXPLANATION OF
4 THE PIPP PROGRAM BENEFITS, INCLUDING:

5 (A) THE PARTICIPANT'S ESTIMATED FULL ANNUAL BILL AMOUNT;

6 (B) THE PARTICIPANT'S FIXED CREDIT AMOUNT;

7 (C) THE AFFORDABLE PERCENTAGE OF INCOME FOR WHICH THE
8 PARTICIPANT IS RESPONSIBLE FOR PAYING, LISTED AS BOTH A PERCENTAGE
9 AND AN ESTIMATED MONTHLY AMOUNT; AND

10 (D) A COPY OF THE TERMS AND CONDITIONS OF PARTICIPATION IN
11 THE PIPP PROGRAM.

12 (III) IF THE INVESTOR-OWNED UTILITY DENIES AN APPLICANT'S
13 APPLICATION FOR PARTICIPATION IN THE PIPP PROGRAM, THE UTILITY
14 SHALL PROVIDE THE APPLICANT AN EXPLANATION FOR THE DENIAL AND,
15 IF THE REASON FOR THE DENIAL WAS BASED ON THE UTILITY'S
16 VERIFICATION OF THE APPLICANT'S HOUSEHOLD INCOME IN ACCORDANCE
17 WITH SUBSECTION (3)(b) OF THIS SECTION, THE DEPARTMENT, AGENCY, OR
18 ORGANIZATION THAT THE UTILITY CONTACTED TO VERIFY THE
19 APPLICANT'S HOUSEHOLD INCOME.

20 (IV) IF AN INCOME-QUALIFIED UTILITY CUSTOMER IS ACCEPTED
21 INTO THE PIPP PROGRAM, THE CUSTOMER SHALL REMAIN QUALIFIED FOR
22 THE PIPP PROGRAM FOR TWO PROGRAM YEARS AFTER THE DATE ON WHICH
23 THE CUSTOMER IS ACCEPTED INTO THE PROGRAM.

24 (f) (I) AN INVESTOR-OWNED UTILITY IS RESPONSIBLE FOR
25 ESTABLISHING AND ADMINISTERING THE PROCESS FOR INCOME-QUALIFIED
26 UTILITY CUSTOMERS TO APPLY FOR PARTICIPATION AND MAINTAINING
27 ENROLLMENT IN THE PIPP PROGRAM.

1 (II) A PARTICIPANT MAY REMAIN ENROLLED IN A UTILITY'S PIPP
2 PROGRAM IF THE PARTICIPANT MOVES WITHIN THE SAME UTILITY SERVICE
3 TERRITORY WITHOUT REAPPLYING FOR PARTICIPATION IN THE PIPP
4 PROGRAM, AND THE PARTICIPANT SHALL NOTIFY THE UTILITY OF THE
5 PARTICIPANT'S CHANGE OF ADDRESS AND NEW ACCOUNT NUMBER.

6 (III) IF A PARTICIPANT MOVES OUTSIDE OF A UTILITY'S SERVICE
7 TERRITORY, THE PARTICIPANT IS NO LONGER ELIGIBLE FOR THE UTILITY'S
8 PIPP PROGRAM AND THE UTILITY SHALL SEND NOTICE TO THE PARTICIPANT
9 THAT THE PARTICIPANT'S ELIGIBILITY FOR AND ENROLLMENT IN THE PIPP
10 PROGRAM HAS ENDED.

11 (g) IF A PARTICIPANT MAKES PARTIAL OR LATE PAYMENTS ON
12 THEIR UTILITY BILL, THE INVESTOR-OWNED UTILITY SHALL NOT
13 TERMINATE THE PARTICIPANT'S PARTICIPATION IN THE PIPP PROGRAM
14 SOLELY FOR THAT REASON. HOWEVER, THE UTILITY MAY PURSUE
15 COLLECTION EFFORTS FOR THE UNPAID AMOUNTS.

16 **(4) Affordable percentage of income calculation.**

17 (a) (I) AN INVESTOR-OWNED UTILITY SHALL ESTIMATE A
18 PARTICIPANT'S FULL ANNUAL BILL IN ORDER TO DETERMINE A
19 PARTICIPANT'S AFFORDABLE PERCENTAGE OF INCOME PAYMENT IN
20 ACCORDANCE WITH SUBSECTIONS (4)(b) AND (4)(c) OF THIS SECTION.

21 (II) AN INVESTOR-OWNED UTILITY SHALL INCLUDE THE
22 DIFFERENCE BETWEEN A PARTICIPANT'S AFFORDABLE PERCENTAGE OF
23 INCOME PAYMENT AND THE PROJECTED FULL ANNUAL BILL ON THE
24 PARTICIPANT'S UTILITY BILL AS A FIXED CREDIT.

25 (III) AN INVESTOR-OWNED UTILITY MAY ADJUST THE FIXED CREDIT
26 AMOUNT IF RESIDENTIAL RATES FOR ELECTRICITY SIGNIFICANTLY CHANGE
27 FROM THE RATE USED TO ESTIMATE THE PARTICIPANT'S FULL ANNUAL BILL

1 OR IF THE PARTICIPANT'S ACTUAL BILL AMOUNT VARIES BY TWENTY-FIVE
2 PERCENT OR MORE FROM THE PARTICIPANT'S ESTIMATED FULL ANNUAL
3 BILL.

4 (b) UNLESS OTHERWISE DETERMINED BY THE COMMISSION BY
5 ORDER OR BY RULE, IF A PARTICIPANT'S ANNUAL HOUSEHOLD INCOME IS
6 ABOVE ZERO DOLLARS, A PARTICIPANT'S AFFORDABLE PERCENTAGE OF
7 INCOME MUST NOT EXCEED THE APPLICABLE PERCENTAGE OF HOUSEHOLD
8 INCOME AS FOLLOWS:

9 (I) FOR UTILITIES WITH FIVE HUNDRED THOUSAND CUSTOMERS OR
10 FEWER:

11 (A) FOR ELECTRIC ACCOUNTS THAT HAVE ELECTRICITY AS THE
12 PRIMARY HEATING FUEL, A PARTICIPANT'S AFFORDABLE PERCENTAGE OF
13 INCOME PAYMENT MUST NOT BE GREATER THAN SIX PERCENT OF THE
14 PARTICIPANT'S HOUSEHOLD INCOME;

15 (B) FOR ELECTRIC ACCOUNTS THAT DO NOT HAVE ELECTRICITY AS
16 THE PRIMARY HEATING FUEL, A PARTICIPANT'S AFFORDABLE PERCENTAGE
17 OF INCOME PAYMENT MUST NOT BE GREATER THAN THREE PERCENT OF THE
18 PARTICIPANT'S HOUSEHOLD INCOME;

19 (C) FOR ACCOUNTS THAT HAVE BOTH NATURAL GAS SERVICE AND
20 ELECTRIC SERVICE FROM A SINGLE UTILITY, A PARTICIPANT'S AFFORDABLE
21 PERCENTAGE OF INCOME PAYMENT MUST NOT BE GREATER THAN FIVE
22 PERCENT OF THE PARTICIPANT'S HOUSEHOLD INCOME; OR

23 (D) FOR ACCOUNTS THAT HAVE NEITHER ELECTRICITY NOR
24 NATURAL GAS AS A PRIMARY HEATING SOURCE, A PARTICIPANT'S
25 AFFORDABLE PERCENTAGE OF INCOME PAYMENT MUST NOT BE GREATER
26 THAN FIVE PERCENT OF THE PARTICIPANT'S HOUSEHOLD INCOME; AND

27 (II) FOR UTILITIES WITH MORE THAN FIVE HUNDRED THOUSAND

1 CUSTOMERS:

2 (A) FOR ELECTRIC ACCOUNTS THAT HAVE ELECTRICITY AS THE
3 PRIMARY HEATING FUEL, A PARTICIPANT'S AFFORDABLE PERCENTAGE OF
4 INCOME PAYMENT MUST NOT BE GREATER THAN FOUR PERCENT OF THE
5 PARTICIPANT'S HOUSEHOLD INCOME;

6 (B) FOR ELECTRIC ACCOUNTS THAT DO NOT HAVE ELECTRICITY AS
7 THE PRIMARY HEATING FUEL, A PARTICIPANT'S AFFORDABLE PERCENTAGE
8 OF INCOME PAYMENT MUST NOT BE GREATER THAN TWO PERCENT OF THE
9 PARTICIPANT'S HOUSEHOLD INCOME;

10 (C) FOR ACCOUNTS THAT HAVE BOTH NATURAL GAS SERVICE AND
11 ELECTRIC SERVICE FROM A SINGLE UTILITY, A PARTICIPANT'S AFFORDABLE
12 PERCENTAGE OF INCOME PAYMENT MUST NOT BE GREATER THAN FIVE
13 PERCENT OF THE PARTICIPANT'S HOUSEHOLD INCOME; OR

14 (D) FOR ACCOUNTS THAT HAVE NEITHER ELECTRICITY NOR
15 NATURAL GAS AS A PRIMARY HEATING SOURCE, A PARTICIPANT'S
16 AFFORDABLE PERCENTAGE OF INCOME PAYMENT MUST NOT BE GREATER
17 THAN FIVE PERCENT OF THE PARTICIPANT'S HOUSEHOLD INCOME.

18 (c) IF A PARTICIPANT'S ANNUAL HOUSEHOLD INCOME IS ZERO
19 DOLLARS, A PARTICIPANT'S AFFORDABLE PERCENTAGE OF INCOME MUST
20 NOT EXCEED THE APPLICABLE PERCENTAGE OF HOUSEHOLD INCOME AS
21 FOLLOWS:

22 (I) FOR AN ELECTRIC HEATING ACCOUNT, THE PARTICIPANT'S
23 AFFORDABLE PERCENTAGE OF INCOME PAYMENT MUST NOT BE MORE THAN
24 TWENTY DOLLARS PER MONTH; OR

25 (II) FOR AN ELECTRIC NONHEATING ACCOUNT, THE PARTICIPANT'S
26 AFFORDABLE PERCENTAGE OF INCOME PAYMENT MUST NOT BE MORE THAN
27 TEN DOLLARS PER MONTH.

1 **(5) Arrearage credits.**

2 **(a) (I) AN INVESTOR-OWNED UTILITY SHALL APPLY ARREARAGE**
3 **CREDITS TO A PARTICIPANT'S ARREARAGES THAT EXISTED BEFORE THE**
4 **PARTICIPANT APPLIED FOR THE PIPP PROGRAM.**

5 **(II) ARREARAGE CREDITS MUST BE ESTABLISHED AND APPLIED TO**
6 **A PARTICIPANT'S UTILITY BILL IN AN AMOUNT SUFFICIENT TO REDUCE,**
7 **WHEN COMBINED WITH ANY REQUIRED PAYMENTS FROM THE PARTICIPANT,**
8 **THE PARTICIPANT'S ARREARAGES TO ZERO DOLLARS OVER A PERIOD OF NOT**
9 **LESS THAN ONE MONTH AND NOT MORE THAN TWENTY-FOUR MONTHS.**

10 **(b) AN INVESTOR-OWNED UTILITY MAY CONDITION THE**
11 **APPLICATION OF ARREARAGE CREDITS ON THE FOLLOWING:**

12 **(I) A PARTICIPANT'S TIMELY PAYMENT OF BILLS FOR CURRENT**
13 **USAGE; OR**

14 **(II) A PARTICIPANT'S PAYMENT TOWARD PREEXISTING**
15 **ARREARAGES, EXCEPT THAT THE TOTAL DOLLAR AMOUNT OF THE**
16 **PAYMENT REQUIRED BY THE UTILITY MUST NOT EXCEED ONE PERCENT OF**
17 **THE PARTICIPANT'S ANNUAL HOUSEHOLD INCOME.**

18 **(c) IF A PARTICIPANT'S ENROLLMENT IN THE PIPP PROGRAM ENDS**
19 **FOR ANY REASON PRIOR TO THE FORGIVENESS OF ALL ARREARAGES, ANY**
20 **REMAINING ARREARAGES BECOME DUE IN ACCORDANCE WITH THE**
21 **UTILITY'S CURRENT TARIFF FILED WITH THE COMMISSION AT THE TIME OF**
22 **THE TERMINATION.**

23 **(d) WHILE A PARTICIPANT IS ENROLLED IN A UTILITY'S PIPP**
24 **PROGRAM, THE UTILITY SHALL NOT TERMINATE THE PARTICIPANT'S**
25 **SERVICE FOR NONPAYMENT OF THE ARREARAGES.**

26 **(e) A PARTICIPANT MAY RECEIVE ARREARAGE CREDITS PURSUANT**
27 **TO THIS SECTION REGARDLESS OF WHETHER THE PARTICIPANT RECEIVES A**

1 CREDIT TOWARD A UTILITY BILL FOR CURRENT USAGE.

2 **(6) Participation in other assistance programs.**

3 (a) THIS SECTION DOES NOT PROHIBIT AN INCOME-QUALIFIED
4 UTILITY CUSTOMER FROM PARTICIPATING IN OTHER ENERGY ASSISTANCE
5 PROGRAMS WHILE ENROLLED IN A PERCENTAGE-OF-INCOME PAYMENT
6 PLAN PROGRAM.

7 (b) AN INVESTOR-OWNED UTILITY MAY APPLY ENERGY ASSISTANCE
8 GRANTS PROVIDED TO A PARTICIPANT TO THE DOLLAR VALUE OF THE FIXED
9 CREDITS PROVIDED TO THE PARTICIPANT TO COVER THE UNAFFORDABLE
10 PORTION OF THE PARTICIPANT'S UTILITY BILL IN A MANNER DETERMINED
11 BY THE COMMISSION BY RULE.

12 **(7) Cost recovery.**

13 (a) AN INVESTOR-OWNED UTILITY MAY RECOVER
14 PERCENTAGE-OF-INCOME PAYMENT PLAN PROGRAM COSTS THROUGH A
15 PIPP CHARGE ON THE UTILITY'S CUSTOMERS, AS APPROVED BY THE
16 COMMISSION.

17 (b) IF AN INVESTOR-OWNED UTILITY IMPOSES A PIPP CHARGE, THE
18 INVESTOR-OWNED UTILITY SHALL:

19 (I) ASSESS THE PIPP CHARGE AS A SEPARATE LINE ITEM ON EVERY
20 CUSTOMER'S MONTHLY BILL AND IDENTIFY THE CHARGE AS A "PIPP
21 CHARGE";

22 (II) COLLECT THE MONTHLY PIPP CHARGE IN THE SAME MANNER
23 AS ALL OTHER CHARGES AND FEES ARE COLLECTED FROM A CUSTOMER;

24 (III) STATE THE AMOUNT OF THE PIPP CHARGE, WHICH MUST BE
25 APPROVED BY THE COMMISSION; AND

26 (IV) INCLUDE THE AMOUNT OF PIPP CHARGES COLLECTED FROM
27 A UTILITY'S CUSTOMERS ON THE UTILITY'S TARIFF SHEET FILED WITH THE

1 COMMISSION.

2 (c) IF AN INVESTOR-OWNED UTILITY IMPOSES A PIPP CHARGE, THE
3 UTILITY IS ENCOURAGED TO ANNUALLY CONTRIBUTE SHAREHOLDER
4 PROFITS TO THE PIPP PROGRAM. ANY AMOUNT CONTRIBUTED BY THE
5 UTILITY IS NOT TO BE DIRECTLY OR INDIRECTLY RECOVERED FROM
6 CUSTOMERS.

7 (d) AN INVESTOR-OWNED UTILITY MUST USE THE REVENUE
8 GENERATED FROM THE PIPP CHARGE PLUS ANY AMOUNT CONTRIBUTED BY
9 THE UTILITY PURSUANT TO SUBSECTION (7)(c) OF THIS SECTION ONLY FOR
10 THE FOLLOWING PURPOSES:

11 (I) TO PROVIDE CREDITS OR DISCOUNTS TO PARTICIPANTS APPLIED
12 AGAINST THE PARTICIPANTS' BILL FOR CURRENT USAGE;

13 (II) TO PROVIDE CREDITS TO PARTICIPANTS FOR THE PARTICIPANTS'
14 ARREARAGES;

15 (III) TO COVER ADMINISTRATIVE COSTS OF IMPLEMENTING AND
16 ADMINISTERING THE PIPP PROGRAM; AND

17 (IV) TO COVER PIPP PROGRAM EVALUATION COSTS REQUIRED BY
18 THE COMMISSION.

19 (e) THE COMMISSION SHALL DETERMINE BY RULE THE AMOUNT OF
20 THE PIPP CHARGE AND PROCEDURES BY WHICH A UTILITY MAY APPLY TO
21 INCREASE OR DECREASE THE MONTHLY PIPP CHARGE.

22 (f) (I) AN INVESTOR-OWNED UTILITY SHALL TRACK AND
23 ANNUALLY REPORT THE FOLLOWING INFORMATION TO THE COMMISSION:

24 (A) THE PIPP CHARGE REVENUE COLLECTED BY THE UTILITY;

25 (B) THE PIPP CHARGE UTILITY CONTRIBUTION AMOUNT
26 DESCRIBED IN SUBSECTION (7)(c) OF THIS SECTION;

27 (C) ADMINISTRATIVE COSTS ASSOCIATED WITH IMPLEMENTING

1 AND ADMINISTERING THE PIPP PROGRAM;

2 (D) THE AMOUNT OF FIXED CREDITS PROVIDED TO PARTICIPANTS
3 IN THE PIPP PROGRAM; AND

4 (E) THE AMOUNT OF ARREARAGE CREDITS PROVIDED TO
5 PARTICIPANTS IN THE PIPP PROGRAM.

6 (II) THE COMMISSION SHALL REPORT THE INFORMATION REPORTED
7 BY AN INVESTOR-OWNED UTILITY PURSUANT TO SUBSECTION (7)(f)(I) OF
8 THIS SECTION IN THE COMMISSION'S ANNUAL REPORTING REQUIREMENTS
9 ESTABLISHED BY THE COMMISSION BY RULE.

10 (8) Rules. THE COMMISSION SHALL ADOPT ANY RULES NECESSARY
11 TO IMPLEMENT AND ENFORCE THIS SECTION.

12 **SECTION 2. Act subject to petition - effective date.** This act
13 takes effect at 12:01 a.m. on the day following the expiration of the
14 ninety-day period after final adjournment of the general assembly (August
15 12, 2026, if adjournment sine die is on May 13, 2026); except that, if a
16 referendum petition is filed pursuant to section 1 (3) of article V of the
17 state constitution against this act or an item, section, or part of this act
18 within such period, then the act, item, section, or part will not take effect
19 unless approved by the people at the general election to be held in
20 November 2026 and, in such case, will take effect on the date of the
21 official declaration of the vote thereon by the governor.