

Summary of the Recommendations of the LEAP Financial Assistance Working Group¹

FINANCIAL ASSISTANCE WORKING GROUP RECOMMENDATIONS	
Guiding Principles	<p>In addition to the guiding principles set out in the LEAP report, and those approved by the Board in August 2010 (set out in Attachment B), the following principles were recommended:</p> <ol style="list-style-type: none"> 1. Emergency financial assistance should be available to low-income energy consumers of natural gas and electricity, including customers of suite meter providers. 2. Funding for low-income energy consumers should be accessible on a province-wide basis. 3. There should be consistency in the emergency financial assistance program across the province regarding access, with flexibility in delivery. 4. Partnerships should be developed between social service agencies and utilities and other stakeholders. 5. Eligibility for the emergency financial assistance program should be based on need, and screened using the emergency financial assistance program eligibility criteria applied with the judgment and discretion of the responsible social service agencies. 6. An emergency financial assistance program should not be unduly costly or complicated to administer or access. 7. The process for applying to the emergency financial assistance program should be clear and transparent. 8. Administration of the emergency financial assistance program should be efficient and effective in minimizing ratepayer impact. 9. The emergency financial assistance program should help low-income energy consumers maintain energy services. 10. The emergency financial assistance program should complement the existing landscape of assistance to low-income energy consumers. 11. The emergency financial assistance program should be coordinated with other energy and emergency financial assistance programs at the delivery level to avoid duplication of administration and effort. 12. The emergency financial assistance program should promote the transfer of the applicant to non-emergency energy and social service programs. 13. The emergency financial assistance program should be funded by all rate classes. 14. The level of funding should take into account other funding sources.

¹ Information contained in this document represents the views of the organizations participating in the Financial Assistance Working Group, and does not necessarily represent the views of, and should not be attributed to, the Ontario Energy Board, any individual Board Member or Board staff.

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Eligibility & Screening	<ul style="list-style-type: none"> • Focus on most vulnerable, payment troubled customers. • Customers should be referred to conservation programs and customer service rules where appropriate. • Agencies must obtain signed consent from the customer, which can be via fax or in person. • To be eligible, customer must: <ul style="list-style-type: none"> ▪ have a household income below the pre-tax Low Income Cut Off (“LICO”) + 15%, taking into account both differing family and community size, and using the most current table produced by Statistics Canada: ▪ Be a customer of the utility, as either primary or secondary name on account ▪ Reside at the address for which there are arrears • In screening applicants that meet the above requirements, social agencies should consider the following: <ul style="list-style-type: none"> ▪ Access funding only once per year per fuel, up to a financial cap. Cap should be \$500, but social agency may use discretion to provide more for electrically heated homes, up to a maximum of \$600. ▪ Demonstrates prior attempt to pay bill. Social agency should have discretion to define what constitutes “prior attempt”, and they can get payment history information from the utility. Focusing on future sustainability of customer may be more important than past payment performance. ▪ Be in threat of disconnection or disconnected. Social agency has discretion to define what constitutes “threat of” disconnection. Maintain focus on emergency assistance, but balance with early intervention (i.e. providing assistance when customer is in arrears, but not yet disconnected). ▪ Receipt of financial assistance should allow household to maintain or reconnect energy service. • Social agencies may exercise discretion, but with solid rationale, if applicant does not meet criteria. Guidance should be provided in the Program Manual to assist agencies in areas where discretion is allowed. • The % adder to LICO and financial cap should be reviewed after one year, and ongoing, to determine whether they should be adjusted.
Funding: LEAP Contributions by Electricity Distributors	<ul style="list-style-type: none"> • For 2011 - the appropriate level of funding for 2011 should 0.12% of total distribution revenue. • 2012 & beyond – the level of funding should be reviewed to take into account available funding from the electricity late payment settlement. Assuming the late payment settlement funds are collected from ratepayers (and not shareholders), the impact on ratepayers of both late payment funds and LEAP funds must be considered. <ul style="list-style-type: none"> ▪ There must always be some LEAP funding in addition to the late payment settlement funds, to ensure access to funds by customers of suite metering providers. In accordance with the terms of the late payment settlement, customers of suite metering providers cannot access those funds.

FINANCIAL ASSISTANCE WORKING GROUP RECOMMENDATIONS										
Funding: LEAP Contributions by Natural Gas Distributors	<ul style="list-style-type: none"> No resolution of issue. Should consider the ratepayer impact of utilities collecting both Winter Warmth funds and LEAP funds. It may be confusing for social agencies to deliver both LEAP and Winter Warmth at the same time. The gas utilities could make at least 0.12% of distribution revenue available for the full year. Enbridge's Winter Warmth funding is less than 0.12% of total distribution rates, while Union's is greater. However, under the terms of the court settlement, the Winter Warmth funds can <i>only</i> be used in winter. <table style="margin-left: 40px;"> <thead> <tr> <th></th> <th><u>Winter Warmth</u></th> <th><u>LEAP (0.12%)</u></th> </tr> </thead> <tbody> <tr> <td>Enbridge</td> <td>\$630,000</td> <td>\$1.3m</td> </tr> <tr> <td>Union Gas</td> <td>\$1.8m</td> <td>\$830,000</td> </tr> </tbody> </table> <ul style="list-style-type: none"> The United Way of Toronto supports LEAP and will review the transition of Winter Warmth to LEAP with its advisory committee. 		<u>Winter Warmth</u>	<u>LEAP (0.12%)</u>	Enbridge	\$630,000	\$1.3m	Union Gas	\$1.8m	\$830,000
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Funding: Social Agency Program Delivery & Administration Costs	<ul style="list-style-type: none"> Utilities should pay an appropriate fee to their Lead Agency to cover the agency's costs of program delivery and administration. The appropriate level is 15% of the total amount of financial assistance money administered by the Lead Agency. Lead Agencies should be responsible for negotiating with their Intake Agencies what proportion, if any, of this administration fee will go to the Intake Agency(ies). <ul style="list-style-type: none"> Agencies' actual costs should be reviewed after 1-2 years to determine whether the 15% level needs to be adjusted. 									
Funding: Contributions by Non- Ratepayer Sources	<ul style="list-style-type: none"> Contributions by non-ratepayer sources (e.g. retailers, shareholder, suite metering provider) are voluntary. If donor specifically earmarks contribution for LEAP, then LEAP rules apply. If not earmarked for LEAP, then outside the scope of LEAP and the Board's regulation. 									

FINANCIAL ASSISTANCE WORKING GROUP RECOMMENDATIONS	
Intake & Application	<ul style="list-style-type: none"> • Intake done by Intake agencies (or Lead where no Intake). • Application process should be available via fax and phone to address difficulties in mobility, transportation or remote location. • Utilities should transfer funds to their Lead Agency. Approved funds should be credited to the utility account, and not given directly to the customers. Lead Agency should remit payment back to the utility upon instruction from the Intake Agency. Intake Agency should determine the amount of assistance an applicant receives. • Should be an appeals process for applicants that are not satisfied with result of application process. <ul style="list-style-type: none"> - Lead agencies may use their existing process, or develop a process, but it must include an independent review. • Where the applicant is a customer of a suite metering provider, the agency must confirm which utility service area the customer lives in, so as to know which utility's fund should be accessed. • Guidelines should be provided as to the appropriate types of agencies for utilities to partner with. When looking for an agency partner, utilities should consider agencies that: <ul style="list-style-type: none"> - Appointed by the administrator(s) of the electricity late payment settlement as an Intake Agency for the purposes of administering funds relating to that settlement - Provide housing support services - Are registered charities - Past experience delivering energy assistance programs (e.g. Winter Warmth, THAW, FUSE) - Can deliver programs on behalf of both the local electricity and natural gas utility.
Tracking & Reporting	<ul style="list-style-type: none"> • Reporting requirements should be simple so that agencies not spending significant time on reporting. • Agencies should to track demographic information to assist with review and evaluation of the effectiveness of the program. However, neither utilities nor the Board need this information on a regular basis. • To assist utility call centres with customer referral, it is helpful for utilities to know on a bi-weekly or monthly basis the amount of funds remaining. • A central online database would assist and simplify the tracking and reporting process. However the working group recognizes that it may not be possible to implement such a system for 2011, and as such, it could be considered in the future. • Utilities would like the opportunity to comment on any regulatory reporting requirements that are established in relation to this program. • Standard forms are important because it helps utilities & agencies track progress. Redundancy across forms should be minimized.

FINANCIAL ASSISTANCE WORKING GROUP RECOMMENDATIONS	
Promotion, Outreach & Training	<ul style="list-style-type: none"> • Promotion and outreach should be extensive enough so that those in need are aware of the program, but avoid having the Intake Agencies (or Lead Agencies) being inundated with applications. Program information should assist with understanding of the program, and minimize confusion with other assistance programs. • The Board should include information about the emergency financial assistance program on its website and update it regularly, as well as providing bill inserts and providing information at community outreach meetings. • Standard program information should be provided to the following parties to assist with promotion, outreach & referral: <ul style="list-style-type: none"> ▪ 211², recognizing however that it may not cover the entire province. ▪ Social agencies, who should post the program information on their website. ▪ Elected officials • The Board should post on its website a list of utilities' social agency partners with contact information. • Working group agrees that webcasts are a good tool to provide training and information to utilities and social agencies. It is important to ensure that the technology used to deliver it is accessible to the most number of parties (i.e. audio via telephone to ensure accessibility by agencies that don't have such computer capability). Delivery of webcast should include Board staff, utilities and social agencies (representatives from working group) to address any specific questions from utilities or social agencies.
Roles & Responsibilities	<p>Main players & responsibilities:</p> <ul style="list-style-type: none"> • OEB – appoint a steering committee, approve funding level & eligibility criteria, reporting requirements, ensure compliance by utilities, operate “help line” to provide program support for utilities and agencies particularly in the early stages of program implementation. • STEERING COMMITTEE – program oversight & governance, recommendations to Board for program modifications. • UTILITIES - collect funds from ratepayers, customer care, reporting to Board, partner with social agencies. • SOCIAL AGENCIES – larger utility service areas may require both a lead agency, and one or more intake agencies: <ul style="list-style-type: none"> ▪ LEAD AGENCIES – administer application process on behalf of utility, coordinate intake agencies, administer funds, intake responsibility where no intake agencies, implement appeals process. ▪ INTAKE AGENCIES – screen applicants, process applications, approve or deny applications, inform utilities of necessary disconnection/collection holds.

² 211 is a free public information service that provides access to a broad range of community resources, social, health and related government services and programs. It is accessible anytime via telephone and internet. Callers are directly connected to certified information and referral specialist, trained to assess each caller's needs, provide accurate information, and advise people about the most appropriate service or program available.

FINANCIAL ASSISTANCE WORKING GROUP RECOMMENDATIONS	
Long-term coordination & Administration	<ul style="list-style-type: none"> • The working group acknowledges there may not be a Central Coordinating Body for 2011, and that the OEB will take on many of the responsibilities that this Body would have done. The need for a Central Coordinating Body should be reviewed in future. Possible responsibilities for a Central Coordinating Body are: <ul style="list-style-type: none"> ▪ coordinate relationship between utilities & social agencies, update program manual, conduct training, outreach strategy.
Program Name	<ul style="list-style-type: none"> • To avoid confusion among low income customers, the Working Group recommends that the name of the program be changed, as “LEAP” is also the name of another Ontario Works program administered by social agencies (the “Learning, Earning and Parenting Program”). • The name chosen should include “emergency”.

Attachment A: Proposed Tracking & Reporting Metrics for LEAP Emergency Financial Assistance

REPORTING REQUIREMENTS

	UTILITIES to the BOARD	SOCIAL AGENCIES to UTILITIES	SUITE METERING PROVIDERS to the BOARD
MONTHLY		<ul style="list-style-type: none"> • Funds remaining 	
ANNUALLY	<ul style="list-style-type: none"> • Funding provided to social agency per year, broken down by: <ul style="list-style-type: none"> – Total – Carry over from previous year, if applicable. • Amounts dispersed/spent per year, broken down by: <ul style="list-style-type: none"> – Total – Agency Administration & Program Delivery fee – Grants to utility's direct customers – Grants to customers of suite metering providers in utility's service area • Amount carried over to next year • # of applicants: <ul style="list-style-type: none"> – Total – Utility customers – Suite metering customers • Applicants approved: <ul style="list-style-type: none"> – Total – Utility customers – Suite metering customers • Applicants rejected: <ul style="list-style-type: none"> – Total – Utility customers – Suite metering customers • Average grant per accepted applicant: <ul style="list-style-type: none"> – Total – Utility customers – Suite metering customers 	<ul style="list-style-type: none"> • Funds received from utility; • Funds dispersed/spent, broken down by: <ul style="list-style-type: none"> – Total – Agency Administration & Program Delivery fee – Grants to utility customers – Grants to suite metering customers in the utility's service area • # of applicants: <ul style="list-style-type: none"> – Total – Utility customers – Suite metering customers • Applicants approved: <ul style="list-style-type: none"> – Total – Utility customers – Suite metering customers • Applicants rejected: <ul style="list-style-type: none"> – Total – Utility customers – Suite metering customers • Average grant per accepted applicant: <ul style="list-style-type: none"> – Total – Utility customers – Suite metering customers • Funds received from other sources but earmarked for LEAP. 	<ul style="list-style-type: none"> • Contributions by the suite metering provider, if any.

TRACKING/RECORD KEEPING REQUIREMENTS

	UTILITIES	SOCIAL AGENCIES	SUITE METERING PROVIDERS
MONTHLY	<ul style="list-style-type: none"> • Total residential disconnections • Average arrears owing per customer • # requests from social agencies for disconnection holds • # residential customers beginning an arrears management agreement (as per DSC) 	<p>In addition to the information above, that must be tracked to support utility's regulatory reporting obligations, agencies should also track:</p> <ul style="list-style-type: none"> • Total adults assisted • Total children assisted • Average income of accepted applicants • Average energy costs of accepted applicant • Average arrears owed by accepted applicants • How applicants heard about program • Housing type of applicant (rent, own, house, multi-res building) • # applicants referred to utility conservation programs • Source of income • Reasons applicants not accepted • Household type (single, married, etc.) • Whether utility arrears management program was also used • Whether other funds were accessed • Frequency of application • Reason for needing assistance • # applicants refused due to lack of funds • # applicants where funding not required because other programs were accessed 	<ul style="list-style-type: none"> • It should be left to the discretion of the suite metering provider as to whether they want to track how many of their customers received LEAP assistance.

Attachment B:
Principles for LEAP Financial Assistance
August 11, 2010

The Board believes that the following are appropriate principles to guide the implementation of the Low-Income Energy Program (“LEAP”) Financial Assistance:

1. LEAP financial assistance should be available province-wide, to low-income customers of electricity and natural gas distributors. It is intended to provide emergency or temporary relief, and not ongoing or regular bill payment assistance.
2. LEAP financial assistance is not intended to address the broader problem of poverty in Ontario, or even that of energy poverty. Energy costs alone are not the only burden faced by low-income households. LEAP is intended to provide emergency relief in response to affordability issues, and to contribute to, and complement, the existing landscape of assistance for low-income energy consumers in Ontario.
3. The Board must balance the interests of low-income energy consumers with its broader responsibilities to all consumers, including the need to adhere to the tenets of ratemaking and to be guided by its statutory objectives in relation to both electricity and natural gas. It is important that the commodity price continue to generally reflect the true cost of the energy used by the customer and that distribution rates continue to reflect overall costs.
4. The level of funding should be such that it provides emergency assistance to those with the greatest need without creating an undue burden on other ratepayers or creating a material level of subsidy. The level of funding should be based on total distribution revenues, and recovered from all rate classes. The allocation of funding across rate classes should be based on distribution revenue (as opposed to customer count). The level of funding should also take into account the timing and amount of funding from other sources, such as the late payment settlements.
5. LEAP financial assistance should not be overly costly or complicated to administer or access: the regulatory processes for reporting and for obtaining cost recovery should not be overly burdensome; and, a social service agency partner should carry out much of the program’s administration.
6. A portion of a distributor’s funding should be allocated for the administrative and program delivery costs of its social agency partner.
7. Low-income electricity consumers residing in rental and condominium units, who are billed for their electricity costs separately by a suite meter provider, should have access to the LEAP funding collected by distributors through distribution rates.