

# **LEAP Emergency Financial Assistance: Program Administration & Delivery Questions and Answers**

**Based on the November 25 and 26, 2010 LEAP Webcasts for Social Agencies**

## **Introduction**

On November 25 and 26, 2010, Ontario Energy Board staff held webcasts to provide social service agencies with training on the administration and delivery of LEAP Emergency Financial Assistance. The webcasts also provided information about the 2011 LEAP Emergency Financial Assistance Program Manual developed by the Financial Assistance Working Group. This Question and Answer document is based on information provided during those sessions.

The questions and answers have been grouped according to the following topics:

1. Social Service Agency Roles & Responsibilities
2. Funding & Payments
3. Application & Screening Process
4. Grant Amounts & Eligibility
5. Program Reporting
6. Communications & Outreach
7. Miscellaneous

## **Social Service Agency Roles & Responsibilities**

### **Q.1 Can the same agency be both the intake agency and the lead agency?**

A.1 As noted in the Program Manual, lead agencies can perform intake functions where this is no intake agency. This may be appropriate in smaller communities where there isn't a need for multiple agencies.

### **Q.2 Are intake agencies also required to store and keep customer data?**

A.2 Customer information should be stored and protected according to the requirements set out in privacy legislation. However, the division of this responsibility between a lead and intake agency is at the discretion of the agencies.

## **Funding & Payments**

### **Q.3 How is LEAP emergency financial assistance funded?**

A.3 LEAP emergency financial assistance is ratepayer-funded program. Funds are collected from all customer classes (i.e. residential, commercial, industrial, etc.) through the distribution rates of each distributor.

### **Q.4 If an agency services an entire district that includes Hydro One customers, can they access Hydro One funds?**

A.4 Hydro One is in the process of engaging a lead agency, after which they will work with their chosen partner to identify intake agencies across the province.

### **Q.5 Are payments remitted to the distributor weekly or monthly?**

A.5 The schedule for remitting LEAP grants to distributors on behalf of customers is at the discretion of distributors and their social service agency partners.

### **Q.6 Can LEAP emergency financial assistance be run as a loan program, rather than a grant, as is the case with some existing programs?**

A.6 LEAP Emergency Financial Assistance is intended to be a grant program, and not a loan program.

### **Q.7 The Winter Warmth program usually starts in December. Unfortunately, there are already customers facing disconnection in December. What can be done for these customers until LEAP starts up in January?**

A.7 Social service agencies should try to assist customers with whatever other resources may be available until LEAP funds arrive in January. Recent amendments by the Board to its rules for electricity distributors now require electricity distributors to provide, as of October 2, 2010, arrears management agreements to customers. Such agreements may assist some customers by spreading payment of arrears over several months.

Natural gas distributors will have funds available in December through the Winter Warmth program.

### **Q.8 How and when must distributors provide funds to their agency partner? Should distributors make payments in instalments or as a lump sum?**

A.8 There is no deadline, but the program is scheduled to start in January 2011. Ideally, the agencies should have funds near the beginning of January as they begin to process applications. The payment schedule is at the discretion of each distributor and its social agency partner. All of the funds do not need to be provided in January.

**Q.9 Will the funding be available annually?**

A.9 The Board's policy for LEAP Emergency Financial Assistance does not currently contemplate an end date for the program. Agencies can expect to receive funding from their distributor partner annually.

**Q.10 When will agencies know the amount of funding they will receive?**

A.10 Agencies should contact their distributor partner to find out the amount of funding. Funds may range from \$2,000 to approximately \$1 million, depending on the size of the distributor.

**Q.11 Will lead agencies have access to funds to cover administration costs associated with the delivery of LEAP emergency financial assistance?**

A.11 Up to 15% of the funds contributed annually by a distributor can be used for program administration and delivery costs. How those funds are then divided between lead and intake agencies is up to negotiation between those agencies.

**Application & Screening Process**

**Q.12 How are customer file numbers to be kept and tracked? Can agencies use their existing methods?**

A.12 The method of tracking and assigning customer file numbers is at the discretion of the social service agency.

**Q.13 How should agencies contact Hydro One if there are no local Hydro One offices in the region? Is there a dedicated contact person for social service agencies?**

A.13 Hydro One advises that for the time being, agencies should continue to operate as they always have with respect to processing applications from Hydro One customers, by calling their customer communications centre. Hydro One is planning to establish dedicated interaction with social service agencies in their communications centre, which is tentatively scheduled to launch early in 2011.

**Q.14 Hydro One currently has an RFP out to determine their lead agency. Will Hydro One customers be able to access LEAP emergency financial assistance in January, as is the case with customers of the other electricity distributors? If not, what should be done for Hydro One customers in the interim?**

A.14 Our understanding is that Hydro One is working to get their lead agency in place as soon as possible but, will likely not be ready for early January. Agencies should encourage customers to make the payments that they can in the interim.

One of the screening guidelines for LEAP Emergency Financial Assistance is that customers must have shown prior attempt to pay their bill. Making, at least, the minimum payments for now to maintain connection may assist the applicant to qualify when the funds become available.

Customers may also benefit from an arrears management agreement that will allow them to spread out payment of the arrears over several months. Customers can call the Hydro One number on their bill to inquire about these agreements.

**Q.15 Where can I find a copy of the Program Manual and template forms, and other information about LEAP emergency financial assistance? Will there be an electronic version of the application and consent forms made available so agencies can fill out the forms electronically rather than by hand? Is there a French version of the Manual?**

A.15 The Program Manual, in both French and English, can be found on the Board's webpage for the Financial Assistance Working Group, along with Microsoft Word and Excel versions of the template forms. This webpage can be accessed through the following path:

*HOME > Regulatory Proceedings > Policy Initiatives and Consultations > Energy Issues Relating to Low Income Consumers (EB-2008-0150) > Financial Assistance Working Group*

**Q.16 Can agencies use their own existing application and consent forms? Are agencies required to provide a copy of completed consent forms to the distributor?**

A.16 Agencies may use existing forms provided that the same information required by the LEAP forms is collected. It is at the discretion of the distributor to determine how consent needs to be communicated. Given privacy laws and the nature of the information held by distributors they may require a copy of the customer's consent prior to releasing any information.

**Q.17 Does the person making the application have to be a person whose name is on the bill?**

A.17 One of the eligibility requirements, as set out in the Program Manual, is that the person is a customer of the distributor. Therefore, the person making the application must be the person whose name is on the bill. Note that there is no discretion with regards to the requirements that an applicant must both be a customer of the distributor and reside at the address for which there are arrears. These are mandatory criteria.

**Q.18 The Program Manual notes that agencies may exercise discretion in some cases. What constitutes an extenuating circumstance and what would be required as part of the documented rationale?**

A.18 The purpose for documenting the rationale is to ensure consistent screening of applicants and to provide lead agencies with sufficient information to use when making the final decision on application. Also, agencies are required to have an appeals process in place for applicants that are denied funding. Documenting the rationale ensures transparency in those appeals processes. It is up to the social service agency to use their experience with this type of work to make these discretionary decisions.

**Q.19 Is it mandatory to have an appeals process?**

A.19 Yes. Some applicants may not be satisfied with the decision made on their application and should have an opportunity for their application to be reviewed by a third party (i.e. someone not involved in the initial screening). Having an appeals process can also help to ensure that screening is being done consistently for all applicants.

**Q.20 Has the Board issued new rules that would prevent distributors from collecting security deposits from low-income families? Does that also apply to natural gas distributors?**

A.20 The Board is currently working on proposed requirements for electricity distributors relating specifically to low-income customers. However, these are still only proposals, and therefore not yet in place. Also, it is important to note that these proposals relate only to electricity distributors, and not to natural gas distributors.

**Q.21 How can an agency get a distributor to waive the security deposit that is causing undue hardship for a customer?**

A.21 Under the Board's existing rules for electricity distributors, distributors have the right to collect a deposit in certain circumstances. However, distributors sometimes waive deposits as a result of discussions with agencies, but it is at the distributor's discretion to do so.

**Q.22 If a customer's arrears are being funded from more than one source, how should the timing of payments be addressed?**

A.22 When an agency informs a distributor that it is assessing whether a customer is eligible for assistance, distributors are required to put a 21-day hold on any scheduled disconnection (provided that the agency contacts the distributor within 10 days of the customer receiving the disconnection notice). This 21-day period should provide sufficient time to wait for approval for LEAP funds. In the event

that it is not sufficient time, agencies should inform the distributor of the situation and they can consider what action to take.

**Q.23 If an agency is delivering LEAP emergency financial assistance on behalf of several distributors, how will they know which funds to provide to which customers?**

A.23 It is important to note that funds from one distributor cannot be used for customers of another distributor. As part of the applicant process, applicants must provide a copy of a recent energy bill. That bill will inform the agency which distributor serves the customer. The intake agency should then send the application to the lead agency that manages the funds for that particular distributor.

**Q.24 As part of the screening process, can agencies ask additional questions, such as determining if accommodations are affordable?**

A.24 It is our understanding that agencies often administer other funds or provide other services, such as financial planning. Agencies may, as part of the screening for LEAP emergency financial assistance, incorporate other questions to simultaneously screen for other programs or services. This may be particularly important for applicants who do not qualify for LEAP, but may qualify for other forms of assistance.

**Q.25 If the agency determines at the pre-screening stage that a person is not eligible for LEAP emergency financial assistance do they still have to meet with the client or could they just be referred to the appeal process?**

A.25 Typically there would be no appeals when a client is deemed ineligible due to their responses to the five pre-screening questions in the manual. At that stage a customer would typically be denied on the basis that they are either not a customer of a distributor or make well above the income threshold. These are clear and indisputable criteria and would likely not require an appeal. Appeals will be more important for applicants that are not recommended for funding due to the discretion of the case-worker.

**Q.26 In assessing an applicant's income, should agencies also consider their assets? For example, should an agency still assist an applicant who has sufficient funds in an accessible RRSP?**

A.26 Agencies should use their discretion, but consider that the intention is that LEAP is an *emergency* fund, and there are limited funds available.

## **Grant Amounts & Eligibility**

### **Q.27 Both the Winter Warmth program and LEAP use an income threshold based on LICO plus 15 per cent. However, the two income tables do not appear to be the same. Can agencies use only one table?**

A.27 The income threshold table for LEAP Emergency Financial Assistance is different from the Winter Warmth table because LEAP takes into account community size as well as household size. Winter Warmth only considers household size. Additionally, LEAP uses the pre-tax income LICO table whereas Winter Warmth uses the after-tax LICO table. LEAP administrators must use the eligibility criteria outlined in the 2011 LEAP Emergency Financial Assistance Program Manual.

The United Way Toronto advises that agencies administering the Winter Warmth program have the flexibility to use the Winter Warmth eligibility criteria or the LEAP eligibility criteria when processing Winter Warmth applications to reduce any administrative burden, provided they maintain that criteria for the duration of the program year. However, for LEAP, the eligibility criteria set out in the LEAP Manual must be used.

### **Q.28 Can LEAP grants be used to cover re-connection fees?**

A.28 LEAP emergency financial assistance is intended to cover energy charges only (including applicable taxes), but not late payment fees, disconnection or reconnection charges or security deposits. In some situations, distributors have waived some of those charges for customers, but are not required to do so. One option that may be helpful for some customers is an arrears management agreement, which allows the arrears to be paid back over several months and may make it more manageable for a customer to get his/her account in good standing.

It is also important to note that LEAP should not be used for arrears relating to water or sewer charges, which some distributors bill for in addition to electricity.

### **Q.29 If the client has received a LEAP grant within the past year, are they eligible again for this program?**

A.29 Typically, a customer is only allowed access to LEAP funds once per calendar year per fuel. In some extenuating circumstances, agencies can use their discretion to allow access to LEAP funds more than once a year however, the rationale must be documented. LEAP Emergency Financial Assistance is intended to provide emergency financial assistance and not on-going bill payment assistance.

**Q.30 If a client receives a \$300 Winter Warmth grant for natural gas arrears, does that mean that they can only access \$300 in LEAP emergency financial assistance for electricity arrears for that year? If so, how would an agency know if the client has met their maximum?**

A.30 LEAP emergency financial assistance and Winter Warmth are two separate programs and therefore two separate sources of funds. Receipt of Winter Warmth funds for natural gas arrears would not disqualify an applicant for assistance through LEAP for electricity arrears. If an agency is administering both LEAP (for an electricity distributor) and Winter Warmth (for a natural gas distributor) they should screen applicants and make a decision on funding separately for each fuel.

**Q.31 If the client is only in arrears without having received a disconnection notice, is he/she eligible for the program? What if the client is not yet in arrears?**

A.31 LEAP Emergency Financial Assistance is intended to provide emergency assistance only. Receipt of a disconnection notice is not a requirement to be eligible for funding. However, whether or not a disconnection notice has been received is one factor that agencies will consider in determining whether to approve an application for funding. Agencies administering a small amount of funds, relative to demand, may need to restrict funds to customers that have a notice, whereas those managing larger amounts, relative to demand, may be able to take a more proactive approach. Ideally all agencies would take a proactive approach to assisting customers but, some may have to restrict grants to manage funds over the entire year.

Agencies would need to give serious consideration as to whether or not a customer is in an emergency situation if they are not yet in arrears. This is a year-round program and giving out grants in these types of situations could deplete funds quickly and prevent customers that have the greatest need from receiving assistance.

**Q.32 Some households have bills over \$1,000 and the \$500 maximum grant would be insufficient to prevent a disconnection. Is there an upper limit for arrears before a customer doesn't qualify for a grant even in discretionary circumstances? Can agencies approve funding in excess of the \$500 cap?**

A.32 There is no upper limit on the amount of arrears that a customer can have to qualify for LEAP. Given the maximum grant amount of \$500 (or up to \$600, with discretion, for electrically heated homes), agencies could consider accessing other funds to cover the rest of the balance. An arrears management agreement with the distributor is also a good tool for addressing any arrears in excess of the maximum allowable LEAP grant. In these types of situations, agencies should focus on the sustainability of the customer's connection. It is up to the discretion of social service agencies to assess whether or not the customer will be able to



keep their account in good standing after receiving the LEAP grant. If the grant will only delay an eventual disconnection, it may not be appropriate to approve the application in this situation.

In considering the amount of funding to approve, agencies need to also consider that there are limited funds, and these should be available to assist as many customers as possible. If there are extenuating circumstances that warrant additional assistance, the agency should have a documented rationale.

**Q.33 If a client receives a grant for \$250, can they access LEAP again in the same year as they have not utilized that maximum grant of \$500?**

A.33 In most cases a client can only access the LEAP once per year per fuel. However, there may be some extreme situations where a client has received some LEAP funds and may need to access funds again in a calendar year. That is to be assessed at the discretion of social service agencies. An example may be a situation where a member of a household unexpectedly loses their job after receiving a LEAP grant earlier in the year for a different reason. Agencies should keep in mind that sustainability of connection is paramount. In most cases, a customer applying for LEAP multiple times may imply an inability to sustain connection.

**Q.34 Can LEAP emergency financial assistance be provided to individuals from First Nations communities?**

A.34 There is no restriction for access by First Nations, as long as they meet the eligibility criteria. Board staff encourages both distributors and social service agencies to ensure that First Nations communities have equal access to this program.

**Q.35 Is LEAP a last resort program (i.e. other funds, such as Ontario Works and ODSP, would have to be accessed first)?**

A.35 There is no requirement that social service agencies use LEAP funds as a last resort. That decision is left up to the discretion of each agency. Board staff hopes that program administrators will use their experience and all available resources to ensure as many customers are helped, as possible. Given that unspent LEAP funds are rolled over to the following year, agencies may prefer to first access other funds that cannot be rolled over. In addition, recipients of OW or ODSP may be eligible for other sources of funding, and agencies may wish to consider pursuing such other funding for OW or ODSP recipients and reserving LEAP funds for clients not receiving these benefits.

**Q.36 Are OW and ODSP clients also eligible for LEAP funding, or do they have to apply through social services?**

A.36 OW and ODSP clients could be eligible for LEAP funding and may apply through the appropriate intake agency. As noted above, agencies may also wish to consider other sources of funding available to clients of OW and ODSP.

**Q.37 Will distributors be using load limiters this year, and if so, should LEAP funds be used to cover arrears in these situations?**

A.37 Distributors are permitted to use load limiters, which can be used as an alternative to disconnection. There is no restriction on access to LEAP funds by customers who have a load limiter installed but may still have trouble paying their bill.

**Program Reporting**

**Q.38 If an agency is in an area with several distributors, will the agency get separate amounts of funding from each company, and do they have to do reports for each of them?**

A.38 It depends on whether or not the agency is the lead agency for all of the distributors. Generally, only the lead agency will receive funds and will be required to report on those funds to each distributor. Agencies will need to separately report for each of the distributors it is managing funds for. Reporting processes between intake agencies are up to negotiation between intake and lead agencies.

**Q.39 Are there any templates for reporting?**

A.39 Board staff is developing spreadsheets for reporting that agencies can use to track information. Once completed, they will be posted on the Board's website. Use of these spread sheets will not be mandatory. If agencies have their own templates or reporting system, they are free to use their existing system provided that all of the information required in the reporting requirements section of the Program Manual is collected.

**Communications & Outreach**

**Q.40 What communications will be made to the public about LEAP emergency financial assistance?**

A.40 Information about LEAP emergency financial assistance is now on the Board's website, on the "Consumer" site. The most recent bill insert provided to distributors also included some information about LEAP in addition to information regarding the Energy Consumer Protection Act (ECPA). Starting in January

2011, electricity distributors will be required to include information on disconnection notices about the availability of financial assistance programs.

**Q.41 Will you be providing a list of agencies administering the program? If so, will it be alphabetical or grouped by geography?**

A.41 The Board has asked each distributor to inform the Board of the name and contact information of the distributor's social agency partner. Based on this information, a list of agencies administering LEAP emergency financial assistance will be compiled and posted on the Board's website. Board staff will give consideration to how best to organize the information to ensure that customers and agencies can easily identify which agencies are serving each community.

**Miscellaneous**

**Q.42 What would be an example of a unit sub-metering provider?**

A.42 EnerCare Connections, Enbridge Electric Connections, Stratacon, Priority Billing and Carma Industries are examples of unit-sub metering providers. Other such providers are listed in Appendix D of the Program Manual. Unit sub-metering providers are companies licensed by the Board that install and operate meters in multi-unit buildings, such as apartments or condominiums, where the building is connected to a bulk meter.

**Q.43 How are retailers participating in this program? Are retailers required to contribute funding?**

A.43 Contributions by retailers are not mandatory. Customers of retailers may access the LEAP funds contributed by their distributor, on the same basis as customers who are not enrolled with a retailer.