

LEAP Emergency Financial Assistance: Program Administration & Delivery

Questions and Answers

Based on the November 25 & 26, 2010 Webcasts for Distributors

Introduction

On November 25 and 26, 2010, Ontario Energy Board staff held webcasts to provide natural gas and electricity distributors 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. LEAP Distributor – Social Service Agency Partnerships
2. Funding & Payments
3. Application & Screening Process
4. Grant Amounts & Eligibility
5. Communications & Outreach
6. Conservation Programs

LEAP Distributor – Social Service Agency Partnerships

Q.1 It is permissible to have more than one lead agency? If so, would distributors have to divide up the funds between their agency partners? Is a division based on customer count appropriate?

A.1 The framework set out in the Manual is a general framework. Board staff recognizes that every distributor service territory is different and, as such, modifications can be made to the framework to meet the needs of each community. One of the main reasons for the model of one lead agency and multiple intake agencies is to facilitate co-ordination. Having one lead agency that manages the funds and undertakes all final decisions on applications may prevent customers applying to multiple agencies in an attempt to get multiple grants. In addition, it would be easier for the distributor to only deal with the one agency and allow the lead agency use their experience in the region to determine how to distribute funds throughout a service territory. If a distributor finds that multiple lead agencies works better, they are welcome to select that approach but should ensure that co-ordination can still take place.

The distribution of funds among agency partners is at the discretion of the distributor and their social service agency partner(s). Distributors may find that some communities in their service territories have greater need than others. If funds are divided in advance, they may find that some agencies will run out of funds quickly whereas other agencies will have a surplus of funds. Coordinating funds through one lead agency can help alleviate this issue as all of a distributor's customers would be accessing funds from this agency.

Q.2 Can the intake agency and lead agency be the same?

A.2 Yes, as stated 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.3 Will unit sub-metering companies be required to partner with their own intake and lead agencies or will they use the distributor's agencies?

A.3 As unit sub-metering companies are not required to provide LEAP funds directly to agencies, they will work with the agencies that have been selected by distributors. Customers of unit sub-metering providers would be accessing the funds from electricity distributors, and since those distributors have chosen the partners, it is these agencies that the unit sub-metering companies would be in contact with.

Q.4 Is there a formal agreement that distributors are required to sign with the social agency?

A.4 There is no template agreement or requirement for distributors to have a formal written agreement with a social agency. However, distributors should consider that their agency partner will be managing ratepayer funds and expected to provide certain services. Board staff would encourage distributors to have some form of written agreement with the agency. Distributors should use the framework provided in the Program Manual to inform the preparation of these agreements.

Q.5 Can distributors change their social agency partner(s) now or in the future?

A.5 Distributors have flexibility to change partners. In the event that a distributor's partner does change, the distributor should inform the OEB as quickly as possible, and its customers, to ensure that they know where to go for assistance.

Funding & Payments

Q.6 Is there a deadline by which distributors must provide funds to their agency partner? Can distributors make payments in instalments?

A.6 There is no deadline, but distributors should consider that 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. Distributors should consider that demand for funding may differ during each of the seasons and plan their payments accordingly. Distributors do not need to provide all of the funds in January.

Q.7 When is the final determination of the 0.12 per cent of total distribution revenue made by the Board for each individual distributor?

A.7 The final amount will be identified through the rate order that is not expected to come until the spring. Distributors filing an IRM application can use their last Board approved revenue requirement. Distributors filing a cost of service application should use their forecasted revenue. Recall that the full payment of the LEAP amount does not need to be made in January 2011. To the extent that any adjustments need to be made based on the Board's final decision, those adjustments could be made on future instalments to the agency later in the year.

Q.8 How should distributors track of variances between funds collected in distribution rates versus the 0.12 per cent of total distribution revenue allocated for the program? Will variance accounts be approved?

A.8 At this point the Board has not contemplated variance accounts to track LEAP funds. If a distributor believes an account is needed, they can make a request to the Board.

Q.9 If funds are remaining at the end of a year, is the agency allowed to keep those funds or do they have to return them to the distributor? Can the extra funds be used to offset or reduce the required LEAP contribution in the following year?

A.9 Any unspent funds are to be rolled over to the following year. It is at the discretion of the distributor and its agency partner as to whether the funds are returned to the distributor. Unspent funds from a particular year cannot be used to offset or reduce a distributor's contribution for the following year. The extra funds should be available in addition to the required 0.12% of total distribution revenue that distributors must make available each year for LEAP Emergency Financial Assistance.

Q.10 What happens when a distributor's annual LEAP funds have been exhausted? If this happens, should distributors still refer customers to a social agency?

A.10 In the event that funds have been exhausted, customers in need should still be referred to a social agency. Social agencies often administer a variety of assistance funds, and may be aware of other resources that the customer may be able to access.

Q.11 A distributor has a legacy program operating with funding provided through an initiative of the distributor shareholder. Eligibility rules for this program are different from LEAP. Is it permissible to allow this program to complete, i.e., funds exhausted and then implement the LEAP program? This is expected to occur in the first quarter of 2011.

A.11 The Board's expectation is that all customers have access to LEAP Emergency Financial Assistance as of January 2011. If a distributor has a legacy program, it could be used to top up the LEAP funds.

Application & Screening Process

Q.12 Will the Program Manual be available in French?

A.12 A French language version of the Program Manual and template forms is posted on the Board's website. The 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.13 Will a distributor be notified if an application is denied?

A.13 Social service agencies will notify distributors when an application has been denied.

Q.14 Can the intake be done by remote means such as telephone or fax instead of personal appearance?

A.14 The Program Manual allows for intake functions to be performed by remote means in situations where there are mobility issues or in remote communities. Applicants will still need to provide the required documentation to verify income and other eligibility requirements which may delay the application process.

Q.15 If a customer owes \$1,000, has received disconnection notice, contacted a social agency and received confirmation that they can get \$500, can they use the arrears management agreement for the balance owed?

A.15 An arrears management agreement is a good tool for addressing any arrears in excess of the maximum allowable LEAP grant. When assessing applicants, social service agencies will consider whether they are able maintain their connection after receiving a grant or entering into an arrears management program.

Q.16 Is a customer required to have a disconnection notice before being eligible for LEAP? How can agencies use LEAP grants for early intervention if that is not the case?

A.16 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 ensure funds are available over the entire year.

Q.17 Is it mandatory that the lead agency uses the forms provided in the Program Manual or can they use their own?

A.17 Agencies may use existing forms provided that the same information required by the LEAP forms is collected.

Q.18 If a customer is simply moving from one address to another address within a distributor's service area and he/she has arrears from that previous address, is that customer eligible for LEAP? The Program Manual states that customers must live at the address for which there are arrears.

A.18 Agencies and distributors may need to exercise discretion in that scenario. If there is clear evidence that the customer lived at the previous address and has simply moved within the service area, this should not preclude the customer from qualifying.

Grant Amounts & Eligibility

Q.19 A distributor may serve a large area with multiple service providers in the region. Each region would have a different income eligibility threshold based on community size. Can the service agency partners pick one income threshold that covers all of the different community sizes or do they need to use separate criteria for each community?

A.19 Social service agencies are responsible for undertaking the assessment of eligibility based on the LICO chart, and not distributors. Typically, social service agencies have experience using LICO tables in determining income eligibility for other programs and have the discretion to determine the appropriate community size.

Q.20 What charges are covered by LEAP grants? What if a distributor also bills for sewer and/or water charges?

A.20 LEAP emergency financial assistance is intended to cover energy charges only (including applicable taxes). It is not intended to cover late payment fees, disconnection/reconnection charges, security deposits or charges for non-electricity related goods or services (such as water or sewer charges).

Distributors are reminded that in accordance with the amendments to the Distribution System Code issued July 2, 2010, and coming into force January 1, 2011, where a distributor bills for water and sewer, any payment made by the customer must be allocated first to electricity charges. As such, arrears for water or sewer charges should be separated from arrears relating to electricity charges. Distributors are encouraged to inform their social service agency partners of this so that agencies can make efforts to leverage money from other funds to cover water and sewer arrears if needed.

Q.21 Is the program available only to residential customers? Would commercial and small business customers be eligible for a grant?

A.21 While the funds are being collected from all rate classes, grants are only available to residential customers.

Q.22 Are there any special concerns or impacts that should be considered with respect to customers that have signed with retailers?

A.22 There are no special considerations. Customers that have signed with a retailer should be assessed no differently than customers on system supply.

Q.23 If an agency determines that a customer is not eligible for LEAP emergency financial assistance, but they might be eligible for the low-income customer service rules and/or CDM programs, how long is that customer deemed to be a low-income customer?

A.23 With respect to customer service rules, the Board is in the process of developing proposed rules that are tailored to low-income customers. The issue of how long a customer is deemed to be eligible for the purposes of these rules will be addressed as part of that consultation.

With respect to eligibility for OPA conservation programs the OPA has advised that applicants to its Low Income Single Family Homes program would only be required to provide confirmation of eligibility once.

Communications & Outreach

Q.24 Will the Board be branding this program and will the Board be developing marketing materials?

A.24 The Board currently has no plans to brand LEAP Emergency Financial Assistance. Information about the program 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 Emergency Financial Assistance in addition to information regarding the Energy Consumer Protection Act (ECPA). In accordance with the amendments to the Distribution System Code issued July 2, 2010, and effective January 1, 2011, distributors are also required to include information on disconnection notices about the availability of financial assistance programs.

Q.25 Will the province be issuing a press release to announce the launch of LEAP, January 1st, 2011?

A.25 It is our understanding that the Government is planning a communication strategy with respect to low-income initiatives that ties in financial assistance, targeted customer service requirements and conservation activities.

Conservation Programs

Q.26 When will the Ontario Power Authority's (OPA) low-income electricity conservation program be finalized?

A.26 The OPA has advised that in October 2010 the OPA reported back to the Minister's Office with the recommended implementation plan for the low income conservation and demand management (CDM) program. The recommended implementation plan was well received by the Minister's Office and the OPA will now move forward to implement the program.

There are a number of things that need to be done between now and launch, including: the development of the program protocols, field audit tools, program participant education materials, administrative forms and a training module that will be developed and offered to program delivery partners. In some cases delivery partners may be the distributors or a distributor procured delivery agent. Distributors have indicated they will require three months to procure their low income delivery agents. The OPA is currently working to complete development of the aforementioned program materials to meet the delivery agent procurement timeline specified by the distributors.

The multi-family social housing aspect of low income offering will be in market January 2011, and will build upon existing program offerings. The single family aspect of the low income conservation offerings will be in market in May 2011.