

Low-Income Electricity Customer Service Rules & LEAP Reporting Requirements

Questions and Answers

Based on the LEAP Webcasts for Distributors & Social Agency Partners held on
November 30 and December 1, 2011

Introduction

On November 30 and December 1, 2011, Board staff held webcasts to provide distributors, and their social agency partners, with training on the low-income electricity customer service rules that came into effect on October 1, 2011. The webcasts also provided a refresher on the reporting and monitoring requirements for the LEAP Emergency Financial Assistance program. Below are responses to the major questions asked during those sessions.

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

1. Residential Electricity Customer Service Rules
2. Low-Income Electricity Customer Service Rules
3. LEAP Reporting & Monitoring Requirements
4. Miscellaneous

Residential Electricity Customer Service Rules

Q.1 Do the rules outlined in the presentation take effect immediately?

A.1. All the updated electricity sector customer service rules were in effect by October 1, 2011. The rules came into effect in stages and some were adopted earlier. Details are set out in the two summary tables (one for the [residential customer amendments](#) and the second for the [low-income customer rules](#)) posted on the EB-2007-0722 project web page.

Q.2 Please confirm that section 2.7.4.4 of the Distribution System Code applied to 2.7.4 where defaults on arrears payment agreements for either the current bill, arrears or deposit must occur over a 2 month period, applies to all residential customers.

A.2. Yes, that is correct. The time requirement that the defaults must occur “over a period of at least two months” applies to residential and low-income customer arrears agreements.

Q.3 Does the disconnection notice period start from the date on the notice or the date the notice is received?

A.3. It is from the date the notice is received by the customer as per section [4.2.3](#) of the DSC. Distributors should also refer to section [4.2.3.1](#) for a description of when the notice is considered “received” under different scenarios.

Low-Income Electricity Customer Service Rules

Q.4 a) Who deems a customer to be low-income?

b) If a customer applies for assistance with the Emergency Energy Fund, would they be deemed low-income?

A.4. a) A customer must be qualified as low-income, in the first instance, by a social service or government agency that partners with the local distributor to assess eligibility for Emergency Financial Assistance, or assess eligibility for other energy financial assistance programs and partners with the distributor to qualify customers for low-income customer service rules (see the definitions of “Social Service Agency or Government Agency” in section [1.2](#) of the DSC).

If the above agency approves a customer as low-income for emergency financial assistance, then the customer will automatically be qualified as low-income for code purposes for a period of two years (per section [1.3.2](#) of the DSC).

b) Yes (see the definition of “eligible low-income customer” in section [1.2](#) of the DSC).

Q.5 Can agencies that deliver OW and ODSP qualify their clients as low-income customers so that security deposits can be waived?

A.5. Yes, agencies who deliver Ontario Works and Ontario Disability Support Program can qualify customers as low-income. However, they need to partner with the utility to qualify customers for low-income eligibility.

Q.6 LEAP applicants are deemed low-income eligible for the customer service rules. Will utility providers accept verification from the LEAP lead agencies for customers who need help other than LEAP Emergency Financial Assistance?

A.6. Yes, an agency may qualify a customer as low-income who simply wants access to a low-income customer service rule and does not require Emergency Financial Assistance.

Q.7 Are natural gas companies also included in the low-income customer service rules?

A.7. The detailed low-income rules that came into effect on October 1, 2011 (and which were the focus of this webinar) apply only to electricity distributors. The Board is separately reviewing the customer service standards that should apply to the gas distribution sector. The structure of the two sectors is different and the Board is considering different regulatory regimes. For further details on the gas sector low-income customer service policies under development, see the website for the Board's [EB-2010-0280](#) project.

Q.8 If an eligible low-income customer misses 2 payments and the LDC terminates the arrears plan, is the LDC allowed to disconnect for non-payment?

A.8. In answering the question, we have assumed that the 2 missed payments occurred over at least a 2 month period. The utility may proceed to disconnect, but the code prescribes certain steps it must take beforehand. In specific, the customer must be given 10 days written notice before the agreement is cancelled and the agreement must be reinstated if the customer pays in full before the cancellation date (see sections [2.7.4.1](#) and [2.7.4.2](#) of the DSC).

Q.9 For security deposits, we have set up an agreement with our social agency partner that when we return any excess deposit money, we return this money back to the social agency that originally paid the customer's deposit. Do we have to change this?

A.9. There is no need to change your practice, assuming it is consistent with requirements set out in section [2.4.28](#) of the DSC that require:

- i) the agency paid all or part (as applicable) of the security deposit directly to the distributor;
- ii) the agency has requested, at the time the security deposit was paid or within a reasonable time thereafter, that the distributor return all or part (as applicable) of the security deposit to it rather than to the customer; and

- iii) there is not then any amount overdue for payment by the customer that the distributor is permitted by this Code to off set using the security deposit.

Q.10 For customers who top up the security deposit and then have arrears immediately after (month to month), can I disconnect or must I apply the security deposit consistently to arrears each time?

A.10. If the utility holds a security deposit from the residential customer, then the deposit must be applied to any outstanding payments before any disconnection notice may be issued (per section [2.4.26A](#) of the DSC). If the customer continues to have significant shortfalls in his or her regular bill payment, then eventually the security deposit will be used up and the utility may proceed to issue a disconnection notice.

Q.11 If a low-income customer is moving to a new address and needs to pay a security deposit but has no arrears, will all the new rules outlined for low-income customers in the presentation apply? We are wondering about waiving the security deposit in particular.

A.11. Yes, a low-income customer moving to a new address can still request a waiver of any security deposit.

Q.12 Will there be a special code in the system for low-income customers?

A.12. The low-income customer service code rules do not mandate this. However, the regulatory reporting requirement amendments, scheduled to come into effect on January 1, 2013 (see the [Board's letter](#) issued March 19, 2012), require all electricity distributors to track and report the number of low-income customers qualified by agency partners, as well as report on utilization of various low-income customer service rules. Electricity distributors may wish to start tracking low-income customers as part of their normal business operations during 2012.

Q.13 a) If during the two-year period that a customer is qualified as low-income, the customer gets a good paying job, would they still be deemed low-income?

b) And if so, how would the utility be made aware of this?

A.13. a) Yes, as the codes provide that once a customer is qualified as low-income, they retain that status for code purposes for a period of 2 years. See section [1.3.2](#) of the DSC.

b) The rules have been set up such that utilities are not required to ascertain or monitor a customer's income.

Q.14 Our LDC bills most residential customers on a bi-monthly basis. How would a low-income qualified customer be in default of an arrears payment agreement if they are allowed 2 payment defaults over a 2 month period?

- A.14. Section [2.7.4.2](#) of the DSC provides that an arrears agreement with a low-income customer cannot be cancelled unless such a customer defaults on more than two occasions (i.e. three or more) in making a payment in accordance with an arrears payment agreement, or a payment on account of a current electricity charge billing or an under-billing adjustment. In addition, section 2.7.4.4 of the DSC requires that the defaults must occur at least over a 2-month period.

To illustrate the application of the rule to a utility that bills bi-monthly, consider the following examples:

Example One:

Let's assume that the utility issues its regular bill bi-monthly with a due date the last week of January, March, May etc., and that the additional arrears payment is also due bi-monthly on the same date as the regular bill payment. Let's further assume that the arrears agreement was entered into the first week of January 2012.

Let's assume the customer made the regular bill payment and arrears payment due at the end of January, but failed to make any payments in full at the end of March. Thus by the end of March 2012, the customer would have incurred two defaults. However, the utility cannot cancel the agreement yet. In May, the customer incurs another default by paying his regular bill but not paying the arrears payment. Once that occurs, the utility may now proceed to cancel the arrears agreement since i) the low-income customer now has more than two defaults (three in this case), and ii) the defaults occurred over at least a two month period (in this example, over a three month period from March to May).

Example Two:

Let's assume the utility issues its regular bill bi-monthly as in the example above but requires the arrears payment to be made monthly. Let's further assume that the agreement was entered into the first week of January 2012 and that the customer made the regular bill payment and arrears payment at the end of January. In February, the customer could not make the arrears payment, resulting in the first default. At the end of March 2012, the customer was not able to pay the regular bill or the arrears payment, resulting in two more defaults. Once that occurs, the utility may proceed to cancel the arrears agreement since i) the low-income customer has three defaults, and ii) the defaults occurred over at least a two month period (in this example, over the two month period from February to March).

Q.15 With respect to calling 48 hours before disconnection, are other methods acceptable where low-income customers do not have telephones?

- A.15. The rule (in section [4.2.2.4](#) of the DSC) requires distributors to make a reasonable effort to contact a residential customer one final time, in person or by telephone, at least 48 hour before the schedule disconnection date.

Distributors who are considering making contact in person, may do so with due regard to the safety and security of distribution personnel (for example, if utility field staff have specific safety concerns about personally contacting the customer, the information to be provided at this time could be set in a hand-delivered final notice).

Q.16 I have encountered some problems in the past with clients who request a 21 day hold, it was granted, but they did not actually come into see me at the agency for an assessment to determine their eligibility for assistance until (for example) the 20th day of that hold, and then I can no longer request another hold for 21 days in order to review the client's eligibility for assistance because it has already been requested.

- A.16. Section [4.2.2.6](#) of the DSC requires a distributor to suspend the disconnection process for 21 days upon notification by a Social Service Agency or Government Agency that it is assessing a residential customer for the purposes of determining the customer for low-income eligibility. Utilities should therefore be waiting for a request from the agency, rather than the customer, before commencing the 21 day period.

DSC section [4.2.2.6](#) also requires that a customer must approach a Social Agency or Government Agency within the 10 day disconnection notice period, and the agency must also contact the distributor within those 10 days to request the 21 day holding period. If the distributor does not receive the hold request by the 10th day, it may move forward with disconnection.

Q.17 Are there any rules related to payment arrangement eligibility upon a low-income client's first entry into the system as a low-income customer who is seeking assistance with arrears?

- A.17. In general, a customer has the right to request an arrear agreement upon first entry into the system as a low-income customer. There are detailed rules governing arrears agreements in section [2.7](#) of the DSC. The code specifies, for example, the maximum amount of the down payment a customer may be required to pay by the utility before entering into an arrears agreement: 15% in the case of residential customers and 10% in the case of eligible low-income customers (see section [2.7.1.3](#) of the DSC).

In practice, it is expected that a distributor will generally offer a customer a certain payment arrangement to cover any shortfall remaining after the application of the LEAP or EEF assistance to outstanding arrears. In certain cases, a customer may have to wait a period until accessing a second arrears agreement (for example, under section [2.7.5.1](#) of the DSC, a low-income customer must wait a year before requesting a second low-income arrears agreement, but can access a standard residential customer arrears agreement during that period).

LEAP Reporting & Monitoring Requirements

Q.18 When is a distributor required to file its reporting requirements with the Board?

A.18. Social agencies are expected to file the annual reporting requirements outlined in [Appendix C.2](#) of the 2011 LEAP Emergency Financial Assistance Program Manual with their distributor partner by January 31, covering activities in the preceding calendar year. Distributors are expected to file this information with the Board by April 30.

Q.19 Are social agency partners expected to file information for both LEAP Emergency Financial Assistance and on the funds received as part of the Late Payment Penalty settlement?

A.19. Some utilities have received Late Payment Penalty (LPP) funds to supplement their LEAP funding. LEAP funds and LPP funds are considered separate funds by the Board and by the United Way Toronto, the administrators of the LPP funds. LPP funds are not to be reported to the Board as part of the LEAP reporting requirements.

Q.20 What funds are to be reported under the non-distributor funds category?

A.20. "Non-distributor funds" include funds received by the distributor from other sources (donations received by the distributor) or from the distributor's shareholder (not funded from distribution revenues) and then provided to the distributor's social agency partner(s).

Q.21 Will Enbridge be required to follow the same reporting requirements once its Winter Warmth Funds are exhausted?

A.21. The Board has been advised that Enbridge plans to file two reports covering activities in each of 2011 and 2012; namely a Winter Warmth report covering the use of the court settlement funds, and a LEAP report covering the use of LEAP funds. A copy of the information to be filed annually by Enbridge for 2011 and 2012 can be accessed [here](#)

As of 2013, with the termination of the Winter Warmth program, Enbridge will begin providing LEAP emergency financial assistance on an annual basis. As such, commencing with its filing in 2014 (covering 2013), Enbridge's LEAP filing should be made on an annual basis. That filing should cover the entirety of the preceding calendar year, and include largely the same information as is required to be filed by electricity distributors. A copy of the information to be filled annually by Enbridge for 2013 and beyond can be accessed [here](#).

Q.22 Where should social agencies send their LEAP Annual report?

A.22. Social agencies should file a copy of their LEAP Annual report with their distributor partner. The distributor will in turn file this information with the Board. An [editable PDF form](#) of use by social agency partners was provided by the Board on December 21, 2012.

Q.23 What happens if an agency has not tracked all the monitoring information contained in Appendix C.3 of the LEAP Program Manual?

A.23. As this is the first year of implementation, we understand that some social agency partners may have experienced difficulty in collecting all the monitoring tracking data. The Board will be issuing a template for use by social agency partners to collect this data going forward.

Miscellaneous

Q.24 Will a new LEAP Manual for 2012 be made available?

A.24. An updated LEAP Emergency Financial Assistance Manual for 2012 was posted by the Board on February 17, 2012. The 2012 LEAP EFA Manual includes an updated Income Eligibility Chart and details on the new low-income electricity customer service rules. You can access a copy [here](#).

Q.25 Is the Child Tax Benefit considered when determining low-income eligibility?

A.25. Yes, the Child Tax Benefit amount is included in the applicant's total annual income as listed in [section 4 – Income Information of the Application](#) for LEAP Emergency Financial Assistance form. The total annual income amount is used to determine whether an applicant is qualified as low-income based on the Income Eligibility Chart in [Appendix B](#) of the LEAP EFA Manual.

Q.26 Will a copy of the presentations slides be made available?

A.26. Yes, the presentation slides have been posted to the Board's website. You can access a copy of them [here](#).