



Ontario Energy Board

Commission de l'énergie de l'Ontario

LEAP
Emergency Financial Assistance
Webcast

October 29, 2010

Agenda

- LEAP Overview
- Funding Level
- Recovery through Rates
- Distributor – Social Service Agency Partnerships
- Reporting Requirements
- Next Steps
- Questions?



LEAP Overview

- Low-Income Energy Assistance Program (LEAP) is a rate-payer funded emergency financial assistance program for eligible low-income customers of electricity & natural gas distributors, and customers of unit sub-metering providers.
- LEAP is intended to provide *emergency* assistance to customers struggling to pay their bills, and *not ongoing* bill assistance.
- Funds from each distributor are available only to eligible customers of that distributor, and customers of unit sub-metering providers within the distributor's service area (i.e. funds are not pooled provincially).



Funding Level (Electricity distributors)

- Electricity distributors will contribute the greater of 0.12% of their Board-approved total distribution revenue requirement, or \$2,000 for emergency financial assistance.
 - Calculated based on total distribution revenues.
 - Recovered from all rate classes based on the respective distribution revenue of each of those rate classes.
 - Funds are to be used for the LEAP program, and not Winter Warmth, Share the Warmth, etc.



Funding Level (Natural Gas Distributors)

- Gas distributors expected to ensure that 0.12% of Board-approved total distribution revenue requirement is available for emergency financial assistance.
- Board acknowledges separate court settlements that require contributions to the Winter Warmth program.
- Union not required to contribute additional funds given that Winter Warmth amount exceeds 0.12% of revenue.
- Enbridge required to increase contribution to Winter Warmth to ensure at least 0.12% of revenue is available.
- Board to revisit issue in spring to ensure availability of funds for the remainder of the year.



Recovery Through Rates

- **Cost of Service:**
 - LEAP amount to be included as part of OM&A expenses.
 - LEAP amount will be adjusted in draft rate orders to account for changes resulting from Board's decision on the final service revenue requirement.
- **IRM:**
 - Accommodate LEAP amount within existing OM&A budget.
 - Use Z-factor if distributor believes LEAP amount is material.
- **NOTE:** Total distribution revenue means forecasted service revenue requirement, as approved by the Board, and includes revenue from specific service charges.



Delivery

- Social service agencies will receive and manage funds from distributors.
- Agencies will screen applicants and make final decisions on funding.
- For approved applicants, money will be remitted directly to the distributor or unit sub-metering provider and credited to the applicant's account.
- Funds are NOT provided directly to customers.



Distributor – Social Service Agency Partnerships

- As per letter of October 20, 2010, distributors to report to the Board by **November 12** as to name and contact info for chosen social agency partner(s).
- Board will not be approving social agency partner(s).
- Distributors encouraged to discuss choice of agency partner with administrators of late payment settlement, to ensure coordination where possible.





**United Way
Toronto**

OEB LDC Webcast

October 2010



Late Payment Settlement

- As administrator to the late-payment settlement, United Way Toronto will select a program to receive funds, or create one where none exists.
- United Way Toronto currently intends to flow settlement funds through the new provincial program LEAP, rather than duplicate efforts by creating a separate energy assistance program.
- Funds must be used to support the energy bills of LDC customers and cannot go to any other expense.



Late Payment Settlement

- There are no timelines associated with the payment of settlement funds. UWT's intention will be to make funds available to communities as needed versus enforcing a specific timeline.
- As the OEB has determined that settlement funds are over and above the LDC's annual LEAP contributions, we will work with local agencies to review uptake of funds.



Late Payment Settlement: Timelines

- Contributions to the late-payment settlement are to be paid to Ogilvy Renault LPP in trust by June 30, 2011.
- Administrators will receive the funds in July 2011.
- Funds will be disbursed as soon as possible, however, we will need to take into account current LEAP funding and assess uptake.



Agency Selection Criteria for the Late-Payment Settlement

1. 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.
2. Able to deliver emergency financial assistance on behalf of both the local electricity and natural gas utilities, including Hydro One.
3. Registered charity or government agency.
4. Past experience delivering an energy assistance program (e.g. Winter Warmth, THAW, FUSE).
5. Provides housing support services.
6. Able to serve a diverse population.
7. Able to provide financial oversight of funds managed, including appropriate tracking and reporting.



Additional Criteria

1. Experience working with low-income individuals and families.
2. Examples of appropriate service areas:
 - Housing
 - Financial literacy/credit counselling
 - Individual case management and supportive counselling



Additional Considerations

1. **Privacy concerns** – agencies will be holding personal and financial information of LDC customers and must be able to safeguard information.
2. **Data storage** – if storing information electronically, must have information saved in safe manner.
3. **Reporting** – agency is agreeing to meet reporting requirements for LDC's.
4. **Customer service rules** – agency must agree to meet the timelines established by the OEB for disconnections etc. EG 21 day hold on disconnection notices from LDC once contacted by agency.

Without you, there would be no way.



LEAP Provincial Model

- Look to having counties covered off and not specific communities. For example, not enough that Barrie is covered off — all of Simcoe County should be covered off.
- This may be one agency that covers the whole territory, OR it may be a group of agencies that work together to cover the whole territory.
- Above all, avoid having agency A for gas, agency B for 1st hydro, agency C for 2nd hydro, agency D for Hydro One:
 - Coordinated services will simplify access to the program for low-income families.
 - 15% program/administration fee needs to sustain the program and can be quickly diluted.

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Agencies Approved for the Late-Payment Settlement

1. United Way Toronto will approve all agencies involved in the Enbridge or Union Gas 2010-2011 Winter Warmth programs.
2. If an LDC would like to approach their local United Way to assist with agency selection, United Way Toronto will work with the local United Way to approve agencies, following the criteria discussed today.



LDC Nominations

United Way Toronto will make LDC nominations a priority for approval as we wish to respect existing relationships that may have existed for years, so long as:

- 1.The agency agrees to deliver the LEAP program as per the LEAP manual being developed by the Financial Assistance Working Group.
- 2.The agency agrees to deliver LEAP for all gas, hydro and Hydro One customers and not just for a single hydro.
- 3.There are no conflicting nominations or unnecessary replication.

Agencies that are outside of Winter Warmth network are expected to work in partnership with current network.

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OEB Reporting Requirements

- Distributors to report to the Board annually.
- Agencies to report to distributor partner both monthly and annually.
- Purpose of monthly reporting is to allow distributors to monitor how many customers have been assisted and how much money remains.
- Purpose of annual reporting to the Board is to track program performance.
- Further direction in the near future as to metrics & process for reporting.



Next Steps

- LEAP Program Manual being developed to guide implementation. Manual will address:
 - Roles & responsibilities
 - Eligibility criteria & screening guidelines
 - Application Process
- Training
 - Separate webcasts aimed at distributors & social agency partners
 - Targeting late November



Questions?

Questions can be asked through the Q&A tab in Microsoft Office Live Meeting



Contact Information

- **For questions on the Board's requirements, please contact:**
Market Operations Hotline
market.operations@oeb.gov.on.ca
www.oeb.gov.on.ca
- **For questions on the late payment settlement, please contact:**
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