

**LEAP Emergency Financial Assistance
Questions and Answers
Based on the October 29th, 2010 LEAP Webcast**

Introduction

A webcast for all natural gas and electricity distributors was held on October 29, 2010 to provide participants with the opportunity to ask questions related to the contents of the letter issued by the Board on October 20, 2010 that provided details regarding LEAP Emergency Financial Assistance. This Question and Answer document outlines the questions and responses provided during that webcast. The webcast was delivered jointly by Board staff and staff of United Way Toronto. Board staff provided information, and answered questions relating to LEAP, while United Way Toronto staff provided information and answered questions relating to the electricity late payment settlement.

Based on the questions asked during the webcast, Board Staff wishes to clarify that neither the Board nor United Way Toronto will be approving each distributor's social service agency partner for LEAP emergency financial assistance. However, United Way Toronto will be approving agencies for the electricity late payment settlement. United Way Toronto has offered to accelerate their agency approval process in an effort to ensure coordination of agencies, where possible, between LEAP and emergency late payment settlement process.

The following are questions that have been asked of Board Staff in relation to LEAP emergency financial assistance. Board Staff has provided its response to these questions for clarification purposes only. The responses to the questions below are in no way binding on the Board.

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

1. Funding
2. Customer Eligibility Criteria
3. LEAP Distributor-Agency Partner Selection Criteria
4. Roles of Social Service Agencies
5. Electricity Late Payment Settlement

Funding

Q: Will electricity distributors be required to provide LEAP funding in 2012 and subsequent years?

A: Yes, LEAP funding will be required in 2012 and subsequent years. The Board's policy, as written, does not contemplate an end date.

Q: What happens when the funding runs out? What happens if there are funds remaining at the end of the year?

A: Board staff acknowledges that there are uneven funding levels across distributors. It is expected that distributors and social agencies will manage funds accordingly in an effort to ensure the most number of eligible customers receive assistance. In discussions with social service agencies, staff has found these agencies have considerable experience in managing limited funds, including by leveraging different sources of funds. Any funds remaining at the end of the year will be rolled over for distribution to eligible customers in the following year.

Q: How will agency administration costs be covered? Will this be a separate amount recovered from the distributor? How are administration costs divided between Intake and Lead agencies?

A: As set out in the letter of October 20, distributors may allocate up to 15% of their annual LEAP amount for their social agency partner's administration and program delivery costs. For greater clarity, a distributor's annual LEAP amount of 0.12% of total distribution revenue is inclusive of the amount for administration and program delivery costs. For example, if 0.12% of a distributor's total distribution revenue is \$10,000, then \$1,500 is available to agencies for administration and program delivery costs and the remaining \$8,500 is for assistance to approved applicants.

The 15% administration fee is the maximum amount that can be used for administration and program delivery fees. The allocation of this amount between the lead and/or intake agency is at the discretion of the agencies.

Q: What USoA account is to be used to record funding?

A: This issue is currently being reviewed and further direction may be provided to distributors in the near future.

Q: How does a distributor know its LEAP funding amount?

A: Each distributor should be able to calculate their annual amount of funding, based on 0.12% of the distributor's Board approved total distribution revenue.

Q: By when is the 2011 payment required? Is the amount based on the 2009 financial statements?

A: The Board's expectation is that LEAP emergency financial assistance is available beginning in January 2011, and as such, payment to the agencies should occur early in 2011. For distributors that are filing an IRM application, they can use their last Board approved revenue requirement.

Q: Are the 2011 LEAP funds net of the late payment settlement amounts or in addition to?

A: Distributors are required to provide 0.12% of total distribution revenue for LEAP emergency financial assistance. The late payment settlement funds are in addition to the required LEAP funds. As set out in the Board's letter, the Board encourages the administrators of the late payment settlement to consider how use of the funds arising from that settlement could be spread out over several years.

Customer Eligibility Criteria

Q: Will this program be available to the working poor or just individuals that have been previously recognized as needing government assistance?

A: The eligibility criteria is based on the Low Income Cut-Off (or LICO) + 15%, with the intent that the working poor as well as individuals needing or receiving government assistance would qualify for emergency financial assistance based on this income screen.

Q: Are there any procedures in place to prohibit a customer from relocating to a new service territory and applying for LEAP funding for a second time in the calendar year?

A: For distributors that serve large areas, where there is a lead agency and a several intake agencies administering the program, all requests for assistance would be considered by lead agency. Therefore, if a customer were to apply to several different intake agencies, all such requests would be sent to the same lead agency, which could screen for such duplication.

Q: The applicant can only apply once per year for assistance. Does this refer to the hydro account holder or once per family per year? Also is that once per year for hydro and once per year for natural gas?

A: Each household can apply only once per year per fuel. Therefore a household could receive one grant for electricity and then another one for natural gas. For clarity, once per year means once per calendar year.

LEAP Distributor-Agency Partner Selection Criteria

Q: If a distributor selects an agency that is not in Appendix B of the Board's October 20 letter, does that agency need to be approved?

A: For the purposes of LEAP, Appendix B was provided to help out those distributors who may not be aware of what agencies have experience with

another energy assistance program. Distributors are not required to select an agency from that list.

As set out in the October 20 letter, distributors are required by November 12 to report to the Board as to who their chosen social agency partner is for the purposes of delivering LEAP emergency financial assistance. However, the Board will not be approving social agency partners. However, distributors are encouraged to discuss with United Way Toronto their choice of agency for LEAP.

Q: Are distributors required to report to the Board both the lead agency and the intake agency?

A: At a minimum, distributors should provide information as to their chosen lead agency.

Q: There may be a trade-off in selecting agencies that can handle electricity, natural gas and Hydro One, versus the task of providing accessible service to the customer. How can a customer access LEAP emergency financial assistance if they have no transportation and there is no local agency?

A: There is no single solution for selecting an agency partner. The ideal solution will depend on the nature of the community. Distributors are encouraged to select agencies that will allow for coordination with delivery of assistance for natural gas, the distributor and nearby Hydro One customers, where possible.

In addition, the LEAP Program Manual recognizes that some customers may have mobility issues due to geographic or health reasons. As such, the Manual allows agencies to do screening over the phone in extenuating circumstances. Applicants will still be required to provide copies of all required documentation as well as all necessary signatures.

Q: If a distributor selects United Way Toronto of a particular region will they select the intake agency(s)?

A: It is expected that the local United Way, in conjunction with United Way Toronto will attempt to use the current network of agencies created for Winter Warmth to find intake agency partners for the distributor.

Social Service Agency Partner Roles

Q: Can a distributor just nominate an intake agency that is already involved with Winter Warmth instead of a lead agency?

A: There are two types of agencies that will be involved in administering LEAP: intake agencies and lead agencies. Intake agencies are, typically, responsible for the face-to-face interactions with applicants. They will verify income and make

recommendations for funding. Lead agencies are responsible for managing the funds provided by distributors, reporting to distributors and making final decisions of applications.

In some communities, only one agency will be required and that agency will perform both the Lead and Intake roles. For larger communities, it may be beneficial to have several intake agencies throughout the region processing applications and one agency managing the funds. The ideal framework will depend on the community.

For the November 12, 2010 deadline, it is important for each distributor to select the agency that will be holding and managing their funds; the Lead agency partner.

Q: Will the distributor's social agency partner also determine if a customer qualifies for any special low income customer service rules under the Board's proposed code rules?

A: Yes, it is expected that a distributor's chosen social agency partner would also be involved in the screening of customers under the low income customer service rules that are currently being proposed by the Board.

Q: Has thought been given to integrating screening for LEAP's low income amendments and CDM initiatives? Should distributors select agencies that can accommodate this volume of applications?

A: Thought has been given to coordination. Under the Board's proposed low income customer service rules, the proposed eligibility criteria for those rules are the same as for LEAP emergency financial assistance.

Distributors are encouraged to consider agencies that could undertake screening for multiple programs, including financial assistance, any customer service rules, and CDM.

Q: Can social service agencies other than the distributor's chosen agency partner assess a customer's eligibility under the proposed low income customer service rules?

A: Nothing in the proposed rules precludes other agencies from undertaking the assessment.

Electricity Late Payment Settlement

United Way Toronto, as the court appointment administrator of the electricity late payment settlement, provided information and responses during the webcast on the following questions:

Q: Will the settlement payment be paid to the social service agencies or to the electricity distributors?

A: The settlement funds will be paid to the social agencies that are approved. Like with LEAP, the agencies will then send approved grants back to the distributor. No payments will go directly to customers. It will be the same mechanism, but the money will be given to the agency.

Q: What happens if the amount of money given to United Way Toronto for the late payment settlement is unused by the end of 2011? Do the funds roll over to 2012?

A: There is no time-frame for the dispersal of funds from the electricity late payment settlement. In many cases, the amounts contributed by the distributor are relatively small and it is likely that they will be used relatively quickly. These amounts will be provided, in full, to approved agencies. In some cases, the amounts are very large and they will take several years to be depleted. In these cases, funds will likely be provided in several instalments. Once funds are provided to United Way Toronto, and a funding agreement is in place between the approved agencies and United Way Toronto, they will be available until they are fully used, regardless of the time-frame.

Q: Who has to apply to United Way Toronto, is it the distributor or the local United Way agency?

A: There is no requirement to apply to United Way Toronto to have an agency partner approved for LEAP. Agencies selected for the electricity late payment settlement must be approved by United Way Toronto. United Way Toronto has accelerated their approval process for the electricity late payment settlement in order to allow for co-ordinated delivery of the two funds.

Q: Will United Way Toronto be issuing a list of recommended agencies or agencies approved for the purposes of the late payment settlement before November 12th for each service area?

A: United Way Toronto will not be issuing a list of recommended agencies prior to November 12th. The list provided with the October 20, 2010 letter was a list of all agencies currently administering Winter Warmth. It was intended as a starting point for utilities. United Way Toronto is willing to assist distributors in selecting

their agency partner prior to November 12, however, no further list will be provided. In addition, United Way Toronto has begun following up with distributors that have nominated agency partners for the late payment settlement.

Q: When will we find out when our nominated agency was approved or disapproved for the late payment settlement?

A: United Way Toronto understands the challenges in meeting the November 12th deadline and is trying to fast track the approval process as much as possible. Efforts have been made to contact utilities where there are concerns with the nominated agency. However, there is no official date for when agencies will be approved for the late payment settlement. Utilities are encouraged to contact United Way Toronto, as soon as possible, to discuss their agency selections. Additionally, United Way Toronto will automatically approve any agencies that are currently delivering Winter Warmth.