



Ontario Energy Board Commission de l'énergie de l'Ontario



Summary of Customer Service Rules for Low-Income Electricity Customers

LEAP Refresher Training Webcast

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Presentation Outline

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Background

- Customer service rules for eligible low-income electricity customers came into effect October 1, 2011
 - To apply for a low-income customer service rule, customers must:
 - Be qualified as low-income by a social or government agency that has partnered with a distributor; and
 - make a request to their local distributor
 - New rules are set out in the updated Distribution System Code, Retail Settlement Code and Standard Service Supply Code
- Updated residential customer service rules approved in 2010/2011 also applicable to low-income customers

Eligible Low-Income Customers

Definition of Eligible Low-Income Customers

- A customer with a pre-tax household income at or below most recent Stats Canada low-income cut off plus 15%, taking into account family size and community size
 - Customers that have received Emergency Financial Assistance are automatically qualified for low-income customer service rules

Application of Definition

- A social or government agency that has partnered with a distributor has to qualify the customer
- Low-income status remains for 2 years

Security Deposits

All Residential Customers

- May pay security deposits in equal instalments due over 6 months
- Deposit must be applied towards arrears before disconnection notice issued

Eligible Low-Income Customers

- May request waiver of a new security deposit
- May request the refund of the amount of an existing security deposit remaining after paying any arrears

Under-Billing Adjustments

All Residential Customers

- May pay under-billing correction over same period as billing error duration, up to 2 year maximum

Eligible Low-Income Customers

- May pay over 10 months, when amount owing is less than twice average monthly bill
- May pay over 20 months, when amount owing is equal to or greater than twice average monthly bill

Equal Billing and Equal Monthly Payment Plans

Equal Billing Plan

- A bill is issued to a customer and the amount due in each bill is equalized over the billing periods in a year
- The billing may occur for example on a monthly or bi-monthly basis. In this case, there is no requirement for automatic payment withdrawals

Equal Monthly Payment Plan

- An equalized payment amount is automatically withdrawn from a customer's account with a financial institution on a monthly basis
- A physical bill could follow on a monthly, bi-monthly or quarterly basis

Equal Billing and Equal Monthly Payment Plans (Cont'd)

Residential Customers

- Depending on billing frequency, must be offered an equal monthly payment plan or an equal billing plan to customers not enrolled with a retailer
- Some distributors may voluntarily offer an equal monthly payment plan or an equal billing plan to customers enrolled with a retailer

Eligible Low-Income Customers

- May request an equal billing plan if distributor bills monthly or bi-monthly
- They are not required to have a bank account with a financial institution for an equal billing plan
- As noted above, they may instead request an equal monthly payment plan if they have an account with a financial institution

Equal Billing and Equal Monthly Payment Plans (Cont'd)

Operational Details

- Rules apply to customers on standard supply only (i.e. customers not enrolled with a retailer)
- Some distributors voluntarily extend to retailer-enrolled customers
- Customers may join any time of year
- Customers in arrears may join, provided also enter into arrears agreement
- Customers must be given choice of at least two alternative payment / withdrawal dates
- Distributors must review balance during the year
- Annual reconciliation details depend amount due / owing

Disconnection for Non-Payment

All Residential Customers

- Distributors must provide 10 day minimum disconnection notice period
- Extended to 60 days where significant health risk exists to a person who regularly resides with the customer

Low-Income Customers

- Disconnection suspended for 21 days if distributor notified customer being assessed for Emergency Financial Assistance by a social service or government agency

Disconnection for Non-Payment (Cont'd)

Disconnection Notice

- Minimum contents specified in rules; for example
 - earliest and latest date disconnection may occur; forms of payment acceptable; applicable service charges
- Must also state special arrears agreements, expanded customer service provisions, and Emergency Financial Assistance available for eligible low-income customers

Final Telephone Call Before Disconnect

- Distributors must attempt a final telephone call 48 hours before disconnection
 - must repeat key information from the Disconnection Notice above

Arrears Repayment Agreements

Down Payment

- 15% maximum for all residential customers
- 10% maximum for low-income customers

Repayment Period

- For all residential customers
 - 5 months if amount owing is less than 2 times average monthly bill
 - 10 months if amount owing is equal to or more than 2 times average monthly bill
- For eligible low-income customers
 - 8 months if amount owing is less than 2 times average monthly bill
 - 12 months if amount owing is between 2 to 5 times average monthly bill
 - 16 months if amount owing is more than 5 times average monthly bill

Arrears Repayment Agreements (Cont'd)

Late Payment Charges

- All residential customers must pay initial late payment charges and may face additional late payment charges during course of the agreement
- Eligible low-income customers must pay initial late payment charges and additional late payment charges are waived during course of the agreement

Non-Payment Service Charges

(e.g. Disconnection, Collection, Load Control Devices)

- Residential customers are responsible for paying all outstanding service charges
- For eligible low-income customers, the above service charges are waived

Arrears Repayment Agreements (Cont'd)

Payment Defaults before Distributor Terminates Arrears Payment Agreement

- All residential customers are allowed a max. of 1 default in arrears or regular bill payment before arrears payment agreement may be terminated (over 2 months)
- Eligible low-income customers are allowed a max. of 2 defaults in arrears or regular bill payment before arrears payment agreement may be terminated (over 2 months)

Second Agreement

- All residential customers may request second arrears agreement 2 years after start of first one
- Eligible low-income customers may request
 - second similar arrears agreement 1 year after completing first one
 - second standard arrears agreement if less than 1 year has passed after completing first one

Load Control Devices

Load Limiter Device

- It allows the customer to run a small number of electrical items at any given time, but if the customer exceeds the limit of the load limiter then the device will interrupt the power until it is reset by the customer

Timed Load Interrupter Device

- It completely interrupts the customer's electricity intermittently for periods of time

Load Control Devices (Cont'd)

- Rules are applied to all residential customers
- Distributors must follow the following procedures when installing load control devices due to non-payment
 - must provide explanation of how devices work and can be reset
 - must provide emergency contact information and fire prevention safety literature
 - load control devices cannot be installed during the course of an arrears agreement
 - must be removed, within 2 business days, after customer pays amount due or enters into an arrears agreement

Have more questions?

- For specific application questions, please email:
market.operations@ontarioenergyboard.ca
- For summaries of the residential customer service rules and rules for eligible low-income customers, please go to the OEB website under Industry Site and search for Customer Service or EB-2007-0722
or follow the link below:
www.ontarioenergyboard.ca/OEB/Industry/Regulatory+Proceedings/Policy+Initiatives+and+Consultations/Electricity+Distributors+--+Customer+Service

Thank you for your participation!