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Summary of Customer Service Code Amendments for Residential Electricity Customers

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The table below summarizes the Ontario Energy Board's amendments to the Distribution System Code (DSC), the Retail Settlement Code (RSC) and the Standard Supply Service Code (SSSC) that create province-wide residential customer service standards for electricity distributors.

A separate table summarizes the additional [customer service code amendments for eligible low-income electricity customers](#) that came into effect on October 1, 2011.

1. Bill Issuance & Payment

These amendments clarify issues such as when a bill is considered paid and when late payment charges can be applied. Sections 2.6.1 – 2.6.7 of the DSC.

Effective January 1, 2011.

Prior Rule(s)	Revised Rule(s)
<p>No related code rules. (Practices varied from distributor to distributor.)</p>	<p>The minimum payment period before a late payment penalty can be applied must be at least 16 days from the date the bill was issued to the customer. [2.6.2] and [2.6.3]</p> <p>The date on which a bill was issued is determined to be three days after it was printed if sent by mail or on the date on which an e-mail was sent over the internet. [2.6.1] and [2.6.4] A bill payment is deemed to be received from the customer: three days before it is received by the distributor if sent by mail; on the date when the payment is acknowledged by a bank, or when a credit card payment is accepted by a financial institution. [2.6.5]</p> <p>Any payment made after 5:00 p.m. is still effective on the day the payment is made. If a due date is a non-business day, it is extended to the next business day. [2.6.7]</p> <p>If a bill issued to a residential customer includes charges other than electricity charges [2.6.6.3], any partial payment must first go directly to the electricity charges and then, if funds are remaining, to the other charges in the following order: arrears agreement payments, outstanding security deposits, under-billing adjustments and non-electricity charges. [2.6.6] and [2.6.6.2B]</p>

Prior Rule(s)	Revised Rule(s)
	If payment is sufficient to cover electricity charges, the distributor shall not levy late payment charges or disconnect the electricity supply. [2.6.6.2A] These rules apply to existing joint billing agreements when they are renewed, or after two years, whichever comes sooner. [2.6.6.1]

2. Disconnections for Non-Payment

Disconnection Notices

These amendments include standards clarifying notification processes for a distributor prior to disconnecting a customer. Sections 4.2.2, 4.2.2.2A, 4.2.2.3, 4.2.2.5, 4.2.3 and 4.2.3.1 of the DSC.

Effective January 1, 2011.

Prior Rule(s)	Revised Rule(s)
<p>The Distribution System Code recommended distributors provide no less than 7 calendar days notice before disconnecting a customer for non-payment.</p> <p>Section 31 of the <i>Electricity Act</i> states that a distributor may disconnect a property if any amount payable by a person is overdue.</p> <p>This section also states that a distributor shall provide reasonable notice of the proposed shut-off by personal service or prepaid mail or by posting the notice on the property in a conspicuous place.</p>	<p>All customers must receive 10 days notice before being disconnected for non-payment. [4.2.3 (b)] and [4.2.3.1]</p> <p>Residential customers who have provided documentation from a physician that disconnection will pose a significant health risk to a person that regularly resides with the customer, must receive 60 days notice before being disconnected for non-payment. [4.2.3(a)]</p> <p>A residential customer may designate a third party to receive any future notices of disconnection. [4.2.2.2A]</p> <p>When a disconnection notice is issued for a building with multiple units and a master meter, a copy of the notice must be posted in a conspicuous place on or in the building. [4.2.2.5]</p> <p>Disconnection notices sent to residential customers must contain prescribed information, such as the earliest and latest date disconnection may occur, the forms of payment a customer may use, that a Board-prescribed standard arrears management program and equal monthly payment plan may be available, and that a disconnection may take place whether or not the customer is home at the time. [4.2.2]</p> <p>A distributor must act on the disconnection notice within 11 days after the applicable minimum 10 day notice period (or 60 day period, if significant health risk exists). [4.2.2.3]</p>

Disconnection and Payment Procedures

These amendments include standards around how and when a customer can be disconnected and how payment can be made to avoid disconnection. Sections 4.2.2.4, 4.2.5 and 7.10.1 of the DSC.

Effective January 1, 2011.

Prior Rule(s)	Revised Rule(s)
<p>No related code rules. (Practices varied from distributor to distributor.)</p>	<p>Distributors must make a reasonable effort to contact a residential customer one final time, in person or by telephone, prior to disconnecting service at least 48 hours before the scheduled disconnection date. There is certain prescribed information that a distributor must provide, including acceptable payment options available at this stage and advising that a standard arrears program and an equal monthly payment plan could be available. [4.2.2.4]</p>

Prior Rule(s)	Revised Rule(s)
	<p>Distributors must, at a minimum, have the facilities and staff available during regular business hours so residential customers can pay overdue amounts by credit card issued by a financial institution. [4.2.5 (a)]</p> <p>When a distributor visits a customer's property to disconnect service during or after regular business hours, the distributor must have the facilities or staff available to allow residential customers to pay overdue amounts by credit card and any other form of payment the distributor wishes to accept. [4.2.5 (b)]</p> <p>If a distributor has been unable to contact a residential customer 48 hours before a planned disconnection, they should generally make a reasonable attempt to communicate with the customer at the door (subject to consideration of the safety and security of utility field staff) to advise that payment may be made by a credit card issued by a financial institution. [4.2.5 (c)]</p> <p>Distributors shall reconnect a customer's property within two business days of payment in full or entering into an arrears management agreement 85% of the time. [7.10.1]</p>

Suspending Disconnection Action

These amendments clarify the role of a social service agency, government agency or other third parties in suspending a notice of disconnection. Sections 4.2.2.6 and 4.2.2.7 of the DSC.

Effective October 1, 2010.

Prior Rule(s)	Revised Rule(s)
<p>No related code rules. (Practices varied from distributor to distributor.)</p>	<p>If, during the disconnection notice period a social service or government agency advises a distributor they are assessing whether a residential customer is eligible for bill payment assistance, the distributor must suspend disconnection action for a period of 21 days after receiving notification from the agency. [4.2.2.6]</p> <p>If, during the disconnection notice period, a third party, who had previously been designated by a residential customer to receive any disconnection notices, advises a distributor they are attempting to arrange assistance to help the customer pay their bill, the distributor must also suspend disconnection action for a period of 21 days. [4.2.2.6]</p> <p>If an agency advises that the customer is not eligible for assistance, a distributor must act on the original disconnection notice within 11 days of being so informed by the agency. If disconnection does not occur within that period, the distributor must issue a new disconnection notice and start the process once again. [4.2.2.7]</p>

3. Security Deposits

These amendments set common standards around how large a security deposit can be and how it is applied to payment of arrears. Sections 2.4.12 and 2.4.26 of the DSC.

Effective January 1, 2011.

Prior Rule(s)	Revised Rule(s)
<p>Customers could pay a required security deposit in equal instalments over at least four months.</p> <p>When a customer had received more than one disconnection notice in a given 12 month period, the maximum amount a distributor could collect for a security deposit was equivalent to the customer's highest actual or estimated monthly consumption, within the most recent 12 consecutive months in the past two years.</p> <p>(The list above outlines only those rules relevant to the corresponding amendments. It is not an exhaustive list of the security deposit rules set out in the Distribution System Code.)</p>	<p>Residential customers can pay a required deposit, an increase in a security deposit or a replacement of a deposit applied against arrears, in equal instalments over at least six months. [2.4.20A] and [2.4.25A]</p> <p>There must be a review of a residential customer's security deposit in the calendar year after the first anniversary of the first instalment payment. [2.4.22A]</p> <p>A customer's average monthly consumption over a period of the most recent 12 consecutive months within the last two years shall be used to calculate the maximum amount a distributor can collect for a security deposit. [2.4.12]</p> <p>Security deposits must be applied against any arrears and be insufficient to cover any amounts owing before a disconnection notice can be issued to a residential customer. [2.4.26A]</p> <p>When a security deposit has been applied against any arrears, the residential customer may have to repay the security deposit and must be allowed to repay in equal instalments over at least six months. [2.4.20A]</p>

4. Equal Monthly Payment and Equal Billing Plans

These amendments provide the option for residential customers on Standard Supply Service (i.e. for customers not enrolled with retailers) to join an equal monthly payment or equal billing plan. Some electricity distributors may also offer voluntarily equal payment or equal billing plans to residential customers enrolled with retailers.

An equal monthly payment plan is a payment option whereby an equalized payment amount is automatically withdrawn from a customer's account with a financial institution on a monthly basis, with a physical bill to follow that may be on a monthly, bi-monthly or quarterly basis.

An equal billing plan is a billing option where a bill is issued to a customer and the amount due in each bill is equalized over the billing periods in the year. The billing may occur for example on a monthly or bi-monthly basis. In this case there is no requirement for automatic withdrawals from a financial institution.

Sections 2.6.2 and 2.6.2B of the SSSC.

Effective April 1, 2011 and revised October 1, 2011.

Prior Rule(s)	Revised Rule(s)
<p>Under the Standard Supply Service Code, distributors could offer an equal billing plan option to all standard supply service customers, but it is up to their discretion.</p>	<p>Distributors are required to offer residential customers receiving standard supply service (i.e. for customers not enrolled with retailers) the option to join a prescribed equal monthly payment or an equal billing plan. In particular:</p> <ul style="list-style-type: none"> • Where the distributor bills monthly, the distributor must offer to its residential customers either an equal monthly payment option or an equal monthly billing option. [2.6.2] • Where the billing cycle is less frequently than monthly, the distributor must offer to its residential customers an equal monthly payment plan. <p>Customers that are in arrears and have not entered into an arrears payment agreement may be refused an equal monthly payment or equal billing plan. [2.6.2 (a)] and [2.6.2B (b)]</p> <p>Customers can join an equal monthly payment or equal billing plan any time of the year. [2.6.2 (e) i)] and [2.6.2B (d) i)]</p> <p>Residential customers on an equal monthly payment or equal billing plan must be given a choice of at least two dates within a month for automatic payments to be withdrawn or bill payments to be due. [2.6.2 (c)] and [2.6.2B (c)]</p> <p>Distributors offering an equal monthly payment plan may continue to issue bills on a monthly, bi-monthly, quarterly or annual basis. [2.6.2 (d)]</p> <p>Distributors will review customers' equal monthly payment and equal billing plans quarterly or semi-annually and adjust the equalized payment/billing if electricity consumption or</p>

Prior Rule(s)	Revised Rule(s)
	<p>approved charges have changed materially. [2.6.2 (e) iii] and [2.6.2B(d) iii]</p> <p>Distributors are required to reconcile all of their equal monthly payment and equal billing plans once during the calendar year but not on the 12th month anniversary of a customer joining the plan. If a customer is in the first year of a plan, they may be reconciled before 12 months. [2.6.2 (e) i – ii] and [2.6.2B (d) i – ii]</p> <p>If the annual reconciliation shows that the customer is owed an amount equal to or exceeding the customer’s average monthly billing, the amount will be credited to the customer’s account. The customer will be notified of this credit and will have 10 days to request a refund cheque instead of the credit on their bill. [2.6.2 (e) v] and [2.6.2B (d) v]</p> <p>If the annual reconciliation shows that the amount owed to the customer is less than the average billing amount, the amount will be credited to the customer’s account. [2.6.2 (e) iv] and [2.6.2B (d) iv]</p> <p>If the annual reconciliation shows that the customer owes an amount equal to or exceeding the customer’s average monthly billing, the distributor shall recover the balance over the first 11 months of the following year’s equal monthly payment or equal monthly billing plan (or over 10 months where the distributor bills bi-monthly) . [2.6.2 (e) vii] and [2.6.2B (d) vii]</p> <p>If the annual reconciliation shows that the amount the customer owes is less than the customer’s average monthly billing, the distributor may collect the full amount by a charge on the bill in the 12th month of the equal monthly payment or equal monthly billing plan (or on the final bill of the year where the distributor bills bi-monthly). [2.6.2 (e) vi] and [2.6.2B (d) vi]</p>

5. Arrears Payment Agreements

These amendments require distributors to make available standard arrears payment agreements to residential customers. Section 2.7 of the DSC.

Effective October 1, 2010.

Prior Rule(s)	Revised Rule(s)
<p>No related code rules. (Practices varied from distributor to distributor.)</p>	<p>Distributors must make standard arrears payment agreements available to any residential customer unable to pay their electricity charges. [2.7.1]</p> <p>Any security deposit must be applied to the amounts owing before entering into an arrears payment agreement. [2.7.1.1]</p> <p>Residential customers may be required to make a down payment of up to 15% of the arrears plus any accumulated late payment charges (not including other service charges such as reconnection charges) when entering into an arrears payment agreement. [2.7.1.2]</p> <p>If a residential customer owes less than twice their average monthly bill after applying the security deposit and down payment, the minimum length of time to pay the remaining amount is 5 months. [2.7.2 (a)]</p> <p>If a residential customer owes equal to or more than twice their average monthly bill after applying the security deposit and down payment, the minimum length of time to pay the remaining amount is 10 months. [2.7.2 (b)]</p> <p>Distributors can cancel the agreement if a residential customer defaults more than once on making an arrears payment, a current bill payment, a security deposit due or an under-billing adjustment due. [2.7.4]</p> <p>The above defaults must occur over at least a 2 month period. [2.7.4.4]</p> <p>Customers must be given 10 days written notice before an agreement can be cancelled, and the agreement must be reinstated if the customer pays in full before the cancellation date. [2.7.4.1 and 2.7.4.2]</p> <p>If an arrears agreement is terminated early, the distributor may require that a residential customer wait a year before entering into another agreement. [2.7.8]</p> <p>If a residential customer declines an arrears agreement then the distributor may proceed to disconnect and is not required to offer an agreement after disconnection. [2.7.1A]</p>

6. Billing Adjustments

These amendments clarify how a distributor can correct instances of a customer being over- or under-billed over a period of time. Section 7.7 of the RSC.

Effective April 1, 2011.

Prior Rule(s)	Revised Rule(s)
<p>Under the Retail Settlement Code, where the customer had been over billed, the customer could be credited for the amount for up to a 6 year period.</p> <p>Where the customer had been under-billed, the customer could be charged the amount not previously billed. For residential customers not responsible for the error, the customer could be charged for up to 2 years. For non-residential or customers responsible for the error, the allowable time was the length of time they were under billed.</p>	<p>Over or under-billing adjustments are permitted over a period of up to two years for all classes of customers. [7.7.7] Note that the <i>Limitations Act, 2002</i> provides a two-year limitation period for actions in debt (subject to any considerations of discoverability).</p> <p>If a customer has been over-billed by an amount equal to or greater than the customer's average bill, the customer has the option of receiving a cheque or a credit on their next bill. [7.7.1]</p> <p>If a customer has been over-billed and the amount is less than the customer's average bill, the customer will receive a credit on their next bill. If the customer has outstanding arrears, the distributor may apply the over-billed amount to the arrears first, and may credit or repay the balance to the customer. [7.7.2]</p> <p>If a customer is under-billed and is not responsible for the error, the customer is allowed to pay the under-billed amount in equal instalments over the same amount of time as they were under-billed for up to a maximum of two years. (e.g. if a customer has been under-billed for five months, they will have five months to pay the under-billed amount). [7.7.4]</p> <p>When a customer is responsible for the under-billing error, the distributor may require payment of the full amount on the next bill or on a separate bill. [7.7.6]</p> <p>These rules do not apply when a distributor has under-billed or over-billed a customer but issues a corrected bill within 16 days of the date the incorrect bill was issued. [7.7.11]</p>

7. Opening and Closing Accounts

These amendments clarify issues around the opening and closing of accounts, including those in rental units. Section 2.8 of the DSC.

Effective April 1, 2011

Prior Rule(s)	Revised Rule(s)
<p>Under the Distribution System Code a person could become a customer of the distributor by implied consent (for example, by accepting utility service).</p>	<p>If a distributor opens a new account based on a request from a third party, a letter must be sent to the new user within 15 days of the opening of the account. The account will not be set up if the new user has not approved the opening of the account within 15 days of the letter. [2.8.1] However, a solicitor or person with Power of Attorney can agree on behalf of the new customer to the opening of the account. [2.8.1.1]</p> <p>Distributors can only recover charges from a person who has agreed in writing to become a customer. [2.8.2]</p> <p>When a tenant customer moves out of a residential rental unit, distributors cannot seek to recover future charges from any other person, including the landlord, unless that person has agreed in writing to assume responsibility for the account. [2.8.3]</p> <p>A distributor and a landlord may enter into an agreement where the landlord agrees to automatically assume responsibility for paying for continued service after the closure of a tenant's account. [2.8.3A]</p> <p>The above rules do not apply to pre-existing agreements with landlords or other binding agreements for service. [2.8.5]</p>

8. Use of Load Control Devices

These amendments introduce common procedures around the installation of load control devices in cases of non-payment. A "load control device" means a load limiter, timed load interrupter or similar device. A "load limiter device" 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. A "timed load interrupter device" completely interrupts the customer's electricity intermittently for periods of time.

Section 2.9 of the DSC.

Effective July 1, 2011.

Prior Rule(s)	Revised Rules

<p>No related code rules. (Practices varied from distributor to distributor.)</p>	<p>If a distributor installs a load control device (either load limiter or timed load interrupter) instead of disconnecting the customer because of past due amounts, it must provide a written explanation on how the device works and how it can be re-set and an emergency telephone number the customer can call for assistance. [2.9.3, 2.9.3A and 2.9.3B] The distributor must also provide literature from the local fire marshal about the risks associated with disconnecting electricity. [2.9.3C]</p> <p>A load control device may not be installed during the course of an arrears agreement. [2.9.4]</p> <p>If the customer enters into an arrears payment plan, or has paid the full amount outstanding, the load control device must be removed. The distributor should do so within two business days. [2.9.5]</p>
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The summary of the residential customer service rules set out above is a synopsis and is not intended, nor should it be used as an interpretive tool for the Code amendments for any purpose, or in any forum. The summary is a narrative and informal description of the various amendments made to the Codes and it has no legal or regulatory role in its interpretation, implementation or enforcement.

If a customer has an enquiry or complaint, they may contact the Ontario Energy Board's Consumer Relations Centre at 1-877-632-2727 (toll-free within Ontario) or 416-314-2455 (within Greater Toronto) from Monday to Friday, 8:30 a.m. to 5:00 p.m.

If a distributor has any implementation questions, they may forward them in writing to market.operations@ontarioenergyboard.ca.