

LEAP Emergency Financial Assistance

2017 Report

Presentation Outline

1. LEAP Program Overview and Results
2. Detailed Results for Electricity Distributors
3. Detailed Results for Natural Gas Distributors



The LEAP EFA Program

- The Low-Income Energy Assistance Program – Emergency Financial Assistance (LEAP) is a grant program intended to provide emergency financial relief to eligible low-income electricity and natural gas customers who are having difficulty paying their bills and are facing imminent disconnection.
- It is not a program to provide regular or ongoing bill payment assistance. The Ontario Electricity Support Program provides on-going assistance for lower income electricity consumers.
- LEAP is funded by consumers through their distribution rates.
- Distributors contribute the greater of 0.12% of their total OEB-approved distribution revenue, or \$2,000.
 - Up to 15% of funding may be retained for social agency administration fees.
- Social agencies are responsible for screening customers for eligibility, as per criteria and guidelines in the LEAP Program Manual.
- Grants are a maximum of \$500 per fuel, per household, per calendar year or a maximum of \$600 for electrically heated homes.

Distributors Participating in LEAP in 2017

Distributors who participated in LEAP included:

- 67 electricity distributors (see the OEB website for a complete list of licensed distributors)
- 5 natural gas distributors
 - Enbridge Gas, Union Gas, Natural Resource Gas (NRG), Utilities Kingston, Kitchener Utilities

Social service agencies who participated in LEAP program included:

- 68 lead agencies (responsible for initial intake and administration)
- 156 intake agencies (responsible for meeting applicants and reviewing applications)

Reporting Requirements

Licensed electricity and natural gas distributors are required to report to the OEB annually the following information:

- Total Funds Available broken down by:
 - Distributor budget (the greater of 0.12% of distribution revenue or \$2,000) *
 - Non-distributor funds (i.e. corporate or community donations)
 - Unused funds from previous year(s)
- Total Funds Disbursed broken down by:
 - Grants disbursed (to distributor and sub-metered customers)
 - Administration costs to social agencies
- Other
 - Total unused funds
 - Month in which LEAP funds were depleted
 - Number of applicants (distributor and sub-metered customers)
 - Number of distributor and sub-metered customers assisted (recipients)
 - Number of distributor and sub-metered customers denied

* While distributors are required to provide the greater of 0.12% of distribution revenue or \$2,000, some have reported providing funds in excess of 0.12% of distribution revenue. Funding will be reviewed as a part of the LEAP EFA Review currently underway.

LEAP Results Overview

| Electricity Distributors | 2013 | 2014 | 2015 | 2016 | 2017 |
|--------------------------|--------------|--------------|--------------|--------------|--------------|
| LEAP funds | \$ 5,000,941 | \$ 4,735,875 | \$ 5,180,915 | \$ 6,009,290 | \$ 6,407,800 |
| Non-distributor funds* | \$ 30,508 | \$ 800,771 | \$ 2,574,958 | \$ 2,307,901 | \$ 1,679,764 |
| Funds disbursed | \$ 4,279,839 | \$ 4,762,007 | \$ 6,457,863 | \$ 7,776,612 | \$ 6,182,084 |
| Recipients | 9,293 | 9,656 | 14,494 | 14,330 | 11,643 |
| Average grant | \$ 399 | \$ 418 | \$ 381 | \$ 464 | \$ 451 |

| Natural Gas Distributors | 2013 | 2014 | 2015 | 2016 | 2017 |
|-----------------------------|--------------|--------------|--------------|--------------|--------------|
| LEAP funds | \$ 1,304,939 | \$ 1,466,975 | \$ 1,420,283 | \$ 2,354,197 | \$ 2,666,183 |
| WW funds (Union Gas) ** | \$ 1,009,079 | \$ 1,293,929 | \$ 937,087 | \$ 91,000 | - |
| LEAP and WW funds disbursed | \$ 2,128,223 | \$ 2,632,808 | \$ 2,266,209 | \$ 2,197,157 | \$ 2,428,779 |
| Recipients | 4,971 | 6,135 | 4,881 | 5,354 | 5,571 |
| Average grant | \$ 364 | \$ 369 | \$ 395 | \$ 341 | \$ 371 |

* There were 7 distributors who contributed non-distributor funds in 2017, 6 in 2016, 8 in 2015, 4 in 2014 and 3 in 2013.

** Union completely depleted its Winter Warmth funds in 2016 whereas Enbridge completely depleted its funds in 2012.



Key Points

Funding

- Hydro One's total LEAP funds available accounted for 60% of all electricity LEAP funds; Toronto Hydro and Alectra accounted for between 9 and 10% each.
- Hydro One donated \$1.6 million to the LEAP program in 2017, all of which remained unused by year-end. Hydro 2000 Inc. and Niagara-on-the-Lake Hydro also donated funds which were unused by year-end.
- In 2017, for the first time in 4 years, funds disbursed were less than electricity distributors' required funding.
- In the past two years, 50% of distributors had reported running out of LEAP funds by August, a shift by two months from June reported in 2014 and 2015

Demand

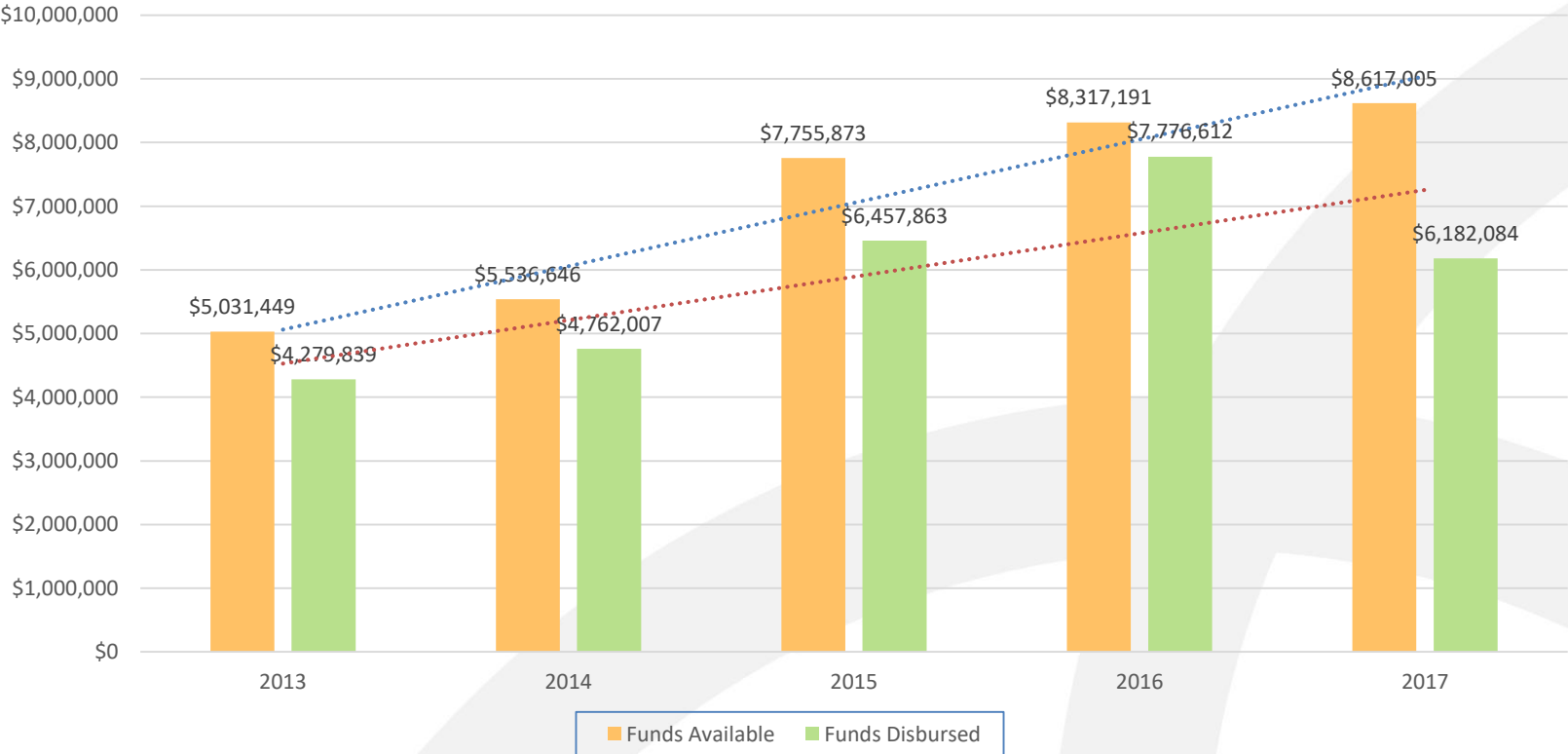
- Applications by electricity customers declined 17% in 2017 while applications by natural gas customers fell by 24%.

Grant Amounts

- The average grant for electricity customers went from \$399 during 2013-2015 to \$458 in the past two years.
- The average natural gas grant remained fairly constant over the past 5 years at \$368 per recipient.

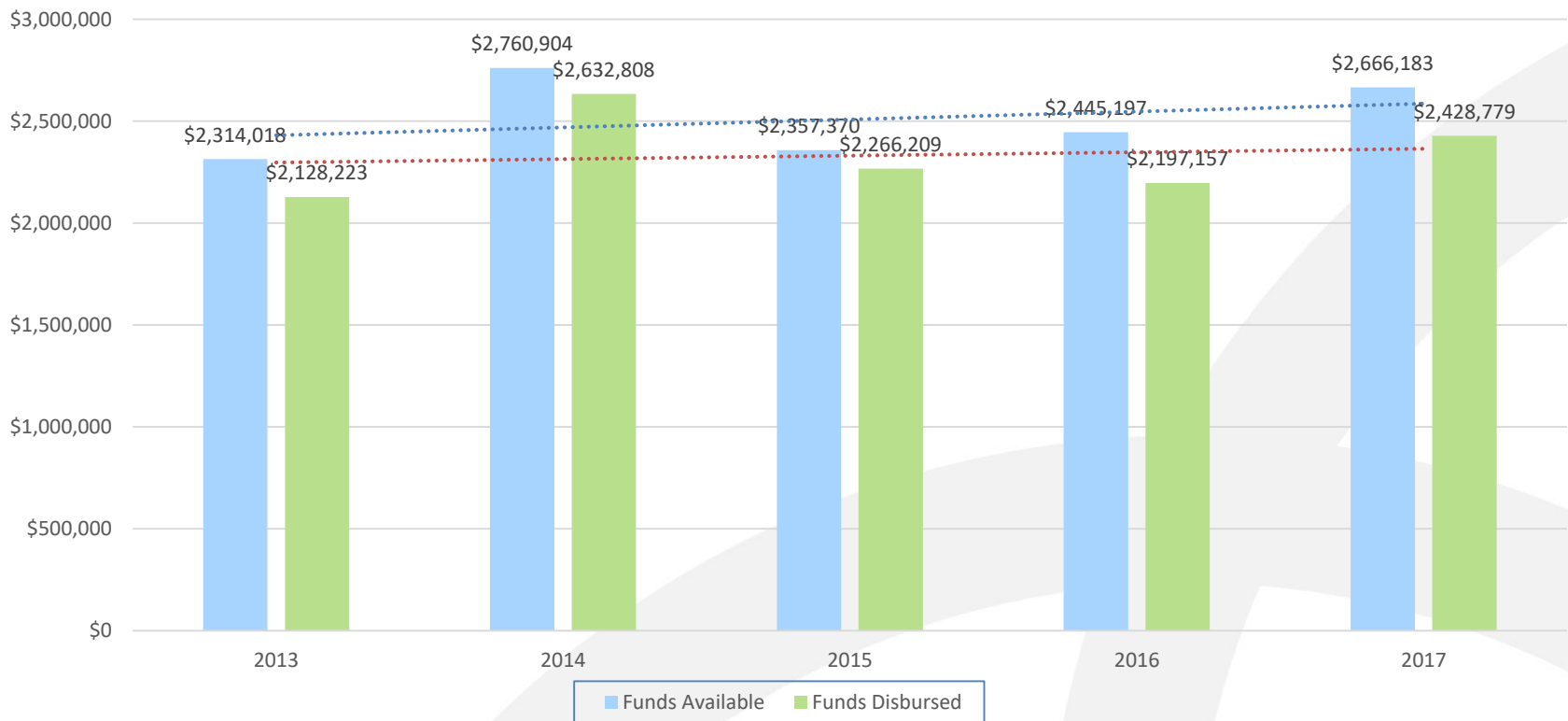
LEAP Funds Available and Disbursed by Electricity Distributors 2013 - 2017

The large increase in funds available in 2015 was due to Hydro One donating \$2.5 million and it has continued to donate significant amounts since then (see page 14)



LEAP* Funds Available and Disbursed by Natural Gas Distributors 2013 - 2017

LEAP* funding for natural gas customers has remained stable for the past 5 years

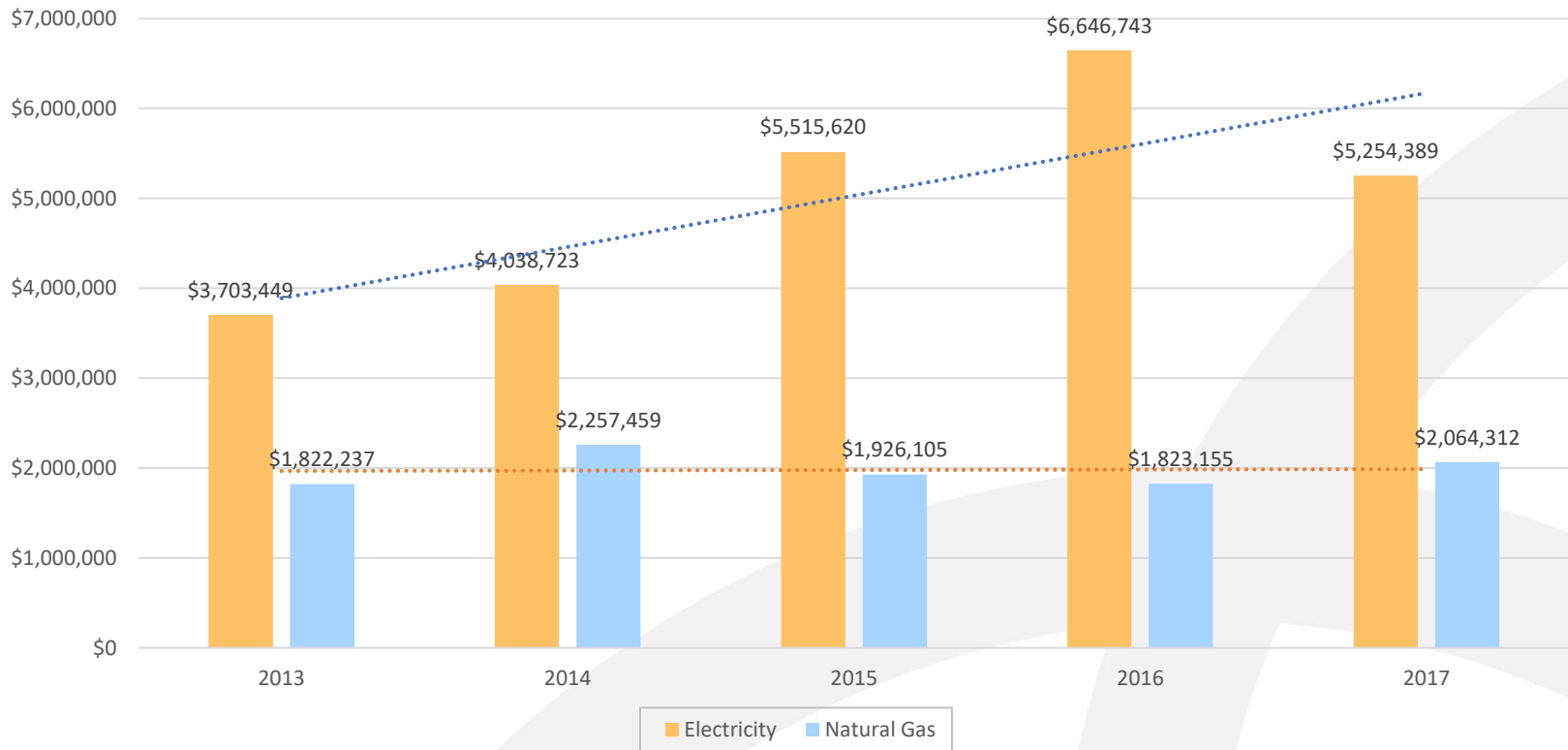


* and Winter Warmth (Union Gas)



LEAP* Funds Disbursed to Applicants 2013 – 2017

Over the past 5 years, LEAP* programs provided over \$35 million in emergency grants to low income electricity and natural gas customers**



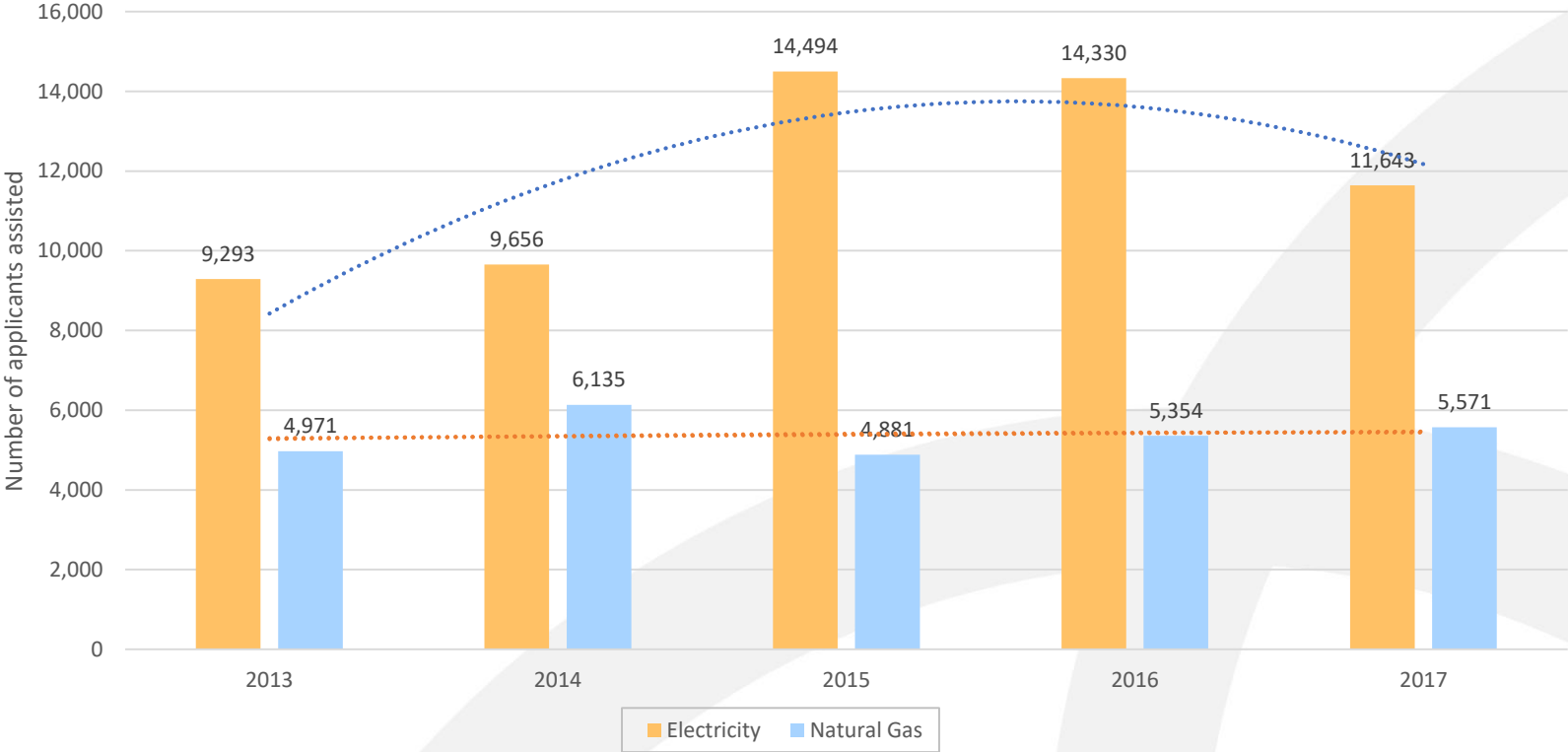
* and Winter Warmth (Union Gas)

** Please note that in the 2016 report, in the table LEAP and Winter Warmth Funds Disbursed 2012-2016, the amounts noted included administration costs.



LEAP* Applicants Assisted 2013 – 2017

Over the past 5 years, the LEAP* program has helped over 86,000 low-income electricity and natural gas customers

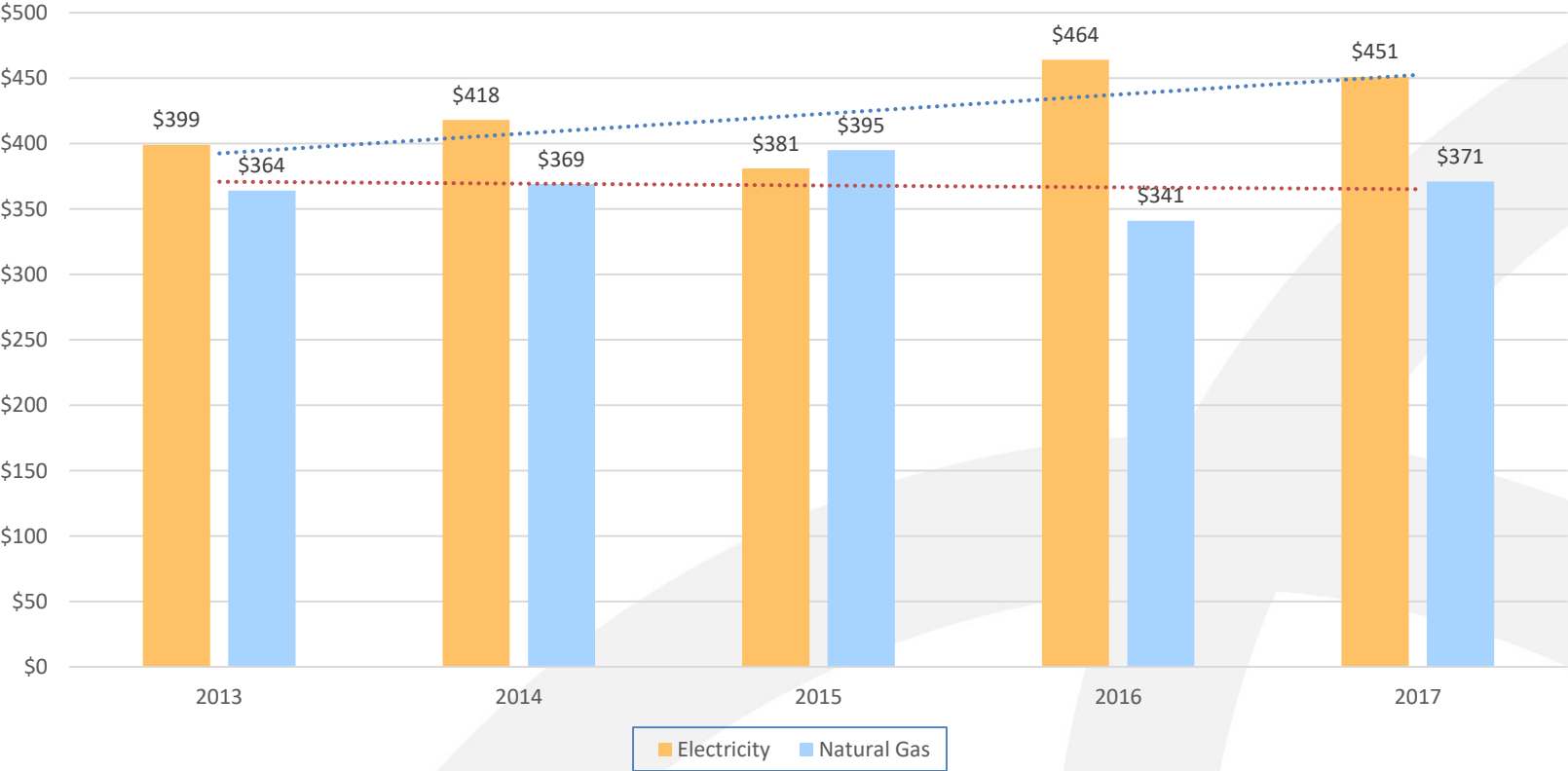


* and Winter Warmth (Union Gas)



LEAP* Grant 2013 – 2017: Average Dollar Amount

In the past 2 years, grants for electricity customers have risen to an average \$458 from an average \$399 between 2013 – 2015, whereas for natural gas customers, the average has remained fairly constant at \$368 over the past 5 years



* and Winter Warmth (Union Gas)



LEAP 2017

Detailed Results for Electricity Distributors



LEAP Results for Electricity Distributors

| LEAP EFA | 2017 | % of Total funds available in 2017 | 2016 |
|--|---------------------|------------------------------------|---------------------|
| LEAP funds (distributor budget) | \$ 6,407,800 | 74.4% | \$ 4,797,825 |
| Non-distributor funds (donations) | \$ 1,679,764 | 19.5% | \$ 2,307,901 |
| Unused funds from previous year | \$ 529,441 * | 6.1% | \$ 1,211,465 |
| Total funds available | \$ 8,617,005 | | \$ 8,317,191 |
| LEAP grants | \$ 5,254,389 | 61.0% | \$ 6,646,743 |
| Administration cost | \$ 927,695 | 10.8% | \$ 1,129,869 |
| Funds disbursed | \$ 6,182,084 | 71.7% | \$ 7,776,612 |
| Funds remaining at year-end (LEAP and donations) | \$ 2,434,921 | 28.3% | \$ 540,579 |
| Applicants | 16,993 | | 20,554 |
| Recipients | 11,643 | | 14,330 |
| Customers Denied | 5,350 | | 6,224 |
| Average Grant | \$ 451 | | \$ 464 |

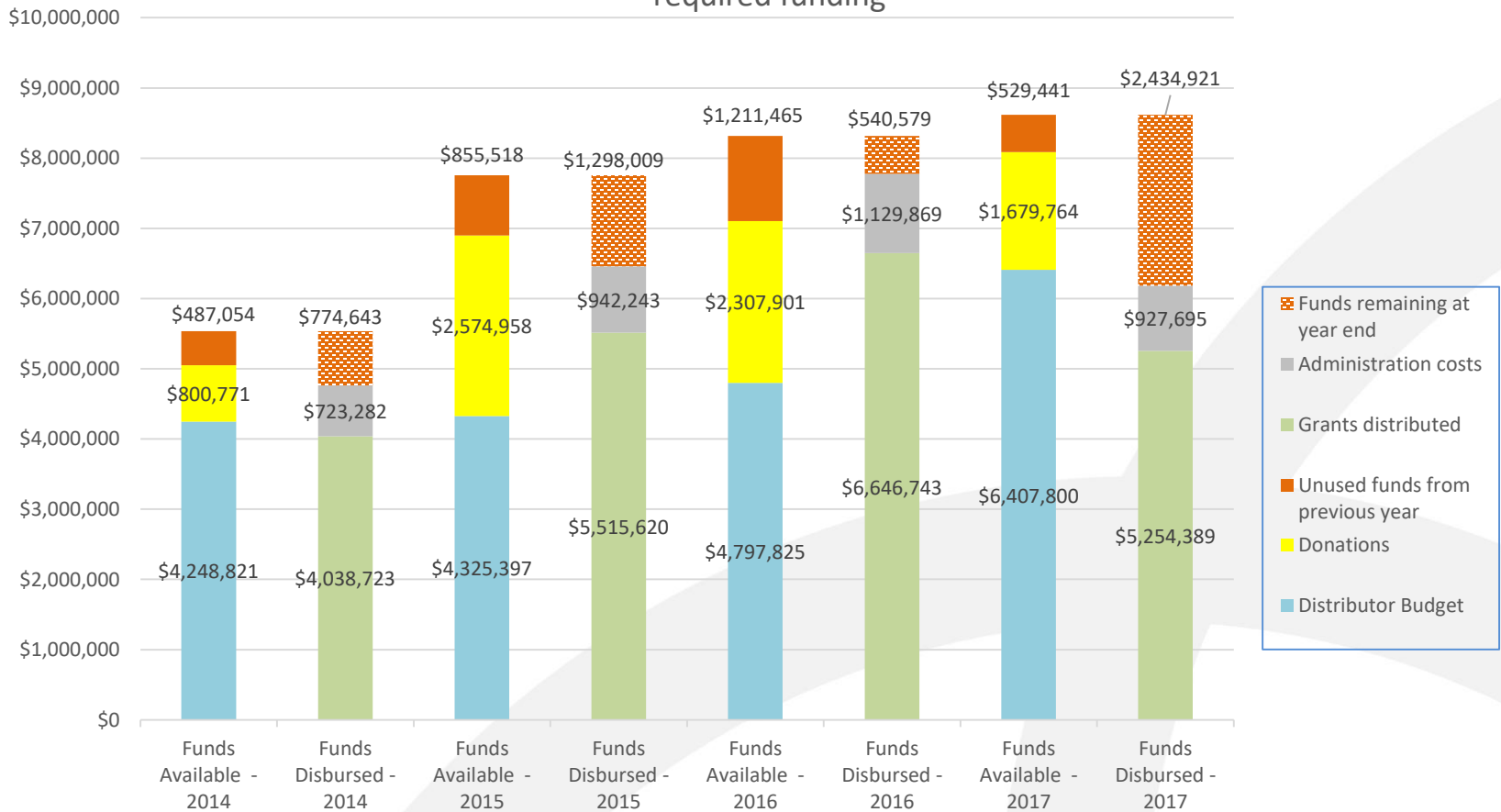
* In 2017, 8 companies reported Unused funds from previous year which did not match their Funds remaining at year-end for 2016



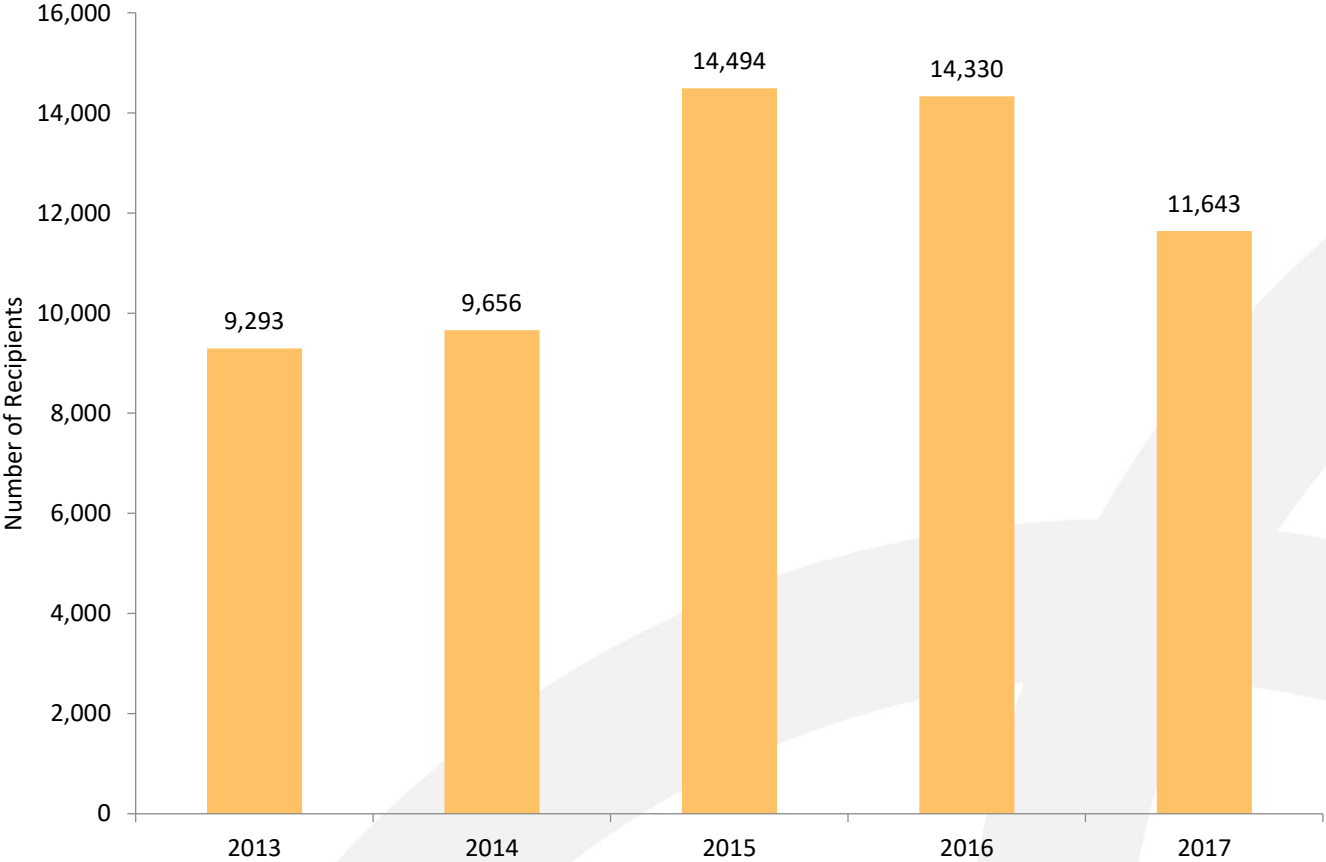
LEAP Results for Electricity Distributors

Flow of Funds

For the first time in 4 years, in 2017, grants distributed were less than distributors' required funding



LEAP Results for Electricity Distributors Number of Recipients 2013 - 2017



LEAP Funds of the Top 10 Distributors by Distribution Revenue - 2017

| Distributor | Distributor budget | Non-distributor funds (Donations) | Unused funds from previous year | Funds available* | % of total funds available across all distributors | Grants disbursed | Administration Fees | Recipients | % of recipients across all distributors |
|--|--------------------|-----------------------------------|---------------------------------|------------------|--|------------------|---------------------|------------|---|
| Hydro One Networks Inc. | \$ 3,492,544 | \$ 1,607,544 | \$ 26,515 | \$ 5,126,603 | 59.5% | \$ 2,867,397 | \$ 523,882 | 5,652 | 48.5% |
| Toronto Hydro-Electric System Limited | 810,000 | | 38 | 810,038 | 9.4% | 647,019 | 114,199 | 1,621 | 13.9% |
| Alectra Utilities Corporation | 635,789 | | 208,754 | 844,543 | 9.8% | 509,573 | 87,750 | 1,227 | 10.5% |
| Hydro Ottawa Limited | 218,484 | | 80,565 | 299,049 | 3.5% | 149,106 | 32,773 | 380 | 3.3% |
| London Hydro Inc. | 200,000 | | | 200,000 | 2.3% | 170,000 | 30,000 | 446 | 3.8% |
| Veridian Connections Inc. | 64,629 | | 16,492 | 81,120 | 0.9% | 69,447 | 10,693 | 148 | 1.3% |
| EnWin Utilities Ltd | 56,760 | | | 56,760 | 0.7% | 49,665 | 7,095 | 128 | 1.1% |
| Hydro One Remotes | 50,645 | | 139,323 | 189,967 | 2.2% | 39,230 | 7,597 | 77 | 0.7% |
| Kitchener-Wilmot Hydro Inc. | 49,000 | | | 49,000 | 0.6% | 40,666 | 7,350 | 128 | 1.1% |
| Oakville Hydro Electricity Distribution Inc. | 45,350 | | | 45,350 | 0.5% | 37,952 | 6,803 | 81 | 0.7% |
| Sum (Top 10 Distributors): | 5,623,201 | 1,607,544 | 471,686 | 7,702,430 | 89.4% | 4,580,054 | 828,140 | 9,888 | 84.9% |
| Grand Total (All Distributors): | 6,407,800 | 1,679,764 | 529,441 | 8,617,005 | 100.0% | 5,254,389 | 927,695 | 11,643 | 100.0% |
| % (Top 10 Distributors / All Distributors): | 87.8% | 95.7% | 89.1% | 89.4% | 89.4% | 87.2% | 89.3% | 84.9% | 84.9% |

*Funds available is the sum of distributor budget, non-distributor funds (donations) and unused funds from previous year



Distributors Not Charged Administration Costs in 2017 and their Lead Agencies

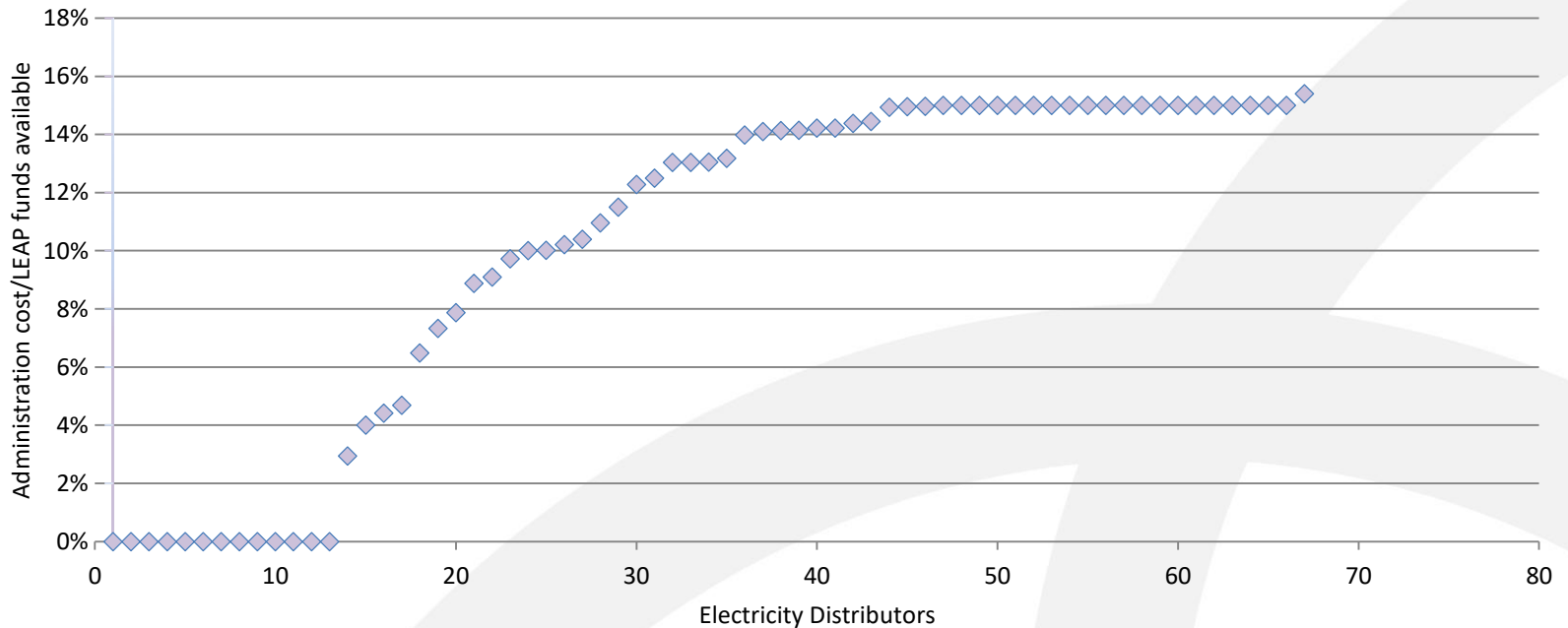
Out of 67 distributors, 13 did not incur social agency administration costs in 2017 - 15 were not charged such costs in 2016

1. Atikokan Hydro Inc. (Rainy River District Social Services Administration Board)
2. Bluewater Power Distribution Corporation (Inn of Good Shepherd)
3. Burlington Hydro Inc. (The Salvation Army, Burlington Community and Family Services)
4. Chapleau Public Utilities Corporation (United Way Sudbury & District, District Social Services Advisory Board)
5. Entegrus Powerlines Inc. (The Salvation Army (Chatham-Kent, and Strathroy)
6. Espanola Regional Hydro Distribution Corporation (The Manitoulin-Sudbury District Services Board)
7. Grimsby Power Incorporated (Grimsby Benevolent Fund)
8. Hearst Power Distribution Company Limited (Cochrane District Social Services Administration Board)
9. Hydro 2000 Inc. (United Counties of Prescott and Russell)
10. Lakefront Utilities Inc. (The Help Centre of Northumberland)
11. Ottawa River Power Corporation (County of Lanark, Social Services Department, and County of Renfrew, Ontario Works)
12. Renfrew Hydro Inc. (County of Renfrew – Social Services (Ontario Works Department))
13. West Coast Huron Energy Inc. (Huron County Social Services)

Administration Cost Analysis

| | 2017 | 2016 | Change |
|----------------------------------|------------|--------------|-------------|
| Total Administration Cost | \$ 927,695 | \$ 1,129,869 | -\$ 202,174 |
| Administration Cost / Applicant* | \$ 56.13 | \$ 57.89 | -\$ 1.76 |

Administration Costs as a Percentage of LEAP Funds Available

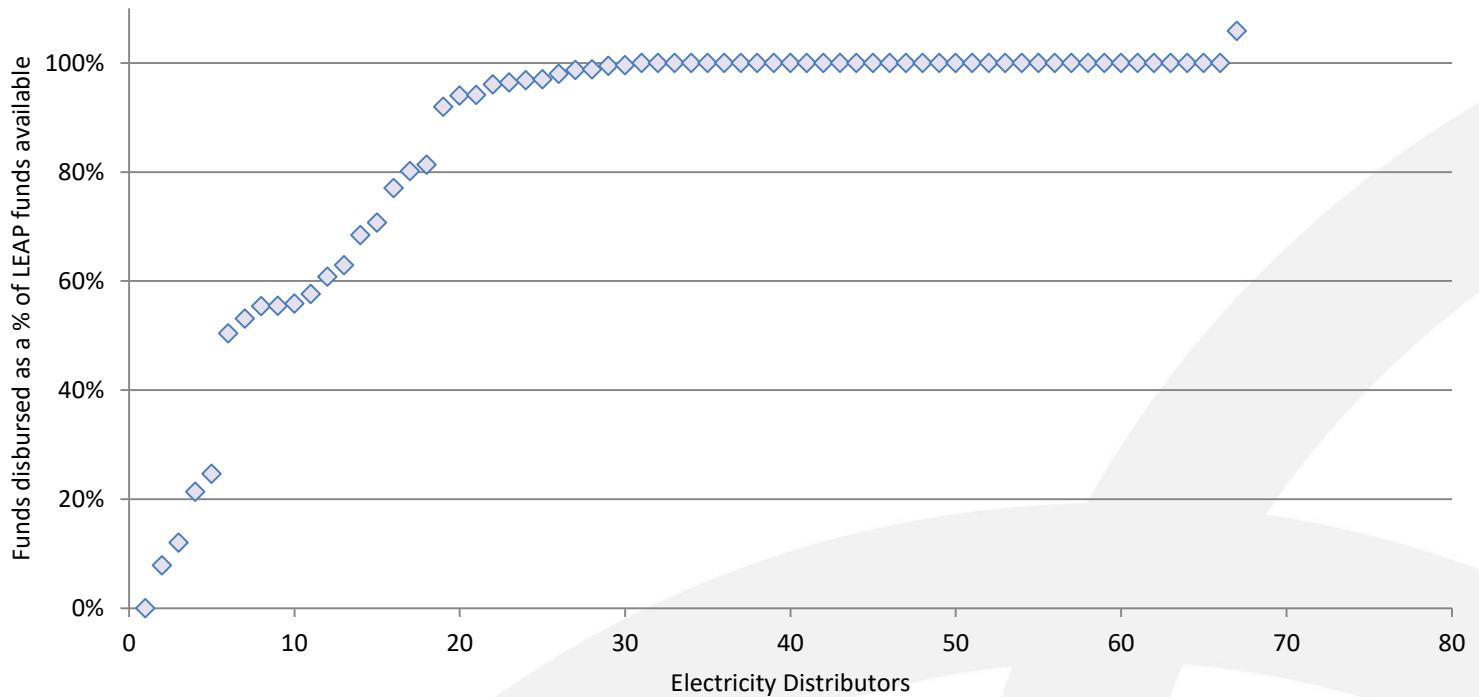


* This charge is calculated based only on applicants of distributors who pay administration costs



Percentage of LEAP Funds Disbursed in 2017

LEAP Funds Disbursed as a Percentage of LEAP Funds Available



Distributors that *Fully* Depleted their LEAP Funds in 2017

1. Bluewater Power Distribution Corporation
2. Brantford Power Inc.
3. Burlington Hydro Inc.
4. Centre Wellington Hydro Ltd.
5. Chapleau Public Utilities Corporation
6. COLLUS PowerStream Corp.
7. Cooperative Hydro Embrun Inc.
8. E.L.K. Energy Inc.
9. Entegrus Powerlines Inc.
10. EnWin Utilities Ltd.
11. Espanola Regional Hydro Distribution
12. Essex Powerlines Corporation
13. Greater Sudbury Hydro Inc.
14. Halton Hills Hydro Inc.
15. Hydro Hawkesbury Inc.
16. Kenora Hydro Electric Corporation Ltd.
17. Kingston Hydro Corporation
18. Lakeland Power Distribution Ltd.
19. London Hydro Inc.
20. Midland Power Utility Corporation
21. Newmarket-Tay Power Distribution Ltd.
22. Niagara Peninsula Energy Inc.
23. Orangeville Hydro Limited
24. Orillia Power Distribution Corporation
25. Oshawa PUC Networks Inc.
26. Ottawa River Power Corporation
27. Peterborough Distribution Incorporated
28. PUC Distribution Inc.
29. Renfrew Hydro Inc.
30. Rideau St. Lawrence Distribution Inc.
31. Sioux Lookout Hydro Inc.
32. Tillsonburg Hydro Inc.
33. Wasaga Distribution Inc.
34. Wellington North Power Inc.
35. West Coast Huron Energy Inc.
36. Westario Power Inc.



Distributors that *Effectively* Depleted their LEAP Funds in 2017

Two distributors reported the month in which they effectively ran out of funds.

| Distributors | Unused funds |
|--|--------------|
| 1. Lakefront Utilities Inc. | \$ 178 |
| 2. Festival Hydro Inc. | 77 |
| 3. Cornwall Street Railway Light and Power (September) | 71 |
| 4. Energy Plus Inc. (March) | 9 |

Distributors that have LEAP Funds Remaining at Dec 31, 2017

| Distributors | Unused funds | Distributors | Unused funds |
|---|--------------|--|--------------|
| 1. Hydro One Networks Inc. | \$ 1,735,324 | 15. Welland Hydro-Electric System Corp. | \$ 5,295 |
| 2. Alectra Utilities Corporation | 247,220 | 16. Hearst Power Distribution Company Limited | 4,427 |
| 3. Hydro One Remote Communities Inc. | 143,141 | 17. Grimsby Power Incorporated | 4,153 |
| 4. Hydro Ottawa Limited | 117,170 | 18. Fort Francis Power Corporation | 1,700 |
| 5. Toronto Hydro-Electric System Limited | 48,821 | 19. Atikokan Hydro Inc. | 1,380 |
| 6. Hydro 2000 Inc. | 23,427 | 20. Whitby Hydro Electric Corporation | 1,130 |
| 7. Niagara-on-the-Lake Hydro Inc. | 20,566 | 21. Kitchener-Wilmot Hydro Inc. | 984 |
| 8. North Bay Hydro Distribution Limited | 17,674 | 22. Veridian Connections Inc. | 981 |
| 9. Waterloo North Hydro Inc. | 16,219 | 23. Canadian Niagara Power Inc. | 950 |
| 10. Algoma Power Inc. | 12,705 | 24. St. Thomas Energy Inc. | 875 |
| 11. Guelph Hydro Electric Systems Inc. | 8,952 | 25. Innpower Corporation | 731 |
| 12. Northern Ontario Wires | 8,031 | 26. Oakville Hydro Electricity Distribution Inc. | 596 |
| 13. Milton Hydro Distribution Inc. | 6,345 | 27. Erie Thames Powerlines Corporation | 491 |
| 14. Thunder Bay Hydro Electricity Distribution Inc. | 5,430 | | |



Distributors Who Contributed Non-Distributor Funds (Donations) During the Year Reporting Unused Funds Remaining at Dec 31, 2017

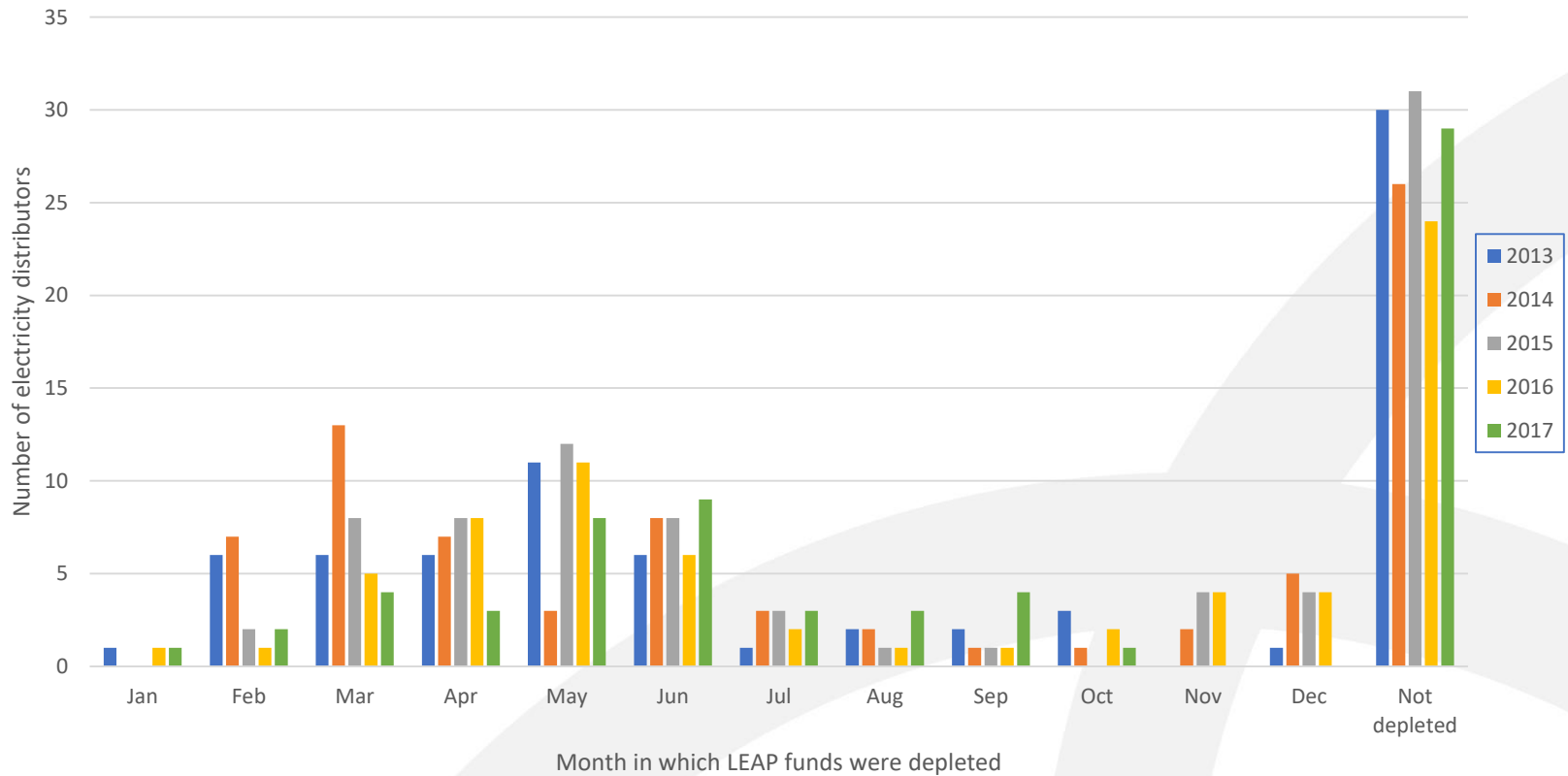
Of the distributors who had funds remaining, 5 had contributed non-distributor funds during the year

| Distributors | Non-distributor funds contributed in 2017 | Unused funds at Dec 31, 2017 |
|---|---|------------------------------|
| 1. Hydro One Networks Inc. | \$ 1,607,544 | \$ 1,735,324 |
| 2. North Bay Hydro Distribution Limited | 26,140 | 17,674 |
| 3. Hydro 2000 Inc. | 23,427 | 23,427 |
| 4. Milton Hydro Distribution Inc. | 15,100 | 6,345 |
| 5. Niagara-on-the-Lake Hydro Inc. | 1,085 | 20,566 |

Newmarket-Tay Power Distribution Ltd. and Tillsonburg Hydro Inc. had also contributed non-distributor funds in 2017 which were *fully* exhausted by year end.

Reported Month in Which LEAP Funds Were Depleted

In the past two years, 50% of distributors had reported running out of LEAP funds by August, a shift by two months from June reported in 2014 and 2015

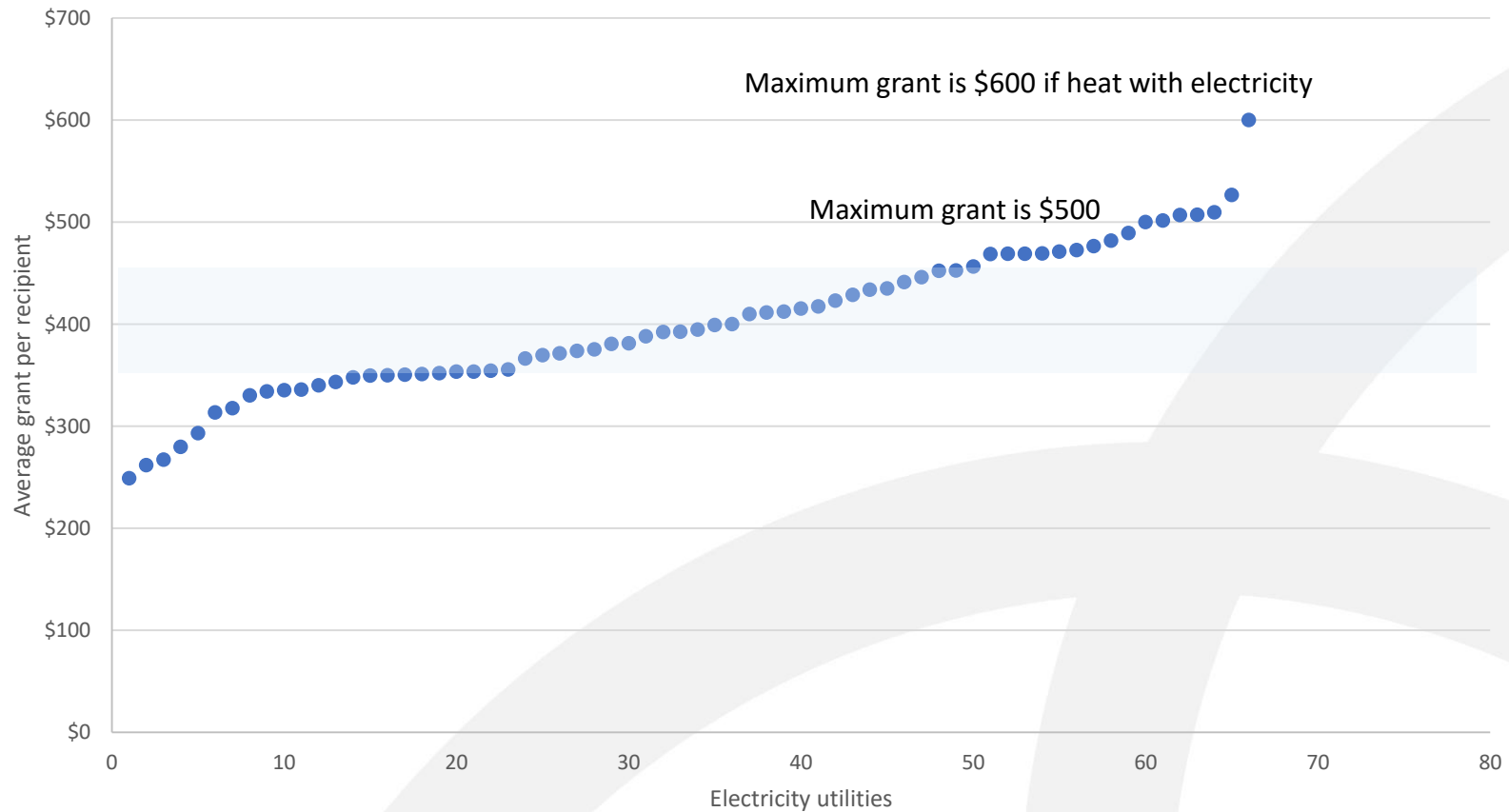


The percentage of companies who reported having LEAP funds remaining at the end of the year increased from 34% in 2016 to 43% in 2017, with the average percentage in the past 5 years being 39%



Average 2017 LEAP Grant Disbursed per Recipient

The majority of grants ranged between \$350 and \$460



LEAP 2017

Natural Gas Distributors – Detailed Results



LEAP Results for Enbridge Gas Distribution Inc.

| | LEAP 2017 | % of LEAP funds available in 2017 | LEAP 2016 |
|---|---------------------|-----------------------------------|---------------------|
| LEAP funds available (distributor budget and unused funds from previous year) | \$ 1,498,176 | | \$ 1,380,010 |
| LEAP grants disbursed | \$ 1,083,092 | 72.3% | \$ 1,098,059 |
| Administration costs | \$ 191,134 | 12.8% | \$ 193,775 |
| Funds disbursed | \$ 1,274,225 | 85.1% | \$ 1,291,843 |
| Unused funds | \$ 223,951 | 14.9% | \$ 88,176 |
| Applicants | 3,454 | | 5,390 |
| Recipients | 3,303 | | 3,444 |
| Applicants denied | 151 | | 1,946 |
| Average grant | \$ 328 | | \$ 319 |

LEAP and Winter Warmth (WW) Results for Union Gas Limited

| | LEAP 2017 | % of LEAP funds available in 2017 | LEAP and Winter Warmth 2016 |
|------------------------------|---------------------|-----------------------------------|-----------------------------|
| LEAP and WW funds available | \$ 1,116,097 | | \$ 1,012,151 |
| LEAP and WW grants disbursed | \$ 941,554 | 84.4% | \$ 681,601 |
| Administration costs | \$ 166,157 | 14.9% | \$ 172,705 |
| Funds disbursed | \$ 1,107,711 | 99.2% | \$ 854,305 |
| Unused funds | \$ 8,386 | 0.8% | \$ 157,846 |
| Applicants | 2,986 | | 3,039 |
| Recipients | 2,173 | | 1,794 |
| Applicants denied | 813 | | 1,245 |
| Average grant | \$ 433 | | \$ 380 |

LEAP Results for Other Natural Gas Distributors - 2017

| | EPCOR | Kitchener Utilities | Total | % of LEAP funds available in 2017 |
|-----------------------|-----------------|---------------------|------------------|-----------------------------------|
| LEAP funds available | \$ 8,110 | \$ 43,800 | \$ 51,910 | |
| LEAP grants disbursed | \$ 2,435 | \$ 37,230 | \$ 39,665 | 76.4% |
| Administration costs | \$ 608 | \$ 6,570 | \$ 7,178 | 13.8% |
| Funds disbursed | \$ 3,044 | \$ 43,800 | \$ 46,843 | 90.2% |
| Unused funds | \$ 5,066 | \$ 0 | \$ 5,066 | 9.8% |
| Applicants | 10 | 85 | 95 | |
| Recipients | 10 | 85 | 95 | |
| Applicants denied | 0 | 0 | 0 | |
| Average grant | \$ 244 | \$ 438 | \$ 418 | |

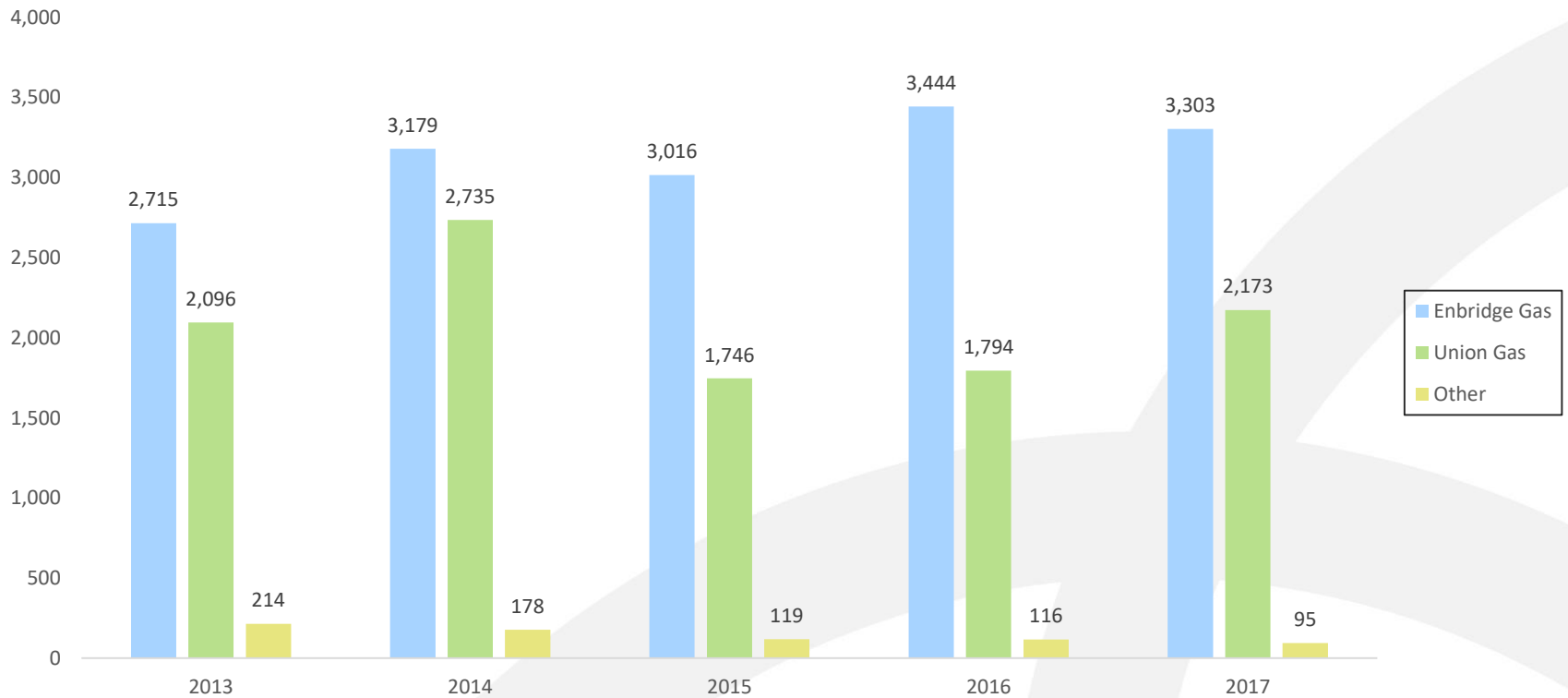
Note: Data for Utilities Kingston is unavailable



LEAP* Results for Natural Gas Distributors

Number of Recipients 2013 - 2017

The number of Enbridge Gas recipients has been trending slightly higher over time while Union Gas reported a 25% increase in recipients in 2017 from the previous two years



* and Winter Warmth (Union Gas)

