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Energy
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March 27, 2020

BY EMAIL AND WEB POSTING

**To: All Licensed Electricity Distributors
All Rate Regulated Natural Gas Distributors
All Other Interested Parties**

**Re: Guidance to Electricity and Natural Gas Distributors on Providing Relief to
Customers During the COVID-19 Emergency**

Background

On March 19, 2020, in response to the COVID-19 emergency, the Ontario Energy Board (OEB) extended the winter disconnection ban applicable to electricity distributors until July 31, 2020 and broadened it to include not only residential customers but also other low-volume customers ([EB-2020-0109](#)). On March 23, 2020, the Government of Ontario announced as an emergency measure that Regulated Price Plan customers on time-of-use (TOU) pricing will pay the off-peak electricity price of 10.1 ¢/kWh at all times, for 45 days.

In addition, many electricity and natural gas distributors (collectively, utilities) have taken or are looking into taking voluntary steps to help alleviate the financial burden on their customers. The purpose of this letter is to provide guidance in that regard, and to provide some further direction to electricity distributors on the implementation of the emergency TOU prices.

Waiving or Lowering Late Payment Charges

Some utilities have asked whether they can waive or lower the OEB-approved late payment charge on their tariff of rates and charges. In OEB staff's view, the answer is yes. The OEB-approved late payment charge is a maximum amount; a utility may charge a lower amount, or nothing at all. The same goes for approved "non-sufficient funds" charges and any other similar specific service charges that appear on some tariffs. Electricity distributors are reminded that they are no longer permitted to apply collection of account charges or "Install/Remove Load Control Device" charges.¹ They are also reminded that any approved "Notification" charges are not to be used for collection activities.²

Electricity distributors that decide to waive or lower such charges as a result of the COVID-19 emergency may track any lost revenues in the deferral account established by the OEB in the [accounting order](#) issued on March 25, 2020: *Account 1509 - Impacts Arising from the COVID-19 Emergency, Sub-account Lost Revenues*. Gas distributors may use the new sub-account under Account 179, as per the same accounting order.

Customer Service Rules

In the Decision and Order extending the winter disconnection ban, the OEB set out its expectation that electricity distributors would make efforts to accommodate customers in arrears, and to increase awareness of support that may be available to customers:

During the COVID-19 pandemic and in particular the ban on disconnection of low-volume consumers for non-payment, the OEB also expects distributors to focus efforts on promoting solutions for customers that have arrears, including greater flexibility in payment terms and in offering customers arrears payment agreements (APAs), such as waiving the provisions of section 2.7.8 of the DSC [Distribution System Code] for customers who did not fulfil the requirements of a previous APA. As well distributors are expected to take steps to increase awareness of assistance or support that may be available through the Low-Income Emergency Assistance Program and the Ontario Electricity Support Program.

The same expectation applies to natural gas distributors. It should be emphasized that the customer service rules applicable to electricity distributors (mainly in the Distribution System Code, or DSC) and to natural gas distributors (in the Gas Distribution Access Rule, or GDAR) generally establish minimum requirements. As noted, utilities should focus on promoting solutions for customers, where the customer service rules permit.

¹ [Rate Order](#), March 14, 2019 (EB-2017-0183).

² [OEB Staff Bulletin](#), August 8, 2019.

For instance, where late payment charges are not waived in whole or in part, utilities can consider extending the 20 day minimum payment period.

Service Quality Requirements

The OEB recognizes that the COVID-19 emergency presents challenges not only for customers but also for utilities, and that it may not be possible to comply fully with the service quality requirements set out in the DSC and the GDAR at this time.

Nevertheless, utilities are expected to make best efforts to respond to customer requests; they also continue to be expected to deal appropriately with any emergencies, as well as any safety or reliability concerns.

Utilities are reminded that they also now have the benefit of additional time for making their annual Reporting and Record-keeping Requirements filings, the deadline having already been extended to June 1, 2020 in recognition that many licensees and gas distributors are dealing with important customer service and staffing matters related to COVID-19.

Material Change Reporting

A standard condition in electricity distribution licences is the requirement to “notify the Board of any material change in circumstances that adversely affects or is likely to adversely affect the business, operations or assets of the Licensee”. OEB staff confirms that there is no need for electricity distributors to make a filing to notify the OEB of the COVID-19 emergency. The OEB will be monitoring the impact of the COVID-19 emergency on utilities.

While utilities are expected to focus efforts on promoting solutions for customers that have arrears, they must also ensure for the benefit of all of their customers that they are at all times financially able to maintain their systems and provide a reliable supply of energy to their customers.

Implementing the Emergency TOU Prices

On the same day the Government announced the emergency TOU prices, the OEB issued a [letter](#) to licensed entities on implementing them. Some electricity distributors have asked for clarification of how long the emergency prices will remain in effect. The Emergency Order issued on March 24, 2020 is valid for 14 days, the maximum length of time under the *Emergency Management and Civil Protection Act*, but the Government

has indicated that the order will be extended so that the emergency prices will be in effect until the end of the day on **May 7, 2020** (45 days in total).

While the OEB is mindful of the challenges facing utilities at this time, it is important that the OEB monitor the implementation of the emergency TOU prices. Electricity distributors are therefore asked to report on that implementation. No later than **March 31, 2020**, every licensed, rate-regulated electricity distributor must confirm with the OEB that it has adapted its billing system to reflect the emergency TOU prices, or if it has not yet done so, advise when it expects to have done so. The e-mail should be sent to BoardSec@oeb.ca with the subject line "Implementation of Emergency TOU Order".

Closing

Any questions relating to this letter should be directed to the OEB's Industry Relations Enquiry e-mail at IndustryRelations@oeb.ca. Please include "COVID-19 Emergency" in the subject line.

Yours truly,

Original Signed By

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Vice President
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