

## **BACKGROUNDER**

### ***Monthly and Estimated Billing Changes to the Distribution System Code***

---

On April 15, 2015, the Ontario Energy Board(OEB) announced billing changes in a move to support a culture of conservation and instill stronger consumer protection. The OEB's changes affect the way distribution companies will bill Ontario residential and small business electricity consumers:

- By December 31, 2016, customers will begin receiving their electricity bills monthly instead of bi-monthly.
- Electricity bills issued will be based on actual meter readings instead of estimates
- Smart meter accounts will not be disconnected for an unpaid bill which is calculated using estimated readings **only**
- Distributors must issue accurate bills 98% of the time.

The OEB issued final amendments to the Distribution System Code (DSC) pursuant to section 70.2 of the *Ontario Energy Board Act, 1998*.

The OEB's policy review of customer billing practices for electricity and natural gas distributors prompted the billing code amendments. The OEB consulted with distributors and ratepayer advocacy groups, and their comments were considered in these amendments to the DSC, which outlines the obligations that a licensed electricity distributor must meet to keep its licence and to deliver electricity.

Although natural gas distributor practices were part of the policy review, these code changes will affect electricity distribution companies only. Natural gas distributors already bill residential and small business customers on a monthly basis and do not use smart meters.

#### **Monthly Billing**

Although utilities offer online services to study power use, for many customers, the bill is the only tool they use to understand their consumption and habits.

A monthly bill gives customers updates on their electricity use closer to when they use the power allowing them to adjust their conservation behaviour in-time to make a difference for the next month's bill.

Monthly billing signals customers to shift their conservation behaviour 12-times a year vs. six times.

#### **Actual vs. Estimated Bills**

Customers should expect to receive and pay a bill that is based on an actual meter read indicating accurate usage. Although most utilities have an excellent billing record, this code amendment establishes the OEB's service level expectations for distributor billing.

Virtually all residential and small business customers have smart meters and most meter reads are now automated. Estimated bills should be the exception.

Recognizing there may be times when getting an actual meter read is not possible, distributors will have the flexibility to issue a maximum of two estimated bills to a customer in a 12-month period.

To further protect consumers, electricity distributors will no longer disconnect a smart meter customer for an unpaid bill where *all* of the amounts owing are based on estimated use. This change applies to customers billed using a smart or interval meter.

The amendments regarding estimated billing and billing accuracy come into force on April 15, 2015. The amendment regarding monthly billing will come into force on December 31, 2016.

-30-

**For more information:**

Media Inquiries: 416-544-5171

Public Inquiries: 416-314-2455 or 1-877-632-2727