

# Customer Service Rules – Summary of Proposed Changes

Rules for electricity distributors and unit sub-meter providers (USMPs) have been in place for a number of years. Natural gas utilities are required to have customer service policies covering the same major areas as electricity utilities. While the OEB does not prescribe what those policies have to say, it can enforce those policies.

The OEB proposes to develop rules for natural gas utilities, aligned with the rules that apply to electricity utilities. All proposed rule changes below should also apply to natural gas utilities. The OEB believes this approach would ensure that both electricity and natural gas customers are treated in a fair and consistent manner.

Current Electricity Rules/Situation (Proposed to also apply to Gas)	Proposed Change (Proposed to also apply to Gas)
<b>Security Deposit</b> *For a full explanation, see Section 5.1 of the Report	
<p>Security deposits must be returned to a residential customer after one year of good payment history. For small businesses, security deposits must be returned after <u>five years</u> of good payment history.</p> <p>Security deposits are not required from new residential customers if they can provide a letter showing one year of good payment history with another electricity or gas utility in Canada, or a satisfactory credit check at the customer's expense. Security deposits must also be waived for eligible low-income customers upon request.</p>	<p>For residential customers, security deposits would still have to be returned after one year of good payment history. Security deposits should be returned to small businesses after <u>three years</u> of good payment history.</p> <p>In addition to the exemption already in place for residential customers with a good payment history, security deposits should also be waived for new residential customers enrolling in the utility's equal billing and/or a pre-authorized payment plan as determined by the utility.</p>

### Minimum Payment Period

\*For a full explanation, see Section 5.2.1 of the Report

The minimum payment period before a late payment charge can be applied is at least 16 calendar days from the date the bill is issued to the customer.

The minimum payment period before a late payment penalty can be applied should be at least 20 calendar days from the date the bill is issued to the customer.

### Equal Billing

\*For a full explanation, see Section 5.2.2 of the Report  
Note: This section of the Report does not apply to USMPs

Distributors must offer residential customers who are not enrolled with retailers the option to join either a prescribed equal monthly payment plan or an equal billing plan. Under such plans, a distributor adds up a customer's bills for the past 12 months and divides them by 12 to get the average, which is then automatically withdrawn from the customer's bank account monthly or billed to the customer each month, depending on the plan.

Distributors are not required to provide equal billing/equal payment plans to small business customers.

Distributors should offer non-seasonal residential customers an equal billing plan without requiring automatic withdrawals from a financial institution. Equal billing customers that request an automatic/pre-authorized payment option should have a choice of two dates within a month for automatic payments to be withdrawn. Distributors may cancel a customer's equal billing plan after two missed payments within an equal billing year.

Distributors should offer equal billing plans to small business customers except for those who (1) are enrolled with energy retailers; (2) have less than 12 months of billing history; (3) are in arrears; or (4) have unpredictable consumption usage and for whom amounts cannot be estimated with a reasonable degree of accuracy.

### Allocation of Payment

\*For a full explanation, see Section 5.2.4 of the Report

If a bill includes charges other than electricity charges – for instance, for water service – payments from the customer must go first to pay the electricity portion of the bill.

If a bill includes charges other than electricity charges, the customer may specifically request which service gets paid first.

Utilities should explain to the customer requesting a customized allocation method the potential impact on the customer's electricity

	service.
<p><b>Arrears Payment Agreements (APAs)</b>  *For a full explanation, see Section 5.2.5 of the Report</p>	
<p>Residential customers who are unable to pay their outstanding charges can enter into an APA. Electricity distributors are prohibited from applying late payment charges on the amount that is covered by the APA for <u>eligible low-income customers</u>.</p> <p>Utilities are not required to offer any payment plans to small business customers who are unable to pay their bills.</p>	<p>Electricity distributors should not apply late payment charges on the amount covered by the APA for <u>all residential customers</u>. Note: This proposed change does not apply to USMPs.</p> <p>Small business customers should be offered payment arrangements if they are unable to pay their bills. Terms of those arrangements would not be set by the OEB.</p>
<p><b>Notice of Disconnection</b>  *For a full explanation, see Section 5.3.1 of the Report</p>	
<p>Disconnection notices must contain specific information, such as the earliest and latest date the disconnection can occur and the types of payment a customer may use to avoid disconnection.</p>	<p>The OEB’s rules should expressly state that a disconnection notice that does not include all of the required information is invalid, and that any disconnection following such an invalid notice would itself be unlawful.</p>
<p><b>Disconnection Notice Period &amp; Timing</b>  *For a full explanation, see Section 5.3.2 of the Report</p>	
<p>Customers must receive <u>10 calendar days’</u> notice before being disconnected for non-payment. The notice period starts from the date on which the customer receives the disconnection notice.</p> <p>Disconnection notices sent out by mail are deemed to have been received by the customer on the <u>third business day</u> after the date the utility printed the notice.</p>	<p>Utilities should give customers an “account overdue notice” <u>14 calendar days</u> before a disconnection notice is issued, and then give customers <u>14 calendar days’</u> notice before disconnecting them for non-payment.</p> <p>Disconnection notices sent out by mail are deemed to have been received by the customer on the <u>fifth calendar day</u> after the date the utility printed the notice.</p>

<p>Utilities must disconnect a customer <u>within 11 calendar days following the 10-day minimum notice period</u>. After that, utilities must restart the disconnection process.</p>	<p>Utilities should be permitted to disconnect a customer <u>within 14 calendar days following the 14-day minimum notice period</u>. After that, utilities must restart the disconnection process.</p> <p>Utilities should not disconnect customers on a day when they are closed to the public to make payment and/or reconnection arrangements, or on the day before that day.</p>
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**Winter Disconnection Ban**  
 \*For a full explanation, see Section 5.3.3 of the Report  
 Note: This section of the Report does not apply to USMPs

<p>Distributors are prohibited from disconnecting customers for non-payment from November 15 – April 30.</p> <p>Consumers disconnected prior to the ban period must be reconnected by November 15. Distributors must also remove load control devices that were installed as an alternative to disconnection, and they cannot install new load control devices during the disconnection ban period.</p>	<p>The current winter disconnection ban should remain in effect.</p> <p>However, distributors will have until December 1 to reconnect formerly disconnected customers and remove load control devices. In some cases, a home visit is required and a utility may need more time to reconnect a customer.</p>
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**Late Payment Charges**  
 \*For a full explanation, see Section 6.1 of the Report  
 Note: This section of the Report does not apply to USMPs

<p>Late payment charges carry a monthly interest rate of 1.5% per month (19.56% per year.)</p>	<p>No change to late payment charges or the interest rate should be made, though to provide clarity and consistency for customers, the daily interest rate should be calculated based on the 1.5% monthly interest rate, not the 19.56% annual compounded rate. Distributors must also clearly describe in their conditions of service their late payment policy, including the time from when late payment charges start to apply.</p>
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**Collection of Account Charge**  
 \*For a full explanation, see Section 6.2 of the Report

Note: This section of the Report does not apply to USMPs

These charges are intended to cover the field costs, or part of the costs, of additional collection activities that are beyond the routine of a distributor (e.g. – sending a truck to a customer’s home).

Collection of accounts are part of normal business activities and customers should not be charged for this activity.

**Install/Remove Load Control Device Charge**

\*For a full explanation, see Section 6.3 of the Report

Note: This section of the Report does not apply to USMPs, and gas distributors do not use load control devices

A load control device limits or interrupts electricity service. Distributors install these devices as an alternative to disconnection, and charges for installing/removing these devices are set out in their tariffs.

Distributors should not be allowed to apply charges for the installation/removal of a load control device for either non-payment or at the customer’s request.

**Disconnection/Reconnection Charges**

\*For a full explanation, see Section 6.4 of the Report

Note: This section of the Report does not apply to USMPs

Customers who have their service reconnected after being disconnected for not paying their bills can incur a “Disconnect/Reconnect” charge that ranges from \$65 to \$415, though distributors can also apply for a unique charge.

This charge should be waived for eligible low-income customers. Other residential customers should be allowed to pay the charge in equal installments over a period of three months following the reconnection. For clarity, the name of the charge should be changed to “Reconnection.”