



**Ontario Energy Board**  
Commission de l'énergie de l'Ontario

## **Low-Income Energy Assistance Program (LEAP)**

**Emergency Financial Assistance (EFA) and Customer Service Rules**

*LIEN Annual Conference - March 27, 2013*

## The OEB - Who we are

The OEB is the regulator of Ontario's natural gas and electricity sectors

- **Regulates natural gas since 1960**
- **Electricity since 1999**



## Our Mandate

to regulate the electricity and natural gas sectors in the public interest



# What does the OEB do?



**Sets the rates  
you are  
charged for  
electricity &  
natural gas  
supply and  
delivery**

**Licenses  
energy  
companies  
(gas & electric  
utilities,  
retailers &  
marketers)**

**Creates rules,  
codes and  
guidelines for  
energy companies  
and enforces them**

**Works with energy  
companies and  
consumers to help  
resolve complaints**



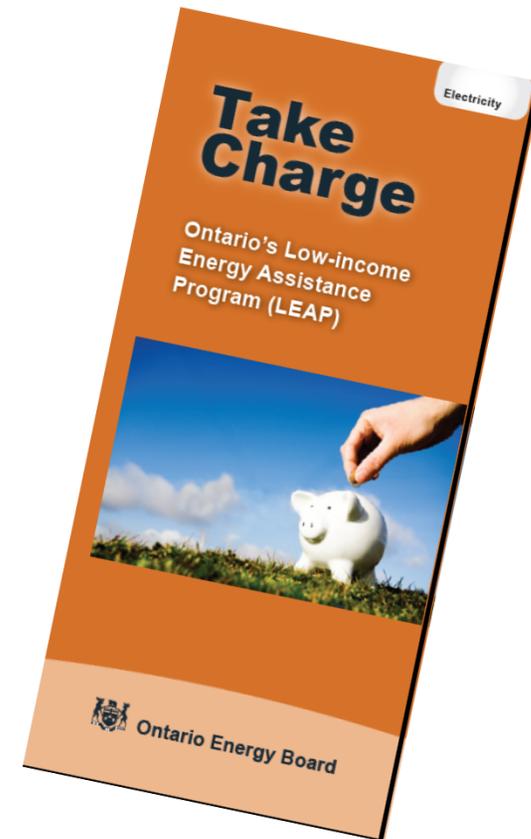
# Overview of LEAP Implementation

LEAP Component	Electricity	Gas
Emergency Financial Assistance (EFA)	Electricity distributors have been delivering LEAP EFA since January 2011.	Enbridge delivered Winter Warmth (WW) until mid-2012 then began LEAP; Union will deliver WW instead of LEAP until dedicated funding is exhausted; NRG delivering LEAP since 2011.
Customer Service Rules for: <ul style="list-style-type: none"> <li>residential customers</li> <li>low-income customers</li> </ul>	Came into force on: <ul style="list-style-type: none"> <li>January 1, 2011</li> <li>October 1, 2011</li> </ul>	Came into force on: <ul style="list-style-type: none"> <li>April 1, 2012</li> <li>January 1, 2013</li> </ul>
Targeted Conservation Programs	OPA's HOME ASSISTANCE program available since mid-2011.	Enbridge and Union offer targeted DSM programs.
<i>Reporting Requirements re:</i> <ul style="list-style-type: none"> <li>LEAP EFA</li> <li>customer service rules</li> </ul>	<i>Came into force on:</i> <ul style="list-style-type: none"> <li>January 1, 2011</li> <li>January 1, 2013</li> </ul>	<i>Came into force on:</i> <ul style="list-style-type: none"> <li>January 1, 2011</li> <li>Currently being finalized</li> </ul>

## What is LEAP?

**LEAP** is a grant program intended to provide **emergency relief** to eligible low-income consumers who may be experiencing difficulty paying their bill.

It is **not** intended to provide **regular** or **ongoing** bill payment assistance.



## LEAP Funding

**LEAP** is funded by all utility ratepayers through the distribution rates of each utility

- Funds provided by a utility must be used **only** for that utility's customers

**LEAP** is also available to eligible low-income customers of sub-metering providers



**LEAP** Manual guides program implementation to ensure consistent delivery throughout Ontario

- Defines eligibility criteria
- Outlines roles of service agencies
- Establishes the application process



To accommodate unique local needs some aspects have been left to your **discretion**.

You should **document your rationale**.

# Intake Agencies

## Responsible for:

- ✓ Screening applicants for eligibility
- ✓ Processing applications and collecting information
- ✓ Informing the utility that assessment of eligibility is being undertaken
- ✓ Communicating with the applicant regarding approved or denied applications
- ✓ Tracking information



# Lead Agencies

## Responsible for:

- ✓ Selecting or contracting with Intake Agencies
- ✓ Making final decisions to approve or deny applications
- ✓ Receiving program funds from the utility
- ✓ Remitting payment back to the utility
- ✓ Implementing an appeals/internal review process



## Eligibility Criteria

To qualify, applicants must:

- ✓ Be an existing customer of the utility providing the funding;
- ✓ Reside at the address where there are arrears; and
- ✓ Have a pre-tax household income at or below the Statistics Canada LICO + 15%

Eligible low-income customers should always be informed of targeted energy conservation programs offered by natural gas and electric distributors



# Screening Guidelines

## Future Sustainability

- ✓ The grant will maintain or reconnect energy service

## Past Payment Performance

- ✓ Applicant has demonstrated a prior attempt to pay

## Emergency Assistance

- ✓ Applicant is in arrears, under threat of disconnection, or has been disconnected

## Funding

- ✓ Accessed only once per year

Need to balance  
**emergency**  
**assistance** with early  
intervention



## Grant Level

**Maximum** of **\$500** per fuel, per household, per year  
~ **\$600** for electrically heated homes

If the applicant owes **less** than the maximum

The grant cannot **exceed** the amount owed

If the applicant owes **more** than the maximum

The maximum grant may be provided, if energy service can be **sustained**



# What if an applicant owes more than the maximum?

## Options

- ❖ Enter into a payment arrangement with the utility for the balancing owing
- ❖ Supplementary Assistance through other funds for the balance e.g.;
  - ✓ Community Homelessness Prevention Initiative (CHPI)

Eligible low-income customers should always be informed of targeted energy conservation programs offered by natural gas and electric distributors



# Application Process



Pre-screen applicants over the phone **prior** to booking an in-person interview

## 5 Questions

1. Are you a customer of a natural gas or electricity utility?
2. Do you reside at the address with arrears?
3. What is your yearly/monthly pre-tax household income?
4. What are your sources of household income?
5. How many people are in your household?



# In-Person Interview

- ❖ All adults living in the household should attend the interview
- ❖ You must obtain the applicant's **consent** for the release of personal information
- ❖ The applicant must complete a **LEAP** application form
- ❖ Telephone interviews are permitted in some situations



# Application Process

The applicant **must** provide the following documents

1. Current energy bills for their residence
2. Notice of Service Disconnection (if applicable)
3. 2 pieces of I.D. for main applicant (1 for others)
4. Rental receipt, lease or mortgage documents
5. Proof of household income (i.e. pay stub, tax return)
6. Bank statement from the most recent month



# Utility Verification

## Contact Utility to Confirm:

- ✓ Amount owing on the account
- ✓ Whether a disconnection notice has been issued
- ✓ Payments made on the account
- ✓ Discussion the applicant has had with the utility
- ❖ Advise the utility that you are assessing the applicant's eligibility for **LEAP**

A customer has **10 days** from the day a notice is received to pay their bill to avoid disconnection.

Once a social agency has notified a utility that it is assessing the applicants' eligibility for LEAP there is **21 day** hold on disconnection.



# Recommendation about Funding

## Recommendations should address

- Whether or not to approve the application
- Amount of the grant to be provided

## Key Considerations

- Will the disconnection be halted?
- Will the applicant be able to pay the future?

LEAP is **NOT** intended to provide long-term financial assistance

❖ REMEMBER to document the reasons why an application was **denied**



## Notifying the Applicant

Applicants should be **notified** as soon as possible whether or not their application has been approved

If the application is **approved**

Payment should be reflected on the applicant's account within a reasonable amount of time

If the application has been **denied**

Assist the applicant in making other payment arrangements  
and  
inform them of the **appeal process**



## Appeals / Request for Internal Review

Applicants may **request** an Internal Review if they disagree with the denial of their application

Requests must be made within  
**10 days**  
of being notified of the denial

An **Internal Review Form** should be provided to any applicant who requests one



# Grant Payments

Grants are issued by the agency **on behalf** of the applicant to the utility

- The payment is NEVER issued directly to the applicant
- It may take up to **2 weeks** for the payment to be processed



## Customer Services Rules for Low-Income Consumers

If an applicant **qualifies** for **LEAP** emergency financial assistance, they **automatically** qualify for all low-income customer service rules

**The applicant must contact their utility to access low-income customer service rules**



## Disconnections

The applicant must be granted a disconnection **suspension** for **21** days, after their utility is notified that they are being **assessed** for **LEAP** emergency financial assistance.

Information about available assistance for low-income customers must be included in disconnection notices



## Security Deposits Waivers and Refunds

If the utility **requests** a security deposit, the applicant may request a **waiver**



If the applicant previously **paid** the utility a security deposit, they may ask for it to be **returned**, after they've paid any outstanding arrears



## Equal Payment Plan Options

If the applicant's utility bills **monthly**

They may request an equalized billing plan without enrolling in an automatic withdrawal payment plan

If the applicant's utility bills **bi-monthly**

They must be offered either a monthly or bi-monthly equal billing option



## Under-Billing Adjustments

When a **billing error** has occurred and the applicant owes the utility for an underpayment

The applicant may request an **extended repayment period**  
(from 10 to 24 months)

- ❖ Based on the amount of the error and the period during which the error occurred



# Arrears Payment Agreements

When establishing an arrears payment agreement:

- a distributor may require up to **10%** as a down payment;
- outstanding service charges are to be **waived** in relation to:
  - Collection
  - Disconnection
  - Non-payment
  - Load control devices

**No further late payment charges may be imposed by a utility after entering into a low-income arrears agreement**



## Repayment Time Periods

The **time periods** to repay the amount due under arrears payment agreements have been **extended** for low-income customers

Amount in Arrears	Repayment Time Period
If <b>&gt; 2 x</b> avg. monthly bill is owing	<b>8 months</b>
If <b>2 – 5 x</b> avg. monthly bill is owing	<b>12 months</b>
If <b>&lt; 5 x</b> avg. monthly bill is owing	<b>16 months</b>



## Payment Defaults

Low-income customers must be allowed **2 payment defaults** before an arrears payment agreement can be **cancelled**

The defaults must occur  
over at least  
**2 months**



## Second or Further Arrears Payment Agreements

If a low-income customer **successfully** completes an arrears payment agreement, they can request a **new** arrears agreement anytime they need it thereafter



# Natural Gas Distributors' Customer Services Rules for Low-Income Consumers

Rate-regulated natural gas distributors are required to have customer service policies addressing the following areas:

For all **residential** customers:

- Bill issuance & payment;
- Allocation of bill payments between gas and non-gas charges;
- Correction of billing errors;
- Equal payment & equal billing plans;
- Disconnection for non-payment;
- Security deposits;
- Arrears payment programs
- Management of customer accounts; and
- Complaints resolution process.

For **low-income** customers only:

- Definition of eligible low-income gas customer;
- Security deposit waivers;
- Access to equal billing & equal payment plans;
- Under-bill adjustments;
- Notice & procedures for disconnection for non-payment; and
- Arrears payment agreements, including application of late payment charges.



## LEAP Emergency Financial Assistance – Results from January 1, 2011 to December 31, 2011

- Approximately **83** utilities (gas and electric), with **120** social service agency partners, delivered LEAP
- **51** electric utilities fully exhausted their LEAP funds
- Most applications for EFA were received in **March**
- Of the applicants that were denied\*:
  - **20%** did not meet eligibility criteria
  - **15%** due to lack of funds available
  - **2%** had already accessed EFA during program year
  - **63%** for “other reasons” such as referrals to other programs or applicants failing to provide required documentation

*\*Only 45 utilities (serving about 75% of customers) reported this data in the first year of the program*



# LEAP Emergency Financial Assistance – Results from January 1, 2011 to December 31, 2011

## Electricity Distributors

Total LEAP EFA Funds Available for 2011	a	\$4,308,440*	
Less Administration Costs	b	\$598,287**	14% of total
Net LEAP EFA Funds Available for 2011	c = a – b	\$3,710,153	
Total LEAP EFA Funds Provided to Customers	d	\$3,138,948	85% of LEAP funds spent
Remaining LEAP EFA Funds	e = c – d	\$571,205	
Total # of LEAP EFA Applicants		10,279	
# Customers Assisted	f	7756***	75% of applicants assisted
# Customers Rejected		2523	25% of applicants rejected
Average Grant per Customer	d / f	\$405***	

\* Includes \$278,282 of donations (Hydro Hawkesbury Inc., Hydro One Brampton Networks Inc., Hydro One Networks Inc., Newmarket – Tay Power Distribution Inc., Ottawa River Power Corporation, Peterborough Distribution Inc. and Wellington North Power Inc.)

\*\* 19 distributors did not pay admin costs

\*\*\* Includes 21 unit sub-metering customers; average grant \$368



# Winter Warmth & LEAP EFA

*Results from January 1, 2011 to December 31, 2011*

## Natural Gas Distributors

LEAP EFA Funds Available:	\$ 556,143
LEAP EFA Funds Disbursed:	\$ 436,965
Customers Assisted:	1,143
Average Grant:	\$ 382

Winter Warmth Funds Available:	\$ 1,427,229
Winter Warmth Funds Disbursed:	\$ 1,395,797
Customers Assisted:	3,681
Average Grant:	\$ 379



# Evaluating LEAP

Next year the OEB will evaluate **LEAP**.

Check out our webpage for information and updates:

<http://www.ontarioenergyboard.ca/OEB/Industry>

(search “EB-2008-0150”)

<http://www.ontarioenergyboard.ca/OEB/Consumers>

(search “LEAP”)



Have more questions?

## OEB Customer Relations Centre

*Open Monday to Friday, 8:30 a.m. until 5 p.m.*

1-877-632-2727 (toll free within Ontario)

[consumerrelations@ontarioenergyboard.ca](mailto:consumerrelations@ontarioenergyboard.ca)

**OR** contact me directly

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