



# OEB Update to LIEN Conference

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May 4, 2018

# Agenda

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- Customer Service Rules Review

- Update on Ontario Electricity Support Program

- Update on the Low-income Energy Assistance Program –  
Emergency Financial Assistance



# Customer Service Rules Review

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# Background

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- On May 16, 2017, the OEB launched the review of customer service rules for electricity distributors, rate-regulated gas distributors and unit sub-meter providers
- Phase 1 will focus on
  - Security deposits
  - Billing and payment
  - Arrears payment agreements
  - Disconnection for non-payment
  - Non-payment of accounts service charges
- Review will include engagement with consumers, consumer representatives and utilities through surveys, OEB's Consumer Panel and meetings with organizations representing the interest of consumers and other interested stakeholders.

# Research & Engagement

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- Review of Canadian and US energy regulators & energy utilities including top performing utilities on J.D. Power 2015 Residential Customer Satisfaction Index ranking:
- Review of other sectors' (Canadian & US) rules (telecom, finance) including companies with high customer satisfaction scores based on the American Customer Satisfaction Index ranking:
- Information on application of the Rules /policies by utilities as well as information on customer needs and expectations:
  - [Online survey of utility practices \(June 2017\)](#)
  - [Meetings with selected stakeholders \(June – August 2017\)](#)
  - [In-person sessions with the OEB's Consumer Panel \(September 2017\)](#)
    - Sudbury & Toronto – September 19
    - Kingston & London – September 21
  - [Online Workbook/Survey \(September 2017 – January 2018\)](#)
    - Survey taken by representative sample of customers (Ipsos' panel of 600 residential and 100 small business customers)

# Regulatory Approach: Electricity vs. Gas

## Current OEB Regulatory Framework

- The OEB has had detailed Rules in place for electricity distributors since 2011. They apply to residential customers, and some provisions also apply to small business customers. Enhanced Rules are also in place for eligible low-income customers providing greater protection. Most of these Rules also apply to unit sub-meter providers
- The OEB took a less prescriptive approach in relation to gas distributors. It amended GDAR requiring rate-regulated gas distributors to implement, publish, and comply with residential customer service policies in eight (8) major areas based on the areas addressed by the electricity Rules

# Current OEB Customer Service Rules

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## Security Deposits

- The electricity codes set terms and conditions relating to security deposit requirements including calculation methodology, exemption and waiver criteria, return of the deposit amount, interest on the deposit amount....etc.
- Rate-regulated gas distributors are required to, and do, have security deposits policies

## Minimum Payment Periods

- The minimum payment period before a late payment penalty can be applied by electricity utilities is at least **16 days** from the date the bill was issued to the customer
- Rate-regulated gas distributors are required to address billing and payments in their respective customer service polices. All three rate-regulated gas distributors provide a billing period of at least **20 days**

# Current OEB Customer Service Rules – cont'd

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## **Allocation of Payment**

- Electricity utilities that bill for other services (e.g. water) are required to allocate payment to electricity charges first
- Enbridge is the only rate-regulated gas distributor that bills for other services. It applies payments to charges based on the oldest billed amounts being paid first. In the event that payment is insufficient to cover all charges invoiced in a month, payments will be allocated to gas charges first

## **Equal Billing and Equal Payment Plans**

- The Rules prescribe the terms & conditions of the equal billing/payment plans that currently must be offered to residential customers by electricity distributors (except retailer customers)
- The three rate-regulated gas distributors offer equalized billing plans to their customers. However, the terms of their plans are not fully aligned with the electricity plans



# Current OEB Customer Service Rules – cont'd

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## Payment by Credit Card

- Where an electricity distributor has issued a disconnection notice to a residential customer for non-payment, it must, at a minimum, have the facilities and staff available during regular business hours so customers can pay by credit card
- When an electricity distributor visits a customer's property to disconnect service during or after regular business hours, the electricity distributor must have the facilities or staff available to allow residential customers to pay by credit card
- Utilities are not required, but the majority accept credit cards for regular bill payment through a 3<sup>rd</sup> party provider. Customer is charged a fee per transaction

# Current OEB Customer Service Rules – cont'd

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## **Arrears Payment Agreements**

- The Rules require electricity utilities to offer to residential customers who are unable to pay their outstanding electricity charges, the opportunity to enter into an APA. The terms of the APA is prescribed in the Rules including special terms for APAs to be offered to eligible low-income customers
- Gas distributors are required to have policies regarding APAs. Their policies indicate that they offer payment arrangements to customers unable to pay their bills. Details of those arrangements are not provided in their policies

# Current OEB Customer Service Rules – cont'd

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## Disconnection for Non-Payment – Notice Period, Disconnection Window and Timing

- Currently electricity utilities must provide a minimum of **10 calendar days** notice before disconnection. Disconnection must occur within **11 calendar days** from the expiry of the notice otherwise a new notice must be issued
- Of the three rate regulated gas distributors, **only Union's** customer service policy indicates that 10 days advance notice of disconnection will be given

## Disconnection for Non-Payment – Content of Notice

- Mandatory elements of the disconnection notice of electricity utilities were established following extensive research and consultations with stakeholders
- Gas distributors cover disconnection procedures in their customer service policies at a very high level.

# Current OEB Customer Service Rules – cont'd

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## Disconnection for Non-Payment – Special Provisions

- Electricity utilities are required to give **60 days notice** before disconnecting residential customers who provide documentation from a physician that disconnection will pose a significant health risk to a person that regularly resides with the customer
- If during the disconnection notice period a social service or government agency advises an electricity utility that they are assessing whether a residential customer is eligible for bill payment assistance, disconnection must be suspended for a period of **21 days after** receiving notification from the agency
- Gas distributors also suspend disconnection for the 21 period

# Current OEB Customer Service Rules – cont'd

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## Late Payment Charges

- The OEB has established a monthly interest rate of 1.5% (19.56% *per annum*) as the **maximum level of this charge**. No daily rate has been prescribed.

## Collection of Account Charges

- The approved CAC (\$30 for most electricity distributors) is included in the **electricity distributors'** tariffs of rates and charges
- Not charged by gas distributors

## Disconnection / Reconnection Charges

- OEB-approved charges for disconnection / reconnection services are set out in electricity and gas distributors' rate orders

# Next Steps

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- Issue staff report with proposed recommendations for any changes
- Stakeholder comments on proposed changes
- Adjustments to staff recommendations based on stakeholder feedback
- Issue notice of proposed amendments and related code changes for public comment
- Issue final code changes for Phase 1
- Initiate Phase 2 Review



# OESP Update

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# Overview

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- Changes to income eligibility and increase in credits was done in May 2017
- On average 220,000 bills are issued each month with an OESP credit
- Over \$190M in OESP credits have been applied to bills to help lower income consumers since its inception
- Working with MCSS to automatically enroll social assistance clients
- Later this year the application process will be simplified with the ability for applicants to e-sign the CRA consent form and the site will also be mobile-enabled to enhance user experience
- Utilities continue to send reminder communications to those with upcoming eligibility expiry





# LEAP Emergency Financial Assistance (EFA) Update

# 2016 LEAP EFA Results

Electricity Distributors	2012	2013	2014	2015	2016
LEAP funds	\$4,677,655	\$5,000,941	\$4,735,875	\$5,180,915	\$6,009,290
Non-distributor funds*	\$56,116	\$30,508	\$800,771	\$2,574,958	\$2,307,901
Funds disbursed	\$3,946,644	\$4,279,839	\$4,762,007	\$ 6,457,863	\$7,776,612
Recipients	8,053	9,293	9,656	14,494	14,330
Average grant	\$432	\$399	\$418	\$ 381	\$ 464

  

Natural Gas Distributors	2012	2013	2014	2015	2016
LEAP and WW funds	\$2,269,016	\$2,314,018	\$2,760,904	\$2,357,370	\$2,445,197
LEAP and WW funds disbursed	\$2,134,411	\$2,128,223	\$2,632,808	\$2,266,209	\$2,197,157
Recipients	4,889	4,971	6,135	4,881	5,354
Average grant	\$370	\$364	\$369	\$395	\$341

\* There were 6 distributors who contributed non-distributor funds in 2016, 8 in 2015, 4 in 2014, 3 in 2013 and 4 in 2012.

# LEAP EFA

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- Over the past 5 years, LEAP EFA and Winter Warmth programs have:
  - helped over 82K low-income electricity and natural customers
  - provided over \$38 million in emergency grants
  - average grant for electricity - \$420
  - average grant for natural gas - \$370
- In 2018/19, the OEB will review the current design and delivery of the LEAP emergency financial assistance program to establish how well it is meeting the needs of low-income consumers facing disconnection.