



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

DECISION AND ORDER

EB-2017-0101

Amending Electricity Distributor Licences to Prohibit the Disconnection of Residential Customers and Related Matters

BY DELEGATION, BEFORE: **Brian Hewson**
Vice President,
Consumer Protection & Industry Performance

February 23, 2017

INTRODUCTION AND SUMMARY

The Ontario Energy Board (OEB), of its own motion, initiated this proceeding to amend the licences of all electricity distributors. As set out in this Decision and Order, the amendments prohibit the disconnection of residential customers by reason of non-payment for the balance of the 2016/2017 winter period, and address related matters.

BACKGROUND

The OEB's Distribution System Code (DSC) contains a number of rules with which licensed distributors must comply in relation to the disconnection and reconnection of customers for non-payment. There is currently no regulatory requirement that prohibits disconnection for non-payment at any given time of the year, although some electricity distributors forego disconnection for non-payment on a voluntary basis during the winter months. On February 16, 2017, the Minister of Energy wrote to licensed electricity distributors asking that they immediately and voluntarily implement a policy of ending residential disconnections during the winter months, pending the passage of Bill 27, the *Burden Reduction Act*, which contains provisions regarding the OEB's authority in relation to disconnections.

On the morning of February 22, 2017, the government introduced and the Legislature passed the *Protecting Vulnerable Energy Consumers Act, 2017*, and it was given Royal Assent on that day. That *Act* consists of the same amendments to the *Ontario Energy Board Act, 1998* (OEB Act) regarding disconnection as were proposed in Bill 27. Importantly, the *Protecting Vulnerable Energy Consumers Act, 2017* amendments to the OEB Act make it clear that the OEB's regulatory requirements prevail over anything to the contrary in section 31 of the *Electricity Act, 1998* regarding disconnection for non-payment.

This Decision and Order is being issued by Delegated Authority without a hearing pursuant to section 6(4) of the OEB Act.

DECISION

I find it to be in the public interest to amend the licences of all electricity distributors in order to ensure that residential customers are not disconnected for non-payment for the balance of the 2016/2017 winter. I understand that a number of electricity distributors have acceded to the Minister's request to voluntarily suspend the disconnection of

residential customers, but others have not. To ensure consistency in the application of the ban on disconnections and related new regulatory requirements across the Province, the licences of all distributors are being amended at this time.

The new licence conditions, which are effective immediately, are set out in Attachment A to this Decision and Order. By way of overview:

- i. Until April 30, 2017, no electricity distributor may disconnect a residential customer solely on the grounds of non-payment or issue a disconnection notice to a residential customer solely on the grounds of non-payment.
- ii. Until April 30, 2017, no electricity distributor may install a load limiting device in respect of a residential customer's premises solely by reason that the customer is in arrears on the payment of their electricity bill.
- iii. All residential customers who have had their service disconnected solely by reason of non-payment or who have had their service restricted through a load limiting device must be reconnected or have their service fully restored as soon as possible, and any otherwise applicable reconnection charge or charge for the removal of a load limiting device must be waived. As must Collection of Account charges that could otherwise be charged during the period of the disconnection ban.
- iv. Electricity distributors will report to the OEB on their progress in reconnecting or restoring full service to residential customers as set out in paragraph (iii).
- v. Electricity distributors must continue to respect all applicable safety requirements or standards.

Based on information collected recently by the OEB, I understand that there are approximately 930 residential premises across the Province that are disconnected at the present time, and that roughly 3,000 residential premises have load limiting devices. Reconnection and the removal of load limiting devices will take some time, and there are safety considerations that need to be respected. For that reason, I am not imposing a specific deadline for completion of reconnections and the removal of load limiting devices at this time. I expect that distributors will make reconnection and the removal of load limiting devices a high priority, in keeping with the importance attributed to this remedial action by the OEB. Through the new reporting requirement, the OEB will be closely monitoring electricity distributor progress, and will take further action if it appears that a given distributor is not acting responsibly.

During the ban on residential disconnection for non-payment, I also expect distributors to focus efforts on promoting solutions for customers that have substantial arrears, including offering arrears management plans; increasing awareness of assistance or support that may be available through the Low-Income Emergency Assistance Program, the Ontario Electricity Support Program or other sources; and providing information about available conservation measures.

The new licence conditions are intended to be an interim measure, to cover the balance of this winter period. The OEB is launching a comprehensive review of the customer service rules that apply to both electricity and natural gas distributors. Customer service rules relating to disconnection will be a key part of that review, and will be the subject of consultation with consumers, distributors and other interested stakeholders over the course of the coming months. Enduring regulatory requirements will be developed based on the results of that review.

IT IS ORDERED THAT:

1. The electricity distribution licence of each electricity distributor be amended to include the conditions set out in Attachment A to this Decision and Order.

DATED at Toronto February 23, 2017

ONTARIO ENERGY BOARD

Original Signed By

Brian Hewson
Vice President, Consumer Protection & Industry Performance

**Attachment A
To
Decision and Order dated February 23, 2017
EB-2017-0101**

Licence Conditions

Note: The section and paragraph numbers will be revised when integrated into each licence.

1. Winter 2016/17 Disconnection, Reconnection and Load Limiter Devices

1.1 Subject to paragraph 1.4, the Licensee shall not, during the period commencing February 24, 2017 and ending at 11:59 pm on April 30, 2017:

- a) disconnect an occupied residential property solely on the grounds of non-payment;
- b) issue a disconnection notice in respect of an occupied residential property solely on the grounds of non-payment; or
- c) install a load limiter device in respect of an occupied residential property solely on the grounds of non-payment.

Nothing in this paragraph shall preclude the Licensee from (i) disconnecting an occupied residential property in accordance with all applicable regulatory requirements, including the required disconnection notice; or (ii) installing a load limiter device in respect of an occupied residential property, in each case if at the unsolicited request of the customer given in writing on or after February 24, 2017.

1.2 Subject to paragraph 1.4, if the Licensee had disconnected a residential property on or before February 23, 2017 solely on the grounds of non-payment, the Licensee shall reconnect that property, if an occupied residential property, as soon as possible. The Licensee shall waive any reconnection charge that might otherwise apply in respect of that reconnection.

Nothing in this paragraph shall require the Licensee to reconnect an occupied residential property if the customer gives unsolicited notice to the Licensee not to do so in writing on or after February 24, 2017.

- 1.3 Subject to paragraph 1.4, if the Licensee had installed a load limiter device in respect of an occupied residential property on or before February 23, 2017 either for non-payment or at the customer's request, the Licensee shall remove that device and restore full service to the property as soon as possible. The Licensee shall waive any charge that might otherwise apply in respect of such removal.

Nothing in this paragraph shall (i) require the Licensee to remove a load limiter device if the customer gives unsolicited notice to the Licensee not to do so in writing on or after February 24, 2017; or (ii) prevent the Licensee from installing or maintaining a load limiter device at the unsolicited request of customer given in writing on or after February 24, 2017.

- 1.4 Nothing in paragraphs 1.1 to 1.3 shall:

- a) prevent the Licensee from taking such action in respect of an occupied residential property as may be required to comply with any applicable and generally acceptable safety requirements or standards; or
- b) require the Licensee to act in a manner contrary to any applicable and generally accepted safety requirements or standards.

- 1.5 The Licensee shall waive any collection of account charge that could otherwise be charged in relation to an occupied residential property during the period referred to in paragraph 1.1.

- 1.6 The Licensee shall provide the Board with periodic reports on its progress in complying with paragraphs 1.2 and 1.3. The first such report shall be filed with the Board no later than March 3, 2017, and reports shall be provided every 7 calendar days thereafter until such time as no further action remains to be taken by the Licensee under those paragraphs.

- 1.7 For the purposes of paragraphs 1.1 to 1.4:

“load limiter device” means a device that will allow a customer to run a small number of electrical items in his or her premises at any given time, and if the customer exceeds the limit of the load limiter, then the device will interrupt the power until it is reset; and

“occupied residential property” means an account with the Licensee:

- a) that falls within the residential rate classification as specified in the Licensee's Rate Order; and

- b) that is:
 - a. inhabited; or
 - b. in an uninhabited condition as a result of the property having been disconnected by the Licensee or of a load limiter device having been installed in respect of the property on or before February 23, 2017.

1.8 Paragraphs 1.1 to 1.5 apply despite any provision of the Distribution System Code to the contrary.