

## **Kitchener comments on the Report of the Ontario Energy Board – Review of Customer Service Rules for Utilities Phase One (EB-2017-0183)**

### **4. CUSTOMER SERVICE REGULATORY FRAMEWORK**

- *Develop customer service rules (as proposed to be amended), similar to the electricity Rules, for the gas distributors*

Kitchener Comments:

In the EB-2010-0280 application, Kitchener responded with the following comments, which are still applicable:

“...for the customer service standards to be applied generally by rate-regulated gas distributors, a less prescriptive approach to Board oversight is preferable. This approach preserves the value of existing customer service rules that reflect fair and balanced practices which have evolved over time, reflect geographic or demographic differences between gas service territories and which are well understood and accepted by customers. Change to existing utility customer service standards comes at a cost and with risks of creating customer confusion and / or potential for abuse.

The costs of change and the potential for abuse and moral hazard are of particular concern for Kitchener with respect to the proposed modifications and enhancements to low-income standards for rate-regulated gas distributors. If they are modeled after the electricity standards, then, respectfully, Kitchener does not view them as appropriate levels of service commensurate with the cost to implement and adhere to them. In short, such modified standards for low-income customers may provide reasonable consistency across the province, but they would not be appropriate, in our view. As a municipality, Kitchener is facing considerable pressures and challenges in funding its programs and delivery of services. Managing costs effectively is an emphatic priority for Council and City Staff in meeting the expectations of all of our citizens and ratepayers.”

### **5. CUSTOMER SERVICE RULES**

#### **5.1 SECURITY DEPOSIT**

- *Security deposit requirements should be waived for new residential customers enrolling in the utility's equal billing and/or pre-authorized payment plan as determined by the utility*
- *Security deposits for small business customers should be returned after three years of good payment history*

Kitchener Comments:

- Tenants are required to pay a security deposits.
- Customers who enroll on a Pre-Authorized payment are eligible to have their security deposit waived.
- Security deposits are returned to the customer after one year of good payment history upon the customer's request. This policy also applies to small business tenants.

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## 5.2 BILLING AND PAYMENT

- *The minimum payment period before late payment charges can be applied by a utility should be at least 20 calendar days from the date the bill was issued to the customer.*

### Kitchener Comments:

- Payments not made by the 17th day from issue date may be subject to late payment charges
- Extending this period would compromise the billing and settlement process

### 5.2.2 EQUAL BILLING & EQUAL PAYMENT PLANS

- *Distributors should offer non-seasonal residential customers (except customers enrolled with retailers) an equal billing plan*
- *Equal billing customers choosing the pre-authorized automatic monthly payment option should be provided with a choice of at least two dates within a month for automatic payments to be withdrawn*
- *Distributors may adjust the methodology for calculating the customer's average monthly bill to account for known changes and/or to accommodate a customer request*
- *Distributors may adjust the equal monthly billing amount at any time to accommodate a customer request or if the difference between the equal monthly billing amount and the actual amount is extraordinary*
- *Distributors may cancel the customer's equal billing plan after two missed payments under the plan within an equal billing year*
- *Distributors should offer the equal billing plan to small business customers subject to the following exceptions:*
  - *Customers enrolled with energy retailers*
  - *Customers with less than 12 months' billing history*
  - *Customers in arrears or whose participation in the plan in the past 12 months was canceled due to non-payment*
  - *Customers whose consumption pattern is not sufficiently predictable or be estimated on an annual basis with any reasonable degree of accuracy*
- *Distributors should communicate the equal billing plan to eligible customers, at least twice a year, through the customer's preferred method of communication, if known, or otherwise through one or more means that are most effective in making customers aware of the plan*

### Kitchener Comments:

- All residential customers, including those enrolled with retailers are eligible for the equal billing plan

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- Kitchener is unable to offer a choice of dates for automatic payments to be withdrawn due to system limitations. Payment withdrawal is taken on the due date of the bill, determined by the billing cycle.
- Manual requests to change an equal billing plan amount can be accommodated by Kitchener.
- Kitchener does allow for an adjustment of an equal billing plan at any time during the year.
- Small business customers are eligible to enroll in the equal billing plan.

### **5.2.3 PAYMENT BY CREDIT CARD**

- *The credit card payment option should remain at the discretion of the utility subject to the following current Rules:*
  - *Where a distributor has issued a disconnection notice to a residential customer for non-payment, the distributor must, at a minimum, have the facilities and staff available during regular business hours so residential customers can pay overdue amounts by credit card issued by a financial institution*
  - *When a distributor visits a customer's property to disconnect service during or after regular business hours, the distributor must have the facilities or staff available to allow residential customers to pay overdue amounts by credit cards issued by a financial institution*

#### **Kitchener Comments:**

- Kitchener currently does not accept credit card payment.
- Should Kitchener offer credit card payment in the future, staff will be available to allow residential customers to pay overdue amounts by credit cards issued by a financial institution during regular business hours.

### **5.2.4 ALLOCATION OF PAYMENT**

- *Utilities should allocate payments between energy and non-energy charges as per the current electricity Rules unless the customer specifically requests otherwise*
- *A utility should explain to a customer requesting a customized allocation method the potential impact on the customer's electricity service before processing the request*

#### **Kitchener Comments:**

- Kitchener currently has all utility services; including gas and water presented on one bill. Payment allocation is not meaningful, as we would consider the entire bill outstanding when a partial payment is received.

### **5.2.5 ARREARS PAYMENT AGREEMENTS**

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- *Distributors should not charge residential customers additional late payment charges on the amount that is covered by the OEB-prescribed APA*
- *Utilities should offer reasonable payment arrangements to small business customers unable to pay their bill. In the event a small business customer fails to perform its obligations under a previous payment plan and the utility terminates the plan, the utility may require the customer wait 12 months after termination before entering into another payment plan*

### **Kitchener Comments:**

- Kitchener’s policy is to charge interest on a utility bill only once.
- Payment arrangements are offered to all customers.

### **5.3 DISCONNECTION FOR NON-PAYMENT**

#### **5.3.1 CONTENT OF DISCONNECTION NOTICE**

- *The Rules should expressly state that a disconnection notice issued to a residential customer should include the information prescribed by the Rules, otherwise it is invalid, and any disconnection following such an invalid notice would be unlawful*
- *Implement housekeeping amendments to the Rules to separate the requirements that apply to all utilities from those that may not apply to all utilities*

### **Kitchener Comments:**

- Kitchener complies with the first point with the exception of the “latest date of disconnection”. Kitchener would like to continue to have flexibility in making suitable payment arrangements after the notice of disconnection is delivered. Identifying a “latest date of disconnection” would limit payment arrangements to be made past this date.

#### **5.3.2 DISCONNECTION NOTICE PERIOD AND TIMING**

- *Utilities should provide customers with an “account overdue notice” at least 14 calendar days before the notice of disconnection is issued*
- *Before disconnecting a customer’s service for reasons of non-payment, a utility should provide the customer with 14 calendar days’ notice*
- *Where a disconnection notice is sent by mail, the disconnection notice should be deemed to have been received by the customer on the fifth calendar day after the date on which the notice was printed by the utility*
- *Utilities should disconnect services within 14 calendar days after the applicable minimum notice period*
- *Utilities should not disconnect a customer on a day when the utility is closed to the public to make payment and/or reconnection arrangements or on the day preceding that day*

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## Kitchener Comments:

- Kitchener bills monthly, therefore if there are arrears on the account the next bill will stipulate that the account is overdue, this is considered the first overdue notice.
- Final notice is issued to tenants 40 days aged. From the date of issue of the disconnection letter to the date of shut off is a minimum of 18 days.
- Kitchener does not disconnect a customer on a day when the utility is closed to the public to make payment/and or reconnection arrangements or on the day preceding that day.

### 5.3.3 WINTER DISCONNECTION & RECONNECTION

- *Current electricity distribution license conditions relating to winter disconnection ban to remain in effect subject to changing the required reconnection date from November 15th to December 1st.*
- *Develop winter disconnection and reconnection rules for the gas distributors based on the current license conditions in effect for electricity distributors as proposed to be amended.*

## Kitchener Comments:

- Kitchener bills for water, stormwater, water heater rentals and gas. Kitchener must be able to maintain the ability to shut service off in the event of non-payment.

## 6. NON-PAYMENT OF ACCOUNT CHARGES

### 6.1 LATE PAYMENT CHARGE

- *The late payment charge be prescribed as follows: 1.5% per month (effective annual rate 19.56% per annum or 0.04896% compounded daily rate)*
- *Distributors should clearly describe in their conditions of service their late payment policy including the time from when late payment charges apply*

## Kitchener Comments:

- Kitchener's policy is to charge Late Payment Charge on a utility bill only once at the rate of 2.0%

### 6.4 DISCONNECT/RECONNECT CHARGE

- *Change the name of the charge from "Disconnect/Reconnect" to "Reconnection"*
- *Distributors should apply the charge to the bill following the reconnection and allow residential customers to pay it in equal installments over a period of three months following the reconnection*
- *Distributors should waive the charge for eligible low-income customers*

## Kitchener Comments:

- Kitchener requires the "reconnection fee" to be paid in order for the reconnection to take place.
- Kitchener is not able to identify low-income customers for privacy reasons. Kitchener refers customers to the Energy Assistance program through Waterloo Region to assist customers who need help to pay arrears. Kitchener works with the Region of Waterloo Social Services to avoid utilities being shut off for customers that may be considered low income.