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April 17, 2009

**VIA MAIL and E-MAIL**

Ms. Kirsten Walli  
Board Secretary  
P.O. Box 2319  
2300 Yonge St.  
Toronto, ON  
M4P 1E4

Dear Ms. Walli

**Re: EB-2008-0150**

Please find enclosed the comments of the Vulnerable Energy Consumers Coalition (VECC) in the above-noted proceeding.

Thank you.

Yours truly,

Michael Buonaguro  
Counsel for VECC  
Encl.

**Report of the Board**  
**Low-Income Energy Assistance Program (LEAP)**

**Comments of the**  
**Vulnerable Energy Consumers' Coalition (VECC)**

**Submitted by**  
**Public Interest Advocacy Centre (PIAC)**

**April 17, 2009**

**Report of the Board  
Low-Income Energy Assistance Program**

**Comments of the Vulnerable Energy Consumers Coalition  
(VECC)**

**Introduction**

VECC consists of a Coalition of The Federation of Metro Tenants Associations (FMTA) and the Ontario Coalition of Senior Citizens Organizations (OCSCO). The Coalition is represented by the Public Interest Advocacy Centre (PIAC) and its Toronto Counsel and Consultants (ECS). VECC represents the interests of vulnerable utility customers and renters that include a high proportion of the Board's designated 'Eligible Low Income Customers'.

The Board's Report sets out the Board's policies for implementation of a "Low-Income Energy Assistance Program", or "LEAP".

LEAP has three components:

- (1) Temporary financial assistance for low-income energy consumers in need;
- (2) The benefit of access to more flexible customer service rules on matters such as bill payment and disconnection notice periods; and
- (3) Targeted conservation and demand management programs.

VECC suggests that to be successful in alleviating Energy Poverty, all three components of the Board's Low Income (LI) Strategy must work together. The first task is to move forward from the current situation to implement enhanced financial assistance and customer account management practices. The next step is to dramatically increase the availability and funding of targeted Conservation and Demand Side Management operated by or on behalf of both gas and electric utilities.

The LI strategy should be universal and apply to both customers of gas and electric utilities. VECC notes that the levers available to the Board differ between electric utilities and the OPA on the one hand and Union Gas, Enbridge and NRG on the other.

**5.1 LEAP Emergency Financial Assistance for Bill Payment**

With respect to the financial assistance component, LEAP builds on the "Winter Warmth" programs in which a number of distributors already successfully participate. The Board indicates its belief that low-income energy assistance should be a consistent program across the province and one where low-income energy consumers have access to similar services, irrespective of the distributor that serves them.

This poses a significant challenge particularly in rural, less populated areas of the Province. Accordingly, there needs to be a concerted effort to develop lists of cooperating social agencies in each distributors' service territory.

A key principle underlying LEAP is the partnership between distributors and social service agencies. Such partnerships leverage the agencies' expertise and experience in assisting low-income energy consumers and can better ensure that those most in need receive the appropriate level and type of assistance.

As noted above, the bill assistance component of LEAP builds on the experience gained under existing Winter Warmth or similar programs. These are programs that have been successfully engaged in by a number of electricity and natural gas distributors. The success of these programs lies in the partnership between the distributor and a social service agency.

In some cases the United Way acts as a lead agency to coordinate aspects of the program which are sub-contracted to local delivery agencies.

The Board expects that distributors will provide LEAP funding to a social service agency partner that serves their franchise or service area. LEAP expands on the Winter Warmth program by extending emergency assistance year-round.

### **VECC Comments**

A major challenge in implementing the Board's Low Income/Energy Poverty Assistance Strategy is the resourcing of Social Agencies. Many agencies are overloaded and may not have either the physical capacity or appropriate skill sets to provide either emergency assistance or customer arrears management. A schedule of fees for standard agency services (e.g. arranging for security deposits) should be drawn up in consultation with Social Agencies so that incremental resources can be applied to both Emergency Assistance and Arrears Management programs.

A critical aspect of the program is in ensuring that customers, utilities, and social agencies work together to ensure that

- a) Customers are aware that they may be eligible for assistance before requiring assistance,
- b) Utilities take appropriate steps to connect customers with the relevant social agencies in advance of taking steps pursuant to an arrears situation.

It is likely the case that the utility is prevented from contacting a social agency to make inquiries of specific customer eligibility without prior customer consent; accordingly it is critical that the utilities have in place protocols for channeling potentially eligible customers to the participating agency, and/or protocols for

obtaining the required consent to provide information the agency on behalf of the customer.

### Funding Level

To establish the amount of funding that distributors should allocate for the financial assistance portion of LEAP, the Board reviewed the Winter Warmth and other similar programs in which Ontario's natural gas and electricity distributors currently participate.

The Board has determined that the greater of 0.12% of a distributor's Board-approved distribution revenue requirement, or \$2,000.00, is a reasonable commitment of distributors to LEAP.

The Board Staff Discussion Paper issued with the Board's Report indicates that the current level of Emergency Assistance averages 0.035% of distribution revenue. This provides \$1.2 million from the 10 utilities participating -that does not include Hydro One Networks –the largest utility in terms of Customers and Revenue Requirement.

Table 1-2: Utility Allocation as % of Total Distribution Revenue

	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009
Burlington Hydro	-	-	-	-	0.07%
Enersource Hydro Mississauga	-	-	0.03%	0.03%	0.04%
Horizon Utilities	-	-	-	-	0.02%
Hydro Ottawa	-	-	-	0.05%	0.03%
London Hydro				0.18%	0.18%
PowerStream	-	-	-	0.03%	0.03%
Toronto Hydro	0.02%	0.02%	0.02%	0.02%	0.02%
Veridian Connections	-	-	-	-	0.06%
AVERAGE ELECTRIC	0.02%	0.02%	0.03%	0.06%	0.06%
Union Gas	-	0.01%	0.01%	0.01%	0.01%
Enbridge Gas	0.01%	0.01%	0.01%	0.01%	0.01%
AVERAGE GAS	0.01%	0.01%	0.01%	0.01%	0.01%
OVERALL AVERAGE	0.015%	0.015%	0.02%	0.035%	0.035%

# UTILITY EMERGENCY ASSISTANCE PROGRAMS<sup>28</sup>

Table 1-1: Utility Allocations<sup>29</sup>

	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009
Burlington Hydro	-	-	-	-	\$20,000
Enersource Hydro Mississauga	-	-	\$35,000	\$35,000	\$50,000
Horizon Utilities	-	-	-	-	\$15,000
Hydro One	-	-	-	-	\$100,000
Hydro Ottawa	-	-	-	\$65,000	\$40,000
London Hydro	-	-	-	\$100,000	\$100,000
PowerStream	-	-	-	\$30,000	\$30,000
Toronto Hydro	\$100,000	\$100,000	\$100,000	\$96,000 <sup>31</sup>	\$140,000 <sup>32</sup>
Veridian Connections	-	-	-	-	\$26,000
TOTAL ELECTRIC	\$100,000	\$100,000	\$135,000	326,000	\$521,000
Union Gas	-	\$175,000	\$200,000 <sup>33</sup>	\$217,342 <sup>34</sup>	\$197,342 <sup>35</sup>
Enbridge Gas	\$300,000 <sup>36</sup>	\$300,000 <sup>37</sup>	\$300,000 <sup>38</sup>	\$300,000	\$300,000
Garland Settlement <sup>39</sup>				\$354,000	\$225,445
TOTAL GAS	\$300,000	\$475,000	\$500,000	\$871,340	\$722,787
OVERALL TOTAL	\$400,000	\$575,000	\$635,000	\$1,197,342	\$1,227,787

## VECC Comments

1. There is not an adequate reported history on incidence of default by gas and electric distribution customers (see limited data below from the four largest utilities, in terms of customers).
2. It is perhaps unnecessary to indicate a threshold level of \$2000. The Board's Electricity Distributors Utility data for 2007 [http://www.oeb.gov.on.ca/OEB/Documents/EB-2006-0268/Comparison\\_of\\_Distributors\\_with\\_2007\\_data.xls](http://www.oeb.gov.on.ca/OEB/Documents/EB-2006-0268/Comparison_of_Distributors_with_2007_data.xls) indicates that the range of Distribution Revenue for 2007 is from \$224,007 for Hydro 2000 Inc to \$843,522,000 for Hydro One Networks. Applying the 0.12% factor leads to an available funding range of \$288 to \$1.122 million per utility.

To raise the available funding to the minimum threshold of \$2000 could be seen as penalizing smaller utilities. Alternatively a sliding scale approach could be developed:

Given the respective residential customer bases of Hydro 2000 and Hydro One Networks of 1001 and 1.064 million, the incremental funding would cost \$2 per customer per year (rather than \$0.29 /customer per year) for Hydro 2000 customers and ~\$1.00/ customer per year for Hydro One customers

3. As noted above a schedule of Fees needs to be established to allow agencies to retain and apply the necessary resources to implement the Emergency Assistance programs (and arrears management programs).

4. In terms of collection the funding from ratepayers, VECC believes that the collection of the RRRP funding provides an appropriate precedent, in that funding to pay for consumer specific programs based on affordability is appropriately recovered from all ratepayers and a volumetric/throughput basis.

## 5.2 LEAP Customer Service Measures

The Board Report indicates that low income energy consumers would benefit from specific customer service measures in the following areas:

- Billing and bill payment – i.e., longer bill payment periods, faster repayment of over-billed amounts and installment payments for under-billed amounts, monthly equal billing and other specific equal billing requirements;
- Disconnection – i.e., a standard disconnection notice that includes information of particular relevance to low-income energy consumers, and a longer minimum notice period prior to disconnection;
- Security deposits – i.e., a deposit waiver for low-income energy consumers that receive energy bill assistance and extended periods over which to pay required deposits in certain circumstances; and
- Arrears management – i.e., payment agreements that allow low-income energy consumers to pay arrears over an extended period.

To implement the customer service elements of the program, the Board has issue proposed amendments to the Distribution System Code, the Retail Settlement Code and the Standard Supply Service Code through the Notice of Proposal to Amend Code that was issued in conjunction with its Low Income Report.

The proposed amendments form part of a larger set of proposed amendments that are addressed in the same Notice, as part of the Board's "Electricity Distributors: Customer Service, Rate Classification and Non-payment Risk" consultation (EB-2007-0722).

The Board proposes to defer proposing amendments to the Smart Sub-Metering Code to implement similar customer service rules until such time as the process for amending the other codes has been completed.

### Relevant Data-Current Practices

The results of the current practices of the four largest gas and electric distribution utilities(in terms of customers) are tabulated below:

	Hydro One*	Union Gas*	Enbridge*	Toronto Hydro*
<b>Customers</b>	<b>1.1 million</b>	<b>1.3 million</b>	<b>1.9 million</b>	<b>700,000</b>
Disconnection Notices Issued	137,221	166,659	35,265	32,586
Disconnections#	8,614	28,281	30,049	5,975
Reconnections#	n/a	19,330	n/a	n/a
Security Deposits#	30,070**	93,123	128,000	67,778

Amount per Account	\$515**	\$277	\$335.	\$161
Total Amount \$	\$15.5 m**	\$25.8 m	\$43 m	\$10.9 m
Amount applied to disconnected services \$	n/a	\$0.9 million	n/a	n/a

Source: Information Requests EB-2008-0150

\*2007 except otherwise indicated

\*\* as of Aug 2008

## VECC Comments

VECC believes that the implementation of the Board's Customer Account Management policies, particularly as applicable to vulnerable consumers will require a major focused effort by a Task Force of stakeholders and Board Staff. The principles and approach are clear but the devil is in the details.

1. VECC participated in the EB-2007-0722 proceeding that resulted in the proposed amendments to the DSC, RSC and SSC. In general, the amendments move in the right direction, but may still need to be revisited and strengthened to provide the right types of assistance to low income customers.

In particular, a staged approach to arrears management needs to be introduced:

- i) Placing Low Income customers on Equal Billing plans is an important step regardless of whether the commodity supplier is the utility or a third party retailer. If required due to payment history, security deposits should be modified to reflect the *average* rather than the largest monthly bill, although ideally security deposits would not be required for participation in Equal Billing plans.
- ii) The minimization of Late Payment Charges should be a key first step for all customers whether enrolled in equal billing or not. The grace period should be extended and steps taken to work with the customer and, by agreement, social agencies.
- iii) Pick a Date and Golden Age programs allow Customers on fixed incomes the ability to specify the date on which they make payments to ensure that payments are not due before income is received.
- iv) The key is *avoidance* of large arrears balances leading to curtailment/disconnection of service. Emergency assistance funds should be applied while a long term arrears payment plan geared to individual services is put in place.



VECC agrees with LIEN's proposal for an arrears management program comprised of the following components:

- Arrears are to be retired over a two-year period;
- Customers are to make co-payments toward their arrears;
- Co-payments are to be set equal to an affordable percentage of income (e.g. 1% per year);
- No pre-condition is established for the grant of arrear management credits; and
- The appropriate response to non-payment is to place the program participant in the same collection process as any other residential customer.

### **Low income Consumers in Multi-Residential Units**

The Board indicates that it sees no reason why the occupants of rental and condominium units that are billed for their electricity costs separately (i.e., if their electricity costs are not included in their rent) should not be entitled access to the same programs as occupants of single family dwellings. Therefore the Board is of the view that low-income electricity consumers residing in rental and condominium units, who are billed for their electricity costs separately, should have access to the LEAP funding collected by distributors through distribution rates.

### **VECC Comments**

VECC does not disagree with the principle put forward by the Board, but suggests that there is a separate set of considerations required to protect consumers in multifamily condominium and rental housing. The commodity and distribution service providers are not rate regulated and do not have to conform to the provisions of the DSC, RSC and SSC as a condition of their licences. Requiring arrears management as a condition of licence will be a challenge for the Board.

Already the practices of some sub-metering distributors are being called into question. The recent OEB Compliance Bulletin 200901 notes the concern:

The Compliance Office has received allegations that several licensees may be providing sub-metering services that are not in compliance with the Electricity Act, the *Ontario Energy Board Act* ("the Act") and the Board's regulatory instruments. Non-compliance with section 53.18 of the Electricity Act is a serious matter and it is expected that all non-compliant activities will cease immediately.

## Gas Distribution Access Rule (GDAR)

### Security Deposit Policies

In a separate proceeding (**EB-2008-0313**) the Board has proposed amendments to policies regarding Security Deposits required by the three rate-regulated gas distributors. This proceeding has not completed and there is an opportunity to incorporate the Board's EB-2008-0150 policies regarding Eligible Low Income Customers.

1. *Documentation and Communication of Security Deposit Policy (Sections 2.4.2 to 2.4.6)*
2. *Collection and Payment of Security Deposits (Sections 2.4.8 to 2.4.10, 2.4.13 and 2.4.16)*
3. *Maximum Amount of Security Deposits (Sections 2.4.11 to 2.4.13, 2.4.27 and 2.4.28)*
4. *Form of Security Deposits and Interest (Sections 2.4.15 and 2.4.17)*
5. *Review and Return of Security Deposits (Sections 2.4.18 to 2.4.26)*

VECC believes these proposals should be amended to provide a consistent approach to Eligible Low Income Consumers, similar to the DSC amendments.

### **VECC Comments**

VECC's comments on the need to adopt the same or similar provisions to those proposed for the DSC are set out in the relevant GDAR Security Deposit section of the Appendix to this submission.

VECC is also concerned however that the other proposed policies and provisions regarding treatment of "Eligible Low Income (GAS) Customers" should mirror the proposals in the DSC, RSC and SSC.

The method by which this can be achieved is, in VECC's submission, via proposed amendments to the Rate Handbook's Terms and Conditions of Service for Union Gas Enbridge and NRG.

The Board should also encourage Kitchener and Kingston to adopt similar provisions.

### **5.3 LEAP Targeted Conservation and Demand Management Programs**

The Board Report notes that the Ontario Government introduced new legislation on February 23, 2009 which makes provision for a new framework for the delivery of CDM initiatives in the Province. Under amendments to the *Ontario Energy Board Act, 1998* proposed in Bill 150 (the *Green Energy and Green Economy Act, 2009*), the Minister of Energy and Infrastructure may direct the Board to establish conservation targets for electricity distributors.

It is contemplated that distributors may be permitted to meet their targets by offering Board-approved CDM programs in their service areas or by contracting with the Ontario Power Authority for the provision of province-wide programs.

In the former case, the Board would need to establish criteria for programs that may be included in a distributor's portfolio, and approve the distributor's portfolio of programs and budget. This new framework, if implemented, will provide further opportunity for the Board to ensure that the appropriate level and type of CDM programs are available to low income electricity consumers.

The Board intends to revisit its CDM and DSM policies to ensure that they reflect the expectation that distributors target a portion of their programs to low-income energy consumers.

With respect to natural gas DSM, the Board initiated a consultation process (EB-2008-0346) in October 2008 to develop guidelines to be used by natural gas distributors in developing their next generation DSM plans. Under the proposed DSM Guidelines, natural gas distributors would be expected to propose explicit metrics and corresponding targets for the DSM programs targeted at low-income energy consumers.

The Board has recently (April 12, 2009) issued a Letter of Direction requiring both Union and Enbridge to file one year DSM programs for 2010.

The Board intends to review its electricity CDM policies in the near term to ensure that similar provisions are included in relation to CDM programs for low-income electricity consumers.

#### **VECC Comments**

Currently the Board has approved an allocation of 14% of residential gas DSM budgets to Low Income programs. Both Union and Enbridge are each spending about \$1.4 million a year on Low Income DSM.

*There is no equivalent allocation for Electric CDM.*

In 2005 the OPA was directed by the Minister to achieve a load reduction of 100MW in residential Low Income homes, including Social Housing and has

indicated that the achievement is about 11MW to date (response to VECC IR in IPSP).

In addition, OPA has included targeting of Low Income Buildings as part of its Multifamily Buildings Program. The participant targets are 15,000 buildings representing 90,000 dwelling units through 2010. Low income Ontarians reside not only in assisted housing units but occupy 40% of units in privately owned buildings.

*However there is no specific target or allocation of Budget for LI units except for Social Housing units.*

The OPA projects that \$15 to \$20 million of the 2008 and 2009 funding for its programs will directly reach low-income residents.

Given the lack of a comprehensive approach to Low Income and other targeted CDM/DSM and given the provisions for the Minister to direct the Board to establish CDM/DSM targets under the *Green Energy Act*, there is a pressing need for the Board to address framework issues related to Low Income and other targeted DSM/CDM programs.

A Board-directed consultation process is required, otherwise, the priorities for 2010 and beyond will overwhelm the need to stop and re-evaluate the framework for Low Income and other targeted programs:

- Budgets - a % of residential class distribution revenues and for multifamily Buildings of the General Service Class distribution revenue
- Targets- as % of class targets
- Measure Input Assumptions –OPA and/or OEB sanctioned
- Screening of Measures and Programs -TRC or LIPPT or Scorecard.
- Deep Measures-Weatherization, Furnace and Water Heater Replacement
- LRAM- Review current approach
- Incentives -SSM or alternatives

VECC advocates that the first step would be for Board Staff to Develop a Discussion paper on Targeted CDM/DSM for Low Income and other vulnerable consumers such as Seniors.

The work that has been done on the framework for Gas DSM will be good point of departure and the process can be completed in 3 months and lead to a new Targeted LI program framework that can be implemented by all rate-regulated utilities and importantly lead to discussions with the Minister regarding the role of other players, most critically, the Ontario Power Authority.

## Appendix: Comments on Proposed Amendments to Codes

<b>Proposed Definition/Measure</b>	<b>Relevant Sections of DSC/RSC/SSC</b>	<b>VECC Position/Comments</b>
<b>B. Definition of “Eligible Low Income Electricity Customer”</b>	Reference to the customer’s need for financial, payment management, debt payment or similar assistance as confirmed by a recognized social service agency. amend the DSC (section 1.2)	<b>Availability/resourcing of Social agencies in service area is critical.</b>
<b>C. Bill Issuance and Payment</b>	Eligible low income electricity customers be provided with a minimum of 21 calendar days, calculated from the date on which the bill is issued, in which to pay the bill. amend the DSC (section 2.5.3(a))	<b>This is in line with VECC’s suggestions in EB-2007-0772</b>
<b>D. Allocation of Payments between Electricity and Non-electricity Charges</b>	Require distributors to allocate partial payments first to electricity charges. For that purpose, electricity charges comprise the charges that are included on the “Electricity”, “Delivery”, “Regulatory charges”, “Debt retirement charge” and, where applicable, “Provincial Benefit” line items of a customer’s electricity bill, and all associated taxes Amend the DSC (section 2.5.7)	<b>Agree</b>
<b>E. Correction of Billing Errors</b>		
<b>Over billing</b>	<p>The Board is therefore proposing to amend the RSC (section 7.7) as follows:</p> <ul style="list-style-type: none"> <li>i. a distributor must issue a cheque to cover the full amount that has been over-billed where the amount is equal to or exceeds the consumer’s average monthly billing amount; or</li> <li>ii. where the amount that has been over-billed is less than the consumer’s average monthly billing amount: <ul style="list-style-type: none"> <li>a. in the case of an eligible low income electricity consumer (whether a customer of the distributor or of a retailer), the distributor must issue a cheque to cover the full amount that has been over-billed if the consumer so requests; and</li> <li>b. in any other case, the distributor may refund the over-billed amount by way of cheque or credit to the consumer’s account, as the distributor may choose.</li> </ul> </li> </ul>	<b>Agree</b>
<b>Under Billing</b>	<p>The Board is therefore proposing to amend the RSC (section 7.7) as follows:</p> <ul style="list-style-type: none"> <li>i. where an under-billed amount that results from a distributor’s error is equal to or exceeds 50% of the consumer’s average monthly billing amount, the consumer must be allowed to repay the under-billed amount in equal installments over a period at least equal to the duration of the billing error; or</li> <li>ii. where the amount that has been under-billed as a result of a distributor’s error is less than 50% of the consumer’s average monthly billing amount: <ul style="list-style-type: none"> <li>a. in the case of an eligible low income electricity</li> </ul> </li> </ul>	<b>The issue of interest needs to be addressed</b>

<p><b>Time Period</b></p> <p><b>Interest</b></p>	<p>consumer (whether a customer of the distributor or of a retailer), the consumer must be allowed to repay the under-billed amount in equal installments over a period at least equal to the duration of the billing error if the consumer so requests; or</p> <p>b. in any other case, the consumer may be required to repay the under-billed amount in full on the next regular bill.</p> <p>The Board is of the view that that a time period shorter than 2 years is appropriate, and is proposing to amend the RSC (section 7.7) to limit a residential consumer's liability for under-billed amounts to 12 months in cases where under-billing is the result of an error by the distributor</p> <p>The Board is persuaded, however, that a consumer (including an eligible low income electricity consumer) should pay interest on under-billed amounts where the under-billing results from tampering, willful damage or unauthorized energy use by a consumer, and is proposing to amend the RSC (section 7.7) accordingly.</p>	<p><b>Agree</b> <b>The repayment period should be sufficient to allow the consumer to pay in a reasonable time.</b></p> <p><b>Onus of proof issue; utility should be required to prove to the appropriate legal standard the alleged conduct.</b></p>
<p><b>F. Equal Billing</b></p> <p><b>Timing</b></p> <p><b>Retailer Customers</b></p> <p><b>Reconciliation/True Up</b></p>	<p>Distributors must bill eligible low income electricity customers that are on equal billing on a monthly basis.</p> <p>As many low income electricity customers receive their income at dates fixed by government agencies, the Board is also proposing that eligible low income electricity customers who elect equal billing be given the option of at least two different monthly payment dates (such as the 1st or 15th of each month), which is an option currently offered by some distributors.</p> <p>The Board is therefore proposing that distributors make equal billing available to all residential consumers that are retailer customers (RSC, section 7.2.3). Where a distributor voluntarily makes equal billing available to a class of non-residential customers, equal billing must also be made available to members of that class that are retailer customers.</p> <p>Distributors must conduct a reconciliation in anticipation of the last (12th) month of a given year's plan.</p> <p>Where the reconciliation demonstrates that an eligible low income electricity customer owes the distributor for a shortfall, the shortfall must be rolled</p>	<p><b>Agree.</b> <b>Timing relative to Government cheques.</b> <b>Need more clarity on this issue.</b></p>

	into the following year's installments in equal monthly amounts to facilitate payment of the shortfall by spreading it over a longer period of time.	
<b>G. Disconnection for Non-Payment</b>	The Board is therefore proposing that distributors provide 21 calendar days' notice as a minimum prior to disconnecting an eligible low income electricity customer (DSC section 4.2.3A(b)). The Board is also proposing to extend this requirement to any residential customer that has requested the distributor to provide a copy of a disconnection notice to a third party (see section II.G.4 below).	<b>Agree -particularly important for Senior Citizens</b>
<b>Adverse Impact on Health</b>	The Board is therefore also proposing to amend the DSC (section 4.2.3A(a)) to require a distributor to provide 60 calendar days' notice as a minimum prior to disconnecting a residential customer that has provided the distributor with documentation from a physician confirming that disconnection poses a risk of significant adverse impacts on the physical health of the customer or on the physical health of the customer's spouse or dependent family member residing in the same premises.	
<b>Notice Validity</b>	The Board is proposing to amend the DSC (section 4.2.2C) to stipulate that a disconnection notice is valid for a period of 11 days from the end of the applicable minimum notice period. For example, for a customer that is entitled to a 10-day notice period, the disconnection notice would be valid for a period of 21 days.	
<b>Third Party Notification</b>	The Board believes that it is appropriate to mandate in the DSC (section 4.2.2B) a requirement that the distributor provide a copy of a disconnection notice to a third party designated by the customer for that purpose. This can both increase the likelihood of payment being received and decrease the number of disconnections and associated costs to the distributor.	
<b>Multifamily Buildings</b>	The Board is proposing to amend the DSC (section 4.2.2E) to include a requirement that a copy of any disconnection notice issued to the account holder for a multi-unit, master-metered building be posted in a conspicuous public place on or in the building. This requirement is proposed to apply to any multi-unit, master-metered building, whether a residential apartment building, a condominium or a commercial building.	
<b>Reconnection</b>	The Board is therefore proposing to amend the DSC (section 7.10) to require that, where service has been disconnected for non-payment, it must be re-established within two days of the date on which the	

**Disagree- Delivery to each affected unit should be required; this may require the account holder to provide mailing addresses for affected units as apt of their account registration**

	<p>customer has paid the arrears in full or has entered into an arrears payment agreement (see section II.J below) with the distributor.</p> <p>The Board is proposing that this service quality requirement be met 85% of the time, as is the case under GDAR</p>	
<b>H. Security Deposits</b>	<p>The Board is therefore proposing to amend the DSC as follows:</p> <p>i. A distributor may not request a security deposit from an eligible low income electricity customer that is receiving assistance under an “energy bill payment assistance program”, being a program recognized by the Board that provides funding on an emergency basis to enable consumers to pay their energy bills (DSC section 2.4.11)</p> <p>ii. An eligible low income electricity customer that is not receiving assistance under an “energy bill payment assistance program” and that is being required to provide a security deposit must be permitted to pay it in equal installments over period of at least 12 months (DSC section 2.4.20A), including where the security deposit is provided to replace a security deposit that has been applied against arrears (see paragraph iv below). An eligible low income electricity customer must also be permitted to pay an increase in its security deposit in equal installments over a period of at least 12 months (DSC section 2.4.25A(b)). When a security deposit that has been paid in installments is required to be returned to an eligible low income electricity customer, it must be returned to the customer in equal installments over a period of the same duration provided that the customer maintains a one-year good payment history (DSC section 2.4.25A(a)). In other words, an installment must be returned to the eligible low income electricity customer as and when the eligible low income electricity customer has achieved a one-year good payment history relative to the date on which the installment was paid.</p> <p>iii. Section 2.4.17 of the DSC currently allows a distributor to use a customer’s highest actual or estimated monthly load, rather than the customer’s average monthly load, when calculating the security deposit payable by a customer that has received more than one disconnection notice in a relevant 12-month period. This provision will <b>not</b> apply to eligible low income electricity customers.</p> <p>iv. For all residential customers, a distributor must apply any existing security deposit against arrears before issuing a disconnection notice to the customer (DSC section 2.4.26A). Repayment of the security deposit by an eligible low income electricity</p>	<p><b>VECC questions whether this measure is consistent with the other amendments e.g.2.4.23A. Customer can only request review after 1 year – which means refunds (if applicable) can’t start until sometime later.</b></p>



	<p>customer may be effected in equal installments over a period of at least 12 months (DSC section 2.4.26B).</p> <p>v. A distributor must accept, as a form of security deposit from any residential customer, a guarantee provided by a third party whose ability to pay is acceptable to the distributor, acting reasonably (DSC section 2.4.18).</p>	
<b>Security Deposits Gas Distribution Access Rule</b>	<p><i>1. Documentation and Communication of Security Deposit Policy (Sections 2.4.2 to 2.4.6)</i> The Board is proposing that each gas distributor be required to document its policies in a "Security Deposit Policy", file a copy of its Security Deposit Policy with the Board and make its Security Deposit Policy available to the public and to any customer or prospective customer that requests a copy.</p> <p><i>2. Collection and Payment of Security Deposits (Sections 2.4.8 to 2.4.10, 2.4.13 and 2.4.16)</i> The Board is proposing that a gas distributor waive the requirement for a security deposit in respect of a customer that has or can demonstrate a good payment history, that provides a satisfactory credit check or that has an AAA- or better credit rating. Customers with a good payment history generally do not represent a material non-payment risk for the gas distributor, and in the Board's view it is unreasonable to require that they provide a security deposit as a condition of obtaining service from a gas distributor. The Board is also proposing that customers be permitted to provide any required security deposit in equal installments over four months.</p> <p><i>3. Maximum Amount of Security Deposits (Sections 2.4.11 to 2.4.13, 2.4.27 and 2.4.28)</i> The Board believes that flexibility should also be maintained in relation to the calculation of security deposits, and is therefore proposing that the amount of a security deposit be left to the discretion of each gas distributor, subject to a maximum that cannot be exceeded. The maximum amount is to be determined based on the customer's average monthly gas consumption. The Board is also proposing that larger non-residential customers with a credit rating of at least BBB- be entitled to a reduction in the amount of the security deposit that could otherwise be required based solely on the customer's consumption. The Board is also proposing that a customer that is a residential condominium be treated as a residential customer for purposes of determining the form and maximum amount of the security deposit that can be required.</p> <p><i>4. Form of Security Deposits and Interest (Sections</i></p>	<p><b>Agree</b> <b>The provisions need to include specific requirements for "Eligible Low Income Customers"</b></p> <p><b>The GDAR should follow the proposed amendments to the DSC. Specifically treatment of Security deposits should be the same as under the DSC amendments i)-v) above.</b></p> <p><b>Section 2.4.17 of the DSC will not apply to eligible low income electricity customers. The GDAR should follow this.</b></p> <p><b>Repayment of the security</b></p>

	<p><i>2.4.15 and 2.4.17)</i>  For all customers, the Board is proposing that gas distributors be required to accept payment of security deposits in the form of cash or a cheque. In the case of non-residential customers, distributors would also be required to accept a letter of credit. Gas distributors would retain the discretion to accept other forms of security deposit if they wish. The Board is also proposing that interest accrue monthly at a prescribed rate on security deposits that are in the form of cash or a cheque, and that interest accrued be paid out at least once every 12 months or earlier in some circumstances.</p> <p><i>5. Review and Return of Security Deposits (Sections 2.4.18 to 2.4.26)</i>  The Board is proposing that each gas distributor be required to review each security deposit at least once annually, and to return or adjust the amount of a customer's security deposit where warranted based on more current circumstances. For example, a security deposit would need to be returned when a customer has achieved the required number of years of good payment history, or would need to be adjusted where a customer's credit rating has improved. The Board is also proposing that a gas distributor be required to conduct a security deposit review at the request of a customer, which request cannot be made more than once annually. A security deposit would be required to be returned with interest (where applicable) within six weeks of closure of a customer's account, subject to the gas distributor's right to use the security deposit to offset amounts owing by the customer to the distributor. Where a security deposit was paid by a third party on a customer's behalf, the Board is proposing that, where certain conditions are met, the security deposit be returned to the third party, with interest where applicable.</p>	<p><b>deposit by an eligible low income electricity customer may be effected in equal installments over a period of at least 12 months (DSC section 2.4.26B). GDAR should follow this.</b>  <b>See Comment about 3<sup>rd</sup> party security deposits party security below.</b></p> <p><b>GDAR should follow DSC.</b></p> <p><b>A distributor must accept, as a form of security deposit from any residential customer, a guarantee provided by a third party whose ability to pay is acceptable to the distributor, acting reasonably (DSC section 2.4.18).</b></p>
<b>I. Arrears Management</b>	<p>The Board is therefore proposing to amend the DSC (sections 2.6.1, 2.6.2 and 2.6.3) to require distributors to offer, as a minimum, an arrears management program to eligible low income electricity customers that provides an opportunity for an eligible low income electricity customer to enter into an arrears payment agreement with the distributor. The arrears payment agreement must allow the customer to pay the arrears, including any late payment charges and service charges associated with non-payment that have accrued to the date of the agreement, over the following periods:</p> <p>i. a period of at least five months, where the amount owing is less than twice the customer's average monthly billing amount (defined in the same manner as proposed to support other proposed</p>	<p><b>Arrears management should also cover delinquency in making required security deposit payments.</b></p>

	<p>amendments described earlier); or</p> <p>ii. a period of at least ten months, where the amount owing is equal to or exceeds twice the customer's average monthly billing amount. No late payment charges may be levied on the arrears that are the subject of an arrears payment agreement beyond those that accrued prior to the date of the agreement (DSC section 2.6.4).</p>	
<b>J. Management of Customer Accounts</b>	<p>The Board is also proposing to amend the DSC (section 2.7.2) to stipulate that charges may not be recovered from a person that has not consented in writing to being the account holder for the property. Consent may not be implied, including by virtue of the use of electricity by the purported account holder (DSC section 6.1.2). These new requirements would apply in all cases, including where there is a change in ownership of premises.</p> <p>The Board is therefore proposing to amend the DSC (section 2.7.3) to provide that a distributor cannot recover from the landlord charges for service provided to vacated rental premises unless the landlord has consented in writing to assume responsibility for those charges. The consent may be given by prior agreement (in other words, standing instructions) or on a case-by-case basis where no prior agreement exists. The Board is also proposing to apply the same approach in circumstances where there is a change in the ownership of a property.</p>	