

AMPCO supports the OEB's efforts to provide consistency throughout the province to provide assistance to low income energy consumers that require temporary financial help, flexible customer service rules, and targeted CDM programs.

1. Guiding principles

AMPCO is supportive of the guiding principles outlined in the report:

- Increased funding
- accessibility on a province-wide basis
- available to both gas and electricity consumers
- distributors developing partnerships with social service agencies
- eligibility for funding
- minimal administrative costs
- effective and efficient handling of arrears and disconnection.

Many distributors currently work with social agencies within their service areas and regions.

2. Low Income Assistance through rates

AMPCO agrees with the Board that establishing rates for Low-Income consumers would not benefit the province as a whole. This would make each and every distributor a social agency within itself and would not be efficient, nor would it be easy to implement.

3. Eligibility for Assistance

The Board's conclusion that the most important consideration for eligibility is whether the customer is "low-income and in need of assistance", is paramount to ensure that the Low-income Energy Assistance Program (LEAP) is implemented fairly and easily. Having the social service agency assess and determine who is eligible for assistance is again easing the way for a more efficient implementation, and at a cost savings for administering this program.

4. Low-income Energy Assistance Program

AMPCO appreciates the Board's efforts to balance the interests of low-income energy consumers with its broader responsibilities to all consumers, including following the rules of ratemaking, and statutory objectives. AMPCO also recognizes that assistance to low-income rate payers could minimize bad debt and disconnections, and would also lower the associated actual direct costs to both the rate payer and the LDC. AMPCO also realizes that there is a social impact to the ratepayer that this program will hopefully realize during these difficult economic times. Using the three components "toolbox" to work with low-income energy consumers allows for relief, flexibility and empowerment. We agree that ensuring that the LEAP program is available province-wide will benefit all communities in a fair and consistent manner.

As noted in the report and during the consultative process, many LDCs currently work with local social service agencies and help direct their customers to these agencies when needed. AMPCO agrees that partnering with an agency would leverage the agencies' expertise and experience, while minimizing operational and administration costs for LDCs. Identifying the level of support needed is better handled by the partnering social agency, and maintains a consistency with other social service requirements. AMPCO would recommend that each LDC partner with only one social agency at this time for this program, in their community or region.

It would be counterproductive for the program to have added major administrative and/or regulatory burden for all the parties concerned. We would encourage both the LDCs and their social service partner to establish streamlined communications and applications, so as to ensure that whatever support is deemed appropriate be done in a manner that maintains customer dignity, and again keeps incremental costs to a minimum.

AMPCO agrees with the funding proposal that is put forward in this report. We feel that percentage of revenue requirement for LDCs should not have a significant rate impact on the LDCs customer base. Having the greater of \$2,000 or .12% recognizes that there will be some communities that will need more funding than the .12% would realize from their local utility. Having an annual commitment by the distributor for support of this customer, builds a social responsibility within the LDC and the community.

4.1. Funding LEAP

AMPCO agrees with the Board that funding at this level is appropriate through distribution rates. Providing for a deferral account for the year 2009 will ensure that the distributor will be able to record the expense, and bring forward during rebasing. AMPCO would ask that the Board consider a review of the bad debt expense in tandem with this deferral account and eventual expense recognition. Currently, distributors have an allowance built in to their revenue requirement to absorb bad debt. It would be interesting to see if there is an offset to this expense, and therefore would not require an increase to the revenue requirement. We would also ask that the Board clearly define what expense is put in to the deferral account. Would it be just the financial output at this time? Or would it have a small administration component? And would it also include the expenses of the customer service measures and conservation? AMPCO believes that by setting specific guidelines, distributors will be better directed to set up the deferral account properly and record costs and expenses as needed.

We recognize that the Board sees merit in distributors seeking voluntary charitable donations to fund LEAP. The Board is prepared to provide guidance as to the recording and reporting of such donations. AMPCO would suggest that the Board needs to be cautious about charitable donations as it implies a tax receipt. Whether this would be for a corporation or an individual it is important to be very clear on what would be given to the donor as an acknowledgement and/or receipt. A donation from electricity and gas marketers to local distributors where their customers may benefit from this program is commendable, and would continue to build a strong social connection.

4.2. LEAP Customer Service Measures

The suggested Customer Service Measures that the Board has identified for the LEAP implementation will provide a benefit to the customer in need of help in managing and paying their bills, and deposits. Many LDCs currently work very hard with their customers to ensure that they are able to make periodic payments to manage arrears, and to avoid disconnection. The cost of disconnection to a customer is never recouped. It is a lost expense. By detailing these measures, it will give distributors a program that they can work with to continue to support their customers.

- Billing and bill payments - longer bill payment periods would be beneficial to low-income consumers and also specific due dates to coincide with social service payment dates (e.g., for social assistance, CPP pension payments, etc).

- Disconnection – this is a last resort for any distributor. As noted above, the cost of disconnection is never recouped through any connection charge, late payment charge, or payment of arrears. The OEB could direct in its guidelines that the low-income consumers in need of social assistance and identified through the social agency partner would not be disconnected at any time.
- Security deposits – AMPCO would again suggest that the identified consumer could have their deposits waived for the short term, and assessed at a certain point in time. The current deposit policy we believe already has the extended periods in which to pay the deposit, but more options may be needed.
- Arrears management – many distributors work with their customers to help them manage their arrears. Payment plans and special arrangements are made daily to ensure that customers remain connected. Extending the time period for payment options is allowing the distributor to be more flexible in its offering to low-energy consumers. It must be recognized though, that having aged Accounts Receivables is not the best of business practices. We would hope that the value of these receivables would not have an adverse effect on the distributor, but we must note that it could have.

4.3. LEAP Targeted Conservation and Demand Management Programs

AMPCO agrees that it is in the public interest for distributors to have appropriate programs targeted to low-income energy consumers. The Board has also noted that it is usually in the homes that they reside in that require significant efficiency upgrades. Many of their homes are multi-residential units that are difficult for anyone to try and manage energy usage, due to the quality of the dwellings and the upgrades needed. Recognizing that a CDM program targeted to this group would not have to have a TRC benefit, encourages many distributors to ensure that these consumers have access to these programs.

AMPCO looks forward to the revisiting of the CDM and DSM policies by the Board. It will give better direction and scope for distributors as they work within the new directions that are expected from Bill 150, The Green Energy and Green Economy Act, 2009.

5. Consumers in Multi-Residential Units

The Board has clearly defined that any low-income electricity consumer that resides in a multi-residential unit, and who is billed separately for their electricity costs should have access to the LEAP funding collected by distributors through distribution rates.

6. Implementation

6.1. Code Amendments

The timeline for the LEAP implementation is an aggressive target, but needed for this type of program and to benefit the low-income energy consumer as soon as possible. Due to the economic challenges that people face in Ontario, many of these consumers could benefit now with this program. AMPCO is responding to the proposed changes to the Distribution Code, Retail Settlement Code and the Standard Supply Service Code under EB-2007-0722.

6.2. Gas Distributors

The Board has identified to natural gas distributors that they are expected to implement the LEAP customer service rules, similar to the ones that may be adopted by the electricity sector.

6.3. Reporting Requirements

AMPCO agrees that the reporting requirements should not be onerous, nor create further regulatory burden to the distributor or the regulator. We encourage the Board to develop appropriate and useful reports that can measure and bring timely results to the Board for evaluation of LEAP.

6.4. Further Consultation

AMPCO supports the Board's establishing an Implementation Working Group with representation from market participants. Market participants will be able to work with the Board to identify challenges and how to manage them accordingly for a timely and efficient roll-out of LEAP.

7. Education and Outreach

Many distributors keep their websites updated with information for all of their customers. Information on conservation, usage, industry news can be found on most LDC websites. The industry continues to struggle with education and outreach to all consumers. The OEB has provided bill inserts for LDCs over the years to advise the customer of market changes, RPP rates, etc. We would recommend that the Board continue to use this capability as it would maintain a "same message" to all consumers.

Currently, the OEB site provides links to LDC websites. This can be enhanced by asking LDCs to identify LEAP programs and access on the front/first page of their websites. This could be done fairly easily and be implemented quickly. AMPCO feels that it would be cost effective and reasonable for the Board to provide education materials for all distributors, targeted to reach low-income energy consumers, and organizations that provide services to this consumer.

There may also be further opportunities to improve the "tool set" available to distributors to assist low earning customers in the management of their energy costs. Load limiters, coin meters and in-house displays tied to smart meters are all technologies that should be explored with a specific view to assessing their ability to help low earning customers manage their situation themselves, without monetary assistance. We would encourage the Board to mandate the Implementation Working Group to review education and outreach plans and to discuss the success of previous efforts at education and outreach. AMPCO would be pleased to assist with this effort.

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