

**Attachment A:**

**Existing and Proposed Customer Service Policies and Practices of Natural Gas Distributors**

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- 1. Bill Issuance and Payment:** Mandatory rules for determining when a bill is overdue for payment will benefit customers and distributors alike by providing both clarity and uniformity of practice. Customers should not be exposed to late payment charges or disconnection by reason of delays in the processing of payment.

<b>Customer Service Rules for Electricity Distributors<sup>1</sup></b>	<b>Existing policies and practices</b>	<b>Proposed modified policies and practices</b>
<p>The minimum payment period (before a late payment penalty can be applied) will be at least 16 days from the date the bill was issued to the customer.</p> <p>The date on which the bill was issued is determined to be three days after it was printed if sent by mail or on the date on which an email was sent over the internet.</p> <p>A bill payment is deemed to be received from the customer: three days before it is received by the distributor if sent by mail; on the date when the payment is acknowledged by a bank, or when the credit card payment is accepted by the financial institution.</p> <p>Any payment made after 5:00 p.m. is still effective on the day the payment is made. If a due date is a non-business day, it is extended to the next business day.</p>	<p>A customer may pay the bill without the application of a late payment charge on amounts paid on or before the 17<sup>th</sup> day after the bills are issued.</p> <p>Bills are due when rendered by City of Kitchener- Kitchener Utilities (CKKU).</p> <p>Where payment is made, it will be deemed to be made on the date the payment is received by CKKU.</p> <p>There is a 7 day grace period beyond the 17<sup>th</sup> day, where late payment charges will not be added.</p>	

<sup>1</sup> Amendments to the Distribution System Code (DSC), the Retail Settlement Code (RSC) and the Standard Supply Service Code (SSSC) coming into force January 1, 2011.

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**2. Allocation of Payment between Gas & Non-gas Charges:** Customers should not be exposed to late payment charges or disconnection by reason of partial payments being allocated in whole or in part to non-gas charges.

<b>Customer Service Rules for Electricity Distributors</b>	<b>Existing policies and practices</b>	<b>Proposed modified policies and practices</b>
<p>If a bill includes charges other than electricity charges, any payment must first go directly to the electricity charges and then, if funds are remaining, to the other charges. If payment is sufficient to cover electricity charges, the distributor shall not issue late payment charges, a disconnection notice or disconnect the electricity supply. This applies to joint billing agreements when they are renewed, or after two years, whichever comes sooner.</p>	<p>Payment is first applied to the oldest bills.</p>	<p>The system does not currently have the capability of splitting out charges for gas vs. water services in order to allocate specifically to one service. This would require major system upgrades. This would also pose other problems in that other services, such as water, rental water heater charges etc. could be in continuous arrears if a customer makes only partial payments on the account.</p>

**3. Correction of Billing Errors:** Customers should not sustain undue impacts through no fault of their own. A distributor should not benefit from billing errors at the expense of the customer. Practice should be consistent, not discretionary.

<b>Customer Service Rules for Electricity Distributors</b>	<b>Existing policies and practices</b>	<b>Proposed modified policies and practices</b>
<p>Over or under-billing adjustments are permitted over a period of up to two years for all classes of customers. Note that the Limitations Act, 2002 provides a standard two-year limitation period for all actions in debt (subject to any considerations of discoverability).</p> <p>If a customer has been over-billed by an amount equal to or greater than the customer's average bill, the customer has</p>	<p>Where billing errors have resulted in under-billing, the customer may be charged with the amount erroneously not billed for a period not exceeding:</p> <ul style="list-style-type: none"> <li>a) one year, in the case of a customer who was not responsible for the error, and could not have known there was an error, and</li> <li>b) six years in all other cases (Restricted to tampering or fraud)</li> </ul>	

<p>the option of receiving a cheque or a credit on their next bill.</p> <p>If a customer has been over-billed and the amount is less than the customer's average bill, the customer will receive a credit on their next bill. If the customer has outstanding arrears, the distributor may apply the over-billed amount to the arrears first, and may credit or repay the balance to the customer.</p> <p>If a customer is under-billed and is not responsible for the error, the customer is allowed to pay the under-billed amount in equal instalments over the same amount of time as they were under-billed for up to a maximum of two years. (e.g., if a customer has been under-billed for five months, they will have five months to pay the under-billed amount).</p> <p>When a customer is responsible for the under-billing error, the distributor may require payment of the full amount on the next bill or on a separate bill.</p> <p>These rules do not apply when a distributor has under-billed or over-billed a customer but issues a corrected bill within 16 days of the date the incorrect bill was issued.</p>	<p>Where billing errors have resulted in over-billing; the customer will be credited with the amount erroneously paid for a period not to exceed six years.</p> <p>If a customer has been over-billed by an amount equal to or greater than the customer's average bill, the customer has the option of receiving a cheque or a credit on their next bill.</p> <p>When a customer is responsible for the under-billing error, the utility may require payment of the full amount on the next bill or on a separate bill.</p>	
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4. **Equal Payment & Equal Billing Plans:** Of benefit to customers (easier to budget) and distributors (customers more likely to pay; consistent cash flow). Customers can co-ordinate due dates with receipt of income. Review and reconciliation procedures protect customers from significant over- or under-billing.

<b>Customer Service Rules for Electricity Distributors</b>	<b>Existing policies and practices</b>	<b>Proposed modified policies and practices</b>
<p>Distributors are required to offer all residential customers receiving standard supply service the option to join an equal monthly payment plan.</p> <p>Only customers that are in arrears and have not entered into an arrears payment agreement may be refused an equal monthly payment option.</p> <p>Customers can join equal monthly payment plans any time of the year.</p> <p>Distributors may require customers who join an equal monthly payment plan to also join an automatic payment withdrawal plan if the billing cycle is less frequent than monthly.</p> <p>Residential equal payment customers who participate in automatic payment arrangements must be given a choice of at least two dates within a month for automatic payments to be withdrawn.</p> <p>Distributors may continue to issue bills on a monthly, bi-monthly or quarterly basis.</p> <p>Utilities will review customer's monthly billing plans quarterly or semi-annually and adjust the monthly equalized payment if electricity consumption or</p>	<p>CKKU customers have the option of subscribing to an equal payment plan.</p> <p>Customers that are in arrears are allowed to sign up for an equal monthly payment plan.</p> <p>Customers can join the equal monthly payment plan any time of the year</p> <p>CKKU does <u>not</u> require customers to join the pre-authorized plan to participate in the monthly equal payment plan.</p> <p>CKKU reviews customer's monthly equal billing plans semi-annually and makes adjustments to amounts as required</p> <p>CKKU reconciles customer's equal monthly payment plans on the 12<sup>th</sup> month.</p>	

<p>approved charges have changed materially.</p> <p>Utilities are required to reconcile all of their equal monthly payment plans once during the calendar year but not on the 12<sup>th</sup> month anniversary of a customer joining the plan. If a customer is in the first year of a plan, they may be reconciled earlier.</p> <p>If the annual reconciliation shows that the customer is owed an amount equal to or exceeding the customer's average monthly billing, the amount will be credited to the customer's account. The customer will be notified of this credit and will have 10 days to request a refund cheque instead of the credit on their bill.</p> <p>If the annual reconciliation shows that the amount owed to the customer is less than the average billing amount, the amount will be credited to the customer's account.</p> <p>If the annual reconciliation shows that the customer owes an amount equal to or exceeding the customer's average monthly billing, the distributor shall recover the balance over the first 11 months of the following year's equal monthly payment plan.</p> <p>If the annual reconciliation shows that the amount the customer owes is less than the customer's average monthly billing, the distributor may collect the full amount by a charge on the bill in the 12<sup>th</sup> month of the equal monthly payment plan.</p>	<p>CKKU will work with the customer in developing a payment plan should the reconciled amount be substantial.</p>	
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5. **Disconnection Notices:** Customers should receive adequate notice of disconnection and the options available to avoid disconnection.

<b>Customer Service Rules for Electricity Distributors</b>	<b>Existing policies and practices</b>	<b>Proposed modified policies and practices</b>
<p>All customers must receive 10 days notice before being disconnected for non-payment.</p> <p>Residents who have provided documentation from a physician that disconnection will pose a significant health risk, must receive 60 days notice before being disconnected for non-payment.</p> <p>When a disconnection notice is issued in a building with multiple units, and a master meter, a copy of the notice must be posted in a conspicuous place in the building.</p> <p>Disconnection notices sent to residential customers must contain prescribed information, such as the earliest and latest date disconnection may occur, the forms of payment a customer may use, that a Board-prescribed arrears management program is available, and that a disconnection may take place whether or not the customer is home at the time.</p>	<p>After the final notice is mailed, 13 days notice is given before disconnection. A 24 hour disconnection notice is also hand delivered on the 13<sup>th</sup> day. After which a grace period of at least 48 hours is given before disconnection.</p> <p>Final notices sent out by CKKU contain information on the amount to be paid by the due date or contact numbers for collection officers in order to ensure payment arrangements are made. An insert from the Region of Waterloo listing agencies that are available for providing financial assistance is also included in the information package. This practice is part of the Council approved arrears management program at the City.</p>	

5a. **Disconnection Procedures:** Additional notice of disconnection and information on payment options may help customers avoid disconnection.

<b>Customer Service Rules for Electricity Distributors</b>	<b>Existing policies and practices</b>	<b>Proposed modified policies and practices</b>
<p>Distributors must make a reasonable effort to contact the customer one final time, in person or by telephone, prior to disconnecting service at least 48 hours before the scheduled disconnection date. There is certain prescribed information that a distributor must provide, such as advising of the potential availability of an arrears program.</p> <p>If a distributor has been unable to contact a customer 48 hours before a planned disconnection, they should generally make a reasonable attempt to communicate with the customer at the door (subject to consideration of the safety and security of utility field staff).</p> <p>Distributors must, at a minimum, have the facilities and staff available during regular business hours so residential customers can pay overdue amounts by credit card.</p> <p>When a distributor visits a customer's property to disconnect service, customers must be allowed to pay overdue amounts by credit card (and any other form of payment the distributor wishes to accept).</p> <p><i>Distributors should reconnect a property within two business days of payment in full or entering into an arrears management agreement 85% of the time. (This metric already exists in the GDAR 7.3.7.1)</i></p>	<p>The customer receives a phone call prior to a Utility collections staff visiting the property. Direct contact is made with the customer when a 24 hour disconnection notice is delivered in person by Utility staff. An actual grace period of at least 48 hours is given before disconnection of service.</p> <p>A personal visit and face to face communication is attempted at the time of notice/disconnection.</p> <p>When CKKU visits a customer's property to disconnect the service, the only acceptable payment method is cash.</p> <p>Reconnection of services to a property is within 48 hours or less.</p>	

**5b. Suspending disconnection action:** Customers and distributors can avoid disconnection if payment is imminent.

<b>Customer Service Rules for Electricity Distributors</b>	<b>Existing policies and practices</b>	<b>Proposed modified policies and practices</b>
<p>If, during the disconnection notice period, a registered charity, government agency or social service agency advises a distributor they are assessing whether a residential customer is eligible for bill payment assistance, the distributor must suspend disconnection action for a period of 21 days after receiving notification from the agency.</p> <p>If, during the disconnection notice period, a third party, who had previously been designated by the customer to receive any disconnection notices, advises a distributor they are attempting to arrange assistance to help the customer pay their bill, the distributor must suspend disconnection action for a period of 21 days.</p> <p>A distributor must act on the disconnection notice within 11 days of its issuance or the lifting of a suspension. If disconnection does not occur within 11 days from the date of the notice or the lifting of the suspension, the distributor must issue a new disconnection notice and start the process once again.</p>	<p>The customer receives 21 days notice from the time the final notice letter is mailed to the time of actual shut-off. Every reasonable effort is made to work with the Region of Waterloo Social Services to avoid utilities being shut-off for the customer.</p> <p>The collection process is reinitiated with the standard 21 days notice from the time the final letter is mailed to the time of actual shut-off.</p>	



6. **Security Deposits:** Security deposits: (i) must be applied to gas charges before a disconnection notice can be issued; (ii) may be paid or repaid in instalments; and (iii) must be waived/refunded with good payment history.

<b>Customer Service Rules for Electricity Distributors</b>	<b>Existing policies and practices</b>	<b>Proposed modified policies and practices</b>
<p>Residential customers can pay a required deposit, an increase in a security deposit or a replacement of a deposit applied against arrears, in equal instalments over at least six months.</p> <p>There must be a review of the security deposit during the year after the first anniversary of the first instalment payment.</p> <p>A residential customer's average monthly consumption over a 12-month, consecutive period in the last two years, must always be used to calculate the maximum amount a distributor can collect for a security deposit.</p> <p>Security deposits must be applied against any arrears and be insufficient to cover any amounts owing before a disconnection notice can be issued to a residential customer.</p> <p>When a security deposit has been applied against any arrears, the customer may have to repay the security deposit, and be allowed to repay in equal instalments over at least six months.</p>	<p><b>a Overview</b></p> <p>i Residential tenants will be required to pay a Security Deposit to CKKU when applying for service unless the customer is able to provide confirmation of a "Good Payment History " from another utility in Ontario or Canada.</p> <p>ii Security Deposits may be required from any customer who does not maintain a good payment history for the required time period.</p> <p><b>b Types of Security</b></p> <p>i Security deposits may be in the form of cash or cheque.</p> <p>ii The tenant deposit will be added to the customer's account if the deposit amount remains unpaid at the time of the application. All normal billing rules apply to tenant deposits added to a customer account.</p> <p><b>c Administration and Refund of Security Deposits</b></p> <p>i All amounts held on deposit will be applied to the final bill on close of the customer account.</p> <p>ii For existing customers where a Security Deposit has not been collected,</p>	

or a customer who previously was granted security deposit waiver, a Security Deposit will be required if the customer has not maintained a “Good Payment History” for the required time period.

iv A customer failing to provide the appropriate security deposit shall be deemed to be in the position as a customer in arrears and subject to collection procedures including service disconnection if the deposit remains unpaid past the due date.

**d Tenant Deposit Amounts**

i Residential Customers- Natural Gas

- \$150.00

ii Waiving of Tenant Deposits

- The tenant deposit may be waived for tenants signing up for the pre-authorized payment plan
- CKKU reserves the right to charge the deposit to the account if the pre authorized plan is revoked by CKKU due to unacceptable payment history.

**e Exemptions**

i A deposit is not required if a customer provides a letter of reference from a gas or electric distributor in Canada confirming a “Good Payment History” for the relevant time period as stated for each class.

ii For all residential customers some of the time period making up the “Good Payment History” must be within the previous 24 months.

7. **Arrears Management Programs:** These programs provide terms by which customers and distributors may avoid disconnection and mitigates accumulation of very large arrears.

<b>Customer Service Rules for Electricity Distributors</b>	<b>Existing policies and practices</b>	<b>Proposed modified policies and practices</b>
<p>Utilities must make arrears management programs available to any residential customer unable to pay their electricity charges. In the case of distributors who also collect water, sewer and other charges, these amendments apply only to the electricity charges.</p> <p>Any security deposit must be applied to the amounts owing before entering into an arrears payment agreement.</p> <p>Customers may be required to make a down payment of up to 15% of the arrears plus any accumulated late payment charges (not including other service charges such as reconnection charges) when entering into an arrears management agreement.</p> <p>If a customer owes less than twice their average monthly bill after applying the security deposit and down payment, the minimum length of time to pay the remaining amount is five months.</p> <p>If a customer owes more than twice their average monthly bill after applying the security deposit and down payment, the minimum length of time to pay the remaining amount is 10 months.</p>	<p>Customers receive final notice when arrears age 40 days for tenants and 60 days for owners. If payment is not made by the due date specified, the customer has to make alternate arrangements with the collection officers.</p> <p>Security deposits are held until the tenant moves out of the property. This allows for CKKU to limit uncollectible gas accounts to meet Council expectations on overall management of bad debts.</p> <p>The utility requires customers to make a down payment of 50% with the balance due within 2 weeks which is negotiable.</p>	

<p>Distributors can cancel the agreement if a customer defaults on the arrears payment or current bill payment more than once.</p> <p>Customers must be given 10 days written notice before an agreement can be cancelled, and the agreement must be reinstated if the customer pays in full before the cancellation date.</p>	<p>The utility will continue with the collection process if a customer breaks a payment arrangement.</p>	
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**8. Management of Customer Accounts:** Support constructive third party involvement and protects customers and distributors from fraud and misunderstandings.

<b>Customer Service Rules for Electricity Distributors</b>	<b>Existing policies and practices</b>	<b>Proposed modified policies and practices</b>
<p>If a distributor opens a new account based on a request from a third party, a letter must be sent to the new user within 15 days of the opening of the account. The account will not be set up if the new user has not approved the opening of the account within 15 days of the letter. However, a solicitor or person with Power of Attorney can agree on behalf of the new customer to the opening of the account.</p> <p>Distributors can only recover charges from a person who has agreed in writing to become a customer.</p> <p>When a tenant customer moves out of a rental unit, distributors cannot seek to recover future charges from any other person, including the landlord, unless that person has agreed in writing to assume responsibility for the account.</p> <p>A distributor and a landlord may enter into an agreement where the landlord agrees to automatically assume responsibility for paying for continued service after the closure of a tenants account.</p>	<p>If a tenant moves out, the account reverts to the owner.</p>	
<b>Comments or Suggestions</b>		