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**February 8, 2011**

**NOTICE OF REVISED PROPOSAL TO AMEND CODES**

**REVISED UPDATED PROPOSED LOW-INCOME AND OTHER CUSTOMER  
SERVICE AMENDMENTS TO THE DISTRIBUTION SYSTEM CODE, THE RETAIL  
SETTLEMENT CODE AND THE STANDARD SERVICE SUPPLY CODE  
BOARD FILE NO: EB-2007-0722**

**To: All Licensed Electricity Distributors  
All Participants in Consultation Processes EB-2007-0722 and  
EB-2008-0150  
All Other Interested Parties**

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The Ontario Energy Board (the "Board") is giving notice under section 70.2 of the *Ontario Energy Board Act, 1998* of revised updated proposed amendments to the Distribution System Code (the "DSC"), the Retail Settlement Code (the "RSC") and the Standard Service Supply Code (the "SSSC") (collectively, the "Codes").

This Notice sets out certain proposed changes to the package of low-income customer service code amendments that were issued for comment on September 30, 2010 (the "September Proposed Amendments"). In addition, this Notice proposes for further comment a few changes to the July 2, 2010 customer service rules applicable to all residential customers.

**I. Background**

In March 2009, the Board issued a report that identified development of low-income customer service rules as one of the components of a future Low-Income Energy Assistance Program ("LEAP"). In a Notice issued September 30, 2010, the Board set out an updated package of proposed low-income electricity customer service amendments. These proposed additional code rules were designed to supplement the "baseline" customer service rules adopted by the Board on July 2, 2010 for all residential customers.

Seventeen written submissions were received on the September 30th Notice. The comments are available on the Board's website at [www.oeb.gov.on.ca](http://www.oeb.gov.on.ca). A summary of key comments is included below under the relevant issue.

The ratepayer group submissions were generally supportive of the September Proposed Amendments. The distributor submissions raised a number of concerns about the overall costs of the proposed package of low-income customer service measures. Following a review of all stakeholder comments, the Board considers it advisable to propose a number of specific changes to the September Proposed Amendments. The general objective of the proposed changes to the amendments is to reduce expected implementation and ongoing administration costs, while ensuring low-income customers continue to benefit from the additional customer service rules.

When developing the revisions to the September Proposed Amendments, the Board also took into account - where relevant – the recommendations of the LEAP Emergency Financial Assistance Working Group. The working group process lead to the issuance, in November 2010, of the “2011 LEAP Emergency Financial Assistance Program Manual” (the “LEAP Manual”).

Where a significant change is suggested to the September Proposed Amendments, the area is highlighted in bold below and further stakeholder comments are invited. A few other modest code changes were considered appropriate by the Board and these are adopted without request for further comments.

The Board is seeking comment only on the areas highlighted in bold in the following three redline Attachments to this Notice:

- Attachment A - Revised Updated Proposed Low-Income Customer Service Amendments to the Distribution System Code, the Retail Settlement Code and the Standard Service Supply Code, as they relate to customer service rules for low-income customers regarding:
  - Eligible Low-Income Electricity Customers
  - Deferred Payment Date Option
  - Correction of Billing Errors
  - Equal Billing Plan Options
  - Disconnection for Non-Payment Notice
  - Security Deposits
  - Low-Income Arrears Payment Agreements.
- Attachment B - Revisions to the September 30, 2010 Proposed Amendments to the July 2, 2010 Customer Service Rules, as they relate to all residential customers regarding:
  - Load Control Device Usage and Notification
  - Arrears Payment Agreements.

- Attachment C – Additional Amendments to the July 2, 2010 Customer Service Rules:
  - A. Additional Amendments Adopted to the Distribution System Code as consolidated January 1, 2011;
  - B. Additional Amendments to the Retail Settlement Code and Standard Supply Service Code provisions that come into force on April 1, 2011; and
  - C. Other Customer Service Amendments Proposed to the Distribution System Code,  
as they relate to all residential customers regarding:
    - Coming into Force Periods
    - Billing Error Adjustments
    - Waiting Period for Arrears Payment Agreement
    - Disconnection Notice and Suspension of Disconnection
    - Equal Billing/Payment Plan Options for Residential Customers.

## **II. Updated Proposed Low-Income Customer-Service Amendments to the Codes**

### **A. Eligible Low-Income Electricity Customers**

#### **Code Definition**

The September Proposed Amendments set out the following definition of eligible low-income electricity customer (“low-income customer”) for purposes of the low-income customer service Code provisions:

Residential customers who have a pre-tax household income at or below the current pre-tax Low Income Cut-Off (“LICO”), according to Statistics Canada, plus 15%, as confirmed by a social service agency or government agency accepted by the Board for this purpose.

The above definition will be applicable to the proposed low-income customer service rules under the DSC, RSC and SSSC. The definition was developed by the LEAP Emergency Financial Assistance Working Group.

One ratepayer group suggested setting the threshold at 135% of LICO (or LICO plus 35%), as has been utilized by the Ontario Power Authority as the eligibility threshold for its low-income CDM program. Another ratepayer group suggested setting the threshold at LICO plus at least 15% and up to 35%.

A further submission asked for clarification regarding how social service and government agencies will participate in the process of administering the low-income customer service rules (e.g. whether they will need to be approved by the Board), and how the process followed for customer service code purposes will be related to the provision of the emergency financial assistance program (e.g. whether only those

agencies providing LEAP Emergency Financial Assistance eligibility assessments can verify eligibility for the new low-income customer service Code provisions).

The Board considers program implementation questions to be important. To promote administrative effectiveness and simplicity, the Board prefers to build, to the extent possible, upon the administration adopted for the LEAP Emergency Financial Assistance program. The Board therefore proposes to change the definition of eligible low-income customer by replacing the language “as confirmed by a social service agency or government agency accepted by the Board for this purpose” with a **“social service agency or a government agency that partners with a given distributor to assess Emergency Financial Assistance eligibility”**. Reference to the “current” LICO threshold will be replaced by a reference to the “most recent” LICO. This language will better explain how the definition will operate in practice.

To further promote efficient “one-stop” implementation of the forthcoming low-income customer service provisions, the Board proposes to also add the following new rule as part (b) of the revised definition: **If someone has been qualified for Emergency Financial Assistance, then he or she will be deemed automatically qualified for all of the low-income customer service rules under the Codes**. When a social service or government agency is assessing an electricity customer for Emergency Financial Assistance eligibility, the Board expects that it will follow the LEAP Manual.

A definition of “Emergency Financial Assistance” has been added to the proposals. For code purposes, the following definition is proposed:

**“Emergency Financial Assistance” means any Board-approved emergency financial assistance program made available by a distributor to eligible low-income residential customers**

The LEAP Emergency Financial Assistance program falls under this definition.

Both distributors and ratepayers groups expressed concerns that the social service agency review process may become backlogged. The revised proposed amendments seek to eliminate this potential “bottleneck” by adding the following new test in part c) of the revised low-income customer definition: **A customer is to be automatically qualified as a low-income customer for purposes of the Codes’ provisions applicable to eligible low-income customers if the customer demonstrates to the distributor, with appropriate supporting documentation, that he or she is a recipient of one of the following government-assistance programs:**

- Ontario Works,
- Ontario Disability Support Program,
- Ontario Child Care Supplement for Working Families,
- National Child Benefit Supplement, or
- Guaranteed Income Supplement for Seniors.

Distributors will be required to comply with privacy laws when collecting the above information, as they would for all other personal information of a customer. If a customer is reluctant to provide the above information to the staff of a distributor, then he or she should be directed to a social service or government agency to be confirmed as an eligible low-income customer for purposes of the Codes.

For administrative simplicity, the utility service account holder must be a party who is a recipient of any of the above-mentioned five government assistance programs for the proposed new deeming rule in section c) above to apply. Under section a) of the revised eligible low-income customer definition, the income of the entire household will be considered by a social agency reviewing low-income eligibility requests under the Codes.

### **Administration of Customer Service Rules**

The comments in response to the September Proposed Amendments raised a number of other questions about how the new low-income electricity customer service rules are to be administered.

Several submissions were concerned that once a residential customer is confirmed as “low income”, he or she may continue to take advantage of the low-income Code provisions despite any future improvement in income. One distributor submission recommended that customers who are confirmed as low-income customers should automatically lose this designation after a period of 2 years from the date they were first so confirmed. Board believes that it will be useful if the designation of a customer as low income is valid for a period of 2-years. This could reduce the workload of social service agencies for reconfirming customers. **The Board therefore proposes to add the following new rule in the concluding paragraph of the revised low-income customer definition: After a customer has been qualified as an “eligible low-income electricity customer”, the customer’s low-income status will remain in effect for purposes of the Codes for 2 years from the date of qualification.** The new customer service rules will assume that the customer will retain, for this 2-year period, some documentation received from the agency confirming its low-income eligibility assessment.

A distributor submission expressed concern that distributors with large student populations in their service areas may have many additional customers joining their low-income customer service programs. In this regard, it should also be noted that one social service agency has advised it considers students to be independent when assessing emergency financial assistance needs and qualifications (and, as such, they will not consider the income of parents).

The Board has reviewed the details of all the September Proposed Amendments and proposes certain changes below to ensure that the new code rules operate within reasonable costs versus benefits parameters, given the scope of the definition of “eligible low-income electricity customer” to be adopted.

Several ratepayer submissions suggested that social service agencies (but not government agencies) be compensated for assessing whether a customer is eligible for the low-income customer service Codes' provisions. The Board will not propose a rule in this area. The Board notes that the revised proposed amendments include a new rule deeming recipients of certain government-assistance programs to be low-income customers for purposes of the Codes' customer service provisions. As a result, any increase in workload for social service agencies to confirm customers for purposes of the low-income customer service Code provisions is expected to be significantly reduced. The Board further notes that while a separate pool of funds exists under the LEAP Emergency Financial Assistance program and up to 15% of the distributor's annual LEAP amount may be used for administration of the Emergency Financial Assistance program, there is no pool of funds or mechanism readily available to cover the social service agency costs for undertaking eligibility assessments for purposes of the Codes' low-income customer service provisions.

Several distributor and ratepayer submissions provided suggestions for rolling out the new low-income (electricity) customer service rules. Specific suggestions included providing a Board-approved customer information bulletin as a bill insert; providing a call in number for more information; and setting up a customer information website to provide local LEAP agency contact information to potential applicants by service area.

The Board is aware of the importance of effectively communicating the availability of the new low-income customer service code rules, once adopted. Board Communications staff will review all the suggestions provided when later developing a multi-faceted strategy to, along with distributors and social service agencies, inform potential low-income customers of their new customer service rights and options under the Codes.

## **B. Deferred Payment Date Option**

The Board understands that some distributors voluntarily extend the due date for fixed-income customers who receive monthly government income-support payments. The September Proposed Amendments mandated (in proposed new section 2.6.3.1 of the DSC) the availability of such an option for eligible low-income customers who do not join or belong to an equal payment plan or the proposed equal billing plan. Such customers were to have the right to request that their regular bill payment date be deferred to the 5<sup>th</sup> business day of the following month.

The distributor submissions did not support mandating a deferred payment date rule. A submission noted that customers who qualify as low income will have other options to help defer payment dates, such as a choice of two billing dates within a month under the equal bill payment plan. Several distributors commented that the required changes to their Customer Information Systems ("CISs") to accommodate this proposal would be significant and costly. Cash flow concerns were also raised, with a submission pointing out that a customer whose bill falls on the 6th of the month could delay his or her bill payment due date a total of 30 days, to the 5th day of the following month.

Given the concerns raised about the overall costs versus benefits of the September Proposed Amendments, the Board believes that the greatest benefit will accrue to customers from implementing the equal payment and equal billing options that include a choice of payment dates. Customers could then pick the date that works best with their incoming cash flow. The Board will therefore not proceed to mandate the proposed deferred payment date option rule.

### **C. Correction of Billing Errors**

The September 30<sup>th</sup> Notice indicated the Board believes that an extended repayment period is important for low-income customers who have been under billed. A new rule to this effect was proposed in section 7.7.4.1 of the RSC.

A submission stated it did not believe that recovery of under-billed amounts is of significant concern to warrant creating a separate code rule for low-income customers. Another distributor submission indicated that the proposed special repayment timelines for low-income customers would require manual intervention and hence increase implementation costs.

The Board remains of the view that a significant under-billing adjustment may pose an undue hardship on low-income customers. The proposed rule will provide a material benefit to such customers as they will be better positioned to manage multiple payment obligations (regular bills, under-billing adjustment payments and possibly arrears agreement payments). Hence, the Board will proceed with the proposed amendment.

Several distributor submissions expressed concern about the proposal to mandate a bill insert notifying customers of payment options related to billing errors, should they qualify as a low-income customer. It was requested that other communications options be allowed, including bill message, letter or outbound recorded message. A distributor explained it was using all these approaches to communicate a large volume of messages and programs to customers. **The Board sees merit in allowing these alternative modes of communication, which will help lower the ongoing administration costs of this rule. These alternative communication options are set out in proposed new section 7.7.4.2 of the RSC.**

Some comments questioned how the mechanics of this rule is intended to work. A low-income customer will be allowed the option of setting the under-billing repayment period at the greater of i) a period equal to the duration of the billing error (up to a maximum of 2 years), or ii) 10 or 20 months (depending upon whether the amount of the under-billing error is lesser or greater than twice the customer's average monthly billing). The additional repayment period flexibility provided will allow low-income customers to better manage the under-billing adjustment payments along with their current electricity bill payments.

#### **D. Equal Billing/Payment Plan Options**

Distributor responses to a recent Board staff survey disclosed that around 48 electricity distributors offer their Standard Service Supply (“SSS”) customers an equal payment plan, while 26 offer their SSS customers an equal billing plan and 3 distributors offer both options. An equal monthly payment plan refers to an arrangement whereby an equalized payment amount is automatically withdrawn from a customer’s account with a financial institution on a monthly basis, with a physical bill to follow that may be on a monthly, bi-monthly or quarterly basis. An equal billing plan refers to an arrangement whereby a bill is issued to a customer and the amount due in each bill is equalized over the course of the year. The billing may occur on a monthly, bi-monthly or quarterly basis. In this case there is no requirement for automatic withdrawals from a financial institution.

Another Board staff survey found that around 46 electricity distributors billed their regular residential customers on a monthly basis, while 29 billed such customers on a bi-monthly basis. At least one electricity distributor currently bills its seasonal residential customers quarterly and another bills its seasonal residential customers once a year. With the introduction of smart meters, the Board does not expect an increase in the usage of quarterly billing.

The July 2, 2010 amendments included, in new section 2.6.2 of the SSSC, an equal monthly payment plan to be made available to all residential customers. In order to participate in the plan, the customer has to agree to automatic monthly payment withdrawals from his or her account with a financial institution *where the billing cycle of the distributor is bi-monthly*. To address concerns that such a qualification would preclude some low-income customers who would most benefit from access to equalized billing or payment plans, the September Proposed Amendments included a further option: Under proposed section 2.6.2B of the SSSC, an eligible low-income customer who currently receives a bill monthly or bi-monthly may request equalized monthly or bi-monthly billing. Under this option, eligible customers will not be required to have an account with a financial institution and such customers will not need to agree to automatic payment withdrawals.

Some of the distributor submissions received recommended that rather than establishing a second equal billing plan option, modifications should be made to the monthly equal payment plan rules adopted on July 2, 2010 to allow low-income customers to access that plan without the requirement for automatic withdrawals from a financial institution.

The Board is willing to reconsider the September 30<sup>th</sup> proposal in this area to seek a better approach that can achieve the same intended customer service objectives. The key regulatory objectives sought here are to provide low-income customers with some means to equalize their payments, and hence budget more easily, while not requiring that low-income customers agree to automatic payment withdrawals (as they may not have the requisite account with a financial institution). Minimizing implementation costs,



which will likely vary according to whether the distributor is presently a monthly or bi-monthly biller and whether an equal billing plan or equal payment plan is currently offered, is also a consideration.

The Board believes the following would be a fair set of revised proposed rules, applicable to both low-income and non low-income residential customers in this area to achieve the regulatory objectives sought:

1. Where the distributor bills monthly:

**(a) All residential customers receiving standard service supply must be offered the option of joining either i) an equal monthly payment plan with automatic payment withdrawals or ii) an equal monthly billing plan.** This proposed new rule, which is set out in revised section 2.6.2 of the SSSC in Attachment C, will apply to non low-income customers as well and therefore will supplement the July 2, 2010 customer service amendments. Distributors may choose to offer the option that is most cost effective to implement and administer.

(b) Distributors will be required to offer an equal monthly billing plan to low-income customers (as under section 2.6.2B of the SSSC in the September 30<sup>th</sup> proposals). The overall result will be that low-income customers can gain the benefits of equal billing plans without having to agree to automatic withdrawals.

2. Where the distributor bills bi-monthly or quarterly:

(a) An equal monthly payment option must be offered to all residential customers (as required under the July 2, 2010 code amendments) and this will require that the customer agrees to automatic payment withdrawals. The language used in sections 2.6.2, 2.6.2(b) and 2.6.2(d) of the SSSC (in Attachment C) will be modified to better express this intention. No substantive change is intended by these revisions in language and no comments will be sought.

**(b) Where the customer is qualified as low-income under the code and the distributor bills on a bi-monthly basis, distributors must offer either i) an equal bi-monthly billing plan for such customers (as in the September 30<sup>th</sup> proposals), or ii) an equal monthly billing plan for such customers (as per revised proposed section 2.6.2B(a) of the SSSC in Attachment A).**

Automatic withdrawals will not be required under either of these arrangements. Distributors may choose the option that is most cost effective to implement and administer.

(c) For the few distributors that bill some of their residential customers quarterly or annually, the Board does not see a practical need for mandating the availability of a low-income equal billing plan option given that the main group of affected customers are seasonal residential customers who will have two residences.

Proposed new section 2.6.2B(f) of the SSSC (in Attachment A) provides: **Where 2 or more years have passed since a residential customer was qualified as an eligible low-income customer and the distributor wishes to cancel a low-income customer equal billing plan provided to the customer, then the distributor shall notify the customer at least one billing cycle before any such cancellation occurs.**

The September 30<sup>th</sup> proposal expressly stated that the additional equal billing option must be provided to an eligible low-income customer receiving standard supply service. The present proposal does not extend to retailer-enrolled residential customers. The Board has reviewed comments received to a survey undertaken on current equal billing and equal payment practices for retailer-enrolled customers and will separately communicate its proposed next step in this area.

Some submissions suggested that the Board consider the possibility of the social service agency entering into a pre-authorized payment arrangement on behalf of a low-income consumer. Provided that the customer, the distributor and the agency all agree, nothing in the Code provisions preclude such an arrangement. No code revision is considered necessary to allow this to occur.

#### **E. Disconnection for Non-Payment Notice**

Section 4.2.2 of the DSC specifies the standard contents of a disconnection notice issued to a residential customer. The September Proposed Amendments proposed, in new section 4.2.2(k1) of the DSC, to require that a disconnection notice add a statement that for an eligible low-income customer, the following additional assistance may be available: i) a Board-prescribed arrears management program, and other expanded customer service provisions, specifically for eligible low-income customers; and ii) emergency financial and other assistance programs offered through various social service agencies, government agencies, charities or local electricity and gas distributors.

Several submissions expressed concern that under the language proposed above, distributors would be expected to advise customers of all of the emergency financial and other assistance that may be available from various social service agencies, government agencies and charities. It was also asked who all these parties are and what process is in place to obtain the approval of the Board?

Currently distributors have identified their LEAP Emergency Financial Assistance partners. This Notice has further clarified that the agencies for Emergency Financial Assistance eligibility confirmation will also be the same agencies that will confirm customers as low-income for the Codes' customer service provisions (aside from the cases where recipients of certain government assistance programs will be deemed eligible to apply for low-income customer service rules).

To better reflect the planned implementation of the low-income customer service rules, **the Board proposes to change section 4.2.2 (k1)ii) of the DSC to now read as follows: “a Board-approved emergency financial assistance program administered through a social service agency or government agency that partners with the distributor to assess program eligibility”.**

The September Proposed Amendments added low-income customer references to the information set out in section 4.2.2.4(f1) that a distributor must make efforts to communicate to a residential customer 48 hours before the scheduled date of disconnection for non-payment. These were supported by the electricity-sector stakeholders and will proceed, **subject to a proposed change to section 4.2.2.4(f1)ii)** to adopt the new language proposed for section 4.2.2(k1)ii) of the DSC above.

## **F. Security Deposits**

In the September 30<sup>th</sup> Notice, the Board stated its concern that imposing an obligation to pay a security deposit, while maintaining current bill payments and possibly arrears payments, may prove an undue burden for low-income customers. The September Proposed Amendments accordingly allowed a low-income customer to request that the security deposit normally due from a residential customer be waived or returned. It should be noted that under the current code rules, a residential customer would receive the return of a security deposit in due course in any event upon satisfying the good payment history requirements.

The ratepayer submissions supported the September 30<sup>th</sup> proposal, while the distributor submissions did not. Distributors argued that eliminating a security deposit requirement for low-income customers will leave distributors with no effective risk management tool by which to avoid any unpaid final bills.

A key objective of the proposed security deposit waiver is to allow low-income customers to focus their limited financial resources upon making regular bill payments and maintain electricity service. The Board believes this remains an important objective. The Board will propose several changes to the September 30<sup>th</sup> proposed security deposit rules to address some of the implementation concerns that were raised.

A distributor recommended that the refund of a security deposit under the new rules should only proceed when the account is in good standing. Where there are any arrears on the account, it was suggested that the security deposit should be applied first to any arrears before a refund proceeded. Such a step would be more in line with the other DSC rules, such as applying a security deposit to arrears before entering into an arrears payment agreement. **The Board agrees with the suggestion and therefore proposes in a revision to proposed section 2.4.23B of the DSC to require that where there are arrears on the account, the security deposit should be applied first towards the arrears** (before the remainder is returned to the customer in the manner to be specified under the revised proposal below). This will make the new rule

fair to all affected parties and will also help reduce the potential risk of increased bad debt under some of the new customer service rules.

The September Proposed Amendments provided, in new section 2.4.23C of the DSC, that where an eligible low-income customer requests the refund of a security deposit previously paid to a distributor, the distributor must advise the customer that he or she may elect to have the refund credited to their account or repaid in full by cheque. Some submissions argued that the administrative task of issuing a cheque in such situations is burdensome for distributors. The costs of issuing a cheque were said to range from \$15 to \$25 per transaction and such costs would be absorbed by all customer classes. It was suggested that the security deposit should be credited to the low-income customer's account, which would reduce administration costs and also assist in managing accounts.

The Board is sensitive to implementation costs in this area since a sizeable number of low-income customers could be entitled to request a refund of a security deposit previously paid. The Board therefore proposes to add a threshold test, in revised proposed section 2.4.23C of the DSC, before requiring a distributor to issue a cheque to a customer (similar to the test used elsewhere in the customer service rules): **Where the amount of the security deposit paid to the distributor by the customer remaining after application towards any outstanding arrears is less than one month's average billing for the customer (as defined in the DSC), the return of the deposit – where requested - shall proceed by way of a credit to the customer's account. If the remaining amount is equal to or greater than the monthly average billing, it shall be paid by cheque to the customer within 11 days of requesting payment by cheque.**

The September 30<sup>th</sup> proposals provided, in section 2.4.12A of the DSC, that when issuing a bill for a security deposit, the distributor must also include a bill insert advising residential customers that the security deposit requirement will be waived for an eligible low-income customer. Several submissions requested that other communications options be allowed, including a bill message, letter or outbound recorded message. The Board agrees with the suggestion as it will lower ongoing administration costs while still providing customers with reasonable notice. **The language of proposed section 2.4.12A of the DSC will be revised accordingly.**

The September Proposed Amendments required, in section 2.4.23B of the DSC, a distributor to give notice to all residential customers, at least annually, that any residential customer that qualifies as an eligible low-income customer may request and receive a refund of any security deposit previously paid to the distributor. The Board wishes to advise that, consistent with the above position, a bill message, letter or outbound recorded message will all be satisfactory modes of communication when implementing this rule (as revised).

The September 30<sup>th</sup> proposals provided, in section 2.4.12B of the DSC, that upon notification from a social service or government agency that it is undertaking a low-

income eligibility assessment of the customer, the distributor must extend the due date for paying the security deposit by at least 21 days. A distributor submission suggested that the security deposit should become payable as soon as the agency confirms that the customer is not eligible for low-income status and that there should be no need for the distributor to wait for the full 21 day period to run out. The Board believes it is simpler and hence preferable in practice to leave the substance of this new rule as proposed. A minor change will be made to the language used to refer to agencies that partner with a distributor. No comments will be required on the change.

In response to another question, where a social agency had denied eligibility for a waiver of the deposit and a security deposit is past due under the rules, the distributor can begin the disconnection process; however, the issuance of a formal disconnection notice will be required under other DSC rules and the timelines associated with that process will remain applicable.

Another submission was concerned that the language currently used in proposed section 2.4.23B of the DSC would require that any refund of any security deposit previously paid to the distributor always go directly to the low-income customer receiving utility service. The submission noted that, in some cases, a social service agency will have provided the deposit to initiate service for the customer. Following a good payment history, it was said that in such cases the deposit is currently returned to the social service agency, unless the agency directs otherwise. The funds would then be available to the social service agency to assist other individuals in need.

**The Board proposes a new rule, in proposed section 2.4.23D of the DSC, to confirm that where the security deposit was originally paid to the distributor by a social service or government agency or another third party on behalf of an eligible low-income customer, and the customer, agency or third party requests a refund of the security deposit, the distributor shall pay the balance remaining, after application to any outstanding arrears, to the agency or third party, unless the distributor is instructed otherwise by the payor of the deposit.** This rule will apply where the original deposit was directly paid to the distributor by the agency or another person and documentation of this exists.

## **G. Low-Income Arrears Payment Agreements**

Section 2.7.1.2 of the DSC in the July 2, 2010 amendments allows a distributor to require that a residential customer make a down payment before entering into an arrears payment agreement. In the September 30<sup>th</sup> Notice, the Board indicated that the conditions for arrears payment agreements to be offered eligible low-income customers should be adjusted to ensure that they can reasonably enter and maintain arrears agreements given their circumstances. A number of more flexible rules for low-income customer arrears payment agreements were set out in proposed section 2.7.1.3 of the DSC.

Distributors raised a number of concerns with the details of the proposed low-income customer arrears agreement rules contained in the September Proposed Amendments.

After reviewing the submissions, the Board continues to believe that there is a need for special arrears payment agreement rules to meet the needs of low-income customers. However, several important features of the proposed low-income customer arrears payment rules have been redesigned to address specific concerns raised.

Under the July 2<sup>nd</sup> 2010 code rules, a distributor may request a down payment of up to 15% of the accumulated electricity charge arrears (inclusive of any applicable late payment charges but excluding other service charges). The September Proposed Amendments proposed that no down payment could be requested from a low-income customer entering into an arrears payment agreement for the first time or subsequent to having successfully completed a previous arrears payment agreement.

Distributors opposed the September 30<sup>th</sup> proposal in this area and argued that even a small down payment, such as 10%, will mitigate the burden of the subsequent arrears agreements and reduce the risk of payment default. In addition, they suggested that the requirement for a down payment would encourage customers to contact a social service agency earlier and before the overdue amount exceeds the level of assistance the agency can provide.

While the Board continues to believe there is a case for reduced down payments for low-income customers, allowing some down payment will reduce risks to distributors while reinforcing the seriousness of the situation for customers. **The Board therefore will revise proposed section 2.7.1.3 of the DSC to allow a distributor, at its discretion, to request a down payment of up to 10% (of the electricity charge arrears accumulated, inclusive of any applicable late payment charges but excluding other service charges). This down payment will apply in cases where a low-income customer is entering into an arrears payment agreement for the first time or entering into another low-income arrears agreement subsequent to having successfully completed a previous such arrears payment agreement.** If a low-income customer has failed to complete an earlier arrears agreement, the standard 15% down payment may be requested by the distributor.

Under the July 2, 2010 amendments, section 2.7.2 (a) of the DSC provides that an arrears agreement shall run for a period of at least 5 months where the total amount of the electricity charges remaining overdue for payment are less than twice the customer's average monthly billing amount. Section 2.7.2(b) increases the repayment period to at least 10 months where the total amount of electricity charges remaining overdue is equal to or exceeds twice the customer's average monthly billing amount. In the September Proposed Amendments, the Board proposed that the 5-month minimum repayment period be extended to 10 months for eligible low-income customers and that the 10-month minimum repayment period be extended to 20 months for eligible low-income customers.

Ratepayer groups were supportive of the September 30<sup>th</sup> proposal to double the repayment periods for low-income customer arrears agreements, while distributors opposed the new rule. The latter argued that if the repayment period is extended

beyond 10 months, the probability of a customer not completing the arrears payment arrangement increases as previously incurred high bills are related to certain seasons in a year. Furthermore, it was said that rental customers can be fairly mobile and that providing them with 10 or 20 months may often result in a customer moving, perhaps out of the distributor's service territory altogether, before completing the arrears agreement.

The Board continues to believe that allowing a longer period of time to repay arrears will prove helpful to low-income customers, especially as they will be facing multiple sets of obligations (i.e. regular bill payments and arrears agreement payments) in these situations. However, the Board accepts that practical concerns may arise with overly-extended repayment periods.

**The Board therefore proposes to change the minimum time-periods in section 2.7.2 (c) to (e) of the DSC for arrears agreements with low-income customers to the following:**

- (c) at least 8 months, where the amount is less than or equal to twice the customer's average monthly billing amount;**
- (d) at least 12 months, where the amount due is greater than 2 months' average billing and up to 4 months' average billing; or**
- (e) at least 16 months, where the amount due is greater than 4 months' average billing.**

The above revised repayment periods are greater than those offered non low-income customers and hence provide additional flexibility where most needed. If a distributor is concerned that the 16-month period is longer than the remaining lease term of some customers who rent their premises, this can be avoided by the distributor not allowing the debt due to increase in excess of 4 months' average billing.

When an eligible low-income customer enters into an arrears payment agreement, section 2.7.6A of the DSC in the September Proposed Amendments provided that any outstanding service charges specifically related to the collection, disconnection, non-payment or load control device must be waived and such charges shall not be included in the amount subject to the arrears repayment agreement.

The distributor submissions objected to the above proposal on a variety of grounds: If these service charges are waived, other customers will have to assume extra cost burdens; any outstanding fees waived should only be implemented after the successful completion of the arrears payment program; and if there is no charge, a customer may elect more expensive after regular hours reconnection.

In the Board's view, the impact of the current service charges upon a low-income customer facing payment difficulties may not be nominal as suggested in some submissions. The application of service charges can exacerbate the financial difficulties faced by low-income customers attempting to meet their payments and maintain

service. Some type of waiver of service charges is common in other jurisdictions. The Board will retain the proposed waiver of the outstanding service charges mentioned. But to provide greater incentive for customer compliance with arrears payment agreements, **the proposed service charges waiver in section 2.7.6A of the DSC will be revised to apply in the same circumstances as the reduced down-payment rule, namely it will be available to a low-income customer who is entering into a low-income arrears payment agreement for the first time or subsequent to having successfully completed a previous arrears agreement as an eligible low-income customer.**

The September 30<sup>th</sup> proposals proposed, in section 2.7.6B of the DSC, to exclude accrued late payment charges from the above mandatory waiver of certain service charges. Proposed section 2.7.6B provided that after a low-income customer enters into an arrears payment agreement, no further late payment charges may be levied in respect of the amount that is the subject of that agreement.

A ratepayer submission stated that, at present, some distributors allow their customers on Ontario Disability Support Program to be treated as late payment exempt and thus the customer no longer has to pay any late payment charges. The submission recommended that all distributors be required to create such a late payment exempt designation.

The Board does not agree with mandating the waiver of accrued late payment charges before entering into an arrears payment agreement, as doing so could create an incentive for customers to not make their regular payments promptly and then apply for low-income arrears agreements under which late payment charges would be forgiven. Distributors will still be allowed to provide a full waiver of accrued late payment charges to their most vulnerable residential customers at their discretion.

Section 2.7.4 of the DSC in the July 2, 2010 amendments provides that, where a residential customer defaults on more than one occasion in making an arrears agreement payment or a current electricity bill payment, the distributor may cancel the arrears agreement. In the September 30<sup>th</sup> proposals, proposed section 2.7.4.3 of the DSC provided that an eligible low-income customer must be allowed a minimum of two defaults of an arrears payment due under the agreement, and/or a default of the current electricity bill and/or a default of an under-billing adjustment, before the distributor may cancel the arrears payment agreement.

The distributor submissions tended to not support the proposal that low-income customers must be allowed an extra default before an arrears agreement may be cancelled. Several submissions expressed concern that the timelines under the September Proposed Amendments could allow too much arrears to accumulate. Another submission argued that allowing more defaults should be left to individual distributor discretion.



The Board continues to believe that allowing for only one default in arrears or current payments may make the operation of arrears payment agreements unduly stringent in the circumstances of low-income customers. To make the arrears programs more successful over the long run, more generous default terms will be maintained for low-income customers. Some of the alternatives proposed would leave more room for distributor judgment than the present proposal and thus be harder to consistently and fairly apply across the province. The suggestion from a ratepayer group to further increase the number of defaults allowed under this rule would increase distributor bad debt exposure in the event the arrears agreement is not completed, which would be undesirable.

In the September Proposed Amendments, new section 2.7.5.1 of the DSC proposed to allow low-income customers to request a further arrears payment agreement anytime following the successful completion of a prior arrears agreement. However, in cases where the request occurs within 12 months from the conclusion of the last arrears agreement, new section 2.7.5.1i) of the DSC proposed that distributors need only offer to the low-income customer an arrears payment agreement on the standard terms offered to other residential customers under DSC section 2.7. A ratepayer group submission disagreed with offering a low-income customer a standard arrears payment agreement. The Board has decided to retain the September 30<sup>th</sup> proposal in this area as stated, to reduce the risk of overuse of the more generous low-income customer arrears payment agreements.

### **III. Amendments to July 2, 2010 Customer Service Rules Applicable To All Residential Customers**

#### **A. Use of Load Control Devices**

In the September 30<sup>th</sup> Notice, the Board stated that standard procedural requirements regulating the installation of load limiters would prove helpful for all Ontario residential customers. Thus certain amendments were proposed to the July 2, 2010 customer service rules. Some Ontario electricity distributors are presently also using timed load interrupters as a further alternative to full service disconnection in the event of non-payment by a residential customer. Several submissions asked for clarification of terminology in this area. The Board proposes to add the new definitions to the revised DSC proposals in Attachment B to explain that:

- **A “load limiter” is a device that allows a customer to run a small number of electrical items in his or her premises at any given time (such as a furnace and a stove), and if the customer exceeds the limits of the load limiter, then the device will interrupt the power until it is reset.**
- **A “timed load interrupter” is a device that completely interrupts the customer’s electricity intermittently for periods of time and allows full load capacity outside of the time periods that the electricity is interrupted.**
- **A “load control device” is a generic term that includes load limiters, timed load interrupters and similar devices.**

The Board has reviewed the proposed amendments set out in Attachment B, which will apply to all residential customers, to add references to timed load interrupters where thought appropriate. The September Proposed Amendments stated that a distributor may install a load limiter device instead of disconnecting supply to a residential customer for non-payment, provided that the distributor provides written notice at least 7 days in advance.

Several distributor submissions did not support a separate notice requirement. One submission further suggested that the wording in the main disconnection notice could be changed to refer to the possibility of a load limiter installation. The Board agrees with this approach, which will still provide the customer with some prior notice while eliminating the expense of a separate notification.

As a result, the Board proposes that the information mandated to be included in a disconnection for non-payment notice is expanded **to refer to the possibility of the installation of a load control device. This is set out in proposed new DSC section 4.2.2 (k2)** (found in Attachment C).

**Subsections i), ii) and iii) of proposed new DSC section 2.9.1 will accordingly be withdrawn. Proposed section 2.9.1 of the DSC will remain as an enabling rule, confirming (but not requiring) that a load control device may be installed provided the new code rules to be prescribed are followed.**

It is expected that distributors may consider the installation of a load limiter as a voluntary alternative to full service disconnection in certain situations. The Board expects that distributors would first consider offering an arrears repayment agreement under the DSC with the customer to address the past due amounts and maintain full service before considering the installation of a load control device for non-payment.

The September Proposed Amendments provided, in new section 2.9.2 of the DSC (found in Attachment A), that a distributor must refrain from installing a load limiter device for a period of 21 days after receiving notification from a social service or government agency that it is assessing the customer for bill payment assistance. The Board will retain the substance of the new rule as proposed, subject to a minor clarification to refer to Board-accepted agencies. No comments will be requested on this change. A submission suggested that the notification should be in writing and the notification should come within a specified time period. The Board believes that the new rule would become unduly cumbersome if such details were mandated. The reference to load limiter will be changed to load control device.

Under proposed new section 2.9.3 of the DSC, when the distributor installs a load limiter device, it must also deliver a written notice to the customer explaining in plain language the operation of the device, the maximum capacity of the device and how to reset the device if the maximum capacity is exceeded.

A submission recommended that in addition to the items listed, the distributor should provide a telephone number that the customer may contact for further information and an emergency telephone number to contact if the customer cannot successfully reset the device manually after its maximum capacity is exceeded and power cut off. The Board will **revise proposed section 2.9.3 of the DSC to require that the written notice also include a telephone number for the customer to obtain further information and an emergency telephone number to contact if the capacity is exceeded and the customer cannot manually reset the device for any reason.**

A traditional load limiter device can be reset manually by the customer if the maximum load is triggered and power cut off. The instructions that must be provided under proposed DSC section 2.9.3 will explain this. Some utilities elsewhere have started to make use of load limiter devices that are reset remotely by the utility rather than manually by the customer involved. **If any Ontario distributor installs this technology, the Board proposes in section 2.9.3B of the DSC to require that the distributor must also provide a 24-hour telephone number the customer can call to have a load limiter device remotely reset and electricity service restored after the maximum load capacity of the device is triggered.**

Several submissions suggested that the proposed amendments in this area should be modified to recognize that customers may request the installation or continued use of a load limiter device. The Board agrees with this, provided the distributor already offers the service. The Board proposes two changes to the September Proposed Amendments as a result. **Firstly, the language of the load limiter rules set out in the September Proposed Amendments will be revised to make clear which of the new load control device rules will apply to non-payment situations only. Secondly, the proposed DSC section 2.9.3 rule requiring a written document explaining the operation of the device to be provided to the customer will be extended to also apply where a load limiter is installed at the customer's request (that is, in addition to when a distributor decides to install a load limiter).**

The September Proposed Amendments provided, in new section 2.9.4 of the DSC, that a load limiter device may not be installed at a residential customer's property during the course of an arrears payment agreement, unless the agreement has been terminated in accordance with the provisions of the DSC. A submission recommended that customers should have the option to continue with a load limiter while a payment agreement is in effect. The Board believes that allowing greater customer choice is desirable, provided customers are fully informed of all of their new rights. The Board therefore proposes to add a new rule as follows: **Proposed new section 2.9.5B of the DSC will allow a customer to voluntarily request that a load limiter device be installed, or remain installed, during the course of an arrears payment agreement.** This rule is only applicable where the distributor is equipped to install such load limiters. **As confirmed in proposed new section 2.9.1B of the DSC, the new load limiter rules will not require a distributor to agree to install a load limiter where the distributor does not ordinarily provide such a service.**

As indicated above, the Board believes it desirable to extend the proposed load limiter rules in DSC section 2.9 (Attachment B) to add customer safeguards around the use of timed load interrupters. **It is proposed that no load control device may be used when a residential customer has entered into an arrears payment agreement (revised proposed DSC section 2.9.4), that a customer should receive appropriate written notice when a timed load interrupter will be installed for non-payment (proposed new DSC section 2.9.3C) and that any load control device installed for non-payment must be removed within 2 business days of an outstanding account being paid in full (revised proposed DSC section 2.9.6) or the customer entering into an arrears payment agreement (revised proposed DSC section 2.9.5).**

The Board believes it will prove helpful to add extend the notice requirement currently set out in DSC section 4.2.1.1 to also apply to situations where a load control device is installed for non-payment. **Proposed new DSC section 2.9.3D will therefore provide that when a distributor installs a load control device for non-payment, the distributor shall also provide to the customer:**

- (a) the Fire Safety Notice of the Office of the Fire Marshal; and**
- (b) any other public safety notices or information bulletins issued by public safety authorities and provided to the distributor, which provide information to consumers respecting dangers associated with the disconnection of electricity service.**

## **B. Arrears Payment Agreements**

The September Proposed Amendments included a proposed amendment to the July 2, 2011 rules that would apply to all residential customers entering into arrears payment agreements. Proposed section 2.7.4.4 of the DSC provided that the multiple defaults prescribed under the rules, which will vary between non low-income and low-income customers, must occur over at least two different billing periods before the distributor may cancel an arrears payment agreement. The underlying intent of the proposed rule is to allow the customer some time to get the arrears agreement off the ground before it could be cancelled due to any non-payment.

Distributor submissions argued that a 4-month period, which would be required where the distributor is a bi-monthly biller, would be too long. Such a long timeline could let a customer accumulate larger arrears, which was said to likely not help the customer in the long run. Distributor submissions also argued that the proposal would increase their bad debt risk. **The Board will revise the language in proposed section 2.7.4.4 of the DSC to require that the defaults must occur “over a period of at least 2 months”, rather than over 2 billing periods, before a distributor can cancel an arrears payment agreement.** The proposed rule will be satisfied if, for example, the first default occurs in the middle of September and the second occurs in October or November of the same year.

Under DSC section 2.7.1 of the July 2, 2010 customer service amendments, a residential customer has the general right to request a (standard) arrears payment

agreement. It is expected that interested customers will generally request such agreements prior to execution of any disconnection.

### **C. Other Amendments to the July 2, 2010 Customer Service Rules**

Additional proposed or adopted amendments to the July 2, 2010 customer service rules are set out in Attachment C.

RSC section 7.7.5, which was part of the July 2010 amendments, sets out how to calculate a customer's or retailer's average monthly billing amount for the various billing adjustment rules. It states, in part, the average monthly billing shall be calculated by taking the aggregate of the total electricity charges billed to the customer or retailer in the preceding 12 months and dividing that value by 12.

A submission on the September Proposed Amendments suggested that the customer's average monthly billing test set out in section 7.7.5 of the RSC needs to be better defined. Several specific questions were posed, including:

i) Should the average include the impact of the billing error in question or should the calculation be based on what the correct monthly billings should have been? The Board will revise RSC section 7.7.5 so that the calculation of an accurate average monthly billing for a customer will include an adjustment for the impact of any known billing error(s).

ii) Some comments said that it was not entirely clear whether this average is over the most recent 12 months or over the period in which the billing error occurred. The Board confirms that the former was the intended effect by use of the language "in the preceding 12 months". The language employed in the RSC section 7.7.5 rule will be changed to read "in the most recent preceding 12 months". The change is minor and no further comments will be required from stakeholders.

The Board proposes to amend **DSC sections 4.2.2.6 and 4.2.2.7 of the July 2, 2010 amendments**, which deal with suspension of disconnection for 21 days pending review by an agency for emergency financial assistance, in order to clarify that the rules will only apply **where the social service or government agency partners with a distributor for such a purpose**. The revised language is set out in Attachment C. This change will promote consistency with similar language used elsewhere in the revised proposed low-income customer service rules.

A distributor has asked Board staff whether a customer that fails to conclude an arrears payment agreement can apply again and, if so, when? This issue was not addressed in the July 2, 2010 customer service amendments. The Board considers it helpful to add a new rule confirming that a residential customer could reapply after a period. This will provide customers with increased repayment options. For convenience and

consistency, the proposed new rule will apply to arrears agreements with non-low income customers and low-income customers. To encourage customers to take the initial agreements seriously and to avoid overusing the system, a minimum 1-year time period is proposed between arrears agreements. The Board therefore proposes to add the following rule in **new section 2.7.8 of the DSC (in Attachment C): A distributor may require a 1-year waiting period, from the date a prior arrears payment agreement was deemed terminated under the code rules, before offering a second arrears agreement.**

If a distributor enters into discussions with a residential or low-income customer and makes the offer of an arrears agreement but the customer turns it down and the distributor then proceeds to disconnect, **proposed new section 2.7.1B of DSC (in Attachment C) will clarify that the distributor will not be required to make an arrears agreement available to such a customer after disconnection.** To integrate the new rules, **the current reference to section 2.7, in section 7.10.1(b) of the DSC, will be replaced by a reference to proposed section 2.7.1B.** Proposed section 2.7.1B is intended to apply to the standard arrears payment agreements available by all residential customers and the special arrears payment agreements to be offered to low-income customers.

The Board has made several other minor changes to code section cross references or punctuation to help better implement the consolidation of the DSC that occurred on January 1, 2011. In particular: punctuation has been corrected in DSC section 2.4.10; some code cross-references in the coming into force date section have been corrected; and several references to the *Electricity Act, 1998* have been replaced with "*Electricity Act*", which is a defined term under the DSC.

Moreover, all reference to the *Electricity Act* will italicized in the next update of the DSC, to promote consistency. No changes in substance are intended and no further comments are required.

On a separate matter, in section 1.2 of the DSC, the definition of "Conditions of Services" currently references subsection 2.3 of the Code. This will be corrected to reference section 2.4 of the DSC.

### **C. Further Board Implementation Guidance Regarding the July 2, 2010 Customer Service Rules**

A distributor has questioned how to apply the arrears agreement code rules when a residential customer moves out of the service territory after signing the agreement but before completion. The issue may arise in respect of an arrears agreement with a non-low income customer (which are set out in section 2.7 of the DSC) or a low-income customer (which are set out in proposed amendments to DSC section 2.7 included in Attachment A). The same issue may arise when a customer moves during the course of an under-billing adjustment repayment plan (which can last up to 2 years under section 7.7.7 of the RSC).

If the customer is moving to another residence within the service territory of the distributor and opens up a new account at that location, then the payment agreement can be transferred to the new account address. If, however, the customer will be moving out of service territory and will not be opening a new account, then the distributor has the right to make the balance of the arrears (or under-billing adjustment) due and payable immediately. This result will also apply where the customer moves to new premises in the same service territory but he or she no longer has an electricity account with the distributor. The proposed Code provisions are not intended to continue to apply to situations where the distributor-customer relationship no longer exists and has become an ordinary debtor-creditor relationship in which the distributor is free to pursue its remedies, as any other creditor, in collecting the outstanding debt. Realizing that requiring immediate payment in full could create hardship for some customers, distributors could, in their discretion, work out some kind of a payment plan with the former customer to pay off the debt.

#### **IV. Anticipated Costs and Benefits of Revised Proposed Amendments**

The Board remains committed to its decision to proceed with a comprehensive package of customer service code provisions for low-income customers as a major component of its LEAP strategy.

After reviewing stakeholder comments, the Board has adopted some specific changes that will lower implementation costs (such as by not proceeding with the deferred payment option, which distributors said would be costly to implement) and ongoing program administration costs (such as by allowing less costly alternatives to bill inserts and by not requiring that the return of a modest security deposit be undertaken by means of a cheque payment). The risk of increased bad debt, which distributors identified as a potential concern, will be significantly reduced by a number of changes proposed, including: applying a security deposit against outstanding arrears before returning the remainder; requiring a minimum down payment upon entering a low-income arrears payment agreement; shortening repayment periods for low-income arrears payment agreements; and decreasing the minimum period before which an arrears payment agreement may be cancelled due to non-performance.

The longer coming into force periods now proposed by the Board will assist smoother implementation of the new code rules. The risk of social service agency approval acting as a bottleneck will be reduced through the new rules deeming certain recipients of government assistance programs, as well as recipients of LEAP Emergency Financial Assistance, to be eligible low-income customers for the Codes' customer service provisions. Allowing a low-income qualification to be valid for 2 years will reduce the costs of regular reconfirmation.

The general framework to be adopted builds upon mainstream North American low-income customer service policies. Follow-up evaluation studies elsewhere have confirmed significant ongoing savings can arise which will help offset ongoing low-

income customer service program costs. For example, a successful arrears management program will tend to reduce bad debt write offs. Such experience should also be taken into account when undertaking a balanced assessment of the likely benefits and costs of the revised proposed package of low-income customer service code amendments.

## **V. Coming Into Force**

The September Proposed Amendments set out a phased approach towards implementation of the low-income customer service amendments. The majority of the new low-income customer service rules were proposed to be in place on January 1, 2011. April 1, 2011 was proposed as the coming into force date for the rule changes that required changes to billing systems.

The comments provided by distributors expressed concern about the proposed pacing of the implementation timelines. A submission stated, for example, that the September Proposed Amendments will require modifications to distributor computer systems and that the third-party vendors required to make such changes are also the same parties working on the Smart Meter Implementation and other distributor initiatives. One submission recommended that implementation of the new rules be set at 6 to 8 months from the date the final low-income customer service code amendments are adopted. Another submission requested that the Board defer the proposed January 1, 2011 implementation date to April 1, 2011 and defer the proposed April 1, 2011 implementation date until July 1, 2011.

The Board believes that some revisions to the original proposed implementation dates are justified. Providing extra time will allow distributors more opportunity to implement automated processes by which to implement the new low-income customer service code provisions and thereby reduce the need for temporary, more costly manual work-arounds. **The Board therefore proposes to provide a 180 day implementation period for the low-income customer service DSC, RSC and SSSC amendments related to the new security deposit rules, under- billing adjustment rules and new equal billing rules set out in Attachment A.** The Board does not wish to extend this implementation period beyond 6 months as low-income customers in need are awaiting the additional customer service rules to become available.

**The Board proposes a 90 day coming into force period for the enhanced arrears agreements to be made available under DSC section 2.7 to low-income customers and to the revised eligible low-income customer definition in DSC section 1.2.** Distributors are already dealing with arrears agreements on a one-off basis and therefore these rules can reasonably be brought into force somewhat earlier to assist eligible customers. **The Board also proposes that the 90-day coming into force period apply to the new low-income customer rules in sections 4.4.2 and 4.2.2.4 of the DSC** regarding the contents of a disconnection notices and the contents of the final telephone call to the customer 48-hours before disconnection.



**The Board proposes to provide a 90-day implementation period for all the proposed new load control device usage rules and notice provisions set out in Attachment B, and for the rule dealing with load control devices set out in section 2.9.2 of the DSC in attachment A.**

**The amendment to section 2.7.4.4 of the DSC dealing with treatment of defaults under arrears payment agreements set out in Attachment B is proposed to come into effect as soon as issued by the Board.**

In respect of the several other proposed amendments to the July 2, 2010 package of customer service rules applicable to all residential customers that are included in Attachment C to this Notice, the Board proposes coming into force periods that take into account when the rest of the rules in each area will come into force. **The specific proposed coming into force date for each substantive rule change is set out in Attachment C.** Certain other minor changes have been adopted to facilitate consolidation of the customer service amendments already adopted as of January 1, 2011 and they will come into force as of the date of this Notice.

#### **VI. Cost Awards**

Cost awards will be available under section 30 of the *Ontario Energy Board Act, 1998* to eligible persons in the EB-2007-0722 process in relation to providing comments on the proposed revised amendments set out in bold in Attachment A, to a maximum of **15** hours in total. Costs awarded will be recovered from all licensed electricity distributors based on their respective distribution revenues. The Board cautions that if a funded party decides to offer a large number of comments on issues not raised in this Notice then that may be considered when later awarding costs.

#### **VII. Invitation to Comment**

All interested parties are invited to comment on the proposed amendments to the Codes set out in Attachment A, Attachment B and Attachment C by February 28, 2011.

Two (2) paper copies of each filing must be provided, and should be sent to:

Kirsten Walli  
Board Secretary  
Ontario Energy Board  
P.O. Box 2319  
2300 Yonge Street  
Suite 2700  
Toronto, Ontario  
M4P 1E4

The Board requests that interested parties make every effort to provide electronic copies of their filings in searchable/unrestricted Adobe Acrobat (PDF) format, and to

submit their filings through the Board's web portal at [www.errr.oeb.gov.on.ca](http://www.errr.oeb.gov.on.ca). A user ID is required to submit documents through the Board's web portal. If you do not have a user ID, please visit the "e-filings services" webpage on the Board's website at [www.oeb.gov.on.ca](http://www.oeb.gov.on.ca), and fill out a user ID password request. Additionally, interested parties are requested to follow the document naming conventions and document submission standards outlined in the document entitled "RESS Document Preparation – A Quick Guide" also found on the e-filing services webpage. If the Board's web portal is not available, electronic copies of filings may be filed by e-mail at [boardsec@oeb.gov.on.ca](mailto:boardsec@oeb.gov.on.ca).

Those that do not have internet access should provide a CD containing their filing in PDF format.

Filings to the Board must be received by the Board Secretary by **4:45 p.m.** on the required date. They must quote file number **EB-2007-0722** and include your name, address, telephone number and, where available, your e-mail address and fax number.

This Notice, the proposed amendments to the Codes attached to this Notice, and all written comments received by the Board will be available for public inspection at the office of the Board during normal business hours and on the Board's website at [www.oeb.gov.on.ca](http://www.oeb.gov.on.ca).

If the written comment is from a private citizen (i.e., not a lawyer representing a client, not a consultant representing a client or organization, not an individual in an organization that represents the interests of consumers or other groups, and not an individual from a regulated entity), before making the written comment available for viewing at the Board's offices or placing the written comment on the Board's website, the Board will remove any personal (i.e., not business) contact information from the written comment (i.e., the address, fax number, phone number, and e-mail address of the individual). However, the name of the individual and the content of the written comment will be available for viewing at the Board's offices and will be placed on the Board's website.

Any questions relating to this Notice and the proposed amendments to the Codes should be directed to John Vrantsidis at 416-440-8122 or by e-mail at [john.vrantsidis@oeb.gov.on.ca](mailto:john.vrantsidis@oeb.gov.on.ca)

The Board's toll free number is 1-888-632-6273.

**DATED** at Toronto, February 8, 2011.

ONTARIO ENERGY BOARD

Kirsten Walli

Board Secretary

Attachments: Attachment A: Revised Updated Proposed Low-Income Customer Service Amendments to the Distribution System Code, the Retail Settlement Code and the Standard Service Supply Code

Attachment B: Revisions to the September 30, 2010 Proposed Amendments to the July 2, 2010 Customer Service Rules

Attachment C: Additional Amendments to the July 2, 2010 Customer Service Rules:

- A. Additional Amendments Adopted to the Distribution System Code as consolidated January 1, 2011;
- B. Additional Amendments to the Retail Settlement Code and Standard Supply Service Code provisions that come into force on April 1, 2011; and
- C. Other Customer Service Amendments Proposed to the Distribution System Code