



## Low-Income Energy Network

C/o Advocacy Centre for Tenants Ontario  
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February 28, 2011

Sent by courier and through the Board's web portal

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

**Re: 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 (EB-2007-0722)**

Dear Ms. Walli:

Enclosed are LIEN's comments on the 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 (EB-2007-0722).

Thank you for the opportunity to make this submission to the Board.

Sincerely,

A handwritten signature in black ink, appearing to read "Zeenat Bhanji".

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# **EB-2007-0722 – 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**

## **Submission of the Low-Income Energy Network on the amendments to the codes**

**February 28, 2011**

The Low-Income Energy Network (LIEN) represents more than 80 member groups across Ontario. As a network representing the intersection of interests related to low-income consumers and energy and sustainability, LIEN's focus is on reducing the energy bills of all low-income consumers and providing the opportunity for low-income consumers to better manage these energy bills. This helps to ensure that all low-income consumers across Ontario have access to conservation programs, technologies and services as well as conservation education, and realize the environmental, energy and economic benefits associated with the more efficient use of energy.

In its February 8<sup>th</sup>, Notice of Revised Proposal to Amend Codes, the Ontario Energy Board (OEB) requested written comments only on proposed amendments to the codes, as set out in attachments A, B and C to this Notice and redlined. This submission represents LIEN's comments on these amendments, where there are areas of concern.

LIEN continues to be pleased with the Board's efforts in developing service amendments that are responsive to the needs of low-income consumers, and understands that the focus of the proposed new amendments is to reduce expected implementation and ongoing administration costs, while ensuring low-income customers continue to benefit from the additional customer service rules.

### **Attachment A**

#### **Part I: Revised proposed amendments to the Distribution System Code**

##### *Section 1.2 – Eligible low-income customer*

1a) LIEN is concerned that what constitutes a social agency that can carry out the assessment of eligibility for Emergency Financial Assistance is too restrictive and eliminates many of the social agencies now engaged in low-income eligibility assessments for other government agencies. LIEN would like to alert the Board to

the fact that there are other government emergency energy financial assistance programs such as the Emergency Energy Fund (EEF) funded through COMSOC that has been in existence since 2005 and long before LEAP. The EEF provides over two million dollars annually to low-income consumers to assist with emergency energy arrears. Though there is no formal partnership between the social service agencies that administer the EEF and energy distributors, a close partnership exists where both parties have been closely working together for several years to ensure that distributors receive funds from the EEF and to allow the service of the social agency's client to continue, without disruption. Distributors would in kind provide flexibility with respect to the customer service measures, such as the waiver of a security deposit, as a good will gesture with the promise of receiving partial or full payment of the arrears.

LIEN believes it is imperative that agencies who administer the EEF on behalf of COMSOC, provided they assess clients using the Board-approved LICO +15% table, should also be permitted to assess income with the intention of accessing the customer service measures, while they are serving their clients. Also, relationships between those agencies that currently administer the EEF and distributors should be encouraged and allowed to grow as not only are they mutually beneficial to each other, but of most importance to the benefit of low-income consumers. Such allowance will improve accessibility for low-income consumers when accessing emergency assistance with their utility bills.

Agencies like those that deliver Ontario Works and/or Ontario Disability Support Program also do low-income eligibility assessments. The amendment as proposed by the Board would potentially eliminate these agencies from doing eligibility assessments for Emergency Financial Assistance. LIEN believes that access to the Emergency Financial Assistance program for qualified applicants should be maximized and therefore, is concerned that the Board's proposed amendment would restrict access by screening out qualified agencies that are already doing such low-income eligibility assessments across Ontario.

Therefore, LIEN recommends that 1a be amended as follows:

"a) a residential electricity customer who has a pre-tax household at or below the most recent pre-tax Low Income Cut-Off, according to Statistics Canada, plus 15%, taking into account family size and community size, as qualified by a social service agency or government agency that partners with a given distributor to assess Emergency Financial Assistance eligibility or an agency involved in assessing eligibility regarding Emergency Financial Assistance on behalf of a distributor's agency partner or an agency that administers a government financial assistance program related to energy emergencies or an agency that assesses eligibility for any government low-income financial assistance program, provided the agency utilizes the Board prescribed LICO+15% Table to assess Emergency Financial Assistance eligibility;

1 c) LIEN recommends that the Service Canada benefit, Allowance for the Survivor, which is a low-income benefit for seniors, be added to 1 c.

If there is to be a set limit in the code of two years for which a low-income customer can remain eligible for low-income code services, then an additional provision should be added to the code, requiring the distributor to give notice of at least one billing before the expiry date to the low-income customer and the social service agency that qualified the customer as low-income of the impending removal of the low-income qualification, and provide the opportunity including a description of the steps to renewal for the customer to renew the designation before the expiry date.

#### *Section 2.7.6A- Waiver of service charges*

LIEN believes that the Board should continue to waive outstanding service charges for low-income consumers, without exception. Additional charges applied to the arrears of a low-income consumer who has failed to maintain his/her payments in his/her arrears management plan is counterproductive and immediately puts that consumer at higher risk of failing to pay the electricity bill from the very start. Therefore, LIEN recommends that the proposed amendment be deleted and Section 2.7.6A remain unchanged.

#### *Section 2.7 - Arrears payment*

2.7.1.3 LIEN does not support the distributor having the opportunity to require a down payment of up to 10% of the electricity charge arrears accumulated, inclusive of any applicable late payment charges, but excluding of other service charges, to enter into an arrears payment agreement. Most low-income consumers that enter into an arrears payment agreement do so because they are unable to pay either in whole or in part their electricity bill. If the provision regarding this down payment is to remain, then LIEN recommends that the distributor discretion be tempered with the need to consult with the social service agency that qualified the customer regarding the customer's ability to pay a down payment and the level of down payment that is appropriate up to the 10% limit, and that the distributor track any required down payments and its reasons for the requirement applied to low-income customers.

LIEN does not agree with the proposed changes to shorten the time periods that an arrears management agreement shall run when the total amount of electricity charges remaining overdue for payment reach particular levels, and prefers its original related recommendations contained in its submission of October 25, 2010. However, should the Board continue to support the needs of the distributors that led to the proposed changes to the September amendments, LIEN proposes that 2.7.2 c remain as 10 months, that 2.7.2 d, be amended to 14 months and 2.7.2 e be amended to 18 months, and that an additional provision be added, that before terminating any low-income customer's arrears payment management agreement,

the distributor is required to consult with the social service agency that qualified the customer in jeopardy of the cancellation of the customer's arrears management agreement, before cancelling the agreement, and to track the reasons for the cancellation.

#### *Section 4.2.2 (k1) - Eligible low-income customer*

LIEN's proposed changes in Section 1.21(a) as discussed above would require, for consistency with LIEN's proposed changes in Section 1.21 (a), the following changes to Section 4.2.2 (k1):

ii) a Board-approved Emergency Financial Assistance program administered through a social service agency or government agency that partners with a distributor to assess program eligibility or an agency involved in assessing eligibility regarding Emergency Financial Assistance on behalf of a distributor's agency partner or an agency that administers a government financial assistance program related to energy emergencies or an agency that assesses eligibility for any government low-income financial assistance program, provided the agency utilizes the Board prescribed LICO+15% Table to assess Emergency Financial Assistance eligibility; and

#### *Section 4.2.2.4 (f1) – Eligible low-income customer*

LIEN's proposed changes in Section 1.21(a) as discussed above would require, for consistency with LIEN's proposed changes in Section 1.21 (a), the identical change to Section 4.2.2.4 (f1), as LIEN has proposed for Section 4.2.2 (k1).

### **Part II – Revised Proposed Amendments to the Retail Settlement Code**

#### *Section 1.2 – eligible low-income customer*

For consistency with LIEN's proposed changes as described in Part 1 Section 1.2.1 a) and c), LIEN recommends that Section 1.2 a) and c) be revised accordingly.

### **Part III – Revised Proposed Amendments to the Standard Supply Service Code**

#### *Section 1.2 – eligible low-income customer*

For consistency with LIEN's proposed changes as described in Part 1 Section 1.2.1 a) and c), LIEN recommends that Section 1.2 a) and c) be revised accordingly.

#### *Equal billing and equal payment plans*

Regarding equal billing and equal payment plans for low-income customers, LIEN was unable to find the proposed amendments discussed on page 9 of the Notice item 2b) in the SSC proposed amendments in Part III, Attachment A. LIEN supports

2b) “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, or ii) an equal monthly billing plan for such customers (as per revised proposed section 2.62B(a) of the SSSC in Attachment A”, and recommends that it be included in the SSSC.

## **Attachment B**

### **Revised Proposed Amendments to the Distribution System Code**

Section 2.7.4.4 LIEN recommends amending the Board’s proposed amendment as follows to provide additional protection to the low-income customer:

“For the purpose of sections 2.7.4 and 2.7.4.3, the defaults must occur over a period of at least 2 months and after consultation with the social service agency that qualified the customer before the distributor may cancel the arrears payment agreement.”

## **Attachment C**

### **Revised Proposed Amendments to the Distribution System Code**

Section 2.6.2 These proposed amendments should be made consistent with the Board recommendations on page 9 of the Notice, item 2 b, as discussed above in Part III, Attachment A.

Section 2.7.8 LIEN does not agree with a low-income customer having to wait one year after termination of the previous arrears agreement before entering into another. A low-income person’s situation may change dramatically in a shorter period of time, and therefore, LIEN recommends that the maximum waiting period be 6 months rather than 1 year. In the alternative, LIEN recommends that the distributor be required to consult with the social service agency that qualified the low-income customer before determining the waiting period, where the waiting period will be between 6 months and one year.