

NRG COMMENTS ON LOW- INCOME RELATED CUSTOMER SERVICE STANDARDS NO: EB-2010-0280

1. Definition of Eligible Low- Income Customer:

A definition of low eligible low- income customer is required in order to implement low-income customer service standard and rules.

New Low- Income Code Provisions for Electricity Distributors	Natural Resource Gas Ltd. Current and Proposed Modified Policies and Practices for Low -income Customers
<p>Rules for Low-income Electricity Providers came into effect July 20, 2010</p> <p>Eligible low-income customers are residential electricity customers who have a pre tax household income at or below Statistics Canada's most recent pre-tax Low Income Cut-off plus 15% taking into account family and community size and are qualified by a Social Service or Government Agency.</p> <p>Customers must be qualified by a Social Service or Government agency that:</p> <ul style="list-style-type: none"> i) Partners with their local electricity distributor to assess eligibility for Emergency Financial Assistance: or ii) Assesses eligibility for other energy financial assistance or for other low-income financial assistance programs, and partners with their local distributor to qualify customers for eligibility. <p>If customer has qualified for Emergency Financial assistance under the Low-income Energy Assistance Program (LEAP) they will automatically qualify for all of the low- income customer services rules under the codes.</p> <p>After qualifying as an eligible low- income electricity customer, their low income statue will remain in effect for the purposes of the codes for 2 years from the date they qualified</p> <p>Eligible low- income customers must contact their distributor before a special low-income customer code rule will be made available to them</p>	<p>NRG Ltd. proposes to maintain our current policies, which meet the intent of this Rule. NRG Ltd.'s current policies and practices are to work with our customers based on individual circumstances.</p> <p>The Low-Income Energy Assistance Program (LEAP) emergency funding assistance program contains eligibility guidelines for low-income customers.</p>

2. Security Deposits

Existing security deposit must be returned if requested by an eligible low-income customer after any arrears.

Eligible low-income customers may request a waiver if their distributor requests a new security deposit.

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<p>If an eligible low- income consumer has previously paid their distributor a security deposit, they may ask for it to be returned, after paying any outstanding arrears. Distributors shall advise all residential customers of this right annually.</p> <p>Any remaining security deposit returned to the customer will be credited to their account if the amount due is less than their average monthly bill, they could request a refund by cheque.</p> <p>An eligible low-income customer may request a waiver if their distributor requests a new security deposit.</p> <p>Distributors are to advise customers of this right when issuing a bill for a security deposit</p>	<p>NRG Ltd. currently adheres to the security policy as set out in EB 2008-0413 Appendix B May 5, 2009 Security deposit requirements. Security deposits are adequate and necessary to protect both the ratepayers, and the Utility from the risk of bad debt and therefore minimizing the impact to rates for all customers.</p> <p>NRG Ltd. reviews residential accounts annually, taking into account the amount of security deposit held vs the amount of consumption over the past 12 months, adjustments are made accordingly. Letters are issued to all those account holders who are not eligible for a security deposit refund under the guidelines EB 2008-0413 Appendix B May 5, 2009.</p> <p>NRG Ltd. allows new customers to pay a security deposit over a 4 month period and works with third parties, social assistance, and/or registered charitable organizations to assist with payments.</p> <p>NRG Ltd. does not propose any changes to the current security deposit policy</p>

3. Corrections of Billing Errors

Eligible low- income customers may pay under billing adjustments over an extended period of time depending on the under-billed amount.

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<p>When a billing error has occurred and an eligible low-income customer owes their electricity distributor for an underpayment, they may elect to pay over:</p> <ul style="list-style-type: none">i) A period equal to the duration of the billing error (up to a maximum of 2 years); orii) A period of 10 months where the under billed amount is less than twice the consumer's average monthly billed amount and over a period of 20 months where the under-billed amount equals or exceeds twice the customer's average monthly bill <p>Distributors shall advise customer of these options.</p>	<p>NRG Ltd. has set out a process for billing errors in 4.1 of our Customer Service Policy to be submitted April 1, 2012.</p> <p>A claim for an error in billing should be made by the customer as soon as discovered by contacting NRG Ltd. Billing Department at 519-773-5321 Ext 212. If, in the opinion of the Company the claim is valid, the Company will make an adjustment to the bill on the next billing cycle.</p> <p>If the error resulted in over-billing it will be corrected for a period of up to two (2) years. The customer may request a refund or opt to leave the credit amount on their account to cover future bills. Where billing errors have resulted in under-billing, the customer shall be charged with the amount not billed for a period not exceeding two (2) years, in the case of an individual residential customer who was not responsible for the error.</p>

4. Equal payment and Equal Billing Plans :

Distributors must offer to eligible low- income customers equal billing plans that do not require automatic payment withdrawals

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<p>If the eligible low-income customer's electricity distributor bills monthly, they may request a equalized monthly billing plan with out enrolling in an automatic withdrawal payment plan.</p> <p>If their electricity distributor bills bi-monthly, they must be offered either a monthly or bi-monthly equal billing option.</p>	<p>NRG Ltd. offers all customers the ability to enrol in an Equal Budget Billing (EBP) without enrolling in the automatic payment withdrawal option. NRG Ltd.'s Equal Plan starts in June of each year, and is reconciled in May of the following year.</p> <p>NRG Ltd.'s existing billing program does not allow changes to enrolment dates.</p> <p>Customers with arrears during the heating season are encouraged to pay arrears in a timely fashion to enable them to enrol in the EBP (Equal Billing Plan) for the next heating season.</p> <p>Notices are included on the May billing to inform customers to contact NRG Ltd. if they wish to enrol in the Equal Billing Option that begins annually with the June billing cycle.</p>

5. Disconnection Period

5a) Distributor must extend the disconnection notice period if the distributor is notified that a customer is being assessed for emergency financial assistance.

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Eligible low- income customers must be granted a disconnection suspension for 21 days after their electricity distributor is notified by a Social Service or Government Agency that they are being assessed for Emergency Financial assistance.	Our existing policy meets the intent of the rule (i.e. 21 day stay) after being notified that social assistance or an assessment for LEAP Emergency Funding is being conducted.

5b) Assistance Information before Disconnection:

Disconnection notice must inform customer that Emergency Financial Assistance and special arrears agreement may be made available

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<p>Disconnection Notices must inform customers that Emergency Financial Assistance and special arrears agreement may be available to eligible low-income customers . The Disconnection Notice, and a telephone call 48 hours before disconnection, must also inform customers that Emergency Financial Assistance may be available for eligible low-income customer, and that more information is available from their electric distributor</p>	<p>NRG Ltd. informs all customers with a separate disconnection notice, with a definite date for disconnection, and applicable charges associated with the lock for non payment including the phone number and contact information for payment arrangements.</p> <p>NRG Ltd. notifies customers by phone before the disconnection date to verify confirmation of payment or set-up payment arrangements.</p> <p>At this time, customers have the opportunity to advise NRG Ltd. that they are seeking social assistance.</p> <p>In the event a customer is unavailable by phone, a Notice of Disconnection is hand-delivered outlining emergency funding options.</p> <p>Proposed change to Disconnection Notices</p> <p>Regardless of the customers income level, NRG Ltd. proposes to add information to the disconnection notices.</p> <p>Information regarding the arrangement of payment options and LEAP Emergency Financial Assistance for eligible customers.</p>

6. Arrears Management programs

6a). Down- Payment : A low income arrears payment agreement is subject to a reduced down payment requirement.

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<p>A down payment of up to 10% of the electricity charges accumulated plus any accumulated late payment charges (not including other service charges such as reconnection charges) may be requested the first time an eligible low-income customer enters into a low-income customer arrears agreement or after having successfully completed a previous such agreement.</p>	<p>NRG Ltd. works with customers to determine a mutually agreeable payment plan that could extend up to several months depending on individual circumstances. Customers requesting payment assistance can contact NRG Ltd. Credit Department at 519-773-5321 Ext 211. NRG Ltd.'s goal is to achieve a mutual payment arrangement that will eliminate arrears.</p> <p>The flexibility of our current policy meets all residential customers needs.</p> <p>A pre-described payment plan eliminates the flexibility that best suits all customer's needs.</p> <p>NRG Ltd. proposes to maintain current practices.</p>

6b) Repayment time periods:

Eligible low-income customers are provided with an extended period of time to pay arrears depending on the amount owing

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<p>The time period to repay arrears are extended to:</p> <p>i) 8 months if the amount owes is less than or equal to 2 times the customer's average bill.</p> <p>ii) 12 months if the amount owes is more than 2 and less than or equal to 5 times the customer's average monthly bill: or</p> <p>iii) 16 months if the amount owed is more than 5 times the customer's average monthly bill.</p>	<p>NRG Ltd. works with all customers to determine a suitable payment arrangement based on individual needs.</p> <p>Timelines imposed on a payment arrangement creates stress on the relationship between the customer and the Utility. Imposing time periods forces customers to enter into agreements that the customer may be unable to keep.</p> <p>NRG Ltd., therefore, proposes no changes to our existing policy .</p>

6c). Service charges and late payment charges

Distributors are required to waive any non-payment related service charges and to not apply any additional late payment charges when an eligible low-income customer enters into an arrears agreement.

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<p>Where a eligible low-income customer enters into an arrears payment agreement with a distributor for the first time or subsequent to having a successfully completed a previous arrears payment agreement as an eligible low-income customer, the distributor must waive any service charges specifically related to collection, disconnection, non payment or load control devices.</p> <p>No further late payment charges may be imposed on an eligible low-income customer after the customer has entered into an arrears payment agreement in respect of the amount that is the subject of that agreement. However, the distributor is not required to waive any late payment charges that accrue to the date of the arrears.</p>	<p>NRG Ltd. bills are due when rendered. When payment in full is not received on or before the date shown on the bill, a late payment charge is applied to the outstanding balance. Any increase sum is due and payable thereafter.</p> <p>NRG Ltd. makes every effort to avoid disconnections, thereby alleviating further debt incurred by all customers.</p> <p>NRG Ltd. agrees that most customers could avoid additional costs by contacting the company before disconnection costs are incurred. NRG Ltd.'s goal is to avoid disconnections and to assist customers in maintaining their accounts at a current balance.</p>

6d) Payment Defaults :

Eligible low-income customers must be allowed to payment default before a distributor may cancel an arrears agreement.

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<p>Eligible low-income customer must be allowed two payment defaults before a low-income arrears agreement can be cancelled.</p> <p>The defaults must occur over at least 2 months</p>	<p>NRG Ltd. currently deals with customers on an individual bases. Customers are contacted if they have missed a payment schedule. Payment arrangements are revisited and altered if necessary should the customer's circumstances change regardless of income level. NRG Ltd. proposes to maintain current practices.</p>

6e) Second or Further Arrears Payment Agreement

Eligible low-income customer are allowed to request a new arrears payment after they have successfully completed a payment agreement. Depending upon the circumstances, the second arrears agreement may be a standard or enhanced one.

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If an eligible low-income successfully completes an arrears payment agreement, the customer can request a new agreement anytime needed thereafter. However, if a new agreement is requested within 12 months of the end of the prior successfully completed agreement, the distributor can offer the new agreement on the same terms as those provided to other residential customer s even if the customer is an eligible low-income customer.	NRG Ltd. works with the individual customer on a flexible payment arrangement and has no pre-determine number of payments under which a customer is eligible within a calendar year. Changes made to payment arrangements are a reflection of individual circumstances and are not based on customer's level of income. NRG Ltd. proposes to maintain current practices.