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BY EMAIL AND WEB POSTING

May 16, 2017

To: All Licensed Electricity Distributors
All Rate-Regulated Natural Gas Distributors
All Licensed Unit Sub-Meter Providers
All Other Interested Parties

**Re: Review of Customer Service Rules for Electricity and Gas
Board File No.: EB-2017-0183**

As part of our commitment to protect Ontario energy consumers and ensure they are well-served by a financially viable sector, the Ontario Energy Board (OEB) will review its customer service rules for electricity distributors, rate-regulated natural gas distributors and unit sub-meter providers (collectively utilities).

The review will consider how existing customer service rules have been implemented, ensure that they continue to be relevant and serve the needs of consumers, and that they maintain an appropriate balance between customer protection and the ongoing operational needs of utilities.

This review follows the release of the OEB Consumer Charter that brings together existing customer service rules and clarifies the rights of Ontario's energy consumers in a single, easily understood document for the first time. The Charter, the first of its kind in Canada, is now available on the OEB website at www.oeb.ca/charter.

Consumers, consumer representatives including representatives of low-income consumers, utilities and other interested stakeholders, will be engaged and consulted as part of the customer service rules review, details of which are provided below.

Background

The OEB has had detailed customer service rules in place for electricity distributors to follow since 2011 that provide for:

- Disconnection and reconnection practices for non-payment;
- Arrears Management Programs;
- Equal Payment Plans;
- Security Deposits;
- Bill Issuance and Payment;
- Correction of Billing Errors;
- Management of Customer Accounts.

Special rules are in place for eligible low-income customers providing even greater protection including provisions for waiving security deposits, allowing longer times for repayments of arrears and longer grace periods if facing disconnection.

All these rules apply to residential customers; some also apply to small business customers. Licensed unit sub-meter providers are required to follow most of these rules. The rules for electricity distributors are set out in the OEB's Distribution System Code, the Retail Settlement Code, and the Standard Supply Service Code and those applicable to unit sub-meter providers are set out in the Unit Sub-Metering Code.

The OEB subsequently amended its Gas Distribution Access Rule to require rate-regulated natural gas distributors to implement and publish residential customer service policies in the major areas addressed by the electricity sector rules. The OEB requires the natural gas distributors to comply with their respective customer service policies and to promptly notify customers of any changes to them.

The rules were developed to establish a standard level of customer service across the province and provide greater protection and certainty for customers. The OEB committed to review and evaluate the rules once there was sufficient experience with them.

The Scope of the Review

The OEB review will examine all of the customer service rules. The OEB will consider how these rules have been implemented by utilities, how effective they have been in protecting energy consumers, utilities' experience with these rules, legislative developments, and experience in other jurisdictions and other sectors. The review will proceed through two phases.

Phase 1 of the review will examine the need for near-term amendments to rules relating to:

- Disconnection for non-payment including form, content, timing and duration of disconnection notice and a consideration of additional rules relating to periods during which disconnections would not be permitted;
- Billing and payments including payment period, method of payment, allocation of payment and equal payment plans;
- Arrears management programs including eligibility, down payment amounts, length of repayment period, and cancellation; and
- Security deposits including criteria for waiver and refund.

Service charges by electricity distributors and natural gas distributors relating to non-payment of accounts such as collection and reconnection charges will also be reviewed in this phase. Phase 1 is expected to be complete in the Fall of 2017.

Phase 2 will review current customer service rules relating to management of customer accounts and correction of billing errors. It will also examine the need for changes to reporting requirements to better track the impact of the customer service rules. Current reporting requirements for both electricity and gas utilities are set out in the Electricity Reporting & Record Keeping Requirements and the Gas Reporting & Record Keeping Requirements. The review will also assess the need to establish similar reporting requirements for unit sub-meter providers.

Engagement Approach

In this review, the OEB intends to engage consumers, consumer representatives including representatives of low-income consumers as well as utilities and other interested stakeholders

The OEB will gather consumer feedback through surveys, focus groups and other mechanisms, including a province-wide Consumer Panel established by the OEB in 2015.

The OEB will also engage with consumer representatives, utilities and other interested stakeholders to give them an opportunity to provide insight into, and perspectives on, the effectiveness of these rules and opportunities for improvement. Utilities will be invited to provide additional information relating to the application of the current customer service rules through a survey.

OEB staff will prepare a report outlining the findings from the engagement activities along with recommendations for proposed amendments to the Customer Service Rules. This report will be posted to the OEB's website.

Specifics about these activities will be announced in due course. Material related to this initiative will be posted on the OEB's website at <https://www.oeb.ca/industry/policy-initiatives-and-consultations/review-customer-service-rules>.

Protecting Ontario's energy consumers is at the heart of all that the OEB does every day. This review of customer service rules and directly consulting and engaging consumers in the process are central to this commitment.

If you have any questions regarding this initiative, please contact Gona Jaff, Project Advisor at 416-440-7613 or forward them by e-mail to CSR@oeb.ca.

Yours truly,

Original signed by

Brian Hewson
Vice President, Consumer Protection & Industry Performance