



Ontario Energy Board
Commission de l'énergie de l'Ontario

REPORT OF THE ONTARIO ENERGY BOARD

Review of Customer Service Rules for Utilities Phase One

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1 INTRODUCTION

The Ontario Energy Board (OEB) has detailed customer service rules (Rules) in place for licensed electricity distributors (electricity distributors) and licensed unit sub-meter providers (USMPs). All of these Rules apply to residential customers; some also apply to small business customers. The OEB requires rate-regulated natural gas distributors (gas distributors) to implement, publish and comply with residential customer service policies in the major areas addressed by the electricity sector Rules. By [letter](#) dated May 16, 2017, the OEB initiated a review of its Rules for electricity distributors, gas distributors and USMPs (collectively, utilities). Service charges by electricity distributors and gas distributors also formed part of the review.

The review is part of the OEB's commitment to protect Ontario energy consumers and ensure they are well-served by a financially viable sector. It is building on past steps towards the OEB's consumer centric vision¹ and follows the release of the OEB's [Consumer Charter](#) which brings together existing Rules and identifies consumer rights in a single, easily understood document. The objective of this review is to determine whether the Rules continue to serve the needs of customers while maintaining an appropriate balance between consumer protection and the ongoing operational needs of utilities.

The OEB is conducting the review of customer service rules in two phases. This report of the OEB (Report) addresses phase 1 of the review which covered the following areas:

- Whether the customer service regulatory framework for gas and electricity distributors should be aligned
- Whether the Rules covering security deposits, billing and payments, and disconnection for non-payment continue to be appropriate
- Whether service charges relating to non-payment of accounts should be modified

As part of this review, the OEB heard from consumer groups and more than 2,500 residential and small business customers through consultations, meetings of the OEB Consumer Panel² and a public survey. Customer complaints and issues raised by customers through the OEB's Public Information Office were also considered.

¹ Past initiatives include the Renewed Regulatory Framework, the monthly billing requirements for residential and small business customers, consumer representation in OEB hearings, and the establishment of the Consumer Panel.

² The Consumer Panel consists of residential and small business consumers throughout Ontario who help the OEB shape energy policies, programs and services.

The OEB also engaged with utilities and considered information and data received by the OEB as part of annual utility filings. And we considered customer service standards adopted by energy utilities in other jurisdictions in Canada and the U.S. as well as practices in other sectors such as telecommunications and finance. The findings from these research and engagement activities helped inform the proposed changes discussed in this Report.

The Report includes background information on the OEB's approach to regulating utility customer service practices. It also provides an overview of the research and engagement activities undertaken to inform the review. Under each customer service topic reviewed, the Report provides an overview of existing provisions relating to each topic, findings from the OEB's research and engagement activities, and the OEB's assessment of the topic followed by proposed changes to the current provisions. Finally, for ease of reference, a list of all proposed changes are provided at the end of the Report.

2 BACKGROUND AND SCOPE

The OEB has had Rules in place for electricity distributors since 2011. Prior to the development of the Rules, each electricity distributor was required to describe its operational policies in a "Conditions of Service" document. Distributors' customer service policies were embedded in their respective Conditions of Service and they often varied from distributor to distributor. The Rules were developed to establish minimum standards of customer service to ensure that every customer in Ontario received a certain minimum level of service regardless of which distributor was providing service.

The Rules address:

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

The Rules generally apply to residential customers. Some Rules also apply to small business customers. In addition, special Rules are in place for eligible low-income customers, providing even greater protection, including provisions for waiving security deposits and allowing longer times for repayments of arrears. USMPs are also required to follow most of the customer service 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's customer service framework for gas distributors is less prescriptive. Rather than setting rules for them, the OEB requires gas distributors to implement and publish their own residential customer service policies and to comply with them. Specifically, in 2012, the OEB amended the [Gas Distribution Access Rule](#) (GDAR) to require gas distributors to implement residential customer service policies in the major areas addressed by the electricity sector Rules. It also requires the gas distributors to comply with their respective policies and to promptly notify customers of any changes to them.

The electricity sector Rules have been in place for more than seven years. When they were first established, the OEB committed to review and evaluate their effectiveness once there was sufficient experience with them. The OEB has initiated this review to determine whether the Rules and related service charges continue to serve the needs of customers while maintaining an appropriate balance between consumer protection and the ongoing operational needs of utilities and whether the customer service regulatory framework for gas and electricity distributors should be aligned. The OEB's review is proceeding in two phases.

Phase 1 which is the subject of this Report has focused on the following customer service areas:

- The current regulatory framework for gas distributors and whether it should be aligned with the regulatory framework for electricity distributors
- Security deposits including criteria for waiver and refund
- Billing and payments including payment period, method of payment, allocation of payment and equal payment plans
- Arrears Payment Agreements
- 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
- Service charges by electricity distributors and gas distributors relating to non-payment of accounts such as collection and reconnection charges

3 RESEARCH AND ENGAGEMENT ACTIVITIES

As part of the review, the OEB conducted a broad jurisdictional review of customer service standards in the energy sector and other sectors. The OEB also heard from utility customers, consumer representatives, and utilities through surveys, meetings, and consultations. Related customer issues and complaints filed with the OEB as well as data collected from utilities were also considered in this review. A summary of the main activities is set out below.

Jurisdictional Research

With the objective of gaining an understanding of experiences in other jurisdictions and identifying best practices in customer service, the OEB conducted a broad review of energy sector customer service standards in a number of jurisdictions in Canada and the U.S. at the regulator and utility level. Canadian jurisdictions/utilities reviewed included the following:

- British Columbia: BC Hydro and Fortis BC
- Nova Scotia: Nova Scotia Power
- Manitoba: Manitoba Hydro/Centra Gas
- Québec: Énergir (formerly known as Gaz Métro) and Hydro-Québec

U.S. utilities reviewed included top performing utilities on the J.D. Power 2015 Residential Customer Satisfaction Index ranking:

- Pennsylvania: Duquesne Light Co., Penn Power, and PPL Electric Utilities
- New Jersey: PSE&G
- New York: Consolidated Edison (Con Edison)
- Florida: Florida Power and Light

The review also looked at practices in other sectors such as telecom and finance. Companies reviewed included the following companies that have high customer satisfaction scores based on the American Customer Satisfaction Index:

- Telecom: Verizon, Sprint, T-Mobile, AT&T
- Finance: Citigroup, Capital One, U.S. Bank, Chase, TD

The following major Canadian telecom companies were also reviewed: Bell, Rogers, and TELUS.

The research was conducted by way of reviewing publicly available online information from both primary and secondary sources. In addition, to clarify certain information and

obtain further details, OEB staff conducted telephone interviews with representatives of the following entities:

- Utilities Consumer Advocates (Alberta)
- Fortis BC
- Énergir (formerly known as Gaz Métro) and Hydro-Québec
- New York Public Service Commission
- Pennsylvania Public Utility Commission
- Public Utility Commission of Texas

Survey of Ontario Utility Practices

In May 2017, all utilities in Ontario were invited to provide information relating to the application of the current Rules, including their impact on utility operations, through a survey (see Attachments 1, 2 and 3). The vast majority of the electricity distributors (62), active USMPs (11) and the three gas distributors responded to the survey. Utilities (individually and through associations and representatives) were also invited to share with the OEB more detailed information regarding their experiences with the Rules and ideas for improvements. The OEB received 20 letters of comment in response.

Preliminary Stakeholder Meetings

In June 2017, OEB staff held informal meetings with both consumer and utility representatives³ to discuss the scope of the review and elicit early thoughts and ideas.

Customer Survey

The OEB commissioned Ipsos Public Affairs (Ipsos) to conduct quantitative research on customer service rules. This was done in two phases: a representative online survey of residential and small business energy customers as well as a public version posted on the OEB website. The survey was intended to gauge customers' attitudes towards utility customer service standards and seek their opinions on key customer service topics. It should be noted that while the survey identified the topics addressed by the Rules, it did not specify what the existing OEB Rules were in order to get the customer's unbiased opinion on each topic. However, the customer was provided with sufficient context and information to complete the survey. The survey was available to the public from September 2017 to February 2018. More than 2,500 customers participated in the survey. Ipsos's report on the survey result is available on the [OEB website](#).

³The OEB's Financial Assistance Working Group which includes consumer and utility representatives, the Electricity Distributors' Association, and the Ontario Energy Association.

OEB Consumer Panel

The Consumer Panel consists of residential and small business consumers throughout Ontario to provide input that helps the OEB shape energy policies, programs and services. The OEB engaged with the residential members of the OEB's Consumer Panel through in-person sessions to understand their expectations of energy utilities and their perceptions on the level of utility service and other issues important to them. The in-person sessions took place in September 2017 in Toronto, Sudbury, Kingston and London.

Stakeholder Consultation

OEB staff held a number of meetings with consumer representatives and utilities to discuss the findings from the above research and engagement activities and preliminary proposals for changes to the Rules.⁴

4 CUSTOMER SERVICE REGULATORY FRAMEWORK

4.1 ELECTRICITY V. GAS

Within the current regulatory framework, electricity distributors and USMPs must meet the minimum customer service standards established by the Rules in carrying out their business. After the implementation of the electricity Rules, the OEB considered developing rules for the gas distributors similar to those developed for electricity distributors. However, after consideration of stakeholder comments, it decided to adopt a less prescriptive approach. The OEB was satisfied that the less prescriptive approach would limit the cost implications for gas customers while still achieving the objectives of fairness and transparency and ensuring that gas distributors' customer service policies are enforceable by the OEB. It was also recognized that a reasonable level of consistency may be achieved across the Province even under a less prescriptive approach given the small number of gas distributors in Ontario.

On October 14, 2011, the OEB amended the GDAR requiring each gas distributor to implement a residential customer service policy (CSP) covering their policies in eight major areas based on the areas addressed by the electricity Rules.⁵ The amendment to

⁴ See Attachment 4 for list of participants and dates of meetings.

⁵ Bill issuance and payment, allocation of payments between gas and non-gas charges, correction of billing errors, equal payment and equal billing plans, disconnection for non-payment, security deposits, arrears management programs, and management of customer accounts.

the GDAR also required a gas distributor to comply with its CSP, post it on its website and provide a copy to anyone requesting it. These changes came into effect on April 1, 2012.

A review by OEB staff of the CSPs of Enbridge Gas Distribution Inc. (Enbridge), Union Gas Limited (Union), and EPCOR Natural Gas Limited Partnership (EPCOR) indicates that while the CSPs cover the areas addressed by the electricity Rules, they are not as comprehensive and do not provide the level of protection and certainty expected by customers.

Customers, for example, expect to have access to detailed information about the utilities' disconnection processes and expect a fair level of service. In fact, the disconnection process and steps taken by utilities to communicate with customers and provide them with resources and help where possible was of particular importance to the OEB's Consumer Panel. The review of the gas distributors' CSP indicates that this is one area where the desired level of detail is lacking.

Offering of arrears management programs/arrears payment agreements to customers to assist them in managing their energy costs is another area of importance to customers. Members of the Consumer Panel emphasized the need for communicating details of these plans such as the circumstances under which the plan will be offered, the length of the repayment period, and the applicability of late payment charges. Very little by way of details regarding these plans are set out in the gas distributors' CSP.

Comments received from the gas distributors suggest that, in practice, they provide a greater level of service than that set out in their CSP. While the OEB allowed gas distributors the flexibility to provide a higher level of service than that set out in their CSP, to achieve the objectives of fairness, transparency, and enforcement by the OEB, it expected the CSP to reasonably reflect the minimum level of service that customers should expect.

Both the comments of the Consumer Panel and the results of the public survey indicate that customers expect the same level of service from both electricity and gas distributors and the same level of regulatory oversight. For example, 91% of the survey participants who thought that disconnection of service should be banned during certain periods indicated that these periods should be the same for both electricity and natural gas. Similarly, consumer representatives were of the view that customer service rules should be developed for gas distributors and those rules should be aligned with the electricity rules where possible. The OEB also notes that in many of the U.S.

jurisdictions reviewed, such as New Jersey, New York, and Pennsylvania, comprehensive service rules for both electricity and gas distributors are prescribed and are generally aligned.

Consistent with customer expectations and practices in other jurisdictions, the OEB intends to develop Rules for the gas distributors establishing minimum standards of service by way of amending the GDAR. The OEB further intends to align the gas Rules with the electricity Rules where practical and appropriate. In the OEB's view, this approach would ensure that both electricity and natural gas customers are treated in a fair and consistent manner. This approach will still allow gas distributors an appropriate measure of flexibility in their operations.

OEB Proposal

- Develop customer service rules (as proposed to be amended), similar to the electricity Rules, for the gas distributors

4.2 UNIT SUB-METER PROVIDERS

As indicated above, most but not all of the electricity Rules apply to USMPs. Among the Rules not applicable to USMPs are Rules relating to equal billing/equal payment plans, the use of credit cards for emergency payments as well as requirements relating to the application of service charges. The OEB did not impose these Rules on USMPs, in part, because what a USMP charges for unit sub-metering was not subject to regulation by the OEB at the time of the development of the Rules.

Provisions of the *Ontario Energy Board Act, 1998* (OEB Act) that came into force on April 1, 2018, prohibit a USMP from charging for unit sub-metering except in accordance with an order of the OEB. The OEB is undertaking a consultation to explore the appropriate way to regulate what a USMP charges customers for unit sub-metering (USMP Charges Initiative).⁶ In light of these circumstances, all proposals relating to the Rules in this Report apply to USMPs except for those relating to provisions that the OEB had previously chosen not to impose on USMPs. These provisions are clearly identified in this Report and their applicability to USMPs will be reconsidered as part of and/or following the completion of the USMP Charges Initiative.

⁶ EB-2017-0371

OEB Proposal

All proposals made in this Report apply to USMPs except for those relating to the following:

- Equal billing/equal payment plans
- Emergency credit card payments (to avoid disconnections)
- Discontinuing the application of late payment charges on the amount that is covered by the OEB's prescribed Arrears Payment Agreement for residential customers
- Winter Disconnection & Reconnection
- Non-Payment of Account Charges

5 CUSTOMER SERVICE RULES

The customer service topics reviewed are listed below. Under each topic, a summary of the following is provided:

- Current electricity Rules and gas CSP relating to each topic⁷
- Practices in other jurisdictions and sectors
- Feedback from the utilities, customers, Consumer Panel and consumer representatives
- OEB's assessment of the topic followed by proposed changes

5.1 SECURITY DEPOSIT

Current Electricity Rules

The Rules allow electricity distributors and USMPs (together, electricity utilities), with some exceptions, to collect a security deposit from certain customers. Utilities cannot require a security deposit where:

- A customer provides a letter from another utility in Canada confirming a good payment history or provides a satisfactory credit check made at the customer's expense
- An eligible low-income customer⁸ has requested a waiver⁹

⁷ The summary is an informal description of parts of the Rules and the gas CSP. It is not intended nor should it be used as an interpretive tool for the Rules or the gas CSP.

⁸ An eligible low-income consumer is a residential electricity consumer who has been approved for the Ontario Electricity Support Program (OESP) or for Emergency Financial Assistance under the Low Income Energy Assistance Program.

⁹ When issuing a bill for a security deposit, the utility is required to advise a residential customer that the security deposit requirement will be waived for an eligible low-income customer upon request.

The maximum security deposit amount electricity utilities can collect from a residential customer or a small business customer (i.e. a non-residential customer in a less than 50 kW demand rate class) is 2.5 times the customer's estimated bill based on the customer's average monthly load with the electricity utility during the most recent 12 consecutive months within the past two years.

Residential customers may pay the required deposit amount in equal installments over a period of at least six months while small business customers may pay it over a period of four months. The customer may choose to pay the security deposit over a shorter period of time.

The deposit must be returned to the customer once the customer has demonstrated a good payment history over a period of one year in the case of a residential customer and five years in the case of a small business customer. A customer is deemed to have a good payment history unless, during the relevant period:

- The customer has received more than one disconnection notice
- More than one payment was returned for insufficient funds
- More than one pre-authorized payment was returned for insufficient funds
- A disconnect / collect trip has occurred
- The electricity utility had to apply a security deposit to cover arrears

Before entering into an arrears payment agreement with a customer, the electricity utility is required to use a customer's security deposit toward the amount owing. Furthermore, electricity utilities cannot issue a disconnection notice to a residential customer for non-payment unless they have first applied any security deposit held on account for the customer against any amounts owing at that time and the security deposit was insufficient to cover the total amount owing. Where an electricity utility applies all or part of a security deposit to any arrears, it may request that the customer repay the amount of the security deposit that was so applied.

Interest accrues monthly on security deposits made by way of cash or cheque commencing on receipt of the total deposit. Electricity utilities are required to pay out interest accrued at least once every 12 months. The security deposit must be returned to the customer within six weeks of the closure of an account, subject to the electricity utilities' right to use the security deposit to pay off other amounts owing by the customer.

Gas Distributors' CSP

As part of their CSP, gas distributors are required to address security deposits. An overview of key elements of the security deposit policies is provided below.

Amount and Payment: Both EPCOR and Union calculate residential security deposits based on the customer's estimated bill, while Enbridge requires a fixed amount of \$250. Both EPCOR and Union also allow residential customers to pay the deposit amount in equal installments paid over a period of six months. Enbridge's CSP, however, does not allow for payment in installments.

Waiver Criteria: Gas distributors waive security deposit requirements for customers meeting certain criteria. Both EPCOR and Union waive the requirement for those who provide a letter of reference from a Canadian natural gas or electricity utility. Enbridge waives the requirement for residential customers whose previous accounts with Enbridge had a good payment history. All three gas distributors waive the requirements for those who enter into automatic (pre-authorized) payment plans.¹⁰ Both Enbridge and EPCOR also waive the requirements for those meeting their credit requirement.

Eligible Low-Income Customers:¹¹ Security deposit requirements are waived for eligible low-income customers meeting certain conditions. Specifically, Enbridge will waive the security deposit requirement if the eligible low-income customer is moving residences, provided the customer is enrolled in the budget billing plan, does not have an account with a financial institution and the customer's gas service has not been disconnected due to non-payment in the past two years. EPCOR imposes similar conditions. Union waives the security deposit requirement as long as gas service is not disconnected for non-payment and the eligible low-income customer has enrolled in Union's equal billing plan.

Return of the Security Deposit: Consistent with the electricity Rules, gas distributors return the deposit amount to residential customers once the customer has demonstrated one year of good payment history. With respect to the criteria for establishing a good payment history, the gas distributors' CSPs are inconsistent. Union's conditions are not specifically set out in its CSP. EPCOR's conditions are similar to those set by the electricity Rules while Enbridge's conditions are different. Specifically, based on Enbridge's CSP, a good payment history is maintained unless the customer has experienced any of the following:

- The customer's account has been in arrears in the last 12 months
- Receipt of a disconnection notice from Enbridge
- A payment provided to Enbridge has been returned for insufficient funds
- The customer's gas has been turned off due to non-payment

¹⁰ In addition to enrolling in the automatic payment plan, Enbridge requires the customer to enter into its paperless billing plan and Union requires enrolment in its equal billing plan.

¹¹ A residential gas customer who has been approved by a Low-Income Energy Assistance Program Intake Agency for Emergency Financial Assistance.

Interest is earned on all security deposits held by the gas distributors. In Enbridge's case, however, deposits held for a total of six months or less will not earn interest.

Practices in other Jurisdictions and Sectors

The review of other jurisdictions shows that most energy utilities and telecom companies require security deposits from customers. However, this requirement is waived for certain customers such as low-income customers and those with satisfactory credit or good payment history with other utilities.

In lieu of a deposit, BC Hydro and energy utilities in Pennsylvania and New Hampshire accept written guarantees from certain individuals. In New Hampshire, the deposit is also waived for those who agree to a pre-authorized payment plan.

Most energy utilities calculate deposit amounts based on the customer's previous consumption. A number of energy utilities allow for the payment of a deposit in installments. Utilities in New York and Nova Scotia Power allow residential customers to pay the deposit in installments over a period of 12 months, while some energy utilities in Pennsylvania allow customers to pay in three installments.

Many utilities and telecom companies refund the deposit amount, with interest, to residential customers after establishment of one year of good payment history.¹² With respect to business customers, the deposit is returned after two years of good payment history in New Jersey, while in New York it is returned after three years.

Utility Feedback

The key message from some of the utilities was that the requirement to apply security deposits to overdue amounts before issuing a disconnection notice reduces the effectiveness of the security deposit as a risk mitigation tool. Other comments and recommendations for changes included the following:

- Increase the maximum security deposit amount to better manage non-payment risk
- Require longer terms for establishment of good payment history
- Remove the requirements to accept payments in monthly installments
- Remove the provision for accepting a letter from another utility
- Establish a fixed security deposit amount based on customer categories: average and high usage

¹² BC Hydro, Pennsylvania, New Jersey, New York, Verizon, Sprint, Rogers, and TELUS.

It is also worth noting that Hydro One Networks Inc. recently changed its policy to return security deposits to small business customers after one year of good payment history.

Customer Feedback

The results of the survey indicate that about half of customers agree that utilities should be allowed to ask for a security deposit. Most customers, however, believe security deposits should not be required from low-income customers. They believe that the security deposit amount should be determined based on the customer's consumption and that the customer be allowed to pay the required amount in installments. Customers further believe that any deposit held by the distributor should be applied to overdue balances to avoid disconnection. Customers are also of the view that the deposit should be returned to them once they have established a good payment history with the utility.

While the Consumer Panel recognized the utilities' needs for security deposits, they were of the view that the Rules should provide some measure of relief for customers including those with no credit history. The suggested measures included payment in installments, special provisions for low-income customers, and allowing for "cross-utility" credit histories to be taken into account.

Analysis & Proposed Changes

The security deposit is a tool available to utilities to manage customer non-payment risk and mitigate bad debts. The OEB is of the view that utilities should continue to have access to this tool. The OEB believes that the current electricity security deposit Rules strike an appropriate balance between facilitating more affordable payments by customers and protecting utilities from an undue increase in bad debt risks.

The results of the OEB's research and customer engagement activities demonstrate that the Rules largely meet customer needs and expectations and are consistent with practices in other jurisdictions. Nevertheless, the OEB identified two of areas that can be improved.

First, as pointed out by members of the Consumer Panel, certain new residential customers may not have a history with other utilities or may not have established a credit history. However, these customers may not necessarily increase the distributors' bad debt risk. As such, in OEB's view, utilities should utilize alternative risk mitigation tools in lieu of a security deposit for these new customers such as enrolment in equal billing and/or preauthorized payment plans.

It is the OEB's view that utilities should waive the security deposit requirement for new residential customers enrolling in the utility's equal billing and/or a pre-authorized payment plan as determined by the utility. This approach balances non-payment risk with the customer benefit of not having to provide a deposit. As indicated above, all three gas distributors currently accept this as a criterion for waiver. It is also the OEB's understanding that a number of electricity distributors also do so voluntarily.

Second, the OEB recognizes that due to consumption fluctuation and risk of default, utilities may need to hold the security deposit of small business customers for a longer period compared to the period for residential customers. The OEB is of the view that three years of payment history is a good indication of the customers' ability and willingness to pay. This is also consistent with practices in a number of other jurisdictions. Therefore, in the OEB's view, utilities should return the deposit to small business customers after demonstrating three years of good payment history instead of the current five years.

OEB Proposal

- Security deposit requirements should be waived for new residential customers enrolling in the utility's equal billing and/or pre-authorized payment plan as determined by the utility
- Security deposits for small business customers should be returned after three years of good payment history

5.2 BILLING AND PAYMENT

5.2.1 Minimum Payment Period

Current Electricity Rules

Payment Period: The minimum payment period before a late payment charge can be applied by an electricity utility must be at least 16 days from the date the bill was issued to the customer.

Time Computation: The date on which a bill was issued is deemed to be three days after it was printed if sent by mail or on the date on which an e-mail was sent if sent by e-mail or over the internet. A bill payment is deemed to be received three days before it is actually received by the electricity utility if sent by mail, on the date when the payment is acknowledged by a bank, or when a credit card payment is accepted by a financial institution. Any payment made after 5:00 p.m. is still effective on the day the payment is made. If a due date is a non-business day, it is extended to the next business day.

Gas Distributors' CSP

Gas distributors are required to address billing and payments in their CSP. Enbridge's CSP indicates that the bill is due upon receipt by the customer, which is considered to be three days after the bill date. In response to a survey question, Enbridge indicated that its minimum payment period before late payment charges apply is 20 days plus a three day grace period. Union provides a period of 20 days from the bill issue date for payment regardless of whether the customer is issued a paper or electronic invoice. EPCOR also provides a period of 20 days from the invoice issue date for payment. When payments are made by mail, EPCOR considers the payments to have been made one day prior to postmark date.

Practices in other Jurisdictions and Sectors

Most of the utilities the OEB looked at provide a payment period of at least 20 days. BC Hydro allows 21 calendar days following the billing date. Hydro-Québec's bills are due within 21 days of the billing date. In Florida, New York and Pennsylvania, utilities allow 20 days for bill payments. If the bill is sent by mail, the period is extended by three days in New York. In Pennsylvania, if payment is sent by mail, it is deemed to have been made on the date of the post mark, and late payment charges cannot be applied unless payment is received five days after the due date. In New Jersey, a utility cannot apply a late payment charge sooner than 25 days after a bill is rendered and cannot assess certain customer classes, including residential customers, a late payment charge. In Maine, the due date of a utility bill must be at least 25 days after the bill is mailed or otherwise delivered to the customer.

Credit card and telecom companies' bill due dates range from 21 days to 30 days.¹³

Utility Feedback

Electricity utilities believe that the current minimum payment period prescribed by the Rules is reasonable especially when considering the time computation Rules. The gas distributors also believe that their respective minimum payment periods and related CSP are reasonable and should not be changed. The utilities argue that they exercise discretion and work with customers to provide special payment arrangements to accommodate specific needs. They therefore believe that there is no need for extending the current timelines. They argue that extending the current due date could have an adverse impact on cash flow and working capital.

¹³Credit Card Companies: Citigroup, US Bank, Chase, TD.
Telecom Companies: Verizon, Sprint, T-Mobile, and Bell.

Customer Feedback

The survey indicates that most customers believe that a minimum of 20 calendar days provides a reasonable period of time for customers to pay their bills, while members of the Consumer Panel prefer 30 days having regard to those on a monthly income. In addition, the Consumer Panel believe that utilities should accommodate customers who may require additional time to pay their bills such as those on a fixed income, seniors and those with other special circumstances. The survey also indicates that most customers believe that being able to choose between two payment due dates (e.g. 1st of the month or 15th of the month) would make it easier to manage energy bills. Members of the Consumer Panel were of the same view.

Analysis & Proposed Changes

The OEB notes that the minimum payment period of 16 calendar days provided by the electricity utilities is shorter than the minimum payment periods provided by utilities in most of the jurisdictions reviewed and does not meet customer expectations. While gas distributors are providing a longer time period, their CSPs regarding when bills and payments are considered to have been received is not consistent with the electricity Rules. Union's 20 day minimum payment period, for example, applies regardless of how the bill was issued. This means the customer will have less than 20 days to arrange payment if the bill was sent by mail.

It is clear from the public survey that customers expect to be provided with at least 20 calendar days to pay their bill. In the OEB's view this is a reasonable expectation and consistent with practices in other jurisdictions. The OEB expects that any increases to the cost of working capital will be outweighed by the benefit of allowing customers a reasonable time to arrange for bill payment and avoid any potential late payment charges.

Furthermore, in the OEB's view, it is important to have rules that clearly establish when the bill is received and when it is paid by the customer. The OEB is of the view that the current electricity time computation Rules relating to bill issuance and payments, as summarized below, continue to be relevant and appropriate:

- A bill will be deemed to have been issued to a customer:
 - If sent by mail, on the third day after the date on which the bill was printed by the utility
 - If made available over the internet, on the date on which an e-mail is sent to the customer notifying the customer that the bill is available for viewing over the internet
 - If sent by e-mail, on the date on which the e-mail is sent

- If sent by more than one of the methods listed, on whichever date of deemed issuance occurs last
- A utility shall apply the following rules for purposes of determining the date on which payment of a bill has been received from a customer:
 - If paid by mail, three days prior to the date on which the distributor receives the payment
 - If paid at a financial institution or electronically, on the date on which the payment is acknowledged or recorded by the customer's financial institution
 - If paid by credit card issued by a financial institution, on the date and at the time that the charge is accepted by the financial institution
- A utility shall apply the following Rules relating to the computation of time:
 - Where there is reference to a number of days between two events, the days shall be counted by excluding the day on which the first event happens and including the day on which the second event happens
 - Where the time for doing an act expires on a day that is not a business day, the act may be done on the next day that is a business day
 - Where an act, other than payment by a customer, occurs on a day that is not a business day, it shall be deemed to have occurred on the next business day
 - Where an act, other than payment by a customer, occurs after 5:00 p.m., it shall be deemed to have occurred on the next business day
- Receipt of a payment by a customer is effective on the date that the payment is made, including payments made after 5:00 p.m.

While extending the minimum payment period to 20 calendar days will assist customers in managing their bills, the OEB agrees with the members of the Consumer Panel that some customers may need more time to pay their bills due to extraordinary circumstances. The OEB, therefore, encourages utilities to continue to work with customers to provide special payment arrangements to accommodate specific needs. Furthermore, the OEB acknowledges that customers see benefits in being able to choose between two payment due dates. As discussed in the section below, equal billing customers choosing to enroll in pre-authorized payment plans should be given a choice of at least two dates within a month for the payment to be withdrawn.

OEB Proposal

The minimum payment period before late payment charges can be applied by a utility should be at least 20 calendar days from the date the bill was issued to the customer.

5.2.2 Equal Billing & Equal Payment Plans

(Note: This Section is not applicable to USMPs)

Current Electricity Rules

An equal monthly payment plan is a payment option whereby an equalized payment amount is automatically withdrawn from a customer's account with a financial institution. An equal billing plan is a billing option where a bill is issued to a customer and the amount due under each bill is equalized over the billing periods in the year. In this case there is no requirement for automatic withdrawals from a financial institution. Under each plan, the accounts are reconciled annually based on the difference between the customer's actual consumption and the equalized monthly amount.

Eligibility: Electricity distributors are required to offer all residential customers receiving standard supply service (i.e. customers not enrolled with retailers) the option to join a prescribed equal monthly payment or an equal billing plan. In particular:

- Where the electricity distributor bills monthly, it must offer to its residential customers either an equal monthly payment option with automatic payment withdrawal or an equal monthly billing option
- Where the billing cycle is less frequent than monthly, the electricity distributor must offer to its residential customers an equal monthly payment plan.
- Where the billing cycle is monthly or bi-monthly, the electricity distributor must offer an eligible low-income customer an equal billing plan

It should be noted that although electricity distributors are not required to extend equal billing or equal monthly payment options to small business customers or residential customers enrolled with retailers, at least 40 of them do so voluntarily.¹⁴

Calculating Equal Monthly Amount: The customer's average monthly billing amount must be calculated by taking the aggregate of the total electricity charges billed to the customer in the preceding 12 months and dividing that value by 12.

Review and Adjustments: Customers' equal monthly payment and equal billing plans must be reviewed quarterly or semi-annually and the equalized payment/billing must be adjusted if electricity consumption or approved charges have changed materially.

¹⁴ 40 electricity distributors of the 62 that responded to the OEB survey of utility practices.

Due Date: Customers on equal payment and equal billing plans must be provided with a choice of at least two dates within a month for automatic payments to be withdrawn or bill payments to be due

Reconciliation: Electricity distributors are required to conduct an annual reconciliation as follows:

IF THE UTILITY OWES THE CUSTOMER		IF THE CUSTOMER OWES THE UTILITY	
Less than the customer's average monthly bill	Equal or more than the customer's average monthly bill	Less than the customer's average monthly bill	Equal or more than the customer's average monthly bill
↓	↓	↓	↓
The amount will be credited to the customer's account	The amount will be credited to the customer's account. The customer will be notified of the credit and will have 10 days to request a refund by cheque instead of the credit on the bill.	The amount will be collected in one lump sum payment	The amount will be collected over 11 months

Gas Distributors' CSP

Gas distributors provide equalized billing plans to residential customers including those supplied by gas marketers. The terms of these plans are set out in the gas distributors' CSP, a summary of which is provided below.

Eligibility: Both Enbridge and Union offer the plan to all residential customers while EPCOR only provides it to those with satisfactory credit. Union is the only gas distributor that also offers the plan to some small business customers.

Calculating Equal Monthly Amount: Enbridge and Union use the customer's gas usage for the previous year and the current gas rates to determine the monthly installments. EPCOR's calculation methodology is not set out in its CSP.

Review and Adjustments: Enbridge conducts, at a minimum, a mid-season review usually at the beginning of the next calendar year. The mid-season review recalculates the customer's monthly installment to ensure accuracy. Customers may request a review at any time. Union's CSP indicates that accounts are reviewed periodically and monthly installments may be adjusted up or down. EPCOR's CSP does not specify whether and how often it conducts account reviews.

Reconciliation: Enbridge's plan runs from September to July (ten months) each year. In July, the accounts are reconciled. The customer's account will be credited if the customer is owed money. However, if the customer chooses to have the amount refunded, the customer can call Enbridge and a cheque will be issued. If the customer is owing Enbridge, the customer's account will be charged. However, if the charge is higher than expected, the customer may call Enbridge to determine suitable payment arrangements. In the month of August, the customer is billed for the actual gas used in the month and the new plan starts again in September. Union reconciles the accounts in August of each year, and EPCOR reconciles them in May of each year, at which point accounts are either charged or credited depending on whether the customer is owing or owed.

Practices in other Jurisdictions and Sectors

The jurisdictional review indicates that most energy utilities in Canada and the U.S. provide residential customers with equal billing plans. Some utilities such as BC Hydro, Hydro-Québec and Con Edison offer the plan to certain non-residential customers as well. Utilities in New Jersey are required to offer the plan to their customers at least twice a year through bill inserts or bill messaging. In New York, utilities are required to offer it at least once a year.

None of the utilities reviewed made automatic payment (withdrawal from the customer's account) a condition of enrollment in the equal billing plan. Most utilities review the equal monthly amounts quarterly and adjust the amount if necessary. Accounts are reconciled once a year and variance balances are provided as a debit or a credit to the customers' accounts.

A number of utilities such as Hydro-Québec and those in Pennsylvania amortize balances based on customer requests. Some utilities, such as BC Hydro and Nova Scotia Power, may cancel the plan if the customer does not maintain credit to the satisfaction of the utility. Hydro-Québec may cancel the plan if the customer misses more than one payment.

Utility Feedback

Electricity distributors identified a number of issues with the OEB-prescribed equal billing and equal payment plans. They indicated that the Rules relating to calculating and adjusting the monthly payment amounts are too restrictive. They argued that basing the monthly amount on previous bills without adjusting for known factors such as rate increases or decreases may not necessarily benefit the customer as the customer may potentially face large balances when the account is reconciled. They suggested that utilities should be allowed the flexibility to calculate the equal monthly amount based on

a reasonable estimate. Similarly, they believe that they should have the flexibility to adjust the monthly amount when necessary. A number of electricity distributors also indicated that, to mitigate their non-payment risk, utilities should be allowed to cancel the plan if the customer misses more than one payment.

At least 40 electricity distributors currently offer equal billing and/or equal payment plans to residential customers enrolled with retailers as well as small business customers. However, some electricity distributors expressed concerns over this practice. They indicated that extending the plans to residential customers enrolled with retailers could lead to adverse impacts on the non-payment risk electricity distributors carry. Specifically, they indicated that it would be difficult to estimate the equal monthly amounts for these customers as the distributor does not have information about the retail contract. They mentioned fluctuations in Global Adjustment charges as another reason. With respect to small business customers, they indicated that it is difficult to predict a business's electricity needs and consumption patterns and that the risk of default is higher for these customers.

Customer Feedback

The survey indicates that both residential and small business customers value equal billing as a budget planning tool. Specifically, 78% of residential customers and 85% of small business customers feel that it is important for utilities to offer equal payment / billing options. Similarly, members of the Consumer Panel valued these billing options. Some indicated that they were not aware that this option was available to electricity customers. It was their view that the plan, including information about reconciliation and treatment of balances, should be proactively communicated and explained to customers.

Analysis & Proposed Changes

Equal Billing v. Equal Payment: The Rules relating to equal billing and equal payment plans were established at a time when electricity distributors' had different billing cycles (monthly, bi-monthly, and quarterly). Therefore, as indicated above, the requirements for providing equal billing and/or equal payment plans were based on whether the distributor was billing monthly or less frequently than monthly.

The Rules were amended in 2015 to require all electricity distributors to issue monthly bills for residential customers (other than seasonal) and small business customers.¹⁵ As

¹⁵ Notice of Amendments to the Distribution System Code dated April 15, 2015 (EB-2014-0198).

a result of this change, all electricity distributors are now required to offer residential customers (other than seasonal) either equal billing or equal payment plans.

The OEB proposes that rather than allowing electricity distributors to offer **either** an equal billing plan **or** an equal payment plan, electricity distributors should offer the equal billing plan to all residential customers.¹⁶ Electricity distributors should provide equal billing customers the option of making pre-authorized automatic monthly payments. Equal billing customers agreeing to pre-authorized automatic monthly payments should be provided the choice of at least two payment dates within a month.

The OEB is of the view that customers will more likely take advantage of the equal billing option if they can choose their payment method based on their preferences and comfort level. As indicated above, gas distributors already provide equal billing to their residential customers without any requirement for enrollment in an automatic/pre-authorized payment plan.

Calculation and Adjustment: As stated above, electricity distributors were of the view that the Rules relating to calculating and adjusting the equal monthly amounts are too prescriptive and often restrict the distributor's ability to accurately estimate the equal monthly amounts. Based on the current Rules the monthly amount is to be calculated by taking the aggregate of the total electricity charges billed to the customer in the preceding 12 months and dividing that value by 12. The OEB acknowledges that this prescribed methodology may have unintended consequences. Strictly using historical billing amounts, without any adjustment, to calculate future bills may result in large variances to be settled at the annual reconciliation. There may be some known factors that should be considered in the calculation to mitigate large annual reconciliation balances. Approved rate changes are examples of known factors. The OEB is also of the view that distributors should have the flexibility to accommodate customer requests to customize the equal monthly billing amounts. Similarly, distributors should also have the flexibility to adjust the equal monthly billing amount at any time to accommodate the customer's request or if the difference between the equal monthly billing amounts and the actual amount is extraordinary. These proposed changes will likely minimize any over- or under-charges to the customer.

Cancellation: Utilities asked for clarity regarding cancellation, and some suggested they should be able to cancel the plan if the customer misses more than one payment. The OEB notes that the current Rules do not address the circumstances under which the equal billing plan can be cancelled by the utility. As mentioned above, cancellation

¹⁶ Except for seasonal customers and customers enrolled with retailers.

rules are prescribed in other jurisdictions, and in the OEB's view, clear and consistent cancellation Rules will minimize risk for customers and distributors alike. The OEB proposes that distributors should be permitted but not required to cancel the customer's equal billing plan after two missed payments under the plan within an equal billing year.

Residential Customers Enrolled with Retailers: The OEB notes that the gas distributors and the majority of electricity distributors extend equal billing or equal payment options to residential customers enrolled with energy retailers¹⁷ voluntarily. Therefore, the OEB does not find it necessary to propose a rule requiring distributors to offer these plans to customers with energy contract¹⁸ at this time. In addition, while the OEB recognizes the benefit of equalized billing and payment options for all customers including those with energy contract, the OEB is of the view that enrollment in these plans may have some unintended consequences for customers with energy contract. Specifically, under the *Energy Consumer Protection Act, 2010* (ECPA), customers can cancel their energy contract(s) up to 30 days after they receive their second bill under the contract without paying a cancellation fee. This allows the customer to see the contract price reflected on the bill and to cancel the contract without any cancellation fee if they choose to do so. Customers on equal billing may not notice the full bill impact of the contract price until such time as the account is reconciled at which point the customer may have to pay a cancellation fee to cancel the contract.

Small Business Customers: With respect to small business customers, the OEB agrees with some of the concerns raised by the electricity distributors in relation to offering equal billing plans to these types of customers. Nevertheless, the OEB recognizes the importance of the availability of these plans to small business customers and is of the view that utility concerns can be addressed by establishing and implementing reasonable eligibility criteria. Specifically, distributors should offer equal billing plan to small business customers subject to the following exceptions:

- Customers enrolled with energy retailers
- Customers with less than 12 months' billing history
- Customers in arrears or whose participation in the plan in the past 12 months was cancelled due to non-payment
- Customers whose consumption pattern is not sufficiently predictable to be estimated on an annual basis with any reasonable degree of certainty

¹⁷ "Energy retailers" is used here to describe electricity retailers and/or gas marketers.

¹⁸ "Energy contract" is used here to describe electricity and/or gas contracts.

Distributors should have the flexibility to waive any or all of the criteria when assessing a small business customer's request for equal billing.

Communication: It was clear from the views expressed by the members of the Consumer Panel that the level of customer awareness of utility billing options is low. In the OEB's view, it is important to proactively inform customers of available programs and plans that may help them in managing their bills. The OEB therefore proposes that distributors should communicate the equal billing plan to eligible customers, at least twice a year, through the customer's preferred method of communication, if known, or otherwise through one or more means that are most effective in making customers aware of the plan. In the OEB's view, this will help customers make informed choices.

OEB Proposal

- Distributors should offer non-seasonal residential customers (except customers enrolled with retailers) an equal billing plan
- Electricity distributors should offer equal billing customers the option of making pre-authorized automatic monthly payments, but automatic payments should not be a pre-condition for enrollment
- Equal billing customers choosing the pre-authorized automatic monthly payment option should be provided with a choice of at least two dates within a month for automatic payments to be withdrawn
- Distributors may adjust the methodology for calculating the customer's average monthly bill to account for known changes and/or to accommodate a customer request
- Distributors may adjust the equal monthly billing amount at any time to accommodate a customer request or if the difference between the equal monthly billing amount and the actual amount is extraordinary¹⁹
- Distributors may cancel the customer's equal billing plan after two missed payments under the plan within an equal billing year
- Distributors should offer the equal billing plan to small business customers subject to the following exceptions:
 - Customers enrolled with energy retailers
 - Customers with less than 12 months' billing history
 - Customers in arrears or whose participation in the plan in the past 12 months was cancelled due to non-payment

¹⁹ As per the current Rules, distributors must continue to review customers' equal monthly billing plans quarterly or semi-annually and adjust the equalized billing if consumption or approved charges have changed materially.

- Customers whose consumption pattern is not sufficiently predictable to be estimated on an annual basis with any reasonable degree of accuracy
- Distributors should communicate the equal billing plan to eligible customers, at least twice a year, through the customer's preferred method of communication, if known, or otherwise through one or more means that are most effective in making customers aware of the plan

5.2.3 Payment by Credit Card

(Note: This Section is not applicable to USMPs)

Current Electricity Rules

Where an electricity distributor has issued a disconnection notice to a residential customer for non-payment, the electricity distributor must, at a minimum, have the facilities and staff available during regular business hours so residential customers can pay overdue amounts by credit card. When an electricity distributor visits a customer's property to disconnect service during or after regular business hours, the electricity distributor must have the facilities or staff available to allow residential customers to pay overdue amounts by credit card and any other form of payment the electricity distributor wishes to accept.

Although not required by the Rules, the vast majority of electricity distributors accept credit cards for regular bill payments through a third party provider. The third party provider charges the customer a fee for paying by credit card.

Gas Distributor's CSP

Similar to the electricity distributors, Enbridge and Union accept credit cards for regular bill payments through a third party provider. However, their CSPs do not specify whether they have facilities and personnel available to accept credit card payments from customers facing disconnection when they visit a customer's property to disconnect service.

Practices in other Jurisdictions and Sectors

It appears from the jurisdictional review that utilities do not directly accept credit cards for regular bill payments. However, most utilities accept such payments through a third party provider. The third party provider charges the customer a fee.

Utility Feedback

A number of utilities indicated that their customers are interested in making payments by credit card including preauthorized payments. However, they stated that customers

are less inclined to make regular payments by credit card when credit card fees are passed onto them. Utilities generally are of the view that providing this payment option should remain at the discretion of the utility given the high cost of processing credit cards.

Customer Feedback

While some customers expect to be able to pay their bills using credit cards, the survey results indicate that the majority would not use credit cards if they were asked to pay the associated service fees. Representatives of low-income customers were not supportive of facilitating the use of credit cards. In their view, this may result in customers accumulating debts at high interest rates to manage utility bills rather than seeking assistance under available programs.

Analysis & Proposed Changes

The OEB recognizes that most service providers in other industries accept payments by credit card directly and it is reasonable for consumers to have that same expectation from their utilities. However, it should be noted that offering such service, without charging a processing fee, can result in increased utility costs which in turn may result in rate increases for all customers including those who do not use credit cards. Given that most customers are not willing to pay the costs associated with the use of credit cards, the OEB is of the view that the acceptance of credit cards for regular bill payments should not be mandated at this time. The OEB acknowledges that many service providers accept credit card payments and while it is not mandating the acceptance of credit card payments at this time, the OEB encourages utilities to provide their customers with alternate payment options including credit card payments.

OEB Proposal

The credit card payment option should remain at the discretion of the utility subject to the following current Rules:

- Where a distributor has issued a disconnection notice to a residential customer for non-payment, the distributor must, at a minimum, have the facilities and staff available during regular business hours so residential customers can pay overdue amounts by credit card issued by a financial institution
- When a distributor visits a customer's property to disconnect service during or after regular business hours, the distributor must have the facilities or staff available to allow residential customers to pay overdue amounts by credit cards issued by a financial institution

5.2.4 Allocation of Payment

Current Electricity Rules

If a bill issued to a residential customer includes charges other than electricity charges (for example, water charges billed on behalf of the municipality), any payment made by the customer must first go directly to the electricity charges and then, if funds are remaining, to the other charges in the following order: arrears agreement payments, outstanding security deposits, under-billing adjustments and then non-electricity charges. If payment is sufficient to cover electricity related charges, the electricity utility shall not levy late payment charges or disconnect the electricity supply.

Gas Distributors' CSP

Gas distributors address payment allocation in their CSP. Enbridge's CSP states that payments are applied to charges based on the oldest billed amounts being paid first. In the event that payment is insufficient to cover all charges invoiced in a month, payments will be allocated to gas charges first. Both EPCOR and Union apply payments to the charges based on the oldest paid first, then based on the priority for the additional charges. For any charges in arrears, payment will be applied to the oldest charges first and any late payment fees will be applied to the outstanding balance. Neither EPCOR nor Union provides joint billing for third party services.

Practices in other Jurisdictions and Sectors

The OEB's jurisdictional review shows inconsistent practices with respect to the allocation of payments by energy utilities that bill for other services in addition to energy. It should be noted, however, that customers have options in some jurisdictions.

In Alberta, for electricity customers on default supply service with EPCOR Energy Alberta GP Inc., where a bill includes charges for both default supply and other services, payment is applied to each service, pro rata, on the basis of the respective amounts for these services. In Manitoba, Manitoba Hydro/Centra Gas customers with gas or combined gas/electric services may direct payment application to any individual product or service on their consolidated billing statement; however, failure to bring the account to good standing will result in applicable disconnection procedures for gas and/or electric services. In Pennsylvania, partial payments received by a public utility without written instructions that they be applied to non-basic charges²⁰ are first applied

²⁰ Merchandise, appliances, special services, meter testing fees or other non-basic charges.

to the basic charges for residential public utility service. In New Jersey, a residential customer who has multiple utilities on the same bill can choose which utility to enter into a deferred payment plan with and have the other utilities be disconnected.

Utility Feedback

A number of electricity distributors reported that they have experienced challenges including customer objections in relation to the prescribed method of allocation. Some indicated that customers do not agree with paying for the current electricity bill that may not even be due yet before they can pay for the non-electricity service (e.g. water) that may be past due. Others stated that customers at risk of water disconnection have made payments to avoid disconnection of water service. However, to comply with the Rules, the payment was applied to the outstanding electricity balance. Notwithstanding these challenges, electricity distributors are generally of the view that allocation of payment based on customer requests will be administratively burdensome and costly. Two distributors recommended that the Rules be changed such that payments be allocated to electricity arrears first and then to non-electricity arrears followed by the current balance for electricity and lastly to non-electricity current balance.

Enbridge is the only gas distributor that currently bills for other services in addition to gas. Enbridge states that in the event of a dispute of charges from a third party biller, it places a temporary lock on the charges in question to prevent future payments being applied to them.

Customer Feedback

The survey indicated that customers agree with the OEB-prescribed allocation of payment. However, through enquiries received by the OEB from customers and consumer representatives, the OEB is aware of customer concerns relating to allocation of payments between energy and non-energy charges for both electricity and gas. Consumer representatives believe that customers should be able to direct the utilities as to how to allocate their payments in certain circumstances.

The Consumer Panel generally did not see the value of allocating payment to energy charges first. In their view, other services that utilities generally bill for are as important as energy. Although Panel members did not agree on one method for allocating payments, their suggestions included the following:

- Allocate payments based on customer requests
- Apply payments to arrears and then to current amounts due
- Pro-rate payments according to the amounts billed
- Allocate payments equally to services

Analysis & Proposed Changes

The objective of the OEB's allocation of payment Rule for electricity is to ensure that if the customer's payment is sufficient to cover electricity charges, the distributor would not levy late payment charges or disconnect the electricity supply. The OEB acknowledges that the Rule may have some unintended consequences as explained by some electricity distributors. With respect to the gas distributors, Enbridge is the only gas distributor that currently bills for other services in addition to gas. While payments are allocated to the oldest billed amount, it appears that Enbridge can stop applying payments to disputed third party charges.

As indicated above, consumers do not seem to agree on a single method for payment allocation. The OEB recognizes that changing the Rules to require utilities to allocate payments based on customer requests might be administratively costly and burdensome. However, the OEB is of the view that customers should be afforded some level of flexibility in directing the application of their payments. The OEB therefore proposes that utilities should allocate payments as per the current electricity Rules ***unless the customer specifically requests otherwise***. In the event the customer requests a different allocation method, the utility should explain the potential impact on the customer's electricity service before processing the customer's request. The OEB does not expect this proposed change to have a significant impact on the utilities' operations as it is reasonable to assume that only a small percentage of customers would potentially make specific requests to the utility as to how they wish payments to be allocated between energy and non-energy charges.

OEB Proposal

- Utilities should allocate payments between energy and non-energy charges as per the current electricity Rules unless the customer specifically requests otherwise
- A utility should explain to a customer requesting a customized allocation method the potential impact on the customer's electricity service before processing the request

5.2.5 Arrears Payment Agreements

Current Electricity Rules

The Rules require electricity utilities to offer residential customers who are unable to pay their outstanding electricity charges the opportunity to enter into an arrears payment agreement (APA). The terms of the APA are prescribed in the Rules including special

terms for APAs to be offered to eligible low-income customers. The terms include the following:

- Any security deposit must be applied to the amounts owing before entering into an APA
- Residential customers may be required to make a down payment of up to 15% (10% for eligible low-income customers) of the arrears plus any accumulated late payment charges (not including other service charges such as reconnection charges) when entering into an APA
- The minimum length of time to pay the amounts owed under APAs are as follows:
 - Five months if the amount owed is less than twice the customer's average monthly bill
 - Ten months if the amount owed is equal to or more than twice the customer's average monthly bill
- With respect to eligible low-income customers, the minimum length of time to pay the amounts owed under APAs are as follows:
 - Eight months if the amount owed is less than or equal to two times the customer's average monthly bill
 - 12 months if the amount owed is more than two and less than or equal to five times the customer's average monthly bill
 - 16 months if the amount owed is more than five times the customer's average monthly bill
- If a residential customer declines an APA then the electricity utility may proceed to disconnect and is not required to offer an APA after disconnection
- Electricity utilities can cancel an APA if the residential customer defaults more than once (more than twice for eligible low-income consumers) on making an arrears payment, a current bill payment, a security deposit due or an under-billing adjustment due. The defaults must occur over at least a two month period
- Customers must be given ten days written notice before an APA can be cancelled, and the APA must be reinstated if the customer pays in full before the cancellation date
- If an APA is terminated early, the electricity utility may require that a residential customer wait one year before entering into another APA
- Residential customers may request a second APA two years after a prior APA was entered into, provided the first APA was successfully completed
- If an eligible low-income customer successfully completes an APA, he or she can request a new APA anytime needed thereafter. However, if a new APA is requested within 12 months of the end of the first successfully completed low-income APA, the distributor may offer the new APA on the terms applicable to the standard residential customer APA

- Outstanding late payment charges need not be waived by an electricity distributor when an eligible customer enters into a low-income arrears agreement; however, such an eligible low-income customer cannot be charged additional late payment charges on the amount that is covered by the APA after he or she has entered into the low-income arrears agreement²¹
- Service charges related to non-payment of accounts are to be waived by electricity distributors when an eligible low-income customer enters into a low-income APA for the first time or after he or she has successfully completed a previous agreement²²

Gas Distributors' CSP

The gas distributors' policies on arrears management plans are covered in their CSP. These CSPs generally indicate that arrears payment management plans are available for customers unable to manage their bills and that the gas utility will work with the customer to find a plan that works for them. They also indicate that the customer will be notified prior to cancelling the plan. With respect to eligible low-income customers, the gas distributors' CSPs indicate that late payment charges will be waived on the payment arrangement balance. In the event that an eligible low-income customer defaults on an APA, then the option to have late payment charges waived with any future APA will no longer be automatically available.

Practices in other Jurisdictions and Sectors

The OEB's review indicates that most U.S. jurisdictions have prescribed standard APA terms for utilities to offer their customers. The prescribed APAs are intended for residential customers. However, some utilities offer APAs to non-residential customers as well, such as utilities in New Jersey and New York. In New Jersey and New York, utilities can require customers to make a down payment as part of the APA. Nova Scotia Power and utilities in Ohio do not apply late payment charges to amounts covered by APAs. The length of the repayment period is dependent on various factors and ranges from three months to 24 months. In some jurisdictions (e.g. Pennsylvania and New Jersey) the regulator can order utilities to enter into an APA. With respect to other sectors, the vast majority of companies looked at offer some sort of payment arrangement for customers unable to pay their bills.

²¹ Not applicable to USMPs.

²² Not applicable to USMPs.

Utility Feedback

Electricity utilities reported limited success rates in relation to the OEB-prescribed APAs. They believe that the APA process and requirements are onerous. They further believe that a more manageable and successful approach would be to allow them to make customized payment arrangements with their customers based on the customer's financial situation. Some utilities indicated that despite the availability of the OEB-prescribed APA, customers and utilities should be allowed to enter into arrangements with terms that may be less flexible than the OEB-prescribed terms (e.g. higher down payment and/or shorter repayment periods) if the customer so chooses. With respect to the application of late payment charges on amounts under APAs, opinions were mixed. Some thought that stopping late payment charges on amounts under APAs may encourage non-payment while others thought that it may help customers. The suggestions made by electricity utilities to improve the current OEB-prescribed APA terms included the following:

- Increased down payment amount
- Shorter repayment period
- Installation of load limiting devices during the APA period
- Enrollment in an equal payment plan and/or a pre-authorized payment plan
- Demonstrated intent to complete the APA

Customer Feedback

Customer responses to questions relating to terms and conditions of APAs suggest that the OEB-prescribed APA meets customer expectations in most areas while other areas require improvement. Customers also believe that they should have the flexibility to negotiate payment arrangements that address their specific needs with their utilities. Members of the Consumer Panel found it important to communicate the APA option to customers as soon it is evident that they are unable to pay their bills to avoid a situation where the accumulated arrears become unmanageable. However, some members were of the view that the Rules should not be lenient to the point of encouraging non-payment behaviour.

Analysis & Proposed Changes

The OEB is of the view that a well-designed APA can assist customers in managing their energy bills. While the terms and conditions of the OEB-prescribed APA for residential customers generally meet customer expectations, the current terms can be improved. Specifically, the current Rules prohibit utilities from applying additional late payment charges on the amount that is covered by the APA for eligible low-income customers. To facilitate a more affordable payment, the OEB proposes that this prohibition should be extended to all residential customers. In the OEB's view, this will

encourage customers with arrears to enter into an APA as soon as possible to avoid further late payment charges. Conversely, applying late payment charges to arrears that a customer is making efforts to manage can exacerbate the financial difficulties faced by the customer. The OEB notes that this proposal is consistent with practices in some other jurisdictions.

Both utilities and residential customers believe that they should be afforded a level of flexibility to negotiate individual agreements to address specific customer needs and situations. The OEB wishes to confirm that under the current framework, the utility is able to negotiate payment plans with the customer provided that it has explained to the customer that the customer has the option of entering into an OEB-prescribed APA if the customer and the utility are not able to agree on customized terms. However, customers entering into negotiated payment plans do not lose their right to the OEB-prescribed APA. That is to say, if the customer does not follow the terms of the negotiated payment plan, the utility is still required to offer the customer the OEB-prescribed APA. It should also be noted that the Rules do not prevent customers who are entering into the OEB-prescribed APA from taking additional steps, such as making additional payments, to manage their arrears.

With respect to small business customers, the Rules do not require utilities to offer any payment plans to those who are unable to pay their bills. The OEB notes that a number of utilities do so voluntarily. Nonetheless, the OEB is of the view that all utilities should offer reasonable payment plans to small business customers unable to pay their bills as small business customers can experience financial difficulties from time to time that may impact their ability to pay their bills on time.

The OEB does not intend to prescribe a standard payment plan for small business customers as it believes that such plans are best developed by utilities taking into account specific customer situations. However, to ensure consistency in application, the OEB finds it desirable to codify the circumstances under which a utility may refuse to offer a payment plan to a small business customer. The OEB finds it reasonable to allow utilities to refuse to offer a payment plan to a small business customer that did not meet its obligation under a prior payment plan until a certain period passes. Specifically, in the event a small business customer failed to perform its obligations under a previous payment plan and the utility terminated the plan, the utility may require that the customer wait 12 months after termination of the previous payment plan before entering into another payment plan.

OEB Proposal

- Distributors should not charge residential customers additional late payment charges on the amount that is covered by the OEB-prescribed APA²³
- Utilities should offer reasonable payment arrangements to small business customers unable to pay their bill. In the event a small business customer fails to perform its obligations under a previous payment plan and the utility terminates the plan, the utility may require that the customer wait 12 months after termination before entering into another payment plan

5.3 DISCONNECTION FOR NON-PAYMENT

5.3.1 Content of Disconnection Notice

Current Electricity Rules

Disconnection notices sent to residential customers must contain information prescribed in the Rules including, but not limited to, the following information:

- The earliest and latest date disconnection may occur
- The forms of payment a customer may use to avoid disconnection
- That an OEB-prescribed standard APA and equal monthly payment plan may be available
- That the following additional assistance may be available to an eligible low-income customer, along with contact information for the utility where the customer can obtain further information about the additional assistance:
 - OEB-prescribed APA, and other expanded customer service provisions, specifically for eligible low-income customers
 - Emergency Financial Assistance
- That a disconnection may take place whether or not the customer is home at the time of disconnection

Gas Distributors' CSP

Gas distributors must include their disconnection for non-payment policies in their CSP. The CSPs of both Enbridge and Union indicate that their written notice of disconnection includes the dates between which gas service can be disconnected and payment options for avoiding disconnection.

²³ Not proposed to be applicable to USMPs.

Practices in other Jurisdictions and Sectors

The jurisdictional review indicates that a number of energy utilities in Canada and the U.S. such as Nova Scotia, New Jersey, New York, and Ohio are required to include information, similar to those required by the OEB Rules, in disconnection notices. Telecom companies also include detailed information in their disconnection notices. AT&T's notice, for example, includes reasons for suspension, dates for disconnection, how a customer may avoid disconnection, and a description of charges for reconnection. Bell's notice includes the reason for the disconnection, the amount owing, the scheduled disconnection date, information on the availability (or not) of deferred payment plans, amount of the reconnection charge (if applicable) and contact information for a Bell representative who can speak about the disconnection.

Utility Feedback

Utilities did not have any substantive comments about the current electricity Rules. However, some suggested that the language around some of the required information could be clarified.

Customer Feedback

The OEB is aware of customer concerns relating to the content of disconnection notices and lack of clarity and specificity. Consumer representatives stressed the importance of a fair and adequate disconnection notice to customers. Specifically, they indicated that customers should have all relevant information in that notice to allow them to take appropriate action to avoid the pending disconnection. They further indicated that notices that do not comply with the Rules should be deemed invalid.

Analysis & Proposed Changes

The current mandatory elements of the disconnection notice for electricity utilities were established in 2007 following extensive research and consultations with consumer and industry stakeholders.²⁴

In the OEB's view, the information prescribed by the Rules to be included in disconnection notices remains important and relevant. The Rules should expressly state that a disconnection notice that does not include all of the required information is invalid, and that any disconnection following such a notice would itself be unlawful. The OEB is also of the view that, except for some required information that is specific to electricity,

²⁴ Customer Service Rules Consultation (EB-2007-0722).

the current electricity Rules relating to notice content are relevant and important for the gas distributors as well.

The OEB intends to make housekeeping amendments to the electricity Rules in this area to separate requirements that might not be applicable to all utilities from information that is mandatory for all utilities to include in the notice. Specifically, the intended amendments will clarify that the requirement to state that the disconnection may occur without attendance at the customer's premises is mandatory for those who may choose to disconnect the customer's service in that manner. Similarly, the requirement to state that the utility may install a load control device at the customer's premises in lieu of disconnection only relates to utilities that intend to do so.

OEB Proposal

- The Rules should expressly state that a disconnection notice issued to a residential customer should include the information prescribed by the Rules, otherwise it is invalid, and any disconnection following such an invalid notice would be unlawful
- Implement housekeeping amendments to the Rules to separate the requirements that apply to all utilities from those that may not apply to all utilities

5.3.2 Disconnection Notice Period and Timing

Current Electricity Rules

Based on the Rules, all customers must receive ten calendar days' notice before being disconnected for non-payment. Residential customers who have provided documentation from a physician that disconnection will pose a significant health risk to the customer or a person that regularly resides with the customer must receive 60 days' notice.

The notice period starts from the date on which the disconnection notice is received by the customer. Where a disconnection notice is sent by mail, the disconnection notice shall be deemed to have been received by the customer on the third business day after the date on which the notice was printed by the electricity utility. If during the disconnection notice period a social service or government agency advises an electricity utility that they are assessing whether a residential customer is eligible for bill payment assistance, the electricity utility must suspend disconnection action for a period of 21 days after receiving notification from the agency.

An electricity utility must act on the disconnection notice within 11 calendar days after the applicable minimum notice period. Failing that, the electricity utility must restart the disconnection process. Electricity utilities must make a reasonable effort to contact a

residential customer one final time, in person or by telephone, prior to disconnecting service at least 48 hours before the scheduled disconnection date. If an electricity utility has been unable to contact a residential customer 48 hours before a planned disconnection, they should generally make a reasonable attempt to communicate with the customer at the door (subject to consideration of the safety and security of utility field staff) to advise that to avoid disconnection payment may be made by credit card.

Gas Distributors' CSP

The CSPs of the gas distributors include their respective minimum disconnection notice period. Both Enbridge and EPCOR reserve the right to disconnect the customer's service upon 48 hours' written notice. Union, however, provides ten days' written notice. All three gas distributors suspend disconnection action for a period of 21 days after receiving notification from a social service or government agency that they are assessing whether a residential customer is eligible for bill payment assistance.

Practices in other Jurisdictions and Sectors

Energy utilities in most of the jurisdictions reviewed are required to provide ten to 14 days' notice prior to disconnection. Some jurisdictions have a maximum period of time in which the utility may disconnect following issuance of notice.

Nova Scotia Power provides 12 days' written notice. Hydro-Québec issues an overdue notice and then a notice of interruption prior to disconnection. The overdue notice is sent at least 15 days prior to the notice of interruption. If the customer does not make satisfactory payment arrangements, a notice of interruption is given at least eight days prior to the date on which Hydro-Québec intends to terminate service. The notice of interruption is valid for a period of 45 days from the date it is sent. In New York, utilities are required to provide 14 days' notice while in Pennsylvania and New Jersey, ten days' notice is required.²⁵ In New Hampshire, utilities are required to provide 14 calendar days' notice of disconnection and have eight business days from the date of the proposed disconnect in which to implement the disconnection.

Telecom companies also provide advance notice of disconnection prior to disconnecting service (Verizon: five days, Sprint: 15 days, Bell: 14 days).

Energy utilities in most of the jurisdictions reviewed are prohibited from disconnecting customers on a day the utility is closed to the public, or the preceding day.

²⁵ In Pennsylvania, the notice remains valid for 60 days.

Utility Feedback

Electricity utilities believe that the minimum ten calendar days' notice requirement is reasonable and should not be changed. However, a large number of electricity distributors indicated that the disconnection window of 11 calendar days following the expiry of the disconnection notice is too short. They explained the challenge of disconnecting customers within the permitted disconnection window due to issues including resourcing, equipment availability and weather.

Other electricity distributors indicated that the narrow window affects the utilities' flexibility to negotiate payment plans with customers. They explained that customers may make payment arrangements that extend to the final days in the disconnection window; if payments are not made as promised, it is often recognized outside the window and the disconnection notice must be re-issued with a new window. Electricity distributors are of the view that extending the disconnection window would provide distributors with further operational flexibility, establish clear expectations for customers when they receive a disconnection notice, and therefore reduce collection costs associated with accounts that have to re-enter the collections cycle.

Customer Feedback

Most customers find 14 calendar days to be reasonable advance notice of service disconnection and believe that there should be a specific period of time in which a disconnection can take place. The OEB is also aware of customer concerns relating to the current notice period and the disconnection window. Customers believe that they should both be longer. Furthermore, consumer representatives believe that, similar to other jurisdictions, a Rule should be established to ban disconnection on a day that the utility is closed to the public and the preceding day.

Analysis & Proposed Changes

Reasonable notice is important prior to disconnecting a customer's electricity or gas services to allow the customer to act. However, the OEB is of the view that a disconnection notice should not be the first step after the customer misses a payment. In the OEB's view, prior to issuing a disconnection notice, the utility should at least issue a reminder/account overdue notice to allow the customer enough time to arrange for payment. In the event the customer does not respond to such a notice by making a payment or a satisfactory payment arrangement, the utility can then provide a reasonable disconnection notice. The OEB proposes that this reminder/account overdue notice should be sent to the customer at least 14 calendar days prior to issuing a disconnection notice. In the OEB's view, this additional step demonstrates good customer service and will increase the likelihood of avoiding disconnection actions.

With respect to the notice of disconnection, as indicated above, currently electricity utilities are required to provide ten calendar days' notice commencing from the date of receipt by the customer. The OEB proposes to extend the current notice period to 14 calendar days from the current ten calendar days. This proposal is consistent with customer expectations and practices in some of the jurisdictions reviewed.

Based on the current Rules, if the notice is sent by mail, it is considered to have been received on the third **business** day after the date on which the notice was printed. The utility then has 11 **calendar** days to disconnect the customer. The OEB acknowledges that utilities may experience operational challenges when calculating these dates as their systems may not accommodate calculating related events based on two different methods. The OEB therefore proposes that if the notice is sent by mail, it should be considered received on the fifth calendar day (as opposed to the third business day) from the date of the notice. This will simplify the calculation of time.

The OEB continues to believe that it is important for the customer to have a reasonable expectation as to when service might be disconnected, and the disconnection notice should not remain valid indefinitely. However, the OEB recognizes that a utility may wish to postpone the disconnection to allow the customer additional time to pay the amount owing, and that in some cases resourcing constraints may not always permit a utility to disconnect service within the current 11 calendar day window. In the OEB's view a 14 calendar day window is more reasonable. This timing provides an appropriate balance between the needs of utilities in terms of operational flexibility and the needs of consumers in terms of certainty regarding the period within which disconnection may occur.

Furthermore, to ensure that customers disconnected for non-payment can arrange for reconnection, the OEB proposes that utilities should not disconnect a customer on a day when the utility is closed to the public to make payment and/or reconnection arrangements or on the day preceding that day. This is consistent with customer expectations and practices in other jurisdictions.

OEB Proposal

- Utilities should provide customers with an “account overdue notice” at least 14 calendar days before the notice of disconnection is issued
- Before disconnecting a customer’s service for reasons of non-payment, a utility should provide the customer with 14 calendar days’ notice²⁶
- Where a disconnection notice is sent by mail, the disconnection notice should be deemed to have been received by the customer on the fifth calendar day after the date on which the notice was printed by the utility
- Utilities should disconnect services within 14 calendar days after the applicable minimum notice period
- Utilities should not disconnect a customer on a day when the utility is closed to the public to make payment and/or reconnection arrangements or on the day preceding that day

5.3.3 Winter Disconnection & Reconnection

(Note: This Section is not applicable to USMPs)

Current Electricity Requirements

On February 22, 2017, amendments to the OEB Act came into force confirming the OEB’s authority to make rules prohibiting the disconnection of low-volume (residential and small business) consumers’ electricity and gas service during certain periods.

On February 23, 2017, the OEB issued a [Decision and Order](#)²⁷ that amended the licences of all electricity distributors to prohibit the disconnection of residential customers from February 24, 2017 to April 30, 2017. These licence conditions were an interim measure to cover the balance of the 2016/17 winter. On November 2, 2017, the OEB issued a subsequent [Decision and Order](#)²⁸ amending the licences of all Ontario electricity distributors to prohibit the disconnection of residential customers by reason of non-payment from November 15th in one year to April 30th in the following year and to require that previously disconnected homes be reconnected at no charge by November

²⁶ In accordance with the current Rules, residential customers who have provided documentation from a physician that disconnection will pose a significant health risk to the customer or a person that regularly resides with the customer, must receive 60 days’ notice.

²⁷ OEB Decision and Order dated February 23, 2017 (EB-2017-0101).

²⁸ OEB Decision and Order dated November 2, 2017 (EB-2017-0318).

15th.²⁹ The conditions also require electricity distributors to remove load control devices that had been installed on residential premises as an alternative to disconnection by November 15th, and banned the installation of new load control devices during the Disconnection Ban Period.

Gas Distributors' CSP

There is currently no regulatory requirement that prohibits disconnection for non-payment at any given time of the year by the gas distributors. Although not addressed in their CSPs, Enbridge and Union indicate that they generally forgo disconnection for non-payment on a voluntary basis during the winter months.³⁰ However, they do not reconnect customers who were previously disconnected for non-payment.

Practices in other Jurisdictions and Sectors

Most of the jurisdictions the OEB reviewed in Canada and the U.S. have policies in place that prohibit or restrict the disconnection of residential customers' electricity or natural gas services for non-payment during winter. The disconnection ban time periods are either based on dates, temperature or a combination of both.

In Alberta, electricity services cannot be fully disconnected between October 15th and April 15th or any other time when the temperature is forecast to be below zero degrees Celsius in the 24-hour period immediately following the proposed disconnection. However, a load limiter can be installed to limit the amount of electricity that can be used during the winter period. Similarly, natural gas services cannot be disconnected between November 1st and April 14th, or at any time when the forecast for the next 24 hours indicates temperatures below zero degrees Celsius.

Hydro-Québec does not interrupt electricity and does not refuse to supply or deliver electricity to a principal residence occupied by a customer whose heating system requires electricity between December 1st and March 31st. At the customer's request, Hydro- Québec re-establishes the service or delivery of electricity to a customer whose heating system requires electricity at a principal residence occupied by the customer on or about December 1st. Manitoba Hydro does not disconnect residential gas and combined gas/electric accounts from October 1st to May 14th. However, it may install a load limiter on the electric service that limits the capacity of the service to 15 amps,

²⁹ For the 2017/2018 disconnection ban period, electricity distributors were required to reconnect customers as soon as possible.

³⁰ Enbridge: from November 1 to April 1. Union: from November 15 to March 31.

which allows enough electrical energy for the furnace fan to run. Natural gas service remains connected throughout the period.

In Pennsylvania, electricity and gas utilities cannot disconnect service between December 1st and March 31st for low-income customers. If a household is shut off prior to December 1st, the utility must attempt to contact the customer and attempt to negotiate an agreement regarding payment of any arrears and restoration of service. In New Jersey, from November 15th through March 15th, electricity and gas utilities cannot disconnect service of low income and vulnerable residential customers provided they produce a down payment of up to 25% of the outstanding balance and agree to a 12-month payment plan. Disconnected customers will also be reconnected if they enter into the same plan. In Ohio, a “Winter Reconnect Order” is issued on an annual basis by the PUC of Ohio. It can be used one time from October 17th through April 14th. The order allows residential customers who are disconnected or being threatened with disconnection the opportunity to pay no more than \$175 to maintain or restore their utility service. If service has already been disconnected, the customer must pay a reconnect fee of no more than \$36. Customers who utilize the order must enter into an extended payment plan on their remaining balance. Customers requesting new natural gas or electric services, who have no previous balance with their utility, may establish service under the order by paying \$175, rather than paying the required security deposit.

Utility Feedback

The potential impact of the winter disconnection ban on the utilities’ operational needs and ways to address it were common themes in the feedback received from utilities. Generally, it is the view of most utilities and their representatives that a broad winter disconnection ban will not address the root cause of customers’ inability or unwillingness to pay and may have unintended consequences for customers. Most utilities agree that without the threat of disconnection, customers do not see the need to make any payment arrangements with their utility and, as a result, will face much higher bills when the ban ends. Some distributors identified the potential for “gaming” by students or other short-term customers who may choose not to pay and leave large unpaid balances on their account.

The majority of electricity distributors recommend the use of load control devices during winter months as an alternative to disconnection. Some suggested that the ban should only apply to low-income and other vulnerable customers. Others suggested that customers should enter into and follow through with some form of payment arrangements during the ban period to remain connected. With respect to the ban

period, some distributors believe that the period should be shortened and others believe that a single range may not fully fit the weather conditions faced by all customers and recommend that the ban period be determined on a regional, not provincial, basis.

Other comments included the following:

- The current reconnection date of November 15th shortens the ban by up to two months as to have all customers reconnected by that date, distributors need to stop disconnecting customers as early as October
- Distributors should be allowed to charge a reconnection fee when reconnecting customers that had been disconnected for non-payment
- Distributors should be allowed to send disconnection notices during the ban so that disconnection can occur immediately after the ban

The gas utilities are of the view that their current practice is reasonable and no Rule relating to winter disconnection is necessary. They have expressed concerns with any potential requirement for reconnecting customers at no charge (similar to the current requirement for the electricity distributors). They indicated that unlike electricity, restoring gas services requires coordination with the customer as the customer needs to be present to allow the utility access to the meter and entry to the customer's home to relight appliances.

Customer Feedback

The OEB's complaint data shows that the most prevalent complaint category year after year is "Disconnection for Non-Payment" by utilities. Customers generally expect greater protection from service disconnection, especially during winter. The public survey also indicates that customers believe that both electricity and natural gas services should not be disconnected during winter. Specifically, 70% of the residential customers indicated there should be specific periods when energy utilities should not be allowed to disconnect customers. The vast majority of these customers (91%) stated that these periods should be the same for both electricity and natural gas and when asked to indicate at which time disconnections should not be able to occur, by far the most common response was during winter. Most customers also believe that utilities should use load control devices as an alternative to disconnections. The Consumer Panel offered different views on disconnection practices. Some thought that the disconnection practice should be banned while others thought that it should be allowed with conditions and consideration of various factors such as weather and individual customer circumstances.

Analysis & Proposed Changes

The reason for disconnecting residential customers' electricity and/or natural gas services for non-payment is understood and accepted by most customers. However, it is clear from the survey results, discussions with the Consumer Panel and discussions with consumer representatives that this practice should be prohibited during winter to protect customers who are unable to pay their bills, from the risk of entering the winter season without heat. With the objective of protecting customers from entering the winter season without electricity for heating purposes, the OEB moved swiftly to ban the disconnection of residential customers by electricity distributors shortly after related amendments to the OEB Act came into force. The ban has been implemented by way of licence conditions. The OEB indicated that the conditions may be revised following the completion of the customer service rules review.³¹

At this time, there is no conclusive information on the impact of the current electricity ban. Based on information filed by electricity distributors under the OEB's Electricity Reporting and Record Keeping Requirements, it appears that the number of residential customers in arrears and the dollar amount of arrears for residential customers decreased in 2017 compared to 2016. It should be noted that in 2017, the ban on disconnection was in effect from February 23rd to April 30th and then from November 15th until the end of the year (and through to April 30, 2018) while there was no ban on disconnection in 2016. However, the OEB recognizes that other factors may have contributed to these results and is of the view that more information is needed to enable the OEB to assess the impact of the ban. With respect to bad debts, while in 2017 the bad debts expense for the overall electricity distribution sector increased as compared to 2016, it was still considerably below the average of the previous four years (i.e. 2013 to 2016). It should also be noted that one particular electricity distributor's amount of bad debt expense represents about 50% of the total electricity distribution sector's bad debt expense in 2017. Excluding this particular distributor's bad debt expense amounts from the total amount for the sector would indicate that the electricity distribution sector's bad debt expense has been fairly stable. The OEB issued a letter to all licensed electricity distributors on March 2, 2018, requesting the monthly tracking and quarterly filing of information relating to customer disconnection, customers in arrears and amount of arrears. This information will be helpful in assessing the impact of the ban and informing any future disconnection policies.

Consistent with customer expectations, the OEB is of the view that natural gas customers should be afforded the same level of protection relating to winter

³¹ OEB Decision and Order dated November 2, 2017 (EB-2017-0318).

disconnection and reconnection practices that is currently in place for electricity customers. The OEB, therefore, intends to establish a winter disconnection ban for gas distributors, similar to the one in place for electricity distributors, by way of amending the GDAR. The OEB recognizes coordination and arrangements with customers are required for the gas distributor to gain access to the customer's home for the purpose of restoring service and relighting appliances safely. The OEB therefore proposes to change the date by which natural gas customers need to be reconnected from November 15th to December 1st. Similarly, the OEB proposes to extend the date by which electricity customers need to be reconnected to December 1st from November 15th. In the OEB's view this will afford both electricity and gas distributors more time to reach and reconnect all customers who had been disconnected for non-payment reasons. However, despite this proposed change, distributors will be expected to make best efforts to reconnect all customers on or before the commencement of the ban.

The OEB intends to review its winter disconnection policy once there is sufficient experience with it.

OEB Proposal

- Current electricity distribution licence conditions relating to winter disconnection ban to remain in effect subject to changing the required reconnection date from November 15th to December 1st.
- Develop winter disconnection and reconnection rules for the gas distributors based on the current licence conditions in effect for electricity distributors as proposed to be amended.

6 NON-PAYMENT OF ACCOUNT CHARGES

(Note: This Section is not currently applicable to USMPs)

Non-payment of account charges relate to utility activities associated with the non-payment of overdue accounts. These charges are described in the OEB's 2006 Electricity Distribution Rate Handbook (2006 EDR Handbook). Distributors are required to apply to the OEB for approval to include any of the charges in their respective tariffs of rates and charges.

Common non-payment of account service charges for electricity distributors are as follows:

- Late Payment Charge – per month
- Late Payment Charge – per annum

- Collection of Account Charge no disconnection – during regular business hours
- Collection of Account Charge – no disconnection – after regular business hours
- Disconnect/Reconnect at meter – during regular business hours
- Disconnect/Reconnect at meter – after regular business hours
- Disconnect/Reconnect at pole during regular business hours
- Disconnect/Reconnect at pole after regular business hours
- Install/Remove load control device – during regular business hours
- Install/Remove load control device – after regular business hours

Non-payment of account service charges for gas distributors are set out in their respective OEB-approved rate orders.

6.1 LATE PAYMENT CHARGE

A monthly interest rate of 1.5% (19.56% per annum) has been established by the OEB as the maximum level of a late payment charge (LPC). They are listed on the electricity distributor's tariff of rates and charges as follows:

Late payment – per month % 1.50

Late payment – per annum % 19.56

The same interest rate is approved for the gas distributors. It should also be noted that the LPC rate applied by most energy utilities in the Canadian and US jurisdictions reviewed is 1.5% per month.

The utility survey results show different applications of the LPC by utilities as follows:

- Application of the monthly rate (1.5%) to unpaid balances: 1.5% compounded monthly is applied to account balances remaining after the expiry of the payment period
- Application of a daily rate:
 - Method #1 (calculated based on monthly rate of 1.5%): The amount that is overdue is multiplied by 1.5% (monthly rate) divided by the average number of days in a month then multiplied by the number of days the bill is overdue. With respect to the number of days, some use the number of days past the bill issue date while some use the number of days past the minimum payment period
 - Method #2 (calculated based on compounded annual rate of 19.56%): The amount that is overdue is multiplied by 19.56% (annual rate) divided by the average number of days in a year then multiplied by the number of days the

bill is overdue. With respect to the number of days, some use the number of days past the bill issue date while some use the number of days past the minimum payment period

The OEB is aware of customer concerns regarding the application of LPCs by utilities. One of the recent issues brought to the OEB's attention, through a customer complaint, was the lack of clarity regarding the manner in which a daily rate is calculated and applied. Members of the OEB's Consumer Panel also emphasized the importance of clarity around the calculation and application of LPC.

A clear description of the approved LPC rate will help both distributors and customers alike and leaves no room for misinterpretation. To ensure that the maximum level of this charge is not exceeded, the OEB is of the view that the current approved rate needs to be more clearly described. Specifically, it should be readily understood that the interest rate of 19.56% is an annual, compounded rate based on the monthly rate of 1.5%. Also, the daily rate should be calculated based on the 1.5% monthly rate, not the 19.56% annual compounded rate.

Furthermore, the OEB agrees with customers that it is important to know how a utility calculates and applies the LPC. The OEB, therefore, proposes to require distributors to clearly describe, in their conditions of service, their late payment policy including the time from when LPCs apply.

OEB Proposal

- The late payment charge be prescribed as follows: **1.5% per month (effective annual rate 19.56% per annum or 0.04896% compounded daily rate)**
- Distributors should clearly describe in their conditions of service their late payment policy including the time from when late payment charges apply

6.2 COLLECTION OF ACCOUNT CHARGE

The OEB's 2006 EDR Handbook states that the Collection of Account Charge is intended to cover the field costs, or part of the costs, of additional collection activities that are beyond the routine of a distributor as a result of an individual customer's non-payment of its account. The Collection of Account Charges' default amounts are as follows:

- Collection of account charge – no disconnection \$30
- Collection of account charge – no disconnection after regular hours \$165

Electricity distributors are required to apply to the OEB for approval to include these charges in their tariffs. An electricity distributor may apply to the OEB for a unique level of charge if adequate justification is provided.

Gas distributors do not have an OEB-approved charge relating to collection of account activities. Also, in their response to the utility survey, none of the gas distributors indicated that they apply such charges.

With respect to electricity distributors, the results of the utility survey indicate that there is inconsistency among the electricity distributors regarding the application of this charge. Specifically, the activities for which this charge is applied vary across the sector. Examples of identified activities include the following:

- Issuing late payment notices
- Issuing final notice of disconnection
- Making a collection trip and collecting payment
- Making a collection trip

The review of other jurisdictions and sectors indicates that this is not a common charge. The policies of those that apply this charge suggest that it is applied when a representative of the utility visits the customer's premise to collect the account (Nova Scotia Power, Énergir (formerly known as Gaz Métro), and Florida Power and Light. None of the telecom companies reviewed had such a charge.

The OEB is aware of concerns expressed by customers and consumer representatives over this charge and its application through a review of customer complaints and discussions with consumer representatives. In their view, it is not reasonable to charge customers who are unable to pay their bills collection fees in addition to late payment charges. They argue that applying this charge may result in an increase in customer arrears to a point that may be unmanageable.

This charge was not meant to recover routine collection activities such as printing and mailing of collection letters. The Collection of Account Charge was meant to recover (fully or in part) the cost of visits to the customer's premise to collect the account provided the account was successfully collected. However, the OEB is now of the view that activities associated with collection of accounts are part of normal business activities and customers should not be charged for them. The OEB acknowledges the issues raised by customers and consumer representatives that customers who are unable to pay their bills will have difficulty paying collection charges in addition to late payment charges. The OEB also accepts the argument that applying this charge may result in an increase in customer arrears to a point that may be unmanageable. The

OEB therefore proposes to eliminate this charge. This proposal is consistent with customer expectations, practices in other jurisdictions, and gas distributors' practices in Ontario.

OEB Proposal

Remove the Collection of Account charge from electricity distributors' approved Tariff of Rates and Charges

6.3 INSTALL/REMOVE LOAD CONTROL DEVICE

A load control device refers to a device that limits or interrupts normal electricity service. A number of electricity distributors use load control devices as an alternative to full service disconnection. However, they are not required to do so. The default amounts for this charge are as follows:

- Install/Remove Load Control Device – during regular hours \$65
- Install/Remove Load Control Device – after regular hours \$185

Electricity distributors are required to apply to the OEB for approval to include these charges in their tariffs. An electricity distributor may apply to the OEB for a unique level of charge if adequate justification is provided.

Gas distributors do not use these types of devices and therefore no similar charges exist for gas distributors. Also, this charge was not found in any of the jurisdictions reviewed by the OEB.

Consumer representatives are of the view that these devices often help customers monitor and reduce their consumption which in turn may help them manage their bills and any accumulated arrears. They therefore believe that utilities should not charge customers for these devices. The OEB agrees with the consumer representatives' views and intends to disallow electricity distributors to apply charges for installation/removal of a load limiter device, either for non-payment or at the customer's request.

OEB Proposal

Remove Install/Remove Load Control Device charge from electricity distributors' approved Tariff of Rates and Charges

6.4 DISCONNECT/RECONNECT CHARGE

The default amounts for electricity Disconnect/Reconnect Charge (D/RC) are as follows:

- Disconnect/Reconnect at meter – during regular hours \$65
- Disconnect/Reconnect at meter – after regular hours \$185
- Disconnect/Reconnect at pole – during regular hours \$185
- Disconnect/Reconnect at pole – after regular hours \$415

Electricity distributors are required to apply to the OEB for approval to include these charges in their tariffs. An electricity distributor may apply to the OEB for a variance of the default charge provided that adequate justification is provided.

Similarly, gas distributors' approved charges are set out in their rate orders.

The OEB understands that some electricity customers can be disconnected and reconnected remotely by electricity distributors. The OEB wishes to confirm that these charges do not apply in remote disconnection / reconnection situations.

The utility survey results indicate that most distributors apply the D/RC at the time of reconnecting the customer. However, other approaches were also reported including applying the charge or at least one-half of the charge at the time of disconnection. The OEB's review of other jurisdictions and sectors shows that energy utilities and telecom companies do charge a fee for reconnecting customers who were disconnected for non-payment. However, no charges were found for disconnecting services.

Through engagements with customers and customer representatives, it became clear that this fee is of concern. They specifically indicate that customers who are experiencing financial difficulties and are making an effort to arrange for payments of their outstanding arrears find it difficult to pay a reconnection fee as well. While members of the Consumer Panel understood the rationale for this charge, they also were of the view that someone who has been disconnected to begin with may not be able to afford these charges. Customers expect increased protection in this area.

The OEB notes that the current name of the charge is confusing and could be misinterpreted. As stated in the 2006 EDR Handbook, the D/RC is intended to recover the physical process of re-establishing power to the customer. Therefore, it makes sense to change the name of the charge to "Reconnection Charge" and apply it to the customer's bill after reconnection.

While distributors should be able to recover the cost of reconnection from certain customers, the OEB is of the view that some measure of relief is necessary to facilitate a more affordable payment. Specifically, the OEB proposes that distributors should allow residential customers to pay this charge in equal installments over a period of three months following the reconnection. The OEB also proposes that eligible low-income customers should not have to pay a reconnection charge. In the OEB's view, eligible low-income customers who are making an effort to arrange for payments of their outstanding arrears should not have to face further hardship to pay a reconnection charge as well.

OEB Proposal

- Change the name of the charge from "Disconnect/Reconnect" to "Reconnection"
- Distributors should apply the charge to the bill following the reconnection and allow residential customers to pay it in equal installments over a period of three months following the reconnection
- Distributors should waive the charge for eligible low-income customers

7 SUMMARY OF OEB PROPOSALS

Regulatory Framework for Gas Distributors

Develop customer service rules (as proposed to be amended), similar to the electricity Rules, for the gas distributors

Unit Sub-meter Providers

All proposals made in this Report apply to USMPs except for those relating to the following:

- Equal billing/equal payment plans
- Emergency credit card payments (to avoid disconnections)
- Discontinuing the application of late payment charges on the amount that is covered by the OEB's prescribed Arrears Payment Agreement for residential customers
- Winter Disconnection & Reconnection
- Non-Payment of Account Charges

Security Deposit

- Security deposit requirements should be waived for new residential customers enrolling in the utility's equal billing and/or pre-authorized payment plan as determined by the utility
- Security deposits for small business customers should be returned after three years of good payment history

Minimum Payment Period

The minimum payment period before late payment charges can be applied by a utility should be at least 20 calendar days from the date the bill was issued to the customer.

Equal Billing

- Distributors should offer non-seasonal residential customers (except customers enrolled with retailers) an equal billing plan
- Electricity distributors should offer equal billing customers the option of making pre-authorized automatic monthly payments, but automatic payments should not be a pre-condition for enrollment
- Equal billing customers choosing the pre-authorized automatic monthly payment option should be provided with a choice of at least two dates within a month for automatic payments to be withdrawn
- Distributors may adjust the methodology for calculating the customer's average monthly bill to account for known changes and/or to accommodate a customer request
- Distributors may adjust the equal monthly billing amount at any time to accommodate a customer request or if the difference between the equal monthly billing amount and the actual amount is extraordinary³²
- Distributors may cancel the customer's equal billing plan after two missed payments under the plan within an equal billing year
- Distributors should offer the equal billing plan to small business customers subject to the following exceptions:
 - Customers enrolled with energy retailers
 - Customers with less than 12 months' billing history
 - Customers in arrears or whose participation in the plan in the past 12 months was cancelled due to non-payment
 - Customers whose consumption pattern is not sufficiently predictable to be estimated on an annual basis with any reasonable degree of accuracy
- Distributors should communicate the equal billing plan to eligible customers, at least twice a year, through the customer's preferred method of communication, if known, or otherwise through one or more means that are most effective in making customers aware of the plan

³² As per the current Rules, distributors must continue to review customers' equal monthly billing plans quarterly or semi-annually and adjust the equalized billing if consumption or approved charges have changed materially.

Payment by Credit Card

The credit card payment option should remain at the discretion of the utility subject to the following current Rules:

- Where a distributor has issued a disconnection notice to a residential customer for non-payment, the distributor must, at a minimum, have the facilities and staff available during regular business hours so residential customers can pay overdue amounts by credit card issued by a financial institution
- When a distributor visits a customer's property to disconnect service during or after regular business hours, the distributor must have the facilities or staff available to allow residential customers to pay overdue amounts by credit cards issued by a financial institution

Allocation of Payment

- Utilities should allocate payments between energy and non-energy charges as per the current electricity Rules unless the customer specifically requests otherwise
- A utility should explain to a customer requesting a customized allocation method the potential impact on the customer's electricity service before processing the request

Arrears Payment Agreement

- Distributors should not charge residential customers additional late payment charges on the amount that is covered by the OEB-prescribed APA³³
- Utilities should offer reasonable payment arrangements to small business customers unable to pay their bill. In the event a small business customer fails to perform its obligations under a previous payment plan and the utility terminates the plan, the utility may require that the customer wait 12 months after termination before entering into another payment plan

Notice of Disconnection Content

- The Rules should expressly state that a disconnection notice issued to a residential customer should include the information prescribed by the Rules, otherwise it is invalid, and any disconnection following such an invalid notice would be unlawful
- Implement housekeeping amendments to the Rules to separate the requirements that apply to all utilities from those that may not apply to all utilities

³³ Not proposed to be applicable to USMPs.

Disconnection Notice Period, Disconnection Window and Timing

- Utilities should provide customers with an “account overdue notice” at least 14 calendar days before the notice of disconnection is issued
- Before disconnecting a customer’s service for reasons of non-payment, a utility should provide the customer with 14 calendar days’ notice³⁴
- Where a disconnection notice is sent by mail, the disconnection notice should be deemed to have been received by the customer on the fifth calendar day after the date on which the notice was printed by the utility
- Utilities should disconnect services within 14 calendar days after the applicable minimum notice period
- Utilities should not disconnect a customer on a day when the utility is closed to the public to make payment and/or reconnection arrangements or on the day preceding that day

Winter Disconnection Policy

- Current electricity distribution licence conditions relating to winter disconnection ban to remain in effect subject to changing the required reconnection date from November 15th to December 1st.
- Develop winter disconnection and reconnection rules for the gas distributors based on the current licence conditions in effect for electricity distributors as proposed to be amended.

Late Payment Charges

- The late payment charge be prescribed as follows: **1.5% per month (effective annual rate 19.56% per annum or 0.04896% compounded daily rate)**
- Distributors should clearly describe in their conditions of service their late payment policy including the time from when late payment charges apply

Collection of Account Charge

Remove the Collection of Account charge from electricity distributors’ approved Tariff of Rates and Charges

³⁴ In accordance with the current Rules, residential customers who have provided documentation from a physician that disconnection will pose a significant health risk to the customer or a person that regularly resides with the customer, must receive 60 days’ notice.

Install/Remove Load Control Device Charge

Remove Install/Remove Load Control Device charge from electricity distributors' approved Tariff of Rates and Charges

Disconnect/Reconnect Charge

- Change the name of the charge from “Disconnect/Reconnect” to “Reconnection”
- Distributors should apply the charge to the bill following the reconnection and allow residential customers to pay it in equal installments over a period of three months following the reconnection
- Distributors should waive the charge for eligible low-income customers

Attachment 1
To Report of the Ontario Energy Board
Customer Service Rules
EB-2017-0183

**Survey of Customer Service Practices
Licensed Electricity Distributors**

Customer Service Rules - Electricity Distributors

BILL ISSUANCE AND PAYMENTS

* 1. What bill payment period do you provide your residential customers?

- ☐ 16 days from the date the bill was issued to the customer
- ☐ A payment period longer than 16 days

If your payment period is longer than 16 days, please specify how long

* 2. What bill payment period do you provide your general service <50kW customers?

- ☐ 16 days from the date the bill was issued to the customer
- ☐ A payment period longer than 16 days

If your payment period is longer than 16 days, please specify how long

* 3. What start date do you use to apply late payment charges?

- ☐ Bill issue date
- ☐ Day after bill payment period expires
- ☐ Other (please specify)

* 4. How do you calculate late payment charges?

- ☐ Based on an annual compounded interest rate
- ☐ Based on a monthly interest rate
- ☐ Other (please specify)

* 5. Please provide the formula you use to calculate late payment charges

* 6. Do you accept credit cards for regular bill payments?

- ☐ No
- ☐ Yes. For both residential and general service <50kW customers
- ☐ Yes. For residential customers only
- ☐ Yes. For general service <50kW customers only

Customer Service Rules - Electricity Distributors

BILL ISSUANCE AND PAYMENTS

* 7. If you do accept credit card payments, please indicate if you...

- ☐ Use a 3rd party payment service
- ☐ Accept payments directly

* 8. Do you (or the 3rd party payment service) charge a fee for the use of credit cards to make payments?

- ☐ No
- ☐ Yes

If Yes, specify the amount

Customer Service Rules - Electricity Distributors

BILL ISSUANCE AND PAYMENTS

* 9. Do you offer an electronic (paperless) billing option?

- ☐ No
- ☐ Yes

If Yes, provide the percentage (%) of customers on this option

* 10. Do you bill for 3rd party services?

- ☐ No
- ☐ Yes

If Yes, specify which other services (e.g. Water, Sewage, etc.)

Customer Service Rules - Electricity Distributors

BILL ISSUANCE AND PAYMENTS

* 11. Have you experienced any challenges (including customer objections) with respect to allocating partial payments in accordance with the requirements of the Distribution System Code (DSC)?

☐ No

☐ Yes

If Yes, describe those challenges

Customer Service Rules - Electricity Distributors

EQUAL MONTHLY PAYMENT AND EQUAL BILLING PLANS

* 12. Are you currently offering equal billing/equal monthly payment plans to general service <50kW customers?

☐ No

☐ Yes

If Yes, provide the percentage (%) of general service <50kW customers that are on equal billing / equal monthly payment plans

* 13. Are you currently offering equal billing/equal monthly payment plans to customers enrolled with a retailer?

☐ No

☐ Yes

If Yes, provide the percentage (%) of retailer enrolled customers that are on equal billing / equal monthly payment plans

Customer Service Rules - Electricity Distributors

DISCONNECTIONS FOR NON-PAYMENT

* 14. Please provide a copy of your notice of disconnection for non-payment of a residential customer's property pursuant to section 4.2.2 of the DSC. Please send the document by e-mail to CSR@oeb.ca under the following subject line: **Utility Name – Disconnection Notice.**

☐ I have copied the information above for reference, and I will email the documentation soon

* 15. Please provide a copy of your notice of disconnection for non-payment of a general service <50kW customer's property. Please send the document by e-mail to CSR@oeb.ca under the following subject line: **Utility Name – Disconnection Notice.**

☐ I have copied the information above for reference, and I will email the documentation soon

* 16. Do you keep copies of each disconnection notice issued?

☐ No

☐ Yes

If Yes, specify retention period

* 17. Before issuing a notice of disconnection for non-payment, do you take other steps to collect payments?

☐ No

☐ Yes

18. If the answer to the question above is "yes", check the steps that apply to you

- ☐ Letters
- ☐ Onsite visits
- ☐ Telephone calls
- ☐ Door hangars
- ☐ Emails
- ☐ Other (please specify)

* 19. Is your answer to the question above applicable to both residential and general service <50kW customers? If no, describe any differences.

- ☐ Yes
- ☐ No

If No, describe the differences

* 20. Do you have a dollar (\$) threshold amount before the disconnection process begins?

- ☐ No
- ☐ Yes

If Yes, specify the dollar amount and indicate how the amount is arrived at (e.g. an absolute amount, based on a formula)

* 21. For residential customers, how many days after the bill issue date do you send or deliver a notice of disconnection for non-payment:

- ☐ 17-30 days
- ☐ 31-60 days
- ☐ 61-90 days
- ☐ Other (please specify)

* 22. For general service <50kW customers, how many days after the bill issue date do you send or deliver a notice of disconnection for non-payment:

- ☐ 17-30 days
- ☐ 31-60 days
- ☐ 61-90 days
- ☐ Other (please specify)

Customer Service Rules - Electricity Distributors

DISCONNECTIONS FOR NON-PAYMENT

* 23. How is your disconnection notice delivered?

- ☐ Hand delivered
- ☐ Regular mail
- ☐ Both

* 24. Are there any operational challenges relating to the DSC requirement to act on the disconnection notice within 11 days after the applicable minimum notice period?

- ☐ No
- ☐ Yes

If Yes, describe those challenges

* 25. Approximately, what percentage of disconnection notices result in full disconnections?

- ☐ 0-25%
- ☐ 26-50%
- ☐ 51-75%
- ☐ 76-100%

* 26. Approximately, what percentage of disconnection notices result in the installation of load limiting devices?

- ☐ 0-25%
- ☐ 26-50%
- ☐ 51-75%
- ☐ 76-100%

* 27. Are there any specific days on which you do not disconnect customers for non-payment reasons?

- ☐ No
- ☐ Yes

If Yes, please list the days (e.g. Fridays, Weekends and statutory holidays, etc.)

* 28. Are there any specific periods during which you do not disconnect customers for non-payment reasons?

- ☐ No
- ☐ Yes

If Yes, specify and provide appropriate details

* 29. Please provide information on charges that you apply in relation to non-payment of accounts (e.g. collection, disconnection, and reconnection charges). The information should include type of charge, amount, application time and frequency of application.

* 30. Are there circumstances where you waive charges relating to non-payment of accounts for residential customers?

☐ No

☐ Yes

If Yes, please provide details

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Customer Service Rules - Electricity Distributors

ARREARS PAYMENT AGREEMENTS

Distributors are required to offer residential customers an Arrears Payment Agreement (APA) that at least meets the terms of the APA set out in the DSC. A distributor in its discretion can offer payment arrangements to its customers that exceed the minimum APA requirements of the DSC.

* 31. Do you offer residential customers APAs that exceed the minimum APA requirements of the DSC?

- ☐ No
- ☐ Yes

If Yes, provide details relating to the terms of your APA, including but not limited to:

- i. Required down payment, if any
- ii. Length of repayment period
- iii. Charges included/excluded in the APA, and
- iv. Number of defaults allowed before cancelling the APA

* 32. When do you generally offer APAs to residential customers unable to pay their bill?

- ☐ Prior to starting the disconnection process
- ☐ As part of the disconnection notice

Please describe the process

* 33. Do you offer APAs to general service <50kW customers who are unable to pay their bill?

☐ No

☐ Yes

If Yes, provide details relating to the terms of such APAs

Customer Service Rules - Electricity Distributors

SECURITY DEPOSITS

* 34. Do you voluntarily choose not to request a security deposit from your residential customers?

☐ Yes

☐ No

If No, please explain why not

* 35. Do you voluntarily choose not to request a security deposit from your general service <50kW customers?

☐ Yes

☐ No

If No, please explain why not

* 36. Are there any operational challenges related to security deposit rules?

☐ No

☐ Yes

If Yes, please describe your challenges

Customer Service Rules - Electricity Distributors

GENERAL

* 37. Approximately what percentage (%) of time do you use the following methods to reach your customers to share general information?

Mail %

Email %

Bill inserts %

Telephone %

E-billing message %

Other % (specify)

* 38. Electricity Distributor name:

* 39. Your name:

* 40. Your email address:

Attachment 2
To Report of the Ontario Energy Board
Customer Service Rules
EB-2017-0183

**Survey of Customer Service Practices
Licensed Unit Sub-Meter Providers**

Customer Service Rules - Unit Sub-Meter Providers

BILL ISSUANCE AND PAYMENTS

* 1. What bill payment period do you provide your residential customers?

- ☐ 16 days from the date the bill was issued to the customer
- ☐ A payment period longer than 16 days

If your payment period is longer than 16 days, please specify how long

* 2. What bill payment period do you provide your general service <50kW customers?

- ☐ 16 days from the date the bill was issued to the customer
- ☐ A payment period longer than 16 days

If your payment period is longer than 16 days, please specify how long

* 3. What start date do you use to apply late payment charges?

- ☐ Bill issue date
- ☐ Day after bill payment period expires
- ☐ Other (please specify)

* 4. How do you calculate late payment charges?

- ☐ Based on an annual compounded interest rate
- ☐ Based on a monthly interest rate
- ☐ Other (please specify)

* 5. Please provide the formula you use to calculate late payment charges

* 6. Do you accept credit cards for regular bill payments?

- ☐ No
- ☐ Yes. For both residential and general service <50kW customers
- ☐ Yes. For residential customers only
- ☐ Yes. For general service <50kW customers only

Customer Service Rules - Unit Sub-Meter Providers

BILL ISSUANCE AND PAYMENTS

* 7. If you do accept credit card payments, please indicate if you...

- ☐ Use a 3rd party payment service
- ☐ Accept payments directly

* 8. Do you (or the 3rd party payment service) charge a fee for the use of credit cards to make payments?

- ☐ No
- ☐ Yes

If Yes, specify the amount

Customer Service Rules - Unit Sub-Meter Providers

BILL ISSUANCE AND PAYMENTS

* 9. Do you offer an electronic (paperless) billing option?

☐ No

☐ Yes

If Yes, provide the percentage (%) of customers on this option

* 10. Do you bill for 3rd party services?

☐ No

☐ Yes

If Yes, specify which other services (e.g. Water, Sewage, etc.)

Customer Service Rules - Unit Sub-Meter Providers

BILL ISSUANCE AND PAYMENTS

* 11. Have you experienced any challenges (including customer objections) with respect to allocating partial payments in accordance with the requirements of the Unit Sub-Metering Code?

☐ No

☐ Yes

If Yes, describe those challenges

Customer Service Rules - Unit Sub-Meter Providers

EQUAL MONTHLY PAYMENT AND EQUAL BILLING PLANS

* 12. Are you currently offering equal billing/equal monthly payment plans to residential customers?

- ☐ No
☐ Yes

If Yes, provide the percentage (%) of residential customers that are on equal billing / equal monthly payment plans

* 13. Are you currently offering equal billing/equal monthly payment plans to general service <50kW customers?

- ☐ No
☐ Yes

If Yes, provide the percentage (%) of general service <50kW customers that are on equal billing / equal monthly payment plans

Customer Service Rules - Unit Sub-Meter Providers

DISCONNECTIONS FOR NON-PAYMENT

- * 14. Please provide a copy of your notice of disconnection for non-payment of a residential customer's property pursuant to section 4.2.5 of the Unit Sub-Metering Code. Please send the document by e-mail to CSR@oeb.ca under the following subject line: **Unit Sub-Meter's Name – Disconnection Notice.**

☐ I have copied the information above for reference, and I will email the documentation soon

- * 15. Please provide a copy of your notice of disconnection for non-payment of a general service <50kW customer's property. Please send the document by e-mail to CSR@oeb.ca under the following subject line: **Unit Sub-Meter's Name – Disconnection Notice.**

☐ I have copied the information above for reference, and I will email the documentation soon

- * 16. Do you keep copies of each disconnection notice issued?

☐ No

☐ Yes

If Yes, specify retention period

- * 17. Before issuing a notice of disconnection for non-payment, do you take other steps to collect payments?

☐ No

☐ Yes

18. If the answer to the question above is "yes", check the steps that apply to you

- ☐ Letters
- ☐ Onsite visits
- ☐ Telephone calls
- ☐ Door hangars
- ☐ Emails
- ☐ Other (please specify)

* 19. Is your answer to the question above applicable to both residential and general service <50kW customers? If no, describe any differences.

- ☐ Yes
- ☐ No

If No, describe the differences

* 20. Do you have a dollar (\$) threshold amount before the disconnection process begins?

- ☐ No
- ☐ Yes

If Yes, specify the dollar amount and indicate how the amount is arrived at (e.g. an absolute amount, based on a formula)

* 21. For residential customers, how many days after the bill issue date do you send or deliver a notice of disconnection for non-payment:

- ☐ 17-30 days
- ☐ 31-60 days
- ☐ 61-90 days
- ☐ Other (please specify)

* 22. For general service <50kW customers, how many days after the bill issue date do you send or deliver a notice of disconnection for non-payment:

- ☐ 17-30 days
- ☐ 31-60 days
- ☐ 61-90 days
- ☐ Other (please specify)

Customer Service Rules - Unit Sub-Meter Providers

DISCONNECTIONS FOR NON-PAYMENT

* 23. How is your disconnection notice delivered?

- ☐ Hand delivered
- ☐ Regular mail
- ☐ Both

* 24. Are there any operational challenges relating to the Unit Sub-Metering Code requirement to act on the disconnection notice within 11 days after the applicable minimum notice period?

- ☐ No
- ☐ Yes

If Yes, describe those challenges

* 25. Approximately, what percentage of disconnection notices result in full disconnections?

- ☐ 0-25%
- ☐ 26-50%
- ☐ 51-75%
- ☐ 76-100%

* 26. Approximately, what percentage of disconnection notices result in the installation of load limiting devices?

- ☐ 0-25%
- ☐ 26-50%
- ☐ 51-75%
- ☐ 76-100%

* 27. Are there any specific days on which you do not disconnect customers for non-payment reasons?

- ☐ No
- ☐ Yes

If Yes, please list the days (e.g. Fridays, Weekends and statutory holidays, etc.)

* 28. Are there any specific periods during which you do not disconnect customers for non-payment reasons?

- ☐ No
- ☐ Yes

If Yes, specify and provide appropriate details

* 29. Please provide information on charges that you apply in relation to non-payment of accounts (e.g. collection, disconnection, and reconnection charges). The information should include type of charge, amount, application time and frequency of application.

* 30. Are there circumstances where you waive charges relating to non-payment of accounts for residential customers?

☐ No

☐ Yes

If Yes, please provide details

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Customer Service Rules - Unit Sub-Meter Providers

ARREARS PAYMENT AGREEMENTS

Unit sub-meter providers are required to offer residential customers an Arrears Payment Agreement (APA) that at least meets the terms of the APA set out in the Unit Sub-Metering Code. Unit sub-meter providers can offer payment arrangements to their customers that exceed the minimum APA requirements of the Unit Sub-Metering Code.

* 31. Do you offer residential customers APAs that exceed the minimum APA requirements of the Unit Sub-Metering Code

☐ No

☐ Yes

If Yes, provide details relating to the terms of your APA, including but not limited to:

- i. Required down payment, if any
- ii. Length of repayment period
- iii. Charges included/excluded in the APA, and
- iv. Number of defaults allowed before cancelling the APA

* 32. When do you generally offer APAs to residential customers unable to pay their bill?

☐ Prior to starting the disconnection process

☐ As part of the disconnection notice

Please describe the process

* 33. Do you offer APAs to general service <50kW customers who are unable to pay their bill?

☐ No

☐ Yes

If Yes, provide details relating to the terms of such APAs

Customer Service Rules - Unit Sub-Meter Providers

SECURITY DEPOSITS

* 34. Do you voluntarily choose not to request a security deposit from your residential customers?

☐ Yes

☐ No

If No, please explain why not

* 35. Do you voluntarily choose not to request a security deposit from your general service <50kW customers?

☐ Yes

☐ No

If No, please explain why not

* 36. Are there any operational challenges related to security deposit rules?

☐ No

☐ Yes

If Yes, please describe your challenges

Customer Service Rules - Unit Sub-Meter Providers**GENERAL**

* 37. Approximately what percentage (%) of time do you use the following methods to reach your customers to share general information?

Mail %	<input type="text"/>
Email %	<input type="text"/>
Bill inserts %	<input type="text"/>
Telephone %	<input type="text"/>
E-billing message %	<input type="text"/>
Other % (specify)	<input type="text"/>

* 38. Unit Sub-Meter Provider name:

* 39. Your name:

* 40. Your email address:

Attachment 3
To Report of the Ontario Energy Board
Customer Service Rules
EB-2017-0183

**Survey of Customer Service Practices
Rate-Regulated Natural Gas Distributors**

Customer Service Rules - Natural Gas Distributors

BILL ISSUANCE AND PAYMENTS

* 1. What bill payment period do you provide your residential customers?

- ☐ 16 days from the date the bill was issued to the customer
- ☐ A payment period longer than 16 days

If your payment period is longer than 16 days, please specify how long

* 2. What bill payment period do you provide your small business customers?

- ☐ 16 days from the date the bill was issued to the customer
- ☐ A payment period longer than 16 days

If your payment period is longer than 16 days, please specify how long

* 3. What start date do you use to apply late payment charges?

- ☐ Bill issue date
- ☐ Day after bill payment period expires
- ☐ Other (please specify)

* 4. How do you calculate late payment charges?

- ☐ Based on an annual compounded interest rate
- ☐ Based on a monthly interest rate
- ☐ Other (please specify)

* 5. Please provide the formula you use to calculate late payment charges

* 6. Do you accept credit cards for regular bill payments?

- ☐ No
- ☐ Yes. For both residential and small business customers
- ☐ Yes. For residential customers only
- ☐ Yes. For small business customers only

Customer Service Rules - Natural Gas Distributors

BILL ISSUANCE AND PAYMENTS

* 7. If you do accept credit card payments, please indicate if you...

- ☐ Use a 3rd party payment service
- ☐ Accept payments directly

* 8. Do you (or the 3rd party payment service) charge a fee for the use of credit cards to make payments?

- ☐ No
- ☐ Yes

If Yes, specify the amount

Customer Service Rules - Natural Gas Distributors

BILL ISSUANCE AND PAYMENTS

* 9. Do you offer an electronic (paperless) billing option?

☐ No

☐ Yes

If Yes, provide the percentage (%) of customers on this option

Customer Service Rules - Natural Gas Distributors

EQUAL MONTHLY PAYMENT AND EQUAL BILLING PLANS

* 10. Are you currently offering equal billing/equal monthly payment plans to small business customers?

- ☐ No
- ☐ Yes

If Yes, provide the percentage (%) of small business customers that are on equal billing / equal monthly payment plans

* 11. Are you currently offering equal billing/equal monthly payment plans to customers enrolled with a gas marketer?

- ☐ No
- ☐ Yes

If Yes, provide the percentage (%) of gas marketer enrolled customers that are on equal billing / equal monthly payment plans

Customer Service Rules - Natural Gas Distributors

DISCONNECTIONS FOR NON-PAYMENT

* 12. Please provide a copy of your standard notice of disconnection for non-payment of:

- a) Residential customer's property
- b) Small business customer's property

Please send the document by e-mail to CSR@oeb.ca under the following subject line: **Utility Name – Disconnection Notice.**

☐ I have copied the information above for reference, and I will email the documentation soon

* 13. Do you keep copies of each disconnection notice issued?

- ☐ No
- ☐ Yes

If Yes, specify retention period

* 14. Before issuing a notice of disconnection for non-payment, do you take other steps to collect payments?

- ☐ No
- ☐ Yes

15. If the answer to the question above is "yes", check the steps that apply to you

- ☐ Letters
- ☐ Onsite visits
- ☐ Telephone calls
- ☐ Door hangars
- ☐ Emails
- ☐ Other (please specify)

* 16. Is your answer to the question above applicable to both residential and small business customers? If no, describe any differences.

- ☐ Yes
- ☐ No

If No, describe the differences

* 17. Do you have a dollar (\$) threshold amount before the disconnection process begins?

- ☐ No
- ☐ Yes

If Yes, specify the dollar amount and indicate how the amount is arrived at (e.g. an absolute amount, based on a formula)

* 18. For residential customers, how many days after the bill issue date do you send or deliver a notice of disconnection for non-payment:

- ☐ 17-30 days
- ☐ 31-60 days
- ☐ 61-90 days
- ☐ Other (please specify)

* 19. For small business customers, how many days after the bill issue date do you send or deliver a notice of disconnection for non-payment:

- ☐ 17-30 days
- ☐ 31-60 days
- ☐ 61-90 days
- ☐ Other (please specify)

Customer Service Rules - Natural Gas Distributors

DISCONNECTIONS FOR NON-PAYMENT

* 20. How is your disconnection notice delivered?

- ☐ Hand delivered
- ☐ Regular mail
- ☐ Both

* 21. Approximately, what percentage of disconnection notices result in full disconnections?

- ☐ 0-25%
- ☐ 26-50%
- ☐ 51-75%
- ☐ 76-100%

* 22. Are there any specific days on which you do not disconnect customers for non-payment reasons?

- ☐ No
- ☐ Yes

If Yes, please list the days (e.g. Fridays, weekends and statutory holidays, etc.)

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* 23. Are there any specific periods during which you do not disconnect customers for non-payment reasons?

☐ No

☐ Yes

If Yes, specify and provide appropriate details

* 24. Please provide information on charges that you apply in relation to non-payment of accounts (e.g. collection, disconnection, and reconnection charges). The information should include type of charge, amount, application time and frequency of application.

* 25. Are there circumstances where you waive charges relating to non-payment of accounts for residential customers?

☐ No

☐ Yes

If Yes, please provide details

Customer Service Rules - Natural Gas Distributors

ARREARS PAYMENT AGREEMENTS

* 26. Please describe the Arrears Payment Agreements (APA) offered to your residential customers including details on:

- i. Required down payment, if any
- ii. Length of repayment period
- iii. Charges included/excluded in the APA, and
- iv. Number of defaults allowed before cancelling the APA

* 27. When do you generally offer APAs to residential customers unable to pay their bill?

- ☐ Prior to starting the disconnection process
- ☐ As part of the disconnection notice

Please describe the process

* 28. Do you offer APAs to small business customers who are unable to pay their bill?

- ☐ No
- ☐ Yes

If Yes, provide details relating to the terms of such APAs

Customer Service Rules - Natural Gas Distributors

SECURITY DEPOSITS

* 29. Do you voluntarily choose not to request a security deposit from your residential customers?

☐ Yes

☐ No

If No, please explain why not

* 30. Do you voluntarily choose not to request a security deposit from your small business customers?

☐ Yes

☐ No

If No, please explain why not

Customer Service Rules - Natural Gas Distributors

GENERAL

* 31. Approximately what percentage (%) of time do you use the following methods to reach your customers to share general information?

Mail %

Email %

Bill inserts %

Telephone %

E-billing message %

Other % (specify)

* 32. Gas Distributor name:

* 33. Your name:

* 34. Your email address:

Attachment 4
To Report of the Ontario Energy Board
Customer Service Rules
EB-2017-0183

OEB Staff Meetings with Utilities and Consumer Representatives

Stakeholders	Meeting Date
Gas distributors	March 8, 2018
Electricity Distributors (Coalition of Large Distributors, Cornerstone Hydro Electric Concepts Association, Electricity Distributors' Association)	March 9, 2018
Unit sub-meter providers & Ontario Energy Association	March 12, 2018
Six Nations of the Grand River Territory	March 15, 2018
Ontario Chamber of Commerce	March 19, 2018
Low Income Energy Network	March 20, 2018
United Way Bruce Grey	March 20, 2018
Vulnerable Energy Consumers Coalition	March 20, 2018