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BY EMAIL AND WEB POSTING

July 9, 2020

**To: All Licensed Electricity Distributors  
All Licensed Unit Sub-Meter Providers  
All Rate Regulated Gas Distributors**

**Re: Guidance on Utility Processes for Disconnection for Non-Payment and  
Related Enhanced Customer Service Rules**

The purpose of this letter is to provide guidance to licensed electricity distributors, rate-regulated gas distributors, and licensed unit sub-meter providers (utilities) on the Ontario Energy Board's (OEB) customer service rules (Rules) regarding disconnection of service for non-payment. These Rules are set out in the Distribution System Code (DSC), Unit Sub-Metering Code (USMC) and the Gas Distribution Access Rule (GDAR). Amendments to these Rules for electricity consumers and new Rules for gas consumers came into force on March 1, 2020 that enhanced the level of protection for both electricity and gas consumers.<sup>1</sup>

On March 19, 2020, in response to the COVID-10 pandemic, the OEB amended the licences of all electricity distributors, by way of a Decision and Order (Decision) to ensure that residential and small business (low-volume consumers) are not disconnected for non-payment until August 1, 2020.<sup>2</sup> The conditions set out in that Decision apply despite the Rules for electricity distributors under the DSC. That Decision prohibits an electricity distributor from disconnecting or issuing a notice of disconnection to low-volume consumers until August 1, 2020.

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<sup>1</sup> See [Notice of Amendments to Codes and a Rule dated March 14, 2019](#).

<sup>2</sup> [EB-2020-0109] While this decision did not apply to customers of gas or USMP customers, Enbridge Gas, EPCOR and most large USMPs announced they would also not be disconnecting customers for non-payment until August 1, 2020.

As part of a review of consumer complaints related to the disconnection of residential customers for non-payment throughout 2019, a number of issues relating to the disconnection processes and notices of some electricity utilities were identified and subsequently addressed. Among the most common issues identified by the OEB were failure to provide the minimum notice period and failure to clearly communicate and/or include all of the OEB-prescribed information in the notice of disconnection.

In light of the issues identified as a result of the review and the March 1, 2020 changes to the Rules, OEB staff is providing the following guidance to utilities.

### **Minimum Disconnection Notice Period and Associated Processes and Timelines**

The Rules establish the minimum payment period before late payment charges can be applied to be at least 20 calendar days from the date the bill is issued to the customer.<sup>3</sup> Upon expiry of the minimum payment period, the utility may start collection actions if payment of the amount due is not made by the customer. At least seven days before issuing a disconnection notice for non-payment, a utility must deliver an account overdue notice to the customer.<sup>4</sup>

Customers must be provided with a minimum 14 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.<sup>5</sup> The notice period starts from the date on which the disconnection notice is deemed to have been received by the customer.<sup>6</sup> A utility must act on the disconnection notice within 14 days after the applicable minimum notice period ends. If no disconnection occurs within this 14-day period, the utility must restart the disconnection process.<sup>7</sup> Reasonable efforts to contact the customer in person or by telephone to advise the disconnection will occur must take place at least 48 hours prior to the date of disconnection.<sup>8</sup>

Utilities must not disconnect customers on a day when they are closed to the public to make payment and/or reconnection arrangements, or on the day before that day.<sup>9</sup> For example, September 4, 2020 is a Friday; if a utility is not open to take payment from

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<sup>3</sup> Section 2.6.3 of the DSC, 4.5.3 of the USMC, 9.3.3 of the GDAR.

<sup>4</sup> Section 4.2.4A of the DSC, 4.2.7A of the USMC, 9.6.14 of the GDAR.

<sup>5</sup> Section 4.2.3 of the DSC, 4.2.6 of the USMC, 9.6.12 of the GDAR.

<sup>6</sup> For example, if a disconnection notice is deemed to have been received on May 5, day 1 of the minimum notice period is May 6. The deemed date of receipt is determined based on the means of delivery as specified in Section 4.2.3.1 of the DSC, 4.2.6A of the USMC, and 9.6.13 of the GDAR)

<sup>7</sup> Section 4.2.2.3 of the DSC, 4.2.5F of the USMC, 9.6.7 of the GDAR.

<sup>8</sup> Section 4.2.2.4 of the DSC, 4.2.5G of the USMC, 9.6.8 of the GDAR.

<sup>9</sup> Section 4.2.5(d) of the DSC, 4.2.7B of the USMC, 9.6.19 of the GDAR.

customers on Saturday, September 5, 2020, then a customer may not be disconnected on September 4, 2020.

### **Content of Disconnection Notice**

Disconnection notices sent to residential customers must contain information prescribed in the Rules including, but not limited to:<sup>10</sup>

- The earliest and latest date disconnection may occur
- The forms of payment a customer may use to avoid disconnection
- That an OEB-prescribed standard arrears management program 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 arrears management program, and other expanded customer service provisions, specifically for eligible low-income customers
  - Emergency Financial Assistance

### **Staff Guidance**

OEB staff also wishes to provide guidance on certain issues related to the application of the Rules:

- Utilities are expected to review the Rules relating to the computation of time and ensure that they are applied correctly. An example of the timelines for disconnection for non-payment is provided below by way of illustration:
  - August 4, 2020 – account overdue notice delivered
  - August 11 – disconnection notice issued (via mail)
  - August 16 – notice deemed received
  - August 17 to August 30 – 14-day minimum disconnection notice period
  - August 31 to September 13 – 14-day disconnection window (note: actual disconnection cannot occur on a day the utility is closed for payment, or the day before it is closed – i.e. if the utility is closed on Saturday, September 12 and Sunday, September 13, the last possible day for disconnection would be Thursday, September 10)
- While disconnection notices may be sent by email in addition to the methods set out in the Rules, for the purpose of compliance with the applicable OEB-

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<sup>10</sup> Section 4.2.2 of the DSC, 4.2.5A of the USMC, 9.6.2 of the GDAR.

prescribed timelines, utilities will be assessed on the basis of the physical disconnection notice copies sent via mail, courier, or posted at a customer's property.

- Utilities must not threaten the disconnection of electricity/gas services, as applicable, for amounts owed in relation to other services such as water.
- The account overdue notice is a stand-alone collection activity and should not be combined with other collection activities.<sup>11</sup> Furthermore, it should not include language threatening disconnection. In determining the means of delivery, utilities are expected to exercise due diligence and take steps to ensure that the communication method used is the most effective for reaching the customer.
- Where a utility agrees to process a residential customer's request to apply payment to other services first instead of electricity, the OEB expects utilities to provide the customer with any relevant information (e.g. potential impact on the customer's electricity or gas services as applicable) to help the customer make an informed decision.

Utilities are reminded that if a consumer is disconnected when a distributor has issued a non-compliant Disconnection Notice, the utility does not have the authority to proceed with the disconnection of that customer. OEB staff will treat such a disconnection as non-compliant and the utility may be subject to enforcement action. Any customer disconnected as a result of a non-compliant notice or disconnection process must in OEB staff's view be immediately reconnected and any charges for reconnection waived.

Any enquiries relating to this letter should be directed to the OEB's Industry Relations Enquiry e-mail at [IndustryRelations@oeb.ca](mailto:IndustryRelations@oeb.ca).

Yours truly,

*Original signed by*

Brian Hewson  
Vice President  
Consumer Protection & Industry Performance

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<sup>11</sup> On-bill notification of overdue balances, for example, is not an acceptable form of an account overdue notice.