

Customer Service Issues and Arrears Management Program

Consultation on Energy Issues Relating to Low Income Consumers

EB-2008-0150

September 24, 2008

City of Hamilton



Hamilton

Topics for Discussion

- Arrears Management Program
- Statistics
- Evaluation
- Shelter Allowance
- Social Assistance Benefits
- Funding Available
- Utilities Arrears Coordinating Group
- Payments
- Disconnection Notice
- Security Deposit
- Service Fees



Arrears Management Program

City of Hamilton's Utilities Arrears Program was introduced in 2002

Who is eligible:

- o Ontario Works (OW) participants
- o Ontario Disability Support Program (ODSP) recipients
- o Low Income (working poor, seniors, fixed income)



City of Hamilton's Arrears Management Program

Definition of Utilities Arrears = hydro arrears, water arrears, fuel arrears, reconnections and/or security deposits.

Funding:

- Up to \$1,500 in assistance per year for families with children & up to \$799 in assistance per year for singles and couples without children
- Request will be made to stop shut-off notice immediately
- Approved assistance will be paid directly to utility company



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2007 UTILITIES ARREARS PROGRAM-PROGRAM STATISTICS & BUDGET ACTUALS

Clientele	Number of House- holds	Heat	Hydro (incl. water)	Total
OW	1685	\$266,565	\$525,146	\$714,505
ODSP	148			\$77,206
Low Income	494	\$98,479	\$114,236	\$212,715
Total	2327	\$365,044	\$639,382	\$1,004,426



**17% increase in expenditures over 2006

***20% in households access the program

Evaluation-October 2007 Review

OW Caseload Size 9,382

(total recipients 21,682)

Measure	Single/Couples	Families with Children
# of households assisted	36	98
Average Family size	1.1	3.3
Subsidized Rent	19%	32%
Owned Accommodation	3%	8%
Average Rent	\$450	\$683
Average # of issuance <12 months	1.3	1.7
Average amount of issuance	Gas \$316 Hydro \$342	Gas \$612 Hydro \$502
assistance with heating	17%	39%
Assistance with hydro	92%	86%
Received CSUMB for utilities	12% average issuance \$214	18% average issuance \$435



Shelter Allowances

OW/ODSP
recipients
receive a shelter
allowance
based on actual
shelter costs to
a maximum
amount

Renters & Owners		
Family Size	Maximum Allowance	
	OW	ODSP
1	349	445
2	549	700
3	595	759
4	647	825
5	697	889
6 & more	723	922



Social Assistance

- Shelter costs may include actual costs of utilities, security deposits and reconnection fees
- December 2004 the mandatory benefit known as Community Start Up was changed to include “maintenance”:
 - o \$1500 within 24 months for families with children
 - o \$799 within 24 months for singles/couples with no children



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2008 UTILITIES ARREARS PROGRAM-BUDGET

2008 POTENTIAL FUNDING AVAILABLE FOR UTILITIES PROGRAMS (incl. administration costs)

Target Group	Funding Source			Total Potentially Eligible in 2008
	City of Hamilton-Water & Wastewater budget administered by OW	Ministry of Community & Social Services 80% (cost shared with OW as a discretionary benefit)	Ministry of Community & Social Services 100% (Energy Emergency Fund)	
Ontario Works	\$350,000	\$1,400,000	\$0	\$1,750,000
Ontario Disability Support Program				
Low Income (working poor, seniors, fixed income)	\$150,000	\$0	\$101,948	\$251,948
All Target Groups	\$500,000	\$1,400,000	\$101,948	\$2,001,948



City of Hamilton's 2008 UTILITIES ARREARS PROGRAM- PROGRAM STATISTICS & BUDGET ACTUALS Q2 2008

Target Group	Number of Households	Average issuance	Heat	Hydro	Total
OW	481	\$426	\$90,047	\$145,063	\$210,630
ODSP	37	\$617			\$24,480
Low Income	124	\$503	\$42,659	\$41,690	\$84,349
Total	642	\$515	\$132,706	\$186,753	\$319,459
YTD	1311		\$219,275	\$392,334	\$611,609

*10% increase from Q2 2007



City of Hamilton's Utilities Arrears Coordinating Group

Objective:

Ensure that dollars allocated for Utilities Assistance Programs are appropriately accessed and maximized so that clients receive the maximum benefits available and that funding is also used efficiently.



Membership

- Ontario Disability Support Program
- Share the Warmth
- Horizon Utilities Corporation
- Community Agencies
- Ontario Works
- Access & Equity Co-ordinator
- Senior Financial Analyst, Finance & Corporate Services
- Water Division
- Property Inspection (Vital Services)
- Housing Division



Payment Periods

Allow customer to select payment date (1st to 3rd of each month)

Challenge:

- Fixed income
- Equal billing
- Automatic banking withdrawal
- Account in “good standing”



Disconnection Notice

- Variety of methods used to communicate with customer
- When customer has history of arrears; timelines change
- Better communication regarding programs and possible solutions
- Important to have Proactive approach NOT reactive-communication and marketing



Security Deposits

Requirement for Security Deposits should be discontinued when an Agency or Government Program is providing assistance

Review of Utilities Arrears paid to Horizon Utilities between January – May 2005 completed:

- **27% went to security deposits**
- **2% set up fees**



Security Deposits

- Calculation of the deposits varies and often not negotiable
- Difficulty for customers which are disconnect from heating source
- Recalculation may occur once a customer becomes a risk



Security Deposits

- In 2005, OEB revision to the security deposits policy which allowed security deposits to be refunded to 3rd party payer
- City of Hamilton requested repayment on Security Deposits; returns are minimal
- Received \$10,170 in 2007



Service Fees

- Fee variance for disconnection for different methods and times
- Charges for the disconnection of load limiters
- Combining arrears from previous bad debts/name changes
- Arrears owing when multiple names on accounts or when separation in a spousal relationship
- Interest and/or late payment charges



Questions?

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