

Policy 2.02 – BILLING AND PAYMENT POLICY

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2.02.01 PURPOSE

This policy describes the terms and conditions distributors will use for billing and receiving payments on customer accounts while complying with the applicable legislation and codes.

2.02.02 POLICY STATEMENT

A distributor will comply with the billing and payment of account requirements as defined in the Distribution System Code, Retail Settlement Code, Standard Supply Service Code, and the Distribution Rate Handbook.

2.02.03 FREQUENCY AND NOTICE OF CUSTOMER RECLASSIFICATION AND NOTICE OF kVA BILLING

A distributor shall, at least once in each calendar year, review each non-residential customer's rate classification to determine whether, based on the rate classification requirements set out in the distributor's rate order, the customer should be assigned to a different rate class. Other than at the request of the non-residential customer a distributor may not change a non-residential customer's rate classification more than once in any calendar year (*Ref: DSC 2.5.1*).

A distributor shall review a non-residential customer's rate classification upon being requested to do so by the customer to determine whether, based on the rate classification requirements set out in the distributor's rate order, the customer should be assigned to a different rate class. A distributor is not required to respond to more than one such customer request in any calendar year (*Ref: DSC 2.5.2*).

A distributor may review a non-residential customer's rate classification at any time if the customer's demand falls outside the upper or lower limits applicable to the customer's current rate classification for a period of five consecutive months (*Ref: DSC 2.5.3*).

A distributor shall review a non-residential customer's rate classification upon being requested to do so by the customer at any time if the customer's demand falls outside the upper or lower limits applicable to the customer's current rate classification for a period of five consecutive months (*Ref: DSC 2.5.4*).

Where a distributor assigns a non-residential customer to a different rate class as a result of a review initiated by the distributor, the distributor shall give the customer written notice of the

reclassification no less than one billing cycle before the reclassification takes effect for billing purposes (*Ref: DSC 2.5.5*).

A distributor that charges a non-residential customer on the basis of 90% of the kVA reading of the customer's meter rather than on the basis of the kW reading of the customer's reading shall include on all bills issued to that customer a message to the effect that billing is based on 90% of the kVA reading (*Ref: DSC 2.5.6*).

2.02.04 BILLING CYCLE

A distributor shall issue a bill to each non-seasonal residential customer and each general service < 50kW customer on a monthly basis (*Ref: DSC 2.6.1A*)

Despite any other provision of this policy and despite the billing cycle that would otherwise be applicable based on the distributor's normal practice as documented in its Conditions of Service, in managing customer non-payment risk a distributor may:

- a) bill a customer on a bi-weekly basis, if the value of that customer's electricity bill over 12 consecutive months falls between 51% and 100% of the distributor's approved distribution revenue requirement over that 12-month period; or
- b) bill a customer on a weekly basis, if the value of that customer's electricity bill over 12 consecutive months exceeds 100% of the distributor's approved distribution revenue requirement over that 12-month period.

For the purposes of determining whether this section applies in relation to a customer, a distributor may consider the value of the customer's electricity bill in the 12-month period preceding the coming into force of this section. (*Ref: DSC 2.4.32*).

A distributor shall not bill a customer on a bi-weekly or weekly basis unless the distributor has given the customer at least 42 days' notice before issuance of the first bi-weekly or weekly bill, as the case may be (*Ref: DSC 2.4.33*).

Where a distributor is billing a customer on a bi-weekly, weekly or some other negotiated basis, the distributor shall resume billing the customer in accordance with the billing cycle that would otherwise be applicable based on the distributor's normal practice as documented in its Conditions of Service if the value of that customer's annual electricity bill over 12 consecutive months falls below 51% of the distributor's distribution revenue over that 12-month period (*Ref: DSC 2.4.34*).

Where a distributor is billing a customer on a weekly basis, the distributor shall bill the customer as follows if the value of that customer's annual electricity bill over 12 consecutive

months falls between 51% and 100% of the distributor's distribution revenue over that 12-month period:

- a) in accordance with the billing cycle that would otherwise be applicable based on the distributor's normal practice as documented in its Conditions of Service; or
- b) in accordance with bi-weekly or some other negotiated arrangement (*Ref: DSC 2.4.35*).

Despite any other provision of this Code, a distributor that intends to bill or is billing a customer on a bi-weekly or weekly basis may, in lieu of such billing, negotiate alternative arrangements with the customer, including in relation to a lesser frequency of billing or in relation to the giving or retention of security deposits (*Ref: DSC 2.4.36*).

2.02.05 ESTIMATED BILLING

Where a smart meter or interval meter has been installed, a distributor shall issue a bill to a residential or general service < 50 kW customer based on an actual meter read (*Ref: DSC 2.10.1*).

Despite the above, to account for exceptional circumstances, a distributor may issue a bill to a residential or general service < 50kW customer with a smart meter or interval meter based on estimated consumption twice every 12 months (*Ref: DSC 2.10.2*).

2.02.06 BILLING ERRORS

Billing errors will be resolved as indicated in the Distributors Conditions of Service, Section 2.4.4.4 and or Section 7.7 of the Retail Settlement Code.

2.02.07 EQUAL PAYMENT PLAN (SSS RESIDENTIAL CUSTOMERS ONLY)

A distributor shall offer to all non-seasonal residential customers and general service < 50kW customers receiving standard supply the Ontario Energy Board-prescribed Equal Monthly Payment Plan option. The above equal monthly payment plan option shall meet the following minimum requirements:

- (a) a distributor may only refuse to provide an equal monthly payment plan option to a non-seasonal residential customer that is in arrears on payment to the distributor for electricity charges, as defined in the Distribution System Code, and that has not entered into an arrears payment agreement with the distributor;
- (b) a distributor may only refuse to provide an equal monthly payment plan option to a general service < 50kW customer that:
 - i) has fewer than 12 months' billing history;
 - ii) is in arrears on payment to the distributor for the electricity charges, as defined in the Distribution System Code, or whose participation in the equal monthly payment plan in the past 12 months was cancelled due to non-payment; or

- iii) has a consumption pattern that is not sufficiently predictable to be estimated on an annual basis with any reasonable degree of accuracy;
- (c) a distributor shall communicate the availability of an equal monthly payment plan to eligible customers at least twice in each 12 month period through the customer's preferred method of communication, if known, or otherwise by mail or any other means determined to be appropriate by the distributor;
- (d) a distributor shall offer to a residential customer requesting an equal monthly payment plan a pre-authorized automatic monthly payment option whereby amounts due each month are automatically withdrawn from the customer's account with a financial institution;
- (e) a distributor may cancel the equal monthly payment plan if the customer misses more than one monthly payment under the equal monthly payment plan within an equal payment year;
- (f) subject to paragraph 2.6.2(g), the equal monthly payment plan shall provide for annual reconciliation of the plan as follows:
 - i) while a customer may join an equal monthly payment plan at any time during the calendar year, the distributor is only required to reconcile all of its equal monthly payment plans once during the calendar year and not on the 12th month anniversary since each individual customer joined the plan;
 - ii) in the first year of an equal monthly payment plan and where the customer has been on the plan for less than 12 months, the customer may receive a reconciliation earlier than the 12th month anniversary, as a result of subparagraph i);
 - iii) while a distributor is only required to reconcile equal monthly payment plans on an annual basis, a distributor shall review its equal monthly payment plans quarterly or semi-annually and adjust the equal monthly payment amounts in the event of material changes in a customer's electricity consumption or a customer's electricity charges as defined in section 2.6.2A(a);
 - iv) despite subparagraph iii), a distributor may adjust the equal monthly payment amounts at any time in the event of material changes in a customer's electricity consumption or a customer's electricity charges as defined in section 2.6.2A(a) or for any other reason with the customer's consent;
 - v) where the annual reconciliation demonstrates that funds are owing to the customer in an amount that is less than the customer's average monthly billing amount, the distributor shall credit the amount to the customer's account;
 - vi) where the annual reconciliation demonstrates that funds are owing to the customer in an amount that is equal to or exceeds the customer's average monthly billing amount, the distributor shall credit the amount to the customer's account and advise the customer that the customer may contact the distributor within 10 days of the date of the bill to request a refund of the overpayment by cheque instead and the distributor shall make payment within 11 days of the customer's request;
 - vii) where the annual reconciliation demonstrates that funds are owing by the customer in an amount that is less than the customer's average monthly billing amount, the

distributor may collect the full amount owed by a corresponding charge on the bill issued to the customer in the 12th month of the equal monthly payment plan; and
viii) where the annual reconciliation demonstrates that funds are owing by the customer in an amount that is equal to or exceeds the customer's average monthly billing, the distributor shall roll over the balance due to the following year's equal monthly payment plan and recover the balance over the first 11 months of the following year's equal monthly billing plan; and

- (g) where a customer leaves the equal monthly payment plan for any reason, the distributor shall conduct a reconciliation and shall include any funds owing by or to the customer as a charge or credit on the next regularly scheduled bill issued to the customer (*Ref: SSS 2.6.2*)

For the purpose of the above:

- (a) A customer's average monthly billing amount shall 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. If the customer has been receiving service from the distributor for less than 12 months, the customer's average monthly billing amount shall be based on a reasonable estimate made by the distributor. For the purposes of this section, "electricity charges" has the same meaning as in section 2.6.6.3 of the Distribution System Code.
- (b) Despite paragraph (a), the distributor may adjust the average monthly billing amount calculated under that paragraph upward or downward if, in the distributor's reasonable opinion (based on, for example, a Board approved rate change, or an estimate provided by the consumer), the amount calculated is likely to be materially different than the consumer's actual average monthly billing amount over the next 12 months.
- (c) The equalized monthly payment amount shall include all "electricity charges" as defined in section 2.6.6.3 of the Distribution System Code (*Ref: SSS 2.6.2A*).

2.02.08 BILL REQUIREMENTS

A distributor shall include on each bill issued to a customer the date on which the bill is printed (*Ref: DSC 2.6.1*).

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 distributor;
- 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; or
- if sent by more than one of the methods above, on whichever date of deemed issuance occurs last (*Ref: DSC 2.6.4*).

Except as may be permitted or directed by the Ontario Energy Board, a distributor shall not include on or with a bill submitted to a standard supply service customer any marketing information or promotional materials of or relating to a third party and that relate to electricity supply (Ref: SSS 2.6.3).

2.02.09 PAYMENT

Except as otherwise permitted by this policy, a distributor shall not treat a bill issued to a customer as unpaid, and shall not impose any late payment or other charges associated with non-payment, until a minimum payment period of 20 days from the date on which the bill was issued to the customer has passed (Ref: DSC 2.6.2).

A distributor may provide for longer minimum payment periods, provided that any such longer minimum payment periods are documented in the distributor's Conditions of Service (Ref: DSC 2.6.3).

A distributor 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 or;
- 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 (Ref: DSC 2.6.5).

Residential – Where a bill issued to a residential customer includes charges for goods or services other than electricity charges, a distributor shall allocate any payment made by the customer first to the electricity charges and then, if funds are remaining, to the charges for other goods or services (Ref: DSC 2.6.6).

Where payment on account of a bill referred to in the paragraph above is sufficient to cover electricity charges, security deposits and billing adjustments, the distributor shall not impose late payment charges, issue a disconnection notice or disconnect electricity supply (Ref: DSC 2.6.6.2A).

Where payment on account of a bill is not sufficient to cover electricity charges, security deposits and billing adjustments, the distributor shall allocate the payments in the following order: electricity charges, payments towards an arrear's payment agreement, outstanding security deposit, under-billing adjustments and non-electricity charges (Ref: DSC 2.6.6.2B). Despite the above sections, where a customer requests that a payment be allocated in a manner other than that specified in those sections, the distributor may, but is not required to, allocate the payment in the manner requested (Ref: DSC 2.6.2C).

2.02.10 COMPUTATION OF TIME

A distributor 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; and
- 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. *(Ref: DSC 2.6.7)*.

2.02.11 METHOD OF ENFORCEMENT WHERE PAYMENT IS NOT RECEIVED

Failure to pay bills on the due date will result in the immediate implementation of the distributor's Collection Policy which may lead to the discontinuation of electrical service.

2.02.12 RESPONSIBILITIES

The Distributor's management is responsible for ensuring this policy is implemented and adhered to by the employees of the distributor.