



Policy 2.06 – COLLECTION POLICY	Version 7.0
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2.06.01 PURPOSE:

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

2.06.02 POLICY STATEMENT:

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

2.06.03 ARREARS MANAGEMENT PROGRAM:

The distributor shall make available to any residential electricity customer who is unable to pay his or her outstanding electricity charges the opportunity to enter into an arrears payment agreement with the distributor. The arrears payment agreement shall include, at a minimum, the following terms and conditions:

If a distributor enters into discussions with a residential customer and offers an arrears agreement but the customer declines to enter into an arrears agreement, the distributor may proceed with disconnection and is not required to offer an arrears agreement to such a customer after disconnection *(Ref: DSC 2.7.1A)*.

Before entering into an arrears payment agreement, a distributor shall apply any security deposit held on account of the customer against any electricity charges owing at the time *(Ref: DSC 2.7.1.1)*.

As part of the arrears payment agreement, a distributor may require that the customer pay a down payment of up to 15% of the electricity charge arrears accumulated, inclusive of any applicable late payment charges but excluding other service charges, when entering into the arrears management program *(Ref: DSC 2.7.1.2)*.

The arrears payment agreement referred above shall allow the residential electricity customer to pay all remaining electricity charges that are then overdue for payment as well as the current bill amount if the customer elects to do so, after applying a security deposit as noted above, and the down payment as noted above, including all electricity-related service charges that have accrued to the date of the agreement, over the following periods:

- (a) a period of at least 5 months, where the total amount of the electricity charges remaining overdue for payment is less than twice the customer's average monthly billing amount;



(b) a period of at least 10 months, where the total amount of the electricity charges remaining overdue for payment is equal to or exceeds twice the customer's average monthly billing amount *(Ref: DSC 2.7.2)*;

For the purposes of this section, the 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 a customer of 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 *(Ref: DSC 2.7.3)*.

Where a residential customer defaults on more than one occasion in making a payment in accordance with an arrears payment agreement, or a payment on account of a current electricity charge billing, a security deposit amount due or an under-billing adjustment, the distributor may cancel the arrears payment agreement *(Ref: DSC 2.7.4)*.

If the distributor cancels an arrears payment agreement, the distributor will give written notice of cancellation to the customer and to any third party designated by the customer at least 10 days before the effective date of the cancellation *(Ref: DSC 2.7.4.1)*.

Where, at the time of entering into an arrears payment agreement a customer has designated a third party to receive notice of cancellation of the arrears payment agreement, the distributor shall provide notice of cancellation to such third party *(Ref: DSC 2.7.4.1A)*.

A distributor shall accept electronic mail (e-mail) or telephone communications from the customer for purposes of the above paragraph *(Ref: DSC 2.7.4.1B)*.

If the customer makes payment of all amounts due pursuant to the arrears payment agreement as of the cancellation date and makes such payment on or before the cancellation date, the distributor shall reinstate the arrears payment agreement *(Ref: DSC 2.7.4.2)*.

A distributor shall make available to a residential electricity customer a second arrears payment agreement if the customer so requests, provided that 2 years or more has passed since a first arrears payment agreement was entered into and provided that the customer performed his or her obligations under the first arrears payment agreement *(Ref: DSC 2.7.5)*.

The distributor shall not disconnect the property of a residential customer, for failing to make a payment subject to an arrears payment agreement, unless the customer is in default, and the distributor has cancelled the arrears payment agreement in accordance with the provisions of this policy *(Ref: DSC 2.7.7)*.

In the event a customer failed to perform their obligations under a previous arrears payment agreement and the distributor terminated the agreement the distributor may



require that the customer wait 1 year after termination of the previous agreement before entering into another arrears payment agreement with the distributor (*Ref: DSC 2.7.8*).

2.06.04 COLLECTIONS (ALL CUSTOMERS):

Credit Period – Distributors will consider an account delinquent if payment has not been received as outlined in the Billing and Payment Policy 2.02.

Security Deposits – Security Deposits on overdue accounts will be applied as outlined in Policy 2.01.

Collection Costs – Steps should be taken by the utility to collect the total amount of the bill, if not paid within the time allotted. A collection of account charge may be made if a representative of the utility is dispatched to collect the account. However, this charge shall only be applied if the utility is successful in collecting an acceptable portion of the account.

The customer shall be subject either to a collection of account charge or a reconnection charge, in any billing period, unless partial payment of the account has been accepted by the utility.

If a partial payment has been accepted through a collection trip, more than one collection of account charge or a reconnection charge may be made in one billing period, but the number of such charges should not exceed the number of partial payments received by the utility (*Ref: DRH 9.3.4*).

Steps should be taken by the utility to collect the total amount of the bill until the account is paid in full. Delinquent accounts are subject to collection charges, interest and/or a reconnection charges where approved by the board.

Where a customer renders a cheque in payment of an account and the cheque is returned by the financial institution for faulty issue, a charge known as a returned cheque charge may be added to the customer's account to cover the cost associated with processing the returned cheque (*Ref: DRH 9.3.14*).

Bad Debt – Management is responsible for maintaining established credit limits and collection of accounts in order to minimize bad debt losses.

Authorization to write off an account receivable does not constitute a forgiveness of indebtedness. The debtor remains obligated to the distributor. Write-off authorizes a distributor to:

- Transfer an account to a dormant file
- Discontinue incurring the expense involved in actively trying to collect it
- Cease reporting the amount as an account receivable



2.06.05 METHOD OF ENFORCEMENT:

Failure to collect delinquent accounts can also result in the immediate implementation of the distributor's Disconnection Policy

2.06.06 RESPONSIBILITIES:

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