



BRUCE AND GREY COUNTIES **UTILITIES WORKSHOP**

WHAT WE HEARD



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CONTEXT

BACKGROUND

Bruce County and its community partners recently completed the update to their Long Term Housing Strategy. One of the emerging housing-related issues identified as part of this work was the cost of utilities in the area and how this contributed to housing affordability challenges. Further examination of this issue found that more and more people in both Bruce and Grey Counties are having trouble paying their utility bills every month, creating issues of housing stability and increasing the risk of homeless.

Utility arrears affect the entire community. Residents experience the hardship of being unable to pay their utility bills, getting their service disconnected, having to apply for assistance – if it's available - and paying additional costs related to reconnection fees. Local municipalities and community-based agencies are increasingly being called upon to assist individuals in dealing with utility arrears, especially those already facing poverty or personal difficulties. This was despite limited financial and staff resources which could be otherwise used to address longer term housing solutions. Utility providers are also spending more time and money trying to resolve issues with their customers, disconnecting service and following-up on payments. From a community perspective, finding solutions is critical for residents in need but it is also good business for government and utility providers.

PURPOSE OF THE WORKSHOP

Through the efforts of a joint committee of Bruce and Grey County housing staff and key service providers, a facilitated workshop was held on May 23rd, 2013 in Walkerton. The workshop was designed to explore the scope of the utilities problem being encountered, to discuss current initiatives and issues, and to explore potential solutions for addressing utility arrears in Bruce and Grey Counties. Representatives from the six utility providers in Bruce and Grey Counties (Westario Power, Hydro One, Union Gas, Enbridge, North Wellington Power, Collus Power) were invited as well as representatives from the Ontario Energy Board, Salvation Army, United Way, YMCA, Community Connection, and Bruce and Grey Counties. SHS Consulting and Re/Fact Consulting facilitated the workshop which was attended by some 27 participants (see Appendix for a complete list).

The first part of the workshop involved setting context and sharing the issues/challenges that both service and utility providers face with regard to utility arrears. These issues focused on local needs and community awareness as well as the impact of programs and related policies in

responding to these needs. In the second half of the workshop, participants explored the root causes of common issues and discussed possible solutions. Following is a summary of the discussions emerging from the workshop.

WHAT WE HEARD

This section provides an overview of the problem scope, identified issues and possible solutions that were discussed by participants at the workshop. These discussions built upon the issues identified by the joint committee in planning for the session prior to the workshop.

THE PROBLEM AND ITS SCOPE

It is estimated that about 1 in 3 Canadians live pay cheque to pay cheque and support service agencies in Bruce and Grey Counties find that most of the people they serve fall into this category. This means that a sudden change in a household's situation, such as job loss, sickness or family break-up, can easily lead to housing affordability issues, including utility arrears. Poverty is a root cause for this precarious position and the rising cost of utilities is yet one more issue that households in poverty have to cope with.

In Bruce and Grey Counties, the face of poverty is changing - service providers are starting to see seniors who are facing challenges and this was not the case in the past. While many seniors no longer have a mortgage on their home, many have modest, fixed incomes that are no longer sufficient to cover the rising costs of maintaining their homes, including utilities. Some seniors are particularly affected and anecdotal accounts have reported seniors going to bed in snow suits, using barbeques in their kitchens or reducing food purchases as a way to cope with utility costs. Many people refuse to ask for help with their utilities until the situation is quite dire, which in turn requires more community resources to resolve.

Recent data on service inquiries underscore the growing impact of utility issues. Community Connection/Ontario 211 receives calls and provides information on the services available in local communities. In 2012, the agency received a total of 2,401 call related to housing need from Grey County residents. Of these, 79% (1,895 calls) were related to utility arrears. Similarly, the agency received a total of 1,060 calls from Bruce County residents and 86% (919 calls) were related to utility arrears.

Through the recent consolidation of homelessness programs, Service Managers now have the flexibility to set priorities for the funding they receive from the Province using Community Homelessness Prevention Initiative (CHPI) funding. Both Bruce and Grey Counties have used a portion of their CHPI funding to establish a fund to assist with housing stability. This funding assists households to obtain or maintain housing, which includes providing assistance for utility arrears. Another program that is available to Bruce and Grey County residents is the Ontario Energy Board’s Low Income Energy Assistance Program (LEAP) Winter Warmth Fund which provides a maximum grant of \$500 for heating arrears to residents across Ontario. The YMCA of Owen Sound Grey Bruce, United Way of Bruce Grey and the Salvation Army of Bruce Peninsula delivers this program locally, assisting those who require financial assistance for utility arrears¹.

Available data for these programs show that the number of households seeking assistance for utility arrears has increased in the last few years. In 2013 so far, the YMCA of Owen Sound Grey Bruce has helped a total of 76 households from Bruce and Grey Counties with hydro and energy arrear. Similarly, the United Way of Bruce Grey has helped 56 households since the beginning of the year. As of April 30, 2013, Bruce County had assisted forty households with utility arrears through its Housing Stability Fund. It’s worth noting that 66% of the assistance provided through the Bruce County Housing Stability Fund during this period went to maintaining housing and of this portion, 83% went toward assistance for utility arrears (a total of \$25,995.32, averaging \$650 for each household). Similarly, Grey County’s Housing Stability Fund has provided a total of \$121,736.80 to obtain or maintain housing. A larger portion of the assistance went to maintaining housing (55%) and assistance for utility arrears is reported to have made up over 80% of this portion of the Housing Stability Fund. Based on the 97 households served, the average assistance provided per household for utility arrears was \$468.51.

Table 1 – Utility Arrears assistance in Grey and Bruce Counties - 2013 Year to date

Agency / Fund	Bruce County		Grey County		Total (Bruce-Grey)	
	Households Assisted	Utility Assistance	Households Assisted	Utility Assistance	Households Assisted	Utility Assistance
YMCA Owen Sound Grey Bruce (LEAP)	23	\$13,097	53	\$22,094	76	\$35,191
United Way of Bruce Grey (LEAP)	19	\$11,761	37	\$16,086	56	\$27,847
Municipal Housing Stability Fund (CHPI)	40	\$25,995	97	\$45,456	137	\$71,451

¹ The Salvation Army also provides utility assistance using funds that it raises in the community.

The United Way of Simcoe County is the provincial administrator of the LEAP program, distributing funds to local delivery agents across Ontario. The organization is seeing similar trends province-wide with an increase in the number of households seeking assistance as well as a high percentage of households applying for assistance year after year. Communities that are not served with natural gas, have higher electric heating usage and this can be compounded when the housing stock is older and not energy efficient. Funding for LEAP is finite and is not lasting as long as it did in the past, primarily due to an increase in the number of households seeking assistance. Locally this is evident as calendar year funding for LEAP lasted until August in 2012 but only lasted until April in 2013.

THE ISSUES

The preceding section demonstrates that the number of households seeking assistance for utility arrears is growing. This section explores the specific issues related to utility arrears in both Bruce and Grey Counties from the perspective of service providers and utility providers.

Service Provider Issues

Many households do not have enough income for all their needs, leading to difficult choices

Many households have low, fixed incomes while the cost of housing, including utilities, is increasing. For example, some clients are living in housing units where the rents are too high or the utility costs are too high in relation to their income. Other clients are living in housing units in poor condition which result in high utility costs, particularly during the winter months. In addition, some clients wait until the utility arrears accumulate before seeking assistance or before trying to find more suitable housing. This is often more challenging as the financial assistance they require is greater and the need is more urgent.

A single mother moved into a place where the hydro cost was \$65 per month. Shortly after her move, the bills went down to \$25. She knew this wasn't right so she called the utility provider several times to ask them to look into it. She was told that there was nothing wrong with the bill. After several months, she received a bill for \$600 and was told the meter had not been reading correctly.

Utility arrears are not just an issue for low income households

There is a misconception that only low income households experience utility arrears and that it is always the same clients who require assistance. While most households who experience

utility arrears are those who are also dealing with poverty, utility arrears affect a range of households, often due to unforeseen circumstances such as job loss, family breakdown or illness leading to loss of income. The face of poverty is also changing, with more seniors struggling with utility arrears than in the past.

There is a lack of coordination and awareness of options among service providers

There are a number of community agencies as well as municipal service managers that provide financial assistance for utility arrears. Unfortunately, there is currently a lack of coordination among these different agencies which often results in multiple agencies and departments working to resolve the same issue. In addition, some service providers are not aware of all the programs available or the Ontario Energy Board rules around low income clients. In the current system, clients often have to go to multiple agencies to get the assistance they require.

Rules related to disconnections are unclear and timing of disconnections lead to challenges

A single elderly woman on ODSP has hydro arrears of \$2,300 and has received a disconnection notice. She worked part-time, earning about \$1,100, until she had to stop recently due to an illness. She owns her home but does not have enough income to pay her utility bills. The maximum assistance she can receive from the Housing Stability Fund is \$800 and the United Way no longer has funds to help her.

Rules related to disconnection of service as well as fees vary among the different providers and may be confusing to clients and agencies. There are also challenges related to disconnection notices as these are often given with very little time for the client to find a way to resolve the issue. Clients who fall below the low-income cut-offs (LICO) are given a longer grace period for disconnections under the LEAP program but these clients need a certification of their income status from a recognized agency. In addition, some providers disconnect service on Fridays which means that a client would not have utilities for the whole weekend. This is cited by service agencies as a particular issue in the winter months.

Multiple approaches make the process for resolving issues more challenging

There is not a standard approach to dealing with issues related to utility arrears among the different utility providers in Bruce and Grey Counties, nor is there a single contact person for

every utility provider. Service agencies feel that a more constant contact point could simplify the process for both clients and the service providers who assist them. This contact point could also be used to address billings, notices and disconnection procedures and would make the resolution process more consistent from client to client.

Some households do not make the link between conservation and use

Some households do not make the connection between how they consume utilities and the bill they get every month. Others are not aware of the impact of ‘time of use’ billing, particularly for those who work at home or stay home during the day. It was also noted that some clients find billings and billing cycles confusing, adding to their lack of understanding about the link between utility consumption and their monthly utility costs.

Households are often reactive rather than proactive

Many clients do not seek help until after their utility arrears have already accumulated and the situation is desperate. This results in the need for more financial and staff resources being applied to help the client. It also limits the options available for service providers to negotiate with utility providers on behalf of the client when a disconnection notice has already been issued. In addition, some clients are unaware of their responsibilities once a payment plan is in place, which leads to additional utility arrears and an even greater issue if they default on the payment plan.

Utility Provider Issues

Some clients avoid the issue until they get a disconnection notice

Some clients avoid the issue of utility arrears and some utility providers find that letters of notice that they issue are ineffective. It was also noted that some clients will not pursue alternative options once they receive financial assistance, despite the fact that this assistance will only address the current arrears. Billing interpretation issues are often cited despite efforts

A young mother with three small children is living on \$1,900 a month. She owns her home but has to shoulder all the expenses due to a recent separation. She has a monthly utility bill of between \$400 and \$500 in addition to the cost of the mortgage payments, repairs and food. She has received a disconnection notice and has applied to her local church, the United Way and the Bruce Housing Stability Fund for assistance. These utility arrears can be paid off between the three organizations but the current housing situation is not sustainable. She has been advised to apply for the Bruce County Home Repair fund to try and reduce utility and repair costs.

by utility providers to simplify. In addition, clients typically indicate that they are unaware of their responsibilities around arrears plans despite signing these agreements.

Limited awareness of supports, programs and rules

One of the prominent issues cited by utility providers was the confusion around which agency a client in need can be referred to in terms of coverage areas, support services and funding available. In addition to a general lack of knowledge about OEB relief programs, clients and some agencies are not always clear that the rules for low income households which apply to gas arrears are different from the rules around hydro arrears. Clients are also less knowledgeable about conservation measures and how reducing consumption can help reduce utility costs.

There are systemic challenges in resolving situations with clients and advocates

Where service agencies or advocates are working to assist households, written consent of the client is required by the utility provider and this creates process issues where the client first seeks help from the utility provider. In order to access Ontario Energy Board (OEB) relief programs, clients must also be verified as having income below the LICO and this must be done by a social service provider. Where these connections are made, the service agency/advocate may become involved in solutions, except where clients do not honour repayment agreements. In this instance, the ability of the advocate or the utility provider to assist the client becomes very constrained. There is significant communication required among the parties to successfully resolve issues and having clearer 'rules of engagement' were seen by utility providers as critical to success.

More lenient OEB rules are only available for designated low income clients

There are different OEB rules around disconnections, extended timelines, relief from security deposits and other fees for households that are categorized as falling below LICO but a certification from an agency as to the household's status is required. Utility providers have noted that the number of households seeking this special status seems to be very low, suggesting a lack of awareness about its benefits among eligible households. In addition, there are many households who do not fall below LICO but who are experiencing utility arrears due to unexpected life events and utility providers noted that they have few options to assist these households.

POSSIBLE SOLUTIONS

Participants at the workshop noted that while there is some financial assistance available for households in need, this is not a sustainable solution as there are very limited resources. As

such, the discussion at the workshop resulted in identifying a number of possible solutions that may help address the issue of utility arrears in Bruce and Grey Counties and decreasing the pressure on financial resources.

Undertake client education

Workshop participants suggested holding regular workshops to educate clients on conservation methods and time of use billing. These workshops can be jointly undertaken by support service providers and utility companies. It was also suggested that clients be encouraged to use web-based tools, such as lowfoot.com and MyHydroEye, to monitor their usage (with help from support agencies where necessary). Another suggestion was to educate clients on their responsibilities associated with payment plans and disconnection notices, reinforcing the consequences of not addressing these issues.

Increase clarity of bills and the billing process

Workshop participants suggested a need to make utility bills clearer so clients can understand usage details, payment for arrears and current charges. One suggestion was to include visual cues or charts to make usage details clearer. It was also suggested that the language around billing process and 'time of use' billing needed to be simplified.

Expand the use of Ontario 211

Workshop participants suggested expanding the use of Ontario 211 as a central referral point, providing a consistent primary number that clients in need can call for initial information. Utility companies would be able to refer clients in need to Ontario 211 where they would be provided information on the assistance available to them as well as referrals to local support service agencies that can help them with their situation. Participants agreed that this was ideal particularly since the service is available 24/7 and operators answering calls would have a full listing of all social service agencies that deal with utility arrears across the province. It would also improve service coordination and assist in making the referral process more efficient.

Improve the process for dealing with utility arrears for clients with low income status

Clients who have their low income status verified by a social service agencies fall under more lenient OEB rules in terms of utility arrears. To overcome verification issues, changes in the referral/intake process that would allow service provider agencies to secure consents as part of their standard intake process would allow these agencies to determine a household's status sooner and provide them with the necessary certification when dealing with a utility provider. In addition, obtaining a client's consent would allow agencies to share information with other organizations that would be able to assist the client, removing the need for multiple applications and service overlaps.

Improve the process for addressing utility arrears for clients without low income status

While OEB rules are more lenient for low income clients, the preceding discussion has demonstrated that not everyone who experiences utility arrears falls under this category. Workshop participants noted a need for more flexibility in the current process around utility arrears and disconnections to better serve these households. This could include providing them with sufficient time to seek assistance and avoiding disconnections on Fridays.

NEXT STEPS

The issue of utility arrears affects the whole community and addressing it requires the collaboration of multiple stakeholders, including support service agencies, governments, utility providers and the clients themselves. Workshop participants proposed a number of solutions to help address the issue of utility arrears in Bruce and Grey Counties. The challenge ahead is how to advance possible solutions and make progress in alleviating utility arrears issues.

As part of the workshop, participants suggested possible next steps, including:

- Continue to meet on this issue and engage other stakeholders, such as the Legal Clinic and Poverty Task Force
- Increase political awareness on the issue
- Undertake educational activities for clients, including workshops and developing educational material
- Advocate for additional LEAP and CHPI funding
- Fundraise in the community

APPENDIX

WORKSHOP ATTENDEES

- Ontario Energy Board – Rachel Anderson and Paul Gasparatto
- Westario Power – Lisa Milne and Janice Hallahan
- Collus Power Stream – Jason Steer
- United Way – Simcoe – Cheryl Paris, Sue McLennan, Cindy Ramsay and Melanie Cooper
- United Way – Bruce Grey – Francesca Dobbyn
- Community Connections / 211 – Pam Hillier
- Grey County – Rod Wyatt, Barb Fedy and Anne Marie Shaw
- Bruce County – Terry Sanderson, Susan Earle, Christine MacDonald, Carolyn Parks, Pat Shewfelt, Bettyanne Cobean and Susan Petrik
- YMCA – Joan Chamney
- Salvation Army – Mary Millar and Lynda Wyonch
- Union Gas – Sharon Johnston, Margaret Nuttall

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