

LEAP Emergency Financial Assistance

Report on 2019 Program Results

Report Outline

1. LEAP Program Overview and Results
2. Detailed Results for Electricity Distributors
3. Detailed Results for Natural Gas Distributors



The LEAP EFA Program

- The Low-Income Energy Assistance Program – Emergency Financial Assistance (LEAP) is a grant program intended to provide emergency financial relief to eligible low-income electricity and natural gas customers who are having difficulty paying their bills and are facing imminent disconnection
- It is not a program to provide regular or ongoing bill payment assistance. The Ontario Electricity Support Program provides ongoing assistance for lower income electricity consumers
- LEAP is funded by consumers through their distribution rates
- Distributors contribute the greater of 0.12% of their total OEB-approved distribution revenue, or \$2,000
 - Up to 15% of funding may be retained for social agency administration fees
- Social agencies are responsible for screening customers for eligibility, as per criteria and guidelines in the *OESP & LEAP Program Manual*
- Grants are a maximum of \$500 per fuel, per household, per calendar year or a maximum of \$600 for electrically heated homes



Reporting Requirements

Licensed electricity and natural gas distributors were required to report to the OEB April 30 for the previous calendar year the following information:

- Total Funds Available broken down by:
 - Distributor budget (the greater of 0.12% of distribution revenue or \$2,000)
 - Non-distributor funds (i.e. non-rate-based contributions (donations))
 - Unused funds from previous year(s)
- Total Funds Disbursed broken down by:
 - Grants disbursed (to distributor and sub-metered customers)
 - Administration costs paid to social agencies
- Other
 - Total unused funds
 - Month in which LEAP funds were depleted
 - Number of applicants (distributor and sub-metered customers)
 - Number of distributor and sub-metered customers assisted (recipients)
 - Number of distributor and sub-metered customers denied

LEAP EFA in 2019

Distributors who participated in LEAP included:

- 61 electricity distributors (see the OEB website for a complete list of licensed distributors)
- 4 natural gas distributors
 - Enbridge Gas, EPCOR Natural Gas Limited Partnership, Utilities Kingston (did not provide LEAP program data), Kitchener Utilities

Social service agencies who provided services to utilities under LEAP included:

- 67 lead agencies (responsible for initial intake and administration)
- 120 intake agencies (responsible for meeting applicants and reviewing applications)

Reporting for 2019 calendar year was submitted by distributors on June 1, 2020 as opposed to April 30, 2020



LEAP Program Overview

Electricity Distributors	2015	2016	2017	2018	2019
LEAP funds	\$ 5,156,416*	\$ 6,054,703*	\$ 5,390,964*	\$ 5,479,174	\$ 6,603,243
Non-rate-based contributions**	\$ 2,574,958	\$ 2,307,901	\$ 1,679,897*	\$ 737,522	\$ 63,818
Funds disbursed	\$ 6,457,863	\$ 7,776,612	\$ 6,183,570*	\$ 4,345,288	\$ 4,269,014
Recipients	14,494	14,330	11,646*	8,644	8,353
Average grant	\$ 381	\$ 464	\$ 451	\$ 429	\$ 435
Natural Gas Distributors	2015	2016	2017	2018	2019
LEAP funds	\$ 1,420,283	\$ 2,354,197	\$ 2,666,183	\$ 2,744,962	\$ 2,554,700
WW funds (Union Gas) ***	\$ 937,087	\$ 91,000	-	-	-
LEAP and WW funds disbursed	\$ 2,266,209	\$ 2,197,157	\$ 2,428,779	\$ 2,736,474	\$ 2,495,351
Recipients	4,881	5,354	5,571	5,599	5,021
Average grant	\$ 395	\$ 341	\$ 371	\$ 415	\$ 423

* Prior years reported data (principally regarding LEAP funds) have been revised to reflect adjustments made by some distributors.

** There were 8 distributors who contributed non-rate-based contributions in 2019, 11 in 2018, 8* in 2017, 6 in 2016, and 8 in 2015.

*** Union completely depleted its Winter Warmth funds in 2016 whereas Enbridge completely depleted its funds in 2012.



Key Points

Funding

- Hydro One's total LEAP funds available accounted for 35% of all electricity LEAP funds; Toronto Hydro and Alectra accounted for 18% and 17% respectively
- Hydro One donated \$20,222 to the LEAP program in 2019, \$394,410 remained unused by year-end
- In 2016 and 2017, 50% of distributors reported running out of LEAP funds by August, a shift by two months from June reported in 2014 and 2015. This trend continued in the past two years. In 2019, 50% of distributors had reported running out of LEAP funds by October

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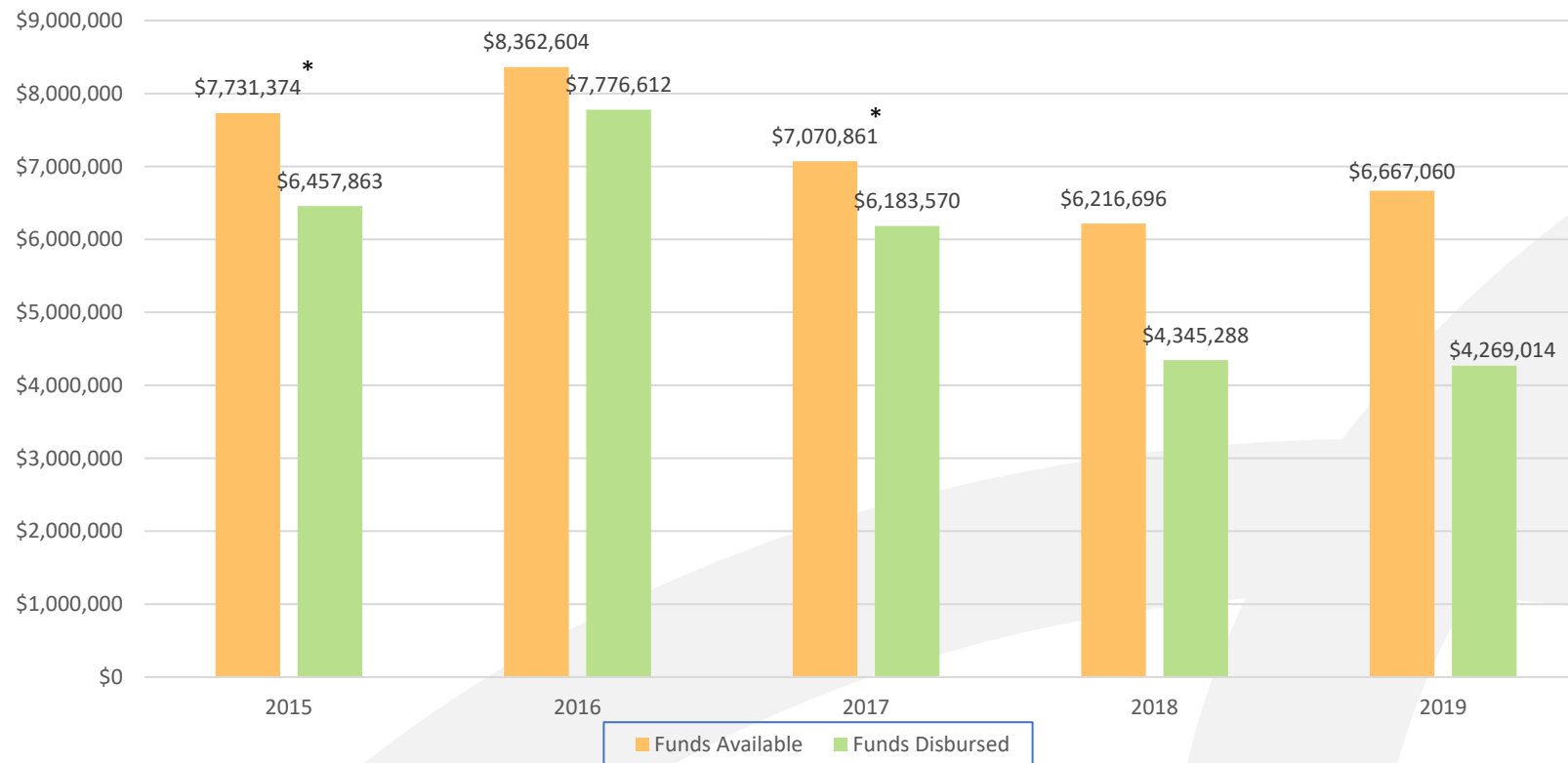
- Applications by electricity customers declined 23% in 2019 over 2018 and dropped 42% from 2015
- Applications by natural gas customers declined 21% in 2019 over 2018 and 19% from 2015

Grant Amounts

- The average grant for electricity customers increased slightly to \$435 in 2019 slightly higher than the 5-year average of \$429
- After gas grants averaged \$368 between 2013 and 2017, average gas grants increased significantly in the past 2 years to: \$422 in 2019 and \$415 in 2018

LEAP Funds Available and Disbursed by Electricity Distributors 2015 - 2019

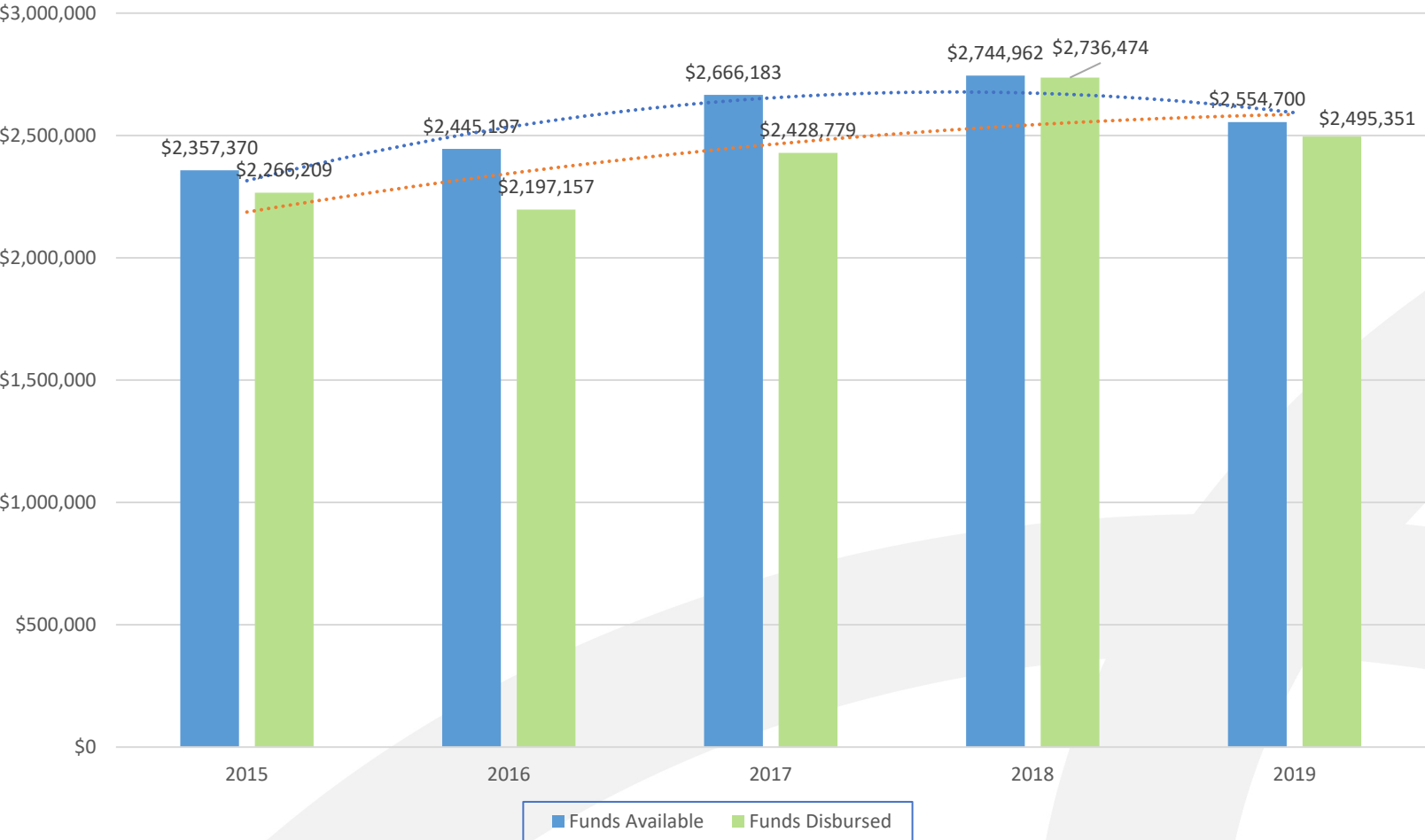
The large increase in funds available in 2015 and 2016 was due to distributors providing additional non-rate based contributions which have declined from \$2.6 million in 2015 to \$64,000 in 2019



* Prior years reported data (principally regarding LEAP funds) have been revised to reflect adjustments made by some distributors



LEAP* Funds Available and Disbursed by Natural Gas Distributors 2015 - 2019

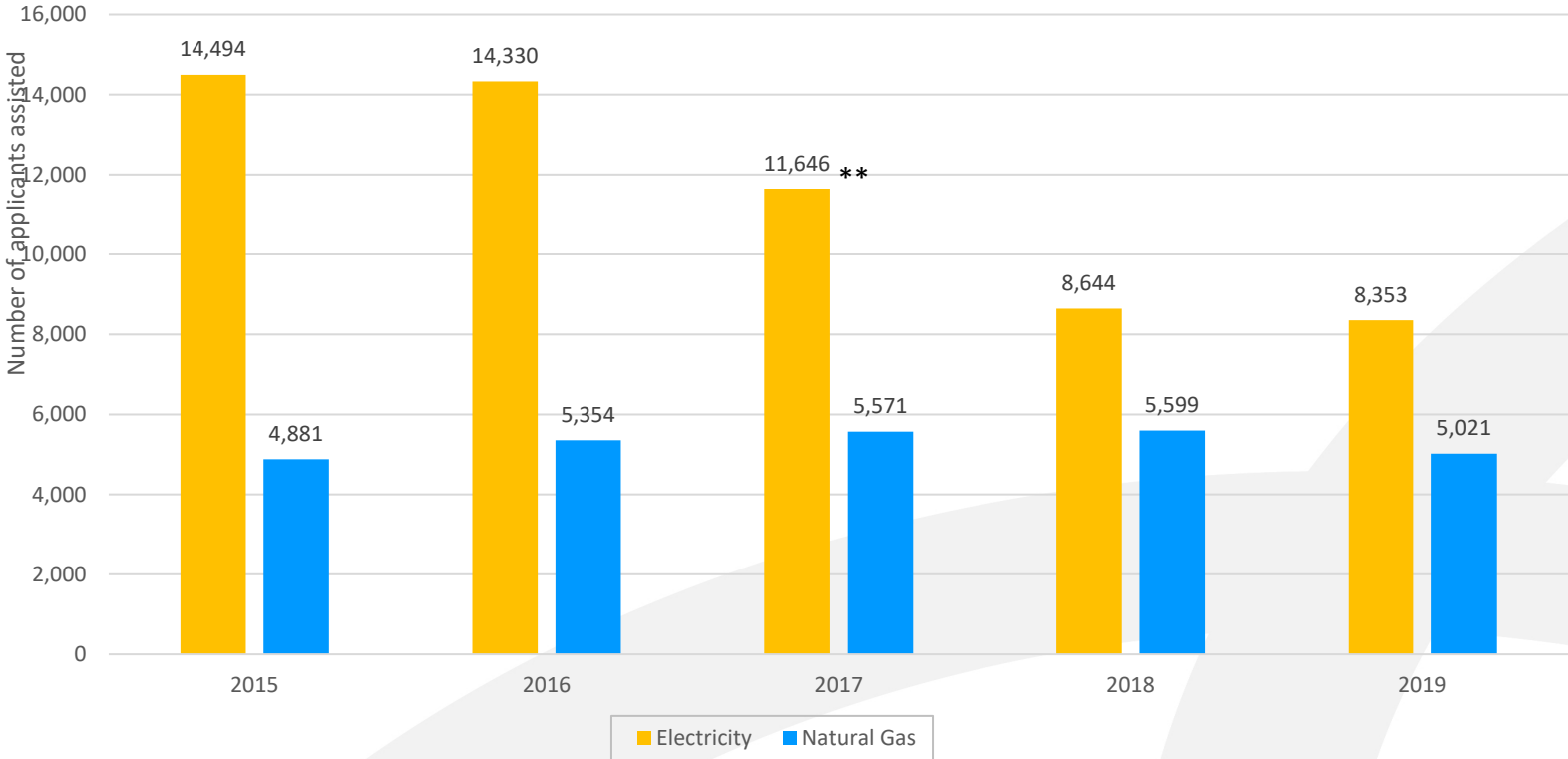


* and Winter Warmth for years 2015 – 2016 (Union Gas)



LEAP* Applicants Assisted 2015 – 2019

Over the past 5 years, the LEAP* program helped almost 84,000 low-income electricity and natural gas customers facing disconnections due to non-payment



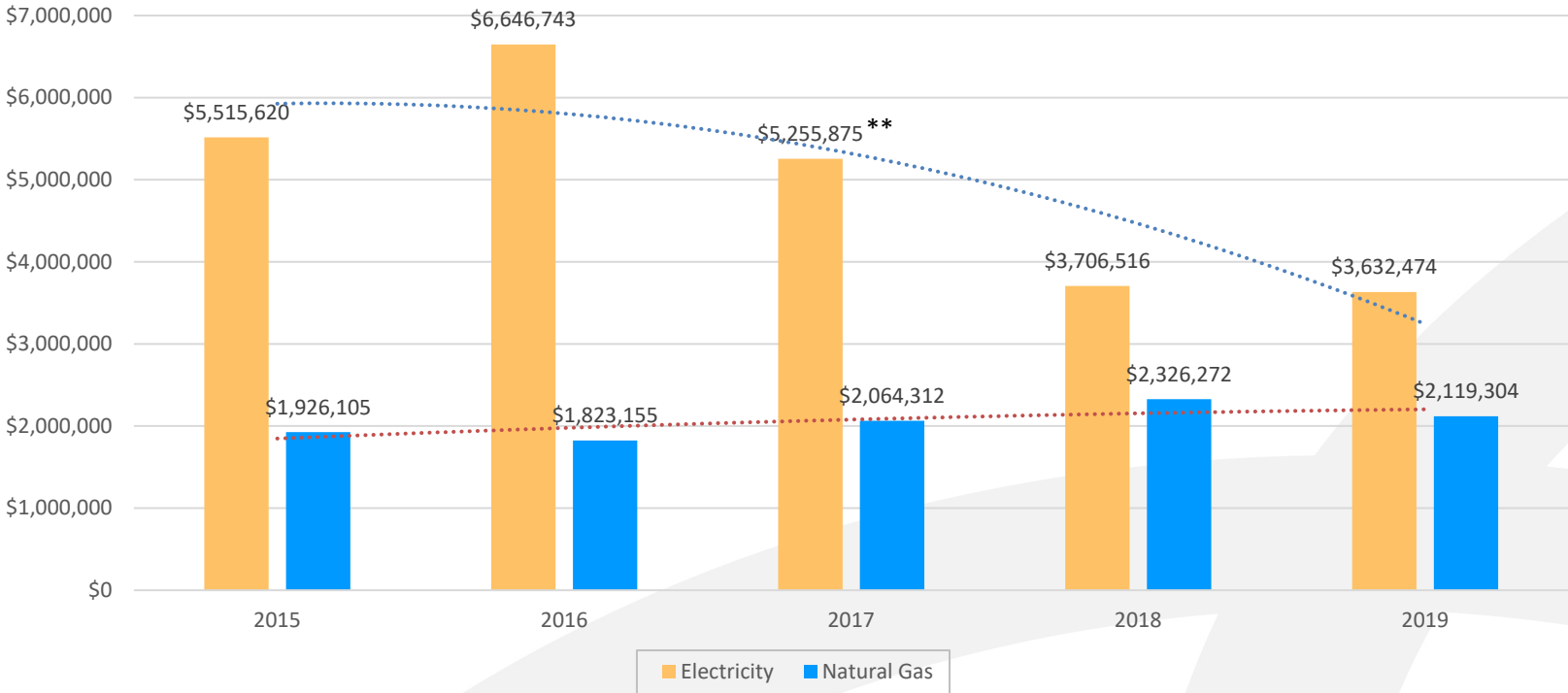
* and Winter Warmth for years 2015 – 2016 (Union Gas)

** Revised to reflect 2017 adjustment filed by distributor in 2018



LEAP* Funds Disbursed to Applicants 2015 – 2019

Over the past 5 years, LEAP* programs provided \$35 million in emergency funds to low income electricity and natural gas customers

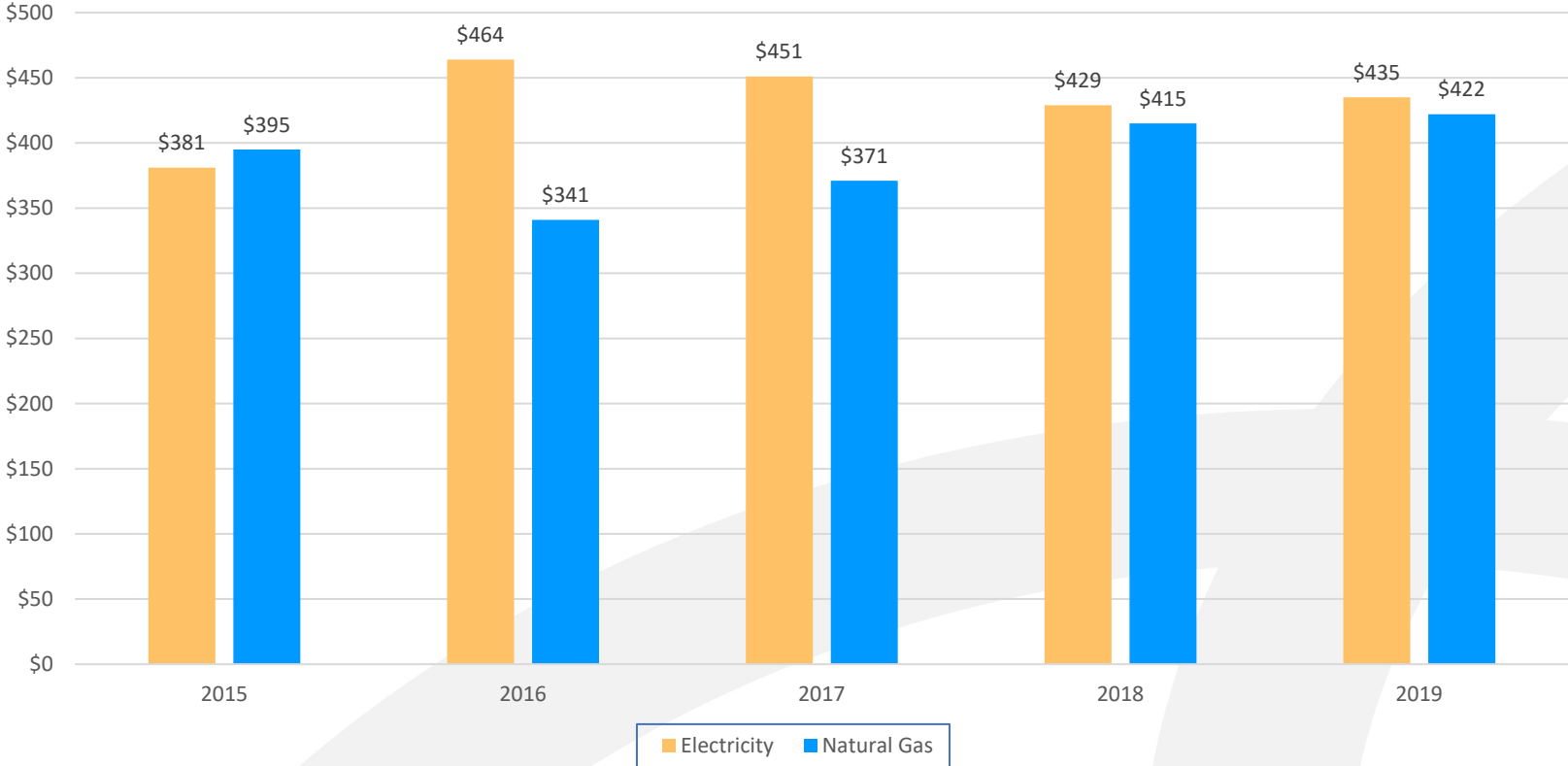


* and Winter Warmth for years 2015 – 2016 (Union Gas)
 ** Revised to reflect 2017 adjustment filed by distributor in 2018



LEAP* Grant 2015 – 2019: Average Dollar Amount

After reaching a peak of \$464 in 2016, the average electricity grant decreased 7% by 2019; whereas since its low of \$341 in 2016, the average natural gas grant increased by 8% a year, reaching \$422 in 2019



* and Winter Warmth for years 2015 – 2016 (Union Gas)



Report on 2019 Program Results

Detailed Results for Electricity Distributors



LEAP Program Results for Electricity Distributors

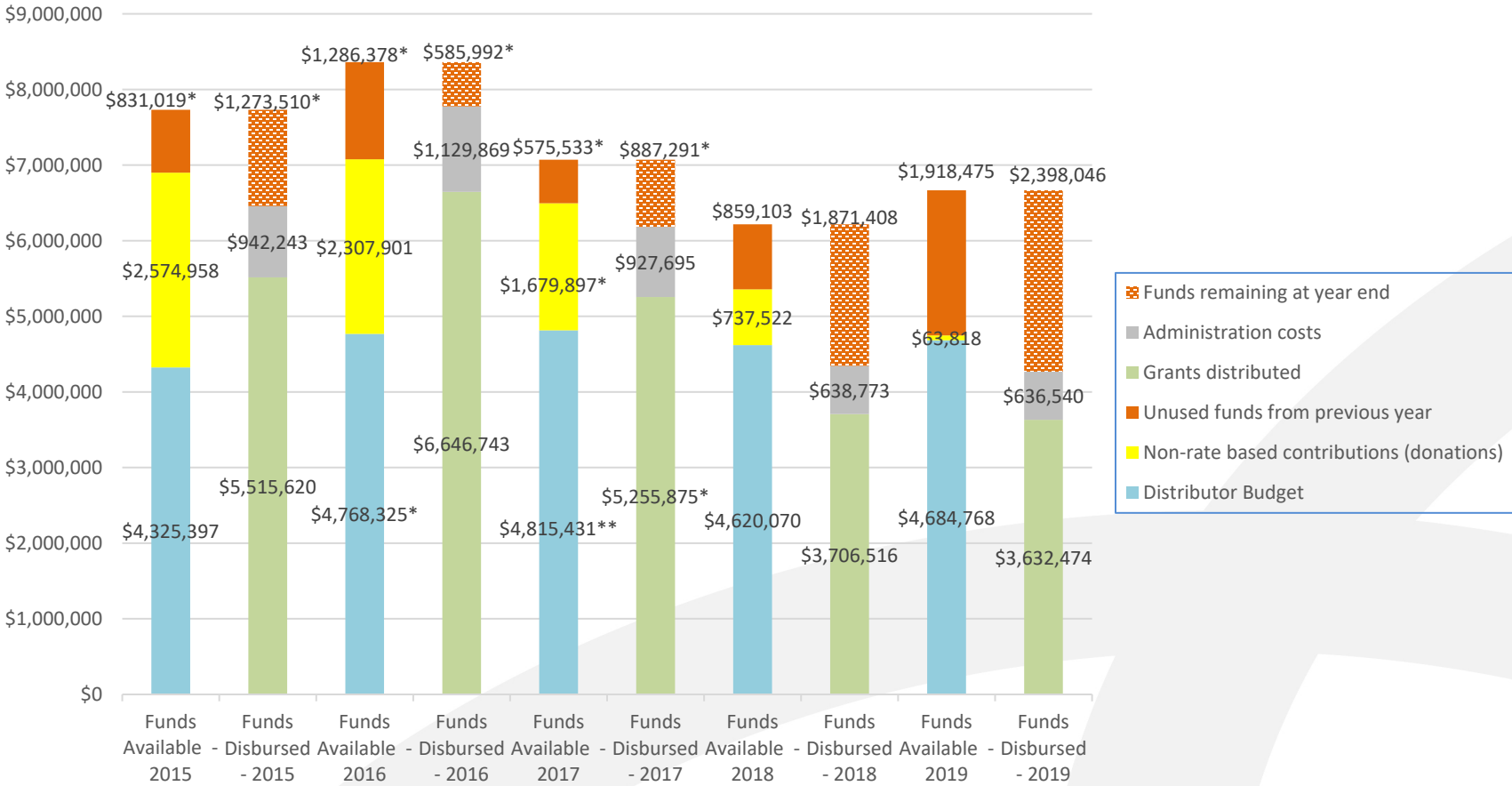
LEAP EFA	2019	% of Total funds available in 2019**	2018
LEAP funds (distributor budget)	\$ 4,684,768	70.3%	\$ 4,620,070
Non-rate-based contributions (donations)	\$ 63,818	1.0%	\$ 737,522
Unused funds from previous year	\$ 1,918,475	28.8%	\$ 859,103
Total funds available	\$ 6,667,060		\$ 6,216,696
LEAP grants	\$ 3,632,474	54.5%	\$ 3,706,516
Administration cost	\$ 636,540	9.5%	\$ 638,773
Funds disbursed	\$ 4,269,014	64.0%	\$ 4,345,288
Funds remaining at year-end	\$ 2,398,046	36.0%	\$ 1,932,876*
Applicants	11,565		12,208
Recipients	8,353		8,644
Customers Denied	3,212		3,564
Average Grant	\$ 435		\$ 429

• 2018 reported data have been revised to reflect adjustments made by some distributors

** Percentages may not add up to 100% due to rounding



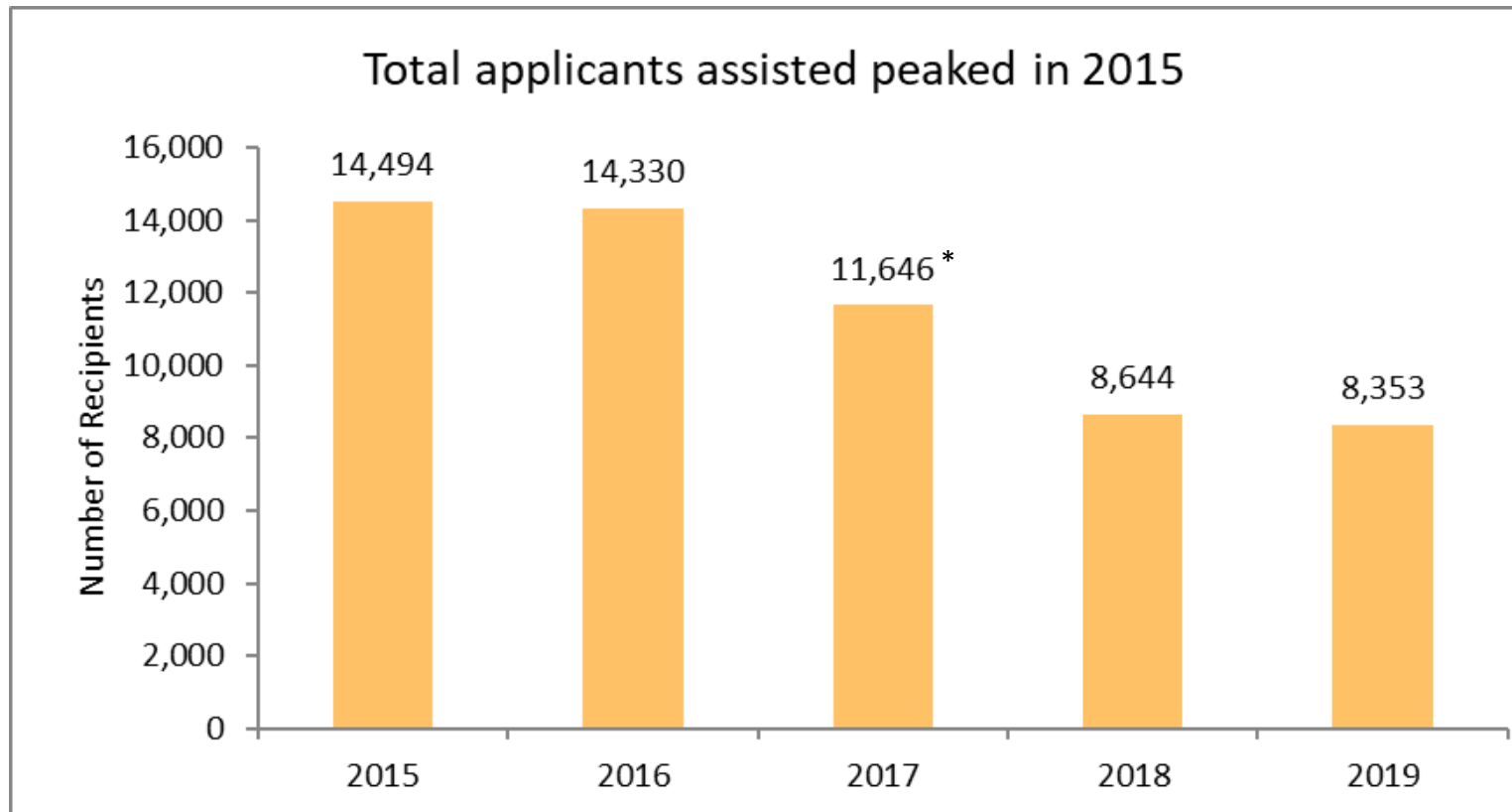
LEAP Program Results for Electricity Distributors Flow of Funds 2015 - 2019



* Prior years reported data (principally regarding LEAP funds) have been revised to reflect adjustments made by some distributors



LEAP Program Results for Electricity Distributors Number of Recipients 2015 - 2019



* Revised to reflect 2017 adjustment filed by distributor in 2018

LEAP Funds of the Top 10 Distributors by Distribution Revenue - 2019

Distributor	Distributor budget	Non-rate based contributions (Donations)	Unused funds from previous year	Funds available*	% of total funds available across all distributors	Grants disbursed	Administration Fees	Recipients	% of recipients across all distributors
Hydro One Networks Inc.	\$ 1,750,200	\$ 20,222	\$ 542,378	\$ 2,312,800	34.7%	\$ 1,626,078	\$ 292,313	3,435	41.1%
Toronto Hydro-Electric System Limited	810,000		386,763	1,196,763	18.0%	390,946	69,002	972	11.6%
Alectra Utilities Corporation	675,886		456,968	1,132,854	17.0%	457,255	76,377	1,013	12.1%
Hydro Ottawa Limited	236,138		208,706	444,844	6.7%	75,073	35,421	181	2.2%
London Hydro Inc.	200,000		2,048	202,048	3.0%	172,048	30,000	404	4.8%
Elexicon Energy Inc.	88,866		6,493	95,359	1.4%	77,448	12,748	179	2.1%
Hydro One Remotes	64,601		135,497	200,098	3.0%	74,415	11,784	146	1.7%
EnWin Utilities Ltd	56,760			56,760	0.9%	49,665	7,095	157	1.9%
Kitchener-Wilmot Hydro Inc.	49,000			49,000	0.7%	41,650	7,350	105	1.3%
Oakville Hydro Electricity Distribution Inc.	45,350			45,350	0.7%	38,548	6,803	93	1.1%
Sum (Top 10 Distributors):	3,976,801	20,222	1,738,853	5,735,876	86.0%	3,003,125	548,892	6,685	80.0%
Grand Total (All Distributors):	4,684,768	63,818	1,918,475	6,667,060	100.0%	3,632,474	636,540	8,353	100.0%
% (Top 10 Distributors / All Distributors):	84.9%	31.7%	90.6%	86.0%	86.0%	82.7%	86.2%	80.0%	80.0%

* Funds available is the sum of distributor budget, non-rate-based contributions (donations) and unused funds from previous year



Lead Agencies Who Did Not Charge Administration Costs to Distributors in 2019

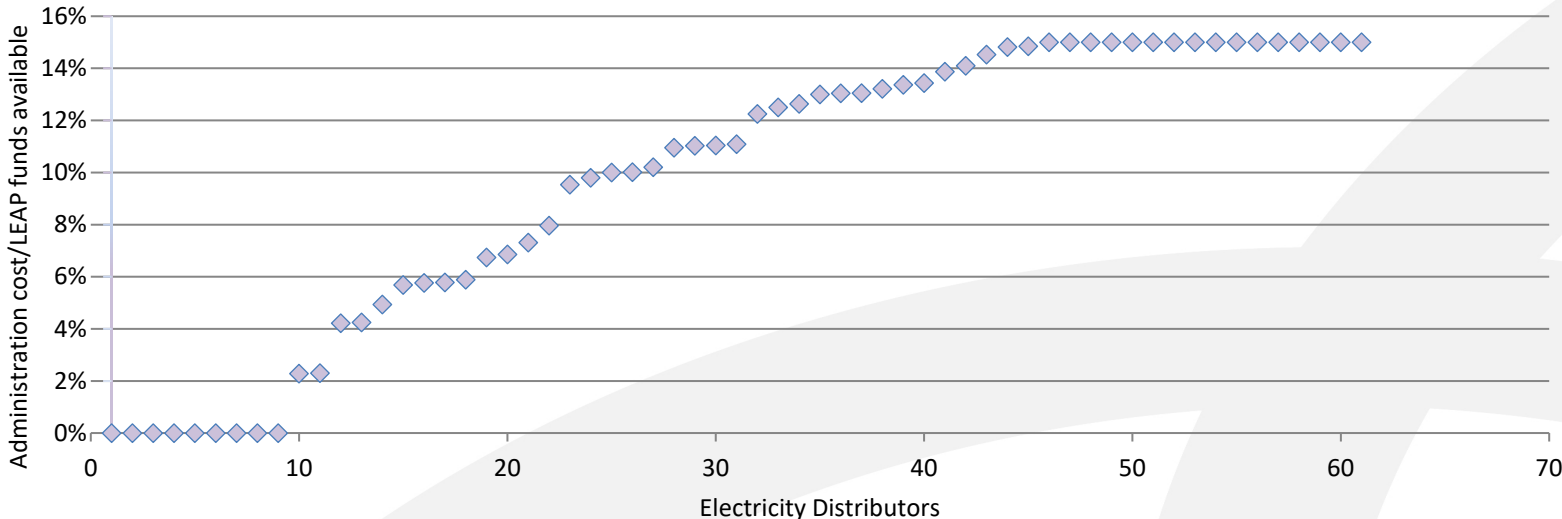
Out of 61 reporting entities, 9 agencies did not charge administration costs to 9 distributors in 2019 - 12 distributors were not charged such costs in 2018

1. The Inn of Good Shepherd (Bluewater Power Distribution Corporation)
2. The Manitoulin-Sudbury District Services Board (Chapleau Public Utilities Corporation and Espanola Regional Hydro Distribution Corporation)
3. Salvation Army Family Services (Entegrus Powerlines Inc.)
4. GPF Community Services (Grimsby Power Incorporated)
5. The Help Centre of Northumberland (Lakefront Utilities Inc.)
6. County of Lanark, Social Services Department (Ottawa River Power Corporation)
7. County of Renfrew, Ontario Works (Ottawa River Power Corporation)
8. County of Renfrew – Social Services (Ontario Works Department) (Renfrew Hydro Inc.)
9. The Salvation Army (Tillsonburg Hydro Inc.)

Administration Cost Analysis

	2019	2018	Change
Total Administration Cost	\$ 636,540	\$ 638,773	-\$ 3,233
Administration Cost / Applicant*	\$ 56.82	\$ 59.58	-\$ 2.76

Administration Costs as a Percentage of LEAP Funds Available

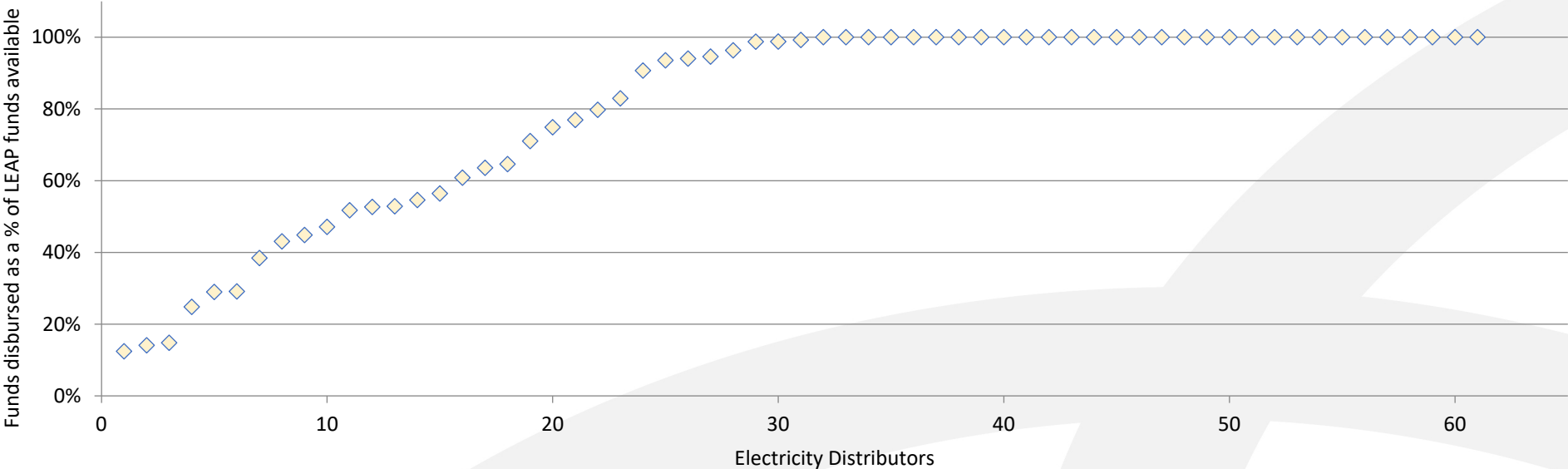


* This charge is calculated based only on applicants of distributors who pay administration costs



Percentage of LEAP Funds Disbursed in 2019

LEAP Funds Disbursed as a Percentage of LEAP Funds Available



- 33 distributors had effectively exhausted their LEAP funds (30 disbursed 100% of available funds while 3 had small balances remaining)
- 28 distributors had funds remaining at year-end available for grants



Distributors that Effectively Depleted their LEAP Funds in 2019

1. Bluewater Power Distribution Corporation (Jul)
2. Brantford Power Inc. (Feb)
3. Burlington Hydro Inc. (Dec)
4. Centre Wellington Hydro Ltd. (Oct)
5. Cooperative Hydro Embrun Inc. (Jul)
6. Cornwall Street Railway Light and Power (Mar)
7. E.L.K. Energy Inc. (Oct)
8. Entegrus Powerlines Inc. (May)
9. EnWin Utilities Ltd. (Oct)
10. Espanola Regional Hydro Distribution (May)
11. Festival Hydro Inc. (Jul)
12. Greater Sudbury Hydro Inc. (Aug)
13. Halton Hills Hydro Inc. (Jul)
14. Hydro 2000 Inc. (Jul)
15. Hydro Hawkesbury Inc. (Apr)
16. Innpower Corporation (May)
17. Kingston Hydro Corporation (Jun)
18. Kitchener-Wilmot Hydro Inc. (Jun)
19. Lakeland Power Distribution Ltd. (Jul)
20. London Hydro Inc. (Jul)
21. Oakville Hydro Electricity Distribution Inc. (Oct)
22. Orangeville Hydro Limited (Jun)
23. Orillia Power Distribution Corporation (Jun)
24. Oshawa PUC Networks Inc. (May)
25. Ottawa River Power Corporation (Feb)
26. Peterborough Distribution Incorporated (Sep)
27. PUC Distribution Inc. (Jun)
28. Renfrew Hydro Inc. (Mar)
29. Rideau St. Lawrence Distribution Inc. (May)
30. Sioux Lookout (Aug)
31. Tillsonburg Hydro Inc. (Nov)
32. Wellington North Power Inc. (Jun)
33. Westario Power Inc. (Sep)



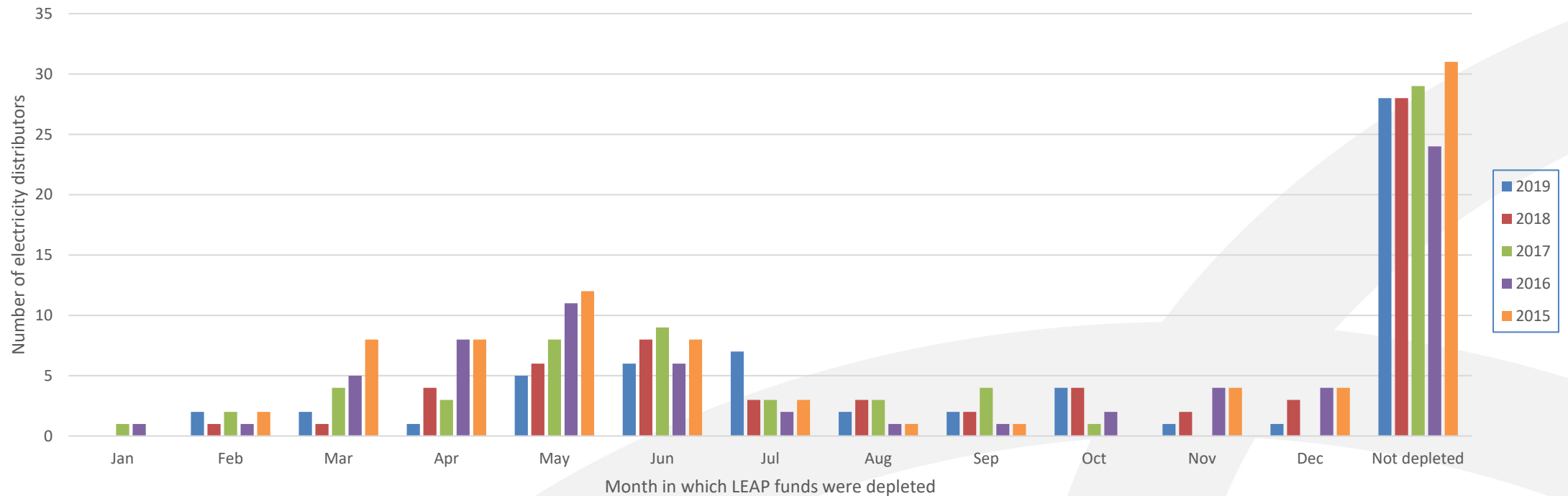
Distributors that reported LEAP Funds Remaining at Dec 31, 2019

Distributors	Unused funds	Distributors	Unused funds
1. Toronto Hydro-Electric System Limited	\$ 736,815	15. Atikokan Hydro Inc.	\$ 5,180
2. Alectra Utilities Corporation	599,222	16. Elexicon Energy Inc.	5,163
3. Hydro One Networks Inc.	394,410	17. Synergy North Corporation	5,076
4. Hydro Ottawa Limited	334,350	18. Essex Powerlines Corporation	4,872
5. Hydro One Remote Communities Inc.	113,900	19. EARTH Power Corporation	4,275
6. Algoma Power Inc.	39,078	20. Chapleau Public Utilities Corporation	4,225
7. Waterloo North Hydro Inc.	31,866	21. Lakefront Utilities Inc.	3,231
8. Niagara-on-the-Lake Hydro Inc.	27,712	22. Wasaga Distribution Inc.	2,528
9. Milton Hydro Distribution Inc.	18,419	23. Hearst Power Distribution Company Limited	2,141
10. Canadian Niagara Power Inc.	18,115	24. Fort Francis Power Corporation	1,547
11. North Bay Hydro Distribution Limited	15,543	25. Newmarket-Tay Power Distribution Ltd.	904
12. Niagara Peninsula Energy Inc.	10,498	26. Grimsby Power Incorporated	638
13. Northern Ontario Wires	10,244	27. Energy Plus Inc.	523
14. Welland Hydro-Electric System Corp.	6,731	28. EPCOR Electricity Distribution Ontario Inc.	68



Reported Month in Which LEAP Funds Were Depleted

In 2015, 50% of distributors ran out of LEAP funds by the end of June, whereas in 2019, it took until the end of October

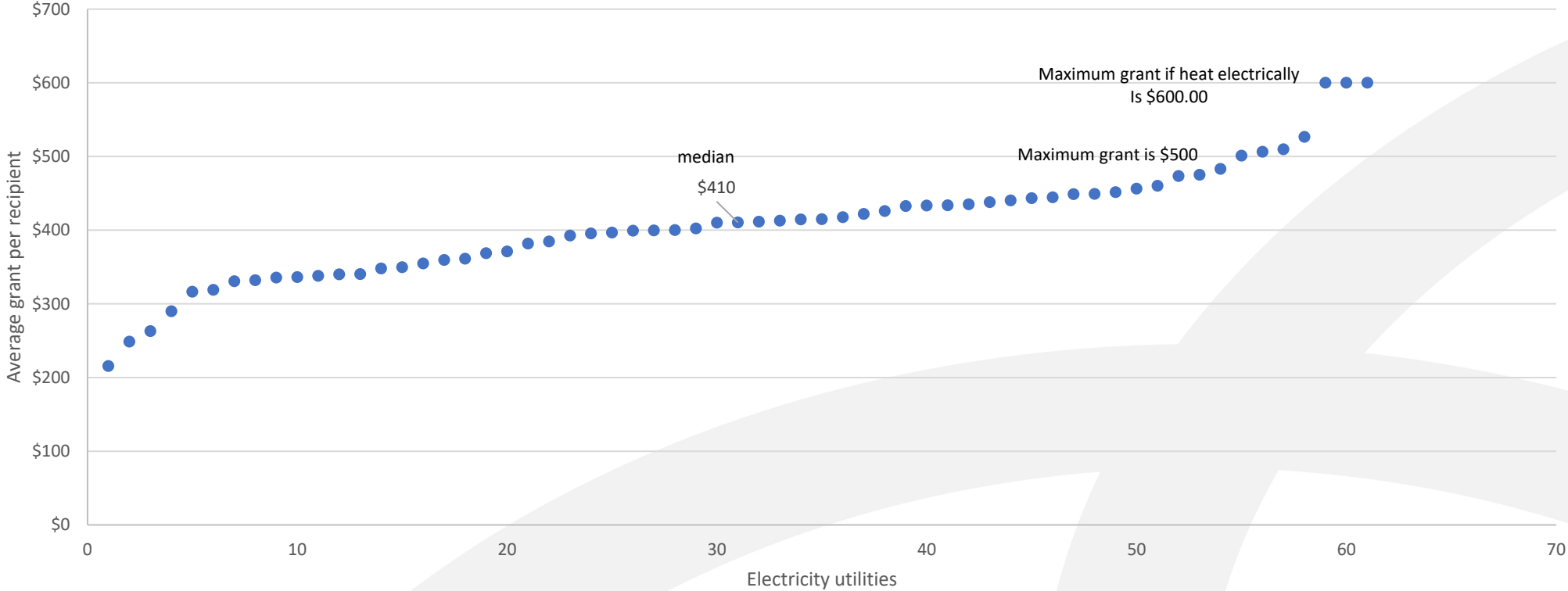


The percentage of companies who reported having LEAP funds remaining at the end of the year rose slightly to 46% in 2019 from 43% in the previous two years, with the average percentage in the past 5 years being 42%



Average 2019 LEAP EFA Grant Disbursed per Recipient

The majority of LEAP EFA grants ranged between \$338 and \$460



Report on 2019 Program Results

Natural Gas Distributors – Detailed Results



LEAP Results for Enbridge Gas Inc.*

	LEAP 2019	% of LEAP funds available in 2019	LEAP 2018*
LEAP funds available (distributor budget and unused funds from previous year)	\$ 2,493,000		\$ 2,688,336
LEAP grants disbursed	\$ 2,081,701	85.0%	\$ 2,285,086
Administration costs	\$ 368,937	15.0%	\$ 403,250
Funds disbursed	\$ 2,450,638	100.0%	\$ 2,688,336
Unused funds remaining	\$ 42,362	0%	\$ 0
Applicants	6,466		8,251
Recipients	4,918		5,499
Applicants denied	1,548		2,752
Average grant	\$ 423		\$ 415

- As of January 1, 2019, Enbridge and Union Gas have merged to become Enbridge Gas Inc. For comparison purposes, the 2018 LEAP activities of the two Previous entities have been combined



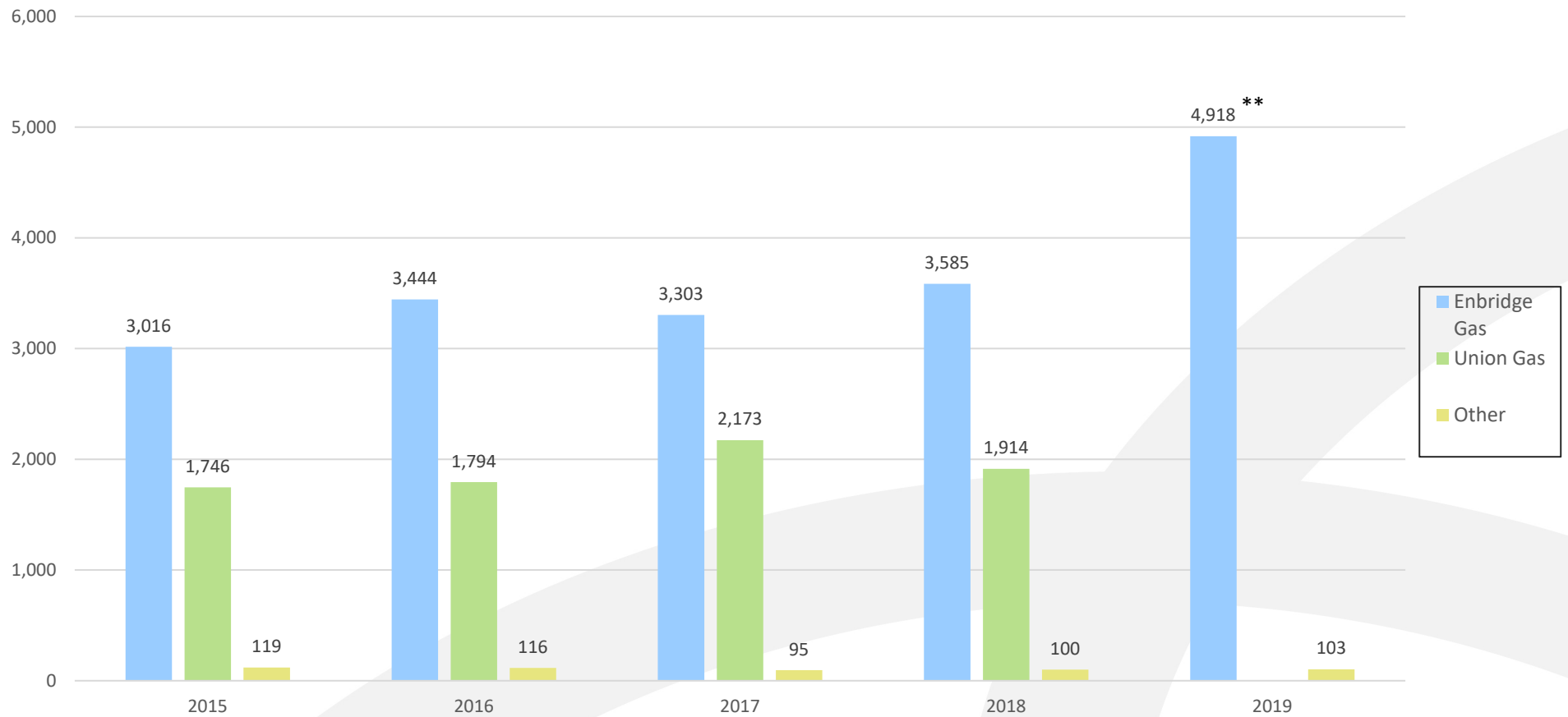
LEAP Results for Other Natural Gas Distributors - 2019

	EPCOR	Kitchener Utilities	Total	% of LEAP funds available in 2019
LEAP funds available (distributor budget and unused funds from previous year)	\$ 17,800	\$ 43,900	\$ 61,700	
LEAP grants disbursed	\$ 4,255	\$ 33,348	\$ 37,603	60.9%
Administration costs	\$ 526	\$ 6,585	\$ 7,111	11.5%
Funds disbursed	\$ 4,781	\$ 39,933	\$ 44,714	72.5%
Unused funds	\$ 13,019	\$ 3,967	\$ 16,986	27.5%
Applicants	14	91	105	
Recipients	12	91	103	
Applicants denied	2	0	2	
Average grant	\$ 355	\$ 366	\$ 365	

Note: Data for Utilities Kingston is unavailable



LEAP* Results for Natural Gas Distributors Number of Recipients 2015 - 2019



* and Winter Warmth for years 2015 – 2016 (Union Gas)

** as of Jan 1, 2019, Enbridge and Union Gas have merged to become Enbridge Gas Inc.

