



**Government of the Northwest Territories' Response to Committee
Report 17-19(2): Report on the Bill 23: An Act to Amend the Public Utilities Act**

Background

The Standing Committee on Government Operations (SCOGO) presented their Committee Report "Report on the Bill 23: An Act to Amend the Public Utilities Act" (the Report) on November 22, 2021. This report contains six recommendations for the Government of the Northwest Territories (GNWT), Department of Education, Culture and Employment (ECE), Northwest Territories Housing Corporation (NWTHC), Public Utilities Board (PUB), Northwest Territories Power Corporation (NTPC), and Northland Utilities Limited (NUL). The recommendations address factors around the quality of housing units and the appliances and equipment in housing units; potential barriers, socio-economic, and emergency factors that impact payment of electricity bills; and, communication between public utilities providers and customers.

On November 30, 2021 the Report was considered in Committee of the Whole. No additional recommendations were made and all six recommendations were carried. The Report includes a recommendation that the GNWT provide a comprehensive response to the report within 120 days.

In the *Mandate of the Government of the Northwest Territories, 2019-2023* (the Mandate) the GNWT has committed to reducing the cost of power and expanding the reach of energy conservation and efficiency initiatives, and increasing the stock of quality, energy efficient and affordable housing, especially for vulnerable persons. The Report and responses highlight work that is being done to meet these commitments.

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The following is the GNWT's response to the recommendations contained in the Report.

Recommendation 1:

“The Standing Committee on Government Operations recommends that the Department of ECE work with NWTHC to address potential barriers that can cause higher electricity bills for people on income assistance in housing units. This should include reviewing the 2018 policy change that transferred more responsibility for electricity consumption from the NWTHC to tenants, and whether this change resulted in increased income assistance from ECE or an increased number of customers in arrears on their power bills and value of those arrears.”

GNWT Response

The Income Assistance (IA) program pays for the actual costs associated with utility expenses for eligible clients. Clients are required to apply for IA each month and to submit their utility invoices, so that payments can be made on their behalf. Payments are made directly to the supplier. In the case of power, payments are made directly to the NTPC or NUL. Each month eligible clients receive a Financial Case Report that provides a breakdown of their eligibility and any payments that were issued to them or on their behalf.

The IA program has the ability to pay utility charges that are incurred up to 12 months prior to the current month's IA assessment; however, late fees and/or reconnection fees are not included in benefit amounts. This is provided that the client applied for and qualified for IA for that month. For example, applicants who applied for and received benefits in March 2021 but did not submit their invoice until December 2021 would still be eligible for their utility benefit; however the program would not pay for any late fees incurred.

When a client receives income that affects the amount of support they receive from the program, ECE prioritizes the payment of shelter and utilities to ensure clients do not go into arrears.

In situations where clients have arrears with their utility provider, Client Services Officers encourage clients to enter into a repayment plan so that payments can be made on their behalf. Noting that the IA program does not have a benefit to pay arrears and as such, third party payments would be taken out of other benefits, such as food, clothing, or disabled/senior and incidental allowances. Clients must consent to this and sign a third party payment agreement.

The following is a breakdown of the utility expenses for clients residing in public housing from 2017-18 to 2021-22, keeping in mind that 2021-22 is still in progress. As a result of the NWT HC policy change in 2018, ECE has seen a significant increase to the amount of benefits paid to utility providers for clients residing in public housing.

Fiscal Year	Public Housing/Utilities	# of Clients
2017-18	\$390,113	1175
2018-19	\$616,727	1,214
2019-20	\$823,309	1,204
2020-21	\$651,725	997
2021-22	*\$450,402	843

* Still in progress

Recommendation 2:

“The Standing Committee on Government Operations recommends that the NWT HC ensure that all its housing units are fit for habitation, such that tenants are not forced to resort to improvised methods to regulate the temperature of the home.”

GNWT Response

NWTHC continues to strive to ensure that its units are in an acceptable condition for its tenants. NWTHC conducts regular inspections to assess the condition of units, and to determine the need for repairs and replacement. In conjunction with the Local Housing Offices across the territory, NWTHC also works to respond to issues identified by tenants as soon as possible. NWTHC continues to advocate for additional funding from the federal government as well as seek out other opportunities to support maintenance, repair and replacement where needed of public housing units.

Recommendation 3:

“The SCOGO recommends that the NWTHC conduct a review of all household appliances, heating equipment, water heaters, and lighting products in housing units to ensure they meet current federal energy efficiency standards.”

GNWT Response

NWTHC conducts regular inspections of all its housing units. This work includes the identification of required repairs and replacement of housing components, including appliances such as fridge, stove and heating equipment. When replacing these appliances, the NWTHC ensures that they satisfy prevailing federal energy efficiency standards. For new construction, the NWTHC’s design standards require the building to exceed the current national energy code by 20%.

Recommendation 4:

“The SCOGO recommends that the PUB work with the NTPC and NUL to consider and study the implementation of a customer crisis fund, modeled after BC Hydro’s Customer Crisis Fund, to provide grant payments to residential customers experiencing a temporary financial crisis and who have fallen into arrears.”

GNWT Response

The Committee noted that in other jurisdictions, notably British Columbia (BC), there are programs that provide supports to electricity customers experiencing a temporary financial crisis and a similar program in the Northwest Territories (NWT) context merits consideration as a policy response to electricity unaffordability for some customers.

In BC, the Customer Crisis Fund is a program that offers support for residential customers who are facing disconnection of their BC Hydro service, despite attempting to make payments. To be eligible the customers are required to demonstrate financial need and consequently, trouble in paying BC Hydro bills and facing disconnection.

Having examined how the customer crisis fund operates in BC and is funded by rate payers, the GNWT will not be proceeding with implementing a customer crisis fund at this time as power bills for NWT residents are up to five times higher than the national average, and the GNWT has committed in the Mandate to reduce the cost of power.

The programs currently in place that residents may be able to access to receive assistance in paying their power bills are expanded on in the response to Recommendation 5. We believe these programs are adequate to support residential customers who are eligible for those programs and are experiencing a temporary financial crisis and who have fallen into arrears.

Recommendation 5:

“The SCOGO recommends that the NTPC and NUL, with oversight and, if necessary, enforcement from the PUB, improve communications with customers so that they are clearer, more comprehensive, more proactive, and more client-centered, especially with respect to:

- a) Eligibility for the Income Assistance Program, and how policy changes or new benefit programs, like the Canada Recovery Benefit, may impact customer eligibility.
- b) The Terms and Conditions of Service document regarding details on:
 - The types and minimum timeframes of notices that NTPC may send customers;
 - The type and operation of power limiters; and
 - Customer payment options.

GNWT Response

A. Eligibility for the Income Assistance Program, and how policy changes or new benefit programs, like the Canada Recovery Benefit, may impact customer eligibility.

NTPC, NUL (NWT) and NUL (Yellowknife) (the Utilities) recognize that there are several government programs that customers in need can access to assist with bill payment. The Utilities currently make customers aware of these programs in person, and by phone. These include:

- The IA Program administered by ECE provides a set amount, based on size of family and community, for food, community cost adjustment, clothing, and furnishings. The program provides assistance with shelter and utilities, based on actual amounts. Allowances for seniors and persons living with disabilities are also available to eligible residents.
- The Homelessness Assistance Fund (HAF) administered by NWT HC provides one-time emergency funding to residents experiencing a housing-related crisis within the NWT that could result in homelessness. The HAF can be accessed for utility arrears, if the amount owing affects daily living situation or could result in eviction.
- The federal Inuit Child First Initiative administered consistent with Jordan's Principle provides support for overdue bills to qualifying families. Jordan's Principle makes sure all First Nations children living in Canada can access the products, services and supports they need, when they need them.

The Utilities would be pleased to work with government agencies to make program information available and accessible on their websites to assist customers with accessing the available programs.

Further, throughout the COVID-19 pandemic, ECE has regularly provided Regional and Community ECE Service Centres with communication materials, including brochures and posters that outlined the impact that any Government of Canada benefits may have on qualifying for IA. ECE updated Members of the Legislative Assembly through email when any changes to program delivery occurred and updated the ECE website as well as the GNWT COVID-19 response website.

B. The Terms and Conditions of Service document regarding details on:

- **The types and minimum timeframes of notices that NTPC may send customers;**
- **The type and operation of power limiters; and**
- **Customer payment options**

The PUB approves the Terms and Conditions of Service (TOC) of the Utilities. The TOC for electric utilities operating in the NWT includes a provision which states clearly that an account can be disconnected or have a current limiting device installed if the customer fails to make payment by the scheduled date. The Utilities provide several notifications to customers about account payments. The initial bill has a clearly defined payment due date. If this bill is not paid the following month's bill clearly indicates it as an overdue amount. After that point the customer may be subject to disconnection notification which provides a minimum of 48 hours for the customer to make their account current or develop a mutually agreeable payment plan. If the customer fails to contact the utility or fails to make a suitable payment arrangement, then disconnection may be undertaken, or a current limiting device may be installed. The Utilities generally offer payment extensions or payment plans to customers.

The Utilities may use mechanical or electronic connection/disconnection or current limiting devices. A mechanical current limiting device is installed in conjunction with the existing meter.

The device contains a circuit breaker much like those in an electrical panel which will trip if a load greater than 15 amps is used within the residence. If tripped, the homeowner must go to the meter and manually reset the breaker to have power restored.

A smart meter permits electronic connection/disconnection or current limiting, meaning that no physical intervention is required. NTPC utilizes this capability to limit meters remotely. The current program allows any amount of power to be used but if the demand exceeds 15 amps for a period greater than 15 minutes, the meter will automatically shut off for 15 minutes. If the customer limits the power they use to under 15 amps and only go above this amount for short periods, they will not experience any service interruption. Customers are able to receive continuous power if they remain vigilant about their power consumption. It has been reported that power would cycle on and off in 15-minute intervals if an account was limited. This statement does not represent an accurate reflection on how the limiting devices functions. This would only occur if the customer continuously used over 15 amps. The Utilities do not believe the type and operation of power limiters need to be included in the Terms and Conditions document because the technology changes over time.

The Utilities have advised that they do not believe payment options should be added to the Terms and Conditions because this information is adequately communicated elsewhere. Multiple payment options are communicated to customers using various means which includes, monthly bills, on websites, on social media and elsewhere. Each utility provides slightly different payment options.