

February 2, 2009

Ontario Energy Board
P.O. Box 2319, 27th Floor
2300 Yonge Street
Toronto, ON M4P 1E4

Attn: Kirstin Walli
Board Secretary

Re: EB-2008-0413

Dear Ontario Energy Board:

This letter is to comment on the application by Natural Resource Gas Ltd. to renew its franchise agreement with the Town of Aylmer. We want the OEB to know that we are in FULL support of ALL nine conditions The Town of Aylmer has proposed for the renewal. We feel that all nine of these conditions would help to correct a lot of the problems The Town of Aylmer's (and others in NRG's territory) residents have had in the past couple years. While NRG has taken small steps (mostly in response to many complaints and pressure from the OEB) to correct some of the issues their customer's have had with the deposit policies, customer service issues, and gas service issues; we feel there are still a lot of progress to be made by NRG in these areas. By having these conditions in the franchise agreement, it would ensure that the OEB would be able to intervene if at any time one or more of these issues should become a problem once again.

Since last spring many people have written letters to the OEB, our MPP Steve Peters, Ministry of Energy and Infrastructure, Minister of Small Business, and the Minister of Municipal Affairs and Housing. The answers we have received are that ALL are aware of the problems we have had with NRG, but ALL seem to pass the problem onto someone else. The conditions in this franchise renewal give us the protection we have long been seeking. Since NRG has a monopoly in this area, consumers are left with very little options and NRG has taken full advantage of that fact).

It is time that we, as consumers get some protection.

So once again, we want to make the OEB aware that we are in FULL support of ALL NINE of the conditions The Town of Aylmer has proposed for the Franchise Renewal.

Sincerely,

Jeanette Brubacher
Danielle Lalonde
Russ Monteith
Marcie Tenk
Hans & Mary Giesbrecht
Brian & Kathy Williams

enclosures

RECEIVED

FEB 06 2009

ONTARIO ENERGY BOARD
OFFICE OF THE BOARD SECRETARY

JS



Steve Peters, M.P.P.
Elgin - Middlesex - London

October 17, 2008

Honourable George Smitherman
Minister of Energy and Infrastructure
Hearst Block, 4th Floor
900 Bay Street
Toronto, ON M7A 2E1

Honourable Harinder Takhar
Minister of Small Business
and Consumer Services
Whitney Block, Suite 1306
99 Wellesley Street West
Toronto, ON M7A 1W2

Honourable Jim Watson
Minister of Municipal Affairs and Housing
17th Floor
777 Bay Street
Toronto, ON M5G 2E5

Honourable Leona Dombrowsky
Minister of Agriculture, Food and Rural Affairs
11th Floor
77 Grenville Street
Toronto, ON M5S 1B3

Dear Ministers:

Please find the enclosed information package that provides background regarding concerns many residents of the Town of Aylmer, Township of Malahide, Municipality of Bayham, the Municipality of Central Elgin and the Municipality of Thames Centre have about the service they are receiving from their natural gas utility service, Natural Resources Gas (NRG).

As Minister Smitherman is aware, I have written to both him and his predecessor on several occasions about these issues that continue to frustrate and anger my constituents. I have also written to Mr. Howard Wetston, Chairperson of the Ontario Energy Board (OEB), on a number of occasions and I have copied him with this letter.

There are three main issues involving NRG: their business practices surrounding the failed return of security deposits to residential and business customers; their failure to honour contract obligations with Union Gas for continuance of service arrangements (this matter is currently in front of the Ontario Energy Board); and the many difficulties the Integrated Grain Processors Co-operative (IGPC) ethanol plant in Aylmer has had securing natural gas services.

While these three issues are considered separate matters by the OEB and likely by your ministries, I believe they all point to a serious and systemic problem within the energy utility sector. While the OEB does have regulatory jurisdiction over both natural gas and electricity utilities in Ontario, it appears that private utilities that have a monopoly in certain areas of the province can essentially conduct business practices as they see fit.

In NRG's case, this freedom to operate has resulted in two separate but what I believe are intrinsically linked community crises: on the grassroots level, security deposits not being returned to customers even after a significant amount of time from original payment has passed; and on a higher level in some respects, a blatant disregard to following acceptable business practices with community partners like IGPC, Union Gas and the very municipalities NRG has contracts to serve.

I was pleased to learn that the OEB has submitted a Notice of Proposed Amendment to a Rule that involves a proposal to regulate natural gas utility security deposits to create a province-wide template for utilities to observe. I understand that the Union Gas versus NRG matter is still currently in front of the OEB and I look forward to a positive resolution from this process that will protect local utility customers and ensure safe continuance of natural gas service for local residents and businesses.

But these developments do not go far enough for the many residents who have contacted my constituency office to express their serious concerns about how NRG conducts business and treats their customers. Real action is being called for in the community and while the security deposit regulation proposal is a welcome development, I know that the residents who have contacted me believe more should be done to address these concerns.

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www.stevepeters.com

I understand that the OEB operates at arm's length of the provincial government. But there comes a time when it is incumbent of governments to protect the interests of the constituents they serve. I believe the concerns regarding NRG within my riding have come to this point.

There are three plans of action I am asking you to consider taking:

- Drafting legislation that would fully regulate utility security deposits. This legislation would go further than the current proposal and would include when a utility can ask for one to be paid, how much funds can be requested, where these deposits are kept in trust, the interest to be paid upon return and how long a utility can hold deposits. This legislation should also include enforcement powers if a utility does not comply with the regulations. As part of this process, I would encourage that a public consultation process be conducted that should include a forum in the Town of Aylmer so the OEB can hear directly from affected utility customers.
- Launching a provincial review of the provision of utility services in Ontario. Other than the contracts municipalities enter into with utilities and the OEB application process, there is little further recourse communities have at their disposal when encountering problems with service provision. Natural gas and electricity utilities essentially hold a monopoly in the jurisdictions they operate in and I have received many comments from my constituents about this. The provincial review should include steps government can take to ensure that utility customers receive true value for the rates they are forced to pay for what many Ontario residents believe are essential services (heat and electricity). I would also encourage this provincial review include a public consultation process.
- Initiating an inter-ministry investigation of the problems experienced in the establishment of the IGPC ethanol plant. The problems IGPC experienced with NRG to construct a new natural gas pipeline from Union Gas jurisdiction north of the Aylmer/Malahide Township area to the plant threatened the future of the entire project. As you are aware, IGPC received \$14 million in funding from the provincial government for this plant that has provided an economic development boost to an entire region that has been hard hit by the continued downturn and possible end of the tobacco industry in Ontario.

Ministers, taken the seriousness of these matters, I would appreciate your reviewing my recommendations at your earliest convenience and responding to my constituency office. As always, thank you in advance for your time and consideration.

Sincerely,



Steve Peters, M.P.P.
Elgin-Middlesex-London

Cc: Mr. Howard Wetston, Chairperson, Ontario Energy Board, P.O. Box 2319, 2300 Yonge Street, 27th Floor,
Toronto, Ontario, M4P 1E4

COPY

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and Infrastructure

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Ontario

NOV 10 2008

The Honourable Steve Peters, MPP
Elgin-Middlesex-London
542 Talbot Street
St. Thomas ON N5P 1C4

Dear Mr. Peters:

Thank you for your letter of July 30, 2008 regarding your concerns about Natural Resource Gas (NRG) and its policy on security deposits. I am pleased to respond.

From the level of concern voiced by your constituents, it would appear that there is an ongoing issue related to NRG's security deposit policy. Ministry staff have been discussing various possible resolutions with staff at the Ontario Energy Board (OEB).

On October 8, 2008, the OEB issued a notice of proposed amendment to its Gas Distribution Access Rule. The amendment would provide a standardized regulatory framework for the collection and administration of security deposits by gas distributors, including NRG. The proposed framework is based on and largely reflects the provisions that currently apply to electricity distributors. The OEB has invited all interested parties to provide written comments by November 19, 2008.

I have enclosed a copy of the notice of proposed rule-making for your reference. It may also be viewed on the OEB's website at www.oeb.gov.on.ca under Industry Relations, OEB Key Initiatives, Gas Distribution Access Rule. The file number is EB-2008-0313. I encourage you and your constituents to make a submission to the OEB to ensure that your concerns about NRG's policy are taken into consideration.

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11/20/2008 12:42 519-631-9478

STEVE PETERS MPP

PAGE 02/02

FLS/CU & CORP COMM

Fax: 416-585-1247

Nov 18 2008 01:55pm P002/002

Ministry of
Municipal Affairs
and Housing

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06-43037

November 18, 2008

The Honourable Steve Peters, MPP
Elgin-Middlesex-London
542 Talbot Street
St. Thomas ON N5P 1C4

Dear Mr. Peters:

Thank you for your letter of October 17, 2008 and attachments advising me of your concerns – as well as the concerns of your constituents – regarding the business practices of gas distributors.

I recognize the concerns being raised about security deposits and the need to consider options regarding this issue.

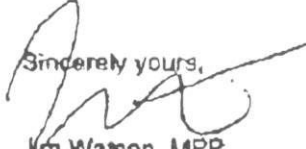
The *Public Utilities Act* provides authority for gas distributors to charge reasonable security deposits. However, as you noted, the Ontario Energy Board (OEB) issued a notice of proposed amendment – on October 8, 2008 – to the Gas Distribution Access Rule under the *Ontario Energy Board Act, 1998*. The amendment would provide a standardized regulatory framework for the collection and administration of security deposits by gas distributors, including Natural Resources Gas (NRG).

I also understand that any interested parties can make a written submission to the OEB regarding their concerns about security deposits until November 19, 2008.

Requests for a full review of utility services in Ontario and NRG's involvement with the ethanol plant in the Town of Aylmer would be better addressed by our colleague, the Honourable George Smitherman, Minister of Energy and Infrastructure. I note that you have also addressed your letter to Minister Smitherman, and I trust he will give this matter the appropriate consideration.

I will continue to follow the security-deposits issue with interest. Once again, I thank you for bringing these concerns to my attention.

Sincerely yours,


Jim Watson, MPP
Minister

- cc: The Honourable George Smitherman, Minister of Energy and Infrastructure
The Honourable Harinder Takhar, Minister of Small Business and Consumer Services
The Honourable Leona Dombrowsky, Minister of Agriculture Food and Rural Affairs

Ministry of
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Ontario

October 2, 2008

08-42761

Ms. Danielle Dagg

E-mail: danielle@amtelcom.net

Dear Ms. Dagg:

Premier Dalton McGuinty has asked me to respond to your e-mail of September 16, 2008 regarding your dealings with your local provider of natural gas and the Ontario Energy Board (OEB). I appreciate receiving your correspondence and am pleased to respond.

From your e-mail and attachment, I understand that you and fellow area residents are concerned about your security deposits with the natural-gas provider and have brought your concerns to the attention of the OEB. You also believe that there should be better regulation of security deposits held by suppliers of natural gas.

As the Premier indicated, public utilities such as natural gas are governed by the *Public Utilities Act*, which is administered by the Ministry of Municipal Affairs and Housing. However, while the legislation allows a natural-gas supplier to require a security deposit, it does not require the supplier to refund or to pay interest on the deposit it holds.

I suggest that you pursue this issue directly with your local natural-gas provider and request a copy of its service guidelines related to security deposits and the payment of interest on such deposits.

The Minister of Energy and Infrastructure has lead responsibility for energy policy as well as the OEB. Therefore, I have taken the liberty of forwarding your e-mail to Minister Smitherman for his consideration.

Once again, thank you for bringing this matter to our attention.

Sincerely yours,

Jim Watson, MPP
Minister

C: The Honourable Dalton McGuinty, Premier of Ontario
The Honourable George Smitherman, Minister of Energy and Infrastructure

Jeanette Brubacher

Phone: 519-773-2859

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Fax Transmittal Form

To: Ontario Energy Board

Name: Kirstin Walli

Phone: 888-632-6278

Fax: 416-440-7656

Number of Pages: 7 Inc. This one

Message:

Please find attached our letter of comments as well as additional letters we have received to date from various government officials. These comments are in regards to EB-2008-0413, Aylmer/NRG franchise renewal.

Thanks,