

**Attachment C  
to  
Notice of Proposal to Amend Codes**

**March 10, 2009**

**EB-2007-0722**

**Proposed Amendments to the Distribution System Code:  
Management of Customer Commodity Non-payment Risk**

**Note: The text of the proposed amendments is set out in italics below, for ease of identification only.**

Section 2.4 of the Distribution System Code is amended by adding the following immediately after section 2.4.31:

- 2.4.32      *Despite any other provision of this Code and despite the billing cycle that would otherwise be applicable based on the distributor's normal practice as documented in its Conditions of Service, in managing customer non-payment risk a distributor may:*
- (a)      *bill a customer on a bi-weekly basis, if the value of that customer's purchases of electricity over 12 consecutive months falls between 51% and 100% of the distributor's approved distribution revenue requirement over that 12-month period; or*
  - (b)      *bill a customer on a weekly basis, if the value of that customer's purchases of electricity over 12 consecutive months exceeds 100% of the distributor's approved distribution revenue requirement over that 12-month period.*

*For the purposes of determining whether this section applies in relation to a customer, a distributor may consider the value of the customer's purchases of electricity in the 12-month period preceding the coming into force of this section.*

- 2.4.33      *A distributor shall not bill a customer in accordance with section 2.4.32 unless the distributor has given the customer at least 42 days notice before issuance of the first bi-weekly or weekly bill, as the case may be.*

- 2.4.34 *Where a distributor is billing a customer in accordance with section 2.4.32 or section 2.4.36, the distributor shall resume billing the customer in accordance with the billing cycle that would otherwise be applicable based on the distributor's normal practice as documented in its Conditions of Service if the value of that customer's annual purchases of electricity over 12 consecutive months falls below 51% of the distributor's distribution revenue over that 12-month period.*
- 2.4.35 *Where a distributor is billing a customer in accordance with section 2.4.32(b), the distributor shall bill the customer as follows if the value of that customer's annual purchases of electricity over 12 consecutive months falls between 51% and 100% of the distributor's distribution revenue over that 12-month period:*
- (a) in accordance with the billing cycle that would otherwise be applicable based on the distributor's normal practice as documented in its Conditions of Service; or*
  - (b) in accordance with section 2.4.32(a) or section 2.4.36.*
- 2.4.36 *Despite any other provision of this Code, a distributor that intends to bill or is billing a customer in accordance with section 2.4.32 may, in lieu of such billing, negotiate alternative arrangements with the customer, including in relation to a lesser frequency of billing or in relation to the giving or retention of security deposits.*