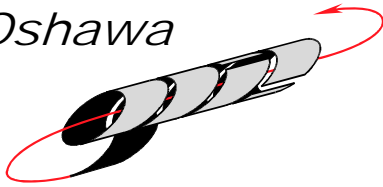


Oshawa



*PUC Networks Inc.*

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April 17, 2009  
Board Secretary  
Ontario Energy Board  
P.O. Box 2319  
27<sup>th</sup> Floor 2300 Yonge Street  
Toronto, Ontario  
M4P 1E4

Dear Ms Walli:

**Re: Consultation on Energy Issues Relating to Low-income Consumers  
Report of the Board: Low-income Energy Assistance Program  
Board File No.: EB-2008-0150**

**Electricity Distributors: Customer Service, Rate Classification and Nonpayment Risk  
Notice of Proposal to Amend Codes  
Board File No.: EB-2007-0722**

Oshawa PUC Networks Inc. is pleased to submit our comments concerning the consultations noted above.

Yours truly,

Vivian Leppard  
Regulatory Analyst  
Email: [vleppard@opuc.on.ca](mailto:vleppard@opuc.on.ca)  
Phone: (905) 743-5220

Encl(1)

Oshawa PUC Networks Inc. is supportive of Board direction in implementing ways to help low income energy consumers to manage their energy bills, especially in the current economic climate. However, we would like to respectfully submit an important situation which the Board may like to consider in the context of responding to challenging economic times to address the needs of both consumers and the distributors who serve them.

Durham Region generally, and the City of Oshawa in particular, is experiencing very high levels of unemployment. In Oshawa the number of people receiving Employment Insurance increased 96.4% in October 2008 as compared to October 2007. This high unemployment level has not abated since the beginning of the year. This is due primarily to the loss of manufacturing jobs associated with the automotive sector. This has placed a great strain on our customers and is driving higher than normal collection activity. Since June 2008, the number of disconnects per month has increased by an average of 21.3% on a year over year basis. During the last quarter the average number of extensions granted to customers experiencing payment difficulties each month has increased 20% on a year over year basis. This situation crosses customer classes. Oshawa is forecasting \$500,000 of bad debt expense for 2009. This is more than double the amount of approximately \$186,000 included in rate base from our 2008 Cost of Service application as amended by the Decision, adjusted for 2009 by the Price Cap of 1.18% in place for our third generation IRM application.

While we applaud the effort on the part of the Board to address the needs of an increasing number of vulnerable consumers, we request that the Board also address the situation that distributors such as Oshawa find themselves in. Under current economic conditions distributors have increased exposure to customer payment defaults but very few effective tools to prudently manage that exposure. Although deposits can be requested from new customers their mandated return means that they are not in place when a formerly secure customer, affected by the high unemployment rates and / or decrease in economic activity defaults on the distributor.

For these reasons, Oshawa PUC Networks Inc. requests the Board to consider suspending the reimbursement of customer deposits prior to account closing as long as the current economic conditions continue.