



April 17, 2009

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge St.
Suite 2700
Toronto, ON M4P 1E4

Dear Ms. Walli,

**Re: EB-2007-0722 Proposed Amendments to the Distribution System Code, the
Retail Settlement Code and the Standard Supply Service Code**

Please find enclosed three hard copies of Halton Hills Hydro Inc.'s Comments in regards to the Notice of Proposal to Amend Codes dated March 10, 2009 in Ontario Energy Board Proceeding EB-2007-0722.

Further, Halton Hills Hydro has filed the comments electronically through the OEB RESS on April 17, 2009.

Any questions or concerns can be directed towards, Stewart Davidson, Chief Financial Officer, (519) 853-3700 extension 208, stewartd@haltonhillshydro.com or Tracy Rehberg-Rawlingson, Regulatory Affairs Officer, (519) 853-3700 extension 257, tracyr@haltonhillshydro.com.

Yours truly,

Stewart Davidson, CA
Chief Financial Officer
Halton Hills Hydro Inc.

Cc: Arthur A. Skidmore, CMA, Chief Operating Officer



**Ontario Energy Board Proceeding EB-2007-0722
Provision of Service**

Halton Hills Hydro Inc. ("HHHI") recognizes the Board's desire to provide province-wide consistency among Distributor's Provision of Service and also ensure there exists a comprehensive and province-wide approach to assisting low-income energy consumers. HHHI has reviewed Notice of Proposal to Amend Codes issued by the Board and dated March 10, 2009. Following the organization of the Notice and beginning with the definition of "Eligible Low Income Electricity Customer", HHHI offers the following comments:

Proposed Amendments to the Codes: Customer Service

Definition of "Eligible Low Income Electricity Customer"

- HHHI is concerned about the lack of a specific definition for an eligible low-income energy consumer ("ELIEC"). The Board has focused on consistency across the Province, however, different social agencies could have different requirements for low-income energy consumer eligibility. Will each Distributor partner with the same social agency and will that social agency take precedence across the province to maintain consistency?
- HHHI noted that neither the Notice of Proposal to Amend Codes, nor the Report of the Board-Low-Income Energy Assistance Program ("LEAP"), addressed the expectations of the Board in relation to the communication between social agencies and the Distributor. Neither publication by the Board gives guidance on the following:
 - Who is responsible for the dispersion of the LEAP funding?
 - Are Distributors expected to 'flag' the account of a customer who is deemed to be an ELIEC?
 - How long does a customer remain an ELIEC before they no longer receive the special provisions?
 - Will the Distributor or the social agency be responsible for the continued maintenance and verification of eligibility for ELIECs?

Bill Issuance and Payment

1. Payment Period

- Upon discussion with HHHI's Customer Information System (CIS) provider, it was determined that the CIS will not accept two (2) different payment periods to accommodate a default payment period (16 days) and an extended payment period (21 days) for ELIEC, as proposed by the Board. HHHI would be required to provide the extended payment period to all customers, thus negatively impacting the monthly cash flow of the Distributor. To mitigate the negative impact, HHHI would be required to change the current bi-monthly billing policy and bill all customers monthly. It should be noted that this possible change to monthly billing would increase cost that would eventually be paid by the ratepayers.

2. Determining When Bills Are Issued and Payment is Received

- The Board proposed three (3) different time frames in which a bill is to be considered issued (3 days after the bill print date if mailed, the date on which an e-mail is sent if the bill is made available over the internet, and the date of the e-mail if the bill is sent by e-mail). While HHHI customers are able to view their bills on the internet, the majority of bills are mailed thereby resulting in HHHI using the three (3) day timeframe. HHHI bills bi-monthly and if HHHI was required to provide the maximum 21 day payment period and the additional 3 days after the bill is printed, taking into consideration that Distributors must wait 16 days after the reading date to receive Net System Load Shape ("NSLS") date, the date on which customers will be required to pay their bill without penalty would be a total of 40 days after the last reading. This timing would further negatively impact the cash flow for HHHI.
- HHHI currently shows the bill print date on bills and there would be no additional requirements to implement the printing date on the bill.
- The Board has proposed that payments will be deemed to be received (thus avoiding late payment interest charges) on the date post marked on the envelope if mailed and the date of payment acknowledged by the financial institution if paid in person or electronically. HHHI would be required to manually look over each payment, thus increasing the time needed to process payments and incurring additional costs.
- Instead of reviewing post marks on envelopes, HHHI believes that customers are aware of payment period requirements and recommends that Distributors add a message on their bills reminding customers that payments must be received by the Distributor on the due date and that payments made by mail will require 2 to 3 days for delivery.

3. Computation of Time

- HHHI supports the Board's proposal that events occurring after regular business hours are deemed to have occurred on the next business day.

4. Method of Payment

- Allowing residential customers to make payment by credit card is supported by HHHI, however, Distributor's must be allowed to either assign transaction charges to the customer, charge the customer a specific service charge based on a percentage of the payment (not a fixed charge for every payment) or use a third party, who would charge the customer a transaction fee, to process the payments for the Distributor.
- If a residential customer has had their service disconnected and wishes to make payment by credit card, it should be specified that they can only do so during regular office hours as after hour crews do not have the capability to accept credit card payments.

Allocation of Payments between Electricity and Non-electricity Charges

- While HHHI agrees with the Board's proposal related to the allocation of partial payments to electricity charges first, consideration should be given to current third party billing contracts and the legal and financial ramifications to Distributors.

Correction of Billing Errors

1. Over-billing

- Currently, HHHI bills bi-monthly. The Board's proposed amendments to refund overbilled amounts require the calculation of average monthly billing amounts. HHHI's CIS is capable of calculating a monthly amount and implementing this would not create any undue hardship.
- The current policy at HHHI when a billing error occurs is to cancel all incorrect bills and re-issue corrected bills. The policy is the same for both standard supply customers and retailer enrolled customers. Since all cancelled and corrected retailer bills must be communicated through EBT, Retailers will already have an auditable trail available.
- HHHI does not feel that separate approaches are required for ELIEC and non-ELIEC customers. HHHI recommends that a customer's account be credited for the overbilled amount unless the customer requests a cheque.

2. Under-billing

- HHHI requests that "Lack of Access to the Meter" be added to the list of reasons representing errors caused as a result of customer's actions and that this be carried forward throughout all amendments concerning errors caused by customer's actions

3. Duration of Over- or Under- billing Subject to Refund or Recovery

- The Board proposal to change residential customer's liability for billing errors from 2 years to 12 months is not supported by HHHI. When billing bi-monthly, this proposal will provide for a maximum of 6 readings to determine if a billing error has occurred.

4. Interest

- HHHI has no comments that pertain to this section.

Equal Billing

- The Board proposes that all residential customers have access to an equal billing plan. HHHI requests the Board clarify the difference between equal billing and equal payments. Currently, HHHI offers a pre-authorized, automatic withdrawal, equal payment plan. A fixed amount is withdrawn from the customer's bank account, each month for 12 months, however, HHHI only sends the customer a bill on a bi-monthly basis. Thus the customer is on an equal *payment* plan, but is not on an equal *billing* plan. There would be no implementation issues for HHHI if the purpose of the Board proposal allowed for this process to continue rather than forcing HHHI to implement CIS changes and the additional costs associated with increased paper and postage. The CIS is limited and the only method currently available is to bill these customers monthly is the creation of a new class for equal billing customers (an event the Board is trying to avoid).
- HHHI reviews all equal payment plans once a year to reconcile and make adjustments to payment amounts. The Board proposal does not specify if the true-up of the equal payment plan must occur every 12 months from the customer beginning the plan, or if Distributors can decide on a time of the year to true-up all equal payment accounts. As HHHI performs this true-ups manually, the burden required to monitor all the accounts, every month, would require additional staff

time, hence increase costs. HHHI recommends the Board allow Distributors to choose one designated billing cycle within a calendar year to perform all true-ups.

- Monthly billing amounts must be based on the total bill amount. It is not manageable for either the customer or the Distributor to calculate equal payment amounts for electricity charges only and then attempt to have a separate plan for all other charges that appear on a customer's bill. Some financial institutions apply service charges to each transaction and if customer's withdrawal amounts were divided between electricity charges and non-electricity charges, the customer could incur additional service charges.

Disconnection for Non-Payment

1. Form and Content of Disconnection Notice

- While HHHI feels that the proposed minimum information that is to be included in a disconnection notice is excessive, HHHI does not believe that the implementation of the changes will be difficult or costly.
- HHHI would like to request clarification on the Board's comment that "the Board expects distributors to have customer service staff that are familiar with local programs and resources that are available to eligible low income electricity customers". Is it the Board's intent to ensure that customers who contact the Distributor after receiving a disconnect notice are able to speak to a person who can provide information as to the eligibility of the customer for assistance? Or is it the Board's intent to ensure that customers are able to get contact information from the customer service staff so the customer can further contact the local agencies offering assistance? HHHI stresses that Distributors are not social agencies and the responsibility to provide detailed information on assistance programs should remain with the social agencies offering the programs.

2. Timing and Duration of Disconnection Notice

- Upon discussion with HHHI's CIS provider, it was determined that the CIS will only accept one disconnection period for residential customers. Multiple disconnection periods would necessitate the creation of a new customer class.
- HHHI would be required to provide the extended disconnection period to all customers or incur significant cost to manually implement the different periods, thus negatively impacting the cash flow of the Distributor.
- HHHI does not schedule disconnections for non-payment on evenings, weekends or statutory holidays.

3. Customer Contact Prior to Disconnection

- HHHI supports the Board's position that one final effort at personal contact with a customer before said customer is to be disconnected for non-payment.

4. Additional Recipients of Disconnection Notice

- Currently, HHHI will attempt to contact third parties that have been designated by the customer, before the disconnection of service.
- In relation to circumstances where a distributor intends to disconnect a residential tenancy complex due to the failure of the landlord to pay the account, the Board suggests that a copy of any disconnection notice be posted in a conspicuous public

place, on or in the building. HHHI believes posting the disconnection notice publically violates the landlord's privacy.

5. Reconnection

- HHHI already meets the Board's proposed criteria for reconnection.

Security Deposits

- HHHI requests further clarification as to the difference between an ELIEC that is receiving assistance under an "energy bill payment assistance program" and an ELIEC that is not receiving the assistance.
- HHHI is concerned about the ramifications of allowing a customer who is a proven credit risk (has reached disconnect stage of non-payment), a year to repay a deposit while they continue to use more hydro. This adds undue hardship on the utility. HHHI agrees with allowing an ELIEC 12 months to pay their initial deposit, however, once the ELIEC customer has proven to be a credit risk, allowing them a further 12 months to repay a deposit is not reasonable. HHHI would like to see this time frame reduced.
- It is the understanding of HHHI that security deposits are in place to ensure a customer's final bill will be paid in the event that the customer leaves their location without any forwarding information. Customers who prove they are not a credit risk are exempt from the requirement of a security deposit. If a customer is already at the disconnection stage, then they have proven that they are a credit risk and as such, the security deposit should not be applied to the account until such time as the customer vacates the property.

Arrears Management

- HHHI is always willing to work with a customer and provide an arrears management plan.
- HHHI would encourage the Board to add to their proposal for an arrears management program, that customer must be required to keep all future bills paid in addition to fulfilling the arrears agreement.

Management of Customer Accounts

1. Treatment of Third Party Requests to Open New Account

- Currently, the contractor for HHHI who takes final readings is also qualified to disconnect the meter. As a result of the qualification, if HHHI has not been contacted by the new customer, our contractor will disconnect the service at the time of the final reading. When the contractor disconnects the service for no new occupant, a letter is left at the premises providing detailed instructions and requirements for the new customer, whenever they move in.
- HHHI takes it on good faith that a person is being truthful when the person contacts HHHI and through verbal and written correspondence and provides information about a new customer or represents themselves as the new customer. HHHI believes that to provide exceptional customer service, customers should not be forced to "prove" their identity and honesty. The alternative to taking new customer information verbally or through written correspondence is to require all customers to attend the Distributor's office to sign a contract and provide picture proof of identity.

2. Default Account Holder When Current Customer Departs

- HHHI currently allows for specific agreements with landlords regarding the treatment of accounts after a tenant departs.
- If there is no agreement in place and the landlord cannot be contacted, the contracted meter reader for HHHI will disconnect the service at the time of the final reading. When the contractor disconnects the service where there is no new occupant, a letter is left at the premises providing detailed instructions and requirements for the new customer, whenever they move in.

Anticipated Costs and Benefits

- The Board stated in their Notice of Proposal to Amend Codes, that they “will be interested in the comments of distributors regarding the costs associated with implementing the proposed amendments, including whether or not it would be more cost effective for distributors to extend to all residential customers the benefit of the provisions currently targeted at eligible low income electricity customers”.
- HHHI's CIS, for the most part, will not allow for different rules and processes for ELIECs and non-ELIECs and therefore, it would at significant cost to HHHI to make CIS changes. If changes to CIS are not possible due to economic feasibility, the only alternatives to HHHI is to offer all the provisions intended for ELIEC, to all HHHI customers (including commercial) or to make manual changes to individual accounts.

Proposed Amendments to the DSC: Customer Classification

Proposed Amendments to the DSC

1. Billing Demand Based on kVa

- HHHI displays the unit of measure (kWh/kW/kVa) on each line item printed on a customer's bill, if the customer is classified as any of the approved General Service greater than 50kW classes.
- HHHI also prints the power factor on the bill, beside the demand readings.
- It would not be difficult for HHHI to add a small message to the customer's bill notifying the customer that they are being billed 90% of the kVa reading as a result of a poor power factor.

2. Process for and Frequency of Reclassification

- HHHI currently practices each of the Board's proposals as outlined in the Process for and Frequency of Reclassification, in the same manner as the Board has proposed and would not require any additional burden to implement the proposals.
- HHHI notifies customers of reclassification through a letter to the customer, separate from the customer's bill.

Proposed Amendments to the DSC: Customer Commodity Non-payment Risk

Proposed Amendments to the DSC

1. Billing Frequency
 - HHHI CIS is unable to bill more than once a month and as such, is not affected by this proposal to allow bi-weekly and weekly billing.
2. Alternate Arrangements
 - HHHI currently mitigates non-payment risk through payments plans arranged between HHHI and the customer.

Conclusion

In conclusion, HHHI would like to stress that the cost impacts of these proposed amendments will not be insignificant, nor will the personnel time needed to implement these proposals be immaterial.