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File 10329

April 17, 2009

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
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Ms. Walli:

**Re: PWU Comments on the OEB's Proposed Amendments to the
Distribution System Code, the Retail Settlement Code and the
Standard Supply Service Code (EB-2007-0722)**

The Power Workers' Union ("PWU") represents a large portion of the employees working in Ontario's electricity industry and has utmost interest in regulatory proceedings that impact the energy industry and the provision of on going service quality, reliability and safety to customers. Attached please find a list of PWU employers.

The PWU is pleased to provide comments on the Ontario Energy Board's proposed amendments to the Distribution System Code, the Retail Settlement Code and the Standard Supply Service Code related to customer service, customer classification and non-payment risk. Our comments are attached.

We hope you will find our comments helpful.

Yours very truly,

PALIARE ROLAND ROSENBERG ROTHSTEIN LLP


Richard P. Stephenson

RPS:jr

HONORARY COUNSEL

Ian G. Scott, Q.C., O.C.
(1934 - 2006)

List of PWU Employers

Atomic Energy of Canada Limited (Chalk River Laboratories)
 BPC District Energy Investments Limited Partnership
 Brant County Power Incorporated
 Brighton Beach Power Limited
 Brookfield Power – Lake Superior Power
 Brookfield Power – Mississagi Power Trust
 Bruce Power Inc.
 Coor Nuclear Services
 Corporation of the City of Dryden – Dryden Municipal Telephone
 Corporation of the County of Brant, The
 Coulter Water Meter Service Inc.
 CRU Solutions Inc.
 Ecaliber (Canada)
 Electrical Safety Authority
 EPCOR Calstock Power Plant
 EPCOR Kapuskasing Power Plant
 EPCOR Nipigon Power Plant
 EPCOR Tunis Power Plant
 Erie Thames Services and Powerlines
 ES Fox
 Great Lakes Power Limited
 Grimsby Power Incorporated
 Halton Hills Hydro Inc.
 Hydro One Inc.
 Independent Electricity System Operator
 Inergi LP
 Innisfil Hydro Distribution Systems Limited
 Kenora Hydro Electric Corporation Ltd.
 Kincardine Cable TV Ltd.
 Kinectrics Inc.
 Kitchener-Wilmot Hydro Inc.
 London Hydro Corporation
 Middlesex Power Distribution Corporation
 Milton Hydro Distribution Inc.
 New Horizon System Solutions
 Newmarket Hydro Ltd.
 Norfolk Power Distribution Inc.
 Nuclear Safety Solutions
 Nuclear Waste Management Organization
 Ontario Power Generation Inc.
 Orangeville Hydro Limited
 Portlands Energy Centre
 PowerStream – Barrie Hydro
 PUC Services
 Sioux Lookout Hydro Inc.
 Sodexho Canada Ltd.
 TransAlta Energy Corporation - O.H.S.C. Ottawa

**Vertex Customer Management (Canada) Limited
Whitby Hydro Energy Services Corporation**

Doc. No. 720133

Proposed Amendments to the Distribution System Code, the Retail Settlement Code and the Standard Supply Service Code: Customer Service; Customer Classification; and, Non-payment Risk

Submission of the Power Workers' Union

The Power Workers' Union ("PWU") appreciates the opportunity provided by the Ontario Energy Board (the "OEB" or "Board") for comments on the proposed amendments to the Distribution System Code ("DSC"), Retail Settlement Code and Standard Supply Service Code (collectively, the "Codes") related to customer service, customer classification and non-payment risk. The PWU's comments are confined to the proposed amendments to the DSC and on some of the issues on which the Board has asked feedback on in its March 10, 2009 Notice of Proposal to Amend Codes ("Notice").

1 PROPOSED AMENDMENTS TO THE CODES: CUSTOMER SERVICE

Minimum Payment Period

The Board seeks comments on the issue of payment period:

The Board has considered mandating a single 21-day minimum period for all customers, but is concerned that this may have an adverse effect on a distributor's working capital.¹

The PWU agrees that mandating a single 21-day minimum payment period for all customers, rather than a 21-day minimum period for eligible low income electricity customers and a 16-day minimum period for all remaining customers, can have an adverse effect on a distributor's working capital. The Board's Notice refers to a challenge from a ratepayer group that cited the results of updated lead-lag studies as suggesting that the existing OEB guidelines on working

¹ Page 5, Paragraph 5, March 10, 2009 Notice of Proposal to Amend Codes

capital allowance is generous.² The PWU would remind the Board that most of the distributors are currently under either the 2nd or 3rd Generation Incentive Regulation plan. Even though the distributors had working capital allowances at the Board-allowed level in the year that their rates were re-based through cost of service regulation, it is not necessarily the case that the distributors have the allowed level of working capital available to them in the following years when their rates are adjusted by an incentive regulation mechanism ("IRM"). Where the IRM results in lower working capital levels the requirement for distributors to move from a 16-day to a 21-day minimum payment period may well have an adverse impact on distributors.

In considering a 21-day minimum payment period for all customers, it will be essential for the Board to ensure that any change in the minimum payment period leaves the distributors financially whole. The PWU submits that any expectation that moving the minimum payment period to 21-days would incent distributors to find further efficiencies incremental to that required by the IRM would be unrealistic and likely to result in cost cuts that jeopardize on going service reliability, quality and safety. The entire issue of the appropriate productivity factors to be applied as a part of IRM was canvassed thoroughly in the development of the current generation of IRM. The result achieved was a balance of many factors. There can be no assumption that any *ad hoc* adjustments can be justified on the assumption that there is a "pool" of inefficiencies that can be dipped into to fund other initiatives.

Bill Issue Date

The current guidelines on the deemed start of the payment period and the payment due date is provided in Section 9.3.2 of the 2000 Electricity Distribution Rate Handbook as follows:

Bills are due when rendered by the utility. A customer may pay the bill without the application of a late payment charge up to a due date, which shall be a minimum of sixteen calendar days from the date of mailing or hand delivery of the bill. This due date shall be indentified clearly on the customer's bill.

² Notice. Page 5, Paragraph 1.

The proposed code amendments are as follows:

2.5 Bill Payment

2.5.1 A distributor shall include on each bill issued to a customer the date on which the bill is printed by the distributor.

2.5.2 Except as otherwise permitted by this Code, a distributor shall not treat a bill issued to a customer as unpaid, and shall not impose any late payment or other charges associated with non-payment, until the applicable minimum payment period set out in section 2.5.3 has elapsed.

2.5.3 For the purposes of section 2.5.2, the minimum payment period shall be:

(a) 21 days from the date on which the bill was issued to the customer, in the case of an eligible low income electricity customer; and

(b) 16 days from the date on which the bill was issued to the customer, in all other cases.

A distributor may provide for longer minimum payment periods, provided that any such longer minimum payment periods are documented in the distributor's Conditions of Service.

2.5.4 For the purposes of section 2.5.3, a bill will be deemed to have been issued to a customer:

(a) if sent by mail, on the third day after the date on which the bill was printed by the distributor;

(b) If made available over the internet, on the date on which an e-mail is sent to the customer notifying the customer that the bill is available for viewing over the internet;

(c) if sent by e-mail, on the date on which the e-mail is sent; or

(d) if sent by more than one of the methods listed in paragraphs (a) to (c), on whichever date of deemed issuance occurs last.

The Board's assumption in establishing the proposed deemed issue date is that a bill is mailed out three days after the print date (e.g. a bill printed on Saturday is mailed on Tuesday). Under this scenario, with regard to bills that are mailed, proposed section 2.5.4 provides a similar minimum payment period guideline to the existing guideline of a minimum of sixteen calendar days from the date of mailing of the bill. However, for the portion of bills that are mailed on the same day as they are printed, or that are mailed within one or two days of printing, proposed

section 2.5.4 results in a change to a distributor's revenue stream that can have an adverse impact on its working capital. Therefore, keeping in mind that most utilities are either on 2nd or 3rd GIRM rather than in a cost of service rate adjustment year, the PWU submits that there is need for the Board to allow for a mechanism (e.g. deferral account or Z-factor) to ensure that the distributors remain whole when this code amendment comes into effect.

Another striking difference between the existing guidelines and the proposed code amendments is the stipulation in the former for the clear identification of the due date on the customer's bill. The latter on the other hand stipulates the need to identify on the bill the date on which the bill is printed without any stipulation to identify the due date or how the customer might deduce the due date from the print date. The PWU submits that the lack of clear articulation in the DSC to include the due date on the bill will increase the rate of inadvertent late payments.

Correction of Billing Errors

The Board seeks input on the issue of an auditable trail related to billing errors as follows:

A retailer suggested that, where a billing error has been corrected, an auditable trail should exist for use by the distributor, the consumer and a retailer with whom the consumer may contract, to ensure that this information is available to retailers for purposes of verifying consumption, billing and settlement. The Board is concerned that the costs associated this proposal may significantly outweigh the associated benefits, and would be interested in the views of stakeholders on this and any other implementation issues related to this suggestion.³

In the PWU's view, a billing error auditable trail should be part of a billing error investigation or meter dispute resolution process. Metering/billing is the key link between a customer, distributor and a retailer and an auditable trail on billing error/meter dispute resolution is essential to maintain confidence in the billing and metering process. The PWU believes that there is the need for an auditable trail where a billing error has been corrected regardless of whether there is a retailer involved or not (i.e. RPP customer).

These are the comments of the PWU.

³ Notice. Page 10, Paragraph 4.