



April 17, 2009

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

Dear Ms. Walli:

**RE: Proposed Amendments to the Distribution System Code, the Retail Settlement Code and the Standard Supply Service Code.
Board File No.: EB-2007-0722**

Please be advised that the CLD submission under Board File No. EB-2008-0150 also incorporated the CLD's comments on the proposed code amendments as identified above.

The CLD is resubmitting its submission under the Board File No. EB-2007-0722 as well, in order that the Board Secretary may direct the CLD submission to the appropriate parties.

Please find attached the submission of the Coalition of Large Distributors (CLD), listed below, with respect to the above-captioned proceeding.

Yours truly,

(Original signed on behalf of the CLD by)

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**Coalition of Large Distributors
Comments on Ontario Energy Board Report
Low Income Energy Assistance Program (“LEAP”)
EB-2008-0150**

April 17, 2009

This is the response of the Coalition of Large Distributors (the “CLD”), to the March 10, 2009 Report of the Board on Low Income Energy Assistance Program EB-2008-0150 (the “Paper”).

The CLD consists of Horizon Utilities Corporation, Enersource Hydro Mississauga Inc., Hydro Ottawa Limited, PowerStream Inc., Toronto Hydro-Electric System Limited, and Veridian Connections Inc.

The CLD response is organized in the following manner:

1. Introduction
2. Funding Requirements
3. Proposed Amendments to the Codes: Customer Service Measures
4. Proposed Amendments to the DSC: Customer Classification
5. Proposed Amendments to the DSC: Customer Commodity Non-payment Risk
6. Coming into Force
7. Implementation
8. Recommendations and Conclusions

1. Introduction

The CLD appreciates the opportunity to comment on and to assist in the development of an energy assistance program for the benefit of low income electricity customers. The CLD recognizes that many customers are finding it difficult to subsist let alone pay utility bills and that this is a primary role for social service agencies. Having said this, the CLD currently provide funding to agencies to assist customers with bill payment. Recognizing that it is not the responsibility of distributors to identify customers as low-income and become social agencies themselves, the CLD members support many of the initiatives and suggested reforms to address the growing challenges faced by the low income electricity customers. However, we do have collective concerns with the practical implementation of some of these proposed changes to OEB Codes, and the costs associated with the proposed changes which have been articulated further in this paper. At this stage, the CLD is of the view that the intention of this paper will be to focus on the general and practical intentions of LEAP and will defer the details of implementation to the working group which the Board will establish and oversee.

The CLD would like to comment on a number of measures which are being proposed including the financial assistance and customer service practices designed to help the low-income customers manage their electricity costs.

It is important for the Ontario Energy Board (the “Board”, or the “OEB”) to understand that there are low-income customers who strive to accept responsibility for payment of hydro bills, but do so at the expense of other priorities such as food and winter clothing. These customers may not qualify as low-income consumers and therefore will not benefit from the Board staff proposals. In fact, there is an increased risk that these customers, often referred to as the working poor and senior citizens, may be financially impacted by the additional costs associated with implementing these proposals. For this reason, it is critical that the LEAP be administered prudently. It should also be recognized that there are some customers who will take advantage of the special treatment within the Board’s proposals, to avoid taking responsibility for the electricity consumed, leaving the distributor incapable of addressing these situations effectively, compromising legitimate low-income needs.

As the Board states, one of the key principles underlying the program is the partnership between distributors and social services agencies. These relationships leverage the agencies’ expertise and experience in assisting low income energy customers and can contribute to ensuring that those in need receive the appropriate level and type of assistance. The CLD supports having social agencies provide front-line assistance to low income customers for greater efficiency and coordination with existing programs. That said, the process for determining eligibility needs to be timely, in order to effectively support all consumers who are seeking assistance.

If the social service agency partner is to provide for the program’s administration, it is unclear which social service agencies the Board will consider acceptable and whether consideration has been given to their existing structure and capacity to perform this oversight in a timely and effective manner. Clear direction and criteria needs to be set out by the Board to ensure that the designated social services are properly identified and positioned to effectively support the LEAP.

The CLD agrees with the Board that it is not appropriate to create a separate rate class for low-income energy ratepayers as this would result in a distortion of prices and costs. That said, many of the proposals and special treatment measures for low-income customers are, in fact, creating a sub-class in order to manage the associated processes, which is problematic.

In addition, the intent of LEAP is to provide temporary relief to those in need and therefore, any new classification would effectively be temporary.

2. Funding Requirement

The Board has proposed that 0.12% of a distributor’s Board-approved distribution revenue requirement is a reasonable amount to commit to support this assistance program. This proposed amount is approximately twice the current average. The CLD agrees that it is appropriate to provide assistance to low-income energy consumers given the potential benefits of reduced bad debts and disconnections and that the proposed level of funding contributed through distribution rates is appropriate. The CLD

suggests that the demographics of the province vary tremendously and it is quite possible and probable that there exist areas of need which surpass the local utilities' contribution level. For example, a utility in a wealthier area of the province (fewer eligible low-income electricity customers), while contributing the prescribed amount, may not have need to draw from all of the support funds, and in contrast, certain stressed areas may in fact run out of available funds to support those in need within their community.

LEAP promotes building on the experiences gained under existing programs such as Winter Warmth, and it would be unrealistic not to consider the critical expiration of funds in some participating areas of the province. LEAP expands on the Winter Warmth program by extending emergency assistance year-round to those in need, which will serve the needs of more consumers. This will require significantly more funding than the current Winter Warmth Programs. However, given the shortfalls that some jurisdictions may experience, due to deeper economic difficulties, and the fact that distributors should not be seen as a social agency, the CLD would suggest that the OEB discuss, with the Government, the potential of having a global funding mechanism, much like the Rural Rate Assistance Program. This could provide additional funding to those areas experiencing distress. The CLD agrees with the Board's proposal of a LEAP deferral account in the interim and this account will be brought forward for disposal upon rebasing, thereafter distributors would incorporate these amounts into their operating, maintenance and administration (OM&A) expenses.

The CLD supports the Board's guiding principle that the funding program should not be overly costly or complicated to administer. The Board has set out its intention to evaluate, monitor and measure the program's performance and to better understand the low-income energy consumers' needs on an ongoing basis. The CLD agrees that it is necessary to understand how funds have been disbursed, how effective the program has been in managing low-income energy consumer issues and whether the expectations of the distributors have been met. It is still not clear to the CLD who is responsible for administering the program – the agency or the distributor and at what additional cost to the distributors.

The CLD shares the view of the Board that it is critical for distributors and their partners to undertake a consumer awareness and education effort to ensure that their local energy assistance programs and services are well known and available. It is envisioned that the Board will provide a central site for this information that can assist the customers in managing their energy bills. We are encouraged by the fact that the Board's consumer education initiatives are intended to complement the education and outreach efforts provided by the distributors and enhance our community services.

As was stated during the previous consultation, the CLD fully supports targeted CDM programs for low-income consumers and the CLD understands that this will be addressed through CDM initiatives yet to be determined. In doing so, it is important that the anticipated CDM programs are coordinated and do not carry any restrictions in terms of heating source to ensure that all qualifying customers have an opportunity to participate in these programs.

3. Proposed Amendments to the Codes: Customer Service

The Board has set out significant proposals to the Codes which are intended to address billing and bill payment, disconnection, security deposits and arrears management. The CLD addresses each of these as follows:

Allocation of payments between electricity and non-electricity charges

Correction of billing errors

Equal billing

Disconnection for non payment

Reconnection

Security deposits

Arrears management

Customer classification

Customer non payment risk

Bill payment procedures It is noted in the Board's report, that while there are no mandatory rules regarding the minimum amount of time that the distributor must allow a customer to pay without the application of a late payment charge, industry practice is generally deemed to be a period of 16 days from the date on which the bill is sent. The CLD supports the formalization of the 16 days as a minimum period for the residential customer class as reasonable. The distributor must retain discretion on due dates for the general service and large customer classes as the cashflow impacts are significant.

The Board's proposal to mandate a separate 21-day minimum cycle for all low-income eligible energy customers is effectively creating a separate class and billing cycle – a principle that the Board has decided is not appropriate. It is also unclear what benefit this creates when an equalized billing plan is being offered to LEAP consumers. In fact, there is a risk of harm, when the timeline between consumption and payment becomes extensive. This proposal is contrary to the objective of introducing monthly billing.

A low income eligible energy customer specific date would be administratively costly as customers must be moved in and out of this "class" or cycle as they qualify. In addition, attempting to retain two dates in a single cycle will require programming changes to not only the billing system but also the follow up notice and disconnection program. Certain distributors are in the midst of upgrading their billing systems, and the introduction of additional CIS changes for billing purposes cannot be accommodated at this point in the process. It would be possible to do so at a later time, but not by a November, 2009 implementation of LEAP without significant and unreasonable expense and changes to scope.

The CLD would advise the OEB that certain distributors provide water billing as a converged hydro/water bill, as permitted by regulation. Extending or changing the due date for the low-income eligible energy customers may put the distributor out of compliance with certain covenants of an existing contract.

Determining when bills are issued and payments received The CLD could support a three (3) day period for receipt of a bill in the case where the distributor uses Canada Post's regular delivery service. However, the CLD would recommend that this amendment include recognition that certain distributors have contracts with Canada Post

and pay for pre-sort and next day delivery, and as such in this case, the date issued should be the date of mailing.

The CLD is concerned with the OEB's proposal as to the date that payment is received. The CLD members implement automated systems in order to efficiently and effectively process bill payments. While the requirement to revert back to manual processing of payments received by mail is technically possible, this will result in substantial increases in costs and resource requirements based on the sheer volume of mail payments received. We would also like to note that quite often envelopes received from Canada Post are either illegible or not postmarked at all. In addition distributors would be required to retain all envelopes received to address any disputes that may arise regarding the date that payment was sent. Distributors who outsource payment processing would incur additional administrative costs. Many distributors advise consumers to factor mail delivery times in when making payment by mail, in order to avoid late payment charges. Most distributors already provide a grace period prior to charging up late payment interest which makes tracking post mark dates unnecessary.

Computation of time The CLD has no concerns on the OEB's proposal relating to the computation of time.

Method of payment The CLD has no concerns with respect to offering payment by credit card for disconnections only, but the OEB must provide an approved charge and appropriate time to implement.

Allocation of partial payments between electricity and non-electricity charges

The CLD agrees with the OEB that payments on converged bills must be allocated to the electricity portion first.

Correction of billing errors

Over-billing As the Board has highlighted, there are cases where the customer has been over-billed, and it is a requirement of the RSC and practice of the utilities to credit the customer. Although the Board has not previously specified the method and timeframe for the application of this credit, the CLD members maintain that this process is executed on a timely basis.

Typically the amount that has been overbilled is returned to the customer either as a credit applied to their account or the issuance of a cheque upon request.

The CLD does not agree that any further practices need to be codified as any customer, whether LEAP or non-LEAP may, at their own discretion, request a refund of the over-billed amount. A requirement to individually review each specific account will increase the costs of administering customer accounts.

Under-billing Under-billing situations do occur and the CLD agrees that it is not unreasonable to recover the under billings in equal installments over a period equal to the duration of the billing error. The CLD submits that the OEB proposed amendments to the Retail Settlement Code 7.7 for LEAP or non-LEAP customers are not required as

any customer may request special repayment terms of under billings and the addition of a threshold is not necessary. Again, the costs of administering individual accounts will increase unnecessarily.

Where the under billing is a result of tampering or willful damage or theft, the CLD agrees with the proposed RSC amendment to permit for the full and immediate payment recovery from any customer.

If the distributor is unable to or is refused access to read a meter and estimates in accordance with the RSC 3.5.3 then any over/under billing should not be deemed to be a distributor error.

Duration of over-or under-billing subject to refund or recovery In the case where over/under billing is an error of the distributor, the CLD agrees with the OEB 's proposed timeframes.

Interest The CLD would agree with the Board's view that customers not be required to pay interest on under-billed amounts where it is a result of the distributor's error. It is also agreed that where the under-billing is a result of tampering, willful damage or theft, regardless of whether the customer is an eligible low income electricity customer, interest should be paid to the distributor accordingly.

Equal Billing

The CLD understands that the reference to equal billing is actually referring to an equal payment plan as opposed to reading a meter and billing outside of the regular billing cycle.

Many distributors currently offer Equal Billing plans or Equal Payment Plans and the CLD members are no exception. The CLD recognizes that there are benefits to be gained by the LEAP customers in spreading their payments over eleven months. The CLD provides the following comments and concerns with respect to the proposed amendments.

The CLD believes that distributors would be able to work around the arrears issues and set up residential customers on equal billing provided that they have entered into payment arrangements with the distributor.

The CLD is very concerned over the OEB proposed amendment that LEAP customers must be billed monthly when on equal billing. The CLD members currently bill residential customers on a bi-monthly or quarterly basis and could not send out monthly bills without significant changes to existing billing and collection systems or setting up LEAP customers into their own billing class cycles. The CLD currently provide the monthly due dates for payment on the customer bi-monthly or quarterly bills and this information does in fact accomplish that same outcome as providing a monthly bill with the same due date for payment. The CLD submits that there must be some responsibility on the customer's part to have funds available on the monthly bill payment dates provided on a bi-monthly or quarterly bill.

Distributors should be permitted to adjust the monthly payment amount during the 11 month period if it is clear that actual consumption is materially higher or lower than estimated.

The OEB is also proposing that an eligible low income electricity customer must be allowed to select either of two dates within a month for making payment. The CLD does not have a concern with this however; programming changes may be required by some distributors in order to accommodate a fixed payment date.

The CLD is not clear on what the OEB means by “notify the customer” as all customers receive a bill which would clearly identify the amount of any credit balance. If the OEB is requiring distributors to contact a LEAP customer or their social service agency by any means other than sending the bill then this becomes a manual process which would require additional staffing resources. Furthermore, the requirement to refund a credit balance by the 21st day of the twelfth month is not practical. Many customers have a billing date after the 21st of the twelfth month which makes meeting this date impossible. Also, a distributor’s accounts payable system may not accommodate a defined payment date. The CLD submits that requiring a distributor to refund a credit balance upon request, within a reasonable amount of time, is sufficient without attempting to define a required payment date.

Disconnection for non-payment

The CLD has several concerns with the proposed changes to the disconnection process. In particular are the significant programming requirements to meet the proposed changes as most collection processes are automated and date-driven.

Form and Content of Disconnection Notice

The CLD supports the need to provide a customer who is facing disconnection with as much helpful information as possible. Currently, most distributors issue a system-driven, generic notice which contains the specific account details as to the amount owing, action required and contact information, some of which is preprinted. This notice may be mailed or hand-delivered. The proposed code amendments introduce a number of additional requirements that will require formatting changes and could lead to multiple page notices and higher mailing costs, for example, providing a list of contact information on local social agencies and/or charities specific to each distributor. Furthermore, agencies themselves may not have the resources to handle the potential call volumes as a result of their contact information being published. The distributor’s customer service representatives currently provide this information to their customer base, as required, so it may be more effective to maintain this practice.

Timing and Duration of Disconnection Notice

As is the current practice, distributors provide a minimum of seven (7) business days notice prior to disconnection of a customer’s service. It is reasonable that the disconnection notice practice could be codified and the Board’s proposed timeframe of ten (10) days for the majority of residential customers seems reasonable and implementable. The CLD does not agree with the extension of the time period to 21 days for those customers that are low income as this will only aggravate the non-payment issue. Any customer working with the distributor or a social agency on making payment arrangements would not be disconnected and therefore codifying a longer minimum

notice period is not required and as mentioned will only add to the difficulty of collection of accounts. Distributors take their public safety obligation very seriously, as it relates to managing customers with special needs. As is the current practice with the CLD members, a residential customer or family member (at the same residence) having a medical condition for which the disconnection of services would pose adverse health risks or impact, is not disconnected. The utilities, often with the assistance of a social agency, are committed to engage and secure alternative arrangements.

The customer's information and status is noted in the CIS, and as a matter of course these customers are identified if there is to be any interruption to power to ensure their safety. There would be no reason for the CLD members to deviate from this practice and to prescribe a 60 day minimum notice period prior to disconnection. As with several other proposed amendments already noted, the CLD believe that the distributor continues to act reasonably and in the interests of the customer and certain practices should remain at the discretion of the utilities.

It is worth noting that customers have a shared responsibility to proactively validate their medical needs. Claims of medical risks during the collection and disconnection process could be made under false pretenses in order to delay the process.

Customer Contact Prior to Disconnection

The CLD currently undertakes reasonable efforts to contact customers prior to disconnection and has no concerns with this being included in the DSC.

Additional Recipients of Disconnection Notice

The CLD is concerned over the privacy issues related to providing a third party with a customer's disconnection notice. First the request must be made by the customer in writing and second, such a requirement only delays the disconnection process as there is no obligation on the part of the third party to make payment. To prevent the violation of privacy laws, it must be the customer's responsibility to provide a copy of a disconnection notice to any person they choose.

In addition, if distributors are required to provide notification to a third party then the CIS systems must be changed to allow for additional contact names and addresses as well as the automation of a disconnection notice for mailing purposes. These are significant programming changes.

Reconnection

The CLD concurs with the OEB's proposed amendment to the DSC to require that reconnection must take place within two (2) days of the date that the arrears have been paid in full, or as the customer has entered into an arrears payment agreement. However, the OEB must recognize that two (2) days is not always possible given many distributors have a safety practice that ensures that there be someone present at the property for the reconnection if the service has been off for one (1) day. The CLD suggests that this condition be reflected in the Code.

The CLD submits that the proposed changes to the DSC for disconnections will require significant changes to the CIS systems, practices and procedures requiring programming time and testing of the changes.

Security Deposits

The OEB's proposed amendments to the DSC in regards to security deposits are of serious concern to the CLD and distributors.

The proposed changes restrict the distributors from collecting and retaining security deposits from the very customers that pose the greatest risk of non-payment. The potential for increased bad debts is significant at the expense of those remaining customers who pay their bills.

The CLD submits that distributors must be permitted to collect security deposits for low income customers and that extending the payment time frame may be appropriate, but a twelve (12) month period is extensive and the CLD would recommend that a six (6) month payment period be allowed. Returning a security deposit over the same period as collected based on the good payment history being established as the first payment date will require CIS programming changes to track each deposit payment date and payment history.

The CLD is strongly opposed to the proposed requirement that security deposits must be applied against arrears prior to a disconnection. This is not the risk for which security deposits were intended to mitigate. The CLD submits that this practice will potentially result in a customer never having sufficient security, as each disconnection notice will result in the security deposit being returned to the customer thereby defeating the purpose of holding a 'security' deposit.

The CLD is in disagreement with the Board's proposal to accept a guarantee provided by a third party as a form of security deposit as there is no legal recourse and enforceability for third party guarantees except through the courts. The application and process to realize on the guarantee would increase the costs of the distributor.

Arrears Management

In considering the Board's proposals on the management of customer arrears and accounts, the CLD members feel that it can support the program insofar as we are provided clear guidelines and rules and to every extent possible, involve the designated social agencies for assistance. Where possible, distributors can enhance their existing arrears and debt management programs to incorporate less burdensome arrangements for the low-income consumer. The concern that overrides this program is in the fact that while we are addressing the arrears management, there are still energy costs being incurred. This raises the potential that debt levels will increase to a point where they can no longer be managed, going forward.

Management of Customer Accounts

The CLD generally supports the proposed changes to the management of customer accounts; however, there are some requirements that need clarification.

With respect to residential property sales, distributors generally receive correspondence from lawyers advising of the closing date and in many cases the new owners. The CLD

experiences a large number of ownership changes and submits that the legal correspondence should be relied upon in order to set up the next owner as the customer. If conflicting information was received, a confirmation would be pursued. The requirement to contact owners in this case would be very costly and redundant; therefore, the CLD requests that written notifications, such as those from lawyers, developers and established landlords be exempted from the requirements of DSC 2.7.1.

Distributors apply an OEB-approved account set up fee when accounts are opened. If a landlord or owner subsequently refuses responsibility for the account within fifteen (15) days of the outgoing tenant, distributors may be left with unrecoverable electricity and administrative charges. Further, the code does not specify how long a distributor must wait for confirmation. The CLD proposes one business day from receipt. If, alternatively, distributors adopt a practice of disconnecting services on or near the date of the reported vacancy, distributors will be exposed to significant operational costs and potential liabilities, if property damage results.

Some CLD members currently allow customers to sign up for an account through the internet or over the phone. No signed contract is required, nor is a security deposit required at that time. CLD members provide this service to increase customer convenience. The proposed changes will go against this concept, and will be costly to administer due to the resource requirements for the volume of move in/out that occur.

4. Proposed Amendments to the DSC: Customer Classification

The CLD currently reviews customer accounts to ensure the proper classification. The CLD does not support the threshold period of 5 months as this does not take into consideration issues such as seasonality. The CLD supports the existing Section 10.3.8 of the Electricity Distribution Rate Handbook (issued June 16, 2000) which requires 12 consecutive months of history prior to reclassifying a customer.

The CLD would advise that the addition of a kVA message on a customer's account will require further CIS programming changes.

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

The CLD is pleased to see that the OEB has recognized the concerns of distributors over the non-payment of accounts by large customers. However, the CLD would recommend that the non-payment risk should also be applicable to the General Service > 50 kW customer class.

The OEB has provided two thresholds which may provide the distributor with an accelerated billing process for the Large Use customers. Based on these thresholds the CLD submits that only the small distributor with a single Large Use customer would benefit from these amendments. The threshold of 51% of a distributor's distribution revenue is significant such that no customer within the CLD service areas would even meet this requirement for bi-weekly billing. For example, Horizon Utilities' largest customer has a gross annual billing of \$34.5 million of which approximately \$23 million is for the electricity commodity. This represents 26% of Horizon Utilities' distribution revenue. It should also be noted that Horizon Utilities' ten (10) largest customers bill a

total of \$99.4 million dollars annually which exceeds Horizon Utilities total distribution revenue. Break this down even further and this equates to over \$8 million per month. None of these customers would qualify for accelerated billing, yet the default of even the smallest of these customers would represent 20% of Horizon Utilities net income.

Distributors should be permitted to bill the Large User class on a weekly or bi-weekly basis at their discretion based on an unsatisfactory credit report or in lieu of a security deposit. This is particularly important because large customers generally maintain a good payment history up to the date of filing for bankruptcy protection. The DSC would, therefore, prohibit the collection of a security deposit, even if, it is clear the credit position of the company is poor. An example of this is in the recent announcements in the auto sector. Despite the poor credit worthiness of certain entities, distributors are currently and would continue to be under the proposed amendments, prohibited from securing these accounts even with the likelihood of potential default a possibility. A distributor's only recourse to prevent serious bad debts is more frequent billing.

In addition, the CLD submits that distributors should be permitted to bill General Service >50 kW customers on a more frequent basis when the customer has received a disconnection notice or has had a reduction in their credit rating.

6. Coming into Force

The changes proposed to the three codes are considerable and the CLD is very concerned over the scope of system and process changes, the proposed timelines, anticipated costs and concurrent initiatives, such as Time-of-Use billing and the Green Energy Act. The CIS requirements alone would be expensive and would require time for programming, testing and implementation. As indicated above, certain CLD members are also in the process of installing new billing systems, and these proposed requirements would cause unreasonable burdens if they needed to be accommodated by November, 2009. In addition, there will need to be significant changes to policy and procedures and an evaluation of resource requirements.

The CLD recommends that the resulting changes to codes may be implemented in two stages. First, the proposed funding requirement could be implemented prior to November 2009 and second, that the changes to codes and the resulting changes to distributors' CIS, policies and procedures and staffing requirements could be in place for a 2010 target.

7. Implementation

As proposed, the OEB will be establishing an implementation working group, comprised of all the stakeholders. To ensure the objectives of the LEAP are effectively realized, the working group must be provided with a clear mandate and set of deliverables.

The LEAP program, as proposed, will require distributors to make significant changes to their accounting, billing and collection systems, and processes and procedures in order to track the low-income requirements. The programming requirement will take time to develop, write, test and implement. There will be a need to have dedicated employees to administer the social program and deal with low-income related inquiries. The utilities

would be required to submit ongoing reports to the Board to monitor and evaluate the program impacts. Utilities would have access to confidential information from various agencies regarding customers who apply to the program.

8. Summary and Recommendations

In addition to comments and recommendations provided above, the CLD would like to reemphasize the following issues.

The CLD recognizes the need to provide assistance to low-income consumers in order that they have consistency and predictability in the management of their electricity bills. The proposed code changes attempt to address both the short-term needs with the provision of financial assistance, and the longer-term needs of low-income consumers with the provision of equal billing and account, arrears management programs and targeted CDM and DSM programs.

The proposed LEAP requires more frequent billing periods, yet, extends the period in which low-income consumers must pay their account and are subject to collection activities. These requirements seem to contradict the objective of providing consumers with regular billings and payment dates, potentially leading them into more frequent arrears payment agreements. Furthermore, the proposals provide for the refund of security deposits on disconnection of all residential customers and an extended time period to recollect the deposit, if that ability even exists. The proposals also overlook assistance to those customers not receiving social assistance such as the working poor and seniors. Many of these provisions also increase the risk of increased bad debts.

There are additional concerns with some of the proposed lead times and anticipated costs, which the CLD believes can be effectively delivered through existing business processes. As written, many of the proposed code changes are costly and complicated to implement. Where viable alternatives exist within distributors' systems, they should be given careful consideration.

In order to respond to the needs of low-income consumers in a timely and effective manner, the CLD recommends that distributors liaise with a single social service agency within their service territory. Those working in the social service field should have the networks in place to utilize the specialized services of other agencies.

Critical to the ongoing viability of the LEAP is the creation of a reliable and efficient tracking and reporting system without creating administrative issues for the distributors. This should be one of the key objectives of the working group.

The CLD recommends that the OEB implement the funding of the assistance programs for November 1, 2009 as a first step in the LEAP program. The changes to Codes should be postponed until such time as the working group discusses and resolves the various issues and takes into account the time which distributors will require for CIS program changes, testing and implementation as well as procedures, processes and the training of staff.

The CLD looks forward to working with OEB Staff and the LEAP working group in delivering on the objectives of the Low-Income Energy Assistance Program to the mutual benefit of all stakeholders.

Respectfully Submitted

Cameron McKenzie
Director, Regulatory Services
On behalf of the Coalition of Large Distributors