



Energizing Our Community

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October 23, 2009

Via RESS and by courier

Ontario Energy Board
2300 Yonge St., 27th Floor
P.O. Box 2319
Toronto ON
M4P 1E4

Attn: Kirsten Walli, Board Secretary

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

Dear Ms Walli:

Orillia Power Distribution Corporation is pleased to submit its comments in regards to the Revised Proposal to Amend Codes dated October 1, 2009 in the Ontario Energy Board Proceeding EB-2007-0722.

Any questions or concerns can be directed to me at pwelsh@orilliapower.ca or (705)326-2495 ext 240.

Yours respectfully,

Pauline Welsh
Regulatory Officer



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

Orillia Power Distribution Corporation ("OPDC") has reviewed the Revised Notice of Proposal to Amend Codes with regard to customer service measures issued by the Board and dated October 1, 2009. OPDC offers the following comments:

We acknowledge that the Board is endeavouring to address the needs of low-income electricity consumers through proposed code amendments applicable to all residential customers. In addition, we support the intent of the Board to establish a standard level of service throughout the province in relation to distributor policies in order to provide greater protection and certainty for customers while allowing distributors an appropriate measure of flexibility to allow them to account for local operational considerations.

We would ask that the Board consider this last statement in view of the comments received in this proceeding. Some of the proposed amendments will involve considerable changes in existing processes. We ask that the more controversial changes proposed be deferred. Many of the proposed amendments are either welcome or workable and will constitute the first step in achieving the Board's goal of developing a standard level of service.

Over the past three to four years, our utility has worked extremely hard at educating our customers on our policies and procedures with respect to bill payment timelines, collections and disconnection. We believe our approach is to be firm but fair. When customers are making a genuine effort to work with the utility to manage their account / arrears situation, we will go to great lengths to work with them and avoid disconnection. We have made tremendous progress and our customers now have a clear understanding of how we operate – they have clear expectations of us (provide safe reliable power) and we have a clear expectation of them (pay for the services you consume). As a result of the process improvements, our utility has realized significant declines in bad debts expense, and more important, a reduced number of accounts that move to the disconnection stage.

By mandating the proposed changes, the customers that experience genuine hardship but endeavour to work with the utility to resolve the situation will not be any better off than they are today. In these situations, we would work with the customers on a case by case basis and utilizing our professional judgment, we would negotiate with the customer to resolve an arrears / collection situation and keep the customer connected.

Proposed DSC Section 2.6.1 through 2.6.8

OPDC supports the proposed amended DSC Section 2.6 Bill Issuance and Payment. Currently customer bills in a billing cycle are due the same date each month in order to reduce confusion about due dates. The due date allows our customers a minimum of 16 days plus a 6 day grace period on the balance due. If they pay within 6 days of the due date, no overdue interest charges are applied.

Proposed DSC Sections 2.4.26A and 2.4.26 B

OPDC believes Section 2.4.26 paragraphs A and B should not be codified at this time. Customers experiencing genuine hardship are given opportunities to work with us on arrears and current charges in a timely fashion. OPDC feels applying security deposits to arrears and arranging to recover the security deposit over 6 months as proposed will only strain the ability of the customer to manage their current and future bills. This proposed amendment offers only a short term solution. OPDC currently seeks to keep the customer connected with disconnection as a very last resort. We ask that utilities be allowed to use discretion in arrears payment arrangements including the decision to apply security deposits to balances owing.

Proposed DSC Sections 2.7.4, 2.7.4.1 and 2.7.4.2, and Proposed DSC Sections 4.2.2.6 and 4.2.2.7

OPDC requests that the Board's proposed sections 2.7.4, 2.7.4.1 and 2.7.4.2 and proposed sections 4.2.2.6 and 4.2.2.7 not be codified at this time. Under the proposed amended DSC Section 2.7 Arrears Management Programs, the proposed sections 2.7.4, 2.7.4.1 and 2.7.4.2 allow the customer 2 missed payments and a 10 day notice of written notification of cancellation of the arrears payment arrangement and the reinstatement of the arrears payment arrangement if payment of all amounts due pursuant to the arrangement is made on or before the cancellation date. Under the proposed DSC Section 4.2 Disconnection and Reconnection, the proposed sections 4.2.2.6 and 4.2.2.7 require that any disconnection action shall be suspended for a period of 21 days from notice by qualifying third parties as noted.

The amount of time that will have passed before a disconnection can occur under the proposed amendments is counterproductive to the timely resolution of arrears that we now endeavor to achieve. Timely resolution is to the benefit of both parties.

Currently, an account goes into our CIS collection process for balances over a minimum threshold. A friendly reminder is sent out 7 days after the due date. Our current policy allows approximately 24 days from the bill due date before a customer may be disconnected and is very effective in facilitating contact with customers as customers may otherwise choose to disregard all notices.

With the proposed amendments, disconnection may not occur until 14 days from the date of the disconnection notice and notice will expire 11 days from the last day of the

applicable minimum notice period. Under the proposed rules and with our existing policy for issuing a disconnection notice, a customer may be disconnected approximately 30 days from the bill due date at the earliest. If an arrears payment arrangement is not negotiated until this time and the customer is allowed to miss 2 payments and 10 days notification of cancellation of the arrangement, significant further charges likely have accumulated and notice of overdue amounts may be pending on the next customer bill compounding the customer's anxiety and ability to pay their bills. The requirements under Section 4.2.2.6 will add to the severity of this scenario.

Proposed DSC Section 4.2.2

We have found that our customers appreciate the non-threatening format of the friendly reminder described in the previous section and in most cases are sufficient to facilitate payment of the account. The disconnection notice is interpreted as threatening in many instances and reasonably so, since the message is much more urgent in nature. The proposed section 4.2.2 proposes to codify a great deal of information in a notice already causing the customer distress. Most of the information proposed to be included in the notice is now provided to each customer in a person to person basis with the exception of 4.2.2 (f). This is the preferred method since the customer has the opportunity to seek immediate clarification of the information if needed without the added worry of waiting to speak to a live person. OPDC believes much distress can be avoided in this way. We ask that section 4.2.2 be revised to require that all this information be made available to the customer upon contact at the earliest date of receipt of the disconnection notice.

Proposed RSC Section 7.2.5

OPDC currently offers equal payment plans (EPP) to all its customers. However, we have customers who find they are paying higher electricity costs under a retailer contract and we would likely need to increase their EPP amount upon review. This will create additional hardship for a low income customer.

Residential customers switching to a Retailer contract often experience a significant jump on the electricity line of their bill as pricing is typically higher than the RPP and often the customer is not aware of the impact of the provincial benefit until receiving their first bill under the retailer contract. This can be particularly difficult for low income customers and often the time limit to cancel their contract has passed. OPDC would like a provision that allows a longer cancellation period on contracts for all residential customers. This will assist low income customers who find they are inadvertently paying higher costs under a retailer contract when they can ill afford the additional expense.

Proposed SSSC Section 2.6.2A(a)

The proposed amendment to use the customer's average monthly billing amount to calculate the EPP amount will not be representative of the retailer contract charges if the customer has only recently signed with a retailer. We would ask that 'reasonable

estimate' proposed in the case of a customer with less than 12 months history be extended to customers with a retailer contract.

Implementation Timeline:

Many of the proposed changes will require time to implement. Programming and related costs may be substantial. Not only are software changes required, but new setups as well as procedural changes, which means additional training as well. We may need to change our application for service, bill print messaging, notices etc. to accommodate the changes. It does not appear feasible that these changes will be completed by January 1, 2010. The following proposed sections will likely require software programming, set up and procedural changes:

DSC Section 2.7.1.1 - an account goes into our CIS collection process currently for balances over a minimum threshold. Our billing system will not currently apply a security deposit against amounts owing to determine collection status. This is a significant programming, set up and procedural change.

DSC Section 2.8.2 and 2.8.3 – a flag identifying customers and landlords with and without signed agreements may require programming changes. Without this, billing and collection staff will be overwhelmed with a manual checking requirement which will increase the risk of billing errors.

DSC Section 4.2.2.3 – all automated processes currently used will have to be modified for the multiple scenarios for disconnection and extensive procedural changes will be required.

DSC Section 4.2.2.6, 4.2.2.7 – a flag for these customers will be needed and all automated processes currently used will have to be modified for the multiple scenarios for disconnection and extensive procedural changes will be required.

Given the broad range of proposed changes, it is not possible to identify all possible implementation requirements at this time. OPDC asks that you consider the list above as representative but not exhaustive of the potential impacts on our CIS systems and billing/collection/disconnection procedures.