



October 23, 2009

Ontario Energy Board  
P.O. Box 2319  
2300 Yonge Street  
27th Floor  
Toronto, ON M4P 1E4  
**Attention: Ms. Kirsten Walli, Board Secretary**

Dear Ms. Walli:

**Re: Proposed Code Amendments relating to Customer Service  
EB-2007-0722  
Response to Invitation to Comment**

In its Proposed Code Amendments issued October 1, 2009, the Board invited stakeholders to provide comments.

*ENWIN's* submission is enclosed.

Yours very truly,

***ENWIN Utilities Ltd.***

Per: Andrew J. Sasso  
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## **IMPLEMENTING THE PROPOSED CUSTOMER SERVICE PROVISIONS**

On April 17, 2009, *ENWIN* made a submission in this proceeding at a point when the proceeding focused many of its objectives on increasing benefits to low income residential customers. *ENWIN* estimated start-up costs of approximately \$500,000 and incremental annual operating costs of approximately \$650,000.

In the October 1, 2009 proposed amendments, the Board extended the scope of the proceeding to “benefit all customers, including low-income residential customers”. *ENWIN* is concerned that it may be the Board’s expectation that extending the incremental benefits to the full residential customer base will significantly reduce implementation costs. *ENWIN* does not expect this to be the case.

While the implementation costs may not be as high in some areas due to reduced customization (e.g. disconnection procedures), there are other areas where the costs will be greater as a result of providing previously automated services through manual intervention to a larger potential pool of customers (e.g. security deposits). Other costs, such as extending Equal Payment Plans to customers with Retailers, require massive systems and process changes that are necessary to serve even a few customers.

Of course, not all solutions can be effectively or efficiently accomplished through automated means and the proposed amendments will surely shift automated processes to manual processes (e.g. elements of: correcting billing errors, equal payment plan, disconnection, security deposits). Due to *ENWIN*’s existing arrangements with companies for which it provides billing services, *ENWIN* is eligible for the grandfathering of the allocation of payments clause. This will provide *ENWIN* time to fully explore, design and implement automation solutions. Ultimately, this will require a comprehensive overhaul of its CIS solution and quite possibly reduced synergies with those companies.

In respect of Equal Payment Plans, *ENWIN* is concerned that the Board has not pressed Retailers to make contributions in extending EPP to all customers, including the Retailers’ customers. At a minimum, Retailers should do their part to provide bill-ready EPP inputs and other basic information required to ensure that reviews and annual adjustments are reasonable and justified. This is necessary in order for the Retailed customer to have budgets based on the same quality of information as non-Retailed customers. *ENWIN* will continue to provide extensive service to all EPP customers irrespective of the contribution made by Retailers and will thus bear costs in any event. However, the customer ultimately suffers when the company responsible for calculating his or her commodity charge (a considerable component of the average bill) does not meaningfully participate in estimating monthly bills.

The proposed amendments will also extend the amount of time a non-paying customer continues to be able to use electricity for which the customer has no intention of paying. *ENWIN* estimates that the new rules will allow the customer to use electricity for an additional 20-40 days, depending on whether the customer contacts a social services agency. This will lead to 1-2 additional bills being generated during non-payment and a resulting increase to *ENWIN*'s bad debt. In the context of approximately 2,000 annual disconnections, the incremental bad debt expense could well exceed the approximately \$100,000 included in the ongoing costs estimate.

Overall, the amendments will significantly increase *ENWIN*'s staffing and system requirements after years of considerable effort to automate and streamline processes. Manually performing once automated operations, handling written connection request documents, performing commodity budgeting calculations on behalf of Retailers without knowing the terms of the customer's Retailer agreement, and preparing to manage non-electricity charges through distinct processes are all examples of new considerable demands. These demands, despite the suggested benefits, will increase *ENWIN*'s costs.

*ENWIN* notes that the Board has reviewed the amendments to "ensure a fair balance has been struck between assistance to customers and the imposition of additional costs on other customers." What is not clear is how *ENWIN* will be kept whole or, at a minimum, how *ENWIN*'s interests have meaningfully been taken into account. Despite *ENWIN*'s earlier submission detailing its projected costs, the Board's proposal, quite unfortunately, does not confront *ENWIN*'s estimates with its own detailed projections or even broad calculations of the estimated financial impact. Those estimates should be made public to illustrate the Board's assertions that these amendments will strike an appropriate cost-benefit mix and will be less expensive than the low-income only scenario. *ENWIN* hopes that the Board is interested in stakeholder comments on these projections.

It also does not appear as though the Board has permitted the use of a regulatory deferral and variance account or other specific recovery mechanism. As a result, it appears that *ENWIN*'s shareholder will be forced to absorb risk that the Board's projections on costs may be incorrect. *ENWIN* is thus left with the choice of bearing those costs until as late as May 2013 or preparing a costly cost of service rate application. *ENWIN* is concerned that it may need at least one historic year with the new arrangements in place in order to build an evidentiary case to demonstrate how costly these amendments are in light of the Board's paper. This still leaves *ENWIN* shareholder absorbing the costs until May 2013. Accordingly, *ENWIN* urges the Board to make provision for a recovery mechanism that will address all reasonably incurred costs.