April 5, 2010

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

Ontario Energy Board – Further Revised Proposed Amendments to the Distribution System Code, the Retail Settlement Code and the Standard Supply Code
Board File No.: EB-2007-0722 – March 12, 2010 Proposal

Dear Ms. Walli

Cornerstone Hydro Electric Concepts Association (CHEC) members are pleased to provide further input with regards to the March 12, 2010 Further Revised Proposed Amendments.

The following outlines the issues that CHEC would like to discuss with respect to the proposed changes at this time.

1. **Section 2.7.5: 2nd Arrears Payment Agreement:**
   Based on the knowledge and industry experience of the staff at the LDCs, it is recommended the OEB consider extending the time duration before a second arrears payment program is made available to customer at their request. Approval of such a request would be dependent on the customer having met the obligations under the first arrears payment program without disconnection of the service.

   In many cases it is the same customers who fall into arrears more than once and the OEB and LDCs are therefore obligated to manage the increasing cost of maintaining arrears payment agreements. Concern exists that a portion of customers would plan to use the arrears payment agreements as a way of deferring payments every 2 years.

CHEC Proposal: It is recommended that the duration between arrears payment agreements be increased from the two year duration currently proposed. A time frame of four years since the first arrears payment was entered into would help reduce the number of repetitive arrears payment agreements.

2. **Section 2.8.4A Verbal Agreement with 24 Month Recording & Section 2.8.4B Verbal Agreement With Recording for Length of Agreement plus 6 Months:** Concern exists with the ability of LDCs to complete recording of verbal requests. It is often difficult to prove it is the authorized person on the phone and if it is argued by the customer that it wasn't them making the call the LDC could have difficulty collecting arrears payments. Currently there are LDCs which do not have the system capacity to store customer calls.

   In addition it is further noted that the content of the recording to be treated as a valid source of information has not been identified. Some general guidelines of the basic information to be contained in the recording would help to ensure consistency and support for the validity of the recording.

   These comments are similar for Section 6.1.2.2 where a request for service is accepted over the phone.

   CHEC Proposal: Provide some guidance with respect to the identifying elements in the call to assist with consistency and support the validity of the recording.

3. **Section 4.2.2.6 Third Party Notification and Disconnect:** CHEC would like to reiterate that while it is recognized that when a customer requires third party assistance some additional time will be helpful to the process. However the suggested time lines remain too long.

   The proposed timelines result in the current bill being issued prior to finalizing the bill in arrears. This adds to customer confusion with respect to arrears and depending on the timing may result in the following bill payment being missed. Failure to pay the next bill would impact negatively on any arrears management program entered into.

   CHEC Proposal: The **total time** from the issuance of a disconnect notice to eventual disconnect should be set at 21 days where a third party is involved. This would provide an additional 7 days over the 14 days provided on the initial notice.

4. **4.2.3(a) 60 day minimum notice:**
   While not specifically requested to comment on this section it is believed that some clarification is required. The term physician should be identified to clearly indicate a medical doctor licensed in the province of Ontario. The term physician could be open to interpretation and would place the responsibility on the LDC to determine the qualifications.

   CHEC Proposal: Indicate that the documentation is to be received from a licensed medical doctor in the province of Ontario.

5. **4.2.2 & 4.2.3 General Comments:**
   As noted in past submissions and in the comments on specific sections concern exists with the extension of the collection process. Experience has shown that taking action to minimize the amount owing is beneficial for the LDC, the customer and for any third party offering assistance. Evaluating the situation and reaching a resolution is easier for all involved if the amount owing is manageable. The general extension of timelines needs to be tempered by the need to consult with others and the need to maintain a reasonable expectation of success. This is always a fine balance and one which collection staff works with on a regular and individual basis.

   The codification of a process which could result in the second bill being received by the customer before completion of the collection process is cause for concern. The current (historical) timelines were put in place to ensure that LDCs would be dealing with disconnection dates that would come due prior to customers receiving their next invoice. Stretching out past those dates will only cause major confusion and contention ("this new bill says my due date is still 3 weeks away") with the customers. As well it will mean elaborate changes to the current electronic notice generation and follow up reports which LDCs currently utilize.

   The extension of the timeline and receipt of the second bill may result in a higher number of arrears payment agreements being entered into. These additional agreements may have been utilized merely to manage the immediate problem compounded by the current bill being received.

   To accommodate the longer time lines proposed by the changes LDCs could consider extending their billing cycles to bi-monthly to avoid the overlap. This is not seen as the desired course of action. Dependent on the experience after the changes, LDCs will need to determine the most cost effective way of moving forward including a review of the billing cycle.

6. **Section 4 Response to invitation to comment – bottom of Page 9, March 12, 2010 Proposed Amendments**

   Acceptance of cash: The mandating of the acceptance of cash by field staff from residential customers seeking to avoid disconnection is not supported. Although it is at the LDCs discretion LDCs do not want to put employees in situations that could affect their safety or their reputation when it comes to handling cash. The acceptance of cash introduces a whole new element of risk into the disconnect process for the LDC, its employees, and the customer. In general it is believed this should be avoided.

   CHEC Proposal: Remaining as a choice by the LDCs is appropriate.

   Cost Benefit of Mandating Debit Card Payment: To facilitate field debit card payment the costs of the portable equipment as well as communication costs would be high and it is likely there would be areas where communication signals are not available. It is believed that in many cases the customers would not be in a position to have a bank balance to cover the cost of their utility invoice thereby negating benefits of this payment option. With the codification of notices and the opportunities offered the customer to pay it is most likely that those with the funds in their account would have attended the office to pay prior to the actual disconnect.

   CHEC Proposal: Do not include debit payment as a required option.

   Customer Contact at Location prior to Disconnect: LDCs normally attempt to contact the customer at the premise during the visit to perform the disconnection of service. If it is anticipated the employee will be put at risk police are often contacted and asked to accompany the employee during the disconnection process. If police are not available the disconnection may be made without making contact first. In some instances the disconnection of the service is completed at the transformer to avoid entering the customer premise. While customer contact is preferred in some instances minimizing the opportunity for confrontation is best for the LDC staff and customer.

7. **Implementation Period:**
   While not specifically requested to comment CHEC would like to reiterate concerns with the time to implement the changes. The CIS will require significant modification to manage the code changes proposed. The OEB recognizes that a time frame for implementation is required and has noted the January 1, 2011. It is suggested, as the process is on-going, that the implementation date be dependent on the completion date of the process.

   Assuming the Board decision is made by the end of April then the January date meets the minimum eight month time frame previously suggested by CHEC. If however the Board decision is delayed it is suggested that the implementation date should also be delayed. An eight to twelve month implementation time is suggested.

CHEC proposal: The implementation date should be a minimum of eight months from the date the Board decision is made and communicated. A twelve month implementation period is preferred.

Respectfully submitted

Gord Eamer

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Member LDCs:

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