

April 12, 2010

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

Via RESS and by courier

Dear Board Secretary:

Re: Further Revised Proposed Amendments to the Distribution System Code, Retail Settlement Code, and Standard Supply Service Code Board File No. EB-2007-0722 and EB-2008-0150

The Electricity Distributors Association (EDA) is the voice of Ontario's local distribution companies (LDCs). The EDA represents the interests of over 80 publicly and privately owned LDCs in Ontario.

The EDA notes that the revised proposed amendments issued by the OEB on March 12, 2010 dealing with customer service have generally accepted the suggested changes proposed by the EDA in its October 23, 2009 submission, with a few notable exceptions. The EDA had asked that distributors be allowed discretion in applying deposits against arrears as proposed in section 2.4.26A of the Distribution System Code (DSC), but the Board has decided not to revise proposed section 2.4.26A, indicating a belief that it balances the needs of customers and utilities. EDA members maintain their concerns with this proposal but recognize that the Board has considered their concerns. EDA members are now seeking a slight amendment to the proposal that could significantly reduce administrative costs and believe will be in the best interests of most customers.

EDA members note that in general disconnect notices function as a reminder to customers to pay their bills, and upon receiving the disconnect notice, 80% to 90% of these customers promptly pay the amount owing. The new proposal under 2.4.26 would interfere with this trend as the customer is not made aware at the earliest time of non-payment. As a result, the customer for whom a deposit was applied to arrears and who would have paid their bill promptly is now put in a position of having to repay a higher amount over an extended period of time in order to repay their deposit. Distributors prefer to continue sending disconnection notices to customers according to the current practice. If a customer can't pay in full and has a deposit that will cover their arrears, the deposit can be applied upon contacting the distributor. Distributors are concerned that automatically applying deposits against arrears without giving customers notice of arrears at the time non-payment first occurs will inconvenience the customer who would have liked the opportunity to avoid both the disconnect and the need to repay their deposit. Ultimately

1/2

Electricity Distributors Association

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the proposed amendment may defeat the purpose of the deposit and encourage distributors to cease collecting deposits, resulting in increasing bad debt.

The EDA notes that the OEB is seeking comments on whether distributors should be required to accept cash payments or debit card payments at the time of disconnection. In general, EDA members expressed concerns with mandating cash or debit payments. Some members noted that having field staff accept cash payments risks the cash payment being lost, as crews are not accustomed to handling cash payments, and holding cash raises safety and security issues. With respect to debit cards and credit cards, and the use of handheld devices, distributors have found that service is not available in all areas and consequently cannot be mandated. As a result, members support the current proposed wording of section 4.2.4 a) and b) of the DSC, where distributors will ensure they have facilities or staff available to permit customers to pay amounts overdue via a credit card issued by a financial institution and distributors are allowed the discretion to accept other forms of payment at the time of disconnection.

With respect to section 4.2.4 c) of the DSC, which requires distributors to make a reasonable attempt to communicate with customers at the time of disconnection, in order to advise that a disconnection will be executed and that there is an option to pay by credit card, EDA members have a major safety concern with this practice. Most distributors send one crew person to disconnect and they should not be put in harms way in the event of a volatile customer. We have been strongly advised by police services to protect our staff by avoiding direct contact with customers in unpredictable situations. As a result, the EDA suggests that 4.2.4.c) should be removed in its entirety or at least revised as follows:

(c) Where a distributor was unsuccessful in its attempt to contact a residential customer 48 hours before the planned disconnection as required under section 4.2.2.4, the distributor shall make a final but reasonable attempt to communicate with the customer *on the day of the planned disconnect*, to advise that disconnection will be executed and should the customer be able to arrange to make immediate payment by credit card issued by a financial institution, disconnection may be avoided.

Finally, EDA members note that in practice they have found that changes to customer service systems often require twelve months before implementation, particularly to properly test systems. In addition, as distributors are presently undergoing significant changes to their customer information system to deal with TOU implementation and micro-FIT settlement, a shorter timeframe may force many distributors to rely on additional outside contracting support and staff overtime which may significantly increase implementation costs. This raises the question of how distributors will recover these costs should they become significant.

Yours truly,

“Original Signed”

Maurice Tucci
Policy Director, Distribution & Regulation