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NOTICE OF PROPOSAL TO AMEND CODES

**UPDATED PROPOSED LOW-INCOME AND OTHER CUSTOMER SERVICE
AMENDMENTS TO THE DISTRIBUTION SYSTEM CODE, THE RETAIL
SETTLEMENT CODE AND THE STANDARD SERVICE SUPPLY CODE
BOARD FILE NO: EB-2007-0722**

**To: All Licensed Electricity Distributors
All Participants in Consultation Processes EB-2007-0722 and EB-2008-0150
All Other Interested Parties**

The Ontario Energy Board (the "Board") is giving notice under section 70.2 of the *Ontario Energy Board Act, 1998* of proposed amendments to the Distribution System Code (the "DSC"), the Retail Settlement Code (the "RSC") and the Standard Service Supply Code (the "SSSC") (collectively, the "Codes").

The proposed amendments include additional customer service rules tailored to the special needs of low-income residential electricity customers. These rules supplement the "baseline" customer service rules adopted by the Board on July 2, 2010 for all residential customers. In addition, this Notice proposes for comment limited changes to the July 2, 2010 rules to address certain implementation questions that have arisen. Included also are minor technical changes to the July 2nd rules that do not require further comment.

I. Background

The proposed amendments set out in this Notice build upon the work undertaken by the Board since 2009 in relation to the development of customer service rules for low-income electricity customers ("low-income customers"). In March 2009, the Board issued its Low-Income Energy Assistance Program Report that identified expanded

customer service rules as one of the components of the planned Low-Income Energy Assistance Program (“LEAP”). As part of the work for this Notice, the Board has reviewed the comments on low-income customer service rules received from stakeholders during the course of the earlier phases of the EB-2007-0722 and EB-2008-0150 consultations. This Notice presents an updated package of proposed low-income electricity customer service rules. Proposed customer service rules for customers of natural gas distributors and electricity unit sub-meter providers, including associated low-income customer rules, will be issued for comment by the Board in the near future.

A complete text of the updated proposed customer service code amendments for electricity low-income customers is set out in Attachment A to this Notice. In addition, certain amendments to the July 2, 2010 customer service rules applicable to all residential customers are proposed for comment and these are set out in Attachment B. A few other technical amendments to the July 2nd customer service rules have been adopted and do not require further comments. These are separately set out in Attachment C. Attachment D sets out, for informational purposes, a comparison of all the proposed September 30, 2010 customer service amendments to the customer service rules adopted by the Board on July 2, 2010.

II. Updated Proposed Low-Income Customer-Service Amendments to the Codes

A. Definition of Eligible Low-Income Electricity Customer

Based on advice from the reconstituted Financial Assistance Working Group, the Board proposes the following definition of eligible low-income electricity customer (“low-income customer”) for purposes of the updated low-income customer service rules: Residential customers who have a pre-tax household income at or below the current pre-tax Low Income Cut-Off (“LICO”), according to Statistics Canada, plus 15%, as confirmed by a social service agency or government agency accepted by the Board for this purpose.

When the test is applied, the Board expects that the most up-to-date Pre-Tax (gross) LICO table issued by Statistics Canada will be used. The dollar amounts set out in such tables vary according to the size of the family of the customer and where the customer resides (rural area versus small, medium or large urban area). The LICO plus 15% test is consistent with the corresponding test in the Winter Warmth program.

The present package of amendments will not require distributors to verify low-income eligibility. The Board's proposals instead anticipate that social service agencies or government agencies will undertake the actual evaluation and confirmation of low-income eligibility requests submitted by interested electricity customers.

The above definition will apply for purposes of the proposed low-income customer service amendments to the DSC, RSC and SSSC to be discussed below.

B. Deferred Payment Date Option

Section 2.6.3 of the DSC provides a minimum bill payment period of 16 days for all residential customers. Some utilities voluntarily extend the due date for fixed-income customers who receive monthly government income support payments. Several ratepayer groups have requested that such a practice be mandated. Residential customers who join a monthly equal payment plan (or the new monthly/bi-monthly equal billing plan proposed below) will have the choice of several payment dates within a month and thus can pick a payment date that best matches their incoming cash flow.

The Board will therefore propose, in new section 2.6.3.1 of the DSC, another flexible payment option targeting eligible low-income customers who do not join or belong to an equal monthly payment plan (or the proposed equal billing plan). Such customers will have the right to request that their regular bill payment date be deferred to the 5th business day of the following month. Late payment charges may not be levied so long as the customer pays on or before that date. This new option is intended to assist low-income customers who prefer unequalized bills and who must otherwise pay their accounts in the beginning or middle of a month, but receive their government income-support payments at the end of that month.

C. Correction of Billing Errors

The Board believes that the correction of billing error rules applicable to all customers under section 7.7 of the RSC are flexible enough to fairly address a wide variety of circumstances. But there is one area where a special rule will be proposed for low-income customers. The Board believes that an extended repayment period is important for low-income customers who have been under-billed, as they may face multiple payment obligations: their regular bill payments, the under-billing adjustment payments and possibly from time-to-time arrears agreement payments.

Section 7.7.4 of the RSC currently provides that where a distributor has under billed a customer who is not responsible for the error, the distributor shall allow the customer to pay the under-billed amount in equal instalments over a period at least equal to the duration of the billing error, up to a maximum of 2 years.

In certain circumstances (e.g. where a large under-billing error was committed over a short period of time), the rule in section 7.7.4 of the RSC could prove challenging for low-income customers. The Board therefore proposes to supplement this rule by allowing eligible low-income customers the option to elect the new timelines applicable to low-income arrears agreements to apply. A low-income customer can then decide what under-billing adjustment repayment schedule works best in his or her circumstances.

A new rule will therefore be proposed in section 7.7.4.1 of the RSC. Where a distributor issues a bill to a customer for an under-billed amount, the distributor must include an insert advising that, if the customer is an eligible low-income customer, the customer will have the option of paying the under-billed amount as follows:

- in accordance with regular under-billing repayment time period set out in the RSC (under section 7.7.4); or
- over a period of 10 months where the under-billed amount is less than twice the customer's average monthly billing, and over a period of 20 months where the under-billed amount equals or exceeds twice the customer's average monthly billing.

D. Equal Billing Plan Option

In the July 2, 2010 Notice, the Board adopted an equal monthly payment plan option to be made available to all residential customers. This rule created an equal payment, rather than an equal billing, option and under section 2.6.2(b) of the SSSC the customer has to agree to automatic monthly payment withdrawals from his or her account with a financial institution (if the billing cycle of the distributor is less frequently than monthly). A ratepayer group objected to this qualification as they believed it would preclude some customers who need it most (for example, low-income customers without an account with a financial institution) from taking advantage of the option. The Board shares the concern that a vulnerable subset of residential customers might not be able to access the Board's recently adopted monthly equal payment plan.

The Board wishes to address the underlying concern by proposing a new billing option: Under proposed new section 2.6.2B of the SSSC, an eligible low-income customer who currently receives a bill monthly or bi-monthly may request equalized monthly or bi-monthly billing. Under this plan, customers will not be required to have an account with a financial institution and agree to an automatic payment withdrawal. The new rule does not extend to quarterly billing, as the Board understands that only one electricity distributor uses quarterly billing and it is in the process of converting all of its residential customers to monthly billing.

The Board further proposes that the various current requirements of the equal monthly payment plan option (for example, the requirement that the customer must be offered a choice of at least two payment dates within the month, the requirement for a mid-year review of the balance, and the requirement that any large year-end true-up be rolled into the following year's plan) shall generally apply to the new monthly or bi-monthly equal billing plan option. Minor changes in wording have been made to certain parts of the proposed language in sections 2.6.2B and 2.6.2C to reflect the fact that the new equal billing plan may be monthly or bi-monthly, while the equal payment plan approved in section 2.6.2 of the SSSC in the July 2, 2010 amendments is monthly.

E. Disconnection for Non-Payment Notice

Section 4.2.2 of the DSC specifies the standard contents of a disconnection notice issued to a residential customer. The Board proposes that current DSC section 4.2.2.2 be expanded to alert customers of the existence of the additional programs available to eligible low-income customers and that low-income assistance may be available from the distributor and other organizations. The proposed wording in revised section 4.2.2 (k) and new section 4.2.2(k1) will require that a disconnection notice include statements that

- a Board-prescribed standard arrears management program and monthly payment plan option may be available to all residential customers, along with contact information for the distributor where the customer can obtain further information
- for an eligible low-income customer the following additional assistance may be available, along with contact information for the distributor where the customer can obtain further information about the additional assistance:

- i) a Board-prescribed arrears management program, and other expanded customer service provisions, specifically for eligible low-income customers; and
- ii) emergency financial and other assistance programs offered through various social service agencies, government agencies, charities or local electricity and gas distributors.

Parallel changes are proposed in revised section 4.2.2.4(f) and new section 4.2.2.4(f1) of the DSC prescribing the information that a distributor must make efforts to communicate to a residential customer 48 hours before the scheduled date of disconnection for non-payment.

The intended operation of the proposed rules is that all residential customers will become aware of the additional programs and assistance that are available for eligible low-income customers when they receive a disconnection notice. Interested customers who think they may qualify can then contact the distributor's customer service staff, who will refer the customer to a social service agency or government agency for the actual assessment of low-income eligibility. Once the customer is so qualified, he or she will have access to the additional customer service provisions proposed in this Notice. The customer will also become aware of the availability of other low-income assistance programs (such as emergency financial assistance). In addition, customers will receive a final reminder about the availability of low-income customer assistance programs at the time of the telephone call from the distributor 48 hours before disconnection.

F. Security Deposits

Section 2.4.20A of the DSC allows residential customers to pay a required security deposit, or deposit increase, in equal instalments over 6 months. But an obligation to pay any amount towards a deposit, while maintaining current bill payments and possibly arrears agreement payments, may prove an undue burden for many low-income customers. Moreover, the Board understands that some utilities in Ontario and elsewhere are already managing their customer accounts without requiring a security deposit from residential customers. As part of this package of updated low-income customer service rules, the Board proposes the following amendments in this area:

- Distributors may continue to bill for a security deposit, or increase in a security deposit, in the normal manner. However, under proposed new section 2.4.12A of the DSC, when issuing a bill for a security deposit the distributor must also include a bill insert advising a residential customer that the security deposit requirement will be waived for an eligible low-income customer, provided that such a customer contacts the distributor and thereafter confirms his or her low-income eligibility. The bill insert must include the distributor's contact information where the customer can obtain further information and a referral to a social service agency or government agency to review the customer's low-income eligibility.
- Under proposed new section 2.4.23B of the DSC, a distributor must give notice to all residential customers, at least annually, that any residential customer that qualifies as an eligible low-income customer may request and receive a refund of a security deposit previously paid to the distributor. At present, residential customers who have previously provided a security deposit and have good payment history will eventually receive a return of their deposit. Under the proposed section 2.4.23B, eligible low-income customers will be given the option of contacting the distributor to request an earlier refund if interested.
- Under proposed new section 2.4.23C of the DSC, where an eligible low-income customer requests refund of a security deposit previously paid to a distributor, the distributor must advise the customer within 10 days of the request that the customer may elect to have the refund credited to their account or repaid in full by cheque within 11 days of requesting payment by cheque.
- Under new proposed section 2.4.12B of the DSC, notification to the distributor from a social services agency or government agency that is undertaking a low-income eligibility assessment of the customer will extend the due date for paying the security deposit by at least 21 days.

G. Arrears Payment Agreements

Section 2.7.1.2 of the DSC allows a distributor to require that a residential customer make a down payment before entering into an arrears payment agreement ("arrears agreement"). The Board believes that the requirement for down payment should be adjusted for eligible low-income customers to ensure that they can more readily access

arrears agreements. The Board accordingly proposes the following new rule in section 2.7.1.3 of the DSC: The first time an eligible low-income customer enters into an arrears agreement, no down payment will be required. If the customer fulfills that arrears agreement, then he or she will be entitled to enter into a subsequent arrears agreement (if required) also without the requirement of a down payment. If a low-income customer fails to successfully complete an agreement, then the standard 15% down payment rule in DSC section 2.7.1.2 will apply for purposes of the next arrears agreement.

Section 2.7.2 (a) of the DSC provides that an arrears agreement shall run for a period of at least 5 months, where the total amount of the electricity charges remaining overdue for payment are less than twice the customer's average monthly billing amount. Section 2.7.2(b) increases the repayment period to at least 10 months, where the total amount of electricity charges remaining overdue is equal to or exceeds twice the customer's average monthly billing amount. The Board believes that eligible low-income customers require additional time to repay arrears while maintaining current bill payments and will be more successful in fulfilling their repayment obligations if provided with more time to do so. The Board therefore proposes that the 5 month minimum repayment period under section 2.7.2(a) is extended to 10 months for eligible low-income customers under new section 2.7.2(c) of the DSC, and that the 10 month minimum repayment period under 2.7.2(b) is extended to 20 months for eligible low-income customers under new section 2.7.2(d) of the DSC.

The arrears agreement rules applicable to all residential customers do not contain special rules dealing with service charges, including late-payment charges. The March 2010 Notice confirmed (at page 32) that distributors remain free in such cases to levy the usual late payment charges on the bill payments outstanding and include this (along with any other outstanding service charges) in the total amount that is the subject of the arrears repayment agreement; and to levy and collect any interest they are entitled to during the course of the arrears agreement.

The Board believes that service charges can unduly exacerbate the financial difficulties faced by low-income customers attempting to meet their regular utility payments and maintain service. The Board notes that waiver of outstanding service charges occurs in some other jurisdictions and Ontario ratepayer groups requested a waiver of late-payment charges and other non-payment service charges earlier in this consultation process. The Board's low-income customer proposals will include new rules in this area.

Specifically, when an eligible low-income customer enters into an arrears payment agreement, new section 2.7.6A of the DSC proposes that any outstanding service charges specifically related to the collection, disconnection, non-payment or load control must be waived and such charges shall not be included in the amount subject to the arrears repayment agreement. The following are the current standard services charges that would have to be waived, if outstanding, under the new rule: Returned cheque charge levied by the utility (but a pass through of any non-sufficient funds charge levied by a bank against the utility is permitted); Collection of account charge - no disconnection; Collection of account charge - no disconnection - after regular hours; Disconnect/Reconnect at meter - during regular hours; Disconnect/Reconnect at meter - after regular hours; Disconnect/Reconnect at pole - during regular hours; Disconnect/Reconnect at pole - after regular hours; Install/Remove load control device - during regular hours (if installed due to non or late payment); Install/Remove load control device - after regular hours (if installed due to non or late payment). Any utility-unique service charges similar to these must also be waived.

Proposed new section 2.7.6B of the DSC will exclude accrued late payment charges from the above mandatory waiver of certain service charges, so as to avoid creating undue incentives to customers to delay making their current payments in anticipation of an arrears agreement. However, new section 2.7.6B proposes that after a low-income customer enters into an arrears agreement, no further late payment charges may be levied in respect of the amount that is the subject of that agreement. This will encourage customers with arrears to enter into an arrears agreement as soon as possible to avoid further late payment charges.

There is some U.S. experience that providing customers with a modest credit or write-off of the principal amount due each time a payment is made will provide an incentive to better comply with an arrears agreement. Adding such an incentive was requested by a ratepayer group earlier in this process. The Board will not mandate a new rule to this effect but rather leave it to the judgment of distributors in specific situations. Creating a rule that mandates a partial write-off of the principal amount outstanding could create an undue incentive for some customers to deliberately hold off making regular bill payments in expectation of entering into a generous arrears agreement.

Section 2.7.4 of the DSC provides that where a residential customer defaults on more than one occasion in making an arrears agreement payment or a current electricity bill payment, the distributor may cancel the arrears agreement. The Board is concerned

that allowing for only one such default may make the operation of arrears agreements unduly stringent in the circumstances of low-income customers and the successful completion of the arrears repayment less likely to occur. The Board therefore proposes a new rule in this area: Proposed section 2.7.4.3 of the DSC provides that an eligible low-income customer must be allowed a minimum of two defaults of an arrears payment due under the agreement, a current electricity charge billing and/or an under-billing adjustment, before the distributor may cancel the arrears payment agreement. A security deposit is not included in this list as it is expected that an eligible low-income customers will request to not have to pay such a deposit, as permitted under the proposed new low-income amendments.

Furthermore, under proposed section 2.7.4.4 of the DSC, each of the defaults must also occur over two different billing periods before the agreement may be cancelled by the distributor. As will be discussed below, new section 2.7.4.4 will apply to all residential customers.

If a low-income customer can show a significant change in his or her ability to pay (for example, due to a serious medical condition or loss of source of income), the Board encourages distributors to make a good-faith effort to renegotiate any current arrears payment agreement with that customer.

Section 2.7.5 of the DSC requires a distributor to make available to a residential customer a further arrears payment agreement if the customer so requests, provided that two years or more has passed since prior arrears payment agreement was made. The Board believes that low-income customers should be able to access a further arrears agreement more frequently. Accordingly, new section 2.7.5.1 of the DSC proposes to allow low-income customers to request a further arrears agreement anytime following the successful completion of a prior arrears agreement. However, in cases where the request occurs within 12 months from the conclusion of the last arrears agreement, new section 2.7.5.1i) of the DSC proposes that distributors need only offer to the low-income customer an arrears agreement on the standard terms offered to other residential customers under section 2.7 of the DSC. This will reduce the risk of overuse of such agreements.

III. Amendments to July 2, 2010 Customer Service Rules

A. Proposed Implementation Amendments

The Board has received a number of enquiries from distributors about the intended operation of certain customer service rules applicable to all residential customers that were issued on July 2, 2010. The Board believes it will prove helpful to propose further amendments to certain customer service rules issued on July 2nd to clarify how are to be applied. These amendments are set out in Attachment B.

Several distributors inquired whether a distributor can still disconnect if a residential customer misses one required arrears payment, even though the rules preclude cancelling the arrears agreement itself. In the Board's view, such an outcome would defeat the protection designed to be afforded customers who enter into an arrears agreement and maintain the terms. The Board therefore proposes to add a new rule in section 2.7.7 of the DSC, to be applicable to the arrears agreements offered to all residential customers. Under this new proposed provision, a distributor shall not disconnect the property of a residential customer, including an eligible low-income customer, for failing to make a payment subject to an arrears agreement, unless the customer is in default under the DSC rules (in revised section 2.7.4 or new section 2.7.4.3, and new section 2.7.7.7) which permit a distributor to cancel an arrears payment agreement. Where the arrears agreement comes to a premature end under the Board's rules (which allow for certain number of missed payments), then the distributor may proceed to exercise all of its options, including disconnection of service or installation of a load limiter, provided the appropriate procedures are followed.

A party asked for clarification as to whether arrears agreement payments should be excluded from the definition of electricity charges in the DSC. The Board believes that allowing an arrears payment amount to be part of the electricity charges definition would unintentionally affect how other parts of the DSC would work. For example, where a distributor is determining a customer's average monthly billing (as when determining an amount for an equal monthly payment or billing plan), the distributor should not factor in an arrears payment amount because that would artificially inflate the monthly payments. The Board proposes to amend section 2.6.6.3(c) of the DSC to exclude from the code's definition of "electricity charges" amounts that are owed under arrears agreements entered into with customers.

To ensure that the various rules in the overall customer service package operate as intended, the proposed amendment to section 2.6.6.3(c) of the DSC will also exclude security deposits. The Board proposes excluding security deposits from the definition of electricity charges because the intention under the rules is to require security deposits to be paid in 6 months. The latter will not happen if security deposits were included in the equal monthly payment or equal billing amounts, which are spread out over a year. Billing adjustments, which are subject to their own specific rules regarding repayment periods under section 7.7 of the RSC, are also proposed to be excluded from the revised definition of electricity charges under section 2.6.6.3(c) of the DSC.

The revisions proposed above to section 2.6.6.3(c) of the DSC's electricity charges definition are designed with certain specific purposes in mind. To make the other customer service rules work properly, additional references to security deposits, arrears payments and billing adjustments have been added where needed, as will be discussed below.

Proposed new section 2.6.6.2A of the DSC confirms that where a partial payment is sufficient to cover electricity charges, security deposits and billing adjustments, the distributor shall not impose late payment charges, issue a disconnection notice or disconnect electricity supply.

Some enquires have asked for further guidance on how to apply partial payments to various types of charges. New proposed section 2.6.6.2B of the DSC will provide more detailed directions. Subject to section 2.6.6.1 of the DSC, where a partial payment is made, the distributor shall allocate the payment in the following order: electricity charges as defined in DSC section 2.6.6.3, payments towards an arrears payment agreement, outstanding security deposit, under-billing adjustments and non-electricity charges.

Another enquiry pertained to the effect of a missed security deposit payment on an arrears agreement. Section 2.7.4 of the DSC provides that a residential customer has to miss more than one arrears payment or one current bill payment before an arrears agreement may be cancelled. For the purposes of this rule, the Board considers a security deposit payment analogous to a current bill payment that is due and the Board proposes to amend DSC section 2.7.4 to make this clear. A missed under-billing adjustment payment will also be added to the list.

Some enquires have been received suggesting that an arrears agreement could be established and thereafter terminated relatively quickly (i.e. within a single billing period) where less than the total amount due has been paid. This concern may arise more frequently where the due date for the regular bill does not match the due date for the arrears instalment payment. The Board intends that customers have a reasonable opportunity to make progress under an arrears agreement. To better promote this objective, the Board proposes to revise the rule governing when a residential customer is considered to be in default under an arrears agreement. The proposed new rules of the DSC will require that before an arrears agreement with a non-low income residential customer is terminated by the distributor, i) a customer must be in default of at least two regular electricity charge bill payments, arrears payments, security deposit payments, under-billing adjustment or any combination of the two thereof (per new section 2.7.4 of the DSC), and ii) the defaults must occur over two different billing periods (per new section 2.7.4.4 of the DSC).

B. Proposed Load Limiter Installation and Removal Amendments

Questions about the use of load limiters and safeguards on their use were raised by ratepayer groups at different stages of this consultation. Suggestions about the need for winter heating season load limiter and disconnection rules were also advanced. The Board will now consider these matters and propose rules, where appropriate, in new section 2.9 of the DSC for the benefit of all residential customers, where appropriate. These are included in Attachment B for comment. There are several distinct issues in this area.

The Board believes that standard procedural requirements regulating the installation of load limiters would prove helpful for all Ontario residential customers. The intent is not to prohibit the use of load limiters, but to ensure that residential customers have an understanding of the purpose and use of these devices. The Board believes that distributors should also inform customers about the availability of customer service and financial assistance programs before the installation of a load limiter. The following new minimum notice rules are therefore proposed to be added to the DSC.

Under proposed new DSC section 2.9.1, a distributor may install a load limiter device instead of disconnecting supply to a residential customer for non-payment, provided that:

- i) the distributor provides written notice at least 7 days in advance that a load limiter will be installed if the outstanding payment is not received within that time;
- ii) the written notice to the customer provides a plain language explanation of the effect of the load limiter; and
- iii) the written notice informs the customer that billing and payment options are available to all residential customers and that special programs and financial assistance may be available for eligible low-income customers, along with a distributor contact where customers may obtain further information.

Under proposed new section 2.9.2 of the DSC, where a residential customer notifies the distributor that he or she has applied for qualification as an eligible low-income customer, the distributor must refrain from installing a load limiter device for a period of 21 days after receiving notification from social service agency or government agency that it is assessing the customer for bill payment assistance.

Under proposed new section 2.9.3 of the DSC, when the distributor installs a load limiter device, it must also deliver a written notice to the customer explaining in plain language the operation of the device, the maximum capacity of the device and how to reset the device if the maximum capacity is exceeded.

In addition, the Board proposes new standard DSC rules setting out when a load limiter may be installed and must be removed. The following are proposed.

- Under proposed new section 2.9.4 of the DSC, a load limiter device may not be installed at a residential customer's property during the course of an arrears payment agreement, unless the agreement has been terminated in accordance with the provisions of the DSC.
- Under proposed new section 2.9.5 of the DSC, where a distributor had previously installed a load limiter device and the customer then enters into an arrears payment agreement, the distributor shall remove the device within 2 business days of the customer entering into the arrears payment agreement.
- Under proposed new section 2.9.6 of the DSC, where the load limiter device was installed by the distributor for non-payment, the distributor must remove a load

limiter device within 2 business days of an outstanding account being paid in full or the customer entering into an arrears payment agreement.

Some ratepayer groups have raised the broader question of prohibiting the installation of load limiters, or the disconnection of residential customers, during the winter heating season. The Board will not be proposing any additional restrictions on the use of load limiters, or on the execution of disconnections, during the winter heating season. However, distributors will be required to comply with the various new disconnection rules and load limiter usage safeguards adopted (or proposed) by the Board, which will apply all year round. This includes the proposals in this Notice to defer installation of a load limiter, or proceeding with disconnection, while an arrears agreement is in place.

C. Technical Amendments Not Requiring Further Comment

The July 2, 2010 Notice indicated that the new security deposit rules would come into force on January 1, 2011. This will include section 2.5.26B of the DSC.

That Notice also indicated that the new opening and closing of account rules would be coming into effect on April 1, 2011. This will include sections 2.8.4 and 2.8.5 of the DSC.

The code changes approved in the July 2, 2010 Notice include adding a new definition of “customer” to section 1.2 of the RSC. This will come into effect on April 1, 2011, the same date as the other changes made to the RSC in the July 2nd Notice.

Sections 4.2.2.2 and 4.2.2.6 of the DSC in the July 2, 2010 amendments set out new rules that specifically apply to residential customers. There are related rules that are identified as applying to “customers”. To promote clarity, the Board will replace the later reference with a reference to “residential customers” in sections 4.2.2.2A and 4.2.2.7 of the DSC. No change in effect is intended.

The July 2, 2010 amendments added a new section 4.2.4 to the DSC. To better accommodate consolidation of this provision in the DSC, it will be renumbered as new section 4.2.5 of the DSC. A reference to “residential” customer is added to 4.2.5(b) as a clarification.

All of the above changes are set out in Attachment C. No further comments are required.

IV. Anticipated Costs and Benefits of Proposed Amendments

The Board expects eligible low-income customers to significantly benefit from the additional customer service rules proposed in this Notice. For instance, removal of the security deposit requirement will eliminate a potential barrier to receiving electricity service. The more flexible arrears agreements to be offered to eligible low-income customers (with longer repayment periods, no automatic down payment requirement and waiver of a number of service charges, for example) will allow low-income customers to more readily catch up on arrears while maintaining their current bill payments.

Most distributors will likely incur some costs to implement the entire package of proposed rules. The extent of the additional expense for each distributor will depend upon a variety of factors, including a distributor's present customer service policies, some of which may already incorporate elements of the proposed rules. Some distributors could face initial implementation costs to reprogram their customer information systems if low-income customers have to be treated separately in their internal systems.

The Board expects that distributors will also benefit from the successful operation of the low-income customer service rules. The new monthly or bi-monthly equal billing option, and the longer period to pay an under-billing adjustment, will allow eligible low-income customers to better manage their payments and thus, along with the other measures introduced, help reduce account collection costs and bad debt expenses. These savings are expected to offset some of the costs associated with the implementation of the proposed amendments. Distributors may have to devote greater staff resources to negotiating arrears agreements, but this could in part be offset by utility staff spending less time on collections and disconnections. The burden upon distributors of administering the low-income customer service rules will be further reduced by the plan to have social service agencies taking the lead in the confirmation of low-income eligibility.

The new rules on the installation and removal of load limiters will provide customers with increased procedural protections and better understanding of the effect and operation of the devices.

V. Coming Into Force

The Board proposes to adopt a phased approach towards implementation of the low-income customer service amendments, as with the July 2, 2010 customer service rules applicable to all residential customers.

The Board believes it is important that a significant number of these additional customer service rules be in place by January 1, 2011. The Board proposes January 1, 2011 implementation for the new rules relating to the elimination of security deposit requests for eligible low-income customers, the special arrears maintenance programs for eligible low-income customers, the longer repayment period for under-billing adjustments issued to eligible low-income customers, and the added references to low-income measures in the disconnection notice and in the 48 hours before disconnection attempt at final contact.

The Board proposes that the new procedural safeguards concerning the use of load limiters, which will apply to all residential customers, also come into force on January 1, 2011.

The Board proposes that the new low-income customer service rules providing a deferred payment date option and a monthly/bi-monthly equal billing plan option come into effect on April 1, 2011. The later date is intended to allow more time for any required billing system changes in these areas for those distributors that require the same. Distributors will remain free to decide to implement these rules earlier where feasible.

The amendments to the July 2, 2010 package of customer service rules applicable to all residential customers will come into force on January 1, 2011.

VI. Cost Awards

Cost awards will be available under section 30 of the *Ontario Energy Board Act, 1998* to eligible persons in the EB-2007-0722 process in relation to the provision of comments on the proposed amendments set out in Attachment A and Attachment B, to a maximum of 15 hours. Costs awarded will be recovered from all licensed electricity distributors based on their respective distribution revenues.

VII. Invitation to Comment

All interested parties are invited to comment on the proposed amendments to the Codes set out in Attachment A and Attachment B by October 25, 2010.

Two (2) paper copies of each filing must be provided, and should be sent to:

Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street
Suite 2700
Toronto, Ontario
M4P 1E4

The Board requests that interested parties make every effort to provide electronic copies of their filings in searchable/unrestricted Adobe Acrobat (PDF) format, and to submit their filings through the Board's web portal at www.errr.oeb.gov.on.ca. A user ID is required to submit documents through the Board's web portal. If you do not have a user ID, please visit the "e-filings services" webpage on the Board's website at www.oeb.gov.on.ca, and fill out a user ID password request. Additionally, interested parties are requested to follow the document naming conventions and document submission standards outlined in the document entitled "RESS Document Preparation – A Quick Guide" also found on the e-filing services webpage. If the Board's web portal is not available, electronic copies of filings may be filed by e-mail at boardsec@oeb.gov.on.ca.

Those that do not have internet access should provide a CD or diskette containing their filing in PDF format.

Filings to the Board must be received by the Board Secretary by **4:45 p.m.** on the required date. They must quote file number **EB-2007-0722** and include your name, address, telephone number and, where available, your e-mail address and fax number.

This Notice, the proposed amendments to the Codes attached to this Notice, and all written comments received by the Board will be available for public inspection at the office of the Board during normal business hours and on the Board's website at www.oeb.gov.on.ca.

Any questions relating to this Notice and the proposed amendments to the Codes should be directed to John Vrantsidis at 416-440-8122 or by e-mail at john.vrantsidis@oeb.gov.on.ca

The Board's toll free number is 1-888-632-6273.

DATED at Toronto, September 30, 2010

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary

Attachments: Attachment A: Updated Proposed Low-Income Customer Service Amendments to the Distribution System Code, the Retail Settlement Code and the Standard Service Supply Code (September 30, 2010)

Attachment B: Other Proposed Amendments to the July 2, 2010 Customer Service Rules (September 30, 2010)

Attachment C: Adopted Technical Amendments to the July 2, 2010 Customer Service Rules (September 30, 2010)

Attachment D: Comparison of all the Proposed September 30, 2010 Customer Service Code Amendments to the Customer Service Amendments Adopted by the Board on July 2, 2010 (for information purposes)