

October 1, 2010

Ontario Energy Board  
P.O. Box 2319  
27<sup>th</sup> Floor  
2300 Yonge Street  
Toronto, Ontario  
M4P 1E4

Attention : Kirsten Walli, Board Secretary

Dear Kirsten Walli :

**Request for an Extension Re: Amendments to Distribution System Code**

**EB-2007-0722**

In accordance with the Notice of Amendments to Codes issued by the Ontario Energy Board to Licensed Electricity Distributors on July 2, 2010 certain amendments were to come into force today. Notably those amendments being "Arrears Management" (Section 2.7) and "Suspending the Collection Process for 21 days" (Section 4.2.2.6 & 7).

St. Thomas Energy Inc. is involved as a partner in Utilities Collaborative Services Inc. (UCS). All other partners of UCS are currently using the Harris Northstar billing system. St. Thomas Energy Inc. has yet to move to this newer version of the Harris billing system this year (currently on Version 5.2.19).

The Ontario Focus Group (formed by the Ontario Harris Users Group (OHUG)) has met several times since June 17<sup>th</sup>, 2010 to discuss and reach a consensus on all changes required to Harris billing software as a result of the Notice of Amendments to Codes.

Particular attention has been focused on the rules required to come into force today. The Harris Northstar billing system requires considerable modification to accommodate the necessary changes to manage arrears. We have been advised by Harris that the timelines for the work involved for "Arrears Management" indicate deployment in the first quarter of 2011. A "Scope of Effort Document" developed by Harris as a result of the Focus Group meetings has been attached as information in support of the planned deployment early next year.

In regards to the suspension of the collection process for 21 days, testing is currently taking place for implementation within the month of October 2010.

Accordingly, St. Thomas Energy Inc. respectfully requests to be allowed an extension of the October 1, 2010 date for "Arrears Management" until March 1, 2011.

We would be pleased to provide any further information or details that you may require for this application.

Yours truly

A handwritten signature in dark ink, appearing to read "Dana A. Witt", with a stylized flourish extending to the right.

Mr. Dana A. Witt, CGA  
Director, Regulatory Affairs



Date: August 20, 2010  
Customer: Ontario Northstar LDC's

Tracker ID: T22336  
Department: N/A

## Project Description

**Based on the defined requirements specified within DSC section 2.7 of the OEB Regulated Changes – New Code Amendment – Arrears Management Program, Northstar is required to develop a new module, NS Arrears Management Program.**

### ***Code Sections:***

2.7.1 A distributor shall make available to any residential electricity customer who is unable to pay his or her outstanding electricity charges, as defined in section 2.6.6.3, the opportunity to enter into an arrears payment agreement with the distributor. The arrears payment agreement shall include, at a minimum, the terms and conditions specified in sections 2.7.1.1 – 2.7.5 inclusive.

2.7.1.1 Before entering into an arrears payment agreement under section 2.7, a distributor shall apply any security deposit held on account of the customer against any electricity charges owing at the time.

\*\*\*See tracker 22217

2.7.1.2 As part of the arrears payment agreement, a distributor may require that the customer pay a down payment of up to 15% of the electricity charge arrears accumulated, inclusive of any applicable late payment charges but excluding other service charges, when entering into the arrears management program.

2.7.2 The arrears payment agreement referred to in section 2.7.1 shall allow the residential electricity customer to pay all remaining electricity charges that are then overdue for payment as well as the current bill amount if the customer elects to do so, after applying a security deposit under section 2.7.1.1, and the down payment referred to in section 2.7.1.2, including all electricity-related service charges that have accrued to the date of the agreement, over the following periods:

- (a) a period of at least 5 months, where the total amount of the electricity charges remaining overdue for payment is less than twice the customer's average monthly billing amount; or
- (b) a period of at least 10 months, where the total amount of the electricity charges remaining overdue for payment is equal to or exceeds twice the customer's average monthly billing amount.

2.7.3 For the purposes of section 2.7.2, the customer's average monthly billing amount shall be calculated by taking the aggregate of the total electricity charges billed to the customer in the preceding 12 months and dividing that value by 12. If the customer has been a customer of the distributor for less than 12 months, the customer's average monthly billing amount shall be based on a reasonable estimate made by the distributor. For the purposes of this section, "electricity charges" has the same meaning as in section 2.6.6.3.

2.7.4 Where a customer defaults on more than one occasion in making a payment in accordance with an arrears payment agreement or on account of a current electricity charge billing, the distributor may cancel the arrears payment agreement.

2.7.4.1 If the distributor cancels an arrears payment agreement pursuant to section 2.7.4, the distributor will give written notice of cancellation to the customer and to any third party designated by the customer under section 2.7.4.1A at least 10 days before the effective date of the cancellation.

2.7.4.1A Where, at the time of entering into an arrears payment agreement a customer has designated a third party to receive notice of cancellation of the arrears payment agreement, the distributor shall provide notice of cancellation to such third party.

2.7.4.1B A distributor shall accept electronic mail (e-mail) or telephone communications from the customer for purposes of section 2.7.4.1A.

2.7.4.2 If the customer makes payment of all amounts due pursuant to the arrears payment agreement as of the cancellation date referred to in section 2.7.4.1 and makes such payment on or before the cancellation date, the distributor shall reinstate the arrears payment agreement.

2.7.5 A distributor shall make available to a residential electricity customer a second arrears payment agreement if the customer so requests, provided that 2 years or more has passed since a first arrears payment agreement was entered into and provided that the customer performed his or her obligations under the first arrears payment agreement.

## Scope of Work

To meet the requirements of DSC section 2.7, a new Northstar module, *Arrears Management Program* is to be developed with the following business process approach:

### 1 DEVELOPMENT OF ARREARS MANAGEMENT PROGRAM

#### ➤ Load Functionality for eligible customers

- Load by account
- Load will have filter to include current balance (checkbox)
- Load will put the account and balance info into an Entry Tab. \*\*NOTE - overdue and current balance require two separate fields
- Load will calculate the average bill as per section 2.7.3
- Load will calculate the 15% down payment required as per section 2.7.1.2
- Load will calculate the 5 month and 10 month arrangement amount as per section 2.7.2 a) and b) and enter into appropriate tab
- Load will recognize if the customer has had an arrangement in the last 2 years, by looking to arrears management screen for most recent start date of a management program
- Start date will be dictated here as well \*\*Make sure to do weekend/holiday checking
- **Load Filters:**
  - Account Number
  - Occupant Code
  - Service
  - Class Code

Debtor/Customer Number  
Include Current Balance yes/no checkbox  
Start Date (ie: first installment)

➤ **Manual Entry Functionality**

- **Header:**  
Account Number  
Occupant Code  
Debtor Number  
Name  
Service Address
- **Details 2 tabs 5 vs. 10 month**  
Service  
Current Balance  
Overdue Balance  
15% Down Payment  
Total Balance (sum of Curr + Overdue - 15%)  
Average Bill  
5 month arr amount  
10 month arr amount

➤ **Applying Security Deposits Functionality**

- The program will allow the user to select specific customers or customer types
- It will then go out and identify if they have a deposit on hand
- If there is a deposit on hand, it will automatically load it into the refund journal.
- A key value will be used to specify if ALL of the deposit will be refunded or only the amount up to the arrears amount.
- The order of refunding should be from the oldest to most current.
- The refund will include both refunding of interest on account as well as calc any outstanding interest (ie: use the same rules as the existing refund journal)
- The user would then complete the refund journal, run the reassess in Credit Control and the account would be up to date.
- Filters required in the Apply Deposit Program:  
Bill Code  
Category Code  
Account  
Class Code  
Service

➤ **Reassess Functionality based on applied refund amounts**

- Updates the entry screen by looking at the refund journal and reducing the balance loaded by the refund amount.

➤ **Letter Print Functionality**

- Letter print selection box required.
- New tokens to be created.

➤ **Verification / Journal Print**

- Filter requirements to be determined at a later date

➤ **Post - to service details - process**

- Post will move TOTAL balance amount from the loaded service to the new Arrears service.
- Service to move to will be specified by program key value or control table
- Category to use will default to electric category (make sure corresponding ones are set up)
- Bill code to use will be specified by program key value or control table

- Stat code to use for funds transfer will be AR Stat code in standard stats
- Bill period will default to 1
- SIC code will default to electric SIC code.
- All exemption flags will default to N
- Number of units will default to 1
- Start date of service will be posting date
- Last bill date will be posting date
- Due date will default to the due date on the electric service
- Last interest applied needs to default from electric service
- All notice flags and notice levels (all information from service details additional) should be copied from electric service.
- Post will automatically update service details with current and overdue amounts in the proper buckets

➤ **Post - to payment arrangement - process**

- Post will automatically create a new active payment arrangement/arrears management program with a start date of post date, for either 5 or 10 months according to load, payment type M, frequency I if using billing or A if using Invoicing method.
- Due dates will default to 10 years from start date for I type arrangements, the same as the current Invoice arrangement functionality.
- Due dates will default to start date + one month + 10 years for A type arrangements.

## 2 MODIFICATIONS TO EXISTING NORTHSTAR PROCESSES

➤ **Billing Journal process**

- Calc needs to be changed to pick up payment arrangement type M, using same method as arrangement type I (invoice arrangements)
  - Field in control table has default arrears payment arrangement processing method ie: Invoice for Billing calc or A for Invoicing
  - Will require a new key value to locate the arrangement statcode ie: see ARRANGEMENT STATCODE key value.
- Post needs to recognize new M arrangement type and update pu\_pay\_arrangh, pu\_pay\_arrange, pu\_arrange\_hist in the same manner as invoiced arrangements.
- Calc must transfer the funds from M service to Electric service when an account is being finalled.

➤ **Modifications to Credit & Collections processes**

- Change the credit control load to automatically exclude Arrears Management service ie: program key value driven

➤ **Modifications to Cashiering process**

- Cash application – will set M service as priority to apply under service type setup  
Need control table to allow user to specify to apply here first before deposit required or deposit type arrangements
- If cash application is proportional we will change code to apply to management program first, then proportional.

➤ **Modifications to the Payment Arrangement Report**

- This report needs to be set to EXCLUDE the new Arrears Management program.

## 3 DEVELOPMENT OF INVOICING MODULE

➤ **Load Functionality**

- Goes out and grabs all accounts matching filters, for the next available payment arrangement for specific date range (+10 Years), arrangement method A and loads in.
- Calculates OI on the service
- Inserts values into the Entry Tab

- **Load Filters:**  
Account Number  
Occupant Code  
Service  
Class Code  
Debtor/Customer Number  
Arrangement Due Date range

➤ **Manual Entry Functionality**

- **Header:**  
Account Number  
Occupant Code  
Debtor Number  
Name  
Service Address  
Arrangement amount  
Overdue Interest amount

➤ **Letter Print**

- Letter print selection box required.
- New tokens to be created.

➤ **Verification / Journal Print**

➤ **Post process**

- Updates service details accordingly, M service due date = payment arrangement due date
- Payment arrangement due date becomes current due date less 10 years.
- OI will be posted to stat as dictated in standard stats which must be electric or admin. (IE: need new journal type AM) posts to pu\_account\_pay, pu\_balance\_hist, pu\_account\_pay for interest up to that date too
- Need to ensure that Interest is not calc'd on interest in subsequent billing

## 4 DEVELOPMENT OF CANCELLATION JOURNAL

➤ **Load Functionality**

- Load will mimic the current Payment Arrangement Report.  
Make sure that the Cancel in Default is NOT included and not an option.  
Do not want Create Letter here either.
- Load must identify that there are **more than one** default installments
- Load will insert into an Entry screen.
- Calculates OI from last date applied up to post date

➤ **Manual Entry Functionality**

- **Header:**  
Account Number  
Occupant Code  
Name  
Service Address  
Missing Arrangement amount  
Missing Arrangement date  
Arrangement ID

➤ **Letter Print**

- Letter print selection box required.
- New tokens to be created.



➤ **Reassess**

- Program reruns load, will remove anyone who has paid since the load. \*need to run 10 days after letters are sent.

➤ **Post Process**

- Sets the arrangement to 'defaulted'
- Posts overdue interest from last date applied up to post date
- Transfers the dollars back to electric
- Puts an end date on the service.

**Approach:**

After the development of all components has been completed the new functionality will go through the NS quality assurance process. Any identified rework will be completed and regression testing will occur prior to entering a beta program with identified customers prior to general release and market deployment.

**Effort Breakdown:**

Description	Estimated Effort (Hrs)
Development of Arrears Management Program	225
Modifications to Northstar Processes	75
Development of Invoicing Journal	200
Development of Cancellation Journal	200
Quality Assurance	110
Rework	110
Beta Release	40
Deployment	210
	1170



### Schedule

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