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# Proposed Low-Income and Other Customer Service Amendments

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EB-2007-0722

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Comments from:  
Chatham-Kent Hydro Inc. and  
Middlesex Power Distribution Corporation

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Chatham-Kent Hydro and Middlesex Power Distribution Corporation (“CKH & MPDC”) are pleased to comment on the Proposed Low-Income and Other Customer Service Amendments, as follows:

**Amendments to the Distribution System Code**

**Section 2.4.12A**

CKH & MPDC agree that screening of applicants should be undertaken by local social service agencies. This work should be integrated with the role of such agencies in the Winter Warmth program and the financial assistance portion of the LEAP program. CKH & MPDC further recommend that a customer information website be established to assist in providing local screening agency contact information to potential applicants by service area. To ensure that the target audience is reached, the website should be complimented by print media or inserts to be included in social service agency mailings.

CKH & MPDC note that the amendments also allow for the waiver of security deposits for low-income customers under retailer contracts. CKH & MPDC believe that it is equitable to expect retailers to share in the associated incremental bad debt costs and administrative responsibilities associated with these amendments. Accordingly, CKH & MPDC recommend that the current retail service charge be increased by an appropriate amount. Further, as part of the screening process, screening agencies should be required to ensure that low-income applicants utilize the most cost effective commodity available. This should include assisting low-income applicants, most notably those on electric heat, to be aware of their option to exit retail contracts, and the role that social service agencies may play in assisting them.

**Section 2.4.12B**

This section stipulates that the requirement to remit a security deposit payment can be extended for 21 days pending assessment of a customer’s low-income eligibility. Rather than accepting verbal applications, CKH & MPDC believe that notification of a pending assessment should be provided in writing to the distributor by the screening agency. This would serve to validate that a customer is truly in need of financial assistance prior to the delay of arrears management processes.

In the event that an assessment of an applicant’s low-income eligibility is not provided within 21 days, CKH & MPDC seek clarification as to whether a disconnection is permitted at Day 22.

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In recognition that a customer's low-income eligibility status is subject to change based on the customer's personal circumstances, CKH & MPDC propose that the written screening agency notification to the utility be valid for a duration of one year.

#### **Section 2.4.23C**

In this section, it is stipulated that in the event of a security deposit refund request, the distributor must establish contact within 10 days to present the low-income customer with refund options (either a credit on account or a refund via cheque). CKH & MPDC seek additional guidelines as follows:

- The refund request should be in written form;
- Refunds should be provided within 10 days of the screening agency notification that the customer meets low-income eligibility requirements;
- In the event that the low-income customer is in an outstanding arrears position, the distributor should be permitted to first apply the security deposit against the arrears before issuing a refund for the remaining balance

#### **Section 2.9.2**

The amendments restricting the installation of load limiter devices should also stipulate the requirement for written notification of a customer's low income status to the distributor within a specific time period, consistent with the recommendations above.

#### **General Comments**

CKH & MPDC are in general agreement with the low-income and other customer service amendments.

CKH & MPDC recently implemented the arrears management program that came into effect October 1, 2010. The manual processes involved have proven to be both time consuming and labour intensive.

Further, the communities served by CKH & MPDC have recently experienced economic challenges and arguably, have the highest unemployment rates in the province. Administering these requirements for a relatively larger proportion of low-income customers will be more onerous for CKH & MPDC.

Accordingly, it is requested that a deferral account be established to recognize the associated incremental administrative costs, including:

- System enhancements to handle the complexity of different methodologies for arrears management by customer type;
- Incremental staffing costs in co-ordinating arrangements with low-income customers and social service agencies;
- Additional clerical costs, including cheques, postage, etc.

Further, in recognition of the complexity of the system upgrades involved and the requirement for manual processes in the interim, CKH & MDPC request that the Board consider deferring implementation of Phase 1 amendments until April 1, 2011 and Phase 2 amendments until July 1, 2011. This would allow utilities more opportunity to implement automated and controlled processes by which to efficiently and effectively support low-income customers.