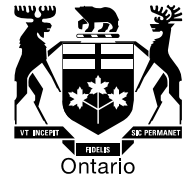


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BY E-MAIL AND WEB POSTING

January 20, 2011

**To: All Rate-Regulated Natural Gas Distributors
All Participants in EB-2010-0280, EB-2007-0722, EB-2008-0313 and EB-2008-0150
All Other Interested Parties**

**Re: Customer Service Standards for Natural Gas Distributors
Board File No.: EB-2010-0280**

The purpose of this letter is to inform stakeholders that the Ontario Energy Board (the "Board") is seeking their input in assessing the need for developing customer service standards for natural gas distributors. In addition, this letter provides information on how gas distributors and interested stakeholders can participate in this consultation.

Background

On July 2, 2010 the Board issued final customer service rules that are intended to assist all electricity customers as part of its consultation on "Electricity Distributors: Customer Service, Rate Classification and Non-Payment Risk" (EB-2007-0722).

In a July 22, 2010 letter, the Board informed stakeholders about the future initiatives that the Board would undertake as part of its low-income energy assistance program including the development of rules for natural gas distributors similar to those developed for electricity distributors.

On September 21, 2010, the Board notified stakeholders that the Board would be seeking written comments on future proposed amendments to the Gas Distribution Access Rule (the "GDAR") pertaining to the customer service rules for gas distributors.

Consultation Process

The Board has decided that it will conduct a stakeholder consultation prior to proposing any amendments to the GDAR. This consultation will take place in two stages.

In the first stage, the Board is asking gas distributors to review the customer service rules for electricity distributors posted on the Board's website, document their current policies and practices in the areas addressed by those rules, and suggest new or modified policies that are appropriate for gas distributors. Attachment A to this letter provides a template for submission of this information.

In addition, the Board is asking gas distributors to provide input on the following questions:

1. Should the Board develop rules which prescribe specific customer service standards to be applied to all rate-regulated gas distributors? If so, should these standards be analogous to the electricity code provisions for customer service standards? What are the potential advantages and disadvantages of this prescriptive approach?
2. Should the Board develop rules which require each rate regulated gas distributor to develop, publish, and adhere to customer service standards for certain prescribed areas of customer service? If so, should the rules include the requirement that gas distributors develop complaint processes which include recourse to the Board in the event disputes are not resolved to the satisfaction of the parties? What are the potential advantages and disadvantages of this less prescriptive approach?

In the second stage, the information provided by gas distributors will be posted on the Board's web site for stakeholder comment. In addition, stakeholders are expected to provide their input on the questions set out above. On the basis of the information provided by gas distributors and the comments from stakeholders, the Board will assess the next steps in the development of customer service rules for natural gas distributors.

The objective of this consultation is to ensure appropriate customer service standards that are fair, transparent, and consistent across all gas distributors and are enforceable by the Board. The resulting customer service standards are expected to provide greater protection and certainty for customers while allowing natural gas distributors an appropriate measure of flexibility to allow them to account for operational considerations.

Scope

Although the Board has added two stages in the consultation process, the scope of the consultation remains as indicated in the September 21, 2010 letter. Specifically, the development of customer service standards is expected to cover the following areas:

- i. Bill issuance and payment;
- ii. Allocation of payments between gas and non-gas charges;
- iii. Correction of billing errors;
- iv. Equal payment and equal billing plans;
- v. Disconnection for non-payment;
- vi. Security deposits;
- vii. Arrears management programs; and
- viii. Management of customer accounts.

The Board intends to pursue customer service standards tailored to low-income customers in due course.

Cost Awards

Cost Awards will be available under section 30 of the *Ontario Energy Board Act, 1998* to eligible persons in relation to the two-stage consultation process described above to a maximum of 15 hours per each eligible person or party. Costs awarded will be recovered from all rate-regulated natural gas distributors based on their respective distribution revenues.

Participation and Filing Instructions

All previous expressions of interest in participating in this consultation and the Board Decision on Cost Eligibility remain in place going forward.

Gas distributors are invited to complete Attachment A to this letter and provide their answers to the two sets of questions for submission to the Board Secretary by **February 17, 2011**. Submissions received by the Board Secretary by this date will be posted on the OEB web site for stakeholder comment. Interested parties are invited to comment on the posted submissions by **March 17, 2011**.

All filings to the Board in relation to this consultation must be addressed to the Board Secretary. Two paper copies of each filing must be provided. The Board asks that participants make every effort to provide an electronic copy 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-filing services" webpage on the Board's website at www.oeb.gov.on.ca and fill out a user ID password request. Additionally, interested stakeholders are asked to follow the document naming conventions and document submission standards outlined in the

document entitled *RESS Documents 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 who do not have internet access should submit the electronic copy of their filing on CD.

Filings must be received by **4:45 pm** on the required date. They must quote file number **EB-2010-0280** and include your name, postal address, telephone number and, if applicable, an e-mail address and fax number.

All materials related to this consultation will be posted on the “Regulatory Proceedings” portion of the Board’s website at www.oeb.gov.on.ca. The material will also be available for public inspection at the Board’s office during normal business hours.

If the written comment is from a private citizen (i.e., not a lawyer representing a client, not a consultant representing a client or organization, not an individual in an organization that represents the interests of consumers or other groups, and not an individual from a regulated entity), before making the written comment available for viewing at the Board's offices or placing the written comment on the Board's website, the Board will remove any personal (i.e., not business) contact information from the written comment (i.e., the address, fax number, phone number, and e-mail address of the individual). However, the name of the individual and the content of the written comment will be available for viewing at the Board's offices and will be placed on the Board's website.

Questions relating to this consultation should be directed to Beverley Jaffray at 416- 440-8101 or by e-mail at Beverley.Jaffray@oeb.gov.on.ca. The Board’s toll free number is 1-888-632-6273, and the Market Operations Hotline is 416-440-7604.

Yours truly,

Original Signed

John Pickernell
Assistant Board Secretary

Attachment