



**FINANCIAL SERVICES DEPARTMENT
KITCHENER UTILITIES**

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BY E-MAIL & COURIER

February 17, 2011

Ontario Energy Board
Attn: Ms. Kirsten Walli, Board Secretary
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto, Ontario, M4P 1E4

Dear Ms. Walli:

Re: EB-2010-0280 – Customer Service Standards for Natural Gas Distributors – Submissions by the City of Kitchener (“Kitchener”)

In response to the Ontario Energy Board’s (“Board’s”) letter dated January 20, 2011, Kitchener respectfully provides the following brief submissions in response to the two sets of questions posed by the Board in its letter, with our appreciation for the opportunity to do so.

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?

No, the Board should not develop prescriptive specific customer service standards to be applied to all rate-regulated gas distributors. There may be areas in which alignment with standards for electricity distributors may be feasible, cost effective and add value for gas customers. While a “one size fits all” prescriptive approach may have implicit merit in consistent application across utilities, it may erode the value of existing customer service rules that reflect fair and balanced practices which have evolved over time, reflect geographic or demographic differences between gas service territories and which are well understood and accepted by customers. Change to existing utility customer service standards comes at a cost and with risks of creating customer confusion and / or potential for abuse. It is important not to “fix” what isn’t “broken”. Importantly, the customer service standards must reflect comparable scale and scope of operations.

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?

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As noted above, there may be certain areas where prescribed standards may be developed in a cost effective way that add value and provide meaningful consistency of application across regulated utility energy sectors. A complaints process which includes recourse to the Board would seem to be a sensible and practical approach. There is precedent for a workable complaints process in other aspects of energy and consumer protection regulation in Ontario, for example, in retail energy activities. A less prescriptive approach would involve opposite trade-offs between consistency and flexibility as noted above in the response to the Board's first set of questions. However, in our respectful submission, a less prescriptive and "lighter hand" on customer service standards to be applied to rate-regulated gas distributors would be preferable. Kitchener has more flexibility for its utility customers with respect to Arrears Management Programs and managing or suspending disconnection actions. This flexibility should be preserved for the mutual benefit of customers and the gas utility.

As requested, we have completed and attached Attachment A from the Board's January 20th letter to this response.

Kitchener thanks the Board for this opportunity to provide our comments on the questions which it posed on customer service standards for rate-regulated gas distributors and hope they are helpful. We look forward to participating further in the Board's consultations in these proceedings.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Gruenbauer", is positioned above the printed name.

James A. Gruenbauer, CMA
Manager, Regulatory Affairs and Supply

.attachment

Cc: J. Alick Ryder, Q.C. (RWBH)
W. Malcolm (Kitchener)