



February 28, 2011

**BY RESS AND BY COURIER**

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
2300 Yonge St., Suite 2700  
Toronto, ON, M4P 1E4

Dear Ms. Walli:

**RE: CLD Written Comments in Response to the Notice of Revised Updated Proposed Low-Income and Other Customer Service Amendments to the Distribution System Code, the Retail Settlement Code, and the Standard Supply Service Code**

**Board File Number:EB-2007-0722**

This submission is filed on behalf of the Coalition of Large Distributors (“CLD”) in respect of the above-captioned matter. The CLD is comprised of Enersource Hydro Mississauga Inc., Horizon Utilities Corporation, Hydro Ottawa Limited, PowerStream Inc., Toronto Hydro-Electric System Limited, and Veridian Connections Inc.

On February 8, 2011, the Ontario Energy Board (the “Board”) issued the Notice of Revised Proposal to Amend Codes (the “Notice”) and the Revised Updated Proposed Low-Income and Other Customer Service Amendments to the Distribution System Code (“DSC”), the Retail Settlement Code (“RSC”) and the Standard Supply Service Code (“SSSC”) (collectively the “Codes”). The Notice invited stakeholder comments on a number of limited issues, which the CLD is pleased to provide below.

**General Comments**

The CLD has reviewed the revised proposed Code amendments and appreciates that many of its concerns submitted in its October 25, 2010 comments have been reflected in the revised version, including the extension of several of the implementation timelines. However, the CLD remains concerned about several outstanding issues as well as several new proposals introduced in the revised amendments. These issues are addressed below.

**Attachment A - Revised Updated Proposed Low-Income Customer Service Amendments to the DSC, the RSC and the SSSC, as they relate to customer service rules for low-income customers.**

*A) Eligible Low-Income Electricity Customers.* The CLD recognizes and appreciates the significant clarifications to this section, but is strongly concerned that under the proposed amendments it will be required to partially serve the role of the social service agency in qualifying customers as low income. In all previous submissions, and in all previous consultations, the CLD (and all utilities in general) have made it consistently clear that they are not equipped to screen customers for low income eligibility, a fact to which there has been considerable agreement among all stakeholders. The proposed requirement that utilities now perform low income eligibility screening in a fast-tracked way (by verifying that the customer is a recipient of a government assistance program rather than performing a formal interview) does not alleviate these concerns. Utility staff are not trained to assess government financial assistance documents, nor are they prepared to do so for reasons of privacy and confidentiality. The Board notes that ‘appropriate supporting documentation’ would need to be provided, but does not specify what specific type of documentation would be appropriate. There are additional concerns in cases of accounts which are registered in more than one name, in which case the CLD submits that documentation from all account holders would have to be provided. Creating a fast-tracked process does not permit an accurate assessment of an applicant’s income, and this limited screening creates a double standard by which some customers may qualify without meeting the more complete low income (“LEAP”) criteria. In addition, this approach would create two potential methods by which customers may be screened, which duplicates processes and requires utilities to once again alter bill messaging and communications (which is currently directing customers to their respective LEAP partner agency). The CLD strongly opposes this proposed amendment and requests that the role of screening customers for eligibility for low income programs remain exclusively with the social service agencies (as is the case with LEAP).

*B) Deferred Payment Date Option.* The CLD appreciates that its concerns have been taken into consideration, and is pleased that this proposed amendment will not be mandated.

*C) Correction of Billing Errors.* The CLD continues to believe that the recovery of under billed amounts is not a significant concern to warrant creating a separate rule for low-income customers. Allowing an option of two different payment mechanisms adds further complexity to this process, whereby the utility would need to confirm with the customer before acting upon one of the billing mechanisms. Furthermore, while utilities make every effort to ensure bills are accurate, if errors do occur, allowing up to 20 months for low-income customers to repay the amount is too long a period. Under existing rules, under-billed amounts can only be recovered over a period at least equal to the duration of the billing error, and given the rare occurrence of large under-billing errors, and the fact that most utilities are not opposed to voluntarily providing extended repayment periods when warranted, this has proven to be a sufficiently flexible mechanism.

*D) Equal Billing Plan options.* The CLD recognizes the Board's desire to provide viable billing and payment options for low-income customers, including plans that do not require automated bank withdrawals. However, requiring all utilities to introduce an Equal Monthly or Bi-monthly Billing Plan, in addition to a mandatory Equal Monthly Payment Plan, will entail significant time and cost, for no foreseeable benefit. For many utilities a 'billing plan' and a 'payment plan' are indistinguishable from one another, as both the required equal payment amount and the actual billed amount are displayed on the bill. Further, offering a variety of 'like' plans will create customer confusion. Rather, the CLD reiterates its suggestion that the existing payment plan options be modified to give low-income customers the option of submitting their payments through any of the existing payment methods offered by the utility and not requiring an automatic withdrawal.

*E) Disconnection for Non-Payment Notice.* The CLD has no further comments on this amendment.

*F) Security Deposits.* The CLD supports the proposed revision which specifies that where there are arrears on an account, the security deposit should be applied first to the arrears, before any part of the remaining amount is returned to the customer.

*G) Low-Income Arrears Payment Agreements.* The CLD reiterates its concerns with waiving any service charge related to collections, disconnection, or non-payment for eligible low-income customers and the inequity this creates for other customers. Late payment charges and similar charges that relate to collection activities form a portion of a utility's "other revenue". If revenue from late payment charges and similar collection related charges are reduced, distribution revenue collected from all customer classes must increase. In addition, and as stated in the CLD's previous submissions, the approach of waiving certain charges to certain sub-classes of customers is inconsistent with current rate making methodology whereby customers pay for the services or charges that specifically relate to them, with no subsidization from other customers. The CLD recommends that the charges and rules currently in place for the management of arrears payment agreements should remain in place and apply to all customers equally.

While the CLD appreciates the proposed reduced repayment periods for arrears of 8, 12, and 16 months (from 10 and 20) depending on the arrears outstanding, the CLD remains concerned that such repayment periods continue to be excessively lengthy. In particular, the 16 month period is a concern, and while the CLD can, as the Board suggests, reduce the occurrence of this by addressing a customer's arrears earlier in the collection cycle, the result will be that utilities will be forced to reduce the levels of voluntary flexibility that they now often afford customers. The CLD submits that the 16 month arrears period be eliminated altogether with the 12 month period remaining as the upper limit, or alternatively that the 16 month period be reduced to 14 months.

**Attachment B –Amendments to July 2, 2010 Customer Service Rules Applicable to All Residential Customers**

*A) Use of Load Control Devices.* The CLD is pleased with the changes regulating the use of Load Control Devices.

*B) Arrears Payment Agreements.* The CLD has no further comments with regard to this amendment.

*C) Other Amendments to the July 2, 2010 Customer Service Rules.* The CLD strongly supports the requirement that only partnered social service agencies may be used for the purposes of suspending a disconnection for 21 days.

**Summary**

The CLD appreciates the opportunity to comment on the revised and updated proposed Code Amendments. If there are any questions regarding these comments, please do not hesitate to contact the undersigned.

Yours truly,

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