



February 13, 2012

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

via RESS and email

Dear Ms. Walli:

**RE: Proposed Electricity Reporting and Record Keeping Requirements for Distributors Related to the Revised Customer Service Rules
Board File No.: EB-2007-0722**

On January 30th, 2012 the Ontario Energy Board (the "Board") issued for comment proposed electricity reporting and record keeping requirements (the "Proposed Requirements") related to the recently revised customer service rules. This is the submission of the Coalition of Large Distributors (the "CLD"), which consists of Enersource Hydro Mississauga Inc., Horizon Utilities Corporation, Hydro Ottawa Limited, PowerStream Inc., Toronto Hydro-Electric System Limited, and Veridian Connections Inc.

The CLD is pleased to see that most utility concerns brought forward by their representative at the Financial Assistance Working Group meeting of December 15, 2011 have been reflected in the proposed draft. As a result, with the exception of the limited comments on items listed below, and subject to confirmation of IT implementation schedules, the CLD advises the Board that it should be prepared to track and report the required information beginning January 1, 2013, as proposed.

Costs of Implementation

The Board has requested that distributors with cost concerns provide implementation cost estimates as part of their comments. The CLD does not anticipate significant incremental implementation costs, although cautions that this would be highly dependent on the current life-cycle state of each distributor's respective Customer Information System and the size of the utility. Of all the Proposed Requirements, the payment agreement measures would be the most likely to require system upgrades, as these are currently the least likely to be tracked by many utilities in any automated manner.

The provision of this data is an important step in providing the Board with customer service trends. The CLD recognizes that the renewed regulatory framework initiative may also impact future regulatory reporting requirements. To the extent these two initiatives can be harmonized, the impact on business processes and costs could be minimized.

Evaluation of Customer Service Rules and Use of Data to be Collected

The CLD recognizes that the collected data may be helpful to the Board in evaluating the impact and effectiveness of the revised customer service rules. However, the CLD cautions that this data, analyzed in isolation, would not be useful in comparing performance across distributors, as suggested in Section 5.0, as all distributors operate in unique and differing service areas, and themselves have unique and distinguishing characteristics that would not and could not be captured by the data being provided. For example, the tracking of bad debt expenses over time could be used to analyze trends, but the timing of when a bad debt expense is recorded will vary from distributor to distributor based on internal financial policies. Rules concerning security deposits and load control devices will have similar issues.

The CLD also submits that many of the trends derived from this data could be influenced by external factors. Disconnections, debts, and other measures may be influenced as much by the revised customer service rules as by economic factors such as employment, or environmental factors such as weather. The Proposed Requirements could be useful indicators in evaluating the effectiveness of the revised customer service rules, but any trends derived from this data should be analyzed with appropriate caution.

Section 3.3 Arrears and Arrears Payment Agreements

The Board has requested comments as to the appropriate measure for tracking arrears. The CLD submits that either total arrears (i.e., any time after a distributor's payment grace period ends) or 30 day arrears are acceptable measures. Total arrears will be easiest to implement, as all distributors currently track this measure on an ongoing basis, while the 30 day arrears measure may provide slightly more meaningful data as it will avoid marginal cases of late payments and any variability in data resulting from voluntary extensions to a distributor's grace period. However, the CLD notes that many, but not all distributors currently use a strict "30 day" measure, which could result in additional implementation costs for those that use other timeframes.

The proposed 16-day measure would not be appropriate as it would capture customers making payments within a distributor's grace period, who are not considered by distributors to be in arrears (and is not a metric that is currently routinely tracked by any distributor). Similarly, a 60-day measure would not be useful as it would only capture the most extreme cases.

Section 4.0 Additional Data

The CLD cautions that any partial data available may be of limited value, as not all utilities will be able to provide this data under the same comparable measures as



described in the Proposed Requirements. The CLD would use best efforts to provide data already collected in the normal course of business, but this will likely be restricted only to the most basic measures, and may not distinguish between low-income and non-low income customers.

Please contact the undersigned if you have any further questions on this submission.

Yours truly,

(Original signed on behalf of the CLD by)

Colin McLorg,
Manager, Regulatory Policy & Relations
Toronto Hydro-Electric System Limited

Gia M. DeJulio
Enersource Hydro Mississauga Inc.
(905) 283-4098
gdejulio@enersource.com

Indy J. Butany-DeSouza
Horizon Utilities Corporation
(905) 317-4765
indy.butany@horizonutilities.com

Patrick J. Hoey
Hydro Ottawa Limited
(613) 738-5499 X7472
patrickhoey@hydroottawa.com

Sarah Griffiths
PowerStream Inc.
(905) 532-4527
sarah.griffiths@powerstream.ca

Colin J. McLorg
Toronto Hydro-Electric System Limited
(416) 542-2513
regulatoryaffairs@torontohydro.com

George Armstrong
Veridian Connections Inc.
(905) 427-9870 x2202
garmstrong@veridian.on.ca