



BY E-MAIL AND WEB POSTING

March 19, 2012

**To: All Licensed Electricity Distributors
All Participants in Consultation Processes EB-2007-0722 and EB-2008-0150
All Other Interested Parties**

**Re: Consultation on Electricity Reporting and Record Keeping Requirements
for Distributors Related to Revised Customer Service Rules
Board File: EB-2007-0722**

1. Introduction

Proposed customer service amendments ("Proposed Amendments") to the Electricity Reporting and Record Keeping Requirements ("Electricity RRR") were issued for comment by the Board on January 30, 2012. The Proposed Amendments took into account comments received from the LEAP Financial Assistance Working Group ("Working Group") on December 15, 2011. The Working Group includes representatives of utilities, ratepayer groups and social service agencies.

Written comments on the Proposed Amendments were received from the Electricity Distributors Association ("EDA"), the Coalition of Large Distributors ("CLD"), Hydro One Networks Inc. ("HONI"), Chatham-Kent Hydro Inc. ("CK") and the Low-income Energy Network ("LIEN"). These comments are available for viewing on the Board's website at www.ontarioenergyboard.ca.

In addition, the Cornerstone Hydro Electric Concepts Association Inc. ("CHEC") called Board staff to indicate that their member utilities had no problems with the Proposed Amendments and were considering implementing them.

2. Adoption of Proposed Amendments

After considering the comments received, the Board has determined that the only change required to the Proposed Amendments is the addition of a definition of accounts in "arrears" for reporting purposes.

The Electricity RRR Customer Service Amendments adopted by the Board (the “Final Amendments”) are set out in Attachment A to this letter. Attachment B sets out, for information purposes, a comparison version of the Final Amendments relative to the January 2012 Proposed Amendments.

3. Summary of Stakeholder Comments

3.1 Comments from Electricity Distributors

CLD, HONI, CK and CHEC had no concerns with the Proposed Amendments. Comments were provided on the definition of arrears and on how to track load control device usage. These are addressed below. The EDA did not comment on the specific reporting requirements.

Although CLD and EDA did not anticipate that the proposed reporting requirements would have significant incremental implementation costs, the EDA was concerned that the reporting requirements resulting from several OEB consultations could become cumbersome for utilities. Implementation costs are discussed in section 3.5 below.

Definition of Residential Customer Account in Arrears

The Board's January 30, 2012 letter proposed for comment two alternative definitions: A distributor could treat a residential customer account as being “in arrears”, for Electricity RRR reporting purposes, any time after the 16-day minimum payment period provided under section 2.6.3 of the Distribution System Code has elapsed.

The Board was aware that the above approach of defining customer accounts in arrears will capture a significant number of customers who are simply a few days late in paying their bills. As a result, the Board invited comments on an alternative approach where distributors, as part of their normal business practice, undertake internal analysis of customer accounts in arrears that are more than 30 or 60 days past due.

The CLD commented that residential customer accounts in arrears that are more than 30 days overdue would provide more meaningful data as this would avoid marginal cases of late payments. Many, but not all, distributors currently use a 30 day measure. As a result, some implementation costs may arise for those that use other timeframes.

HONI stated that it is currently tracking customer accounts in arrears using buckets of 0-21 days, 22-59 days and 60-89 days. It suggested using a 22-59 day period for reporting purposes.

The Board believes that defining a customer account in “arrears”, for Electricity RRR purposes, as a customer account that is 30 or more days past the minimum payment period as determined according to section 2.6.3 of the Distribution System Code will provide more useful information in this area since only the serious instances of past due

accounts will then be reported. A definition of an account in arrears has been added to the Final Amendments.

Load Control Devices

CK requested clarification on how to report recurring installations of load control devices. If a customer has a load limiter installed in January and again later in the same year, should this be reported once or twice? The Board notes that the language of the Proposed Amendments requires reporting the number of *accounts* that had load control devices installed during the course of the year, not the number of times a load control device was installed. Therefore it would be reported only once under the given example. The Board believes this approach is simpler and less costly to implement while still providing useful information about trends.

3.2 Comments from LIEN

LIEN recommended that distributors be required to report more detailed information in the following areas:

a) Arrears

- the average and median dollar amount of arrears owing for low-income customer accounts in arrears at year end; and
- the average and median amount of monies owing under arrears payment agreements entered into during the course of the year with low-income customers.

b) Arrears Payment Agreements

- break down arrears information by the length of the agreements, that is the number of arrears payment agreements for a period of at least 8 months, at least 12 months and at least 16 months;
- the number of low-income customers for whom late payment charges or service charges have been waived as a result of entering into arrears agreements; and
- the number of eligible low-income customers who have accessed arrears payment agreements more than once.

c) Bad Debts

- the average and median bad debt expense for low-income customer accounts during the course of the year.

d) Security Deposits

- the average and median dollar amounts of security deposits held from eligible low-income customers; and
- the number of security deposit waivers and refunds provided to eligible low-income consumers.

The Board notes that the average dollar value of arrears, bad debt expense and security deposits held (as suggested under a), c) and d) above) can be calculated from the data to be provided under the Proposed Amendments and therefore does not need to be separately filed. Moreover, given the concerns that were expressed by the Working Group about reporting costs, the Board does not consider gathering further data on the median figure for arrears, bad debts and security deposits held to be of sufficient importance to add another reporting requirement.

Requiring the data to be filed on arrears agreements to be subdivided by the length of the agreement (as suggested under b) above) was previously considered by the Working Group but it was not adopted as it would be costly to have all distributors reporting this information. The Working Group recommended collecting this information from a smaller number of distributors that already have the capability to report this data or volunteer to gather this data. The Board sees merit in proceeding with the Working Group's suggestion in this area. The Board views the other extra items of arrears payment agreement data that LIEN suggested be collected (set out in the second and third bullet points under b) above) as specialized information and will not add them to the list of information that all distributors must report.

The Board notes that the Working Group previously considered but did not support tracking detailed information about security deposit waivers and refunds (as suggested under d) above). The Board prefers to stay with the proposed key measures in this area set out in the January 30, 2012 letter. Focusing on a limited number of priority measures will help address the concerns expressed about the overall burden of regulatory reporting.

3.3 Comments on Additional Data to be Filed

The January 30, 2012 letter requested that, as part of their regular April 2013 Electricity RRR filings, electricity distributors provide:

- Available baseline data for 2010 and 2011 in respect of the various measures to be tracked under the final Electricity RRR amendments.
- Available relevant data for the 2012 period, the first full year under the low-income customer service rules.

The CLD indicated that it will use best efforts to provide data already collected in the normal course of business, although it will likely be restricted to basic measures and may not distinguish between low-income and non low-income customers. The CLD also thought that the new data, analyzed in isolation, would not be useful in comparing performance across distributors since all distributors operate in unique and differing service areas and themselves have unique and distinguishing characteristics. CK stated that it started manually flagging accounts for LEAP only at the beginning of 2011 and believes that it would be challenging to provide historical details at the level requested.

The Board is of the view that there is benefit in collecting some baseline data. Distributors are expected to provide data already collected in the normal course of business. Board staff will consider the limitations of the data when preparing the annual monitoring reports.

3.4 Comments on Implementation Date

The Board proposed that as of January 1, 2013, distributors must start collecting the data required under the proposed Electricity RRR amendments. The first required filing of the information would thus be due on April 30, 2014.

Distributors generally indicated that they will be able to start collecting the data by January 1, 2013, as requested. The Board will proceed with the proposed implementation date.

The baseline data discussed above should be filed by distributors as part of their regular April 2013 Electricity RRR filings.

3.5 Comments on Implementation Costs

The CLD did not anticipate significant incremental implementation costs, although the costs may vary from distributor to distributor. Similarly, CHEC has advised that the implementation costs are not expected to be significant.

The EDA commented that while adding the proposed customer service amendments to the Electricity RRR may not appear to be onerous for distributors, when reporting requirements resulting from several OEB consultations are added up, the overall task of reporting becomes burdensome.

The Board notes that the number of requested data points had been significantly reduced following the December 15, 2011 discussions with the Working Group. The Board believes that the resulting Proposed Amendments strike a reasonable balance between costs and benefits.

The Board is cognizant of the concerns expressed by electricity distributors about the overall compliance costs of regulatory reporting. The Board has commenced a separate review of the entire Electricity RRR, as communicated in its correspondence issued March 7, 2012.

The EDA and CLD also suggested that the Renewed Regulatory Framework initiative may impact future regulatory reporting requirements. To the extent these two initiatives can be harmonized, the impact on business processes and costs could be minimized.

The Board is mindful that the Renewed Regulatory Framework may require the reporting of new data in the future. However, the Board believes it is premature to

consider detailed data needs arising from the broader Renewed Regulatory Framework process and therefore will proceed with adoption of the present Proposed Amendments.

4. Establishing Volunteer Group of Electricity Distributors

The Board believes that the collection of limited additional data, on a voluntary basis, could be usefully explored with a small group of electricity distributors. The Board anticipates, for example, that collecting data on the performance of arrears agreements, based on the length of the agreement, could provide useful information. Collection of other data could also be explored, subject to costs and availability.

The Board believes that the Working Group would be a convenient vehicle to pursue this matter, given their existing familiarity with the customer service rules and low-income issues. The next meeting of the Working Group is expected to take place in late May or June 2012. Board staff will ask for volunteers amongst the electricity distributors that are represented at the Working Group.

5. Coming into Force

As indicated above, the final amendments to the Electricity RRR set out in Attachment A to this letter will come into force on January 1, 2013.

As of today, this letter, including the Final Amendments to the Electricity RRR as set out in Attachment A, will be available for public inspection on the Board's website at www.ontarioenergyboard.ca and at the office of the Board during normal business hours.

Any questions regarding the Final Amendments to the Electricity RRR as set out in Attachment A should be directed to the Market Operations Hotline at 416-440-7604 or market.operations@ontarioenergyboard.ca. The Board's toll free number is 1-888-632-6273.

DATED at Toronto, March 19, 2012

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary

Attachments:

Attachment A: Final Electricity RRR Customer Service Amendments

Attachment B: Comparison Version Showing the Final Electricity RRR
Customer Service Amendments Relative to the January
30, 2012 Proposed Electricity RRR Customer Service
Amendments

Attachment A
Final
Electricity Reporting & Record Keeping
Requirements (“RRR”) Customer Service Amendments
March 19, 2012
EB-2007-0722

1. Section 1.2 of the RRR is amended by adding the following definitions:

a) after the definition of “affiliate”:

“arrears” means, for purposes of sections 2.1.8 c) i. to iv. below, an account that is 30 or more days past the minimum payment period as determined according to section 2.6.3 of the Distribution System Code;

b) after the definition of “distributor”:

“eligible low-income customer” means an eligible low-income electricity customer, as defined in sections 1.2, 1.3.2 and 1.3.3 of the Distribution System Code, Retail Settlement Code or Standard Supply Service Code;

“equal billing plan” means a billing plan where the amount due in each bill is equalized over the course of the billing periods in the year, which may occur on a monthly, bi-monthly or quarterly basis;

“equal monthly payment plan” means a payment plan where an equalized amount is automatically withdrawn from a customer’s account at a financial institution on a monthly basis, followed by a bill on a monthly, bi-monthly or quarterly basis;

“load control device” has the same meaning as set out in the definition section of the Distribution System Code;

“load limiter device” has the same meaning as set out in the definition section of the Distribution System Code;

c) after the definition of “SSS”:

“timed load interrupter device” has the same meaning as set out in the definition section of the Distribution System Code;

2. Section 2.1 of the RRR is amended by adding the following subsections:

2.1.8. A distributor shall provide in the form and manner required by the Board, annually, by April 30, the following information for the preceding calendar year with respect to residential and eligible low-income customers.

a) Number of Eligible Low-Income Customer Accounts

- i. number of eligible low-income customer accounts at year end.

b) Disconnections for Non-Payment

- i. number of residential customer accounts disconnected for non-payment during the course of the year; and
- ii. number of eligible low-income customer accounts disconnected for non-payment during the course of the year.

c) Arrears and Arrears Payment Agreements under the Distribution System Code

- i. number of residential customer accounts in arrears at year end;
- ii. number of eligible low-income customer accounts in arrears at year end;
- iii. total dollar amount of arrears for residential customer accounts in arrears at year end;
- iv. total dollar amount of arrears for eligible low-income customer accounts in arrears at year end;
- v. number of arrears payment agreements entered into during the course of the year with residential customers;
- vi. number of arrears payment agreements entered into during the course of the year with eligible low-income customers;
- vii. total amount of monies owing under arrears payment agreements entered into during the course of the year with residential customers;
- viii. total amount of monies owing under arrears payment agreements entered into during the course of the year with eligible low-income customers;
- ix. number of arrears payment agreements with residential customers that were cancelled during the course of the year due to non-payment; and

- x. number of arrears payment agreements with eligible low-income customers that were cancelled during the course of the year due to non-payment.

d) Bad Debts

- i. number of residential customer accounts that recorded bad debt expense during the course of the year;
- ii. number of eligible low-income customer accounts that recorded bad debt expense during the course of the year;
- iii. total dollar amount of bad debt expense for residential customer accounts during the course of the year; and
- iv. total dollar amount of bad debt expense for eligible low-income customer accounts during the course of the year.

e) Equal Billing and Equal Monthly Payment Plans under the Standard Supply Service Code

- i. number of residential customer accounts enrolled in equal billing plans at year end;
- ii. number of eligible low-income customer accounts enrolled in equal billing plans at year end;
- iii. number of residential customer accounts enrolled in equal monthly payment plans at year end; and
- iv. number of eligible low-income customer accounts enrolled in equal monthly payment plans at year end.

f) Security Deposits

- i. number of residential customer accounts with security deposits held at year end;
- ii. total dollar amount of security deposits held in respect of residential customers at year end;
- iii. number of eligible low-income customer accounts with security deposits held at year end; and
- iv. total dollar amount of security deposits held in respect of eligible low-income customers at year end.

g) Load Control Devices

- i. number of residential customer accounts where load limiter devices were installed during the course of the year;
- ii. number of low-income customer accounts where load limiter devices were installed during the course of the year;
- iii. number of residential customer accounts where timed load interrupter devices were installed during the course of the year; and
- iv. number of eligible low-income customer accounts where timed load interrupter devices were installed during the course of the year.

Attachment B

Comparison of Final Electricity Reporting & Record Keeping Requirements ("RRR") Customer Service Amendments Relative to the January 30, 2012 Electricity RRR Customer Service Proposed Amendments

March 19, 2012

EB-2007-0722

1. Section 1.2 of the RRR is amended by adding the following definitions:

a) after the definition of "affiliate":

"arrears" means, for purposes of sections 2.1.8 c) i. to iv. below, an account that is 30 or more days past the minimum payment period as determined according to section 2.6.3 of the Distribution System Code;

b) after the definition of "distributor":

Deleted: a

"eligible low-income customer" means an eligible low-income electricity customer, as defined in sections 1.2, 1.3.2 and 1.3.3 of the Distribution System Code, Retail Settlement Code or Standard Supply Service Code;

"equal billing plan" means a billing plan where the amount due in each bill is equalized over the course of the billing periods in the year, which may occur on a monthly, bi-monthly or quarterly basis;

"equal monthly payment plan" means a payment plan where an equalized amount is automatically withdrawn from a customer's account at a financial institution on a monthly basis, followed by a bill on a monthly, bi-monthly or quarterly basis;

"load control device" has the same meaning as set out in the definition section of the Distribution System Code;

"load limiter device" has the same meaning as set out in the definition section of the Distribution System Code;

c) after the definition of "SSS":

Deleted: b

"timed load interrupter device" has the same meaning as set out in the definition section of the Distribution System Code;

2. Section 2.1 of the RRR is amended by adding the following subsections:

2.1.8. A distributor shall provide in the form and manner required by the Board, annually, by April 30, the following information for the preceding calendar year with respect to residential and eligible low-income customers.

a) Number of Eligible Low-Income Customer Accounts

- i. number of eligible low-income customer accounts at year end.

b) Disconnections for Non-Payment

- i. number of residential customer accounts disconnected for non-payment during the course of the year; and
- ii. number of eligible low-income customer accounts disconnected for non-payment during the course of the year.

c) Arrears and Arrears Payment Agreements under the Distribution System Code

- i. number of residential customer accounts in arrears at year end;
- ii. number of eligible low-income customer accounts in arrears at year end;
- iii. total dollar amount of arrears for residential customer accounts in arrears at year end;
- iv. total dollar amount of arrears for eligible low-income customer accounts in arrears at year end;
- v. number of arrears payment agreements entered into during the course of the year with residential customers;
- vi. number of arrears payment agreements entered into during the course of the year with eligible low-income customers;
- vii. total amount of monies owing under arrears payment agreements entered into during the course of the year with residential customers;

- viii. total amount of monies owing under arrears payment agreements entered into during the course of the year with eligible low-income customers;
- ix. number of arrears payment agreements with residential customers that were cancelled during the course of the year due to non-payment; and
- x. number of arrears payment agreements with eligible low-income customers that were cancelled during the course of the year due to non-payment.

d) Bad Debts

- i. number of residential customer accounts that recorded bad debt expense during the course of the year;
- ii. number of eligible low-income customer accounts that recorded bad debt expense during the course of the year;
- iii. total dollar amount of bad debt expense for residential customer accounts during the course of the year; and
- iv. total dollar amount of bad debt expense for eligible low-income customer accounts during the course of the year.

e) Equal Billing and Equal Monthly Payment Plans under the Standard Supply Service Code

- i. number of residential customer accounts enrolled in equal billing plans at year end;
- ii. number of eligible low-income customer accounts enrolled in equal billing plans at year end;
- iii. number of residential customer accounts enrolled in equal monthly payment plans at year end; and
- iv. number of eligible low-income customer accounts enrolled in equal monthly payment plans at year end.

f) Security Deposits

- i. number of residential customer accounts with security deposits held at year end;
- ii. total dollar amount of security deposits held in respect of residential customers at year end;

- iii. number of eligible low-income customer accounts with security deposits held at year end; and
- iv. total dollar amount of security deposits held in respect of eligible low-income customers at year end.

g) Load Control Devices

- i. number of residential customer accounts where load limiter devices were installed during the course of the year;
- ii. number of low-income customer accounts where load limiter devices were installed during the course of the year;
- iii. number of residential customer accounts where timed load interrupter devices were installed during the course of the year; and
- iv. number of eligible low-income customer accounts where timed load interrupter devices were installed during the course of the year.