



uniongas

A Spectra Energy Company

March 26, 2012

Ontario Energy Board
2300 Yonge Street
Suite 2700
Toronto, Ontario
M4P 1E4

Attention: Ms. Kirsten Walli, Board Secretary

**RE: EB-2010-0280 – Union Gas Limited – Submission on Low-Income Gas
Customer Service Standards**

Dear Ms. Walli:

On June 29, 2011, the Ontario Energy Board (“the Board”) issued a letter indicating it would be seeking stakeholder input in developing appropriate Low-income customer service standards for rate-regulated natural gas distributors. Union provided a written submission on July 22, 2011 which supported a less prescriptive approach to Low-income customer service standards. As Union has previously stated, its current arrears management practices are sensitive, flexible and meet the needs of all customers, including Low-income customers.

On March 1, 2012, the Board confirmed that for those areas where the Board was satisfied with the gas distributor’s proposals it would not adopt a prescriptive approach. It would instead require distributors to document their policies, post them on their websites and make them available to customers, and to adhere to those policies.

For areas where the Board is not satisfied with the gas distributors’ proposals, the Board requested that the distributors respond by March 26, 2012 indicating whether they intend to adopt the approach identified by the Board as a “best practice”, and if not why.

There are two areas in Union’s current policies and practices that the Board has suggested be modified for Low-income customers. They are:

1. Union should not impose further late payment charges after a customer enters into an arrears payment agreement; and

2. Union should waive security deposits for Low-income customers who do not have an account with a financial institution but are willing to enroll in an equal billing plan.

Late Payment Charges

Union will implement the Board's request to modify the customer services policies for Low-income customers¹ to discontinue late payment charges on outstanding amounts for Low-income customers who have entered into an arrears agreement.

The late payment charges will be applied to the account up to the date that the Low-income customer enters into an "active" payment arrangement. Once enrolled in an "active" payment arrangement, Union will no longer impose late payment charges. If the customer does not enter into an arrangement, cancels the arrangement, or defaults without setting another payment arrangement, then late payment charges will be applied to the account.

Union requests six months from the Board's final decision to implement the changes to its customer service system and associated processes. Union will coordinate this change with the complete automation of Union's Revised Conditions of Service per the Amendments to the Gas Distribution Access Rule implemented by Union on March 5, 2012. To implement all the changes by March 5, 2012, some of the processes are currently being completed manually with the intent of full automation by mid-September 2012.

Security Deposits

It is currently Union's practice to waive the security deposit for any customer that joins the equal billing plan and the automatic payment plan. Union does not support changing this practice to allow for the waiver of security deposits for Low-income customers who are willing to enroll in an equal billing plan but do not have an account with a financial institution.

The need for a security deposit is ultimately a reflection of the creditworthiness of the customer. Adopting the approach proposed by the Board would mean that customers who do not qualify as Low-income customers would need to meet a higher threshold than a customer qualified as Low-income before their security deposit is waived. In Union's view this inconsistency is neither warranted nor necessary. As indicated by Union in prior submissions, Union's customer service practices and policies are flexible and allow for the reduction or waiver of the security deposit depending on individual customer circumstances.

¹ Union will use the criteria established for electricity distributors to define Low-income customers (EB-2007-0722 Electricity Notice of Amendments to Codes dated March 30, 2011). Once a social or government agencies confirms the Low-income customer's designation, the designation will be applicable for two years.

Implementation Costs

Union will track any costs incurred for system and process changes required to modify its customer service policies related to Low-income customers in the Gas Distribution Access Rule (GDAR) Costs deferral account for future disposition.

If you have any questions, please contact me at 519-436-4521

Yours truly,

[original signed by]

Marian Redford
Manager, Regulatory Initiatives

cc: Crawford Smith (Torys)
EB-2011-0280 Intervenors