Ontario, Canada
Aylmer
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The Corporation of the Town of Aylmer
46 Talbot Street, West, Aylmer, Ontario N5H 1J7
Office: 519-773-3164 Fax: 519-765-1446
www.aylmer.ca

September 4, 2012

Hounourable Chris Bentley
Minister of Energy
Hearst Block, 9th Floor '
Queen's Park
Toronto ON

Dear Minister,

We are writing to you on behalf of our community ratepayers who fall within the natural gas distribution franchise area of NRG Inc. As you know, our community is subject to franchise agreements with NRG who holds the monopoly for gas distribution rights to about 7,000 ratepayers in the Aylmer and surrounding area. We receive regular feedback from our constituents on their dealings with our gas distributor. As elected officials, we take this feedback very seriously and act appropriately when necessary in the interests of our constituents. In that regard, we are writing to you to seek your assistance in solving a problem with the ongoing bahaviour of our gas distributor that continues to hurt investment in our communities and costs our constituents hundreds of dollars extra each year in their utility bills.

Over the years, our Municipality has received numerous complaints from constituents about NRG, we have endured unethical behaviour and fought repeated attempts to take advantage of customers in a variety of ways. It is well know in our community that the cost of natural gas is up to 40% more than in the contiguous franchise area of Union Gas. It is also common practice for NRG to contest everything regardless of merit. These actions cause lengthy delays and additional costs to Municipalities with limited resources. This not only costs more it creates an environment that is unfriendly to business.

This ongoing problem is rooted, in part, in the fact that NRG's franchise area is an aberration in Ontario's natural gas marketplace. These circumstances and NRG's flagrant

disregard for their obligations to act in the public interest is putting ratepayers and our communities at a disadvantage. More to the point, this unique situation has allowed NRG to conduct business in a manner beyond the apparent jurisdiction of the OEB. In short, the OEB lacks the tools to effectively influence the conduct of this utility.

We believe this behaviour is not only costing our constituents money but, it is impeding our ability to attract business investment to our communities. The OEB has been ineffective at mitigating the behaviour of this company over the years so we would like to propose that you provide additional tools to the OEB so they can better manage the conduct of this utility.

Please allow us to explain.

The OEB has powers to deal with unacceptable situations and behaviour of small electric utilities who may not be acting in the public interest. This power was given to the OEB in the 90's when changes were introduced to the electricity marketplace. Accordingly, the OEB is authorized under section 59(1) of the OEB Act to monitor and, if necessary, take remedial action if an electric utility is failing to meet their obligations to the public. No such powers exist for small natural gas utilities.

We would like to suggest that you take appropriate actions to address this situation by vesting the OEB with additional powers in parallel to section 59(1) to protect the public interest and the ratepayers of our communities. Given these additional powers to assess governance issues, monitor financial controls, review operational issues, and to remedy shortcomings, the OEB can then conduct an effective review of NRG's capacity to carry on gas distribution services in its franchise areas.

Minister, this situation can only be resolved with your intervention. Unfortunately, these untenable circumstances have been going on for years and our constituents deserve better from this utility. We would appreciate an opportunity to discuss this matter with you at your earliest convenience. Thank you and we look forward to hearing from you.

Sincerely,

Jack Couckuyt, Mayor