

G. F. MacKay

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January 11, 2020

Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto ON M4P 1E4
Attention: Board Secretary

Via e-mail: boardsec@oeb.ca

Re: Enbridge Application EB-2019-0194

The e-mail forwarding my most recent e-bill from Union/Enbridge contained the statement "The Ontario Energy Board will be reviewing Enbridge Gas Inc.'s e-bill practices in the 2020 Rates Application (EB-2019-0194) proceeding that is now underway. If you have any questions about your account (including around any late payment charges that have been applied on your e-bill). Please contact Enbridge Gas at 1-888-774-3111". I would therefore like to send you my thoughts on some of the minor matters around billing practices.

In general regarding the e-bill process I wish to commend Union Gas for its vision of what it means to bill electronically. In particular the simplistic approach used in that I get an email from them and attached to the email is a complete copy of my bill. Billing done my job is to pay it. This is in contrast to the multi-step process used by others such as Ontario Hydro that send an email with a few details on it but if I want a bill I need to go to their web-site and access my account to see or download the actual bill. Obviously this latter approach entails the need to set up an account with them along with a password to protect my privacy and it also requires that I go to the web site to get the bill. In my view only the Union Gas approach is electronic billing. In effect what Ontario Hydro does is to send me an invitation to pick up my bill yet I'm sure they feel entitled to insist on payment directly to them rather than my sending them an email saying that my cheque is ready for pick-up! Although I initially signed up for e-billing with Ontario Hydro I immediately cancelled it when the first e-mail came because it did not have my bill attached. I can only assume that this much more complex manner of billing is designed to increase the number of customers with accounts that they can allow advertisers access to on their web-site and the more customers they have on their database the larger the fees they can charge to advertisers. I am strongly in favour of e-billing in the Union Gas sense of the word but rigorously opposed to having to set up an account on the web-site of every vendor I deal with because not only would I have to remember a lot more passwords but eventually their web-sites will be hacked and they will apologize and commit to do better and whatever damage I suffer will be my problem. Of course I can sue them but it is my sincere hope that the damages are not severe enough to make that a realistic remedy. I would suggest that every company that insists on their customers setting up an account on their web-site should automatically be required to immediately pay every customer on their data base \$2,000 every time their systems are breached and ten times that amount for every breach that they do not promptly disclose.

Furthermore this should not preclude legal action by any number of customers that think their damages are more than the amount paid to them.

Penalising customers for late payments because the Utility did not RECEIVE payment by a specific date puts the customer in a position of being victimized by payment and or mail processes totally beyond their control. Settled law is, I think, that the date of mailing payment is the date of payment notwithstanding the date of actual receipt. Penny at Enbridge says they don't abide by those "old fashioned rules" but surely the principle that when payment is made is when the payor instructs his bank to make the payment in the form of a cheque and then whatever process activities ensue is something beyond the control of the payor and has no impact on the "date of payment". In the current payment system one can electronically instruct the bank to make a payment on a given date electronically without actually signing a cheque directing the bank to do so but that change in process does not alter the fact that the "date of payment" has been established and it is still independent of the date payment is received by the payee. Utilities may argue that the law cannot be properly administered which is presumably "code" for "we may need a human to look at it" and in response to that it is suggested that they could revive the old bank principle of 3 days grace which may well have been used to allow for mail delays in the first place. Another option would be the Canada Revenue approach which in effect is to forgo amounts under \$10 which eliminates most of the problems and allows the staff of the Utility to deal with substantive amounts on a case by case basis.

Utilities may argue that financial penalties are needed to ensure that customers have financial incentives to make payments on time however the collection of same results in the Utility "double dipping" because the penalties improve the customer's behavior, the original objective, while at the same time allowing the Utility to keep amounts paid that were computed at what amount to usurious interest rates. To maintain the principle that the Utility needs such incentives without also leaving the Utility with the ill-gotten gains it is suggested that the actual cash proceeds of such charges be held in trust by the Utility and used to replace security deposits of low income first time Utility users on the basis that they are returned to trust when the user no longer needs a deposit in accordance with the usual terms of the Utility contracts and if the unused balance in the trust exceeds the amount of the funds so used in the prior two years then the excess shall be donated to local charities in proportion to the revenues of the Utility in each locality. Such a program would assist people who are new to the world of housing related prepayments and these are the exactly the group of people from which the Utility will draw its future customers. It also leaves the Utility with less incentive to rigorously enforce its absurdly arbitrary date of payment interpretation in that its cost of a payment delay of one day is only the actual cost of financing the shortfall rather than that plus the waiver of the lucrative & usurious late payment charges. For example if the cost of capital is 5% per annum and there is a one-day delay in receiving payment of a \$300 bill the actual cost of financing is about 4 cents but the late payment penalty at 1.5% is \$4.50 or more than 100 times the actual cost. Although several religions identify usury as an evil none, to my knowledge, seek to define it numerically but most sources suggest that it involves multiples of single digits not triple digits!

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I submit these minor suggestions for your consideration and if clarification of any aspect is required please contact me as above.

I would also like to add a personal comment regarding the regulatory process in general. I have in this piece generally referred to Enbridge/Union Gas as a Utility because from a user point of view the product they sell is in the range of what are usually referred to as utilities such as heat, hydro, telephone, water, sewer etc. and now probably internet access. In that list however only hydro and telephone are utilities in the sense that these businesses are required to offer service to all customers in their jurisdiction. Enbridge/Union Gas is not in this category because they offer service only to the customers who are the easiest for them to serve i.e. in concentrated settlement areas. I am not in any position to opine on the consequences of that distinction but I do have a personal concern, as I think about my grandchildren, that regulation, particularly of prices, should carry with it the burden of urgently fostering the lowest impact on the natural environment whether that suggests immediately facilitating the expansion of the number of customers who have access to natural gas or the raising of prices to encourage lower use of natural gas. Enbridge/Union Gas may be around for 50 more years but hopefully, if managed prudently, the planet will be around many more centuries.

Yours Sincerely,

Gord MacKay