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September 17, 2008

Via RESS e-filing – signed original to follow by mail

Ms. Kirsten Walli, Board Secretary
Ontario Energy Board
PO Box 2319
2300 Yonge St, 27th floor
Toronto, ON M4P 1E4

Dear Ms. Walli:

**Re: Consultation on Energy Issues Relating to Low Income Consumers
OEB File No.: EB-2008-0150**

In response to the Board's letter dated September 5, 2008, please find attached Toronto Hydro-Electric System Limited's ("THESL") presentation for the September Stakeholder Conference.

I will be presenting the attached for THESL. In addition to myself, please register Jack Lenartowicz, Advisor – Regulatory Affairs, to participate at the Conference.

Please direct all future correspondence on this matter to me, by regular mail or by electronic mail to regulatoryaffairs@torontohydro.com.

Yours truly,

A handwritten signature in black ink that reads "Jack Lenartowicz". Below the signature, the letters "FOR" are printed in a small, black, sans-serif font.

FOR

Colin J. McLorg, Manager
Regulatory Affairs

/att.

OEB Consultation on Energy Issues Relating to Low Income Consumers EB-2008-0150 Customer Service Issues

September 22-26, 2008



Customer Service Issues and Arrears Management Programs:

- Payment Plans and Disconnection Policy
- Information and Education
- Monthly Billing
- Other alternatives

Topic # 5: Customer Service Issues and Arrears Management Programs

Payment Plans and Disconnection Policy:

- Distributors offer flexible payment plans for customers who fall behind in their payments.
- The policy is to not disconnect a customer if there is communication with the distributor and a willingness to pay the outstanding amount (i.e. adherence to an agreed upon payment plan).
- Proceeding to disconnect a customer is a last resort, taken only on demonstrated delinquency of the customer.



Topic # 5: Customer Service Issues and Arrears Management Programs

Information and Educational Services:

- Call Centre Staff direct customers to possible sources of financial support (e.g. Winter Warmth Fund).
- Staff also provides information on the composition of the electricity bill, and methods of reducing energy consumption (through efficient use of appliances, etc.).
- Smart Meter deployment and web-based tools offer customers the information and opportunity to manage time-of-use consumption to save peak energy and lower bills.

Topic # 5: Customer Service Issues and Arrears Management Programs

Monthly Billing Option:

- With the introduction of a new CIS system in 2009, THESL will be able to broadly offer a monthly billing option. Monthly billing available on request now. Other utilities are planning similar initiatives.
- Monthly billing addresses the difficulty in paying larger bills and may reduce billing volatility.
- An alternative to equal billing, which may dampen TOU price signals.

Topic # 5: Customer Service Issues and Arrears Management Programs

Other Options:

- THESL can work with third parties to accept security deposits but cannot presently return deposits to third parties except on a manual basis – not workable on a large scale.
- Similarly, providing that privacy requirements are met, THESL could work with 3rd party agencies in areas like notices for overdue accounts, but system changes would be necessary and costs would need to be incurred and recovered. It is not clear what options would be cost effective.

Topic # 5: Customer Service Issues and Arrears Management Programs

Policy Considerations:

- THESL is not set up to establish or maintain a system of low-income customer identification, and has no expertise in this area. Imposing this role on utilities is likely to create substantial costs and inefficiencies unless a pre-existing system can be relied on.
- Similarly, without being able to rely on a pre-existing system, it is likely that disparities in eligibility and status-maintenance would develop across utilities.
- With sufficient time and resources, systems can be developed to meet needs but risks and costs must be covered, likely through deferral/variance accounts initially.

**OEB Consultation on Energy Issues
Relating to Low Income Consumers
EB-2008-0150
CDM Programs**

September 22-26, 2008



CDM and Demand Side Management programs for Low Income Consumers:

- Social Housing Program (Appliance Replacement)
- Low Income Program (CFLs, educational material)
- Low Income Single Family Program (OPA proposed)

Social Housing Program:

- Third Tranche program, effective between 2005 and 2007.
- Appliances on select TCHC properties were replaced by new 'Energy Star' appliances, increasing the energy efficiency (and reducing energy consumption) for consumers on those properties.

Topic # 6: CDM for Low Income Consumers

Low Income Program:

- Part of the Toronto Directive currently underway via OPA funding.
- Replacement of standard light bulbs with CFLs and the distribution of educational energy conservation material within select properties of non-TCHC social housing agencies. (TCHC properties are addressed directly through a parallel program via the City of Toronto).

Topic # 6: CDM for Low Income Consumers

Low Income Single Family Program:

- Currently under consideration by the OPA.
- An RFP has been issued, with the following main criteria:
 - Reduce electricity consumption and demand for Low Income Persons who meet the Program Eligibility Criteria to contribute to the Ministry of Energy 100 MW Low Income and Social Housing Directive.
 - Retrofit 6,400 low income single family homes for aggregate 14.0 GWh of first year savings, 0.5 MW (summer), 3.5 MW (winter).
 - Create conservation awareness through education among low-income single family homes and support networks.

Topic # 6: CDM for Low Income Consumers

Policy Considerations:

- Is there a need for locally-tailored low-income related CDM programs?
- If yes, can these be sponsored by the OPA?
- If yes and programs not sponsored by OPA, is the OEB prepared to extend the scope of rate-funded CDM?