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A Spectra Energy Company

September 17, 2008

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
2300 Yonge Street, 27<sup>th</sup> Floor  
Toronto, ON M4P 1E4

Dear Ms. Walli:

**Re: Consultation on Issues Relating to Low Income Consumers  
Stakeholder Conference Presentations  
Board File No. EB-2008-0150**

Further to the Board's letter of September 5, 2008, attached are the presentations to be delivered by Union Gas representatives at the stakeholder conference scheduled for September 22-26, 2008.

Topic #1 - Should the Board implement policies, programs or other measures designed to assist low income energy consumers?

- Mark Kitchen, Director, Regulatory Affairs

Topic #5 - Customer Service Issues (Payment Period, Disconnection Rules, Security Deposits and Specific Service Charges) and Arrears Management Programs

- Jim Laforet, Manager, Customer Care

Topic #6 - Conservation Demand Management and Demand-Side Management Programs for Low Income Consumer

- Chris Appleton, Manager, Residential DSM Programs and Delivery

Should you have any questions, please do not hesitate to contact me.

Yours truly,

*[Original signed by]*

Patrick McMahon  
Manager, Regulatory Research and Records



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# Consultation on Energy Issues Relating to Low Income Energy Consumers

Topic #1 - Should the Board implement policies, programs or other measures designed to assist low income energy consumers?

Mark Kitchen  
Director, Regulatory Affairs



## Should the Board implement policies, programs or other measures designed to assist low income energy consumers?

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- Low income consumers are facing increased prices for all household expenses – telephone, transportation, food and accommodations as well as energy.
- Low income issues are complex and require an integrated approach among government and social service agencies.
- Our expertise is in the safe and reliable delivery of natural gas to all our customers.
- Community government agencies have expertise in the delivery of programs to low income consumers.
- The Board should continue to encourage the development of conservation programs which provide long term benefits to low income energy consumers.
- We will continue to invest in community programs such as Winter Warmth.

## Should the Board implement policies, programs or other measures designed to assist low income energy consumers?

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- The Board should not require utilities to develop or implement measures to assist low income energy consumers.
  - The development and implementation of low income support programs are the responsibility of government and best delivered through income support and stabilization programs.
  - These are not areas of expertise that exist within the Board or the utilities.
  - Our expertise lies in the distribution, transportation and storage of natural gas.
  - The Board is not in the position where it can ensure universality.
  - Utilities do not have the infrastructure (personnel or systems) that would allow them to administer or maintain low income support programs.

## Should the Board implement policies, programs or other measures designed to assist low income energy consumers?

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- Regulated rates should continue to be designed and approved based on established principles.
  - Applicability should not be based on income or other demographic thresholds.
  - Wealth redistribution is appropriately accomplished through tax system, not utility rate design.
  - Any rate design change or customer discount that reduces the bill of a specific ratepayer group will result in increased rates to others.
  - Other groups have sought special rate treatment from the Board.
  - Approximately 25% of the average residential bill relates to delivery costs. The remaining 75% is for the gas commodity.

## Should the Board implement policies, programs or other measures designed to assist low income energy consumers?

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### In Summary:

- The development and delivery of social programs is the responsibility and expertise of social service agencies and government.
- Union's expertise lies in the distribution, transmission and storage of natural gas.
- The Board should not require utilities to develop or implement low income support programs.
- Rate design should continue to adhere to established principles.
- The Board should continue to encourage the development of conservation programs as a sustainable way to reduce the bills of low income energy consumers.



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# Consultation on Energy Issues Relating to Low Income Energy Consumers

Topic #5 - Customer Service Issues (Payment Period, Disconnection Rules, Security Deposits and Specific Service Charges) and Arrears Management Programs

Jim Laforet  
Manager, Customer Care



# Customer Services

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## Managing Volume and Price Fluctuations

- Equal billing plan
- QRAM and marketer fixed price offerings

## Managing Bill Payments and Arrears

- Payment date and late payment charge
- Payment arrangements
- Social services, community agencies and support groups

## Managing Security Deposits

- Waivers
- Payment arrangements
- Refunds





# Service Disconnection / Reconnection

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## Avoiding Disconnection

- Meet agreed upon payment arrangements
- Make payment prior to disconnection
- Secure social services, community agency or support group assistance

## Disconnection Rule

- If arrears remain unpaid, gas service will be discontinued after giving prior notification via the monthly gas bill

## Reconnection Rule

- Reconnect 85% or more of customers within 2 business days of bringing their account into good standing



# Comments on Customer Service Issues

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## Payment Period

- Extended and self-selected payment dates

## Disconnection Rules

- Relief from disconnection

## Security Deposits

- Specific security deposit rules

## Service Charges

- Reduced or waived charges
- Common charges for gas distributors

## Arrears Management Programs

- Extended payment arrangements
- Partial write-off of arrears



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# Consultation on Energy Issues Relating to Low Income Energy Consumers

Topic #6 - Conservation Demand Management and Demand-Side Management  
Programs for Low Income Consumers

Chris Appleton  
Manager, Residential DSM Programs and Delivery



## Union's Approach to DSM Programs

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- Union Gas understands the value of developing DSM programs tailored to meet the specific needs of low income energy consumers.
- The objective of Union Gas' low income DSM program is to empower low income energy consumers to control their natural gas usage.
- Appropriate incentive measures and dedicated budgets for effective low income DSM program design and delivery.



## Helping Homes Conserve

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- Professional installation of energy efficient showerheads, pipe wrap, kitchen/bathroom aerators and programmable thermostats in low-income customer's homes at *no cost to the customer*.
- Program was offered in Hamilton and Brantford.



## Helping Homes Conserve - Who Qualifies?

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- Customers who have an income which is at or below 125% of Statistics Canada's pre-tax, post-transfer Low-Income Cut-Off (LICO)
- Must pay their own utility bills
- Must reside in a residential building
- Program available to both owners and tenants



## Where Are We Today?

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- Expanded Helping Homes Conserve program into Windsor and Sudbury in addition to Hamilton
- Further developed the communication cycle with our customers in order to bring more awareness and understanding of our program
- Solidified partnerships with community agencies to help identify customers and bring further awareness of the program in our communities



# Helping Homes Conserve Program Partners

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## Hamilton

- Housing Help Centre
- Neighbour to Neighbour

## Windsor

- Downtown Mission

## Sudbury

- Red Cross of Sudbury – Housing Division
- The Social Planning Council of Sudbury





# Weatherization Program

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- Weatherization program in Hamilton targeting 25 privately-owned homes to be launched in September 2008
- Customers will receive a pre and post energy audit and building envelope upgrades including attic/wall insulation and draft proofing
- No cost to the customer
- Partnering with Environment Hamilton and Greensaver to deliver program



## Going Forward

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- Consider expanding the existing Helping Homes Conserve program to more measures and communities within the Union Gas service area.
- Evaluate weatherization program in order to determine if such a program can be implemented in other communities within the Union Gas service area.